

**ILLINOIS FINANCE AUTHORITY  
BOARD MEETING  
Tuesday, September 13, 2011  
Chicago, Illinois**

**COMMITTEE OF THE WHOLE  
9:30 a.m.  
Two Prudential Plaza - IFA Chicago Office  
180 North Stetson Avenue, Suite 2555  
Chicago, Illinois**

**AGENDA**

- I. Call to Order & Roll Call
- II. Chairman's Remarks
- III. Message from the Executive Director (with attachments; Tab A)
- IV. Consideration of the Minutes
- V. Presentation and Consideration of the Financial Statements
- VI. Committee Reports
- VII. Project Reports
- VIII. Other Business
- IX. Public Comment
- X. Adjournment

**BOARD MEETING  
10:30 a.m.  
One Prudential Plaza Conference Center  
130 East Randolph Avenue, 7th Floor  
Chicago, Illinois**

- I. Call to Order
- II. Chairman's Remarks
- III. Roll Call
- IV. Acceptance of Financial Statements
- V. Adoption of Minutes
- VI. Project Approvals
- VII. Resolutions
- VIII. Other Business
- IX. Public Comment
- X. Adjournment

Board Meeting Agenda  
September 13, 2011

**AGRICULTURE**

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs
<b>Beginning Farmer Bonds</b>					
<i>Final (One-Time Consideration)</i>					
1	A) Philip P. & Spring M. Ettner	Spring Township (Boone County)	\$264,000	0	0
	B) Ronald Lee Beals	Wade Township (Jasper County)	\$47,500	0	0
<b>TOTAL AGRICULTURE PROJECTS</b>			<b>\$311,500</b>	<b>0</b>	<b>0</b>

**BUSINESS AND INDUSTRY**

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs
<b>Midwestern Disaster Area Revenue Bonds</b>					
<i>Preliminary</i>					
2	Cargill, Inc.	New Boston (Mercer Co.), Tuscola (Douglas Co.) and Paris (Edgar Co.)	\$18,700,000	11	60
<b>TOTAL BUSINESS AND INDUSTRY PROJECTS</b>			<b>\$18,700,000</b>	<b>11</b>	<b>60</b>

**HEALTHCARE**

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs
<b>501(c)(3) Revenue Bonds</b>					
<i>Final (One-Time Consideration)</i>					
3	Bethany North Suburban Group (d/b/a Chestnut Square at The Glen Association)	Glenview (Cook County)	\$10,600,000	N/A	N/A
4	Southern Illinois Healthcare Enterprises, Inc.	Carbondale (Jackson County)	\$15,530,000	N/A	N/A
<b>501(c)(3) Revenue Bonds</b>					
<i>Final</i>					
5	Trinity Health Corporation	Maywood and Melrose Park (Cook County)	\$600,000,000	N/A	N/A
<b>TOTAL HEALTHCARE PROJECTS</b>			<b>\$626,130,000</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL</b>			<b>\$645,141,500</b>	<b>11</b>	<b>60</b>

**RESOLUTIONS**

Tab	Project Name
<b>Amendatory Resolutions</b>	
6	Resolution authorizing the execution and delivery of a Bond and Loan Agreement in connection with the IDFA Series 1992 Revenue Bonds to enable conversion to a Bank Direct Purchase Structure (St. Anne Place Project)
7	Resolution Approving the Transfer of Allocation for Bonding Authority of Qualified Energy Conservation Bonds by the Illinois Finance Authority to the Village of Deerfield, Illinois in an Aggregate Principal Amount not to exceed \$13,000,000 and Related Matters
8	Resolution authorizing the Sale of the GNMA Mortgage-Backed Securities Securing the \$11,205,000 Illinois Development Finance Authority Revenue Bonds Series 2000A and the Application of the Sale Proceeds to the Redemption of the Bonds and Related Matters (Greek American Nursing Home Project)
9	Resolution authorizing IFA participation with various State Agencies in connection with a State Energy Program, including, but not limited to, delegation to Executive Director to negotiate an Intergovernmental Agreement and various other documents in furtherance of said Program

September 13, 2011

TO: William A. Brandt, Jr., Chairman  
Dr. William Barclay  
Gila J. Bronner  
Heather D. Parish  
Roger E. Poole  
Bradley A. Zeller  
Hon. Barrett Pedersen

Michael W. Goetz, Vice-Chairman  
Edward H. Leonard, Sr.  
Terrence M. O'Brien  
Jack Durburg  
James J. Fuentes  
Norman M. Gold

RE: Message from the Executive Director

Dear Members of the Authority:

Uncertainty and stagnation in the national and global economy have continued over the past several weeks. We expect that current economic conditions will continue to negatively impact decisions to incur new debt for capital projects by those organizations and entities eligible for federally tax-exempt conduit financing. What we have seen since July 1 is the refinancing of existing debt driven by historically low interest rates, mergers in the healthcare sector, and the general move in the market to structure bonds with expiring credit facilities as direct bank purchases because many letters of credit are not being renewed or replaced by their issuers. This is unfortunate for the general employment situation because new money borrowings, not refinancing, drive new construction projects which in turn create jobs.

### ***Stronger September following a slow summer***

July and August 2011 were unusually slow for closings at the Illinois Finance Authority (IFA) particularly in comparison to these months in 2009 and 2010. The IFA's largest closing this fiscal year was Central DuPage Hospital's (CDH) \$185.6 million refunding after they acquired Delnor Hospital in Geneva that closed in two parts in August. We had two additional closings, both of which were refundings; they were for LEARN Charter School and Transparent Container.

September 2011 promises to be stronger than the summer with respect to closings. More specifically, we anticipate later this month that Advocate will close the large \$215.6 million financing approved by the IFA in July. While a significant share of the Advocate issue will refinance existing debt (only \$12.3 million of the \$215.6 million will refinance existing debt), over \$160 million will fund the construction of a new ambulatory pavilion at Christ Medical Center in Oak Lawn. Furthermore, the refinancing of the Chicago Shakespeare Theater project approved in August will also close in September. Finally, provided that the IFA board this month approves Trinity Health, Chestnut Square at The Glen, and Southern Illinois Healthcare Enterprises, it is anticipated that these projects will close by the end of September.

### ***Pipeline of Potential Activity***

Given the slow economy as well as the expiration of Stimulus financing tools at the end of 2010, it is not surprising that activity in the business, industry, higher education and general not-for-profit sector has been slow in the current fiscal year. The comparative downturns in these sectors must be compared with the tremendous dollar volume of borrowings as well as the numerous amount of individual projects that were driven by the now-expired Stimulus tools in the last quarter of calendar year 2010. These now-expired Stimulus tools were responsible for significant increases in financing (and, hence, revenues) in fiscal year 2011. These unanticipated transactions increased revenues over budget by nearly 107 percent. However, a consequence of this extraordinary surge of activity was pushing projects that ordinarily would

have closed at some point in calendar year 2011 into calendar year 2010 due to the incentives provided by the Stimulus tools.

We are hopeful that the interest shown by corporate borrowers in Midwestern Disaster Area Bonds (limited to 18 Illinois counties; expires December 31, 2012) and by local governments in Qualified Energy Conservation Bonds since July 1 will drive additional closing activity over the next several months. Also, we have seen indications that not-for-profit higher education borrowers may have increased interest in tax-exempt bond financing during the first half of fiscal year 2012.

Finally, we continue to partner with Governor Quinn's administration on innovative methods to utilize the IFA's broad statutory authority and resources to promote economic development in our State. Our continued efforts to work with Central Management Services on implementing a Medicaid Vendor Receivable Financing Program, the effort to partner with a variety of State agencies to spur energy efficiency retrofit projects on State buildings (see this month's agenda), and the effort, under Chairman Brandt's leadership, to work with the Governor's Broadband Commission are but three examples of this partnership.

*Conclusion*

As always, the staff of the IFA looks forward to continuing to work with all of you to fulfill our mission to create and retain jobs.

Respectfully,



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Christopher B. Meister

Attachments:

Attachment 1 – General Fund, Financial Results, Consolidated Balance Sheet and Audit Tracking Schedule

Attachment 2 – Schedule of Debt; Fiscal Year 2011 Closed Projects

**Illinois Finance Authority  
General Fund - Actual to Budget  
Statement of Activities  
for Period Ending  
August 31, 2011**

	Actual August 2011	Budget August 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2012	Budget YTD FY 2012	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2012	% of Budget Expended
<b>REVENUE</b>										
INTEREST ON LOANS	53,087	39,388	13,699	34.78%	109,294	85,277	24,017	28.16%	538,836	20.28%
INVESTMENT INTEREST & GAIN(LOSS)	2,297	2,083	214	10.25%	3,843	4,166	(323)	-7.75%	25,000	15.37%
ADMINISTRATIONS & APPLICATION FEES	212,201	356,625	(144,424)	-40.50%	257,412	637,400	(379,988)	-59.62%	4,194,325	6.14%
ANNUAL ISSUANCE & LOAN FEES	35,165	34,152	1,013	2.97%	60,382	69,074	(8,692)	-12.58%	425,670	14.19%
OTHER INCOME	6,667	13,605	(6,938)	-51.00%	13,595	27,210	(13,615)	-50.04%	163,250	8.33%
<b>TOTAL REVENUE</b>	<b>309,417</b>	<b>445,853</b>	<b>(136,436)</b>	<b>-30.60%</b>	<b>444,526</b>	<b>823,127</b>	<b>(378,601)</b>	<b>-46.00%</b>	<b>5,347,081</b>	<b>8.31%</b>
<b>EXPENSES</b>										
<b>EMPLOYEE RELATED EXPENSES</b>										
COMPENSATION & TAXES	122,660	145,429	(22,769)	-15.66%	268,696	290,858	(22,162)	-7.62%	1,730,791	15.52%
BENEFITS	20,150	22,060	(1,910)	-8.66%	43,048	44,120	(1,072)	-2.43%	265,728	16.20%
TEMPORARY HELP	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
EDUCATION & DEVELOPMENT	-	833	(833)	-100.00%	-	1,666	(1,666)	-100.00%	10,000	0.00%
TRAVEL & AUTO	2,971	5,833	(2,862)	-49.07%	6,524	11,666	(5,142)	-44.08%	70,000	9.32%
<b>TOTAL EMPLOYEE RELATED EXPENSES</b>	<b>145,781</b>	<b>174,155</b>	<b>(28,374)</b>	<b>-16.29%</b>	<b>318,268</b>	<b>348,310</b>	<b>(30,042)</b>	<b>-8.63%</b>	<b>2,076,519</b>	<b>15.33%</b>
<b>PROFESSIONAL SERVICES</b>										
CONSULTING, LEGAL & ADMIN	29,298	41,667	(12,369)	-29.68%	59,904	83,334	(23,430)	-28.12%	500,000	11.98%
LOAN EXPENSE & BANK FEE	8,926	9,250	(324)	-3.51%	18,113	18,500	(387)	-2.09%	111,000	16.32%
ACCOUNTING & AUDITING	20,705	21,962	(1,257)	-5.72%	41,410	43,924	(2,514)	-5.72%	263,536	15.71%
MARKETING GENERAL	519	1,250	(731)	-58.50%	519	2,500	(1,981)	-79.25%	15,000	3.46%
FINANCIAL ADVISORY	16,667	16,667	-	0.00%	33,334	33,334	-	0.00%	200,000	16.67%
CONFERENCE/TRAINING	2,780	2,500	280	11.20%	2,780	5,000	(2,220)	-44.40%	30,000	9.27%
MISC. PROFESSIONAL SERVICES	9,167	9,167	-	0.00%	18,334	18,334	-	0.00%	110,000	16.67%
DATA PROCESSING	2,569	4,583	(2,014)	-43.93%	5,295	9,166	(3,871)	-42.23%	55,000	9.63%
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>90,631</b>	<b>107,046</b>	<b>(16,415)</b>	<b>-15.33%</b>	<b>179,689</b>	<b>214,092</b>	<b>(34,403)</b>	<b>-16.07%</b>	<b>1,284,536</b>	<b>13.99%</b>
<b>OCCUPANCY COSTS</b>										
OFFICE RENT	22,657	22,357	300	1.34%	44,455	44,714	(259)	-0.58%	268,284	16.57%
EQUIPMENT RENTAL AND PURCHASES	3,209	1,300	1,909	146.87%	4,302	2,600	1,702	65.46%	15,600	27.58%
TELECOMMUNICATIONS	2,915	3,500	(585)	-16.70%	5,822	7,000	(1,178)	-16.83%	42,000	13.86%
UTILITIES	1,023	1,000	23	2.31%	2,389	2,000	389	19.47%	12,000	19.91%
DEPRECIATION	2,282	2,162	120	5.54%	4,566	4,324	242	5.59%	52,649	8.67%
INSURANCE	1,945	1,950	(5)	-0.25%	3,890	3,900	(10)	-0.25%	23,400	16.62%
<b>TOTAL OCCUPANCY COSTS</b>	<b>34,032</b>	<b>32,269</b>	<b>1,763</b>	<b>5.46%</b>	<b>65,424</b>	<b>64,538</b>	<b>886</b>	<b>1.37%</b>	<b>413,933</b>	<b>15.81%</b>

**Illinois Finance Authority  
General Fund - Actual to Budget  
Statement of Activities  
for Period Ending  
August 31, 2011**

	Actual August 2011	Budget August 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2012	Budget YTD FY 2012	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2012	% of Budget Expended
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	3,972	2,900	1,072	36.96%	5,569	5,800	(231)	-3.99%	34,800	16.00%
BOARD MEETING - EXPENSES	2,135	2,666	(531)	-19.93%	4,885	5,332	(447)	-8.39%	32,000	15.26%
PRINTING	900	875	25	2.85%	1,889	1,750	139	7.94%	10,500	17.99%
POSTAGE & FREIGHT	5,086	1,250	3,836	306.89%	5,480	2,500	2,980	119.21%	15,000	36.54%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,371	1,909	(538)	-28.17%	2,364	3,818	(1,454)	-38.07%	32,000	7.39%
PUBLICATIONS	355	250	105	41.90%	452	500	(48)	-9.53%	3,000	15.08%
OFFICERS & DIRECTORS INSURANCE	15,261	15,261	0	0.00%	30,522	30,522	0	0.00%	183,132	16.67%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	29,080	25,111	3,969	15.80%	51,162	50,222	940	1.87%	310,432	16.48%
LOAN LOSS PROVISION/BAD DEBT	-	-	-	-	-	-	-	0.00%	-	0.00%
OTHER										
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL EXPENSES	299,524	338,581	(39,057)	-11.54%	614,543	677,162	(62,619)	-9.25%	4,085,420	15.04%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	9,893	107,272	(97,379)	-90.78%	(170,016)	145,965	(315,981)	-216.48%	1,261,661	-13.48%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	9,893	107,272	(97,379)	-90.78%	(170,016)	145,965	(315,981)	-216.48%	1,261,661	-13.48%

**Illinois Finance Authority  
General Fund - Actual to Actual  
Statement of Activities  
for Period Ending  
August 31, 2011**

	Actual August 2011	Actual August 2010	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2012	Actual YTD FY 2011	Year to Date Variance Actual vs. Actual	YTD % Variance
<b>REVENUE</b>								
INTEREST ON LOANS	53,087	87,747	(34,660)	-39.50%	109,294	222,633	(113,339)	-50.91%
INVESTMENT INTEREST & GAIN(LOSS)	2,297	5,958	(3,661)	-61.45%	3,843	11,356	(7,513)	-66.16%
ADMINISTRATIONS & APPLICATION FEES	212,201	376,602	(164,401)	-43.65%	257,412	1,132,699	(875,287)	-77.27%
ANNUAL ISSUANCE & LOAN FEES	35,165	44,754	(9,589)	-21.43%	60,382	79,334	(18,952)	-23.89%
OTHER INCOME	6,667	6,878	(211)	-3.07%	13,595	14,133	(538)	-3.81%
<b>TOTAL REVENUE</b>	<b>309,417</b>	<b>521,939</b>	<b>(212,522)</b>	<b>-40.72%</b>	<b>444,526</b>	<b>1,460,155</b>	<b>(1,015,629)</b>	<b>-69.56%</b>
<b>EXPENSES</b>								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	122,660	180,497	(57,837)	-32.04%	268,696	389,762	(121,066)	-31.06%
BENEFITS	20,150	16,860	3,290	19.51%	43,048	43,170	(122)	-0.28%
TEMPORARY HELP	-	340	(340)	-100.00%	-	967	(967)	-100.00%
EDUCATION & DEVELOPMENT	-	150	(150)	0.00%	-	150	(150)	-100.00%
TRAVEL & AUTO	2,971	1,773	1,198	67.57%	6,524	6,637	(113)	-1.70%
<b>TOTAL EMPLOYEE RELATED EXPENSES</b>	<b>145,781</b>	<b>199,620</b>	<b>(53,839)</b>	<b>-26.97%</b>	<b>318,268</b>	<b>440,686</b>	<b>(122,418)</b>	<b>-27.78%</b>
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	29,298	21,008	8,290	39.46%	59,904	41,883	18,021	43.03%
LOAN EXPENSE & BANK FEE	8,926	9,398	(472)	-5.03%	18,113	19,400	(1,287)	-6.63%
ACCOUNTING & AUDITING	20,705	26,518	(5,813)	-21.92%	41,410	54,836	(13,426)	-24.48%
MARKETING GENERAL	519	11,312	(10,793)	-95.41%	519	11,415	(10,896)	-95.46%
FINANCIAL ADVISORY	16,667	23,750	(7,083)	-29.82%	33,334	47,500	(14,166)	-29.82%
CONFERENCE/TRAINING	2,780	50	2,730	0.00%	2,780	434	2,346	540.55%
MISC. PROFESSIONAL SERVICES	9,167	17,142	(7,975)	0.00%	18,334	32,517	(14,183)	0.00%
DATA PROCESSING	2,569	3,635	(1,066)	-29.31%	5,295	5,957	(662)	-11.11%
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>90,631</b>	<b>112,813</b>	<b>(22,182)</b>	<b>-19.66%</b>	<b>179,689</b>	<b>213,942</b>	<b>(34,253)</b>	<b>-16.01%</b>
OCCUPANCY COSTS								
OFFICE RENT	22,657	22,325	332	1.49%	44,455	44,382	73	0.16%
EQUIPMENT RENTAL AND PURCHASES	3,209	2,932	277	9.46%	4,302	4,301	1	0.02%
TELECOMMUNICATIONS	2,915	3,890	(975)	-25.05%	5,822	7,353	(1,531)	-20.82%
UTILITIES	1,023	816	207	25.38%	2,389	1,871	518	27.71%
DEPRECIATION	2,282	2,569	(287)	-11.18%	4,566	5,197	(631)	-12.15%
INSURANCE	1,945	1,929	16	0.83%	3,890	3,858	32	0.83%
<b>TOTAL OCCUPANCY COSTS</b>	<b>34,032</b>	<b>34,461</b>	<b>(429)</b>	<b>-1.24%</b>	<b>65,424</b>	<b>66,962</b>	<b>(1,538)</b>	<b>-2.30%</b>

**Illinois Finance Authority  
General Fund - Actual to Actual  
Statement of Activities  
for Period Ending  
August 31, 2011**

	Actual August 2011	Actual August 2010	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2012	Actual YTD FY 2011	Year to Date Variance Actual vs. Actual	YTD % Variance
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	3,972	2,959	1,013	34.23%	5,569	7,036	(1,467)	-20.85%
BOARD MEETING - EXPENSES	2,135	1,665	470	28.21%	4,885	5,860	(975)	-16.64%
PRINTING	900	652	248	38.03%	1,889	1,134	755	66.58%
POSTAGE & FREIGHT	5,086	1,214	3,872	318.95%	5,480	2,388	3,092	129.49%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,371	926	445	48.08%	2,364	1,654	710	42.96%
PUBLICATIONS	355	-	355	0.00%	452	159	293	184.50%
OFFICERS & DIRECTORS INSURANCE	15,261	21,141	(5,880)	-27.81%	30,522	37,746	(7,224)	-19.14%
MISCELLANEOUS	-	-	-	-	-	-	-	-
TOTAL GENL & ADMIN EXPENSES	29,080	28,557	523	1.83%	51,162	55,977	(4,815)	-8.60%
LOAN LOSS PROVISION/BAD DEBT	-	25,000	(25,000)	-100.00%	-	50,000	(50,000)	-100.00%
OTHER								
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%
TOTAL EXPENSES	299,524	400,451	(100,927)	-25.20%	614,543	827,567	(213,024)	-25.74%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	9,893	121,488	(111,595)	-91.86%	(170,016)	632,588	(802,604)	-126.88%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER	-	-	-	0.00%	-	-	-	#DIV/0!
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	9,893	121,488	(111,595)	-91.86%	(170,016)	632,588	(802,604)	-126.88%

**Illinois Finance Authority  
General Fund  
Unaudited  
Balance Sheet  
for the Two Months Ending August 31, 2011**

	<u>Actual August 2011</u>
<b>ASSETS</b>	
CASH & INVESTMENTS, UNRESTRICTED	\$ 32,516,233
RECEIVABLES, NET	88,500
LOAN RECEIVABLE, NET	11,301,510
OTHER RECEIVABLES	167,098
PREPAID EXPENSES	<u>194,098</u>
TOTAL CURRENT ASSETS	44,267,439
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	141,149
DEFERRED ISSUANCE COSTS	288,887
<b>OTHER ASSETS</b>	
CASH, INVESTMENTS & RESERVES	874,347
VENTURE CAPITAL INVESTMENTS	-
OTHER	<u>-</u>
TOTAL OTHER ASSETS	874,347
TOTAL ASSETS	<u>\$ 45,571,822</u>
<b>LIABILITIES</b>	
CURRENT LIABILITIES	\$ 1,655,213
LONG-TERM LIABILITIES	<u>423,130</u>
TOTAL LIABILITIES	2,078,343
<b>EQUITY</b>	
CONTRIBUTED CAPITAL	4,111,479
RETAINED EARNINGS	27,580,718
NET INCOME / (LOSS)	(170,016)
RESERVED/RESTRICTED FUND BALANCE	1,732,164
UNRESERVED FUND BALANCE	<u>10,239,134</u>
TOTAL EQUITY	43,493,479
TOTAL LIABILITIES & EQUITY	<u>\$ 45,571,822</u>

**Illinois Finance Authority  
Consolidated - Actual to Budget  
Statement of Activities  
for Period Ending  
August 31, 2011**

	Actual August 2011	Budget August 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2012	Budget YTD FY 2012	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2012	% of Budget Expended
<b>REVENUE</b>										
INTEREST ON LOANS	203,312	190,647	12,665	6.64%	413,064	392,998	20,066	5.11%	2,377,527	17.37%
INVESTMENT INTEREST & GAIN(LOSS)	53,587	50,693	2,894	5.71%	97,526	101,386	(3,860)	-3.81%	608,320	16.03%
ADMINISTRATIONS & APPLICATION FEES	212,200	356,625	(144,425)	-40.50%	257,412	637,400	(379,988)	-59.62%	4,194,325	6.14%
ANNUAL ISSUANCE & LOAN FEES	35,165	34,152	1,013	2.97%	60,382	69,074	(8,692)	-12.58%	425,670	14.19%
OTHER INCOME	53,347	38,605	14,742	38.19%	64,527	77,210	(12,683)	-16.43%	463,250	13.93%
	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>557,611</b>	<b>670,722</b>	<b>(113,111)</b>	<b>-16.86%</b>	<b>892,911</b>	<b>1,278,068</b>	<b>(385,157)</b>	<b>-30.14%</b>	<b>8,069,092</b>	<b>11.07%</b>
<b>EXPENSES</b>										
<b>EMPLOYEE RELATED EXPENSES</b>										
COMPENSATION & TAXES	122,660	145,429	(22,769)	-15.66%	268,696	290,858	(22,162)	-7.62%	1,730,791	15.52%
BENEFITS	20,150	22,060	(1,910)	-8.66%	43,048	44,120	(1,072)	-2.43%	265,728	16.20%
TEMPORARY HELP	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
EDUCATION & DEVELOPMENT	-	833	(833)	-100.00%	-	1,666	(1,666)	-100.00%	10,000	0.00%
TRAVEL & AUTO	2,971	5,833	(2,862)	-49.07%	6,524	11,666	(5,142)	-44.08%	70,000	9.32%
<b>TOTAL EMPLOYEE RELATED EXPENSES</b>	<b>145,781</b>	<b>174,155</b>	<b>(28,374)</b>	<b>-16.29%</b>	<b>318,268</b>	<b>348,310</b>	<b>(30,042)</b>	<b>-8.63%</b>	<b>2,076,519</b>	<b>15.33%</b>
<b>PROFESSIONAL SERVICES</b>										
CONSULTING, LEGAL & ADMIN	31,381	43,750	(12,369)	-28.27%	64,070	87,500	(23,430)	-26.78%	525,000	12.20%
LOAN EXPENSE & BANK FEE	162,134	162,458	(324)	-0.20%	324,529	324,916	(387)	-0.12%	2,254,446	14.40%
ACCOUNTING & AUDITING	22,254	24,344	(2,090)	-8.59%	44,508	48,688	(4,180)	-8.59%	292,120	15.24%
MARKETING GENERAL	519	1,250	(731)	-58.48%	519	2,500	(1,981)	-79.24%	15,000	3.46%
FINANCIAL ADVISORY	16,667	16,667	-	0.00%	33,334	33,334	-	0.00%	200,000	16.67%
CONFERENCE/TRAINING	2,780	2,500	280	11.20%	2,780	5,000	(2,220)	-44.40%	30,000	9.27%
MISC. PROFESSIONAL SERVICES	12,500	12,500	-	0.00%	25,000	25,000	-	0.00%	150,000	16.67%
DATA PROCESSING	2,569	4,583	(2,014)	-43.95%	5,295	9,166	(3,871)	-42.23%	55,000	9.63%
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>250,804</b>	<b>268,052</b>	<b>(17,248)</b>	<b>-6.43%</b>	<b>500,035</b>	<b>536,104</b>	<b>(36,069)</b>	<b>-6.73%</b>	<b>3,521,566</b>	<b>14.20%</b>
<b>OCCUPANCY COSTS</b>										
OFFICE RENT	22,657	22,357	300	1.34%	44,455	44,714	(259)	-0.58%	268,284	16.57%
EQUIPMENT RENTAL AND PURCHASES	3,209	1,300	1,909	146.85%	4,302	2,600	1,702	65.46%	15,600	27.58%
TELECOMMUNICATIONS	2,915	3,500	(585)	-16.71%	5,822	7,000	(1,178)	-16.83%	42,000	13.86%
UTILITIES	1,023	1,000	23	2.30%	2,389	2,000	389	19.45%	12,000	19.91%
DEPRECIATION	2,282	2,162	120	5.55%	4,566	4,324	242	5.60%	52,649	8.67%
INSURANCE	1,945	1,950	(5)	-0.26%	3,890	3,900	(10)	-0.26%	23,400	16.62%
<b>TOTAL OCCUPANCY COSTS</b>	<b>34,031</b>	<b>32,269</b>	<b>1,762</b>	<b>5.46%</b>	<b>65,424</b>	<b>64,538</b>	<b>886</b>	<b>1.37%</b>	<b>413,933</b>	<b>15.81%</b>

**Illinois Finance Authority  
Consolidated - Actual to Budget  
Statement of Activities  
for Period Ending  
August 31, 2011**

	Actual August 2011	Budget August 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2012	Budget YTD FY 2012	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2012	% of Budget Expended
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	3,972	2,900	1,072	36.97%	5,569	5,800	(231)	-3.98%	34,800	16.00%
BOARD MEETING - EXPENSES	2,135	2,666	(531)	-19.92%	4,885	5,332	(447)	-8.38%	32,000	15.27%
PRINTING	900	875	25	2.86%	1,889	1,750	139	7.94%	10,500	17.99%
POSTAGE & FREIGHT	5,086	1,250	3,836	306.88%	5,480	2,500	2,980	119.20%	15,000	36.53%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,371	1,909	(538)	-28.18%	2,365	3,818	(1,453)	-38.06%	32,000	7.39%
PUBLICATIONS	355	250	105	42.00%	452	500	(48)	-9.60%	3,000	15.07%
OFFICERS & DIRECTORS INSURANCE	15,261	15,261	-	0.00%	30,522	30,522	-	0.00%	183,132	16.67%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
<b>TOTAL GENL &amp; ADMIN EXPENSES</b>	<b>29,080</b>	<b>25,111</b>	<b>3,969</b>	<b>15.81%</b>	<b>51,162</b>	<b>50,222</b>	<b>940</b>	<b>1.87%</b>	<b>310,432</b>	<b>16.48%</b>
LOAN LOSS PROVISION/BAD DEBT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
OTHER										
INTEREST EXPENSE	503	503	-	0.00%	1,005	1,006	(1)	-0.10%	5,748	17.48%
<b>TOTAL OTHER</b>	<b>503</b>	<b>503</b>	<b>-</b>	<b>0.00%</b>	<b>1,005</b>	<b>1,006</b>	<b>(1)</b>	<b>-0.10%</b>	<b>5,748</b>	<b>17.48%</b>
<b>TOTAL EXPENSES</b>	<b>460,199</b>	<b>500,090</b>	<b>(39,891)</b>	<b>-7.98%</b>	<b>935,894</b>	<b>1,000,180</b>	<b>(64,286)</b>	<b>-6.43%</b>	<b>6,328,198</b>	<b>14.79%</b>
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	97,412	170,632	(73,220)	-42.91%	(42,983)	277,888	(320,871)	-115.47%	1,740,894	-2.47%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFERS TO STATE OF ILLINOIS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
<b>NET INCOME/(LOSS)</b>	<b>97,412</b>	<b>170,632</b>	<b>(73,220)</b>	<b>-42.91%</b>	<b>(42,983)</b>	<b>277,888</b>	<b>(320,871)</b>	<b>-115.47%</b>	<b>1,740,894</b>	<b>-2.47%</b>

**Illinois Finance Authority  
Consolidated  
Statement of Activities  
Comparison  
for August 2011 and August 2010**

	Actual August 2011	Actual August 2010	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2012	Actual YTD FY 2011	Year to Date Variance Actual vs. Actual	YTD % Variance
<b>REVENUE</b>								
INTEREST ON LOANS	203,312	123,355	79,957	64.82%	413,064	1,210,888	(797,824)	-65.89%
INVESTMENT INTEREST & GAIN(LOSS)	53,587	97,275	(43,688)	-44.91%	97,526	274,897	(177,371)	-64.52%
ADMINISTRATIONS & APPLICATION FEES	212,200	376,602	(164,402)	-43.65%	257,412	1,132,699	(875,287)	-77.27%
ANNUAL ISSUANCE & LOAN FEES	35,165	44,754	(9,589)	-21.43%	60,382	79,334	(18,952)	-23.89%
OTHER INCOME	53,347	34,433	18,914	54.93%	64,527	67,003	(2,476)	-3.70%
	-	-	-	0.00%	-	-	-	-
<b>TOTAL REVENUE</b>	<b>557,611</b>	<b>676,419</b>	<b>(118,808)</b>	<b>-17.56%</b>	<b>892,911</b>	<b>2,764,821</b>	<b>(1,871,910)</b>	<b>-67.70%</b>
<b>EXPENSES</b>								
<b>EMPLOYEE RELATED EXPENSES</b>								
COMPENSATION & TAXES	122,660	180,498	(57,838)	-32.04%	268,696	389,762	(121,066)	-31.06%
BENEFITS	20,150	16,860	3,290	19.51%	43,048	43,170	(122)	-0.28%
TEMPORARY HELP	-	340	(340)	-100.00%	-	967	(967)	-100.00%
EDUCATION & DEVELOPMENT	-	150	(150)	0.00%	-	150	(150)	0.00%
TRAVEL & AUTO	2,971	1,773	1,198	67.57%	6,524	6,637	(113)	-1.70%
<b>TOTAL EMPLOYEE RELATED EXPENSES</b>	<b>145,781</b>	<b>199,621</b>	<b>(53,840)</b>	<b>-26.97%</b>	<b>318,268</b>	<b>440,686</b>	<b>(122,418)</b>	<b>-27.78%</b>
<b>PROFESSIONAL SERVICES</b>								
CONSULTING, LEGAL & ADMIN	31,381	23,091	8,290	35.90%	64,070	46,049	18,021	39.13%
LOAN EXPENSE & BANK FEE	162,134	1,899,762	(1,737,628)	-91.47%	324,529	1,909,764	(1,585,235)	-83.01%
ACCOUNTING & AUDITING	22,254	26,518	(4,264)	-16.08%	44,508	54,836	(10,328)	-18.83%
MARKETING GENERAL	519	11,312	(10,793)	0.00%	519	11,414	(10,895)	0.00%
FINANCIAL ADVISORY	16,667	23,750	(7,083)	-29.82%	33,334	47,500	(14,166)	-29.82%
CONFERENCE/TRAINING	2,780	50	2,730	0.00%	2,780	434	2,346	0.00%
MISC. PROFESSIONAL SERVICES	12,500	20,475	(7,975)	0.00%	25,000	39,183	(14,183)	-36.20%
DATA PROCESSING	2,569	3,635	(1,066)	-29.33%	5,295	5,957	(662)	-11.11%
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>250,804</b>	<b>2,008,593</b>	<b>(1,757,789)</b>	<b>-87.51%</b>	<b>500,035</b>	<b>2,115,137</b>	<b>(1,615,102)</b>	<b>-76.36%</b>
<b>OCCUPANCY COSTS</b>								
OFFICE RENT	22,657	22,325	332	1.49%	44,455	44,382	73	0.16%
EQUIPMENT RENTAL AND PURCHASES	3,209	2,932	277	9.45%	4,302	4,301	1	0.02%
TELECOMMUNICATIONS	2,915	3,890	(975)	-25.06%	5,822	7,352	(1,530)	-20.81%
UTILITIES	1,023	816	207	25.37%	2,389	1,871	518	27.69%
DEPRECIATION	2,282	2,569	(287)	-11.17%	4,566	5,197	(631)	-12.14%
INSURANCE	1,945	1,930	15	0.78%	3,890	3,858	32	0.83%
<b>TOTAL OCCUPANCY COSTS</b>	<b>34,031</b>	<b>34,462</b>	<b>(431)</b>	<b>-1.25%</b>	<b>65,424</b>	<b>66,961</b>	<b>(1,537)</b>	<b>-2.30%</b>

**Illinois Finance Authority  
Consolidated  
Statement of Activities  
Comparison  
for August 2011 and August 2010**

	Actual August 2011	Actual August 2010	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2012	Actual YTD FY 2011	Year to Date Variance Actual vs. Actual	YTD % Variance
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	3,972	2,958	1,014	34.28%	5,569	7,036	(1,467)	-20.85%
BOARD MEETING - EXPENSES	2,135	1,665	470	28.23%	4,885	5,860	(975)	-16.64%
PRINTING	900	652	248	0.00%	1,889	1,134	755	66.58%
POSTAGE & FREIGHT	5,086	1,214	3,872	318.95%	5,480	2,389	3,091	129.38%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,371	926	445	48.06%	2,365	1,654	711	42.99%
PUBLICATIONS	355	-	355	#DIV/0!	452	159	293	184.28%
OFFICERS & DIRECTORS INSURANCE	15,261	21,141	(5,880)	-27.81%	30,522	37,746	(7,224)	-19.14%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%
TOTAL GENL & ADMIN EXPENSES	29,080	28,556	524	1.83%	51,162	55,978	(4,816)	-8.60%
LOAN LOSS PROVISION/BAD DEBT	-	25,000	(25,000)	-100.00%	-	50,000	(50,000)	-100.00%
OTHER								
INTEREST EXPENSE	503	550	(47)	-8.55%	1,005	1,100	(95)	-8.64%
TOTAL OTHER	503	550	(47)	-8.55%	1,005	1,100	(95)	-8.64%
TOTAL EXPENSES	460,199	2,296,782	(1,836,583)	-79.96%	935,894	2,729,862	(1,793,968)	-65.72%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	97,412	(1,620,363)	1,717,775	-106.01%	(42,983)	34,959	(77,942)	-222.95%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER TO STATE OF ILLINOIS	-	-	-	0.00%	-	-	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-		-	-	-	0.00%
NET INCOME/(LOSS)	97,412	(1,620,363)	1,717,775	-106.01%	(42,983)	34,959	(77,942)	-222.95%

**Illinois Finance Authority  
Consolidated  
Unaudited  
Balance Sheet  
for the Two Months Ending August 31, 2011**

	Actual August 2010	Actual August 2011
<hr/>		
<b>ASSETS</b>		
CASH & INVESTMENTS, UNRESTRICTED	\$ 34,949,366	\$ 46,035,069
RECEIVABLES, NET	543,276	88,500
LOAN RECEIVABLE, NET	42,692,277	32,785,429
NOTES RECEIVABLE	45,134,874	38,659,874
OTHER RECEIVABLES	1,179,876	1,403,050
PREPAID EXPENSES	<u>196,603</u>	<u>194,098</u>
 TOTAL CURRENT ASSETS	 124,696,272	 119,166,020
 FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	 58,131	 141,149
 DEFERRED ISSUANCE COSTS	 470,745	 390,718
<b>OTHER ASSETS</b>		
CASH, INVESTMENTS & RESERVES	39,983,484	37,985,390
VENTURE CAPITAL INVESTMENTS	2,512,917	2,247,981
OTHER	<u>3,000,000</u>	<u>3,000,000</u>
 TOTAL OTHER ASSETS	 45,496,401	 43,233,371
 TOTAL ASSETS	 <u>\$ 170,721,549</u>	 <u>\$ 162,931,258</u>
 <b>LIABILITIES</b>		
CURRENT LIABILITIES	1,897,055	1,768,779
BONDS PAYABLE	54,345,000	46,900,000
OTHER LIABILITIES	<u>2,165,312</u>	<u>2,199,609</u>
 TOTAL LIABILITIES	 58,407,367	 50,868,388
<b>EQUITY</b>		
CONTRIBUTED CAPITAL	35,608,692	35,608,692
RETAINED EARNINGS	26,144,175	28,734,850
NET INCOME / (LOSS)	34,959	(42,983)
RESERVED/RESTRICTED FUND BALANCE	37,878,185	35,114,140
UNRESERVED FUND BALANCE	<u>12,648,171</u>	<u>12,648,171</u>
 TOTAL EQUITY	 112,314,182	 112,062,870
 TOTAL LIABILITIES & EQUITY	 <u>\$ 170,721,549</u>	 <u>\$ 162,931,258</u>

**Illinois Finance Authority  
 FY10 Audit Finding: Material  
 Update as of August 31, 2011**

**Number of Material Findings - 8**

Item Number	Description	Completed by	Comments	Percentage Completed																	
				10	20	30	40	50	60	70	80	90	100								
<b>Government Auditing Standards:</b>																					
10-1	Non Compliance with the investment requirements of the Bond Indenture	12/31/2010																			
10-2	Noncompliance with the program loan agreement	6/30/2011																			
10-3	Inaccurate State Property records	5/31/2011																			
10-4	Administrative reports not filed timely	3/31/2011																			
10-5	Untimely signing of written contracts	3/31/2011																			
10-6	Delinquent reporting of bond activity																				
10-7	Unsupported and incomplete travel expense reimbursements reports	on going																			
10-8	Failure to develop and maintain a list of manufacturing firms that are available for purchase, merger or acquisition in compliance with the state																				

**Illinois Finance Authority  
FY10 Audit Finding: Immaterial  
Update as of August 31, 2011**

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<b>Item Number</b>	<b>Description</b>	<b>Percentage Completed</b>
10 20 30 40 50 60 70 80 95 100		
Total Number of 2		
<b>FY 10 Immaterial Findings</b>		
<b>IM10-01</b>	Inadequate policy over telephone and cellular phone usage	
<b>IM10-02</b>	Cost of Federal Audit Not Paid Out of Federal Funds	



## Bonds Issued and Outstanding as of August 31, 2011

### Bonds Issued Since Inception of Illinois Finance Authority

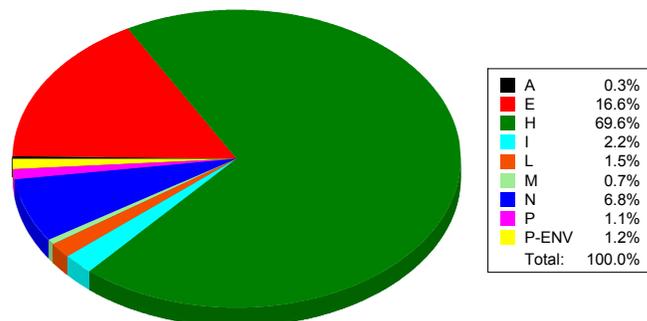
#	Market Sector	Principal Amount (\$)
383	Agriculture **	64,959,576
83	Education	4,027,548,100
170	Healthcare *	17,121,588,508
80	Industrial	934,937,853
25	Local Government	378,145,000
16	Multifamily/Senior Housing	175,417,900
109	501(c)(3) Not-for Profits	1,698,126,195
8	Exempt Facilities Bonds	275,700,000
8	Environmental issued under 20 ILCS 3515/9	326,630,000

**\$ 25,003,053,132**

\* Includes CCRC's

\*\* Number of Agriculture bonds has been adjusted to reflect the actual number of Beginner Farmer Bonds issued.

### Bonds Issued Since Inception

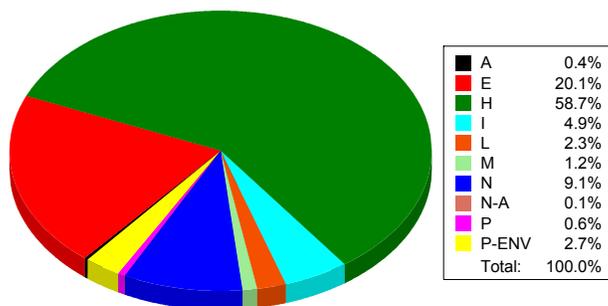


### Schedule of Bonds Outstanding by Market Sector *Includes IFA and it's Predecessor Authorities*

Market Sector	Amount of Original Issue	Principal Outstanding
Agriculture	303,429,282	96,244,566
Education	5,625,425,730	5,109,487,498
Healthcare *	17,360,296,959	14,681,260,702
Industrial	1,501,456,939	1,235,244,144
Local Government	1,032,839,413	586,196,238
Multifamily/Senior Housing	726,835,396	289,978,560
501(c)(3) Not-for Profits	2,795,657,996	2,280,843,829
Exempt Facilities Bonds	155,360,000	155,160,000
Environmental issued under 20 ILCS 3515/9	756,325,000	671,810,515
	<b>\$ 30,257,626,714</b>	<b>\$ 25,106,226,054</b>

\* Includes CCRC's

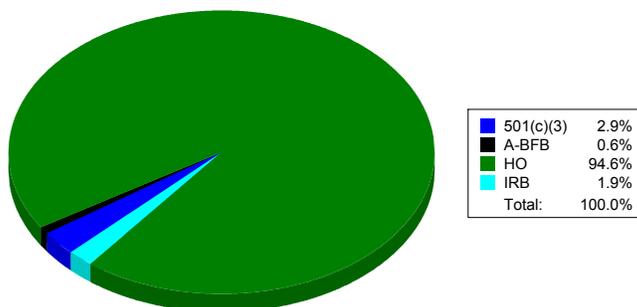
### Principal Outstanding by Market Sector



### Current Fiscal Year

#	Market Sector	Principal Issued
5	Agriculture - Beginner Farmer	1,173,627
2	Healthcare - Hospital	185,565,000
1	Industrial Revenue	3,795,000
1	501(c)(3) Not-for-Profit	5,693,000
<b>9</b>		<b>\$ 196,226,627</b>

### Bonds Issued - Current Fiscal Year



**Bonds Issued between July 01, 2011 and August 31, 2011**

<u>Bond Issue</u>	<u>Date Issued</u>	<u>Initial Interest Rate</u>	<u>Principal Issued</u>	<u>Bonds Refunded</u>
A-BFB Beginner Farmer Bonds, Series 2012A	07/01/2011	Various-See Below	1,173,627	0
501(c)(3) Learn Charter Schools, Series 2011	08/01/2011	Variable	5,693,000	2,830,000
HO CDH-Delnor Health System, Series 2011A&B	08/05/2011	Variable	127,150,000	127,150,000
IRB Transparent Container Co., Inc., Series 2011	08/09/2011	DP-VRB	3,795,000	3,795,000
HO CDH-Delnor Health System, Series 2011C	08/24/2011	DP-VRB	58,415,000	58,415,000
<b>Total Bonds Issued in Fiscal Year 2011</b>			<b>\$ 196,226,627</b>	<b>\$ 192,190,000</b>

**Legend:** Fixed Rate Bonds as shown

DP-VRB = initial interest rate at the time of issuance on a Direct Purchase Bond

VRB = initial interest rate at the time of issuance on a Variable Rate Bond that does not include the cost of the LOC arrangement.

Beginner Farmer Bonds interest rates are shown in section below.

**Beginner Farmer Bonds**

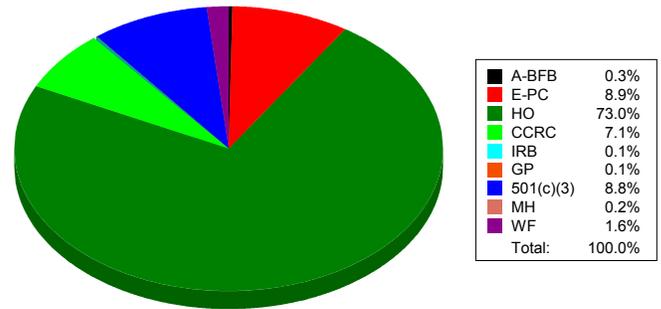
<u>Borrower</u>	<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>Acres</u>	<u>County</u>
Bennett, Quinn P. & Kristen N.	07/15/2011	4.50%	252,350	75.76	Shelby
Neff, Jennifer	07/15/2011	3.65%	476,449	48.90	Macoupin
Zaagman, Brent	08/11/2011	4.50%	239,828	90.00	Whiteside
Colgan, Andrew J. & Jacqueline L.	08/16/2011	4.00%	125,000	40.00	Stark
Kocher, Doug E. & Lora M.	08/19/2011	4.00%	80,000	38.00	Jasper
<b>Total Beginner Farmer Bonds Issued</b>			<b>\$ 1,173,627</b>	<b>292.66</b>	

## Bonds Issued - Fiscal Year Comparison for the Period Ending August 31, 2011

### Fiscal Year 2010

#	Market Sector	Principal Issued
44	Agriculture - Beginner Farmer	8,545,250
8	Education	298,745,000
26	Healthcare - Hospital	2,458,700,628
4	Healthcare - CCRC	240,184,820
1	Industrial Revenue	2,700,000
1	Local Government - Pool	4,460,000
11	501(c)(3) Not-for-Profit	296,142,520
1	MultiFamily/Senior Housing	5,700,000
2	Water Facilities	53,500,000
<b>98</b>		<b>\$ 3,368,678,218</b>

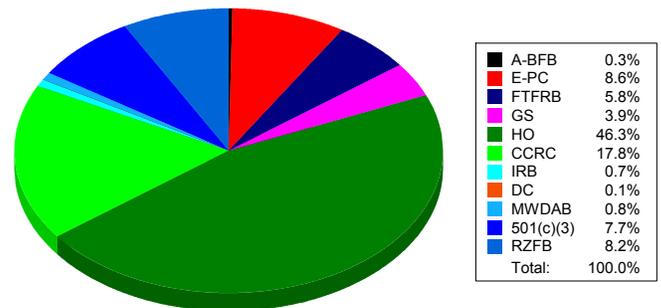
### Bonds Issued in Fiscal Year 2010



### Fiscal Year 2011

#	Market Sector	Principal Issued
40	Agriculture - Beginner Farmer	7,002,064
5	Education	221,290,000
1	Freight Transfer Facilities Bonds	150,000,000
2	Gas Supply	100,000,000
15	Healthcare - Hospital	1,195,055,000
5	Healthcare - CCRC	458,705,000
3	Industrial Revenue	17,329,184
1	Financially Distressed Cities	1,985,000
1	Midwest Disaster Area Bonds	20,200,000
4	501(c)(3) Not-for-Profit	199,535,000
8	Recovery Zone Facilities Bonds	211,488,000
<b>85</b>		<b>\$ 2,582,589,248</b>

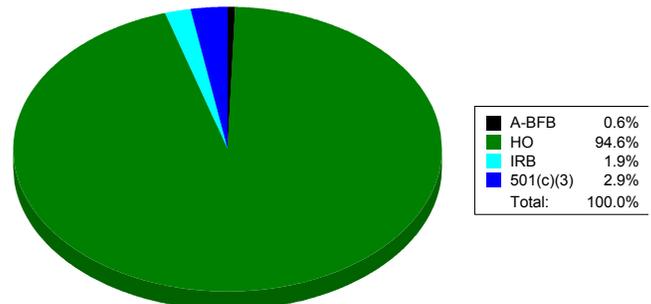
### Bonds Issued in Fiscal Year 2011



### Fiscal Year 2012

#	Market Sector	Principal Issued
5	Agriculture - Beginner Farmer	1,173,627
2	Healthcare - Hospital	185,565,000
1	Industrial Revenue	3,795,000
1	501(c)(3) Not-for-Profit	5,693,000
<b>9</b>		<b>\$ 196,226,627</b>

### Bonds Issued in Fiscal Year 2012



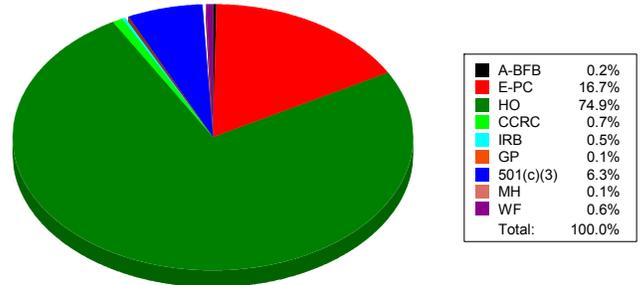


## Bonds Issued - Calendar Year Comparison as of August 31, 2011

### Calendar Year 2009

#	Market Sector	Principal Issued
38	Agriculture - Beginner Farmer	7,315,408
9	Education	786,245,000
26	Healthcare - Hospital	3,526,456,927
2	Healthcare - CCRC	31,034,820
3	Industrial Revenue	24,000,000
1	Local Government - Pool	4,460,000
11	501(c)(3) Not-for-Profit	295,436,458
1	MultiFamily/Senior Housing	5,700,000
1	Water Facilities	28,500,000
<b>92</b>		<b>\$ 4,709,148,613</b>

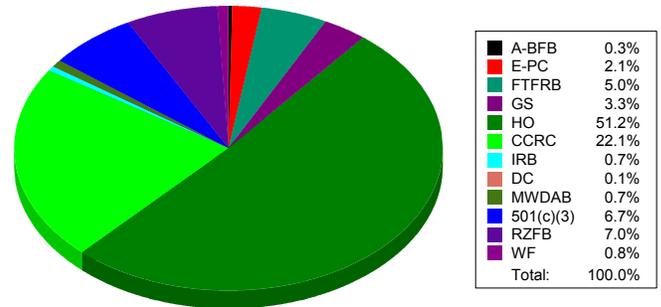
### Bonds Issued in Calendar Year 2009



### Calendar Year 2010

#	Market Sector	Principal Issued
52	Agriculture - Beginner Farmer	9,374,497
5	Education	64,000,000
1	Freight Transfer Facilities Bonds	150,000,000
2	Gas Supply	100,000,000
20	Healthcare - Hospital	1,545,643,433
7	Healthcare - CCRC	667,855,000
4	Industrial Revenue	20,029,184
1	Financially Distressed Cities	1,985,000
1	Midwest Disaster Area Bonds	20,200,000
8	501(c)(3) Not-for-Profit	203,041,062
8	Recovery Zone Facilities Bonds	211,488,000
1	Water Facilities	25,000,000
<b>110</b>		<b>\$ 3,018,616,176</b>

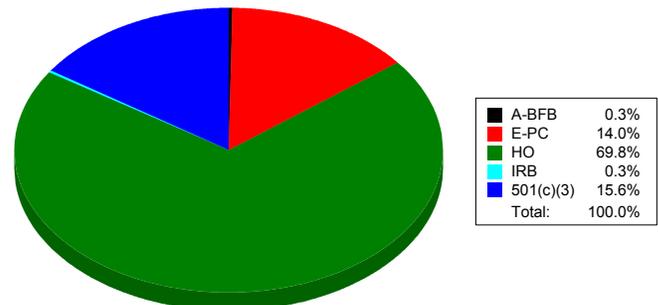
### Bonds Issued in Calendar Year 2010



### Calendar Year 2011

#	Market Sector	Principal Issued
19	Agriculture - Beginner Farmer	3,650,022
2	Education	177,390,000
8	Healthcare - Hospital	882,800,000
1	Industrial Revenue	3,795,000
3	501(c)(3) Not-for-Profit	197,528,000
<b>33</b>		<b>\$ 1,265,163,022</b>

### Bonds Issued in Calendar Year 2011



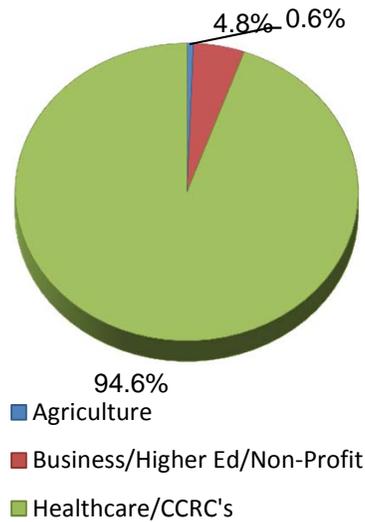


## Illinois Finance Authority

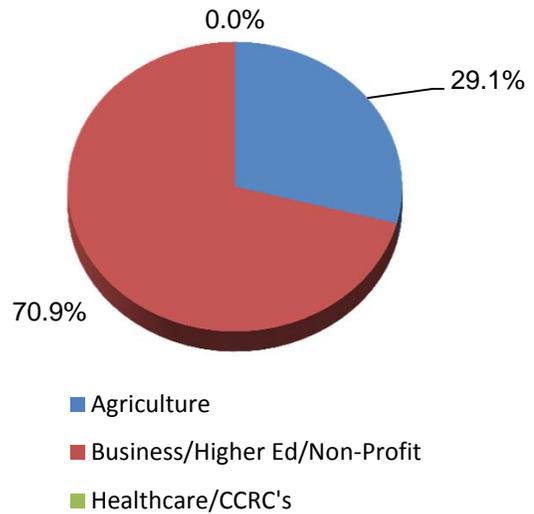
Fiscal Year 2012

Market Sector	Principal Amount (\$)	New Money (\$)	#	Revenue (\$)
Agriculture	\$ 1,173,627.00	\$ 1,173,627.00	5	\$ 17,104.41
Business/Higher Ed/Non-Profit	9,488,000.00	2,863,000.00	2	37,952.50
Healthcare/CCRC's	185,565,000.00	-	2	192,782.50
	\$ 196,226,627.00	\$ 4,036,627.00	9	\$ 247,839.41

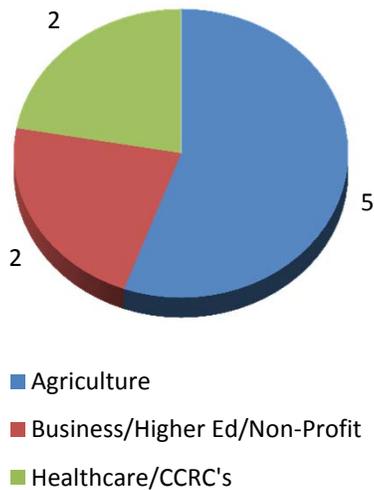
### Principal Amount (\$)



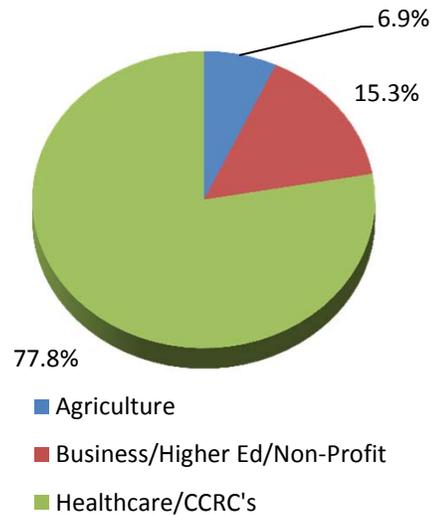
### New Money Principal(\$)



### # of Projects



### Revenue (\$)



**ILLINOIS FINANCE AUTHORITY**

Schedule of Debt <sup>[a]</sup>

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

**Section I (a)**

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2011	August 31, 2011		
<b>Illinois Finance Authority "IFA" <sup>[b]</sup></b>				
323 Agriculture	\$ 53,079,000	\$ 54,190,000		
90 Education	3,796,724,000	3,776,424,000		
242 Healthcare	12,342,557,000	12,070,428,000		
70 Industrial Development [includes Recovery Zone/Midwest Disaster]	824,762,000	810,318,000		
22 Local Government	246,460,000	245,030,000		
18 Multifamily/Senior Housing	160,222,000	159,973,000		
92 501(c)(3) Not-for Profits	1,269,225,000	1,253,314,000		
5 Exempt Facilities Bonds	130,300,000	130,300,000		
<b>862 Total IFA Principal Outstanding</b>	<b>\$ 18,823,329,000</b>	<b>\$ 18,499,977,000</b>		
<b>Illinois Development Finance Authority "IDFA" <sup>[b]</sup></b>				
3 Education	20,661,000	20,661,000		
5 Healthcare	209,185,000	209,185,000		
64 Industrial Development	477,669,000	424,927,000		
32 Local Government	322,251,000	320,946,000		
13 Multifamily/Senior Housing	130,521,000	130,006,000		
95 501(c)(3) Not-for Profits	961,395,000	952,985,000		
1 Exempt Facilities Bonds	24,860,000	24,860,000		
<b>210 Total IDFA Principal Outstanding</b>	<b>\$ 2,146,542,000</b>	<b>\$ 2,083,570,000</b>		
<b>Illinois Rural Bond Bank "IRBB" <sup>[b]</sup></b>				
17 Bond Bank Revenue Bonds	20,220,000	20,220,000		
<b>17 Total IRBB Principal Outstanding</b>	<b>\$ 20,220,000</b>	<b>\$ 20,220,000</b>		
93 Illinois Health Facilities Authority "IHFA"	\$ 2,522,273,000	\$ 2,401,648,000		
48 Illinois Educational Facilities Authority "IEFA"	\$ 1,401,337,000	\$ 1,386,947,000		
561 Illinois Farm Development Authority "IFDA" <sup>[f]</sup>	\$ 42,055,000	\$ 42,055,000		
<b>1,791 Total Illinois Finance Authority Debt</b>	<b>\$ 24,955,756,000</b>	<b>\$ 24,434,417,000</b>	<b>\$ 28,150,000,000</b>	<b>\$ 3,715,583,000</b>

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

**Section I (b)**

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2011	August 31, 2011		
<b>General Purpose Moral Obligations</b>				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
17 Issued through IRBB - Local Government Pools	\$ 20,220,000	\$ 20,220,000		
7 Issued through IFA - Local Government Pools	26,680,000	26,680,000		
2 Issued through IFA - Illinois Medical District Commission	39,640,000	39,640,000		
<b>26 Total General Moral Obligations</b>	<b>\$ 86,540,000</b>	<b>\$ 86,540,000</b>	<b>\$ 150,000,000</b>	<b>\$ 63,460,000</b>
<b>Financially Distressed Cities Moral Obligations</b>				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
2 Issued through IFA	\$ 3,825,000	\$ 3,825,000		
1 Issued through IDFA	3,565,000	3,565,000		
<b>3 Total Financially Distressed Cities</b>	<b>\$ 7,390,000</b>	<b>\$ 7,390,000</b>	<b>\$ 50,000,000</b>	<b>\$ 42,610,000</b>
<b>State Component Unit Bonds <sup>[c]</sup></b>				
17 Issued through IRBB	\$ 20,220,000	\$ 20,220,000		
2 Issued through IDFA <sup>[j]</sup>	82,090,000	82,780,000		
2 Issued through IFA <sup>[j]</sup>	81,367,000	81,367,000		
<b>21 Total State Component Unit Bonds</b>	<b>\$ 183,677,000</b>	<b>\$ 184,367,000</b>		

Designated exclusive Issuer by the Governor of the State of Illinois to issue Midwest Disaster Area Bonds in Illinois, February 11, 2010.

**Section I (c)**

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2011	August 31, 2011		
<b>1 Midwest Disaster Bonds [Flood Relief]</b>	<b>\$ 20,200,000</b>	<b>\$ 20,200,000</b>	<b>\$ 1,515,271,000</b>	<b>\$ 1,495,071,000</b>

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

**Section I (d)**

	ARRA Act of 2009 Volume Cap Allocated <sup>[h]</sup>	City/COUNTIES Ceded Voluntarily to IFA	Bonds Issued as of August 31, 2011	Available "Ceded" Volume Cap
- Recovery Zone Economic Development Bonds;	\$ 666,972,000	\$ 16,940,000	\$ 12,900,000	\$ 4,040,000
8 Recovery Zone Facilities Bonds	\$ 1,000,457,000	\$ 292,400,000	\$ 218,603,000	\$ 73,797,000
- Qualified Energy Conservation Bonds	\$ 133,846,000	\$ -	\$ -	\$ -

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

**Section II**

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2011	August 31, 2011		
<b>Illinois Power Agency</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,000,000,000</b>	<b>\$ 4,000,000,000</b>

**ILLINOIS FINANCE AUTHORITY**

Schedule of Debt <sup>[a]</sup>

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

**Section III**

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2011	August 31, 2011		
Clean Coal, Coal, Renewable Energy and Energy Efficiency Projects	\$ -	\$ -	\$ 3,000,000,000 <sup>[d]</sup>	\$ 3,000,000,000

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

**Section IV**

	Principal Outstanding		Program Limitations	Remaining Capacity	State Exposure
	June 30, 2011	August 31, 2011			
<b>Agri Debt Guarantees [Restructuring Existing Debt]</b>	\$ 17,330,000	\$ 17,040,000	\$ 160,000,000	\$ 142,960,000	\$ 14,469,000
89 Fund # 994 - Fund Balance \$ 9,994,584					
<b>AG Loan Guarantee Program</b>	\$ 41,519,000	\$ 40,707,000	\$ 225,000,000 <sup>[e]</sup>	\$ 184,293,000	\$ 29,154,000
47 Fund # 205 - Fund Balance \$ 7,718,710					
11 Agri Industry Loan Guarantee Program	\$ 9,753,000	\$ 9,377,000			7,970,000
1 Renewable Fuels	22,823,000	22,553,000			13,723,000
2 Farm Purchase Guarantee Program	975,000	975,000			829,000
22 Specialized Livestock Guarantee Program	5,552,000	5,391,000			4,583,000
11 Young Farmer Loan Guarantee Program	2,416,000	2,411,000			2,049,000
136 <b>Total State Guarantees</b>	<b>\$ 58,849,000</b>	<b>\$ 57,747,000</b>	<b>\$ 385,000,000</b>	<b>\$ 327,253,000</b>	<b>\$ 43,623,000</b>

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

**Section V**

		Fund #	Principal Outstanding		Appropriation Fiscal Year 2012	Fund Balance
			June 30, 2011	August 31, 2011		
116	Fire Truck Revolving Loan Program	Fund # 572	\$ 2,723,118	\$ 2,780,756	\$ 6,003,342	\$ 17,474,108
10	Ambulance Revolving Loan Program	Fund # 334	\$ 590	\$ 590	\$ 7,006,800	\$ 832,213

**Note: Due to deposits in transit, the Cash Balance at the Illinois Office of the Comptroller may differ from the Illinois Finance Authority's General Ledger.**

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

**Section VI**

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2011	August 31, 2011		
<b>Environmental [Large Business]</b>				
9 Issued through IFA	315,148,000	\$ 314,931,000		
19 Issued through IDFA	356,895,000	356,880,000		
28 <b>Total Environmental [Large Business]</b>	<b>\$ 672,043,000</b>	<b>\$ 671,811,000</b>	<b>\$ 2,425,000,000</b>	<b>\$ 1,753,189,000</b>
<b>Environmental [Small Business]</b>				
28 <b>Total Environment Bonds Issued under Act</b>	<b>\$ 672,043,000</b>	<b>\$ 671,811,000</b>	<b>\$ 2,500,000,000</b>	<b>\$ 1,828,189,000</b>

**Illinois Finance Authority Funds at Risk**

**Section VII**

#	Original Amount	Principal Outstanding	
		June 30, 2011	August 31, 2011
<b>Participation Loans</b>			
41 Business & Industry	23,020,157.95	12,718,990.12	11,758,042.47
12 Agriculture	6,079,859.01	3,308,196.84	2,359,930.93
53 <b>Participation Loans excluding Defaults &amp; Allowances</b>	<b>\$ 29,100,016.96</b>	<b>\$ 16,027,186.96</b>	<b>\$ 14,117,973.40</b>
<b>Plus: Legacy IDFA Loans in Default</b>		<b>1,139,934.62</b>	<b>910,622.92</b>
<b>Less: Allowance for Doubtful Accounts</b>		<b>3,957,841.93</b>	<b>3,727,095.29</b>
<b>Total Participation Loans</b>		<b>\$ 13,209,279.65</b>	<b>\$ 11,301,501.03</b>
1 <b>Illinois Facility Fund</b>	<b>\$ 1,000,000.00</b>	<b>\$ 1,000,000.00</b>	<b>1,000,000.00</b>
4 <b>Local Government Direct Loans</b>	<b>\$ 1,289,750.00</b>	<b>\$ 246,526.74</b>	<b>246,526.74</b>
5 <b>FmHA Loans</b>	<b>\$ 963,250.00</b>	<b>\$ 303,781.68</b>	<b>290,720.08</b>
2 <b>Renewable Energy [RED Fund]</b>	<b>\$ 2,000,000.00</b>	<b>\$ 1,668,554.37</b>	<b>1,653,975.16</b>
65 <b>Total Loans Outstanding</b>	<b>\$ 34,353,016.96</b>	<b>\$ 16,428,142.44</b>	<b>\$ 14,492,723.01</b>

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

[b] State Component Unit Bonds included in balance.

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

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

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

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

[g] Midwest Disaster Bonds - Illinois Counties eligible for Midwest Disaster Bonds include Adams, Calhoun, Clark, Coles, Crawford, Cumberland, Douglas, Edgar, Hancock, Henderson, Jasper, Jersey, Lake, Lawrence, Mercer, Rock Island, Whiteside and Winnebago.

[h] Recovery Zone Bonds - Federal government allocated volume cap directly to all 102 Illinois counties and 8 municipalities with population of 100,000 or more. [Public Act 96-1020]

[i] IFA is working with all of the 110 entities to encourage voluntary waivers to ensure that these resources are used to support project financing before the program expires on December 31, 2010.

[j] Includes EPA Clean Water Revolving Fund

**MINUTES OF THE AUGUST 16, 2011, 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 (“IFA”), pursuant to notice duly given, held a Committee of the Whole Meeting (“COW”) at 9:30 a.m. on Tuesday, August 16, 2011, at the Chicago Office of the IFA at 180 North Stetson Avenue, Suite 2555, Chicago, IL 60601.

<p><b>Members Present:</b></p> <ol style="list-style-type: none"> <li>1. William A. Brandt, Jr., Chairman</li> <li>2. Michael W. Goetz, Vice Chairman</li> <li>3. James J. Fuentes</li> <li>4. Norman M. Gold</li> <li>5. Edward H. Leonard, Sr.</li> <li>6. Terrence M. O’Brien</li> <li>7. Heather D. Parish</li> <li>8. Hon. Barrett F. Pedersen</li> <li>9. Bradley A. Zeller</li> </ol> <p><b>Via Telephone:</b> None</p>	<p><b>Members Absent:</b></p> <ol style="list-style-type: none"> <li>10. Dr. William J. Barclay</li> <li>11. Gila J. Bronner</li> <li>12. John “Jack” Durburg</li> <li>13. Roger E. Poole</li> </ol> <p><b>Vacancies:</b> Two</p>	<p><b>Staff Present:</b></p> <p>Christopher B. Meister, Executive Director          Brendan M. Cournane, General Counsel          Rich Frampton, Vice President          Pamela A. Lenane, Vice President          Joy K. Kuhn, Asst. Treasurer          James P. Senica, Sr. Financial Analyst          Norma Sutton, Procurement Officer          Brad R. Fletcher, Legal/Financial Analyst          Nora O’Brien, Legal/Financial Analyst          Terrell Gholston, Intern          Vanessa Lin, Intern          Jason Stone, Intern</p> <p><b>IFA Advisors Present:</b></p> <p>Courtney Shea, Sr. VP, Acacia Financial Group          Shannon Williams, Associate, PFM Group          Jessica Carter, Associate, PFM Group</p> <p><b>Others:</b></p> <p>Sohair Omar, GOMB</p>
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**GENERAL BUSINESS**

*I. Call to Order and Roll Call*

Chairman Brandt called the meeting to order at 9:32 a.m. He welcomed Members of the Board, IFA staff, IFA financial advisors and others present at the meeting. The Chairman asked the Board Secretary, Mr. Cournane, to call the roll. There being eight members physically present, a quorum was declared.

Ms. Parish arrived in person at the meeting at 9:38 a.m. and was added to the roll call by Mr. Cournane. The total number of Members physically present at 9:38 a.m. was nine.

*II. Chairman’s Remarks*

The Chairman informed all present that the governor has appointed him to the Illinois Broadband Deployment Council (“IBDC”). The IBDC exists to improve access to broadband networks not just for residential consumers, but for public, private and not-for-profit organizations all across the state. IFA staff will meet with members of the IBDC on Friday, August 19, 2011, at 12:30 p.m. Chairman Brandt hopes that IFA will be able to work with available products to help bring broadband to small and rural communities in Illinois. Ensuring that broadband is available to small and rural communities will help create and retain jobs in these communities.

Chairman Brandt announced to the Committee of the Whole a desire to sell the Venture Capital Portfolio. IFA has already sold some of the VC companies in the portfolio; the net proceeds of these sales have exceeded IFA's investment since the creation of the IFA in January 2004. The Chairman indicated the high costs of maintaining the VC portfolio and though jobs were created, none of the companies left are doing well enough to create and foster job growth. Ms. Jessica Carter submitted a summary of outstanding VC Companies and described a proposal to sell the portfolio. Mr. Cournane informed the Board that, based on conversations with VC Company representatives, IFA is likely to get a return of ten cents on the dollar for the remaining companies. Since IFA is ahead on a net cash basis, the Chairman believes that the portfolio should be sold. There will be an update at the next meeting regarding how to best dispose of the portfolio.

### *III. Message from the Executive Director*

Director Meister thanked the Chairman and began his presentation.

Director Meister stated that IFA has three important projects on the agenda this month, Trinity, BNSF Railway Company and UNO Charter School Network.

First, Trinity Health System, a multi-state-not-for profit healthcare system based in Michigan has completed its acquisition of Loyola University Medical Center in Maywood and Gottlieb Medical Center in Melrose Park. The Director stated that this is one of a number of national health care systems coming in to Illinois to acquire hospitals and he is pleased that Trinity has decided use IFA to issue bonds in connection with the Loyola/Gottlieb acquisition costs. Loyola and Gottlieb combined employ nearly 6,000 workers.

Second, BNSF Railway Company is using Midwestern Disaster Area Revenue Bonds ("MDAB's") to finance construction of the Burlington Bridge over the Mississippi River in Henderson County on BNSF's Chicago-Denver mainline. The Burlington Bridge was originally constructed in 1891 and was last renovated in 1968. This project will be the second MDAB project issued by the IFA.

Finally, UNO Charter School Network is a late addition to the agenda. Credit Review Committee initially deferred its approval until the September Board meeting, but UNO provided additional information and assurances supporting the sufficiency of revenues to support debt service on the proposed project. With this information, the Credit Review Committee recommended approval of a final bond resolution to support the Authority's Charter School Refunding and Improvement Revenue Bonds.

In the Agriculture sector, Director Meister stated that IFA is consistent with 2010 revenues. Jim Senica and Lorrie Karcher have stepped in and filled a void. They are doing a great job on the Beginning Farmer Bonds and IFA has had four Agri-Debt Guarantees in the past four months.

Director Meister welcomed Sohair Omar from the Governor's office to the meeting. He stated that Ahad Syed is no longer with IFA.

Lastly, Director Meister noted that he met with Heather Parish last week to discuss strategic planning for IFA. They look forward to beginning the formal process over the next few weeks.

Chairman Brandt thanked Director Meister for his presentation and asked for the Senior Staff Reports.

IV. Senior Staff Reports

Ms. Kuhn presented the following reports:

*Financial Report*

Ms. Kuhn stated that activity was slow in July. The Authority closed two Beginning Farmer Bonds and issued an invoice for the closing of a not-for-profit in early August for a total of \$45,000. Gross revenue was \$135,000, 64.2% or \$242,000 below the FY2012 budget for July. Operating expenses were \$315,000, 7% or \$24,000 below the FY2012 budget for July. The Authority's expenses exceed total revenue causing a net loss for July of \$180,000. However, the Authority's balance sheet remains strong. In July, there were 5 participation loans that paid off in excess of \$1.5 million dollars.

Ms. Kuhn reported that during the first week of August, the Authority received two wire transfers in an aggregate amount of slightly less than \$1 million dollars from JPMorgan Chase in the matter of the SEC and OCC v. JPMorgan Securities LLC and JPMorgan Chase Bank for specific bonds issued by the Illinois Development Finance Authority and the Illinois Health Facilities Authority.

*Audit Report*

Ms. Kuhn reported that the auditors will return to the Authority on August 22<sup>nd</sup> to finalize their fieldwork. As of today, they have provided us with two exception memos or potential findings. They are: (i) Statements of Economic Interest that are not properly completed and (ii) Initial "Ethics Training" for new employees not completed timely. The Authority is reviewing the exception memos to ensure that all facts and documentation were provided to the auditors and to see if we can eliminate these potential findings.

Ms. Kuhn stated that on August 5<sup>th</sup>, Six met with the audit firm Crowe Horwath, who is going to conduct the internal audit for the Authority. By August 22<sup>nd</sup> the audit firm will provide a schedule detailing what areas will be tested and the time frame it will take. Ms. Kuhn noted that the Board will be kept informed of any issues that arise from this audit.

Chairman Brandt thanked Ms. Kuhn for her presentation and asked for the Committee Reports.

V. Committee Reports

*Healthcare Committee*

Dr. Barclay, Chairman of the Healthcare Committee, was absent at the meeting. Ms. Lenane reported that the only project discussed at the Healthcare Committee this month was Trinity Health Corporation.

*Agriculture Committee*

Mr. Zeller reported on behalf of the Agriculture Committee that seven loans and one Agri-Debt Guarantee were presented for approval and all were recommended for approval by the Committee.

Chairman Brandt thanked Ms. Lenane and Mr. Zeller for their reports and asked for the project reports.

VI. Project Reports

Mr. Senica presented the following projects for consideration:

*Agriculture – Beginning Farmer Bonds*

**Item No. 1A: Joseph M. Adams - \$240,000 – 80 Acres**

Request for the approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$240,000 for the purchase of approximately 80 acres of farmland. This project is located in Tampico Township, Whiteside County, IL.

**Item No. 1B: Mathew A. Frohning - \$255,000 – 115 Acres**

Request for the approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$255,000 for the purchase of approximately 115 acres of farmland. This project is located in Bible Grove and Pixley Townships, Clay County, IL.

**Item No. 1C: Casey P. Sterrenberg - \$477,000 – 96.7 Acres**

Request for the approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$477,000 for the purchase of approximately 96.7 acres of farmland. This project is located in Chatsworth Township, Livingston County, IL.

**Item No. 1D: Evan T. Meister (no relation to Director Meister) - \$203,940 – 80 Acres**

Request for the approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$203,940 for the purchase of approximately 80 acres of farmland. This project is located in Pigeon Grove Township, Iroquois County, IL.

**Item No. 1E: Nicholas Randall Borkgren - \$225,720 – 60 Acres**

Request for the approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$225,720 for the purchase of approximately 60 acres of farmland. This project is located in Andover Township, Henry County, IL.

**Item No. 1F: Alexander Colby Jordan - \$203,405 – 56 Acres**

Request for the approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$203,405 for the purchase of approximately 56 acres of farmland. This project is located in Bois D’Arc Township, Montgomery County, IL.

**Item No. 1G: Korey P. Jordan - \$203,405 – 56 Acres**

Request for the approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$203,405 for the purchase of approximately 56 acres of farmland. This project is located in Bois D’Arc Township, Montgomery County, IL.

*Agriculture – Agri-Debt Guarantee*

**Item No. 2: Wayne H. Nelson - \$97,000 – Agri-Debt Guarantee**

Wayne H. Nelson is requesting approval of an Agri-Debt Guarantee (Final One-Time Resolution) in an amount not-to-exceed \$97,000. The proposed Bank Loan of \$97,000 will refinance (i) an existing equipment loan of \$51,300; and (ii) a working capital loan in the amount of \$45,700. IFA will provide an 85% loan guarantee in favor of Resource Bank to refinance the Borrower’s debts. This project is located near Sandwich and Somonauk, DeKalb County, IL.

Mr. Frampton presented the following project for consideration:

*Business and Industry - Midwestern Disaster Area Revenue Bonds*

**Item No. 3: BNSF Railway Company - \$40,000,000 - Preliminary**

**BNSF Railway Company (“BNSF”)** is requesting approval of a preliminary resolution in an amount not-to-exceed \$40,000,000. Bond proceeds, together with other funds, will enable BNSF to: (i) acquire, replace, repair, improve, reconstruct, rehabilitate, construct and install various site improvements and fixed improvements comprising the eastern bridge approach spans and adjacent railway and railway right-of-way owned and operated by the BNSF Railway Company in the Village of Gulfport, Henderson County, Illinois, at the Burlington Bridge located on the Mississippi River, east of the City of Burlington, Des Moines County, Iowa (the “Project”) and (ii) pay costs of issuance in connection with the Bonds.

Ms. O’Brien presented the following project for consideration:

*Healthcare – 501(c)(3) Revenue Bonds*

**Item No. 4: Trinity Health Corporation - \$600,000,000 – Preliminary**

**Trinity Health Corporation (“Trinity Health”)** is requesting approval of a preliminary resolution in an amount not-to-exceed \$600,000,000. Bond proceeds will be used to: (i) refinance commercial paper utilized to defease **Loyola University Health System (“LUHS”)** indebtedness, (ii) reimburse Trinity Health for all or a portion of the cash component of acquisition purchase price, (iii) fund working capital relating to the LUHS facilities and (iv) pay cost of issuance in connection with the Bonds (collectively, the “Financing Purposes”).

Chairman Brandt noted that he is a member of the Board of Trustees of Loyola University and at one point thought he would have to abstain on this project. However, since the Trinity Health acquisition of Loyola has already closed, he will be able to vote on this project.

Mr. Frampton presented the following resolutions for consideration:

*Resolutions*

**Item No. 5:     Resolution authorizing the execution and delivery of an Amended and Restated Indenture of Trust and an Amended and Restated Loan Agreement in connection with IFA Series 1999 Adjustable Demand Revenue Bonds (Chicago Shakespeare Theater Project)**

**Item No. 6:     Resolution authorizing the execution and delivery of a First Amendment to Bond and Loan Agreement in connection with IFA Series 2009 Educational Facility Revenue Bond (Namaste Charter School, Inc. Project)**

Mr. Frampton presented the following project for consideration:

*Higher Education, Cultural and other Non-Healthcare 501(c)(3)'s – 501(c)(3) Revenue Bonds*

**Item No. 7:     UNO Charter School Network, Inc. - \$40,000,000 – Final**

**UNO Charter School Network, Inc.** (“UCSN”) is requesting approval of a Final Bond Resolution in an amount not to exceed \$40,000,000. Bond proceeds, together with other monies will be used to: (i) refinance all or a portion of UCSN’s outstanding taxable bank loans, (ii) finance renovations at its campuses, (iii) capitalize a debt service reserve fund, if deemed necessary or desirable, and (iv) pay cost of issuance in connection with the Bonds (the “Project”).

*VII.     Other Business*

None.

*VIII.    Public Comment*

None.

*IX.     Adjournment*

Chairman Brandt thanked the Board, IFA staff, IFA financial advisors and guest for appearing at the meeting and asked if there were any additional matters for the Board’s consideration. Hearing none, he asked for a motion to adjourn the meeting. Mr. O’Brien so moved and Mr. Goetz seconded the motion. The Committee of the Whole unanimously agreed to adjourn the meeting.

The meeting adjourned at 10:26 a.m.

Minutes submitted by:  
Brendan M. Cournane  
Board Secretary

**MINUTES OF THE AUGUST 16, 2011, MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY**

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA” or the “Authority”), pursuant to notice duly given, held a Board Meeting at 10:30 a.m. on Tuesday, August 16, 2011, at the Prudential Plaza Conference Center at 130 East Randolph Street, 7<sup>th</sup> Floor, Chicago, IL 60601.

<p><b>Members Present:</b></p> <ol style="list-style-type: none"> <li>1. William A. Brandt, Jr., Chairman</li> <li>2. Michael W. Goetz, Vice Chairman</li> <li>3. James J. Fuentes</li> <li>4. Norman M. Gold</li> <li>5. Edward H. Leonard, Sr.</li> <li>6. Terrence M. O’Brien</li> <li>7. Heather D. Parish</li> <li>8. Hon. Barrett F. Pedersen</li> <li>9. Bradley A. Zeller</li> </ol> <p><b>Via Telephone:</b> None</p>	<p><b>Members Absent:</b></p> <ol style="list-style-type: none"> <li>10. Dr. William J. Barclay</li> <li>11. Gila J. Bronner</li> <li>12. John “Jack” Durburg</li> <li>12. Roger E. Poole</li> </ol> <p><b>Vacancies:</b> Two</p>	<p><b>Staff Present:</b></p> <p>Christopher B. Meister, Executive Director          Brendan M. Cournane, General Counsel          Rich Frampton, Vice President          Pamela A. Lenane, Vice President          Joy K. Kuhn, Asst. Treasurer          James P. Senica, Sr. Funding Manager          Norma Sutton, Procurement Officer          Brad R. Fletcher, Legal/Financial Analyst          Nora O’Brien, Legal/Financial Analyst          Terrell Gholston, Intern          Vanessa Lin, Intern          Jason Stone, Intern</p> <p><b>IFA Advisors Present:</b></p> <p>Courtney Shea, Sr. VP, Acacia Financial Group          Jessica Carter, Associate, PFM Group          Shannon Williams, Associate, PFM Group</p>
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*I. Call to Order*

Chairman Brandt called the meeting to order at 10:31 a.m. with the above Members present. The Chairman welcomed Members of the Board, IFA staff and all guests.

*II. Chairman’s Remarks*

The Chairman welcomed guests from Trinity Health Corporation, BNSF Railway Company and UNO Charter School Network.

*III. Roll Call*

The Chairman then asked the Board Secretary, Mr. Cournane, to call the roll. There being nine Members physically present a quorum was declared met.

*IV. Acceptance of Financial Statements and Minutes*

Financial statements for the period ending July 31, 2011, were presented to the Board. Chairman Brandt stated that the Authority’s Financial Statements were reviewed at the regularly scheduled Committee of the Whole Meeting held earlier this morning.

Minutes for both the Committee of the Whole and Board of Directors Meetings each held on July 19, 2011, were presented to the Board. Chairman Brandt stated that the Authority’s Minutes were reviewed at the regularly scheduled Committee of the Whole Meeting held earlier this morning. The Chairman requested a motion to approve the Financial Statements for the period ending July 31, 2011 and the Minutes for both the Committee of the Whole and Board of Directors Meetings held on July 19, 2011.

The motion was made by Mr. Goetz and seconded by Mr. O'Brien. The July 31, 2011, Financial Statements and the July 19, 2011, Minutes for the Committee of the Whole and Board of Directors Meetings were unanimously approved by the Members of the Board.

V. Project Approvals

Chairman Brandt asked Mr. Frampton, Vice President, to present the projects for consideration to the Board. The Chairman explained that all projects are reviewed by a staff Credit Committee and all agriculture, energy and healthcare projects are also reviewed at their respective committee's public hearing each month. Finally, each project was discussed at the Committee of the Whole Meeting held at 9:30 a.m. before today's Board Meeting.

Mr. Frampton presented the following for consideration:

*Agriculture - Beginning Farmer Bonds*

**Item No. 1A: Joseph M. Adams - \$240,000 – 80 Acres**

Request for the approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$240,000 for the purchase of approximately 80 acres of farmland. This project is located in Tampico Township, Whiteside County, IL.

**Item No. 1B: Mathew A. Frohning - \$255,000 – 115 Acres**

Request for the approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$255,000 for the purchase of approximately 115 acres of farmland. This project is located in Bible Grove and Pixley Townships, Clay County, IL.

**Item No. 1C: Casey P. Sterrenberg - \$477,000 – 96.7 Acres**

Request for the approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$477,000 for the purchase of approximately 96.7 acres of farmland. This project is located in Chatsworth Township, Livingston County, IL.

**Item No. 1D: Evan T. Meister (no relation to Director Meister) - \$203,940 – 80 Acres**

Request for the approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$203,940 for the purchase of approximately 80 acres of farmland. This project is located in Pigeon Grove Township, Iroquois County, IL.

**Item No. 1E: Nicholas Randall Borkgren - \$225,720 – 60 Acres**

Request for the approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$225,720 for the purchase of approximately 60 acres of farmland. This project is located in Andover Township, Henry County, IL.

**Item No. 1F: Alexander Colby Jordan - \$203,405 – 56 Acres**

Request for the approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$203,405 for the purchase of approximately 56 acres of farmland. This project is located in Bois D'Arc Township, Montgomery County, IL.

**Item No. 1G: Korey P. Jordan - \$203,405 – 56 Acres**

Request for the approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$203,405 for the purchase of approximately 56 acres of farmland. This project is located in Bois D’Arc Township, Montgomery County, IL.

*Agriculture – Agri-Debt Guarantee*

**Item No. 2: Wayne H. Nelson - \$97,000 – Agri-Debt Guarantee**

Wayne H. Nelson is requesting approval of an Agri-Debt Guarantee (Final One-Time Resolution) in an amount not-to-exceed \$97,000. The proposed Bank Loan of \$97,000 will refinance (i) an existing equipment loan of \$51,300; and (ii) a working capital loan in the amount of \$45,700. IFA will provide an 85% loan guarantee in favor of Resource Bank to refinance the Borrower’s debts. This project is located near Sandwich and Somonauk, DeKalb County, IL.

*Resolutions*

**Item No. 5: Resolution authorizing the execution and delivery of an Amended and Restated Indenture of Trust and an Amended and Restated Loan Agreement in connection with IFA Series 1999 Adjustable Demand Revenue Bonds (Chicago Shakespeare Theater Project)**

**Item No. 6: Resolution authorizing the execution and delivery of a First Amendment to Bond and Loan Agreement in connection with IFA Series 2009 Educational Facility Revenue Bond (Namaste Charter School, Inc. Project)**

No guests attended with respect to Items Nos. 1A, 1B, 1C, 1D, 1E, 1F, 1G, 2, 5 or 6. Chairman Brandt asked if the Board had any questions with respect to Items Nos. 1A, 1B, 1C, 1D, 1E, 1F, 1G, 2, 5 or 6. There being none, Chairman Brandt requested a roll call vote in favor of Items Nos. 1A, 1B, 1C, 1D, 1E, 1F, 1G, 2, 5 and 6.

Items Nos. 1A, 1B, 1C, 1D, 1E, 1F, 1G, 2, 5, and 6 received approval with 9 ayes, 0 nays and 0 abstentions.

Ms. Lenane introduced Jim Bosscher and Marianne Cunningham of Trinity Health (on phone). Mr. Bosscher thanked IFA for supporting their project.

Mr. Frampton introduced Todd Bailey and Paul Nowicki of BNSF Railway Company. Mr. Nowicki explained the project in greater detail and thanked IFA for their help with the project.

Mr. Frampton introduced Juan Rangel of UNO Charter School Network, Inc. Mr. Rangel thanked the Board for their consideration of the project.

*Healthcare – 501(c)(3) Revenue Bonds*

**Item No. 4: Trinity Health Corporation - \$600,000,000 – Preliminary**

**Trinity Health Corporation (“Trinity Health”)** is requesting approval of a preliminary resolution in an amount not-to-exceed \$600,000,000. Bond proceeds will be used to: (i) refinance commercial paper utilized to defease **Loyola University Health System (“LUHS”)** indebtedness, (ii) reimburse Trinity Health for all or a portion of the cash component of acquisition purchase price, (iii) fund working capital relating to the LUHS facilities, and (iv) pay cost of issuance in connection with the Bonds (collectively, the “Financing Purposes”).

*Business and Industry - Midwestern Disaster Area Revenue Bonds*

**Item No. 3: BNSF Railway Company - \$40,000,000 - Preliminary**

**BNSF Railway Company (“BNSF”)** is requesting approval of a preliminary resolution in an amount not-to-exceed \$40,000,000. Bond proceeds, together with other funds, will enable BNSF to: (i) acquire, replace, repair, improve, reconstruct, rehabilitate, construct and install various site improvements and fixed improvements comprising the eastern bridge approach spans and adjacent railway and railway right-of-way owned and operated by the BNSF Railway Company in the Village of Gulfport, Henderson County, Illinois, at the Burlington Bridge located on the Mississippi River, east of the City of Burlington, Des Moines County, Iowa (the “Project”) and (ii) pay costs of issuance in connection with the Bonds.

*Higher Education, Cultural and Other Non-Healthcare 501(c)(3) Revenue Bonds*

**Item No. 7: UNO Charter School Network, Inc. - \$40,000,000 – Final**

**UNO Charter School Network, Inc. (“UCSN”)** is requesting approval of a Final Bond Resolution in an amount not to exceed \$40,000,000. Bond proceeds, together with other monies, will be used to: (i) refinance all or a portion of UCSN’s outstanding taxable bank loans, (ii) finance renovations at its campuses, (iii) capitalize a debt service reserve fund, if deemed necessary or desirable, and (iv) pay cost of issuance in connection with the Bonds (the “Project”).

Chairman Brandt asked if the Board had any questions with respect to Items Nos. 3, 4 or 7. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Items Nos. 3, 4 and 7.

Items Nos. 3, 4, and 7 received approval with 9 ayes, 0 nays and 0 abstentions.

*VII. Other Business*

Chairman Brandt announced that from the September meeting onward, the IFA will revert back to its normal schedule and will hold its meetings on the second Tuesday of the month or September 13, 2011.

*VIII. Public Comment*

None.

*IX. Adjournment*

Chairman Brandt then asked if there were any other business matters to come before the Board. Hearing none, the Chairman asked for a motion to adjourn. Mr. O’Brien motioned to adjourn and Ms. Parish seconded the motion. The Board unanimously agreed to adjourn at 10:50 a.m.

Minutes submitted by:  
Brendan M. Cournane  
Board Secretary

**ILLINOIS FINANCE AUTHORITY**  
**Memorandum**

To: IFA Board of Directors  
From: Jim Senica and Lorrie Karcher  
Date: September 13, 2011  
Re: Overview Memo for Beginning Farmer Bonds

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- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolutions for the attached projects
- **Amount:** Up to \$477,000 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$311,500**
- **Calendar Year Summary:** (as of September 13, 2011)
  - Volume Cap: \$30,000,000
  - Volume Cap Committed: \$6,628,342
  - Volume Cap Remaining: \$23,371,658
  - Average Farm Acreage: 60.5
  - Number of Farms Financed: 34
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - Convey tax-exempt status
    - Will use dedicated 2011 IFA Volume Cap set-aside for Beginning Farmer Bond transactions
- **IFA Fees:**
  - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
  - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's bank (the "Bank")
  - The Bank will be secured by the Borrower's assets, as on a commercial loan
  - Interest rates, terms, and collateral are negotiated between the Borrower and the Bank, just as with any commercial loan
  - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd.**  
Stephen F. Welcome, Esq.  
Three First National Plaza, Suite 4300  
Chicago, IL 60602

**A.**

<b>Project Number:</b>	<b>A-FB-TE-CD-8497</b>
<b>Borrower(s):</b>	<b>Ettner, Philip P. &amp; Spring M.</b>
Borrower Benefit:	First Time Land Buyer
Town:	Marengo, IL
<b>IFA Bond Amount:</b>	<b>\$264,000</b>
Use of Funds:	Farmland – 58 acres w/buildings
Purchase Price:	\$406,000 / (\$348,000/\$6,000 per ac)
%Borrower Equity	35%
%Other	0%
%IFA	65%
Township:	Spring
County/Region:	Boone / Northern Stateline
Lender/Bond Purchaser	Alpine Bank & Trust Co. / Carl Dumoulin
<b>Legislative Districts:</b>	Congressional: 16 <sup>th</sup> , Donald Manzullo State Senate: 32 <sup>nd</sup> , Pamela Althoff State House: 63 <sup>rd</sup> , Jack Franks

Principal shall be paid annually in installments determined pursuant to a Thirty-year (30-year) amortization schedule, with the first principal payment date to begin on March 1, 2012. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on March 1, 2012 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing. The note will have a 30-year amortization and maturity.

**B.**

<b>Project Number:</b>	<b>A-FB-TE-CD-8498</b>
<b>Borrower(s):</b>	<b>Beals, Ronald Lee</b>
Borrower Benefit:	First Time Land Buyer
Town:	Robinson, IL
<b>IFA Bond Amount:</b>	<b>\$47,500</b>
Use of Funds:	Farmland – 24 acres
Purchase Price:	\$97,000 / (\$4,042 per ac)
%Borrower Equity	5%
% USDA Farm Service Agency	45% ( <i>Subordinate Financing</i> )
%IFA	50%
Township:	Wade
County/Region:	Jasper / Central
Lender/Bond Purchaser	First Financial Bank, NA / Jeff Wilson
<b>Legislative Districts:</b>	Congressional: 15 <sup>th</sup> , Timothy Johnson State Senate: 55 <sup>th</sup> , Dale Righter State House: 109 <sup>th</sup> , Roger Eddy

Principal shall be paid annually in installments determined pursuant to a Thirty-year (30-year) amortization schedule calculated at the initial interest rate, with the first principal payment date to begin on January 20, 2012. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on January 20, 2012 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing. The note will have a 30-year amortization and maturity.

**\$18,700,000**  
**Cargill, Incorporated**

September 13, 2011

<p><b>REQUEST</b></p>	<p><b>Purpose:</b> To enable <b>Cargill, Incorporated</b> (“<b>Cargill</b>” or the “<b>Borrower</b>”) to (i) construct a 300,000 bushel grain elevator, equipped with concrete bins, 1,000 bushel unload pit, dryer, and a barge shipping belt, to replace current capacity at a Cargill facility in New Boston, Illinois; (ii) make various safety, food safety, and efficiency upgrades including a boiler upgrade at a Cargill facility in Paris, Illinois, as well as prospectively equip the facility with a new granulated sifter and metal detector and new HVAC equipment; (iii) add a bulk weighing scale to be used for rail and truck load out, add a 120 rail car loop track, and add a connection to the CSX railroad at a Cargill facility in Tuscola, Illinois; and (iv) pay certain expenses incurred in connection with the issuance of the Bonds.</p> <p><b>Program:</b> Midwestern Disaster Area Revenue Bonds</p> <p><b>Volume Cap Required:</b> This Project will not use any of Illinois Finance Authority’s (“IFA’s”) standard 2011 Private Activity Bond Volume Cap for Industrial Development Revenue Bonds. Rather, this Project will be financed as a Midwestern Disaster Area Revenue Bond (“<b>MDAB</b>”) issue and will use \$18,700,000 of an approximately \$1.515 billion MDAB allocation to IFA for projects located throughout the 18 MDAB-eligible counties across Illinois.</p> <p><b>Extraordinary Conditions:</b> None.</p>																
<p><b>BOARD ACTIONS</b></p>	<p>Preliminary Bond Resolution</p>																
<p><b>MATERIAL CHANGES</b></p>	<p>None. This is the first time this Project has been considered by the IFA Board of Directors.</p>																
<p><b>JOB DATA</b></p>	<table border="0"> <tr> <td>140</td> <td>Current jobs</td> <td>11</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>60</td> <td>Construction jobs projected</td> </tr> </table>	140	Current jobs	11	New jobs projected	N/A	Retained jobs	60	Construction jobs projected								
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<p><b>DESCRIPTION</b></p>	<ul style="list-style-type: none"> <li>• Project Locations: City of New Boston (Mercer County), City of Paris (Edgar County) and City of Tuscola (Douglas County), Illinois</li> <li>• Type of entity: Cargill (NAICS Code 32511) is an international processor and marketer of agricultural and food products, and related financial products and industrial products and services. Founded in 1865, the privately held company employs over 130,100 people in 63 countries.</li> </ul>																
<p><b>CREDIT INDICATORS</b></p>	<ul style="list-style-type: none"> <li>• The plan of finance contemplates the public issuance of approximately \$18.7 million of municipal debt (preliminary, subject to change) based on Cargill’s underlying long-term debt ratings of A2/A (Moody’s/S&amp;P). Thornton Farish, Inc. (Montgomery, AL) has been engaged by the Borrower as Underwriter.</li> <li>• Term and Rate to be determined based on market conditions; however, a multi-modal structure, commencing in Weekly Rate mode is foreseeable (preliminary, subject to change).</li> </ul>																
<p><b>SECURITY</b></p>	<ul style="list-style-type: none"> <li>• The Bonds will be a general unsecured corporate obligation of Cargill and as such will be on parity with Cargill’s other private activity bond issues. No mortgage or other discrete collateral security is contemplated.</li> </ul>																
<p><b>MATURITY</b></p>	<ul style="list-style-type: none"> <li>• Bonds will mature no later than 30 years from the issue date.</li> </ul>																
<p><b>SOURCES AND USES</b></p>	<table border="0"> <tr> <td colspan="2"><b>Sources:</b></td> <td colspan="2"><b>Uses:</b></td> </tr> <tr> <td>IFA Bonds</td> <td>\$18,700,000</td> <td>Project Fund</td> <td>\$18,326,000</td> </tr> <tr> <td>Equity</td> <td>0</td> <td>Costs of Issuance</td> <td><u>374,000</u></td> </tr> <tr> <td><b>Total</b></td> <td><b>\$18,700,000</b></td> <td><b>Total</b></td> <td><b>\$18,700,000</b></td> </tr> </table>	<b>Sources:</b>		<b>Uses:</b>		IFA Bonds	\$18,700,000	Project Fund	\$18,326,000	Equity	0	Costs of Issuance	<u>374,000</u>	<b>Total</b>	<b>\$18,700,000</b>	<b>Total</b>	<b>\$18,700,000</b>
<b>Sources:</b>		<b>Uses:</b>															
IFA Bonds	\$18,700,000	Project Fund	\$18,326,000														
Equity	0	Costs of Issuance	<u>374,000</u>														
<b>Total</b>	<b>\$18,700,000</b>	<b>Total</b>	<b>\$18,700,000</b>														
<p><b>RECOMMENDATION</b></p>	<p>Credit Review Committee recommends approval.</p>																

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
September 13, 2011**

**Project: Cargill, Incorporated**

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**STATISTICS**

Project Number:	I-MDAB-TE-CD-8494	Amount:	\$18,700,000 (not-to-exceed)
Type:	Midwestern Disaster Area Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Locations:	New Boston, Paris and Tuscola	Counties/Regions:	Mercer Co./Northwest; Edgar Co./Southeastern; and Douglas Co./Southeastern

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**BOARD ACTION**

Preliminary Bond Resolution	No IFA funds at risk
Midwestern Disaster Area Revenue Bonds	No extraordinary conditions
Credit Review Committee recommends approval	

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**VOTING RECORD**

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

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**PURPOSE**

To enable **Cargill, Incorporated** (“Cargill” or the “Borrower”) to (i) construct a 300,000 bushel grain elevator, equipped with concrete bins, 1,000 bushel unload pit, dryer, and a barge shipping belt, to replace current capacity at a Cargill facility in New Boston, Illinois; (ii) make various safety, food safety, and efficiency upgrades including a boiler upgrade at a Cargill facility in Paris, Illinois, as well as prospectively equip the facility with a new granulated sifter and metal detector and new HVAC equipment; (iii) add a bulk weighing scale to be used for rail and truck load out, add a 120 rail car loop track, and add a connection to the CSX railroad at a Cargill facility in Tuscola, Illinois; and (iv) pay certain expenses incurred in connection with the issuance of the Bonds.

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**IFA PROGRAM AND CONTRIBUTION**

Midwestern Disaster Area Revenue Bonds (“MDABs”) are a federal program that enables tax-exempt bonds to be issued to finance certain types of privately-owned projects that will generate jobs and economic development activity in 18 federally designated counties in Illinois that suffered damage in mid-2008 from floods and other storm damage. MDABs are a provision of the federal Heartland Disaster Tax Relief Act of 2008 (Public Law 100-344; 122 Stat. 3918) (the “Act”) that enables issuance of tax-exempt bonds for certain privately-owned projects located in certain designated counties throughout the Midwest until 12/31/2012.

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**VOLUME CAP**

This financing will require Volume Cap allocation under the Midwestern Disaster Area Revenue Bond program provided for under the Act. Illinois Governor Pat Quinn designated the IFA as the Issuer (and Allocating Entity) of MDABs for industrial and commercial projects.

The State is authorized with approximately \$1.515 billion in bonding authority for issuance of MDABs until 12/31/2012. The Project’s Douglas, Edgar and Mercer County locations are among the 18 counties eligible for MDAB financing. The net amount unencumbered MDAB allocation is approximately \$1,444,071,000 (reflecting \$71.2 billion issued or encumbered to date).

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**ESTIMATED SOURCES AND USES OF FUNDS**

Sources:	IFA Bonds	\$18,700,000	Uses:	Project Fund	\$18,326,000
	Equity	0		Costs of Issuance	374,000
<b>Total</b>		<b><u>\$18,700,000</u></b>	<b>Total</b>		<b><u>\$18,700,000</u></b>

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### JOBS

Current employment:	140	Projected new jobs:	11
Jobs retained:	N/A	Construction jobs:	60

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### FINANCING SUMMARY

Security/Rating:	The Bonds will be sold based on Cargill, Incorporated's direct, underlying long-term debt ratings of A2/A (Moody's/S&P). A Credit Facility is not contemplated for the plan of finance.
Structure:	The plan of finance contemplates the issuance of approximately \$18.7 million of municipal debt (preliminary, subject to change) based on Cargill's underlying long-term debt ratings, with Thornton Farish, Inc. (Montgomery, AL) serving as underwriter. The obligations of the Borrower under the Bonds will be the general unsecured corporate indebtedness of Cargill and as such will be on parity with Cargill's other private activity bond issues. No mortgage or other discrete collateral security is contemplated.
Interest Rate:	To be determined at pricing based on market conditions.
Interest Rate Modes:	Term and Rate to be determined based on market conditions; however, a multi-modal structure, commencing in Weekly Rate mode is anticipated (preliminary, subject to change).
Underlying Debt Ratings:	A2/A (Moody's/S&P)
Maturity:	No later than 2041 (30 years from issue date)
Estimated Closing Date:	Fourth Quarter 2011

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### PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

To enable **Cargill, Incorporated** ("Cargill" or the "**Borrower**") to (i) construct a 300,000 bushel grain elevator, equipped with concrete bins, 1,000 bushel unload pit, dryer, and a barge shipping belt, to replace current capacity at a Cargill facility in New Boston, Illinois; (ii) make various safety, food safety, and efficiency upgrades including a boiler upgrade at a Cargill facility in Paris, Illinois, as well as prospectively equip the facility with a new granulated sifter and metal detector and new HVAC equipment; (iii) add a bulk weighing scale to be used for rail and truck load out, add a 120 rail car loop track, and add a connection to the CSX railroad at a Cargill facility in Tuscola, Illinois; and (iv) pay certain expenses incurred in connection with the issuance of the Bonds.

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### BUSINESS SUMMARY

Description: **Cargill, Incorporated** ("Cargill" or the "**Borrower**") is a diversified, privately held company headquartered in Wayzata, MN. See Economic Disclosure Statement for additional information (p. 5 below).

Cargill was incorporated on July 18, 1930, under the laws of the state of Delaware.

Background: Cargill is an international provider of food, agricultural, financial, and industrial products with 130,000 employees in 63 countries. Originally established as a grain warehousing and merchandising company in 1865, Cargill is one of the largest privately held companies in the world.

Cargill's operations comprise five business segments: Agriculture Services, Origination and Processing, Food Ingredients and Applications, Risk Management and Financial, and Industrial (including certain metal processing businesses). Cargill operates in four geographic regions internationally: Asia Pacific, Europe/Africa, Latin America, and North America.

In recent years, Cargill has diversified its operations further by leveraging its fundamental skills in trading, processing and managing risk and supply chain logistics, and applying them to several new businesses around the world, including the trading of energy, futures and financial instruments.

Rationale: Each of the three projects will upgrade or modernize existing Cargill facilities located in three rural locations. In addition to creating new jobs, Cargill's investment in these facilities will enhance the long-term viability at each location.

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**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Cargill, Incorporated, 15407 McGinty Road West, MS 3, Wayzata, MN 55391

Contact: Todd Miron, Senior Financial Analyst  
Tel: (952) 742-4346; E-mail: todd\_miron@cargill.com

Website: www.cargill.com

Site Locations: New Boston  
AgHorizons US  
100 1<sup>st</sup> Street End of Route 17  
New Boston, IL 61272

Paris  
Corn Milling North America  
427-429 Jasper Street; 605 East Elizabeth Street; 616 South Jefferson Street; and 700 South Jefferson Street  
Paris, IL 61944

Tuscola  
AgHorizons US  
104 North Parke Street; 920 East Highway 36  
Tuscola, IL 61953

Project name: IFA Series 2011 Midwestern Disaster Area Revenue Bonds (Cargill, Incorporated Project)

Ownership Information: All management, employees or individuals holding a 5% or greater ownership interest in the Applicant are as follows:

According to Cargill, no single individual holds a 5% or greater ownership interest (however, Cargill notes that members of the founding Cargill and MacMillan families cumulatively hold 86% ownership while current employees cumulatively hold 10% ownership).

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**PROFESSIONAL & FINANCIAL**

Bond Counsel:	Kutak Rock LLP	Omaha, NE	Curtis Christensen
Borrower Counsel:	Cargill, Incorporated	Wayzata, MN	Christopher Okoroegbe
Auditor:	KPMG LLP	Minneapolis, MN	
Underwriter:	Thornton Farish Inc.	Montgomery, AL	Scott Bamman
Underwriters Counsel:	TBD		
Trustee:	Wells Fargo Bank, N.A.	Minneapolis, MN	Katie Carlson
IFA Counsel:	TBD		
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Courtney Shea

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**LEGISLATIVE DISTRICTS**

	<u>New Boston</u>	<u>Paris</u>	<u>Tuscola</u>
Congressional:	18 Aaron Schock	15 Timothy V. Johnson	15 Timothy V. Johnson
State Senate:	6 Mike Jacobs	55 Dale A. Righter	55 Dale A. Righter
State House:	72 Patrick J. Verschoore	109 Roger L. Eddy	110 Chapin Rose

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September 13, 2011

**\$10,600,000**  
**Bethany North Suburban Group**  
**d/b/a Chestnut Square at The Glen Association**

<b>REQUEST</b>	<p>Purpose: Bond proceeds will be used to (i) refund Chestnut Square at the Glen (“<b>Chestnut Square</b>” or “<b>CSG</b>”) Series 2002A and 2002B Bonds and (ii) pay cost of issuance.</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds</p> <p><b>Extraordinary Conditions:</b> None.</p>																
<b>BOARD ACTIONS</b>	Final Bond Resolution (One-time consideration)																
<b>MATERIAL CHANGES</b>	This is the first time this project is being presented to the Board.																
<b>JOB DATA</b>	<table> <tr> <td>32</td> <td>Current jobs</td> <td>0</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>0</td> <td>Construction jobs projected</td> </tr> </table>	32	Current jobs	0	New jobs projected	N/A	Retained jobs	0	Construction jobs projected								
32	Current jobs	0	New jobs projected														
N/A	Retained jobs	0	Construction jobs projected														
<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>• Location: Glenview, Illinois (Cook County/Northeast Region)</li> <li>• Chestnut Square at The Glen (“CSG”), a division of Bethany Methodist Communities, is a non-sectarian, non-profit senior living residential facility licensed by the State of Illinois.</li> <li>• CSG is located in Glenview on a 7.1 acre campus within the site of the former Glenview Naval Air Station, approximately 20 miles northwest of downtown Chicago. The facility one three-story, elevator, apartment-style building of approximately 267,000 total square footage and approximately 167 living units.</li> </ul>																
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>• Direct Purchase by MB Financial Bank, N.A.</li> </ul>																
<b>SECURITY</b>	<ul style="list-style-type: none"> <li>• First mortgage on subject property located at 2601 Chestnut Avenue, Glenview, IL (Chestnut Square). Assignment of Chestnut Square’s rights under the residency agreements. Cross-defaulted with other facilities.</li> </ul>																
<b>MATURITY</b>	<ul style="list-style-type: none"> <li>• No later than 2031 (20 years)</li> </ul>																
<b>SOURCES AND USES</b>	<table> <thead> <tr> <th colspan="2"><b>Sources:</b></th> <th colspan="2"><b>Uses:</b></th> </tr> </thead> <tbody> <tr> <td><b>IFA Bonds</b></td> <td><u>\$10,600,000</u></td> <td>Refund Series 2002 Bonds</td> <td>\$10,394,000</td> </tr> <tr> <td></td> <td></td> <td>Cost of Issuance</td> <td><u>206,000</u></td> </tr> <tr> <td><b>Total</b></td> <td><b><u>\$10,600,000</u></b></td> <td><b>Total</b></td> <td><b><u>\$10,600,000</u></b></td> </tr> </tbody> </table>	<b>Sources:</b>		<b>Uses:</b>		<b>IFA Bonds</b>	<u>\$10,600,000</u>	Refund Series 2002 Bonds	\$10,394,000			Cost of Issuance	<u>206,000</u>	<b>Total</b>	<b><u>\$10,600,000</u></b>	<b>Total</b>	<b><u>\$10,600,000</u></b>
<b>Sources:</b>		<b>Uses:</b>															
<b>IFA Bonds</b>	<u>\$10,600,000</u>	Refund Series 2002 Bonds	\$10,394,000														
		Cost of Issuance	<u>206,000</u>														
<b>Total</b>	<b><u>\$10,600,000</u></b>	<b>Total</b>	<b><u>\$10,600,000</u></b>														
<b>RECOMMENDATION</b>	Credit Committee recommends approval.																

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
September 13, 2011**

**Project: Chestnut Square at The Glen**

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**STATISTICS**

Project Number:	H-SL-TE-CD-8493	Amount:	\$10,600,000 (not-to-exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane and Nora O'Brien
Location:	Glenview, Illinois	County/ Region:	Cook County/ Northeast

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**BOARD ACTION**

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

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**VOTING RECORD**

This is the first time this Project is being presented to the Board.

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**PURPOSE**

Bond proceeds will be used to (i) refund Chestnut Square at the Glen ("Chestnut Square" or "CSG") Series 2002A and 2002B Bonds and (ii) pay cost of issuance.

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**IFA PROGRAM AND CONTRIBUTION**

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

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**VOLUME CAP**

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

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**ESTIMATED SOURCES AND USES OF FUNDS**

<b>Sources:</b>		<b>Uses:</b>	
IFA Bonds	<u>\$10,600,000</u>	Refund Series 2002 Bonds	\$10,394,000
		Cost of Issuance	<u>206,000</u>
<b>Total</b>	<b><u>\$10,600,000</u></b>	<b>Total</b>	<b><u>\$10,600,000</u></b>

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**JOBS**

Current employment:	32	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs:	0

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**FINANCING SUMMARY/STRUCTURE**

Security:	The Bond will be secured by a first mortgage on subject property located at 2601 Chestnut Avenue, Glenview, IL (Chestnut Square). Assignment of Chestnut Square's rights under the residency agreement. Cross-defaulted with other facilities. (MB Financial Bank is the lender to Chestnut Square, its parent and other affiliates).
Structure:	The plan of finance contemplates a Direct Purchase Bond by MB Financial Bank, N.A.
Interest Rate:	Will be determined based on market conditions at the time of closing.
Interest Modes:	Variable
Current Rating:	N/A
Maturity:	No later than 2031 (20 years)
Estimated Closing Date:	September, 2011

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**PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)**

Bond proceeds will be used to (i) current refund Chestnut Square at the Glen ("Chestnut Square" or "CSG") Series 2002A and 2002B Bonds and (ii) pay cost of issuance.

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**BUSINESS SUMMARY**

Chestnut Square at the Glenview is a non-sectarian, non-profit retirement community for seniors who choose a secure lifestyle that is active, stimulating and fulfilling. Located in the heart of The Glen in Glenview, in Chicago's North suburbs, independent living at Chestnut Square is designed for seniors 55 years of age and older who prefer to live a maintenance-free lifestyle while enjoying the security and convenience of community living.

Chestnut Square at The Glen, a division of Bethany Methodist Communities, believes that all members of The Bethany Methodist Family-residents, their families, staff and friends-have received a variety of gifts intended for use in service to others. "Called to care," CSG is a premier retirement community that provides superior hospitality and high-quality living services to independent older adults of all faiths.

Sister organizations to CSG include: Terrace Gardens Assisted Living, The Bethany Terrace, Partners in Healthcare, Bethany Retirement Community and Methodist Hospital of Chicago.

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**ECONOMIC DISCLOSURE STATEMENT**

Applicant:	Chestnut Square at The Glen 2601 Chestnut Avenue Glenview, IL 60026-7784
Website:	<a href="http://www.chestnutsquare.info/">http://www.chestnutsquare.info/</a>
Project name:	Chestnut Square at The Glen (IFA Series 2011 Bonds)
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois

Board Members:

<u>Name</u>	<u>Business or Affiliation</u>	<u>Member Since</u>	<u>Term Expires</u>
Stephan A. Dahl	President & CEO Bethany Methodist Corporation	1984	Ex Officio
David E. Carlson	Retired Retail Management (Chairperson, Hospital Board)	1980	N/A
Keith Reed	Attorney – Baker & McKenzie	1986	N/A
Janice Rode	Retired Attorney	1986	N/A
Gessel Barry, Jr.	Pastor Sherman United Methodist Church	1985	N/A
Charles Jackson	Vice President Morgan Stanley Dean Witter	1985	N/A

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Drinker Biddle & Reath LLP	Chicago	Robert McCann
Bond Counsel:	Greenberg Traurig	Chicago	Matt Lewin
LOC Bank/Purchaser:	MB Financial	Chicago	John Sassaris
Bank's Counsel:	Holland and Knight	Chicago	David Mann
IFA Counsel:	Shefsky & Froelich	Chicago	Kim Copp
IFA Financial Advisor:	Scott Balice Strategies	Chicago	Julia Harris

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**LEGISLATIVE DISTRICTS**

Congressional:	10	Robert Dold
State Senate:	9	Jeffrey M. Schoenberg
State House:	17	Daniel K. Biss

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**SERVICE AREA**

CSG's primary service area includes the city of Glenview, IL and its surrounding community.

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**\$15,530,000**

**Southern Illinois Healthcare Enterprises, Inc.**

September 13, 2011

<b>REQUEST</b>	<p><b>Purpose:</b> Bond proceeds will be used to (i) current refund <b>Southern Illinois Healthcare Enterprises, Inc.</b> (“<b>SIHE</b>” or the “<b>Borrower</b>”) Series 1998A Bonds and (ii) pay cost of issuance in connection with the Bonds.</p> <ul style="list-style-type: none"> <li>In a separate transaction, SIHE plans to replace its \$55 million Scotia Bank letter of credit which is currently applied to SIHE’s Series 2008 Bonds and terminates on December 2, 2011. SIHE will replace the Scotia Bank letter of credit with a \$55 million letter of credit from JPMorgan Chase.</li> </ul> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds</p> <p><b>Extraordinary Conditions:</b> None.</p>																
<b>BOARD ACTIONS</b>	Final Bond Resolution (One-time consideration)																
<b>MATERIAL CHANGES</b>	This is the first time this project is being presented to the Board.																
<b>JOB DATA</b>	<table border="0"> <tr> <td>2,305 FTEs</td> <td>Current jobs</td> <td>0</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>0</td> <td>Construction jobs projected</td> </tr> </table>	2,305 FTEs	Current jobs	0	New jobs projected	N/A	Retained jobs	0	Construction jobs projected								
2,305 FTEs	Current jobs	0	New jobs projected														
N/A	Retained jobs	0	Construction jobs projected														
<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>Location: Carbondale, Illinois (Jackson County/Southern Illinois)</li> <li>SIHE owns and operates several medical office building facilities in Carbondale, Illinois and nearby communities, and is the sole member of Southern Illinois Hospital Services (“SIHS”). SIHS owns and operates three acute-care hospital facilities: Memorial Hospital of Carbondale (“Memorial”) located in Carbondale, Illinois; Herrin Hospital (“Herrin”) located in Herrin, Illinois; and St. Joseph Memorial Hospital (“St. Joseph”) located in Murphysboro, Illinois. The corporate offices of SIHE and SIHS are located at 1239 East Main, Carbondale, Illinois.</li> </ul>																
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>Underlying ratings of A+/A+ (S&amp;P/Fitch)</li> <li>Direct Purchase by Clayton Holdings, LLC, a wholly-owned subsidiary of Commerce Bank (as a single Bond)</li> </ul>																
<b>SECURITY</b>	<ul style="list-style-type: none"> <li>The Bonds are expected to be secured by the Borrower’s Direct Note Obligation issued pursuant to the Master Trust Indenture (“MTI”). To secure the prompt payment of the principal of and interest on and any premium on each Obligation, each Member is expected to pledge, assign and grant to the Master Trustee, an assignment of and security interest in the Gross Revenues of each Member.</li> </ul>																
<b>MATURITY</b>	<ul style="list-style-type: none"> <li>2020</li> </ul>																
<b>SOURCES AND USES</b>	<table border="0"> <tr> <td colspan="2"><b>Sources:</b></td> <td colspan="2"><b>Uses:</b></td> </tr> <tr> <td>IFA Bonds</td> <td><u>\$15,530,000</u></td> <td>Refund Series 1998A Bonds</td> <td>\$15,280,000</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance</td> <td><u>\$250,000</u></td> </tr> <tr> <td><b>Total</b></td> <td><b><u>\$15,530,000</u></b></td> <td><b>Total</b></td> <td><b><u>\$15,530,000</u></b></td> </tr> </table>	<b>Sources:</b>		<b>Uses:</b>		IFA Bonds	<u>\$15,530,000</u>	Refund Series 1998A Bonds	\$15,280,000			Costs of Issuance	<u>\$250,000</u>	<b>Total</b>	<b><u>\$15,530,000</u></b>	<b>Total</b>	<b><u>\$15,530,000</u></b>
<b>Sources:</b>		<b>Uses:</b>															
IFA Bonds	<u>\$15,530,000</u>	Refund Series 1998A Bonds	\$15,280,000														
		Costs of Issuance	<u>\$250,000</u>														
<b>Total</b>	<b><u>\$15,530,000</u></b>	<b>Total</b>	<b><u>\$15,530,000</u></b>														
<b>RECOMMENDATION</b>	Credit Review Committee recommends approval.																

**ILLINOIS FINANCE AUTHORITY  
 BOARD SUMMARY  
 September 13, 2011**

**Project: Southern Illinois Healthcare**

**STATISTICS**

Project Number:	H-HO-TE-CD-8499	Amount:	\$15,530,000
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane and Nora O'Brien
Location:	Carbondale	County/ Region:	Jackson/Southern Illinois

**BOARD ACTION**

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

**VOTING RECORD**

This is the first time this project has been presented to the Board.

**PURPOSE**

Bond proceeds will be used to (i) current refund **Southern Illinois Healthcare Enterprises, Inc.** ("SIHE" or the "**Borrower**") Series 1998A Bonds and (ii) pay cost of issuance in connection with the Bonds.

In a separate transaction, SIHE plans to replace its \$55 million Scotia Bank letter of credit which is currently applied to SIHE's Series 2008 bonds and terminates on December 2, 2011. SIHE will replace the Scotia Bank letter of credit with a \$55 million letter of credit from JPMorgan Chase.

**IFA PROGRAM AND CONTRIBUTION**

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

**VOLUME CAP**

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

**ESTIMATED SOURCES AND USES OF FUNDS**

Sources:	IFA Bonds	<u>\$15,530,000</u>	Uses:	Project Fund	\$15,280,000
				Costs of Issuance	<u>\$250,000</u>
	<b>Total</b>	<b><u>\$15,530,000</u></b>		<b>Total</b>	<b><u>\$15,530,000</u></b>

**JOBS**

Current employment:	2,305	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs:	0

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### FINANCING SUMMARY

Security:	The Bonds will be secured by the Borrower's Direct Note Obligation, Series issued pursuant to the Master Trust Indenture ("MTI"). To secure the prompt payment of the principal of and interest on and any premium on each Obligation, each Member pledges, assigns and grants to the Master Trustee, an assignment of and security interest in the Gross Revenues of each Member.
Structure:	The plan of finance contemplates a Direct Purchase Bond by Clayton Holdings, LLC, a wholly-owned subsidiary of Commerce Bank.
Interest Rate:	3/1/15 maturity bond: A fixed rate equal to (4-year Swap + 1.70%) x 0.67. 3/1/20 maturity bond: A fixed rate equal to (8-year Swap + 1.70%) x 0.67.
Interest Rate Modes:	Fixed Rate
Underlying Ratings:	Underlying ratings of A+/A+ (S&P/Fitch)
Maturity:	2020
Estimated Closing Date:	No later than, November 30, 2011, as long as market conditions remain favorable

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### PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be used to (i) current refund SIHE's Series 1998A Bonds and (ii) pay cost of issuance in connection with the Bonds.

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### BUSINESS SUMMARY

SIHE was incorporated in July 1983 as an Illinois not-for-profit corporation, exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). SIHE owns and operates several medical office building facilities in Carbondale, Illinois and nearby communities, and is the sole member of Southern Illinois Hospital Services ("SIHS"). SIHE elects the members of the Board of Trustees of SIHS. Trustees of SIHE and SIHS are the same persons.

SIHS was incorporated in April 1946 as an Illinois not-for-profit corporation, exempt from federal income tax under Section 501(c)(3) of the Code. SIHS owns and operates three acute-care hospital facilities: (1) Memorial Hospital of Carbondale ("Memorial") located in Carbondale, Illinois; (2) Herrin Hospital ("Herrin") located in Herrin, Illinois; and (3) St. Joseph Memorial Hospital ("St. Joseph") located in Murphysboro, Illinois. The corporate offices of SIHE and SIHS are located at 1239 East Main, Carbondale, Illinois.

SIHE and SIHS are mission and values driven organizations. "We are dedicated to improving the health and well-being of all of the people in the communities we serve" is the mission of the organization. The values are: Respect, Integrity, Compassion, Collaboration, Stewardship and Quality. All patients in need are cared for regardless of their ability to pay.

Memorial is a 140-licensed bed acute care hospital that opened in 1950 as a 33-bed hospital and has expanded over the years. In 2005 the obstetrical unit was expanded to improve its ability to accommodate the approximately 2,000 babies that are delivered at the facility annually. In 1999 Memorial opened a permanent cardiac catheterization lab, and established an open-heart surgery program at the facility. In 2004 Memorial opened its second cardiac catheterization lab, and has now added a third lab.

Herrin is a 114-licensed bed acute care hospital facility that opened in 1913 as a 33-bed acute-care facility. SIHS purchased the facility in 1946. Herrin also currently operates 29 rehabilitation beds through a joint venture with the Rehabilitation Institute of Chicago. Herrin also furnishes certain ancillary services at Miners Memorial Health Center, an outpatient center located in West Frankfort, Illinois which is owned by SIHS.

St. Joseph is a 49-licensed bed acute care hospital facility. St. Joseph opened on October 1, 1960 as a 62-bed hospital and was acquired by SIHS in 1995. The facility was converted to a Critical Access Hospital ("CAH") in May of 2004, which allows St. Joseph to receive cost-based reimbursement for Medicare patients. Due to its CAH status, St. Joseph currently operates 25 of its 49-licensed beds.

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**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Southern Illinois Healthcare Enterprises, Inc.  
Site Address: 1239 East Main Street, Carbondale, IL 62901  
Contact: Michael Kasser (Chief Financial Officer)  
Website: www.sih.net  
Project name: Southern Illinois Healthcare Enterprises  
Organization: 501(c)(3) Not-for-Profit Corporation  
State: Illinois

Ownership/2010-11 Board Members (501(c)(3)):  
Harold Bardo  
W. Eugene Basanta  
Rex Budde  
Kathleen Fralish  
Morton Levine  
Phil Nordstrom, Vice Chair  
George O'Neil  
Marsha Ryan, MD  
Steven Sabens, Secretary  
Anad Salem, MD  
Marlene Simpson  
2 current vacancies to be filled

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Armstrong Teasdale, LLP	St. Louis	Kirby Colson
Financial Advisor:	Morgan Keegan	Chicago	Victoria Poindexter
Bond Counsel	Jones Day	Chicago	Rich Tomei
Auditor:	Crowe Horwath	Oak Brook, IL	David Frank
Purchaser:	Commerce Bank	St. Louis	Mark Huebner
Purchaser's Counsel:	Stinson Morrison Hecker	Kansas City	Don Kirkpatrick
IFA Counsel:	TBD	Chicago	TBD
IFA's Financial Advisor:	Acacia Financial Group	Chicago	Courtney Shea

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**LEGISLATIVE DISTRICTS**

Congressional:	12	Jerry. F. Costello
State Senate:	58	David Luechtefeld
State Senate:	59	Gary Forby
State House:	115	Mike Bost
State House:	117	John E. Bradley

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**SERVICE AREA**

In 2010, Memorial, Herrin, and St. Joseph drew 92.1% of their inpatients from a 40 mile, seven county area surrounding the Hospitals (the "Primary Market Area"). The Primary Market Area consists of Franklin, Jackson, Johnson, Perry, Saline, Union, and Williamson counties.

**\$600,000,000**  
**Trinity Health Corporation**

September 13, 2011

<b>REQUEST</b>	<p><b>Purpose:</b> The proceeds will be used by <b>Trinity Health Corporation</b> (“<b>Trinity Health</b>” or the “<b>Borrower</b>”) to (i) refinance commercial paper (“<b>CP</b>”) utilized to defease <b>Loyola University Health System</b> (“<b>LUHS</b>”) indebtedness, (ii) reimburse Trinity Health for all or a portion of the cash component of acquisition purchase price, (iii) fund working capital relating to the LUHS facilities, and (iv) pay cost of issuance in connection with the Bonds (collectively, the “<b>Financing Purposes</b>”) (<i>Loyola University will not own or operate the facilities financed with these bonds</i>).</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds/Multi-State Bond Issue</p> <p><b>Extraordinary Conditions:</b> None.</p>																								
<b>BOARD ACTIONS</b>	<p>Final Bond Resolution  Preliminary Bond Resolution approved June 14, 2011:  Ayes: 9; Nays: 0; Abstentions: 0; Absent: 4 (Barclay, Bronner, Durburg, Poole), Vacancies: 2</p>																								
<b>MATERIAL CHANGES</b>	<p>No material changes from preliminary bond resolution.</p>																								
<b>JOB DATA</b>	<table border="0"> <tr> <td>46,000 FTEs</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td>6,000 FTEs</td> <td>Retained jobs in Illinois</td> <td>N/A</td> <td>Construction jobs projected</td> </tr> </table>	46,000 FTEs	Current jobs	N/A	New jobs projected	6,000 FTEs	Retained jobs in Illinois	N/A	Construction jobs projected																
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6,000 FTEs	Retained jobs in Illinois	N/A	Construction jobs projected																						
<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>• Locations: (Site Addresses: 2160 South First Avenue, Maywood, IL 60153 , 701 W. North Ave., Melrose Park, IL, 60160, and ancillary locations; Trinity Health’s Headquarters: 27870 Cabot Drive, Novi, Michigan 48377)</li> <li>• Based in Novi, Michigan, Trinity Health operates 46 acute-care hospitals, 380 outpatient facilities, 34 long-term care facilities, numerous home health and hospice programs, and senior services/housing operations in nine states.</li> <li>• As of July 1, 2011, LUHS has been consolidated with Trinity Health. LUHS is an Illinois not for profit corporation and is a regional integrated health care delivery system providing a full continuum of health care services and competencies in primary care and tertiary care medicine. (<i>Loyola University will not own or operate the facilities financed with these bonds.</i>)</li> </ul>																								
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>• Trinity Health is rated Aa2/AA/AA by Moody’s/S&amp;P/Fitch, respectively.</li> </ul>																								
<b>SECURITY</b>	<ul style="list-style-type: none"> <li>• All Bonds will be secured under the existing Trinity Health Master Trust Indenture (“<b>MTI</b>”). The Bonds are joint and several obligations of the Obligated Group Members (currently only Trinity Health) and are equally and ratably secured under the MTI, together with all obligations issued under the MTI, by a security interest in all Pledged Property now owned or hereafter acquired by any Designated Affiliates.</li> </ul>																								
<b>MATURITY</b>	<ul style="list-style-type: none"> <li>• Bonds will mature no later than 2051 (40 years).</li> </ul>																								
<b>SOURCES AND USES</b>	<table border="0"> <thead> <tr> <th colspan="2"><b>Sources:</b></th> <th colspan="2"><b>Uses:</b></th> </tr> </thead> <tbody> <tr> <td>IFA Bonds</td> <td>\$200,000,000</td> <td>Refinance Commercial Paper</td> <td>\$350,000,000</td> </tr> <tr> <td>Bonds issued in other states</td> <td><u>350,000,000</u></td> <td>LUHS Acquisition (cash component)</td> <td>175,000,000</td> </tr> <tr> <td></td> <td></td> <td>Working Capital</td> <td>19,500,000</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance</td> <td><u>5,500,000</u></td> </tr> <tr> <td><b>Total</b></td> <td><b>\$550,000,000</b></td> <td><b>Total</b></td> <td><b>\$550,000,000</b></td> </tr> </tbody> </table>	<b>Sources:</b>		<b>Uses:</b>		IFA Bonds	\$200,000,000	Refinance Commercial Paper	\$350,000,000	Bonds issued in other states	<u>350,000,000</u>	LUHS Acquisition (cash component)	175,000,000			Working Capital	19,500,000			Costs of Issuance	<u>5,500,000</u>	<b>Total</b>	<b>\$550,000,000</b>	<b>Total</b>	<b>\$550,000,000</b>
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<b>Total</b>	<b>\$550,000,000</b>	<b>Total</b>	<b>\$550,000,000</b>																						
<b>RECOMMENDATION</b>	<p>Credit Committee recommends approval.</p>																								

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
September 13, 2011**

**Project: Trinity Health Corporation**

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**STATISTICS**

Project Number:	H-HO-TE-CD-8483	Amount:	\$600,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane and Nora O'Brien
Locations:	Multiple	Counties:	Cook and DuPage
		Region:	Northeast

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**BOARD ACTION**

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

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**VOTING RECORD**

Preliminary Bond Resolution approved August 16, 2011:

Ayes: 9; Nays: 0; Abstentions: 0; Absent: 4 (Barclay, Bronner, Durburg, Poole); Vacancies: 2

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**PURPOSE**

Bond proceeds will be used to (i) refinance commercial paper ("CP") utilized to defease Loyola University Health System ("LUHS") indebtedness, (ii) reimburse Trinity Health for all or a portion of the cash component of acquisition purchase price, (iii) fund working capital relating to the LUHS facilities, and (iv) pay cost of issuance in connection with the Bonds (collectively, the "Financing Purposes"). (*Loyola University will not own or operate the facilities financed with these bonds*).

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**VOLUME CAP**

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

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**ESTIMATED SOURCES AND USES OF FUNDS**

Sources:	IFA Bonds	\$200,000,000	Uses:	Refinance Commercial Paper	\$350,000,000
	Bonds issued in other states	<u>350,000,000</u>		LUHS Acquisition	175,000,000
				Working Capital	19,500,000
				Cost of Issuance	<u>5,500,000</u>
<b>Total</b>		<b><u>\$550,000,000</u></b>	<b>Total</b>		<b><u>\$550,000,000</u></b>

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**JOBS**

Current employment:	46,000 FTEs	Projected new jobs:	N/A
Jobs retained in Illinois:	6,000 FTEs	Construction jobs:	N/A

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### FINANCING SUMMARY

Security:	Any variable rate demand bonds issued will be backed by either (i) Trinity Health self-liquidity, which is supported by Trinity's own cash and a \$916 million dedicated Revolving Credit Agreement, (ii) a Standby Bond Purchase Agreement or, (iii) a Letter of Credit. Any alternative variable rate product not requiring liquidity and any fixed rate bonds will carry the underlying rating of Trinity Health (see below).
Structure:	The plan of finance may include the issuance of both fixed rate and variable rate bonds, to be determined based on market conditions. In addition to a public market transaction, a portion of the financing may be structured as a private placement. There may be multiple series of bonds issued, depending on the structure.
Interest Rate:	To be determined at the time of pricing based upon market conditions.
Interest Rate Modes:	Floating rate obligations for which the interest rate is established periodically and paid monthly and fixed rate bonds on which interest is paid semiannually. Trinity is considering the issuance of alternative variable rate products, including Floating Rate Notes and Window Variable Rate Demand Bonds.
Underlying Ratings:	Aa2/AA/AA with Stable Outlooks from Moody's, S&P and Fitch
Maturity:	2051 (Up to 40 Years)
Estimated Closing Date:	October 19, 2011

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### PROJECT SUMMARY (FOR IFA PRELIMINARY BOND RESOLUTION)

The proceeds will be used to (i) refinance commercial paper ("CP") utilized to defease debt associated with Loyola University Health System ("LUHS"), (ii) reimburse for cash component of acquisition purchase price, (iii) fund working capital component, (iv) pay cost of issuance in connection with the Bonds.

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### BUSINESS SUMMARY

Trinity Health Corporation is an Indiana nonprofit corporation that is the "parent" organization of a national health care system. Trinity Health was formed in 2000 through the consolidation of Holy Cross Health System Corporation and Mercy Health Services. Trinity Health is sponsored by **Catholic Health Ministries** ("CHM"), an organization governed by individuals who also comprise the Board of Directors of Trinity Health. CHM is recognized by the Roman Catholic Church as an entity that acts in its name with respect to CHM's sponsored works. Trinity Health is the direct or indirect controlling corporate member or shareholder member of various nonprofit and for-profit corporations that own and operate 46 hospitals and a number of other health care facilities primarily in the states of California, Idaho, Indiana, Iowa, Maryland, Michigan, Ohio, Oregon and, following the acquisition of LUHS, Illinois.

Based in Novi, Michigan, Trinity Health operates 46 acute-care hospitals, 380 outpatient facilities, 34 long-term care facilities, numerous home health and hospice programs, and senior services/housing operations.

Employing 46,000 full-time associates, Trinity Health reported \$7 billion in unrestricted revenue and \$456 million in community benefits in fiscal year 2010. There are also 6,000 full-time employees at LUHS in Maywood, IL and Loyola Gottlieb Memorial Hospital in Melrose Park, IL.

As of July 1, 2011, LUHS, an Illinois not-for-profit corporation, has been consolidated with Trinity Health. LUHS is a regional integrated health care delivery system providing a full continuum of health care services and competencies in primary care and tertiary care medicine. *Loyola University will not own or operate the facilities financed with these bonds.*

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**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Trinity Health System

Site Addresses: 2160 South First Ave., Maywood, Illinois 60153, 701 W. North Ave., Melrose Park, IL, 60160, and ancillary locations

Contact: Marianne Cunningham  
34605 W. Twelve Mile Road, Farmington Hills, MI 48331  
Director, Treasury Operations  
248-489-6828  
[cunningm@trinity-health.org](mailto:cunningm@trinity-health.org)

Website: [www.trinity-health.org](http://www.trinity-health.org)

Project name: Trinity Health System

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

State: Michigan

2010-11 Board Members :

- Mary Mollison, CSA, Chair
- Henry R. Autry
- James Bentley, PhD
- Suzanne Brennan, CSC
- Melanie Dreher, PhD, RN
- Sarah Eames
- Uma Kotagal, MD
- Robert Ladenburger
- Paul Robertson
- Jose Santillan
- Linda Werthman, RSM
- Joseph Swedish

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Foley & Lardner LLP	Chicago	Heidi Jeffery
Financial Advisor:	Kaufman Hall	Skokie	Therese Wareham
Bond Counsel	Hawkins Delafield & Wood LLP	San Francisco	John Renken
Auditor:	Deloitte & Touche LLP	Detroit	Melissa Jagst
LOC/SBPA Provider(s):	To be determined (only if variable rate bonds are issued)		
LOC/SBPA Provider(s) Counsel:	To be determined (only if variable rate bonds are issued)		
Underwriter(s):	Goldman Sachs	New York	Michael Marcus
	BofA Merrill Lynch	New York	James Olsen
	Loop Capital Markets	Chicago	Lerry Knox
	Cabrera Capital Markets	Chicago	Santino Bibbo
Underwriters' Counsel:	Sidley Austin LLP	San Francisco	Gerald McGovern
Accountant:	Deloitte & Touche LLP	Detroit	Melissa Jagst
Architect:	N/A		
General Contractor:	N/A		
IFA Counsel:	Jones Day	Chicago	David Kates
IFA's Financial Advisor:	Acacia Financial Group, Inc.	Chicago	Courtney Shea

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**LEGISLATIVE DISTRICTS**

	<u><b>Maywood</b></u>		<u><b>Melrose Park</b></u>
Congressional:	7 Danny K. Davis	5	Mike Quigley
State Senate:	4 Kimberly A. Lightford	39	Don Harmon
State House:	7 Karen A. Yarbrough	78	Camille Lilly

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**SERVICE AREA**

Trinity Health is an Indiana nonprofit corporation that is the "parent" organization of a national health care system. Trinity Health is the direct or indirect controlling corporate member or shareholder member of various nonprofit and for-profit corporations that own and operate 46 hospitals and a number of other health care facilities primarily in the states of California, Idaho, Indiana, Iowa, Maryland, Michigan, Ohio, Oregon, and Illinois. Each hospital and health care facility operates in various service areas in each state.

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: September 13, 2011

Re: Resolution authorizing the execution and delivery of a Bond and Loan Agreement in connection with the IDFA Series 1992 Revenue Bonds to enable conversion to a Bank Direct Purchase Structure (St. Anne Place Project)  
IDFA Series 1992 File Number: NP-1214  
IFA Series 2011 File Number: N-NP-TE-CD-8495

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### Request:

The **Catholic Diocese of Rockford** (the “**Borrower**”), an Illinois not for profit corporation (on behalf of its wholly owned St. Anne Place project), and **Riverside Community Bank** (the “**Bond Purchaser**”) are requesting approval of a Resolution to authorize execution and delivery of a Bond and Loan Agreement to effectuate the purchase of the Illinois Development Finance Authority (the “IDFA”) Revenue Bonds (St. Anne Place Project), Series 1992 (the “**Bonds**”).

The Bonds are currently secured by a Direct Pay Letter of Credit from JPMorgan Chase Bank, N.A., and will be purchased by Riverside Community Bank in whole and held as an investment. The original Par amount of the IDFA Series 1992 Bonds was approximately \$11,300,000.

Approval of this Resolution will authorize the reissuance by the Illinois Finance Authority (the “IFA”), as successor to IDFA, of not to exceed \$4,400,000 in an aggregate principal amount. The weighted average maturity of the Bonds, taking into account principal amortization, may be extended. As a result, a new TEFRA Hearing will be required in connection with this transaction, which will be considered a refunding for tax purposes. IFA’s estimated administrative fee will be \$5,000.

### Background:

IDFA Series 1992 Bond proceeds were used by the Borrower to pay, reimburse or refinance costs of acquisition, construction and equipping of an approximately 106-unit senior living continuing care retirement facility owned and operated by the Borrower and located at 4414- 4444 Brendenwood Road, Rockford, Illinois. The facility was originally known as St. Anne Place and is now known as Siena on Brendenwood.

All payments relating to the IDFA Series 1992 Bonds are current and have been paid as scheduled.

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### PROFESSIONAL & FINANCIAL

Borrower Counsel:	Hinshaw & Culbertson LLP	Rockford, IL	Thomas Lester
Borrower Financial Advisor:	William Blair & Company, LLC	Chicago, IL	Chuck Freeburg
Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Bond Purchaser:	Rockford Community Bank	Rockford, IL	William Brenner
Bank Counsel:	Dorsey & Whitney LLP	Des Moines, IA	David Claypool
Exiting Trustee:	U.S. Bank, N.A.	Chicago, IL	Grace Gorka
IFA Counsel:	TBD	TBD	
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Courtney Shea

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**IFA RESOLUTION NO. 2011-0913-AD06**

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED INDENTURE AND AGREEMENT BY THE ILLINOIS FINANCE AUTHORITY RELATING TO THE ILLINOIS DEVELOPMENT FINANCE AUTHORITY REVENUE BONDS, SERIES 1992 (ST. ANNE PLACE PROJECT); AUTHORIZING THE SALE OF THE AMENDED AND REISSUED BOND TO RIVERSIDE COMMUNITY BANK AND THE LOAN OF THE PROCEEDS OF THE BOND TO CATHOLIC DIOCESE OF ROCKFORD; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ARBITRAGE CERTIFICATE PERTAINING TO THE TAX EXEMPTION OF THE BOND; AND APPROVING CERTAIN OTHER AGREEMENTS; AND RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the “**Authority**”), including, without limitation, the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as supplemented and amended (the “**Act**”), is successor to the Illinois Development Finance Authority which has previously issued its \$4,400,000 aggregate principal amount Revenue Bonds, Series 1992 (St. Anne Place Project) which are outstanding as of the date hereof in the aggregate principal amount of \$4,400,000 (the “**Bonds**”); and

WHEREAS, in furtherance of the issuance of the Bonds, the Authority is a party to a Trust Indenture dated as of June 1, 1992 (the “**Indenture**”) with U.S. Bank, National Association (as successor to First Wisconsin Trust Company), as Trustee (the “**Trustee**”), and a Loan Agreement dated as of June 1, 1992 (the “**Loan Agreement**”) with Catholic Diocese of Rockford, an Illinois religious corporation (the “**Borrower**”), pursuant to which the proceeds of the Bonds were lent by the Authority to the Borrower to pay, reimburse or refinance costs of acquisition, construction and equipping of an approximately 106-unit continuing care retirement facility owned and operated by the Borrower and located at 4414- 4444 Brendenwood Road, Rockford, Illinois. The facility was originally known as St. Anne Place and is now known as Siena on Brendenwood (the “**Project**”); and

WHEREAS, the Borrower has represented to the Authority that (a) the facilities financed by the Project consist of either or both of a “private institution, place, building, or agency required to be licensed under the [Illinois] Nursing Home Care Act” or a private congregate, life or extended care or elderly housing facility or any... private home for the aged or infirm” all included within the definition of “health

facility” as defined in the Act, and the Project constitutes a “health facility project” as defined therein, and (b) the Borrower is a “private corporation ... authorized by law to operate a health facility as defined in [the Act]” and thus is a “participating health institution” as defined therein; and

WHEREAS, the Borrower has represented to the Authority that the acquisition, construction, renovation and equipping of the Project has resulted in the creation or retention of jobs in the State of Illinois; and

WHEREAS, payment of the Bonds is currently supported by a Letter of Credit (the “**Letter of Credit**”) issued by JPMorgan Chase Bank, N.A. (the “**Bank**”), which Letter of Credit expires in November 2011; and

WHEREAS, the Borrower has arranged for the purchase of the Bonds in whole by Riverside Community Bank (the “**Purchaser**”) upon the mandatory tender of the Bonds prior to the expiration of the Letter of Credit, and the Purchaser shall thereafter hold the Bonds without any credit enhancement for the Bonds; and

WHEREAS, the Authority and the Borrower desire to amend the Indenture and the Loan Agreement in their entirety to provide for the direct purchase of the Bonds by the Purchaser, without credit enhancement, upon terms agreed to by the Borrower and the Purchaser; and

WHEREAS, the Indenture and the Loan Agreement may be amended with the consent of the Purchaser, when it becomes the owner of 100% of the aggregate principal amount of the Bonds; and

WHEREAS, since the Bonds will be solely owned by the Purchaser or its successor, there is no longer a need for a Trustee to represent the Purchaser; and

WHEREAS, it is proposed that the Authority enter into an Amended and Restated Indenture and Agreement (the “**Agreement**”) with the Borrower and the Purchaser to provide for the direct purchase of the Bonds by the Purchaser, without credit enhancement, upon terms agreed to by the Borrower and the Purchaser and to make other changes to update such documents to conform to present market conditions; and

WHEREAS, it is necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of (i) the Agreement, and (ii) amended Bonds in substantially the form set forth in the Agreement, which shall be retitled Illinois Finance Authority Senior Living Facility Revenue Bond (Siena on Brendenwood Project, Series 2011 or such other similar designation specified in the Agreement (as amended, reissued and retitled the “**Amended Bond**”);

WHEREAS, it is necessary and desirable for the Authority to enter into an Arbitrage Certificate to be dated the date of issuance of the Bond (the “**Arbitrage Certificate**”) governing the investment of the gross proceeds of the Bond and certain other matters relating to the federal tax exemption of interest on the Bond.

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

*Section 1.* Pursuant to the Act, the Authority does hereby authorize the amendment and reissuance of the Amended Bond in accordance with the terms of the Agreement and does hereby determine that the amendment and reissuance of the Bonds as the Amended Bond by the Authority under the Act is in the public interest and will promote the purposes of the Authority.

*Section 2.* The Agreement, in substantially the form on file with the Authority at this meeting and containing substantially the terms and provisions (including repayment provisions) set forth therein, is hereby authorized, approved and confirmed, and the form, terms and provisions of the Agreement are hereby approved, with such changes and revisions therein as shall be approved by the officers of the Authority executing and attesting the same, their signatures thereon to constitute conclusive evidence of such approval, and the Chairman, the Vice Chairman, the Executive Director or any person authorized by Resolution of the Authority are hereby authorized and directed to execute, and the Secretary or Assistant Secretary of the Authority is authorized to attest the Agreement and deliver the Agreement to the other parties thereto.

*Section 3.* The execution and delivery by the Authority of the Arbitrage Certificate containing terms and provisions consistent with this Resolution are hereby authorized and approved, the execution by such officers of the Authority referenced in Section 2 above to constitute conclusive evidence of such approval.

*Section 4.* The Authority is hereby authorized, empowered and directed to cause to be prepared an issue of not to exceed \$4,400,000 aggregate principal amount of the Amended Bond of the Authority, bearing interest from time to time at the interest rate or rates provided in the Agreement, not in any event to exceed 20% per annum.

The Amended Bond shall be designated "Illinois Finance Authority Senior Living Facility Revenue Bond (Siena on Brendenwood Project), Series 2011" or such other similar designation as shall be set forth in the Agreement. The Amended Bond shall be issued as a fully registered bond or bonds. The Amended Bond shall be dated the date of its initial issuance and delivery, shall mature no later than 30 years from its date of issuance, shall have principal payable, shall be in fully registered form and shall be subject to redemption, in accordance with the terms and provisions of the Agreement, and shall have such other terms and provisions as specified in the Agreement to be included therein. The Amended Bond shall be executed on behalf of the Authority with the manual or facsimile signature of the Chairman of the Authority and shall have impressed or imprinted thereon the official seal of the Authority attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority.

The Amended Bond and interest thereon shall be a limited obligation of the Authority, payable solely out of the revenue and receipts derived from the Borrower by the Authority pursuant thereto as described in the Agreement. The Amended Bond shall not in any respect be a general obligation of the Authority, nor shall it be payable in any manner from funds raised by taxation. No holder of the Amended Bond shall have the right to compel any exercise of the taxing power of the State of Illinois or any political subdivision thereof to pay the Amended Bond, the interest or premium, if any, thereon. The Amended

Bond shall not constitute in any respect an indebtedness of the Authority or loan of credit thereof within the meaning of any constitutional or statutory provision.

The form of Amended Bond on file with the Authority at this meeting, subject to appropriate insertion and revision in order to comply with the provisions of the Agreement, is approved, and when the Amended Bond in such form shall be executed on behalf of the Authority in the manner contemplated by the Agreement and this Resolution, it shall represent the approved definitive form of the Amended Bond of the Authority.

*Section 5.* The Authority is hereby authorized and empowered to issue and sell to the Purchaser the entire aggregate principal amount of the Amended Bond, at a price of 100% of the principal amount thereof.

*Section 6.* The Chairman, the Vice Chairman, the Executive Director or any person authorized by Resolution of the Authority are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the amendment, reissuance and sale of the Amended Bond, the execution and delivery of the Agreement and the Arbitrage Certificate, and to carry out the intent and purposes of this Resolution, including the preambles hereto.

*Section 7.* The publication on behalf of the Authority of the notices of public hearing and the conduct of the public hearing by the Executive Director of the Authority or his designee with respect to the issuance of the Amended Bond are hereby ratified, approved and confirmed. The Authority's obligation to issue the Amended Bond is subject to the receipt of the approval of the Governor of the State of Illinois pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended.

*Section 8.* All acts of the officials of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance of the amendment, reissuance and sale of the Amended Bond and the Project be, and the same hereby are, in all respects, approved and confirmed.

*Section 9.* The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

*Section 10.* All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

*Section 11.* This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Passed and approved this 13th day of September, 2011.

Attest:

ILLINOIS FINANCE AUTHORITY

[SEAL]

By \_\_\_\_\_  
Chairman

By \_\_\_\_\_  
Secretary

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: September 13, 2011

Re: Resolution Approving the Transfer of Allocation for Bonding Authority of Qualified Energy Conservation Bonds by the Illinois Finance Authority to the Village of Deerfield, Cook County and Lake County, Illinois in an Aggregate Principal Amount Now Estimated not to exceed \$13,000,000 and Related Matters

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### Request:

The **Village of Deerfield** (the “**Village**”) is requesting approval of the accompanying Resolution that would transfer an amount not exceeding \$13.0 million of Qualified Energy Conservation Bond (“**QECB**”) allocation to enable the Village to issue QECBs to finance energy conservation improvements that represent a portion of the cost of system replacement of the Village’s Water Reclamation facility (for wastewater treatment). These Bonds will be a General Obligation of the Village of Deerfield and will be sold subject to competitive bid.

Transfer of this QECB allocation will be conditional upon the Village paying the Authority’s standard local government bond issuance fee at closing.

### Background:

The Bonds are expected to be issued by the Village for the purposes of financing a portion of the cost of acquiring, constructing and installing wastewater treatment facilities that will replace the Village’s primary wastewater treatment plant. QECB proceeds will be allocated to finance specifically identified energy conservation associated with the Village’s new replacement wastewater treatment plant (the “**Project**”).

Transferring the QECB allocation to the Village will provide the Authority with the same fee income as if the Authority had issued the Bonds while (i) simplifying legal documentation for this transaction, (ii) reducing origination fees and expenses for the Village, and (iii) facilitating a competitive sale of the Bonds by the Village. Additionally, IFA will have no post-issuance compliance responsibilities as a result of the requested transfer and allowing the Village of Deerfield to serve as Issuer. As with the Midwestern Disaster Area Bond allocation that IFA transferred to the Village of Gurnee as approved at the July 2011 Board Meeting, the proposed QECB allocation transfer to the Village of Deerfield will facilitate issuance of Bonds that will be secured by a general obligation of the Village.

### Recommendation and conditions:

Staff recommends approval of the requested transfer of QECB allocation as described in the accompanying Resolution as requested by the Village subject to the Authority receiving its customary issuance fee for Local Government issuances.

The Village of Deerfield understands that the Authority’s execution and delivery of the QECB allocation letter will be conditional upon payment of the issuance fee. Furthermore, any unused QECB allocation after the Village issues the Bonds shall be deemed waived back to the Authority immediately upon closing.

Although the not-to-exceed amount of this bond resolution is \$13.0 million, the anticipated issuance amount is \$12.5 million.

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**PROFESSIONAL & FINANCIAL**

Issuer:	Village of Deerfield	Chicago, IL	Robert Fialkowski, Finance Director
Bond Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Lew Greenbaum
Financial Advisor to the Village:	The Northern Trust Company	Chicago, IL	Al Ambrose
Underwriter:	Bonds to be sold by competitive bid to underwriters to be determined		
Source of QECCB Allocation:	Illinois Finance Authority		

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**IFA RESOLUTION NO. 2011-0913-\_\_\_\_\_**

**A RESOLUTION APPROVING THE TRANSFER OF ALLOCATION FOR BONDING AUTHORITY OF QUALIFIED ENERGY CONSERVATION BONDS BY THE ILLINOIS FINANCE AUTHORITY TO THE VILLAGE OF DEERFIELD, COOK COUNTY AND LAKE COUNTY, ILLINOIS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$13,000,000 AND RELATED MATTERS**

**WHEREAS**, there has been presented to the Illinois Finance Authority, a body politic and corporate of the State of Illinois (the "*Authority*"), by the Village of Deerfield, Cook County and Lake County, Illinois (the "*Village*"), a request in relation to the authority to issue Qualified Energy Conservation Bonds ("*QECBs*"), in an amount not to exceed Thirteen Million Dollars (\$13,000,000) (the "*Bonds*"); and

**WHEREAS**, by virtue of a successful election held on April 15, 1975, and pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois, the Village is a home rule unit and may exercise any power or perform any function pertaining to its government and affairs including, but not limited to, the power to tax and to incur debt; and

**WHEREAS**, the Bonds are expected to be issued by the Village for the purposes of financing a portion of the cost of acquiring, constructing and installing, renovating buildings and building systems relating to a new, replacement Wastewater Reclamation Facility (the "*Project*") that will be owned and operated by the Village to improve wastewater treatment service to its residents; and

**WHEREAS**, Section 54D of the Internal Revenue Code of 1986 (the "*Code*") provides for the issuance of QECBs, the proceeds of which are to be used to finance qualified energy conservation projects located in the State of Illinois (the "*State*"), including the Counties of Cook and Lake, Illinois; and

**WHEREAS**, 20 ILCS 3501 Sec. 825-110 (or the "*Act*") authorizes the Authority to manage the State of Illinois' portion of the national QECB allocation under the Code and to allocate and reallocate QECB allocation within Illinois in order to facilitate the timely issuance of QECBs in the State; and

**WHEREAS**, in connection with the issuance of the Bonds, the Village is seeking not to exceed Thirteen Million Dollars (\$13,000,000) in an award of allocation for bonding authority to the Village; and

**WHEREAS**, the issuance of the Bonds is subject to the availability of such bonding authority under the Act; and

**WHEREAS**, the State's maximum limit for QECBs under the Act is \$133,846,000, of which the Authority has received \$22,620,783 and issued \$0 as of the date of this Resolution, leaving a balance of \$22,620,893 of bonding authority available from the Authority as of the date of this Resolution, which is an amount sufficient to fund the Village's requested QECB amount of not to exceed \$13,000,000; and

**WHEREAS**, in its request to the Authority, the Village has agreed to the payment of reasonable fees of the Authority to be made in connection with its request and the payment of such fees will be made by the Village to the Authority upon the issuance of the Bonds; and

**WHEREAS**, the Village may consider requesting grant assistance under the Illinois Department of Commerce and Economic Opportunity's Public Sector Energy Efficiency Program to further support development of the Project; and

**WHEREAS**, each of the Members of the Authority present is familiar with the form of this Resolution;

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

**Section 1. Approval.** The request of the Village is approved.

**Section 2. Adoption of Resolution.** The Chairman, the Vice Chairman or the Executive Director (each, an "Authorized Officer") is authorized and directed to execute, and the Secretary or any Assistant Secretary of the Authority is authorized to seal and attest to the adoption of, this Resolution and to do any and all things necessary or desirable in order to carry out the intention of the parties as expressed herein.

**Section 3. Bonding Authority.** The Authority approves the transfer of allocation for bonding authority of QECBs to the Village for the Bonds in an amount not to exceed Thirteen Million Dollars (\$13,000,000). Any unused QECB authority as of the issuance date shall be deemed waived back to the Authority for reallocation to other projects.

**Section 4. Execution of Necessary Documents and Certificates.** Upon request of the Village or its Bond Counsel, the Authorized Officers are authorized to execute any documents or certificates needed by the Village in connection with the issuance of the Bonds by the Village as QECBs.

**Section 5. Payment of Issuance Fee to Authority at closing.** Delivery of executed documents or certificates needed by the Village in connection with the issuance of the Bonds by the Village as QECBs will be subject to payment of a 15 basis point fee (*i.e.*, 0.15% based on the par amount of Local Government QECBs), payable to the Authority.

**Section 6. Ratification of Prior Action.** All such actions heretofore taken by the Executive Director or any other Authorized Officer in furtherance of the purposes of this Resolution, whether upon oral or written direction of the Authority, are ratified.

Approved and effective this \_\_th day of September, 2011.

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# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: September 13, 2011

Re: Resolution Authorizing the Sale of the GNMA Mortgage-Backed Security Securing the \$11,205,000 IDFA Revenue Bonds Series 2000A (Greek American Nursing Home Project) and the Application of the Sale Proceeds to the Redemption of the Bonds and Related Matters  
IDFA Series 2000 File Number: 9032-NP

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### Request:

**The Greek American Nursing Home Committee** (the “**Borrower**”), an Illinois not for profit corporation, and **Greystone Funding Corporation, Inc.**, (“**Greystone**” or the “**HUD Lender**”) are requesting approval of a Resolution to authorize the sale of the GNMA Mortgage-Backed Security securing approximately \$11,205,000 of IDFA Series 2000A Tax-Exempt Bonds.

The Borrower has engaged Greystone to reduce its borrowing costs by refinancing the Borrower’s existing HUD-insured IDFA Series 2000A Tax-Exempt Bonds with a taxable HUD mortgage through HUD’s Section 232 refinance and rate modification program. The IDFA Series 2000A Bonds were sold under an FHA 232/HUD-insured mortgage structure and bear a fixed interest rate of 7.6% until maturity in 2040.

### The Proposed Transaction:

In order to accelerate savings from the high interest rate bond debt while awaiting HUD to close on the taxable refinancing, Greystone has proposed to (i) purchase from the Authority the GNMA Security in an amount sufficient to pay the principal and interest due on the IDFA Series 2000A Bonds upon satisfaction of all terms set forth in the Trust Indenture and (ii) request the application by the Authority (and Bond Trustee) of the proceeds received from the sale of the GNMA Security to the optional redemption of the IDFA Series 2000A Bonds.

Once Greystone is the beneficial owner of the GNMA Security, Greystone will share the coupon with the Borrower, thereby reducing the effective cost to the Borrower while awaiting closing on the HUD taxable refinancing.

Pursuant to Section 3.04 of the Trust Indenture, the Bonds are subject to redemption on any date on or after April 20, 2011, in whole or in part, at the option of the Authority.

*In contrast to other IFA projects (where an optional redemption does not require IFA consent), this Trust Indenture requires consent of the Authority (and reflects the HUD financing structure and related documentation requirements).*

Pursuant to Section 5.03 of the Trust Indenture, neither the Authority nor the Bond Trustee shall sell or otherwise dispose of the GNMA Security after its acquisition unless Bond Counsel delivers an opinion that such disposition and reinvestment of the proceeds as permitted under the Indenture will not adversely affect the exclusion of interest on the Series 2000A Bonds from federal income taxation.

### Background:

The proceeds of the IDFA Series 2000A Bonds were used by the Greek American Nursing Home Committee to finance a portion of the acquisition, construction, and equipping of a new, 204-unit nursing home facility located in Wheeling, Illinois (the “Project”). The Project is occupied partially (40% or more) by individuals whose income is 60% or less of area median gross income.

All payments relating to the IDFA Series 2000A Bonds are current and have been paid as scheduled.

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**PROFESSIONAL & FINANCIAL**

Borrower:	Greek American Nursing Home Committee	Wheeling, IL	
HUD Lender:	Greystone Funding Corporation, Inc.	New York, NY	Jonathan Rosenberg
Bond Counsel:	Kutak Rock LLP	Washington, DC	Alicia Terry
Series 2000A Bond Trustee:	BNY Mellon Trust	New York, NY	

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**IFA RESOLUTION NO. 2011-0913-NP08**

**A RESOLUTION AUTHORIZING THE SALE OF THE GNMA MORTGAGE-BACKED SECURITY SECURING THE \$11,205,000 REVENUE BONDS (GREEK AMERICAN NURSING HOME PROJECT) SERIES 2000A AND THE APPLICATION OF THE SALE PROCEEDS TO THE REDEMPTION OF THE BONDS AND RELATED MATTERS**

WHEREAS, there has been presented to the Illinois Finance Authority, a body politic and corporate of the State of Illinois (the "*Authority*"), by Greystone Funding Corporation, Inc., a nationwide real estate finance firm with a focus on Fannie Mae DUS and HUD lending ("*Greystone*"), a request in relation to the sale of the below-defined GNMA Security; and

WHEREAS, at the request of The Greek American Nursing Home Committee, a not-for-profit corporation organized under the laws of the State of Illinois (the "*Borrower*"), and in furtherance of the Act, the Authority issued its \$11,205,000 Revenue Bonds (Greek American Nursing Home Project) Series 2000A (the "*Bonds*") for the purpose of financing a portion of the acquisition, construction and development by the Borrower of a nursing home facility, located in Wheeling, Cook County, Illinois, consisting of approximately 204 units and related facilities, furnishings and equipment (the "*Project*"), and occupied partially (at least 40%) by individuals whose income is 60% or less of area median gross income within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended, and applicable regulations issued thereunder or applicable thereto; and

WHEREAS, the Bonds were issued pursuant to the terms of the Trust Indenture, dated as of May 1, 2000 (the "*Indenture*"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor trustee to American National Bank and Trust Company of Chicago (the "*Trustee*"); and

WHEREAS, pursuant to the terms of the Indenture, the Bonds are secured by a fully modified pass-through mortgage-backed security (the "*GNMA Security*") guaranteed as to timely payment of principal and interest by the Government National Mortgage Association which is held by the Trustee under the Indenture for the benefit of the holders of the Bonds; and

WHEREAS, the Authority has been notified by Greystone, by letter dated August 12, 2011 (the "*Letter*"), that the Borrower has engaged Greystone to assist the Borrower in reducing the Borrower's cost of funds with respect to the Project by the refinancing of the Borrower's existing HUD-insured loan financed with the proceeds of the Bonds; and

WHEREAS, in furtherance of the request of the Borrower, Greystone has proposed (i) the purchase from the Authority of the GNMA Security in an amount sufficient to pay in full the principal and interest due on the Bonds in accordance with the terms of the Indenture and (ii) the application by the Authority of the proceeds received by the Authority from the sale of the GNMA Security to the optional redemption of the Bonds (collectively, the "*Proposed Transaction*"); and

WHEREAS, pursuant to Section 3.04 of the Indenture, the Bonds are subject to redemption on any date on or after April 20, 2011 in whole or in part, from, among other sources, funds of the Authority at the option of the Authority; and

WHEREAS, pursuant to Section 5.03 of the Indenture, neither the Authority nor the Trustee shall sell or otherwise dispose of any GNMA Security after its acquisition unless there is delivered to the Trustee an opinion of Bond Counsel that such disposition and the reinvestment of the proceeds thereof as permitted under the Indenture will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes; and

WHEREAS, Section 5.03 of the Indenture further provides that there shall be no disposition of any GNMA Security for an amount less than an amount sufficient, together with other amounts then held under the Indenture and available for the payment of the principal of, premium, if any, and interest on the Bonds, to provide for the payment of the Bonds in accordance with Article IX of the Indenture without the consent of the holders of 100% of the Bonds; and

WHEREAS, the Authority has been informed by Kutak Rock LLP, the bond counsel in connection with the issuance of the Bonds (the "*Bond Counsel*"), that the purchase and sale of the GNMA Security as proposed by Greystone will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes; and

WHEREAS, by the provisions of the Letter, Greystone has proposed (i) to pay to the Authority the purchase price for the GNMA Security in the amount required to meet the conditions of Section 5.03 of the Indenture for application to the payment of the principal and interest due on the Bonds upon the date established for the optional redemption of the Bonds following the sale of the GNMA Security and (ii) to pay all reasonable closing costs of the Proposed Transaction; and

WHEREAS, each of the Members of the Authority present is familiar with the form of this Resolution;

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

*Section 1. Approval.* The request of the Purchaser is approved.

*Section 2. Adoption of Resolution.* The Chairman, the Vice Chairman or the Executive Director (each, an "*Authorized Officer*") is authorized and directed to execute, and the Secretary or any Assistant Secretary of the Authority is authorized to seal and attest to the adoption of, this Resolution and to do any and all things necessary or desirable in order to carry out the intention of the parties as expressed herein.

*Section 3. Authorization of Sale.* The Authority hereby authorizes the sale of the GNMA Security to the extent all conditions of Section 5.03 of the Indenture are satisfied to the satisfaction of the Authority, which may be reliance upon consultation with counsel to the Authority (if applicable), the Trustee, and Bond Counsel.

*Section 4. Application of Proceeds.* Following the sale of the GNMA Security, the Authority hereby approves the application of the proceeds of such sale to the optional redemption of the Bonds as permitted by the terms of the Indenture.

*Section 5. Execution of Necessary Documents and Certificates.* Upon request of the Purchaser or Bond Counsel, the Authorized Officers are authorized to execute any documents or certificates required in connection with the sale of the GNMA Security.

*Section 6. Payment of Document Execution Fee to Authority at closing.* Delivery of executed documents or certificates required in connection with the sale of the GNMA Security will be subject to payment of a \$5,000 fee payable to the Authority, which fee will be paid by the Purchaser.

*Section 7. Ratification of Prior Action.* All such actions heretofore taken by the Executive Director or any other Authorized Officer in furtherance of the purposes of this Resolution, whether upon oral or written direction of the Authority, are ratified.

Approved and effective this 13th day of September, 2011.

ILLINOIS FINANCE AUTHORITY

By: \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

[SEAL]

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Brendan Cournane

Date: September 13, 2011

Re: Resolution authorizing IFA participation with various State Agencies in connection with a State Energy Program, including, but not limited to, delegation to Executive Director to negotiate an Intergovernmental Agreement and various other documents in furtherance of said Program

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Pursuant to the provisions of Article 820 of the Illinois Finance Authority Act (20 ILCS 3501/820-5, *et seq.*), the Authority is authorized to cooperate with the Illinois Department of Commerce and Economic Opportunity (“DCEO”) to promote economic development throughout the State of Illinois by, among other things, improving, repairing, altering, equipping or bettering any building or facility constituting an ‘energy conservation project’ as defined in 20 ILCS 3501/820-10(c), in order to lower energy or utility costs in State buildings or facilities. By statute, the Illinois Finance Agency (“IFA”) is tasked to issue tax-exempt bonds for non-profits, hospitals, private education and industry institutions, as well as assisting governmental units, all in furtherance of, among other things, financing energy conservation projects.

In June 2011, the IFA Board accepted the recommendation of its Energy Committee to implement an Energy Efficiency Program (“EEP”). Consistent with the EEP, the Board issued a Request for Proposals for Energy Service Companies (“ESCOs”). IFA has qualified, and executed contracts with, seven (7) ESCOs throughout the State to participate in its EEP.

The State of Illinois has a significant deferred maintenance backlog of projects in need of energy efficiency upgrades, improvements and new construction or rehabilitation. At the initiation of the Office of the Governor, several State agencies and departments, including DCEO, Central Management Services (“CMS”), Capital Development Board (“CDB”) and Governor’s Office of Management and Budget (“GOMB”) (collectively, the “State Agencies”) wish to finance or refinance energy conservation projects in an expeditious and cost-effective manner. By modifying the EEP of the IFA and through the cooperation between the IFA and the State Agencies, cost savings and expediency of energy conservation projects can be realized.

During the course of several meetings among these State Agencies and the IFA, it has been proposed that rather than each agency independently identifying problem areas, bidding projects costs and independently seeking capital funding, the combined efforts of the IFA, utilizing the ESCOs already under contract, will expedite the process, eliminate (or reduce) delays resulting from traditional procurement and capital appropriations processes.

To better implement the State energy efficiency program, we request the IFA Board to modify the scope of the EEP as originally proposed, and to authorize and direct the Executive Director and staff to enter into an Intergovernmental Agreement and ancillary documents with various State Agencies, including, but not limited to, CMS, DCEO, CDB and GOMB. Any such Intergovernmental Agreement and ancillary agreement is subject to ratification by this Board.

**RESOLUTION NO. 2011-0913-\_\_**

RESOLUTION MODIFYING THE ENERGY EFFICIENCY PROGRAM PREVIOUSLY ACCEPTED BY THE BOARD; AUTHORIZING A COOPERATIVE EFFORT AMONG THE AUTHORITY AND VARIOUS STATE AGENCIES TO EFFECT A MODIFIED ENERGY EFFICIENCY PROGRAM; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INTERGOVERNMENTAL AGREEMENT AND ANCILLARY DOCUMENTS AMONG THE AUTHORITY AND VARIOUS STATE AGENCIES AND OTHER PARTIES TO IMPLEMENT AN ENERGY EFFICIENCY PROGRAM; AND RATIFYING CERTAIN ACTIONS RELATING THERETO

**WHEREAS**, pursuant to the provisions of Article 820 of the Illinois Finance Authority Act (20 ILCS 3501/820-5, *et seq.*), the Illinois Finance Authority (the “Authority”) is authorized to cooperate with the Illinois Department of Commerce and Economic Opportunity (“DCEO”) to promote economic development throughout the State of Illinois by, among other things, improving, repairing, altering, equipping or bettering any building or facility constituting an ‘energy conservation project’ as defined in 20 ILCS 3501/820-10(c), in such manner as to lower energy or utility costs in connection with the operation or maintenance of such building or facility, the result of which will achieve energy cost savings; and

**WHEREAS**, the Board of the Authority, at its meeting in June 2011, accepted the recommendation of Authority’s Energy Committee to implement an Energy Efficiency Program (the “EEP”) which EEP provides, among other things, for the Authority to cooperate with various Energy Service Companies (“ESCOs”) throughout the State in order to finance at a lower cost certain energy conservation projects with qualified borrowers; and

**WHEREAS**, the Authority issued a Request for Proposals and pursuant to the responses received, qualified and executed contracts with seven (7) ESCOs throughout the State to participate in the EEP; and

**WHEREAS**, as of the date hereof, no projects have been identified or financed under the EEP; and

**WHEREAS**, the Office of the Governor has identified a need to finance certain energy conservation projects throughout the State; and

**WHEREAS**, the Office of the Governor and several State Agencies and Departments, including but not limited to, Central Management Services (“CMS”), DCEO, Capital Development Board (“CDB”) and Governor’s Office of Management and Budget (“GOMB”) wish to utilize the authorized powers of the Authority, including, but not limited to, the powers of the Authority to issue bonds to finance certain energy conservation projects throughout the State, in order to finance certain energy conservation projects throughout the State, using the services of the Authority and the ESCOs previously selected by the Authority to effect cost savings and quickly implement such energy conservation projects; and

**WHEREAS**, the Authority desires to assist the Office of the Governor and various State Agencies and Departments in these endeavors by modifying the Authority’s EEP, as necessary;

**NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:**

**Section 1.** That the foregoing WHEREAS clauses are incorporated herein as if set forth in full.

**Section 2.** That the Authority hereby modifies the provisions of the EEP previously adopted in order to cooperate with the Office of the Governor, various State Agencies and Departments, all in order to finance energy conservation projects throughout the State.

**Section 3.** The Executive Director, or any designee thereof, is authorized to negotiate terms of an Intergovernmental Agreement with the Office of the Governor, CMS, DCEO, CDB and GOMB, or any other State Agency or Department deemed appropriate by the Executive Director or his designee (collectively, the “State Agencies”), all as may be necessary to finance or refinance any energy conservation project, throughout the State.

**Section 4.** The Executive Director, or any designee thereof, is authorized to negotiate terms of ancillary agreements with the State Agencies and one or more other parties (including all ESCOs), all as may be necessary to finance energy conservation projects throughout the State.

**Section 5.** The Executive Director of the Authority or any designee thereof, is authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates as may be necessary to further the purposes and intent of this Resolution.

**Section 6.** All such actions heretofore taken by the Executive Director or any designee thereof, in furtherance of the purposes of this Resolution, whether upon oral or written direction of the Authority, are hereby approved, confirmed and ratified.

**Section 7.** All such actions and Agreements are subject to review and ratification by the Board of the Authority, as may be necessary in the determination of the Board.

**Section 8.** This Resolution shall be effective immediately upon adoption.

Dated this 13th day of September 2011.

Adopted by the following vote:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

ILLINOIS FINANCE AUTHORITY

By: \_\_\_\_\_  
Chairman

ATTEST:

By: \_\_\_\_\_  
Secretary

[SEAL]