ILLINOIS FINANCE AUTHORITY
BOARD MEETING
Tuesday, July 14, 2009
Chicago, Illinois

COMMITTEE OF THE WHOLE
8:30 a.m.
Michael A. Bilandic Building
160 North LaSalle Street, 5th Floor Room N505
Chicago, Illinois

AGENDA

- Call to Order
- Roll Call
- Chairman's Remarks
- Financial Report
- Report of the Senior Staff
- Committee Reports
  - Healthcare Committee, June 6, 2009
  - Agriculture Committee, June 7, 2009
  - Special Committee of the Whole, June 29, 2009
- Project Reports
- Closed Session, if necessary
- Other Business
- Adjournment

BOARD MEETING
11:30 a.m.
Michael A. Bilandic Building
160 North LaSalle Street, 5th Floor Room C500
Chicago, Illinois

- Call to Order
- Chairman's Remarks
- Roll Call
- Acceptance of Financials
- Approval of Minutes
- Remarks of the Senior Staff
- Project Approvals
- Resolutions / Amendments
- Other Business

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Beginning Farmer Bonds *Final*						
1	A. Charles J Mueller (one time approval)	Bradford	$178,400	0	0	ER
	B. Curtis Miller (one time approval)	Paris	$120,000	0	0	ER
	C. Rob Huschen (one time approval)	Morton	$202,202	0	0	ER
TOTAL AGRICULTURE PROJECTS			$500,602	0	0	

COMMUNITY AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds *Final*						
2	Hispanic Housing Development Corporation (one time approval)	Multiple	$4,100,000	20	0	SCM
3	SOS Children's Villages of Illinois (one time approval)	Chicago & Lockport	$7,900,000	0	0	SCM
4	St. Patrick High School (one time approval)	Chicago	$5,700,000	0	0	SCM
TOTAL COMMUNITY AND CULTURE PROJECTS			$17,700,000	20	0	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds ***Final***						
5	Alexian Brothers Health System (one time approval)	Elk Grove Village	$16,300,000	0	0	PL/BC
6	OSF Healthcare System (one time approval)	Peoria	$75,000,000	0	40	PL/BC
7	Third Order of St. Francis of Mary Immaculate, Joliet	Joliet	$11,000,000	2	80	PL/BC
TOTAL HEALTHCARE PROJECTS			$91,300,000	2	40	

HIGHER EDUCATION

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds ***Preliminary***						
8	Concordia University Chicago	River Forest	$31,600,000	53	70	TA
TOTAL HIGHER EDUCATION PROJECTS			$31,600,000	53	70	
GRAND TOTAL			$141,100,602	75	110	

RESOLUTIONS

Tab	Project	FM
Amendatory Resolutions / Resolutions		
9	A Resolution requesting Payment Modification for IFA Participation Loan by Morton Community Bank and Precision Laser Manufacturing, Inc. to modify payments. (Participation Loan)	JS
10	A Resolution requesting authorization to execute of an Amended and Restated Loan Agreement, Trust Indenture, Mortgage, and related documents, to enable a conversion to a Direct Purchase structure (IFA Series 2007 Bonds, Lake County YMCA Project). (501(c)(3) Conduit Bond)	SCM
11	A Resolution requesting the release of eighty acres of land from current collateral package securing Participation loans for Merlin and Ryan McClure. (Two Participation Loans)	ER
12	*Blackhawk - REG, Resolution	ST
13	*TKG Resolution	ST / BC
14	Resolution to Adopt Fiscal Year 2010 Budget of the IFA	YT
15	A Resolution regarding the IFA leave policy	SB
16	Additional Resolution if Necessary	IFA

Other

Adjournment

* Maybe a project update rather than a resolution; final decision to be made prior to public posting.

Illinois Finance Authority
Report of the Senior Staff
July 14, 2009

To: IFA Board of Directors and Office of the Governor

From: Chris Meister, Deputy Director – General Counsel
Yvonne Towers, Chief Financial Officer and Chief Technology Officer
Stuart Boldry, Chief Administrative Officer
Rich Frampton, Vice President and Director of Funding Managers
Pam Lenane, Vice President and Associate General Counsel
Eric Reed, Southern Illinois Regional Manager

Financial Performance

General Fund:
The Illinois Finance Authority's General Fund unaudited financial position for the full year ending June 30, 2009, reports total assets of $40,393,352, liabilities of $1,313,024 and total equity of $39,080,329. This compares favorably to the June 2008 balance sheet, with $37,951,001 in total assets, liabilities at $1,413,097 and total equity of $36,537,904.

Full year gross revenue (other than loan repayments) for June was $7,181,973, or $1,186,480 (-14.2%) below the approved FY09 budget target. The unfavorable variance is primarily due to fee income and investment income declines. Total operating expenses were $5,436,959, or $1,027,543 (-15.9%) below the approved budget target of $6,464,502. This is primarily due to a reduction of employee related expenses, professional and office services and the loan loss provision/bad debt.

Full year gross revenue of $7,181,973, was $3,105,378 (-30.2%) below same period last fiscal year 2008. This is primarily due to reductions from interest on loans ($235,286), fee income ($2,596,546) and investment income ($202,141). Full year operating expenses were $5,436,959, or $844,521 (-13.4%) lower than same period last fiscal year 2008. This is due to a reduction in employee related expenses, professional and office services and reduced loan loss reserve.

Full year unaudited net income for June was $2,542,423 or $638,472 higher than budget and $10,373 lower than same period last fiscal year.

Consolidated Results:
The Illinois Finance Authority's unaudited financial position for its fourteen (14) funds, as of June 30, 2009, reports consolidated total assets of $171,224,266, liabilities of $58,298,781 and total equity of $112,925,485, with slight variances compared to the June

2008 balance sheet of $174,368,079 in total assets, liabilities of $61,550,584 and total equity of $112,817,495.

Audit and Compliance
The fiscal year 2009 audit field work is underway.

Attached is the status of fiscal year 2008 audit findings for your review.

Financial Services

Market Update

- *IFA continues to be Among Leading National Issuers for the First Half of 2009:*

  According to the *Thomson Reuters' "AT 15 League Table"*, the Illinois Finance Authority was the #2 issuer nationally in number of issues with 20 and ranked as the #5 Issuer nationally in issuance volume with $2.259 Billion for the six months ended 6/30/2009. [These national rankings exclude Short-Term Notes and Private Placements/Direct Purchase transactions.]

  Among peers, IFA was the #2 Conduit Issuer nationally, both in dollar volume and number of issues for the six months ended 6/30/2009. (The #1 Conduit Issuer, both in number of issues (22) and issuance volume ($3.162 billion) was The New York State Dormitory Authority, whose broad mandate also includes issuing Tax-Exempt Bonds for State Universities, in addition to issuing 501(c)(3) Revenue Bonds.)

- *June Tax-Exempt Volume:* Muni issuers sold $41.38 billion in tax-exempt issues in June, according to *Thomson Reuters*, an 18.5% decline from June 2008. Investors are still buying fixed-rate bonds. The decline in bond volume in June stemmed entirely from a significant reduction in variable-rate issuance. Issuers borrowed $37.19 billion at a fixed rate in June a 25.6% increase over last June. Fixed-rate issuance for the first half of the year is up 15.3% over the first half of 2008.

- *June Taxable Municipal Volume:* According to The Bond Buyer, as a result of the continued acceptance of Build America Bonds (or "BAB's", created under the "ARRA" Stimulus Bill) by investors, issuance of Taxable Municipal Bonds posted a new monthly volume record of $8.08 billion in June.

- *Trends for Conduit Borrowers:* Confirming experiences of many Illinois borrowers, *The Bond Buyer* reported that Conduit Borrowers with stressed credit or hopes for selling credit-enhanced variable-rate paper continue to face market access challenges. Additionally, The Bond Buyer noted that pricing for Bank Letters of Credit is still high by historical standards. As a result, issuance volume for bonds secured by letters of credit fell by 90.9% compared to June 2008.

Market Trends

- *Build America Bonds ("BAB's"):* Consistent with recent prior reports, the emergence of BAB's has had a favorable impact on pricing in the tax-exempt market with rates and credit spreads declining due to a significant diversion of prospective government purpose issues to the Taxable BAB market. (Issuance of BAB's is limited to Governmental Borrowers for non-conduit bond issues.)

  According to The Bond Buyer, from April 15 through June 11, 79 issuers in 25 states and the District of Columbia had issues BAB's and BAB's comprised approximately 16% of all long-term new issues during this period

Interest Rates:

Tax-Exempt Rates:
- Variable Index (* SIFMA): 0.30% (7/6), down 12 basis points from last month
- Fixed GO Bond (** MMD-30yr-AA): 4.46% (7/6), up 33 basis points from last month.

Taxable Rates:
- Fed Reserve Benchmark Target Rate: 0.25% (7/6) unchanged from last month
- 90-day LIBOR: 0.548% (7/6), down 10 basis points from last month
- 2-yr Treasury: 1.13%, (7/6) up 25 basis points from last month
- 30-yr Treasury: 4.25% (7/6) unchanged from last month

***** *SIFMA (i.e., "Securities Industry and Financial Markets Association"); The SIFMA Variable Index is an index of High-Grade 7-Day Floating Rate (VRDN) bonds compiled from market sources; www.sifma.org.*

****** *MMD (i.e., "Municipal Market Data"); Thomson Financial compiles several proprietary indices of High Grade Municipal Bonds of varying maturities under their "MMD" indices.*

The Tax-Exempt SIFMA Variable Rate Index attained a new all-time historical low in June (i.e., 0.30% as of July 6th) consistent with continued strong investor demand for liquidity, as in last month's report.

The 30-Year MMD (AA-rated) rate increased 33 basis points from last month, while the 30-Year Treasury remained flat. Part of the recent increase in MMD was attributable to a typical decrease in demand during the week prior to the Independence Day weekend.

Among Taxable rates, 90-day LIBOR, which is used to determine borrowing rates for many interbank loans, continued to decline in June, approaching its lowest levels since 2004. 90-day LIBOR (plus a margin) is frequently used as a benchmark for determining variable rate commercial loan interest rates.

Economic Data:

Gross Domestic Product Estimate:
According to an estimate released by the Bureau of Economic Analysis on July 6th, Real Gross Domestic Product ("GDP") -- the output of goods and services produced by labor and property located in the United States -- decreased at an annual rate of 5.5% in the

first calendar quarter of 2009 ("Q1 2009"), compared to a Q4 2008 decrease of 6.3%, according to final estimates released by the Bureau of Economic Analysis.

Jobs:
In economic data released July 3rd, non-farm payrolls fell 467,000 in June after a revised 322,000 drop in May. Economists surveyed by *Thomson Reuters* had predicted a loss of 363,000 jobs.

The national unemployment rate rose to 9.5% in June, its highest rate since August 1983, compared to 9.4% rate in May. (Economists polled by *Thomson Reuters* had projected a 9.6% unemployment rate.)

Initial jobless claims for the week ending June 27 fell 16,000 to 614,000 after a revised 640,000 the previous week. Economist polled by *Thomson Reuters* had predicted 615,000 initial claims.

Manufacturing:
The June ISM manufacturing survey rose 2.0 points to 44.8, continuing its rebound from the December low of 32.9; the inventory component of the report showed a further drop in inventory levels, as anticipated. The inventory index fell to 32.9 from 33.6. A figure below 50 means manufacturers are reducing stockpiles.

New factory orders for manufactured goods climbed 1.2% in May. The factory order increase to $347.9 billion was larger than the 0.8% increase projected by *Thomson Reuters* and came after a revised 0.5% increase to $343.8 billion in April.

Consumer Spending:
The U.S. Census Bureau announced June 11th that advance estimates of U.S. retail and food services sales for May, adjusted for seasonal variation, holiday and trading-day differences, but not for price changes, were $340.0 billion, an increase of 0.5 percent from April 2009, but 9.6 percent below May 2008.

According to the Census Bureau estimates, total retail/food service sales for the March through May 2009 period were down 9.7% compared to the same period in 2008.

Other Market News:

- The Council of Development Finance Agencies released its National 2008 Annual Volume Cap Usage Report on Wednesday July 8th and among key findings:
    - 2008 Industrial Revenue Bond issuance volume was down 57.4% compared to 2007 (i.e., to $1.3 billion in 2008 from $3.0 billion in 2007).
    - IFA's results were consistent with the national results, as IFA's 2008 new issue volume dropped by 64.6% (i.e., from $127.9 million in 2007 to $45.3 million in 2008).

IFA Sales, Marketing and Credit

Marketing – Spurred by the 2009 Recovery Act (or "ARRA"), and the related need to upgrade pubic infrastructure and educational facilities, IFA's Local Government Team is implementing marketing and development plans to encourage both conduit financings for larger borrowers and pooled financings for small municipalities.

IFA's Local Government team is also undertaking focused marketing efforts to associations including the Illinois Municipal League, the Illinois State Board of Higher Education, the Illinois Government Finance Officers Association, the Illinois City and County Management Association, and the Illinois Association of School Business Officials. IFA will continue to submit newsletter articles and arrange to speak at regularly scheduled conferences held by these organizations.

IFA's Local Government Team attended an annual legislative staff meeting in Springfield to discuss IFA's enhanced Local Government financing programs on Monday June 15th. This event served as a kick-off for our enhanced Local Government, Fire Truck and Ambulance marketing initiative that will be delivered to local legislative offices through out the State.

Program Development

Fire Truck and Ambulance Revolving Loan Funds – Payment is nearly completed for these programs and has been sent to the Comptroller. To date, 51 fire truck loans have been funded totaling $10,627,465 and 10 ambulance loans have been funded totaling $993,200.

Dormitory Sprinkler Revolving Loan Fund -- IFA staff finalized the administrative rules for the Sprinkler Revolving Loan Program and submitted them to the Index Division of the Secretary of State. This is in accordance with the administrative rules process for the Joint Committee on Administrative Rules (JCAR).

Local Government Pooled Bond Issue -- Local Government Staff is continuing to work with prospective borrowers to facilitate interim financing of credit-approved borrowers with a dedicated $2,561,229 (as of April 30, 2009) IRBB Special Reserve Fund (established and capitalized for the benefit of the Illinois Rural Bond Bank, an IFA predecessor). This IFA interim financing would (i) enable creditworthy borrowers to proceed with their financings and (ii) enable each IFA Local Government Pool to aggregate sufficient volume to provide optimal economies of scale to participants.

SBA Micro Loan Program – IFA staff has completed the SBA Micro Loan application and intends to submit the application in July.

IFA Credit and Documentation Criteria -- Credit and documentation criteria for the Authority's products are currently in substantially final draft form and will be presented as a discussion item at the July Committee of the Whole Meeting.

Sales Activities

Funding Managers will be presenting ten financings totaling $141,100,602 for consideration at the July 14, 2009 Board Meeting:

- Agriculture projects total $500,602.
- Non-Healthcare Projects (Cultural and other 501(c)(3) projects) total $17,700,000.
- Healthcare Projects total $91,300,000
- Higher Education Projects total $31,600,000

The ten financings presented for consideration today are expected to create 75 new jobs and 110 construction jobs.

IFA Industry Updates and Closing Reports

Agriculture

IFA Ag Staff marketing effort began with the Community Banker's Association annual Ag Lenders conference in Springfield. The IFA Ag Staff attended the two-day Community Banker's Association Annual Ag Lenders conference in Springfield and participated as part of three person panel with the Farm Service Agency and Farmer Mac to discuss various Ag lending and loan guarantee products. Approximately 65 bankers from across the State attended the Community Banker's Association conference.

During the month of June, the Ag staff received a variety of inquiries from producers and lenders interested in IFA programs. Overall, Ag Staff received 16 inquiries on products including Beginning Farmer Bonds, Participation Loan, and Guaranteed loans. From these inquiries, Ag Staff has received two applications for consideration.

For the July board meeting, IFA Ag Staff is presenting 3 Beginning Farmer Bonds for consideration.

There were no Local Government Closings in June, 2009

Business and Industry

IFA's B&I Team will continue to focus calling activity on Illinois-based manufacturers that service industries that remain relatively healthy during the current recession including (1) component suppliers to the wind turbine and other alternative energy sources, (2) the medical products industry.

IFA's B&I Team has also noticed an uptick in calls from manufacturers seeking federal stimulus funds.

Separately, discussions with several commercial lenders in Northern and Central Illinois confirm a lack of lending activity for new Business and Industry projects, and a general reluctance by owners of these companies to undertake expansions given current market conditions.

IFA's B&I Team will be attending and speaking on a panel discussion at the Illinois Development Council's Annual Conference on July 15-17 in Lisle, Illinois. Approximately 100 economic development practitioners from both the public (e.g., municipalities, counties, and DCEO) and private sectors are expected to attend.

There were no Business and Industry Closings in June, 2009

Healthcare

Improved conditions in the credit markets have led a rush to the fixed rate market for many of the Authority's Healthcare borrowers. This summer, IFA's Healthcare Team anticipates many longstanding borrowers including the University of Chicago Medical Center, Rush University Medical Center, Central DuPage, Riverside Health, OSF Health System and Alexian Brothers Health System will proceed with financings. The total dollar volume of these proposed bond issues exceeds $1 billion.

On June 17th, Provena Health priced $200 million of BBB+ rated bonds. The pricing included a 25-year maturity and the all-in cost to the borrower was 8.00%. This was a significant accomplishment to finance an outstanding term loan and solidifies the capital structure of this struggling health system.

The Healthcare Team selected Goldman Sachs and Loop Capital Markets to lead the Hospital Assessment Program ("HAP") Securitization Program. A kick-off meeting has been scheduled for the week of July 6th with the Department of Health and Human Services. Document preparation and review will begin shortly.

In June, the Healthcare Team attended the Illinois Hospital Association's 30th Annual Small and Rural Hospital Conference in Springfield. The Healthcare Team spoke with numerous providers regarding their future financing plans. The Healthcare Team had booth space and golfed with the new chairman of the small and rural hospital association. In total, the IFA expects 6-7 new financing opportunities in the next year due to relationships solidified at the conference.

IFA's Healthcare Team will continue to work with Borrowers who are restructuring their plans of finance to try to move on the improvements in the credit markets for non-rated investments grade projects, such as The Admiral and Timothy Place, which are financing new facilities. Many of these systems are partnering with stronger parent organizations that may potentially provide credit support to support long term financing.

Healthcare June, 2009 Closing(s)

Closing Date	Amount	Borrower
6/11/2009	$260,000,000	Silver Cross Hospital
6/23/2009	$200,000,000	Provena Health

Non-Healthcare 501(c)(3)'s:

Members of the Higher Education Team continue to meet with market participants to discuss both opportunities and challenges in the Higher Education and Cultural subsectors, as well as other 501(c)(3) subsectors.

Non-Healthcare 501(c)(3) May, 2009 Closing(s)

Closing Date	Amount	Borrower
6/16/2009	$15,200,000	Notre Dame College Prep

Local Government

Currently, there are approximately 15 local units of government (primarily rural downstate) interested in participating in the next pool IFA staff is working with these Borrowers to expedite completion of applications. IFA plans to aggregate interested local governments in this Interim Financing Program until sufficient volume has been generated to justify a Bond Issuance.

IFA's Local Government Team met with market participants to discuss the outlook and to discuss opportunities for financing capital projects undertaken by Illinois school districts and community college districts.

IFA's Local Government Team is working to post information about issuing Conduit Bonds through IFA on the Illinois State Board of Education's website. The Team will continue to contact and arrange meetings with regional school district groups and prospective borrowers, which include community college districts. IFA will also be contact prior conduit borrowers in our portfolio.

There were no Local Government Closings in June, 2009

Energy

US Department of Energy's Loan Guarantee Program

In June, we informed the Board that IFA was selected as one of eight conduit issuers across the country to advise the US Department of Energy on criteria for selecting conduit issuers such as IFA to serve as Designated Lenders for the Section 1705 Loan Guarantee Program. As currently envisioned, DOE plans to work with Designated Lenders from both the public and private sectors who will be tasked with undertaking a substantial portion of the evaluation of projects proposed for DOE Loan Guarantees. DOE plans to issue its solicitation for Designated Lender later in July, seek responses within two months or so and make selections by or before the end of 2009.

Project Vetting

IFA is preparing to conduct several days of project reviews with designated members of the Illinois Energy Team over the next several weeks. The purpose of this review is to identify the most viable projects for IFA to consider for support via a issuance of State Moral Obligation and/or other financing assistance, and potentially, sponsorship for a DOE Loan Guarantee. IFA is preparing over the next few days to formally invite developers of about 15 projects that DCEO and IFA believe are most promising to submit written project summaries and participate in an in-person review.

There were no Energy Closings in June, 2009

Operations:

Risk Management: The primary insurance carrier for IFA's professional liability insurance was changed from AIG to ACE. With a new policy limit of $10,000,000; a secondary policy with a $5,000,000 limit is in place with AIG as the insurance carrier. The total insurance limit has been increase by $5,000,000 over the previous year. The effective date of the new policies is July 1, 2009.

Performance Reviews: The performance review process for Fiscal Year 2009 was completed.

Employee Handbook: The IFA Employee Handbook was updated and distributed to all IFA staff. The effective date is June 30, 2009.

New Hire: Employment offer was extended to Kim Du'Prey . Kim has accepted and will begin work at the IFA on July 6, 2009, Andrew Belsky, a summer intern, was hired to work on energy-related financing projects with Steve Trout.

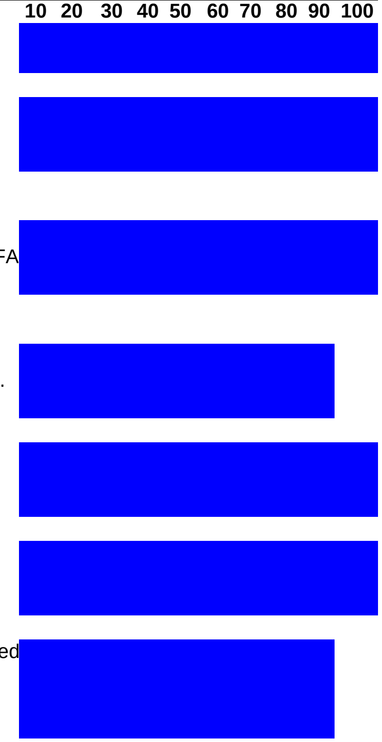
Treasury: The Investment Policy is completed and has been approved. Implementation of IFA's investment strategy will commence once investment partners have been identified as a result of completed solicitations.

Legal/Legislative: *An oral report will be provided at the July 14, 2009 Committee of the Whole Meeting.*

Illinois Finance Authority
FY08 Audit Findings: Material and Immaterial
Update as of June 30, 2009

Number of 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.	
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.	
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.	
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.	
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.	
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.	
08-07	**No Formal Record Retention Plan**	Noncompliance and Significant Deficiency	Applications on file with State Archives. Currently being reviewed by State Archives Field Representative and State Archive Director. Records Retention Schedule pending finalization by State Archives.	



Illinois Finance Authority
Audit Findings Material and Immaterial
Update as of June 30, 2009

Item Number	Description	Percentage Completed (10 20 30 40 50 60 70 80 90 100)
Total Number of 2		
FY 08 Immaterial Findings		
IM08-01	Statement of Economic Interest Report Not Filed Timely	100
IM08-02	Inadequate Documentation of Internal Control Procedures	100

Illinois Finance Authority
General Fund
Unaudited
Balance Sheet
for the Twelve Months Ending June 30, 2009

	Actual June 2009
ASSETS	
CASH & INVESTMENTS, UNRESTRICTED	$ 14,588,627
RECEIVABLES, NET	62,423
LOAN RECEIVABLE, NET	24,097,957
OTHER RECEIVABLES	198,061
PREPAID EXPENSES	58,270
TOTAL CURRENT ASSETS	39,005,338
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	98,684
DEFERRED ISSUANCE COSTS	423,803
OTHER ASSETS	
CASH, INVESTMENTS & RESERVES	872,165
VENTURE CAPITAL INVESTMENTS	-
OTHER	(6,637)
TOTAL OTHER ASSETS	865,528
TOTAL ASSETS	$ 40,393,352
LIABILITIES	
CURRENT LIABILITIES	$ 703,028
LONG-TERM LIABILITIES	609,996
TOTAL LIABILITIES	1,313,024
EQUITY	
CONTRIBUTED CAPITAL	4,111,479
RETAINED EARNINGS	20,455,129
NET INCOME / (LOSS)	2,542,424
RESERVED/RESTRICTED FUND BALANCE	1,732,164
UNRESERVED FUND BALANCE	10,239,134
TOTAL EQUITY	39,080,329
TOTAL LIABILITIES & EQUITY	$ 40,393,352

Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
for Period Ending
June 30, 2009

	Actual June 2009	Budget June 2009	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2009	Budget YTD FY 2009	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2009	% of Budget Expended
REVENUE										
INTEREST ON LOANS	95,729	92,802	2,927	3.15%	1,296,793	1,374,474	(77,681)	-5.65%	1,374,474	94.35%
INVESTMENT INTEREST & GAIN(LOSS)	(104,695)	46,841	(151,536)	-323.51%	126,991	547,221	(420,230)	-76.79%	547,221	23.21%
ADMINISTRATIONS & APPLICATION FEES	479,886	477,567	2,319	0.49%	5,001,050	5,781,179	(780,129)	-13.49%	5,781,179	86.51%
ANNUAL ISSUANCE & LOAN FEES	52,057	50,957	1,100	2.16%	652,676	665,579	(12,903)	-1.94%	665,579	98.06%
OTHER INCOME	8,576	-	8,576	0.00%	104,464	-	104,464	0.00%	-	0.00%
TOTAL REVENUE	531,552	668,167	(136,615)	-20.45%	7,181,973	8,368,453	(1,186,480)	-14.18%	8,368,453	85.82%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	297,885	267,513	30,372	11.35%	2,851,215	3,206,787	(355,572)	-11.09%	3,206,787	88.91%
BENEFITS	20,982	23,272	(2,290)	-9.84%	286,587	281,903	4,684	1.66%	281,903	101.66%
TEMPORARY HELP	3,240	3,337	(97)	-2.91%	57,698	40,000	17,698	44.24%	40,000	144.24%
EDUCATION & DEVELOPMENT	2,307	413	1,894	0.00%	3,200	5,000	(1,800)	-35.99%	5,000	64.01%
TRAVEL & AUTO	13,143	10,250	2,893	28.22%	76,685	123,000	(46,315)	-37.65%	123,000	62.35%
TOTAL EMPLOYEE RELATED EXPENSES	337,557	304,785	32,772	10.75%	3,275,385	3,656,690	(381,305)	-10.43%	3,656,690	89.57%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	29,601	66,867	(37,266)	-55.73%	283,154	802,400	(519,246)	-64.71%	802,400	35.29%
LOAN EXPENSE & BANK FEE	10,873	11,825	(952)	-8.05%	133,300	141,900	(8,600)	-6.06%	141,900	93.94%
ACCOUNTING & AUDITING	25,901	29,764	(3,863)	-12.98%	316,031	357,168	(41,137)	-11.52%	357,168	88.48%
MARKETING GENERAL	5,697	8,333	(2,636)	-31.63%	64,414	100,000	(35,586)	-35.59%	100,000	64.41%
FINANCIAL ADVISORY	31,000	25,000	6,000	24.00%	306,075	300,000	6,075	2.03%	300,000	102.03%
CONFERENCE/TRAINING	620	1,250	(630)	0.00%	11,866	15,000	(3,134)	-20.89%	15,000	79.11%
MISC. PROFESSIONAL SERVICES	-	-	-	0.00%	20,000	-	20,000	0.00%	-	0.00%
DATA PROCESSING	4,962	3,750	1,212	32.32%	45,796	45,000	796	1.77%	45,000	101.77%
TOTAL PROFESSIONAL SERVICES	108,654	146,789	(38,135)	-25.98%	1,180,636	1,761,468	(580,832)	-32.97%	1,761,468	67.03%

Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
for Period Ending
June 30, 2009

	Actual June 2009	Budget June 2009	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2009	Budget YTD FY 2009	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2009	% of Budget Expended
OCCUPANCY COSTS										
OFFICE RENT	22,573	25,905	(3,332)	-12.86%	293,355	310,860	(17,505)	-5.63%	310,860	94.37%
EQUIPMENT RENTAL AND PURCHASES	3,694	3,867	(173)	-4.46%	57,307	46,404	10,903	23.49%	46,404	123.49%
TELECOMMUNICATIONS	2,511	5,420	(2,909)	-53.68%	59,027	65,040	(6,013)	-9.25%	65,040	90.75%
UTILITIES	1,385	933	452	48.43%	14,718	11,196	3,522	31.46%	11,196	131.46%
DEPRECIATION	5,721	7,351	(1,630)	-22.18%	72,018	88,256	(16,238)	-18.40%	88,256	81.60%
INSURANCE	1,628	1,500	128	8.52%	16,846	18,000	(1,154)	-6.41%	18,000	93.59%
TOTAL OCCUPANCY COSTS	37,511	44,976	(7,465)	-16.60%	513,270	539,756	(26,486)	-4.91%	539,756	95.09%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	3,260	9,450	(6,190)	-65.51%	81,267	113,400	(32,133)	-28.34%	113,400	71.66%
BOARD MEETING - EXPENSES	6,669	2,983	3,686	123.57%	41,106	35,796	5,310	14.84%	35,796	114.84%
PRINTING	(320)	1,200	(1,520)	-126.70%	13,734	14,400	(666)	-4.62%	14,400	95.38%
POSTAGE & FREIGHT	413	2,300	(1,887)	-82.03%	21,839	27,600	(5,761)	-20.87%	27,600	79.13%
MEMBERSHIP, DUES & CONTRIBUTIONS	3,475	3,083	392	12.70%	38,685	36,996	1,689	4.57%	36,996	104.57%
PUBLICATIONS	2,652	300	2,352	783.91%	5,964	3,600	2,364	65.65%	3,600	165.65%
OFFICERS & DIRECTORS INSURANCE	12,601	14,528	(1,928)	-13.27%	171,670	174,292	(2,622)	-1.50%	174,292	98.50%
MISCELLANEOUS	-	42	(42)	0.00%	4,048	504	3,544	703.25%	504	803.25%
TOTAL GENL & ADMIN EXPENSES	28,748	33,886	(5,138)	-15.16%	378,313	406,588	(28,275)	-6.95%	406,588	93.05%
LOAN LOSS PROVISION/BAD DEBT	187,979	8,337	179,642	2154.76%	89,355	100,000	(10,645)	-10.64%	100,000	89.36%
OTHER										
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL EXPENSES	700,449	538,773	161,676	30.01%	5,436,959	6,464,502	(1,027,543)	-15.90%	6,464,502	84.10%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	(168,897)	129,394	(298,291)	-230.53%	1,745,013	1,903,951	(158,938)	-8.35%	1,903,951	91.65%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	777,285	-	777,285	0.00%	797,410	-	797,410	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	608,388	129,394	478,994	370.18%	2,542,423	1,903,951	638,472	33.53%	1,903,951	133.53%

Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
June 30, 2009

	Actual June 2009	Actual June 2008	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2009	Actual YTD FY 2008	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	95,729	110,933	(15,204)	-13.71%	1,296,793	1,532,078	(235,286)	-15.36%
INVESTMENT INTEREST & GAIN(LOSS)	(104,695)	(222,580)	117,885	-52.96%	126,991	329,132	(202,141)	-61.42%
ADMINISTRATIONS & APPLICATION FEES	479,886	862,485	(382,598)	-44.36%	5,001,050	7,309,745	(2,308,696)	-31.58%
ANNUAL ISSUANCE & LOAN FEES	52,057	45,955	6,101	13.28%	652,676	940,526	(287,850)	-30.61%
OTHER INCOME	8,576	22,377	(13,801)	0.00%	104,464	175,868	(71,405)	0.00%
						-	-	-
TOTAL REVENUE	531,552	819,170	(287,618)	-35.11%	7,181,973	10,287,350	(3,105,378)	-30.19%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	297,885	142,022	155,863	109.75%	2,851,215	2,967,529	(116,315)	-3.92%
BENEFITS	20,982	29,194	(8,212)	-28.13%	286,587	279,494	7,093	2.54%
TEMPORARY HELP	3,240	3,370	(130)	-3.86%	57,698	76,502	(18,804)	-24.58%
EDUCATION & DEVELOPMENT	2,307	-	2,307	0.00%	3,200	3,553	(353)	-9.92%
TRAVEL & AUTO	13,143	7,766	5,377	69.25%	76,685	117,514	(40,829)	-34.74%
TOTAL EMPLOYEE RELATED EXPENSES	337,557	182,352	155,205	85.11%	3,275,385	3,444,592	(169,207)	-4.91%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	29,601	(14,991)	44,592	-297.46%	283,154	724,079	(440,925)	-60.89%
LOAN EXPENSE & BANK FEE	10,873	12,715	(1,843)	-14.49%	133,300	154,855	(21,554)	-13.92%
ACCOUNTING & AUDITING	25,901	36,056	(10,155)	-28.16%	316,031	372,650	(56,619)	-15.19%
MARKETING GENERAL	5,697	(2,748)	8,446	-307.33%	64,414	45,172	19,241	42.60%
FINANCIAL ADVISORY	31,000	31,711	(711)	-2.24%	306,075	303,083	2,992	0.99%
CONFERENCE/TRAINING	620	1,280	(660)	0.00%	11,866	6,023	5,843	97.01%
MISC. PROFESSIONAL SERVICES	-	-	-	0.00%	20,000	12,055	7,945	0.00%
DATA PROCESSING	4,962	5,437	(475)	-8.74%	45,796	56,303	(10,507)	-18.66%
TOTAL PROFESSIONAL SERVICES	108,654	69,460	39,194	56.43%	1,180,636	1,674,221	(493,584)	-29.48%

Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
June 30, 2009

	Actual June 2009	Actual June 2008	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2009	Actual YTD FY 2008	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	22,573	25,686	(3,113)	-12.12%	293,355	289,784	3,571	1.23%
EQUIPMENT RENTAL AND PURCHASES	3,694	3,919	(225)	-5.74%	57,307	63,316	(6,009)	-9.49%
TELECOMMUNICATIONS	2,511	4,542	(2,032)	-44.73%	59,027	71,840	(12,813)	-17.84%
UTILITIES	1,385	1,195	190	15.93%	14,718	12,584	2,134	16.96%
DEPRECIATION	5,721	5,795	(74)	-1.28%	72,018	76,974	(4,956)	-6.44%
INSURANCE	1,628	(593)	2,221	-374.58%	16,846	14,949	1,897	12.69%
TOTAL OCCUPANCY COSTS	37,511	40,544	(3,033)	-7.48%	513,270	529,447	(16,177)	-3.06%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	3,260	5,114	(1,854)	-36.26%	81,267	88,861	(7,595)	-8.55%
BOARD MEETING - EXPENSES	6,669	4,121	2,548	61.83%	41,106	53,726	(12,620)	-23.49%
PRINTING	(320)	(426)	106	-24.83%	13,734	14,048	(314)	-2.23%
POSTAGE & FREIGHT	413	1,952	(1,538)	-78.82%	21,839	28,850	(7,011)	-24.30%
MEMBERSHIP, DUES & CONTRIBUTIONS	3,475	1,655	1,820	109.96%	38,685	43,743	(5,058)	-11.56%
PUBLICATIONS	2,652	67	2,585	3871.44%	5,964	2,083	3,881	186.30%
OFFICERS & DIRECTORS INSURANCE	12,601	14,524	(1,924)	-13.24%	171,670	176,291	(4,620)	-2.62%
MISCELLANEOUS	-	1,822	(1,822)	0.00%	4,048	3,171	878	27.68%
TOTAL GENL & ADMIN EXPENSES	28,748	28,829	(81)	-0.28%	378,313	410,773	(32,459)	-7.90%
LOAN LOSS PROVISION/BAD DEBT	187,979	(130,175)	318,154	-244.41%	89,355	222,448	(133,093)	-59.83%
OTHER								
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%
TOTAL EXPENSES	700,449	191,010	509,439	266.71%	5,436,959	6,281,480	(844,521)	-13.44%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	(168,897)	628,160	(797,057)	-126.89%	1,745,013	4,005,870	(2,260,857)	-56.44%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	53,189	(53,189)	-100.00%
TRANSFER	777,285	(2,300,525)	3,077,810	-133.79%	797,410	(1,506,263)	2,303,673	-152.94%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	608,388	(1,672,365)	2,280,753	-136.38%	2,542,423	2,552,796	(10,373)	-0.41%

Illinois Finance Authority
Consolidated
Unaudited
Balance Sheet
for the Twelve Months Ending June 30, 2009

	Actual June 2008	Actual June 2009	Budget June 2009	Variance to budget
ASSETS				
CASH & INVESTMENTS, UNRESTRICTED	$ 23,885,661	$ 28,099,360	23,754,926	$ 4,344,434
RECEIVABLES, NET	566,009	398,524	300,000	98,524
LOAN RECEIVABLE, NET	88,670,459	93,431,200	110,700,484	(17,269,284)
OTHER RECEIVABLES	1,345,842	1,348,994	1,119,653	229,341
PREPAID EXPENSES	173,328	58,270	170,000	(111,730)
TOTAL CURRENT ASSETS	114,641,299	123,336,348	136,045,063	(12,708,715)
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	159,000	98,684	118,786	(20,102)
DEFERRED ISSUANCE COSTS	674,449	578,971	607,818	(28,847)
OTHER ASSETS				
CASH, INVESTMENTS & RESERVES	49,473,035	38,842,380	39,550,520	(708,140)
VENTURE CAPITAL INVESTMENTS	5,738,223	5,377,739	5,738,223	(360,484)
OTHER	3,682,072	2,990,143	3,682,072	(691,929)
TOTAL OTHER ASSETS	58,893,331	47,210,262	48,970,815	(1,760,553)
TOTAL ASSETS	$ 174,368,079	$ 171,224,266	$ 185,742,482	$ (14,518,216)
LIABILITIES				
CURRENT LIABILITIES	$ 773,331	$ 822,973	719,049	$ 103,924
LONG-TERM LIABILITIES	60,777,253	57,475,808	69,661,544	(12,185,738)
TOTAL LIABILITIES	61,550,584	58,298,781	70,380,593	(12,081,814)
EQUITY				
CONTRIBUTED CAPITAL	35,608,692	35,608,692	35,608,692	-
RETAINED EARNINGS	18,238,669	24,795,357	24,795,357	-
NET INCOME / (LOSS)	20,778,263	107,990	2,544,393	(2,436,403)
RESERVED/RESTRICTED FUND BALANCE	25,543,701	39,765,275	39,765,275	-
UNRESERVED FUND BALANCE	12,648,171	12,648,171	12,648,171	-
TOTAL EQUITY	112,817,495	112,925,485	115,361,889	(2,436,403)
TOTAL LIABILITIES & EQUITY	$ 174,368,079	$ 171,224,266	$ 185,742,482	$ (14,518,216)

MINUTES OF THE JUNE 9, 2009 MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held a Board Meeting at 11:30 a.m. on June 9, 2009 at the James R. Thompson Center, Room 2-025, Chicago, IL 60601.

Members present:	**Members absent:**	**Members participating by telephone:**
1. William A. Brandt, Jr., Chairman	1. April D. Verrett	None
2. Michael W. Goetz, Vice Chairman	2. Juan B. Rivera	
3. Dr. William J. Barclay	3. James J. Fuentes	
4. Ronald E. DeNard		
5. Terrence M. O'Brien	**Vacancies:**	
6. Dr. Roger D. Herrin	Four	
7. Bradley A. Zeller		
8. Edward H. Leonard, Sr.		

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 11:41 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests and asked the Assistant-Secretary, Kara Nystrom-Boulahanis to call the roll. There being eight (8) members physically present, Ms. Nystrom-Boulahanis declared a quorum present.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending May 30, 2009 and minutes for the May 12, 2009 meeting of the Board of Directors were presented to members of the Board and accepted by the Board. Chairman Brandt stated that the Authority's financial statements and minutes were reviewed at the regularly scheduled Committee of the Whole Meeting held today at 8:30 a.m. Chairman Brandt requested a motion to approve the May 30, 2009 Financial Statements and May 12, 2009 Board of Directors meeting minutes with the correction noted in the Committee of the Whole Meeting. *(Mr. O'Brien, not Mr. Rivera, abstained from voting on the No. 7 Final Silver Cross Resolution)*

The motion was moved by Vice Chairman Goetz and seconded by Dr. Barclay. The May 30, 2009 Financial Statements and corrected May 12, 2009 minutes were unanimously approved by members of the Board.

Executive Director's Remarks

Director Filan announced that at today's meeting five (5) financings and one (1) Beginning Farmer Bond will be presented to members of the board for approval.

Director Filan reported that IFA's financials for fiscal year 2009 have been reviewed and it was a profitable year. However, not unlike the private sector, the IFA will have a much tighter year next year, with no or minimal profit expected.

Finally, Director Filan reported that the IFA's Energy Initiative has continued to succeed. Senate Bill 1906, an IFA legislative priority that expanded the IFA's definition of renewable energy and granted an additional $3 billion in energy bonding authority to IFA, is currently awaiting the Governor's signature. The IFA's relationship with the U.S. Department of Energy has also continued to expand and develop over recent weeks. They have invited the IFA to be one of eight states that assists in the development of criteria and an application process for designated lenders.

The Illinois Energy Team has continued its work vetting projects and providing technical, legal and financial advice to projects in the development stage. The IFA's Board has also created an Energy Sub-Committee to be chaired by Dr. Roger Herrin.

Lastly, all of the RFPs have been posted or will be posted before close of the 2009 Fiscal Year.

Project Approvals

Chairman Brandt asked Mr. Rich Frampton to present the projects for consideration to the Board. Chairman Brandt announced that projects being presented today for approval were thoroughly reviewed at the Committee of the Whole Meeting held at 8:30 a.m. today.

Mr. Frampton presented the following projects for board approval:

No. 1: **<u>A-FB-TE-CD-8242 – Tye and Jill Adair</u>**

Request for final approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed $137,500 for the purchase of 31 acres of farmland. This project is located in Macomb, Illinois (McDonough County).

No. 2: **<u>H-HO-TE-CD-8243 – Aunt Martha's Youth Services</u>**

Request for final approval of the issuance of 501(c)3 bonds in an amount not-to-exceed $9M.Bond proceeds will be used to (i) refund existing IFA series 2005 Bonds, (ii) refinance existing debt, and (iii) pay costs of issuance. This project is located in and around Cook County.

No. 4: **<u>L-GP-TE-8082 – City of Girard</u>**

Request for final approval for a direct loan from the Local Government Direct Loan program in an amount not-to-exceed $980,000. Loan proceeds will be used to finance (i) demolition and removal of an existing 75,000 gallon water storage tank; (ii) replace with a new 200,000 gallon elevated spheroid water storage tank and construction of 1,400 linear feet of 10-inch water transmission main, including all related appurtenances; (iii) install new telemetry system; and (iv) pay certain closing costs. This project is located in Girard, Illinois (Macoupin County)

No. 7: **<u>H-HO-TE-CD-8244 – Third Order of Saint Francis of Mary Immaculate, Joliet</u>**

Request for preliminary approval for the issuance of 501(c)3 bonds in an amount not-to-exceed $11M. Bond proceeds will be used to (i) finance, refinance, or reimburse the Borrower for the cost of constructing, acquiring and equipping 28 independent living cottages in 14 separate duplex structures that is know as Phase 1A of Our Lady of Angels Village, (ii) fund a reserve fund; (iii) pay capitalized interest on the Bonds, and (iv) finance certain costs associated with the issuance of the bonds, including the cost of any credit enhancement. This project is expected to create 80 construction and 2 permanent jobs. It is located in Joliet, Illinois.

No. 8: **H-HO-TE-CD-8244 – Central DuPage Health**

Request for final approval for the issuance of 501(c)3 bonds in an amount not-to-exceed $11M. Bond proceeds will be used to (i) refund all or a portion of the Illinois Health Facilities Authority Variable Rate Demand Revenue Bonds, Series 2000A, 2000B and 2000C (Central DuPage Health) (the "Prior Bonds"), (ii) fund capital expenditures for the health care facilities of the Borrower or its affiliates, (iii) pay a portion of the interest on the portion of Series 2009 Bonds that are issued to fund capital expenditures, if deemed necessary or advisable, (iv) provide working capital, if deemed necessary or advisable, (v) fund a debt service reserve fund, if deemed necessary or advisable, and (vi) pay the cost of issuance. This project is expected to create 400 construction and 33 permanent jobs. It is located in Winfield, Illinois (DuPage County).

No. 9: **H-HO-TE-CD-8244 – Provena Health**

Request for final approval for the issuance of 501(c)3 bonds in an amount not-to-exceed $200M. Bond proceeds will be used to (i) pay or reimburse or refinance outstanding taxable and / or tax-exempt indebtedness; (ii) pay a portion of the interest on the Bonds; (iii) fund one or more debt service reserve funds; (iv) provide working capital; (v) finance the termination costs of qualified hedging instruments and (vi) pay certain expenses incurred in connection with the issuance of the Bonds. The project is located in Chicago, Illinois.

No. 10: **H-HO-TE-CD-8244 – Riverside Health System**

Request for final approval for the issuance of 501(c)3 bonds in an amount not-to-exceed $80M. Bond proceeds will be used to (i) reimburse RHS for prior capital expenditures (the "Project"), (ii) currently refund RHS' Series 2006B Bonds and a portion of RHS' Series 2004 Bonds (the "Refunded Bonds"), (iii) terminate interest rate swaps associated with the Refunded Bonds, (iv) fund a Debt Service Reserve Fund, and (v) pay costs of issuance. The project is expected to create 55 permanent jobs. It is located in Kankakee, Illinois.

No guests attended with respect to Project Nos. 1, 2, 4, 7, 8, 9 and 10. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1, 2, 4, 7, 8, 9 and 10. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1, 2, 4, 7, 8, 9 and 10. Leave was granted. Project Nos. 1, 2, 4, 7, 8, 9 and 10 received final approval with 8 ayes, 0 nays, and 0 abstentions.

No. 3: **N-NP-TE-CD-8240 – Hospice of Northeastern Illinois**

Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed $9M. Bond proceeds will be used to fund a portion of the construction cost to build the Pepper Family Hospice Home and Family Care facility. This project is expected to create 31 new jobs and 125 construction jobs. This project is located in Barrington, Illinois (Lake County).

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 3. Mr. Townsend Albright, Senior Funding Manager, introduced Ms. Ann Van Oost, Vice President and Chief Financial Office for the Hospice of Northeastern Illinois. Ms. Van Oost thanked the Board for its consideration, and described the impact this bond issuance would have on the hospice. They will be able to serve many more people in need of hospice care as well as their families in a home-like setting.

Chairman Brandt asked if the Board had any questions for Ms. Van Oost. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 3. Leave was granted. Project No. 3 received final approval with 8 ayes, 0 nays, and 0 abstentions.

No. 6: **N-ND-TE-CD08245 – Jewish Charities**

Request for preliminary approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed $12M. Bond proceeds will be used (i) fund temporary cash flow deficits of the social service agencies described further herein, and (ii) to pay bond issuance costs. This project is located in and around Northeastern Illinois.

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 6. Mr. Townsend Albright, Senior Funding Manager introduced Mr. Michael B. Tarnoff, Executive Vice President, Jewish Federation of Metropolitan Chicago. Mr. Tarnoff thanked the Board for their consideration.

Chairman Brandt asked if the Board had any questions for Mr. Tarnoff. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 6. Leave was granted. Project No. 6 received final approval with 8 ayes, 0 nays, and 0 abstentions.

No. 11: **H-HO-TE-CD-8143 – Rush University Medical Center Obligated Group**

Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed $210M. Bond proceeds will be used for some or all of the following purposes: (i) provide financing to pay costs of capital expenditures for the acquisition, construction, and equipping of various health facilities for Rush University Medical Center and Copley Memorial Hospital; (ii) to provide for the funding of one or more debt service reserve funds; (iii) to pay certain expenses incurred in connection with the issuance of the bonds; and (iv) for other such purposes including working capital and capitalized interest. It is anticipated this project will create 300 construction and 300 new jobs. This project is located in Cook and Kane Counties, Illinois.

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 11. Mr. Townsend Albright, Senior Funding Manager introduced Ms. Catherine Jacobsen, Chief Financial Officer for Rush University Medical Center Obligated Group. Ms. Jacobsen thanked the Board for their consideration.

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

No. 12: **H-HO-TE-CD-8118 – University of Chicago Medical Center**

Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed $350M. Bond proceeds will be used to: (i) reimburse UCMC for previously paid capital expenditures; (ii) establish a project fund to pay for acquisition costs, construction and equipping of the New Hospital Pavilion ("NHP"); (iii) capitalize interest costs; (iv) provide for a debt service reserve fund, if needed; (v) fund any original issue discount or premium, if applicable; and (vi) pay costs of issuance. It is anticipated this project will create 700 construction jobs. This project is located in Chicago, IL.

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 12. Ms. Pam Lenane, Vice President and Deputy General Counsel introduced Mr. Lawrence Furnstahl, Chief Financial Office, University of Chicago Medical Center. Mr. Furnstahl thanked the Board for their consideration. He stated that this project will take 3 ½ years to complete and is part of a larger reinvestment in healthcare for the South Side of Chicago.

Chairman Brandt asked if the Board had any questions or comments with respect to Project No. 12. Dr. Rodger Herrin asked Mr. Furnstahl where the project was located. Mr. Furnstahl stated it was located at the intersection of 57th Street and Cottage Grove Avenue. Chairman Brandt then requested leave to apply the last unanimous vote in favor of Project No. 12. Leave was granted. Project No. 12 received final approval with 8 ayes, 0 nays, and 0 abstentions.

No. 13: **E-PC-TE-CD-8212 – Illinois Institute of Technology**

Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed $30M. Bond proceeds will be used to fund various campus renovations at IIT's Main Campus, including the installation of mandated sprinkler systems in dormitories. It is anticipated this project will create 130 construction jobs. This project is located in Chicago, IL.

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 13. Mr. Townsend Albright, Senior Funding Manager, introduced Mr. David Ulaszek, Assistant Vice President, Illinois Institute of Technology. Mr. Ulaszek thanked the Board for their consideration.

Chairman Brandt asked if the Board had any questions or comments with respect to Project No. 13. There being none, Chairman Brandt then requested leave to apply the last unanimous vote in favor of Project No. 12. Leave was granted. Project No. 13 received final approval with 8 ayes, 0 nays, and 0 abstentions.

Resolutions / Amendatory Resolutions

No. 14: **Rockford Memorial Hospital.** A request to authorize an amendment to the Bond Trust Indenture to allow the hospital to release excess monies in the interest fund to pay fees for letter of credit and payments under interest rate agreements.

No guests attended with respect to Amendatory Resolution No. 14. Chairman Brandt asked if the Board had any questions with respect to Amendatory Resolution No. 7. There being none, Chairman Brandt asked leave to apply the last unanimous vote in favor of the project. Leave was granted. Resolution No. 14 received final approval with 8 ayes, 0 nays, and 0 abstentions.

No. 17: **Authority Officers.** A Request to appoint Officers of the Authority and Assignment of duties to Authority Officers.

No guests attended with respect to Amendatory Resolution No. 17. Chairman Brandt asked if the Board had any questions with respect to Amendatory Resolution No. 17. There being none, Chairman Brandt asked Secretary Nystrom-Boulahanis to take a roll call vote. Amendatory Resolution No.17 received final 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 Dr. Herrin and seconded by Mr. Goetz, the meeting adjourned at approximately 12:16 p.m.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Reed/lk

Date: July 14, 2009

Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolutions for each attached project
- **Amounts:** Up to $250,000 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: $500,000**
- **Calendar Year Summary:** (as of July 14, 2009)
  - Volume Cap: $15,000,000
  - Volume Cap Committed: $4,879,588
  - Volume Remaining: $10,120,812
  - Average Acreage Farm Size: 75
  - Number of Farms Financed: 25
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - convey tax-exempt status
    - will use dedicated 2009 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: **To Be Determined**

Project Number:	**A-FB-TE-CD-8251**
Funding Manager:	Eric Reed
Borrower(s):	**Mueller, Charles J.**
Borrower Benefit:	First Time Land Buyer
Town:	Bradford, IL
Amount:	$178,400
Use of Funds:	Farmland – 40 acres
Purchase Price:	$223,000 / ($5,575 per ac)
%Borrower Equity	20%
%Other Agency	0%
%IFA	80%
County/Region:	Stark / North Central
Lender/Bond Purchaser	State Bank of Speer / Steve Leuthold
Legislative Districts:	Congressional: 18th, Aaron Schock
	State Senate: 37th, Dale Risinger
	State House: 74th, Donald Moffitt

Principal and interest shall be paid annually in ten installments, with the first nine installments to be equal payments of $14,400 each pursuant to a twenty year amortization schedule. The first payment date shall be due on March 1, 2010 and successive payment dates shall be at one year intervals thereafter, with the tenth and final balloon payment of all principal and interest then outstanding due ten years from the date hereof.

*__Charles Mueller:__ Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.75% fixed for the term of the note. IFA Fee: $2,670

Project Number:	**A-FB-TE-CD-8252**
Funding Manager:	Eric Reed
Borrower(s):	**Miller, Curtis**
Borrower Benefit:	First Time Land Buyer
Town:	Paris, IL
Amount:	$120,000
Use of Funds:	Farmland – 36.5 acres
Purchase Price:	$120,000/ ($3,288 per ac)
%Borrower Equity	0%
%Other Agency	0%
%IFA	100%
County/Region:	Edgar / South Eastern
Lender/Bond Purchaser	State Bank of Chrisman / John Brinkerhoff
Legislative Districts:	Congressional: 15th, Timothy Johnson
	State Senate: 55th, Dale Righter
	State House: 109th, Roger Eddy

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.

*__Curtis Miller:__ Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.25% fixed for the first three years and adjust every three years thereafter to 3.5% above the one year Treasury Constant rate. Lender will charge .25% fee. IFA Fee: $1,800

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

Project Number:	**A-FB-TE-CD-8253**
Funding Manager:	Eric Reed
Borrower(s):	**Huschen, Rob**
Borrower Benefit:	First Time Land Buyer
Town:	Morton, IL
Amount:	$202,202
Use of Funds:	Farmland – 80 acres w/used building
Purchase Price:	$253,000/ ($243,000) / ($3,038 per ac)
%Borrower Equity	21%
%Other Agency	0%
%IFA	79%
County/Region:	Fulton / North Central
Lender/Bond Purchaser	Goodfield State Bank / Neal Beer
Legislative Districts:	Congressional: 18th, Aaron Schock
	State Senate: 53rd, Dan Rutherford
	State House: 106th, Keith Sommer

Principal shall be paid quarterly in 120 equal installments of $1,700 each, with the first principal payment date to be three months from the date of closing, and successive principal payment dates to be at three month intervals thereafter, with the 120th and final payment of all principal then outstanding due thirty years from the date of closing. Accrued interest on the unpaid balance hereof shall be paid quarterly with the first interest payment date to be three months from the date of closing, and successive interest payment dates to be at three month intervals thereafter, with the 120th and final payment of all interest then outstanding due thirty years from the date of closing.

*<u>**Rob Huschen:**</u> 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 2.5% above the US Daily Treasury five year Yield rate. Lender will charge .50% fee. IFA Fee: $3,033

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

CONDUIT

ILLINOIS FINANCE AUTHORITY

July 14, 2009
Board Meeting

$4,100,000
HISPANIC HOUSING DEVELOPMENT CORPORATION

REQUEST	Hispanic Housing Development Corporation will use bond proceeds to current refund IFA Series 2004 Bonds, refinance a conventional loan, finance renovations and to pay certain bond issuance costs. Program: 501(c)(3) Revenue and Revenue Refunding Bonds Extraordinary Conditions: None
BOARD ACTIONS	Final Bond Resolution Initial Board Vote -- this project is being presented for one-time approval as a Final Bond Resolution
MATERIAL CHANGES	None

JOB DATA	212	Current jobs	20	New jobs projected
	N/A	Retained jobs	0	Construction jobs projected

BORROWER DESCRIPTION	● Not-for-profit Housing corporation ● Location (Chicago/ Cook County / Northeast Region) ● The Hispanic Housing Development Corporation ("HHDC" or the "Corporation") is an Illinois 501(c)(3) not-for-profit corporation incorporated in May 1975 to develop/rehabilitate housing and to improve deteriorated/blighted housing in the Hispanic community. ● HHDC has developed more than thirty projects resulting in an investment of $125 million. The Corporation manages over 3,400 housing units and serves the Chicago area. HHDC's housing initiatives serves the multi-family and youth population. ● The new project will refund a previous bond issue, refinance a conventional loan, finance renovations and pay certain bond issuance costs.
CREDIT INDICATORS	● Direct Bond Purchase by MB Financial Bank as Lender
Proposed Structure	• No Credit Enhancement • Bonds will be purchased directly by MB Financial and held as an investment • Fixed rate of 4.60% • 7 year maturity with a 25 year amortization

Sources and Uses	IFA Bonds	$4,100,000	Project Cost	$4,110,000
	Bank Financing	2,545,000	Refinancing	2,400,000
			Cost of Issuance	135,000
	Total	$6,645,000	Total	$6,645,000

Recommendation	Credit Review Committee Recommends Approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 14, 2009

Project: Hispanic Housing Development Corporation

STATISTICS

Project Number:	N-NP-TE-CD-8236	Amount:	$4,100,000
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Sharnell Curtis Martin
County/Region:	Cook, Lake, & Winnebago County/Northeast (North Central Region)	Location:	Chicago, Mt. Prospect, Rockford, & Waukegan

BOARD ACTION

Final Bond Resolution
No IFA Funds contributed
Material changes from Preliminary: Not Applicable

Credit Review Committee recommends approval.
No Extraordinary conditions

VOTING RECORD

Initial Board Vote - this project is being presented for one-time approval as a Final Bond Resolution.

PURPOSE

Bond proceeds will be used to refund existing bonds, refinance a conventional loan, finance renovations and to pay certain 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 earned on the Bonds and thereby reduce the borrower's interest expense.

VOLUME CAP

Not applicable, 501(c)(3) projects do not require Volume Cap.

JOBS

Current employment:	212	Projected new jobs:	20
Jobs retained:	N/A	Construction jobs:	0

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$4,100,000	Uses:	Project Costs	$4,110,000
	Bank Financing	2,545,000		Refinancing	2,400,000
				Cost of Issuance	135,000
	Total Sources	$6,645,000		Total Uses	$6,645,000

IFA bond proceeds will be used to refinance the $2.1 million mortgage on the organization headquarters and refinance a $400,000 loan from IFF (formerly the Illinois Facilities Fund). The remaining $1.6 million of bond proceeds will be used towards renovations on the various HHDC properties. The Bank financing will finance the renovation of additional HHDC properties that are not eligible for tax-exempt financing.

FINANCING SUMMARY/STRUCTURE

Collateral:	First mortgage and assignment of rents and leases on 325 N. Wells Street in Chicago. Second mortgage and assignment of rents and leases on 2127 W. Lawrence Avenue in Chicago and on 2410 – 2416 S. Pulaski Road in Chicago, Illinois.
Structure:	Fixed rate of 4.60%
Maturity:	7 years with a 25 year amortization
Est. Closing :	Summer 2009

PROJECT SUMMARY

Bond proceeds will be used to current refund an IFA Series 2004 Bond that financed acquisition and build-out of the HHDC office condominium located at 325 N. Wells Street in Chicago, refinance a conventional loan, finance renovations and to pay bond issuance cost at various HHDC properties including:

2424 S. Pulaski, Chicago, IL (Cook County)
1525-41 N. Pulaski, Chicago, IL (Cook County)
3945-49 W. North Avenue, Chicago, IL (Cook County)
2900-12 N. Cicero, Chicago, IL (Cook County)
2658 W. North Avenue, Chicago, IL (Cook County)
1615-17 N. Washtenaw, Chicago, IL (Cook County)
1618-20 N. Talman, Chicago, IL (Cook County)
111 W. State Street, Rockford, IL (Winnebago County)
1450 S. Busse Road, Mt. Prospect, IL (Cook County)
2330 N. Samson Way, Waukegan, IL (Lake County)

Project costs **total $4,100,000**.

BUSINESS SUMMARY

Description of Business: The Hispanic Housing Development Corporation (“HHDC” or the “Corporation”) is an Illinois 501(c)(3) not-for-profit corporation incorporated in May 1975 to develop /rehabilitate housing and improve deteriorated/blighted housing in the Hispanic community.

HHDC has developed more than 30 projects resulting in an investment of $125 million. The Corporation manages over 3,400 housing units and serves the Illinois with a focus on the Chicago area. HHDC’s housing initiatives serves the multi-family and youth population with a focus on Hispanic communities. .

Project: The new project will use bond proceeds to current refund a previous bond issue issued by the IFA in 2004, which financed the acquisition of the HHDC headquarters. Bond proceeds will also be used to refinance a conventional loan with the IFF (formerly known as the Illinois Facilities Fund). Finally, a portion of the proceeds may be used to finance any of the ten HHDC properties identified in the Project Summary and listed in the TEFRA Hearing Notice for this financing. The Bank financing will finance the renovation of additional HHDC properties that are not eligible for tax-exempt financing.

The financing is expected to produce annualized interest rate savings of approximately $40,000.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Hispanic Housing Development Corporation
325 N. Wells Street, Chicago, IL 60610-4705 (Cook County)
Laura Selby, Vice President and Chief Financial Officer

Project Locations: 325 N. Wells Street in Chicago, IL (Cook County)
2424 S. Pulaski, Chicago, IL (Cook County)
1525-41 N. Pulaski, Chicago, IL (Cook County)

	3945-49 W. North Avenue, Chicago, IL (Cook County) 2900-12 N. Cicero, Chicago, IL (Cook County) 2658 W. North Avenue, Chicago, IL (Cook County) 1615-17 N. Washtenaw, Chicago, IL (Cook County) 1618-20 N. Talman, Chicago, IL (Cook County) 111 W. State Street, Rockford, IL (Winnebago County) 1450 S. Busse Road, Mt. Prospect, IL (Cook County) 2330 N. Samson Way, Waukegan, IL (Lake County)	
Board Members:	Paul Slade, Chairman/Treasurer	Assir R. DaSilva, Vice Chairman
	Eduardo Camacho, Secretary	Hipolito Roldan, President
	Dr. Wilfredo Cruz	Richard Figueroa
	Jeffrey Greenberger	Jacquelne Huerta
	Henry Mendoza	Osvaldo Rodriguez

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Miner, Barnhill & Galland, P.C.	Chicago	Laura Tilley
Accountant:	Reznick Group	Skokie	Bruce Schiff
Bond Counsel:	Greenberg Traurig	Chicago	Matt Lewin
Purchasing Bank:	MB Financial	Rosemont	John Sassaris
Bank Counsel:	Burke, Burns and Pinelli	Chicago	Mary Ann Murray
Issuer's Counsel:	Requested		
IFA Advisors:	D. A. Davidson	Chicago	Bill Morris
	Scott Balice Strategies	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

325 N. Wells Street (Chicago)

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

2424 S. Pulaski Avenue (Chicago)

Congressional: 4 – Luis Gutierrez
State Senate: 12 – Martin Sandoval
State House: 23 – Daniel Burke

**1525 N. Pulaski Avenue, 3945 W. North Avenue
2658 W. North Avenue, 1615 N. Washtenaw Street
1618 N. Talman Street (Chicago)**

Congressional: 4 – Luis Gutierrez
State Senate: 2 – William Delgado
State House: 4 – Cynthia Soto

2900 N. Cicero Avenue (Chicago)

Congressional: 4 – Luis Gutierrez
State Senate: 20 – Iris Y. Martinez
State House: 39– Maria Antonia (Toni) Berrios

Luther Center at 111 West State Street (Rockford)

Congressional: 16 – Donald Manzullo
State Senate: 34 – Dave Syverson
State House: 67 – Charles (Chuck) Jefferson

Timberlake Apartments at 1450 S. Busse Road (Mt. Prospect)

Congressional: 6 – Peter Roskam
State Senate: 33 – Dan Kotowski
State House: 66 – Mark Walker

Northgate Apartments at 2330 North Samson Way (Waukegan)

Congressional: 10 – Mark Kirk
State Senate: 31 – Michael Bond
State House: 61 – Jo Ann Osmond

CONDUIT

ILLINOIS FINANCE AUTHORITY

July 14, 2009
Board Meeting

$7,900,000
SOS CHILDREN'S VILLAGES OF ILLINOIS

REQUEST	SOS Children's Villages of Illinois will use bond proceeds to current refund a previous Series 2007 IFA Bond Issue and to pay certain bond issuance costs. 501(c)(3) Revenue Refunding Bonds Extraordinary Conditions: None
BOARD ACTIONS	Final Bond Resolution Initial Board Consideration - project is being presented as a one-time Final Bond Resolution
MATERIAL CHANGES	None
JOB DATA	60 Current jobs 0 New jobs projected N/A Retained jobs 0 Construction jobs projected
BORROWER DESCRIPTION	● The organization is a 501(c)(3) child welfare agency that builds villages for abandoned children and those removed from abusive homes. Part of the agency's mission is also to reunite siblings in a desirable foster parent home that provides care, stability and structure. Program services include: Day Care, Foster Care, Independent Living, and Teen Parenting. ● SOS Children's Village Illinois, Inc. ("SOS" or the "Applicant") is an Illinois not-for-profit corporation established in 1988. ● The financing will current refund existing IFA bonds issued in 2007. The original series 2007 Bonds financed a facility at 7557 S. Parnell in Chicago and serves as a community and children learning center that provides Day Care for more than 70 SOS children and provides Job - Life Skills training. Renovations were also made to SOS's corporate headquarters located at 223 W. Jackson in Chicago as well at SOS's various residential group homes across the City of Chicago.
CREDIT INDICATORS	● Not Rated ● Direct Bond Purchase with MB Financial Bank
Proposed Structure	• No Credit Enhancement • Bonds will be purchased directly by MB Financial Bank and held as an investment • 7 year maturity with a 20 year amortization • Fixed rate of 5.40%
Sources and Uses	IFA Bonds $7,900,000 Refunding $8,750,000 Equity 1,000,000 Cost of Issuance 150,000 Total $8,900,000 Total $8,900,000
Recommendation	Credit Review Committee Recommends Approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 14, 2009

Project: SOS Children's Village Illinois, Inc.

STATISTICS

Deal Number:	N-NP-TE-CD-8236	Amount:	$7,900,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Sharnell Curtis Martin
Location:	Chicago and Lockport	SIC Code:	8322 and 8361 (Children's Social Services and Children's Residential Services)

BOARD ACTION

Final Bond Resolution
No IFA Funds contributed
Material changes from Preliminary: Not Applicable

Credit Review Committee recommends approval
No Extraordinary conditions

VOTING RECORD

This is the first time this project has been presented to the IFA Board. SOS Children's Villages is being presented for one-time consideration and approval of a Final Bond Resolution.

PURPOSE

Bond proceeds will be used to refund existing bonds and to pay certain 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 earned on the Bonds and thereby reduce the borrower's interest expense.

SOURCES AND USES OF FUNDS

Sources:	IFA Bond	$7,900,000	Uses:	Refunding	$8,750,000
	Equity	1,000,000		Bond Issuance Costs	150,000
	Total Sources	$8,900,000		Total Uses	$8,900,000

JOBS

Current employment:	60	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs:	0

BUSINESS SUMMARY

Background: SOS Children's Village Illinois, Inc. ("SOS" or the "Applicant") is an Illinois not-for-profit corporation established in 1988. The organization's management includes Tim McCormick, Chief Executive Officer and Dina Tsourdinis, Chief Financial Officer.

Description: The organization is a child welfare agency that builds villages for abandoned children and those removed from abusive homes. Part of the SOS's mission is also to reunite siblings in a desirable foster parent home that provides care, stability and structure. Program services include: Day Care, Foster Care, Independent Living, and Teen Parenting.

Remarks: The financing will current refund existing IFA bonds issued in 2007. The original project financed a new facility to be located at 7557 S. Parnell in Chicago and serves as a community and children learning center that provides Day Care for more than 70 SOS children, Job and Life Skills training. In addition to the construction of the new community center, renovations were made to SOS's corporate headquarters located at 223 W. Jackson in Chicago as well at SOS's various residential group homes across the City of Chicago.

FINANCING SUMMARY

Structure:	Bonds will be purchased directly by MB Financial and held as an investment.
Maturity:	7 year maturity with a 20 year amortization
Bank Collateral:	A valid, perfected, first priority security interest in all of the general business assets of the Borrower. A valid, perfected, first priority mortgage and security interest in the Real Property and all fixtures, equipment and other property related to or used in conjunction with the Real Property.
Interest rate:	Fixed rate of 5.40%
Est. Closing:	Summer 2009

PROJECT SUMMARY

Bond proceeds will be used to refund approximately $7.9 million of existing IFA Series 2007 Bonds and to pay bond issuance costs. The project is expected to produce annualized interest rate savings of approximately $30,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	SOS Children's Village Illinois, Inc., 223 W. Jackson Boulevard, Chicago, IL 60606		
Project name:	SOS Children's Villages Refunding Project		
Location (s):	7557 S. Parnell, Chicago, Illinois (Cook County)		
	223 W. Jackson Blvd., Chicago, Illinois (Cook County)		
Organization:	501(c)(3) Corporation		
State:	Illinois		
Board of Directors:	Terry Athas	Sarah Beardsley Tetzlaff	Linda Celesia
	Gregory Coler	Charlcye Hawk	David L. Hoffman
	Laurie Holmes	Lynn Kiley	Rev. Cletus Kiley
	Maureen McKeough	Sheila O'Grady	Curtis W. Pitney
	Scott Sillers	Joseph Skender	Ted Weldon
	Collins Whitfield	Davie Williams	

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Drinker Biddle & Roth LLP	Chicago	Lori Holmes
Accountant:	Clifton Gunderson, LLP	Oak Brook, IL	
Bond Counsel:	McGuire Woods	Chicago	Paul Durbin
Purchasing Bank:	MB Financial Bank	Rosemont	John Sassaris
Issuer's Counsel:	Requested		
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Chicago		**Lockport**	
Congressional:	1 – Bobby L. Rush	Congressional:	13 – Judy Biggert
State Senate:	16 – Jacqueline Collins	State Senate:	43 – Arthur Wilhelmi
State House:	31 – Mary Flowers	State House:	85 – Brent Hassert

SERVICE AREA

The Borrower provides residential services to youth in the greater Lockport and Chicago area.

CONDUIT

$5,700,000

ST. PATRICK HIGH SCHOOL

July 14, 2009 Meeting

REQUEST	St. Patrick High School will use 501(c)(3) refunding revenue bond proceeds to current refund a previous bond issue and pay certain bond issuance costs. The financing will refund existing IFA (IDFA) Series 1998 Bonds. Program: 501(c)(3) Revenue Refunding Bonds No extraordinary conditions No State resources or Volume Cap required
BOARD ACTIONS	Final Bond Resolution Initial IFA Board Vote -- this project is being presented for one-time approval as a Final Bond Resolution
MATERIAL CHANGES	Not Applicable – this is the first time this project has been presented to the IFA Board of Directors.

JOB DATA

98	Current jobs	0	New jobs projected
N/A	Retained jobs	0	Construction jobs projected

BORROWER DESCRIPTION

- Private High School
- Location (Chicago/ Cook County / Northeast Region)
- St. Patrick High School is an Illinois not-for-profit corporation founded in 1861 by the Christian Brothers. St. Patrick is Chicago's oldest Catholic high school for boys. In 1953, the School relocated from DesPlaines and Monroe to its present location at 5900 W. Belmont to serve the growing Northwest side of Chicago.
- The School is accredited by the North Central Association of Colleges and Schools and the Illinois State Board of Education. Located on Chicago's Northwest side, the school attracts students from the northern Chicago land area and neighboring suburbs.

CREDIT INDICATORS

- Not Rated
- Direct Bond Purchase by MB Financial Bank

Proposed Structure

Not Credit Enhanced

Bonds will be purchased directly by MB Financial and held as an investment

Fixed Rate Bonds at a rate of 5.19%

15 year term with a 20 year amortization

Sources and Uses

IFA Bonds	$5,700,000	Refunding Bonds	$5,600,000
Equity		Cost of Issuance	100,000
Total	$5,700,000	Total	$5,700,000

Recommendation Credit Review Committee Recommends Approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 14, 2009

Project: St. Patrick High School

STATISTICS

Project Number:	N-NP-TE-CD-8248	Amount:	$5,700,000
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Sharnell Curtis Martin
County/Region:	Cook County/Northeast Region	City:	Chicago

BOARD ACTION

Final Bond Resolution
No IFA Funds contributed
Material changes from Preliminary: Not Applicable

Credit Review Committee recommends approval
No Extraordinary conditions

VOTING RECORD

This is the first time this project has been presented to the IFA Board. St. Patrick is being presented for one-time consideration and approval of a Final Bond Resolution.

PURPOSE

Bond proceeds will be used to refund existing bonds and to pay certain 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 earned on the Bonds and thereby reduce the borrower's interest expense.

VOLUME CAP

Not applicable, 501(c)(3) projects do not require Volume Cap.

JOBS

Current employment:	98	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs:	0

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$5,700,000	Uses:	Project Costs	$5,600,000
				Cost of Issuance	100,000
	Total Sources	$5,700,000		Total Uses	$5,700,000

FINANCING SUMMARY/STRUCTURE

Bank Collateral:	First Mortgage and assignment of rents and leases on the property located at 5900 W. Belmont in Chicago, IL. First priority lien on all general business assets of St. Patrick High School.
Structure:	Bonds will be purchased directly by MB Financial and held as an investment.
Maturity:	15 year maturity with a 20 year amortization
Interest rate:	Fixed Rate Bonds at a rate of 5.19% with a five year reset
Est. Closing:	Summer 2009

PROJECT SUMMARY

Bond proceeds will be used to refund approximately $5.6 million of existing IDFA Series 1998 Bonds and to pay bond issuance costs. The School is located at 5900 W. Belmont in Chicago, IL (Cook County).

BUSINESS SUMMARY

Description: St. Patrick High School ("St. Patrick", the "Borrower" or the "School") is an Illinois not-for-profit corporation founded in 1861 by the Christian Brothers. St. Patrick is Chicago's oldest Catholic high school for boys. In 1953, the School relocated from DesPlaines and Monroe to its present location at 5900 W. Belmont to serve the Northwest side of Chicago.

Located on Chicago's Northwest side, the school attracts students from the northern Chicago land area and neighboring suburbs. With 930 students presently enrolled, St. Patrick has graduated more than 17,000 young men since its inception.

Remarks: The School is accredited by the North Central Association of Colleges and Schools and the Illinois State Board of Education.

Project: The financing will refund existing bonds issued in 1998 by the Illinois Development Finance Authority. The original project financed renovations, a building addition, acquisition of equipment, to capitalize a debt service reserve fund and to pay certain bond issuance costs.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	St. Patrick High School 5900 W. Belmont Avenue, Chicago, IL 60634 (Cook County) William Neurauter, Business Manager	
Project Location:	5900 W. Belmont Avenue, Chicago, IL 60634 (Cook County)	
Board Members:	Robert A. Brullo, Chairman	Michael Christopoulos, Vice Chairman
	Brother Konrad Diebold, President	William McManaman, Treasurer
	Thomas W. Davies, Secretary	Mark Ellsworth
	James P. Munroe	Robert Faussner
	James M. Neis	Ettore Giovannetti
	K. Angela O' Donnell	Nick Greyer
	Kenneth J. Rzeszutko	Hon. Thomas E. Hoffman
	Kathleen Archibald-Simon	James E. Hohmann
	Edward V. Szofer	Rev. Thad Jakubowski
	Kathleen Dolio Thorson	Gregory Josefowicz
	Stephen A. Witek	George Karzas
	Hugh J. Zentmyer	Norah Lex
	Brother James Zullo, FSC	

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Drinker Biddle & Reath, LLP	Chicago	Richard Blessen
Accountant:	Selden Fox Ltd.	Oak Brook	
Bond Counsel:	Drinker Biddle & Reath, LLP	Chicago	Chuck Katz
Purchasing Bank:	MB Financial Bank	Rosemont	John Sassaris
Bank Counsel:	Chuhak & Tecson	Chicago	Valerie Freireich
IFA Advisors:	D. A. Davidson	Chicago	Bill Morris
	Scott Balice Strategies	Chicago	Lois Scott
Issuer's Counsel:	Requested		

LEGISLATIVE DISTRICTS

Congressional:	5 – Mike Quigley
State Senate:	2 – William Delgado
State House:	3 – Luis Arroyo

SERVICE AREA

Located on Chicago's Northwest side, the school attracts students from Northern Chicago, Northwest Chicago and nearby suburbs.

CONDUIT

July 14, 2009

$16,300,000
ALEXIAN BROTHERS HEALTH SYSTEM

REQUEST	**Purpose**: Proceeds will be used to: 1) current refund the remaining portion of the Alexian Brothers Medical Center Series 1985D Bonds, 2) pay certain expenses incurred in connection with the issuance of the Series 2009 Bonds. **Program**: Conduit 501(c)(3) Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution
MATERIAL CHANGES	This is the first time this financing request has been presented to the IFA Board.
JOB DATA	8,262 Current jobs; 0 Jobs created by project 8,262 Retained jobs; 0 Construction jobs created by project
BORROWER DESCRIPTION	● Location: Cook / Northwest ● 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. Alexian Brothers Health System carries out the healing mission of the Catholic Church through the Alexian Brothers ministries by identifying and developing effective responses to the health and housing needs of those we are called to serve. ● 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 Chicago fire of 1871. Over the years, the Brothers twice rebuilt the facility.
CREDIT INDICATORS	Direct Bank Purchase – JP Morgan Chase Bank Security: Security interest in all accounts and springing mortgage. Interest Rate: Variable (1-month LIBOR + 3.50%) less 35% Credit Rating: Underlying (A3/A) Maturity: Up to 10 years

SOURCES AND USES

IFA Bonds	$13,600,000	Refunding Escrow	16,300,000
Trustee Held Funds	2,700,000	Costs of Issuance	200,000
Equity	200,000		
Total	**$16,500,000**	**Total**	**$16,500,000**

RECOMMENDATION The Credit Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 14, 2009

Project: Alexian Brothers Health System

STATISTICS

Project Number: H-HO-CD-TE-8013
Type: 501(c)(3) Bonds
County/Region: Cook/Northeast

Amount: $16,300,000 (Not-to-Exceed)
IFA Staff: Pam Lenane and Bill Claus
City: Elk Grove Village and Hoffman Estates

BOARD ACTION

Final 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) current refund the remaining portion of the Alexian Brothers Medical Center Series 1985D Bonds, 2) pay certain expenses incurred in connection with the issuance of the Series 2009 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: 8,262 FTE's
Jobs Retained: 8,262 FTE's

Projected new jobs: 0
Construction jobs: 0

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$13,600,000	Uses:	Refunding	$16,300,000
	Trustee Held Assets	2,700,000		Issuance costs	200,000
	Contribution	200,000			
	Total	$16,500,000		Total	$16,500,000

FINANCING SUMMARY/STRUCTURE

Security: Security interest in all accounts and assignable general intangibles and springing mortgage (contingent mortgage which triggers when rating falls below investment grade)
Structure: Bank Qualified
Interest Rate: Variable (1-Month LIBOR + 3.50%) less 35%
Interest Mode: Variable Rate
Credit Enhancement: Bank Qualified 1-Month LIBOR Floating Rate Note
Maturity: Up to 10 years.
Credit Rating: Underlying rating of A3/A (Moody's/Fitch)
Estimated Closing Date: July 23, 2009

PROJECT SUMMARY

Proceeds will be used to current refund the outstanding amount of the Alexian Brothers Medical Center Series 1985D Health System for prior capital expenditures including a portion of the internal funds used for the construction and the equipping of the tower project at Alexian Brothers Medical Center; and to pay costs of issuance.

Project Rationale: The outstanding bonds are currently trading at a premium due to the downgrading of MBIA (the current insurer of the bonds).

Timing: The refunding is expected to be completed in July 2009.

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 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 Richard Dube, C.F.A.
	Brother Richard Lowe, C.F.A.	Brother Thomas Keusenkothen, C.F.A
	Bruce Wolfe	Kenneth McHugh
		Sister Renee Rose

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Foley & Lardner	Chicago	Robert Zimmerman
Accountant:	KPMG	Chicago	John Depa
Bond Counsel:	Jones Day	Chicago	S. Louise Rankin
Underwriter:	JP Morgan	Chicago	Luke Kowal

Underwriter's Counsel:	Ungaretti & Harris	Chicago	Tom Fahey
Financial Advisor:	Kaufman Hall	Northfield	Ken Kaufman
Bond Trustee:	Bank of New York Mellon	Chicago	Joan Blume
Issuer's Counsel:	Schiff Hardin	Chicago	Bruce Weisenthal
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Louis 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.

CONDUIT

ILLINOIS FINANCE AUTHORITY

July 14, 2009

$75,000,000
OSF HEALTHCARE SYSTEM

REQUEST	**Purpose**: 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. **Program**: Conduit 501(c)(3) Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution
MATERIAL CHANGES	This is the first time this financing request has been presented to the IFA Board.
JOB DATA	10,189 Current jobs; 0 Jobs created by project 10,189 Retained jobs; 40 Construction jobs created by project
BORROWER DESCRIPTION	● Location: Peoria ● OSF Healthcare System ("OSF" or the "Corporation") is an Illinois not-for-profit corporation, exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. OSF was incorporated in 1880 as The Sisters of the Third Order of St. Francis. The Corporation's current name was adopted as part of a corporate restructuring in 1989. The sole corporate member of OSF is The Sisters of the Third Order of St. Francis, a religious congregation founded in 1877 in Peoria, Illinois. The Corporation operates it health care facilities as a single corporation, with each health care facility functioning as an operating division of the Corporation. ● The Corporation is in the process of implementing an information management strategic plan, with includes replacement of existing information systems with newer systems providing full electronic medical record and integrated billing functions for both hospital and ambulatory service, and replacement of its current corporate data center with a new and expanded 72,000 square foot corporate data center and office building. ● This project has high strategic importance to the Corporation and is expected to enable use of integrated information to fully support business intelligence and information management, implementation of the Corporation's service line strategy, and operation of a patient-centric environment with information sharing to improve patient care, quality and safety performance across the continuum of care.
CREDIT INDICATORS	Direct Bank Purchase – GE Finance, Key Government Finance & JP Morgan Chase Bank Private Placement **Interest Rate:** 1. GE loan will be fixed for 15 years, or adjusted every three years based on a pre-determined calculation involving the 3-Year interest rate for swaps as published by the Federal Reserve Board 2. KEY loan will be fixed for 10 years 3. JPMC loan will be adjusted every two years based on a spread to LIBOR **Maturity:** 1. GE – 15 years 2. KEY – 10 years 3. JPMC – TBD

SOURCES AND USES

IFA Bonds	$75,000,000	Capital Projects	$75,000,000
Equity	200,000	Costs of Issuance	200,000
Total	**$75,200,000**	**Total**	**$75,200,000**

RECOMMENDATION The Credit Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 14, 2009

Project: OSF Healthcare System

STATISTICS

Project Number: H-HO-TE-CD-8202
Type: 501(c)(3) Bonds
County/Region: Peoria/North Central

Amount: $75,000,000 (Not-to-Exceed)
IFA Staff: Pam Lenane and William Claus
City: Peoria

BOARD ACTION

Final 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.

This project is coming for a One-time Final Resolution

PURPOSE

The Project has the following components:

1) Replacement of existing core information system with the EPIC suite of products for both inpatient and outpatient services;
2) Data Center construction – 72,000 square foot building to house the data center and office space;
3) Other capital expenditures

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: 10,189 FTE's
Jobs retained: 10,189 FTE's

Projected new jobs: N/A
Construction jobs: 40

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$75,000,000	Uses:	Capital Project	$75,000,000
	OSF	200,000		Est. Cost of issuance	200,000
	Total	$75,200,000		Total	$75,200,000

FINANCING SUMMARY/STRUCTURE

Security: The Bonds will be secured by master indenture notes of OSF.

Structure: Three $25 million private placements (i.e. direct purchases) with the following lenders:
1) GE Government Finance, Inc. (“GE”)
2) Key Government Finance, Inc. (“KEY”)
3) JPMorgan Chase Bank, National Association (“JPMC”)

Interest Rate: 1) GE loan will be fixed for 15 years, or adjusted every three years based on a pre-determined calculation involving the 3-Year interest rate for swaps as published by the Federal Reserve Board
2) KEY loan will be fixed for 10 years
3) JPMC loan will be adjusted every two years based on a spread to LIBOR

Interest Mode: Fixed and Variable (as described above)

Credit Enhancement: None

Maturity: 1) GE – 15 years
2) KEY – 10 years
3) JPMC - TBD

Rating: There will not be a rating on these private placements all risk will be borne by the Bond Purchasers / Investors. However, OSF Healthcare System’s credit rating was confirmed in March in connection with the recent issuance of its $249,990,000 refunding bonds. The ratings were as follows: Moody’s “A2”, Standard & Poor’s “A”, and Fitch “A”.

Est. Closing Date: August, 2009

PROJECT SUMMARY

The Corporation is in the process of implementing an information management strategic plan, with includes replacement of existing information systems with newer systems providing full electronic medical record and integrated billing functions for both hospital and ambulatory service, and replacement of its current corporate data center with a new and expanded 72,000 square foot corporate data center and office building. This project has high strategic importance to the Corporation and is expected to enable use of integrated information to fully support business intelligence and information management, implementation of the Corporation’s service line strategy, and operation of a patient-centric environment with information sharing to improve patient care, quality and safety performance across the continuum of care. Implementation of the new systems began in May 2007 and is scheduled to be completed in February 2011. The estimated total cost of this project, including hospital information systems, ambulatory care information systems, and the corporate data center is $125 million. The Corporation financed approximately $5.1 million (which will not be refunded with 2009 proceeds) of these project costs in 2007 through the IFA Revolving Pool Financing Program, and presently intends to finance $75 million of the remaining project costs. Any portion of the project costs not financed will be funded from the Corporation’s cash and investments.

BUSINESS SUMMARY

Background: OSF Healthcare System (“OSF” or the “Corporation”) is an Illinois not-for-profit corporation, exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. OSF was incorporated in 1880 as The Sisters of the Third Order of St. Francis. The Corporation’s current name was adopted as part of a corporate restructuring in 1989. The sole corporate member of OSF is The Sisters of the Third Order of St. Francis, a religious congregation founded in 1877 in Peoria, Illinois. The Corporation operates it health care facilities as a single corporation, with each health care facility functioning as an operating division of the Corporation.

Description: OSF is headquartered in Peoria. Six of the Corporation's facilities (six hospitals and one continuing care and nursing home center) are located in Illinois. One hospital is located in Michigan. OSF has 1,316 licensed acute care beds and 155 licensed long term care beds. The Corporation's largest hospital, St. Francis Medical Center in Peoria, is a 616-licensed bed tertiary care teaching center providing numerous specialty services and extensive residency programs for physicians. The array of health services provided by OSF also includes 27 hospital-based outpatient facilities, approximately 88 physician office facilities of employed physicians, six home health agencies and five hospices. Multi-institutional membership status has been conferred on the Corporation by the Illinois Hospital Association and the American Hospital Association. Similar membership status exists with the Catholic Health Association of the United States and the Illinois Catholic Health Association.

Project Rationale: Strategic

Timing: Closing in August, 2009.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Project name: OSF Healthcare System
Location: 800 North East Glen Oak Avenue; Peoria, Illinois 61603
Applicant: OSF Healthcare System
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois
Board Members 501(c)(3):

Sister Judith Ann Duvall, O.S.F., Chairperson
James M. Moore, CEO
Sister Diane Marie McGrew, O.S.F., President/Treasurer
Sister Theresa Ann Brazeau, O.S.F., Secretary
Sister Maria Elena Padilla, O.S.F.
Sister Agnes Joseph Williams, O.S.F.
Sister Mary Ellen Flannery, O.S.F.
Sister Rose Therese Mann, O.S.F.
Leonard E. Nevitt
Vance C. Parkhurst
James W. Girardy, M.D.
Gerald J. McShane, M.D.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Corporate Counsel	Peoria	Vance C. Parkhurst
Bond Counsel:	Jones Day	Chicago	John Bibby
Lenders:	GE and Key	Eden Prairie, MN	Bill Reveille
	JPMC	Peoria	Eric Pettit
Lenders' Counsels:			
GE and Key	Kutak Rock LLP	Omaha	Brad Nielsen
JPMC	Ungaretti & Harris LLP	Chicago	Julie Seymour
Financial Advisor to OSF	Anne Donahoe	Chicago	Anne Donahoe
Master Trustee	Wells Fargo	Chicago	Patricia Martirano
Escrow & Paying Agent	Wells Fargo	Chicago	Patricia Martirano
Issuer's Counsel:	TBD		
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	18- Ray LaHood 15-Timothy V. Johnson 16- Donald A. Manzullo 17- Phil Hare
State Senate:	46- David Koehler 37- Dale E. Risinger 53- Dan Rutherford 44- Bill Brady 47- John M. Sullivan
State House:	92 - Aaron Schock 73 - David R. Leitch 106 - Keith P. Sommer 69 -Ronald A. Wait 74 - Donald L. Moffitt 88 - Dan Brady 94 - Richard P. Myers

SERVICE AREA

Service Area: OSF has facilities in the following locations in Illinois: Peoria (St. Francis Medical Center); Rockford (Saint Anthony Medical Center); Bloomington (St. Joseph Medical Center); Galesburg (St. Mary Medical Center); Pontiac (Saint James Hospital); Peoria Heights (Saint Clare Home); Monmouth (Holy Family Medical Center). The facility in Michigan, St. Francis Hospital, is located in Escanaba.

CONDUIT

July 14, 2009

$11,000,000
THIRD ORDER OF ST. FRANCIS OF MARY IMMACULATE, JOLIET

REQUEST	**Purpose**: The proceeds of the Bonds will be loaned used to (i) finance or refinance, or reimburse the Borrower for, the cost of constructing, acquiring and equipping 28 independent living cottages in 14 separate duplex structures that is known as Phase 1A of Our Lady of Angels Village (the "Project"), (ii) fund a reserve fund, if any, (iii) pay capitalized interest on the Bonds and (iv) finance certain costs associated with the issuance of the Bonds, including the cost of any credit enhancement. **Program**: Conduit 501(c)(3) Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution
MATERIAL CHANGES	None
JOB DATA	22 Current jobs; 2 Jobs created by project 22 Retained jobs; 80 Construction jobs created by project
BORROWER DESCRIPTION	● Location: Joliet. (Will County) ● The Third Order of St. Francis of Mary Immaculate (also referred to herein as "Sisters of St. Francis" or "Joliet Franciscans") is an order of Franciscan sisters that manage and provide staff support for educational and social service needs in designated areas. Its service area included 13 states and Brazil. In the Joliet area, they sponsor a pre-school and kindergarten program, high school, University and social service agency for women and children and the retirement home known as Our Lady of Angels Village. Its revenues are derived from (1) payments made by sponsored organizations to offset the salary costs of the sisters who provide services to them and (2) property lease payments from the sponsored organizations. ● The project, construction of new independent housing on the campus of Our Lady of Angels Retirement Home is one of the organizations sponsored by The Third Order of the St. Francis of Mary Immaculate. The construction loan was financed on a stand alone basis. The Third Order of the St. Francis of Mary Immaculate will be taking on that debt long term, and refinancing existing bank loans as the borrower. They plan to retire this debt, and do not expect Our Lady of Angels to take any responsibility for the debt service. ● Our Lady of Angels Home serves the aged in Joliet and the surrounding area. The Third Order of the St. Francis of Mary Immaculate currently respond to those in need in 13 states: Alabama, Arizona, California, Florida, Illinois, Indiana, Michigan, Minnesota, Mississippi, New York, Ohio, and Wisconsin. In addition to their work in the United States, the Joliet Franciscans have established six missions and a novitiate in different areas of Brazil.
CREDIT INDICATORS	Bank – Cole Taylor Bank (Direct Purchase) 30 Year maturity **Bank Qualified Consisting of:** Fixed Rate Component – 4.50% (5 year term) Floating Rate Component – 80% of 1-Year LIBOR + 2.50% Fixed Rate and Floating Rate allocations will be made based upon market conditions at closing.
SOURCES AND USES	See below
RECOMMENDATION	The Credit Committee recommends approval

Sources and Uses

IFA Bonds	$9,800,000	Refinance 2005 Bonds	$9,480,000
		Costs of Issuance	320,000
Total	**$9,800,000**	**Total**	**$9,800,000**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 14, 2009

Project: Congregation of the Third Order of St. Francis of Mary Immaculate, Joliet ("Sisters of St. Francis, Joliet") – Independent Living Units

STATISTICS

Project Number: H-HO-TE-CD-8244
Type: 501(c)(3) Bonds
County/Region: Will / Northeast

Amount: $11,000,000
IFA Staff: Pam Lenane and Bill Claus
City: Joliet

BOARD ACTION

Final 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

Use of proceeds: The proceeds of the Bonds will be loaned to the Congregation of the Third Order of St. Francis of Mary Immaculate, Joliet, an Illinois not for profit corporation (the "Borrower"), and will be used to (i) finance or refinance, or reimburse the Borrower for, the cost of constructing, acquiring and equipping 28 independent living cottages in 14 separate duplex structures that is known as Phase 1A of Our Lady of Angels Village (the "Project"), (ii) fund a reserve fund, if any, (iii) pay capitalized interest on the Bonds and (iv) finance certain costs associated with the issuance of the Bonds, including the cost of any credit enhancement.

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:	22 FTE's	Projected new jobs:	2
Jobs retained:	22 FTE's	Construction jobs:	80

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$9,800,000	Uses: Refinance of outstanding loans:	$9,480,000
			Costs of Issuance:	$ 320,000
	Total	**$9,800,000**	**Total**	**$9,800,000**

FINANCING SUMMARY/STRUCTURE

Security: Negative Pledge on all unencumbered assets of the Joliet Franciscans to Cole Taylor Bank
Structure: Bank Qualified Bonds
Interest Rate:
Fixed Rate: 4.50% (initial 5-year term)
Floating Rate: Index based on 80% of 1-year LIBOR + 2.50% (currently 4.50%)
Interest Mode: Bank Qualified Fixed and Variable Rate Mode (5-year commitment)
Maturity: 2039
Rating: Non-rated
Estimated Closing Date: 7/29/2009

PROJECT SUMMARY

The proposed financing consists of converting short term construction loans into long term debt. The bank loans were used to construct new independent housing on the campus of Our Lady of Angels Retirement Home, one of the organizations sponsored by the Sisters of St. Francis, Joliet.

The independent housing addition consists of 28 cottages. The cottages are structured as duplexes. Each cottage has two bedrooms, two bath units with living room, dining room and kitchen, and an optional sun room, enclosed porch or covered patio. Eight of the cottages are occupied as 6/28/2009. The Sisters have sponsored informational sessions and open houses, and advertised in public media and church publications. This new addition of cottages has been designed specifically for men and women who are able to live independently in the comfort of their own private space.

The Sisters of St. Francis, Joliet will be assuming long term debt by financing the short term construction loans. They plan to retire this debt, and do not expect Our Lady of Angels Retirement Home to take any responsibility for the debt service. The construction of the units has been completed. Proceeds of the IFA Bonds will be used to refinance construction loans pursuant to reimbursement resolutions previously approved by the Borrower.

BUSINESS SUMMARY

Description of Business: Independent Living Component of CCRC
Project Rationale: The independent living expansion was intended to allow Our Lady of Angels Retirement Home to offer s complete continuum of care to local seniors.
Timing: Project is complete.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Sisters of St. Francis, Joliet.
Project Location: 1201 Wyoming Avenue, Joliet, IL 60435
Borrower: Sisters of St. Francis, Joliet.
Tenant: Not applicable
Members of Central Administration (501(c)(3)): Sr. Mary Rose Lieb, President; Sr. Margaret Guider, Vice President and Councilor for the Mission; Sr. Peggy Quinn; Sr. Susan Bruno; Sr. Mary Jane Griffin, General Treasurer; and Sr. Lourdes Boyer, General Secretary.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Tracy, Johnson, and Wilson	Joliet	Mike Mojtak
Accountant:	George Bagley and Company	Joliet	George Bagley
Bond Counsel:	Benesch Law LLC	Sandusky, OH	Mike Melliere
Credit Enhancer/Purchasing Bank:	Cole Taylor Bank	Chicago, IL	TBD
Bond Underwriter:	Ziegler Capital Markets	Chicago, IL	Lynn Daly
Underwriter's Counsel:	Benesch Law LLC	Sandusky, OH	Mike Melliere
Issuer's Counsel:	Requested	Chicago, IL	Forthcoming

LEGISLATIVE DISTRICTS

Congressional: 11th - Deborah Halvorson
State Senate: 43rd - A J Wilhelmi
State House: 86th - Jack McGuire

SERVICE AREA

Our Lady of Angels Retirement Home and Village serves the aged in Joliet and the surrounding area. Sisters of St. Francis, Joliet, currently responds to those in need in 13 states: Alabama, Arizona, California, Colorado, Florida, Illinois, Indiana, Michigan, Minnesota, Mississippi, New York, Ohio, and Wisconsin.

Locally, the Sisters of St. Francis, Joliet sponsor and provide service to the public through these institutions:

- Joliet Catholic Academy is a 4-year, coeducational, college-prep, high school.
- University of St. Francis is a liberal arts university in the Catholic, Franciscan tradition.
- Our Lady of Angels Retirement Home and Village provides long-term care, assisted living and independent care.
- Franciscan Learning Center offers preschool and kindergarten programs.
- Guardian Angel Community Services offers a variety of social services for women and children in need.

CONDUIT

$31,600,000
CONCORDIA UNIVERSITY CHICAGO

July 14, 2009

REQUEST

Purpose: Bond proceeds will be used refinance the remaining par value of the IEFA Series 2001 Bonds, and to fund various campus improvements at Concordia's campus. Campus renovations include mandated sprinkler systems required by law to be installed and operational by 2013. The Series 2009 Bonds will extend maturities thereby improving Concordia's cash flow, and will result in significant credit facility cost savings.

Project Description: To (i) refinance $24,500,000 IEFA Series 2001 Bonds, and to finance various campus renovation projects at Concordia's campus including new roofs, masonry work, elevator improvements, and residence hall improvements.

Program: Conduit 501(c)(3) Bonds

Extraordinary Conditions: None

BOARD ACTIONS

Preliminary Bond Resolution

Voting Record None. This is the first time the project has been presented to the IFA Board.

MATERIAL CHANGES

N/A

JOB DATA

330	Current jobs	53	New jobs projected
N/A	Retained jobs	70/3months	Construction jobs projected

BORROWER DESCRIPTION

- Type of entity: Private University
- Location: (River Forest), Cook County, Northeast Region
- When it was established: Concordia University was founded in 1864 in Addison, Illinois as a private teachers college. University moved to River Forest in 1913
- Concordia University Chicago is an Illinois not for profit corporation, and is a private liberal arts educational institution located in River Forest, Illinois. It is operated under the auspices of The Lutheran Church-Missouri Synod (the "Synod") which is a Missouri not for profit corporation headquartered in St Louis, Missouri.
- Concordia's mission is to equip men and women to serve and lead with integrity, creativity, competence, and compassion in a diverse, interconnected, and increasingly urbanized world.
- The new project will enable Concordia to maintain its physical facilities that will continue to attract and retain quality students and faculty.

CREDIT INDICATORS

- Bonds will be secured by a Direct Pay LOC from Park Bank, Chicago, IL with a Confirming LOC from the FHLB Chicago.
- The bonds will not be insured.

.

Proposed Structure

Enhanced by a Direct Pay Letter of Credit from Park Bank, Chicago, IL with a confirming LOC from the FHLB-Chicago

Variable Rate Demand Bonds

Maturity: 30 Years (2039)

Swap Component: TBD

Sources and Uses

IFA Bonds	$31,600,000	Project Cost	$ 6,500,000
		Refinancing	$24,500,000
		Other Cost of Issuance:	$ 600,000
Total	$31,600,000		$31,600,000

Recommendation

Credit Review Committee Recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 14, 2009

Project: Concordia University Chicago

STATISTICS

Project Number:	E-PC-TE-CD-8249	Amount:	$31,600,000
Type:	501(c)(3) Bonds	IFA Staff:	Townsend Albright
County/Region:	Cook/Northeast	Location:	River Forest

BOARD ACTION

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

Credit Review Committee recommends approval.
No extraordinary conditions

VOTING RECORD

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

PURPOSE

Proceeds will be used to (i) renovate and equip existing campus facilities including classrooms, residence hall renovations, HVAC systems, and other renovations, (ii) to pay off the remaining par value of the IEFA Series 2001 Illinois Education Facilities Authority Bonds, (iii) capitalize interest, and (iv) fund bond issuance costs.

IFA PROGRAM AND CONTRIBUTION

Convey Tax Exempt status on $31.6 million Series 2009 Bonds. 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: 330 (FT Staff)		Projected new jobs:	53
Jobs retained: N/A		Construction jobs:	70/ 3 months

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Bonds	$31,600,000	Uses:	Project Costs	$ 6,500,000
(Refunding and new money)			Bond Issuance Costs	600,000
Total:	$31,600,000	Total:		$31,600,000

FINANCING SUMMARY/STRUCTURE

Security:	The bonds will be a general obligation of the University secured by a first mortgage on certain real estate.
Structure:	Variable Rate Bonds ("VRDBs") to be sold directly to investors secured by a Direct Pay LOC from Park Bank, Chicago, IL (non-rated) and further secured by a confirming LOC from the FHLC Chicago (rated AA-/A-1+)
Interest Rate:	Variable
Interest Mode:	VRDBs are reset weekly and are paid monthly.
Credit enhancement:	Direct Pay Letter of Credit from Park Bank, Chicago, IL wrapped by a FHLB-Chicago Confirming Letter of Credit
Maturity:	30 years
Rating:	Proposed bonds will be rated AA-/A-1+ based on the FHLB Chicago's ratings.
Estimated Closing Date:	September, 2009

PROJECT SUMMARY

Bond Proceeds will be used (i) to refinance 100.0% of the outstanding par value of the University's IEFA Series 2001 Illinois Education Facilities Authority Bonds, (ii) to fund various campus improvements at Concordia's main campus, including new roofs, masonry work, elevator improvements, and residence hall improvements. Concordia's campus is located at 7400 W. Augusta Street, River Forest, Illinois 60305., and prospectively, (iii) capitalize interest; and (iv) to pay bond issuance costs.

Project Costs:

Rehabilitation:	$ 6,220,000
Arch/.Eng:	200,000
Machinery/Equip:	80,000
Refinancing:	24,500,000
Total:	$31,000,000

Project Rationale: The refinancing of the IEFA 2001 Series Bonds will (i) stretch principal payments, thereby improving cash flow, and (ii) result in significant credit facility cost savings compared to the existing structure. The campus renovations are necessary for the University to maintain its position as a premier provider of teacher education at both the undergraduate and graduate levels, as well as a strong provider of liberal arts and business management degrees. Campus renovations include mandated upgrades in sprinkler systems as required by State law to be installed and operational by 2013.

BUSINESS SUMMARY

Concordia University, a.k.a. Concordia University Chicago (the "University", "Concordia") is an Illinois not for profit corporation, and is a private educational institution centered in the liberal arts located in River Forest, Illinois. It is operated under the auspices of The Lutheran Church-Missouri Synod (the "Synod") which is a Missouri not for profit corporation headquartered in St. Louis, Missouri.

Concordia University was established in 1864 in Addison, Illinois to help equip students to be successful educators. The University moved to River Forest in 1913. Concordia's mission is to equip men and women to serve and lead with integrity, creativity, competence, and compassion in a diverse, interconnected, and increasingly urbanized world.

Accreditations:

1. Higher Learning Commission, Member, North Central Association,
2. National Council for Accreditation of Teacher Education
3. Council for Accreditation of Counseling and Related Educational Programs, and
4. National Association of Schools of Music.

Students can obtain Bachelor's degrees in most liberal arts disciplines, and Masters and Ph.D. Degrees in Education and Teacher Leadership. The student-faculty ratio is 17:1. Class size averages 20. Enrollment for the 2008-2009 academic year was 1,156 undergraduate and 3,054 graduate, for a total of 4,210 students. Student enrollment for the 2009-2010 is projected to increase to approximately 5,052 undergraduate and graduate students. Approximately 100.0% of full-time students receive some type of financial assistance.

The student body is diverse, coming from approximately 40 states and 12 countries. 42.0% of the current student body are from states other than Illinois. 79.0% of freshmen live on campus in one of the six residence halls which have individual internet hookups, cable TV, and wireless internet.

The University's Board of Regents consists of 17 members, five of whom are elected by the Synod. A list of Board members can be found on Page 5 of this report.

The Synod: Five not for profit corporate and trust entities operate as corporate-wide entities directly under the auspices of the Synod. They are:

1. Lutheran Church Extension Fund ("LCEF")
2. Concordia Publishing House ("CPH")
3. The Lutheran Church-Missouri Synod Foundation (LCMS")
4. Concordia Plan Services ("CPS"), and
5. Concordia Historical Institute

The Synod has established several Program and Service Boards to guide and carry out the programmatic activities of the Synod. One of these Boards, the Board for University Education broadly oversees the activities of ten colleges and universities, including Concordia University Chicago. Concordia University System, a not for profit corporate entity operating under the auspices of the Synod, carries out the activities and policies of the Synod as it applies to the Synod's higher education institutions. Thirty five Synod Districts operate across the United States. The University is located in the Northeast District.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant	Concordia University Chicago
Project:	Series 2009 Refunding and Maintenance Project
Project Location:	7400 Augusta Street, River Forest, Cook County, Illinois 60305 Mr. Tom Hallett, CFO, 708-209-3350 (tom.hallett@cuchicago.edu)
Ownership:	Illinois 501(c)(3) Corporation
Board of Regents:	Please see attached listing on Page 5.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	The Stolar Partnership LLP	Chicago, IL	Ed Holderle
Accountant:	Grant Thornton LLP	Chicago, IL	Frank Jakosz
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy A. Burke
Direct Pay LOC:	Park Bank, Chicago	Chicago, IL	
Confirming LOC:	FHLB Chicago	Chicago, IL	
Bank Counsel:	TBD		
Bond Underwriter:	TBD		
Underwriter's Counsel:	TBD		
Issuer's Counsel:	Requested		
Trustee:	Bank of New York	Chicago, IL	Michael Countryman
Trustee Counsel:	TBD		
Financial Advisor:	Mickeni LLC	Chicago, IL	Ken Kerzner
IFA Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	7th	Danny K. Davis
State Senate:	39th	Don Harmon
State House:	78th	Deborah L. Graham

UNIVERSITY REGENTS

Thomas M Buck	E. Theodore (Ted) Lams
Jeffrey Blackman	Kathleen Mills
Elizabeth Duda	Chris Nelson
Joanne Dull	Terry E. Pfortmiller
Kirk Farney	Robert Rauscher
Rev. Dan Gilbert	Gerald Schalk
James Grebe	Leopold (Lee) A. Schmidt
John F. Johnson	Kent A. Tibben
Robert Wartan	

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

TO: IFA Board of Directors

FROM: Jim Senica

DATE: July 14, 2009

RE: Resolution for Participation Loan Payment Modifications by Morton Community Bank and Precision Laser Manufacturing, Inc. A summary of the requested payment modifications include:

1. Interest-only payments for the six months period from July, 2009 through December 2009
2. Approval of a decrease in the Bank's interest rate from 8.5% to 7.0% (effective going forward only)
3. Approval of a corresponding reduction in IFA's interest rate from 6.5% to 5.0% (effective going forward only; consistent with 2.0% buydown provision in IFA's Participation Agreement)
4. Deferral of the scheduled April 2009 though June 2009 principal payments until the end of the loan term, October 23, 2014
5. Payment of accrued loan interest due for the months April 2009 through June 2009 to be included in the July interest payment due on July 23rd

Precision Laser Manufacturing, Inc.
IFA Project No. B-LL-TX-6224

Precision Laser Manufacturing, Inc. (the "Borrower" or the "Company") became delinquent on its loan payments and missed its first loan payment in April 2009. This was reported to the Committee of the Whole at the June 2009 Board Meeting due to reduced sales to a key customer. The Financial Review section of this report (see page 3) provides further background and context regarding the impact on Precision Laser's operations.

Original Par Amount closed 11/23/2007: $300,000
Outstanding Balance as of June 30, 2009: $252,703.55
Last Principal & Interest Payment Received: March 23, 2009

FINANCIAL REVIEW

See Pages 3-6 for complete financial review.

REQUEST

Precision Laser Manufacturing, Inc. and Morton Community Bank (the "Bank") are proposing modifications to the Borrower's existing Loan, including the underlying interest rate, amortization, and payments as follows:

1. The Borrower would be required to make interest-only payments for the 6-month period from July through December, 2009
2. The Bank would lower its interest rate by 1.5%, from 8.5% to 7.0% effective upon IFA approval of said terms and conditions.
3. IFA's interest rate would be reduced from 6.5% to 5.0% effective upon IFA approval of said terms and conditions.
4. Deferral of the scheduled April though June principal payments until the end of the loan term, October 23, 2014

5. Payment of loan interest due for the months April through June to be included in the July interest payment due on July 23rd

According to Morton Community Bank, the Borrower has experienced a significant decrease in orders from a major customer. The Bank reports that the Borrower's management is working diligently to replace lost business with new customers (with some success –i.e., 8 new small customers), it needs fixed payment reductions (including these loans) to better survive this downturn.

BACKGROUND

Precision Laser Manufacturing, Inc. is an Illinois C corporation founded in 1990 that specializes in high tech laser processing on a custom, job shop basis, including laser cutting of clutch plates and friction discs used on equipment in the earth-moving industry and laser tube cutting for agricultural equipment. The Company is also engaged in laser cutting stainless steel used in food processing equipment and medical instruments and related medical applications. Other applications including laser welding of transmission components for off-highway equipment and laser engraving of parts serial numbers.

IFA (and IDFA) and Precision Laser Manufacturing, Inc. have had a long-term relationship with the Company being a four-time Borrower under the Participation Loan Program since 1996. The subject loan is the fourth Participation Loan closed with IFA (and IDFA) since November, 1996. Since then, the Company has increased its employment from 4 to 13. Three prior loans have already been repaid as scheduled. A summary of these loans follows below:

1. In November 1996, IDFA approved a $100,000 Participation loan to finance acquisition of a new laser.
2. In April, 1997, the IDFA Board approved a second Participation Loan in the amount of $145,000 to purchase a second laser.
3. In May 2001, IDFA approved a loan to the Company's owner, Todd Berry, in the amount of $240,000, which was used to finance the acquisition of an industrial building in East Peoria (total cost: $560,000).
4. The Company's current $300,000 Participation Loan, with a paid-down balance of $252,703.55 as of June 30, 2009, was originally approved by the IFA Board on November 16, 2006 increased to $300,000 at the June 12, 2007 IFA Board meeting and resulted in the creation of 2 additional new jobs. All of these participation loans have been purchased from Morton Community Bank.

The Credit Committee recommends approval subject to the conditions as requested above.

VOTING RECORD

Participation Loan Resolution - November 14, 2006:

Ayes:	9	Abstentions:	0
Nays:	0	Absent: 6 (Boyles, Denard, Herrin, Nesbit, Rice, Rivera)	

CONFIDENTIAL INFORMATION

As referenced earlier in this report, the Company is experiencing a significant decrease in orders from a major customer, Caterpillar, Inc. ("CAT") as a result of a worldwide recessionary decline in demand for heavy construction and mining equipment and transmissions, including those produced at CAT's East Peoria Assembly Plants.

Overview of Precision Laser's Financial Performance for FY 2001 through FY 2009:

Precision Laser has posted modest, but consistent sales growth since 2001. In particular, the Company's annual sales have increased from approximately $1.09 million in FY 2001 to $1.78 million in FY 2009 (i.e., for the year ended 2/28/2009). Precision Laser has posted positive net income in each year except for the $45,000 loss posted for its most recent fiscal year ended 2/28/2009.

Although Precision Laser posted a $45,000 loss in FY 2009, the Company posted positive EBITDA after adding back $160,000 of Depreciation Expense.

Although Precision Laser's FY 2009 revenues indicated another year-over-year increase, all of Caterpillar's order reductions have occurred subsequent to Precision Laser's 2/28/2009 fiscal year-end.

Although Precision Laser's management has attempted to reduce reliance on sales to Caterpillar from 85% in 1996, to less than 65% in FY 2009, Precision Laser still has substantial sales concentration risk to Caterpillar.

Recent Development: Changes in Precision Laser's Billings to CAT:

Presented below are comparable billings for Caterpillar orders by month for the 90 day period ended May 31, 2009 and 2008:

MONTH	2009 Sales	% of Total Sales	2008 Sales	% of Total Sales	Net Change in Sales Volume (2009 vs. 2008)
March	$9,696.54	20.4%	$75,986.24	61.0%	($66,289.70)
April	$18,213.06	28.6%	$107,135.45	77.1%	($88,922.39)
May	$9,987.11	29.4%	$92,825.70	56.5%	($82,838.59)
Total CAT Sales for 90 Days ended May 31:	***$37,896.71***	***26.1% (Average for 90 day period)***	***$275,947.39***	***64.5% (Average for 90 day period)***	***($238,050.68)***
Total PLM Sales for 90 Days period ended May 31:	**$144,898.60**		**$427,635.03**		**($282,736.43)**

Based on FY 2009 sales volume of $1.78 million, Precision Laser posted average monthly sales of $148,333 (or $444,999 for the 90 days ended 5/31/2008). *Accordingly, Precision Laser's $238,050 reduction in CAT sales for the 90 days ended 5/31/2009 would have represented a 55.7% reduction in total sales (i.e., $427,635) posted for the same 90 day period in 2008.*

Additionally, it should be noted that PLM's sales volume to its other customers also dropped from $151,000 for the 90 days ended 5/31/2008 to $107,000 for the 90 days ended 5/31/2008 (i.e., an approximate 29% drop from other customers).

Change in Sales, Net Income, EBITDA, and Debt Coverage – 5/31/09 vs. 5/31/08:

Comparison for the 3 months ended:	**5/31/2009**	**5/31/2008**
Sales	$144,898	$427,635
Net Income	($128,869)	$50,905
EBITDA	($92,875)	$92,624
3 Months Debt Service Payments (Principal and Interest on Long-Term Debt):	$49,275	$49,275
Debt Service Coverage:	(1.88x)	1.88x

Impact of New Terms on Profitability and Debt Service Coverage:

Monthly interest-only payments on this loan for the six-month period requested would be approximately $2,600 thereby reducing monthly cash uses by $7,000 (current scheduled monthly principal and interest payments on this loan are $9,600).

After the six-month interest-only period, the Bank estimates the Company's monthly payment would be reduced by approximately $2,000 (i.e., based on the reduced interest rates on the IFA/Morton Community Bank Participation Loan).

If sustained, management estimates that these cutbacks could reduce revenue substantially in FY 2010 and while the Company is finding replacement business, it is being derived from primarily small companies with significantly smaller ordering capabilities.

Company's Outlook for Sales Recovery from CAT and other Customers:

Going forward, Precision Laser Manufacturing's management is anticipating some increase in CAT's ordering activity related to natural production ramp-ups in the later fall months needed for inventory buildup to service seasonal construction periods in overseas markets. However, the difficulty lies in the inability to determine the exact amount of the increase and a precise date as to when it will occur. Management does anticipate adding new, small volume customers over the next several months. The Company plans to control expenses by continuing a rolling layoff schedule for its construction equipment products workers.

The Bank has informed IFA staff that current cash flow is sufficient to fund operations but not sufficient enough to cover debt service payments. The Bank believes the 6-month moratorium on principal payments will be sufficient for the Company to proceed to anticipated increased production activity in the late fall months which should provide the needed cash flow to service debt obligations.

Aging of Receivables:

A review of the Company's accounts receivable aging schedule for fiscal years 2008 and 2009 reveals that although the Company's receivables have dropped from $158,119 at the end of FY 2008 to $60,548 at the end of FY 2009, collection times over the period have risen. At the end of FY 2008, fully 89% or $141,065.24, were classified as 30 days or less while at the end of FY 2009, only 76% or $46,316 were considered due within 30 days or less.

Caterpillar's percentage of receivables at the end of FY 2008 approximated 60% but comprised only approximately 30% at the end of FY 2009.

Availability of Liquidity through Bank Line of Credit:

With the reduction of cash available through collections of receivables, the Company has increased its operating line of credit from $70,000 to $100,000 which is primarily secured by receivables

---

Collateral Review:

Pursuant to IFA's standard Participation Agreement, Morton Community Bank is required to subordinate its Line of Credit and any other loans secured by the subject collateral to the IFA Participation Loan. Accordingly, the $30,000 increase in Morton Community Bank's Operating Line of Credit would be subordinate to the IFA/Bank Participation Loan and the increase in the Line should not materially adversely affect collateral pledged to IFA.

Net Collateral Coverage to IFA:

Asset	Cost	Valuation Basis	Estimated Net Collateral Value	Collateral Position	Date
New Laser Equipment – purchased 2007	**$600,000**	**65% of Cost (IFA Underwriting Standard)**	**$390,000**	**1st Security Interest**	**2007 (at closing)**
Real Estate leased to Company	**$750,000 (Appraised Fair Market Value)**	**80% of appraised value:**	**$600,000**	**2nd Mortgage**	
LESS		**Morton Comm. Bank 1st Mortgage (IFA valued at 100% of value at origination):**	**($329,519)**		**(Note: Original Balance was $365,000)**
Net Real Estate Available to IFA:			**$270,481**		
Likely Net Collateral to secure IFA/Bank PL:			**$660,481 net collateral value**		

Note: In the event of default on this loan, liquidating the real estate at the 80% of appraised value as presented but more heavily discounting the equipment to 40% of cost, $240,000, would still provide adequate coverage for recovery on IFA's loan, after netting the outstanding balance of $329,519 on the 1st Mortgage on Real Estate. It is important to note that there are relatively few sources available to acquire the type of laser equipment owned by Precision Laser Manufacturing.

Updated Personal Financial Statements:

IFA and Morton Community Bank also share in the unlimited personal guaranty of Precision Laser Manufacturing owner, Todd E. Berry. A review of Todd's personal financial statement, dated December 11, 2008, reveals very little change from the September 15, 2006 personal financial statement reviewed when the loan was initially presented. Todd's net worth net of stock, real estate and mortgages related to Precision Laser Manufacturing is now $110,676 compared with $109,000 as presented on the earlier statement.

Todd E. Berry
Personal Financial Statement as of 12/11/2008
(Net of Company Stock and Real Estate Leased to PLM)

Assets		**Liabilities**	
Cash	$5,000	Note Payable	$12,003
Real Estate (excl. PLM)	210,000	Mortgages	131,821
Personal Property	39,500	Total Liabilities	$143,824
		Net Worth	110,676
Total assets	$254,500	Total Liab. & NW	$254,500

Analysis/Conclusions:

Staff concludes that Precision Laser does have the opportunity to turnaround its operating results within 6 months, as consistent with this request based on management's demonstrated ability to acquire new customers, maintenance of preferred supplier status with Caterpillar and increased diversification of the Company's laser cutting procedures. It is important to note that Precision Laser Management has never been late with a payment on any of its three previous loans or on this loan prior to the current loss in CAT orders. Granting the Company the eight-month moratorium on principal payments would provide the Company with the opportunity to revitalize its operation and continue payment on the IFA/Bank loan.

Not granting the request could force the Company into a more difficult situation and would likely harm a longstanding IFA/Bank relationship.

What Precision Laser is experiencing is not unusual for many CAT and John Deere suppliers that have been partners with these companies as part of their integrated supply chains as part of just-in-time inventory management. These supply chain partners are frequently heavily reliant on their OEM customers for a material concentration of their revenues. Although Precision Laser has made substantial progress to reduce these sales concentrations, they remain a management challenge. Given that Precision Laser will be picking up 8 additional customers, management appears dedicated to continuing to diversify its customer base to reduce is sale dependence and concentration risk attributable to CAT going forward.

Illinois Finance Authority
Memorandum

To: IFA Board of Directors

From: Sharnell Curtis-Martin

Date: July 14, 2009

Re: Resolution to authorize execution of an Amended and Restated Loan Agreement, Trust Indenture and Mortgage and related documents to enable conversion to a Direct Purchase structure for Lake County Family YMCA. (IFA File: N-NP-TE-CD-7181)

Request:

The Lake County Family YMCA ("YMCA"), a 501(c)(3) corporation incorporated under Illinois law, is requesting the Illinois Finance Authority to authorize the restructuring of an existing project by amending and restating the trust indenture and loan agreement and related documents.

RBS Citizens, N.A. ("RBS"), the parent company of Charter One Bank, N.A. and an affiliate of Royal Bank of Scotland, is the Letter of Credit provider on the 2007 YMCA transaction. In March of this year, RBS Citizen's short-term credit rating was downgraded by S&P to A-/A2 from A/A-1. This has negatively impacted the YMCA and others borrowers by requiring payment of a higher interest rate. The Bank proposed to restructure the financing to a direct purchase mode so the YMCA would not be subjected to the additional expense as a result of the downgrade. The resolution authorizes the bank to directly purchase the bonds; this represents a change from a variable rate LOC to a fixed rate and will provide relief from the additional interest expense as a result of the LOC structure.

History of the Transaction:

In 1993, the IFA's predecessor, the Illinois Development Finance Authority ("IDFA") issued conduit bonds to finance the construction of three day care centers and five after school facilities located in Waukegan. The project was completed and put into service in the January of 1995. In 2000, the 1993 conduit bonds were fully refunded through IDFA. In 2007, the borrower did a second refunding through IFA. This resolution seeks authorization for the third refunding of the underlying project financing.

Detailed Background

The existing Letter of Credit ("LOC") will be tendered and the Bonds will be reissued as a Direct Purchase transaction and held as an investment by Charter One Bank for the remaining term of the bonds. This will effect the change in structure from a variable rate LOC to a fixed rate direct purchase. The Series 2007 Bonds are currently bearing interest in 7-day Tax-Exempt Variable Rate Mode, the new Bonds will be set at 68% of one month LIBOR plus 250 basis point (presently 1.92%).

The Security for the Series 2009 amendment will remain as it is for the 2007 bonds, a first mortgage on subject real estate. All other terms and conditions will mirror existing provisions of the Reimbursement Agreement between YMCA and RBS Citizens, N.A.

Recommendation:

The Credit Review Committee recommends approval.

Lake County Family YMCA:

Lake County YMCA is an Illinois 501(c)(3) not-for-profit corporation formed in 1893. The YMCA provides more than 15 different programs including: Big Brothers/Big Sisters, Girl Scouts, Boy Scouts, Adult and Children Day Care, Summer Day Camp and a Health and Wellness Center that is open to the public.

The YMCA's service area is not limited to Lake County. Residents from DuPage, McHenry and Cook counties are included among the 17,000 individuals with 4,500 members and program participants. The YMCA has a staff of 215 full-time and part-time employees and volunteers.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Law Offices of Kevin Cahill	Chicago	Kevin Cahill
Bond Counsel:	Chapman and Cutler	Chicago	Chris Walrath
Purchasing Bank:	Charter One Bank, N.A.	Chicago	Lucy Czyz
Purchasing Bank's Counsel:	Chapman and Cutler	Chicago	Carol Thompson
Financial Advisor:	Bank of Montreal Capital Markets	Chicago	Michael Boisvert
Issuer's Counsel:	IFA Internal Counsel		
Trustee:	Bank of New York	Chicago	Rodney Harrington
IFA Financial Advisor:	D. A. Davidson	Chicago	Bill Morris
	Scott Balice Strategies	Chicago	Lois Scott

Lake County Family YMCA Board of Directors

Draft

Resolution: 2009-07-10

RESOLUTION PROVIDING FOR THE CONVERSION OF THE ILLINOIS FINANCE AUTHORITY ADJUSTABLE RATE DEMAND REVENUE BONDS, LAKE COUNTY FAMILY YMCA, SERIES 2007 (THE "BONDS"), FROM THE WEEKLY RATE MODE TO THE DAILY RATE MODE; AND THE TENDER FOR PURCHASE OF THE BONDS IN CONNECTION THEREWITH; THE PURCHASE OF THE BONDS BY RBS CITIZENS, N.A. UPON THEIR CONVERSION TO THE DAILY RATE MODE; THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED TRUST INDENTURE, AN AMENDED AND RESTATED LOAN AGREEMENT, A TAX EXEMPTION CERTIFICATE AND AGREEMENT, AND RELATED DOCUMENTS; THE CONVERSION OF THE BONDS FROM THE DAILY RATE MODE TO THE BANK PURCHASE RATE MODE AND THE CANCELLATION OF THE DIRECT PAY LETTER OF CREDIT SECURING THE BONDS; AND AUTHORIZING AND APPROVING RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "Authority"), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1, *et seq.*, as supplemented and amended (the "Act"), is authorized by the laws of the State of Illinois, including without limitation, the Act, to issue its revenue bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to defray, among other things, the costs of the acquisition, construction, refurbishment, installation and equipping of "industrial projects," as defined in the Act, and to provide for the refunding or advance refunding of any bonds deemed necessary in connection with any purpose of the Authority; and

WHEREAS, the Authority has heretofore issued its Illinois Finance Authority Adjustable Rate Demand Revenue Bonds, Lake County Family YMCA, Series 2007, in the original aggregate principal amount of $6,135,000, all of which remain outstanding (the "Bonds"); and

WHEREAS, the Authority issued the Bonds pursuant to the terms of the Trust Indenture dated as of November 1, 2007 (the "Original Indenture") between the Authority and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as trustee (the "Trustee"); and

WHEREAS, the proceeds from the sale of the Bonds were loaned by the Authority to Lake County Family Young Men's Christian Association, an Illinois not for profit corporation (the "Corporation"), for the purposes of (i) currently refunding all outstanding Illinois Educational Facilities Authority Adjustable Rate Demand Revenue Bonds, Lake County Family YMCA, Series 2000, and (ii) paying certain costs relating to the issuance of the Bonds, all as permitted under the Act; and

WHEREAS, the Authority loaned the proceeds of the Bonds to the Corporation pursuant to the terms of the Loan Agreement dated as of November 1, 2007 (the "Original Loan Agreement") between the Authority and the Corporation; and

WHEREAS, the Bonds currently operate in the Weekly Rate Mode, and the Corporation now desires that the Bonds be sold on a private-placement basis to RBS Citizens, N.A. (the "Bank") and thereupon that the Bonds be converted to a new Bank Purchase Rate Mode not contained in the Original Indenture and Original Loan Agreement; and

WHEREAS, such conversion of the Bonds to the Daily Rate Mode will cause the Bonds to be mandatorily tendered for purchase by the current owners thereof, and following such tender of the Bonds, the Bank will purchase all of the Bonds; and

WHEREAS, to provide for such conversion of the Bonds to the Bank Purchase Rate Mode, the Corporation desires to amend and restate the Original Indenture and the Original Loan Agreement with an Amended and Restated Trust Indenture (the "Amended and Restated Indenture") and an Amended and Restated Loan Agreement (the "Amended and Restated Loan Agreement" and, together with the Amended and Restated Indenture, the "Amended and Restated Bond Documents"), respectively, and to amend any other related documents and/or to enter into such other documents as may be necessary to effectuate the addition of, and conversion of the Bonds to, the Bank Purchase Rate Mode; and

WHEREAS, the Bank, as the owner of 100% of the aggregate principal amount of the Bonds, will consent to the execution of the Amended and Restated Bond Documents and the cancellation of the Initial Credit Facility (as hereinafter defined); and

WHEREAS, upon the execution and delivery of the Amended and Restated Bond Documents, the Bonds will be converted from the Daily Rate Mode to the Bank Purchase Rate Mode and in connection therewith the irrevocable transferable direct pay letter of credit (the "Initial Credit Facility") issued by the Bank as security for the Bonds will be cancelled; and

WHEREAS, the conversion of the Bonds from the Weekly Rate Mode to the Daily Rate Mode, the tender of the Bonds upon such conversion to the Daily Rate Mode, the purchase of the Bonds by the Bank upon such conversion to the Daily Rate Mode, the conversion of the Bonds from the Daily Rate Mode to the Bank Purchase Rate Mode and the cancellation of the Initial Credit Facility, as aforesaid, are collectively referred to herein as the "Conversion Transaction"; and

WHEREAS, the Conversion Transaction will result in the Bonds being reissued for federal income tax purposes; and

WHEREAS, in connection with such reissuance of the Bonds for federal income tax purposes, it is now necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of a Tax Exemption Certificate and Agreement (the "Tax Agreement"), by and among the Authority, the Corporation and the Trustee; and

WHEREAS, the Authority has caused to be prepared and presented to its members drafts of the following documents, which the Authority proposes to enter into:

(i) the Amended and Restated Indenture,

(ii) the Amended and Restated Loan Agreement, and

(iii) the form of the converted Bonds; and

WHEREAS, the Authority desires to authorize and approve (i) the Conversion Transaction and (ii) the execution and delivery of the Amended and Restated Indenture, the Amended and Restated Loan Agreement, the Tax Agreement, the converted Bonds and any other instruments and documents as may be necessary in connection with the Conversion Transaction;

NOW THEREFORE, Be It Resolved by the members of the Illinois Finance Authority, as follows:

Section 1. The Authority hereby authorizes and approves the Conversion Transaction, as described above.

Section 2. That the Authority is hereby authorized to enter into the Amended and Restated Indenture with the Trustee, amending and restating the Original Indenture, in substantially the same form as is now before the Authority; that the form, terms and provisions of the Amended and Restated Indenture be, and they hereby are, in all respects approved; that the Chairperson, the Vice Chairperson, the Treasurer, the Executive Director or any Assistant Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim or acting basis) of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and the Secretary or any Assistant Secretary of the Authority be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the Amended and Restated Indenture in the name, for and on behalf of the Authority, and thereupon to cause the Amended and Restated Indenture to be executed, acknowledged and delivered to the Trustee in substantially the form now before the Authority or with such changes therein as the Chairperson, the Vice Chairperson, the Treasurer, the Executive Director or any Assistant Executive Director (and for purposes of this Resolution any person duly appointed to serve such office on an interim or acting basis) shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the form of Amended and Restated Indenture now before the Authority; that when the Amended and Restated Indenture is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such Amended and Restated Indenture shall be binding on the Authority; that from and after the execution and delivery of the Amended and Restated Indenture, 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 and Restated Indenture as executed; and that the Amended and Restated Indenture shall constitute, and hereby is made, a part of this Resolution, and a copy of the Amended and Restated Indenture shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 3. That the Authority is hereby authorized to enter into the Amended and Restated Loan Agreement with the Corporation, amending and restating the Original Loan Agreement, in substantially the same form as is now before the Authority; that the form, terms and provisions of the Amended and Restated Loan Agreement be, and they hereby are, in all respects approved; that the Chairperson, the Vice Chairperson, the Treasurer, the Executive Director or any Assistant Executive Director (and for purposes of this Resolution any person duly appointed to serve such office on an interim or acting 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 to attest and to affix the official seal of the Authority to, the Amended and Restated Loan Agreement in the name, for and on behalf of the Authority, and thereupon to cause the Amended and Restated Loan Agreement to be delivered to the Corporation, and to be in substantially the same form as is now before the Authority or with such changes therein as the Chairperson, the Vice Chairperson, the Treasurer, the Executive Director or any Assistant Executive Director (and for purposes of this Resolution any person duly appointed to serve such office on an interim or acting basis) shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of any and all changes or revisions therein from the form of the Amended and Restated Loan Agreement now before the Authority; that when the Amended and Restated Loan Agreement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such Amended and Restated Loan Agreement will be binding on the Authority; that from and after the execution and delivery of the Amended and Restated Loan 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 and Restated Loan Agreement as executed; and that the Amended and Restated Loan Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the Amended and Restated Loan 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 Authority is hereby authorized to enter into the Tax Agreement with the Corporation and the Trustee in the form to be approved by bond counsel and by counsel for the Authority; that the Chairperson, the Vice Chairperson, the Treasurer, the Executive Director or any Assistant Executive Director (and for purposes of this Resolution any person duly appointed to serve such office on an interim or acting basis) be, and each of them hereby is, authorized, empowered and directed to execute and deliver the Tax Agreement in the form so approved; that when the Tax Agreement is executed and delivered on behalf of the Authority as hereinabove provided, such Tax Agreement will be binding on the Authority; that from and after the execution and delivery of the 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 Tax Agreement as executed.

Section 5. That the form of the converted Bonds now before the Authority, subject to appropriate insertions and revisions in order to comply with the provisions of the Amended and Restated Indenture (as executed and delivered) be, and the same hereby is, approved; that the converted Bonds shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its Chairperson or Vice Chairperson and attested with the manual or facsimile signature of its Secretary or any Assistant Secretary and the seal of the Authority shall be impressed or imprinted thereon; that the Chairperson or Vice Chairperson or any other officer of the Authority shall cause the converted Bonds, as so executed and attested, to be delivered to the Trustee for authentication.

Section 6. That the Chairperson, the Vice Chairperson, the Treasurer, the Executive Director and any Assistant Executive Director (and for purposes of this Resolution any person duly appointed to serve such office on an interim or acting basis) be, and each of them hereby is, authorized to execute and deliver such other documents, certificates, and undertakings of the Authority, including, but not limited to, an IRS Form 8038, and to take such other actions as may be required in connection with effecting the Conversion Transaction as authorized and contemplated by this Resolution.

Section 7. That all acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

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.

Illinois Finance Authority

Memorandum

Date: July 14, 2009

To: IFA Board of Directors

From: Eric Reed, Regional Manager

Re: Request by 1st Farm Credit Services and Merlin McClure:
1) Release 80 acres of land from current collateral package securing Participation loans for Merlin and Ryan McClure.
(Loan numbers A-LL-TX-6225 and A-LL-TX-6226)

***The above request was approved on 7/7/09 by the IFA Agricultural Loan Committee.**

Merlin McClure has requested that 1st Farm Credit Services ("FCS")and IFA release 80 acres of collateral securing the loans for he, his wife, Nancy and his son, Ryan, incurred . Both of the subject loans were approved by the IFA's Board of Directors at the November 2006 board meeting and funded in January 2007. **The current balances on the IFA portion of the loans total $971,661.** Merlin McClure and his wife are in the process of a divorce. As part of the settlement, Mrs. McClure has been awarded 80 acres of land that is to be released.

FCS has approved this request, subject to approval from the IFA. 1st Farm Credit has provided the following information and credit analysis: