ILLINOIS FINANCE AUTHORITY
BOARD MEETING
Tuesday, April 13, 2010
Chicago, Illinois

COMMITTEE OF THE WHOLE
8:30 a.m.
Two Prudential Plaza - IFA Chicago Office
180 N Stetson, Suite 2555
Chicago, Illinois
REVISED April 9, 3:00 PM
AGENDA

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

BOARD MEETING
11:30 a.m.
One Prudential Plaza Conference Center
130 East Randolph, 7th Floor
Chicago, Illinois
REVISED April 9, 3:00 PM

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

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Beginning Farmer Bonds *Final*						
1	A) Michael T. Marron	Fithian (Vermilion County)	$ 220,000	0	0	ER
	B) Benjamen A. and Sonya L. Coulter	Paxton (Iroquois County)	$ 188,880	0	0	ER
	C) Dustin and Christine Bauer	Greenville (Bond County)	$ 125,000	0	0	ER
	D) Justin Alwardt	Altamont (Effingham County)	$ 220,000	0	0	ER
	E) Steven R. Smithenry	Newton (Jasper County)	$ 40,950	0	0	ER
	F) Alex Dotterer	Fairbury (Livingston County)	$ 262,256	0	0	ER
	G) Brian Scott and Karen Sue Voss	Columbus (Adams County)	$ 108,000	0	0	ER
	H) Gary and Annette Steidinger	Fairbury (Livingston County)	$ 127,920	0	0	ER
Agri - Debt Guarantee *Final*						
2	Gregory R. and Jan R. Kerber	Sibley (Ford County)	$ 500,000	0	0	ER
TOTAL AGRICULTURE PROJECTS			$ 1,793,006	0	0	

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Affordable Rental Housing Bonds *Preliminary*						
3	Concordia Place Apartments, L.P.	Chicago (Cook County)	$ 17,500,000	0	0	RF
TOTAL BUSINESS AND INDUSTRY PROJECTS			$ 17,500,000	0	0	

COMMUNITY AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds *Final*						
4	The Art Institute of Chicago	Chicago (Cook County)	$ 245,000,000	0	0	RF
5	National Opinion Research Center	Chicago (Cook County)	$ 4,400,000	27	30	RF/MN
TOTAL COMMUNITY AND CULTURE PROJECTS			$ 249,400,000	27	30	

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
6	Withdrawn	Withdrawn				
GRAND TOTAL			**$ 268,693,006**	**27**	**30**	

Tab	Project	FM
Amendatory Resolutions / Resolutions		
7	Request for Loan Modification and 90-day Extension of Commitment for Brett & Christine Zehr Participation Loan	JS
8	Resolution to approve and authorize an amendment to the Loan Agreement and related covenants between US Bank and Ill-MO Products Company	JS
9	Resolution authorizing the release of the Illinois Finance Authority's interest in certain personal and real property located in Will County, Illinois (Union Oil Company of California/PDVMR Project)	PL
10	Amendatory Resolution Authorizing a Change in Bond Purchaser and an Extension in the Amortization Schedule Associated with IFA Series 2005 Industrial Revenue Bonds (Ockerlund Industries Project)	ST
11	Resolution to adopt program guidelines for Energy Efficiency projects	ML

OTHER
ADJOURNMENT

IFA
ILLINOIS FINANCE AUTHORITY

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Chicago, IL 60601
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April 13, 2010

TO:		
TO:	William A. Brandt, Jr., Chairman	Michael W. Goetz, Vice Chairman
	Dr. William Barclay	Roderick S. Bashir
	Ronald E. DeNard	John E. Durburg
	James J. Fuentes	Dr. Roger D. Herrin
	Edward H. Leonard, Sr.	Joseph McInerney
	Terrence M. O'Brien	Roger E. Poole
	Juan B. Rivera	Bradley A. Zeller

RE: Message from the Executive Director

Dear Members of the Authority:

Since our meeting last month in Peoria, the staff of the Illinois Finance Authority ("IFA") concentrated on:

- improving and expanding our tools through legislative advocacy before the General Assembly;
- accounting for our stewardship of existing tools at the State-level through the legislative appropriation process and the audit process supervised by the Illinois Auditor General and the Legislative Audit Commission;
- seeking Congressional approval to retain important federal tools and working with our counterparts nationally;
- as well as focusing on the core business mission of the IFA.

IFA State Legislative Priorities

March 2010 saw a great deal of progress on the legislative priorities of the IFA: HB 5854; SB 3719; SB 3474; and SB 2505. The Illinois General Assembly has scheduled its adjournment on May 7 rather than May 31 so March was a particularly important time for these bills.

HB 5854 (Colvin-Black-Verschoore-Arroyo-Riley/Sen. Clayborne) grants the IFA "multi-state" bonding authority. HB 5854 will allow the IFA to finance non-profit healthcare, education, housing, and cultural projects located outside of Illinois as long as Illinois projects are also financed in the same transaction and State resources are not utilized. This bill will reduce costs of issuance for non-profit borrowers and will allow the IFA to effectively compete against other state issuers that already have this ability. Healthcare borrowers have been particularly interested in the IFA obtaining multi-state authority. On March 12, HB 5854 passed the House 69-26 and has been assigned to the Senate State Government and Veterans Affairs Committee.

SB 3719 (Frerichs-McCarter/Rep. Bradley) will expand the IFA's agricultural guarantee programs to provide working capital for row-crop farmers. SB 3719 will also add an additional layer of non-appropriated funds as security for the IFA agricultural guarantee programs. On March 11, SB 3719 passed the Senate 57-0 and has been assigned to the House Agriculture and Conservation Committee.

SB 2505 (Frerichs-Holmes-Koehler-Schoenberg-Garrett) will provide a statutory framework for Property Assessed Clean Energy ("PACE") bonds. PACE financing would allow property owners to finance energy efficient and renewable energy improvements at favorable rates through a voluntary surcharge on their property taxes. Vice-President Biden highlighted the concept in late 2009 and more than 15 states have enacted a PACE bond program in one form or another. IFA has adopted SB 2505 as a legislative priority in light of a pending joint DCEO-IFA competitive application for debt service reserve and revolving loan funding with the U.S. Department of Energy ("USDOE") and the enactment of SB 583 last year, which laid the foundation for the PACE bond program in Illinois. It is hoped that SB 2505 will pass the Senate this month.

Finally, SB 3474 (Wilhelmi-Jones) will provide a mechanism to encourage the use of Recovery Zone financing, a federal stimulus program allocated to individual counties and large cities before this important federal program expires on December 31, 2010. Recovery Zone financing provides lower cost financing for both private and public projects. It is hoped that SB 3474 will pass the Senate this month.

On behalf of the Board and the entire IFA staff, I would like to thank the lead sponsors of our legislative priorities, Representative Marlow Colvin, Senator Michael Frerichs, and Senator A.J. Wilhelmi, as well as all of the Senators and Representatives who co-sponsored or supported these important bills.

IFA Accountability and Transparency

Accountability and transparency is the IFA's regular method of operation under the leadership of our chairman, William A. Brandt, Jr., as well as our active volunteer board. IFA has recently expanded its efforts to post public board books and minutes on the internet. IFA is also accountable at the State-level through the legislative appropriation process (even though IFA receives no State appropriations to support its operations) and the audit process directed by the Illinois Auditor General and the Legislative Audit Commission.

On March 22, the IFA appeared before the House Public Safety Appropriations Committee chaired by Representative Karen Yarbrough. The hearing went very well and it is anticipated that the IFA will appear before a Senate Appropriations Committee in late April.

Today, it is anticipated that the Audit Committee will report to the full board the results of the Illinois Auditor General's Financial Audit of the IFA for Fiscal Year 2009 (published March 3) and the Compliance Examination of the IFA for Fiscal Year 2009 (published March 30). McGladry & Pullen, LLP were special assistant auditors for the Fiscal Year 2009 audits. The final step in the Fiscal Year 2009 audit process will be the consideration of, and hopefully, the closing of both audits by the Legislative Audit Commission.

Preparation for the Fiscal Year 2010 audit is underway. We expect new special assistant auditors to be appointed pursuant to the Auditor General's rotation policy.

IFA Federal Efforts

IFA has long been active in national trade or industry organizations including National Association of Health Education Facilities Finance Authorities ("NAHEFFA"), Council of Development Finance Agencies ("CDFA") and the National Council of State Agricultural Finance Programs (NCOSAFP). Eric Reed worked with other State peer agencies and the NCOSAFP to bring improvements to the Beginning Farmer Bond program. Rich Frampton has been a longtime board member of CDFA. We congratulate Pam Lenane on her election as a Vice-President of NAHEFFA in March.

While attending the March NAHEFFA meeting in Washington DC, IFA met with the staffs of U.S. Senator Richard Durbin and Congressman Peter Roskam as well as Congressman Danny Davis and his staff to discuss IFA's federal legislative priorities:

- ***Extension of the Federal Home Loan Bank Letter of Credit Provision*** ("FHLB LOC"). Authorized in 2008, this provision has helped smaller, non-rated 501(c)(3) borrowers improve their access to financing originated by community banks. IFA worked extensively to support the passage of this provision in 2008 and, to date, IFA closed five transactions with a par amount of $88.7 million. The FHLB LOC expires on December 31, 2010 unless extended by Congress.
- ***Extension of Bank Qualified Tax-Exempt Bonds*** ("BQ"). Authorized in February 2009 with the federal stimulus, this tax benefit allows commercial banks to bring BQ bonds into their portfolios and to charge a lower interest rate. BQ expires on December 31, 2010 unless extended by Congress.
- ***Extension of the Biodiesel Blenders Tax Credit***. This credit, an essential support to the American biodiesel industry, expired on December 31, 2009. On March 10, 2010, the U.S. Senate passed the extension of this credit retroactive to January 1, 2010. The extension is now under consideration by the U.S. House of Representatives. This credit is of particular importance to the REG-Blackhawk biodiesel plant in Danville, Illinois, that was financed through an IFA agricultural guarantee.

On March 17, USDOE responded positively to IFA's January qualifications submission to participate in the USDOE Loan Guarantee Program's Financial Institution Partnership Program ("FIPP"). This response represents a significant advance in IFA's ongoing efforts to develop the energy sector.

Finally, the IFA has continued to work closely with Governor Quinn's Office, the Department of Commerce and Economic Opportunity and the Illinois Power Agency, and U.S. Senator Durbin's Office as well as USDOE to make the FutureGen clean coal project a reality.

The Business of the Authority

In March, IFA closed two 501(c)(3) conduit bond financings and nine beginning farmer conduit financings.

Based on these efforts, total gross revenue year to date for the period ending March, 2010, was $5.4M or $838K higher than the approved Fiscal Year '10 budget and $222K lower than last year. Operating expenses were $4.3M or $346K higher than budget and $368K higher than last year. The unfavorable expense variances are mainly due to reserves for bad debt.

Pursuant to the procurement process, IFA executed contracts with two financial advisors, Scott Balice Strategies and Acacia Financial Group, both women-owned firms. In the agricultural sector, we have initiated efforts with the University of Illinois College of Agricultural, Consumer and Environmental Sciences ("ACES") to revive a past relationship between ACES and one of IFA's predecessors. We are hopeful that ACES can serve as a financial advisor and public policy partner to IFA for agricultural projects.

While the economic environment remains very challenging, we plan to continue to work under your leadership to retain and create jobs in our State.

Respectfully,

____
Christopher Meister
Executive Director

Attachments:

Attachment 1-General Fund, Financial Results plus the consolidated balance sheet and the Audit Tracking Schedule

Attachment 2 – Bonds Issued and Outstanding and Schedule of Debt Reports

Attachment 1

Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
for Period Ending
March 31, 2010

	Actual March 2010	Budget March 2010	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2010	Budget YTD FY 2010	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2010	% of Budget Expended
REVENUE										
INTEREST ON LOANS	84,733	94,480	(9,747)	-10.32%	774,189	923,198	(149,009)	-16.14%	1,175,722	65.85%
INVESTMENT INTEREST & GAIN(LOSS)	3,522	20,834	(17,312)	-83.09%	32,511	187,498	(154,987)	-82.66%	250,000	13.00%
ADMINISTRATIONS & APPLICATION FEES	153,692	233,506	(79,814)	-34.18%	3,748,943	2,947,074	801,869	27.21%	3,496,715	107.21%
ANNUAL ISSUANCE & LOAN FEES	49,457	51,781	(2,324)	-4.49%	643,177	490,270	152,907	31.19%	645,618	99.62%
OTHER INCOME	7,701	2,975	4,726	158.86%	214,054	26,775	187,279	699.46%	35,700	100.00%
TOTAL REVENUE	299,105	403,576	(104,471)	-25.89%	5,412,874	4,574,815	838,059	18.32%	5,603,755	96.59%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	183,896	229,167	(45,271)	-19.75%	2,069,894	2,062,503	7,391	0.36%	2,750,000	75.27%
BENEFITS	20,862	23,042	(2,180)	-9.46%	214,375	207,378	6,997	3.37%	276,500	77.53%
TEMPORARY HELP	2,144	3,157	(1,013)	-32.09%	24,233	28,413	(4,180)	-14.71%	37,880	63.97%
EDUCATION & DEVELOPMENT	4,375	417	3,958	949.16%	15,410	3,753	11,657	310.60%	5,000	308.20%
TRAVEL & AUTO	6,146	5,175	971	18.77%	40,253	46,575	(6,322)	-13.57%	62,100	64.82%
TOTAL EMPLOYEE RELATED EXPENSES	217,424	260,958	(43,534)	-16.68%	2,364,165	2,348,622	15,543	0.66%	3,131,480	75.50%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	14,279	15,833	(1,554)	-9.82%	141,908	142,497	(589)	-0.41%	190,000	74.69%
LOAN EXPENSE & BANK FEE	10,191	11,208	(1,017)	-9.07%	90,578	100,872	(10,294)	-10.21%	134,500	67.34%
ACCOUNTING & AUDITING	23,105	21,667	1,438	6.64%	210,996	195,003	15,993	8.20%	260,000	81.15%
MARKETING GENERAL	569	9,285	(8,716)	-93.87%	5,780	37,140	(31,360)	-84.44%	65,000	8.89%
FINANCIAL ADVISORY	18,333	18,333	-	0.00%	164,997	164,997	0	0.00%	220,000	75.00%
CONFERENCE/TRAINING	(50)	1,250	(1,300)	-104.00%	5,303	11,250	(5,947)	-52.86%	15,000	35.36%
MISC. PROFESSIONAL SERVICES	6,267	17,142	(10,876)	-63.44%	90,190	68,568	21,622	31.53%	120,000	75.16%
DATA PROCESSING	4,716	2,917	1,799	61.66%	38,955	26,253	12,702	48.38%	35,000	111.30%
TOTAL PROFESSIONAL SERVICES	77,408	97,635	(20,227)	-20.72%	748,707	746,580	2,127	0.28%	1,039,500	72.03%

Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
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March 31, 2010

	Actual March 2010	Budget March 2010	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2010	Budget YTD FY 2010	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2010	% of Budget Expended
OCCUPANCY COSTS										
OFFICE RENT	22,420	22,917	(497)	-2.17%	194,201	206,253	(12,052)	-5.84%	275,000	70.62%
EQUIPMENT RENTAL AND PURCHASES	991	5,167	(4,176)	-80.83%	23,517	46,503	(22,986)	-49.43%	62,000	37.93%
TELECOMMUNICATIONS	3,196	4,358	(1,162)	-26.67%	37,596	39,222	(1,626)	-4.15%	52,300	71.89%
UTILITIES	990	800	190	23.72%	8,867	7,200	1,667	23.15%	9,600	92.36%
DEPRECIATION	3,942	4,025	(83)	-2.07%	42,217	36,225	5,992	16.54%	48,300	87.40%
INSURANCE	1,932	500	1,432	286.42%	17,432	4,500	12,932	287.39%	6,000	290.54%
TOTAL OCCUPANCY COSTS	33,470	37,767	(4,297)	-11.38%	323,829	339,903	(16,074)	-4.73%	453,200	71.45%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	4,082	8,667	(4,585)	-52.90%	31,621	64,003	(32,382)	-50.59%	90,000	35.13%
BOARD MEETING - EXPENSES	1,304	1,600	(296)	-18.49%	22,281	14,400	7,881	54.73%	19,200	116.05%
PRINTING	804	600	204	34.08%	5,408	5,400	8	0.14%	7,200	75.11%
POSTAGE & FREIGHT	2,184	1,250	934	74.73%	12,401	11,250	1,151	10.23%	15,000	82.68%
MEMBERSHIP, DUES & CONTRIBUTIONS	(1,424)	3,083	(4,507)	-146.18%	25,738	27,747	(2,009)	-7.24%	37,000	69.56%
PUBLICATIONS	152	250	(98)	-39.22%	1,417	2,250	(833)	-37.03%	3,000	47.23%
OFFICERS & DIRECTORS INSURANCE	15,619	16,917	(1,298)	-7.67%	140,632	152,253	(11,621)	-7.63%	203,000	69.28%
MISCELLANEOUS	(245)	-	(245)	0.00%	(245)	-	(245)	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	22,478	32,367	(9,889)	-30.55%	239,253	277,303	(38,050)	-13.72%	374,400	63.90%
LOAN LOSS PROVISION/BAD DEBT	25,000	25,000	-	0.00%	607,202	225,000	382,202	169.87%	300,000	202.40%
OTHER										
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL EXPENSES	375,779	453,727	(77,948)	-17.18%	4,283,156	3,937,408	345,748	8.78%	5,298,580	80.84%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	(76,674)	(50,151)	(26,523)	52.89%	1,129,718	637,406	492,311	77.24%	305,175	370.19%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	-	-	-	0.00%	80,608	-	80,608	100.00%	-	-
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	(76,674)	(50,151)	(26,523)	52.89%	1,210,326	637,406	572,920	89.88%	305,175	396.60%

Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
March 31, 2010

	Actual March 2010	Actual March 2009	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2010	Actual YTD FY 2009	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	84,733	107,652	(22,918)	-21.29%	774,189	986,237	(212,048)	-21.50%
INVESTMENT INTEREST & GAIN(LOSS)	3,522	10,706	(7,183)	-67.10%	32,511	219,475	(186,964)	-85.19%
ADMINISTRATIONS & APPLICATION FEES	153,692	666,875	(513,183)	-76.95%	3,748,943	3,858,200	(109,257)	-2.83%
ANNUAL ISSUANCE & LOAN FEES	49,457	58,323	(8,866)	-15.20%	643,177	492,205	150,972	30.67%
OTHER INCOME	7,701	7,854	(153)	-1.94%	214,054	78,679	135,375	172.06%
TOTAL REVENUE	299,105	851,409	(552,304)	-64.87%	5,412,874	5,634,795	(221,921)	-3.94%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	183,896	231,328	(47,432)	-20.50%	2,069,894	2,108,577	(38,683)	-1.83%
BENEFITS	20,862	27,123	(6,260)	-23.08%	214,375	217,013	(2,638)	-1.22%
TEMPORARY HELP	2,144	419	1,725	411.74%	24,233	51,480	(27,247)	-52.93%
EDUCATION & DEVELOPMENT	4,375	-	4,375	0.00%	15,410	893	14,517	1624.87%
TRAVEL & AUTO	6,146	5,304	842	15.88%	40,253	47,489	(7,236)	-15.24%
TOTAL EMPLOYEE RELATED EXPENSES	217,424	264,174	(46,751)	-17.70%	2,364,165	2,425,452	(61,287)	-2.53%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	14,279	325	13,954	4291.16%	141,908	237,515	(95,607)	-40.25%
LOAN EXPENSE & BANK FEE	10,191	10,443	(252)	-2.42%	90,578	101,607	(11,029)	-10.85%
ACCOUNTING & AUDITING	23,105	21,708	1,397	6.43%	210,996	246,714	(35,718)	-14.48%
MARKETING GENERAL	569	5,922	(5,354)	-90.40%	5,780	23,221	(17,441)	-75.11%
FINANCIAL ADVISORY	18,333	30,075	(11,742)	-39.04%	164,997	240,075	(75,078)	-31.27%
CONFERENCE/TRAINING	(50)	-	(50)	100.00%	5,303	9,296	(3,993)	-42.95%
MISC. PROFESSIONAL SERVICES	6,267	-	6,267	100.00%	90,190	20,000	70,190	350.95%
DATA PROCESSING	4,716	6,065	(1,349)	-22.25%	38,955	31,263	7,691	24.60%
TOTAL PROFESSIONAL SERVICES	77,408	74,538	2,870	3.85%	748,707	909,691	(160,983)	-17.70%

Illinois Finance Authority
General Fund - Actual to Actual
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March 31, 2010

	Actual March 2010	Actual March 2009	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2010	Actual YTD FY 2009	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	22,420	25,638	(3,218)	-12.55%	194,201	222,572	(28,371)	-12.75%
EQUIPMENT RENTAL AND PURCHASES	991	3,913	(2,922)	-74.68%	23,517	45,632	(22,115)	-48.46%
TELECOMMUNICATIONS	3,196	5,514	(2,319)	-42.05%	37,596	46,851	(9,255)	-19.75%
UTILITIES	990	2,130	(1,140)	-53.53%	8,867	11,757	(2,890)	-24.58%
DEPRECIATION	3,942	5,247	(1,306)	-24.88%	42,217	55,803	(13,587)	-24.35%
INSURANCE	1,932	(1,086)	3,018	-277.98%	17,432	11,867	5,566	46.90%
TOTAL OCCUPANCY COSTS	33,470	41,357	(7,887)	-19.07%	323,829	394,481	(70,652)	-17.91%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	4,082	4,864	(781)	-16.07%	31,621	67,441	(35,820)	-53.11%
BOARD MEETING - EXPENSES	1,304	841	463	55.07%	22,281	30,566	(8,284)	-27.10%
PRINTING	804	503	301	59.84%	5,408	12,294	(6,886)	-56.01%
POSTAGE & FREIGHT	2,184	1,876	308	16.44%	12,401	18,824	(6,423)	-34.12%
MEMBERSHIP, DUES & CONTRIBUTIONS	(1,424)	10,270	(11,694)	-113.86%	25,738	31,614	(5,876)	-18.59%
PUBLICATIONS	152	515	(363)	-70.47%	1,417	3,125	(1,709)	-54.67%
OFFICERS & DIRECTORS INSURANCE	15,619	15,004	615	4.10%	140,632	132,682	7,949	5.99%
MISCELLANEOUS	(245)	-	(245)	-	(245)	4,048	(4,293)	-
TOTAL GENL & ADMIN EXPENSES	22,478	33,873	(11,395)	-33.64%	239,253	300,595	(61,342)	-20.41%
LOAN LOSS PROVISION/BAD DEBT	25,000	(81,387)	106,387	-130.72%	607,202	(115,290)	722,492	-626.67%
OTHER								
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%
TOTAL EXPENSES	375,779	332,555	43,224	13.00%	4,283,156	3,914,929	368,227	9.41%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	(76,674)	518,854	(595,528)	-114.78%	1,129,718	1,719,866	(590,149)	-34.31%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER	-	-	-	0.00%	80,608	20,125	60,483	300.54%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	(76,674)	518,854	(595,528)	-114.78%	1,210,326	1,739,991	(529,666)	-30.44%

Illinois Finance Authority
General Fund
Unaudited
Balance Sheet
for the Nine Months Ending March 31, 2010

	Actual March 2010
ASSETS	
CASH & INVESTMENTS, UNRESTRICTED	$ 19,872,704
RECEIVABLES, NET	99,873
LOAN RECEIVABLE, NET	20,187,460
OTHER RECEIVABLES	91,538
PREPAID EXPENSES	103,464
TOTAL CURRENT ASSETS	40,355,038
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	57,072
DEFERRED ISSUANCE COSTS	373,432
OTHER ASSETS	
CASH, INVESTMENTS & RESERVES	1,580,428
VENTURE CAPITAL INVESTMENTS	-
OTHER	13,481
TOTAL OTHER ASSETS	1,593,909
TOTAL ASSETS	$ 42,379,451
LIABILITIES	
CURRENT LIABILITIES	$ 1,535,523
LONG-TERM LIABILITIES	540,670
TOTAL LIABILITIES	2,076,193
EQUITY	
CONTRIBUTED CAPITAL	4,111,479
RETAINED EARNINGS	23,010,156
NET INCOME / (LOSS)	1,210,326
RESERVED/RESTRICTED FUND BALANCE	1,732,163
UNRESERVED FUND BALANCE	10,239,134
TOTAL EQUITY	40,303,258
TOTAL LIABILITIES & EQUITY	$ 42,379,451

Illinois Finance Authority
Consolidated
Unaudited
Balance Sheet
for the Nine Months Ending March 31, 2010

	Actual March 2009	Actual March 2010
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	$ 27,139,990	$ 33,380,267
RECEIVABLES, NET	106,452	99,873
LOAN RECEIVABLE, NET	84,507,148	92,832,472
OTHER RECEIVABLES	662,199	1,839,220
PREPAID EXPENSES	57,959	103,464
TOTAL CURRENT ASSETS	112,473,748	128,255,296
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	114,899	57,072
DEFERRED ISSUANCE COSTS	597,865	509,690
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES	49,549,674	41,261,347
VENTURE CAPITAL INVESTMENTS	5,377,739	5,377,739
OTHER	3,646,693	3,000,010
TOTAL OTHER ASSETS	58,574,106	49,639,096
TOTAL ASSETS	$ 171,760,618	$ 178,461,154
LIABILITIES		
CURRENT LIABILITIES	$ 1,137,537	$ 1,683,931
LONG-TERM LIABILITIES	56,895,925	62,208,378
TOTAL LIABILITIES	58,033,462	63,892,309
EQUITY		
CONTRIBUTED CAPITAL	35,608,692	35,608,692
RETAINED EARNINGS	24,795,357	27,173,957
NET INCOME / (LOSS)	909,661	1,666,832
RESERVED/RESTRICTED FUND BALANCE	39,765,275	37,471,193
UNRESERVED FUND BALANCE	12,648,171	12,648,171
TOTAL EQUITY	113,727,156	114,568,845
TOTAL LIABILITIES & EQUITY	$ 171,760,618	$ 178,461,154

Illinois Finance Authority
FY09 Audit Finding: Material
Update as of March 31, 2010

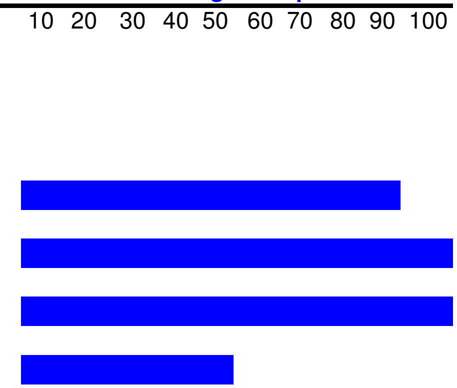
Number of Material Findings - 1

Item Number	Description	Finding Type	Comments	Percentage Completed
Government Auditing Standards:				10 20 30 40 50 60 70 80 90 100
09-01	**Valuation of Venture Capital Investments**	Significant Deficiency	**Auditor Recommendation:** The IFA has not had an independent valuation of its venture capital investments since fiscal year 2006. We recommend the Authority obtain an independent valuation of the investment portfolio periodically in order to support the amounts recorded and disclosed in the financial statements. **Authority Response:** The Authority accepted the auditor's recommendation. The Authority expects the execution of the valuation services to be finalized by June 30, 2010. We procured the services through Scott Balice Strategies, LLC and are currently working with them to execute by June 30th.	

Illinois Finance Authority
FY09 Audit Finding: Immaterial
Update as of March 31, 2010

Item Number	Description
Total Number of 4	
FY 09 Immaterial Findings	
IM09-01	Failure to Report Revenue Bond Information to the Illinois Office of the Comptroller
IM09-02	Inaccurate Agency Report of State Property (C-15)
IM09-03	Lack of Disaster Contingency Testing to Ensure Recovery of Computer Systems
IM09-04	Weaknesses Regarding the Security and Control of Confidential Information

Percentage Completed



Attachment 2

ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

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

Section I (a)

		Principal Outstanding June 30, 2009	Principal Outstanding March 31, 2010	Program Limitations	Remaining Capacity
Illinois Finance Authority "IFA"					
257	Agriculture	$ 40,653,000	$ 46,336,000		
86	Education	3,494,340,000	3,707,031,000		
202	Healthcare	9,089,122,000	10,330,636,000		
62	Industrial Development	366,045,000	351,613,000		
21	Local Government	271,480,000	264,060,000		
19	Multifamily/Senior Housing	164,768,000	164,600,000		
96	501(c)(3) Not-for Profits	1,186,916,000	1,234,652,000		
4	Exempt Facilities Bonds	77,000,000	105,500,000		
747	**Total IFA Principal Outstanding**	**$ 14,690,324,000**	**$ 16,204,428,000**		
Illinois Development Finance Authority "IDFA" [b]					
4	Education	75,163,000	42,202,000		
9	Healthcare	544,455,000	544,455,000		
79	Industrial Development	605,563,000	569,996,000		
35	Local Government	452,433,000	387,684,000		
16	Multifamily/Senior Housing	150,192,000	147,456,000		
106	501(c)(3) Not-for Profits	1,081,733,000	1,049,827,000		
1	Exempt Facilities Bonds	24,860,000	24,860,000		
246	**Total IDFA Principal Outstanding**	**$ 2,934,399,000**	**$ 2,766,480,000**		
Illinois Rural Bond Bank "IRBB" [b]					
18	Bond Bank Revenue Bonds	30,725,000	26,385,000		
2	Conduit Debt	3,860,000	3,715,000		
20	**Total IRBB Principal Outstanding**	**$ 34,585,000**	**$ 30,100,000**		
113	**Illinois Health Facilities Authority "IHFA"**	**$ 3,655,331,000**	**$ 3,019,451,000**		
53	**Illinois Educational Facilities Authority "IEFA"**	**$ 1,673,996,000**	**$ 1,558,454,000**		
604	**Illinois Farm Development Authority "IFDA" [f]**	**$ 47,029,000**	**$ 47,029,000**		
1,783	**Total Illinois Finance Authority Debt**	**$ 23,035,664,000**	**$ 23,625,942,000**	**$ 28,150,000,000**	**$ 4,524,058,000**

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

Section I (b)

		Principal Outstanding June 30, 2009	Principal Outstanding March 31, 2010	Program Limitations	Remaining Capacity
General Purpose Moral Obligations					
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]					
18	Issued through IRBB	$ 30,725,000	$ 30,100,000		
9	Issued through IFA	64,560,000	68,000,000		
27	**Total General Moral Obligations**	**$ 95,285,000**	**$ 98,100,000**	**$ 150,000,000**	**$ 51,900,000**
Financially Distressed Cities Moral Obligations					
Illinois Finance Authority Act [20 ILCS 3501/825-60]					
1	Issued through IFA	$ 2,925,000	$ 2,395,000		
1	Issued through IDFA	5,720,000	4,660,000		
2	**Total Financially Distressed Cities**	**$ 8,645,000**	**$ 7,055,000**	**$ 50,000,000**	**$ 42,945,000**
State Component Unit Bonds [c]					
19	Issued through IRBB	$ 30,725,000	$ 26,385,000		
2	Issued through IDFA	105,530,000	$ 100,915,000		
13	Issued through IFA	164,818,000	159,352,000		
34	**Total State Component Unit Bonds**	**$ 301,073,000**	**$ 286,652,000**		

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

Section I (c)

	Principal Outstanding June 30, 2009	Principal Outstanding March 31, 2010	Program Limitations	Remaining Capacity
Midwest Disaster Bonds [Flood Relief]	$ -	$ -	$ 1,515,271,000	$ 1,515,271,000

ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

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

Section II	Principal Outstanding June 30, 2009	Principal Outstanding March 31, 2010	Program Limitations	Remaining Capacity
Illinois Power Agency	**$ -**	**$ -**	**$ 4,000,000,000**	**$ 4,000,000,000**

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

Section III	Principal Outstanding June 30, 2009	Principal Outstanding March 31, 2010	Program Limitations	Remaining Capacity
Clean Coal, Coal ,Renewable Energy and Energy Efficiency Projects	**$ -**	**$ -**	**$ 3,000,000,000** [d]	**$ 3,000,000,000**

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

Section IV	Principal Outstanding June 30, 2009	Principal Outstanding March 31, 2010	Program Limitations	Remaining Capacity	State Exposure
Agri Debt Guarantees [Restructuring Existing Debt] **Fund # 994 - Fund Balance $ 9,911,327**	**$ 21,986,000**	**$ 20,527,000**	**$ 160,000,000**	**$ 139,473,000**	**$ 17,406,000**
Agri Industry Loan Guarantee Program	$ 13,648,000	$ 9,976,000			8,480,000
Renewable Fuels	24,445,000	24,445,000			14,875,000
Farm Purchase Guarantee Program	496,000	496,000			421,000
Specialized Livestock Guarantee Program	12,696,000	8,925,000			7,586,000
Young Farmer Loan Guarantee Program	2,430,000	2,591,000			2,202,000
AG Loan Guarantee Program **Fund # 205 - Fund Balance $ 7,628,938**	**$ 53,715,000**	**$ 46,433,000**	**$ 225,000,000** [e]	**$ 178,567,000**	**$ 33,564,000**
Total State Guarantees	**$ 75,701,000**	**$ 66,960,000**	**$ 385,000,000**	**$ 318,040,000**	**$ 50,970,000**

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

Section V	Principal Outstanding June 30, 2009	Principal Outstanding March 31, 2010	Appropriation Fiscal Year 2010	Fund Balance
Fire Truck Revolving Loan Program	$ 19,258,322	$ 18,800,769	$ 6,003,342	$ 1,054,823
Ambulance Revolving Loan Program	$ 993,200	$ 993,200	$ 7,006,800	$ 3,127,252

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

	Section VI	Principal Outstanding June 30, 2009	Principal Outstanding March 31, 2010	Program Limitations	Remaining Capacity
	Environmental [Large Business]				
9	Issued through IFA	$ 317,704,492	$ 317,358,000		
21	Issued through IDFA	407,370,000	372,320,000		
30	**Total Environmental [Large Business]**	**$ 725,074,492**	**$ 689,678,000**	**$ 2,425,000,000**	**$ 1,735,322,000**
	Environmental [Small Business]	-	$ -	**$ 75,000,000**	**$ 75,000,000**
30	**Total Environment Bonds Issued under Act**	**$ 725,074,492**	**$ 689,678,000**	**$ 2,500,000,000**	**$ 1,810,322,000**

Illinois Finance Authority Funds at Risk

Section VII #		Original Amount	Principal Outstanding June 30, 2009	Principal Outstanding March 31, 2010
	Participation Loans			
63	Business & Industry	27,584,793.27	20,487,542.83	17,353,213.20
26	Agriculture	6,106,859.01	5,323,214.12	5,075,908.10
89	**Total Participation Loans**	**$ 33,691,652.28**	**$ 25,810,756.95**	**$ 22,429,121.30**
1	**Illinois Facility Fund**	**$ 1,000,000.00**	**$ 1,000,000.00**	**$ 1,000,000.00**
4	**Local Government Direct Loans**	**$ 1,289,750.00**	**$ 387,931.74**	**$ 318,303.50**
6	**FmHA Loans**	**$ 963,250.00**	**$ 617,776.68**	**$ 527,225.61**
2	**Renewable Energy [RED Fund]**	**$ 2,000,000.00**	**$ 1,841,011.12**	**$ 1,777,171.54**
102	**Total Loans Outstanding**	**$ 38,944,652.28**	**$ 29,657,476.49**	**$ 26,051,821.95**

ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

[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 Illinios 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.

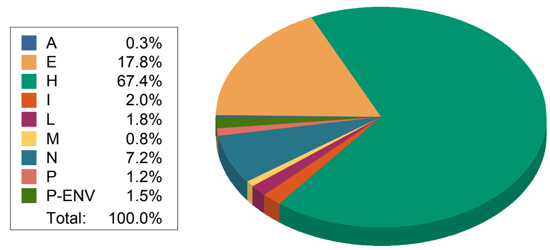
Bonds Issued and Outstanding
as of March 31, 2010

ILLINOIS FINANCE AUTHORITY

Bonds Issued Since Inception

#	Market Sector	Principal Amount ($)
8	Agriculture	54,069,584
95	Education	3,781,818,100
284	Healthcare	14,322,345,075
69	Industrial	429,425,669
26	Local Government	376,160,000
19	Multifamily/Senior Housing	175,417,900
124	501(c)(3) Not-for Profits	1,526,734,533
7	Exempt Facilities Bonds	250,700,000
9	Environmental issued under 20 ILCS 3515/9	326,630,000
		$ 21,243,300,861

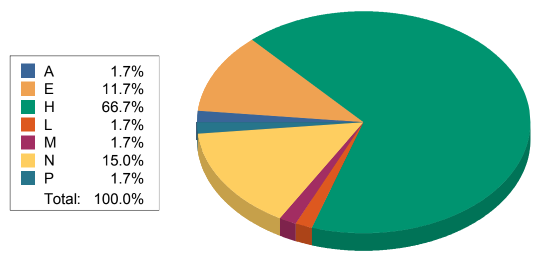
Bonds Issued Since Inception



Current Fiscal Year

#	Market Sector	Principal Issued
1	Agriculture	5,965,672
7	Education	283,745,000
40	Healthcare	1,950,467,015
1	Local Government	4,460,000
1	Multifamily/Senior Housing	5,700,000
9	501(c)(3) Not-for Profits	109,038,858
1	Exempt Facilities Bonds	28,500,000
		$ 2,387,876,545

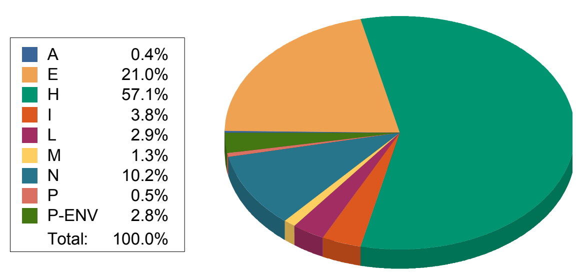
Bonds Issued - Current Fiscal Year



Schedule of Bonds Outstanding by Market Sector

Market Sector	Amount of Original Issue	Principal Outstanding
Agriculture	292,539,290	93,364,626
Education	5,509,605,730	5,129,902,173
Healthcare	15,905,918,904	13,894,542,537
Industrial	1,113,225,669	921,608,551
Local Government	1,139,929,413	681,844,169
Multifamily/Senior Housing	749,333,296	312,055,921
501(c)(3) Not-for Profits	2,870,145,334	2,462,263,797
Exempt Facilities Bonds	130,360,000	130,360,000
Environmental issued under 20 ILCS 3515/9	770,475,000	689,677,608
	$ 28,481,532,636	$ 24,315,619,381

Principal Outstanding by Market Sector



Bonds Issued between July 01, 2009 and March 31, 2010

Bond Issue	Date Issued	Principal Issued
Beginner Farmer Bonds - Fiscal Year 2010	07/01/2009	5,965,672
Provena Health, Series 2009B-D	07/09/2009	116,000,000
Jewish Charities RAN, Series 2009-2010A	07/09/2009	14,370,000
Hospice of Northeastern Illinois, Series 2009	07/16/2009	8,500,000
Illinois Institute of Technology, Series 2009	07/22/2009	30,000,000
Alexian Brothers Health System, Inc., Series 2009	07/23/2009	13,607,000
Rush University Medical Center, Series 2009C&D	07/29/2009	200,000,000
Riverside Health System, Series 2009	08/13/2009	66,500,000
OSF Healthcare System, Series 2009E-G	08/18/2009	70,000,000
University of Chicago Medical Center, Series 2009C-E	08/20/2009	225,000,000
Aunt Martha's Youth Service Center, Inc., Series 2009	08/20/2009	8,924,195
St. Patrick High School, Series 2009	08/20/2009	5,431,458
Our Lady of Angels Village, Series 2009	08/20/2009	7,911,000
American Water Capital Corp., Series 2009	10/01/2009	28,500,000
Lake Forest Hospital, Series 2009	10/16/2009	52,000,000
Trinity International University, Series 2009	10/22/2009	22,870,000
Edward Hospital, Series 2009A	10/28/2009	43,500,000
Concordia University Chicago, Series 2009	10/29/2009	30,000,000
Central DuPage Health, Series 2009B	11/18/2009	240,000,000
Bond Bank Revenue Bonds, Series 2009A	12/04/2009	4,460,000
Roosevelt University, Series 2009	12/09/2009	183,645,000
Rehabilitation Institute of Chicago, Series 2009A-C	12/10/2009	90,675,000
Villa Guadalupe Senior Services, Series 2009	12/15/2009	3,345,000
Elgin Academy, Series 2009	12/16/2009	11,505,000
The Joliet Montessori School, Series 2009	12/16/2009	625,000
Marion SLF, Series 2009	12/16/2009	5,700,000
Museum Science & Industry, Series 2009A-D	12/17/2009	64,000,000
IV HealthCorp, Inc., Series 2009	12/17/2009	22,955,000
Resurrection Health Care, Series 2009	12/22/2009	103,805,000
Memorial Health System, Series 2009	12/22/2009	150,000,000
Providence Life Services, Series 2009A&B	12/29/2009	27,689,820
Advocate Health Care Network, Series 2010A-D	01/06/2010	238,255,000
Jewish Charities RAN, Series 2009-2010B	01/14/2010	14,545,000
Swedish Covenant Hospital, Series 2010A	02/02/2010	100,690,000
Provena Health, Series 2010A&B	02/11/2010	126,000,000
Adler School of Professional Psychology, Series 2010	02/16/2010	5,100,000
Hispanic Housing Development Corporation, Series 2010	02/19/2010	2,192,400
Saint Anthony's Health Center, Series 2010A-C	03/18/2010	10,000,000
Friendship Village of Schaumburg, Series 2010	03/22/2010	33,610,000
	Total Bonds Issued in Fiscal Year 2009	**$ 2,387,876,545**

Beginner Farmer Bonds

Bond Issue	Date Issued	Principal Issued
Kane, Jason	10/15/2009	250,000
Dietmeier, Thomas & Wendy	10/15/2009	87,500
Mueller, Charles	10/15/2009	178,400
Adair, Tye & Jill	10/20/2009	137,500
Miller, Curtis	10/29/2009	120,000
Huschen, Rob	10/29/2009	202,202
Walk, Chad	10/29/2009	150,000
Reeves, Jeremy & Tara	11/02/2009	201,000
Van Fleet, Ryan	11/18/2009	150,000

Bond Issue	Date Issued	Principal Issued
Swanson, Matthew & Angela	11/18/2009	101,500
Hill, Barrett	12/01/2009	239,000
Weber, Daniel	12/10/2009	177,300
Boehl, Bruce	12/15/2009	149,000
Wolber, DuWayne & Abby	12/15/2009	250,000
Jensen, Jeffrey	12/22/2009	250,000
Nichelson, William & Jennie	12/22/2009	469,200
Holland, Nicholas	12/22/2009	113,920
Killiam, Mark & Beth	12/22/2009	469,200
Laue, Jonathan	02/19/2010	72,500
Behrens, Ronald & Sandra	03/01/2010	470,100
Semple, Jacob	03/03/2010	139,750
McKeown, Richard & Linda	03/23/2010	160,000
Shike, Ronald & Suellen	03/23/2010	160,000
Eshbach, Galen	03/23/2010	470,100
Kalaher, Chad	03/25/2010	203,500
Pilman, Jacob E.	03/25/2010	136,000
Belusko, David	03/31/2010	229,000
Belusko, Matthew	03/31/2010	229,000
	Total Beginner Farmer Bonds Issued	**$5,965,672**

AG Debt Restructuring Guarantee Closings

Bond Issue	Date Issued	Principal Issued	Guaranteed Balance
Beer, Keith	10/23/2009	500,000	425,000
Hayden Farms	09/30/2009	500,000	425,000
Blackhawk REG [Danville Biofuels Plant]	02/26/2010	24,444,583	14,874,529
Total AG Debt Restructuring Guarantee		**$ 25,444,583**	**$ 15,724,529**

AG Young Farmer Guarantee Closings

Bond Issue	Date Issued	Principal Issued	Guaranteed Balance
Wagner, Kyle & Jenny	12/15/2009	310,000	263,500
Total AG Young Farmer Guarantee		**$ 310,000**	**$ 263,500**

MINUTES OF THE MARCH 9, 2010 MEETING OF THE COMMITTEE OF THE WHOLE OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA" or the "Authority"), pursuant to notice duly given, held a Committee of the Whole Meeting at 12:00 p.m. on Tuesday, March 9, 2010 at the Hotel Pere Marquette in the LaSalle Room at 501 Main Street, Peoria, IL 61602.

Members present:
1. William A. Brandt, Jr., Chairman
2. Michael W. Goetz, Vice Chairman
3. Edward H. Leonard, Sr.
4. Bradley A. Zeller
5. John "Jack" Durburg
6. Roderick Bashir
7. Roger Poole
8. James J. Fuentes
9. Dr. Roger D. Herrin

Members absent:
1. Ronald E. DeNard
2. Juan B. Rivera
3. Terrence M. O'Brien
4. Joseph McInerney

Vacancies:
One

Members participating by telephone:
Dr. William Barclay

Staff Members Present:
Chris Meister, Executive Director
Pam Lenane, Vice President & Acting General Counsel
Rich Frampton, V.P.
Eric Reed, Downstate Regional Manager
Yvonne Towers, Chief Financial & Technology Office
Art Friedson, Chief Human Resources Officer
Kara Boulahanis, Project Coordinator & Asst. Secretary
Beverly Womack, Secretary to the Board

Call to Order

Chairman Brandt called the meeting to order at 12:02 p.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests. Chairman Brandt shared with the many guests the customary agenda for the Committee of the Whole meeting. He stated that in the interest of saving time for public comment, the Board would review the projects to be presented at the Board Meeting first. He added that the Hotel Pere Marquette project was not up for consideration at the March meeting, as IFA staff had not yet completed the necessary due diligence to present the project to the Board for approval. He then asked Assistant Secretary Nystrom-Boulahanis to conduct a roll call. Ms. Nystrom-Boulahanis conducted the roll call and declared a quorum present with nine (9) members in attendance and one (1) on the telephone.

Executive Director's Presentation

Director Meister shared with the Board that his message was included in the March board book but he wished to highlight certain updates at the meeting.

Director Meister began by stating that shortly after the February Board Meeting, Governor Quinn informed the Authority that it would be the designated issuer of Midwestern Disaster Bonds. These bonds allow many types of economic development projects in counties affected by the floods of 2008 to be financed on a tax-exempt basis that would otherwise be excluded from this financing mechanism. $1.5 Billion in volume cap has been awarded to support these bonds. Director Meister added that Peoria County was not one of the counties eligible for these bonds.

Director Meister continued by stating that the merger between Blackhawk Biofuels, LLC and Renewable Energy Group, Inc. (REG) was successfully completed on February 26, 2010. Director Meister shared that this merger would strengthen the borrower and facilitates the plants continued operation.

Director Meister stated that the IFA completed three pending IRS audits on past conduit financings in the weeks preceding the Board Meeting. All of the audits were completed without any material negative impact to the Authority or the borrowers.

Director Meister extended his compliments to Mr. Eric Reed, Regional Downstate Manager, for his efforts to market IFA's agricultural products. Director Meister informed the Committee that Mr. Reed had recently appeared on WGN radio to promote the Authority.

Director Meister concluded his presentation with a discussion of the Authority's legislative agenda. He noted that the Authority's bill to expand the Agricultural Guarantee Program to properly secured and insured row crops was on second reading in the Senate. The IFA's initiative for multistate bonding authority was also on second reading in the House at the time of the meeting. He added that the Authority believed that multistate bonding authority would be particularly important in the healthcare sector.

Senior Staff Reports

Chairman Brandt asked Ms. Yvonne Towers, Chief Financial Officer, to present the financials. Ms. Towers stated that gross revenue year-to-date was $5.1MM, or 23% higher than budget. The healthcare sector was 46% above budgeted revenue projections, while our Business, Industry and 501(c)(3) group was 41% above projections. She informed the Board that operating expenses were $3.9MM, or 12% higher than projections due to reserves for bad debt.

Ms. Towers reported that the financial audit for FY2009 was completed and the report had been disseminated to the Board prior to the meeting. She stated that the single audit and compliance examination were due to be finalized by the end of the month. Chairman Brandt explained that the Audit Committee meeting for the month of March had been postponed to April to allow for the completion of the audits.

Ms. Towers explained that management had begun a comprehensive review of the Authority's loan portfolio including conduit transactions, guarantees, participation loans and moral obligation financings. Ms. Towers then explained the different types of financings for the benefit of the numerous guests. Mr. Reed then detailed the Authority's troubled agricultural financings. After minimal Board discussion, Ms. Lenane detailed the Authority's troubled conduit financings. Minimal discussion ensued.

Committee Reports:

Chairman Brandt then asked for the committee reports.

Mr. Leonard made the Agriculture Committee presentation. He stated that the committee had recommended all projects for approval.

Chairman Brandt stated the Audit and Compensation committees had not met in March. He added that the Authority's audit reports will be posted on the website, www.il-fa.com, as soon as they are available.

Chairman Brandt asked Mr. Bashir if the underwriter diversity meeting discussed at the February Board meeting had occurred. Mr. Bashir responded that it had not yet occurred but that it was scheduled for the end of March. Mr. Bashir then explained for the benefit of the guests that the Authority encourages borrowers to assemble a financing team that appropriately reflects the diversity of the State of Illinois; however as the borrowers select their own teams, the IFA has no authority to force borrowers to utilize diverse teams.

Energy Committee Chairman Dr. Herrin stated that the Energy Committee had met the day before the Board Meeting and discussed an extensive list of potential projects. He stated that the White Oak Wind, LLC project continues to progress with the US Department of Energy (USDOE). Director Meister then explained the history of the Energy Committee; he noted that it was created in response to the IFA's expanded authority under Senate Bills 1906 and 390 which authorizes the Authority to enhance renewable energy and energy efficiency project financings with the moral obligation of the State of Illinois. He explained that these authorities were pursued concurrently with two applications to the US DOE that would expand the Authority's renewable energy offerings. The first application is a competitive application to the Energy Efficiency Conservation Block Grant (EECBG) Retrofit Ramp-up Program in conjunction with the Department of Commerce and Economic Opportunity (DCEO) and the Midwest Energy Efficiency Alliance (MEEA) and which would provide up to $75MM in funds for revolving loan programs, interim financing and other programs in support of energy efficiency retrofits. The second application is to the Financial Institute Partnership Program (FIPP) for Delegated Finance Organizations (DFOs) and would allow the Authority to recommend projects to the USDOE for federal loan guarantees.

Dr. Herrin then shared several of the projects discussed at the Energy Committee Meeting. He stated that the Cinespace project returned to the Committee in March but the terms of the deal had changed drastically. Dr. Herrin added that the Energy Committee discussed a number of biodiesel and biofuels projects but the expiration of the Federal Blender's Tax Credit had created uncertainty in the market. There was hope for a quick legislative fix; however it had not yet occurred. As noted in the Director's remarks, the merger of Blackhawk Biofuels, LLC and Renewable Energy Group (REG) was completed at the end of February.

Dr. Herrin explained to the Board that the Authority expects to receive a response to each of the two USDOE applications in the coming weeks and months. A response to the application to the DFO program is expects within the month. A response to the Retrofit Ramp-up Application is expected in 30 to 60 days.

Dr. Herrin stated that the Energy Committee approved a draft of the Energy Efficiency Program Guidelines at their meeting and that they anticipate presenting a draft for Board approval at the April meeting.

Mr. Goetz added that the Energy Committee also discussed the need for additional staff to help with the increased level of due diligence necessary for these projects as the Authority moves from the traditional sphere of conduit financing to a more commercial banking role. Dr. Herrin agreed with Mr. Goetz and added that he hoped the Director would present his recommendations for additional staff for this sector to the Board at the next meeting.

Chairman Brandt clarified that he was aware of one staff person that had been given an offer for this role, however he decided to decline the Authority's offer. Director Meister will be looking at additional candidates.

Dr. Barclay presented on behalf of the Healthcare Committee. He stated that the Committee did recommend all projects for approval to the Board. Ms. Lenane explained to the Board that the healthcare sector was still working on a potential pool for small hospitals to allow them to finance electronic records systems that are reimbursable by the Federal government under the American Recovery and Reinvestment Act of 2009 (ARRA).

Ms. Lenane added that Alexian Brothers has added minority underwriters Loop Capital and Cabrera to its project up for approval today.

Dr. Barclay then signed off the call at 12:46 p.m.

Ms. Lenane completed her presentation by describing the outcome of The Clare's negotiations with their bond holders. She stated that the project will be restructuring and will be coming before the Authority in the coming months.

Chairman Brandt added that Vice Chairman Goetz would have to abstain from voting on project number 6, the Affordable Assisted Living Coalition Note Program as it may pose a conflict of interest.

Project Reports

The Chairman then asked for the project reports.

Mr. Reed presented the following projects to the Board:

No. 1A: **– Jacob Pilman.**
Request for approval of a final bond resolution for the issuance of a Beginning Farmer Bond in an amount not-to-exceed $136,000 for the purchase of approximately 83.8 acres of farmland. This project is located in unincorporated Jasper County near Newton, IL.

No. 1B: **– Richard & Linda McKeown.**
Request for approval of a final bond resolution for the issuance of Beginning Farmer Bond in an amount not-to-exceed $160,000 for the purchase of approximately 48.8 acres of farmland. This project is located in unincorporated Jasper County near Newton, IL.

No. 1C: **– Ronald & Suellen Shike.**
Request for approval of a final bond resolution for the issuance of a Beginning Farmer Bond in an amount not-to-exceed $160,000 for the purchase of approximately 44 acres of farmland. This project is located in unincorporated Warren County near Aledo, IL.

No. 1D: **– Galen S. Eschbach.**
Request for approval of a final bond resolution for the issuance of a Beginning Farmer Bond in an amount not-to-exceed $470,100 for the purchase of approximately 180 acres of farmland and related buildings. This project is located in unincorporated Jefferson County near Bluford, IL.

Mr. Zeller added that beginning in April the board summaries for these projects will include the soil quality rating to support the land prices.

No. 2: **-- Paul and Mark Hill.**
Request for approval of a final bond resolution for the issuance of an Agri-Debt Guarantee in an amount not-to-exceed $500,000 to refinance the borrower's existing debts. This project is located in unincorporated Ogle County near Rochelle, IL.

Minimal discussion ensued and no objections were noted. Mr. Mauricio Nares, Associate Funding Manager, then presented the following project for approval:

No. 3: **– Community of Faith Family Life Center (Renaissance Center Project).**
Request for approval of a preliminary bond resolution for the issuance of up to $17.2 million of 501(c)(3) Bonds to enable The Community of Faith Family Life Center to finance, refinance, and reimburse all or a portion of the costs of various capital improvements relating to funds used to finance, refinance, or reimburse Community of Faith Family Life Center for all or a portion of the costs relating to (1) the acquisition of vacant land located at 145th & Marshfield; and property generally

located at Spaulding Ave. and Davis Court in Dixmoor, IL, (2) all necessary site improvements and site preparation costs required to redevelop the sites, (3) the construction and equipping of a residential campus with approximately 3 new, two-story building thereon, which will serve as the living quarters for 120 young men. A 16-bed 16,662 sq. ft. residential facility, a 72-bed 24,864 sq. ft. residential facility, a 29,384 sq. ft. community building.(4) fund any debt service reserve or similar fund deemed necessary to secure the Bonds, (5) to pay capitalized interest, and (6) pay certain bond issuance costs. This project is located in Dixmor, IL (Cook County).

Minimal discussion ensued and no objections were noted. Mr. Rich Framption, Vice President, then presented the following projects and amendatory resolutions for approval:

No. 4: **– The Art Institute of Chicago.**
Request for approval of a preliminary bond resolution for the issuance of 501(c)(3) Bonds in an amount not to exceed $245 million. The proceeds of this issuance will be to refund all or a portion of AIC's outstanding IFA (IEFA) Series 1992, Series 1995, Series 1996 Bonds, Series 1998A, Series 2000A Bonds, Series 2009B-1 and Series 2009B-2 Bonds (collectively, the "Prior Bonds") and/or converting some or all of the Prior Bonds to another interest rate mode, and to pay certain costs of issuance. This project is located in Chicago, IL (Cook County).

Chairman Brandt asked Mr. Frampton to please clarify why the not-to-exceed amount of this project increased by approximately $80MM from the preliminary resolution. Mr. Frampton explained that the Art Institute amended their request after selecting structuring proposals from investment bankers last week and subsequent to the printing and delivery of the Board Book. The Art Institute and their financial advisor determined it would be advantageous to also prospectively refund the Series 2009B-1 and series 2009B-2 Bonds, hereby increasing the not-to-exceed amount from $176.4MM to $245MM. Minimal discussion ensued and no objections were noted.

No. 5: **– The Poetry Foundation.**
Request for approval of a final bond resolution for the issuance of 501(c)(3) Bonds in an amount not to exceed $25 million. The proceeds of this issuance will be used to: finance, refinance, or reimburse the Foundation for all or a portion of the costs relating to (1) the acquisition of a 16,000 SF site located at the Southwest corner of North Dearborn Street and West Superior Street improved with two buildings located thereon (and the approximate street addresses of 55 W. Superior to 61 W. Superior Street) in Chicago, Illinois, (2) the demolition of the existing buildings and all necessary site improvements and site preparation costs required to redevelop the site, (3) the construction and equipping of a new, approximately 23,000 Gross SF, two-story building thereon, (4) to fund any debt service reserve or similar fund deemed necessary to secure the Bonds, (5) to pay capitalized interest, and (6) to certain costs of issuance. This project is located in Chicago, IL (Cook County).

No. 11: **Genesis, Inc. and Shamrock Hill Farms Western Properties, LLC.** Resolution to approve an Amended and Restated Trust Indenture and a First Amendment to the Loan Agreement, which provides for the creation of a new interest rate mode, and related matters.

No. 12: **Waste Management, Inc.** Resolution to approve and authorize a First Supplemental Trust Indenture, which provides for the creation of a new interest rate mode, and approval of a Final Reoffering Circular and Use and Distribution thereof relating to the Bonds, and related matters.

Minimal discussion ensued and no objections were noted. Mr. Bill Claus presented the following project:

No. 6: **<u>– Affordable Assisted Living Coalition Note Program.</u>**
Request for approval of a preliminary bond resolution for the issuance of taxable notes in an amount not to exceed $48 million. The proceeds of this issuance will be used to: to finance the cost of purchasing Medicaid accounts receivables from affordable assisted living providers across Illinois. This program will benefit supportive living facilities in operation Statewide.

Ms. Lenane explained that these receivables are more then six months overdue and the Authority's statute allows IFA to buy these Notes where commercial banks cannot. The interest on these Notes will be funded by the State's penalty payment of 2% per month unpaid on the receivables. Dr. Herrin questioned the specifics of the interest rate payments. Ms. Lenane stated that this program structure had not yet been finalized and the answers to these questions would be resolved before the final bond resolution was presented to the Board. Minimal discussion ensued and no objections were noted.

Mr. Govia presented the following projects for consideration:

No. 7: **<u>– Alexian Brother Health System.</u>**
Request for approval of a final bond resolution for the issuance of 501(c)(3) Bonds in an amount not to exceed $150 million. The proceeds of this issuance will be used to: 1) refund the remaining balance of the Alexian Brothers Health System Series 2005C Bonds, 2) fund a Project Fund for hospital modernization, 3) fund a Debt Service Reserve, and 4) pay certain expenses incurred in connection with the issuance of the Series 2010 Bonds. This project is located in Elk Grove Village and Hoffman Estates, IL (Cook County).

No. 8: **<u>– Palos Community Hospital.</u>**
Request for approval of a final bond resolution for the issuance of 501(c)(3) Bonds in an amount not to exceed $305 million. Proceeds of these bonds will be used to (i) provide financing to pay various capital expenditures associated with the acquisition, construction, and equipping of a new bed tower and for renovations to the existing hospital facility (ii) fund capitalized interest; (iii) fund a debt service reserve fund, if required, and (iv) to fund certain professional and bond issuance costs. This project is located in Palos Heights, Orland Park, Lemont and Oak Lawn, IL (Cook County).

Minimal discussion ensued and no objections were noted. Mr. Claus presented the following project:

No. 9: **<u>– St. Anthony's Health Center.</u>**
Request for approval of a final bond resolution for the issuance of of 501(c)(3) Bonds in an amount not to exceed $10 million. The proceeds of this issuance will be used to fund capital expenditures and other improvements for the health care facilities of the Borrower including, but not limited to, certain radiology, hospital and other medical and non-medical equipment, information systems hardware and software, and various hospital building renovations and improvements. This project is located in Alton, IL (Madison County).

Minimal discussion ensued and no objections were noted. Mr. Govia presented the following project to the Board:

No. 10: **<u>– Swedish American Hospital.</u>**
Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed $25 million. The proceeds of this issuance will be used to (i) refinance a taxable loan from JPMorgan Chase Bank, N.A. (the "Bank Loan") that was used to redeem all of the outstanding $25,000,000 Illinois Finance Authority Variable Rate Revenue Bonds, Series 2005 (Swedish American Hospital) Auction Rate Securities

(the "Series 2005 Bonds"), and (ii) pay certain expenses incurred in connection with the issuance of the Bonds. This project is located in Rockford, IL (Winnebago County).

Minimal discussion ensued and no objections were noted. Chairman Brandt called for a five (5) minute break before the public comment segment of the meeting. This break commenced at 1:15 p.m. and completed at 1:21 p.m.

Chairman Brandt called the meeting back to order and stated that the discussion of the EM Properties, LTD/Hotel Pere Marquette project would begin shortly. He stated that the IFA was chartered to drive economic development and job creation in all corners of the State of Illinois. The Authority is aware of the risk that is associated with these types of projects and the Authority mitigates these risks through a thorough due diligence process prior to project approval. He further explained that the Authority is very aware of the changing realities of projects as they are in the development phase and it was not concerned by the fact that the Hotel Pere Marquette project may have changed. Chairman Brandt emphasized that the Board will review the Hotel Pere Marquette project the same way all other projects are reviewed, however the Board will take into account any public comments made at this meeting.

Chairman Brandt then invited Gary Matthews of EM Properties LTD and his supporters to speak. He stated that questions from the Board would follow Mr. Matthew's presentation and finally the lectern would be open to the public for comments both in favor of and opposed to the project.

Mr. Matthews opened his presentation by thanking the Board for allowing him the opportunity to speak on behalf of the project. He stated that he would like to open his presentation with a short story. Mr. Matthews relayed that he had been in Peoria for an event several years prior when a local legislator approached him regarding the potential redevelopment of the Hotel Pere Marquette. Mr. Matthews explained that he toured the project and realized it was in need of a much more dramatic refurbishment than just "carpet and coat of paint". Mr. Matthews saw the potential in the project however and brought it to the attention of the City Council of Peoria. He added that the City Council has been a pleasure to work with in bringing this project to fruition. He then asked Mayor Jim Ardis of Peoria to speak on behalf of the project.

Mayor Ardis thanked the Board for the opportunity to speak on this project. He noted that he had not prepared a speech and would only have a few minutes following the presentation to answer questions regarding the project. He stated that he was pleased that the discussion was held at the proposed project site, even if it was only by mere coincidence. Mayor Ardis declared that the Hotel Pere Marquette project is very important to the city of Peoria (the "City"). He compared the Hotel Pere Marquette project to the controversial and divisive decision to build the Peoria Civic Center (PCC). He went on to detail the success of the PCC over the past two decades but added that this success has been restricted by the lack of an adjoining, high-quality hotel. He added that the city of Peoria views this project as a continuing investment in downtown redevelopment.

Mayor Ardis clarified for the guests in attendance that the city continues their due diligence on the project. He believes that it will provide well paying jobs for skilled labor in Peoria, not just during construction. He stated that the city of Peoria could not wait any longer for a private developer to shoulder the entire burden on the Hotel Pere Marquette project and no developer had expressed an interest in such a project.

Director Meister asked if there were any questions for Mayor Ardis. There being none, Director Meister invited Mr. Matthews to return to the podium.

Mr. Mathews thanked Mayor Ardis for his comments. He then shared another story. He stated that he spoke to the Vice President: Full Service for Marriott Hotels at a conference and mentioned Peoria. The Vice President was doubtful of the potential of Peoria and the PCC. The Vice President agreed to visit Peoria and tour the facilities. Mr. Matthews asked Ms. Debbie Ritschel, General Manager of the Peoria Civic Center (PCC) to speak.

Ms. Ritschel shared that she had worked at the PCC since 1982. She stated that she has had the pleasure of working under a forward thinking board that has developed a larger vision for the ongoing success of the PCC. The facility has grown over the years and included a renovation in 2007. The PCC includes a convention center, an arena and a theatre. The board of the PCC believes that a connected hotel will complete the convention and meeting facility package that will allow PCC to compete regionally. She stated that the Vice President from Marriott mentioned by Mr. Matthews was both surprised and pleased by the facilities in Peoria, which was the beginning of the development of the current project.

Ms. Ritschel then introduced Mr. Bob Marks, President of the Peoria Convention and Visitors Bureau. Mr. Marks stated that he was new to Peoria but had previously been a general manager of a Marriott property and could personally attest to the value of the Marriott brand. He added that he could not quantify the value of having a Marriott flag on a hotel property due to their large rewards program and the high program loyalty.

Mr. Marks continued that as the President of the Peoria Convention and Visitors Bureau (PCVB) he could attest to the demand for high quality hotel rooms attached to the convention center. He added that the PCVB has 10 groups that cannot or will not come to Peoria without this project. Mr. Marks stated that the convention industry was very competitive and this hotel project would make it possible for Peoria to compete.

Mr. Everett, President of the West Central Illinois Building and Construction Trades Council, spoke in support of the project. He stated that the trades were proponents of this project for more than just the construction jobs it would create. He stated that he believed this project would help revitalize downtown Peoria and would provide many permanent jobs as well.

He stated that many of the hospitals in the area are continuing to expand and provide high quality medical care on a regional basis. He believed that these medical centers coupled with Caterpillar's presence in Peoria would drive the demand necessary for these hotels to be a success.

Mr. Matthews returned to complete his presentation. He stated that his vision for the project would allow the Hotel Pere Marquette, the future Marriott hotel and the PCC to compete on a regional basis. He stated that Marriott also supports the development of this project. He added that the projects' numbers had not changed despite reports to the contrary. He stated that they remained at $102 million total project costs and a request for $5 million from IFA.

Mr. Matthews shared that the developer's fee was within the industry standard and would reimburse him for the many "soft" costs already incurred and compensate him for risking his personal guarantee on the senior debt. He clarified the payment schedule for the developer's fee as well – a small portion will be paid to cover the costs of the first two years, the majority of the fee will be paid following the project opening. He added that he was likely to reinvest in the Peoria area with his developer fee as was his custom.

He thanked the Board for giving him the opportunity to speak in support of this project and he added that he hoped the board would ultimately consider his project favorably. Director Meister asked if the Board had any questions for Mr. Matthews. Seeing none Director Meister opened the floor to public comment.

Mr. Kenny Carrigan, Peoria citizen, spoke in favor of the project. He stated that he believed this would be a good project that would provide recreational activities for the retirees in the surrounding area – bringing in additional revenue to Peoria. He stated that he was originally opposed to the PCC project but believed that Hotel Pere Marquette project was an excellent idea.

Mr. Bashir asked why Mr. Carrigan was initially opposed to the construction of the PCC. Mr. Carrrigan responded that he initially felt it was an inappropriate use of taxpayer dollars that disproportionately benefited the developer.

Director Meister asked if the Board had any additional questions. Seeing none he asked for additional public comment.

Mr. Andre Williams, Peoria citizen, spoke on behalf of this project; praising the collaborative work of the Developer, the City and other involved parties.

Mr. Nathan German, Peoria citizen, also spoke in support of this project. He stated that this project would not just provide work for Peoria skilled labor but also for laborers from Chicago and other areas of the state that could travel to this worksite. He stated that this project would drive tourism to the region and would benefit the entire State.

Mr. McFarland A. Bragg II, President/CEO Peoria Citizens Committee for Economic Opportunity, Inc. spoke in support of this project. He stated that he had the opportunity to supervise the equal opportunity hiring for the construction of the PCC and had been disappointed by the result, through no fault of the PCC. He stated that he hoped this project would consider those issues as early in the process as possible.

Director Meister asked for any other citizens wishing to comment on the project. After waiting briefly for any additional speakers Director Meister declared the public comment portion of the meeting closed.

Chairman Brandt then stated that he represented the Illinois Finance Authority – not the Chicago or Peoria authority. He added that the Hotel Pere Marquette project was one of many under consideration by the Authority. Chairman Brandt pointed out that the Board wanted job creation in Peoria as much as anyone in the room and would do everything prudent to support job creation. He stated that from the initial presentations the Hotel Pere Marquette project seemed promising but that he anticipated significant additional due diligence on the project before financing. He shared that the Board would not be taking a vote on this project today but would take into account public comment from the meeting when making their decision in the future.

He added that the Board would be available for questions or to listen to additional questions for a short time following the meeting. He added that everyone was welcome to attend any future meetings of the Authority regarding the Hotel Pere Marquette project.

Closing Remarks and Adjournment:

The meeting adjourned at 12:34 p.m.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary

MINUTES OF THE MARCH 9, 2010 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 3:00 p.m. on Tuesday, March 9, 2010 at the Hotel Pere Marquette in the Marquette North Room at 501 Main Street, Peoria, IL 61602.

Members present:
1. William A. Brandt, Jr., Chairman
2. Michael W. Goetz, Vice Chairman
3. Edward H. Leonard, Sr.
4. Bradley A. Zeller
5. John "Jack" Durburg
6. Roderick Bashir
7. Roger Poole
8. Dr. Roger D. Herrin
9. James J. Fuentes

Members absent:
1. Ronald E. DeNard
2. Juan B. Rivera
3. Terrence M. O'Brien
4. Dr. William J. Barclay
5. Joseph McInerney

Members participating by telephone:
None

Vacancies:
One

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 3:00 p.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests. He then asked Assistant Secretary Kara Nystrom-Boulahanis to call the roll. There being nine (9) members physically present Ms. Nystrom-Boulahanis declared the quorum met.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending February 28, 2010 and minutes for both the February 9, 2010 Committee of the Whole and Board of Directors meetings were presented to the Board. Chairman Brandt stated that the Authority's financial statements and minutes were reviewed at the regularly scheduled Committee of the Whole meeting held at 12:00 p.m. that day. Chairman Brandt requested a motion to approve the February 28, 2010 financial statements and minutes from both the February 9, 2010 Committee of the Whole and the Board of Directors meeting.

The motion was moved by Mr. Goetz and seconded by Dr. Herrin. The February 28, 2010 financial statements and minutes from both the February 9, 2010 Committee of the Whole and the Board of Directors meetings were unanimously approved by members of the Board.

Chairman's Remarks

Chairman Brandt welcomed Board Members and guests. He stated that the Board was especially pleased to be in Peoria for this month's meeting. He explained that it was the Authority's custom to meet outside of Chicago twice per year; once in Springfield and once in a location that rotates throughout Illinois.

Senior Staff Reports

None.

Project Approvals

Chairman Brandt asked Mr. Rich Frampton, Vice President, to present the projects for consideration to the Board. Chairman Brandt announced that the projects presented undergo an extensive review process prior to presentation to the Board. All projects are thoroughly vetted by a staff credit committee. All agriculture, energy and healthcare projects are also reviewed at their respective committees' public meetings each month. Finally, each project is thoroughly reviewed at the Committee of the Whole meeting held at 12:00 p.m. before the Board Meeting.

Mr. Frampton presented the following projects for board approval:

No. 1A: **– Jacob Pilman.**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $136,000 for the purchase of approximately 83.8 acres of farmland. This project is located in unincorporated Jasper County near Newton, IL .

No. 1B: **– Richard & Linda McKeown.**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $160,000 for the purchase of approximately 48.8 acres of farmland. This project is located in unincorporated Jasper County near Newton, IL.

No. 1C: **– Ronald & Suellen Shike.**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $160,000 for the purchase of approximately 44 acres of farmland. This project is located in unincorporated Warren County near Aledo, IL.

No. 1D: **– Galen S. Eschbach.**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $470,100 for the purchase of approximately 180 acres of farmland and related buildings. This project is located in unincorporated Jefferson County near Bluford, IL.

No. 2: **-- Paul and Mark Hill.**
Request for final approval of the issuance of an agri-debt guarantee in an amount not-to-exceed $500,000 to refinance the borrower's existing debts. This project is located in unincorporated Ogle County near Rochelle, IL

No guests attended with respect to Project Nos. 1A, 1B, 1C, ID or 2. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1A, 1B, 1C, ID, or 2. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1A, 1B, 1C, ID, and 2. Project Nos. 1A, 1B, 1C, ID, and 2 received approval with 9 ayes, 0 nays, and 0 abstentions.

No. 3: **<u>– Community of Faith Family Life Center (Renaissance Center Project).</u>**
Request for approval of a preliminary bond resolution for the issuance of up to $17.2 million of 501(c)(3) Bonds to enable The Community of Faith Family Life Center to finance, refinance, and reimburse all or a portion of the costs of various capital improvements relating to funds used to finance, refinance, or reimburse Community of Faith Family Life Center for all or a portion of the costs relating to (1) the acquisition of vacant land located at 145th & Marshfield; and property generally located at Spaulding Ave. and Davis Court in Dixmoor, IL, (2) all necessary site improvements and site preparation costs required to redevelop the sites, (3) the construction and equipping of a residential campus with approximately 3 new, two-story building thereon, which will serve as the living quarters for 120 young men. A 16-bed 16,662 sq. ft. residential facility, a 72-bed 24,864 sq. ft. residential facility, a 29,384 sq. ft. community building.(4) fund any debt service reserve or similar fund deemed necessary to secure the Bonds, (5) to pay capitalized interest, and (6) pay certain bond issuance costs. This project is located in Dixmor, IL (Cook County).

No. 4: **<u>– The Art Institute of Chicago.</u>**
Request for approval of a preliminary bond resolution for the issuance of 501(c)(3) Bonds in an amount not to exceed $245 million. The proceeds of this issuance will be to refund all or a portion of AIC's outstanding IFA (IEFA) Series 1992, Series 1995, Series 1996 Bonds, Series 1998A, Series 2000A Bonds, Series 2009B-1 and Series 2009B-2 Bonds (collectively, the "Prior Bonds") and/or converting some or all of the Prior Bonds to another interest rate mode, and to pay certain costs of issuance. This project is located in Chicago, IL (Cook County).

No. 5: **<u>– The Poetry Foundation.</u>**
Request for approval of a final bond resolution for the issuance of 501(c)(3) Bonds in an amount not to exceed $25 million. The proceeds of this issuance will be used to: finance, refinance, or reimburse the Foundation for all or a portion of the costs relating to (1) the acquisition of a 16,000 SF site located at the Southwest corner of North Dearborn Street and West Superior Street improved with two buildings located thereon (and the approximate street addresses of 55 W. Superior to 61 W. Superior Street) in Chicago, Illinois, (2) the demolition of the existing buildings and all necessary site improvements and site preparation costs required to redevelop the site, (3) the construction and equipping of a new, approximately 23,000 Gross SF, two-story building thereon, (4) to fund any debt service reserve or similar fund deemed necessary to secure the Bonds, (5) to pay capitalized interest, and (6) to certain costs of issuance. This project is located in Chicago, IL (Cook County).

No. 11: **<u>Genesis, Inc. and Shamrock Hill Farms Western Properties, LLC.</u>** Resolution to approve an Amended and Restated Trust Indenture and a First Amendment to the Loan Agreement, which provides for the creation of a new interest rate mode, and related matters.

No. 12: **<u>Waste Management, Inc.</u>** Resolution to approve and authorize a First Supplemental Trust Indenture, which provides for the creation of a new interest rate mode, and approval of a Final Reoffering Circular and Use and Distribution thereof relating to the Bonds, and related matters.

No guests attended with respect to Project Nos. 3, 4, or 5 or Resolutions Nos. 11 or 12. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 3, 4, or 5 or Resolutions Nos. 11 or 12. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 3, 4, and 5 and Resolutions Nos. 11 and 12 received approval with 9 ayes, 0 nays, and 0 abstentions.

Chairman Brandt stated that before he turned to the Healthcare Projects, the Board would like to acknowledge Mr. Daniel E. Baker, Senior Vice President Financial and Accounting and Chief Financial Officer of OSF Healthcare, which is based in Peoria, and thanked him for attending the meeting.

No. 7: **<u>– Alexian Brother Health System.</u>**

Request for approval of a final bond resolution for the issuance of 501(c)(3) Bonds in an amount not to exceed $150 million. The proceeds of this issuance will be used to: 1) refund the remaining balance of the Alexian Brothers Health System Series 2005C Bonds, 2) fund a Project Fund for hospital modernization, 3) fund a Debt Service Reserve, and 4) pay certain expenses incurred in connection with the issuance of the Series 2010 Bonds. This project is located in Elk Grove Village and Hoffman Estates, IL (Cook County).

No. 8: **<u>– Palos Community Hospital.</u>**

Request for approval of a final bond resolution for the issuance of 501(c)(3) Bonds in an amount not to exceed $305 million. Proceeds of these bonds will be used to (i) provide financing to pay various capital expenditures associated with the acquisition, construction, and equipping of a new bed tower and for renovations to the existing hospital facility (ii) fund capitalized interest; (iii) fund a debt service reserve fund, if required, and (iv) to fund certain professional and bond issuance costs. This project is located in Palos Heights, Orland Park, Lemont and Oak Lawn, IL (Cook County).

No. 10: **<u>– Swedish American Hospital.</u>**

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed $25 million. The proceeds of this issuance will be used to (i) refinance a taxable loan from JPMorgan Chase Bank, N.A. (the "Bank Loan") that was used to redeem all of the outstanding $25,000,000 Illinois Finance Authority Variable Rate Revenue Bonds, Series 2005 (Swedish American Hospital) Auction Rate Securities (the "Series 2005 Bonds"), and (ii) pay certain expenses incurred in connection with the issuance of the Bonds. This project is located in Rockford, IL (Winnebago County).

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

No. 9: **<u>– St. Anthony's Health Center.</u>**

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

Ms. Nancy Dooling, Comptroller for St. Anthony's, attended with respect to project No. 9 and she thanked the Board for their consideration. She stated that this was at least the fourth time St. Anthony has borrowed through the Authority to facilitate their projects. She added everyone involved in these projects thanked the Authority for their support. Chairman Brandt asked if the Board had any questions with respect to Project No. 9. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 9 received approval with 9 ayes, 0 nays, and 0 abstentions.

No. 6: **<u>– Affordable Assisted Living Coalition Note Program.</u>**

Request for approval of a preliminary bond resolution for the issuance of taxable notes in an amount not to exceed $48 million. The proceeds of this issuance will be used to: to finance the cost of purchasing Medicaid accounts receivables from affordable assisted living providers across Illinois. This program will benefit supportive living facilities in operation Statewide.

No guests attended with respect to Project No. 6. Chairman Brandt asked if the Board had any questions with regard to Project No. 6. There being none, Mr. Zeller made a motion to approve this project. That motion was seconded by Mr. Bashir. Chairman Brandt asked Ms. Nystrom-Boulahanis to please take a roll call vote. Ms. Nystrom-Boulahanis conducted a roll call vote and Project No. 6 received approval with 8 ayes, 0 nays and 1 abstention*.

Other Business

Chairman Brandt asked if there was any other business to come before the Board. There being none, Chairman Brandt requested a motion to adjourn. Upon a motion by Dr. Herrin and seconded by Mr. Goetz, the meeting adjourned at 3:24 p.m.

Chairman Brandt reminded all guests that next month's meeting will be on April 13th 2010 at the Conference Center at One Prudential Plaza, Chicago, IL and to please check www.il-fa.com for more information.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary

*Mr. Goetz abstained from voting on the Affordable Assisted Living Coalition Note Program as he has an interest in facilities that may utilize this program if passed.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Reed/lk

Date: April 13, 2010

Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached projects
- **Amount:** Up to $470,100 maximum of new money for each project*
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: $1,085,878**
- **Calendar Year Summary:** (as of April 13, 2010)
  - Volume Cap: $25,000,000
  - Volume Cap Committed: $3,988,885
  - Volume Remaining: $21,011,115
  - Average Acreage Farm Size: 69
  - Number of Farms Financed: 19
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - convey tax-exempt status
    - will use dedicated 2010 IFA Volume Cap set-aside for Beginning Farmer transactions
- **IFA Fees**:
  - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
  - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's Bank
  - The Borrower's Bank will be secured by the Borrower's assets, as on a commercial loan
  - Interest rates, terms, and collateral are negotiated between the Borrower and the Participating Bank, just as with any commercial loan
  - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd**
  Stephen F. Welcome, Esq.
  Three First National Plaza, Suite 4300
  Chicago, IL 60602

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

A.

Project Number:	**A-FB-TE-CD-8335**
Funding Manager:	Eric Reed
Borrower(s):	**Marron, Michael T.**
Borrower Benefit:	First Time Land Buyer
Town:	Fithian, IL
Amount:	$165,000
Use of Funds:	Farmland – 40 acres
Purchase Price:	$220,000 / ($5,500 per ac)
%Borrower Equity	25%
%Other	0%
%IFA	75%
County/Region:	Vermilion/East Central
Lender/Bond Purchaser	First Midwest Bank Crop. / Bob Boesdorfer
Legislative Districts:	Congressional: 15th, Timothy Johnson
	State Senate: 52nd, Michael Frerichs
	State House: 104th, William Black

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

***Michael Marron:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.17% fixed for the first five years and adjust every five years thereafter to the Federal Reserve's 5-year interest rate swap, plus 350 basis points, then adjusted for tax-exempt consideration. Lender will charge .50% fee.
IFA Fee: $2,475

B.

Project Number:	**A-FB-TE-CD-8336**
Funding Manager:	Eric Reed
Borrower(s):	**Coulter, Benjamen A. and Sonya L.**
Borrower Benefit:	First Time Land Buyer
Town:	Paxton, IL
Amount:	$188,880
Use of Funds:	Farmland – An undivided 1/3 of 188.88 acres (62.3)
Purchase Price:	$188,880 / ($3,032 per ac)
%Borrower Equity	0%
%Other	0%
%IFA	100%
County/Region:	Iroquois/East Central
Lender/Bond Purchaser	Farmers Merchant National Bank / Joe Wier
Legislative Districts:	Congressional: 15th,Timothy Johnson
	State Senate: 53rd, Dan Rutherford
	State House: 105th, Shane Cultra

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

***Benjamen & Sonya Coulter:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.75% fixed for the first five years and adjust every five years thereafter to the previous months average yield on US Treasury Securities and adjusted to the constant maturity rate of 5-years plus a margin of 4.00%. A floor of 4.75% for the term of the loan will apply. Lender will charge $200 fee. IFA Fee: $2,833.

*** Information enclosed in the border is to be considered confidential and may be exempt from disclosure under the Freedom of Information Act**

C.

Project Number:	**A-FB-TE-CD-8337**
Funding Manager:	Eric Reed
Borrower(s):	**Bauer, Dustin and Christine**
Borrower Benefit:	First Time Land Buyer
Town:	Greenville, IL
Amount:	$125,000
Use of Funds:	Farmland – 65 acres
Purchase Price:	$250,000 / ($3,846 per ac)
%Borrower Equity	5%
%USDA Farm Services Agency	45% *(Subordinate Financing)*
%IFA	50%
County/Region:	Bond/Southwestern
Lender/Bond Purchaser	Bradford National Bank / Bob Tompkins
Legislative Districts:	Congressional: 19th, John Shimkus
	State Senate: 51st, Kyle McCarter
	State House: 102nd, Ron Stephens

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

*__Dustin & Christine Bauer__: Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.5% fixed for the first ten years and adjust annually thereafter to 75% of the prime rate as published in the Wall Street Journal. Rounded up to the nearest .25 of one percent. The rate on this loan will have a floor of 4.5% and will not raise more than 6% to provide a ceiling of 10.5%. IFA Fee: $1,875

D.

Project Number:	**A-FB-TE-CD-8338**
Funding Manager:	Eric Reed
Borrower(s):	**Alwardt, Justin**
Borrower Benefit:	First Time Land Buyer
Town:	Altamont, IL
Amount:	$220,000
Use of Funds:	Farmland – 93 acres
Purchase Price:	$440,000 / ($4,731 per ac)
%Borrower Equity	5%
%USDA Farm Service Agency	45% *(Subordinate Financing)*
%IFA	50%
County/Region:	Effingham/Southeastern
Lender/Bond Purchaser	Peoples Bank & Trust / Joe Wills
Legislative Districts:	Congressional: 19th, John Shimkus
	State Senate: 51st, Kyle McCarter
	State House: 102nd, Ron Stephens

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin on March 15, 2011. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on March 15, 2011 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

__*Justin Alwardt:__ Note shall bear simple interest at the expressed rate. The expressed rate shall be 3.9% fixed for the first five years and adjust every five years thereafter to Prime Rate per the Wall Street Journal plus .65%. The first adjustment will be skipped and be deferred to the tenth anniversary date. IFA Fee: $3,300

*** Information enclosed in the border is to be considered confidential and may be exempt from disclosure under the Freedom of Information Act**

E.

Project Number:	**A-FB-TE-CD-8339**
Funding Manager:	Eric Reed
Borrower(s):	**Smithenry, Steven R.**
Borrower Benefit:	First Time Land Buyer
Town:	Newton, IL
Amount:	$40,950
Use of Funds:	Farmland – 19.5 acres
Purchase Price:	$81,900 / ($4,200 per ac)
%Borrower Equity	5%
%USDA Farm Service Agency	45% *(Subordinate Financing)*
%IFA	50%
County/Region:	Jasper/Southeastern
Lender/Bond Purchaser	Peoples State Bank / Brian Bohnhoff
Legislative Districts:	Congressional: 19th, John Shimkus
	State Senate: 54th, John Jones
	State House: 108th, David Reis

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

***Steven R. Smithenry:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.25% fixed for the first five years and adjust every five years thereafter to 2.00% below the Wall Street Journal Prime Rate with a minimum rate of 4.25% and a maximum rate of 12.99% to the customer. Maximum rate increase/decrease of 2.00% per term. IFA Fee: $614

F.

Project Number:	**A-FB-TE-CD-8340**
Funding Manager:	Eric Reed
Borrower(s):	**Dotterer, Alex**
Borrower Benefit:	First Time Land Buyer
Town:	Fairbury, IL
Amount:	$131,128
Use of Funds:	Farmland – 40.82 acres
Purchase Price:	$262,256 / ($6,425 per ac)
%Borrower Equity	5%
%USDA Farm Service Agency	45% *(Subordinate Financing)*
%IFA	50%
County/Region:	McLean/North Central
Lender/Bond Purchaser	Bluestem National Bank / Brad Brown
Legislative Districts:	Congressional: 15th, Timothy Johnson
	State Senate: 53rd, Dan Rutherford
	State House: 105th, Shane Cultra

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin on April 15, 2011. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on April 15, 2011 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

***Alex Dotterer:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 3.50% fixed until April 15, 2013 and adjust every annually thereafter to the index interest rate of 80% of the Wall Street Journal Prime with an interest rate cap of 5.3% and an floor of 3.0%. IFA Fee: $1,967

*** Information enclosed in the border is to be considered confidential and may be exempt from disclosure under the Freedom of Information Act**

G.

Project Number:	**A-FB-TE-CD-8341**
Funding Manager:	Eric Reed
Borrower(s):	**Voss, Brian Scott and Karen Sue**
Borrower Benefit:	First Time Land Buyer
Town:	Columbus, IL
Amount:	$87,000
Use of Funds:	Farmland – 41.25 acres
Purchase Price:	$108,000 / ($2,618 per ac)
%Borrower Equity	20%
%Other	0%
%IFA	80%
County/Region:	Adams/West Central
Lender/Bond Purchaser	First Bankers Trust Co., NA / Marvin Rabe
Legislative Districts:	Congressional: 18th, Aaron Schock
	State Senate: 47th, John Sullivan
	State House: 93rd, Jil Tracy

Principal shall be paid monthly in installments determined pursuant to a Twenty five year amortization schedule, with the first principal payment date to begin on June 1, 2010. Accrued interest on the unpaid balance hereof shall be paid monthly, with the first interest payment date to begin on June 1, 2010 with the twenty fifth and final payment of all outstanding balances due twenty five years from the date of closing.

***Brian & Karen Voss:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.80% fixed for the first five years and adjust annually thereafter to 80% of the Wall Street Journal Prime Interest Rate adjusted annually. Lender will charge .25% fee. IFA Fee: $1,305

H.

Project Number:	**A-FB-TE-CD-8344**
Funding Manager:	Eric Reed
Borrower(s):	**Steidinger, Gary and Annette**
Borrower Benefit:	First Time Land Buyer
Town:	Fairbury, IL
Amount:	$127,920
Use of Funds:	Farmland – 40 acres
Purchase Price:	$255,840 / ($6,396 per ac)
%Borrower Equity	5%
%USDA Farm Service Agency	45% *(Subordinate Financing)*
%IFA	50%
County/Region:	Livingston/North Central
Lender/Bond Purchaser	Bluestem National Bank / Brad Brown
Legislative Districts:	Congressional: 15th, Timothy Johnson
	State Senate: 53rd, Dan Rutherford
	State House: 105th, Shane Cultra

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin on April 15, 2011. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on April 15, 2011 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

***Gary & Annette Steidinger:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 3.50% fixed until April 15, 2013 and adjust every annually thereafter to the index interest rate of 80% of the Wall Street Journal Prime with an interest rate cap of 5.3% and an floor of 3.0%. IFA Fee: $1,919

*** Information enclosed in the border is to be considered confidential and may be exempt from disclosure under the Freedom of Information Act**

ILLINOIS FINANCE AUTHORITY

NON-CONDUIT

April 13, 2010

$500,000
Gregory R. and Jan R. Kerber
FARM PURCHASE GUARANTEE

REQUEST	Provide 85% loan guarantee in favor of the Bank of Gibson City to finance the purchase of 122 acres of farmland. The proposed loan of $500,000 will be secured by a 1st mortgage on 122 acres of farmland. Farm Purchase Guarantee State Treasurer's Funds at Risk: $425,000 Subject to all Bank conditions: (i) No additional term debt without prior Bank/IFA approval.
BOARD ACTIONS	Final Resolution-85% Loan Guarantee Voting Record: None prior
MATERIAL CHANGES	N/A
JOB DATA	N/A Current jobs N/A New jobs projected N/A Retained jobs N/A Construction jobs projected
BORROWER'S DESCRIPTION	● Type of entity: Sole-Proprietor ● Location: Sibley/East Central, Ford County ● When was it established: 1977 ● What does the entity do: Grain farm ● Who does the entity serve: N/A ● What will new project facilitate: Refinancing Borrower's debts
Proposed Structure	Originating Bank: Bank of Gibson City ("Bank") Collateral: 122 acres Collateral Position: 1st mortgage Maturity Years: 15 Years Interest Rate: Fixed for initial 5 years (See Confidential Section)
Sources and Uses	1st Lien Bank Loan: $500,000 Land Purchase $765,000 Bank Gibson Loan: $180,000 Borrower Equity: $85,000 **Total $765,000** **Total $765,000**
Recommendation	Credit Review Committee Recommends approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 13, 2010

Project: Gregory R. and Jan R. Kerber

STATISTICS

Project Number:	A-FP-GT-8342	Amount:	$500,000
Type:	Agri-Debt Guarantee	IFA Staff:	Eric Reed
County/Region:	Ford/East Central	City:	Sibley

BOARD ACTION

Final Resolution-85% Loan Guarantee
State Treasurer's Reserve Funds at risk: $425,000

Extraordinary conditions: None
Additional covenants: None

VOTING RECORD

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

PURPOSE

Loan Proceeds will be used for the acquisition of 122 acres of farmland.

IFA PROGRAM AND CONTRIBUTION

The Authority's Agriculture Guarantee Program guarantees up to 85% of a Bank's loans to Illinois farmers and agribusiness owners. The Farm Purchase Guarantee Program is available to assist farmers in purchasing farmland. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are backed by an IFA reserve funded for this program and are also full faith and credit obligations of the State of Illinois. IFA's issuance of guarantees helps Borrower's obtain debt financing at reduced rates of interest and improved terms.

VOLUME CAP

N/A

JOBS

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Guarantee:	$425,000	Uses:	Land Purchase	$765,000
	Bank Gibson City	$255,000			
	Borrower Equity	$85,000			
	Total	**$765,000**			**$765,000**

FINANCING SUMMARY/STRUCTURE

Security:	1st real estate mortgage on 122 acres of farm land.
Structure:	15 year term with 30 year amortization
Interest Mode:	Fixed for initial 5 years
Credit Enhancement:	IFA 85% Guarantee
Maturity:	30 years
Estimated Closing Date:	May 15, 2010

PROJECT SUMMARY

Summary: Gregory and Jan Kerber operate a grain farm near Gibson City, which consists of 3,453 acres of corn and soybeans. The Kerbers have requested financing from the Bank of Gibson City to purchase 122 acres of farmland and a 5 acre homestead. The Bank of Gibson City will finance the homestead purchase on a separate loan. The homestead will provide additional storage buildings that are conveniently located for the borrower's overall operations.

Project Rationale: The Bank of Gibson City has requested an IFA guarantee for the borrower's loan request in order to provide a longer term amortization and interest rate for the Kerbers. Without the IFA guarantee, the borrower's rate would be fixed for a lesser term and would be approximately 0.50% higher.

Timing: The proposed transaction is expected to close within 30 days of approval.

BUSINESS SUMMARY

Mr. Kerber is a 53-year old farmer who has been in charge of his own farming operation as a sole proprietor since 1977. The borrowers have been able to expand the number of acres farmed over the past 5 years. The borrowers now have an opportunity to purchase a productive tract of land and homestead which they currently lease.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Co-Applicants: Gregory R. and Jan R. Kerber
533 Clover Court
Gibson City, IL 60936

Project Location: Sibley, IL

Ownership: 100% Gregory R. and Jan R. Kerber

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	N/A		
Accountant:	Pioneer FBFM	Bloomington	Brian Pulley
Originating Bank:	Bank of Gibson City	Gibson City	Dan Grieser
Bank Counsel:	N/A		
IFA Advisors:	Scott Balice Strategies, Inc.	Chicago	Lois Scott
IFA Counsel:	N/A		

LEGISLATIVE DISTRICTS

Congressional: Aaron Shock, 18th
State Senate: Dan Rutherford, 53rd
State House: Keith Sommer, 106th

BACKGROUND INFORMATION

Mr. Kerber is a 53-year old farmer who has been in charge of his own farming operation as a sole proprietor since 1977. He and his wife Jan have been customers of the Bank of Gibson City since March of 1989. The Bank states that the Kerbers are of excellent character and are efficient producers. While Greg Kerber is the key-man in charge of the operation, he also has one part-time laborer during the seasonal peaks. Greg is also involved in a machinery-labor sharing arrangement with another farmer. The combination of these efforts helps reduce his hired labor expense.

The Kerbers have increased their equity over the past several years. The borrowers have been able to expand the number of acres farmed, which has necessitated the purchase of larger machinery and equipment to maintain efficiency. In 2009 he farmed 3,453 acres which is an increase from 2005 acres in 1999 the Kerbers also expect to be at or above that level for 2010. The Kerbers have the opportunity to purchase a productive farm which they currently lease, which will allow them to now own a portion of their land base, rather than leasing.

IFA ILLINOIS FINANCE AUTHORITY

CONDUIT

April 13, 2010

$17,500,000 (not-to-exceed amount)
CONCORDIA PLACE APARTMENTS, L.P.
(CONCORDIA PLACE APARTMENTS)

REQUEST

Purpose: Proceeds will be use to: (1) current refund the remaining outstanding balance of the City of Chicago Series 2003 Revenue Bonds and IFA Series 2006 Subordinate Bonds, (2) finance capitalization of certain reserve funds required by the new Credit Enhancer (Prudential Mortgage Capital Corp., delegated underwriter and service for Freddie Mac), (3) prospectively fund renovations, and (4) pay certain expenses incurred in connection with the issuance of the Series 2010 Bonds.

Program: Affordable Rental Housing Bonds (Multifamily)

Extraordinary Conditions: None

Preliminary Estimate of Carryforward or Home Rule Volume Cap required: $3.225 Million

BOARD ACTIONS

No prior IFA Board action. This is the first time this project has been presented to the IFA Board.

MATERIAL CHANGES

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

JOB DATA

0	Current jobs	0	New jobs projected
N/A	Retained jobs	0	Construction jobs projected (12 month period)

BORROWER DESCRIPTION

Concordia Place Apartments, L.P. is an Illinois limited partnership and special purpose entity established in 2003 for the express purpose of acquiring, financing, renovating, and owning **Concordia Place Apartments** (the "Project" or the "Property") in Chicago, Illinois, an existing 297-unit affordable multifamily housing property originally constructed in 1970.

PROPOSED STRUCTURE

The Bonds will be credit enhanced with Triple-A and P-1/A-1+/F1+ rated Freddie Mac (FHLMC) credit enhancement (Moody's/S&P/Fitch). Payments will be amortized over 35 years (as approved by the credit enhancer). The final maturity date will be 10 years (2020).

The Bonds will initially sold on a 7-day Variable Rate Basis based on FHLMC's short-term P-1/A-1+/F1+ short-term ratings. Freddie Mac will require the Borrower to purchase an Interest Rate Cap at a rate of no more than 6% to limit variable interest rate risk. This Interest Rate Cap will expire in 5 years. Freddie Mac (through Prudential Mortgage Capital Co.) will require the Borrower to fund a monthly reserve from cash flows that will be sufficiently capitalized to purchase a new 5-year Interest Rate Cap after the initial 5-year Cap expires.

SOURCES AND USES

Sources		Uses	
IFA Bonds	$13,525,000	Bond Refunding Escrow	$13,525,000
IFA New Money Bonds	3,225,000	Prudential Mortgage - Third party Reports, Survey	20,100
Existing Reserves	592,935	Reserve Funds	506,870
		Freddie Mac Processing Fee	167,500
		Loan Fee	167,500
		Interest Rate Cap	250,000
		Cost of Issuance	205,625
		Legal Fees – Owner (Refinancing)	185,000
		Prospective Renovations	230,730
		IFA and Volume Cap Fees	120,625
		Deferred Developer Fee (2003 Tax Credit/Limited Partnership Agreement)	1,963,985
Total	**$17,342,935**	**Total:**	**$17,342,935**

RECOMMENDATION: Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 13, 2010

Obligor: Concordia Place Apartments, L.P. (Concordia Place Apartments Project)

STATISTICS

Project Number:	M-MH-TE-CD-8347	Amount:	$17,500,000 (not-to-exceed amount)
Type:	Affordable Rental Housing Bonds	IFA Staff:	Rich Frampton
Location:	Chicago	County/Region:	Cook/Northeast

BOARD ACTION

Preliminary Bond Resolution (New Money and Refunding)
Conduit Tax-Exempt Affordable Rental Housing Bonds — No IFA Funds contributed
Credit Review Committee Recommends approval — No extraordinary conditions

Material Changes from Previous Consideration: Not applicable. This is the first time this financing has been presented to the IFA Board for consideration.

VOTING RECORD

This is the first time this financing proposal has been presented to the IFA Board for consideration.

PURPOSE

To refinance 100% of the outstanding balance of the Project's outstanding Bonds, which are comprised of (1) City of Chicago Series 2003 Bonds (the proceeds of which financed the acquisition and substantial rehabilitation of the Concordia Place Apartments Project in Chicago, and (2) IFA Series 2006 Subordinate Bonds (the proceeds of which were used to finance additional capital improvements to the Concordia Place Apartments property).

Informational disclosure: The original Par Amount of the City of Chicago Series 2003 Bonds was $14.0 million and the original Par Amount of the IFA Series 2006 Subordinate Bonds was $800,000.

IFA CONTRIBUTION AND PROGRAM

Conduit Tax-Exempt Affordable Rental Housing Bonds. (The existing 4% Low Income Housing Tax Credits created by issuance of the $14,000,000 Series 2003 City of Chicago Multifamily Housing Bonds will remain in place and payment of Deferred Developer Fees specified in the 2003 Limited Partnership Agreement.)

VOLUME CAP

This financing will require an estimated $3.225 million of Volume Cap or Carryforward Volume Cap (preliminary, subject to change) to finance capitalized reserves required by Freddie Mac and eligible costs, including the purchase of an interest rate cap, fund a HUD Restabilization Reserve, and fund other issuance costs. The Borrower will obtain either current year Volume Cap from Home Rule Units or will negotiate to use prior year Carryforward assigned and designated by Home Rule Units for use on Multifamily and other Affordable Rental Housing Bond projects financed by IFA.

JOBS

Current employment:	8.5 FTE	Projected new jobs:	0 (Refunding)
Jobs retained:	Not applicable	Construction jobs:	0 (Refunding)

SOURCES AND USES OF FUNDS

Sources:		**Uses:**	
IFA Refunding Bonds	$13,525,000	Bond Refunding Escrow (City of Chicago Series 2003 Bonds and IFA Series 2006 Bonds)	$13,525,000
IFA New Money Bonds	3,225,000	Prudential - Third Party Reports	20,100
Existing Reserves	592,935	Reserve Funds	506,870
		Freddie Mac Processing Fee	167,500
		Loan Origination Fee	167,500
		Interest Rate Cap	250,000
		Cost of Issuance	205,625
		Legal Fees – Owner (Refinancing)	130,000
		Prospective Renovations	280,730
		IFA and Volume Cap Fees	125,625
		Deferred Developer Fee – Funded with 4% Low Income Housing Tax Credits	1,963,982
Total:	**$17,342,935**	**Total:**	**$17,342,935**

Note: The Deferred Developer Fee above ($1,963,982) represents the amount allocated but not yet paid from Surplus Cash Flows established pursuant to the Limited Partnership Agreement established between the General Partner (DRE, Inc.) and the Limited Partners (i.e., 4% Low Income Housing Tax Credit Investors) executed in connection with the original 2003 acquisition/rehabilitation financing of Concordia Place Apartments by the current owners.

FINANCING SUMMARY/STRUCTURE

Security: The Bonds will be credit enhanced by Freddie Mac (FHLMC). As a result of the FHLMC credit enhancement, the subject Bonds will be rated based on FHLMC's underlying Triple A (long-term) and P-1/A-1+/F1+ (Moody's/S&P/Fitch) short-term ratings, as applicable.

Structure: Bonds will be sold initially as 7-day Variable Rate Demand Bonds. The most recent average weekly rate was approximately 0.30% as of 3/30/2010.

Requirement to Purchase Interest Rate Cap: Freddie Mac is requiring the Borrower to purchase a five-year interest rate cap (with a strike rate of no more than 6.0%) to limit variable interest rate risk. The Borrower will be required to fund a reserve on a monthly basis from cash flows to fund the purchase of a new Interest Rate Cap upon expiration of the initial Interest Rate Cap hedge in 5 years.

Maturity: 10 years (35-year amortization per Prudential/Freddie Mac)

HAP Contract Term: The existing project-based Housing Assistance Payment ("HAP") Contract with HUD on all 297 units is scheduled to expire as of 5/15/2017. Pursuant to HUD guidelines, the Borrower cannot request renewal of a project-based HAP contract until 5/15/2016 (i.e., exactly one year prior to scheduled expiration date of the current contract). According, the Borrower anticipates requesting renewal of the project-based HAP contract for a 15- to 20-year period when they submit for renewal in 2016.

HAP Contract Restabilization Reserve Requirement: On the date that the IFA Series 2010 Bonds close, Prudential/FHLMC will require the Borrower to deposit shall deposit with Prudential Mortgage Capital (the FHLMC Lender) an amount equal to the greater of (a) an amount indicated by a Restabilization Analysis prepare by Prudential, or (b) six (6) months of debt service on the IFA Series 2010 Bonds. *This HAP Debt Service Reserve will be used to pay debt service, as needed, if the HAP Contract expires and is not renewed.*

PROJECT SUMMARY

Bond proceeds will be used by Concordia Place Apartments, L.P., to fund certain renovations, and to current refund, capitalize various reserves, purchase an interest rate cap, and pay costs of issuance to refinance the outstanding principal balance of (i) City of Chicago Series 2003 Multifamily Housing Revenue Bonds (Concordia Place Apartments Project) and (ii) Illinois Finance Authority Subordinate Series 2006 Revenue Bonds (collectively, the "Prior Bonds"). The Prior Bonds were used to finance the acquisition, substantial rehabilitation, and equipping of Concordia Place Apartments, a 274-unit, twenty-nine (29) building, 297-unit, multifamily rental property located on an approximately 20.72 acre site at 13037 South Daniel Drive, Chicago (Cook County), IL 60827-1252 (the "Project"). Concordia Place Apartments was originally constructed in 1970 and purchased and substantially rehabilitated by its current owner in 2003 (and further renovated in 2006).

Estimated new money project costs are summarized below:

Interest Rate Cap, FHLMC Reserves, Professional Fees and Costs of Issuance:	$3,225,000
Total:	**$3,225,000**

Organization: **Concordia Place Apartments, L.P. (the "Applicant")** is an Illinois limited partnership and special purpose entity established in 2003 for the express purpose of acquiring, financing, renovating, and owning the **Concordia Place Apartments** (the "**Project**" or the "**Property**") in Chicago, Illinois, an existing 297-unit affordable multifamily housing property originally constructed in 1970.

The Applicant financed the acquisition and renovation of the subject property in 2003 with $14.0 Million of Bonds issued by the City of Chicago. Additionally, the Applicant financed subsequent renovations with an $800,000 of Illinois Finance Authority Bonds issued in 2006.

The **General Partner** and 1.0% owner of the Applicant is **DRE, Inc.** ("**DRE**") of Libertyville, Illinois. **Mr. Dennis R. Egidi** is the President of DRE, Inc.

There are two Limited Partners that each own a 49.5% ownership interest in the property: (1) City LIII Tax Credit Fund I, LLC, (an affiliate of City Securities Corporation of Indianapolis, IN), and (2) National City Community Development Corporation (an affiliate of PNC Bank, Pittsburgh, PA). See Page 6 (Economic Disclosure Statement) for additional information.

Background: Concordia Place Apartments includes twenty-nine (29) wood frame buildings and contains 297 units overall. The Property was opened in 1970 and includes a mix of studio, one-, two-, and three-bedroom units. The property is located on an approximately 20.72 acre site at 13037 South Daniel Drive in Chicago. The property site is located approximately 1.2 miles west of the I-94 (Bishop Ford Freeway)/130th Street interchange in the City of Chicago's Riverdale neighborhood. [Chicago's Riverdale neighborhood is bounded by 115th Street on the north, 118th Street on the south, I-94 (Bishop Ford Freeway) on the east, and the Canadian National (formerly Illinois Central) Railroad right-of-way on the west. The Village of Riverdale is located west of Chicago's Riverdale neighborhood.]

The Applicant originally financed the acquisition and renovation of the subject property in 2003 with $14.0 million of Tax-Exempt Multifamily Housing Revenue Bonds issued by the City of Chicago (and $9.4 million of 4% Low Income Housing Tax Credit Equity). The Series 2003 City of Chicago Bonds are currently secured by a Direct Pay Letter of Credit from Harris Trust and Savings Bank and bear interest at a 7-day floating interest rate. Payments on the Series 2003 Bonds and the IFA Series 2006 Subordinate Bonds were both current as of 3/1/2010.

The property's common facilities include 294 parking spaces and an 8,984 SF clubhouse area. Recreational facilities include a basketball court and tot lot.

The Series 2003 Bonds financed a substantial rehabilitation of the property. Improvements, included: appliance replacement, A/C sleeve unit replacement, carpeting replacement, vinyl flooring replacement, wall and ceiling repair throughout, repainting throughout, balcony replacement, exterior wood siding cleaning/caulking/painting, various carpentry repairs to level 1st floor flooring supports, kitchen cabinet replacement, kitchen faucet and sink replacement, miscellaneous plumbing repairs including water and waste lines, sump pump replacements throughout, club house renovations (HVAC, Laundry Room renovations), replacement of concrete walks, stoops, and curbing, siding to be replaced with low-maintenance vinyl siding, parking lot repairs, replacement of kitchen and bathroom lighting fixtures, re-landscaping of the property with over 200 new trees, and boiler replacements in all 29 buildings.

Background on Developer and Affiliates:

DRE, Inc. ("**DRE**") is a Libertyville-based real estate investment, development, and management firm established in 1993 and specializing in the acquisition, rehabilitation, and development of multi-family residential communities in the Chicago metropolitan area. DRE, Inc. has developed thirteen projects in Illinois, Ohio, Indiana, and California totaling 3,185 units.

Mr. Dennis R. Egidi is the President of DRE and also serves as the managing general partner for 15 limited partnerships organized from 1973 to present. These partnerships include a total of sixteen projects and 1, 884 units of Section 8 Housing and Tax Credit projects completed with either DRE, Inc. as the General Partner or as the Managing Partner of The Egidi Group II.

The current property manager for Concordia Place Apartments is **Promex Midwest Corporation** ("**Promex**" or the "**Property Manager**"), of Libertyville, Illinois, which is approximately 60%-owned by Mr. Egidi, who serves as its President and Chairman. Promex currently manages commercial and multifamily housing properties in the Midwest, South Carolina, and Florida. Promex currently manages 12 affordable rental properties, both multifamily and senior, including 11 located in Illinois.

Promex's ten Illinois affordable residential rental housing projects under management include the projects listed below. These projects include a mix of multifamily and senior properties. All ten properties have been supported with tax credits and require compliance with Low Income Housing Tax Credit requirements. All projects, except for two (Meadow View Apartments and Hyde Park Apartments) were financed with Tax-Exempt Bonds:

- *Concordia Place Apartments* (*Subject*), Chicago (297 units – Section 8 Multifamily)
- *Galesburg Towers*, Waukegan (274 units – Partial Section 8; Multifamily and Seniors)
- *Liberty Towers II*, Libertyville (121 units – Section 8 Elderly)
- *Sterling Towers II,* Sterling (111 units – Section 8 Elderly)
- *Mattoon Towers II*, Mattoon (81 units – Section 8 Elderly)
- *Spring Creek Towers II*, Decatur (137 units – Section 8 Elderly)
- *Pontiac Towers,* Pontiac (111 units – Section 8 Elderly)
- *Rome Meadows Apartments,* Dix (95 units – Section 8 Elderly)
- Meadow View Apartments, Blue Island (99 units – Multifamily)

- Hyde Park Apartments, Chicago (73 units – Section 8 Elderly)

Previously, IFA and IDFA have provided Tax-Exempt Bond financing for 9 projects developed by entities affiliated with Mr. Egidi including (1) Galesburg Towers, (2) Mattoon Towers, (3) Sterling Towers, (4) Pontiac Towers, (5) Rome Meadows in Dix, (6) Cinnamon Lake Towers in Waukegan, (7) Sandwich Apartments in Sandwich, (8) Liberty Towers in Libertyville, and (9) Concordia Place Apartments in Chicago (the subject project).

Aside from the IFA Series 2009 Liberty Towers Bonds and IFA Series 2006 Concordia Place Apartments Bonds, the Cinnamon Lake Towers Bonds is the only prior IFA (IDFA) bond issue that remains outstanding (with all payments current as of 3/1/2010). The Sterling, Mattoon, Pontiac, and Sandwich projects were subsequently refinanced or sold without IFA (IDFA) involvement and were repaid in full. The IFA (IDFA) Galesburg Towers Bonds and Rome Meadows Bonds were both paid off in 2006.

Accessibility: According to the Developer, previous improvements brought the property into full compliance with ADA standards (to the extent applicable for a project originally completed in 1970).

ECONOMIC DISCLOSURE STATEMENT

Applicant: Concordia Place Apartments, L.P., an Illinois limited partnership, c/o Mr. Dennis R. Egidi, General Partner, c/o DRE, Inc., 800 S. Milwaukee Avenue, Suite 170, Libertyville (Lake County), IL 60048; Ph.: 847-816-6400; Fax: 847-816-6783; e-mail: dennis.egidi@dre-pmc.com

Project name: Concordia Place Apartments

Location: 13037 South Daniel Drive, Chicago (Cook County), IL 60827-1252

Organization: Limited Partnership

State: Illinois

Ownership of Applicant: Concordia Place Apartments, L.P., an Illinois limited partnership:

- General Partners (1.0%):
  - Mr. Dennis R. Egidi, Managing General Partner: 100%
- Limited Partner (49.5% - Tax Credit Investor): City LIII Tax Credit Fund I, LLC, an Indiana Limited Liability Company, c/o City Real Estate Advisors, Inc., its managing member (an affiliate of City Securities Corporation Corp.), 30 S. Meridian St., Suite 600, Indianapolis, IN 46204 (Contact: Brian K. McDonnell, Chief Operating Officer, 317-808-0257)
- Limited Partner (49.5% - Tax Credit Investor): National City Community Development Corporation, d/b/a National City Community Association of Illinois (an affiliate of PNC Bank, Pittsburgh, PA), One North Franklin St., Suite 600, Chicago, IL 60606 (Contact: Charles Brown: 217-753-7130; charles.brown@nationalcity.com)

Current Property Owner: Concordia Place Apartments, L.P. (acquisition by Borrower closed in 2003; concurrent with issuance of City of Chicago Series 2003 Bonds and related sale of 4% Low Income Tax Credit Equity to the Limited Partners)

PROFESSIONAL & FINANCIAL

Counsel:	Krasnow Saunders Cornblath LLP	Chicago, IL	Henry Krasnow
Accountant:	The Reznick Group, P.C.	Skokie, IL	Jeff Cunningham
Bond Counsel:	The Borrower is negotiating with several firms.		
Placement Agent:	Mesirow Financial Inc.	Chicago, IL	Bill Carney
Counsel to Placement Agent:	Drinker Biddle & Reath LLP	Chicago, IL	Chuck Katz
Credit Enhancement: FHLMC	Freddie Mac (FHLMC)	Washington, DC	
Lender/Servicer:	Prudential Mortgage Capital Co.	Atlanta, GA	Mark Eidson
Counsel to Lender/ Servicer:	To be determined		
Tax Credit Investors:	City LIII Tax Credit Fund I, LLC (an affiliate of City Securities, Corp.)	Indianapolis, IN	Brian McConnell
	National City Community Development Corporation (an affiliate of PNC Bank)	Chicago, IL	Charles Brown
Management Agent:	Promex Midwest Corporation	Libertyville, IL	Gale Loding
Appraiser:	Joseph J. Glake & Assocaites, Inc.	Chicago, IL	Dave Perry
Issuer's Counsel:	Steve Lawrence	Chicago, IL	Steve Lawrence

LEGISLATIVE DISTRICTS

Congressional:	2	Jesse L. Jackson, Jr.
State Senate:	15	James T. Meeks
State House:	29	David E. Miller

CONDUIT

April 13, 2010

$245,000,000
The Art Institute of Chicago

REQUEST	**Purpose**: Bond proceeds will be used by The Art Institute of Chicago ("AIC", the "Institute", or the "Borrower"), together with other funds of the Borrower, to refund all or a portion of AIC's outstanding IFA (IEFA) Series 1992, Series 1995, Series 1996 Bonds, Series 1998A, Series 2000A Bonds, Series 2009B-1 Bonds, and Series 2009B-2 Bonds (collectively, the "Prior Bonds) and/or converting some or all of the series of Bonds described above to another interest rate mode, and to pay costs of issuance. **Program**: 501(c)(3) Revenue Bonds **Extraordinary Conditions -** None:
BOARD ACTIONS	Final Bond Resolution. Preliminary Bond Resolution approved 3/9/2010: Ayes: 9; Nays: 0; Abstentions: 0 Absent: 5 (Barclay, DeNard, McInerney, O'Brien, Rivera); Vacancies: 1
MATERIAL CHANGES	Financing Team and structure of proposed Bonds identified.

JOB DATA

1,030 (FT) 900 (PT)	Current jobs	N/A (Refunding)	New jobs projected
N/A	Retained jobs	N/A (Refunding)	Construction jobs projected

DESCRIPTION	● Location (Chicago/Cook County/Northeast Region) ● The mission of The Art Institute of Chicago is to provide appreciation and education in visual fine arts and design. ● Tax-Exempt Bond proceeds will be used by The Art Institute of Chicago, together with other funds of the Borrower, to refund all or a portion of AIC's outstanding IFA (IEFA) Series 1992, Series 1995, Series 1996 Bonds, Series 1998A, Series 2000A Bonds, and Series 2009B-1 and Series 2009B-2 (collectively, the "Prior Bonds"), and/or converting some or all of the series of Bonds described above to another interest rate mode, and to pay costs of issuance.
CREDIT INDICATORS	● Underlying rating [anticipated at A1/A+ (Moody's/S&P) as of 3/23/2010].
PROPOSED STRUCTURE	● The Borrower currently anticipates that Bonds will be sold in two series comprised of (1) one series of non-callable Fixed Rate and (2) one series of callable Intermediate Term Bonds (i.e., callable upon collection of pledges). (Additionally, the Borrower is evaluating the sale of (3) a series of non-callable Intermediate Term Bonds.)

SOURCES AND USES

IFA Refunding Bonds	$245,000,000	Project Costs	$245,000,000
Equity	1,800,000	Issuance Costs	1,800,000
Total	**$246,800,000**	**Total**	**$246,800,000**

RECOMMENDATION Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 9, 2010

Project: The Art Institute of Chicago

STATISTICS

Project Number:	N-NP-TE-CD-8328	Amount:	$245,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Mauricio Nares
Location:	Chicago	County/ Region:	Cook/Northeast

BOARD ACTION

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

VOTING RECORD

Preliminary Bond Resolution approved March 9, 2010:

Ayes: 9; Nays: 0; Abstentions: 0
Absent: 5 (Barclay, DeNard, McInerney, O'Brien, Rivera); Vacancies: 1

PURPOSE

The IFA Series 2010 Bond proceeds will be used to enable **The Art Institute of Chicago** ("**AIC**", the **"Institute",** or the **"Borrower"**) to current refund all of its existing variable rate and certain medium term bonds and to remove credit enhancement (since the Refunding Bonds will be sold based on the Institute's underlying ratings). As a result, the Institute will be able to conform debt covenants and convert its variable rate debt to fixed rate debt, thereby eliminating variable interest rate risk going forward.

AIC contemplates refunding 100% of its outstanding principal balance on its IFA (IEFA) Series 1992, Series 1995, Series 1996, Series 1998-A, Series 2000-A Bonds, Series 2009B-1 Bonds, and Series 2009B-2 Bonds (and collectively, the "**Prior Bonds**"). The current outstanding balance of the Prior Bonds was approximately $245,000,000 as of 4/1/2010.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are municipal bonds authorized under the Internal Revenue Code that enable 501(c)(3) corporations to finance capital projects at tax-exempt municipal bond interest rates. IFA's issuance of these Bonds will convey federal tax-exempt status on the interest paid to Bondholders, thereby enabling Bondholders to accept a below market interest rate that is passed through to the Borrower.

VOLUME CAP

No Volume Cap is required for 501(c)(3) financings.

JOBS

Current employment:	1,030 (FT); 900 (PT)	Projected new jobs:	Not applicable (Refunding)
Jobs retained:	Not applicable	Construction jobs:	Not applicable (Refunding)

ESTIMATED SOURCES AND USES OF FUNDS (PRELIMINARY ESTIMATE, SUBJECT TO CHANGE)

Sources:	IFA Fixed Rate Bonds (Series 2010)	$245,000,000	Uses:	Refunding Bonds	$245,000,000
	Fundraising/Donations	1,800,000		Issuance Costs	1,800,000
	Total	**$246,800,000**		**Total**	**$246,800,000**

FINANCING SUMMARY

Structure/ Security: The IFA Series 2010 Bonds will be sold in Fixed Rate and Intermediate Rate Modes without credit enhancement based on the underlying long-term ratings of The Art Institute of Chicago (see Underlying Ratings section immediately below). Bondholders will be secured solely by a General Pledge of the Institute and will not be secured by a pledge of any real assets of the Institute, nor secured by a lien or security interest in the Institute's collection.

Underlying Ratings: The Art Institute currently has long-term ratings of A1/A+ (Moody's/S&P). The Institute will be applying for updated Issuer Ratings from both Moody's and S&P in connection with these proposed Series 2010 Fixed Rate Refunding Bonds.

Maturity: Up to 30 years (Final Maturity Dates on the existing Bonds may be extended based Bond Counsel review of the useful life of the underlying assets)

Estimated Interest Rates: The Art Institute and their financial advisor (Prager Sealy) are evaluating prospective structures, including a combination of non-callable Fixed Rate and Intermediate Term Bonds, as well as a Series of Intermediate Term Callable Bonds that would be repaid as pledges are received. Final decisions regarding structure and sizing will be made based on market conditions at the time of pricing. Preliminary estimated interest rates range between 4.30% and 5.00% based on maturity and market conditions as of 2/19/2010. (Maturities on the existing Bonds range between 2027 and 2034 – any changes in final maturity dates will be subject to additional due diligence by the Institute and their financing team.)

Underlying Ratings: As noted above under the description of the Series 2010 Bonds, The Art Institute currently has long-term ratings of A1/A+ (Moody's/S&P). Again, the Institute will be requesting updated Issuer Ratings from both Moody's and S&P in connection with these proposed Series 2010 Fixed Rate Bonds.

Timing: Estimated closing date: May 16, 2010

Rationale: The IFA Series 2010 Bonds will enable the Institute to refund and convert some or all of its variable rate debt (including both 7-Day Variable Rate Bonds and Intermediate Term Bonds) to Fixed Rate Bonds, in order to reduce variable interest rate risk in AIC's capital structure and to conform certain covenants.

PROJECT SUMMARY (for IFA Bond Resolution)

Tax-Exempt Bond proceeds will be used by The Art Institute of Chicago, together with other funds of the Borrower, to refund all or a portion of AIC's outstanding IFA (IEFA) Series 1992, Series 1995, Series 1996 Bonds, Series 1998A, Series 2000A Bonds, and Series 2009B-1 and Series 2009B-2 Bonds (collectively, the "**Prior Bonds**"), and/or converting some or all of the series of Bonds described above to another interest rate mode, and to pay costs of issuance.

- Proceeds of the original Series 1992 Bonds financed acquisition and renovation of the School's 112. S. Michigan Avenue facility as well as renovation of the Museum's Ryerson/Burnham Libraries.

- Proceeds of the original Series 1995 Bonds were used to finance renovations of the School's Columbus Drive facility, equipment acquisition, new telephone switching equipment, gallery renovations, and renovations at various other Museum and School facilities. Additionally, Series 1995 Bond Proceeds were used for construction and renovation of various Museum and School facilities on the Grant Park campus.

- Proceeds of the original Series 1996 Bonds were used to finance implementation of a Peoplesoft software system and also refinanced a Prior Series 1987 Bond Issue that was used for construction, renovation, and equipping of certain Museum and School facilities.

- Proceeds of the Series 1998A Bonds were used to financing a portion of the acquisition/renovation costs for the Institute's 7 W. Madison St., 116 S. Michigan Ave. , and 1919 W. 43 Street properties, the acquisition of art objects, financed upgrades to its Peoplesoft software and other miscellaneous Museum and School equipment purchases and facility renovations.

- Proceeds of the Series 2000A Bonds were used to finance the qualifying tax-exempt portion of the purchase and renovation of its 162 N. State Street facility, renovation of the School's 112 S. Michigan Avenue facility, a portion of costs related to a point-of-sale system for the Museum gift shop, the purchase of art objects, and several other Museum and School facility renovations.

- Proceeds of the Series 2009B-1 and Series 2009B-2 Bonds were used to finance a portion of the cost of the acquisition, construction, furnishing and equipping of the Museum's Modern Wing, as well as gallery reinstallation renovations.

- Proceeds of the Prior Bonds were also used to pay capitalized interest and to pay a portion of Bond issuance costs and related expenses.

Estimated project costs are comprised of:

Refunding Prior IFA Bonds:	$245,000,000
Total	**$245,000,000**

BUSINESS SUMMARY

Background: **The Art Institute of Chicago** ("**AIC**", the "**Institute**" or the "**Borrower**") was incorporated as an Illinois not-for-profit corporation in 1879. The Institute received its original 501(c)(3) Determination Letter from the IRS in August 1925. The Institute is governed by an independent Board of Trustees (see Page 7 for listing).

Description: The mission of The Art Institute of Chicago is to provide appreciation and education in visual fine arts and design. The Institute fulfills this mission through:

- *Museum Programs:* Its museum programs ("Museum") collect, conserve, research, publish, exhibit, and interpret an internationally significant permanent collection of objects of art and present temporary exhibitions of international importance, including loaned objects from other collections.
    - The Museum's permanent collection is comprised of approximately 260,000 works of art, including paintings, sculpture, prints, drawings, photographs, decorative arts, and textiles.
    - The Institute believes it has one of the finest collections of French Impressionism outside of Paris, one of the best collections of 19th Century prints and drawings, and a leading collection of Chinese bronzes and jades.
    - The Museum is located at 111 S. Michigan Ave. in Chicago.
- *Academic Program – School of the Art Institutes:* Its academic programs ("School") offer comprehensive undergraduate and graduate curricula through the School of the Art

Institute that prepare visual artists, teachers of art, designers, and others in areas that include written, spoken, and media formats.

- The School is a degree-granting institution that is fully accredited by the North Central Association of Colleges and Schools, and by the National Association of Schools of Art and Design.
- The Institute believes that the School is one of the most prestigious and comprehensive professional art schools in the world.
- In the Fall Term of 2009, the School had approximately 3,000 degree-seeking students. The School also offers 715 permanent beds of student housing at several nearby locations.
- As of June 30, 2008, the School had a faculty of 136 full-time tenured members, 550 part-time faculty members, and 4 visiting guest faculty.

- Operation of the Ryerson and Burnham Libraries (the "Libraries") are located in the main building of the Institute at 111 South Michigan Avenue in Chicago. These Libraries provide an important reference resource to School students, Museum Members, staff, and art scholars internationally and are among the largest art and architecture research libraries in the U.S.

A seven-year summary of Museum attendance and membership follows in the table below:

Table 1: Summary of Museum Attendance and Membership:

FYE June 30	Attendance	Membership
2003	1,339,162	108,059
2004	1,602,464	104,632
2005	1,388,207	92,711
2006	1,441,010	89,208
2007	1,330,611	86,671
2008	1,434,263	89,288
2009	1,527,369	88,810

Significantly, both attendance and membership are significantly influenced by special exhibition activity. The Museum's special exhibitions are often separately ticketed shows that generate supplemental revenues for the Institute.

The Art Institute of Chicago currently has ten (10) series of IFA Bond issues outstanding comprised of five (5) of Variable Rate Bond issues and five (5) Fixed Rate and Intermediate Term Bond issues as of 3/1/2010. All payments relating to the ten outstanding series of IFA Bonds (the "Prior Bonds") were current as of 3/1/2010.

All Bondholder payments relating to the all Prior IFA (IEFA) Bond Issues were current as of 3/1/2010.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The Art Institute of Chicago, 111 S. Michigan Ave., Chicago, IL 60603-6488
Web site:	www.artic.edu/aic
Web cam on addition:	http://www.artic.edu/aic/aboutus/newbuilding/index.html
Contact:	Eric Anyah, Senior VP for Finance, (T): 312-499-4263; (F) 312-499-4267; E-mail: eanyah@artic.edu
Project name:	IFA Revenue Refunding Bonds, Series 2010 (The Art Institute of Chicago)
Location:	111 S. Michigan Ave., 112 S. Michigan, Ave., 116 S. Michigan Ave., 7 W. Madison, and 1919 W. 43rd Street, all in Chicago (Cook County), IL
Organization:	Illinois 501(c)(3) Corporation

Board Membership: *See attached list of Board of Trustees (see Page 7).*
Current Land Owner: Legal title to the Institute's buildings in Grant Park and the land on which they are situated is vested in the Chicago Park District, but the Institute is vested with the sole and permanent right to the use and occupancy of the lands, buildings, and improvements at no cost to the Institute provided the facilities are used to support the Institute's mission.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Foley & Lardner LLP	Chicago, IL	Janet Zeigler
Borrower's Financial Advisor:	Prager Sealy & Co. LLC	New York, NY	Linda Fan
Auditor:	Deloitte & Touche LLP	Chicago, IL	Scott Hurwitz
Bond Counsel:	Orrick Herrington & Sutcliffe LLP	New York, NY	Eileen Heitzler
Series 2010A Fixed Rate Bonds (Non-Callable):			
Senior Manager:	JPMorgan Securities, Inc.	Chicago, IL	Lorrie DuPont
Co-Senior Mgr.:	Loop Capital Markets, LLC	Chicago, IL	Lerry Knox
Co-Managers:	William Blair and Company, LLC	Chicago, IL	John Peterson
	Morgan Stanley & Co., Inc.	Chicago, IL	Bill Mack
Series 2010B Intermediate Term Bonds (Callable based on pledge receipts):			
Sole Manager:	Morgan Stanley & Co., Inc.	Chicago, IL	Bill Mack
Underwriter's Counsel:	Ungaretti & Harris, LLC	Chicago, IL	Julie Seymour
Trustee:	TBD (proposals under review)		
General Contractor:	Not applicable		
Architects:	Not applicable		
Rating Agencies:	Moody's Investors Service	New York, NY	
	Standard & Poor's Ratings Services	New York, NY	
IFA Counsel:	Gonzalez Saggio & Harlan, LLP	Chicago, IL	Darryl Tom
IFA Financial Advisor:	Scott Balice Strategies	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

For: 111 S. Michigan (60603-6488), 112 S. Michigan (60603-6105), 116 S. Michigan, Chicago, IL 60603-6095:

Congressional:	7	Danny K. Davis
State Senate:	13	Kwame Raoul
State House:	26	William D. "Will" Burns

For 7 W. Madison Ave., Chicago, IL 60602-4308:

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

For 1919 W. 43rd Street, Chicago, IL 60609-3116:

Congressional:	4	Luis V. Gutierrez
State Senate:	1	Antonio "Tony" Munoz
State House:	2	Edward J. Acevedo

The Art Institute of Chicago: Board of Trustees [as of 11/19/2009]:

CONDUIT

$4,400,000
National Opinion Research Center

April 13, 2010

REQUEST	**Purpose**: The Series 2010 Bonds will be issued for the purpose of assisting in (i) financing, refinancing or reimbursing National Opinion Research Center, a Colorado not for profit corporation (the "Corporation"), for all or a portion of the costs of the acquisition, construction, renovation, improvement, upgrading, furnishing and equipping of certain of its "educational facilities" (the "Projects"), including, without limitation, the acquisition and installation of certain computer hardware and software, audio-visual equipment and telecommunication equipment and various other items of furniture and equipment for, and construction, renovations and improvements to, the Corporation's facilities, (ii) paying a portion of the interest to accrue on the Bonds, if deemed desirable by the Corporation, (iii) paying certain working capital expenditures, if deemed desirable by the Corporation, (iv) funding one or more debt service reserve funds for the Bonds, if deemed desirable by the Corporation, and (v) paying certain costs relating to the issuance of the Bonds, including costs of credit and/or liquidity enhancement of the Bonds, if deemed desirable by the Corporation, all as permitted under the Illinois Finance Authority Act (the "Act"). **Program**: 501(c)(3) Bonds **Extraordinary Conditions -** None
BOARD ACTIONS	This is the first time this project has been presented to the IFA Board. Consideration of Final Bond Resolution, April 13, 2010
JOB DATA	600 Current jobs; 27 New jobs projected 600 Retained jobs; 30 Construction jobs projected
DESCRIPTION	● Location (Chicago / Cook County / Northeast Region) ● The National Opinion Research Center ("NORC" or the "Borrower") is a 501(c)(3) organization established in 1941 and incorporated under Colorado law. NORC received its original 501(c)(3) Letter of Determination from the IRS in 1943. NORC is governed by a 15-member Board of Trustees ● NORC has pioneered studies in health, education, labor, mental health, housing, alcohol and drug abuse, and other areas of public policy interest. These studies have included program evaluation, social experiments, needs assessments, and epidemiological case control studies.
PROPOSED STRUCTURE	● The Bonds will be directly purchased by JP Morgan Chase ("the Bank" or "Chase") and held in its portfolio as an investment. ● The Bonds will be fully amortized in 5 years.
SOURCES AND USES	see table below
RECOMMENDATION	Credit Committee recommends approval.

SOURCES AND USES

Sources		Uses	
IFA Bonds	$3,900,000	Project Costs	$4,321,000
Equity	500,000	Issuance Costs	$79,000
Total	**$4,400,000**	**Total**	**$4,400,000**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 13, 2010

Project: National Opinion Research Center

STATISTICS

Project Number:	N-NP-TE-CD-8334	Amount:	$4,400,000 (not-to-exceed amount)
Type:	501(c)(3) Bonds	IFA Staff:	Rich Frampton & Mauricio Nares
County/Region:	Cook County / Northeast Region	Location:	Chicago

BOARD ACTION

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

PURPOSE

The Series 2010 Bonds will be issued for the purpose of assisting in (i) financing, refinancing or reimbursing National Opinion Research Center, a Colorado not for profit corporation (the "Corporation"), for all or a portion of the costs of the acquisition, construction, renovation, improvement, upgrading, furnishing and equipping of certain of its "educational facilities" (the "Projects"), including, without limitation, the acquisition and installation of certain computer hardware and software, audio-visual equipment and telecommunication equipment and various other items of furniture and equipment for, and construction, renovations and improvements to, the Corporation's facilities, (ii) paying a portion of the interest to accrue on the Bonds, if deemed desirable by the Corporation, (iii) paying certain working capital expenditures, if deemed desirable by the Corporation, (iv) funding one or more debt service reserve funds for the Bonds, if deemed desirable by the Corporation, and (v) paying certain costs relating to the issuance of the Bonds, including costs of credit and/or liquidity enhancement of the Bonds, if deemed desirable by the Corporation, all as permitted under the Illinois Finance Authority Act (the "Act").

IFA CONTRIBUTION

501(c)(3) Bonds are municipal Bonds authorized under the Internal Revenue Code that enable 501(c)(3) corporations to finance capital projects at tax-exempt Municipal Bond interest rates. IFA's issuance of these Bonds will convey Federal tax-exempt status on the interest paid to Bondholders, thereby enabling Bondholders to accept a below market interest rate that is passed through to the Borrower.

VOTING RECORD

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

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$3,900,000	Uses:	Project Cost	$4,321,000
	Equity	500,000		Costs of Issuance	79,000
	Total	**$4,400,000**		**Total**	**$4,400,000**

JOBS

*Current employment:	600 FTE	*Projected new jobs:	27 FTE
Jobs retained:	Upgrades will retain existing jobs.	Construction jobs:	30

*In addition to its regular full time employees, NORC employs intermittent employee's based on biannual contract demand. As of 3/15/2010, NORC had 1,300 intermittent employees. NORC has increased its regular full time employment by 100 since its last IFA Bond Resolution in February, 2007 and anticipates similar growth in the future.

BUSINESS SUMMARY

Background: The National Opinion Research Center ("NORC" or the "Borrower") is a 501(c)(3) organization established in 1941 and incorporated under Colorado law. NORC received its original 501(c)(3) Letter of Determination from the IRS in 1943. NORC is governed by a 15-member Board of Trustees (see Page 5).

Description: Since its 1941 inception, The National Opinion Research Center has served a unique role among survey research organizations. NORC's mission has been to pursue objective social science and business research that serves the public interest. NORC's early survey work provided the first rigorous empirical standard for analyzing opinion on public policy matters through the application of advanced statistical and analytical techniques. Throughout its history, NORC has been a recognized innovator in improving the speed and accuracy of survey results through the application of computer and information technology.

NORC has pioneered studies in health, education, labor, mental health, housing, alcohol and substance abuse, and other areas of public policy interest. These studies have included program evaluation, social experiments, needs assessments, and epidemiological case control studies. Additionally, NORC has monitored the attitudes and behavior of the U.S. population. NORC serves an array of clients including government agencies, educational institutions, foundations, and private corporations. Examples include: AC Nielsen, the American Medical Association, Columbia University, Harvard University, the Illinois Departments of Employment Security and Human Services, the National Bureau of Economic Research, and the National Science Foundation.

NORC is organized to provide research in five major specialty areas: (1) Economics, Labor, and Population, (2) Education and Child Development, (3) Health Survey, Program, and Policy Research, (4) Information Technology, (5) Statistics and Methodology, and (6) Substance Abuse, Mental Health, and Criminal Justice.

NORC policy studies have included such topics as:

- What school children have learned by the time they finish 8th grade
- How Americans pay for health care
- The advantages and disadvantages for young children with working mothers
- Whether drug treatment programs work
- How Americans cope with the problems of aging

NORC has been affiliated with the University of Chicago for over 50 years and both institutions have benefited from collaborative research design including direct collaboration with: (1) the University's School of Social Service Administration, (2) the Joint Center for Policy Research, the University of Chicago Hospitals, (3) the Irving B. Harris Graduate School of Public Policy Studies, and (4) the School of Medicine.

NORC conduct its surveys and research studies throughout the United States and operates facilities located in (1) the Chicago Loop [at 55 E. Monroe Street and 1 North State Street], (2) 1155 E. 60th Street, Chicago, on the University of Chicago campus, and (3) Washington, DC. NORC currently maintains approximately 165 client relationships.

The proposed project would represent IFA's (IDFA's) third financing for NORC.

FINANCING SUMMARY

Structure	The Bond will be directly purchased by JP Morgan Chase N.A. ("the Bank" or "Chase") and held in its portfolio as an investment.
Security:	The Bond will be a Senior Parity Obligation of the Borrower and will be secured on a Senior Parity basis with other general revenue debt issued by the Borrower under its Bond Indenture(s), both present and future. The obligations of the Borrower under the Bond will be evidenced by a promissory note of the Borrower. The Bond will be secured by a Blanket Lien on all assets and specifically reported under the existing borrowing base report. This Facility will be cross-defaulted to the existing Bank Facilities.
Term/ Interest Rate:	To be determined (anticipated interest rate range of 3.50% to 4.00%)
Maturity:	The Bonds will be fully amortized in 5 years.
Est. Closing	Late May to mid-June 2010

PROJECT SUMMARY

Proceeds of the Bonds will be used to fund improvements to NORC's general computing and communications environment and build out, equip and furnish approximately 9000 square feet of leased space at 55 East Monroe Street in Chicago (the "Project"); and to fund certain costs of issuance of the Bonds.

ECONOMIC DISCLOSURE STATEMENT

Applicant	National Opinion Research Center, 55 E. Monroe Street, Suite 1840, Chicago, IL 60603-5713
Web site:	www.norc.org
Contact:	Jim Dunne, Executive VP and Chief Administrative Officer, (T) 312-759-4022; e-mail: dunne-jim@norc.org
Project name:	National Opinion Research Center Series 2010 Revenue Bonds
Locations:	55 E. Monroe Street, Suite 3000, Chicago, IL 60603-5713
Organization:	Colorado 501(c)(3) Corporation
Board Membership:	See Board of Trustees on Page 5.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Stevens Law Office	Chicago, IL	Tom Stevens
Accountant:	Grant Thornton, LLP	Chicago, IL	
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke
Bank:	Chase Bank	Chicago, IL	Elizabeth May
IFA Counsel:	Ice Miller LLP	Chicago, IL	Jim Snyder
IFA Financial Advisor:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

	55 E. Monroe Street
Congressional:	7 Danny K. Davis
State Senate:	13 Kwame Raoul
State House:	26 Will Burns

National Opinion Research Center Board of Trustees

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

To: IFA Board of Directors

From: Jim Senica

Date: April 13, 2010

RE: Request for Loan Modification and 90-day Extension of Commitment for Brett & Christine Zehr Participation Loan
Loan Number: B-LL-TX-8258

The Brett & Christine Zehr Participation Loan request is being presented for consideration as the result of an increase in the Bank Loan amount by $14,000 -- from $300,000 to $314,000 and to retroactively extend the IFA Participation Loan Agreement by 90 Days to June 30, 2010.

Although IFA's $300,000 Participation Loan amount will not change, IFA and 1st Security Bank will continue to share in $1,275,000 of collateral (as-completed appraised value). This Loan was originally approved at the September 9, 2009 IFA Board meeting.

The project entailed rebuilding the Village of Mackinaw's only grocery store – a store that had been destroyed by fire in September 2008.

As originally presented, the new building was being constructed and equipped at a total cost of $2,625,840 from the following sources:

Insurance Proceeds	$1,875,840
1st Security Bank Loan	300,000
IFA Participation Loan	300,000
Village of Mackinaw RLF (Subordinated to IFA)	150,000
Total Project Development Cost	**$2,625,840**

In completing the construction of the new store, additional costs of $14,000 were incurred, increasing the IFA/Bank Loan from an original $600,000 to $614,000. The Bank has requested that IFA's participation remain at the $300,000 level originally approved.

Although exposure to the combined IFA/Bank Participation will increase slightly by $14,000, the effect on IFA's Loan coverage is negligible because the collateral coverage on this Loan is much stronger than what is customarily seen in IFA's Participation Loan program.

As indicated in the table presented below, using the actual "As-If-Completed" Appraised Value of $1,275,000 (performed by Certified Appraiser Brad Glassey) were discounted to 70%, IFA's collateral coverage is 1.45x. Furthermore, if the estimated appraised value were discounted to 60% of the $1,275,000 Appraised Value to (i.e. $765,000) the IFA/Bank collateral coverage would still be approximately 1.25x (IFA's collateralization standard on real estate discounted to 80% of appraised value).

Also, the increase in the aggregate IFA/Bank Loans does not change Collateral Coverage materially, as noted below. Again, the construction cost was $2,625,840, which included approximately $1,875,840 of equity.

Discount Rate on As-if-Completed Appraisal	**80%**	**70%**	**60%**
Discount Applied to $1,275,000 Appraised Value:	$1,020,000	$892,500	$765,000
Collateral Coverage of $614,000 IFA/Bank Loans	**1.66x**	**1.45x**	**1.25x**
Collateral Coverage on original $600,000 IFA/Bank Loans	1.70x	1.49x	1.28x

In its evaluation of this loan, 1st Security Bank discounted the As-If-Completed Appraised Value to $1,000,000 and added $153,800 for the equipment (20% of the original equipment purchase price), thereby estimating the combined collateral value at $1,153,800, thereby resulting in collateral coverage on the combined IFA/Bank Participation Loan of 1.88x.

Because construction and equipping of this new $2.6 Million facility was financed with over $1.875 Million of equity (attributable to insurance proceeds), the collateral coverage on this IFA/Bank Participation Loan is very strong, well exceeding IFA's Participation Loan collateralization standards.

It is important to note that the As-If-Completed Appraisal of $1,275,000 was heavily discounted by the appraiser to reflect the commercial building's location in the small community of Mackinaw. If the building were located in a larger community, the appraised value would more closely parallel the actually cost of construction.

Operationally, 1st Security Bank has reported that the new Mackinaw store is doing well. Prior to the fire, the store had been consistently profitable. It is important to note that the Zehr's also own another IGA store in Minier, Illinois, 9 miles south of Mackinaw.

The IFA Credit Review Committee recommends approval of (1) the $14,000 increase in the First Security Bank Loan and (2) a 90-day extension in the IFA Participation Loan Commitment to June 30, 2010 (from March 31, 2010).

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

TO: IFA Board of Directors

FROM: Jim Senica

DATE: April 13, 2010

RE: Resolution to approve and authorize an amendment to the Loan Agreement and related covenants between US Bank and Ill-MO Products Company

IFA (IDFA) Series 1999 Industrial Revenue Bonds
IFA File Number: 2197-IRB

Request:

Ill-Mo Products Company ("the **Borrower**") is requesting approval of a Resolution amending the Loan Agreement, including the following loan covenants between the **Borrower** and U.S. Bank (the "**Lender" and "Direct Bond Purchaser**"):

1. Deletion of Section 6.3 of the Loan Agreement, a negative covenant that had limited the **Borrower's** aggregate annual capital expenditures to a specified dollar amount without obtaining bank consent.
2. Amendment of Section 6.9(c) of the Loan Agreement by amending the existing Current Ratio requirement.

Background:

The Illinois Development Finance Authority (predecessor to the Illinois Finance Authority) issued $3,450,000 of Industrial Revenue Bonds in June 1999 on behalf of Ill-Mo Products Co.

Bond proceeds were used to acquire land, construct and equip a new building in Jacksonville, and to pay bond issuance costs. All payments on the IFA Series 1999 Bonds to US Bank are current.

Because these Bonds are held in their entirety by US Bank (as both Lender and Bond Purchaser), the IFA Credit Review Committee recommends approval of the Resolution.

PROFESSIONAL AND FINANCIAL:

Lender/ Bond Purchaser:	US Bank	Jacksonville	
Bond Counsel:	Hart, Southworth & Witsman	Springfield	Sam Witsman

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

TO: IFA Board of Directors

FROM: Pamela Lenane

DATE: April 13, 2010

RE: Resolution authorizing the release of the Illinois Finance Authority's interest in certain personal and real property located in Will County, Illinois
(Union Oil Company of California/PDVMR Project)

Staff recommends the adoption of a resolution authorizing the release of the Authority's interest in certain personal and real property located in Will County in the State of Illinois related to the issuance of $22,100,000 Illinois Industrial Pollution Control Financing Authority Pollution Control Revenue Bonds, Series 1975 (the "Bonds"), originally issued in order to finance the acquisition and installation of certain pollution control equipment on behalf of Union Oil Company of California in Will County, Illinois.

The Illinois Finance Authority is a successor in interest to the Illinois Industrial Pollution Control Financing Authority. The Illinois Industrial Pollution Control Financing Authority was created under the Illinois Industrial Pollution Control Financing Act (Illinois Revised Statutes 1973 chapter 125, Sec. 721 et seq.), an act predecessor and substantively similar to the current Illinois Environmental Facilities Financing Act (20 ILCS 3515/1 et seq.) ("IEFF Act"). The Illinois Environmental Facilities Financing Authority succeeded to the interests of the Illinois Industrial Pollution Control Financing Authority by act of the General Assembly on September 3, 1977 (P.A. 80-457), and the Illinois Environmental Facilities Financing Authority was merged into the Illinois Development Finance Authority by amendments made to the IEFFA Act on September 23, 1983 (P.A. 83-669). Finally, the Illinois Finance Authority succeeded to the interests of the Illinois Development Finance Authority by amendments made to the IEFFA Act effective January 1, 2004.

PDV Midwest Refining, LLC ("PDVMR") is the successor in interest to Union Oil Company of California ("Union"), the original obligor under the Bonds and a party to that certain Installment Sale Agreement, dated November 1, 2005, by and between Union and the Illinois Industrial Pollution Control Financing Authority (the "Sale Agreement"); analogous to the loan agreement currently used in IFA's typical bond issues. At the time of the original transaction, due to the provisions of the statutes regarding the issuance of conduit bonds, proceeds from the sale of bonds were used by the issuer to purchase the land or equipment to be financed; rather than loaned to the bond obligor and used by the bond obligor to purchase the financed property. The payments made by the purchaser/borrower under the typical sale agreement were applied to the purchase of the financed property from the issuer. At final payment of the bond, the property transferred from the issuer to the purchaser/bond obligor.

Rights and interests of the Illinois Industrial Pollution Control Financing Authority under the Sale Agreement were assigned at the time of the issuance of the Bonds to Northern Trust Bank, as Trustee (the "Trustee") under an Indenture between the Illinois Industrial Pollution Control Financing Authority and Northern Trust. This is a similar arrangement to the assignment of the issuer's rights under a loan agreement in conduit bond issues today.

Section 5.1 of the Sale Agreement provides that title to the defined Project be transferred to Union upon the final payment of the Bonds. Staff has made inquiries of the Trustee to ascertain that there are no longer any Bonds outstanding and that they were indeed paid when due, at dates on or before November, 2005.

The resolution proposed for adoption at this meeting provides for the execution by the Executive Director of the IFA of the documents necessary, including without limitation a quit claim deed or other release, to create title to the Project that is clear of encumbrances by the Illinois Industrial Pollution Control Financing Authority or its successor, IFA.

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

To: IFA Board of Directors

From: Steve Trout

Date: April 13, 2009

RE: Amendatory Resolution Authorizing a Change in Bond Purchaser and an Extension in the Amortization Schedule Associated with IFA Series 2005 Industrial Revenue Bonds (Ockerlund Industries Project)

The Request: Ockerlund Industries has asked the Illinois Finance Authority("IFA") to approve a resolution amending the Bonds referenced above to permit:

1. First Bank and Trust of Evanston to purchase the Bonds at the end of the Bond's initial five-year term (June, 2010).
2. A 10 year extension of the amortization schedule from 2030 to 2040.

Background: Ockerlund Industries is a job contractor that manufactures custom wood and corrugated shipping and storage containers for manufacturers, distributors and shippers. The IFA issued $4,000,000 of Industrial Development Bonds to finance the acquisition, renovation and equipping of an industrial building in Addison that Ockerlund uses as a manufacturing facility.

American Chartered Bank purchased the Bonds for the initial 5-year term that expires in June 2010. First Bank and Trust of Evanston has agreed to purchase the Bonds for a second 5-year term and also to agree to a 10-year extension of the principal amortization schedule.

Re-Issuance: Ockerlund plans to accomplish the change in bond purchaser and the extension of the amortization schedule through a re-issuance triggered by the extension of the average weighted maturity. The finance team is currently reviewing drafts of the documents required to authorize these changes. A TEFRA Hearing was held on April 9, 2010.

A copy of the Amendatory Resolution drafted by Matt Lewin of Greeberg Traurig, is attached (forthcoming).

IFA RESOLUTION NO. 2010-04-10

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENT TO INDENTURE OF TRUST RELATING TO THE INDUSTRIAL DEVELOPMENT REVENUE BONDS (OCKERLUND INDUSTRIES, INC. PROJECT) SERIES 2005 OF THE ILLINOIS FINANCE AUTHORITY PROVIDING FOR THE EXTENSION OF MATURITY OF THE BONDS AND RELATED AMENDMENTS; AND RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a political subdivision and 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**"), has previously issued its $3,600,000 initial aggregate principal amount Industrial Development Revenue Bonds (Ockerlund Industries, Inc. Project) Series 2005 (the "**Bonds**"); and

WHEREAS, in furtherance of the issuance of the Bonds, the Authority entered into an Indenture of Trust dated as of _______ 1, 2005 (the "**Indenture**") with __________, as Trustee (the "**Existing Trustee**"), and a Loan Agreement dated as of ____ 1, 2005 (the "**Loan Agreement**") with Ockerlund Industries, Inc., an Illinois corporation ("**Industries**"), and Ockerlund Holdings, LLC, an Illinois limited liability company ("**Holdings**" and, collectively with Industries, the "**Borrower**"), pursuant to which the proceeds of the Bonds were lent by the Authority to the Borrower to finance a portion of the costs of the acquisition, construction and equipping of a manufacturing facility of the Borrower in Addison, Illinois and to finance a portion of certain cost of issuing the Bonds; and

WHEREAS, the parties desire to amend the Indenture and, as necessary, the Loan Agreement, to extend the maturity of the Bonds in connection with the purchase of the Bonds by First Bank & Trust of Evanston (the "**Purchaser**") at the conclusion of the initial five-year interest period under the Indenture; and

WHEREAS, the parties propose to enter into a Supplement to Indenture of Trust (the "**Indenture Supplement**") between the Authority and a Trustee (which may be the Existing Trustee, the Purchaser or any other trustee designated by the Borrower) (the "**Trustee**"), to extend the maturity of the Bonds and to make related amendments not inconsistent with the provisions of this Resolution; and

WHEREAS, it is necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of (i) the Indenture Supplement, (ii) as the parties may deem necessary, an amendment to the Loan Agreement (a "**Loan Agreement Amendment**"), (iii) a Supplemental Tax Exemption Certificate and Agreement among the Authority, the Borrower and the Trustee (the "**Supplemental Tax Agreement**") in connection with the deemed reissuance of the Bonds as a result of the amendments, and (iv) the revised Bonds in substantially the form set forth in the Indenture Supplement (the "**Revised Bonds**"); and

WHEREAS, the Indenture Supplement, any Loan Agreement Amendment and the Supplemental Tax Agreement are referred to collectively herein as the "**Authority Documents**."

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

Section 1. That all of the recitals contained in the preambles to this Resolution are full, true and correct, and are hereby incorporated into this Resolution by this reference.

Section 2. That, pursuant to the Act, the modification of the terms of the financing of the manufacturing facilities financed with the proceeds of the Bonds in accordance with the terms of the Indenture Supplement are hereby approved and authorized, and such modifications are in furtherance of the Authority's public purposes.

Section 3. That the Authority is hereby authorized to enter into the Authority Documents with the other party or parties thereto; that the Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to (as may be required) attest and to affix the official seal of the Authority to, the Authority Documents in the name, for and on behalf of the Authority, and thereupon to cause the Authority Documents to be delivered to the other party or parties thereto in forms consistent with this Resolution, his or her execution thereof to constitute conclusive evidence of such approval of such Authority Documents; that when the Authority Documents are executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such Authority Documents shall be binding on the Authority; that from and after the execution and delivery of the Authority Documents, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Authority Documents as executed; and that the Authority Documents shall constitute, and hereby are made, a part of this Resolution, and a copy of the Authority Documents shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 4. That the Revised Bonds shall be amended to mature no later than ______, 2040 and with such other amendments as the parties shall deem necessary and desirable; that the form of the Revised Bonds as so amended is hereby approved; that the Revised Bonds shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of the Chairman, the Vice Chairman, the Treasurer or the Executive Director and attested with the manual or facsimile signature of the Secretary or any Assistant Secretary and the official seal of the Authority shall be impressed or imprinted thereon; that the Authority deems it proper to delegate to the Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority the power to approve any and all changes to the Revised Bonds as the Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority shall, on behalf of the

Authority, determine, subject to the terms of the Revised Bonds contained in the Indenture Supplement; that any such determinations shall be conclusive, shall be evidenced by the execution and delivery by the Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority of the Revised Bonds, and shall be authorized by this Resolution; that the Revised Bonds, as executed, shall be binding on the Authority; that the Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority or the Secretary or any Assistant Secretary of the Authority shall cause the Revised Bonds, as so executed and attested, to be delivered to the Trustee for authentication; that when the Revised Bonds shall be executed on behalf of the Authority in the manner and containing the terms contemplated by the Indenture Supplement and this Resolution in an aggregate principal amount not to exceed the amount of Bonds outstanding on the date of such execution, they shall represent the approved form of Revised Bonds of the Authority.

Section 5. That the Chairman, the Vice Chairman, the Treasurer, the Executive Director, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized to execute and deliver such documents, certificates, and undertakings of the Authority and to take such other actions as may be required in connection with the execution, delivery and performance of the Authority Documents and the Revised Bonds authorized by this Resolution, including without limitation, the signing of IRS Form 8038 and the filing thereof with the Internal Revenue Service if required by Bond Counsel.

Section 6. That all acts of the officers, employees and agents of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, be, and the same hereby are, in all respects, ratified, confirmed and approved.

Section 7. That any references in this Resolution to the "Executive Director" shall be deemed also to refer to the "Authorized Officers" to whom the delegation of the authority of the Executive Director was authorized and approved pursuant to, and in accordance with the terms of, Section 2 of Resolution Number 2009-06-17 adopted by the Authority on June 9, 2009.

Section 8. The Authority hereby elects to have the provisions of Section 144(a)(4) of the Code apply to the Bonds.

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

Section 10. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

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

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Passed and approved this 13th day of April, 2010.

Attest: ILLINOIS FINANCE AUTHORITY

[SEAL]

By ______________________________
Chairman

By ______________________________
Secretary

ILLINOIS FINANCE AUTHORITY

Energy Efficiency Initiative

Program Guidelines
April 13, 2010

Adopted by Resolution of the Board of the Illinois Finance Authority at the 11:30 a.m. Board Meeting on April 13, 2010
Members present and voting for:
Members present and voting against:
Members absent:

FINANCIAL ASSISTANCE FOR ENERGY EFFICIENCY PROJECTS

EXECUTIVE SUMMARY

I. ELIGIBLE PROJECTS

II. RISK ASSET ACCEPTANCE CRITERIA

III. PROJECT APPROVAL PROCESS AND REQUIREMENTS

IV. ASSET GUARANTEE AND APPLICATION PRICING

V. PORTFOLIO MANAGEMENT, TRANSACTION MONITORING, AND REPORTING REQUIREMENTS

EXECUTIVE SUMMARY

Pursuant to Public Act 96-103 (20 ILCS 3501/825-65; 20 ILCS 3501/825-70; 20 ILCS 3501/825-75), the IFA is authorized to provide up to $3 billion in "Additional Security" (moral obligation) loan guarantees or bonds to help facilitate the development of Clean Coal, Coal and Renewable Energy projects in Illinois. In November, 2009, this authorization was expanded pursuant to Public Act 96—0817 (20 ILCS 605/605-1) to provide this "Additional Security" (moral obligation) support for energy efficiency ("EE") projects throughout the State of Illinois.

Eligible EE projects would include components of **new construction projects**, as well as the **retrofit of existing structures**, which result in **quantifiable and verifiable reductions in energy usage.** These Program Guidelines will be applicable to the commercial, industrial, municipal and other not for profit sectors. Future Program Guidelines and financing structures will be developed specifically for the residential sector (multifamily and single family).

Although reducing default risk is a priority of all IFA financings, risk management is especially important for transactions employing Illinois "Additional Security" (moral obligation) or Illinois State Guarantee assistance. To appropriately manage the default risk, the IFA plans to engage in a rigorous review of all proposed EE projects, together with a rigorous review of the sponsoring organization's business and finance plans before approving and issuing such guarantees. EE projects that will not require an allocation of this "Additional Security" (moral obligation) support, but will instead be financed through the IFA solely on a conduit basis, will follow the IFA's established protocols for conduit issuance reviews.

This document details the credit underwriting criteria, due diligence standards and credit origination and risk management process the IFA staff will follow to manage this "Additional Security" (moral obligation) program, as applied to the EE sector.

Specifically, the document memorializes the board approval for the following items -

i. Eligible Projects;
ii. Risk Asset Acceptance Criteria;
iii. Project Approval Process and Requirements;
iv. Asset guarantee and application pricing; and
v. Portfolio management, transaction monitoring and reporting requirements.

I. ELIGIBLE PROJECTS

SB 390, the legislation that authorized the inclusion of EE projects within the scope of this "Additional Security" (moral obligation) support, defines an EE Project as follows:

Energy Efficiency Project means measures that reduce the amount of electricity or natural gas required to achieve a given end use, consistent with Section 1-10 of the Illinois Power Agency Act.

A final determination of whether a project will qualify for this program will generally need to be made on a case by case basis, with IFA consultation with an independent engineer. However, based upon the definition provided in this legislation, a sample of projects that will likely be eligible to access this "Additional Security" (moral obligation) support is provided below. As mentioned above, projects can qualify for this credit support for both new construction and retrofit projects of existing structures.

It is important to note that before any allocation is made of this "Additional Security" (moral obligation) support for any project, each borrower will be required to certify that they have received or applied for all other financial incentives available to them, including grants and tax credits, for the use of this EE item or project, from any source whatsoever, including: Federal, State, utility or other such financial incentive providers, prior to or in conjunction with applying to the IFA for this credit enhancement. All project cost analyses submitted to IFA for financing consideration must reference the status and incorporation of all available financial incentives from any of the above referenced sources.

A sample of the types of EE projects that would likely qualify for financing within this program would include the following:

Energy efficient lighting, including compact fluorescent light bulbs ("CFLs")
Insulation for foundation, sidewalls and roof
Energy efficient windows
High efficiency furnace or central-air units
Programmable thermostats
High efficiency appliances
High efficiency water heaters
Air storage/dryers
Efficient compressors
Energy Management Systems
Energy efficient HVAC equipment with variable speed drives, motors and sensors
Efficient boilers and refrigeration equipment
Chilled water pumping systems
Occupancy sensors to control lights and room temperatures
Energy efficient LED fixtures and exit signs

As discussed further below, as part of any application for this program, each borrower will be required to provide a detailed quantification of the energy savings, certified by an independent engineer acceptable to the IFA, which quantifies the energy savings from each item the State is asked to provide credit support to finance. This independent engineering certification supplied by the Borrower to the IFA will be reviewed by the IFA's Independent Engineering Consultant, as appropriate, and as described further below.

IFA has set a minimum borrowing size of $200,000 for participation in this specific funding program at this time, given the costs for outside consultants associated with the review of these projects. This minimum size is subject to change in the future.

Other types of projects that may qualify as EE projects would include: small wind projects, solar projects, and geothermal projects that may not fit other IFA renewable energy generation financing structures. Further clarifications of eligible projects may also be made once the US DOE receives legislative approval to provide their loan guarantees for EE Projects and the DOE publishes its EE project eligibility criteria.

II. RISK ASSET ACCEPTANCE CRITERIA (RAAC)

The general EE Project RAAC is outlined below for transactions to qualify for credit support through an "Additional Security" (moral obligation) guarantee or bond. As appropriate, the IFA will develop specific credit criteria for individual EE market segments that will supersede the general EE Project RAAC. As mentioned previously, this general EE Project RAAC will be applicable for new construction and the retrofit of existing structures for all market sectors, including: commercial, industrial, municipal and other not-for-profit owned structures, but excluding the residential sector (multifamily and single family) for which separate Program Guidelines will be developed in the future.

Part of these guidelines focus on guaranteeing the savings stream on energy efficiency projects. This is important, as the State of Illinois is backing these borrowings with a moral obligation pledge, which puts State funds at risk.

Some of the larger Energy Service Providers may guarantee estimated energy savings to the borrowers through some form of acceptable security. Guarantees that are found acceptable to the IFA from a credit and structuring perspective will then be pledged by the borrowers to the IFA and their cost will be included in the total project cost. From the State's perspective, this may be acceptable as it reduces the risk to the State.

An alternative structure would be for the projected savings to be guaranteed by a "warranty" provided by an insurance policy. In this warranty model, the insurance companies will insure projects that use qualified contractors, have estimated payback terms of seven years or less and that will use periodic audits to reconcile actual savings to estimated savings. The warranty policies will be owned by the borrowers and their cost will be included in the total project cost. These policies will be pledged to the IFA. From IFA's perspective, these policies also reduce the State's financial exposure by providing a mechanism that ensures available cash flow to repay borrowings which may be less expensive from a cost structure perspective than the guarantee model.

GENERAL EE PROJECT RAAC

Comply with Act 096-0817	The project fully complies with all legal requirements included in the $3.0 billion in bond or debt guarantee program.
Borrower:	Standard background and due diligence checks, acceptable to the IFA for each Borrower. Extensive credit review of Borrower's business and finance plans, as appropriate. No start up or venture capital risk is provided credit support at this time.
Term	This financing program will require full repayment on EE related debt within a term of 7 years. Financings that require a payback term beyond 7 years due to specific technology enhancements being utilized will be reviewed by IFA on a transaction-by-transaction basis.
Structure	This moral obligation support can be used to support taxable or tax-exempt financing, for either private sector loans provided to the Borrower or bonds issued by the IFA on behalf of the Borrower.
Funding Source	IFA must qualify and approve any Lenders participating in this program.
Technology Risk:	For commercially available technology - proven technology, in use in the general market, with <u>quantifiable and verifiable</u> energy savings resulting from the use of the technology. For innovative technology, smaller scale project testing and IET review and approval of the technology is required. Independent engineering studies and/or other third party support for feasibility are required.

Predictable source of debt repayment:	Quantifiable and verifiable energy cost savings generated to the Borrower from the use of the EE products will be required to participate in this program. These energy savings may be the source of funds used to repay the debt within the estimated useful life of the EE products, or the source may be from other revenue pledges from the Borrower acceptable to the IFA. No refinancing risk will be accepted at this time.
Cash Equity Requirement:	Up to 100% financing may be available, net of any cash grants/tax rebates that may be available from any source including: Federal, State, utilities or any other grant provider.
Debt Service Coverage Requirement:	Minimum 1.05x for each year of the forecast period. Debt service is defined as (verifiable energy savings or other revenue stream acceptable to the IFA) / (principal and interest for this energy efficiency project). In addition, IFA will require a minimum 1.05X DSCR for all borrower debt.
Third Party Guarantor of Savings:	Applicants seeking IFA funds will be required to provide a guarantee of projected energy savings. The guarantee can be in the form of acceptable security provided by an Energy Service Provider or a warranty insurance product, either of which insures adequate revenues to repay IFA borrowings according to the borrowing terms.
Acceptable project due diligence:	Due diligence to include, but not be limited to, the following: 1. Engineering studies or reports, if necessary, reviewed and acceptable to the Illinois Energy Team ("IET"), and/or the IFA's Independent Engineering Consultant, as appropriate. 2. Sponsor's business model and payback estimates reviewed and verified by a third party financial advisor or accounting firm, acceptable to the IFA 3. Any other due diligence deemed appropriate by IET and/or IFA.
Additional Security	Second mortgage on building, or other acceptable additional security, may be required.
Legal documentation:	Standard legal documentation, prepared or reviewed by approved IFA counsel, to include security interest acceptable to the IFA.
Acceptable Contractors and other Participants	IFA will use the criteria provide in Appendix B and an RFP process to pre-qualify contractors and Energy Service Provider's for EE Projects within specific regions of the State of Illinois. An RFP process will also be used to procure the services of an Independent Engineer, underwriters and attorneys for this financing program.

Mitigating factors for the aforementioned credit criteria include personal guarantees with identifiable unencumbered assets, secondary sources of repayment or acceptable third party corporate guarantee, and other factors will be considered, all subject to final board approval.

No modifications of the RAAC are permitted without subsequent IFA board approval.

III. STAFF AND BOARD APPROVAL PROCESS:

There will be six major phases to this transaction review process:

Phase I – Initial Discussion with Applicants

A prospective applicant must provide to the IFA general project information, such as background on the Borrower and developer, the technology, details of the specific project and its EE component, overall financial projections for the project and energy savings directly related to the EE component of the project – confirmed by an independent engineer, as well as the estimated payback timeline. All transactions will be reviewed extensively for project economics, project readiness, regulatory process, capitalization, technology feasibility and the project team qualifications, to meet the initial hurdles for consideration. Projects that meet the minimum qualifications outlined above will be allowed to proceed through the credit process. If a project does not meet the minimum criteria established above, IFA staff will, to the extent reasonable, inform the applicant what steps they must take in order to continue discussions with the IFA for the financing of their project. Applicants will have the ability to resubmit their applications once deficiencies are cured.

Phase II - Approval to proceed (green light) from IFA Credit Review Committee and/or IFA Energy Credit Committee

If a project does meet the minimum requirements outlined above, a short summary of the project will be presented to the general IFA Credit Review Committee to seek their approval to proceed. In some instances the assistance of the IFA Energy Credit Committee ("ECC") will also be required. The ECC will be composed of members of the Board Energy Committee, representatives from IL EPA, representatives from GOMB and representatives from DCEO. Once a project receives an approval to proceed, the developer will be permitted to apply to the IFA for bond and/or loan guarantees. The ECC may recommend that a project seek preliminary approval from the Board Energy Committee or even the full IFA Board. In addition, the ECC may recommend that a member of the IET complete a full technical and/or environmental review of the project.

If an applicant is notified that the project will not be subject to further consideration in the review process at this time, IFA will, to the extent reasonable, provide the developer the basis of this decision and suggested actions the Applicant can take to cure the deficiencies. Any Applicant whose proposal is denied further review at this stage will not be barred from re-submitting an updated or revised project proposal. Information and review status on projects being reviewed by IFA will be provided to both GOMB and the IFA Board on an on-going basis.

Phase III – Application by Applicants

Once a project receives the green light from the ECC, the applicant will be invited to submit a formal application to the IFA. This application should be signed by the Applicant and be accompanied by an application fee. Please refer to Appendix C for required application fees.

This EE Project application must contain, at a minimum, the following items:

(i) The plan for the overall project, including: (1) an overview of the proposed project, (2) a description of the applicable technology and its generally accepted life cycle, (3) the estimated total project costs (including escalation and contingencies), (4) the timetable for construction and commencement of operation, (5) proposed location of the project, (6) identity and experience of the contractor, (7) identity and experience of the operator of the project, (8) a detailed description of the EE aspect of the project, with the EE statistics confirmed by an independent engineer and (8) details on any third party guarantor of the energy savings to be generated by the EE Project.

(ii) Copies of any Feasibility Studies completed.

(iii) a description of the Applicant, including (1) financial ability to undertake and support the project and (2) its experience in project investment, development, construction, operation and maintenance;

(iv) a financing plan, describing (1) the equity to be invested and the timing and sources of such equity contributions, (2) all other financial assistance that the EE project could qualify for and the status of each such applications, (3) the amount of the total debt obligations to be incurred and the funding sources of all such debt, (4) the amount and source of any debt or performance guarantees and (5) a financial model detailing the investments and cash flows generated from the project over the term of the proposed financing and projections for a minimum of three years beyond the scheduled debt repayment date;

(v) a detailed term sheet, setting forth the proposed terms and conditions of any bonds to be issued by the IFA or loans to be guaranteed through the State Moral Obligation;

(vi) a description of how the project will comply with the requirements of a Clean Coal, Coal, Renewable Energy and EE Project, as described in the Authorizing Statute;

(vii) an outline of the potential environmental impacts of the project and how these impacts will be mitigated, including any environmental studies completed to date, and any discussions with the US EPA or State of Illinois EPA, if applicable;

(viii) identification of any and all government or utility assistance (e.g., financial assistance, tax credits, other loan guarantees) not provided for in item (iv) above, from whatever source (federal, State, any other state, local, or foreign or utility) which has been obtained or applied for, or expected to be obtained or applied for, to support financing, acquisition, construction, or operation of the project;

(ix) an executive summary briefly stating the key project features and attributes, and its economic market analysis

(x) copies of any engineering studies completed to date.

(xi) Description of all permits and authorizations required and their status, including zoning, environmental etc.

A Funding Manager will review this application and maintain contact with the Applicant throughout this process. Applications that are deemed complete and acceptable from a risk asset perspective will be allowed to move to the next phase of this review process.

Phase IV - Approval of Inducement Resolution and Conditional Approval Letter by Board Energy Committee, IFA Board and GOMB

After consultation with and approval from the Board Energy Committee, a formal submission to the IFA Board and GOMB will be made to approve an inducement resolution for projects that are deemed suitable to participate in this program and a Conditional Approval Letter for the proposed support from the State. No term sheet or conditional approvals will be issued on any project prior to the approval by the IFA Board and GOMB.

If the IFA determines that a project is suitable and appropriate for bond financing or loan guarantees through the IFA, the IFA will notify the Applicant in writing and will provide the Applicant with a Conditional Approval Letter that may contain conditions precedent that must be met prior to closing.

If the IFA determines not to proceed further with an Application for a project, the IFA will inform the Applicant in writing of its denial, and the basis for such denial, permitting the Applicant to correct such deficiencies and reapply.

Upon IFA's receipt back of the acceptance by the applicant of the terms and conditions of the IFA's Conditional Approval Letter, documentation will be commenced based upon the Conditional Approval Letter approved by the Board. Any material changes to these terms and conditions will be discussed thoroughly with the Energy Committee and if appropriate, the IFA Board. The IFA will issue bonds or loan guarantees for Applicant's project if and only if all funding and other contractual, statutory and regulatory requirements, or any other condition precedent, have been satisfied, which will include such issues as the zoning, environmental and other permitting requirements for the project. The Applicant will be required to provide to the IFA on a timely basis any and all updated information in the event of any changes to the terms of the project financing or the project prior to the issuance of the bonds, which will be discussed with the IFA Board, as appropriate.

Phase V - Board Approval of Final Resolution (with any changes from Conditional Approval Letter)

Once an Applicant has successfully completed the prior phases, and is moving to the closing of the financing, a submission will be made to the IFA Board to request approval of the Final Resolution, which will also incorporate any changes to the original Conditional Approval Letter approved by the Board.

Prior to the closing date, the Authority will confirm that the documentation for the project contains all terms and conditions agreed to by the Authority and the Applicant in the Conditional Approval Letter, or as otherwise represented by the Applicant to the Authority in the Application. Any issuance of bonds or loan guarantees by the Authority will be subject to compliance with the limitations on financing contained in the Authorizing Statute, and will be subject to the approval of the Final Resolution by the IFA Board. The IFA Board will delegate authority to the Executive Director or the General Counsel to determine if all conditions precedent have been met prior to closing.

Phase VI - Closing

Subsequent to the approval by the IFA Board of the Final Resolution, and the meeting of all conditions precedent required for this transaction to close, the contemplated financing can be closed.

IV. Asset Guarantee and Application Pricing

APPLICATION FEES

Each Application shall be accompanied by an application fee. Please refer to Appendix C for costs of application fees. These funds will be used to pay the out-of-pocket costs incurred by the IFA. In addition, IFA reserves the right to request additional fees as the project review process continues, as necessary. If the IFA determines that additional fees will be necessary after the application is processed by the IFA, then the IFA will notify the Applicant of an estimate of the additional costs and the reason for these fees. The Applicant will then have the ability to choose to proceed or not proceed with this application at that time. If there are any funds remaining from the application fee or if the IFA chooses not to proceed with the project, any excess funds may be returned to the applicant.

CLOSING FEES: Please refer to Appendix C.

ONGOING CREDIT ENHANCEMENT FEES: Please refer to Appendix C.

OTHER FEES

In addition, fees may be assessed for the use of volume cap. The IFA's fees for bond issuance will be provided at the time of the Application.

The IFA may assess other administrative charges relating to the IFA's subsequent monitoring and servicing of the project and the bond issue.

V. Portfolio Management, Project Monitoring and Reporting Requirements

Portfolio Management

IFA staff will monitor the portfolio of loans within the energy sector on a continuing basis. It will be important to track transactions for compliance with the limitations contained in the authorizing legislation, as well as for the credit quality of the projects being financed. The energy group will report to the Energy Committee and the IFA Board on the quality of the portfolio on a quarterly basis.

Project Monitoring

Regular monitoring of all projects supported by IFA/State credit enhancement is critical to managing the State's exposure. IFA's loan monitoring practices should generally follow the practices that commercial banks use to monitor loans and other credit facilities extended to finance energy projects. These practices help banks to anticipate problems before they arise, develop procedures to guide actions and respond quickly and effectively to evolving conditions.

During Project Implementation: When financing the construction or implementation phase of projects, it may be appropriate for a Lender to engage an independent construction engineer to monitor progress and alert the Lender and the IFA to cost overruns, delays or other problems that could cause the developer to exhaust the project budget before completing the project. Depending on the project, it may be appropriate for other senior lenders and/or guarantors to share the services of this construction or project engineer. It also may be appropriate for the Lender and IFA to inspect the project periodically during this construction and implementation phase. Lien waivers may be required, as appropriate.

This early warning, together with rights to approve all construction draws, gives the Lender and IFA leverage to force the developer to promptly address construction or project problems before they become major issues. IFA should review construction progress reports on a monthly basis.

During Operation: IFA staff should monitor individual projects on a quarterly basis, tracking quarterly financial results, energy savings and position versus forecast, and compliance with covenants and loan benchmarks established for each project. On an annual basis, staff should make a site visit, call on management and re-underwrite the asset. All annual reviews will include an update on loan classifications outlined below.

Loan Classification

IFA should develop a loan classification similar to the one developed by the Office of the Comptroller of the Currency ("OCC") for federal chartered commercial banks. That system includes the following categories:

- Current: Performing as forecast
- Special Mention: Variance of 10% to 15% or more from forecast
- Substandard: High risk of payment default on loans guaranteed
- Doubtful: Probable that IF A will have to fund under the moral obligation pledge

Loss Reserves

IFA should consider reserving for expected losses by applying a recognized accounting principal such as FAS114 adopted by the Financial Accounting Standards Board or another appropriate accounting rulemaking body, using OCC guidelines.

Reporting Requirements

IFA staff should provide the Energy Committee and the Board with quarterly reports, summarizing trends within the loan portfolio – segregated between projects in development and projects that have begun operation. These reports should highlight any non-performing or troubled credits, and should track actual versus forecasted performance and reevaluate the loan's risk rating. As staff becomes aware of major situations in a specific project, updates should be provided to the Energy Committee and the Board as soon as possible.

APPENDIX A

PUBLIC ACT 096-0103 AND 096-0817 FACT SHEET

SUMMARY The State of Illinois (State) wishes to encourage the construction of Energy Efficiency projects in Illinois. Toward that end, the IFA and the State have implemented a program to assist financially certain energy efficiency projects in Illinois. The IFA is authorized to issue up to $3.0 billion in bonds and loan guarantees in order to encourage Clean Coal, Coal, Energy Efficiency and Renewable Energy projects in Illinois. An applicant must submit an application for consideration by IFA for a bond issuance or loan guarantee under this program.

IMPLEMENTING PUBLIC ACT 096-0817 (for Energy Efficiency), 096-0103 (for Clean Coal, Coal and Renewable Energy projects)

PROGRAM EFFECTIVE DATE January 1, 2010

DEFINITIONS

Clean Coal Projects include:

(i) "clean coal facility" as defined in the Illinois Power Agency Act,
(ii) "clean coal SNG facility" as defined in the Illinois Power Agency Act;
(iii) transmission lines and associated equipment that transfer electricity from points of supply to points of delivery for Clean Coal Projects;
(iv) pipelines or other methods to transfer carbon dioxide from the point of production to the point of storage or sequestration for Clean Coal Projects; and
(v) projects to provide carbon abatement technology for existing generation facilities.

Coal Projects include:

new electric generating facilities, as defined in Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil administrative Code of Illinois,

Energy Efficiency Projects include:

Projects that reduce the amount of electricity or natural gas required to achieve a given end use.

Renewable Energy Projects include:

(i) projects that use renewable energy resources, as defined in Section 1-10 of the Illinois Power Agency Act;

(ii) projects to use environmentally preferable technologies and practices that result in improvements to the production of renewable fuels, including but not limited to cellulosic conversion, water and energy conservation, fractionation, alternative feedstocks or reduced greenhouse gas emissions;

(iii) transmission lines and associated equipment that transfer electricity from points of supply to points of delivery for projects described in (ii) above; and

(iv) projects that use technology for the storage of renewable energy, including without limitations the use of battery or electrochemical storage technology for mobile or stationary applications.

(v) pipelines or other methods to transfer carbon dioxide from the point of production to the point of storage or sequestration for Renewable Energy Projects

PROGRAM LIMITS

The principal amount of financing to be provided by the IFA for qualifying Clean Coal, Coal and Renewable Energy Projects is subject to the following limitations:

PROPOSED PROJECT	**LIMITATION**
Transmission facilities as described in clause (iii) under Clean Coal Projects and clause (iii) under Renewable Energy Projects above	Up to $300 million
Pipelines and other methods for transfer of CO2 and carbon abatement projects for existing facilities as described in clauses (iv) and (v) under Clean Coal Projects above	Up to $500 million
Clean coal facilities and clean coal SNG facilities as described in clauses (i) and (ii) under Clean Coal Projects above and Coal Projects as described above	Up to $2.0 billion
Renewable energy projects described in clauses (i), (ii) and (iv) under Renewable Energy Projects above	Up to $2.0 billion

In addition to the above limits, the total size approved by the legislation for this program is $3 billion in total. The aggregate exposure of the categories outlined above may not exceed this $3 billion limit. Further, an application for a loan financed from bond proceeds for a Clean Coal, Coal, Energy Efficiency or Renewable Energy Project may not be approved for an amount in excess of $450 million for any borrower or its affiliates.

APPENDIX B

Energy Efficiency Program

Make Sure All Contracting Groups Are Qualified

With the resources now available there will be several throwing their hat in the ring to perform the remediation work for energy efficiency. The Authority wants to ensure the projects we fund are performed by reputable companies. The following are some minimum guidelines for qualifying firms:

Must have IL Office;
Must be willing to use IL Labor;
Must have been in business for a minimum of 10 years;
Have to have two or more green bldg certified engineers on team;
Must have a LEED AP on staff;
Must be able to bond annual contracted amounts;
Open book pricing;
DOE standard for all projects;
Qualified Firms must have no outstanding liabilities with State of IL;
Must agree to utilize minority owned /woman owned vendors. This can, but is not limited to labor, supplies, engineering and support services;

RFP Geographical Territories for This Program

RFP Process is fair to all candidates and allows IFA or the State to ensure the capital is being utilized by qualified vendors;
Vendors are awarded territories which can be monitored easily to ensure program is implemented as expeditiously as possible;
Vendors are evaluated on the penetration within their territory, which should ensure that all parts of the State are targeted, serviced and have the same opportunities;
Vendors need to staff up accordingly and servicing a particular territory allows them to line up local service providers;
Geographic divisions for Energy Service Providers will make the implementation of this program more efficient; and,
RFP for territories will still allow for fair competition of participants and can also allow multiple companies to be awarded the opportunity to perform work in IL.

Financial Protection

The resources committed to remediate buildings will reduce the overall energy requirements within the State and the savings will then be used to repay the capital invested in these projects. The payback terms and conditions are based on the forecasted savings so it's crucial such report is as accurate as possible. Hence, there is a need to deal with reputable companies.

APPENDIX C

Schedule of Fees for Credit Enhancement for Energy Efficiency Projects

Principles for Setting Fees: Staff proposes that the fees schedule to be adopted by IFA for offering credit enhancement and/or tax-exempt financing status should be governed by the following principle:

- To encourage development and provide value.

Staff recommends that adoption of the following fee schedule to be assessed throughout the financing process.

Vetting:	IFA: No Fees to IFA for a preliminary review of project information, including initial consideration by the Energy Committee.
Application:	IFA: 1% on the amount requested up to $1 million. An additional fee of 0.5% will be required on the amount which exceeds $1 million.
Closing Costs:	IFA: 1% of the amount requested up to $1 million. An additional fee of 0.5% will be required on the amount which exceeds $1 million.
Annual Fees:	As a result of the IFA providing credit enhancement the applicant will receive below market rates on the borrowed funds. On an annual basis thereafter a fee of .5% - 1% will be charged on the unpaid balance of the loan. The exact fee to be charged will be determined by IFA based upon the risk of the credit. This annual fee will be determined prior to closing.