

**ILLINOIS FINANCE AUTHORITY
BOARD MEETING**

Tuesday, February 9, 2010

Chicago, Illinois

COMMITTEE OF THE WHOLE

8:30 a.m.

Two Prudential Plaza - IFA Chicago Office

180 N Stetson, Suite 2555

Chicago, Illinois

AGENDA

- I. Call to Order
- II. Roll Call
- III. Chairman's Remarks
- IV. Message from the Executive Director (Tab A)
Attachment 1 - Financial Report
Attachment 2 - Schedule of Debt and Listing of FY10 closed projects
Attachment 3 - Memo: Update on FutureGen
Attachment 4 - Memo: Update on Blackhawk Biofuels
- VI. Committee Reports
- VII. Project Reports
- VIII. Closed Session, if necessary
- IX. Other Business
- X. Adjournment

BOARD MEETING

11:30 a.m.

One Prudential Plaza Conference Center

130 East Randolph, 7th Floor

Chicago, Illinois

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

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Beginning Farmer Bonds						
<i>Final</i>						
1	A) Cody A. Purdom	Marengo (McHenry County)	\$ 225,000	0	0	ER
	B) David Belusko	Litchfield (Montgomery County)	\$ 229,000	0	0	ER
	C) Matthew Ryan Belusko	Litchfield (Montgomery County)	\$ 229,000	0	0	ER
	D) Jacob D. Semple	West Liberty (Richland County)	\$ 139,750	0	0	ER
TOTAL AGRICULTURE PROJECTS			\$ 822,750	0	0	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds						
<i>Preliminary</i>						
2	Alexian Brothers Health System	Elk Grove Village and Hoffman Estates (Cook County)	\$ 150,000,000	0	400	PL/SG
3	Friendship Village of Mill Creek, NFP (GreenFields of Geneva Project)	Geneva (Kane County)	\$ 125,000,000	140	200	PL/BC
4	Palos Community Hospital	Multiple (Cook County)	\$ 275,000,000	160	164	PL/SG
501(c)(3) Bonds						
<i>Final</i>						
5	Evangelical Retirement Homes of Greater Chicago, Inc. d/b/a Friendship Village of Schaumburg	Shaumburg (Cook County)	\$ 36,000,000	0	0	PL/BC
6	The University of Chicago Medical Center	Chicago (Cook County)	\$ 166,735,000	0	0	PL/SG
TOTAL HEALTHCARE PROJECTS			\$ 752,735,000	300	764	
GRAND TOTAL			\$ 753,557,750	300	764	

RESOLUTIONS

Tab	Project	FM
Amendatory Resolutions / Resolutions		
7	Resolution Authorizing the Execution and Delivery of a First Amendment to the Bond and Loan Agreement and a Supplemental Tax Exemption Certificate and Agreement, which Amendments authorize (1) the substitution of Hellenic American Academy Foundation, NFP, an Illinois 501(c)(3) not for profit corporation, as Borrower in place of Sindesmos Hellenikes-Kinotitos of Chicago, a/k/a Holy Trinity Hellenic Orthodox Church, (2) a change in Interest Rate on the Bond; and (3) related matters (IFA Series 2007 Bonds, Hellenic-American Academy Foundation, NFP Project)	RF
8	An Amendment requested by Midland States Bank and Scott Rippelmeyer to release a \$40,000 Certificate of Deposit originally pledged as collateral for a 1988 Agri Debt Guarantee with an original amount of \$150,000 and current balance of \$98,007	ER

Other
Adjournment

February 9, 2010

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

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

RE: Message from the Executive Director

Dear Members of the Authority:

During the past month we have continued our three-tiered strategy for growth: driving business in our traditional markets, shaping legislation to enhance and create opportunities, and pursuing strategic partnerships to leverage our core competencies.

Our reputation for bringing outstanding expertise and operational excellence to complex transactions has brought the IFA more financings from existing clients. Since the last board meeting, we closed financings from long-term clients like Advocate Health Care, Swedish Covenant Hospital, and Jewish Charities. In the agriculture sector, we completed new marketing materials and arranged for Eric Reed to be interviewed on local radio shows and to speak at regional banking conferences to increase the visibility of the IFA in agricultural markets.

We have been actively shepherding legislation to increase the limits of the statutory cap on our outstanding conduit bond portfolio, and to allow the IFA to be involved with the financing of multi-state projects by not-for-profit entities. We also hope to boost economic development opportunities by maximizing the use of federal stimulus tools such as recovery zone bonds, and increase the effectiveness of IFA's agriculture guarantee programs.

We continue to aggressively pursue all avenues of partnership and collaboration in pursuit of job creation and economic development in Illinois. During January we transmitted our response to the U.S. Department of Energy (USDOE) seeking designation as a delegated lender for federal guarantees to back renewable energy projects. This came on the heels of the December filing of a joint application with DCEO for up to \$75 million in energy efficiency funds for use as bridge loans and debt service reserves. We hope to hear a response from the USDOE within the next 30 to 60 days on the competitive USDOE grant for energy efficiency funds. On the program development front, IFA staff continues to work to develop a financing program for energy efficiency projects. In addition, we fast-tracked a wind energy project for consideration by USDOE for a federal guarantee. Finally, I attended a meeting in Washington, D.C. in connection with our State's effort to assist the FutureGen project in Mattoon, Illinois.

Collaborative efforts were not limited to the Department of Energy. Pam Lenane and Rich Frampton hosted the first web-casted quarterly meeting of National Association of Health and Educational Facilities Finance Authorities (NAHEFFA). Over 20 Executive Directors from agencies throughout the nation attended the two-day conference where they addressed the applicability of Build America Bonds for 501(c)(3) transactions and the impact of Federal Healthcare Reform on not-for-profits.

All of these efforts continue to reap very real benefits. YTD revenues continue to run ahead of budget, at 29.8%, while operating income climbed to \$1,496,184. Operating expenses climbed higher YOY, resulting from increased bad debt reserve for the participation loan portfolio in light of the current recession.

On the administrative side, we have concluded the very successful financial audit and moved towards wrapping up the compliance audit. We are working with CMS to manage procurement issues associated with benefits for our employees.

Looking forward, we are concentrating on keeping the pipeline of pending transactions full and flowing. We continue to actively seek out business in healthcare, business and industry, 501(c)(3)'s, energy and agriculture. We continue to stress the highest level of ethical conduct and transparency in everything we do. We are working to strengthen the skills and increase the motivation of each staff member. And, we continue to review our processes and procedures to promote maximum efficiency.

Respectfully,

Christopher Meister
Executive Director

Attachments:

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

Attachment 2 – Schedule of Debt plus a listing of all FY 10 closed projects thru 1-31-10

Attachment 3 – Background memo on FutureGen

Attachment 4 – Background memo on Blackhawk Biofuels

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

Attachment 1

	Actual January 2010	Budget January 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	95,805	112,921	(17,116)	-15.16%	689,711	726,597	(36,886)	-5.08%	1,175,722	58.66%
INVESTMENT INTEREST & GAIN(LOSS)	2,885	20,833	(17,948)	-86.15%	26,492	145,831	(119,339)	-81.83%	250,000	10.60%
ADMINISTRATIONS & APPLICATION FEES	186,318	233,506	(47,188)	-20.21%	3,420,430	2,480,062	940,368	37.92%	3,496,715	97.82%
ANNUAL ISSUANCE & LOAN FEES	45,086	55,244	(10,158)	-18.39%	545,461	386,711	158,750	41.05%	645,618	84.49%
OTHER INCOME	85,920	2,975	82,945	0.00%	198,652	20,825	177,827	0.00%	35,700	0.00%
TOTAL REVENUE	416,014	425,479	(9,465)	-2.22%	4,880,747	3,760,026	1,120,721	29.81%	5,603,755	87.10%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	250,609	229,167	21,443	9.36%	1,653,166	1,604,167	48,999	3.05%	2,750,000	60.12%
BENEFITS	29,665	23,042	6,623	28.74%	166,941	161,292	5,649	3.50%	276,500	60.38%
TEMPORARY HELP	2,685	3,157	(472)	-14.95%	19,793	22,097	(2,304)	-10.43%	37,880	52.25%
EDUCATION & DEVELOPMENT	-	417	(417)	0.00%	11,035	2,917	8,118	278.34%	5,000	220.70%
TRAVEL & AUTO	3,341	5,175	(1,834)	-35.45%	31,903	36,225	(4,322)	-11.93%	62,100	51.37%
TOTAL EMPLOYEE RELATED EXPENSES	286,300	260,957	25,343	9.71%	1,882,838	1,826,697	56,141	3.07%	3,131,480	60.13%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	15,863	15,833	29	0.19%	111,325	110,833	491	0.44%	190,000	58.59%
LOAN EXPENSE & BANK FEE	13,868	11,208	2,659	23.73%	71,576	78,458	(6,882)	-8.77%	134,500	53.22%
ACCOUNTING & AUDITING	23,905	21,667	2,238	10.33%	163,482	151,667	11,815	7.79%	260,000	62.88%
MARKETING GENERAL	144	9,285	(9,141)	0.00%	3,141	18,570	(15,429)	0.00%	65,000	4.83%
FINANCIAL ADVISORY	18,333	18,333	(0)	0.00%	128,331	128,333	(2)	0.00%	220,000	58.33%
CONFERENCE/TRAINING	450	1,250	(800)	0.00%	4,168	8,750	(4,582)	-52.36%	15,000	27.79%
MISC. PROFESSIONAL SERVICES	24,356	17,142	7,214	0.00%	66,781	34,284	32,497	0.00%	120,000	0.00%
DATA PROCESSING	4,291	2,917	1,374	47.10%	30,966	20,417	10,550	51.67%	35,000	88.47%
TOTAL PROFESSIONAL SERVICES	101,209	97,635	3,574	3.66%	579,771	551,312	28,459	5.16%	1,039,500	55.77%

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

Attachment 1

	Actual January 2010	Budget January 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%	149,361	160,417	(11,055)	-6.89%	275,000	54.31%
EQUIPMENT RENTAL AND PURCHASES	2,825	5,167	(2,342)	-45.33%	20,326	36,167	(15,840)	-43.80%	62,000	32.78%
TELECOMMUNICATIONS	1,363	4,358	(2,996)	-68.74%	31,438	30,508	929	3.05%	52,300	60.11%
UTILITIES	1,021	800	221	27.58%	6,773	5,600	1,173	20.94%	9,600	70.55%
DEPRECIATION	4,546	4,025	521	12.95%	34,333	28,175	6,158	21.86%	48,300	71.08%
INSURANCE	1,951	500	1,451	290.24%	13,568	3,500	10,068	287.67%	6,000	226.14%
TOTAL OCCUPANCY COSTS	34,125	37,767	(3,641)	-9.64%	255,799	264,367	(8,567)	-3.24%	453,200	56.44%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	4,805	6,667	(1,862)	-27.93%	25,101	46,667	(21,565)	-46.21%	90,000	27.89%
BOARD MEETING - EXPENSES	1,733	1,600	133	8.32%	18,804	11,200	7,604	67.89%	19,200	97.94%
PRINTING	629	600	29	4.86%	3,974	4,200	(226)	-5.38%	7,200	55.19%
POSTAGE & FREIGHT	972	1,250	(278)	-22.21%	9,497	8,750	747	8.53%	15,000	63.31%
MEMBERSHIP, DUES & CONTRIBUTIONS	823	3,083	(2,260)	-73.31%	21,695	21,583	111	0.52%	37,000	58.63%
PUBLICATIONS	83	250	(167)	-66.62%	1,097	1,750	(653)	-37.32%	3,000	36.56%
OFFICERS & DIRECTORS INSURANCE	15,619	16,917	(1,297)	-7.67%	109,393	118,417	(9,024)	-7.62%	203,000	53.89%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	24,665	30,367	(5,702)	-18.78%	189,560	212,567	(23,007)	-10.82%	374,400	50.63%
LOAN LOSS PROVISION/BAD DEBT	407,202	25,000	382,202	1528.81%	557,202	175,000	382,202	218.40%	300,000	185.73%
OTHER										
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL EXPENSES	853,501	451,725	401,776	88.94%	3,465,171	3,029,942	435,229	14.36%	5,298,580	65.40%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	(437,487)	(26,246)	(411,241)	1566.84%	1,415,576	730,083	685,492	93.89%	305,175	463.86%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	31,846	-	31,846	0.00%	80,608	-	80,608	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	(405,641)	(26,246)	(379,395)	1445.51%	1,496,184	730,083	766,101	104.93%	305,175	490.27%

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

Attachment 1

	Actual January 2010	Actual January 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	95,805	107,428	(11,623)	-10.82%	689,711	782,523	(92,812)	-11.86%
INVESTMENT INTEREST & GAIN(LOSS)	2,885	11,861	(8,976)	-75.68%	26,492	198,734	(172,241)	-86.67%
ADMINISTRATIONS & APPLICATION FEES	186,318	463,428	(277,110)	-59.80%	3,420,430	2,872,644	547,786	19.07%
ANNUAL ISSUANCE & LOAN FEES	45,086	54,069	(8,982)	-16.61%	545,461	379,324	166,137	43.80%
OTHER INCOME	85,920	9,561	76,359	0.00%	198,652	61,528	137,125	0.00%
TOTAL REVENUE	416,014	646,346	(230,333)	-35.64%	4,880,747	4,294,753	585,994	13.64%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	250,609	245,730	4,879	1.99%	1,653,166	1,632,116	21,050	1.29%
BENEFITS	29,665	24,666	4,999	20.27%	166,941	159,806	7,134	4.46%
TEMPORARY HELP	2,685	7,654	(4,969)	-64.92%	19,793	47,119	(27,326)	-57.99%
EDUCATION & DEVELOPMENT	-	-	-	0.00%	11,035	893	10,142	1135.17%
TRAVEL & AUTO	3,341	2,701	639	23.66%	31,903	36,738	(4,835)	-13.16%
TOTAL EMPLOYEE RELATED EXPENSES	286,300	280,751	5,548	1.98%	1,882,838	1,876,674	6,164	0.33%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	15,863	31,398	(15,535)	-49.48%	111,325	229,305	(117,980)	-51.45%
LOAN EXPENSE & BANK FEE	13,868	11,335	2,532	22.34%	71,576	80,377	(8,800)	-10.95%
ACCOUNTING & AUDITING	23,905	30,713	(6,809)	-22.17%	163,482	201,708	(38,226)	-18.95%
MARKETING GENERAL	144	2,856	(2,712)	-94.95%	3,141	16,744	(13,603)	-81.24%
FINANCIAL ADVISORY	18,333	30,000	(11,667)	-38.89%	128,331	180,000	(51,669)	-28.71%
CONFERENCE/TRAINING	450	811	(361)	0.00%	4,168	9,296	(5,128)	-55.16%
MISC. PROFESSIONAL SERVICES	24,356	-	24,356	0.00%	66,781	20,000	46,781	0.00%
DATA PROCESSING	4,291	2,942	1,348	45.83%	30,966	21,678	9,288	42.85%
TOTAL PROFESSIONAL SERVICES	101,209	110,056	(8,847)	-8.04%	579,771	759,108	(179,337)	-23.62%

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

Attachment 1

	Actual January 2010	Actual January 2009	Current Month Variance <u>Actual vs. Actual</u>	Current % Variance	Actual YTD FY 2010	Actual YTD FY 2009	Year to Date Variance <u>Actual vs. Actual</u>	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	22,420	25,638	(3,218)	-12.55%	149,361	171,297	(21,936)	-12.81%
EQUIPMENT RENTAL AND PURCHASES	2,825	4,714	(1,889)	-40.08%	20,326	32,443	(12,116)	-37.35%
TELECOMMUNICATIONS	1,363	7,153	(5,791)	-80.95%	31,438	37,837	(6,399)	-16.91%
UTILITIES	1,021	1,266	(246)	-19.40%	6,773	8,654	(1,882)	-21.74%
DEPRECIATION	4,546	6,527	(1,980)	-30.34%	34,333	45,605	(11,271)	-24.72%
INSURANCE	1,951	1,607	344	21.41%	13,568	11,345	2,223	19.60%
TOTAL OCCUPANCY COSTS	34,125	46,905	(12,780)	-27.25%	255,799	307,180	(51,381)	-16.73%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	4,805	7,271	(2,466)	-33.92%	25,101	51,877	(26,776)	-51.61%
BOARD MEETING - EXPENSES	1,733	4,014	(2,281)	-56.82%	18,804	27,042	(8,239)	-30.47%
PRINTING	629	284	345	121.70%	3,974	11,494	(7,519)	-65.42%
POSTAGE & FREIGHT	972	752	221	29.33%	9,497	15,866	(6,370)	-40.15%
MEMBERSHIP, DUES & CONTRIBUTIONS	823	5,147	(4,324)	-84.01%	21,695	19,695	1,999	10.15%
PUBLICATIONS	83	164	(80)	-48.98%	1,097	2,553	(1,456)	-57.04%
OFFICERS & DIRECTORS INSURANCE	15,619	14,524	1,095	7.54%	109,393	103,154	6,239	6.05%
MISCELLANEOUS	-	-	-	0.00%	-	3,928	(3,928)	0.00%
TOTAL GENL & ADMIN EXPENSES	24,665	32,155	(7,490)	-23.29%	189,560	235,611	(46,051)	-19.55%
LOAN LOSS PROVISION/BAD DEBT	407,202	8,333	398,869	4786.62%	557,202	(42,236)	599,438	-1419.26%
OTHER								
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%
TOTAL EXPENSES	853,501	478,200	375,301	78.48%	3,465,171	3,136,337	328,834	10.48%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	(437,487)	168,147	(605,634)	-360.18%	1,415,576	1,158,416	257,160	22.20%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER	31,846	-	31,846	0.00%	80,608	20,125	60,483	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	(405,641)	168,147	(573,788)	-341.24%	1,496,184	1,178,541	317,643	26.95%

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

Attachment 1

for the Seven Months Ending January 31, 2010

	Actual January 2010
ASSETS	
CASH & INVESTMENTS, UNRESTRICTED	\$ 18,949,519
RECEIVABLES, NET	256,373
LOAN RECEIVABLE, NET	21,232,805
OTHER RECEIVABLES	180,844
PREPAID EXPENSES	138,928
TOTAL CURRENT ASSETS	40,758,469
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	64,956
DEFERRED ISSUANCE COSTS	384,622
OTHER ASSETS	
CASH, INVESTMENTS & RESERVES	1,580,289
VENTURE CAPITAL INVESTMENTS	-
OTHER	6,723
TOTAL OTHER ASSETS	1,587,012
TOTAL ASSETS	\$ 42,795,059
LIABILITIES	
CURRENT LIABILITIES	\$ 1,649,867
LONG-TERM LIABILITIES	556,072
TOTAL LIABILITIES	2,205,939
EQUITY	
CONTRIBUTED CAPITAL	4,111,479
RETAINED EARNINGS	23,010,160
NET INCOME / (LOSS)	1,496,184
RESERVED/RESTRICTED FUND BALANCE	1,732,163
UNRESERVED FUND BALANCE	10,239,134
TOTAL EQUITY	40,589,120
TOTAL LIABILITIES & EQUITY	\$ 42,795,059

**Illinois Finance Authority
Consolidated
Unaudited
Balance Sheet**

Attachment 1

for the Seven Months Ending January 31, 2010

	Actual January 2009	Actual January 2010
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	\$ 26,527,861	\$ 32,456,754
RECEIVABLES, NET	101,924	256,373
LOAN RECEIVABLE, NET	85,264,411	93,923,467
OTHER RECEIVABLES	445,281	1,459,113
PREPAID EXPENSES	59,505	138,928
TOTAL CURRENT ASSETS	112,398,982	128,234,635
 FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	 114,217	 64,956
 DEFERRED ISSUANCE COSTS	 617,095	 520,880
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES	55,371,169	41,127,139
VENTURE CAPITAL INVESTMENTS	5,377,739	5,377,739
OTHER	3,682,072	3,000,010
TOTAL OTHER ASSETS	64,430,980	49,504,888
TOTAL ASSETS	\$ 177,561,274	\$ 178,325,359
 LIABILITIES		
CURRENT LIABILITIES	\$ 1,129,055	\$ 1,783,915
LONG-TERM LIABILITIES	61,366,221	61,805,782
TOTAL LIABILITIES	62,495,276	63,589,697
EQUITY		
CONTRIBUTED CAPITAL	35,608,693	35,608,692
RETAINED EARNINGS	24,795,357	27,173,957
NET INCOME / (LOSS)	2,248,502	1,833,649
RESERVED/RESTRICTED FUND BALANCE	39,765,275	37,471,193
UNRESERVED FUND BALANCE	12,648,171	12,648,171
TOTAL EQUITY	115,065,998	114,735,662
TOTAL LIABILITIES & EQUITY	\$ 177,561,274	\$ 178,325,359

**Illinois Finance Authority
FY08 Audit Findings: Material and Immaterial
Update as of January 31, 2010**

Attachment 1

Number of Material Findings - 7

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

Number of Immaterial Findings - 2

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

ILLINOIS FINANCE AUTHORITY
Schedule of Debt ^[a]

Attachment 2

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

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2009	January 31, 2010		
Illinois Finance Authority "IFA"				
460 Revenue Bonds	\$ 14,115,957,000	\$ 15,507,763,000		
3 State Component Units ^[b]	45,778,000	45,214,000		
1 Clean Water State Revolving Fund ^[b]	94,480,000	90,415,000		
3 Commercial Paper Revenue Notes	291,000,000	261,000,000		
2 Revenue Financing Notes	3,613,000	3,424,000		
9 Leases, Notes and Certificates of Participation	11,772,000	34,445,000		
7 Bond Bank Revenue Bonds ^[b]	24,560,000	29,020,000		
1 Financially Distressed City Bonds	2,925,000	2,395,000		
3 Bond Anticipation Notes	5,500,000	9,185,000		
248 Agriculture: Beginner Farmer Bonds ^[f]	36,004,000	39,700,000		
737 Total IFA Principal Outstanding	\$ 14,631,589,000	\$ 16,022,561,000		
254 Illinois Development Finance Authority "IDFA" ^[b]	\$ 2,934,399,000	\$ 2,807,941,000		
117 Illinois Health Facilities Authority "IHFA"	\$ 3,655,331,000	\$ 3,165,835,000		
55 Illinois Educational Facilities Authority "IEFA"	\$ 1,734,177,000	\$ 1,640,657,000		
604 Illinois Farm Development Authority "IFDA" ^[f]	\$ 47,029,000	\$ 47,029,000		
21 Illinois Rural Bond Bank "IRBB" ^[b]	\$ 34,585,000	\$ 34,165,000		
1,788 Total Illinois Finance Authority Debt	\$ 23,037,110,000	\$ 23,718,188,000	\$ 28,150,000,000	\$ 4,431,812,000

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

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2009	January 31, 2010		
General Purpose Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
19 Issued through IRBB	\$ 30,725,000	\$ 30,450,000		
9 Issued through IFA	64,560,000	69,020,000		
28 Total General Moral Obligations	\$ 95,285,000	\$ 99,470,000	\$ 150,000,000	\$ 50,530,000
Financially Distressed Cities Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
1 Issued through IFA	\$ 2,925,000	\$ 2,395,000		
1 Issued through IDFA	5,720,000	4,660,000		
2 Total Financially Distressed Cities	\$ 8,645,000	\$ 7,055,000	\$ 50,000,000	\$ 42,945,000
State Component Unit Bonds ^[c]				
19 Issued through IRBB	\$ 30,725,000	\$ 30,450,000		
1 Issued through IDFA	105,530,000	99,570,000		
3 Issued through IFA	164,818,000	164,649,000		
23 Total State Component Unit Bonds	\$ 301,073,000	\$ 294,669,000		

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

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2009	January 31, 2010		
Illinois Power Agency	\$ -	\$ -	\$ 4,000,000,000	\$ 4,000,000,000

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

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2009	January 31, 2010		
Clean Coal, Coal and Renewable Energy Projects	\$ -	\$ -	\$ 3,000,000,000 ^[d]	\$ 3,000,000,000

ILLINOIS FINANCE AUTHORITY
Schedule of Debt ^[a]

Attachment 2

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

	Principal Outstanding		Program Limitations	Remaining Capacity	State Exposure
	June 30, 2009	December 31, 2009			
Agri Debt Guarantees [Restructuring Existing Debt]	\$ 21,986,000	\$ 22,111,000	\$ 160,000,000	\$ 137,889,000	\$ 18,737,000
Agri Industry Loan Guarantee Program	\$ 13,648,000	\$ 12,288,000			10,445,000
Renewable Fuels	24,445,000	24,445,000			14,875,000
Farm Purchase Guarantee Program	496,000	496,000			421,000
Specialized Livestock Guarantee Program	12,696,000	10,399,000			8,840,000
Young Farmer Loan Guarantee Program	2,430,000	2,684,000			2,281,000
AG Loan Guarantee Program	\$ 53,715,000	\$ 50,312,000	\$ 225,000,000 ^[e]	\$ 174,688,000	\$ 36,862,000
Total State Guarantees	\$ 75,701,000	\$ 72,423,000	\$ 385,000,000	\$ 312,577,000	\$ 55,599,000

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

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2009	January 31, 2010		
Environmental [Large Business]				
9 Issued through IFA	\$ 317,704,000	\$ 317,438,000		
22 Issued through IDFA	407,370,000	372,320,000		
31 Total Environmental [Large Business]	\$ 725,074,000	\$ 689,758,000	\$ 2,425,000,000	\$ 1,735,242,000
Environmental [Small Business]				
31 Total Environment Bonds Issued under Act	\$ 725,074,000	\$ 689,758,000	\$ 2,500,000,000	\$ 1,810,242,000

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

[b] State Component Unit Bonds included in balance.

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

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

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

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

Illinois Finance Authority Funds at Risk

#	Participation Loans	Original Amount	Principal Outstanding	
			June 30, 2009	January 31, 2010
69	Business & Industry	27,584,793.27	20,487,542.83	18,275,868.63
26	Agriculture	6,106,859.01	5,323,214.12	5,149,285.03
95	Total Participation Loans	\$ 33,691,652.28	\$ 25,810,756.95	\$ 23,425,153.66
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	\$ 322,154.98
6	FmHA Loans	\$ 963,250.00	\$ 617,776.68	\$ 545,506.16
2	Renewable Energy [RED Fund]	\$ 2,000,000.00	\$ 1,841,011.12	\$ 1,798,689.64
108	Total Loans Outstanding	\$ 38,944,652.28	\$ 29,657,476.49	\$ 27,091,504.44



Bonds Issued in Fiscal Year 2010

Attachment 2

Closing Date	Bond Issue Principal	Issue	Invoice Amount	New Jobs	Cons Jobs	
07/09/09	116,000,000.00	Provena Health Systems, Series 2009B-D	138,000.00	0	0	
07/09/09	14,370,000.00	Jewish Charities RAN, Series 2009-2010A	12,500.00	0	0	
07/16/09	8,500,000.00	Hospice of Northeastern Illinois	40,500.00	31	125	
07/22/09	30,000,000.00	Illinois Institute of Technology	85,000.00	0	130	
07/23/09	13,607,000.00	Alexian Brothers Health System	55,821.00	0	0	
07/29/09	200,000,000.00	Rush University Medical Center	200,000.00	300	300	
08/13/09	66,500,000.00	Riverside Health System	121,500.00	55	n/a	
08/18/09	70,000,000.00	OSF Healthcare System	62,500.00	0	40	
08/20/09	7,911,000.00	Our Lady of Angels Village Project [Joliet Franciscans]	38,733.00	2	80	
08/20/09	225,000,000.00	University of Chicago Medical Center	211,000.00	0	700	
08/20/09	5,431,458.00	St. Patrick High School	27,157.29	0	0	
08/20/09	8,924,194.63	Aunt Martha's Youth Project	41,772.58	0	0	
10/01/09	28,500,000.00	American Water Capital Corp.	219,450.00	4	120	
10/16/09	52,000,000.00	Lake Forest Hospital	107,000.00	40	50	
10/21/09	22,870,000.00	Trinity International University	75,740.00	3	40	
10/28/09	43,500,000.00	Edward Hospital [refund IHFA 2001C]	98,500.00	0	0	
10/29/09	30,000,000.00	Concordia University Chicago	77,500.00	53	70	
11/18/09	240,000,000.00	Central DuPage Health, Series 2009B	211,000.00	33	400	
12/04/09	4,460,000.00	Bond Bank Revenue Bonds	22,512.50	0	100	
12/09/09	183,645,000.00	Roosevelt University	154,822.50	40	400	
12/10/09	90,675,000.00	Rehabilitation Institute of Chicago	138,000.00	0	0	
12/15/09	3,345,000.00	Villa of Guadalupe Senior Services Corporation	16,725.00	0	0	
12/16/09	11,505,000.00	Elgin Academy	49,515.00	5	0	
12/16/09	625,000.00	Joliet Montessori School	3,125.00	5	15	
12/17/09	64,000,000.00	Museum of Science & Industry	119,000.00	22	914	
12/17/09	22,955,000.00	Illinois Valley Community Hospital	37,955.00	3	200	
12/17/09	5,700,000.00	Marion SLF	43,890.00	18	20	
12/22/09	103,805,000.00	Resurrection Healthcare	138,000.00	0	0	
12/23/09	150,000,000.00	Memorial Health System	138,000.00	107	1,031	
12/29/09	27,689,820.00	Rest Haven Christian Convalescent Home	82,689.82	0	0	
01/06/10	238,255,000.00	Advocate Health Care Network	211,000.00	0	150	
01/14/10	14,545,000.00	Jewish Charities RAN, Series 2009-2010B	12,500.00	0	0	
	\$ 2,104,318,472.63		Total Fees Collected	\$ 2,991,408.69	721	4,885

Participation Loans

Closing Date	Loan Amount	Issue	New Jobs	Cons Jobs
12/23/09	468,261.83	Midwest Investment Solution, Inc. [Orbital Tool Technologies Corp.]	39	20
	\$ 468,261.83	Total Participation Loans Funded	39	20



Beginner Farmer Bonds Closings

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

AG Debt Restructuring Bond Closings

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

AG Young Farmer Bond Closings

Closing Date	Bond Issue Principal	Issue	Invoice Amount
12/15/09	310,000.00	Wagner, Kyle & Jenny	2,800.00
	\$ 310,000.00	Total AG Young Farmer Fees Collected	\$ 2,800.00

ILLINOIS FINANCE AUTHORITY
Memorandum

To: IFA Board of Directors

From: Steve Trout

Date: February 9, 2010

RE: Update on FutureGen

For Information Only

At the January 12, 2010 Board Meeting, the IFA Board of Directors approved a Resolution (IFA Resolution 2010-02-09) expressing support for FutureGen, a 275 megawatt Integrated Gasification Combined Cycle (“IGCC”) power plant proposed for Mattoon (“the Project”). The Project seeks to demonstrate the viability of coal sequestration and advanced gasification processes on a commercial scale. The FutureGen Alliance (“the Alliance”), a consortium of leading energy companies, is developing the Project.

IFA Executive Director Meister participated in a January 20th meeting in Washington, DC with Alliance officials, Senator Dick Durbin, representatives from the Illinois Department of Commerce and Economic Opportunity (“DCEO”), the Office of the Governor and the US Department of Energy (“USDOE”) to present an overall plan for the Project’s development and financing. This meeting, together with the submission of a written plan and supplemental information, was scheduled to facilitate USDOE’s decision on a prospective \$1.1 billion grant by the end of January, its original deadline.

On January 30, 2010, Exelon Corporation announced that it intends to join the Alliance.

USDOE officials expressed interest in having the Alliance submit additional details on the Project’s development and finance plan. They have advised that its decision to proceed should be made by mid-March.

In connection with the project, IFA is working closely with DCEO and the Illinois Power Authority to legislatively address any statutory issues that could hinder a joint IFA-IPA financing of the Project.

ILLINOIS FINANCE AUTHORITY
Memorandum

To: IFA Board of Directors

From: Steve Trout

Date: February 9, 2010

RE: Update on Blackhawk Biofuels, Danville, IL

For Information Only

REG's Chief Operating Officer, Dan Oh, has advised IFA that REG and Blackhawk Biofuels are proceeding with the merger, with a Blackhawk member vote scheduled for February 18, 2010.

The biodiesel industry has generally been hampered by Congress' failure to extend the \$1 per gallon Blender's Tax Credit (the "Tax Credit"), which expired on December 31, 2009. Continuation of the Tax Credit is critical to keeping the cost of biodiesel competitive with traditional, petroleum-based diesel.

Biodiesel production in most states has halted except in Illinois, which REG believes remains viable largely due to the State's sales tax-exemption for biodiesel. Blackhawk continues to receive orders for biodiesel at about 60% of recent levels from investors that anticipate prompt extension of the Tax Credit retroactive to January 1, as is widely expected.

IFA Executive Director has worked closely with the Office of the Governor to advocate for an extension of the Tax Credit with the Illinois Congressional delegation.

REG hopes that the Blender's Tax Credit will be enacted within 30 to 120 days, and that market conditions for biodiesel to improve in 2010. REG is proceeding with the merger with two other biodiesel companies that had been contemplated to occur contemporaneously with the Blackhawk merger. REG also plans to acquire NovaBioSource's nearly completed biodiesel plant in Seneca, a more recent opportunity. The Board was advised of these mergers last Fall.

Fifth Third Bank is seeking internal approval to grant a waiver for Blackhawk's failure to complete the merger with REG by the end of 2009, a key term of its amendment to the term loan that IFA guarantees. Fifth Third expects prompt approval of the waiver and plans to seek consent from the IFA Board at the March 9th Board Meeting.

MINUTES OF THE JANUARY 12, 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 11:30 a.m. on Tuesday, January 12, 2010 at the Conference Center at One Prudential Plaza, 7th Floor, 130 E. Randolph Street, Chicago, IL 60601.

Members present:

1. William A. Brandt, Jr., Chairman
2. Terrence M. O’Brien
3. Dr. William J. Barclay
4. Bradley A. Zeller
5. John “Jack” Durburg (Temporary)
6. Roderick Bashir (Temporary)
7. Joseph McInerney (Temporary)
8. Roger Poole (Temporary)

Members absent:

1. Michael W. Goetz, Vice Chairman
2. Ronald E. DeNard
3. Juan B. Rivera
4. Dr. Roger D. Herrin
5. James J. Fuentes
6. Edward H. Leonard, Sr.

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 11:45 a.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 eight (8) members physically present Ms. Nystrom-Boulahanis declared the quorum met.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending December 31, 2009 and minutes for both the December 8, 2009 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 8:30 a.m. that day. Chairman Brandt requested a motion to approve the December 31, 2009 Financial Statements and minutes from both the December 8, 2009 Committee of the Whole and the Board of Directors meeting.

The motion was moved by Mr. Bashir and seconded by Dr. Barclay. The December 31, 2009 financial statements and minutes from both the December 8, 2009 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.

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 8:30 a.m. before the Board Meeting.

Mr. Frampton presented the following projects for board approval:

- No. 1A:** **A-FB-TE-CD-8306– Chad J. Kalaher**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$229,182 for the purchase of approximately 99.871 acres of farmland. This project is located in Chatman, IL (Montgomery County).
- No. 1B:** **A-FB-TE-CD-8307– Jonathan A. Laue**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$72,500 for the purchase of an undivided 1/2 interest equal to approximately 43.5 acres of farmland. This project is located in Beecher City, IL (Effingham County).
- No. 1C:** **A-FB-TE-CD-8308– Ronald E & Sandra J. Behrens**
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 225 acres of farmland and related buildings. This project is located in Sterling, IL (Whiteside County).
- No. 3:** **E-PC-TE-CD-8182– Adler School of Professional Psychology**
Request for final approval for the issuance of up to \$5.1 million of 501(c)(3) Bonds to finance leasehold improvements that will enable the Adler School of Professional Psychology to (1) consolidate its operations on two adjacent floors of a building, (2) provide Adler's faculty and students with a dedicated building entrance that will improve safety and cohesiveness of the campus to both students and faculty, and (3) provide room for future expansion. This project is located in Chicago, IL (Cook County).
- No. 5:** **RE-W-TX-MO 8312– White Oak Energy, LLC.**
Request for the preliminary approval of the issuance of taxable bonds backed by the "additional security" of the moral obligation of the State of Illinois in an amount not to exceed \$51 million. The proceeds of this issuance will be used to finance a portion of the construction of a 150 MW wind farm project, consisting of 100 GE 1.5 MW turbines. This IFA loan amount (not to exceed \$51 MM for the total of Series A and Series B) will be combined with the debt supported by other sources, the equity contributions of the project sponsor and other tax incentive funding, to fund the purchase of the project turbines, construction of the wind farm, the interconnection of the project into the electric power grid and to pay costs of issuance. This project is located in Unincorporated McLean County, Illinois.

Mr. Frampton explained that this project was subject to the following conditions: (1) Review of additional project documents when available, including engineering, procurement and construction ("EPC") documents, Operating and Maintenance documents, etc. (2) Final financial plan and sensitivity analysis on key variables (3) Additional Engineering Consultant to IFA to review core areas: technology, financial

feasibility, etc. (4) Ratings of Ba/BB/BB or better from at least one of the nationally recognized independent rating agencies.

No. 6: H-HO-TE-CD-8311– Provena Health

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$130 million. The proceeds of this issuance will be used to (1) to refund all or a portion of the outstanding Series 1998D and 1998D-R Auction Rate Demand Bonds, (2) possibly fund new money projects, and (3) to pay costs of issuance. This project is located in multiple cities in Central, East Central, Northern Illinois and Metro Chicago, IL.

No. 7: H-HO-TE-CD-8305– Swedish Covenant Hospital

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$110 million. The proceeds of this issuance will be used to (1) to refund all or a portion of the outstanding Series 2003A, 2003B, and 2008B Variable Rate Demand Bonds, (2) to establish a debt service reserve fund; and (3) to pay costs of issuance. This project is located in Chicago, IL (Cook County).

No guests attended with respect to Project Nos. 1A, 1B, 1C, 3, 5, 6, or 7. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1A, 1B, 1C, 3, 5, 6, or 7. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1A, 1B, 1C, 3, 5, 6, and 7 received approval with 8 ayes, 0 nays, and 0 abstentions.

No. 2: I-FT-TE-CD-8302– Seneca I-80 Railport Development LLC and its affiliates, successors and assigns

Request for the preliminary approval of the issuance of freight transfer facilities revenue bonds in an amount not to exceed \$576.117 million. The proceeds of this issuance will be used to provide an Inducement Resolution to be submitted as an exhibit in connection with the Borrower’s application to the US Department of Transportation (“US DOT”) for a portion of the US DOT’s \$15 Billion national allocation for certain privately-owned intermodal transportation facilities of regional and national importance. This project is located in multiple cities in Central, East Central, Northern Illinois and Metro Chicago.

Mr. Jeff Kurtzweil of Clark St. Development, an agent for the project, attended with respect to Project No. 2. He thanked the Board for their consideration of this project. Mr. Kurtzweil explained that the project will reduce rail traffic in Chicago and is the first project of its kind that will serve the Eastern and South Eastern regions of the nation. The project will create approximately 1200 construction jobs and over 1000 permanent jobs in a county with 30% unemployment. Chairman Brandt asked if the Board had any questions with respect to Project No. 2. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 2 received approval with 8 ayes, 0 nays, and 0 abstentions.

No. 8: Robert Wisz LLC and Doreen’s Gourmet Pizza, Inc. Resolution to approve participation loan payment modifications by First Midwest Bancorp, Inc in favor of Robert Wisz LLC and Doreen’s Gourmet Pizza, Inc.

No. 9: FutureGen Project. A Resolution in Support of the Non-Profit Clean Coal FutureGen Project in Mattoon, Illinois.

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

Other Business

Chairman Brandt asked if there was any other business to come before the Board. There being none, Chairman Brandt requested a motion to adjourn. Upon a motion by Mr. O'Brien and seconded by Mr. Poole, the meeting adjourned at 12:21 p.m.

Chairman Brandt reminded all guests that next month's meeting will be on February 9, 2009 at the Prudential Plaza Conference Center at 130 E. Randolph Ave., 7th Floor, Chicago, IL 60601.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary

**MINUTES OF THE JANUARY 12, 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 8:30 a.m. on January 12, 2010 at the Chicago Office of the IFA at 180 N. Stetson, Suite 2555, Chicago, IL 60601.

Members present:

1. William A. Brandt, Jr., Chairman
2. Terrence M. O’Brien
3. Dr. William J. Barclay
4. Bradley A. Zeller
5. John “Jack” Durburg (Temporary)
6. Roderick Bashir (Temporary)
7. Joseph McInerney (Temporary)
8. Roger Poole (Temporary)

Members absent:

1. Ronald E. DeNard
2. Juan B. Rivera
3. James J. Fuentes
4. Edward H. Leonard, Sr
5. Michael W. Goetz, Vice
Chairman

Vacancies:

One

Staff Members Present:

Chris Meister,
Executive Director
Yvonne Towers, CFO and CTO
Rich Frampton, V.P.
Art Friedman, CHRO
Kara Boulahanis, Project Coordinator
& Asst. Secretary to the Board
Pamela Lenane,
V.P.-Acting General Counsel

**Members participating by
telephone:**

1. Dr. Roger D. Herrin

Call to Order

Chairman Brandt called the meeting to order at 8:42 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests. Chairman Brandt personally welcomed the three new Board Members, Mr. Bashir, Mr. McInerney and Mr. Poole, to their first Board Meeting. He reminded all Board Members that the March Board Meeting will be held in Peoria this year. He informed the new Board Members that it was the custom of the IFA to hold two meetings downstate each year. One meeting is held in Springfield and the other is held in a rotating location around the state.

Chairman’s Remarks

Chairman Brandt stated that there were two projects under way that he wished to share with the Board. Commonwealth Edison (ComEd), the Illinois electric utility, has approached the IFA regarding the possibility of issuing bonds for innovative energy projects. ComEd had expected to receive funding for these projects under the American Recovery and Reinvestment Act of 2009 (ARRA) but did not. The specific projects have not yet been determined, but ComEd has stated that they will finalize their plans and return to the Board soon.

Chairman Brandt shared that the next potential project holds a special significance for him. Shore Bank has played an important community banking role in many of the disadvantaged and underserved communities in and around the Chicagoland area by targeting customers that otherwise would not have been able to obtain credit. The bank has fallen on difficult times due to the economic downturn. Congresswoman Schakowsky and Senator Durbin approached the IFA with a request to work with ShoreBank and the FDIC. Some preliminary conversations with the legislature and ShoreBank’s representatives have occurred.

Any IFA assistance offered to ShoreBank would be specific to ShoreBank in light of its unique historic mission and not to the banking industry as a whole. The purpose of any proposed IFA assistance would be to help salvage ShoreBank's historical mission to aid economically disadvantaged communities and not to enhance its value in the event of a potential takeover. Any effort by the IFA to assist ShoreBank would be subject to a Memorandum of Understanding clearly setting forth the expectations and obligations of the relevant parties. The situation with respect to the project is still fragile. The Chairman plans to continue to update the Board of any developments related to the project.

Dr. Barclay stated that he was fully supportive of a program that would ensure ShoreBank's survival and prevent a situation similar to the FDIC's recent takeover of the Park National Bank in Oak Park. Chairman Brandt added that Former President Clinton was made aware of this issue and has weighed in on behalf of his foundation on the importance of saving ShoreBank.

Executive Director's Presentation

Executive Director Chris Meister presented an overview of the IFA's activities over the last 12 months, and its strategic positioning for the remainder of FY10.

Senior Staff Reports

Chairman Brandt then asked Ms. Yvonne Towers, Chief Financial and Technology Officer to make her report. Ms. Towers shared that the Healthcare sector has already met its target for Fiscal Year (FY) 2010 and has an additional \$1 million in projected revenue. This sector remains strong for the IFA.

Chairman Brandt asked Dr. Herrin if any energy projects would be presented to the Board in the near future. Dr. Herrin stated that the energy sector is still in the process of finalizing all guidelines and fees, but that the projects most likely to come before the Board before the end of FY '10 will be from ComEd or energy efficiency projects.

Chairman Brandt stated that if the IFA is able to close the projected healthcare projects and half a million dollars in energy revenue, then the IFA will have made more money in FY '10 than FY '09.

Ms. Towers then distributed a revised budget for FY '10. Chairman Brandt stated that the last budget projected \$300,000 in profits for the IFA. The current budget projects \$6.525 million in revenue generating \$600,000 in profits for FY '10.

Mr. McInerney asked about the IFA's practices for setting fees. Ms. Lenane responded that the IFA is constrained by the fees set by other state and local authorities. The IFA's fees are already on the higher end of the market. Mr. Durburg asked if the IFA has a margin goal. Director Meister responded that the IFA does not, as it would not be appropriate for a State Agency with primarily mission driven work. Mr. McInerney then asked if there was a benchmark against similar agencies in other states. Director Meister responded that there was not.

Dr. Herrin explained that the IFA is unlike a traditional business and that it did not work on the traditional profit spread. Mr. Zeller agreed adding that the IFA must balance meeting the goals as outlined in the mission of the IFA and making enough revenue to stay open. Chairman Brandt added that the IFA would like to have more of a presence downstate to further expand the mission driven programs such as local government and agriculture. He clarified that he particularly wanted to ensure that we cover the entire State, not just Central Illinois. He stated that he also

hoped that the Board Members from other areas would continue to spread the word about the IFA.

Director Meister added that the IFA is in the process of revamping and improving its exposure and that the marketing and promotion of the IFA remains a priority.

Ms. Towers returned to her presentation of the financials. She noted for the Board that projected revenues may or may not materialize, but expenses generally always materialize. She emphasized that forecasts will continue to be updated and provided to the Board as new information arises.

Ms. Towers then turned to the audit. She stated that the FY '09 annual financial audit by the Office of the Auditor General ("OAG") began in July of 2009 and the IFA's exit conference was conducted last week. The OAG compliance audit will be completed in the next two weeks. The 2009 OAG audit is on schedule with minimal findings.

Ms. Towers shared that the IFA is also experiencing some cost savings related to procurement. Currently, the IFA has a CMS State Procurement Officer (SPO) working with the IFA. The IFA is in the process of procuring services for financial advisor, legislative affairs, treasury and investment, venture capital and the human resources benefits package.

Mr. Zeller asked who had been selected as the IFA's lobbyist. Chairman Brandt responded that Mr. Howard Kenner had been selected.

Chairman Brandt explained that thanks to the addition of Art Friedson to the IFA's human resources team and the efforts of Chairman Brandt and Director Meister, the IFA has established a relationship with Central Management Services (CMS) that allows the IFA to utilize their services when appropriate and allows the IFA to go outside of CMS when appropriate. This relationship will be on display with the new H.R. benefits package for IFA's employees.

Committee Reports:

Chairman Brandt then asked Dr. Herrin to give the Energy Committee's report.

Dr. Herrin stated that the Energy Committee had met the previous afternoon. The top priority of the energy staff is currently the U.S. Department of Energy (DOE) application to the Financial Institute Partnership Program (FIPP) for Development Finance Organizations (DFOs) due on Friday, January 15, 2010. If accepted, this program will allow the IFA to act as a delegated lender on behalf of the DOE. The IFA would be able to offer a combined package of IFA moral obligation financing and DOE loan guarantees for renewable energy projects under Section 1705 of the American Recovery and Reinvestment Act (ARRA).

On December 14, 2009 the energy staff submitted an application to the DOE's Energy Efficiency Community Block Grant (EECBG) Retrofit Ramp-up Program for up to \$75 million in funds, of which up to \$15 million could be used for a debt service reserve fund to back a revolving loan program based on IFA's local government program for energy efficiency retrofits.

In the final update on the DOE, the IFA has been asked to present a project to the DOE for approval prior to the January 15, 2010 application deadline as part of the "First Mover" program. The IFA Energy Committee will be presenting White Oak Energy LLC to the Board later in the meeting for their approval.

Dr. Herrin then moved on to the projects being considered by the Energy Committee. Cinespace Movie Studios, the movie studio project in the former Ryerson Steel Plant, continues to progress. The developers hope to come before the Board for preliminary approval in the next few months.

Chairman Brandt stated that movie studio projects are a perennial occurrence at the IFA, but none have been financed yet. Director Meister added that unlike the previous movie studio project considered by the IFA, this particular developer has significant experience in the industry as well as \$26 million in equity.

Director Meister also noted that the Hotel Pere Marquette project will not come before the Board this month, but the project's developer, Mr. Gary Matthews, is in attendance at the Committee of the Whole Meeting to answer the Board's questions. Mr. Durburg stated that he was aware of the Pere Marquette Hotel project and wanted to know if it would be appropriate to ask tough questions of the developer as a new Board Member. Dr. Herrin emphatically stated that it was not only appropriate but Mr. Durburg's duty as a Board Member to ask tough questions of any project. Chairman Brandt explained to the Board that aside from lack of specificity on project costs, there is also a potential issue with the way this project could be perceived. The fee that the developer is requesting is large and is of concern.

Dr. Herrin agreed with Chairman Brandt regarding the fees. Dr. Herrin stated that he needed firm numbers from Mr. Matthews as to the exact project costs, and then the sources and uses. He wanted to emphasize that this would not be a conduit financing, but essentially a commercial loan to EM Properties.

Chairman Brandt clarified for the rest of the Board that if this project is approved as presented; it would allow the developer to take as much as \$9 million in fees out of the project at the completion of construction. Mr. Durburg offered his assistance underwriting this project as he has experience in this field. He also asked if this project would result in other hotels in Peoria closing.

Chairman Brandt explained that the Hotel Pere Marquette is an important civic facility that acts as the main event venue for the area. The project is also part of a downtown redevelopment plan for Peoria. Chairman Brandt cautioned that the State of Illinois has a history with hotel developments that is not positive and the IFA must avoid any similar entanglements.

Dr. Herrin reminded the rest of the Board that the Energy Committee has not yet set a firm fee structure for these projects as well.

Chairman Brandt asked Mr. Zeller to present the Agriculture Committee report. Mr. Zeller stated that the Agriculture Committee recommended all projects for approval. Mr. Zeller also shared that Mr. Eric Reed, Downstate Regional Manager, was speaking at the Farm Bureau today so Mr. Frampton will be presenting those projects in his stead.

Dr. Barclay then presented the Healthcare Committee report. He stated that Committee recommended approval for all the projects presented today.

Ms. Lenane added that the IFA will be hosting a two day National Association of Health and Education Facilities Finance Authorities (NAHEFFA) at the Chicago office later this January. This purpose of this meeting is to discuss the possibility of supporting federal legislation to allow non-profit organizations to issue Build America Bonds (BABs), and the effects of healthcare reform on hospitals. Further, a preliminary meeting with the organization that represents supportive living facilities will be held to discuss the possibility of a Medicaid receivables program.

Chairman Brandt asked if there were any other committee reports. There being none, he listed and described all of the existing committees (Agriculture, Audit, Diversity; Healthcare, Compensation/Nominating, Venture Capital, Energy) to the new Board Members and offered the opportunity to have them join the committee(s) of their choice.

Mr. McInerney volunteered to join the Audit and Venture Capital committees. Mr. Durburg volunteered for the Compensation Committee. Mr. Bashir requested to join the Healthcare and Diversity Committees. Lastly, Mr. Poole volunteered to join the Energy Committee. Chairman Brandt thanked the board members for their commitment and also reminded everyone that they were welcome to sit in on any committee meeting.

Chairman Brandt then turned to compensation. He explained, for the new Board Members benefit, that the IFA has not yet paid any bonuses under the FY '09 compensation plan. Due to the State's perilous fiscal situation and the IFA's own legitimate fiscal concerns, in June 2009, the IFA chose to defer any potential bonuses. The Compensation Committee recently reviewed the issue of the deferred bonuses and determined that only two staff members, Ms. Lenane and Mr. Reed, potentially qualified for such compensation. Unless any board member had any objection, Chairman Brandt would direct Director Meister to pay the bonuses to Ms. Lenane and Mr. Reed. No objections were raised and Director Meister was directed to authorize the payment of the FY '09 bonuses to Ms. Lenane and Mr. Reed.

Project Reports

The Chairman then asked for the projects reports.

- No. 4: EM Properties, LTD (Hotel Pere Marquette Project)**
Request for the preliminary approval of the issuance of taxable bonds backed by the "additional security" of the moral obligation of the State of Illinois. The moral obligation financing will finance a portion of the energy efficient upgrades of the 270-room historic Pere Marquette Hotel that will be renovated and converted to a Marriott and a "to be" constructed 180-room Courtyard. The development is located in downtown Peoria on Main Street two blocks from the Caterpillar world headquarters. The developments adjacent and will be connected to the skywalk to the Peoria Civic Center. Proceeds will be used to acquire the land, rehabilitation of the Pere Marquette Hotel, construction of the 180-room Courtyard Hotel, construct the parking desk, pay costs of issuance and fund capitalized interest and bank fees.

Mr. Bill Claus, Funding Manager, introduced the Board to Mr. Gary Matthews, the project developer; and stated that Mr. Matthews attended the meeting to answer questions regarding his project. He clarified that the project had already been pulled from the agenda and would not be presented for approval this month.

Mr. Matthews stated that he understood the Board was concerned about the developer fees for his project. Mr. Matthews explained that the fee was only 9%, well within the industry average of 7 to 12%. He added that he would still be willing to compromise on the exact number or timing of the fees.

Mr. Durburg asked Mr. Matthews how he could reconcile the supply and demand in a small area such as Peoria, where most of the major economic agents (i.e. Caterpillar) are suffering from the economic downturn. Mr. Matthews responded that the nearby Embassy Suites hotel has had four rate increases in the recent past. He understands that that project is doing very well, despite the economy. Mr. Mathews stated his belief that older hotels are suffering in this economy while the

newest hotels in any area are not. Mr. Matthews stated that Peoria is lacking new, quality hotel rooms. He believes that with Marriott's 30 year management agreement, along with several other factors, this property will succeed.

Mr. McInerney asked what the "per key" value of the Embassy Suites was. Mr. Matthews responded it was between \$170 and \$180 "per key". Mr. McInerney requested an explanation of why the Embassy Suites' per key rate was lower than the Hotel Pere Marquette's. Mr. Matthews explained that the Hotel Pere Marquette project also includes an elevated walkway to the Civic Center and a 500 car parking lot that the Embassy Suites does not have.

Mr. Durburg asked if the project was contemplating any sort of agreement with Caterpillar for rooms. Mr. Matthews stated that Marriott was not interested in that sort of arrangement as they want to remain flexible. Mr. Matthews is not concerned, as Caterpillar has a long history with the Pere Marquette given the fact that their international headquarters and training center are within a few blocks of the hotel.

Dr. Herrin added that St. Francis Hospital will be developing a new children's hospital across the street from the proposed project. This is expected to be a premier children's hospital with people traveling from far away to receive treatment. This may be positive for the Hotel Pere Marquette.

Mr. Matthews pointed out that this project was structured by Marriott based on its analysis of the market. This project includes the Hotel Pere Marquette as a full service property and the yet-to-be-built Courtyard by Marriott property will be special service.

Mr. Durburg asked if the first mortgage on this property will be non-recourse. Mr. Matthews responded that it was recourse debt to him, personally. Mr. Durburg then asked if Mr. Matthews had prepared a pro forma for occupancy over the first few years. Mr. Matthews responded that he could not off the top of his head, but that he believed that Marriott had prepared and submitted that report. He believed Marriott projected 73% occupancy for the Courtyard and Pere Marquette in the first few years. The breakeven point for the project is 50% occupancy for the Pere Marquette and 53% for the Courtyard by Marriott Hotel. This data is based on three different feasibility studies that were conducted.

Dr. Herrin asked if the IFA had all of these studies. Mr. Matthews responded that he believed the IFA did. He added that Marriott disagreed with one of the studies that suggested both hotels be full service. Mr. Claus added that the IFA will need an "as built" study as well.

Mr. Durburg then asked what the occupancy rate at the Embassy Suites was. Mr. Matthews stated that December was not a good month for the Embassy Suites, but that other than that occupancy has been high. Embassy Suites has projected that January through February will be rough as well but that occupancy will pick up in March with March Madness. It is currently at about 45%.

Mr. Durburg pointed out that to break even, the project must have 50% occupancy and the projections are for 73% occupancy. He asked how Mr. Matthews could account for that.

Mr. Matthews stated that the project will have other sources of revenue including shops, restaurants and the parking deck. Mr. Durburg asked if there would be a need for the additional parking. Mr. Matthews explained the site lay out and adjacent businesses on a large scale map of the proposed development, clarifying the need for additional parking.

Mr. Durburg then asked if Mr. Matthews will be competing with the Embassy Suites hotel. Mr. Matthews responded affirmatively.

Dr. Herrin stated that he would like Mr. Matthews to prepare a finalized total project cost, including acquisition and renovation, as well as a list of the pledged financials. The IFA can then determine if it is possible or appropriate for the IFA to fill any gaps in total financing.

Mr. Matthews explained that the City of Peoria will not close on the funds they have pledged until a guaranteed construction cost agreement has been reached with a contractor. This cannot be completed until the design for the project is completed, which is still in process.

Mr. Durburg asked who currently owns the Hotel Pere Marquette. Mr. Matthews responded that it was a long established partnership. Dr. Herrin asked if Mr. Matthews would be able to break down and identify the actual costs of the project. Mr. Matthews stated he would be able to in two to three weeks.

Chairman Brandt stated that the State of Illinois has not had a positive experience with hotels in the past, which could create problems for this deal. He added that while that alone is not a reason to forgo this project, it is an excellent reason to proceed with great caution. Chairman Brandt stated that the other primary concern for the Board is the lack of certainty on numbers. The IFA will need a final project cost before we can proceed any further.

Chairman Brandt then asked to move on to the next project. Mr. Marnin Lebovits, Senior Funding Manager, presented the following project:

No. 5: **White Oak Energy, LLC.**
Request for the preliminary approval of the issuance of taxable bonds backed by the “additional security” of the moral obligation of the State of Illinois in an amount not to exceed \$51 million. The proceeds of this issuance will be used to finance a portion of the construction of a 150 MW wind farm project, consisting of 100 GE 1.5 MW turbines. This IFA loan amount (not to exceed \$51 MM for the total of Series A and Series B) will be combined with the debt supported by other sources, the equity contributions of the project sponsor and other tax incentive funding, to fund the purchase of the project turbines, construction of the wind farm, the interconnection of the project into the electric power grid and to pay costs of issuance. This project is located in Unincorporated McLean County, Illinois.

Mr. Lebovits explained that this project is being presented for preliminary approval with conditions for the DOE First Mover program. The project has been evaluated by Illinois State University and they have affirmed the developer’s statements. Minimal discussion ensued and no objections were noted.

Mr. Frampton then presented the agriculture projects:

No. 1A: **Chad J. Kalaher**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$229,182 for the purchase of approximately 99.871 acres of farmland. This project is located in Chatman, IL (Montgomery County).

No. 1B: **Jonathan A. Laue**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$72,500 for the purchase of an undivided 1/2 interest equal to approximately 43.5 acres of farmland. This project is located in Beecher City, IL (Effingham County).

No. 1C: **Ronald E & Sandra J. Behrens**
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 225 acres of farmland and related buildings. This project is located in Sterling, IL (Whiteside County).

Mr. Frampton explained that these are all bank purchased Beginning Farmer Bonds (BFB). Project 1C is the first project at the IFA's new BFB limit. All of the projects were recommended for approval at the Agriculture Committee Meeting. Minimal discussion ensued and no objections were noted.

No. 2: **Seneca I-80 Railport Development LLC and its affiliates, successors and assigns**
Request for the preliminary approval of the issuance of freight transfer facilities revenue bonds in an amount not to exceed \$576.117 million. The proceeds of this issuance will be used to provide an Inducement Resolution to be submitted as an exhibit in connection with the Borrower's application to the US Department of Transportation ("US DOT") for a portion of the US DOT's \$15 Billion national allocation for certain privately-owned intermodal transportation facilities of regional and national importance. This project is located in multiple cities in Central, East Central, Northern Illinois and Metro Chicago.

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

No. 3: **Adler School of Professional Psychology**
Request for final approval for the issuance of up to \$5.1 million of 501(c)(3) Bonds to finance leasehold improvements that will enable the Adler School of Professional Psychology to (1) consolidate its operations on two adjacent floors of a building, (2) provide Adler's faculty and students with a dedicated building entrance that will improve safety and cohesiveness of the campus to both students and faculty, and (3) provide room for future expansion. This project is located in Chicago, IL (Cook County).

Mr. Frampton presented consistent with the Board report. He stated that no material changes had occurred since the preliminary resolution in October. Minimal discussion ensued and no objections were noted.

No. 6: **Provena Health**
Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$130 million. The proceeds of this issuance will be used to (1) to refund all or a portion of the outstanding Series 1998D and 1998D-R Auction Rate Demand Bonds, (2) possibly fund new money projects, and (3) to pay costs of issuance. This project is located in multiple cities in Central, East Central, Northern Illinois and Metro Chicago, IL.

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

No. 7: **Swedish Covenant Hospital**
Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$110 million. The proceeds of this issuance will be used to (1) to

refund all or a portion of the outstanding Series 2003A, 2003B, and 2008B Variable Rate Demand Bonds, (2) to establish a debt service reserve fund; and (3) to pay costs of issuance. This project is located in Chicago, IL (Cook County).

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

No. 8: Robert Wisz LLC and Doreen's Gourmet Pizza, Inc. Resolution to approve participation loan payment modifications by First Midwest Bancorp, Inc in favor of Robert Wisz LLC and Doreen's Gourmet Pizza, Inc.

Mr. Frampton explained that this project is requesting interest only payments for six months, beginning this month. They would like to defer all principal payments during that time. This organization is currently having working capitol issues and is trying to bring more cash into the business. The IFA will be receiving their new compressed natural gas trucks as collateral. Chairman Brandt reminded Mr. Frampton to have a notation placed on the title and to keep the title in the IFA's possession, as this is the only way in Illinois to obtain specific collateral in the case of a bankruptcy. Minimal discussion ensued and no objections were noted.

No. 9: FutureGen Project. A Resolution in Support of the Non-Profit Clean Coal FutureGen Project in Mattoon, Illinois.

Mr. Steve Trout, Vice President, explained that the FutureGen Alliance has asked IFA for a non-binding resolution of support for FutureGen, a near zero-emission advanced coal power plant that the Alliance hopes to develop in Mattoon with the U.S. DOE.

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

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

The Alliance is working with its financial advisors to develop a financing structure that meets credit standards and policies established by the IFA Board on September 9, 2009 for the issuance of bonds secured by State moral obligation for Clean Coal, Coal and Renewable Energy Projects. The Alliance recognizes that FutureGen has not developed sufficiently for IFA to evaluate the Project's creditworthiness. Minimal discussion ensued and no objections were noted.

Closing Remarks and Adjournment:

The meeting adjourned at 11:38 a.m.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Eric Reed/lk
Date: February 9, 2010
Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached project
- **Amount:** Up to \$470,100 maximum of new money for each project*
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$822,750**
- **Calendar Year Summary:** (as of February 9, 2010)
 - Volume Cap: Requested from GOMB
 - Volume Cap Committed: N/A
 - Volume Remaining: N/A
 - Average Acreage Farm Size: 118
 - Number of Farms Financed: 7
- **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-8314
Funding Manager: Eric Reed
Borrower(s): Purdom, Cody A.
Borrower Benefit: First Time Land Buyer
Town: Marengo, IL
Amount: \$225,000
Use of Funds: Farmland – 1/3 interest in 95 acres
Purchase Price: \$250,000 / (\$2,632 per ac)
 % Borrower Equity 10%
 % Other Agency 0%
 % IFA 90%
County/Region: McHenry / Northeast
Lender/Bond Purchaser: Alpine Bank & Trust Co. / Carl Dumoulin
Legislative Districts: Congressional: 16th, Donald Manzullo
State Senate: 32nd, Pamela Althoff
State House: 63rd, Jack Franks

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

***Cody A. Purdom:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.5% fixed for the first five years and adjust every five years thereafter to 2.25% above the 5-year Treasury Bond rate with a floor of 4.25%. Lender will charge .50 points. IFA Fee: \$3,375

B.

Project Number: A-FB-TE-CD-8315
Funding Manager: Eric Reed
Borrower(s): Belusko, David
Borrower Benefit: First Time Land Buyer
Town: Litchfield, IL
Amount: \$229,000
Use of Funds: Farmland – 1/2 interest in 237.5 acres & buildings
Purchase Price: \$458,000 / (\$431,500 / \$1,817 per ac)
 % Borrower Equity 5%
 % USDA Farm Services Agency 45% (*Subordinate financing*)
 % IFA 50%
County/Region: Montgomery / Central
Lender/Bond Purchaser: First National Bank of Litchfield / Ken Elmore
Legislative Districts: Congressional: 17th, Phil Hare
State Senate: 49th, Deanna Demuzio
State House: 98th, Betsy Hannig

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

***David Belusko:** 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 85% of the National Prime Rate as published in the Wall Street Journal. The rate on this loan shall never be lower 4.00% or higher than 10.25%. There will be a 2.00% adjustment rate cap at each adjustment. IFA Fee: \$3,435

*** 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-8316
Funding Manager: Eric Reed
Borrower(s): Belusko, Matthew Ryan
Borrower Benefit: First Time Land Buyer
Town: Litchfield, IL
Amount: \$229,000
Use of Funds: Farmland – 1/2 interest in 237.5 acres & buildings
Purchase Price: \$458,000 / (\$431,500 / \$1,817 per ac)
 % Borrower Equity 5%
 % USDA Farm Services Agency 45% (*Subordinate financing*)
 % IFA 50%
County/Region: Montgomery / Central
Lender/Bond Purchaser: First National Bank of Litchfield / Ken Elmore
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 one year from the date of closing. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin one year from the date of closing with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

***Matthew Belusko:** 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 85% of the National Prime Rate as published in the Wall Street Journal. The rate on this loan shall never be lower 4.00% or higher than 10.25%. There will be a 2.00% adjustment rate cap at each adjustment. IFA Fee: \$3,435

D.

Project Number: A-FB-TE-CD-8317
Funding Manager: Eric Reed
Borrower(s): Semple, Jacob D.
Borrower Benefit: First Time Land Buyer
Town: West Liberty, IL
Amount: \$139,750
Use of Funds: Farmland – 79 acres
Purchase Price: \$279,500 / (\$3,538 per ac)
 % Borrower Equity 5%
 % USDA Farm Services Agency 45% (*Subordinate financing*)
 % IFA 50%
County/Region: Richland / Central
Lender/Bond Purchaser: The First National Bank of Dieterich / Travis Farley
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 one year from the date of closing. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin one year from the date of closing with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

***Jacob D. Semple:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.250% fixed for the first five years and adjust every five years to 2.00% above the 5-year Treasury Bond rate. IFA Fee: \$2,096

*** 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
BOARD SUMMARY
February 9, 2010**

Project: Alexian Brothers Health System

STATISTICS

Project Number: H-HO-CD-TE-8322
Type: 501(c)(3) Bonds
County/Region: Cook/Northeast

Amount: \$150,000,000 (Not-to-Exceed)
IFA Staff: Pam Lenane and Shannon Govia
City: Elk Grove Village and Hoffman Estates

BOARD ACTION

Preliminary Bond Resolution
Conduit 501 (c)(3) bonds
No IFA funds at risk

Credit Committee recommends approval
No extraordinary conditions

VOTING RECORD

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

PURPOSE

Proceeds will be used to: 1) refund the remaining balance of the Alexian Brothers Health System Series 2005C Bonds, 2) fund Project Fund for hospital modernization, 3) fund the Debt Service Reserve, and 4) pay certain expenses incurred in connection with the issuance of the Series 2010 Bonds.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 8,119 FTE's
Jobs Retained: 8,119 FTE's

Projected new jobs: 0
Construction jobs: 400 (estimate)

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	<u>\$136,500,000</u>	Uses:	Refunding Bonds	\$70,420,000
				Issuance costs	2,480,000
				Project Fund New Money	50,000,000
				Debt Service Reserve	<u>13,600,000</u>
	Total	<u>\$136,500,000</u>		Total	<u>\$136,500,000</u>

FINANCING SUMMARY/STRUCTURE

Security: Security interest in all accounts, a mortgage, and debt service reserve.

Structure: Fixed Rate Debt

Interest Rate: Estimated Fixed Yield of 5.00% to 5.75%

Interest Mode: Fixed Rate

Credit Enhancement: None

Maturity: Up to 30 years.

Credit Rating: A3/A (Moody's/Fitch)

Estimated Closing Date: May 1, 2010

PROJECT SUMMARY

Proceeds 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 the Debt Service Reserve, and 4) pay certain expenses incurred in connection with the issuance of the Series 2010 Bonds.

Project Rationale: Alexian Brother Health System plans to modernize the campus of St Alexius Medical Center. Also, the outstanding IFA Series 2005C Bonds are currently trading as variable rate bonds with a Standby Letter of Credit providing liquidity support. Alexian Brother Health System plans to convert the IFA Series 2005C Bonds to fixed rate bonds.

Timing: The Bond issue is expected to close by May 2010.

BUSINESS SUMMARY

Description of Business: The Alexian Brothers Health System is a diversified multi-corporate healthcare delivery system sponsored by the Congregation of Alexian Brothers, Immaculate Conception Province, a Roman Catholic religious institute.

The Alexian Brothers began their ministry in the United States in 1866 with the opening of an eight-bed hospital in Chicago. Two years later, a larger hospital was built but destroyed in the Great Chicago Fire of 1871. Over the years, the Brothers twice rebuilt the facility.

Today, the Alexian Brothers sponsor the following facilities:

- Three hospitals in the northwest suburbs of Chicago, including Alexian Brothers Medical Center in Elk Grove Village, St. Alexius Medical Center in Hoffman Estates, and Alexian Brothers Behavioral Health Hospital, also in Hoffman Estates
- Life care centers in Signal Mountain, Tennessee and Milwaukee, Wisconsin
- Two nursing homes in St. Louis, Missouri
- Programs for All Inclusive Care of the Elderly in St. Louis, Missouri and Chattanooga, Tennessee
- Free-standing assisted living facility serving persons affected by Alzheimer's or other dementia related disorders in Chattanooga, Tennessee
- Affordable housing primarily to serve seniors in St. Louis, Missouri and Chattanooga, Tennessee.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Project name: Alexian Brothers Health System Construction and Remodeling
Locations: Alexian Brothers Medical Center, 800 Biesterfield Road, Elk Grove Village (Cook County), IL 60007-3475 ,
St. Alexius Medical Center, 1555 Barrington Road, Hoffman Estates (Cook County), IL 60194-1018, and
Alexian Brothers Behavioral Health Hospital, 1650 Moon Lake Boulevard, Hoffman Estates (Cook County), IL 60194-1010.
Applicant: Alexian Brothers Health System
Organization: 501(c)(3) Not-for-profit Corporation
State: Illinois
Board of Governors: Brother John Howard, C.F.A. Jerry Capizzi
Brother James Classon Brother Lawrence Krueger, C.F.A.
Brother Richard Lowe, C.F.A. Brother Thomas Keusenkothen, C.F.A.

Bruce Wolfe

Kenneth McHugh
Brother Theodore Loucks, C.F.A.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Foley & Lardner	Chicago	Robert Zimmerman
Accountant:	KPMG	Chicago	Charles Klescewski
Bond Counsel:	Jones Day	Chicago	S. Louise Rankin
Underwriter:	Merrill Lynch	Chicago	Joe Hegner
Underwriter's Counsel:	Ungaretti & Harris	Chicago	Tom Fahey
Financial Advisor:	Kaufman Hall	Northfield	Ken Kaufman
Bond Trustee:	Wells Fargo	Chicago	Patricia Martirano
Issuer's Counsel:	Miller Canfield	Chicago	Paul Durbin
IFA Advisors:	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Elk Grove Village

Congressional:	6 – Peter Roskam
State Senate:	33 – Dan Kotowski
State House:	66 – Carolyn H. Krause

Hoffman Estates

Congressional:	8 – Melissa Bean
State Senate:	22 – Michael Noland
State House:	44 – Fred Crespo

SERVICE AREA

The core service area for Alexian Brothers Health System includes the following suburbs: Arlington Heights, Elk Grove Village, Rolling Meadows, Addison, Bartlett, Streamwood, Bloomingdale, Elgin, Hanover Park, Itasca, Medinah, Hoffman Estates, Roselle, Schaumburg and Wood Dale.



\$125,000,000

FRIENDSHIP VILLAGE OF MILL CREEK, NFP (GREENFIELDS OF GENEVA PROJECT)

February 9, 2010

REQUEST

Purpose: (i) to construct and equip a new Continuing Care Retirement Community, (ii) repay monies used to finance pre-development costs, including the BANs referenced above and other seed capital funds provided by various sources (iii) fund one or more Debt Service Reserve Funds, (iv) fund interest expense on the Bonds for a period of approximately 20 months, and (v) fund certain professional and bond issuance costs.

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

Extraordinary Conditions: None.

BOARD ACTIONS

Preliminary Bond Resolution.
Note that two series of Bond Anticipation Notes (“BANs”) for this project were issued by IFA in 2007 (for \$5,500,000) and 2008 (\$3,685,000).

MATERIAL CHANGES

None.

JOB DATA

4 FTE’s	Current jobs	140	New jobs projected
N/A FTE’s	Retained jobs	200	Construction jobs projected

DESCRIPTION

- **Location:** Geneva (Kane County).
- GreenFields of Geneva is being developed to meet the needs of the elderly population of the Geneva area. The Community, once constructed, will consist of 162 independent living units, 10 catered living apartments, 46 assisted living units, 20 memory support assisted living units, and 37 nursing beds. The Community is being constructed on approximately 18.5 acres in the Mill Creek master planned development and will be surrounded by a golf course, park, school and residential neighborhood. Mill Creek is near Geneva, Illinois which is approximately 40 miles due west of downtown Chicago near Interstate 88.
- GreenFields of Geneva is being developed by Friendship Senior Options (“FSO”). Friendship Senior Options was created in 2003 to serve as the sole corporate member of Evangelical Retirement Homes of Greater Chicago, Inc., d/b/a Friendship Village of Schaumburg (“FVS”), and other affiliates. FVS was organized in 1974 and today is the largest single site continuing care retirement community in the Chicago area and the fifteenth largest in the nation. Currently, Friendship Village includes approximately 28 garden homes, 629 independent living units, 98 assisted living units and a 250 bed skilled nursing facility located on a 60-acre campus in suburban Schaumburg, approximately 32 miles northwest of downtown Chicago. The Community is not being financed as a part of FSO’s or FVS’ existing obligated group. GreenFields of Geneva will be a stand-alone credit for financing purposes. FSO will provide all management services to the Community. In addition, as part of the financing, FSO is contemplating providing credit support as a form of additional security. The type of credit support that will be provided is still being determined.

CREDIT

- The expected plan of finance does not include credit enhancement.

SECURITY

- The security for the Bonds will include a mortgage and revenue pledge. Additionally, the sole corporate member of the project’s sponsor, Friendship Senior Options, NFP, may provide additional credit support to the Project.

INDICATORS

- The underlying Borrower is unrated.

MATURITY

- No later than 2045. See below for specific maturity dates for each type of bonds to be issued.

SOURCES AND USES

IFA Bonds	\$115,815,000	Project Fund	\$92,216,000
Sub Debt from Parent	\$4,000,000	Debt Service Reserve Fund	\$10,320,000
Equity	<u>\$1,000,000</u>	Funded Interest (20 months)	\$15,063,000
		Cost of Issuance	<u>\$3,216,000</u>
Total	\$120,815,000	Total	\$120,815,000

RECOMMENDATION

Credit Committee recommends approval.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 9, 2010**

Project: Friendship Village of Mill Creek, NFP (GreenFields of Geneva Project)

STATISTICS

Number:	H-HO-TE-CD-8324	Amount:	\$125,000,000 (Not-to-Exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane/ Bill Claus
Location:	Geneva	County/ Region:	Kane County/Northeast

BOARD ACTION

Preliminary Bond Resolution	Staff recommends approval
Conduit 501(c)(3) Bonds	No extraordinary conditions
No IFA funds at risk	Requesting a waiver of IFA Policy for nonrated, unenanced debt, to be based on a feasibility study by Management and LarsonAllen LLP.

VOTING RECORD

Note that two series of Bond Anticipation Notes ("BANs") for this project were issued by the IFA in 2007 (for \$5,500,000) and 2008 (\$3,685,000).

PURPOSE

Proceeds will be used to (i) construct and equip a new Continuing Care Retirement Community, (ii) repay monies used to finance pre-development costs, including the BANs referenced above and other seed capital funds provided by various sources, (iii) fund one or more Debt Service Reserve Funds, (iv) fund interest expense on the Bonds for a period of approximately 20 months, and (v) fund certain professional and bond issuance costs.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	4	Projected new jobs:	140
Jobs retained:	N/A	Construction jobs:	200 (20 months)

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Bonds	\$115,815,000	Uses: Project Fund	\$92,216,000
Subordinate Debt from Parent	4,000,000	Debt Service Reserve Funds	10,320,000
Equity/Entrance Fees	<u>1,000,000</u>	Funded Interest (20 months)	15,063,000
		Cost of Issuance	<u>3,216,000</u>
		(including underwriter's discount)	
Total	\$120,815,000	Total	\$120,815,000

Note: The above table reports the sources and uses pertaining to the IFA Bonds, the subordinate note held by Friendship Senior Options (the Borrower's parent) as a result of foregoing reimbursement of certain project expenses at closing, and the equity contribution/resident entrance fees that will be used as part of the project to fund certain marketing and development fees during fill-up. In addition, resident entrance fees will be used as a significant source of funds to provide for a Working Capital Fund, an Operating Reserve Fund, and the redemption of a portion of the IFA Bonds.

FINANCING SUMMARY

Security: The security for the bonds will include a mortgage and revenue pledge. The key bond documents will include a master indenture, bond indentures and loan agreements. Additionally, the sole corporate member of the project's sponsor, Friendship Senior Options, NFP, may provide additional credit support to the project.

Structure: The Series 2010 Bonds will consist of the following two types of debt:

- **Permanent Debt**: Debt that will be outstanding on a long-term basis. Principal payments on this debt will occur beginning in approximately 2016 through 2045, with a 35-year final maturity and consists of fixed rate bonds
- **Temporary Debt**: Debt that will be repaid within approximately five to six years of issuance from resident entrance fees that are paid at the time a resident moves into the community. The pace of Temporary Debt repayment will be determined by the pace of the move-ins.

The current plan of finance, subject to change, will consist of fixed rate bonds for the Permanent debt and a combination of fixed rate bonds and adjustable rate bonds for the Temporary Debt. It is expected that the Temporary Debt will include the following types of bonds:

- **ARROSsm ("Accelerated Redemption Reset Option Securities")**: Similar to Ziegler EXTRASsm, the rate on these adjustable rate bonds is reset every few years. It is expected that the first interest rate reset date for these bonds would be approximately 6 years after issuance. It is anticipated that these Bonds would be repaid with entrance fees prior to the initial interest rate reset date. If the Bonds are not repaid at the time of the first interest rate reset, then the rate will be reset each year until the Bonds are repaid in full.
- **TEMPSsm (Tax-Exempt Mandatory Paydown Securitiessm)**: TEMPSsm are fixed rate bonds that are typically designated to be repaid at a particular occupancy level. For example, TEMPS-50 bonds are planned to be repaid at approximately 50% occupancy. Repayment will occur as entrance fees are received from residents upon move-in. It is likely that the GreenFields financing will include multiple series of TEMPS, such as TEMPS-50, TEMPS-65 and TEMPS-75.

- **Fixed Rate Temporary Bonds:** These Bonds would also be repaid with entrance fees. They would have a fixed rate and a stated final maturity date.

The optimal mix of Temporary and Permanent Debt, and the combination of ARROS, TEMPS and fixed rate, will be determined as the financing progresses.

Interest Rate:	To be determined.
Interest Mode:	Paid semi-annually.
Credit Enhancement:	The expected plan of finance does not include credit enhancement.
Maturity:	The permanent debt will be amortized during approximately 2016 through 2045. Temporary debt is expected to be repaid through optional redemptions during 2012 through 2014. Each series of Temporary Debt will have a stated final maturity date. These stated maturity dates for the Temporary Debt are based upon the expected payoff dates (from entrance fees) plus several years of "cushion". The TEMPS and fixed rate Temporary Bonds are expected to have final maturity dates no later than 2017. The ARROS will have a first interest rate reset date not later than 2017 and a final maturity date not later than 2045.
Rating:	Underlying Borrower is unrated.
Estimated Closing Date:	May 2010
Waiver:	The Bonds will be sold in denominations less than \$100,000 (i.e. \$5,000). The Borrower has requested a waiver of our unrated and non-credit enhanced debt policy based on satisfying the feasibility study requirement. They expect to meet the conditions for a waiver, for which they qualify.
<u>Conditions for Waiver:</u>	The Borrower is currently working on a feasibility study with an independent and qualified accounting or consulting firm acceptable to the Authority demonstrating the financial viability of the project. This report and interim drafts will be available to the Authority as needed.

*A full market and financial feasibility study is being prepared by Management and LarsonAllen LLP, a national accounting firm that provides financial forecast and feasibility studies for the senior living industry, in connection with the issuance of the Bonds.

PROJECT SUMMARY

Friendship Village of Mill Creek, NFP intends to use the net proceeds of the Authority loan to provide funds to (i) construct and equip a continuing care retirement community facility ("GreenFields of Geneva" or the "Community") having 140 one and two bedroom independent living units, 7 catered living apartments, 51 assisted living units, 26 memory support assisted living units, 43 nursing beds, common areas, and an underground parking garage containing space for 108 cars to be located on approximately 18.5 acre site in the Mill Creek master planned development in Geneva, Illinois, (ii) refinance and repay monies used to finance pre-development costs, (iii) fund one or more Debt Service Reserve Funds, (iv) fund interest expense on the Bonds for a period of approximately 20 months, and (v) fund certain professional and bond issuance costs.

Project Costs: Estimated to be approximately \$92.2 million before financing related costs (Debt Service Reserve Fund, Funded Interest, etc.). The total par amount of Bonds is estimated to be \$115.8 million (which includes all financing-related costs). These figures represent all project costs to be funded with IFA Bonds and equity, other than certain late-occurring development fees to be funded with entrance fees. Entrance fees will also be used to fund items not included in the \$115.815 million. These items include the funding of a Working Capital Fund, an Operating Reserve Fund and redemption of Temporary Debt.

The Project: GreenFields of Geneva is being developed in two phases. Phase I, which is being financed with the proceeds from the Series 2010 Bonds, will consist of 140 one and two bedroom independent living units, 7 catered living apartments, 51 assisted living units, 26 memory support assisted living units, and 43 nursing beds. Phase II is anticipated to be constructed after the Community has reached stabilized occupancy and is assumed to add an additional 60 to 80 independent living units to the Community. There will be an underground parking garage containing space for approximately 108 vehicles. As of January, 15, 2010, 101 of the 140, or 72% of the independent living units had been reserved by applicants each making a reservation deposit equal to 10% of the required entrance fee.

The Community's common areas are planned to include:

- Dining rooms offering three meals daily
- Café/bistro
- Private dining room for special occasions
- Library/Resource Center
- Beauty salon/barber shop
- Creative arts center
- Card/game room
- Aquatic center; and a
- Fitness center.

It is anticipated that project construction will begin in May, 2010, and be completed by March, 2012. Initial occupancy for independent living units is planned to begin in July, 2011.

Admission to GreenFields of Geneva: generally will be open to persons at least 62 years of age who are able to live independently, and have assets and income that are sufficient to meet ordinary and customary living expenses after assuming occupancy.

Healthcare and other licensure: Once the project is completed, GreenFields of Geneva anticipates that it will obtain an amendment to its existing Life Care Facilities permit, licensure as an assisted living facility under the Assisted Living and Shared Housing Act and licensure of the skilled nursing beds from the Illinois Department of Public Health. GreenFields received its Certificate of Need from the Illinois Health Facilities Planning Board for 40 nursing units in September 2009. An amendment to the CON increasing the beds by three is scheduled for review at the March 2010 meeting.

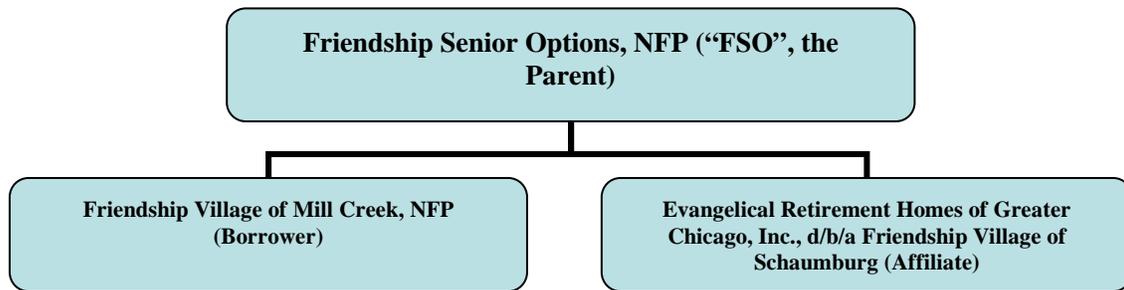
Sponsor: GreenFields of Geneva is being developed by Friendship Senior Options ("FSO"). Friendship Senior Options was created in 2003 to serve as the sole corporate member of Evangelical Retirement Homes of Greater Chicago, Inc., d/b/a Friendship Village of Schaumburg ("FVS"), and other affiliates. FVS was organized in 1974 and today is the largest single site continuing care retirement community in the Chicago area and the fifteenth largest in the nation. Currently, Friendship Village includes approximately 28 garden homes, 629 independent living units, 98 assisted living units and a 250 bed skilled nursing facility located on a 60.4-acre campus in suburban Schaumburg, approximately 32 miles from downtown Chicago. *The Community is not being financed as part of FSO's or FVS' existing obligated group. GreenFields of Geneva will be*

a stand-alone credit for financing purposes. FSO will provide all management services to the Community. In addition, as part of the financing, FSO is contemplating providing credit support as a form of additional security. The type of credit support that will be provided is still being determined.

BUSINESS SUMMARY

Background: GreenFields of Geneva is being developed to meet the needs of the elderly population of the Geneva area. The Community, once constructed, will consist of 162 independent living units, 10 catered living apartments, 46 assisted living units, 20 memory support assisted living units, and 37 nursing beds. The Community is being constructed on approximately 18.5 acres in the Mill Creek master planned development and will be surrounded by a golf course, park, school and residential neighborhood. Mill Creek is near Geneva, Illinois which is approximately 40 miles due west of downtown Chicago near Interstate 88.

Corporate Structure: The Applicant’s and Sponsor’s corporate structure are depicted below:



FVMC will be the only member of a to-be-formed obligated group. Neither the Parent nor the other operating entities of FSO will be members of the obligated group and neither of them will have any obligations with respect to the Bonds, the Master Indenture, and the Mortgage or the Loan Agreements that may be required with respect to the Bonds.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Friendship Village of Mill Creek, NFP – GreenFields of Geneva Project
 Project: New Facility Project
 Location: Geneva, Kane County, IL
 Contact Person: Mr. Steve Yenchek, President and CEO of Friendship Senior Options (847-884-5008)
 Mr. Kim Klockenga, CFO of Friendship Senior Options (847-884-5371)
 Organization: 501(c)(3) Corporations
 State: Illinois

Board of Trustees:

Friendship Village of Mill Creek, NFP Board of Directors		
Name	Profession	Years of Tenure
Charles W. Cassell* Chair	Retired, Founding Partner Burnidge Cassell Associates, Architects	Since 2005
Ronald Ahlman* Treasurer	Retired Executive, Fox Valley Contractors Association	Since 2005
Tom Castronovo* Member	Managing Director, Chief Marketing Officer PrivateBancorp	Since 2006
Bruce Dopke Member	Self-Employed Attorney	Since 2005
Thomas A. Johnson* Member	Retired, Dean of Business and Social and Science Division at William Rainey Harper College	Since 2005
Kathy Rivera* Secretary	President/Executive Director KRT Productions	Since 2005
Larry Shoemake* Member	Case Manager, Seniors Kenneth Young Center	Since 2008
Gary Howard* Member	Retired Vice President, Motorola	Since 2005
Catherine Tardy Member	Vice President, Branch Sales Manager Baird & Warner	Since 2005

Friendship Senior Options Board of Directors

Name	Profession
Thomas A. Johnson Chair	Retired Dean, Business and Social Sciences William Rainey Harper College
Charles W. Cassell Vice Chair	Founding Partner Burnidge Cassell Associates, Architects
Jan L. Tucker Secretary	Trustee Arlington Heights Library
William L. Spencer Treasurer	Retired, Senior Vice President Motorola
Gary Howard Past Chair	Retired, Vice President, Global Employee Relations Human Resources & Legislative Affairs, Motorola
Ronald A. Ahlman	Retired Executive Fox Valley Contractors Association
Thomas Castronovo	Managing Director, Chief Marketing Officer PrivateBancorp
Clark Delanois	Senior Vice President The Northern Trust Companies
Kathleen A. Gilmer	Director, Outreach Centers Northern Illinois University
Kathy Rivera	President/Executive Director

	KRT Productions
Jean Schlinkmann	Executive Director Schaumburg Park District
Paul J. Schaffhausen	Retired Senior Legal Counsel MacDonald's Corporation
Larry L Shoemake	Case Manager, Seniors Kenneth Young Center
Duane L. Tyler	Retired, Senior Vice President, Growth McGladrey & Pullen, LLC

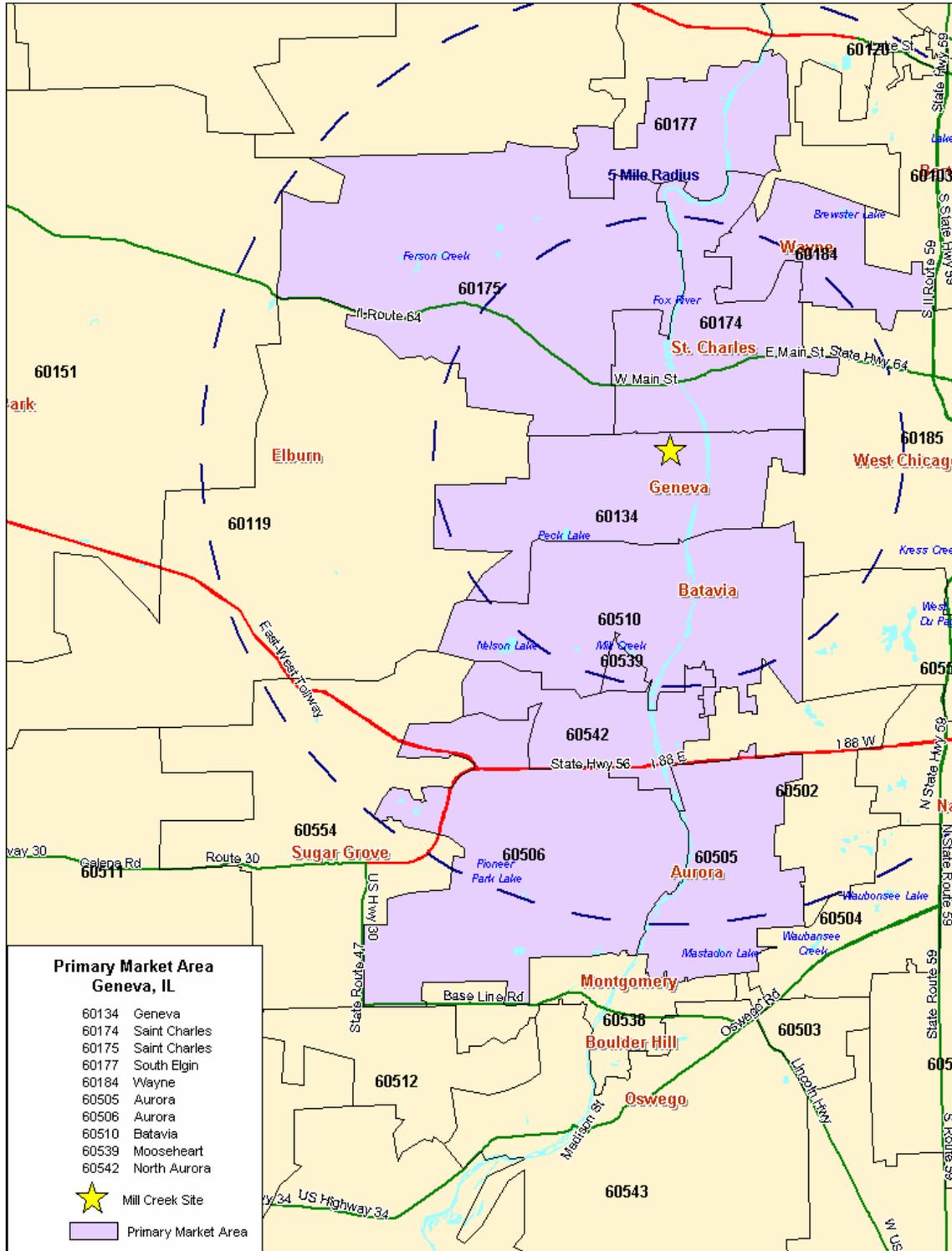
PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Smith, Hemmesch, Burke Brannigan & Guerin	Chicago, IL	Don Hemmesch
Bond Counsel:	Peck Shaffer	Chicago, IL	George Buzard
Special Counsel:	Jones Day	Chicago, IL	John Bibby
Underwriter:	Ziegler Capital Markets	Chicago, IL	Dan Hermann Steve Johnson
Underwriter's Counsel:	Katten Muchin Rosenman	Chicago, IL	Janet Hoffman
Issuer's Counsel:	Hinshaw & Culbertson LLC	Chicago, IL	Leslie Richards-Yellen
Trustee:	Wells Fargo Bank, N.A.	Chicago, IL	Christopher Duncan
Feasibility Consultant:	Larson Allen LLP	Minneapolis, MN	Gail Miller
IFA Financial Advisor:	Scott Balice Strategies	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 9th Janice D. Schakowsky
 State Senate: 7th Heather Steans
 State House: 13th Greg Harris

SERVICE AREA



BUSINESS SUMMARY

Background/Description: The St. George Corporation (the Corporation) is an Illinois not-for-profit corporation created in the year 2000 which serves as the parent corporation and as sole corporate member of two not-for-profit corporations, (1) Palos Community Hospital (PCH), an acute care hospital located in Palos Heights, Illinois with outpatient satellite facilities in the surrounding community, and (2) St. George Wellness Center (SGWC) which operates the Palos Health and Fitness Center (the Center) located in Orland Park, Illinois. It is the vision of the Corporation to be the leading community based health care organization providing quality inpatient, outpatient and preventative services while supporting people in achieving optimum health in response to the needs of the southwest suburban community.

The primary operating entity of the Corporation is PCH. Opened in 1972 with 265 beds, PCH has grown to its current licensed bed capacity of 436, of which 369 are in operation, by responding to population growth and service demands with major building additions and modernizations in 1975, 1978, 1992, 1995, 2006 and 2009. In addition to accommodating inpatient demand, these facility expansions have provided for the growth of outpatient, emergency and ancillary departments in response to volume demands, technology, and service developments including single room maternity care, interventional cardiology and open heart surgery. PCH also operates two satellite facilities; the Primary Care Center in Orland Park and the Palos Immediate Care Center in Palos Heights. These facilities provide access to non-urgent outpatient treatment and diagnostic services. PCH provides home based services through Palos Community Hospital Home Health Care, Hospice and Private Duty with offices in Lemont, Illinois. PCH is also a partner with Little Company of Mary Hospital in the Southwest Hospital MRI Center located in Oak Lawn, Illinois. It is the Mission of PCH that all of its services – preventive, curative or palliative—shall be delivered with quality of the highest caliber and that PCH shall be committed to continually responding to the health care needs of the community with services that are readily available in a form that enhances their efficient use by physicians and patients.

Along with traditional health services, PCH makes its resources available to support many community health initiatives and programs responsive to the needs of the community. Examples of community services provided by PCH include: Asthma Education Program, Chemical Dependency services, Diabetes Fair & Diabetes Self-Management Program, Home Delivered Meals, *Lifeline* (personal response home monitoring), Osteoporosis Program, Parent-Child Health Education, Physician Referral Service, Psychiatric Services (inpatient & outpatient), Speakers Bureau, and a number of different Support Groups.

In addition, PCH provides annual health screenings for skin, prostate & colorectal cancer. PCH regularly offers programs on smoking cessation, depression/emotional health, prenatal care/childbirth preparation, caregiving, heart disease, and diabetes. Through its numerous outreach activities, PCH is recognized as the area leader in community education services. PCH also participates in and sponsors a variety of annual community events including a Women's Day, Heart Month & a Heart Walk (benefits American Heart Association). Its Speakers Bureau & Health Fair participation reaches thousands in community. PCH's home delivered meals program provides over 30,000 home delivered meals annually to home-bound seniors in our community. PCH's Senior Resource department provides assistance to seniors with Medicare and hospital paperwork. In addition, a variety of community publications including Perspective magazine and Community Calendar are mailed to residents – reaching over 150,000 homes.

Service Area: Primary service area includes: Palos Heights, Palos Hills, Palos Park, Midlothian, Oak Forest, Orland Park, and Tinley Park.

PROJECT SUMMARY

Bond proceeds will be used to: (i) provide financing to pay costs of capital expenditures for 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) fund certain professional and bond issuance costs.

FINANCING SUMMARY

Security/Collateral: Senior Parity Basis with existing debt issued under the Master Trust Indenture; Master Note; and Revenue Pledge

Structure: Amortizing from 2011 through 2051

Maturity: Not to exceed 40 years

Credit Rating(s): Palos does not currently maintain an outstanding rating as they were withdrawn in 2007 in conjunction with the issuance of the Series 2007 Bonds which were MBIA insured; previous ratings were Aa3/AA/NR. Rating meetings are scheduled for late February 2010 to secure ratings for the 2010 Bonds and an expected rating of A1.

ECONOMIC DISCLOSURE STATEMENT

Project name: Palos Community Hospital
Locations: Palos Heights, Orland Park, Lemont, Homer Township
Applicant: Palos Community Hospital
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois
Board of Trustees:

St. George Corporation

Board of Directors

Thomas Barcelona
Thomas Courtney
Sister Anna Doyle
Bishop John Gorman
Daniel Harris
Dr. Terrence Moisan
Edward Mulcahy
Dr. Jerome Murphy
Joseph Neverauskas
Richard Nogal
Sister Margaret Wright

Palos Community Hospital

Board of Directors

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Sister Anna Doyle
Lynn M. Egan
Lawrence Hunt
Margaret Lustig
Edward Mulcahy
Joseph Neverauskas
Richard Nogal
Sheila Pacholski
Carole Ruzich
Philip A. Salvador
Christie Sever
Dr. Mark Sinibaldi
Sister Margaret Wright

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Ungaretti & Harris LLP	Chicago	Tom Fahey
Bond Counsel:	Jones Day	Chicago	Mike Mitchell
Underwriter:	Goldman, Sachs & Co.	Chicago	Jay Sterns
Underwriter's Counsel:	Katten Muchin Rosenman LLP	Chicago	Renee Friedman
Bank/Purchaser:	JP Morgan Chase	Chicago	Nick Watts
Bank/Purchaser:	Northern Trust	Chicago	Justin Meany
Bank Counsel:	TBD	TBD	TBD
Bond Trustee:	Wells Fargo	Chicago	Gail Klewin
Accountant:	McGladrey & Pullen	Chicago	Pat Kitchen
Issuer's Counsel:	Burke, Burns & Pinelli	Chicago	Mary Ann Murray
Palos Financial Advisor:	Kaufman Hall	Chicago	Therese Wareham
IFA Financial Advisors:	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	13 th	Judy Biggert
	3 rd	Daniel William Lipinski
State Senate:	14 th	Emil Jones, Jr.
	18 th	Edward D. Mahoney
	19 th	Maggie M. Crotty
	41 st	Christine Radogno
State House:	27 th	Monique D. Davis
	35 th	Kevin Joyce
	37 th	Kevin A. McCarthy
	81 st	Renee Kosel
	82 nd	Jim Durkin

**ILLINOIS FINANCE AUTHORITY
 BOARD SUMMARY
 February 9, 2010**

Project: Evangelical Retirement Homes of Greater Chicago, Inc. d/b/a Friendship Village of Schaumburg

STATISTICS

Project Number: H-SL-RE-TE-CD-8310	Amount: \$36,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and Bill Claus
Location: Schaumburg	County/Region: Cook/Northwest

BOARD ACTION

Final Bond Resolution	Staff recommends approval
Conduit 501(c)(3) bonds	No extraordinary conditions
No IFA funds at risk	

VOTING RECORD

This is the first time this project has been brought before the Board. This project is coming for a one time final for the purpose of refunding.

PURPOSE

Proceeds and certain other funds will be used to: 1) refund the existing Series 2005C Variable Rate Demand Bonds issued by the Illinois Finance Authority, 2) fund approximately \$2.8 million of prior capital expenditures, 3) fund a Debt Service Reserve Fund, and 4) pay for certain costs of issuance associated with the Series 2010 Bonds.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 425 FTE's	Projected new jobs: 0
Jobs retained: 425 FTE's	Construction jobs: 0

ESTIMATED SOURCES AND USES OF FUNDS

SOURCES OF FUNDS		USES OF FUNDS	
IFA Bonds	\$33,500,000	Refunding Escrow	\$29,833,300
2005 DSRF	2,705,000	Prior Capital Expenditures	2,823,893
Equity Contribution	<u>427,125</u>	Debt Service Reserve	2,877,807
		Cost of Issuance	<u>1,097,125</u>
Total	\$36,632,125	Total	\$36,632,125

Note: it is possible that the bond amount reflected above could be reduced by approximately \$10 million if the Borrower is able to secure bank financing from a local bank. The cost of capital on the bank financing is expected to be lower than that on tax-exempt bonds, and the Borrower would be inclined to utilize a combination of bank financing and the bond issue if the needed bank

approval is received. The two financings would both close no later than March 31, 2010 and would likely close within 45 days of each other.

FINANCING SUMMARY/STRUCTURE

Security:	Master Notes will be issued to each Bondholder pursuant to a Master Indenture willow allow each note holder to share in the collateral which consists of a mortgage on the FVS property and a gross revenue pledge.
Structure:	The Series 2010 Bonds will be structured as fixed rate tax-exempt bonds.
Interest Rate:	To be determined at the time of bond pricing. The interest rate will be fixed for the life of the Bonds.
Interest Mode:	Fixed.
Maturity:	February 15, 2045 (35 Year final maturity with amortization from 2038 through 2045).
Rating:	The Bonds will be rated based on the underlying Borrower's rating. The Borrower is currently rated "BB-" by Fitch with a credit status of "evolving".
Estimated Closing Date:	March 25, 2010.

Note: it is possible that the bond amount reflected above could be reduced by approximately \$10 million if the Borrower is able to secure bank financing from a local bank. The cost of capital on the bank financing is expected to be lower than that on tax-exempt bonds, and the Borrower would be inclined to utilize a combination of bank financing and the bond issue if the needed bank credit approvals are obtained. The two financings would both close no later than March 31, 2010 and would likely close within 45 days of each other.

PROJECT SUMMARY

FVS is issuing the Series 2010 Bonds in order to current refund its existing Series 2005C Bonds and to fund future capital expenditures for the campus. The effect of the financing will be to convert bonds that are currently variable rate to bonds that bear a fixed interest rate. In addition, the final maturity date will be extended (from 2037 to 2045). Because interest rates on fixed rate bonds are currently higher than those on Variable Rate Demand Bonds (plus the impact of Letter of Credit and remarketing fees), FVS will see an increase to its annual and maximum annual debt service. The new money component will also cause annual debt service to rise but it will also enhance the Borrower's liquidity position over time. Bond Counsel is in the process of reviewing the average life of the assets that were financed in 2005 and will verify that the average life of the bonds will not exceed the remaining average life of the assets. Once the refunding is complete, FVS will no longer have credit enhancement on its Bonds (Bank of America is the current Letter of Credit Bank providing credit enhancement for the Series 2005C Bonds). The Borrower has engaged Larson Allen LLP to prepare a financial compilation report to show the impact of the Series 2010 financing. This report will be provided to the IFA.

BUSINESS SUMMARY

Background: **Evangelical Retirement Homes of Greater Chicago, Inc., d/b/a Friendship Village of Schaumburg** (the "Corporation"), was organized in 1974 by a group of Christian ministers and business people to fulfill the community's moral and social obligation to the elderly. The Corporation opened its facilities ("**Friendship Village of Schaumburg**" or "**FVS**") to the public in 1977, offering life care to older adults. Over the years, it has grown to become the largest single site **continuing care retirement community** ("**CCRC**") campus in the Chicago area and the 19th largest in the nation.

Currently, FVS is comprised of 657 independent living units ("**ILU's**"), 74 assisted living units, 25 Alzheimer units, and 248 nursing care beds. The campus consists of living accommodations

that were constructed at various points in time. For example, Bridgewater Place is the newest building, consisting of 170 ILUs completed in 2007 and Croswell Trace is a residential complex of 28 garden homes completed in 2004.

The Corporation is in the midst of a selective renovation and enhancement campaign in the Bridgegate independent living pavilions and Willows assisted living pavilion to position Friendship Village more competitively in the marketplace.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Friendship Village of Schaumburg

Project Location: 350 W. Schaumburg Road
Schaumburg, IL 60194

Borrower: Evangelical Retirement Homes of Greater Chicago, Inc. d/b/a Friendship Village of Schaumburg

Ownership (501(c)(3)): The Corporation is a 501(c)(3) organization. Its parent, Friendship Senior Options, NFP is an Illinois not-for-profit organization.

Board of Directors:

Friendship Village of Schaumburg Board of Directors

<u>Name</u>	<u>Profession</u>
Jan L. Tucker	Trustee
Chair	Arlington Heights Library
Jean Schlinkmann	Executive Director
Secretary	Schaumburg Park District
Kathleen A. Gilmer	Director, Outreach Centers
Treasurer	Northern Illinois University
Mershon Niesner	Certified Professional Life Coach
Kathy Rivera	President/Executive Director KRT Productions
Charles W. Cassell	Founding Partner Burnidge Cassell Associates, Architects
Thomas A. Johnson	Retired Dean, Business and Social Sciences William Rainey Harper College
Thomas Castronovo	Managing Director, Chief Marketing Officer PrivateBancorp
William Powell	Resident

Friendship Senior Options Board of Directors

Name	Profession
Thomas A. Johnson Chair	Retired Dean, Business and Social Sciences William Rainey Harper College
Charles W. Cassell Vice Chair	Founding Partner Burnidge Cassell Associates, Architects
Jan L. Tucker Secretary	Trustee Arlington Heights Library
William L. Spencer Treasurer	Retired, Senior Vice President Motorola
Gary Howard Past Chair	Retired, Vice President, Global Employee Relations Human Resources & Legislative Affairs, Motorola
Ronald A. Ahlman	Retired Executive Fox Valley Contractors Association
Thomas Castronovo	Managing Director, Chief Marketing Officer PrivateBancorp
Clark Delanois	Senior Vice President The Northern Trust Companies
Kathleen A. Gilmer	Director, Outreach Centers Northern Illinois University
Kathy Rivera	President/Executive Director KRT Productions
Jean Schlinkmann	Executive Director Schaumburg Park District
Paul J. Schaffhausen	Retired Senior Legal Counsel MacDonald's Corporation
Larry L. Shoemake	Case Manager, Seniors Kenneth Young Center
Duane L. Tyler	Retired, Senior Vice President, Growth McGladrey & Pullen, LLC

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Smith, Hemmesch, Burke, Brannigan & Guerin	Chicago	Don Hemmesch
Accountant:	KPMG	Chicago	Jim Stark
Bond Counsel:	Jones Day	Chicago	John Bibby
Underwriter:	Ziegler Capital Markets	Chicago	Steve Johnson
Underwriter's Counsel:	Katten Muchin Rosenman LLP	Chicago	Janet Hoffman
Bond Trustee:	Wells Fargo	Chicago	Christopher Duncan
Issuer's Counsel:	Hinshaw & Culbertson LLP	Chicago	Leslie Richards-Yellen
IFA Advisors:	Scott Balice Strategies	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 2- Jesse L. Jackson, Jr.
 State Senate: 13- Kwame Raoul
 State House: 25- Barbara Flynn Currie

SERVICE AREA

The majority of Friendship Village's ILU and ALU new residents originate from 19 zip codes in the Northwest and nearby suburbs. These include the following municipalities: Schaumburg, Hoffman Estates, Elk Grove Village, Rolling Meadows, Streamwood, Roselle, Bloomingdale, Des Plaines, Palatine, Barrington, Arlington Heights, Bartlett, Carol Stream, Niles and Huntley.



CONDUIT

February 9, 2010

\$166,735,000
THE UNIVERSITY OF CHICAGO MEDICAL CENTER

REQUEST **Purpose:** to (i) convert or refund most or all of the Series 2009A and 2009B variable rate bonds to a fixed interest rate, (ii) and to pay costs of issuance.
Program: Conduit 501(c)(3) Revenue Bonds
Extraordinary Conditions: None.

BOARD ACTIONS Final Bond Resolution. This project is coming for a one time final for the purpose of conversion and/or refunding.

MATERIAL CHANGES None

JOB DATA	5,753	Current jobs	N/A	New jobs projected
	5,753	Retained jobs	N/A	Construction jobs projected

DESCRIPTION

- Location: Chicago (Cook / Northeast)
- UCMC operates three hospitals and a state-of-the-art ambulatory-care facility located in 20 interconnected buildings on the main campus of the University as well as certain outlying facilities and activities
- The three hospitals operated by UCMC consist of the main adult patient care facility, a maternity and women’s hospital and a children’s hospital. UCMC opened a new children’s hospital, the University of Chicago Comer Children’s Hospital ("Comer") in February 2005, which replaced the existing children’s hospital that had been in service since 1967

STRUCTURE • The plan of finance contemplates the issuance of fixed rate bonds.

RATINGS • Current rating of UCMC is Aa3/AA-/AA- (Moody’s/S&P/Fitch).

MATURITY • Bonds will Mature no later than 2043

SOURCES AND USES	IFA Bonds:	<u>\$166,735,000</u>	Refunding/Conversion	\$163,400,000
			Cost of Issuance	3,334,700
			Additional proceeds	<u>300</u>
	Total	\$166,735,000	Total	\$166,735,000

RECOMMENDATION Credit Committee recommends approval.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 9, 2010**

Project: The University of Chicago Medical Center (“UCMC” or “Corporation”)

STATISTICS

Project Number: H-HO-TE-CD-8321	Amount: \$166,735,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane & Shannon Govia
County/Region: Cook/Northeast	City: Chicago

BOARD ACTION

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

VOTING RECORD

This is the first time this project has been brought before the Board. This project is coming for a one time final for the purpose of refunding.

PURPOSE

The proceeds will be used to (i) convert or refund most or all of the Series 2009A and 2009B variable rate bonds to a fixed interest rate, (ii) and to pay cost of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	5,753 FTE’s	Projected new jobs:	N/A
Jobs retained:	5,753 FTE’s	Construction jobs:	N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources and Uses	IFA Bonds:	<u>\$166,735,000</u>	Refunding/Conversion	\$163,400,000
			Cost of Issuance	\$3,334,700
			Additional Proceeds	<u>\$300</u>
	Total	\$166,735,000	Total	\$166,735,000

FINANCING SUMMARY/STRUCTURE

Security:	The 2010 obligations will be secured by a security interest in the Unrestricted Receivables of the Obligated Group, but will not be secured by a pledge, grant or mortgage of any of the other property of the Obligated Group.
Structure:	The plan of finance contemplates the issuance of fixed rate bonds.
Interest Rate:	To be determined the dates of pricing.

Interest Mode: Fixed Rate Bonds.
Credit Enhancement: Fixed rate bonds will be sold based on the underlying credit rating of UCMC.
Maturity: No later than fiscal 2044.
Rating: Aa3/AA-/AA- (Moody's/S&P/Fitch)
Est. Closing Date: Week of March 15, 2010

PROJECT SUMMARY

The proceeds will be used to (i) convert or refund most or all of the Series 2009A and 2009B variable rate bonds to a fixed interest rate, (ii) and to pay costs of issuance.

BUSINESS SUMMARY

Description of Business: UCMC operates three hospitals and a state-of-the-art ambulatory-care facility located in 20 interconnected buildings on the main campus of the University as well as certain outlying facilities and activities. The three hospitals operated by UCMC consist of the main adult patient care facility, a maternity and women's hospital and a children's hospital. UCMC opened a new children's hospital, the University of Chicago Comer Children's Hospital ("Comer") in February 2005, which replaced the existing children's hospital that had been in service since 1967.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Lawrence Furnstahl, Chief Financial and Strategy Officer and Treasurer
Borrower: The University of Chicago Medical Center

2009-2010 Board Members: James S. Crown, Trisha Rooney Alden, Andrew M. Alper, Jeffrey S. Aronin, Diane P. Atwood, Robert H. Bergman, Ellen Block, Kevin J. Brown, John Bucksbaum, Benjamin D. Chereskin, Frank M. Clark, Stephanie Comer, Craig J. Duchossois, James S. Frank, Rodney L. Goldstein, Stephanie Harris, William J. Hunckler III, Jeffrey D. Jacobs, Kenneth M. Jacobs, Kenneth Lehman, Carol Levy, Cheryl Mayberry-McKissack, Dane A. Miller, Ralph G. Moore, Christopher J. Murphy III, Emily Nicklin, Brien M. O'Brien, Timothy K. Ozark, Nicholas K. Pontikes, James Reynolds, Jr., Thomas A. Reynolds III, Thomas F. Rosenbaum (*ex officio*), Benjamin Shapiro, Kenneth J. Sharigian (*ex officio*), Jeffrey T. Sheffield, Jorge A. Solis, Melody Spann-Cooper, John A. Svoboda, Michael Tang, MarrGwen Townsend, James C. Tyree, Terry L. Van Der Aa, Everett E. Vokes, M. D. (*ex officio*), Scott Wald, Stephen G. Weber, M.D. (*ex officio*), Kelly R. Welsh, Bruce W. White, Paula Wolff, Robert J. Zimmer (*ex officio*)

Life Trustees: Paul F. Anderson, Marshall Bennett, Lindy Bergman, Sidney Epstein, Robert Feitler, Stanford J. Goldblatt, Jules F. Knapp, Howard G. Krane, John D. Mabie, Barry L. MacLean, Marjorie I. Mitchell, Michael Rosenberg, Robert G. Schloerb, Gordon Segal, Robert G. Weiss

PROFESSIONAL & FINANCIAL

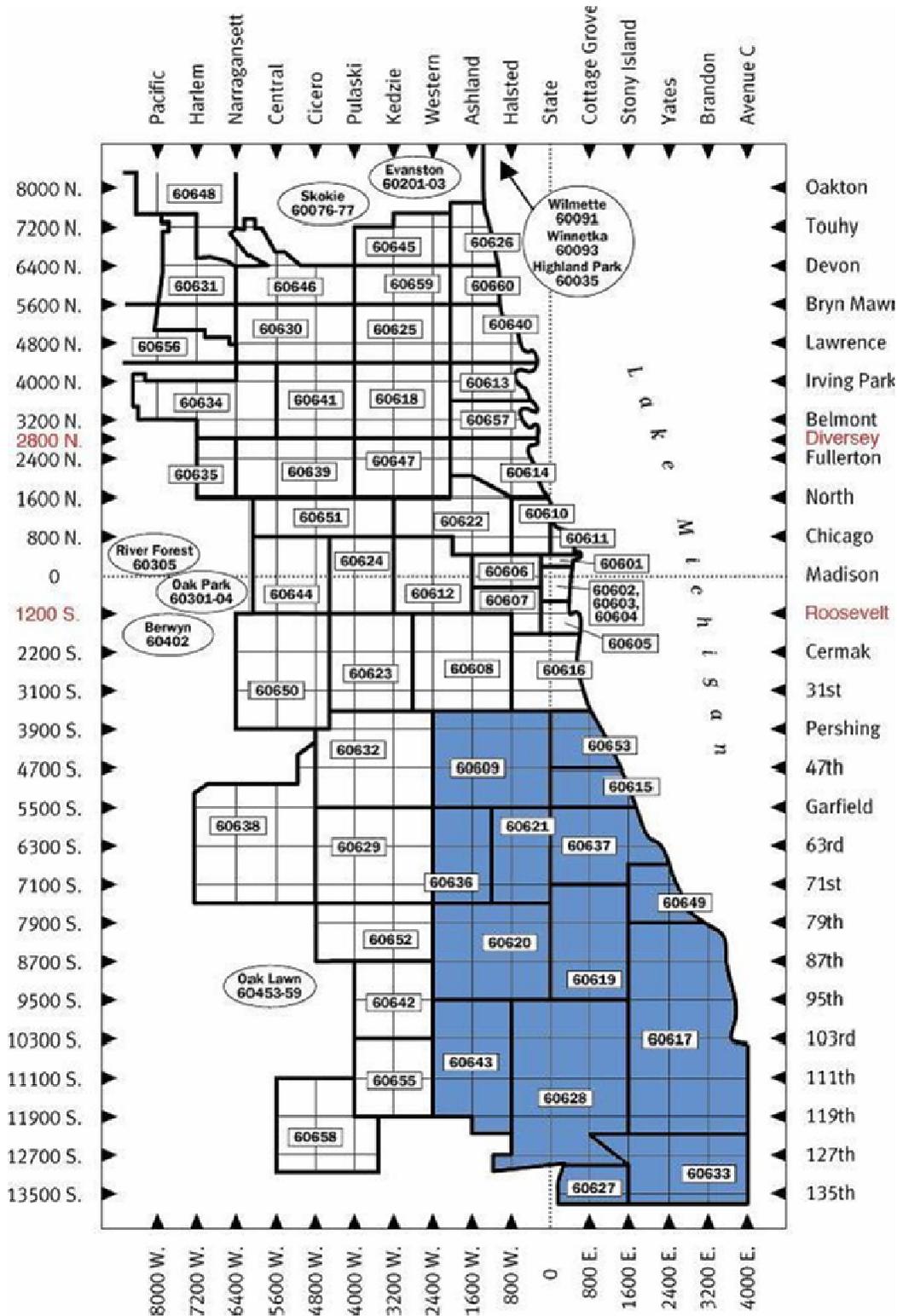
Bond Counsel:	Jones Day	Chicago	John Bibby
Borrower's Counsel:	Katten Muchin Rosenman	Chicago	Elizabeth Weber
Borrower's Financial Advisor:	Melio & Company	Northfield	Mark Melio
Co-Senior Manager (books):	Barclay's Capital	New York	John Augustine
Co-Senior Manager:	J.P. Morgan	New York	Suzanne Beitel
Co-Manager:	Loop Capital Markets	Chicago	Lerry Knox
Co-Manager:	Cabrera Capital Markets	Chicago	Santino Bibbo
Underwriters' Counsel:	Foley & Lardner	Chicago	Janet Zeigler
Accountant:	PriceWaterhousecoopers	Chicago	Robert Valletta
Issuer's Counsel:	Pugh Jones	Chicago	Scott Bremer
IFA Financial Advisor:	Scott Balice Strategies	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 1- Bobby L. Rush
State Senate: 13- Kwame Raoul
State House: 25- Barbara Flynn Currie

SERVICE AREA

UCMC's primary service area covers much of the south side of the City of Chicago. The primary service area is bounded by 36th Street to the north, Lake Michigan and the Indiana border to the east, 130th Street to the south and Western Avenue to the west. The primary service area is eight miles long, four miles wide at the northern boundary and eight miles wide at the southern boundary. Travel time from UCMC's facilities to the most distant parts of the primary service area is 25 to 30 minutes.



ILLINOIS FINANCE AUTHORITY
Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: February 9, 2010

Re: Resolution Authorizing the Execution and Delivery of a First Amendment to the Bond and Loan Agreement and a Supplemental Tax Exemption Certificate and Agreement, which Amendments authorize (1) the substitution of Hellenic American Academy Foundation, NFP as Borrower in place of Sindesmos Hellenikes-Kinotitos of Chicago, a/k/a Holy Trinity Hellenic Orthodox Church, (2) a change in Interest Rate on the Bond; and (3) related matters (IFA Series 2007 Bonds, Hellenic-American Academy Foundation, NFP Project)

IFA File Number N-NP-TE-CD-7022

Request:

Sindesmos Hellenikes-Kinotetos of Chicago, a/k/a Holy Trinity Hellenic Orthodox Church, an Illinois religious corporation (the “**Original Borrower**”), is requesting approval of a Resolution that will amend the Bond and Loan Agreement to enable:

- (1) the substitution of **Hellenic American Academy Foundation, NFP** (an affiliated 501(c)(3) entity) as the “**New Borrower**” in place of the Original Borrower, as contemplated upon satisfaction of certain conditions specified in the Bond and Loan Agreement;
- (2) a change in Interest Rate borne on the Bond (that will reduce the interest rate on the Bond from approximately 5.42% to 4.50%); and,
- (3) related matters.

The original Bond and Loan Agreement executed in 2007 provided that Hellenic American Academy Foundation, NFP, an Illinois 501(c)(3) not for profit corporation, might assume the obligations of the Original Borrower under certain specified conditions. Now that the specified conditions set forth by MB Financial Bank, N.A. (and the original Bond and Loan Agreement) have been satisfied, the New Borrower desires to assume the obligations of the Original Borrower under the Bond and Loan Agreement thereby releasing the Original Borrower from its obligations thereunder.

As an informational note, **MB Financial Bank, N.A. (the “Bank” and “Direct Lender/Bond Purchaser”)**, will continue to rely on the Hellenic American Academy as the primary source of repayment. The Bank is secured by the subject project assets and will formally agree to the proposed changes to the documents. Accordingly, no key terms on this financing will change, aside from a reduction in the interest rate borne on the Bond from approximately 5.42% to an estimated rate of 4.50% (as of 1/29/2010).

Background:

IFA originally issued \$12.191 million of Bonds on behalf of the Original Borrower in 2007. Bond proceeds were used to finance or refinance a portion of the costs of the acquisition, construction, and equipping of certain educational facilities for use by the Hellenic American Academy located at 1085 Lake Cook Road in Deerfield, Illinois 60015 (Cook County). All payments relating to the IFA Series 2007 Bonds have been current. The outstanding Par amount was \$6,910,466 as of 2/1/2010.

IFA’s fee for considering this Amendment will be \$10,000 that will be payable at closing.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Gus Kaloudis	Chicago, IL	Gus Kaloudis
Bond Counsel:	Greenberg Traurig, LLP	Chicago, IL	Matt Lewin
Bond Purchaser:	MB Financial Bank, N.A.	Rosemont, IL	John Sarris, John Hall
Bank Counsel	Burke Burns & Pinelli, Ltd.	Chicago, IL	Mary Ann Murray
Bond Trustee:	Not applicable.		
IFA Counsel:	Burke Warren MacKay & Serritella, P.C.	Chicago, IL	Mark Stern

**HELLENIC-AMERICAN ACADEMY FOUNDATION NFP
LIST OF MEMBERS OF THE BOARD OF TRUSTEES**

Helen Alexander	2255 Wood Drive Northbrook, IL 60062	Spero Droulias	661 Middleton Lane Des Plaines, IL 60016
Stanley Andreakis	4150 Old River Road Schiller Park, IL 60178	Dr. Michael Fortsas	204 Spring Creek Road Barrington Hills, IL 60010
Speros Angelos	1702 W. Algonquin Rd. Mt. Prospect, IL 60056	Aris Halikias	Republic Bancorp Co. 15750 S. Harlem Av., Ste. 28
Jim Anton	1707 Freedom Ct. Mt. Prospect, IL 60056	Elias G. Gikas	2860 Independence Ave. Glenview, IL 60026
Dr. Steve Ballis	1015 S. Ridge Rd. Lake Forest, IL 60045	John Giourdas	5040 N. Parkside Chicago, IL 60630
Trifon Beladakis	924 Century Farm Lane Naperville, IL 60563	Christina Hiotis	896 Leahy Circle Des Plaines, IL 60016-5943
George Berbas	Berbas P.C. 180 N. LaSalle St.	Constantine G. Kaloudis	2519 W. Harrison Chicago, IL 60612
Dr. Constantine Bokis	2507 Durango Lane, Apt. 206 Naperville, IL 60564	Markella Kaloudis	1250 N. LaSalle, Apt. 1209 Chicago, IL 60610
Christina Beladakis	1133 N. Delphia Park Ridge, IL 60068	Father George K. Kaloudis	2823 N. Natchez Chicago, IL 60634
Helen Bousis	2119 Post Road Northbrook, IL 60062	Vasilios G. Kaloudis	6 S. Laflin, Apt. 305 Chicago, IL 60607
Dr. Jenna Constantine	Kaplanikid Productions 1400 N. Lake Shore Dr., 11-H	Vasilios Karahalios	2324 Indian Ridge Drive Glenview, IL 60025
Dr. Peter A. Contos	1491 Enid Lane Northfield, IL 60093	Spyros Karahalios	3119 Oliver Lane Northbrook, IL 60062
Demetrios Demos	3345 N. Opal Chicago, IL 60634	Mike Karamouzis	469 Simone Dr.

	Des Plaines, IL 60016		Schiller Park, IL 60176
Dr. Spiros Karras	6 Fox Tail Lane Riverwoods, IL 60015	Kyriakos Pontikes	3655 N. Pontiac Chicago, IL 60634
Dr. Constantine Kiamos	7927 Courtland Elmwood Park, IL 60707	Bruce Robbins	644 N. Taylor Oak Park, IL 60302
Dr. Louis Karras	2014 Brandon Ct. Glenview, IL 60025	Andonis Samiotakis	4632 N. Maria Court Chicago, IL 60656
George Katsoudas	Meckler Bulter & Tilson 123 N. Wacker Dr., Suite 1800	Georgia Plevritis	4811 N. Crescent Norridge, IL 60656
Dr John Kiriklakis	222 Main St., #501 Evanston, IL 60202	Peter Skiouris	307 Dundee Rd. Barrington, IL 60010
Demetrios Kotsakis	1020 N. Knight Av. Park Ridge, IL 60068	Angelo Spyrtos	905 E. Shady Way Arlington Hts., IL 60005
Stefanos Kotsakis	89 S. Cliff Road Colonia, NJ 07067	George Svarnias	2111 Pinetree Dr. Arlington Heights, IL 60004
Dan Kuesis	Systems Research Inc. 1250 Bank Dr.	Ted Svarnias	Intermatic Incorporated Intermatic Plaza
Dr. Jim Limperis	2309 Mohawk Ln. Glenview, IL 60026	Dr. Philip Theodoropoulos	1826 Krowka Dr. Des Plaines, IL 60018
Demetrios G. Logothetis	677 Long Cove Court Riverwoods, IL 60015	George Tsakanikas	8548 W. Berwyn Chicago, IL 60656
Effie Logothetis	677 Long Cove Court Riverwoods, IL 60015	Dinos Tsoros	Praxis Construction 900 W. Van Buren
Peter G. Logothetis	2326 Indian Ridge Dr. Glenview, IL 60025	Paul Vadevoulis	3844 Miller Dr. Glenview, IL 60025
Diamond Mendonides	2118 Trowbridge Glenview, IL 60025	Jim Vadevoulis	23 Chicory Lane Riverwoods, IL 60015
Peter Maroutsos	3712 Glenlake Dr. Glenview, IL 60026	Sotirios Vergakis	4147 N. Overhill Norridge, IL 60634
Peter Parthenis	1726 Clover Dr. Palatine, IL 60067-4638	Endy Zemenides	6336 N. Cicero, Suite 202 Chicago, IL 60646
Spiros Pissios	8812 N. Oleander Ave. Morton Grove, IL 60063	Dr. Olga Peplos- Analitis	22469 Deer Path Lane Plainfield, IL 60544
Nicolas Pishos	9861 Garden Street		

Dr. Tom Adams	632 W. Adams Chicago, IL 60607	Stacey Parthenis	1726 Clover Dr. Palatine, IL 60067-4638
John Apostolou	308 W. Randolph 4th Floor Chicago, IL 60606	Dr. Peter Petrovas	484 N. Northwest Park Ridge, IL 60068
Jim Argyropoulos	119 N. Dee Rd. Park Ridge, IL 60068	Dr. Demetris Petrovas	2420 Asbury Northbrook, IL 60062
George Berbas	Berbas P.C. 180 N. LaSalle St. Suite 1916 Chicago, IL 60601	Dr. Thodote Pontikes	3655 N. Pontiac Chicago, IL 60634
Dr Angelo Costas	Northwestern Memorial Hospital 200 S. Michigan Av., #805 Chicago, IL 60601	Dr. John K. Pontikes	Lakeshore Dental Associates 3633 W. Lake Ave., Ste. 308 Glenview, IL 60025
Thanos Karras	1414 N. Bridgeport Dr. Mt. Prospect, IL 60056		

IFA RESOLUTION NO. 2010-02-07

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO BOND AND LOAN AGREEMENT AND A SUPPLEMENTAL TAX EXEMPTION CERTIFICATE AND AGREEMENT RELATING TO \$12,191,000 ORIGINAL PRINCIPAL AMOUNT OF THE EDUCATIONAL FACILITY REVENUE BOND (HELLENIC AMERICAN ACADEMY PROJECT) SERIES 2007 OF THE ILLINOIS FINANCE AUTHORITY, WHICH AMENDMENTS AUTHORIZE THE SUBSTITUTION OF HELLENIC AMERICAN ACADEMY FOUNDATION, NFP AS BORROWER IN PLACE OF SINDESAMOS HELLINIKES-KINOTITOS OF CHICAGO, A/K/A HOLY TRINITY HELLENIC ORTHODOX CHURCH, AND A CHANGE IN INTEREST RATE ON THE BOND; 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 \$12,191,000 aggregate principal amount Educational Facility Revenue Bond (Hellenic American Academy Project) Series 2007 which is outstanding as of the date hereof in the aggregate principal amount of [\$6,910,466] (the “**Bond**”); and

WHEREAS, in furtherance of the issuance of the Bond, the Authority entered into a Bond and Loan Agreement dated as of June 1, 2007 (the “**Bond and Loan Agreement**”) with Sindesmos Hellinikes-Kinotitos of Chicago, a/k/a Holy Trinity Hellenic Orthodox Church, an Illinois religious corporation (the “**Original Borrower**”) and MB Financial Bank, N.A. (the “**Purchaser**”), pursuant to which the proceeds of the Bond were loaned by the Authority to the Original Borrower to finance or refinance a portion of the costs of the acquisition, construction and equipping of certain educational facilities of the Borrower in Deerfield, Illinois and to finance certain costs of issuing the Bond; and

WHEREAS, the Bond and Loan Agreement provided that Hellenic American Academy Foundation, NFP, an Illinois not for profit corporation (the “**New Borrower**”) might assume the obligations of the Original Borrower under the Bond and Loan Agreement under certain conditions specified therein, and the parties now desire to have the New Borrower so assume such obligations under the Bond and Loan Agreement and the Original Borrower be released from its obligations thereunder; and

WHEREAS, the New Borrower and the Purchaser desire to amend the Bond and Loan Agreement to reduce the interest rate on the Bond: and

WHEREAS, the New Borrower, the Original Borrower, the Purchaser and the Authority propose to enter into a First Amendment to Bond and Loan Agreement (the “**First Amendment to Bond and Loan Agreement**”) to accomplish the desired changes referenced above, and the Authority and the New Borrower propose to enter into a Supplemental Tax Exemption Certificate and Agreement (the “**Supplemental Tax Agreement**”) to provide certain representations and covenants pertaining to the tax exempt status of the Bond upon the amendment to the Bond and Loan Agreement; and

WHEREAS, it is necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of (i) the Amended Bond and Loan Agreement, (ii) the Supplemental Tax Agreement, and (iii) the revised Bond in substantially the form set forth in the First Amendment to Bond and Loan Agreement (the “**Revised Bond**”);

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 educational facilities financed with the proceeds of the Bond in accordance with the terms of the Amended Bond and Loan Agreement and the Supplemental Tax Agreement 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 Amended Bond and Loan Agreement and Supplemental Tax Agreement with the other parties thereto in substantially the same forms now before the Authority; that the forms, terms and provisions of the Amended Bond and Loan Agreement and Supplemental Tax Agreement be, and they hereby are, in all respects approved; that the Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority (or any such office appointed on an interim basis) 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, where necessary, to attest and to affix the official seal of the Authority to, the Amended Bond and Loan Agreement and Supplemental Tax Agreement in the name, for and on behalf of the Authority, and thereupon to cause the Amended Bond and Loan Agreement and Supplemental Tax Agreement to be delivered to the other party or parties thereto in substantially the forms now before the Authority or with such changes or revisions therein as the individual or individuals executing the Amended Bond and Loan Agreement and Supplemental Tax Agreement on behalf of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes and revisions therein from the forms of the Amended Bond and Loan Agreement and Supplemental Tax Agreement now before the Authority; that when the Amended Bond and Loan Agreement and Supplemental Tax Agreement are executed and, as applicable, attested and sealed, and delivered on behalf of the Authority as hereinabove provided, such Amended Bond and Loan Agreement and Supplemental Tax Agreement shall be binding on the Authority; that from and after the execution and delivery

of the Amended Bond and Loan Agreement and Supplemental Tax Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Amended Bond and Loan Agreement and Supplemental Tax Agreement as executed; and that the Amended Bond and Loan Agreement and Supplemental Tax Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the Amended Bond and Loan Agreement and Supplemental Tax Agreement shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 4. That the form of the Revised Bond in substantially the same form now before the Authority, subject to appropriate insertions and revisions in order to comply with the provisions of the Amended Bond and Loan Agreement (as executed and delivered), is hereby approved; that the Revised Bond 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 of the Authority 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 Bond 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 Bond contained in the Amended Bond and Loan Agreement; 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 Bond, and shall be authorized by this Resolution; that the Revised Bond, 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 Bond, as so executed and attested, to be delivered to the Trustee for authentication; that when the Revised Bond shall be executed on behalf of the Authority in the manner and containing the terms contemplated by the Amended Bond and Loan Agreement and this Resolution in an aggregate principal amount not to exceed the amount of Bond outstanding on the date of such execution, they shall represent the approved form of Revised Bond 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 (or any such office appointed on an interim basis) be, and each of them hereby is, authorized to execute and deliver such documents, Supplemental Certificates, 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 Amended Bond and Loan Agreement, the Supplemental Tax Agreement and the Revised Bond 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. 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 9. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 10. 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 9th day of February, 2010.

Attest:

ILLINOIS FINANCE AUTHORITY

[SEAL]

By _____
Executive Director

By _____
Secretary

CERTIFICATE

I, _____, Secretary of the Illinois Finance Authority (the “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, DO HEREBY CERTIFY that the foregoing is a true and correct copy of the Resolution of the Authority passed at a meeting held upon all due and proper public notice required by law, on the 9th day of February, 2010, at which a quorum of members was present and acting throughout, and that the Resolution set forth in the foregoing extract was duly adopted at such meeting, has not been amended, modified or rescinded and is in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of February, 2010.

[SEAL]

Secretary

**ILLINOIS FINANCE AUTHORITY
MEMORANDUM**

To: IFA Board of Directors

From: Eric Reed, Regional Manager

Date: February 9, 2010

Re: Request by Midland States Bank and Scott Rippelmeyer to release a \$40,000 Certificate of Deposit originally pledged as collateral for the loan described below.

(Loan number 1988-GX-0675)-	Original Amount:	\$150,000
<i>(Agri-Debt Guarantee)</i>	Current Balance:	\$ 98,007
	IFA Exposure:	\$ 83,306

Midland States Bank in Red Bud has requested approval from the Illinois Finance Authority to approve the release of a \$40,000 certificate of deposit, which is currently being held as collateral on an Agri-Debt Guarantee loan. The certificate of deposit is owned by Mr. Rippelmeyer's mother Joyce Rippelmeyer, who is now retired and no longer involved in the daily operations of the family farm. Mrs. Rippelmeyer would like the proceeds released so that they are available for her own use.

Midland States Bank has provided a current financial statement and income tax return for the borrower, which are summarized below. Midland States Bank has already approved the request from the borrowers, but is seeking concurrence from the IFA for this request.

Midland States Bank has approved this request based on the borrower's payment performance, strong liquidity, net worth, and exceptional collateral coverage. Staff concurs with the lender's request.