

**ILLINOIS FINANCE AUTHORITY
BOARD MEETING**

Tuesday, January 12, 2010

Chicago, Illinois

COMMITTEE OF THE WHOLE

8:30 a.m.

Two Prudential Plaza - IFA Chicago Office

180 N Stetson, Suite 2555

Chicago, Illinois

AGENDA

- I. Call to Order
- II. Roll Call
- III. Chairman's Remarks
- IV. Message from the Executive Director (Tab A)
Attachment 1 - Financial Report
Attachment 2 - Schedule of Debt and Listing of FY10 closed projects
Attachment 3 - Senior Staff Bio's and Organizational Chart
- VI. Committee Reports
- VII. Project Reports
- VIII. Closed Session
- IX. Other Business
- X. Adjournment

BOARD MEETING

11:30 a.m.

One Prudential Plaza Conference Center

130 East Randolph, 7th Floor

Chicago, Illinois

- I. Call to Order
- II. Chairman's Remarks
- III. Roll Call
- IV. Acceptance of Financials
- V. Approval of Minutes (Tab B & C)
- VI. Project Approvals
- VII. Resolutions / Amendments
- VIII. Other Business

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Beginning Farmer Bonds						
<i>Final</i>						
1	A) Chad J. Kalaher	Chatman (Montgomery County)	\$ 229,182	0	0	ER
	B) Jonathan A. Laue	Beecher City (Effingham County)	\$ 72,500	0	0	ER
	C) Ronald E. & Sandra J. Behrens	Sterling (Whiteside County)	\$ 470,100	0	0	ER
TOTAL AGRICULTURE PROJECTS			\$ 771,782	0	0	

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Freight Transfer Facilities Revenue Bonds						
<i>Preliminary</i>						
2	Seneca I-80 Railport Development LLC and its affiliates, successors, and assigns	Seneca (Grundy County)	\$ 576,118,000	975	1,183	RF
TOTAL BUSINESS AND INDUSTRY PROJECTS			\$ 576,118,000	975	1,183	

COMMUNITY AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds						
<i>Final</i>						
3	Adler School of Professional Psychology	Chicago (Cook County)	\$ 5,100,000	31	25	RF
TOTAL COMMUNITY AND CULTURE PROJECTS			\$ 5,100,000	31	25	

ENERGY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Energy Efficiency						
<i>Preliminary - Taxable Bonds ("additional security" - moral obligation)</i>						
4	EM Properties Ltd. (The Hotel Pere Marquette)	Peoria (Peoria County)	\$ 7,800,000	240	840	BC
Renewable Energy						
<i>Preliminary - Taxable Bonds ("additional security" - moral obligation)</i>						
5	White Oak Energy LLC	Unincorporated (McLean County)	\$ 51,000,000	15	150	ML
TOTAL ENERGY PROJECTS			\$ 58,800,000	255	990	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds						
<i>Final</i>						
6	Provena Health	Multiple	\$ 130,000,000	0	0	PL/BC
7	Swedish Covenant Hospital	Chicago (Cook County)	\$ 110,000,000	0	0	PL/SG
TOTAL HEALTHCARE PROJECTS			\$ 240,000,000	0	0	
GRAND TOTAL			\$ 880,789,782	1,261	2,198	

RESOLUTIONS

Tab	Project	FM
Amendatory Resolutions / Resolutions		
8	Resolution for Participation Loan Payment Modifications by First Midwest Bancorp, Inc. [Robert Wisz LLC and Doreen's Gourmet Pizza, Inc.]	MN/BC
9	A Resolution in Support of the Non-Profit Clean Coal FutureGen Project in Mattoon, Illinois	ST

Other
Adjournment

January 12, 2010

TO: William A. Brandt, Jr., Chairman
Dr. William Barclay
Ronald E. DeNard
James J. Fuentes
Edward H. Leonard, Sr.
Terrence M. O'Brien
Juan B. Rivera

Michael W. Goetz, Vice Chairman
Roderick S. Bashir
John E. Durburg
Dr. Roger D. Herrin
Joseph McInerney
Roger E. Poole
Bradley A. Zeller

RE: Message from the Executive Director

Dear Members of the Board of Directors:

Over the past several months, the Illinois Finance Authority has seen transition coupled with a measure of uncertainty. At the halfway mark in Fiscal Year 2010, I would like to share my view of the mission of the IFA and the role of the Executive Director, summarize the activities of the past six months, provide some background and context for our new Board members, and give you a clear indication of the priorities that I believe we share in the next six months and beyond.

First, I would like to express my deepest appreciation for the confidence the Board expressed in me by appointing me Executive Director on December 8, 2009. It is a privilege to serve this Board and the people of the State of Illinois, and I look forward to a highly productive collaboration as we work together to fulfill the mission of the IFA. At the same time, you have my pledge that I will unremittingly uphold the highest standards of ethical practice and transparency that I know each of you expect.

OUR DRIVING VISION:

The Executive Director is the chief administrative and operational officer of the IFA who has the duty to direct and supervise the management and administration of the IFA staff. It is my intent to work under the leadership of IFA Chairman William A. Brandt, Jr., and all Members of the IFA Board, in concert with Governor Pat Quinn and his office, and in cooperation with the Illinois General Assembly, to pursue the statutory mission of the IFA: facilitating access to lower cost capital through the issuance of federally tax-exempt conduit debt, loan guarantees, and loans to borrowers that retain and create jobs in Illinois. These borrowers include not-for-profit organizations, private businesses, including agricultural and energy businesses, utilities, local governments, and individuals.

Not only will we meet our statutory mission through established programs but we will also identify and maximize new opportunities such as our energy initiative, leveraging tools available through ARRA and other federal programs, and cooperation with other State agencies in ways outlined by Governor Quinn's Economic Recovery Plan announced on December 14, 2009. Through partnership with the Office of the Auditor General and our

own internal efforts, we also aim to continuously identify and solve potential organizational weaknesses in order to better serve our borrowers and the people of the State of Illinois. I plan to accomplish these goals through an effective partnership with our senior management team: Yvonne Towers, Chief Financial Officer-Chief Technology Officer; Pam Lenane, Vice-President Healthcare and Acting General Counsel; Rich Frampton, Vice President, Business, Industry, Higher Education and 501(c)(3) entities; Eric Reed, Downstate Regional Manager-Agriculture; and Art Friedson, Chief Human Resources Officer; as well as the entire IFA staff.

FY10 did not have an auspicious beginning. As the depth of the economic downturn and the impact of that downturn on the IFA's revenues became evident, the IFA tightened its belt and focused its efforts on finding ways to fulfill our mission in a highly challenging environment. This effort culminated in the economic layoff of six valued members of the IFA staff. Although clearly a painful process for all, we have equitably resolved all of the outstanding issues resulting from the layoff and are now keenly focused on the future.

MARKET SEGMENT REVIEWS:

The IFA has benefited from the outstanding efforts of Pam Lenane and the other members of the IFA healthcare team, Bill Claus and Shannon Govia. **Not-for-profit healthcare borrowers** remain the IFA's primary revenue engine and the team has demonstrated their ability to overcome macroeconomic obstacles by closing 18 transactions with a par value of \$1,680,167,015, delivering YTD revenues of \$2,058,196. This YTD figure is 7.5% greater than the budgeted healthcare projections for the entire fiscal year. These projects created 540 new jobs and 2,801 construction jobs. Looking towards the second half of FY10, the rate and size of transactions are expected to return to a more modest level once the current flurry of activity ends in February 2010.

The successes of the IFA healthcare team extended beyond originating and closing financings. In keeping with State and Board policy to promote opportunities for disadvantaged businesses, the IFA held its first diversity forum for minority-owned and woman-owned (MBE/WBE) underwriters in September 2009. Encouraging opportunities for MBE/WBE businesses in connection with the issuance of conduit debt continues to be a policy success of the IFA. The success of the healthcare sector is all the more significant when viewed in the context of Pam Lenane's additional duties as Deputy General Counsel and now Acting General Counsel.

Under the direction of Rich Frampton and despite economic challenges and tight credit availability, the IFA has remained the preferred partner in the conduit financing of **business, industry, higher education, cultural institutions and other not-for-profits** throughout Illinois. During the first half of FY10, Rich and his team, Kim Du'Prey, Jim Senica and Mauricio Nares, closed 14 bond transactions representing \$414,616,458 in outstanding debt and \$949,249 in revenue to the Authority. Recent highlights include Roosevelt University, the Museum of Science and Industry, Orbital Tool Technologies

Corporation, and the Authority's first local government pooled issuance in almost two years. Projects managed by this team created 163 new jobs and 1,914 construction jobs. In addition to attaining transaction volume and revenues that exceeded budgeted targets, Rich has led an effort to build a robust credit review process that facilitates the IFA's effectiveness while providing valuable training to staff and more effectively manages risk.

Rich Frampton and Pam Lenane deserve special commendation for hosting and organizing the Chicago meeting of NAHEFFA, the National Association of Healthcare and Educational Facility Financing Authorities, September 2009, in Chicago on behalf of the IFA. More than 165 representatives of health and educational facilities and finance professionals from across the country attended this conference. In addition, Rich Frampton was appointed to the national board of CDFAs, the Council of Development Finance Agencies, where he has been an active participant in the CDFAs' Federal Legislative Committee and has presented various professional training seminars. Work with these national organizations has been critical in creating growth opportunities for IFA and our conduit bond borrowers, including the Federal Home Loan Bank Letter of Credit provision recently inserted into the Internal Revenue Code, and the temporary Bank Qualified Status under the 2009 Federal Recovery Act (ARRA) for 501(c)(3) bonds issued in amounts up to \$30 million through the end of calendar 2010.

Agriculture and rural development remain major priorities of the IFA and Eric Reed has successfully led efforts in this sector. Year to Date, 18 Beginning Farmer bonds and 2 Agribusiness loan guarantees have been closed. After years of lobbying by Eric, the IFA and peer agencies, the loan limit for beginning farmer bonds was increased to \$429,200 (Public Act 96-531; SB 260). In addition, the portfolio maintenance of the agricultural loan portfolio is a model for other sectors within the IFA. The creation of a loan scoring system has brought increased efficiency and reduced risk to the agricultural loan process. Lorrie Karcher and Jim Senica, who was recently moved to the agricultural market segment, are the members of Eric's team. To ensure better agricultural coverage, we are evaluating a modest expansion of the agricultural team.

For much of the past year, a major policy focus of the IFA has been the development and implementation of tools that will allow the IFA to play a leading role in the financing of **renewable energy, energy efficiency and clean coal projects**. With Public Acts 96-103 (SB 1906) and 96-817 (SB 390) becoming effective January 1, 2010, the creation of the IFA Energy Committee, and our ongoing effort to obtain and leverage financing resources through the United States Department of Energy, these tools are largely in place. Our next challenge is to use these tools to successfully participate in the financing and completion of renewable energy, energy efficiency and clean coal projects. The IFA teamed with the Illinois Department of Commerce and Economic Opportunity (DCEO) and the Midwest Energy Efficiency Alliance to apply for up to \$75 million through a U.S. Department of Energy (USDOE) competitive program to fund revolving loans and a debt service reserve to support an energy efficiency financing program available to local governments as well as private and not-for-profit borrowers. The IFA continues to work towards delegated

lending status with the USDOE for its federal loan guarantees for renewable energy projects. Pursuant to a USDOE request, IFA is nominating a “first mover” project for eligibility for a USDOE federal loan guarantee. Marnin Lebovits and Steve Trout compose the Energy Team with the support of Kim Du’Prey and Kara Boulahanis. The Executive Director directly supervises the energy initiative.

In the areas of **Finance, Accounting, and IT**, Yvonne Towers has done an outstanding job as Chief Financial Officer and Chief Technology Officer, and as Co-Authorized Agent during the vacancy in the Executive Director’s office. The Office of the Auditor General is completing the FY09 audit of the IFA, and preliminary results show that under Yvonne’s leadership, the IFA will receive the “cleanest” audit since its inception. Yvonne’s team, including Ximenda Granda, Joy Kuhn, Rob Litchfield and Frankie Patterson, were relentless in their efforts during the audit. The audit results serve as a strong affirmation of the ongoing efforts the IFA has made to tighten controls and improve administrative accuracy and productivity. In addition and pursuant to Board direction, Yvonne led an outside review of the management of the loan portfolio by the Bronner Group. Efforts are underway to implement the recommendations of the Bronner Group.

Since 2004, the IFA’s role in within the State **procurement** system, now managed by Central Management Services (CMS), has been somewhat ambiguous. However, the IFA recognizes that it is subject to the procurement system administered by CMS and overseen by the Procurement Policy Board. In our effort to more effectively navigate this complex system, IFA has entered into an intergovernmental agreement with CMS for a part-time Purchasing Agent at a discounted rate. This prepares the IFA for the transfer of procurement duties to a new agency when new procurement reforms become effective July 1, 2010 (Public Acts 96-793, 795; SB 51).. Since October, procurement has been under Yvonne’s supervision.

All **human resources** activities at the IFA had been outsourced to ADP since the inception of the Authority. In recognition of the critical role our staff play in the success of the Authority, we have brought in a highly experienced human resources professional and former public company senior executive to create a hands-on HR presence at the IFA. Art Friedson is concentrating on ending the outsourcing arrangement for human resources services and focusing on professional development, organizational dynamics and executive coaching.

The Authority currently has 22 employees plus one temp and one intern. We are looking to buttress our strength by adding a chief credit officer and analyst to build our credit analysis and portfolio management skills, and a lower level professional to oversee Fire truck and Ambulance lending, conduct TEFRA hearings, and assist with JCAR, the State’s Joint Committee on Rules. Art will be working with me to ensure that we have current accurate reviews on all senior staff that include professional development plans and focus on performance metrics such as revenue generation and mitigation of risk.

MOVING FORWARD:

As we move into the second half of FY10, I have set the following priorities for my first year as Executive Director of the IFA:

- Revenue Improvement. While we have outperformed expectations for the first half of FY10, we expect the business climate to remain challenging. If current interest rates rise, it would decrease demand for re-financings and threaten the viability of pending project financings. Being mindful of the need to self-fund the Agency and to offset some of the expense incurred by the more mission-driven segments of our business, the IFA will be working tirelessly to seek out high-quality transactions in all of our business sectors. We will attract business by building on our reputation of having experienced, knowledgeable and expert staff, and highly efficient processes that reduce the stress of bringing these complex transactions to closing. And, we will seek out opportunities to partner with State and Federal agencies to leverage the impact of the IFA on the economic development of the State of Illinois.
- Personnel Development. As Executive Director, I am committed to establishing a culture of learning and development throughout the Agency. We will pursue the professional development of every member of our team with a goal that each person at the IFA will exceed even his/her own expectations of what s/he is equipped to accomplish. We will be establishing personal development plans for each employee as part of the annual review program. We will aggressively pursue an internship program and an apprenticeship model and seek out appropriate training opportunities to allow our staff to grow and develop into positions of increasing responsibility, adding value to our customers while building loyalty and dedication to the IFA's mission.
- Organizational Planning. The IFA seeks to always have the right mix of talent in the right positions to make the Agency as efficient and productive as possible. Professional development and cross training will help this effort by enabling us to redeploy existing staff as business conditions shift. We will also be working to identify gaps in our organizational skill set and geographic coverage, and will cautiously proceed to fill those gaps and buttress our strength.
- Business Process Improvement. The Authority is remarkably productive given the limits on its resources, but we are not satisfied. As we move ahead, we will continually look for process improvements, technological advances, and all other activities and resources that might reduce waste and duplication of effort and increase productivity. In addition, we will increase our attention to the credit analysis process and concentrate on our existing loan portfolio to ensure that it is being managed prudently and monitored vigorously.

In closing, I would like to reiterate my personal gratitude to the Board for selecting me for this important opportunity. In light of the severe economic challenges facing our nation

and Illinois, the collective work of the IFA becomes all the more important. Over the coming months, I look forward to working together with each of you, as well as the staff of the IFA, to fulfill our mission: retaining and creating jobs by facilitating access to capital.

Respectfully,

Christopher Meister
Executive Director

Attachments:

Attachment 1-General Fund, Financial Results plus the Consolidated balance sheet and the audit tracking schedule

Attachment 2 – Schedule of Debt plus a listing of all FY 10 closed projects thru 12-31-09

Attachment 3– Senior Staff Bios and Org Chart

**Illinois Finance Authority
General Fund
Unaudited
Balance Sheet**

Attachment 1

for the Six Months Ending December 31, 2009

		Actual December 2009
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ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	\$	18,397,708
RECEIVABLES, NET		384,012
LOAN RECEIVABLE, NET		22,102,699
OTHER RECEIVABLES		187,880
PREPAID EXPENSES		130,009
<hr/>		
TOTAL CURRENT ASSETS		41,202,308
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION		68,897
DEFERRED ISSUANCE COSTS		390,217
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES		872,762
VENTURE CAPITAL INVESTMENTS		-
OTHER		(6,712)
<hr/>		
TOTAL OTHER ASSETS		866,050
TOTAL ASSETS	\$	<u>42,527,472</u>
LIABILITIES		
CURRENT LIABILITIES	\$	968,943
LONG-TERM LIABILITIES		563,773
<hr/>		
TOTAL LIABILITIES		1,532,716
EQUITY		
CONTRIBUTED CAPITAL		4,111,479
RETAINED EARNINGS		23,010,155
NET INCOME / (LOSS)		1,901,825
RESERVED/RESTRICTED FUND BALANCE		1,732,163
UNRESERVED FUND BALANCE		10,239,134
<hr/>		
TOTAL EQUITY		40,994,756
TOTAL LIABILITIES & EQUITY	\$	<u>42,527,472</u>

**Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
for Period Ending
December 31, 2009**

Attachment 1

	Actual December 2009	Budget December 2009	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2010	Budget YTD FY 2010	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2010	% of Budget Expended
REVENUE										
INTEREST ON LOANS	96,665	152,451	(55,786)	-36 59%	593,906	613,676	(19,770)	-3 22%	1,175,722	50 51%
INVESTMENT INTEREST & GAIN(LOSS)	11,186	20,833	(9,647)	-46 31%	31,107	124,998	(93,891)	-75 11%	250,000	12 44%
ADMINISTRATIONS & APPLICATION FEES	1,201,795	236,369	965,426	408 44%	3,234,113	2,246,556	987,556	43 96%	3,496,715	92 49%
ANNUAL ISSUANCE & LOAN FEES	48,537	55,244	(6,707)	-12 14%	500,374	331,467	168,908	50 96%	645,618	77 50%
OTHER INCOME	7,941	2,975	4,966	0 00%	112,732	17,850	94,882	0 00%	35,700	0 00%
TOTAL REVENUE	1,366,124	467,872	898,252	191 99%	4,472,233	3,334,547	1,137,686	34 12%	5,603,755	79 81%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	234,749	229,167	5,582	2 44%	1,402,557	1,375,000	27,557	2 00%	2,750,000	51 00%
BENEFITS	27,168	23,042	4,127	17 91%	137,276	138,250	(974)	-0 70%	276,500	49 65%
TEMPORARY HELP	3,275	3,157	119	3 76%	17,108	18,940	(1,832)	-9 67%	37,880	45 16%
EDUCATION & DEVELOPMENT	-	417	(417)	0 00%	11,035	2,500	8,535	341 40%	5,000	220 70%
TRAVEL & AUTO	6,770	5,175	1,595	30 82%	28,563	31,050	(2,487)	-8 01%	62,100	45 99%
TOTAL EMPLOYEE RELATED EXPENSES	271,962	260,957	11,006	4 22%	1,596,539	1,565,740	30,799	1 97%	3,131,480	50 98%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	15,833	15,833	(0)	0 00%	95,462	95,000	462	0 49%	190,000	50 24%
LOAN EXPENSE & BANK FEE	8,916	11,208	(2,292)	-20 45%	56,609	67,250	(10,641)	-15 82%	134,500	42 09%
ACCOUNTING & AUDITING	22,805	21,667	1,138	5 25%	140,677	130,000	10,677	8 21%	260,000	54 11%
MARKETING GENERAL	22,595	9,285	13,310	0 00%	25,522	9,285	16,237	0 00%	65,000	39 26%
FINANCIAL ADVISORY	18,333	18,333	(0)	0 00%	109,998	110,000	(2)	0 00%	220,000	50 00%
CONFERENCE/TRAINING	-	1,250	(1,250)	0 00%	3,718	7,500	(3,782)	-50 42%	15,000	24 79%
MISC PROFESSIONAL SERVICES	-	17,142	(17,142)	0 00%	19,900	17,142	2,758	0 00%	120,000	0 00%
DATA PROCESSING	6,397	2,917	3,480	119 31%	26,676	17,500	9,176	52 43%	35,000	76 22%
TOTAL PROFESSIONAL SERVICES	94,878	97,635	(2,758)	-2 82%	478,562	453,677	24,885	5 49%	1,039,500	46 04%

**Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
for Period Ending
December 31, 2009**

Attachment 1

	Actual December 2009	Budget December 2009	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2010	Budget YTD FY 2010	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2010	% of Budget Expended
OCCUPANCY COSTS										
OFFICE RENT	15,028	22,917	(7,889)	-34.43%	126,941	137,500	(10,559)	-7.68%	275,000	46.16%
EQUIPMENT RENTAL AND PURCHASES	1,301	5,167	(3,866)	-74.83%	17,501	31,000	(13,499)	-43.54%	62,000	28.23%
TELECOMMUNICATIONS	4,922	4,358	564	12.94%	30,075	26,150	3,925	15.01%	52,300	57.51%
UTILITIES	859	800	59	7.34%	5,752	4,800	952	19.83%	9,600	59.92%
DEPRECIATION	4,048	4,025	23	0.58%	29,787	24,150	5,637	23.34%	48,300	61.67%
INSURANCE	1,951	500	1,451	290.24%	11,617	3,000	8,617	287.24%	6,000	193.62%
TOTAL OCCUPANCY COSTS	28,109	37,767	(9,658)	-25.57%	221,674	226,600	(4,926)	-2.17%	453,200	48.91%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	3,839	6,667	(2,827)	-42.41%	20,297	40,000	(19,703)	-49.26%	90,000	22.55%
BOARD MEETING - EXPENSES	2,852	1,600	1,252	78.24%	17,071	9,600	7,471	77.82%	19,200	88.91%
PRINTING	1,098	600	498	82.97%	3,345	3,600	(255)	-7.09%	7,200	46.46%
POSTAGE & FREIGHT	2,547	1,250	1,297	103.79%	8,524	7,500	1,024	13.66%	15,000	56.83%
MEMBERSHIP, DUES & CONTRIBUTIONS	12,073	3,083	8,990	291.57%	20,872	18,500	2,372	12.82%	37,000	56.41%
PUBLICATIONS	293	250	43	17.31%	1,013	1,500	(487)	-32.44%	3,000	33.78%
OFFICERS & DIRECTORS INSURANCE	15,619	16,917	(1,297)	-7.67%	93,773	101,500	(7,727)	-7.61%	203,000	46.19%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	38,322	30,367	7,956	26.20%	164,895	182,200	(17,305)	-9.50%	374,400	44.04%
LOAN LOSS PROVISION/BAD DEBT	25,000	25,000	-	0.00%	150,000	150,000	-	0.00%	300,000	50.00%
OTHER										
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL EXPENSES	458,271	451,725	6,546	1.45%	2,611,670	2,578,217	33,453	1.30%	5,298,580	49.29%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	907,853	16,147	891,706	5522.42%	1,860,563	756,329	1,104,233	146.00%	305,175	609.67%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	-	-	-	0.00%	41,262	-	41,262	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	907,853	16,147	891,706	5522.42%	1,901,825	756,329	1,145,496	151.45%	305,175	623.19%

**Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
December 31, 2009**

Attachment 1

	Actual December 2009	Actual December 2008	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2010	Actual YTD FY 2009	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	96,665	108,904	(12,240)	-11 24%	593,906	675,095	(81,189)	-12 03%
INVESTMENT INTEREST & GAIN(LOSS)	11,186	15,254	(4,068)	-26 67%	31,107	186,873	(155,765)	-83 35%
ADMINISTRATIONS & APPLICATION FEES	1,201,795	365,630	836,166	228 69%	3,234,113	2,409,216	824,896	34 24%
ANNUAL ISSUANCE & LOAN FEES	48,537	69,384	(20,846)	-30 04%	500,374	325,255	175,120	53 84%
OTHER INCOME	7,941	7,755	186	0 00%	112,732	51,967	60,765	0 00%
						-	-	-
TOTAL REVENUE	1,366,124	566,927	799,197	140 97%	4,472,233	3,648,406	823,827	22 58%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	234,749	239,589	(4,840)	-2 02%	1,402,557	1,386,387	16,170	1 17%
BENEFITS	27,168	24,000	3,169	13 20%	137,276	135,141	2,135	1 58%
TEMPORARY HELP	3,275	9,344	(6,069)	-64 95%	17,108	39,465	(22,357)	-56 65%
EDUCATION & DEVELOPMENT	-	-	-	0 00%	11,035	893	10,142	1135 17%
TRAVEL & AUTO	6,770	2,351	4,419	187 96%	28,563	34,037	(5,474)	-16 08%
TOTAL EMPLOYEE RELATED EXPENSES	271,962	275,284	(3,321)	-1 21%	1,596,539	1,595,923	616	0 04%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	15,833	29,908	(14,075)	-47 06%	95,462	197,908	(102,446)	-51 76%
LOAN EXPENSE & BANK FEE	8,916	13,332	(4,416)	-33 12%	56,609	69,041	(12,432)	-18 01%
ACCOUNTING & AUDITING	22,805	43,589	(20,785)	-47 68%	140,677	170,995	(30,317)	-17 73%
MARKETING GENERAL	22,595	172	22,423	13074 66%	25,522	13,888	11,634	83 77%
FINANCIAL ADVISORY	18,333	25,000	(6,667)	-26 67%	109,998	150,000	(40,002)	-26 67%
CONFERENCE/TRAINING	-	-	-	0 00%	3,718	8,485	(4,767)	-56 18%
MISC PROFESSIONAL SERVICES	-	-	-	0 00%	19,900	20,000	(100)	0 00%
DATA PROCESSING	6,397	3,863	2,534	65 59%	26,676	18,736	7,940	42 38%
TOTAL PROFESSIONAL SERVICES	94,878	115,864	(20,986)	-18 11%	478,562	649,052	(170,490)	-26 27%

**Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
December 31, 2009**

Attachment 1

	Actual December 2009	Actual December 2008	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2010	Actual YTD FY 2009	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	15,028	25,697	(10,670)	-41 52%	126,941	145,660	(18,718)	-12 85%
EQUIPMENT RENTAL AND PURCHASES	1,301	6,643	(5,342)	-80 42%	17,501	27,728	(10,227)	-36 88%
TELECOMMUNICATIONS	4,922	9,994	(5,072)	-50 75%	30,075	30,684	(609)	-1 98%
UTILITIES	859	1,318	(460)	-34 86%	5,752	7,388	(1,636)	-22 14%
DEPRECIATION	4,048	6,527	(2,478)	-37 97%	29,787	39,078	(9,291)	-23 77%
INSURANCE	1,951	1,702	249	14 63%	11,617	9,738	1,879	19 30%
TOTAL OCCUPANCY COSTS	28,109	51,881	(23,772)	-45 82%	221,674	260,275	(38,601)	-14 83%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	3,839	9,926	(6,087)	-61 32%	20,297	44,606	(24,310)	-54 50%
BOARD MEETING - EXPENSES	2,852	3,273	(421)	-12 86%	17,071	23,028	(5,958)	-25 87%
PRINTING	1,098	727	371	51 11%	3,345	11,210	(7,865)	-70 16%
POSTAGE & FREIGHT	2,547	3,000	(453)	-15 10%	8,524	15,114	(6,590)	-43 60%
MEMBERSHIP, DUES & CONTRIBUTIONS	12,073	4,605	7,469	162 20%	20,872	14,549	6,323	43 46%
PUBLICATIONS	293	398	(105)	-26 33%	1,013	2,390	(1,376)	-57 59%
OFFICERS & DIRECTORS INSURANCE	15,619	15,024	595	3 96%	93,773	88,630	5,143	5 80%
MISCELLANEOUS	-	1,500	(1,500)	0 00%	-	3,928	(3,928)	0 00%
TOTAL GENL & ADMIN EXPENSES	38,322	38,453	(130)	-0 34%	164,895	203,456	(38,560)	-18 95%
LOAN LOSS PROVISION/BAD DEBT	25,000	12,195	12,805	105 00%	150,000	(50,569)	200,569	-396 62%
OTHER								
INTEREST EXPENSE	-	-	-	0 00%	-	-	-	0 00%
TOTAL OTHER	-	-	-	0 00%	-	-	-	0 00%
TOTAL EXPENSES	458,271	493,676	(35,405)	-7 17%	2,611,670	2,658,137	(46,467)	-1 75%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS								
	907,853	73,250	834,603	1139 38%	1,860,563	990,269	870,294	87 88%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT								
	-	-	-	0 00%	-	-	-	0 00%
TRANSFER								
	-	7,000	(7,000)	0 00%	41,262	20,125	21,137	0 00%
REVENUE GRANT								
	-	-	-	0 00%	-	-	-	0 00%
APPROPRIATIONS FROM STATE								
	-	-	-	0 00%	-	-	-	0 00%
NET INCOME/(LOSS)	907,853	80,250	827,603	1031 27%	1,901,825	1,010,394	891,431	88 23%

**Illinois Finance Authority
Consolidated
Unaudited
Balance Sheet**

Attachment 1

for the Six Months Ending December 31, 2009

	Actual December 2008	Actual December 2009
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	\$ 26,423,974	\$ 31,904,704
RECEIVABLES, NET	70,376	384,012
LOAN RECEIVABLE, NET	89,072,513	92,234,269
OTHER RECEIVABLES	1,418,999	1,356,329
PREPAID EXPENSES	77,976	130,009
 TOTAL CURRENT ASSETS	 117,063,838	 126,009,323
 FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	 120,743	 68,897
 DEFERRED ISSUANCE COSTS	 623,393	 532,613
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES	49,963,602	38,425,163
VENTURE CAPITAL INVESTMENTS	5,530,076	5,377,739
OTHER	3,682,072	3,000,000
 TOTAL OTHER ASSETS	 59,175,750	 46,802,902
 TOTAL ASSETS	 \$ 176,983,724	 \$ 173,413,735
 LIABILITIES		
CURRENT LIABILITIES	\$ 1,225,866	\$ 1,103,738
LONG-TERM LIABILITIES	62,333,340	57,191,858
 TOTAL LIABILITIES	 63,559,206	 58,295,596
EQUITY		
CONTRIBUTED CAPITAL	35,608,692	35,608,692
RETAINED EARNINGS	24,795,357	27,173,957
NET INCOME / (LOSS)	607,023	2,216,126
RESERVED/RESTRICTED FUND BALANCE	39,765,275	37,471,193
UNRESERVED FUND BALANCE	12,648,171	12,648,171
 TOTAL EQUITY	 113,424,518	 115,118,139
 TOTAL LIABILITIES & EQUITY	 \$ 176,983,724	 \$ 173,413,735

Illinois Finance Authority
FY08 Audit Findings: Material and Immaterial
Update as of December, 2009

Number of Material Findings - 7

Item Number	Description	Finding Type	Comments	Percentage Completed										
				10	20	30	40	50	60	70	80	90	100	
Government Auditing Standards:														
08-01	Draft Financial Statements Not Completed Timely	Significant Deficiency	People, processes and systems are in place to produce timely financial statements.	[Progress bar]										
08-02	Failure to Provide a Listing of Laws and Regulations Applicable to the Authority	Significant Deficiency	Database developed; identification and tracking, and maintenance of the statutory mandate database have been executed.	[Progress bar]										
Federal Compliance:														
08-03	Missing Policy on Nondiscrimination	Noncompliance and Significant Deficiency	The product bulletin and the application for the Rural Development Program have been updated and posted to the IFA website.	[Progress bar]										
State Compliance:														
08-04	Failure to Report Revenue Bond Information to the Office of the Comptroller	Noncompliance and Significant Deficiency	Implemented a "reminder" process with trustees/paying agents. Changes required from the IOC to totally eliminate this finding.	[Progress bar]										
08-05	No Established Rules to Administer Loan Program (Fire Sprinkler Dormitory Revolving Loan Program)	Noncompliance and Significant Deficiency	No appropriation to fund the program; rules filed with the Secretary of State.	[Progress bar]										
08-06	Failure to Administer the Exporter Award Program	Noncompliance and Significant Deficiency	IFA posted an invitation on its website; nominated borrowers; actual award by DCEO were made on 06/29/09; none of the awardees were submitted by IFA.	[Progress bar]										
08-07	No Formal Record Retention Plan	Noncompliance and Significant Deficiency	State Record Commission reviewed and approved the Records Retention Schedule.	[Progress bar]										

Number of Immaterial Findings - 2

Item Number	Description	Finding Type	Status Action Items/ (not final) Action Items Completed	Percentage Completed										
				10	20	30	40	50	60	70	80	90	100	
FY 08 Immaterial Findings														
IM08-01	Statement of Economic Interest Report Not Filed Timely			[Progress bar]										
IM08-02	Inadequate Documentation of Internal Control Procedures			[Progress bar]										

ILLINOIS FINANCE AUTHORITY
Schedule of Debt ^[a]

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

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2009	December 31, 2009		
Illinois Finance Authority "IFA"				
461 Revenue Bonds	\$ 14,115,957,000	\$ 15,426,291,000		
3 State Component Units ^[b]	45,778,000	45,214,000		
1 Clean Water State Revolving Fund ^[b]	94,480,000	90,415,000		
2 Commercial Paper Revenue Notes	291,000,000	261,000,000		
2 Revenue Financing Notes	3,613,000	3,428,000		
9 Leases, Notes and Certificates of Participation	11,772,000	20,248,000		
7 Bond Bank Revenue Bonds ^[b]	24,560,000	29,020,000		
1 Financially Distressed City Bonds	2,925,000	2,395,000		
3 Bond Anticipation Notes	5,500,000	9,185,000		
262 Agriculture: Beginner Farmer Bonds ^[f]	36,004,000	39,700,000		
751 Total IFA Principal Outstanding	\$ 14,631,589,000	\$ 15,926,896,000		
263 Illinois Development Finance Authority "IDFA" ^[b]	\$ 2,934,399,000	\$ 2,894,499,000		
119 Illinois Health Facilities Authority "IHFA"	\$ 3,655,331,000	\$ 3,251,892,000		
57 Illinois Educational Facilities Authority "IEFA"	\$ 1,734,177,000	\$ 1,662,057,000		
604 Illinois Farm Development Authority "IFDA" ^[f]	\$ 47,029,000	\$ 47,029,000		
21 Illinois Rural Bond Bank "IRBB" ^[b]	\$ 34,585,000	\$ 34,165,000		
1,815 Total Illinois Finance Authority Debt	\$ 23,037,110,000	\$ 23,816,538,000	\$ 28,150,000,000	\$ 4,333,462,000

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

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2009	December 31, 2009		
General Purpose Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
19 Issued through IRBB	\$ 30,725,000	\$ 30,450,000		
8 Issued through IFA	64,560,000	69,020,000		
27 Total General Moral Obligations	\$ 95,285,000	\$ 99,470,000	\$ 150,000,000	\$ 50,530,000
Financially Distressed Cities Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
1 Issued through IFA	\$ 2,925,000	\$ 2,395,000		
1 Issued through IDFA	5,720,000	4,660,000		
2 Total Financially Distressed Cities	\$ 8,645,000	\$ 7,055,000	\$ 50,000,000	\$ 42,945,000
State Component Unit Bonds ^[c]				
2 Issued through IDFA	\$ 105,530,000	99,570,000		
4 Issued through IFA	140,258,000	135,629,000		
6 Total State Component Unit Bonds	\$ 245,788,000	\$ 235,199,000		

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

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2009	December 31, 2009		
Illinois Power Agency	\$ -	\$ -	\$ 4,000,000,000	\$ 4,000,000,000

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

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2009	December 31, 2009		
Clean Coal, Coal and Renewable Energy Projects	\$ -	\$ -	\$ 3,000,000,000 ^[d]	\$ 3,000,000,000

ILLINOIS FINANCE AUTHORITY
Schedule of Debt ^[a]

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

	Principal Outstanding		Program Limitations	Remaining Capacity	State Exposure
	June 30, 2009	December 31, 2009			
Agri Debt Guarantees [Restructuring Existing Debt]	\$ 21,986,000	\$ 22,408,000	\$ 160,000,000	\$ 137,592,000	\$ 18,990,000
Agri Industry Loan Guarantee Program	\$ 13,648,000	\$ 12,572,000			10,686,000
Renewable Fuels	24,445,000	24,445,000			14,875,000
Farm Purchase Guarantee Program	496,000	496,000			421,000
Specialized Livestock Guarantee Program	12,696,000	10,553,000			8,970,000
Young Farmer Loan Guarantee Program	2,430,000	2,684,000			2,281,000
AG Loan Guarantee Program	\$ 53,715,000	\$ 50,750,000	\$ 225,000,000 ^[e]	\$ 174,250,000	\$ 37,233,000
Total State Guarantees	\$ 75,701,000	\$ 73,158,000	\$ 385,000,000	\$ 311,842,000	\$ 56,223,000

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

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2009	December 31, 2009		
Environmental [Large Business]				
9 Issued through IFA	\$ 317,704,000	\$ 317,476,000		
22 Issued through IDFA	407,370,000	407,015,000		
31 Total Environmental [Large Business]	\$ 725,074,000	\$ 724,491,000	\$ 2,425,000,000	\$ 1,700,509,000
Environmental [Small Business]				
31 Total Environment Bonds Issued under Act	\$ 725,074,000	\$ 724,491,000	\$ 2,500,000,000	\$ 1,775,509,000

[a] Total subject to change; late month payment data may not be included at issuance of report.

[b] State Component Unit Bonds included in balance.

[c] Does not include Unamortized issuance premium as reported in Audited Financials.

[d] Program Limitation reflects the increase to \$3 billion effective 01/01/2010 under P.A. 96-103.

[e] Program Limitation reflects the increase from \$75 million to \$225 million effective 01/01/2010 under P.A. 96-103.

[f] Beginner Farmer Bonds are currently updated annually; new bonds will be added under the Illinois Finance Authority when the bond closes.

Illinois Finance Authority Funds at Risk

#	Participation Loans	Original Amount	Principal Outstanding	
			June 30, 2009	December 31, 2009
71	Business & Industry	27,584,793.27	20,487,542.83	18,667,427.45
26	Agriculture	6,106,859.01	5,323,214.12	5,375,248.89
97	Total Participation Loans	\$ 33,691,652.28	\$ 25,810,756.95	\$ 24,042,676.34
1	Illinois Facility Fund	\$ 1,000,000.00	\$ 1,000,000.00	\$ -
4	Local Government Direct Loans	\$ 1,289,750.00	\$ 387,931.74	\$ 1,000,000.00
6	FmHA Loans	\$ 963,250.00	\$ 617,776.68	\$ 322,154.98
2	Renewable Energy [RED Fund]	\$ 2,000,000.00	\$ 1,841,011.12	\$ 561,145.21
110	Total Loans Outstanding	\$ 38,944,652.28	\$ 29,657,476.49	\$ 25,925,976.53



Bonds Issued in Fiscal Year 2010

Closing Date	Bond Issue Principal	Issue	*Invoice Amount	New Jobs	Cons Jobs
07/09/09	116,000,000.00	Provena Health Systems, Series 2009B-D	138,000.00	0	0
07/09/09	14,370,000.00	Jewish Charities RAN, Series 2009-2010A	12,500.00	0	0
07/16/09	8,500,000.00	Hospice of Northeastern Illinois	40,500.00	31	125
07/22/09	30,000,000.00	Illinois Institute of Technology	85,000.00	0	130
07/23/09	13,607,000.00	Alexian Brothers Health System	55,821.00	0	0
07/29/09	200,000,000.00	Rush University Medical Center	200,000.00	300	300
08/13/09	66,500,000.00	Riverside Health System	121,500.00	55	n/a
08/18/09	70,000,000.00	OSF Healthcare System	62,500.00	0	40
08/20/09	7,911,000.00	Our Lady of Angels Village Project [Joliet Franciscans]	38,733.00	2	80
08/20/09	225,000,000.00	University of Chicago Medical Center	211,000.00	0	700
08/20/09	5,431,458.00	St. Patrick High School	27,157.29	0	0
08/20/09	8,924,194.63	Aunt Martha's Youth Project	41,772.58	0	0
10/01/09	28,500,000.00	American Water Capital Corp.	219,450.00	4	120
10/16/09	52,000,000.00	Lake Forest Hospital	107,000.00	40	50
10/21/09	22,870,000.00	Trinity International University	75,740.00	3	40
10/28/09	43,500,000.00	Edward Hospital [refund IHFA 2001C]	98,500.00	0	0
10/29/09	30,000,000.00	Concordia University Chicago	77,500.00	53	70
11/18/09	240,000,000.00	Central DuPage Health, Series 2009B	211,000.00	33	400
12/04/09	4,460,000.00	Bond Bank Revenue Bonds	22,512.50	0	100
12/09/09	183,645,000.00	Roosevelt University	154,822.50	40	400
12/10/09	90,675,000.00	Rehabilitation Institute of Chicago	138,000.00	0	0
12/15/09	3,345,000.00	Villa of Guadalupe Senior Services Corporation	16,725.00	0	0
12/16/09	11,505,000.00	Elgin Academy	49,515.00	5	0
12/16/09	625,000.00	Joliet Montessori School	3,125.00	5	15
12/17/09	64,000,000.00	Museum of Science & Industry	119,000.00	22	914
12/17/09	22,955,000.00	Illinois Valley Community Hospital	37,955.00	3	200
12/22/09	103,805,000.00	Resurrection Healthcare	138,000.00	0	0
12/23/09	150,000,000.00	Memorial Health System	138,000.00	107	1,031
12/29/09	27,689,820.00	Rest Haven Christian Convalescent Home	82,689.82	0	0
	\$ 1,845,818,472.63	Total Fees Collected	\$ 2,724,018.69	703	4,715



Bonds Issued in Fiscal Year 2010

Beginner Farmer Bonds Closings

Closing Date	Bond Issue Principal	Issue	*Invoice Amount
10/15/09	250,000.00	Kane, Jason W.	3,650.00
10/15/09	178,400.00	Mueller, Charles	2,576.00
10/15/09	87,500.00	Dietmeier, Thomas & Wendy	1,212.50
10/20/09	137,500.00	Adair, Tye & Jill	1,962.50
10/29/09	120,000.00	Miller, Curtis	1,700.00
10/29/09	202,202.00	Huschen, Rob	2,933.03
10/29/09	150,000.00	Walk, Chad	2,150.00
11/02/09	201,000.00	Reeves, Jeremy & Tara	2,915.00
11/18/09	150,000.00	VanFleet, Ryan	2,150.00
11/18/09	101,500.00	Swanson, Matthew & Angela	1,422.50
12/01/09	239,000.00	Hill, Barrett	3,485.00
12/10/09	177,300.00	Weber, Daniel	2,560.00
12/15/09	250,000.00	Jensen, Jeffrey R.	3,650.00
12/15/09	149,000.00	Boehl, Bruce	2,135.00
12/15/09	250,000.00	Wolber, DuWayne & Abby	3,650.00
12/16/09	113,920.00	Holland, Nicholas	1,608.80
12/22/09	469,200.00	Killiam, Mark & Beth	6,938.00
12/22/09	469,200.00	Nichelson, William & Jennie	6,938.00
	\$ 3,695,722.00	Total Beginner Farmer Bonds Fees Collected	\$ 53,636.33

AG Debt Restructuring Bond Closings

Closing Date	Bond Issue Principal	Issue	*Invoice Amount
09/30/09	500,000.00	Hayden Farms Partnership	3,750.00
10/23/09	500,000.00	Beer, Keith G.	3,450.00
	\$ 1,000,000.00	Total AG Debt Restructuring Fees Collected	\$ 7,200.00

Participation Loan Closings

Closing Date	Amount Funded	Issue
12/23/09	468,261.83	Midwest Investment Solution, Inc. (Orbital Tool Technologies Corp)

*Invoice Amount column represents actual fees collected.

Senior Staff Bios and Organization Chart

Chris Meister, Executive Director, has been working to promote commerce and create jobs in the State of Illinois since he entered State government in 2003. He has worked on numerous pieces of important legislation promoting commerce through public financing authorizations and targeted tax credits. He has ushered through legislation expanding the IFA's bond authorization limit to \$28.15 Billion, and securing funding for \$3.225 Billion in State loan guarantees for renewable energy and clean coal projects. Chris left private practice at Holland & Knight, LLP, to serve as the Associate General Counsel of the Illinois Department of Commerce and Economic Activity. He was named General Counsel of the IFA in 2007, granted the additional designation as Deputy Director in 2008, then was named Executive Director in December, 2009. Chris holds a BA from DePaul University, and a JD from the University of Illinois College of Law.

Yvonne Towers, Chief Financial Officer/Chief Technology Officer. Since beginning her career in accounting at Amsted Industries in 1984, Yvonne has held a series of increasingly responsible accounting and finance positions at outstanding Chicago companies like L'Oréal and Ariel Investments. She joined IFA in early 2009 and immediately established improved processes and implemented controls that led to a nearly flawless audit that was concluded earlier this month. Yvonne also served with distinction as Co-Authorized Agent in the absence of an Executive Director. Yvonne, a CPA since 1988, holds a BS in accounting and business administration from Illinois State University, and an MBA in finance from the Keller Graduate School of Business.

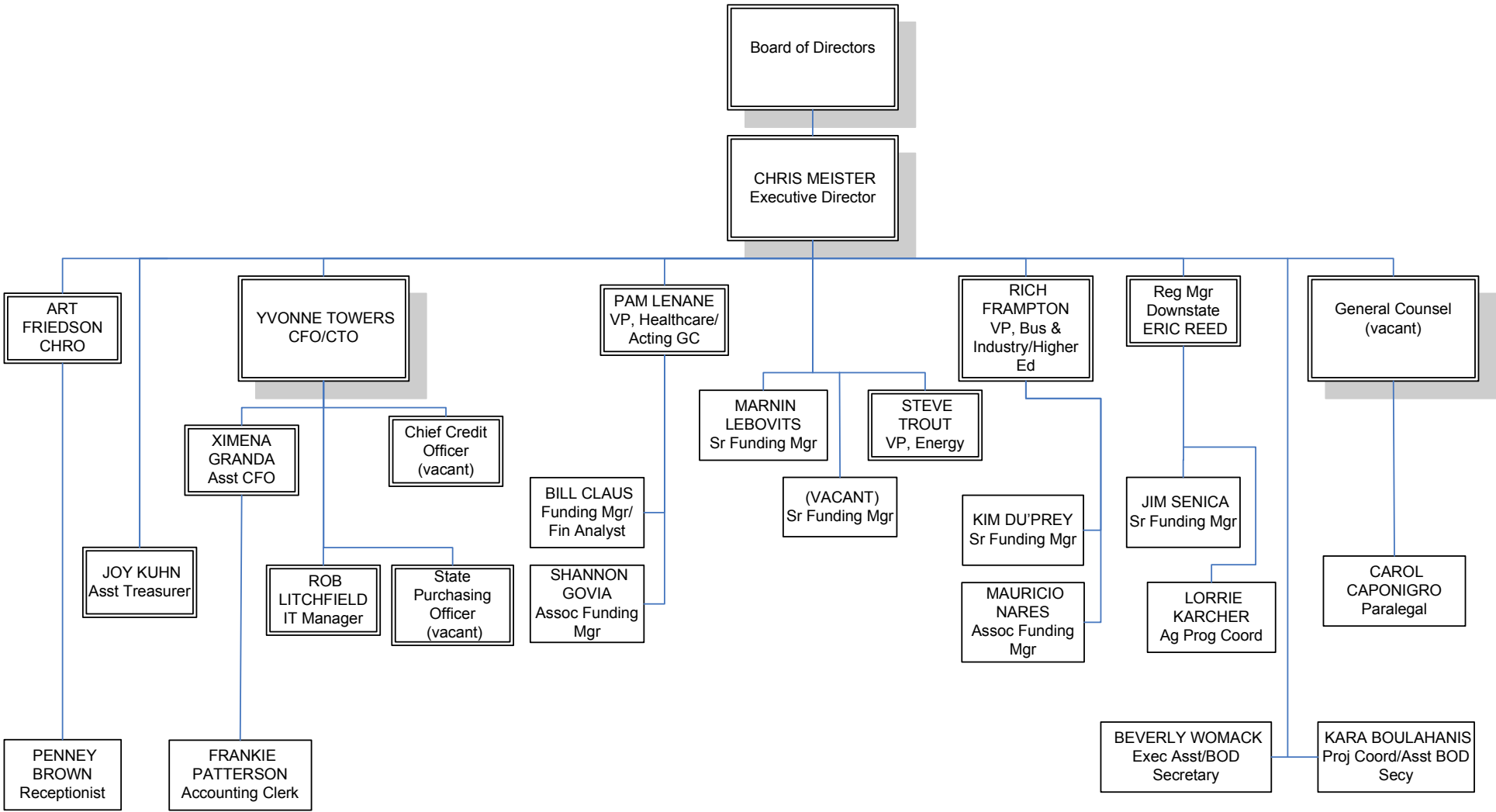
Pam Lenane, VP Healthcare Markets and Acting General Counsel, is in charge of all healthcare financings. Before joining the IFA in 2004, she was the Deputy Director of the Illinois Health Facilities Authority, and Acting Director of the Illinois Housing Development Authority (IHDA). She is a graduate of Dominican University and Northwestern University School of Law. Before entering State government, Pam was a partner at McDermott, Will & Emery, where she specialized in real estate, international tax and business law; General Counsel of a publicly traded savings bank, and a partner at Katten Muchin Zavis Rosenman, specializing in commercial finance and banking law.

Rich Frampton, VP Business & Industry and Not-For-Profit Markets, is an industry authority with twenty-five years in public finance. Starting at the Illinois Development Finance Authority in 1984, Rich has held a series of progressively responsible positions both there and at the IFA, its successor agency. He has instituted significant changes in the credit review process at the IFA, and has led the Authority's Credit Review Committee since March, 2009. He has revamped and rejuvenated the IFA's local government finance pool, and has worked to develop a formalized curriculum for training funding managers. He leads the IFA's financing efforts in the business, industry, higher education and 501(c)(3) markets. Rich holds a BA in Economics from the University of Illinois at Urbana-Champaign, and has completed commercial lending training at American National Bank's Correspondent Banking Division.

Eric Reed, Regional Manager (Downstate), came to the IFA in 2004 from Fifth Third Bank in Haustadt, Indiana. A banker in Southern Illinois since 1990, Eric manages all downstate activities with a concentration on new farmer bonds and agribusiness financing. Eric holds a BS in Agribusiness Economics from Southern Illinois University, and has completed graduate certificate courses at the Illinois Agricultural Banking School and Purdue University's Midwest Agricultural Banking School.

Art Friedson, Chief Human Resources Officer, recently joined the IFA after a long career in human resources management and consulting in the private sector. Art held progressively responsible positions at Amoco Corporation and Hospital Corporation of America before leading the HR function and sitting on the Executive Committee at CDW Corporation as it grew from \$500 million to over \$5 Billion. At IFA, Art is concentrating on ending the outsourcing arrangement for human resources services and focusing on professional development, organizational dynamics and executive coaching. Art holds a BA in psychology from The City College, City University of New York, and an MS in industrial relations from Loyola University of Chicago.

ILLINOIS FINANCE AUTHORITY
January 12, 2010



**MINUTES OF THE DECEMBER 8, 2009 MEETING OF THE COMMITTEE OF THE
WHOLE OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE
AUTHORITY**

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA”), pursuant to notice duly given, held a Committee of the Whole Meeting at 8:30 a.m. on December 8, 2009 at the Chicago Office of the IFA at 180 N. Stetson, Suite 2555, Chicago, IL 60601.

Members present:

1. William A. Brandt, Jr., Chairman
2. Michael W. Goetz, Vice Chairman
3. Dr. Roger D. Herrin
4. Terrence M. O’Brien
5. Dr. William J. Barclay
6. James J. Fuentes
7. Bradley A. Zeller
8. John “Jack” Durburg (Temporary)

Members absent:

1. Juan B. Rivera
2. Roderick Bashir (Temporary)
3. Joseph McInerney (Temporary)
4. Roger Poole (Temporary)
5. Edward H. Leonard, Sr.
6. Ronald E. DeNard

Vacancies:

One

**Members participating by
telephone:**

None

Staff Members Present:

Chris Meister,
Deputy Director – General Counsel
(Authorized Officer)
Yvonne Towers, CFO and CTO
(Authorized Officer)
Rich Frampton, V.P.
Art Friedson, CHRO
Kara Boulahanis, Project Coordinator
& Asst. Secretary to the Board
Eric Reed, Regional Manager
Pamela Lenane,
V.P.-Asst. General Counsel

Call to Order

Chairman Brandt called the meeting to order at 8:48 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests. Chairman Brandt welcomed Mr. Jack Durburg, a new appointee to IFA’s Board from CB Richard Ellis.

Chairman’s Remarks

Chairman Brandt announced that four (4) new appointments had been made to the IFA’s Board of Directors, all of which are effective immediately, as the Illinois State Senate is not in session. The first appointment is Mr. Jack Durburg, in attendance at the meeting. Mr. Roderick Bashir from Service Employees Union International (SEIU), Mr. Roger Poole, a recently retired labor leader and Mr. John McInerney of Cardinal Investments completed the group of appointees. Mr. Durburg replaces former board member Ms. April Verrett. Mr. Bashir replaces former board member Mr. Andrew Rice. Mr. Pool replaces Ms. Lynn Talbot and Mr. McInerney replaces Mr. Joseph Valenti.

Chairman Brandt then stated that the Governor is required by statute to send to the IFA Board two candidates for consideration for the position of Executive Director of the Authority. In anticipation of this possibility, the Board placed consideration and/or appointment of an Executive Director on the agenda, to meet any Open Meetings Act requirements. Governor Quinn forwarded two candidates for consideration late Friday night, Mr. Gabriel Saunders and Mr. Chris Meister. Mr. DeNard requested before the meeting that the Board discuss the nominations at 10:30 a.m. to allow to him to be present and Chairman Brandt agreed to oblige him.

Chairman Brandt raised the possibility of procuring or hiring a legislative liaison, as he had been requested by several members of the legislature to do so. A brief discussion ensued regarding different options and it was decided to research further before taking action.

Senior Staff Reports

Chairman Brandt introduced Ms. Yvonne Towers, Chief Financial Officer of the IFA, to Mr. Durburg. Ms. Towers began her presentation by sharing with that Board that the budget remains in alignment with projections. She then presented in accordance with the Senior Staff Report. Mr. Fuentes raised the issue of the venture capital fund valuation and shared with the Board that he had narrowed the scope with the hope of keeping the total cost under \$20,000.

Mr. Frampton then presented the business & industry market report in accordance with the board report. Mr. Reed then shared the agriculture market report consistent with the board report. He also added that he was excited to report that he had two beginning farmer bonds to present at the new, higher limit.

Chairman Brandt then asked Mr. Friedson to report on the outcome of the October layoffs. Mr. Friedson then shared the details of the negotiations and settlements that had been made. He shared that all outstanding claims had been settled and no further issues remained. He then informed that Board that the IFA had recently hired a paralegal, Carol Caponigro. He stated that she was an excellent addition to the IFA team and he looked forward to working with her for some time to come. Finally Mr. Friedson closed by stating that he was working on a new bid for the staff benefit plans with the hope of achieving some savings.

Chairman Brandt thanked everyone for way the layoff and the subsequent issues had been handled.

Ms. Lenane then presented an update on the Healthcare sector consistent with the senior staff report. She explained the purpose and reasoning behind Resolution No. 17 as well.

Mr. Meister presented the legislative update, consistent with the senior staff report. He shared that Senate Bill 390 was signed by the Governor. It grants the IFA the authority to issue energy efficiency bonds backed by the moral obligation of the State of Illinois. Mr. Meister continued that the legislative agenda of the IFA has been raised with the Governor's Office and will be close to finalization in January. Finally, the IFA has been working with the Department of Labor to come to an understanding on the scope of the expansion of the prevailing wage act that was recently passed.

Committee Reports:

Dr. Barclay shared the Healthcare Committee report. The Healthcare Committee passed several projects that had not yet passed the Credit Committee. He then stated that Ms. Lenane covered the remainder of the committee report in her senior staff report.

Mr. Zeller stated that the Agriculture Committee approved primarily beginning farmer bond projects with only one, fairly complicated Agri-Debt Guarantee, in favor of Baby Bacon, Inc. A brief discussion of adding an additional downstate agriculture focused funding manager ensued.

Dr. Herrin then presented the Energy Committee report. He stated that the energy staff has been hard at work completing two US DOE applications, Retrofit Ramp-Up and the FIPP delegated lender, due on December 14 and January 15, respectively. He stated that it was the goal of the Energy Committee to accelerate the energy efficiency (EE) program now that SB 390 had been signed into law. Chairman Brandt added that the new EE sector will place the IFA into a new, direct lending role it has never before held. Due to this, the IFA will need additional credit and

underwriting analysis. Mr. Meister then added that the IFA had contracted with Illinois State University's wind center to evaluate these projects for a set fee to augment IFA's analysis.

Project Reports

The Chairman then asked for the projects reports.

Mr. Reed began by introducing Ms. Lorrie Karcher, Agriculture Program Coordinator, to the Board.

No. 1A: **A-FB-TE-CD-8297– Jared W. Brewer**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$166,375 for the purchase of 55 acres of farmland. This project is located in Cambridge, IL (Henry County).

Mr. Reed presented consistent with the Board report. Minimal discussion ensued and no objection was noted.

No. 1B: **A-FB-TE-CD-8298– Mark J. & Beth A. Killam**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$469,200 for the purchase of an undivided 1/3 interest in a farm equal to 76.48 acres of farmland. This project is located in Auburn, IL (Sangamon County).

Mr. Reed presented consistent with the Board report. Minimal discussion ensued and no objection was noted.

No. 1C: **A-FB-TE-CD-8299– William C. & Jennie M. Nichelson**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$469,200 for the purchase of an undivided 1/3 interest in a farm equal to 76.48 acres of farmland. This project is located in Girard, IL (Sangamon County).

Mr. Reed presented consistent with the Board report. Minimal discussion ensued and no objection was noted.

No. 1D: **A-FB-TE-CD-8300 – Nicholas L. Holland**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$113,920 for the purchase of 40 acres of farmland. This project is located in Mason, IL (Effingham County).

Mr. Reed presented consistent with the Board report. Minimal discussion ensued and no objection was noted.

No. 2: **A-AD-GT-8293– Baby Bacon, Inc.**
Request for final approval for the issuance of an Agri-Debt Guarantee in an amount not-to-exceed \$300,000. Proceeds from this financing will be used to provide an 85% loan guarantee in favor of Resource Bank to refinance the borrowers' debts. This project is located in Amboy, IL (Lee County).

Mr. Reed presented consistent with the Board report. He added that the project came to the IFA in late October and was held from the November meeting for additional discussion. The project has

added six (6) restrictions and the par amount decreased by \$200,000 as the result of those discussions. Mr. Reed drew the Board Members attention to the concerns noted on the bottom of page four (4) of the board report, in the next to the last paragraph. He also stated this project would be backed by a guarantee, and the guarantors were located on the last page of the summary. Chairman Brandt added that this loan would be made on the basis of IFA's mission and not the credit. Dr. Herrin requested that Mr. Reed obtain a negative pledge from the borrowers.

Mr. Frampton then presented the following project:

No. 3: PU-WD-TE-CD-8304– American Water Capitol Corp. on behalf of Illinois-American Water Company

Request for preliminary approval for the issuance of up to \$25 million of New Money Water Furnishing Facilities Revenue Bonds to finance a portion of the cost of new capital improvements to certain Illinois-American Water Company drinking water systems located statewide. The total construction cost of these projects is approximately \$35.4 million including, but not limited to, various mains, meters, pumping stations, and water treatment plant improvements. The proposed IFA Series 2010 Bonds will finance a portion of total capital improvement costs located in Illinois-American Water Company's Champaign, Interurban (Granite City and East St. Louis), Lincoln, Peoria, and Pontiac Districts.

Mr. Frampton stated that this project is consistent with IFA's effort to create counter-cyclical transactions. He then stated that the IFA issued \$28.5M on October 1, 2009 for this same borrower. These projects will be located in Central and Southwestern IL.

Mr. Frampton described the required Illinois Commerce Commission (ICC) approval process which includes a mandated public hearing process. He then stated that the borrower does not anticipate any public hearings will be required but the ICC will need to approve the plans. This process should be complete in March or April of 2010 and the project hopes to close within the first six (6) months of the year.

No. 4: B-LL-TX-8193–Midwest Investment Solutions, Inc. (Orbital Tool Technologies Corp.)

Request for the final approval of the issuance of a participation loan in an amount not to exceed \$475,632.50. The proceeds of this issuance will be used to (i) provide permanent financing for the construction of an 11,400 SF addition to its existing 23,920 SF manufacturing facility located in Belvidere, Illinois that is leased to Orbital Tool Technologies Corp. (ii) finance installation expenses for existing equipment, and (iii) fund accrued interest on a construction loan for the subject property. This project is located in Belvidere, IL (Boone County).

Mr. Frampton presented consistent with the board report. Minimal discussion ensued and no objections were noted.

No. 13: The Center for Research Libraries Project. Resolution to approve a First Supplemental Security Agreement and to Authorize Execution of an Account Control Agreement, and to authorize the substitution of certain collateral securing the Loan (IEFA Series 1985 Cultural Pool).

Mr. Frampton presented consistent with the board report. Minimal discussion ensued and no objections were noted.

No. 14: **Embers Elementary School Project.** Resolution to approve an Amended and Restated Trust Indenture and a First Amendment to the Loan Agreement, which provides for the creation of a new interest rate, and related matters

Mr. Frampton presented consistent with the board report. Minimal discussion ensued and no objections were noted.

No. 5: **E-PS-TE-CD-8270–The Joliet Montessori School**
Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$650,000. The proceeds of this issuance will be used to (i) pay amounts due under the Borrower’s Tax-Exempt Lease (evidenced by a Sublease dated as of April 1, 1998), (ii) paying or reimbursing the Borrower for costs of acquiring, constructing, renovating, remodeling and equipping approximately 2,325 SF educational facility located at 1612 Root Street, Crest Hill (Will County), Illinois; (iii) funding a debt service reserve fund for the benefit of the Series 2009 Bonds; (iv) paying a portion of the interest on the Series 2009 Bonds; (v) providing working capital, if deemed necessary; and (vi) paying certain expenses incurred in connection with the issuance of the Series 2009 Bonds. This project is located in Crest Hill, IL (Will County).

Mr. Frampton presented consistent with the board report. Minimal discussion ensued and no objections were noted.

Mr. Senica presented the following project:

No. 6: **H-HO-TE-CD-8301– Community Memorial Hospital**
Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$955,000. The proceeds of this issuance will be used for (i) construction of a 5,500 square foot medical office building that will provide space to house Hospital physicians who are currently in space within the Hospital and who are committed to transition to the new offices (ii) Acquisition of equipment for use therein and (iii) legal and professional issuance costs associated with the bond issuance. This project is located in Staunton, IL (Macoupin County).

Mr. Senica presented consistent with the board report. Minimal discussion ensued and no objections were noted.

Ms. Lenane presented the following projects:

No. 8: **H-HO-TE-CD-8305– Swedish Covenant Hospital**
Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$140 million. The proceeds of this issuance will be used to (i) to refund all or a portion of the outstanding Series 2003A, 2003B, and 2008B Variable Rate Demand Bonds, (ii) to establish a debt service reserve fund; (iii) to pay Cost of Issuance of the Bonds; and (iv) fund future hospital renovation and equipment purchases. This project is located in Chicago, IL (Cook County)

Ms. Lenane presented consistent with the board report. Minimal discussion ensued and no objections were noted.

No. 7: **H-HO-TE-CD-8303– Saint Anthony’s Health Center**

Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$10 million. The proceeds of this issuance will be used to fund capital expenditures and other improvements for the health care facilities of the Borrower including, but not limited to, certain radiology, hospital and other medical and non-medical equipment, information systems hardware and software, and various hospital building renovations and improvements. This project is located in Alton, IL (Madison County)

Ms. Lenane presented consistent with the board report. She stated that she had suggested diversifying the underwriting team to the project, but she is unsure of her reception. No objections were noted.

No. 9: H-HO-TE-CD-8296– Illinois Valley Community Hospital

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$24 million. The proceeds of this issuance will be used to (i) funding for capital projects, (ii) the refinance of an existing bank loan and (iii) funding for bond issuance costs and other delivery date expenses associated with the transaction. This project is located in Peru, IL (LaSalle County)

Ms. Lenane presented consistent with the board report. Minimal discussion ensued and no objections were noted.

No. 10: H-HO-TE-CD-8276– Memorial Health System

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$185 million. The proceeds of this issuance will be used to provide funds to Memorial Health System, Memorial Medical Center, Taylorville Memorial Hospital and The Abraham Lincoln Memorial Hospital (collectively, the “Borrowers”), each an Illinois not for profit corporation, together with certain funds of the Borrowers, necessary to (i) pay or reimburse, or refinance certain indebtedness the proceeds of which were used to pay or reimburse, the costs of acquiring, constructing, renovating, remodeling and equipping certain of the Borrowers’ health care facilities, (ii) cash defease and/or currently refund all or a portion of the outstanding principal amount of the \$48,460,000 Illinois Health Facilities Authority Revenue Bonds, Series 1997 (Memorial Health System) (the “Series 1997 Bonds”), (iii) fund a debt service reserve fund, if deemed necessary or advisable, (iv) pay a portion of the interest on the Bonds, if deemed necessary or advisable, (v) provide working capital, if deemed necessary or advisable, and (vi) pay certain expenses incurred in connection with the issuance of the Bonds, including but not limited to the costs of cash defeasing and/or refunding the Series 1997 Bonds. This project is located in Springfield, Taylorville and Lincoln, IL (Sangamon, Christian and Logan Counties).

Ms. Lenane presented consistent with the board report. Minimal discussion ensued and no objections were noted.

No. 11: **H-SL-RE-TE-CD-8283– Rest Haven Illiana Christian Convalescent Home, D/B/A Providence Life Services**
Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$30 million. The proceeds of this issuance will be used (i) refund a majority of the Illinois Finance Authority Weekly Adjustable Rate Revenue Bonds, Series 2004B (Rest Haven Christian Services), and (ii) fund certain professional and bond issuance costs. This project is located in multiple locations in Chicago, IL (Cook County).

Ms. Lenane presented consistent with the board report. She stated that this was a one time final resolution to convert outstanding variable rate debt backed by a letter of credit that is not being renewed. This project needs to close by the end of the month. Minimal discussion ensued and no objections were noted.

No. 12: **H-SL-RE-TE-CD-8283– Villa Guadalupe Senior Service Corporation**
Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$23.5 million. The proceeds of this issuance will be used (1) refund the existing Series 1990 Variable Rate Demand Bonds issued by the County of Cook, Illinois 2) fund future capital expenditures, and 3) pay for cost of issuance associated with the Series 2009 Bonds. This project is located in Carbondale, Herrin and Murphysboro, IL.

Ms. Lenane presented consistent with the board report. Minimal discussion ensued and no objections were noted.

Mr. Frampton presented the following project:

No. 16: **Credit Criteria.** Resolution Establishing the Credit Criteria of the Illinois Finance Authority

Mr. Frampton presented consistent with the board report. Minimal discussion ensued and no objections were noted.

No. 17: **Illinois Finance Authority Healthcare Initiative for Small and Mid-size Rural and Urban Not-for-Profit Hospitals, Critical Access Hospitals and Community Providers of Behavioral Healthcare.** Resolution establishing the Illinois Finance Authority Healthcare Initiative for Small and Mid-size Rural and Urban Not-for-Profit Hospitals, Critical Access Hospitals and Community Providers of Behavioral Healthcare services in the State of Illinois.

Mr. Frampton presented consistent with the board report. Minimal discussion ensued and no objections were noted.

Chairman Brandt then stated that the Governor had sent two nominations to the Board. The Board is limited to selecting one of the two nominations sent by the Governor. Chairman Brandt explained that if the Board should vote on the nominations today, the executive director named would be in place as of the vote. He would then be appointed to a one-year term. He stated that the nominations for Executive Director were Gabriel Sanders of the Department of Commerce and Economic Opportunity and Chris Meister of the IFA. Chairman Brandt stated that he was pleased the Governor nominated two such accomplished individuals. He stated that the Board would go into closed session and interview the candidates separately. They would then take a vote and finally leave closed session to announce the vote on the public record. Dr. Roger Herrin

moved to take the meeting into closed session. Mr. Goetz seconded Dr. Herrin's motion. Secretary Nystrom-Boula hanis took a roll call vote and the motion passed unanimously. The meeting moved into closed session at 10:43 a.m.

The meeting moved out of closed session with a motion by Mr. Goetz, seconded by Mr. Durburg. The motion carried unanimously and the meeting moved out of closed session at 11:50 a.m. Chairman Brandt announced that Mr. Chris Meister was named Executive Director of the IFA by a motion of Mr. Zeller and seconded by Dr. Herrin that carried unanimously.

Closing Remarks and Adjournment:

The meeting adjourned at 11:53 a.m.

Respectfully Submitted,

Kara Nystrom-Boula hanis, Assistant Secretary

**MINUTES OF THE DECEMBER 8, 2009 MEETING OF THE BOARD OF DIRECTORS OF
THE ILLINOIS FINANCE AUTHORITY**

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA”), pursuant to notice duly given, held a Board Meeting at 11:30 a.m. on Tuesday, December 8, 2009 at the Conference Center at One Prudential Plaza, 7th Floor, 130 E. Randolph Street, Chicago, IL 60601.

Members present:

1. William A. Brandt, Jr., Chairman
2. Michael W. Goetz, Vice Chairman
3. Terrence M. O’Brien
4. Dr. Roger D. Herrin
5. Dr. William J. Barclay
6. James J. Fuentes
7. Bradley A. Zeller
8. John “Jack” Durburg (Temporary)

Members absent:

1. Juan B. Rivera
2. Roderick Bashir (Temporary)
3. Joseph McInerney (Temporary)
4. Roger Poole (Temporary)
5. Edward H. Leonard, Sr.
6. Ronald E. DeNard

**Members participating by
telephone:**

None

Vacancies:

One

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 12:03 p.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests and asked Assistant Secretary Kara Nystrom-Boulahanis to call the roll. There being eight (8) members physically present Ms. Nystrom-Boulahanis declared a quorum present.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending November 30, 2009 and minutes for both the November 10, 2009 Committee of the Whole and the Board of Directors meetings were presented to members of the Board. Chairman Brandt stated that the Authority’s financial statements and minutes were reviewed at the regularly scheduled Committee of the Whole Meeting held today at 8:30 a.m. Chairman Brandt requested a motion to approve the November 30, 2009 Financial Statements and minutes from both the November 10, 2009 Committee of the Whole and the Board of Directors’ meeting.

The motion was moved by Dr. Barclay and seconded by Mr. Goetz. The November 30, 2009 Financial Statements and minutes from both the November 10, 2009 Committee of the Whole and the Board of Directors meeting were unanimously approved by members of the Board.

Chairman’s Remarks

Chairman Brandt welcomed Board Members and guests. Chairman Brandt announced that four new members had been appointed to the IFA Board and one was present at the meeting: Mr. John “Jack” Durburg. Chairman Brandt thanked Mr. Durburg for attending the meeting. Mr. Roderick Bashir, Mr. Roger Poole, Mr. Joseph McInerney were also appointed to the Board by the Governor and are currently acting under temporary appointments as the Illinois State Senate is not in session.

Chairman Brandt then announced that on Friday night Governor Quinn forwarded two candidates for Executive Director of the IFA as the statute requires. The candidates were Gabriel Saunders, currently Deputy Director of Business Development, at the Illinois Department of Commerce and Economic Opportunity and Chris Meister, currently Deputy Director-General Counsel for the IFA. Both candidates were exceptionally well qualified for this role, making it a difficult decision for the Board. However, the Board has reached a decision. Chairman Brandt asked Mr. Zeller to present the Board's nomination. Mr. Zeller first reiterated that both candidates were excellent and this was truly a win-win situation for the IFA. He thanked both candidates. Mr. Zeller then made a motion to nominate Mr. Chris Meister to be the Executive Director of the IFA. Dr. Herrin then seconded that motion. Chairman Brandt asked Assistant Secretary Nystrom-Boulahanis to take a roll call vote. Ms. Nystrom-Boulahanis conducted a roll call vote and Mr. Meister's nomination was carried unanimously with 8 ayes, 0 nays and 0 abstentions.

Chairman Brandt congratulated Mr. Meister and thanked Mr. Saunders for his candidacy.

Senior Staff Reports

None.

Project Approvals

Chairman Brandt asked Mr. Rich Frampton to present the projects for consideration to the Board. Chairman Brandt announced that projects being presented today undergo an extensive review process prior to presentation to the Board. All projects are thoroughly vetted by a staff credit committee. All agriculture, energy and healthcare projects are also reviewed at their respective committees' public meetings each month. Finally, each project is thoroughly reviewed at the Committee of the Whole meeting held at 8:30 a.m. before the Board Meeting.

Mr. Frampton presented the following projects for board approval:

- No. 1A:** **A-FB-TE-CD-8297– Jared W. Brewer**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$166,375 for the purchase of 55 acres of farmland. This project is located in Cambridge, IL (Henry County).
- No. 1B:** **A-FB-TE-CD-8298– Mark J. & Beth A. Killam**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$469,200 for the purchase of an undivided 1/3 interest in a farm equal to 76.48 acres of farmland. This project is located in Auburn, IL (Sangamon County).
- No. 1C:** **A-FB-TE-CD-8299– William C. & Jennie M. Nichelson**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$469,200 for the purchase of an undivided 1/3 interest in a farm equal to 76.48 acres of farmland. This project is located in Girard, IL (Sangamon County).
- No. 1D:** **A-FB-TE-CD-8300 – Nicholas L. Holland**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$113,920 for the purchase of 40 acres of farmland. This project is located in Mason, IL (Effingham County).

No. 2: **A-AD-GT-8293– Baby Bacon, Inc.**
Request for final approval for the issuance of an Agri-Debt Guarantee in an amount not-to-exceed \$300,000. Proceeds from this financing will be used to provide an 85% loan guarantee in favor of Resource Bank to refinance the borrowers' debts. This project is located in Amboy, IL (Lee County).

No guests attended with respect to Project Nos. 1A, 1B, 1C, 1D or 2. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1A, 1B, 1C, 1D or 2. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1A, 1B, 1C, 1D and 2. Leave was granted. Project Nos. 1A, 1B, 1C, 1D and 2 received approval with 8 ayes, 0 nays, and 0 abstentions.

No. 3: **PU-WD-TE-CD-8304– American Water Capital Corp. on behalf of Illinois-American Water Company**
Request for preliminary approval for the issuance of up to \$25 million of New Money Water Furnishing Facilities Revenue Bonds to finance a portion of the cost of new capital improvements to certain Illinois-American Water Company drinking water systems located statewide. The total construction cost of these projects is approximately \$35.4 million including, but not limited to, various mains, meters, pumping stations, and water treatment plant improvements. The proposed IFA Series 2010 Bonds will finance a portion of total capital improvement costs located in Illinois-American Water Company's Champaign, Interurban (Granite City and East St. Louis), Lincoln, Peoria, and Pontiac Districts.

No. 4: **B-LL-TX-8193–Midwest Investment Solutions, Inc. (Orbital Tool Technologies Corp.)**
Request for the final approval of the issuance of a participation loan in an amount not to exceed \$475,632.50. The proceeds of this issuance will be used to (i) provide permanent financing for the construction of an 11,400 SF addition to its existing 23,920 SF manufacturing facility located in Belvidere, Illinois that is leased to Orbital Tool Technologies Corp. (ii) finance installation expenses for existing equipment, and (iii) fund accrued interest on a construction loan for the subject property. This project is located in Belvidere, IL (Boone County).

No. 5: **E-PS-TE-CD-8270–The Joliet Montessori School**
Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$650,000. The proceeds of this issuance will be used to (i) pay amounts due under the Borrower's Tax-Exempt Lease (evidenced by a Sublease dated as of April 1, 1998), (ii) paying or reimbursing the Borrower for costs of acquiring, constructing, renovating, remodeling and equipping approximately 2,325 SF educational facility located at 1612 Root Street, Crest Hill (Will County), Illinois; (iii) funding a debt service reserve fund for the benefit of the Series 2009 Bonds; (iv) paying a portion of the interest on the Series 2009 Bonds; (v) providing working capital, if deemed necessary; and (vi) paying certain expenses incurred in connection with the issuance of the Series 2009 Bonds. This project is located in Crest Hill, IL (Will County).

No guests attended with respect to Project Nos. 3, 4 or 5. Chairman Brandt asked if the Board had any questions with respect to Project No. 3, 4 or 5. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 3, 4 and 5. Leave was granted. Project Nos. 3, 4 and 5 received approval with 8 ayes, 0 nays, and 0 abstentions.

- No. 6:** **H-HO-TE-CD-8301– Community Memorial Hospital**
Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$955,000. The proceeds of this issuance will be used for (i) construction of a 5,500 square foot medical office building that will provide space to house Hospital physicians who are currently in space within the Hospital and who are committed to transition to the new offices (ii) Acquisition of equipment for use therein and (iii) legal and professional issuance costs associated with the bond issuance. This project is located in Staunton, IL (Macoupin County).
- No. 7:** **H-HO-TE-CD-8303– Saint Anthony’s Health Center**
Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$10 million. The proceeds of this issuance will be used to fund capital expenditures and other improvements for the health care facilities of the Borrower including, but not limited to, certain radiology, hospital and other medical and non-medical equipment, information systems hardware and software, and various hospital building renovations and improvements. This project is located in Alton, IL (Madison County)
- No. 8:** **H-HO-TE-CD-8305– Swedish Covenant Hospital**
Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$140 million. The proceeds of this issuance will be used to (i) to refund all or a portion of the outstanding Series 2003A, 2003B, and 2008B Variable Rate Demand Bonds, (ii) to establish a debt service reserve fund; (iii) to pay Cost of Issuance of the Bonds; and (iv) fund future hospital renovation and equipment purchases. This project is located in Chicago, IL (Cook County)
- No. 9:** **H-HO-TE-CD-8296– Illinois Valley Community Hospital**
Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$24 million. The proceeds of this issuance will be used to (i) funding for capital projects, (ii) the refinance of an existing bank loan and (iii) funding for bond issuance costs and other delivery date expenses associated with the transaction. This project is located in Peru, IL (LaSalle County)
- No. 10:** **H-HO-TE-CD-8276– Memorial Health System**
Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$185 million. The proceeds of this issuance will be used to provide funds to Memorial Health System, Memorial Medical Center, Taylorville Memorial Hospital and The Abraham Lincoln Memorial Hospital (collectively, the “Borrowers”), each an Illinois not for profit corporation, together with certain funds of the Borrowers, necessary to (i) pay or reimburse, or refinance certain indebtedness the proceeds of which were used to pay or reimburse, the costs of acquiring, constructing, renovating, remodeling and equipping certain of the Borrowers’ health care facilities, (ii) cash defease and/or currently refund all or a portion of the outstanding principal amount of the \$48,460,000 Illinois Health Facilities Authority Revenue Bonds, Series 1997 (Memorial Health System) (the “Series 1997 Bonds”), (iii) fund a debt service reserve fund, if deemed necessary or advisable, (iv) pay a portion of the interest on the Bonds, if deemed necessary or advisable, (v) provide working capital, if deemed necessary or advisable, and (vi) pay certain expenses incurred in connection with the issuance of the Bonds, including but not limited to the costs of cash defeasing and/or refunding the Series 1997 Bonds. This project is located in Springfield, Taylorville and Lincoln, IL (Sangamon, Christian and Logan Counties).

No. 11: **H-SL-RE-TE-CD-8283– Rest Haven Illiana Christian Convalescent Home, D/B/A Providence Life Services**

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$30 million. The proceeds of this issuance will be used (i) refund a majority of the Illinois Finance Authority Weekly Adjustable Rate Revenue Bonds, Series 2004B (Rest Haven Christian Services), and (ii) fund certain professional and bond issuance costs. This project is located in multiple locations in Chicago, IL (Cook County).

No. 12: **H-SL-RE-TE-CD-8283– Villa Guadalupe Senior Service Corporation**

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$23.5 million. The proceeds of this issuance will be used (1) refund the existing Series 1990 Variable Rate Demand Bonds issued by the County of Cook, Illinois 2) fund future capital expenditures, and 3) pay for cost of issuance associated with the Series 2009 Bonds. This project is located in Carbondale, Herrin and Murphysboro, IL.

No guests attended with respect to Project Nos. 6, 7, 8, 9, 10, 11 or 12. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 6, 7, 8, 9, 10, 11 or 12. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 6, 7, 8, 9, 10, 11 and 12. Leave was granted. Project Nos. 6, 7, 8, 9, 10, 11 and 12 received approval with 8 ayes, 0 nays, and 0 abstentions.

No. 13: **The Center for Research Libraries Project.** Resolution to approve a First Supplemental Security Agreement and to Authorize Execution of an Account Control Agreement, and to authorize the substitution of certain collateral securing the Loan (IEFA Series 1985 Cultural Pool).

No. 14: **Embers Elementary School Project.** Resolution to approve an Amended and Restated Trust Indenture and a First Amendment to the Loan Agreement, which provides for the creation of a new interest rate, and related matters

No guests attended with respect to Resolution Nos. 13 or 14. Chairman Brandt asked if the Board had any questions with respect to Resolution Nos. 13 or 14. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolution Nos. 13 and 14. Leave was granted. Resolution Nos. 13 and 14 received approval with 8 ayes, 0 nays, and 0 abstentions.

No. 16: **Credit Criteria.** Resolution Establishing the Credit Criteria of the Illinois Finance Authority

No. 17: **Illinois Finance Authority Healthcare Initiative for Small and Mid-size Rural and Urban Not-for-Profit Hospitals, Critical Access Hospitals and Community Providers of Behavioral Healthcare.** Resolution establishing the Illinois Finance Authority Healthcare Initiative for Small and Mid-size Rural and Urban Not-for-Profit Hospitals, Critical Access Hospitals and Community Providers of Behavioral Healthcare services in the State of Illinois.

No guests attended with respect to Resolution Nos. 16 or 17. Chairman Brandt asked if the Board had any questions with respect to Resolution Nos. 16 or 17. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolution Nos. 16 and 17. Leave was granted. Resolution Nos. 16 and 17 received approval with 8 ayes, 0 nays, and 0 abstentions.

Other Business

Chairman Brandt asked if there was any other business to come before the Board. There being none, Chairman Brandt requested a motion to adjourn. Upon a motion by Mr. Zeller and seconded by Mr. Goetz, the meeting adjourned at 12:24 p.m.

Chairman Brandt reminded all guests that next month's meeting will be on January 12, 2009 at the Prudential Plaza Conference Center at 130 E. Randolph Ave., 7th Floor, Chicago, IL 60601.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Eric Reed/lk
Date: January 12, 2010
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 project
- **Amount:** Up to \$470,100 maximum of new money for each project*
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$771,782.00**
- **Calendar Year Summary:** (as of January 12, 2010)
 - Volume Cap: Requested from GOMB
 - Volume Cap Committed: N/A
 - Volume Remaining: N/A
 - Average Acreage Farm Size: 124
 - Number of Farms Financed: 3
- **IFA Benefits:**
 - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
 - **New Money Bonds:**
 - convey tax-exempt status
 - will use dedicated 2010 IFA Volume Cap set-aside for Beginning Farmer 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 Borrower's Bank will be secured by the Borrower's assets, as on a commercial loan
 - Interest rates, terms, and collateral are negotiated between the Borrower and the Participating 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

* Increase from prior cap of \$250,000 due to SB260/ Public Act 96-0531, effective date August 14, 2009.

A.

Project Number:	A-FB-TE-CD-8306
Funding Manager:	Eric Reed
Borrower(s):	Kalaher, Chad J.
Borrower Benefit:	First Time Land Buyer
Town:	Chatman, IL
Amount:	\$229,182
Use of Funds:	Farmland – 98.871 acres
Purchase Price:	\$458,365 / (\$4,636 per ac)
% Borrower Equity	%
% USDA Farm Service Agency	50% (<i>Subordinate Financing</i>)
% IFA	50%
County/Region:	Montgomery / Central
Lender/Bond Purchaser	First National Bank of Litchfield / Ken Elmore
Legislative Districts:	Congressional: 19 th , John Shimkus State Senate: 50 th , Larry Bomke State House: 100 th , Rich Brauer

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:	A-FB-TE-CD-8307
Funding Manager:	Eric Reed
Borrower(s):	Laue, Jonathan A.
Borrower Benefit:	First Time Land Buyer
Town:	Beecher City, IL
Amount:	\$72,500
Use of Funds:	Farmland – 43.5 acres undivided ½ interest
Purchase Price:	\$217,500 / (\$5,000 per ac)
% Borrower Equity	33%
% Other (<i>Father's Financing</i>)	33%
% IFA	34%
County/Region:	Effingham / Southeastern
Lender/Bond Purchaser	First State Bank of Beecher City / Brad Koester
Legislative Districts:	Congressional: 19 th , John Shimkus State Senate: 55 th , Dale Righter State House: 109 th , Roger Eddy

Principal shall be paid annually in installments determined pursuant to a Twenty 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 twentieth and final payment of all outstanding balances due twenty years from the date of closing.

C.

Project Number:	A-FB-TE-CD-8308
Funding Manager:	Eric Reed
Borrower(s):	Behrens, Ronald E. & Sandra J.
Borrower Benefit:	First Time Land Buyer
Town:	Sterling, IL
Amount:	\$470,100
Use of Funds:	Farmland – 235 acres w/used buildings
Purchase Price:	\$1,221,400 / (\$1,105,200(Land)/\$4,703 per ac)
% Borrower Equity	58%*
% Other	0%
% IFA	42%
County/Region:	Whiteside / Northwest
Lender/Bond Purchaser	Farmers National Bank of Prophetstown / Doug Vanderlaan
Legislative Districts:	Congressional: 17 th , Phil Hare State Senate: 45 th , Tim Bivins State House: 90 th , Jerry Mitchell

**Borrower is inheriting 1/2 of the farmland from his mother. Borrower will purchase remaining 1/2 of the farm from his brother at a value of \$610,700. Of this amount the borrower will pay \$140,600 in cash equity and finance the remainder of the transaction through the IFA. The remaining equity portion of the transaction is derived from the borrowers 50% inheritance.*

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin on March 1, 2011. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to on March 1, 2011 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.



\$576,118,000

CONDUIT

Seneca I-80 Railport Development LLC and its affiliates, successors, and assigns

January 12, 2010

REQUEST	<p>Purpose: Provide Inducement Resolution to be submitted as an exhibit in connection with the Borrower’s application to the US Department of Transportation (“US DOT”) for a portion of the US DOT’s \$15 Billion national allocation for certain privately-owned transportation of regional and national importance.</p> <p>Project Description: Finances Construction, Equipment, and Bond Issuance Costs</p> <p>Program: Freight Transfer Facilities Revenue Bonds [Special US DOT Bond Program authorized under the 2005 Federal Transportation Act (“SAFETEA-LU”).]</p> <p>NO STATE VOLUME CAP WILL BE REQUIRED. If this project receives an allocation from the U.S. Department of Transportation’s one-time \$15 Billion national allocation, IFA would serve as the conduit issuer on behalf of Seneca I-80 Railport and would issue Bonds using authorization granted by US DOT to the Borrower .</p> <p>Extraordinary Conditions: None</p>																
BOARD ACTIONS	Preliminary Bond Resolution (for Bonds to be issued in multiple series over several years)																
MATERIAL CHANGES	None. This is the first time this financing has been presented to the IFA Board.																
JOB DATA	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">4</td> <td style="text-align: center;">Current jobs</td> <td style="text-align: center;">975</td> <td style="text-align: center;">New jobs projected</td> </tr> <tr> <td style="text-align: center;">N/A</td> <td style="text-align: center;">Retained jobs</td> <td style="text-align: center;">1,183</td> <td style="text-align: center;">Construction jobs projected</td> </tr> </table>	4	Current jobs	975	New jobs projected	N/A	Retained jobs	1,183	Construction jobs projected								
4	Current jobs	975	New jobs projected														
N/A	Retained jobs	1,183	Construction jobs projected														
BORROWER DESCRIPTION	<ul style="list-style-type: none"> ● Type of entity: Special Purpose Entity to own and develop the subject project for lease or resale to prospective tenants and/or purchasers as allowed under SAFETEA-LU ● Location: Seneca, Illinois (Grundy County) ● When was it established: Borrower is a to-be-formed Special Purpose Entity that will own and develop the subject intermodal rail/truck facility ● What does the entity do: Real estate development company ● Who does the entity serve: prospective tenants/users of Seneca Intermodal Railport ● What will new project facilitate: improved transportation and logistics efficiencies via truck, rail (CSX System), and barge (Illinois River/Gulf of Mexico) 																
CREDIT	<ul style="list-style-type: none"> ● To be determined. Proposed Bonds will be sold under one of three contemplated structures: (1) Direct Bank Purchased, (2) Bank LOC Enhanced, or (3) for properties sold to rated companies, sold directly to investors based on the underlying credit ratings of the purchaser. No State or IFA Credit support will be requested. 																
INDICATORS	<p>See above: Direct Bank Purchase, Bank LOC, or sold based on underlying rating of user of an intermodal/logistics facility under development.</p> <p>Either 7-day Variable Rate Bonds (if LOC-enhanced) or fixed for an initial term of 5 years, with reset provisions to final maturity (unless underlying borrower has an investment grade rating, in which case Bonds could be sold at a fixed rate to maturity).</p> <p>Interest Rates: to be determined based on (1) structure and (2) market conditions at pricing</p> <p>Maturity Years: 30</p>																
SOURCES AND USES - PRELIMINARY	<table style="width: 100%; border: none;"> <tr> <td style="width: 30%;">IFA Bonds:</td> <td style="width: 20%; text-align: right;">\$576,118,000</td> <td style="width: 30%;">Project Cost:</td> <td style="width: 20%; text-align: right;">\$605,060,000</td> </tr> <tr> <td>USDOT Title 2</td> <td style="text-align: right;">1,248,000</td> <td>Costs of Issuance</td> <td style="text-align: right;"><u>3,000,000</u></td> </tr> <tr> <td>Equity/Match</td> <td style="text-align: right;"><u>30,694,000</u></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$608,060,000</td> <td>Total</td> <td style="text-align: right;">\$608,060,000</td> </tr> </table>	IFA Bonds:	\$576,118,000	Project Cost:	\$605,060,000	USDOT Title 2	1,248,000	Costs of Issuance	<u>3,000,000</u>	Equity/Match	<u>30,694,000</u>			Total	\$608,060,000	Total	\$608,060,000
IFA Bonds:	\$576,118,000	Project Cost:	\$605,060,000														
USDOT Title 2	1,248,000	Costs of Issuance	<u>3,000,000</u>														
Equity/Match	<u>30,694,000</u>																
Total	\$608,060,000	Total	\$608,060,000														
RECOMMENDATION	Credit Review Committee recommends approval.																

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
January 12, 2010**

Project: Seneca I-80 Railport Development LLC and its affiliates, successors, and assigns

STATISTICS

Project Number:	I-FT-TE-CD-8302	Amount:	\$576,118,000 (not-to-exceed amount)
Type:	Conduit Freight Transfer Facilities Revenue Bonds (Exempt Facility Bonds)	IFA Staff:	Rich Frampton
Location:	Seneca	*Counties/ Regions:	Grundy/Northeast

BOARD ACTION

Preliminary Bond Resolution
Conduit Freight Transfer Facilities Revenue Bonds (special US DOT allocation)
No IFA funds at risk
Staff recommends approval – IFA’s obligation to issue Tax-Exempt Bonds for this project will be conditional on: (1) the project receiving Title 23 Highway Grant Funds (a prerequisite for the Project to qualify to receive a portion of US DOT’s \$15 Billion national allocation), and (2) the Project receiving a portion of US DOT’s SAFETEA-LU Tax-Exempt Bond national allocation.

VOTING RECORD

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

PURPOSE

As proposed, IFA would issue up to \$576.12 million of Freight Transfer Facilities Revenue Bonds to finance all or a portion of the costs of new capital improvements relating to acquisition, site improvements and infrastructure, and construction and development of an intermodal terminal and warehousing/logistics park on an approximately 465 acre site and related rail and rail-to-truck and truck-to-rail freight transfer facilities located in an adjacent 555 acre logistics park to be located in Seneca, Illinois, with approximately 18,500 feet of uninterrupted rail line served by CSX Transportation (a national, Class 1 Railroad) on site. The subject development site is located approximately 1.5 miles south of the I-80/Seneca Road interchange and on US 6 in western Grundy County.

This Inducement Resolution would finance (1) the cost of financing construction of the intermodal terminal facility and (2) approximately 50% of the build-out costs of the integrated logistics park at the site. The Developer estimates that the proposed projects would be constructed and financed over a 5 year period. The total construction cost of these projects is estimated at approximately \$608.06 million.

Note: The US DOT requires an executed Inducement Resolution (i.e., “Preliminary Bond Resolution”) to be executed by a prospective issuer to be included in the Developer’s application to the US DOT for a portion of US DOT’s \$15 Billion nationwide allocation for privately-owned transportation facilities that qualify for Tax-Exempt financing under the 2005 SAFETEA-LU legislation. Accordingly, this application is preliminary. Ultimately, any available allocation awarded by the US DOT will determine the extent to which the Borrower will be able to finance project expenditures on a tax-exempt basis. Assuming the US DOT approves a conditional allocation for Seneca I-80 Railport Development LLC, the Borrower (or its successors, affiliates, or assigns) would return to IFA to finance discrete portions of the proposed project as the subject facilities are constructed in phases over time.

The Developer anticipates that the proposed project will be built-out over 5 to 10 years after construction of the intermodal rail facilities are completed.

IFA PROGRAM AND CONTRIBUTION

The Bonds will be issued as Tax-Exempt Freight Transfer Facilities Revenue Bonds, a new category of Exempt Facilities Bonds authorized under the Internal Revenue Code in connection with the 2005 National Transportation Bill [Public Law 59-109 (109th Congress) or SAFETEA-LU] and authorized under Section 142(m)(2)(A) of the Internal Revenue Code. These Bonds provide Tax-Exempt financing for capital improvements relating to the development of privately-owned intermodal facilities rail-to-truck and truck-to-rail facilities, including both intermodal facilities and warehousing/distribution facilities.

To date, the Illinois Finance Authority has approved Inducement Resolutions for three intermodal applications to date. These Inducement Resolutions are a required exhibit for allocation application requests by the Developer to the US Department of Transportation. IFA's three outstanding Inducement Resolutions include (1) Ridge Property Services, LLC (SW Will County, near Wilmington and Diamond) approved in August 2006; (2) CenterPoint Crete Terminal Railroad, LLC (near Crete, in eastern Will County) approved in March 2007; and (3) CenterPoint Joliet Terminal Railroad, LLC (just south of Joliet, in Will County, and just north of an adjacent CenterPoint intermodal facility in Elwood, Illinois) approved in August 2007. IFA has yet to issue bonds for these 3 induced projects as of 12/31/2009.

VOLUME CAP

Unlike other prospective IFA new money issuances for privately-owned facilities, this project will not require any Private Activity Volume Cap from the State of Illinois.

Instead, the US Department of Transportation is awarding portions of its \$15 Billion nationwide allocation established under SAFETEA-LU in 2005 to Developers who submit an application for a portion of the available allocation. In contrast to traditional Private Activity Volume Cap (under which the Internal Revenue Code provides an allocation to the State of Illinois, which is then distributed to prospective issuers), the US DOT will award allocations for these Transportation (e.g., Freight Transfer) Facilities Revenue Bonds directly to the Project Developer, not to IFA. (Without a US DOT allocation to a specific Project, IFA would not be unable to issue Bonds.) The US DOT allocations are direct to the Developer, not to the Issuer (i.e., not to IFA).

ESTIMATED SOURCES AND USES OF FUNDS [PHASE I BUILDOUT ONLY]

Sources:	IFA New Money Bonds	\$576,118,000	Uses:	Project Costs	\$608,060,000
	Equity	<u>31,942,000</u>		Costs of Issuance	<u>3,000,000</u>
	Total	<u>\$611,060,000</u>		Total	<u>\$611,060,000</u>

Note: Costs of Issuance noted above are preliminary estimates. Costs of issuance will be determined at the time of origination for each stand-alone bond issue that is originated as this project is built-out over time. Ultimately, the aggregate costs of issuance estimated above will depend on the number of underlying bond issues originated and their structure (i.e., LOC-secured or Bank Direct Purchased). Equity represents (1) the anticipated value of land to be contributed by the principals and (2) the Borrower's required equity/matching funds contribution for certain Title 23 and other highway and transportation facility improvement project grants from the US Department of Transportation. Additional cash equity will be provided by principals or the members of any successor entities formed by the Borrower to develop this project as deemed necessary by the Bank(s) advancing funds for construction/permanent financing for this series of projects.

JOBS

Current employment: 4	Projected new jobs: 975
Jobs retained: Not Applicable	Construction jobs: 1,183

FINANCING SUMMARY

Security/
Structure:

Assuming the US Department of Transportation grants an allocation of a portion of its \$15 Billion SAFETEA-LU Tax-Exempt Bond allocation for the Seneca I-80 Railport from its 2005 SAFETEA-LU allocation, the Developer anticipates that the Project will be built-out and financed in phases as warranted by demand either from tenants or from individual companies seeking to purchase a dedicated intermodal/warehousing facility at the Project over a minimum of 5 years. These projects may ultimately be owned by (1) affiliates of the Borrower or (2) unrelated third party users that seek to purchase and operate their own dedicated facilities within the Railport's industrial/warehousing park.

The Borrower anticipates that any facilities owned or leased by the Borrower would be structured as either (1) a Bank direct purchase (e.g., 30 year amortization with interest rate resets every 5 years) or (2) with a Direct Pay Letter of Credit securing the Bonds (from a Bank with a short-term rating of at least A-1+), and expected to bear interest in 7-day tax-exempt floating rate mode.

Facilities sold to third party users/purchasers would be financed directly by the user and could be structured as (1) Bank Direct Purchase transactions, (2) Bank LOC-secured transactions, or (3) as fixed rate Bonds sold based on the third party purchaser's underlying credit ratings.

Rating: To be determined, based on the underlying security/structure described above.

Interest Rate: To be determined based on the underlying security/structure for each Series as described above..

Amortization/
Maturity:

Maximum maturity of 30 years

Estimated

Closing Date: These financings would close in phases as dictated by project demand/build-out and the timing and amount of any allocations of Private Activity SAFETEA-LU Allocation by the US DOT to the Seneca I-80 Railport Development LLC. Initially, the Borrower would anticipate building out the proposed project over a minimum of five years (i.e., Calendar 2010 to 2015).

Rationale:

This Preliminary Bond Resolution will enable the Seneca I-80 Railport Development LLC to apply for a portion of the US Department of Transportation's \$15 Billion SAFETEA-LU pilot tax-exempt bond allocation for intermodal and other privately-owned transportation projects authorized under the 2005 Transportation Bill. The SAFETEA-LU Bonds are to finance privately-owned transportation infrastructure projects that benefit the general public by decreasing highway or rail congestion on a regional, national, or international basis.

The proposed Bonds would finance all or a portion of the proposed development of an Intermodal Rail-to-Truck and Truck-to-Rail facility to be developed on a 1,674 acre site that has been annexed to the Village of Seneca, Illinois (Grundy County).

PROJECT SUMMARY FOR IFA PRELIMINARY BOND RESOLUTION

Freight Transfer Facilities Revenue Bond proceeds will be used by Seneca I-80 Railport Development LLC, a to-be-formed limited liability company, for itself and for its successors, affiliates or assigns (collectively, the "Borrower") and issued in one or more series for the purpose of providing the Borrower with all or a portion of the funds for the purpose of assisting in financing the acquisition, construction, installation, improvement and rehabilitation of land,

infrastructure improvements, and facilities for the transfer of freight including, without limitation, rail facilities, warehouse and other storage facilities, cranes, loading docks and other equipment related to the transfer of freight, to be located generally along U.S. Route 6 in unincorporated Grundy County, Illinois, near the Village of Seneca, including the financing of any required reserve funds and capitalized interest; and financing the payment of all or a portion of the costs of issuance of the Bonds, including the costs of any credit enhancement for the Bonds, all as permitted under the Illinois Finance Authority Act (and collectively, the "Project").

A summary of preliminary project costs follows below:

Land Acquisition:	\$37,500,000
Site Improvements/Preparations:	100,455,000
Construction/Build-out :	175,000,000
Intermodal Terminal Facilities:	255,042,000
Architectural/Engineering:	38,193,000
Professional & Legal (Non-Financing):	<u>1,870,000</u>
Total Project Costs:	\$608,060,000

BUSINESS SUMMARY

Background: **Seneca I-80 Railport Development LLC (an Illinois limited liability company), and its affiliates, successors, and assigns ("Seneca Development", the "Borrower", or the "Developer").**

The Borrower is being formed as a special purpose entity to plan, finance, develop, build, and construct a proposed intermodal facility and logistics park located near Seneca, Illinois in unincorporated Grundy County.

The development site is located along approximately 18,500 feet of CSX Railroad right-of-way, near US Route 6. The site is approximately 1.5 miles south of a full interchange (I-80 and Seneca Road; located just north of the intersection of Seneca Road and US Route 6).

The initial principals of the to-be-formed Borrower will be comprised of key employees affiliated with (1) Clark Street Development, LLC of Chicago (www.clarkstreet.com) and (2) NAI Hiffman of Oakbrook Terrace, Illinois (www.naihiffman.com). (Profiles of the key principals follow below.)

The initial principals have already formed entities that have acquired portions of the subject property site which will ultimately be contributed as equity for the Project.

The current owners and professional affiliations of the existing Seneca I-80 site anticipated for development are the four Illinois Limited Liability Companies identified below. The Managers (i.e., General Partners if each of these LLC's were a Partnership) are the individuals with decision making control for each entity.

- **Seneca I-80 Railport, LLC (28%), an Illinois Limited Liability Company**, is affiliated with the initial owner of the subject land. The Manager of Seneca I-80 Railport (the Initial Applicant/Borrower) is Mr. Gerard Keating (719 Shady Avenue, Geneva, IL 60134; Ph.: 630-248-9969). Mr. Gerard Keating also anticipates serving as the Manager of the Borrower (i.e., Seneca I-80 Railport Development, LLC) and is a former Executive Vice President of NAI Hiffman and is currently principal of Keating Resources in Geneva, Illinois.
- **1311 Seneca, LLC (24%), an Illinois Limited Liability Company, c/o NAI Hiffman Asset Management, One Oakbrook Terrace, Oakbrook Terrace, IL 60181.** Contact: Mr. Dennis J. Hiffman, Manager, 630-691-0616. Mr. Hiffman is Chairman and CEO of NAI Hiffman. Web site: <http://www.naihiffman.com/Default.aspx?tabid=1380>
- **ETC Seneca, LLC (24%), an Illinois Limited Liability Company, c/o Clark Street Development LLC, 980 N. Michigan Avenue, Chicago, IL.** Contact: Mr. E. Thomas

Collins, Jr., Manager, 312-377-9103. Mr. Collins is a Principal with Clark Street Development LLC.

- **REH Seneca, LLC (24%), an Illinois Limited Liability Company, c/o Clark Street Development LLC, 980 N. Michigan Avenue, Chicago, IL.** Contact: Mr. Richard E. Hulina, Manager, 312-377-9107. Mr. Hulina is a Principal with Clark Street Development LLC.

The Project and Development

Site:

According to the Borrower, the Seneca I-80 Railport project offers the following site attributes to prospective users:

- 1,674 acres along U.S. Hwy 6 that have already been annexed to the Village of Seneca and zoned for Industrial and Intermodal Use.
- 18,500 feet of uninterrupted Class I CSX Railroad right-of-way that traverses the development site
- Only intermodal site in the greater Chicago Market that serves an East Coast railroad (i.e., CSX) but with potential access for the railroads serving locations west of Chicago.
- Positioned to accommodate growth in east coast rail traffic created by the completion of the expanded Panama Canal
- Illinois River service via Seneca Regional Port District, connecting to the Gulf of Mexico, less than 4 miles from the site.
- Full I-80 interchange 1.5 miles north of subject project site; I-55 is 20 miles east; I-39 is 25 miles west
- Full natural gas pipeline access on site; 345,000 Volt ComEd Electrical Transmission Line located 1.5 miles north at I-80 interchange.
- 100,000 lb. off-road drayage trucks are allowed on roads between the Seneca I-80 Logistics Park and Intermodal Center per annexation agreement with Village of Seneca.
- A map of the general location of the I-80 Seneca Railport follows immediately below:



Ownership/Sale of
Portions of
Project over
Time:

The Borrower anticipates forming successor entities to own portions of the proposed project as it is built out. Additionally, the Borrower may sell portions of the Project directly to third party users as the project is built-out.

Assuming the proposed project receives a conditional allocation of a portion of the US Department of Transportation's 2005 SAFETEA-LU allocation, the Borrower anticipates developing and financing the proposed project in multiple phases over several years.

As typical with real estate projects, the Borrower anticipates establishing a series of new special purpose entities that may purchase and develop portions of the Project Site from Seneca I-80 Railport Development LLC. Additionally, prospective users of the intermodal facility may purchase, develop, and finance (pursuant to this Preliminary Bond Resolution) and own one or more logistics facilities located at the proposed integrated intermodal/logistics park. (For each of these prospective Freight Transfer Facilities Revenue Bonds, the purchasing company would be eligible to use a portion of the US DOT allocation to develop their project directly. Bonds would be structured by the purchasing company, just as with a conventional Industrial Revenue Bond issue.)

By providing the Borrower with the ability to convey its interest in any portion of the project defined by the subject Preliminary Bond Resolution to any affiliate, successor, and assign, will enable the project to be built out and financed in phases using portions of the proposed Tax-Exempt SAFETEA-LU Freight Transfer Facilities Revenue Bond allocation.

Background
Profile of
Developer/
Principals:

The principals (i.e., initial members of the Borrower) have over 100 years of combined real estate development experience, including development of large industrial sites. The proposed I-80 Seneca Railport is the second intermodal rail facility that the principals have developed. Previously, the principals assembled, acquired, and obtained entitlements (i.e., utilities, road, sewer, and water infrastructure) for 1,700 acres of land in Joliet, Illinois that was purchased by CenterPoint Properties for development as the CenterPoint Intermodal Center - Joliet. (IFA approved an Inducement Resolution in August 2007 in an amount not to exceed \$1.137 Billion for the CenterPoint Intermodal Facility.)

Background on Manager of Borrower:

- **Mr. Gerard Keating, Keating Resources LLC, Geneva, IL:** Mr. Keating, , the initial Manager of the Borrower (LLC) is currently President of Geneva-based Keating Resources, a real estate development company. Prior to establishing Keating Resources, Mr. Keating was Central Region Direct of NAI Global Logistics, which provides real estate solutions to distribution and warehousing companies internationally.

As noted previously, key principals involved with development of the I-80 Seneca Railport are affiliated with (1) Clark Street Development, LLC of Chicago and (2) NAI Hiffman of Oakbrook Terrace, IL. *[These projects, however, are not being developed directly by either Clark Street Development, LLC or NAI Hiffman – these projects will be developed by the individuals identified below in their role as Members of Clark Street Development, LLC.]*

- **Clark Street Development, LLC, Chicago, IL:** The principals of Clark Street Development have successfully developed over 30 million SF of retail, industrial, and office properties, and have acquired over 50,000 acres of land for development during

their careers. Key Principals of Clark Street Development who will be involved in ownership and development of the Seneca I-80 Railport include:

- **Mr. E. Thomas Collins, Jr.:** Prior to forming Clark Street Development, Mr. Collins was President and Chief Operating Officer of HSA (Hiffman Shaffer Associates, Inc.), and was named Vice Chairman in 1995. In 1999, Mr. Collins formed The Reliant Group, Ltd. with Richard Hulina, which later evolved into Clark Street Development, LLC.
- **Mr. Richard E. Hulina:** Prior to forming Clark Street Development LLC with Mr. Collins, Mr. Hulina was Principal and President of HSA Real Estate Acquisition and Development, where he developed over 10 large scale retail projects totaling over 2 million SF. Prior to joining HSA, Mr. Hulina was with Sear's Homart Development Company beginning in 1973, where he served as Development Director for Regional Malls and Vice President of Land Development. Mr. Hulina was involved in development of several Chicago-area regional malls including Northbrook Court (Northbrook), Woodfield Mall (Schaumburg), and Fox Valley Center (Aurora).
- **NAI Hiffman, Oakbrook Terrace, IL:** According to its management, NAI Hiffman is the largest full-service privately-owned real estate services firm in the Midwest. NAI Hiffman is the Chicago-area affiliate of NAI – the world's largest commercial real estate organization.
 - **Mr. Dennis J. Hiffman:** Mr. Hiffman has been involved the real estate brokerage and development for over 35 years including as the General Partner in the development or acquisition of many office buildings and retail shopping centers. Mr. Hiffman founded HSA in 1981 to serve the needs of corporate real estate. Over the next 18 years, HSA grew to be the largest independently owned commercial real estate firm in Chicago. Mr. Hiffman became Chairman of NAI Hiffman in 1999. NAI Hiffman has over 200 brokers and employees located at 7 offices throughout the Chicago Metropolitan Area.

ECONOMIC DISCLOSURE STATEMENT

Applicant/Primary Contact: Seneca I-80 Railport Development LLC, c/o Mr. Gerard Keating, Manager, 719 Shady Avenue, Geneva, IL 60134; Ph.: 630-248-9969; Gerard@keatingresources.com

Alternate Contact: Mr. James M. Kurtzweil, Principal, Clark Street Development, 980 N. Michigan Ave., Suite 1280, Chicago, IL 60611; Ph.: 312-377-9108; Fax: 312-377-9101; E-mail: jkurtzweil@clarkstreet.com) Note: Although Mr. Kurtzweil will be providing services to Seneca I-80 Railport Development LLC, he will not have a membership (i.e., ownership) interest in the Borrower.

Web Sites: Seneca I-80 Railport (Project): www.senecal80railport.com
Clark Street Development LLC (informational only): www.clarkstreet.com
NAI Hiffman (informational only): www.naihiffman.com

Project name: Seneca I-80 Railport Development Project

Location: Adjacent to U.S. Route 6, near CSX Railroad right-of-way, approximately 1.5 miles South of I-80/Seneca Road interchange, in unincorporated Grundy County, Illinois, and east of the Village of Seneca (Grundy County), Illinois 61360

Organization: Limited Liability Company

State: Illinois

Ownership of Borrower/Current Land Owners: Initially, the Borrower will be a to-be-formed entity initially comprised of the current owners of the subject property as identified below. Ultimately, the Borrower anticipates additional equity partners/members who will be identified at the time each bond issue is originated.

Current Land Owners: The current owners of the subject property site anticipated for development are the four Illinois Limited Liability Companies identified below -- each of which own a portion of the

proposed project site. The Managers (i.e., General Partners if each of these LLC's were a Partnership) are the individuals with decision making control for each entity.

- **Seneca I-80 Railport, LLC (28%), an Illinois Limited Liability Company**, is affiliated with the initial owner of the subject land. The Manager of Seneca I-80 Railport, LLC is Mr. Gerard Keating (719 Shady Avenue, Geneva, IL 60134; Ph.: 630-248-9969). Mr. Gerard Keating will be the Manager of the to-be-formed Borrower (i.e., Seneca I-80 Railport Development, LLC) and is Principal of Keating Resources, Geneva, Illinois.
- **ETC Seneca, LLC (24%), an Illinois Limited Liability Company, c/o Clark Street Development LLC, 980 N. Michigan Avenue, Chicago, IL.** Contact: Mr. E. Thomas Collins, Jr., Manager, 312-377-9103. Mr. Collins is a Principal with Clark Street Development LLC.
- **REH Seneca, LLC (24%), an Illinois Limited Liability Company, c/o Clark Street Development LLC, 980 N. Michigan Avenue, Chicago, IL.** Contact: Mr. Richard E. Hulina, Manager, 312-377-9107. Mr. Hulina is a Principal with Clark Street Development LLC.
- **1311 Seneca, LLC (24%), an Illinois Limited Liability Company, c/o NAI Hiffman Asset Management, One Oakbrook Terrace, Oakbrook Terrace, IL 60181.** Contact: Mr. Dennis Hiffman, Manager, 630-691-0616.
 Web site: <http://www.naihiffman.com/Default.aspx?tabid=1380>

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	To be determined		
Auditor:	FGMK	Bannockburn, IL	Perry Weinstien
Bond Counsel:	Ice Miller LLP	Chicago, IL	Patra Geroulis
LOC Provider/			
Bond Purchaser(s):	To be determined [Prospective Banks include, but are not limited to: The Private Bank; Cole-Taylor Bank; Harris Bank; MB Financial Bank; First Midwest Bank; First American Bank]		
Bank Counsel:	To be determined by Lender/LOC provider, as applicable		
Senior Manager:	To be determined (would not be necessary if Bonds are sold via a Direct Purchase structure)		
Underwriter's			
Counsel:	To be determined (would not be necessary if Bonds are sold via a Direct Purchase structure)		
General Contractor:	To be determined		
Project Engineer:	To be determined		
Trustee:	To be determined (would not be necessary if Bonds are sold via a Direct Purchase structure)		
Rating Agencies:	To be determined (would not be necessary if Bonds are sold via a Direct Purchase structure)		
Issuer's Counsel:	Greenberg Traurig, LLP	Chicago	Matt Lewin
IFA Financial			
Advisor:	Scott Balice Strategies, LLC	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	11	Debbie Halvorson
State Senate:	38	Gary G. Dahl
State House:	75	Careen Gordon



CONDUIT

\$5,100,000

January 12, 2010 **Adler School of Professional Psychology**

REQUEST	<p>Purpose: Bond proceeds will be used to finance leasehold improvements that will enable the Adler School of Professional Psychology to (1) consolidate its operations on two adjacent floors of a building, (2) provide room for future expansion, and (3) provide Adler’s faculty and students with a dedicated building entrance that will improve safety and cohesiveness of the campus to both students and faculty. Additionally, the Adler School will have the option to purchase a condominium interest in the subject space as of April 1, 2016. The renovated space will be used for classrooms, administrative offices, and as library space.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds Extraordinary Conditions: None.</p>																				
BOARD ACTIONS	Final Bond Resolution																				
MATERIAL CHANGES	No material changes from Preliminary Bond Resolution approved October 2009.																				
	Summary Voting Record from Preliminary Bond Resolution – October 14, 2009: 11 Ayes; 0 Nays, 0 Abstentions, 1 Absent (Verrett); and 4 Vacancies.																				
JOB DATA	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">120</td> <td style="width: 25%; text-align: center;">Current</td> <td style="width: 25%; text-align: center;">31</td> <td style="width: 20%;">New jobs projected (preliminary; subject to change)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">jobs</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">Retained</td> <td style="text-align: center;">25</td> <td>Construction jobs projected)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">jobs</td> <td></td> <td></td> </tr> </table>		120	Current	31	New jobs projected (preliminary; subject to change)			jobs				N/A	Retained	25	Construction jobs projected)			jobs		
	120	Current	31	New jobs projected (preliminary; subject to change)																	
		jobs																			
	N/A	Retained	25	Construction jobs projected)																	
		jobs																			
DESCRIPTION	<ul style="list-style-type: none"> • Location: Chicago (Cook County/Northeast Region) • The Adler School was founded in 1952 and is the oldest independent school of psychology in North America. • This project will enable the Adler School to consolidate its activities on two adjacent floors in its new location, which will also provide room for additional growth. • The Adler School has attained new enrollment records in each of the past 4 years. 																				
CREDIT INDICATORS	<ul style="list-style-type: none"> • The subject Bonds will be purchased directly as an investment by MB Financial Bank (as “Lender/Investor”). MB will be a secured lender on this financing. • The Adler School is not rated by Moody’s, S&P, or Fitch. 																				
PROPOSED STRUCTURE	<ul style="list-style-type: none"> • Fixed Rate Bonds • Final Maturity of up to 10 years (initial term/pricing of 7 years). 																				
SOURCES AND USES	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">IFA Bonds</td> <td style="width: 15%; text-align: right;">\$5,100,000</td> <td style="width: 30%;">New Proj. Cost</td> <td style="width: 25%; text-align: right;">\$6,981,500</td> </tr> <tr> <td>IFF Subordinate Loan (2nd Leasehold Mortgage)</td> <td style="text-align: right;">1,000,000</td> <td></td> <td></td> </tr> <tr> <td>Equity</td> <td style="text-align: right;"><u>1,000,000</u></td> <td>Cost of Issuance</td> <td style="text-align: right;"><u>118,500</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>\$7,100,000</u></td> <td>Total</td> <td style="text-align: right;"><u>\$7,100,000</u></td> </tr> </table>	IFA Bonds	\$5,100,000	New Proj. Cost	\$6,981,500	IFF Subordinate Loan (2 nd Leasehold Mortgage)	1,000,000			Equity	<u>1,000,000</u>	Cost of Issuance	<u>118,500</u>	Total	<u>\$7,100,000</u>	Total	<u>\$7,100,000</u>				
IFA Bonds	\$5,100,000	New Proj. Cost	\$6,981,500																		
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Total	<u>\$7,100,000</u>	Total	<u>\$7,100,000</u>																		
RECOMMENDATION	Credit Committee recommends approval.																				

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
January 12, 2010**

Project: Adler School of Professional Psychology

STATISTICS

Project Number: E-PC-TE-CD-8182	Amount: \$5,100,000 (not-to-exceed amount)
Type: 501(c)(3) Revenue Bonds	IFA Staff: Rich Frampton
Locations: Chicago	County/Region: Cook/Northeast

BOARD ACTION

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

PURPOSE

The proposed project will enable **Adler School of Professional Psychology** (the “**Adler School**” or the “**Borrower**”) to finance leasehold improvements that will enable the Borrower to relocate and consolidate its operations at a new Downtown Chicago location in 2010 that will offer an improved functional layout, a dedicated lobby entrance and elevator access to the Adler School’s facilities within the building, and provide space to expand Adler’s operations consistent with expected growth associated with its new educational programs. Additionally, the Adler’s Schools lease will provide purchase options during the lease term that, if exercised, would enable the Adler School to acquire the subject space (as a condominium unit). The project will also provide room to accommodate future growth.

IFA PROGRAM AND 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. IFA’s issuance of these Bonds will convey federal tax-exempt status on the interest paid to bondholders, thereby enabling bondholders to accept a below market interest rate that is passed through to the Borrower.

VOTING RECORD

Preliminary Bond Resolution approved Wednesday, October 14, 2009:

Ayes: 11 Nays: 0 Abstentions: 0 Absent: 1 (Verrett) Vacancies: 4

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Bonds	\$5,100,000	Uses: Leasehold Improv.	\$6,981,500
IFF Subordinate Loan (2 nd)	1,000,000	Issuance Costs	<u>118,500</u>
Equity	<u>1,000,000</u>		
Total	<u>\$7,100,000</u>	Total	<u>\$7,100,000</u>

JOBS

Current employment:	102	Projected new jobs:	31-37
Jobs retained:	N/A	Construction jobs:	25-30 (preliminary estimate)

BUSINESS SUMMARY

Background: **Adler School of Professional Psychology** (“**Adler School**” or the “**Borrower**”) is incorporated under Illinois law and is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code.

The Adler School is governed by a 16-member Board of Trustees (see pp. 8-9 for listing).

Description: Adler School of Professional Psychology was established in 1952 as a private, not-for-profit institution of higher education and is the oldest independent school of psychology in North America, providing masters and doctorate degrees in psychology. The Adler School currently has campuses located in Downtown Chicago (65 E. Wacker Place) and Vancouver, British Columbia. In addition to providing graduate level professional education, the Adler School supplements its educational mission by providing psychological services, research, professional publications. Adler also performs research, training, and other services under grants and contracts with third-party sponsors.

The Adler School is named after Alfred Adler (1870-1937), the first community psychologist to initiated group counseling, family counseling, and public mental health education. Alfred Adler also pioneered community, preventative, and positive psychologies. The Adler School is committed to continuing the work of Alfred Adler by producing socially responsible graduates, promoting social justice, and providing holistic services to individuals and communities.

Social responsibility is the Adler School’s principal value in all its curricula and initiatives. To attain its mission and supplement learning experiences available to its students, Adler created Adler Community Health Services (d/b/a Dreikurs Psychological Services Center) and the Adler Institutes of Social Change.

- Adler Community Health Services provides mental healthcare for underserved individuals and communities while providing internship opportunities for students via programs targeted to assist children, adolescents, adults, couples, families, and groups dealing with marital and family problems, depression and anxiety, stress, school adjustments, family conflict, couple distress, grief and loss, substance abuse, and other psychological issues. All services are under supervision of the Adler School’s core faculty, all of whom are licensed clinical psychologists. 75% of the client base of the public served through these programs was at or below the poverty level in 2007.
- The Adler Institutes of Social Change includes two institutes:
 1. The Adler School for Social Change was launched in 2005 and includes the Institute on Social Exclusion, which provides public policy discourse to promote social justice through applied research, public awareness, and community outreach by working in partnership with local governments and policy-makers.
 2. The Adler Institute for Public Safety and Social Justice was launched in Fall 2008 to provide law enforcement officers, public safety workers with sophisticated psychology-based tools that will enable these officials to be more emotionally responsive, attuned, and effective within diverse and challenging communities.

The Adler School offers a doctoral program in clinical psychology (Psy.D), accredited by the American Psychological Association (“APA”), and five Master’s programs in behavioral sciences and services. The Adler School’s recently launched Master’s Program in Police Psychology is the first of its kind in the United States. Additionally, the APA recently granted its maximum accreditation of seven years to Adler’s Doctoral Program in Clinical Psychology (Psy.D.). According to the Adler School, the seven year accreditation is reserved for institutions with exemplary performance and this seven-year accreditation is the first time the Adler School has received this distinction.

Adler School requires all of its applicants to have baccalaureate degrees from an accredited college or university.

Adler’s Fall Chicago enrollment has increased 366 in Fall 2004 to 642 in Fall 2008 (a 75.4% increase), with compound average annual growth of approximately 15%. (During the same period, Vancouver campus enrollment increased from 74 to 135, an 82% increase, with compound average annual growth of approximately 16.2%.)

The Adler School’s Fall 2009 enrollment will total 715 in Chicago and 156 in Vancouver, BC.

FINANCING SUMMARY

Structure: The proposed Bonds will be purchased directly by MB Financial Bank, Rosemont, IL. MB Financial Bank will be the Lender/Investor on the subject Bonds. The Adler School of Professional Psychology is a non-rated higher education institution. (The Adler School will execute a lease term of up to 15 years that will include the option to purchase the subject space as a condominium unit beginning April 1, 2016.)

Collateral: As described in additional detail in the Project Summary section that follows below, the Adler School of Professional Psychology will be using the proposed IFA Series 2009 Bond Proceeds to finance leasehold improvements at a renovated building (One North Dearborn) where the Adler School will be leasing space. The term of the lease is for a minimum term of 15 years, while the anticipated bond term will be 7 years with payments amortized over 10 years.

Accordingly, MB Financial Bank will be secured by a first leasehold mortgage on the subject project. As Direct Lender/Investor, MB will be secured by a first security interest in all revenues of the University. (Accordingly, the Subordinate IFF Loan will be secured by a second leasehold mortgage. The Subordinate IFF Loan’s terms will match the MB Financial Bond Terms – and will also have a 7 year term and 10-year amortization. The interest rate is anticipated at approximately 6.0%, with interest-only payments for the initial 6 months, conforming to MB’s repayment terms on the Bonds.)

Additionally, MB will cross collateralize and cross default its Line of Credit and all hereinafter originated loans and other debt obligations to the Adler School.

Final Maturity Date: 8 to 10 years (with a 7 year initial term); maximum amortization and maturity date 10 years after closing

Interest Rates: MB has provided The Adler School with a negotiated fixed interest rate pricing for a 7 year term.

Adler School expects to elect in its Tax Filing at closing for the subject Bonds to carry “Bank Qualified” status.

Timing: December 31, 2009

Rationale: The proposed 15-year lease structure (with options to purchase beginning in April 2016) will provide the Adler School with time to continue to increase enrollment and build-up liquidity in anticipation of exercising an embedded purchase option in 2016 or thereafter.

The new facility will enable the Adler School to consolidate its operations in 100,799 Rentable SF of space located on two adjacent floors. In contrast, the Adler School presently leases approximately 46,900 SF of space located on six non-contiguous floors (i.e., the 9th, 10th, 17th, 20th, 21st, and 22nd floors) at 65 E. Wacker Place. Adler's management believes that its present configuration is both (1) inefficient and (2) does not meet Adler School's future growth objectives.

The new facility will provide the Adler School with (1) its own dedicated entrance lobby (2,502 SF) on the ground floor of One North Dearborn, Chicago, IL, (2) a dedicated elevator bank, (3) primary classrooms, a library, dedicated bathrooms, and office space located on the 15th Floor (48,495 Rentable SF) and 16th Floor (29,799 Rentable SF).

The proposed Bonds will finance Adler's School's commitment to provide approximately \$7.0 million of leasehold improvements for the final build-out. On April 1, 2016 Adler will have the option to purchase the leased space at a pre-determined purchase price. Additionally, Adler School has additional purchase options within the Lease Agreement that will include the right of first refusal for additional floors, a separate elevator bank, and reduced rent during the term in anticipation of the tax-exempt status of the property while leased to Adler School.

PROJECT SUMMARY (for IFA Final Bond Resolution)

The IFA Series 2009 New Money Bond Proceeds will be used by the Adler School of Professional Psychology to finance, refinance (through the repayment of one or more interim loans), or reimburse the Borrower for (1) the costs of leasehold improvements in connection with the construction and build-out of approximately 100,796 Rentable SF ("RSF") of leased building space comprising approximately (a) 2,502 RSF on Floor 1, (b) 48,495 RSF on Floor 15, and (c) 49,799 RSF of Floor 16 located at 1 North Dearborn, Chicago, IL 60602 to be used as classroom space, administrative offices and library space, and related building infrastructure, including, but not limited to, restrooms, dedicated elevators and elevator bank space, (2) the payment of costs of issuance of the Bonds, and (3) if deemed necessary and desirable, capitalized interest on the Bond or working capital expenditures related to the Project, all through the issuance by the Authority of its Bonds, and (4) related building infrastructure, including, but not limited to dedicated elevators and elevator bank space (collectively, the "Project") (with all specified facilities constituting the Project to be owned and operated by the Adler School of Professional Psychology.

The classrooms will be technology-enhanced and provide "smart boards" that will allow professors to simulcast their classes at Adler's satellite campus in Vancouver, BC.

A summary of the estimated leasehold improvement expenditures to be financed through the IFA Series 2009 New Money Bonds follows (*Note*: this is an allocation proration that excludes landlord-financed buildouts that will be included in lease payments.):

Construction (Offices, Classrooms, Bathroom, Library, etc.)/Leasehold Impr.	\$5,103,475
Architectural/Engineering	802,875
Furniture, Fixtures, Entrance Constr.	<u>\$1,075,150</u>
Subtotal -- New Project Costs financed with IFA Bonds	<u>\$6,981,500</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Adler School of Professional Psychology (c/o, Mr. Jeffrey Green, Vice President of Finance & IT, Adler School of Professional Psychology, 65. E. Wacker Drive, Suite 2100, Chicago, IL 60601; (T): 312-201-5900 (x259); (F): 312-261-4044; e-mail: jgreen@adler.edu)

Web Site: www.adler.edu

Project name: Adler School of Professional Psychology, Series 2009 Bonds

Locations: 1 N. Dearborn (including all or portions of the 15th Floor, 16th Floor, and Ground Floor), Chicago (Cook County), IL, 60602-4331.

Organization: Illinois 501(c)(3) not-for-profit corporation

Board of
Directors: Members of Adler School of Psychology's Board of Trustees are listed on pp. 8-9 of this report.

Current
Property
Owner/Landlord: The current owner of the subject property that will be leased to Adler School of Professional Psychology is **One North Dearborn Partners LLC**. **Contact information for the Member of One North Dearborn Partners LLC is:**

Mr. Meyer Chetrit
The Chetrit Group
404 Fifth Avenue, 4th Floor
New York, NY 10018
646- 230-9360

Contact information for the Leasing Agent for One North Dearborn is MB Real Estate Services, LLC:

Mr. Edward D. McKim
MB Real Estate
1 N. LaSalle, Suite 3700
Chicago, IL 60602
312-781-0314

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Holland & Knight, LLP	Chicago, IL	David Alswang, Steve Eldrod
Auditor:	Miller Cooper & Co., Ltd.	Northbrook, IL	
Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Direct Lender/ Bond Purchaser:	MB Financial Bank	Rosemont, IL	Bernard Bartilad, John Sarris
Counsel to Lender/ Bond Purchaser:	Schain, Burney, Ross & Citron, Ltd.	Chicago, IL	David O'Keefe
Trustee:	Not applicable (Bonds will be bank purchased)		
Borrower's Real Estate Advisor:	Transwestern	Chicago, IL	Phil Utgard, Scott Becker
Business Advisor:	Sound Capital Management, Inc.	Eden Prairie, MN	Steve Johnson
Architect: General	OWP/P	Chicago, IL	Charles Smith
Contractor:	Leopardo Construction	Chicago, IL	Rick Dupraw
IFA Counsel:	Steve Lawrence	Chicago, IL	Steve Lawrence
IFA Financial Advisor:	Scott Balice Strategies, LLC	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 7 Danny K. Davis
State Senate: 3 Mattie Hunter
State House: 5 Kenneth Dunkin

Adler School of Professional Psychology – Board of Trustees

Patricia Moten Marshall, M.H.A.

Member since 1997

Board Chair

President, SynerChange Chicago. Ms. Marshall consults with senior executives, top management, and boards of directors throughout the United States.

Audra Akins, M.A.T.D.

Member since 2004

Ms. Akins is a doctoral student in instructional technology and design at Northern Illinois University, and she exemplifies the type of student the Adler would most like to capture, a student who is using education to improve her community. She has worked with and designed a number of community health programs.

Mary Cahillane, M.B.A.

Member since 2008

Ms. Cahillane is the Chief Financial and Administrative Officer for The Spencer Foundation, an organization that focuses on educational research. Prior to joining Spencer, Ms. Cahillane served in senior management positions at Bank of America.

Janet Campbell, M.S.W.

Member since 2006

Ms. Campbell is the Coordinator of Child and Youth Mental Health for the Vancouver Coastal Region and the Coordinator of PASTS (Psychological Assessments and Short Term Therapy Services.) She was formerly the Provincial Manager for Family Court Centre in Vancouver, British Columbia.

Victoria Chou, Ph.D.

Member since 2008

Dr. Chou has served as the Dean of the College of Education at UIC since 1997.

Raymond E. Crossman, Ph.D.

President, Adler School of Professional Psychology.

Diane Dinkins-Carr

Member since 2007

Ms. Dinkins-Carr is the Founder and President of DDC Consulting Group, Inc., an art appraisal and consulting business that provides professional appraisal, advisory, and resource services to connect individuals, collectors, architects, designers, developers, institutions and businesses to the visual fine arts.

William W. Greaves, Ph.D.

Member since 2005

Director/Community Liaison, Advisory Council on Gay and Lesbian Issues; City of Chicago Commission on Human Relations.

Lee Guthrie, M.B.A., M.L.S.

Member Since 2005

Vice President, Marketing and Business Development, Healthcare Financial Management Association (HFMA).

Steven Kirn, Ph.D.

Member Since 2001

President and Chief Executive Officer of Steven Kirn Consulting. Dr. Kirn studied clinical psychology before specializing in consultation and organizational psychology. He was formerly vice-president of innovation and organization development for Sears.

David J. Kreischer, M.A.

Member Since 2005

Managing Partner, Higgins Kreischer and Associates LLC. Mr. Kreischer's firm coaches and counsels senior executives and high potentials on career, team, and organizational development issues. Dave is an Adler School alumnus.

Harold Mosak, Ph.D.

Member Since 1952

Distinguished Professor, Adler School of Professional Psychology and one of the founders of the School. Dr. Mosak has written hundreds of articles and numerous books on Individual Psychology.

Lindsay Setzer

Member Since 2008

Ms. Setzer worked for the Provincial Government of Canada for thirty years, until her retirement in 2005. Most recently, she served as the Director of the Maples Adolescent Treatment Centre, a provincial mental health facility in Burnaby, British Columbia.

Bernard Shulman, M.D.

Member Since 1952

Director of Psychiatric Services, Diamond Headache Clinic and one of the founders of the School.

Javier Ubarri, M.B.A.

Board Vice Chair

Member Since 2004. Regional Executive, Banco Popular North America.

Carolyn Williams Meza, M.B.A.

Member Since 2008

Ms. Williams Meza is an executive with over 30 years or broad expertise in the private, public and non-profit sectors. She has a specific strength in leadership development, team building, coaching, and operational improvement. Most recently, Ms. Williams Meza was the Chief Administrative Officer of the United Way for Southeastern Michigan, one of the 12 largest United Ways in the USA, with revenues of \$80 million and 140 employees.

January 12, 2009

\$7,800,000

EM PROPERTIES LTD. (THE HOTEL PERE MARQUETTE PROJECT)

REQUEST

Purpose: The moral obligation financing will finance a portion of the energy efficient upgrades of the 270-room historic Pere Marquette Hotel that will be renovated and converted to a Marriott and a to be constructed 180-room Courtyard. The development is located in downtown Peoria on Main Street two blocks from the Caterpillar world headquarters. The developments adjacent and will be connected to the skywalk to the Peoria Civic Center. Proceeds will be used to acquire the land, rehabilitation of the Pere Marquette Hotel, construction of the 180-room Courtyard Hotel, construct the parking desk, pay costs of issuance and fund capitalized interest and bank fees.

Program: Taxable State Renewable Energy Moral Obligation Bonds (“REMOBs”)

State Funds at Risk: \$7,800,000

BOARD ACTIONS

Preliminary Bond Resolution subject to conditions (see page 3)

This is the first time the project has been brought before the board.

MATERIAL CHANGES

None

JOB DATA

0	Current jobs	240	New jobs projected
0	Retained jobs	840	Construction jobs projected

DESCRIPTION

- Location: Peoria
- EM Properties, Ltd. specializes in the development of hotel, office, restaurant, and retail property. With decades of experience, their in-house professional staff manages all phases of project development from site survey and building design to procurement and construction. EM Properties is owned by Gary Mathews. Gary has over 30 years in the real estate industry, the past 18 in commercial leasing, property management and development. Recently EM properties hotel developments include the Embassy Suites in East Peoria, Marriott Fairfield Inn and Suites, and the Sleep Inn and Suites in East Peoria.
- The property consists of the 270-room historic Pere Marquette Hotel and a to be constructed 180-room Courtyard. The development is located in downtown Peoria on Main Street two blocks from the Caterpillar world headquarters. The developments will be connected via skywalk to the Peoria Civic Center (“PCC”). The Hotel has good access to Interstate 74 (“I-74”) and East Peoria. The entrance to the Hotel is well located on Main Street.
- Since inception (1994), EM Properties has developed over 1 million square feet of commercial real estate space developed in the past 13 years and has been responsible for approximately \$250 million additional annual sales to the cities.

BANK PARTICIPANTS

- Morton Community Bank (Lead Bank - \$10 million), Citizens Equity First Credit Union (\$10 million) and South Side Bank (\$5 million).

SECURITY

- The IFA’s security would be pari-passu with the other banks and would include a first mortgage position in the property, equipment and other infrastructure improvements.

EXISTING IFA PARTICIPATION LOAN:

- IFA made a \$1 million participation loan to the Pere Marquette for renovations on April 10, 2007. The loan has a balance of \$876,464.04. The proceeds of the new issue would payoff the existing loan with National City / PNC Bank.

MATURITY

- 2035

SOURCES AND USES

Bank Loan – Senior	\$25,000,000	Land Acquisition	\$22,700,000
REMOBs - Senior	7,728,399	Pere Marquette Rehab	21,700,845
TIF Bonds	39,372,000	Courtyard Construction	16,670,970
Federal Historical Tax Credits	6,619,000	Developer Fees	9,180,000
New Market Tax Credits	5,000,000	Parking Deck	8,500,000
Marriott Funds	1,500,000	Cost of Issuance	3,528,910
Caterpillar Participation	1,500,000	Consultant Fees	3,030,674
Developer Equity	<u>3,500,000</u>	Bank Funded Interest	<u>4,908,000</u>
Total	\$90,219,399	Total	\$90,219,399

Recommendation

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
January 12, 2009**

Project: EM Properties Ltd. (The Hotel Pere Marquette Project)

STATISTICS

Project Number: H-HO-TE-CD-8305 Amount: \$7,800,000 (Not-to-Exceed)
Type: Taxable Renewable Energy Moral Obligation IFA Staff: Bill Claus
County/Region: Peoria County City: Peoria

BOARD ACTION

Renewable Energy State Moral Obligation Staff recommends Approval subject to
\$7,800,000 State funds at risk conditions (**see page 3**)
Preliminary Bond Resolution

VOTING RECORD

This is the first time the project has been brought before the board.

PURPOSE

The moral obligation financing will finance a portion of the energy efficient upgrades of the 270-room historic Pere Marquette Hotel that will be renovated and converted to a Marriott and a to be constructed 180-room Courtyard. The development is located in downtown Peoria on Main Street two blocks from the Caterpillar world headquarters. The developments adjacent and will be connected to the skywalk to the Peoria Civic Center. Proceeds will be used to acquire the land, rehabilitation of the Pere Marquette Hotel, construction of the 180-room Courtyard Hotel, construct the parking desk, pay costs of issuance and fund capitalized interest and bank fees.

IFA PROGRAM AND CONTRIBUTION

IFA's State Moral Obligation encourages economic development by providing access to debt capital at reduced rates of interest. The State's moral obligation pledge represents a commitment for the Governor's commitment to seek an appropriation of funds from the General Assembly to pay interest and principal when due if the pledged project revenues are insufficient. IFA's issuance of State MOBs requires the Governor's written approval. Approval of preliminary bond resolution does not constitute a commitment of the IFA or State of Illinois of moral obligation for the project. Under Senate Bill 1906 & 390 the State's Moral Obligation can be extended for renewable energy and energy efficient projects.

VOLUME CAP

No volume cap is needed for taxable bonds.

JOBS

Current employment: 0 Projected new jobs: 240 (full project)
Jobs retained: 0 Construction jobs: 840 (full project)

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA Bonds	\$25,000,000	Uses:	Land Acquisition	\$22,700,000
	ReMOBs	7,728,329		Pere Marquette Rehab	21,700,845
	TIF Bonds	39,392,700		Courtyard Construction	16,670,970
	NM Tax Credits	6,619,000		Developer Fees	9,180,000
	Historical Tax Credit	5,000,000		Parking Deck	8,500,000
	Marriott Funds	1,500,000		Cost of Issuance	3,528,910
	Caterpillar Funds	1,500,000		Consultant Fees	3,030,674
	Developer Equity	<u>3,500,000</u>		Bank Funded Interest	<u>4,908,000</u>
	Total	<u>\$90,219,339</u>		Total	<u>\$90,219,339</u>

FINANCING SUMMARY/STRUCTURE

Security:	Collateral is expected to include a Mortgage and/or unrestricted receivables.
Partial First Mortgage Guarantee:	Caterpillar Inc. has agreed to guarantee \$5 million for the first mortgage of \$32,728,329.
Interest Rate:	Prime + 2.00% with a not to exceed rate of 7.5%
Credit Enhancement:	None
Term:	3-year construction loan with capitalized interest, followed by a 5-year mini-perm with one year of interest only with a 25 year amortization.
TIF Bonds:	The City of Peoria will issue \$39.3 million of Tax Increment Financing bonds to fund certain infrastructure costs associated with the projects. The bonds will be secured by the incremental property taxes over base year property taxes in the designated Tax Increment District. In addition, the City has pledge receipts of a 1% tax on the hotel and associated taxes on the convention center. Any shortfall in debt service will be the responsibility of the City of Peoria.
GMP:	The developer has secured a Fixed Price Guaranteed Maximum Price Contract with Weiss Construction secured by Payment and Performance Bonds
Management Contract:	30-year agreement with Marriott International
Estimated Closing Date:	January / February 2010

The IFA requested the following conditions to the loan:

1. Preliminary Review by the Governor's Office
2. Deferral of all but \$1 million of development fees until 1.50x EBITDA coverage is maintained (calculated annually)
3. As-built Appraisal provided to the IFA to determine economic viability of project and confirm projections
4. Caterpillar Subordinated Loan and Marriott Equity
5. Supply IFA staff with Occupancy levels of competition for 2009 as well
6. Cash Flow Feasibility Model circulated to determine stress test scenarios
7. Equity Diligence and Grant Timing
8. Determination of the Events proceeding to a covenant or event of default
9. Confirmation of revenue stream for TIF Bonds

PROJECT SUMMARY

The Pere Marquette Hotel opened in 1927 in downtown Peoria as a 13-story, 500-room hotel. Many changes to its facilities have taken place over the years, including a reconfiguration of the guest rooms to its current room count of 289. In 1981, Pere Marquette Hotel Association LP purchased the then-closed Hotel and made a significant investment in the Hotel. The Hotel re-opened in 1982. In the late 1990s, Caterpillar ("CAT") invested several million dollars into the facilities of the Hotel. The majority of this investment included the creation and maintenance of the CAT concierge floors (floors 9 through 11). The remaining guest rooms have not received similar upgrades and currently accommodate low-priced business. EM properties was approached by the city to undertake the project and entered into purchase options on the Pere Marquette and adjacent land. The Hotel will close in 2010, undergo a major renovation, and re-open in CY 2012 as a Marriott. The Hotel is registered as a historic building; therefore, specific components of the Hotel (signage, the porte cochere, and certain murals) may need to be protected.

As part of the project, the Developer will also construct a 180-room Courtyard by Marriott and parking deck to accommodate both properties. The 13-story Hotel, and attached 180-room Courtyard, will be connected to the Peoria Convention Center by a covered walkway. The two hotels will have separate entrances and lobbies, however, they will share an over-sized pool (located at the Courtyard). A 500-space structured parking garage will be constructed to serve both Hotels.

The project will be managed by Marriot International who has signed a 30-year management agreement with EM Properties.

BUSINESS SUMMARY

The need for a new upscale, full service hotel in downtown Peoria has existed for several years. While the Pere Marquette Hotel has made periodic remodels to remain current, the introduction of the Embassy Suites Hotel and Conference Center into the market has pushed to the forefront the need to dramatically rehabilitate the Pere Marquette in order to remain competitive in the hospitality industry. Another factor driving this need for rehabilitation is the recent \$55 million expansion of the Peoria Civic Center, that added 110,000 square feet of convention and meeting space in order to draw larger conference and convention groups. Rehabilitation of the Pere Marquette will attract a new set of users to the area who seek the experience of staying in a historic, renovated and full-service hotel.

The feasibility study by Marriott International revealed that in order to attract larger conventions more quality upscale rooms connected directly to the Civic Center are needed. This supports what event planners, persons associated with the Civic Center and the Peoria Area Convention and Visitor's Bureau were saying prior to the Civic Center expansion project. In response to this need and in addition to the comprehensive rehabilitation and re-branding of the Pere Marquette, EM Properties proposes to raze the existing buildings on Main Street located between the Pere Marquette Hotel and Monroe Street and construct an additional 180 rooms adjacent to the existing Pere Marquette. The two towers will be connected by a walkway, effectively transforming the Pere Marquette into two hotels boasting 460 rooms. The new Pere Marquette is intended to carry the Marriott name and will feature a dramatic porte-cochere entrance with fountains and extensive landscaping which will welcome and guide guests toward the adjacent special service hotel. Carefully planned architecture and the selection of complimentary building materials will help blend the two towers together, yet allow each to have their own distinct identity.

The new hotel will generate the need for additional parking space that does not exist in the current deck located on the corner of Fulton and Monroe Streets. EM Properties proposes that the current deck be razed and a new one constructed to accommodate the parking needs of both hotel towers as well as some of the needs of the Peoria Civic Center. The proposed deck, which could be 6 stories and contain over 500 spaces, is planned to contain up to 11,000 square feet of street level retail space and additional covered outdoor patio seating. It has been proposed that the City will own and finance the new deck and lease the needed spaces and retail area to the hotel owner.

Ground floor retail is planned to be a mix of restaurants with the anchor located on the corner of Fulton and Monroe Streets. Awnings and attractive landscaping will draw guests to this 8,000 square foot restaurant which will have elevated ceilings and possibly a mezzanine level to create a feeling of mass and height as you enter the building. The rest of the space will be divided between two smaller restaurants; each separated by covered outdoor seating, and may include a coffee or ice cream shop, sports bar and grill or even a microbrewery.

An environmentally controlled elevated walkway connecting the hotel towers and parking deck to the Civic Center is planned and vital to the success of this project. One of the biggest draws for event and convention planners in cold weather climates are hotels attached to convention centers which allow attendees to move freely between the two in a protected environment. In this case, EM Properties will construct an enclosed elevated walkway that can be accessed from either hotel tower and the parking deck and tie it directly into the Civic Center [theatre?] via an escalator. This will allow hotel guests and people attending events at the Civic Center to easily access the facility in a safe, protected environment.

The City of Peoria has invested substantial time and money creating the Heart of Peoria Plan and adopting form-based codes which adhere to New Urbanism principals and emphasize, among other things, pedestrian friendly designs. EM Properties is sensitive to these plans and the goals of the City of Peoria and will design the new hotel tower and parking deck with many of the New Urbanism principals in mind. For example, when possible, sidewalks will be enlarged and constructed of decorative brick pavers and extensive landscaping and ornate street lighting will

be added around the perimeter of the entire block to tie all aspects of the project together and set the tone for what could be the beginning of a much larger downtown renovation process.

The City of Peoria has already realized the expansion of the Civic Center and plans are underway for several other multimillion dollar projects that would drive demand for quality hotel rooms in the downtown area. Some of these plans include:

- The Milestone Project: \$234 million, 440,000 square foot addition to the Children's Hospital of Illinois
- University of Illinois Medical School Expansion: \$24 million
- Peoria Zoo Expansion Project: \$30 million
- Bradley University Expansion: \$100 million

Other projects that are planned for the downtown area include:

- Methodist Medical Center Expansion: \$300 million
- Build The Block Project (formerly Museum Square): \$136 million

The City of Peoria estimates that there could potentially be over \$2 billion invested in capital projects in downtown Peoria and the surrounding neighborhoods over the next several years. While many of these projects would do much to reshape the character of downtown Peoria, the Pere Marquette / redevelopment and the City believes would have the most immediate impact as our timeframe for demolition and construction could be as early as the Fall of 2009.

ECONOMIC IMPACT

This project has the support of the City of Peoria, Civic Center Authority and the Peoria Area and Convention and Visitors Bureau because it serves three primary functions:

1. *Provides the catalyst for redevelopment of the Central Business District:* Focusing redevelopment efforts on downtown Main Street creates synergy and spurs redevelopment of adjacent parcels. The "broken window" theory basically states that when one neighbor fails to maintain his or her property it negatively impacts surrounding property which, over time, begins to lower their maintenance standards as well. Conversely, if millions of dollars are being injected into surrounding properties, over time owners are more inclined to spend money raising the standards of their property to that of their neighbors, especially in a commercially competitive environment.
2. *Provides quality rooms connected to the Civic Center:* Expansion of the Civic Center has allowed them to compete for much larger conventions. However in order to attract these larger functions, the Civic Center must be competitive with everything from pricing to location and accessibility. By injecting 489 new or refurbished high-end rooms attached directly, we will be giving the Civic Center the necessary tools to compete.
3. *Offers first class lodging opportunities in close proximity to major employers:* Caterpillar Inc., Methodist, OSF, Bradley University and other major employers all generate a substantial amount of demand for overnight lodging. For decades the Pere Marquette has served as this area's premier hotel. However recent construction of a new full-service hotel outside of downtown Peoria threatens the Pere Marquette's competitive position, and drives the need and scope of this project.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: EM Properties, Ltd.
Location: NW corner of Madison Avenue and Main Street

- Current Land Use: Pere Marquette Hotel
- Surrounding Land Uses:
 - North: Low-rise commercial (to be razed for the proposed Courtyard); Monroe Street
 - South: Madison Avenue; office
 - East: Main Street; low-rise commercial
 - West: Church; Fulton Street; Peoria Civic Center

Borrower: EM Properties, Ltd. - (Special Private Vehicle)
Ownership: Gary Mathews (100%)
Organization: EM Properties State: Illinois Organizational Type: Limited Liability Company

PROFESSIONAL & FINANCIAL

TIF Underwriter	Piper Jaffray	St. Louis	Michael Sorth
Lead Bank	Morton Community Bank	Peoria	Jim Mamer
Participant Bank	Citizen Equity First Credit Union	Peoria	TBD
Participant Bank	South Side Bank	Peoria	TBD
General Contractor	Weiss Construction	Chicago	TBD
Architect	Campo Architects	Peoria	TBD
Property Manager:	Marriott International	TBD	TBD
Accountant:	TBD	TBD	TBD
Issuer's Counsel:	TBD	Chicago	TBD
IFA Advisors:	Scott Balice Strategies, LLC	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

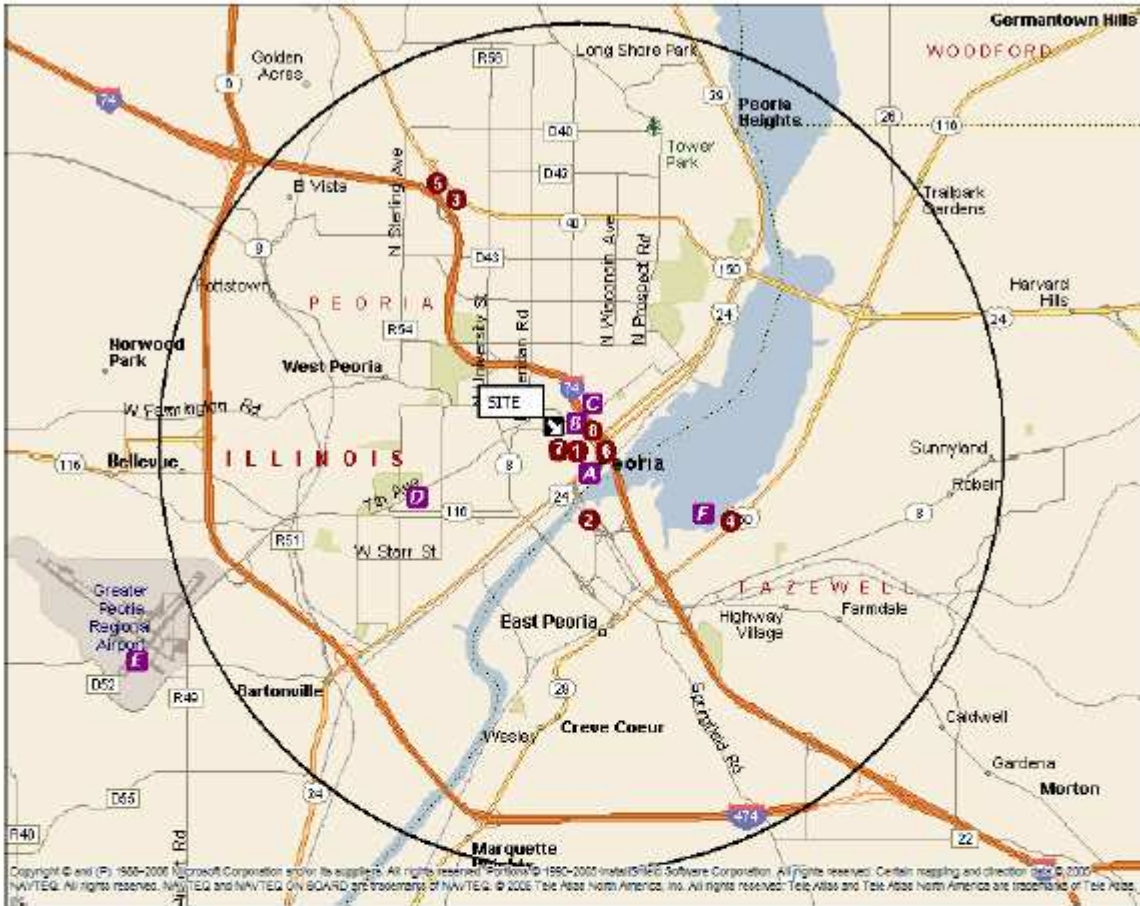
Congressional: Aaron Schock, 18th
State Senate: David Koehler, 46th
State House: Jehan Gordon, 92nd

SERVICE AREA

Peoria, Illinois (population 183,000) is situated along the Illinois River in the "Heart of Illinois" and is centrally located 170 miles northeast of St. Louis; 170 miles southwest of Chicago; and 215 miles west of Indianapolis.

- CAT currently employs approximately 113,000 worldwide and 15,000 in Peoria (the largest employer). CAT's headquarters is located in downtown Peoria two blocks from the Hotel. CAT recently announced that approximately 22,000 employees would be laid off. Reportedly, approximately 2,000 of those employees are located in Peoria and East Peoria.
- Other employers that generate lodging demand in Peoria include Methodist Medical Center, OSF St. Francis Medical Center, G&D Integrated, Keystone Steel and Wire Co. and Morton Metalcraft.
- The Peoria Civic Center, which has over 110,000 SF of contiguous exhibit space, a 26,550 SF ballroom, 17,000 SF of meeting space, 15,000 SF of pre-function space, a 2,100 seat theater and a 12,000 seat arena, completed a \$55 million renovation and expansion in 2007. According to management at the PCC, the center hosts over 500 events annually, generated over 26,000 room nights for local hotels in 2008 and is projected to generate over 31,000 room nights in 2009.
- "Build the Block," located 4 blocks southeast of the Hotel, is a \$136 million development project which encompasses two city blocks. The development will include an IMAX theater, a museum, retail and commercial space, a planetarium and a 50,000 SF interactive museum dedicated to the "Caterpillar experience." To date, \$80 million has been raised for this development and it is projected to be completed in 2012.
- Several medical-related projects (under construction) in Peoria include:
 - A \$234 million new Children's Hospital, located 0.7 miles north of the Hotel, is projected to be completed by mid-2010.
 - A \$300 million expansion of the Methodist Hospital, located 0.5 miles north of the Hotel, will include a long-term acute care facility and is projected to be completed by mid-2010.
 - Bradley University, located 1.5 miles west of the Hotel, has approximately 6,500 students. Bradley is currently undergoing a \$150 million expansion which will include 5 new buildings.
 - Peoria International Airport ("PIA") has daily nonstop flights to nine cities. In October 2008, PIA began construction of a \$57 million new terminal building which will allow for future expansion of air service. According to the Peoria Economic Development Department, the project will allow PIA to increase passenger counts from 550,000 annually to 1.5 million annually. The expansion is projected to be completed by 2012.
- The Par-a-Dice Casino, located 1.6 miles southeast of the Hotel, is a full-service riverboat casino with over 1,000 machines and 24 table games. The casino is located next to the 202-room Par-a-Dice Hotel which has approximately 17,000 SF of meeting space (includes a 9,450 SF ballroom). The casino attracts visitors from throughout Illinois.

TRADE AREA MAP



The trade area consists of a 5-mile radius from the Hotel and includes downtown Peoria, East Peoria and the Northwoods shopping district.

COMPETITIVE SUPPLY

1. Pere Marquette (subject Hotel)
2. Embassy Suites East Peoria
3. Courtyard Peoria
4. Hampton Inn East Peoria
5. Residence Inn Peoria
6. Mark Twain Hotel Peoria
7. Staybridge Suites Peoria Downtown
8. Holiday Inn City Center

Circle denotes 5-mile radius for reference.
North is top of map.

DEMAND GENERATORS

- A. Caterpillar Headquarters
- B. Peoria Civic Center
- C. Medical District
- D. Bradley University
- E. Peoria International Airport
- F. Par-a-Dice Casino

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
January 12, 2010

Project: White Oak Energy LLC

STATISTICS

Project Number: RE-W-TX-MO 8312	Amount: \$51,000,000
Type: Taxable Renewable Energy Moral Obligation Bonds	(not to exceed amount)
Location: McLean County	IFA Staff: Marnin Lebovits

BOARD ACTION

Preliminary Bond Resolution

To approve the issuance of IFA Taxable Renewable Energy Moral Obligation Bonds (“REMOB”s)

Please note that given that this is just a Preliminary Board Resolution for a proposed renewable energy generation transaction for a to be built wind project, with the REMOB’s supported by the moral obligation pledge of the State of Illinois, the moral obligation pledge of the State of Illinois is not being committed to at this time, and will be subject to the further review by staff, the credit committee and the IFA Board.

Staff and Credit Committee recommend approval – subject to the following:

1. Review of additional project documents when available, including engineering, procurement and construction (“EPC”) documents, Operating and Maintenance documents, etc.
2. Final financial plan and sensitivity analysis on key variables
3. Additional Engineering Consultant to IFA to review core areas: technology, financial feasibility, etc.
4. Ratings of Ba/BB/BB or better from at least one of the nationally recognized independent rating agencies

IFA will be allocating the State of Illinois moral obligation pledge for the issuance of taxable revenue bonds as authorized by Public Act 96-0103 to support the development of renewable energy generation projects in the State, subject to approval by the Governor’s Office of Management and Budget. The policy guidelines for this program were approved by the IFA Board at the September 9, 2009 Board Meeting. A schedule of how this project will meet the program guidelines is attached to this Board Summary.

PURPOSE

To finance a portion of the construction of a 150 MW wind farm project, consisting of 100 GE 1.5 MW turbines. This IFA loan amount (not to exceed \$51 MM for the total of Series A and Series B) will be combined with the debt supported by other sources, the equity contributions of the project sponsor and other tax incentive funding, to fund the purchase of the project turbines, construction of the wind farm, the interconnection of the project into the electric power grid and to pay for the costs of issuance. Borrower has entered into a 20 year take or pay Power Purchase Agreement with an “A” rating or better off-take counterparty, as described further in this Board Summary, for the purchase of the power generated at the facility, which will provide the revenues of the project for the repayment of the debt.

IFA CONTRIBUTION & PROGRAM

Taxable Renewable Energy Moral Obligation Bonds (“REMOBs”) are municipal bonds that finance renewable energy projects with the support of the moral obligation pledge of the State of Illinois. Given that the sponsor of this wind energy project is a privately owned entity, these bonds will be issued on a taxable basis. **Issuance of these bonds is subject to an allocation of the \$3 billion of moral obligation**

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support authorized for renewable energy projects under the IFA Act. All such allocations must be approved by the Governor's Office of Management and Budget ("GOMB").

VOTING RECORD

Preliminary Bond Resolution: There is no previous voting record on this project

JOBS

Current employment:	0	Projected new jobs:	15
Jobs retained:	0	Construction jobs:	150

LEGISLATIVE DISTRICTS

Congressional: 15th – Tim Johnson
State Senate: 53 – Dan Rutherford
State House: 106 – Keith P. Summer

ECONOMIC DISCLOSURE STATEMENT

Applicant: White Oak Energy LLC, a Special Purpose Entity, which is an affiliate of Invenergy Wind North America, LLC, which is itself an affiliate of Invenergy LLC
One South Wacker Drive, Suite 1900, Chicago, Illinois 60606
Contact Person: Joe Condo, Vice President and General Counsel; Phone # 312-582-1465

Project Name: White Oak Wind Energy Project

Location: McLean County, IL

Land Owners: 100 farmers within the region have entered into long term (30 year) Easement Agreements with White Oak Energy LLC, recorded with McLean County, for the rights to approximately 13,500 acres which make up the project site, for the siting of the 100 wind turbines of the project.

Organization: Invenergy, LLC, Michael Polsky is President and CEO – Please refer to Exhibit A for brief biographical information on the Invenergy professionals.

PROFESSIONAL & FINANCIAL

Bond Underwriter:	To Be Engaged by Borrower		
Bond Counsel:	TBD		
Tax Credit Lender:	To Be Engaged by Borrower		
Tax Credit Lender's Counsel:	TBD		
General Contractor:	To Be Engaged by Borrower		
Borrower Engineering Consultant:	Terracon Consultants	St. Louis, MO	Fred H. Held III, P.E.
Technology Advisor to IFA:	ISU	Normal, IL	Dave Loomis, Director
Engineering Consultant to IFA:	TBD		
Issuer's Counsel	Katten Muchin Rosemann	Chicago, IL	Lew Greenbaum
Financial Consultant to IFA:	Scott Balice	Chicago, IL	Lois Scott, Debra Schnebel

All costs for Counsel to IFA and all consultants to IFA will be borne by the Borrower.



January 12, 2010

\$130,000,000
PROVENA HEALTH

REQUEST **Purpose:** Proceeds will be used to 1) to refund all or a portion of the outstanding Series 1998D and 1998D-R Auction Rate Demand Bonds, 2) possibly fund new money projects, and 3) to pay Cost of Issuance²
Program: Conduit 501(c)(3) Revenue Bonds
Extraordinary Conditions: None.

BOARD ACTIONS Final Bond Resolution
This project is coming for a One-time Final Resolution because of the current opportunity to buy back the majority of Provena's Series 1998D and 1998D-R Auction Rate Securities at a discount

MATERIAL CHANGES None

JOB DATA¹	8,645 FTE's	Current jobs	0	New jobs projected
	8,645 FTE's	Retained jobs	0	Construction jobs projected

DESCRIPTION

- Location (Multiple Locations / Cook County / Northeast Region)
- Provena Health is a Catholic health system that includes six hospitals, 16 long-term care and senior residential facilities, 28 clinics, five home health agencies and other health-related activities operating in Illinois and Indiana.
- Provena Health ministries are sponsored by the Franciscan Sisters of the Sacred Heart, the Servants of the Holy Heart of Mary and the Sisters of Mercy of the Americas.

CREDIT • Fixed Rate Debt
INDICATORS • Current rating of Provena Health is Baa1 / BBB+ (Moody's / S&P)

Proposed Structure

- Uninsured Fixed Rate Debt
- Bonds will Mature no later than 2028

Sources and Uses	Par	\$116,400,000	Series 1998 Refunding	\$112,579,677
	OID	<u>(2,651,627)</u>	Cost of Issuance ²	<u>1,168,696</u>
	Total	\$113,748,373	Total	\$113,748,373

Recommendation Credit Committee recommends approval.

¹ Data as of 11/30/2009; Provena Health System currently has approximately 10,924 employees

² Provena Health may pay for Cost of Issuance out-of-pocket

Interest Rate: To be determined at pricing
Interest Mode: Fixed Rate
Credit Enhancement: N/A
Maturity: 2028
Expected Rating: Baa1 / BBB+ (Moody's / S&P)
Estimated Closing Date: February/March, 2010

PROJECT SUMMARY

Proceeds will be used to 1) to refund all or a portion of the outstanding Series 1998D and 1998D-R Auction Rate Demand Bonds, 2) possibly fund new money projects, and 3) to pay Cost of Issuance.

BUSINESS SUMMARY

Description of Business: Provena Health is a Catholic health system that includes six hospitals, 16 long-term care and senior residential facilities, 28 clinics, five home health agencies and other health-related activities operating in Illinois and Indiana. Provena Health ministries are sponsored by the Franciscan Sisters of the Sacred Heart, the Servants of the Holy Heart of Mary and the Sisters of Mercy of the Americas.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Provena Health
Location: N/A
Borrower: Provena Health
State: Illinois

As of January 1, 2010, the members of the Board were as follows:

<u>Name</u>	<u>Professional Affiliation</u>	<u>Term Ends December 31,</u>
William Berry, PhD	Associate Chancellor; Associate Professor University of Illinois	2011
Robert Biedron <i>Chairperson</i>	President, Voyager's Landing Development Corp.	2010
Aida Giachello, PhD	Associate Professor and Director Midwest Latino Health Research, Training and Policy Center	2012
Mark Hanson <i>Vice Chairperson</i>	Attorney in Private Practice	2011
Sister Linda Hatton, SSCM, <i>Secretary</i>	Provincial Superior Servants of the Holy Heart of Mary	2010
Thomas Huberty, MD	Physician	2011
Sister Mary Elizabeth Imler, OSF	Franciscan Sisters of the Sacred Heart	2010
Bettina Johnson <i>Treasurer</i>	Vice President, Retired (2007) J.P. Morgan Chase	2010
Lucia Jones	Executive Director Northeastern Illinois Area Agency on Aging	2012
Marsha Ladenburger	Quality Management Consultant L&A Healthcare	2010
Sister Terry Maltby, RSM	Governance Consultant Wellspring Partners	2010
Becky Meggesin	Vice President, Human Resources Nicor	2012
Daniel Russell	President-Emeritus Catholic Health East	2011
Kent Russell	Retired Executive VP/CFO Catholic Health East	2011
Guy Wiebking, President and CEO	Provena Health	2011

BACKGROUND INFORMATION

System Overview

Provena Health (the "Corporation") was formed as an Illinois not for profit corporation on November 30, 1997 and is the parent corporation of a regionally focused health care system which concentrates on providing ongoing quality health care, long-term care and home health services to communities primarily located in central and northern Illinois and northern Indiana (the "System"). The System consists of the Corporation and various wholly-owned controlled subsidiaries, including: Provena Hospitals ("Provena Hospitals"), Provena Senior Services ("Provena Senior Services"), Provena Home Health ("Provena Home Health"), Provena Care at Home ("Provena Care at Home"), Provena Health Assurance SPC ("Provena Health Assurance SPC") and Provena Ventures, Inc. ("Provena Ventures").

Sponsorship

The System was jointly formed by the Franciscan Sisters of the Sacred Heart (the "Franciscan Sisters"), the Servants of the Holy Heart of Mary, Holy Family Province, U.S.A. (the "Servants of the Holy Heart") and the Sisters of Mercy of the Americas, Regional Community of Chicago (the "Sisters of Mercy"), collectively the "Sponsors," to consolidate their respective facilities and operations in order to offer a full range of health care services to a broader community.

All three sponsoring congregations have a long history of service to the sick and needy. The Franciscan Sisters of the Sacred Heart was formed in Germany in 1866 and came to the United States in 1876. They have operated hospitals and long-term care facilities in Illinois and Indiana since the 1880s. They were among the earlier organizations to create a multi-hospital health care system, with the incorporation of Franciscan Sisters Health Care Corporation as an Illinois not for profit corporation in 1977.

The Servants of the Holy Heart was formed in France in 1860, and came to the United States in 1889. They have been providing hospital and other health care services in Illinois since the late 1890s. They organized ServantCor, an Illinois not for profit corporation, to function as their system holding company in December of 1982.

The Sisters of Mercy was established in Ireland in 1831 and came to the United States to continue to serve the needy in 1843. They have been operating in the Aurora, Illinois community since 1911, when Mercy Health Corporation was incorporated as an Illinois not for profit corporation.

Corporate Organization Each of the Corporations, Provena Health, Provena Hospitals, Provena Senior Services, Provena Home Health and Provena Care at Home is an Illinois not for profit corporation, exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as an organization described in Section 501(c)(3) of the Code, and is a private foundation as defined in Section 509(a) of the Code. Provena Ventures, whose sole shareholder is the Corporation, is an Illinois business corporation which is nonexempt. As a Catholic health care system, the Corporation and its controlled subsidiaries act in accordance with Roman Catholic tradition in all matters of operation and in the discharge of governance, and abide by the "Ethical and Religious Directives for Catholic Health Care Services." Provena Health was adapted from the word "providence," which means "divine guidance or care," and Health to reflect the broad spectrum of health care services to be offered. It was chosen by the Sponsors to communicate their mission as an integrated Catholic health care system.



January 12, 2009

\$110,000,000
SWEDISH COVENANT HOSPITAL

REQUEST **Purpose:** Proceed will be used to 1) to refund all or a portion of the outstanding Series 2003A, 2003B, and 2008B Variable Rate Demand Bonds, 2) to establish a debt service reserve fund; and 3) to pay Cost of Issuance of the Bonds.

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

Extraordinary Conditions: None.

BOARD ACTIONS Final Bond Resolution
 Voting Record for December 8, 2009: 8 ayes, 0 nays, 0 abstained, absent Rivera, Leonard, DeNard, Poole, McInerney, Bashir, vacancies 1

MATERIAL CHANGES New money portion of \$35MM has been removed. Refunding only.

JOB DATA	1,704 FTE's	Current jobs	N/A	New jobs projected
	1,704 FTE's	Retained jobs	N/A	Construction jobs projected

DESCRIPTION

- Location (Chicago, Cook County)
- Swedish Covenant Hospital (the "Hospital") is an Illinois not for profit corporation which operates an acute care, community and teaching hospital on the northwest side of Chicago. The Hospital was founded in 1886 by The Evangelical Covenant Church (the "Church") and was known as the Swedish Home of Mercy. The Hospital is licensed by the State of Illinois for 323 beds, of which 317 were in service as of October 31, 2009. The Hospital has received a determination letter from the Internal Revenue Service ("IRS") that it is exempt from federal income taxation pursuant to Section 501(a) of the Internal Revenue Code of 1986 (the "Code") as an organization described in Section 501(c)(3) of the Internal Revenue Code.
- The Hospital offers a wide range of inpatient and outpatient diagnostic and therapeutic services and related ancillary services. The Hospital's inpatient services include all major categories of medicine and surgery. The outpatient programs and services provide a continuum of care for patients in the Hospital's service area. The Hospital operates several satellite primary care facilities in various sections of its service area.

CREDIT • Fixed Rate Bonds

SECURITY • The Bonds are expected to be secured by an Obligation of Swedish Covenant Hospital under a Master Trust Indenture. Collateral is expected to include a Mortgage and/or unrestricted receivables

INDICATORS • BBB+ (S&P) and A- (Fitch)

MATURITY • 2050

SOURCES AND USES	IFA Bonds	\$101,855,000	Series 2003A Refunding	\$19,550,000
	Original Issue			
	Discount	<u>(\$2,251,543)</u>	Series 2003B Refunding	\$26,100,000
			Series 2008B Refunding	\$42,500,000
			Debt Service Reserve	\$9,412,298
			Cost of Issuance	\$2,037,100
			Other	<u>\$4,058</u>
	Total	\$99,603,456	Total	\$99,603,456

Recommendation Credit Committee recommends approval.

FINANCING SUMMARY/STRUCTURE

Security: The Bonds are expected to be secured by an Obligation of Swedish Covenant Hospital under a Master Trust Indenture. Collateral is expected to include a Mortgage and/or unrestricted receivables

Interest Rate: To be determined the day of pricing depending on market conditions. The fixed rate portion of the refunding is estimated to be in the 6.3% to 6.5% range.

Interest Mode: Fixed Rate Bonds

Credit Enhancement: None

Credit Rating: BBB+ (S&P) and A- (Fitch)

Maturity: 2050

Estimated Closing Date: February 2, 2010

PROJECT SUMMARY

Bond proceeds will be used for refunding existing debt.

Project Rationale: Refunding necessary to replace expiring letters of credit.

Timing: February 2, 2010

BUSINESS SUMMARY

Description of Business: Swedish Covenant Hospital (the "Hospital") is an Illinois not for profit corporation which operates an acute care, community and teaching hospital on the northwest side of Chicago. The Hospital was founded in 1886 by The Evangelical Covenant Church (the "Church") and was known as the Swedish Home of Mercy. The Hospital is licensed by the State of Illinois for 323 beds, of which 317 were in service as of October 31, 2009. The Hospital has received a determination letter from the Internal Revenue Service ("IRS") that it is exempt from federal income taxation pursuant to Section 501(a) of the Internal Revenue Code of 1986 (the "Code") as an organization described in Section 501(c)(3) of the Internal Revenue Code.

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OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Swedish Covenant Hospital
Project Location: 5145 N. California Avenue, Chicago, Illinois 60625
Borrower: Swedish Covenant Hospital
Ownership/Board Members (501c3):

BOARD OF DIRECTORS

ADAIR, Charles L.
ANDERSON, Kurt D.
BANKS, Lyle
BOFFA, James F., M.D.
BORKOWSKI, Renee
DABERTIN, Judith E.
HAWKINSON, Paul A., Chair
KEE, W.J. Wesley
KOO, David J.
MELNICK, Garry D., M.D.
MERRYWEATHER, Patricia
MEYER, Donald L.
MILLER, Rev. Mary C.D. Min.
PETERSON, James B
PINS, Judith A.
PUTMAN, David R. Secretary
PYRA, Thomas M.
SCARBOROUGH, Sydney P.
SHAH, Bharat K., M.D
VANCAUWELAERT, Tony R., M.D.

EX-OFFICIO

ANDERSON, Lawrence P.
DWIGHT, David A.
NEWTON, Mark
SURUCCI, Arminio M.D.
WALTER, Rev. Gary B.

PROFESSIONAL & FINANCIAL

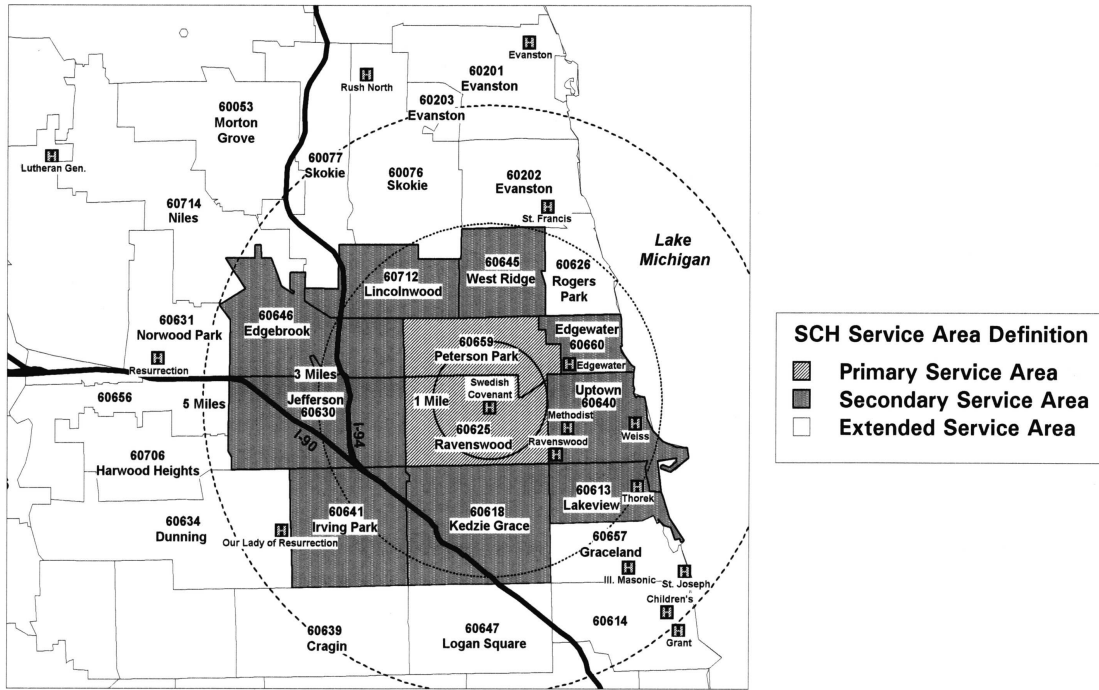
Borrower's Counsel:	Katten Muchin Roseman, LLP	Chicago	Janet Hoffman
Accountant:	Deloitte & Touche, LLC	Chicago	Andy Van Houtte
Bond Counsel:	Jones Day	Chicago	Rich Tomei
Financial Advisor	Ponder & Co.	Chicago	Jennifer Dunn
Bond Underwriter:	Merrill Lynch	Chicago	Ken Vallrugo
	Ziegler Capital	Chicago	Don Carlson
Underwriter's Counsel:	Foley & Lardner	Chicago	Heidi Jeffery
Issuer's Counsel:	Burke, Burns & Pinelli	Chicago	Mary Ann Murray
IFA Advisors:	Scott Balice Strategies	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 5th Mike Quigley
State Senate: 7th Heather Steans; 8th Ira I. Silverstein
State House: 13th Greg Harris; 15th John D'Amico

SERVICE AREA

Swedish Covenant Hospital Service Area



**ILLINOIS FINANCE AUTHORITY
MEMORANDUM**

TO: IFA Board of Directors

FROM: Mauricio Nares and Bill Claus

DATE: January 12, 2010

RE: Resolution for Participation Loan Payment Modifications by **First Midwest Bancorp, Inc.** (the “**Bank**”), for **Robert Wisz, LLC** and (the “**Real Estate Holding Company**”) and **Doreen’s Gourmet Pizza, Inc.** (the “**Operating Company**” and “**DGP**”). The requested payment modifications are as follows:

1. Interest-only payments for the six-month period from January, 2010 and continuing through June, 2010
2. Deferral of the scheduled January, 2010 – June, 2010 principal payments until the end of the loan term December 10, 2012

The intent of these payment modifications request is to keep the Borrower current while providing payment relief for the requested 6-month period.

Doreen’s Gourmet Pizza, Inc. IFA Project No. B-LL-TX-417-A
Robert Wisz, LLC IFA Project No B-LL-TX-417-B

THE REQUEST

First Midwest Bancorp, Inc. (the “**Bank**”), **Robert Wisz LLC** and **Doreen’s Gourmet Pizza, Inc.** (collectively, the “**Co-Borrowers**”) are proposing modifications to the existing Loan relating to loan payments as follows:

1. Interest-only payments for the six-month period beginning as of January, 2010 and continuing through June, 2010.
2. Deferral of the scheduled January, 2010 through June, 2010 principal payments until the end of the loan term (i.e., December 10, 2012).

***Note – at the end of the 7 year term (i.e., December 10, 2012) if IFA chooses not to extend the commitment the Bank will be obligated to take-out IFA at that time.**

IFA RECOMMENDATIONS/RATIONALE FOR THE REQUESTED 6-MONTH PRINCIPAL DEFERRAL AND RELATED CONDITIONS

- **By requesting approval of the requested 6-month principal payment deferral subject to the nine conditions cited below, IFA will: (1) save 18 jobs in Calumet City, Illinois, (2) provide an opportunity to turn around operations as Doreen’s Pizza attempts to continue positive operating cash flow results as evidenced by positive cash flow for the 11 months ended November 2009 (3) avoid forcing foreclosure on a manufacturing facility at a time when the resale market is weak and the Company has posted improved year-to-year operating results compared to 2008.**
- **Additionally, in consideration of providing this 6-month principal deferral, IFA has requested and the Bank has agreed to the following concessions/conditions (and among the nine conditions described on Page 2 below) include: (1) provision of a new \$25,000 Working Capital Line, (2) IFA would take a First Lien (First Security Interest) in Doreen’s recently purchased fleet of delivery vehicles in an amount up to \$25,000 (i.e., equivalent to the Bank Line of Credit), and (3) regular, ongoing financial reporting and site visits by the Bank to IFA.**

IFA staff has requested the following nine conditions in return for agreeing to the requested payment modification:

1. IFA to be provided with monthly P&L statement and Balance Sheet submitted no later than 15 days after month end by First Midwest Bank.
2. Quarterly site visits to be conducted by the Bank. Additional site visits if deemed necessary.
3. IFA will be provided with updated status reports on the clearing/payment of outstanding property tax liabilities.
4. Escrowing of future property tax payments.
5. Working Capital Line of \$25,000 or greater provided by First Midwest Bank.
6. IFA allows First Midwest to secure its \$25,000 Working Capital Line by allowing the Bank a first security interest in Accounts Receivable and Inventory. (This Working Capital Line shall be subordinate to the IFA/Bank Real Estate Loans, if the Bank requires the Working Capital Line to be cross collateralized with the real estate loan.)
7. In return for agreeing to subordination on the Accounts Receivable and Inventory securing the Bank's \$25,000 Working Capital Line, IFA would take a 1st Lien on Doreen's Pizza's fleet of CNG wholesale delivery trucks (i.e., a first security Interest on specific vehicles – these are currently unencumbered).
8. Any lease payments greater than Wisz LLC Loan debt service shall be subordinated and any scheduled lease payment escalations shall be deferred unless the Co-Borrowers are in compliance with all covenants/requirements.
9. Bob Wisz has agreed to make no additional excess payments to himself in the form of additional lease payments, wages, contributions, etc., from Doreen's Gourmet Pizza, Inc.

BANK RESPONSE / OFFER:

The Bank has agreed to these terms but requested a first lien on the accounts receivables and inventory to secure the \$25,000 Working Capital Line. Doreen's Pizza has added approximately \$80,000 - \$100,000 in new equipment in the most recent fiscal year (natural gas station, raw sausage storage freezer, etc.) which fall under the priority UCC filing encumbering all business assets. Bob Wisz has purchased Compressed Natural Gas ("CNG") trucks that are unencumbered and IFA staff recommends a lien on the CNG vehicles in an amount equal to the \$25,000 Working Capital Line.

THE SITUATION

Original Par Amount for both IFA loans closed 12/10/05: **\$354,653**

- Outstanding Balance as of December 31, 2009 Doreen's Gourmet Pizza, Inc: **\$44,986** (Machinery and Equipment Loan)
- Outstanding Balance as of December 31, 2009 Robert Wisz LLC: **\$243,104** (Real Estate Loan)

Outstanding Combined IFA Loan Balance to Co-Borrowers as of December 31, 2009: **\$288,090**

Total Principal Amount Deferred if amendment is passed (including Bank Amount): **\$19,887**

Outstanding Bank Portion: **\$288,090**

Outstanding Combined IFA/Bank Loan Balances: **\$576,180**

Original Par Amount for both IFA Loans and Bank Portion: **\$709,306**

Pursuant to Section 15(b) of the Participation Loan Agreement, any payments received by the Bank in a default must be applied to the loan in which IFA participates (on a *pari passu* basis) before payments are applied to pay any other bank loan that is secured by same collateral, subject to review and confirmation by IFA counsel.

Note: Neither Doreen's Gourmet Pizza, Inc. nor Robert Wisz LLC have had any late payments or delinquencies as of December 31, 2009.

CHALLENGES THAT HAVE LED TO THE CURRENT SITUATION:

The Borrower has faced extraordinary costs associated with the termination of a contracted distributor, increased commodity costs (specifically mozzarella cheese) and the noted Property Tax increases (which included a . These extraordinary costs resulted in a decline in profitability in 2007 and 2008 negatively affecting cash flows.

In 2007, after only 6 months, Doreen's replaced their grocery store distributor (SubZero due to a lack of new sales volume. SubZero had projected significant increases in sales at numerous grocery stores in which Doreen's was not present, but over time limited additional sales occurred. Given that SubZero's charged fees that were set at 20% of gross sales, Doreen's decision to distribute internally has reduced DGP's cost of goods sold by 5%.

Doreen's posted additional restocking and marketing expenses after terminating SubZero – Doreen's replaced all products in stores and undertook additional marketing expenses, including in-store product sampling, to regain lost sales and retain these customers.

Switch to CNG from Gasoline:

To also reduce fuel costs, Doreen's Pizza switched to compressed natural gas ("CNG") vehicles in October 2009. The vehicles were bought with proceeds of sales of existing vehicles. Currently, CNG costs approximately \$1.50/gal. Beginning January 2010, Doreen's will have its own natural gas refueling station and, consequently, after a federal CNG subsidy, the Company's effective fuel costs will decrease to \$1 per gallon in 2010. These changes are expected to create savings of \$42,000 given current gasoline prices.

New Products – 2009:

Doreen's has added other product to diversify their product offerings. From March 2009 through September 2009, Doreen's Pizza posted about \$40,000 in sales for That's Pat's Roast Beef and Wild Bill's Beef Jerky. In August 2009, Doreen's largest customer [Strack and Van Til/Ultra Foods] added That's Pat's Roast Beef. Estimated sales at Strack and VanTil's 29 stores is expected to generate \$85,000-\$100,000 of annual sales volume. Margins on distributing these products are 17%. The new products are added to the deliveries already made for Doreen's Pizza and no additional expenditures were used to expand these lines. These products are purchased from unaffiliated third party companies.

Property Taxes:

Doreen's was also billed for 2005 omitted property taxes in 2008; the unpaid balance is \$11,500. *Property taxes were increased to \$30,000 in 2007 this amount was appealed and reduced in 2008 to \$18,000 (reflecting a Cook County Property 8-B Tax Exemption), which is due and payable in 2009 – this payment is the key driver of this request to defer principal payments.*

The Borrower's business plan has significant upside once demand increases given that capacity is running at 25%.

BACKGROUND

Mr. Robert Wisz owns 100% of Doreen's Pizza, Inc., an S Corporation, incorporated under Illinois law in 1990. Doreen's Pizza was started in 1986 as a small take out and delivery pizzeria in Chicago's Hegewisch neighborhood (SE Chicago just north of Calumet City). The company now manufactures and wholesales its own frozen pizza and sells to over 454 locations including concession stands and snack bars and also local grocery stores (including Strack & VanTil, and certain Meijer stores). Doreen's Pizza market area boundaries are from 87th Street on the north to Beecher Ave. on the south, Valparaiso on the east, and Orland Park to the west. Mr. Wisz also owns 100% of Robert Wisz, LLC which is a special purpose Real Estate Holding Company formed to hold the subject property for lease in Doreen's Gourmet Pizza, Inc. Doreen's Gourmet Pizza is sold at Meijer stores in Highland, IN and Merrillville, IN.

STAFF RECOMMENDATION AND CONDITIONS

The Credit Committee recommends approval of payment modifications subject to the nine revised conditions specified on Page 2 of this report.

The intent of the payment modifications request is to keep the Borrower current while providing payment relief for an initial 6-month period.

Justification for the approval of the payment modification is the Bank's support with the \$25,000 working capital line, positive cash flow through November and the retention of 18 Illinois jobs.

CONDITIONS

The credit review committee recommends approval of First Midwest's payment deferral request subject to the following conditions:

The IFA requested the following conditions to the loan:

1. IFA to be provided with monthly P&L statement and Balance Sheet submitted no later than 15 days after month end by First Midwest Bank.
2. Quarterly site visits to be conducted by the Bank. Additional site visits if deemed necessary.
3. IFA will be provided with updated status reports on the clearing/payment of outstanding property tax liabilities.
4. Escrowing of future property tax payments.
5. Working Capital Line of \$25,000 or greater provided by First Midwest Bank.
6. IFA allows First Midwest to secure its \$25,000 Working Capital Line by allowing the Bank a first security interest in Accounts Receivable and Inventory. (This Working Capital Line shall be subordinate to the IFA/Bank Real Estate Loans, if the Bank requires the Working Capital Line to be cross collateralized with the real estate loan.)
7. In return for agreeing to a subordination on the Accounts Receivable and Inventory securing the Bank's \$25,000 Working Capital Line, IFA would take a 1st Lien on Doreen's Pizza's fleet of CNG wholesale delivery trucks (i.e., a first security Interest on specific vehicles – these are currently unencumbered).
8. Any lease payments greater than Wisz LLC Loan debt service shall be subordinated and any scheduled lease payment escalations shall be deferred unless the Co-Borrowers are in compliance with all covenants/requirements.
9. Bob Wisz has agreed to make no additional excess payments to himself in the form of additional lease payments, wages, contributions, etc., from Doreen's Gourmet Pizza, Inc.

VOTING RECORD

The voting record for this Participation Loan as originally approval at the November 9, 2005, Board meeting:

Ayes:	10	(Delgado, Giannoulis, Goetz, Gustman, Herrin, Nesbitt, O'Brien, Ozark, Rice, Valenti)
Absent:	1	(Leonard)
Nays:	0	Abstentions: 0

**ILLINOIS FINANCE AUTHORITY
MEMORANDUM**

TO: IFA Board of Directors

FROM: Steven Trout

DATE: January 12, 2010

RE: **Resolution in Support of the Non-Profit Clean Coal FutureGen Project in Mattoon, Illinois**

The FutureGen Alliance, a non-profit consortium of the world's leading international energy companies, has asked IFA for a non-binding resolution of support for FutureGen, a near zero-emission advanced coal power plant that the Alliance hopes to develop in Mattoon with the United States Department of Energy ("US DOE").

The Alliance has advised the State that US DOE hopes to make a "go/no-go" decision on FutureGen by the end of January. The Alliance is seeking the State's assistance in closing a funding gap between the Project's estimated costs and amount of money expected to be available from grants from US DOE and contributions from the Alliance members for this project.

The Alliance has been conferring with the Governor's Office, DCEO, IFA and the Illinois Power Agency to develop options for closing the funding gap. The Alliance has approached IFA for the issuance of State moral obligation bonds to fund a portion of project costs. The Alliance anticipates that the bonds would be payable from a long-term power purchase agreement with a creditworthy entity, such as the Illinois Power Agency.

The Alliance is working with its financial advisors to develop a financing structure that meets credit standards and policies established by the IFA Board on September 9, 2009 for the issuance of bonds secured by State moral obligation for Clean Coal, Coal and Renewable Energy Projects. The Alliance recognizes that FutureGen has not developed sufficiently for IFA to evaluate the Project's creditworthiness.

The Alliance has asked the Board to adopt the attached resolution that expresses IFA's support for the Project and its readiness and willingness to work with US DOE and the Alliance to develop financing options to fund a portion of the Project.

RESOLUTION NUMBER 2010-01-09

**A RESOLUTION IN SUPPORT OF THE NON-PROFIT CLEAN COAL
FUTUREGEN PROJECT IN MATTOON, ILLINOIS**

WHEREAS, the Illinois Finance Authority, a body politic and corporate, of the State of Illinois (the “Authority”), is authorized, pursuant to the Illinois Finance Authority Act, 20 ILCS 3505-801/1 *et seq.*, as supplemented and amended (the “Act”), to issue bonds to finance the costs of a “project” within the meaning of the Act; and

WHEREAS, carbon capture and storage is a low-carbon technology that involves capturing the carbon dioxide from fossil fuel energy and hydrogen generating units and injecting it into secure geologic strata for permanent storage; and

WHEREAS, the FutureGen Project (the “Project”) is a public-private partnership between the U.S. Department of Energy (“US DOE”) and the non-profit FutureGen Alliance (the “Alliance”) that proposes to use this new technology as part of a plan to build and operate a near-zero emission coal-fueled power plant in Mattoon, Illinois; and

WHEREAS, the American Recovery and Reinvestment Act (“ARRA”) appropriated \$1 billion for energy projects which US DOE has designated for the FutureGen Project; and

WHEREAS, the FutureGen Project, once constructed, is expected to be the world’s first near-zero emission coal-fueled power plant that will involve carbon capture at a 90% level via large-scale sequestration in a deep saline geologic formation, and will serve as a non-profit laboratory and test facility for understanding carbon dioxide storage and for advanced energy technologies; and

WHEREAS, the FutureGen Project is expected to help ensure the long-term viability of Illinois Basin coal as a major energy source in the State and throughout the nation and represents a significant step in the State’s efforts to become a self-sufficient, clean energy producer; and

WHEREAS, the FutureGen Project is an important coal development and conversion project that will create jobs in the State of Illinois during the construction and operational phases, contribute to the overall economy of the State of Illinois and help reinvigorate the Illinois Basin coal industry; and

WHEREAS, the State of Illinois, having previously offered to support the financing of the FutureGen Project in its bid to host the Project, and

WHEREAS, to date, no bonds have been issued in support of the Project;

NOW, THEREFORE, BE IT RESOLVED by the Illinois Finance Authority on this 12th day of January 2010 that the Authority expresses its support for the FutureGen Project as an important non-profit Project that will help demonstrate an environmentally-preferred way to use coal to generate power and therefore help guarantee the long-term viability of Illinois Basin coal by demonstrating that it can be used to generate power with near zero carbon emissions;

BE IT FURTHER RESOLVED that the Illinois Finance Authority further expresses its readiness and willingness to work with US DOE and the Alliance, within its existing statutory authority and subject to the Illinois Finance Authority's financial requirements including meeting certain credit standards and policies of the Authority, to seek the use of its Clean Coal, Coal, Energy Efficiency, and Renewable Energy Project Financing Program, and other appropriate programs, to issue bonds in support of financing the FutureGen Project;

BE IT FURTHER RESOLVED that the Illinois Finance Authority encourages US DOE and the Alliance to work with the Executive Director of the Authority, and its staff, to submit appropriate bond applications for financing the Project for the consideration of the Authority;

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized and directed to do any and all things necessary or desirable to carry out the intention of the parties expressed herein;

BE IT FURTHER RESOLVED that the Authority encourages the Illinois Governor's Office and the Illinois General Assembly to work with US DOE, the Alliance, and the Authority to develop a power purchase arrangement that offers rates and terms that are sufficient to provide adequate credit support for project bonding.

Approved this 12th day of January, 2010 by roll call vote as follows:

AYES:

NAYS:

ABSTAIN:

ABSENT:

ILLINOIS FINANCE AUTHORITY

Chairman

[SEAL]

ATTEST:

Secretary