

ILLINOIS FINANCE AUTHORITY

Tuesday, August 14, 2012

AGENDA

COMMITTEE OF THE WHOLE MEETING

9:30 a.m.

IFA Chicago Office

Two Prudential Plaza

180 North Stetson Avenue, Suite 2555

Chicago, Illinois 60601

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

BOARD MEETING

10:30 a.m.

Conference Center

One Prudential Plaza

130 East Randolph Street, Suite 750

Chicago, Illinois 60601

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

BUSINESS AND INDUSTRY

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
Industrial Revenue Bonds						
<i>Final</i>						
1	Freedman Seating Company, Freedman Building LLC, FSLH, LLC, FSLH, LLC - Series 4545, FSLH, LLC - Series 4501, FSLH, LLC - Series 7346 AND FBSA LLC	Chicago (Cook County)	\$7,000,000	43	15	RF/BF
Airport Facility Revenue Bonds						
<i>Preliminary</i>						
2	Hawthorne Chicago, LLC	Wheeling (Cook County)	\$9,500,000	14	15	RF/BF
TOTAL BUSINESS AND INDUSTRY PROJECTS			\$16,500,000	57	30	

EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
501(c)(3) Revenue Bonds						
<i>Preliminary</i>						
3	Rosalind Franklin University of Medicine & Science	North Chicago (Lake County)	\$16,600,000	19	150	RF/BF
TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS			\$16,600,000	19	150	

HEALTHCARE

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
501(c)(3) Revenue Bonds						
<i>Preliminary</i>						
4	Lutheran Home and Services Obligated Group	Arlington Heights (Cook County)	\$120,000,000	9	130	PL/NO
501(c)(3) Revenue Bonds						
<i>Final</i>						
5	Hospital Sisters Services, Inc.	Springfield and Highland and other locations (8 counties statewide)	\$550,000,000	N/A	700	PL/NO
501(c)(3) Revenue Bonds						
<i>Final (One-Time Consideration)</i>						
6	SwedishAmerican Health System	Rockford (Winnebago County)	\$45,000,000	39	250	PL/NO
7	OSF Healthcare System	Peoria, Rockford, Bloomington, Galesburg, Monmouth (Peoria, Winnebago, McLean, Knox, Warren Counties)	\$200,000,000	6	41	PL/NO
TOTAL HEALTHCARE PROJECTS			\$915,000,000	54	1,121	
GRAND TOTAL			\$948,100,000	130	1,301	

RESOLUTIONS

Tab	Action	FM
Resolutions		
8	Resolution Authorizing the Execution and Delivery of an Amendment to the Bond and Loan Agreement in Connection with Illinois Finance Authority Industrial Development Revenue Refunding Bonds (Transparent Container Company, Inc. Project), Series 2011	RF/BF
9	Resolution Approving and Ratifying the Substitution of Credit Facility Provider for Certain Outstanding Bonds Issued on Behalf of Swedish Covenant Hospital; Approving and Ratifying the Replacement of Remarketing Agent for Certain Outstanding Bonds Issued on Behalf of Swedish Covenant Hospital; and Authorizing, Approving and Ratifying Certain Other Matters (IFA Series 2008A Variable Rate Revenue Refunding Bonds – Swedish Covenant Hospital Project)	PL/NO
10	Resolution Delegating to the Executive Director of the Illinois Finance Authority the Power to Develop and Administer a Pilot Program in Connection with the Small Contractor Initiative of the United States Department of Housing and Urban Development and the United States Small Business Administration	CM/SO

August 14, 2012

TO: William A. Brandt, Jr., Chairman
Dr. William Barclay
Gila J. Bronner
James J. Fuentes
Norman M. Gold
Edward H. Leonard, Sr.

Michael W. Goetz, Vice-Chairman
Terrence M. O'Brien
Heather D. Parish
Mayor Barrett F. Pedersen
Roger E. Poole
Bradley A. Zeller

RE: Message from the Executive Director

Dear Members of the Authority:

IFA Staff on the National Stage

The Authority proudly continues to play a part in national policy matters.

Rich Frampton, Vice President and long-time Board Member of the Council of Development Finance Agencies (“CDFA”), was recently appointed to a national Task Force on Clean Energy Bond Finance, launched by the Clean Energy Group and CDFA to increase clean energy investments across the country.

Pam Lenane, Vice President and Acting General Counsel and President of the National Association of Health and Educational Facilities Finance Authorities, was recently invited to attend a White House Rural Council Symposium on “Access to Capital for Rural Health Care.”

Please join me in congratulating both Rich and Pam on their recognition.

Midwestern Disaster Area Bonds: An Effective Financing Tool

Continuing on national policy matters, the Authority is working with its partners in the Midwest and in Washington D.C. to extend the Midwestern Disaster Area Bonds (“MDABs”) Program, which is currently set to expire on January 1, 2013.

MDABs have proven to be an effective financing tool for private companies located in areas damaged by the 2008 disasters. Just recently, I had the privilege of touring the KONE Centre, a project financed by, among other sources, more than \$20 million in MDABs issued by the IFA. This project is a stellar example of what MDABs can do for businesses in Illinois.

Improving Illinois’ Business Climate

IFA is proud to have assisted the Governor’s Office of Management and Budget and the Illinois Department of Employment Security on its unemployment insurance bond transaction, which will save Illinois companies nearly \$200 million a year in unemployment insurance taxes.

Additionally, we continue to support calls for action on pension reform and commend Governor Quinn’s leadership, as he courageously works to solve this momentous problem with the Illinois General Assembly by August 17.

Conclusion

As always, we look forward to continuing to work with all of you to fulfill our mission of financing projects that create and retain jobs for the people of Illinois.

Respectfully,

A handwritten signature in black ink, appearing to read 'C. Meister', followed by a long horizontal line extending to the right.

Christopher B. Meister
Executive Director

Attachment: Monthly Bonds Activity Report; Schedule of Debt



Bonds Issued and Outstanding as of July 31, 2012

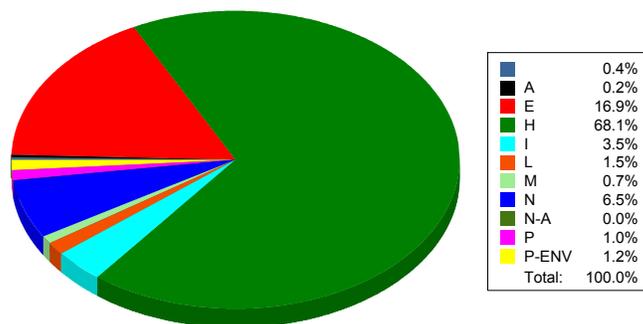
Bonds Issued Since Inception of Illinois Finance Authority

#	Market Sector	Principal Amount (\$)
420	Agriculture **	67,259,708
87	Education	4,518,193,100
187	Healthcare *	18,312,661,708
84	Industrial	958,703,853
26	Local Government	420,155,000
17	Multifamily/Senior Housing	194,047,900
121	501(c)(3) Not-for Profits	1,774,870,041
8	Exempt Facilities Bonds	275,700,000
8	Environmental issued under 20 ILCS 3515/9	326,630,000
958		\$ 26,848,221,309

* Includes CCRC's

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

Bonds Issued Since Inception

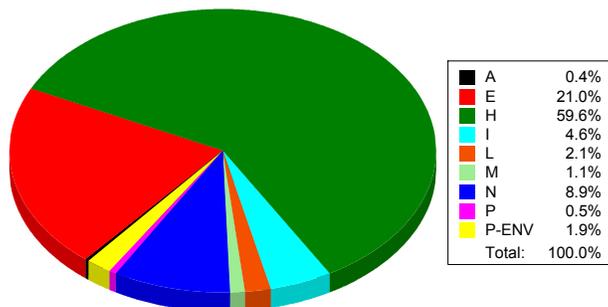


Schedule of Bonds Outstanding by Market Sector Includes IFA and it's Predecessor Authorities

Market Sector	Amount of Original Issue	Principal Outstanding
Agriculture	305,729,414	91,251,408
Education	5,998,100,730	5,200,925,658
Healthcare *	16,695,758,159	14,752,030,176
Industrial	1,348,687,939	1,126,606,305
Local Government	960,473,413	514,072,144
Multifamily/Senior Housing	708,325,396	269,224,257
501(c)(3) Not-for Profits	2,765,726,842	2,204,408,212
Exempt Facilities Bonds	130,500,000	130,090,000
Environmental issued under 20 ILCS 3515/9	555,195,000	469,810,962
	\$ 29,468,496,892	\$ 24,758,419,123

* Includes CCRC's

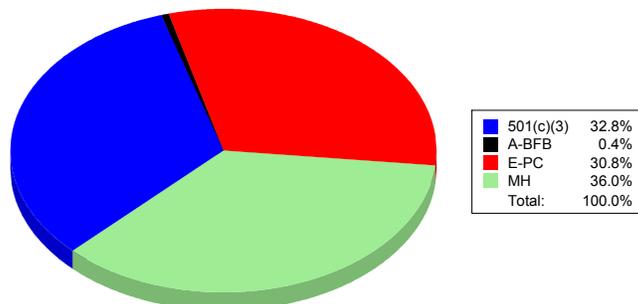
Principal Outstanding by Market Sector



Bonds Issued - Current Fiscal Year

#	Market Sector	Principal Issued
1	Agriculture - Beginner Farmer	209,000
1	Education	15,960,000
1	501(c)(3) Not-for-Profit	17,000,000
1	MultiFamily/Senior Housing	18,630,000
4		\$ 51,799,000

Bonds Issued - Current Fiscal Year



Bonds Issued between July 01, 2012 and July 31, 2012

<u>Bond Issue</u>	<u>Date Issued</u>	<u>Initial Interest Rate</u>	<u>Principal Issued</u>	<u>Bonds Refunded</u>
A-BFB Beginner Farmer Bonds, Series 2013A	07/01/2012	Various-See Below	209,000	0
501(c)(3) Carmel Catholic High School, Series 2012	07/10/2012	DP-VRB 1.23%	17,000,000	8,500,000
MH St. Anthony of Lansing, Series 2012	07/13/2012	6.50%	18,630,000	0
E-PC Lake Forest College, Series 2012	07/24/2012	4.25% to 5.75%	15,960,000	0
Total Bonds Issued as of July 31, 2012			\$ 51,799,000	\$ 8,500,000

Legend: Fixed Rate Bonds as shown

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

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

Beginner Farmer Bonds interest rates are shown in section below.

Beginner Farmer Bonds Funded between July 01, 2012 and July 31, 2012

<u>Borrower</u>	<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>Acres</u>	<u>County</u>
Justison, Patricia	07/25/2012	3.75%	209,000	38.00	Macon
Total Beginner Farmer Bonds Issued			\$ 209,000	38.00	

As of January 1, 2012, the amount of private activity volume cap available to the Illinois Finance Authority and allocable to Beginning Farmer Bonds is \$15,000,000. In addition, the maximum of any Beginning Farmer Bond is \$488,600.

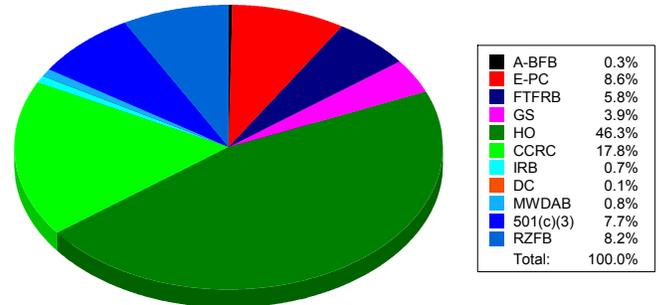


Bonds Issued - Fiscal Year Comparison for the Period Ending July 31, 2012

Fiscal Year 2011

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

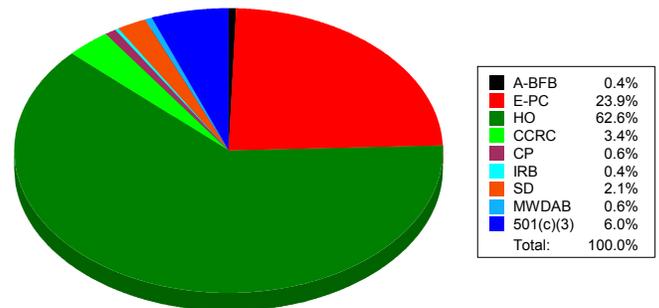
Bonds Issued in Fiscal Year 2011



Fiscal Year 2012

#	Market Sector	Principal Issued
41	Agriculture - Beginner Farmer	8,764,759
3	Education	474,685,000
14	Healthcare - Hospital	1,242,038,200
2	Healthcare - CCRC	66,765,000
1	Healthcare-Community Provider	12,700,000
2	Industrial Revenue	7,295,000
1	Local Government Schools	42,010,000
1	Midwest Disaster Area Bonds	11,066,000
13	501(c)(3) Not-for-Profit	118,256,846
78		\$ 1,983,580,805

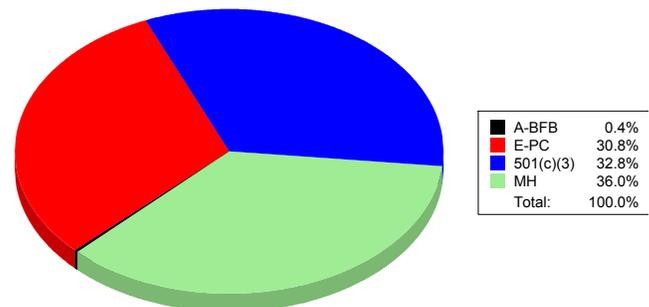
Bonds Issued in Fiscal Year 2012



Fiscal Year 2013

#	Market Sector	Principal Issued
1	Agriculture - Beginner Farmer	209,000
1	Education	15,960,000
1	501(c)(3) Not-for-Profit	17,000,000
1	MultiFamily/Senior Housing	18,630,000
4		\$ 51,799,000

Bonds Issued in Fiscal Year 2013



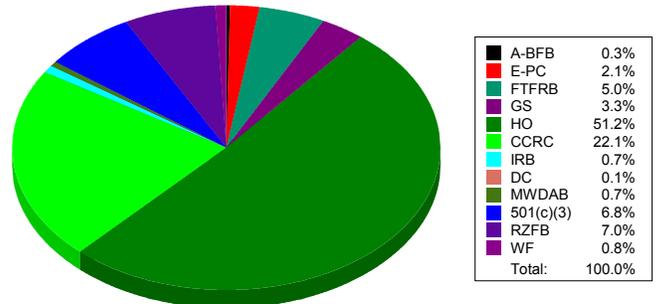


Bonds Issued - Calendar Year Comparison as of July 31, 2012

Calendar Year 2010

#	Market Sector	Principal Issued
52	Agriculture - Beginner Farmer	9,374,497
5	Education	64,000,000
1	Freight Transfer Facilities Bonds	150,000,000
2	Gas Supply	100,000,000
20	Healthcare - Hospital	1,545,643,433
7	Healthcare - CCRC	667,855,000
4	Industrial Revenue	20,029,184
1	Financially Distressed Cities	1,985,000
1	Midwest Disaster Area Bonds	20,200,000
9	501(c)(3) Not-for-Profit	205,356,062
8	Recovery Zone Facilities Bonds	211,488,000
1	Water Facilities	25,000,000
111		\$ 3,020,931,176

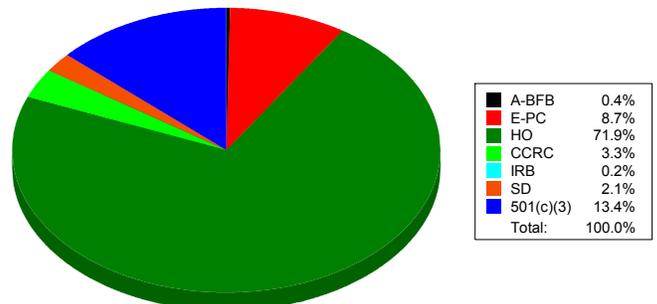
Bonds Issued in Calendar Year 2010



Calendar Year 2011

#	Market Sector	Principal Issued
40	Agriculture - Beginner Farmer	7,832,465
2	Education	177,390,000
13	Healthcare - Hospital	1,459,760,000
2	Healthcare - CCRC	66,765,000
1	Industrial Revenue	3,795,000
1	Local Government Schools	42,010,000
9	501(c)(3) Not-for-Profit	272,851,846
68		\$ 2,030,404,311

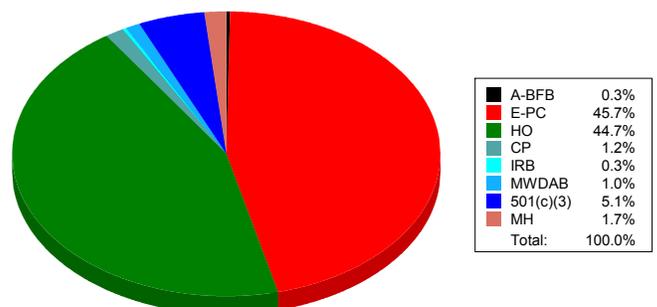
Bonds Issued in Calendar Year 2011



Calendar Year 2012

#	Market Sector	Principal Issued
16	Agriculture - Beginner Farmer	3,617,689
4	Education	490,645,000
7	Healthcare - Hospital	479,513,200
1	Healthcare-Community Provider	12,700,000
1	Industrial Revenue	3,500,000
1	Midwest Disaster Area Bonds	11,066,000
7	501(c)(3) Not-for-Profit	54,240,000
1	MultiFamily/Senior Housing	18,630,000
38		\$ 1,073,911,889

Bonds Issued in Calendar Year 2012

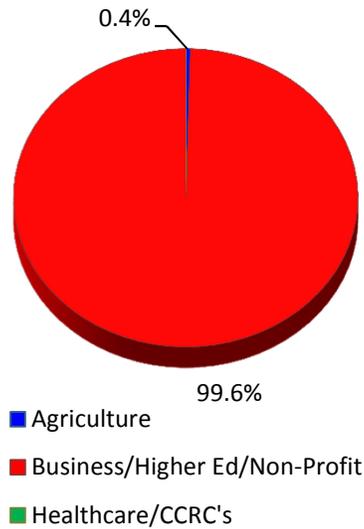




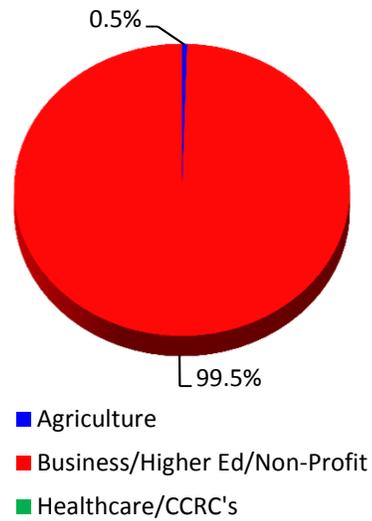
Illinois Finance Authority Project Revenue Fiscal Year 2013

Market Sector	Principal Amount (\$)	New Money (\$)	#	Revenue (\$)
Agriculture	\$ 209,000.00	\$ 209,000.00	1	\$ 3,035.00
Business/Higher Ed/Non-Profit	51,590,000.00	43,090,000.00	3	250,446.00
Healthcare/CCRC's	-	-	0	-
	\$ 51,799,000.00	\$ 43,299,000.00	4	\$ 253,481.00

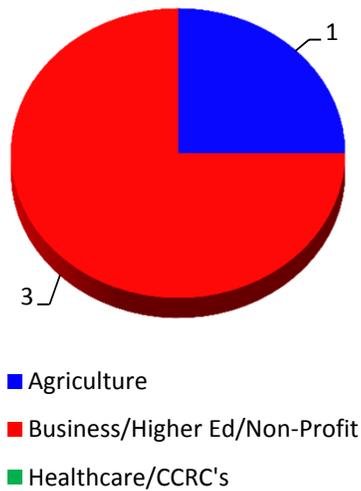
Principal Amount (\$)



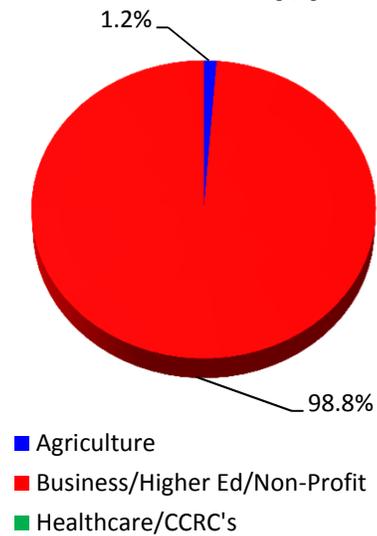
New Money Principal(\$)



of Projects



Revenue (\$)

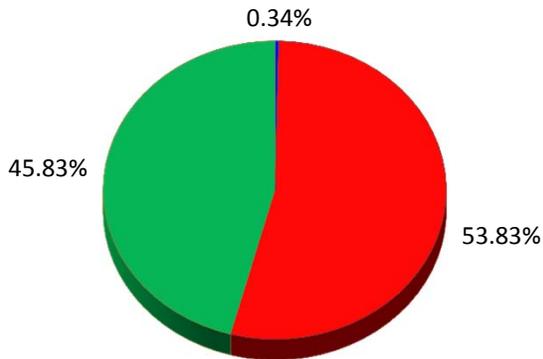




Illinois Finance Authority Project Revenue Calendar Year 2012

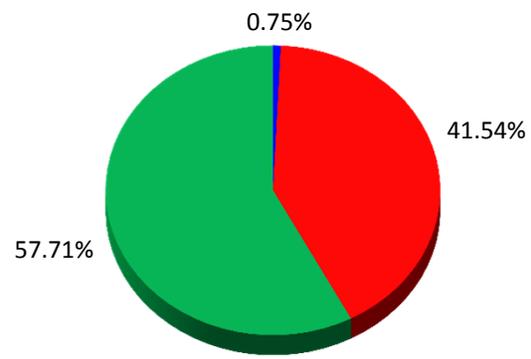
Market Sector	Principal Amount (\$)	New Money (\$)	#	Revenue (\$)
Agriculture	\$ 3,617,689.00	\$ 3,617,689.00	16	\$ 52,665.34
Business/Higher Ed/Non-Profit	578,081,000.00	201,031,000.00	14	842,750.60
Healthcare/CCRC's	492,213,200.00	279,293,200.00	8	746,244.75
	\$ 1,073,911,889.00	\$ 483,941,889.00	38	\$ 1,641,660.69

Principal Amount (\$)



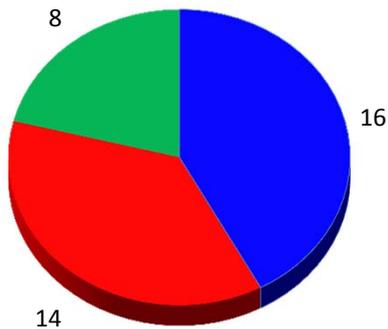
- Agriculture
- Business/Higher Ed/Non-Profit
- Healthcare/CCRC's

New Money Principal(\$)



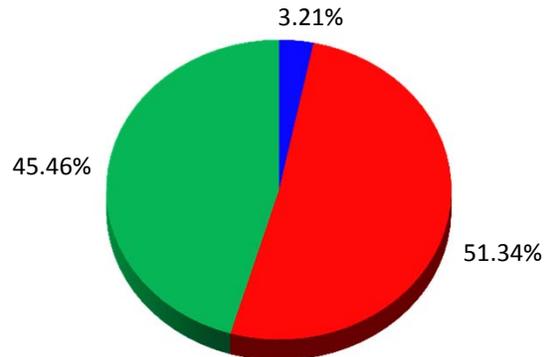
- Agriculture
- Business/Higher Ed/Non-Profit
- Healthcare/CCRC's

of Projects



- Agriculture
- Business/Higher Ed/Non-Profit
- Healthcare/CCRC's

Revenue (\$)



- Agriculture
- Business/Higher Ed/Non-Profit
- Healthcare/CCRC's

ILLINOIS FINANCE AUTHORITY

Schedule of Debt ^[a]

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

Section I (a)

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2012	July 31, 2012		
Illinois Finance Authority "IFA" ^[b]				
383 Agriculture	\$ 56,105,900	\$ 56,314,900		
90 Education	4,096,631,500	4,101,928,300		
258 Healthcare	12,735,868,400	12,726,819,200		
71 Industrial Development [includes Recovery Zone/Midwest Disaster]	793,261,000	789,878,300		
20 Local Government	235,995,000	235,995,000		
18 Multifamily/Senior Housing	157,841,200	176,397,600		
100 501(c)(3) Not-for Profits	1,249,377,700	1,261,545,200		
5 Exempt Facilities Bonds	130,090,000	130,090,000		
945 Total IFA Principal Outstanding	\$ 19,455,170,700	\$ 19,478,968,500		
Illinois Development Finance Authority "IDFA" ^[b]				
2 Education	13,666,400	13,666,400		
5 Healthcare	198,620,000	198,620,000		
54 Industrial Development	337,338,600	336,728,000		
20 Local Government	261,252,100	261,252,100		
10 Multifamily/Senior Housing	95,496,700	92,826,700		
82 501(c)(3) Not-for Profits	879,441,900	869,138,000		
171 Total IDFA Principal Outstanding	\$ 1,785,815,700	\$ 1,772,231,200		
Illinois Rural Bond Bank "IRBB" ^[b]				
14 Bond Bank Revenue Bonds	16,825,000	16,825,000		
14 Total IRBB Principal Outstanding	\$ 16,825,000	\$ 16,825,000		
74 Illinois Health Facilities Authority "IHFA"	\$ 1,833,151,000	\$ 1,826,591,000		
45 Illinois Educational Facilities Authority "IEFA"	\$ 1,169,912,000	\$ 1,159,056,000		
561 Illinois Farm Development Authority "IFDA" ^[f]	\$ 34,935,500	\$ 34,935,500		
1,810 Total Illinois Finance Authority Debt	\$ 24,295,809,900	\$ 24,288,607,200	\$ 28,150,000,000	\$ 3,861,392,800

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

Section I (b)

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2012	July 31, 2012		
General Purpose Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
14 Issued through IRBB - Local Government Pools	16,825,000	\$ 16,825,000		
7 Issued through IFA - Local Government Pools	25,305,000	25,305,000		
2 Issued through IFA - Illinois Medical District Commission	39,120,000	39,120,000		
23 Total General Moral Obligations	\$ 81,250,000	\$ 81,250,000	\$ 150,000,000	\$ 68,750,000
Financially Distressed Cities Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
2 Issued through IFA	\$ 3,240,000	\$ 3,240,000		
1 Issued through IDFA	2,430,000	2,430,000		
3 Total Financially Distressed Cities	\$ 5,670,000	\$ 5,670,000	\$ 50,000,000	\$ 44,330,000
State Component Unit Bonds ^[c]				
14 Issued through IRBB	\$ 16,825,000	\$ 16,825,000		
2 Issued through IDFA ^[j]	69,685,000	69,685,000		
10 Issued through IFA ^[j]	97,810,900	97,810,900		
26 Total State Component Unit Bonds	\$ 184,320,900	\$ 184,320,900		

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

Section I (c)

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2012	July 31, 2012		
2 Midwest Disaster Bonds [Flood Relief]	\$ 20,685,435	\$ 30,680,000	\$ 1,515,271,000	\$ 1,484,591,000

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

Section I (d)

	ARRA Act of 2009 Volume Cap Allocated ^[h]	City/Counties Ceded Voluntarily to IFA	Bonds Issued as of July 31, 2012	Available "Ceded" Volume Cap
	- Recovery Zone Economic Development Bonds;	\$ 666,972,000	\$ 16,940,000	\$ 12,900,000
8 Recovery Zone Facilities Bonds	\$ 1,000,457,000	\$ 292,400,000	\$ 216,488,000	\$ 75,912,000
- Qualified Energy Conservation Bonds	\$ 133,846,000	\$ -	\$ 12,500,000	\$ -

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

Section II

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2012	July 31, 2012		
Illinois Power Agency	\$ -	\$ -	\$ 4,000,000,000	\$ 4,000,000,000

ILLINOIS FINANCE AUTHORITY

Schedule of Debt ^[a]

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

Section III

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2012	July 31, 2012		
Clean Coal, Coal, Renewable Energy and Energy Efficiency Projects	\$ -	\$ -	\$ 3,000,000,000 ^[d]	\$ 3,000,000,000

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

Section IV

	Principal Outstanding		Program Limitations	Remaining Capacity	State Exposure
	June 30, 2012	July 31, 2012			
Agri Debt Guarantees [Restructuring Existing Debt]	\$ 14,991,100	\$ 14,894,300	\$ 160,000,000	\$ 145,105,700	\$ 12,645,500
83 Fund # 994 - Fund Balance \$ 10,033,838					
AG Loan Guarantee Program	\$ 15,186,800	\$ 15,034,000	\$ 225,000,000 ^[e]	\$ 209,966,000	\$ 12,778,900
38 Fund # 205 - Fund Balance \$ 7,749,024					
10 Agri Industry Loan Guarantee Program	\$ 8,207,725	\$ 8,207,700			6,976,600
2 Farm Purchase Guarantee Program	956,064	956,100			812,700
16 Specialized Livestock Guarantee Program	3,812,465	3,659,500			3,110,600
10 Young Farmer Loan Guarantee Program	2,210,585	2,210,600			1,879,000
121 Total State Guarantees	\$ 30,177,900	\$ 29,928,300	\$ 385,000,000	\$ 355,071,700	\$ 25,424,400

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

Section V

		Fund #	Principal Outstanding		Appropriation Fiscal	Fund Balance
			June 30, 2012	July 31, 2012	Year 2013	
133	Fire Truck Revolving Loan Program	Fund # 572	\$ 16,140,930	\$ 19,760,930	\$ 6,003,342	\$ 886,812
10	Ambulance Revolving Loan Program	Fund # 334	\$ 671,227	\$ 671,227	\$ 7,006,800	\$ 3,487,904

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

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

Section VI

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2012	July 31, 2012		
Environmental [Large Business]				
6 Issued through IFA	122,988,800	122,941,000		
17 Issued through IDFA	346,870,000	346,870,000		
23 Total Environmental [Large Business]	\$ 469,858,800	\$ 469,811,000	\$ 2,425,000,000	\$ 1,955,189,000
Environmental [Small Business]				
23 Total Environment Bonds Issued under Act	\$ 469,858,800	\$ 469,811,000	\$ 2,500,000,000	\$ 2,030,189,000

Illinois Finance Authority Funds at Risk

Section VII

#	Original Amount	Principal Outstanding	
		June 30, 2012	July 31, 2012
Participation Loans			
22 Business & Industry	23,020,157.95	5,105,506.90	5,066,292.68
8 Agriculture	6,079,859.01	1,759,093.06	1,753,766.24
30 Participation Loans excluding Defaults & Allowances	\$ 29,100,016.96	\$ 6,864,599.96	\$ 6,820,058.92
Plus: Legacy IDFA Loans in Default		910,631.89	966,265.91
Less: Allowance for Doubtful Accounts		1,377,989.75	1,433,624.45
Total Participation Loans		\$ 6,397,242.10	\$ 6,352,700.38
0 Illinois Facility Fund	\$ 1,000,000.00	\$ -	-
4 Local Government Direct Loans	\$ 1,289,750.00	\$ 218,423.96	218,423.96
3 FmHA Loans	\$ 963,250.00	\$ 265,068.23	265,068.23
2 Renewable Energy [RED Fund]	\$ 2,000,000.00	\$ 1,579,752.12	1,572,310.53
39 Total Loans Outstanding	\$ 34,353,016.96	\$ 8,460,486.41	\$ 8,408,503.10

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

[b] State Component Unit Bonds included in balance.

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

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

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

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

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

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

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

[j] Includes EPA Clean Water Revolving Fund

**MINUTES OF THE JULY 10, 2012 MEETING OF THE COMMITTEE OF THE
WHOLE OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE
AUTHORITY**

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA”), pursuant to notice duly given, held a Committee of the Whole Meeting on July 10, 2012, at 9:30 a.m. in the Chicago Office of the IFA, 180 North Stetson Avenue, Suite 2555, Chicago, Illinois 60601.

IFA Committee of the Whole Members Present:

1. William A. Brandt, Jr., Chairman
2. Michael W. Goetz, Vice Chairman
3. Gila J. Bronner
4. Norman M. Gold
5. Edward H. Leonard, Sr.
6. Terrence M. O’Brien
7. Heather D. Parish
8. Mayor Barrett F. Pedersen
9. Roger E. Poole
10. Bradley A. Zeller

IFA Committee of the Whole Members Excused:

1. Dr. William Barclay
2. James J. Fuentes

IFA Staff Present:

Christopher B. Meister, Executive Director
Richard Frampton, Vice President
Pamela A. Lenane, Vice President and Acting General Counsel
Ximena Granda, Assistant Chief Financial Officer
James Senica, Senior Financial Analyst
Brad R. Fletcher, Legal/Financial Analyst
Nora O’Brien, Legal/Financial Analyst
Terrell Gholston, Procurement Analyst
Sohair Omar, Policy/Operations Analyst
Kristina Garcia, Intern
David Papirnik, Intern

IFA Financial Advisor Present:

Phoebe Selden, Acacia Financial Group, Inc.

Guests Present:

None.

I. Call to Order & Roll Call

The Committee of the Whole Meeting was called to order at 9:36 a.m. by Vice Chairman Goetz. The Assistant Secretary of the Board, Mr. Fletcher, called the roll. There being eight members present with the arrival of Chairman Brandt, a quorum was reached.

Mr. Gold and Ms. Parish arrived in person at 9:38 a.m. and 9:49 a.m., respectively. They were added to the roll call by Mr. Fletcher.

II. Chairman's Remarks

Chairman Brandt informed those present that he eagerly awaits the budget proposal to be delivered by Executive Director Meister for Fiscal Year ("FY") 2013.

III. Message from the Executive Director

Executive Director Meister informed those present that while this month's agenda includes only one request for approval of a Preliminary Bond Resolution in connection with Hospital Sisters Services, Inc., Mr. Meister fully expects next month's agenda to be more voluminous after consulting with Mr. Frampton and Ms. Lenane.

Mr. Meister confirmed for the members of the Committee of the Whole, however, that this month is very important to the operations and administration of IFA. Specifically, members will be asked to approve the FY 2013 Budget, a 3-year strategic plan and a revised edition of IFA's Bond Program Handbook.

Mr. Meister informed the members of the Committee of the Whole that it is his hope that the strategic plan be adopted at this time with delegation authority so that he can return to the Board for ratification of the strategic plan in August after speaking with each of the members and incorporating their thoughts and comments.

Notably, Mr. Meister pointed to statistics that show application and administrative closing fees are trending downwards at IFA, thereby straining revenues. Mr. Meister commended Ms. Lorrie Karcher and Mr. James Senica in working to minimize potential risk with IFA's participation loan portfolio.

With respect to the FY 2013 Budget, Mr. Meister engaged in a discussion with those present concerning forecast revenues and expenditures. Accordingly, Mr. Meister informed everyone that he recommended to Mr. O'Brien, Chairman of the Compensation Committee of IFA, that the regularly scheduled meeting to be held earlier this morning be deferred until September, 2012. It was cancelled pursuant to notice duly given.

Chairman Brandt observed that the revenue projections presented by Mr. Meister are the lowest he has witnessed since joining the Board. Furthermore, Chairman Brandt explained that the declining revenues have no correlation to the work effort of IFA staff; rather, IFA is suffering from macroeconomic trends and overall conduit financing volume declining nationally. Therefore, in terms of compensation, the Board needs to consider all that has been accomplished by the staff during these past few years; in particular, IFA is in a much stronger position as it has mitigated many potential risks on its balance sheet.

However, Chairman Brandt expressed his belief that he does not foresee much change in the Healthcare or Higher Education capital markets. As a result, IFA will have to look for new sources of revenue in the coming years.

Mr. Meister reiterated the sentiments of Chairman Brandt and detailed the declining transaction volume at IFA during the past few years.

IV. Consideration of the Minutes

Chairman Brandt asked if any members of the Committee of the Whole had any comments in connection with the minutes prepared by the Assistant Secretary of the Board for each of the prior month's Meetings. Ms. Parish inquired as to accuracy of the record for the June 12, 2012 Meeting of the Committee of the Whole. Ms. Lenane informed Ms. Parish the means by which she as Acting General Counsel and the Assistant Secretary of the Board arrived at the decision to reflect the record as currently drafted.

Chairman Brandt requested that the Assistant Secretary of the Board modify the minutes of the June 12, 2012 Meeting of the Committee of the Whole in connection with the wishes of Ms. Parish.

V. Presentation and Consideration of the Financial Statements

Mrs. Granda explained that the month of June ended with total revenues of \$1.1 million, which included the recognition of the U.S. Securities & Exchange Commission ("SEC") settlement with Bank of America Merrill Lynch for a total of \$564,000; and \$267,000 for an adjustment to IFA's loan loss reserves due to a change in policy and due to the corresponding reduction on the IFA's Participation Loan portfolio.

FY 2012 ended with total gross revenues of \$7.7 million or 44.9% above the FY 2012 budget. This is primarily due to the two SEC settlements for \$1.6 million, the two recoveries of bad debt for \$1.7 million and the adjustment to the loan loss reserves for \$570,000. Not including the aforementioned SEC settlements, total revenue was equal to \$6.1 million or 15.5% above FY 2012 budget.

Total Operating expenses Year-To-Date (YTD) are \$3.8 million or 6.0% below the FY 2012 budget. This is primarily related to lower employee expenses in connection with staff vacancies. In comparing expenses for FY 2012 and FY 2011, when not including the loan loss provision, expenses are down by \$226,000 or 5.6%.

The month of June ended with a net income of \$620,000 primarily due to the recognition of revenue from the SEC settlements and the adjustment of the loan loss reserve. FY 2012 net income YTD is equal to \$4.1 million or 224.9% above the FY 2012 budget. Net income not including the SEC settlements is \$2.5 million or 100.2% above FY 2012 budget.

According to IFA's General Operating Fund Balance Sheet, cash has increased by \$11.6 million in FY 2012 primarily due to loan pay offs and loan recoveries of \$9.1 million, SEC settlements of \$1.6 million and Fees/Other for \$3.7 million.

Mrs. Granda reported that on June 8, 2012, the IFA held an auction for its Venture Capital portfolio. The total auction sale price was \$12,100 for remaining active investments; the realized loss this year was \$1.9 million.

However, Chairman Brandt reminded the members of the Committee of the Whole that the audit and compliance costs associated with the Venture Capital portfolio were exorbitant. Therefore, the auction was the best outcome for the financial stability of IFA year-over-year.

Chairman Brandt, Mr. O'Brien and Ms. Bronner engaged in a discussion about the costs associated with the Office of the Illinois Auditor General.

Ms. Granda continued her report by discussing the IFA Internal Audit. IFA received a draft of the Financial, Operational and Compliance Internal Audit, and a draft of the Risk Assessment for IT. IFA is in the process of providing management responses to those internal observations. Once the reports are finalized, they will be discussed at the next regularly scheduled Audit Committee Meeting.

Finally, the preliminary fieldwork for the audit being conducted by the Office of the Illinois Auditor General ended June 29, 2012. The auditors will return to the premises by the middle of August. The Legislative Audit Commission meeting is scheduled for August 28, 2012 in connection with the FY 2011 audit report. IFA needs to provide updated responses to the FY 2011 Compliance Report and FY 2011 Financial Report findings by July 26, 2012.

Mr. O'Brien inquired as to Officer and Director insurance currently being carried by IFA. Mr. Meister informed Mr. O'Brien and the members of the Committee of the Whole that through the procurement process prescribed by the State of Illinois, Mesirow Insurance Services, Inc. ("Mesirow") has been selected to provide coverage. Mesirow is currently evaluating IFA's current coverage.

Mr. O'Brien and Mr. Meister engaged in a discussion about raising the insurance coverage for Officers and Directors. Chairman Brandt concurred, and he likewise explained the intricacies of the role the Office of the Illinois Attorney General would potentially play in any future litigation.

VI. Committee Reports

Agriculture Committee

Mr. Zeller reported that the Agriculture Committee reviewed two Beginning Farmer Bond projects for July's agenda. The Agriculture Committee recommended approval of the two projects.

Healthcare Committee

Ms. Lenane reported that the Healthcare Committee met and reached a quorum. The Healthcare Committee recommended approval of one project.

Mr. Meister informed the members of the Committee of the Whole that Mr. Poole may potentially abstain from voting on the Hospital Sisters Services, Inc. project. Mr. Poole serves on the Board of Directors of the Southwestern Illinois Development Authority ("SWIDA"), which at one time also contemplated financing this transaction.

VII. Project Reports

Agriculture – Beginning Farmer Bonds

Mr. Senica presented Agenda Item No.1A and Agenda Item No. 1B.

Item No. 1A: Scott A. & Angela D. Vounard - \$248,700

Scott A. & Angela D. Vounard are requesting approval of a Final Bond Resolution in an amount not-to-exceed Two Hundred Forty Eight Thousand and Seven Hundred Dollars (\$248,700). Bond proceeds will be used to finance the acquisition of approximately 89.26 acres of farmland located in Foster Township in Madison County.

Item No. 1B: George A. Chandler - \$488,600

George A. Chandler is requesting approval of a Final Bond Resolution in an amount not-to-exceed Four Hundred Eighty-Eight Thousand and Six Hundred Dollars (\$488,600). Bond proceeds will be used to finance the acquisition of approximately 160 acres of farmland located in Bald Bluff Township in Henderson County.

Healthcare – 501(c)(3) Revenue Bonds

Ms. Lenane presented Agenda Item No. 2.

Item No. 2: Hospital Sisters Services, Inc. - \$550,000,000

Hospital Sisters Services, Inc. is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed Five Hundred Fifty Million Dollars (\$550,000,000).

Bond proceeds will be used by Hospital Sisters Services, Inc. (hereinafter, “HSSI” or the “Borrower”) to: (i) pay or reimburse the Borrower the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain of their health facilities, including, but not limited to, acquiring, constructing and equipping an approximately a 25-bed critical access replacement hospital in Highland, Illinois (to replace the existing St. Joseph’s Hospital in Highland), and for the renovation and replacement of a surgery department at St. John’s Hospital in Springfield, Illinois, (ii) refund the outstanding principal amount of IHFA Series 2003A Bonds, IFA Series 2007C Bonds and IFA Series 2008A Bonds that financed prior projects at multiple locations in Illinois, (iii) pay a portion of the interest accruing on the Bonds, if deemed necessary or advisable, (iv) fund working capital, if deemed necessary or advisable, and (v) pay certain expenses incurred in connection with the issuance of the Bonds.

Resolutions

Mr. Meister presented Agenda Item No. 3 and Agenda Item No. 4.

Item No. 3: Resolution to Adopt the Fiscal Year 2013 Budget of the Illinois Finance Authority

Mr. Meister reiterated that the FY 2013 budget is a flat-budget, reflecting current expenditures. It is his intention that any salary adjustments or new hires will be presented to the Board at a future time, as appropriate.

Item No. 4: Resolution to Adopt the Strategic Plan of the Illinois Finance Authority for Fiscal Years 2013 through 2015 (the “Strategic Plan”) and to delegate to the Executive Director the authority to Implement, Update and Amend the Strategic Plan

Mr. Meister thanked Ms. Parish for driving the strategic planning process and for working diligently with Ms. Omar and the Executive Director. Mr. Meister is still in the process of speaking with all members of the Board and is therefore also requesting delegation authority to implement the strategic plan once he has finalized his discussions with each member. More specifically, it is the opinion of the Executive Director that now is the time to explore new products and new business lines to supplement declining revenues at IFA.

Ms. Parish requested changes to the Resolution as currently drafted.

Ms. Lenane presented Agenda Item No. 5.

Item No. 5: Resolution to Authorize Amendments and Revisions to the Illinois Finance Authority Bond Program Handbook

Ms. Lenane explained that the IFA's Bond Program Handbook, which provides municipal bond attorneys with the required language provisions that must be incorporated for IFA on conduit financing transactions, needs to be updated.

In addition to IFA's new ability to finance multi-state transactions, the Bond Program Handbook needed to be updated to reflect the current trend toward direct purchase structures being sought by IFA borrowers. Mr. Frampton explained that a direct purchase structure requires less documentation than a public offering, and accordingly, the bond documents need to reflect differing language provisions given that there may be no trustee and likewise no underwriter or placement agent. In fact, the bonds are held as an investment by the lending institution and are not sold into the market.

Ms. Lenane reiterated that this is not unique to small borrowers. Larger healthcare transactions now sometimes include a plan of finance that contemplates a Series of bonds being sold as a direct purchase.

Chairman Brandt expressed his belief that this is also reflective of the current credit markets. Furthermore, Chairman Brandt discussed potential regulatory concerns that he is personally aware of given the amount of private activity bonds being held as investments by financial institutions.

Finally, Ms. Lenane informed members of the Committee of the Whole that the Bond Program Handbook needed to update post-issuance compliance procedures to be reflective of current Internal Revenue Service ("IRS") regulations; additionally, IFA needed to clarify procedures for responding to IRS audits on conduit financings.

VIII. Other Business

None.

IX. Public Comment

None.

X. Adjournment

The Committee of the Whole Meeting adjourned at 10:31 a.m.

Minutes submitted by:
Brad R. Fletcher
Assistant Secretary of the Board

**MINUTES OF THE JULY 10, 2012 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 on July 10, 2012, at 10:30 a.m. in the Conference Center, One Prudential Plaza, 130 East Randolph Avenue, Suite 750, Chicago, Illinois 60601.

IFA Board Members Present:

1. William A. Brandt, Jr., Chairman
2. Michael W. Goetz, Vice Chairman
3. Gila J. Bronner
4. Norman M. Gold
5. Edward H. Leonard, Sr.
6. Terrence M. O’Brien
7. Heather D. Parish
8. Mayor Barrett F. Pedersen
9. Roger E. Poole
10. Bradley A. Zeller

IFA Board Members Excused:

1. Dr. William Barclay
2. James J. Fuentes

IFA Staff Present:

Christopher B. Meister, Executive Director
Richard Frampton, Vice President
Pamela A. Lenane, Vice President and Acting General Counsel
James Senica, Senior Financial Analyst
Brad R. Fletcher, Legal/Financial Analyst
Terrell Gholston, Procurement Analyst
Nora O’Brien, Legal/Financial Analyst
Sohair Omar, Policy/Operations Analyst
Kristina Garcia, Intern
David Papirnik, Intern

IFA Financial Advisor Present:

Phoebe Selden, Acacia Financial Group, Inc.

Guests Present:

Charles J. Jarik, Chapman & Cutler LLP
Anthe Mitrakos, Crain Communications, Inc.

Megan C. Rudd, Jones Day
Tasha Shepherd, Backstrom McCarley Berry & Co., LLC

I. Call to Order & Roll Call

The Board Meeting was called to order at 10:39 a.m. by Chairman Brandt. The Assistant Secretary of the Board, Mr. Fletcher, called the roll. There being ten members present, a quorum was reached.

II. Chairman's Remarks

Chairman Brandt welcomed Members of the Board, IFA staff and all guests present.

III. Adoption of Minutes

Chairman Brandt stated that both the Minutes of the Committee of the Whole Meeting and the Minutes of the Board Meeting, each held on June 12, 2012, were reviewed at the Committee of the Whole Meeting held earlier this morning. Additionally, Chairman Brandt stated that the Financial Statements for the Month ended June 30, 2012 were reviewed at the Committee of the Whole Meeting held earlier this morning. Chairman Brandt requested a motion to adopt the Minutes of both Meetings held on June 12, 2012, and accept the Financial Statements for the Month ended June 30, 2012. Mayor Pedersen made a motion and Vice Chairman Goetz seconded the motion. A roll call vote was taken and the motion was adopted unanimously.

IV. Acceptance of Financial Statements

See Item III.

V. Project Approvals

Chairman Brandt asked Mr. Frampton to present the projects to the Board.

Mr. Frampton presented each of the following projects:

Agriculture – Beginning Farmer Bonds

Item No. 1A: Scott A. & Angela D. Vounard - \$248,700

Scott A. & Angela D. Vounard are requesting approval of a Final Bond Resolution in an amount not-to-exceed Two Hundred Forty Eight Thousand and Seven Hundred Dollars (\$248,700). Bond proceeds will be used to finance the acquisition of approximately 89.26 acres of farmland located in Foster Township in Madison County.

Item No. 1B: George A. Chandler - \$488,600

George A. Chandler is requesting approval of a Final Bond Resolution in an amount not-to-exceed Four Hundred Eighty-Eight Thousand and Six Hundred Dollars (\$488,600). Bond proceeds will be used to finance the acquisition of approximately 160 acres of farmland located in Bald Bluff Township in Henderson County.

VI. Resolutions

Chairman Brandt asked Mr. Frampton to present the resolutions to the Board.

Mr. Frampton presented each of the following resolutions:

Item No. 3: Resolution to Adopt the Fiscal Year 2013 Budget of the Illinois Finance Authority

Item No. 4: Resolution to Adopt the Strategic Plan of the Illinois Finance Authority for Fiscal Years 2013 through 2015 (the “Strategic Plan”) and to delegate to the Executive Director the authority to Implement, Update and Amend the Strategic Plan

Item No. 5: Resolution to Authorize Amendments and Revisions to the Illinois Finance Authority Bond Program Handbook

Chairman Brandt asked if the Members of the Board had any questions related to any of the projects or resolutions presented. There being none, Chairman Brandt requested leave to apply the previous roll call vote in favor of each project and resolution. Leave was granted unanimously.

V. Project Approvals

Chairman Brandt asked Mr. Frampton to present the project which may have an abstention and require a separate roll call vote of the Board.

Mr. Frampton presented the following project:

Healthcare – 501(c)(3) Revenue Bonds

Item No. 2: Hospital Sisters Services, Inc. - \$550,000,000

Hospital Sisters Services, Inc. is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed Five Hundred Fifty Million Dollars (\$550,000,000).

Bond proceeds will be used by Hospital Sisters Services, Inc. (hereinafter, "HSSI" or the "Borrower") to: (i) pay or reimburse the Borrower the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain of their health facilities, including, but not limited to, acquiring, constructing and equipping an approximately a 25-bed critical access replacement hospital in Highland, Illinois (to replace the existing St. Joseph's Hospital in Highland), and for the renovation and replacement of a surgery department at St. John's Hospital in Springfield, Illinois, (ii) refund the outstanding principal amount of IHFA Series 2003A Bonds, IFA Series 2007C Bonds and IFA Series 2008A Bonds that financed prior projects at multiple locations in Illinois, (iii) pay a portion of the interest accruing on the Bonds, if deemed necessary or advisable, (iv) fund working capital, if deemed necessary or advisable, and (v) pay certain expenses incurred in connection with the issuance of the Bonds.

In anticipation of an abstention, Chairman Brandt requested a roll call vote in favor of the project. The Assistant Secretary of the Board, Mr. Fletcher, called the roll. With nine yeas, zero nays and one abstention by Mr. Poole, the project was granted approval. Mr. Poole abstained due to service on the Board of Directors of the Southwestern Illinois Development Authority ("SWIDA"), which at one time also contemplated financing this transaction.

VII. Other Business

None.

VIII. Public Comment

None.

IX. Adjournment

Chairman Brandt requested a motion to adjourn the Board Meeting. A motion to adjourn was made by Mr. Goetz and seconded by Mr. O'Brien.

The Board Meeting adjourned at 10:45 a.m.

Minutes submitted by:

Brad R. Fletcher

Assistant Secretary of the Board

Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
for Period Ending
July 31, 2012

	Actual July 2012	Budget July 2012	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2013	Budget YTD FY 2013	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2013	% of Budget Expended
REVENUE										
INTEREST ON LOANS	21,687	21,019	668	3.18%	21,687	21,019	668	3.18%	269,742	8.04%
INVESTMENT INTEREST & GAIN(LOSS)	3,270	2,083	1,187	56.99%	3,270	2,083	1,187	56.99%	25,000	13.08%
ADMINISTRATIONS & APPLICATION FEES	423,702	461,565	(37,863)	-8.20%	423,702	461,565	(37,863)	-8.20%	3,789,504	11.18%
ANNUAL ISSUANCE & LOAN FEES	27,653	31,015	(3,362)	-10.84%	27,653	31,015	(3,362)	-10.84%	386,222	7.16%
OTHER INCOME	5,165	17,198	(12,033)	-69.97%	5,165	17,198	(12,033)	-69.97%	206,375	2.50%
TOTAL REVENUE	481,477	532,880	(51,403)	-9.65%	481,477	532,880	(51,403)	-9.65%	4,676,843	10.29%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	114,498	126,448	(11,950)	-9.45%	114,498	126,448	(11,950)	-9.45%	1,462,277	7.83%
BENEFITS	20,065	20,158	(93)	-0.46%	20,065	20,158	(93)	-0.46%	244,896	8.19%
TEMPORARY HELP	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
EDUCATION & DEVELOPMENT	-	500	(500)	-100.00%	-	500	(500)	-100.00%	6,000	0.00%
TRAVEL & AUTO	1,680	5,000	(3,320)	-66.40%	1,680	5,000	(3,320)	-66.40%	60,000	2.80%
TOTAL EMPLOYEE RELATED EXPENSES	136,243	152,106	(15,863)	-10.43%	136,243	152,106	(15,863)	-10.43%	1,773,173	7.68%
PROFESSIONAL SERVICES										
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	37,555	37,458	97	0.26%	37,555	37,458	97	0.26%	449,500	8.35%
LOAN EXPENSE & BANK FEE	9,966	8,750	1,216	13.90%	9,966	8,750	1,216	13.90%	105,000	9.49%
ACCOUNTING & AUDITING	25,627	24,754	873	3.53%	25,627	24,754	873	3.53%	297,000	8.63%
MARKETING GENERAL	1,839	1,250	589	47.12%	1,839	1,250	589	47.12%	15,000	12.26%
FINANCIAL ADVISORY	8,333	8,333	-	0.00%	8,333	8,333	-	0.00%	100,000	8.33%
CONFERENCE/TRAINING	1,925	2,500	(575)	-23.00%	1,925	2,500	(575)	-23.00%	30,000	6.42%
MISC. PROFESSIONAL SERVICES	6,250	6,250	-	0.00%	6,250	6,250	-	0.00%	75,000	8.33%
DATA PROCESSING	3,186	5,833	(2,647)	-45.38%	3,186	5,833	(2,647)	-45.38%	70,000	4.55%
TOTAL PROFESSIONAL SERVICES	94,681	95,128	(447)	-0.47%	94,681	95,128	(447)	-0.47%	1,141,500	8.29%
OCCUPANCY COSTS										
OCCUPANCY COSTS										
OFFICE RENT	21,240	22,406	(1,166)	-5.20%	21,240	22,406	(1,166)	-5.20%	268,872	7.90%
EQUIPMENT RENTAL AND PURCHASES	941	1,333	(392)	-29.41%	941	1,333	(392)	-29.41%	16,000	5.88%
TELECOMMUNICATIONS	3,050	2,917	133	4.56%	3,050	2,917	133	4.56%	35,000	8.71%
UTILITIES	900	1,000	(100)	-10.00%	900	1,000	(100)	-10.00%	12,000	7.50%
DEPRECIATION	3,693	2,708	985	36.37%	3,693	2,708	985	36.37%	32,500	11.36%
INSURANCE	1,950	2,083	(133)	-6.39%	1,950	2,083	(133)	-6.39%	25,000	7.80%
TOTAL OCCUPANCY COSTS	31,774	32,447	(673)	-2.07%	31,774	32,447	(673)	-2.07%	389,372	8.16%

**Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
for Period Ending
July 31, 2012**

	Actual July 2012	Budget July 2012	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2013	Budget YTD FY 2013	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2013	% of Budget Expended
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	3,176	2,983	193	6.47%	3,176	2,983	193	6.47%	35,800	8.87%
BOARD MEETING - EXPENSES	2,200	2,917	(717)	-24.58%	2,200	2,917	(717)	-24.58%	35,000	6.29%
PRINTING	592	833	(241)	-28.93%	592	833	(241)	-28.93%	10,000	5.92%
POSTAGE & FREIGHT	838	1,250	(412)	-32.96%	838	1,250	(412)	-32.96%	15,000	5.59%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,507	2,000	(493)	-24.65%	1,507	2,000	(493)	-24.65%	34,000	4.43%
PUBLICATIONS	19	583	(564)	-96.74%	19	583	(564)	-96.74%	7,000	0.27%
OFFICERS & DIRECTORS INSURANCE	15,108	16,667	(1,559)	-9.35%	15,108	16,667	(1,559)	-9.35%	200,000	7.55%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	23,440	27,233	(3,793)	-13.93%	23,440	27,233	(3,793)	-13.93%	336,800	6.96%
LOAN LOSS PROVISION/BAD DEBT	-	-	-	-	-	-	-	0.00%	-	0.00%
OTHER										
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL EXPENSES	286,138	306,914	(20,776)	-6.77%	286,138	306,914	(20,776)	-6.77%	3,640,845	7.86%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	195,339	225,966	(30,627)	-13.55%	195,339	225,966	(30,627)	-13.55%	1,035,998	18.86%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	195,339	225,966	(30,627)	-13.55%	195,339	225,966	(30,627)	-13.55%	1,035,998	18.86%

Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
July 31, 2012

	Actual July 2012	Actual July 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2013	Actual YTD FY 2012	Year to Date Variance Actual vs. Budget	YTD % Variance
REVENUE								
INTEREST ON LOANS	21,687	135,376	(113,689)	-83.98%	21,687	135,376	(113,689)	-83.98%
INVESTMENT INTEREST & GAIN(LOSS)	3,270	1,547	1,723	111.42%	3,270	1,547	1,723	111.42%
ADMINISTRATIONS & APPLICATION FEES	423,702	45,211	378,491	837.16%	423,702	45,211	378,491	837.16%
ANNUAL ISSUANCE & LOAN FEES	27,653	25,217	2,436	9.66%	27,653	25,217	2,436	9.66%
OTHER INCOME	5,165	6,928	(1,763)	-25.45%	5,165	6,928	(1,763)	-25.45%
TOTAL REVENUE	481,477	214,279	267,198	124.70%	481,477	214,279	267,198	124.70%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	114,498	146,036	(31,538)	-21.60%	114,498	146,036	(31,538)	-21.60%
BENEFITS	20,065	22,897	(2,832)	-12.37%	20,065	22,897	(2,832)	-12.37%
TEMPORARY HELP	-	-	-	0.00%	-	-	-	0.00%
EDUCATION & DEVELOPMENT	-	-	-	0.00%	-	-	-	#DIV/0!
TRAVEL & AUTO	1,680	3,554	(1,874)	-52.73%	1,680	3,554	(1,874)	-52.73%
TOTAL EMPLOYEE RELATED EXPENSES	136,243	172,487	(36,244)	-21.01%	136,243	172,487	(36,244)	-21.01%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	37,555	30,605	6,950	22.71%	37,555	30,605	6,950	22.71%
LOAN EXPENSE & BANK FEE	9,966	9,187	779	8.47%	9,966	9,187	779	8.47%
ACCOUNTING & AUDITING	25,627	20,705	4,922	23.77%	25,627	20,705	4,922	23.77%
MARKETING GENERAL	1,839	-	1,839	#DIV/0!	1,839	-	1,839	#DIV/0!
FINANCIAL ADVISORY	8,333	16,667	(8,334)	-50.00%	8,333	16,667	(8,334)	-50.00%
CONFERENCE/TRAINING	1,925	-	1,925	#DIV/0!	1,925	-	1,925	#DIV/0!
MISC. PROFESSIONAL SERVICES	6,250	9,167	(2,917)	-31.82%	6,250	9,167	(2,917)	-31.82%
DATA PROCESSING	3,186	2,726	460	16.88%	3,186	2,726	460	16.88%
TOTAL PROFESSIONAL SERVICES	94,681	89,058	5,623	6.31%	94,681	89,058	5,623	6.31%
OCCUPANCY COSTS								
OFFICE RENT	21,240	21,797	(557)	-2.56%	21,240	21,797	(557)	-2.56%
EQUIPMENT RENTAL AND PURCHASES	941	1,093	(152)	-13.87%	941	1,093	(152)	-13.87%
TELECOMMUNICATIONS	3,050	2,907	143	4.92%	3,050	2,907	143	4.92%
UTILITIES	900	1,366	(466)	-34.13%	900	1,366	(466)	-34.13%
DEPRECIATION	3,693	2,284	1,409	61.70%	3,693	2,284	1,409	61.70%
INSURANCE	1,950	1,945	5	0.26%	1,950	1,945	5	0.26%
TOTAL OCCUPANCY COSTS	31,774	31,392	382	1.22%	31,774	31,392	382	1.22%

**Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
July 31, 2012**

	Actual July 2012	Actual July 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2013	Actual YTD FY 2012	Year to Date Variance Actual vs. Budget	YTD % Variance
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	3,176	1,596	1,580	99.00%	3,176	1,596	1,580	99.00%
BOARD MEETING - EXPENSES	2,200	2,750	(550)	-20.00%	2,200	2,750	(550)	-20.00%
PRINTING	592	989	(397)	-40.14%	592	989	(397)	-40.14%
POSTAGE & FREIGHT	838	394	444	112.57%	838	394	444	112.57%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,507	993	514	51.72%	1,507	993	514	51.72%
PUBLICATIONS	19	98	(79)	-80.53%	19	98	(79)	-80.53%
OFFICERS & DIRECTORS INSURANCE	15,108	15,261	(153)	-1.00%	15,108	15,261	(153)	-1.00%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%
TOTAL GENL & ADMIN EXPENSES	23,440	22,081	1,359	6.15%	23,440	22,081	1,359	6.15%
LOAN LOSS PROVISION/BAD DEBT	-	-	-	-	-	-	-	0.00%
OTHER								
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%
TOTAL EXPENSES	286,138	315,018	(28,880)	-9.17%	286,138	315,018	(28,880)	-9.17%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	195,339	(100,739)	296,078	-293.91%	195,339	(100,739)	296,078	-293.91%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER	-	-	-	0.00%	-	-	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	195,339	(100,739)	296,078	-293.91%	195,339	(100,739)	296,078	-293.91%

**Illinois Finance Authority
General Fund
Unaudited
Balance Sheet
for the One Month Ending July 31, 2012**

	Actual July 2011	Actual July 2012
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	\$ 31,201,782	\$ 40,307,043
RECEIVABLES, NET	95,032	227,762
LOAN RECEIVABLE, NET	11,572,272	6,352,700
OTHER RECEIVABLES	149,158	48,112
PREPAID EXPENSES	214,195	57,912
TOTAL CURRENT ASSETS	43,232,439	46,993,529
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	127,447	104,640
DEFERRED ISSUANCE COSTS	293,115	243,018
OTHER ASSETS		
CASH RESTRICTED, INVESTMENTS & RESERVES	874,325	875,000
VENTURE CAPITAL INVESTMENTS	-	-
OTHER	-	570,196
TOTAL OTHER ASSETS	874,325	1,445,196
TOTAL ASSETS	\$ 44,527,326	\$ 48,786,383
LIABILITIES		
CURRENT LIABILITIES	\$ 614,660	\$ 498,887
LONG-TERM LIABILITIES	429,080	358,521
TOTAL LIABILITIES	1,043,740	857,408
EQUITY		
CONTRIBUTED CAPITAL	4,111,479	4,111,479
RETAINED EARNINGS	27,501,548	31,650,859
NET INCOME / (LOSS)	(100,739)	195,339
RESERVED/RESTRICTED FUND BALANCE	1,732,164	1,732,164
UNRESERVED FUND BALANCE	10,239,134	10,239,134
TOTAL EQUITY	43,483,586	47,928,975
TOTAL LIABILITIES & EQUITY	\$ 44,527,326	\$ 48,786,383

Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
for Period Ending
July 31, 2012

	Actual July 2012	Budget July 2012	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2013	Budget YTD FY 2013	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2013	% of Budget Expended
REVENUE										
INTEREST ON LOANS	160,379	162,649	(2,270)	-1.40%	160,379	162,649	(2,270)	-1.40%	1,931,461	8.30%
INVESTMENT INTEREST & GAIN(LOSS)	42,360	45,154	(2,794)	-6.19%	42,360	45,154	(2,794)	-6.19%	543,350	7.80%
ADMINISTRATIONS & APPLICATION FEES	423,702	461,565	(37,863)	-8.20%	423,702	461,565	(37,863)	-8.20%	3,789,504	11.18%
ANNUAL ISSUANCE & LOAN FEES	27,653	31,015	(3,362)	-10.84%	27,653	31,015	(3,362)	-10.84%	386,222	7.16%
OTHER INCOME	23,359	42,198	(18,839)	-44.64%	23,359	42,198	(18,839)	-44.64%	506,375	4.61%
TOTAL REVENUE	677,453	742,581	(65,128)	-8.77%	677,453	742,581	(65,128)	-8.77%	7,156,912	9.47%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	114,498	126,448	(11,950)	-9.45%	114,498	126,448	(11,950)	-9.45%	1,462,277	7.83%
BENEFITS	20,065	20,158	(93)	-0.46%	20,065	20,158	(93)	-0.46%	244,896	8.19%
TEMPORARY HELP	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
EDUCATION & DEVELOPMENT	-	500	(500)	-100.00%	-	500	(500)	-100.00%	6,000	0.00%
TRAVEL & AUTO	1,680	5,000	(3,320)	-66.40%	1,680	5,000	(3,320)	-66.40%	60,000	2.80%
TOTAL EMPLOYEE RELATED EXPENSES	136,243	152,106	(15,863)	-10.43%	136,243	152,106	(15,863)	-10.43%	1,773,173	7.68%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	39,638	39,542	96	0.24%	39,638	39,542	96	0.24%	474,500	8.35%
LOAN EXPENSE & BANK FEE	171,452	170,236	1,216	0.71%	171,452	170,236	1,216	0.71%	2,042,832	8.39%
ACCOUNTING & AUDITING	26,926	26,653	273	1.02%	26,926	26,653	273	1.02%	319,791	8.42%
MARKETING GENERAL	1,839	1,250	589	47.12%	1,839	1,250	589	47.12%	15,000	12.26%
FINANCIAL ADVISORY	8,333	8,333	-	0.00%	8,333	8,333	-	0.00%	100,000	8.33%
CONFERENCE/TRAINING	1,925	2,500	(575)	-23.00%	1,925	2,500	(575)	-23.00%	30,000	6.42%
MISC. PROFESSIONAL SERVICES	9,583	9,583	-	0.00%	9,583	9,583	-	0.00%	115,000	8.33%
DATA PROCESSING	3,186	5,833	(2,647)	-45.38%	3,186	5,833	(2,647)	-45.38%	70,000	4.55%
TOTAL PROFESSIONAL SERVICES	262,882	263,930	(1,048)	-0.40%	262,882	263,930	(1,048)	-0.40%	3,167,123	8.30%
OCCUPANCY COSTS										
OFFICE RENT	21,240	22,406	(1,166)	-5.20%	21,240	22,406	(1,166)	-5.20%	268,872	7.90%
EQUIPMENT RENTAL AND PURCHASES	941	1,333	(392)	-29.41%	941	1,333	(392)	-29.41%	16,000	5.88%
TELECOMMUNICATIONS	3,050	2,917	133	4.56%	3,050	2,917	133	4.56%	35,000	8.71%
UTILITIES	900	1,000	(100)	-10.00%	900	1,000	(100)	-10.00%	12,000	7.50%
DEPRECIATION	3,693	2,708	985	36.37%	3,693	2,708	985	36.37%	32,500	11.36%
INSURANCE	1,950	2,083	(133)	-6.39%	1,950	2,083	(133)	-6.39%	25,000	7.80%
TOTAL OCCUPANCY COSTS	31,774	32,447	(673)	-2.07%	31,774	32,447	(673)	-2.07%	389,372	8.16%

**Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
for Period Ending
July 31, 2012**

	Actual July 2012	Budget July 2012	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2013	Budget YTD FY 2013	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2013	% of Budget Expended
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	3,175	2,983	192	6.44%	3,175	2,983	192	6.44%	35,800	8.87%
BOARD MEETING - EXPENSES	2,200	2,917	(717)	-24.58%	2,200	2,917	(717)	-24.58%	35,000	6.29%
PRINTING	592	833	(241)	-28.93%	592	833	(241)	-28.93%	10,000	5.92%
POSTAGE & FREIGHT	838	1,250	(412)	-32.96%	838	1,250	(412)	-32.96%	15,000	5.59%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,507	2,000	(493)	-24.65%	1,507	2,000	(493)	-24.65%	34,000	4.43%
PUBLICATIONS	19	583	(564)	-96.74%	19	583	(564)	-96.74%	7,000	0.27%
OFFICERS & DIRECTORS INSURANCE	15,108	16,667	(1,559)	-9.35%	15,108	16,667	(1,559)	-9.35%	200,000	7.55%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	23,439	27,233	(3,794)	-13.93%	23,439	27,233	(3,794)	-13.93%	336,800	6.96%
LOAN LOSS PROVISION/BAD DEBT	-	-	-	-	-	-	-	0.00%	-	0.00%
OTHER										
INTEREST EXPENSE	455	455	-	0.00%	455	455	-	0.00%	5,166	8.81%
TOTAL OTHER	455	455	-	0.00%	455	455	-	0.00%	5,166	0.00%
TOTAL EXPENSES	454,793	476,171	(21,378)	-4.49%	454,793	476,171	(21,378)	-4.49%	5,671,634	8.02%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	222,660	266,410	(43,750)	-16.42%	222,660	266,410	(43,750)	-16.42%	1,485,278	14.99%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	222,660	266,410	(43,750)	-16.42%	222,660	266,410	(43,750)	-16.42%	1,485,278	14.99%

**Illinois Finance Authority
Consolidated Statement of Activities
Comparison
for Period Ending
July 31, 2012**

	Actual July 2012	Actual July 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2013	Actual YTD FY 2012	Year to Date Variance Actual vs. Budget	YTD % Variance
REVENUE								
INTEREST ON LOANS	160,379	508,446	(348,067)	-68.46%	160,379	508,446	(348,067)	-68.46%
INVESTMENT INTEREST & GAIN(LOSS)	42,360	(42,429)	84,789	-199.84%	42,360	(42,429)	84,789	-199.84%
ADMINISTRATIONS & APPLICATION FEES	423,702	45,211	378,491	837.17%	423,702	45,211	378,491	837.17%
ANNUAL ISSUANCE & LOAN FEES	27,653	25,217	2,436	9.66%	27,653	25,217	2,436	9.66%
OTHER INCOME	23,359	11,180	12,179	108.94%	23,359	11,180	12,179	108.94%
TOTAL REVENUE	677,453	547,625	129,828	23.71%	677,453	547,625	129,828	23.71%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	114,498	146,036	(31,538)	-21.60%	114,498	146,036	(31,538)	-21.60%
BENEFITS	20,065	22,897	(2,832)	-12.37%	20,065	22,897	(2,832)	-12.37%
TEMPORARY HELP	-	-	-	0.00%	-	-	-	0.00%
EDUCATION & DEVELOPMENT	-	-	-	0.00%	-	-	-	#DIV/0!
TRAVEL & AUTO	1,680	3,553	(1,873)	-52.72%	1,680	3,553	(1,873)	-52.72%
TOTAL EMPLOYEE RELATED EXPENSES	136,243	172,486	(36,243)	-21.01%	136,243	172,486	(36,243)	-21.01%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	39,638	32,688	6,950	21.26%	39,638	32,688	6,950	21.26%
LOAN EXPENSE & BANK FEE	171,452	(694,891)	866,343	-124.67%	171,452	(694,891)	866,343	-124.67%
ACCOUNTING & AUDITING	26,926	22,254	4,672	20.99%	26,926	22,254	4,672	20.99%
MARKETING GENERAL	1,839	-	1,839	#DIV/0!	1,839	-	1,839	#DIV/0!
FINANCIAL ADVISORY	8,333	16,667	(8,334)	-50.00%	8,333	16,667	(8,334)	-50.00%
CONFERENCE/TRAINING	1,925	-	1,925	#DIV/0!	1,925	-	1,925	#DIV/0!
MISC. PROFESSIONAL SERVICES	9,583	12,500	(2,917)	-23.34%	9,583	12,500	(2,917)	-23.34%
DATA PROCESSING	3,186	2,726	460	16.87%	3,186	2,726	460	16.87%
TOTAL PROFESSIONAL SERVICES	262,882	(608,056)	870,938	-143.23%	262,882	(608,056)	870,938	-143.23%
OCCUPANCY COSTS								
OFFICE RENT	21,240	21,797	(557)	-2.56%	21,240	21,797	(557)	-2.56%
EQUIPMENT RENTAL AND PURCHASES	941	1,093	(152)	-13.91%	941	1,093	(152)	-13.91%
TELECOMMUNICATIONS	3,050	2,907	143	4.92%	3,050	2,907	143	4.92%
UTILITIES	900	1,366	(466)	-34.11%	900	1,366	(466)	-34.11%
DEPRECIATION	3,693	2,284	1,409	61.69%	3,693	2,284	1,409	61.69%
INSURANCE	1,950	1,945	5	0.26%	1,950	1,945	5	0.26%
TOTAL OCCUPANCY COSTS	31,774	31,392	382	1.22%	31,774	31,392	382	1.22%

**Illinois Finance Authority
Consolidated Statement of Activities
Comparison
for Period Ending
July 31, 2012**

	Actual July 2012	Actual July 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2013	Actual YTD FY 2012	Year to Date Variance Actual vs. Budget	YTD % Variance
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	3,175	1,597	1,578	98.81%	3,175	1,597	1,578	98.81%
BOARD MEETING - EXPENSES	2,200	2,750	(550)	-20.00%	2,200	2,750	(550)	-20.00%
PRINTING	592	989	(397)	-40.14%	592	989	(397)	-40.14%
POSTAGE & FREIGHT	838	394	444	112.69%	838	394	444	112.69%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,507	993	514	51.76%	1,507	993	514	51.76%
PUBLICATIONS	19	98	(79)	-80.61%	19	98	(79)	-80.61%
OFFICERS & DIRECTORS INSURANCE	15,108	15,261	(153)	-1.00%	15,108	15,261	(153)	-1.00%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%
TOTAL GENL & ADMIN EXPENSES	23,439	22,082	1,357	6.15%	23,439	22,082	1,357	6.15%
LOAN LOSS PROVISION/BAD DEBT	-	-	-	#DIV/0!	-	-	-	#DIV/0!
OTHER								
INTEREST EXPENSE	455	503	(48)	-9.54%	455	503	(48)	-9.54%
TOTAL OTHER	455	503	(48)	0.00%	455	503	(48)	0.00%
TOTAL EXPENSES	454,793	(381,593)	836,386	-219.18%	454,793	(381,593)	836,386	-219.18%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	222,660	929,218	(706,558)	-76.04%	222,660	929,218	(706,558)	-76.04%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER	-	-	-	0.00%	-	-	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
TRANSFERS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	222,660	929,218	(706,558)	-76.04%	222,660	929,218	(706,558)	-76.04%

**Illinois Finance Authority
Consolidated
Unaudited
Balance Sheet
for the One Month Ending July 31, 2012**

	Actual July 2011	Actual July 2012
	<hr/>	<hr/>
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	\$ 31,201,783	\$ 40,307,043
RECEIVABLES, NET	95,032	227,762
LOAN RECEIVABLE, NET	33,071,815	28,824,754
NOTES RECEIVABLE	38,663,637	34,643,937
OTHER RECEIVABLES	405,329	924,944
PREPAID EXPENSES	214,195	57,912
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	103,651,791	104,986,352
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	127,447	104,640
DEFERRED ISSUANCE COSTS	394,946	326,265
OTHER ASSETS		
CASH RESTRICTED, INVESTMENTS & RESERVES	52,279,864	54,248,632
VENTURE CAPITAL INVESTMENTS	2,247,981	-
OTHER	3,000,000	3,000,000
	<hr/>	<hr/>
TOTAL OTHER ASSETS	57,527,845	57,248,632
TOTAL ASSETS	<u>\$ 161,702,029</u>	<u>\$162,665,889</u>
LIABILITIES		
CURRENT LIABILITIES		
BONDS PAYABLE	720,758	608,310
OTHER LIABILITIES	46,900,000	42,130,000
	<hr/>	<hr/>
TOTAL LIABILITIES	48,746,127	44,633,670
EQUITY		
CONTRIBUTED CAPITAL	35,608,692	35,608,692
RETAINED EARNINGS	28,655,681	30,492,093
NET INCOME / (LOSS)	929,218	222,660
RESERVED/RESTRICTED FUND BALANCE	35,114,140	39,060,603
UNRESERVED FUND BALANCE	12,648,171	12,648,171
	<hr/>	<hr/>
TOTAL EQUITY	112,955,902	118,032,219
TOTAL LIABILITIES & EQUITY	<u>\$ 161,702,029</u>	<u>\$162,665,889</u>

\$7,000,000 (not-to-exceed amount)
Freedman Seating Company, Freedman Building L.L.C., FSLH, LLC,
FSLH, LLC - Series 4545, FSLH, LLC - Series 4501, FSLH, LLC -
Series 7346 and FBSA LLC

August 14, 2012

REQUEST	<p>Purpose: To enable Freedman Seating Company, Freedman Building L.L.C., FSLH, LLC, FSLH, LLC - Series 4545, FSLH, LLC - Series 4501, FSLH, LLC - Series 7346 and FBSA LLC (collectively, the “Borrowers”), to (i) purchase, renovate, and equip an approximately 170,000 square foot (“SF”) building located at 4501 W. Augusta Blvd., Chicago, Illinois, that includes adjacent properties located at 914 N. Kilbourn Ave., 976 N. Kilbourn Ave., both in Chicago, Illinois, for use as a manufacturing facility and the surface parking lot located just north of 4500 W. Chicago Ave., Chicago, Illinois; (ii) refund \$1,085,000 principal amount of the Authority’s Industrial Development Revenue Bonds (Freedman Seating Company Project), Series 2005, and originally issued to finance costs of acquisition and installation of seating manufacturing lines and related equipment to convert these bonds to a bank direct purchase mode for Freedman Seating Company, (iii) refund \$1,855,000 principal amount of City of Chicago Industrial Development Revenue Bonds, Series 1998 issued to finance costs of acquisition, rehabilitation and equipping of a manufacturing facility and related equipment located at 4545 W. Augusta Blvd., Chicago, Illinois for Freedman Seating Company and Freedman Building L.L.C., (iv) paying bond issuance costs, and (v) authorizing the execution of related documents.</p> <p>Program: Industrial Revenue Bonds and Refunding Bonds</p> <p>Volume Cap required: This Project is expected to require an anticipated \$3.37MM of IFA 2012 Volume Cap (and potentially up to \$4.1MM of Volume Cap) to finance the New Money portion of this project.</p> <p>No IFA Funds at risk. No State Funds at risk.</p>																				
BOARD ACTION	<p>Final Bond Resolution</p> <p>Preliminary Bond Resolution approved 12/13/2011: Ayes: 11 Nays: 0 Abstentions: 0 Absent: 2 (Bronner, Durburg) Vacancies: 2</p>																				
MATERIAL CHANGES	<p>Increase in not-to-exceed amount reflects increase in anticipated refunding bond issue.</p>																				
JOB DATA	<table border="0"> <tr> <td>530</td> <td>Current jobs</td> <td>43</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>15 (5 months)</td> <td>Construction jobs projected</td> </tr> </table>	530	Current jobs	43	New jobs projected	N/A	Retained jobs	15 (5 months)	Construction jobs projected												
530	Current jobs	43	New jobs projected																		
N/A	Retained jobs	15 (5 months)	Construction jobs projected																		
BORROWER DESCRIPTION	<ul style="list-style-type: none"> • Type of entity: Manufacturer of upholstered seating used in commercial trucks and buses. • Location: Chicago/Cook/Northeast • The new buildings will be used by the Borrowers to expand existing manufacturing operations. 																				
CREDIT INDICATORS	<ul style="list-style-type: none"> • Bonds will be purchased directly by Wells Fargo Bank, N.A. as a direct investment. Wells Fargo will be the secured lender and direct bond investor. 																				
STRUCTURE	<ul style="list-style-type: none"> • Term: not-to-exceed 40 years (anticipated final maturity date: 20 years) • Rate: The Bonds will be purchased directly by Wells Fargo Bank as a direct investment and are expected to bear an interest rate that will be reset every 5 years until maturity. The initial interest rate is currently estimated at between 2.5% and 3.5%. • In addition to issuing approximately \$3.37MM of New Money Bonds, approximately \$2.94MM of outstanding 7-day floating rate bonds will be refunded and converted from LOC-secured, 7-day VRDN Mode to a bank direct purchase mode. 																				
SOURCES AND USES	<table border="0"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA Bonds</td> <td>\$3,370,000</td> <td>New Project Cost:</td> <td>\$3,305,000</td> </tr> <tr> <td>Refunding Bonds</td> <td>2,940,000</td> <td>Refunding Escrow</td> <td>2,940,000</td> </tr> <tr> <td>Equity</td> <td><u>90,000</u></td> <td>Costs of Issuance</td> <td><u>155,000</u></td> </tr> <tr> <td>Total</td> <td>\$6,400,000</td> <td>Total</td> <td>\$6,400,000</td> </tr> </table>	Sources:		Uses:		IFA Bonds	\$3,370,000	New Project Cost:	\$3,305,000	Refunding Bonds	2,940,000	Refunding Escrow	2,940,000	Equity	<u>90,000</u>	Costs of Issuance	<u>155,000</u>	Total	\$6,400,000	Total	\$6,400,000
Sources:		Uses:																			
IFA Bonds	\$3,370,000	New Project Cost:	\$3,305,000																		
Refunding Bonds	2,940,000	Refunding Escrow	2,940,000																		
Equity	<u>90,000</u>	Costs of Issuance	<u>155,000</u>																		
Total	\$6,400,000	Total	\$6,400,000																		
RECOMMENDATION	<p>Credit Review Committee recommends approval.</p>																				

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 14, 2012**

**Project: Freedman Seating Company, Freedman Building L.L.C., FSLH, LLC,
FSLH, LLC - Series 4545, FSLH, LLC - Series 4501, FSLH, LLC - Series
7346 and FBSA LLC**

STATISTICS

IFA Project:	I-ID-TE-CD-8513	Amount:	\$7,000,000 (<i>not-to-exceed amount; including not-to-exceed \$4.1MM of New Money Bonds</i>)
Type:	Industrial Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Chicago	County/ Region:	Cook / Northeast

BOARD ACTION

Final Bond Resolution Conduit Industrial Revenue Bonds and Refunding Bonds	No IFA funds at risk
Credit committee recommends approval	No extraordinary conditions

VOTING RECORD

Preliminary Bond Resolution approved 12/13/2011:

Ayes: 11 Nays: 0 Abstentions: 0 Absent: 2 (Bronner, Durburg)
Vacancies: 2

PURPOSE

To enable Freedman Seating Company, Freedman Building L.L.C., FSLH, LLC, FSLH, LLC - Series 4545, FSLH, LLC - Series 4501, FSLH, LLC - Series 7346 and FBSA LLC to expand existing Chicago manufacturing facilities (located at 4545 W. Augusta Blvd.) through the acquisition, construction, and equipping of one or more buildings totaling 170,000 SF located on an approximately 3.0 acre site at 4501 Augusta Blvd., 914 N. Kilbourn Ave. and 976 N. Kilbourn Ave., and the surface parking lot located at 4500 W. Chicago Ave., all in Chicago, Illinois. Bond proceeds may also be used to pay bond issuance costs.

Additionally, this Resolution will authorize the refunding and conversion of up to \$2.1MM of existing IFA and City of Chicago IRB's from LOC-secured 7-day VRDN Mode to a bank direct purchase mode.

IFA PROGRAM AND CONTRIBUTION

The Authority's Industrial Revenue Program provides tax-exempt financing for qualifying manufacturing projects.

VOLUME CAP

The Authority's Industrial Revenue Bond Program provides low interest rate financing for qualifying manufacturing projects. IFA's issuance of Industrial Revenue Bonds will enable the Borrowers to obtain a lower interest rate on this capital project. It is anticipated that IFA will provide 100% of the Volume Cap allocation required to finance the New Money portion of this project (i.e., anticipated amount of \$3.37MM; maximum potential amount of \$4.1MM).

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds (IRB)	\$	3,370,000	Uses:	Project Costs	\$	3,305,000
	IFA Refunding Bonds		1,085,000		Refunding Bonds		2,940,000
	Refunding - City of Chicago IRB		1,855,000		Costs of Issuance		155,000
	Equity		90,000				
	Total	\$	6,400,000		Total	\$	6,400,000

JOBS

Current employment:	530	Projected new jobs:	43
Jobs retained:	N/A	Construction jobs:	15 (5 months)

FINANCING SUMMARY

Structure/Credit

Enhancement: Conduit Industrial Revenue Bonds will be purchased directly by Wells Fargo Bank, N.A. as the Direct Investor/Lender.

Interest Rate: The Bonds will be purchased directly by Wells Fargo Bank, N.A. as a direct investment and are expected to bear an interest rate that will be reset every 5 years until maturity. The initial interest rate is currently estimated at between 3.0% and 4.0% for an initial term of 3 to 5 years.

Bank Collateral: Wells Fargo Bank, N.A. will be secured by a first mortgage on the subject property, a first lien on the financed equipment, a corporate guarantee by Freedman Seating Company, and a collateral assignment of Rents and Leases any real estate and equipment that is leased to Freedman Seating Company.

Maturity: Not-to-exceed 40 years (anticipated maximum of 25 Years on real estate assets and 10 years on equipment)

Closing: September 2012

BUSINESS SUMMARY

Description: **Freedman Building, L.L.C.** (the “**LLC**”) is a special purpose real estate entity that is owned by the principal owners of **Freedman Seating Company, Inc.** (the “**Company**”) (and collectively with Freedman Building, L.L.C., FSLH, LLC, FSLH, LLC - Series 4545, FSLH, LLC - Series 4501, FSLH, LLC - Series 7346 and FBSA LLC, each an Illinois limited liability company, the “**Borrowers**”). Freedman Building, L.L.C. or affiliates will own the subject real estate while Freedman Seating Company, Inc. or affiliates will own the subject equipment.

Owners of 7.5% or more of Freedman Seating Company, Inc. and its various affiliates are identified in the Economic Disclosure Statement section of this report (see page 5). The Company has been family owned by members of the Freedman family since it was founded in the 1890s. The same parties will also be involved in any successor affiliate that serves as a co-borrower on the subject financing.

Background: **Freedman Seating Company, Inc.** was originally founded members by the Freedman family over 120 years ago as a manufacturing of seat cushions for horse drawn buggies. The Company has been based in Chicago since its inception and continues to be owned by members of the Freedman family. Freedman Seating has evolved over time with the Company's principal market now consists of manufacturing upholstered seating products used in buses and commercial trucks.

Freedman has posted steady growth over since 1999, when the Company relocated from the Ravenswood neighborhood to its present facility on Chicago's West Side which enabled the Company to quadruple its production capacity.

IFA issued approximately \$2.24MM of Industrial Development Revenue Bonds in 2005 that financed the acquisition of equipment to enable the Company to add a transit seat production line under a joint venture with the USSC Group (all payments on the IFA Series 2005 Bonds have been paid as scheduled and are current). Since installation of the transit seat line in 2006, Freedman has added lines to manufacture school bus seat headrests and seat belts.

Freedman Seating has steadily expanded its employment from 265 at the time of its 1998 expansion/relocation from Ravenswood, to 363 in 2005 (prior to the IFA-financed equipment expansion) to 530 presently. Additionally, the Company anticipated creating 43 new jobs within two years of completing its 2005 IFA-financed expansion (resulting in 406 total jobs pursuant to their 2005 forecast). Freedman Seating's continued growth has resulted in additional hiring – the Company's current headcount of 530 significantly exceeds their forecast of 406 based on their 2005 application.

Freedman Seating Company produces over 50 products in five product lines. Freedman Seating's on-site production is comprised of the following activities: metal forming, bending and welding, fabric cutting and sewing, upholstery and assembly. These production activities are supported by a 40-member design and engineering team, as well as a quality testing department. According to the Company's management, Freedman Seating has been gaining market share in the heavy-duty transit seating segment of the upholstered seating business by providing reduced lead times and improved sales support and also providing replacement seating to OEM manufacturers.

Key OEM bus builders with U.S. operations that purchase seating include Daimler Benz/Freightliner, Navistar, New Flyer, Neoplan, North America Bus, and Gillig.

In addition to bringing back production that was previously outsourced offshore, Freedman Seating also sources many parts from steel, plastic, hardware, and screw machine parts from U.S.-based suppliers located in Illinois and nearby states.

Rationale: The proposed project is necessary to enable Freedman Seating to increase production capacity to serve the heavy-duty transit-seating segment of the seating business. Tax-Exempt Industrial Revenue Bond financing will help the Company finance its capital intensive growth at a significantly lower interest rate, thereby enabling the Company to more effectively compete with foreign competition based in Europe, Asia, or South America.

According to the Company, Freedman Seating is the largest employer in the 37th Ward of the City of Chicago.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will finance facilities and equipment that will be owned by Freedman Seating Company, Freedman Building L.L.C., FSLH, LLC, FSLH, LLC - Series 4545, FSLH, LLC - Series 4501, FSLH, LLC - Series 7346 and FBSA LLC, including the acquisition, construction, and equipping of one or more buildings totaling approximately 170,000 SF located on an approximately 3.0 acre site at 4501 Augusta Blvd., 914 N. Kilbourn Ave., 976 N. Kilbourn Ave., and a surface parking lot located at 4500 W. Chicago Ave. in Chicago, Illinois 60651. Additionally, bond proceeds may be used to pay bond issuance costs.

These facilities will expand Freedman Seating Company's Chicago manufacturing campus currently located at 4545 W. Augusta Blvd. in Chicago, Illinois 60651.

Estimated New Money project costs consist of the following:

Land/Building Acquisition	\$2,103,750
Rehabilitation	371,250
Equipment (both new and existing facility)	<u>830,000</u>
Total New Money Project Costs	<u>\$3,305,000</u>

Additionally, this Resolution will authorize the Refunding and conversion of up to \$3.1MM combined of existing IFA Series 2005 Bonds and City of Chicago Series 1998 Industrial Revenue Bonds from LOC-secured mode to a direct purchase structure.

Note: The Final Bond Resolution authorizes up to approximately \$4.1 million of tax-exempt Industrial Development Revenue Bonds to be issued for the New Money portion of the Project (subject to approval of Freedman Seating's lender – Wells Fargo Bank, N.A.).

ECONOMIC DISCLOSURE STATEMENT

Applicant: Freedman Seating Company, Inc. and its affiliates, c/o Mr. Lynn Crim, Controller, Freedman Seating Company, Inc., 4545 W. Augusta Blvd., Chicago, IL 60651; Ph. 773-524-2440; Email: lynnc@freedmanseat.com
Website: www.freedmanseating.com
Project name: Freedman Seating Company, Inc. (IFA Series 2012 Industrial Revenue Bonds)
Locations: 4501 W. August Blvd., 914 N. Kilbourn Ave., 976 W. Kilbourn Ave., 4500 W. Chicago Ave., all in Chicago, Illinois 60651.
Ownership Information: All management employees or individuals holding a 7.5% or greater ownership interest (i.e., IFA private company disclosure threshold) in Freedman Building, L.L.C. and Freedman Seating Company, Inc. are listed below:

- (i) **Real Estate Tenant/Operating Company/Equipment Owner/Equipment Lessee/Corporate Guarantor:**
Freedman Seating Company, Inc., an Illinois corporation:
Ownership:
- Gerald Freedman, CEO/Chairman
 - Craig Freedman, President
 - Dan Smith-Cohen, VP Sales

- (ii) **Limited Liability Company Affiliates of Freedman Seating (and Owners of Various Assets financed by Series 2012 Bond Proceeds):**
- **Freedman Building, L.L.C., an Illinois limited liability company,**
 - Gerald Freedman, Manager
 - **FSLH, LLC, FSLH, LLC - Series 4545, FSLH, LLC - Series 4501, FSLH, LLC - Series 7346 and FBSA LLC (each entity is an Illinois Limited Liability Company):**
 - Craig Freedman, Manager

PROFESSIONAL & FINANCIAL

General Counsel:	Robbins Salomon & Patt, Ltd.	Chicago, IL	Richard Gayle
Accounting:	FLS Group, LLC	Skokie, IL	
Bank (Direct Purchaser/ Lender):	Wells Fargo Bank, N.A.	Chicago, IL	
Bond/Bank Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
	(Note: the Bond and Loan Agreement will be a single document)		
Bond Trustee:	Bank direct purchase (not applicable)		
Architect:	Not applicable (building modifications/rehab. only)		
General Contractor:	To be determined		
Rating Agency:	Not applicable (bank direct purchase)		
IFA Counsel:	Schiff Hardin LLP	Chicago, IL	Bruce Weisenthal
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional:	7
State Senate:	5
State House:	10



\$9,500,000 (not-to-exceed amount)
Hawthorne Chicago, LLC and its affiliates, successors, and assigns
(Chicago Executive Airport Project)

August 14, 2012

<p>REQUEST</p>	<p>Purpose: The proceeds of the Series 2012 Bonds will be used for the purpose of providing Hawthorne Chicago, LLC (the “Borrower”) with all or a portion of the funds for the purpose of (i) financing the acquisition of certain leasehold and related rights in an approximately 8 acre site located at Chicago Executive Airport, 1020 South Plant Road, Wheeling, Illinois (the “Airport”), and the construction, improvement, and equipping thereon of an approximately 10,000 square foot terminal and office building and an adjacent, approximately 30,000 square foot hangar to be owned by the Airport and to be operated by the Borrower for use as a full service fixed base of operations, private and corporate jet aviation facility (the “Project”), and (ii) paying costs of issuance of the Bonds and capitalized interest thereon (collectively with the Project, the “Financing Purposes”).</p> <p>Program: Airport Facility Revenue Bonds</p> <p>Volume Cap Required: This Project is not expected to require any of Illinois Finance Authority’s (“IFA’s”) standard 2012 Private Activity Bond Volume Cap.</p> <p>Extraordinary Conditions: No IFA Funds at risk. No State Funds at risk.</p>																
<p>BOARD ACTION</p>	<p>Preliminary Bond Resolution</p>																
<p>MATERIAL CHANGES</p>	<p>Not applicable. This is the first time this project has been presented to the IFA Board of Directors.</p>																
<p>JOBS DATA</p>	<table border="0"> <tr> <td>N/A</td> <td>Current jobs</td> <td>14</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>15 (9 Months)</td> <td>Construction jobs projected</td> </tr> </table>	N/A	Current jobs	14	New jobs projected	N/A	Retained jobs	15 (9 Months)	Construction jobs projected								
N/A	Current jobs	14	New jobs projected														
N/A	Retained jobs	15 (9 Months)	Construction jobs projected														
<p>BORROWER DESCRIPTION</p>	<ul style="list-style-type: none"> • Type of entity: Special purpose entity to develop, finance, construct, and operate the airport hangar as a limited tenant facility • SIC Code: 4581; SIC Category: Airports, Flying Fields & Services • Location: Wheeling/Cook/Northeast • Hawthorne Chicago, LLC is wholly owned by Hawthorne Global Aviation Services, which is a Fixed-Base Operator (“FBO”) acquisition and operating company managed by Hawthorne Corporation (www.hawthornecorp.com) with the financial backing of Moelis Capital Partners, LLC (“MCP”). Moelis Capital Partners, LLC is a middle market private equity firm owned by Moelis & Company Holdings LP (www.moelis.com). 																
<p>CREDIT INDICATORS</p>	<ul style="list-style-type: none"> • The Borrower is a non-rated special purpose entity established to develop and lease the subject Project. • The Bonds will be non-rated and sold as a Limited Public Offering to one or more institutional investors by Robert W. Baird & Co. Inc. 																
<p>STRUCTURE</p>	<p>The Series 2012 Bonds will be secured by (i) a perfected lien on, and pledge of, all capital stock of the Borrower and any direct and indirect subsidiaries thereof, (ii) a leasehold mortgage to the extent permitted by the airport owner and (iii) a perfected lien on, and security interest in, substantially all of the tangible and intangible properties and assets of the Borrower.</p> <p>Term: Up to 30 years (initial year will be interest-only); preliminary, subject to change</p> <p>Rate: The initial Limited Public Offering will be set based on market conditions at the time of pricing.</p>																
<p>SOURCES AND USES</p>	<table border="0"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA Bonds</td> <td>\$7,500,000</td> <td>Project Cost</td> <td>\$9,100,000</td> </tr> <tr> <td>Private Equity</td> <td><u>2,000,000</u></td> <td>Legal & Professional</td> <td><u>400,000</u></td> </tr> <tr> <td>Total</td> <td>\$9,500,000</td> <td>Total</td> <td>\$9,500,000</td> </tr> </table>	Sources:		Uses:		IFA Bonds	\$7,500,000	Project Cost	\$9,100,000	Private Equity	<u>2,000,000</u>	Legal & Professional	<u>400,000</u>	Total	\$9,500,000	Total	\$9,500,000
Sources:		Uses:															
IFA Bonds	\$7,500,000	Project Cost	\$9,100,000														
Private Equity	<u>2,000,000</u>	Legal & Professional	<u>400,000</u>														
Total	\$9,500,000	Total	\$9,500,000														
<p>RECOMMENDATION</p>	<p>Credit Review Committee recommends approval.</p>																

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 14, 2012**

**Project: Hawthorne Chicago, LLC and its affiliates, successors, and assigns
(Chicago Executive Airport Project)**

STATISTICS

IFA Project: I-AIR-TE-CD-8569	Amount: \$9,500,000 (not-to-exceed amount)
Type: Airport Facility Revenue Bonds	IFA Staff: Rich Frampton and Brad R. Fletcher
Location: Wheeling	County/ Region: Cook/Northeast

BOARD ACTION

Preliminary Bond Resolution	
Airport Facility Revenue Bonds	No IFA funds at risk
Credit Review Committee recommends approval	No extraordinary conditions

VOTING RECORD

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

PURPOSE

The proceeds of the Series 2012 Bonds will be used for the purpose of providing **Hawthorne Chicago, LLC** (the "**Borrower**") with all or a portion of the funds for the purpose of (i) financing the acquisition of certain leasehold and related rights in an approximately 8 acre site located at **Chicago Executive Airport**, 1020 South Plant Road, Wheeling, Illinois (the "**Airport**"), and the construction, improvement, and equipping thereon of an approximately 10,000 square foot terminal and office building and an adjacent, approximately 30,000 square foot hangar to be owned by the Airport and to be operated by the Borrower for use as a full service fixed base of operations, private and corporate jet aviation facility (the "**Project**"), and (ii) paying costs of issuance of the Bonds and capitalized interest thereon (collectively with the Project, the "**Financing Purposes**").

IFA PROGRAM AND CONTRIBUTION

Airport Facility Revenue Bonds are a form of municipal bond financing that qualifying municipalities or airport authorities can use to finance the expansion of their facilities or pay for upgrades. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders, thereby reducing the Borrower's interest expense.

VOLUME CAP

Airport Facility Revenue Bonds do not require Volume Cap.

SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	\$ 7,500,000	Project Costs	\$ 9,100,000
Private Equity	2,000,000	Legal & Professional	400,000
Total	\$ 9,500,000	Total	\$ 9,500,000

JOBS

Current employment:	N/A	Projected new jobs:	14
Jobs retained:	N/A	Construction jobs:	15 (9 months)

FINANCING SUMMARY

Structure: The Series 2012 Bonds will be sold through a Limited Public Offering (by Robert W. Baird & Co., Inc.) as fixed-rate debt, to be secured by (i) a perfected lien on, and pledge of, all capital stock of the Borrower and each of its direct and indirect subsidiaries, (ii) a leasehold mortgage to the extent permitted by the airport owner, and (iii) a perfected lien on, and security interest in, substantially all of the tangible and intangible properties and assets of the Borrower.

Interest Rate: Bonds are expected to be sold through a Limited Public Offering on a fixed interest rate basis with an anticipated initial interest-only term of one year (with principal payments amortized over the remaining 29 years). The Borrower and their financing team will select the optimal interest rate based on market conditions at the time of pricing.

Credit Rating: The Bonds will be sold on a non-rated, unenhanced basis and, accordingly, will be sold through a Limited Public Offering to one or more institutional investors. The underlying Borrower is a non-rated entity.

Final Maturity Date: 30 years (estimated; subject to change)

Anticipated Closing Date: September 2012 or October 2012

Explanation on Ownership of Completed Facilities: As presently contemplated, the Borrower will finance construction of the subject facility. Upon completion, Chicago Executive Airport will take title to the facilities and lease the facilities back to Hawthorne Chicago, LLC. Hawthorne's rent payments would equal debt service payments on the Bonds.

Underlying Land Lease: The Borrower is purchasing a leasehold interest in the remaining term of a 40-year lease that Chicago Executive Airport previously executed in 2008 with another vendor (pursuant to a consent resolution from Chicago Executive Airport). Hawthorne Chicago, LLC will own the leasehold interest in the property as necessary to develop the proposed project at the Airport.

BUSINESS SUMMARY

Description: **Hawthorne Chicago, LLC and its affiliates, successors, and assigns** (“**Hawthorne**” or the “**Borrower**”), is a Delaware limited liability company established as a special purpose entity to acquire a 40-year greenfield development lease from Sovereign Air Center to develop an 8-acre leasehold into the third Fixed-Base Operator (“**FBO**”) at Chicago Executive Airport in Wheeling, Illinois (Cook County).

The Borrower is wholly owned by Hawthorne Global Aviation Services, which is a FBO acquisition and operating company managed by Hawthorne Corporation (www.hawthornecorp.com). Hawthorne has significant equity investment, including the financial backing of Moelis Capital Partners, LLC (“MCP”). Moelis Capital Partners, LLC is a middle market private equity firm owned by Moelis & Company Holdings LP (www.moelis.com) and indirectly owned by Mr. Kenneth Moelis.

Additional ownership information on the Borrower is described further in the Economic Disclosure Statement section of this IFA Board Summary Report (see pages 6-7).

Background on
the Development/
Operating
Team:

Hawthorne Global Aviation Services (“**Hawthorne Global**” or the “**Parent**”) was originally established in 1932 and is headquartered in North Charleston, South Carolina. Hawthorne Global established its first fixed-base operator in 1932 and is a world class aviation services company and leader in general aviation services and airport management.

Over its 78-year history, Hawthorne Global Aviation Services helped create the second largest general aviation service company in the U.S. and Canada, and has been advising financial sponsors and airport owners in all aspects of the general aviation industry not only in North America but worldwide.

Hawthorne Global Aviation Services is one of only a few private U. S. companies with significant airport management experience, and the only one that is specifically focused on general aviation, corporate, and special purpose aviation (e.g., including military, space, and cargo) users.

Hawthorne Global’ s active participation in projects in the Americas, Europe, India and the Middle East has resulted in an international network focused on general aviation and airport infrastructure. While its size allows for focused, responsive service, Hawthorne Global Aviation Services’ corporate relationships enable it to provide global contacts and access to all sizes of institutions. Hawthorne Global Aviation Services has a successful track record of scaling businesses. Its core competencies in the aerospace industry span turnaround management, recapitalization plans, aviation management consulting, business plan development & market studies, mergers & acquisition, feasibility studies and due diligence. These capabilities blend with its entrepreneurial spirit to offer a first class aviation services firm.

Hawthorne Global Aviation Services:

- is one of the oldest continually operating aviation companies in the U.S. with over 78 years of direct management and operating experience in fixed based airport operations;
- is one of only a few U.S. companies with airport management experience and familiarity with FAA operator certification standards and procedures, airport

- operations, construction and maintenance standards as well as experience facilitating airport growth via development and marketing;
- leverages its industry experience and global network to provide leading resources in aviation management; and
 - is a leader in U.S. General Aviation Airport management.

Background on
the General
Contractor:

Chapple Design Build is headquartered in Roselle, Illinois and has served the Chicago Metropolitan Area since 1949. Its President, Phil Abbinanti, has over 35 years of experience in design build construction, and the Company's professional design-build staff adds over 70 years of combined experience. Each member of the construction team is dedicated to providing a safe jobsite and the best quality and performance for our customers.

Chapple Design Build has designed and constructed a wide range of projects including Industrial Buildings, Commercial Facilities, Office Buildings, Recreation Facilities, and Religious facilities. Chapple Design Build is a Veteran Owned Business (VOB). See www.chappledb.com for additional information.

Background on
Chicago Executive
Airport:

Chicago Executive Airport (the "**Airport**"), formerly known as Palwaukee Municipal Airport, is a public airport located 18 nautical miles northwest of Chicago at the Northwest corner of Palatine Road and Milwaukee Ave. (U.S. Hwy. 45/Illinois Hwy. 21) and approximately 0.4 miles west of the I-294/Willow Road interchange. The airport is publicly owned as an intergovernmental cooperative by the City of Prospect Heights and the Village of Wheeling.

Chicago Executive Airport logs over 167,000 take-offs and landings each year and is the third busiest airport in Illinois, according to the Airport's official website (<http://www.palwaukee.org>).

Chicago Executive Airport covers an area of 411 acres and has three paved (asphalt) runways. The airport can handle executive jet aircraft in the 20-seat range, such as the Grumman Gulfstream and the Bombardier Challenger. Larger aircraft occasionally visit the field. Occasional military transport aircraft, such as the Lockheed C-130, use the airport when transporting service members to local military facilities such as Great Lakes Naval Training Center or the North Chicago V.A. Hospital.

Major tenants of the airport include two national fixed base operators, Atlantic Aviation and Signature Flight Support, which provide fueling and handling for transient aircraft and a significant portion of the locally based aircraft. Priester Air Charter, Palwaukee Flyers, and several smaller firms and aircraft operators are also present.

Rationale:

The Borrower is seeking approval of an Inducement Resolution now in order to enable reimbursement of capital expenditures going forward (as well as certain prior expenditures as allowed by the IRS). As presently contemplated, Chicago Executive Airport, as owner, will lease the facilities to be constructed in connection with this Project to Hawthorne Chicago, LLC.

The Borrower has engaged Robert W. Baird & Co., Inc. to underwrite the subject Airport Facility Revenue Bonds.

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

The proceeds of the Series 2012 Bonds will be used for the purpose of providing **Hawthorne Chicago, LLC** (the “**Borrower**”) with all or a portion of the funds for the purpose of (i) financing the acquisition of certain leasehold and related rights in an approximately 8 acre site located at **Chicago Executive Airport**, 1020 South Plant Road, Wheeling, Illinois (the “**Airport**”), and the construction, improvement, and equipping thereon of an approximately 10,000 square foot terminal and office building and an adjacent, approximately 30,000 square foot hangar to be owned by the Airport and to be operated by the Borrower for use as a full service fixed base of operations, private and corporate jet aviation facility (the “**Project**”), and (ii) paying costs of issuance of the Bonds and capitalized interest thereon (collectively with the Project, the “**Financing Purposes**”).

Preliminary Estimated Project Costs are noted below:

Acquisition	\$500,000
Construction	7,154,250
Machinery & Equipment	345,200
Interest Reserve	160,971
Working Capital	939,579
Legal & Professional	<u>400,000</u>
Total	<u>\$9,500,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Hawthorne Chicago, LLC, c/o Mr. Will Harton, VP-Corporate Development, 3955 Faber Place Drive, Suite 301, North Charleston, SC, 29405; Ph.: 843-553-2203; E-mail: wharton@hawthorne.aero

Project: Hawthorne Chicago Executive Airport Project, Series 2012 Bonds

Location: 1020 South Plant Road, Wheeling, Illinois 60090 (Cook County)

Ownership

Information: Hawthorne Chicago, LLC is 100% owned by Hawthorne Global Aviation Services, LLC (“Hawthorne Global”), North Charleston, SC.

- HGAS is, in turn, owned and managed by the following members of its senior management:
 - Steven Levesque, CEO
 - Bruyon Burbage, CFO
 - William E. Harton, VP- Corporate Development
 - Scott Zimmerman, VP-Finance
 - David Brinson, Project Manager
 - Bill Koch, Director
 - Theodore Weise, Director
 - Cameron Burr, Director
- **Moelis Capital Partners** is also a member in Hawthorne Global. Moelis was established in 2007 by **Moelis & Company**, a global investment bank. Moelis Capital Partners is a New York-based middle market private equity firm that manages over \$700 million of committed private equity capital and a \$1.2 billion private equity co-investment program and targets growth equity and control buyouts requiring equity investments of \$20 million to \$60 million.

(See www.moelis.com for additional information.)

Lessor

Disclosure: The subject property is currently owned by the Chicago Executive Airport, which is an Intergovernmental Cooperative of the City of Prospect Heights and the Village of Wheeling.

Sovereign Air Center signed a 40-year greenfield development lease where the subject Project is to be located in May, 2008. Hawthorne Chicago, LLC is currently in the process of closing on the purchase of Sovereign Air Center's leasehold interest, which is expected to be finalized before the Borrower returns for a Final Bond Resolution.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Greenberg Traurig LLP	Orlando, FL Chicago, IL	Rhonda Bond-Collins David Burciaga
	Parr Brown Gee & Loveless	Salt Lake City, UT	Spencer Romney
Accountant:	Elliot Davis PLLC	Charlotte, NC	
Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin Boston, MA Benjamin
McGuire Underwriter/Placement Agent:	Robert W. Baird & Co. Inc.	Lansing, MI	Rachael Eubanks
Counsel to Underwriter:	To be engaged by the Underwriter		
Trustee:	To be determined		
Architect:	Timothy Morgan & Associates	Northbrook, IL	Schuyler Thiel
General Contractor:	Chapple Design Build	Roselle, IL	Phil Abbinati
IFA Counsel:	Assignment forthcoming		
IFA Financial Advisor:	Public Financial Management, Inc.	Chicago, IL	Shannon Williams

LEGISLATIVE DISTRICTS

Congressional:	10
State Senate:	57
State House:	29

August 14, 2012

\$16,600,000 (not-to-exceed amount)
Rosalind Franklin University of Medicine & Science

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 14, 2012**

Project: Rosalind Franklin University of Medicine & Science

STATISTICS

IFA Project:	E-PC-TE-CD-8566	Amount:	\$16,600,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	North Chicago	County/	
		Region:	Lake/Northeast

BOARD ACTION

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

VOTING RECORD

Not applicable. This is the first time this financing has been presented to the IFA Board of Directors.

PURPOSE

Bond proceeds will be used by **Rosalind Franklin University of Medicine & Science** (the “**University**” or the “**Borrower**”) to (i) finance substantially all of the costs of the design, development, construction and equipping of a new student learning center and the design, development, construction, expansion, renovation, and equipping of various other educational facilities for the Borrower, including site improvements, landscaping, and improvements to roads, walkways and parking lots (collectively, the “**Project**”) (ii) fund a portion of interest on the Bonds, if deemed necessary or desirable by the Borrower, (iii) fund a debt service reserve fund for the benefit of the Bonds, if deemed necessary or desirable by the Borrower, and (iv) pay expenses incurred in connection with the issuance of the Bonds (collectively, the “**Financing Purposes**”).

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are municipal bonds authorized under the Internal Revenue Code that enable 501(c)(3) corporations to finance capital projects furthering support of their mission. The IFA’s issuance of these Bonds will convey federal tax-exempt status on interest paid to bondholders, thereby enabling bondholders to accept a below market interest rate that is passed through to the borrower.

VOLUME CAP

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

SOURCES AND USES OF FUNDS

Sources:	New Money Bonds	<u>\$ 16,600,000</u>	Uses:	New Project Costs	\$ 16,268,000
				Issuance Costs	<u>332,000</u>
	Total:	\$ 16,600,000		Total:	\$ 16,600,000

Note: The amounts represented above are preliminary and subject to change.

JOBS

Current employment:	613	Projected new jobs:	19
Jobs retained:	N/A	Construction jobs:	150 (12 months) <i>preliminary</i>

FINANCING SUMMARY

Bondholder's Security:	Bondholders will be secured by a general obligation pledge of the University.
Underlying Ratings:	Not applicable. Rosalind Franklin University of Medicine & Science is currently a non-rated Borrower. The proposed Bonds will be structured as a bank direct purchase.
Structure/ Interest Rate:	The University and its financing team are negotiating terms with several banks for a direct purchase bond. The University anticipates selecting a bank and negotiating terms within the next 30 days. The interest rate on the direct purchase bonds is expected to be reset every seven to 10 years. The University's existing IEFA Series 2003 Bonds are currently secured by a Direct Pay Letter of Credit from JPMorgan Chase Bank.
Maturity:	20 or 25 years (to be determined)
Anticipated Closing Date:	September/October 2012

BUSINESS SUMMARY

Background:	Rosalind Franklin University of Medicine & Science ("RFUMS", the "University" or the " Borrower ") is an Illinois not-for-profit corporation and is a 501(c)(3) corporation originally founded in 1911 as The Chicago Medical School. The University is governed by a 23-member Board of Trustees (see Economic Disclosure Statement section on page 5 for further information).
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Description: Rosalind Franklin University of Medicine and Science is a private research university with approximately 2,000 students enrolled in five colleges on a campus located in North Chicago, IL.

Founded in 1911 and completing its first year of instruction in 1912, RFUMS began as The Chicago Medical School and has grown to include the Dr. William M. Scholl College of Podiatric Medicine, the College of Health Professions, the School of Graduate and Post Doctorate Studies, and the College of Pharmacy.

The mission of RFUMS is to serve the nation through the education of health and biomedical professionals and the discovery of knowledge dedicated to improving professional education, community service, and research.

Principal program services consist of instruction and research. Additionally, the University provides limited patient care in connection with its research and medical research activities.

Instruction - The primary purpose of the University is to educate and train medical and other healthcare profession students. The University's students are each seeking graduate school and professional training (i.e., and enrolling in Master's or Doctoral programs). In academic 2011-2012, RFUMS had over 2,000 students in its five colleges:

- The Chicago Medical School had 753 enrolled and active students.
- The College of Health Professions had 791 students enrolled in twelve programs.
- The Scholl College of Podiatric Medicine had 382 students;
- The College of Pharmacy had 70 students (and added its first class in August 2011); and
- The School of Graduate and Post Doctorate Studies had 30 students.

Research - A core component of the University's mission is the discovery of knowledge dedicated to improving the health of the general population. In addition to instruction, many University faculty members are engaged in both University-funded and externally funded research projects.

Primary areas of research include structural biology/biochemistry, neuroscience, and cancer cell development biology.

External funding for research activities comes from the National Institute of Health (NIH) and various charitable organizations including the American Diabetes Association, the American Cancer Society, and the American Heart Association.

Patient Care - The University utilizes existing laboratory facilities and personnel to process lab tests for reproductive immunology. Specimens are originated from the Rosalind Franklin University Health System and through outside clinics, private physicians, and diagnostic centers. Annual testing volume averages approximately 68,000 cases.

The *Scholl Foot and Ankle Center* at the Rosalind Franklin University Health System ("RFUHS") is a fully functioning podiatry clinic that also serves as a training facility for students from the Dr. William M. Scholl College of Podiatric Medicine. Second and third year podiatry students complete required clerkships at the Scholl Foot and Ankle Center, during which time the students participate in direct patient care and develop proficiency in the assessment, diagnosis, and treatment of podiatric maladies. All students are supervised in the clinic by licensed podiatric physicians from Scholl College of Podiatric Medicine.

Please see www.rosalindfranklin.edu and the Illinois Board of Higher Education's website (www.ibhe.state.il.us) for additional information.

Project Impact: The proposed project includes a new building of approximately 46,000 square feet and renovation of 10,000 square feet of existing space. The new and repurposed space will add eight new classrooms, five educational skills labs, office space for new faculty and staff, and new food service facilities.

The University estimates that the increased capacity will enable enrollment to increase by 20% and enable the University to add new professional degree offerings in nursing and other medical specialties.

Student demand for educational programs in the healthcare professions remains strong. In Fiscal Year 2012, the University had 9,648 applications for its 785 openings.

As part of the University's growth strategy, the new building will include expanded and improved student support services including food service, fitness facilities and state-of-the-art educational technology.

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

Bond proceeds will be used by **Rosalind Franklin University of Medicine & Science** (the "**University**" or the "**Borrower**") to (i) finance substantially all of the costs of the design, development, construction and equipping of a new student learning center and the design, development, construction, expansion, renovation, and equipping of various other educational facilities for the Borrower, including site improvements, landscaping, and improvements to roads, walkways and parking lots (collectively, the "**Project**") (ii) fund a portion of interest on the Bonds, if deemed necessary or desirable by the Borrower, (iii) fund a debt service reserve fund for the benefit of the Bonds, if deemed necessary or desirable by the Borrower, and (iv) pay expenses incurred in connection with the issuance of the Bonds (collectively, the "**Financing Purposes**").

ECONOMIC DISCLOSURE STATEMENT

Applicant: **Rosalind Franklin University of Medicine & Science**, 3333 Green Bay Road, North Chicago, IL 60030 (c/o Ms. Roberta Lane, Chief Financial Officer, 847-578-8309; roberta.lane@rosalindfranklin.edu)

Applicant

Website: www.rosalindfranklin.edu

Project name: Rosalind Franklin University of Medicine & Science Series 2012 Bonds

Location: 3333 Green Bay Road, North Chicago (Lake County), IL 60030

Organization: Illinois Not-for-Profit Corporation

Ownership/

Board of

Trustees: Rosalind Franklin University of Medicine & Science – Board of Trustees:

Officers

Ruth M. Rothstein, Chair

Trustees

Paula A. Banks-Jones

John Becker

Velma Butler

Elizabeth Coulson

Joan Cummings

Michael C. Foltz

Burton Garfinkel

Matthew Harris

Michael Hriljac

Rosalind Franklin Jekosky

Cheryl Kraff-Cooper

David Leach

Wilfred J. Lucas

Thomas G. Moore

Frank H. Mynard

Monica Oblinger

Pamela Scholl

Kathleen Stone

Deborah Taylor

Gail L. Warden

K. Michael Welch

Lisa Zenni

PROFESSIONAL & FINANCIAL

Borrower:	Rosalind Franklin University	North Chicago, IL	Roberta Lane
Auditor:	Crowe Horwath LLP	Chicago, IL	Cindi Pierce
Borrower's Counsel:	Barnes & Thornberg LLP	Chicago, IL	Alan Feldbaum
Borrower's Financial Advisor (to Rosalind Franklin University):	Mickeni, LLC	Chicago, IL	Kenneth Kerznar
Counsel to Bond Purchaser:	To be engaged by the Purchasing Bank		
Bond Counsel:	To be engaged by the Borrower		
Bond Purchaser:	The Borrower and its Financial Advisor are negotiating with several commercial banks		
Bond Trustee:	Not applicable		
Rating Agencies:	Not applicable – the subject Bonds will be bank purchased without a rating		
Architect:	Legat Architects	Chicago, IL	Ted Haug
General Contractor:	G3 Construction Group	Willowbrook, IL	Matt Guidarelli
IFA Counsel:	Greene and Letts	Chicago, IL	Deneice Jordan-Walker
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional:	10
State Senate:	29
State House:	58



August 14, 2012

**\$120,000,000
Lutheran Home and Services Obligated Group**

REQUEST	<p>Purpose: Bond proceeds will be used by Lutheran Home and Services Obligated Group (“Lutheran Homes”, “LHS”, the “Corporation” or the “Borrower”) to (i) pay or reimburse the Borrowers for, or refinance certain indebtedness, the proceeds of which were used for, the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain “projects” (as such term is defined in the Illinois Finance Authority Act, as amended) for the Borrowers’ senior living community, including, but not limited to, the renovation of an existing long term care facility, totaling approximately 126,000 square feet, known as the Olson Pavilion and the constructing and equipping of four additions to the Olson Pavilion totaling approximately 81,000 square feet, which additions will include 78-bed skilled nursing beds, resident dining rooms, rehabilitation rooms and other common areas; (ii) refund all or a portion of the outstanding \$13,200,000 Illinois Health Facilities Authority Weekly Adjustable Rate Revenue Bonds, Series 2001 (Lutheran Home and Services) (the “Series 2001 Bonds”); (iii) refund all or a portion of the outstanding \$14,350,000 Illinois Health Facilities Authority Variable Rate Demand Revenue Refunding Bonds, Series 2003 (Lutheran Home and Services) (the “Series 2003 Bonds” and, together with the Series 2001 Bonds, the “Prior Bonds”); (iv) pay a portion of the interest on the Bonds; (v) establish a debt service reserve fund with respect to the Bonds; and (vi) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p>																								
BOARD ACTIONS	Preliminary Bond Resolution																								
MATERIAL CHANGES	This is the first time this project is being presented to the Board.																								
JOB DATA	<table border="0"> <tr> <td>430</td> <td>Current jobs</td> <td>9</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>130</td> <td>Construction jobs projected</td> </tr> </table>	430	Current jobs	9	New jobs projected	N/A	Retained jobs	130	Construction jobs projected																
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N/A	Retained jobs	130	Construction jobs projected																						
DESCRIPTION	<ul style="list-style-type: none"> Lutheran Home and Services Obligated Group consists of Lutheran Home for the Aged, Inc., an Illinois not-for-profit corporation, and Lutheran Home and Services for the Aged, Inc. an Illinois not-for-profit corporation. 																								
CREDIT INDICATORS	<ul style="list-style-type: none"> The Bonds will be sold at a fixed rate in a public offering. The Bonds will not carry a rating. 																								
SECURITY	<ul style="list-style-type: none"> First mortgage on property and equipment and a gross revenue pledge. 																								
MATURITY	<ul style="list-style-type: none"> Not later than 2047 (35 years) 																								
SOURCES AND USES	<table border="0"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA Bonds</td> <td>\$105,000,000</td> <td>Refunding Escrow</td> <td>\$23,355,000</td> </tr> <tr> <td>Less: OID</td> <td>(276,346)</td> <td>Project Fund</td> <td>76,676,913</td> </tr> <tr> <td>Trustee Held Funds</td> <td>989,511</td> <td>Debt Service Reserve Fund</td> <td>7,740,668</td> </tr> <tr> <td>Equity Contribution</td> <td><u>5,000,000</u></td> <td>Issuance Costs</td> <td><u>2,940,584</u></td> </tr> <tr> <td>Total</td> <td><u>\$110,713,165</u></td> <td>Total</td> <td><u>\$110,713,165</u></td> </tr> </table>	Sources:		Uses:		IFA Bonds	\$105,000,000	Refunding Escrow	\$23,355,000	Less: OID	(276,346)	Project Fund	76,676,913	Trustee Held Funds	989,511	Debt Service Reserve Fund	7,740,668	Equity Contribution	<u>5,000,000</u>	Issuance Costs	<u>2,940,584</u>	Total	<u>\$110,713,165</u>	Total	<u>\$110,713,165</u>
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Total	<u>\$110,713,165</u>	Total	<u>\$110,713,165</u>																						
RECOMMENDATION	Credit Review Committee recommends approval																								

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 14, 2012**

Project: Lutheran Home and Services Obligated Group

STATISTICS

Project Number: H-SL-TE-CD-8570	Amount: \$120,000,000 (Not-to-Exceed)
Type: 501(c)(3) Revenue Bonds	IFA Staff: Pam Lenane and Nora O'Brien
County/Region: Cook/Northeast	City: Arlington Heights

BOARD ACTION

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

VOTING RECORD

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

PURPOSE

Bond proceeds will be used by **Lutheran Home and Services Obligated Group** ("**Lutheran Homes**", "**LHS**", the "**Corporation**" or the "**Borrower**") to: (i) pay or reimburse the Borrowers for, or refinance certain indebtedness the proceeds of which were used for, the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain "projects" (as such term is defined in the Illinois Finance Authority Act, as amended) for the Borrowers' senior living community, including, but not limited to, the renovation of an existing long term care facility, totaling approximately 126,000 square feet, known as the Olson Pavilion and the constructing and equipping of four additions to the Olson Pavilion totaling approximately 81,000 square feet, which additions will include 78-bed skilled nursing beds, resident dining rooms, rehabilitation rooms and other common areas; (ii) refund all or a portion of the outstanding \$13,200,000 Illinois Health Facilities Authority Weekly Adjustable Rate Revenue Bonds, Series 2001 (Lutheran Home and Services) (the "Series 2001 Bonds"); (iii) refund all or a portion of the outstanding \$14,350,000 Illinois Health Facilities Authority Variable Rate Demand Revenue Refunding Bonds, Series 2003 (Lutheran Home and Services) (the "Series 2003 Bonds" and, together with the Series 2001 Bonds, the "Prior Bonds"); (iv) pay a portion of the interest on the Bonds; (v) establish a debt service reserve fund with respect to the Bonds; and (vi) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 430 FTE's	Projected new jobs: 9
	Construction jobs: 130

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	Multi-Issuer bonds	\$105,000,000	Uses:	Refunding Escrow	\$23,355,000
	Less: OID	(276,346)		Project Fund	76,676,913
	Trustee Held Funds	989,511		Debt Service Reserve Fund	7,740,668
	Equity Contribution	<u>5,000,000</u>		Issuance Costs	<u>2,940,584</u>
	Total	\$110,713,165		Total	\$110,713,165

FINANCING SUMMARY/STRUCTURE

Security: First mortgage on property and equipment; gross revenue pledge.

Structure: The Series 2012 Bonds will be structured as fixed rate bonds with a level principal amortization

Interest Rate: Fixed

Interest Mode: Fixed

Credit Enhancement: None

Maturity: Final maturity will be between 2042 and 2047

Rating: The Bonds will not carry a rating.

Estimated Closing Date: September 26, 2012

PROJECT SUMMARY

Lutheran Home and Services Obligated Group (“LHS”) consists of Lutheran Home for the Aged, Inc. and Lutheran Home and Services for the Aged, Inc. LHS is issuing the Series 2012 Bonds in order to refund the existing Series 2001 and 2003 Bonds; to fund the repositioning of the Arlington Heights campus (primarily Olson Pavilion) and certain projects of the Lutheran Home for the Aged, Inc., and Lutheran Home and Services for the Aged, Inc.; to (i) pay or reimburse the Borrowers for, or refinance certain indebtedness the proceeds of which were used for, the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain “projects” (as such term is defined in the Illinois Finance Authority Act, as amended) for the Borrowers’ senior living community, including, but not limited to, the renovation of an existing long term care facility, totaling approximately 126,000 square feet, known as the Olson Pavilion and the constructing and equipping of four additions to the Olson Pavilion totaling approximately 81,000 square feet, which additions will include 78-bed skilled nursing beds, resident dining rooms, rehabilitation rooms and other common areas; (ii) refund all or a portion of the outstanding \$13,200,000 Illinois Health Facilities Authority Weekly Adjustable Rate Revenue Bonds, Series 2001 (Lutheran Home and Services) (the “Series 2001 Bonds”); (iii) refund all or a portion of the outstanding \$14,350,000 Illinois Health Facilities Authority Variable Rate Demand Revenue Refunding Bonds, Series 2003 (Lutheran Home and Services) (the “Series 2003 Bonds” and, together with the Series 2001 Bonds, the “Prior Bonds”); (iv) pay a portion of the interest on the Bonds; (v) establish a debt service reserve fund with respect to the Bonds; and (vi) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds. Bond counsel has reviewed the average life of the assets that were financed with the prior bonds and has verified that the average life of the bonds will not exceed the remaining average life of the assets. The Certificate of Need (CON) for the project was approved on July 23, 2012. LHS is engaging CliftonLarsonAllen LLP to conduct a feasibility study to determine the viability of the project. For additional detail on the project, please see the attached summary titled “Olson Pavilion at Lutheran Home Project Narrative”.

BUSINESS SUMMARY

Description of Business: Lutheran Home and Services Obligated Group ("LHS") consists of Lutheran Home for the Aged, Inc., an Illinois not-for-profit corporation, and Lutheran Home and Services for the Aged, Inc., an Illinois not-for-profit corporation.

Lutheran Home for the Aged, Inc., located in Arlington Heights, Illinois, consists of 334 licensed nursing beds, as well as 58 licensed sheltered care units. Lutheran Home and Services for the Aged, Inc. provides management services to both members of the Obligated Group and operates a 100-unit assisted living facility.

The major repositioning will involve the Olson Pavilion facility. Olson Pavilion, built in the 1970s, currently has capacity for 252 skilled nursing care beds. However, post-construction, a reconfigured Olson Pavilion will have 162 private rooms with private baths, an addition to Olson will have capacity for 78 resident rooms, and the expansion and repositioning will include increased living, dining, and social spaces to fit the new resident-centered care model of the facility.

Lutheran Life Communities ("LLC") is a 501(c)(3) organization that serves as the parent organization of Lutheran Homes and Services for the Aged located at 800 W. Oakton Street in the Village of Arlington Heights, Illinois. LLC will not be obligated by the proposed bond issuance. The Lutheran Home dates back to the 1890s when it was founded by a Lutheran Pastor who wanted to create a home-like setting to care for older adults. Over the years, the organization has grown to include 5 senior living communities: Lutheran Home, Wittenberg Village, Pleasant View Luther Home, St. Paul's House, and Luther Oaks. LLC is also currently engaged in a development effort to bring a new retirement community, The Arlington of Naples, to the Naples, Florida area.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Project name: Lutheran Home and Services Obligated Group
Location: 800 West Oakton Street
Arlington Heights, IL 60004
Borrower: Lutheran Home for the Aged, Inc. and Lutheran Home and Services for the Aged, Inc.
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois
Board Members:
Lutheran Home and Services for the Aged
Roger W. Paulsberg (President/CEO), Chairman
Tod A. Kruse, Vice Chairman
Rev. Leroy B. Joesten, Secretary
Robert P. Grossart, Treasurer
Kenneth Markworth
Susan L. Rosborough

Lutheran Home for the Aged
Roger W. Paulsberg (President/CEO), Chairman
Rev. David G. Abrahamson, Vice Chairman
Paula Parks, Secretary/Treasurer
Marilyn Hermann

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Chuhak and Tecson PC	Chicago	Andrew Tecson Kim Boike
Bond Counsel:	Jones Day	Chicago	John Bibby
Underwriter:	B.C. Ziegler and Co.	Chicago	Steve Johnson
Underwriter's Counsel:	Katten Muchin Rosenman LLP	Chicago	Janet Hoffman
Feasibility Consultant:	CliftonLarsonAllen LLP	Chicago	Jeff Vrieze
IFA Counsel:	Sanchez Daniels & Hoffman LLP	Chicago	John Cummins
IFA Financial Advisor:	Acacia Financial Group	Chicago	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional:	10 th	Robert Dold
State Senate:	27 th	Matt Murphy
State House:	53 rd	Sidney H. Mathias

SERVICE AREA

The facilities are located in suburban Arlington Heights, approximately 20 miles northwest of downtown Chicago, Illinois. Numerous doctors' offices and Northwest Community Hospital are located within its boundaries. The primary service area, based on residency prior to admission to the facilities, is defined to include eleven zip codes within a twelve mile radius of the facility, as follows:

<u>Zip Codes</u>	<u>Communities</u>
60004	Arlington Heights
60005	Arlington Heights
60007	Elk Grove Village
60008	Rolling Meadows
60016	Des Plaines
60018	Des Plaines
60025	Glenview
60056	Mt. Prospect
60067	Palatine
60068	Park Ridge
60070	Prospect Heights



August 14, 2012

\$550,000,000
Hospital Sisters Services, Inc.

REQUEST	<p>Purpose: Bond proceeds will be used by Hospital Sisters Services, Inc. (“HSSI” or the “Borrower”) to: (i) pay or reimburse the Borrower the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain of their health facilities, including, but not limited to, acquiring , constructing and equipping an approximately 25 bed critical access replacement hospital in Highland, Illinois, and the renovation of a surgery department at St. John’s Hospital in Springfield, (ii) refund the outstanding principal amount of IHFA Series 2003A Bonds, IFA Series 2007C Bonds and IFA 2008A Bonds that financed prior projects at multiple locations in Illinois, (iii) pay a portion of the interest accruing on the Bonds, if deemed necessary or advisable, (iv) funding working capital, if deemed necessary or advisable, and (v) pay certain expenses incurred in connection with the issuance of the Bonds.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p>																												
BOARD ACTIONS	<p>Final Bond Resolution</p> <p>Preliminary Bond Resolution approved 7/10/2012: Yeas: 9; Nays: 0; Abstentions: 1 (Poole); Absent: 2 (Barclay; Fuentes)</p>																												
MATERIAL CHANGES	<p>None.</p>																												
JOB DATA	<table border="0"> <tr> <td>13,929</td> <td>Current jobs</td> <td>0</td> <td>New jobs projected</td> </tr> <tr> <td>13,929</td> <td>Retained jobs</td> <td>700</td> <td>Construction jobs projected</td> </tr> </table>	13,929	Current jobs	0	New jobs projected	13,929	Retained jobs	700	Construction jobs projected																				
13,929	Current jobs	0	New jobs projected																										
13,929	Retained jobs	700	Construction jobs projected																										
DESCRIPTION	<ul style="list-style-type: none"> • Locations: Belleville/St. Clair County / Southwestern Region, Breese/Clinton County/Southwestern Region, Decatur/Macon County/Central Region, Effingham/Effingham County/Southeastern Region, Highland/Madison County/Southwestern Region, Litchfield/Macoupin County/Central Region, Springfield/Sangamon County/Central Region, Streator/Livingston County/North Central Region 																												
SECURITY	<ul style="list-style-type: none"> • HSSI is an Obligated Group, all members of the Group (the thirteen hospitals in Illinois and Wisconsin) are liable for this debt. These Bonds will be issued on a parity basis with the existing indebtedness of HSSI, with covenants relating to additional debt; consolidation, merger, sale or disposition of property; and senior liens. 																												
CREDIT INDICATORS	<ul style="list-style-type: none"> • Current ratings of A1/AA-/AA- (Moody’s/S&P/Fitch) 																												
STRUCTURE	<ul style="list-style-type: none"> • \$111,680,000 Direct Purchase with JPMorgan Chase Bank, N.A. • \$101,445,000 VRDN’s with BMO Harris Bank Direct Pay LOC • \$44,855,000 Fixed Rate Bonds • \$156,120,000 VRDN’s with Self-Liquidity 																												
SOURCES AND USES	<table border="0"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA Bonds</td> <td>\$414,100,000</td> <td>Project Fund</td> <td>\$160,000,000</td> </tr> <tr> <td>Premium</td> <td><u>5,822,777</u></td> <td>Refund Series 2007C Bonds</td> <td>100,425,000</td> </tr> <tr> <td></td> <td></td> <td>Refund Series 2003A Bonds</td> <td>65,550,000</td> </tr> <tr> <td></td> <td></td> <td>Refund Series 2008A Bonds</td> <td>89,005,000</td> </tr> <tr> <td></td> <td></td> <td>Cost of Issuance (<i>estimated</i>)</td> <td><u>4,942,777</u></td> </tr> <tr> <td>Total</td> <td><u>\$419,922,777</u></td> <td>Total</td> <td><u>\$419,922,777</u></td> </tr> </table>	Sources:		Uses:		IFA Bonds	\$414,100,000	Project Fund	\$160,000,000	Premium	<u>5,822,777</u>	Refund Series 2007C Bonds	100,425,000			Refund Series 2003A Bonds	65,550,000			Refund Series 2008A Bonds	89,005,000			Cost of Issuance (<i>estimated</i>)	<u>4,942,777</u>	Total	<u>\$419,922,777</u>	Total	<u>\$419,922,777</u>
Sources:		Uses:																											
IFA Bonds	\$414,100,000	Project Fund	\$160,000,000																										
Premium	<u>5,822,777</u>	Refund Series 2007C Bonds	100,425,000																										
		Refund Series 2003A Bonds	65,550,000																										
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		Cost of Issuance (<i>estimated</i>)	<u>4,942,777</u>																										
Total	<u>\$419,922,777</u>	Total	<u>\$419,922,777</u>																										
RECOMMENDATION	<p>Credit Review Committee recommends approval</p>																												

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 14, 2012**

Project: Hospital Sisters Services, Inc.

STATISTICS

Project Number:	H-HO-TE-CD-8564	Amount:	\$550,000,000.00 (Not-to-Exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane and Nora O'Brien
Cities:	Springfield	County/Region:	Sangamon/Central
	Highland (new projects only)		Madison/Southwestern
	Refundings include multiple sites in Illinois (as noted on p.1)		

BOARD ACTION

Preliminary Bond Resolution	No IFA Funds at Risk
Conduit 501(c)(3) Revenue Bonds	No Extraordinary Conditions
Credit Review Committee recommends approval	

VOTING RECORD

Preliminary Bond Resolution approved 7/10/2012:
Yeas: 9; Nays: 0; Abstentions: 1 (Poole); Absent: 2 (Barclay; Fuentes)

PURPOSE

Bond proceeds will be used to: (i) pay or reimburse the Borrower and/or the other tax-exempt affiliates of the Borrower for, or refinancing outstanding indebtedness the proceeds of which were used for, the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain of their health facilities, including but not limited to, acquiring, constructing and equipping a critical access replacement hospital consisting of approximately 25 beds and the renovation of a surgery department (collectively, the "Project"), (ii) currently refund the outstanding principal amount of the \$65,550,000 Illinois Health Facilities Authority Revenue Bonds, Series 2003A (Hospital Sisters Services, Inc. – Obligated Group) (the "Series 2003A Bonds"), (iii) currently refund the outstanding principal amount of the \$100,425,000 Illinois Finance Authority Revenue Bonds, Series 2007C (Hospital Sisters Services, Inc. – Obligated Group) (the "Series 2007C Bonds") (iv) currently refund the outstanding principal amount of the \$127,410,000 Illinois Finance Authority Revenue Refunding Bonds, Series 2008A (Hospital Sisters Services, Inc. – Obligated Group) (the "Series 2008A Bonds" and, together with the Series 2003A Bonds and the Series 2007C Bonds, the "Prior Bonds"), (v) pay a portion of the interest accruing on the Bonds, if deemed necessary or advisable by the Authority and the Borrower, (vi) fund one or more debt service reserve funds, if deemed necessary or advisable by the Authority and the Borrower, (vii) fund working capital, if deemed necessary or advisable by the Authority and the Borrower, and (viii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds, including, but not limited to, fees for credit enhancement or liquidity facilities for the Bonds, all as permitted by the Act (collectively, the "Financing Purposes").

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance and refinance 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:	13,929	New jobs projected:	0
		Construction jobs projected:	700

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	\$414,100,000	Project Fund	\$160,000,000
Premium	<u>5,822,777</u>	Refund Series 2007C Bonds	100,425,000
		Refund Series 2003A Bonds	65,550,000
		Refund Series 2008A Bonds	89,005,000
		Cost of Issuance (<i>estimated</i>)	<u>4,942,777</u>
Total	<u>\$419,922,777</u>	Total	<u>\$419,922,777</u>

FINANCING SUMMARY

Security:	HSSI is an Obligated Group, all members of the Group (the thirteen hospitals in Illinois and Wisconsin), are liable for this debt. These Bonds will be issued on a parity basis with the existing indebtedness of Hospital Sisters Services, Inc., with covenants relating to additional debt; consolidation, merger, sale or disposition of property; and senior liens.
Structure:	The plan of finance contemplates: \$111,680,000 Direct Purchase with JPMorgan Chase Bank, N.A. \$44,855,000 in Fixed Rate Bonds and \$257,565,000 in Variable Rate bonds.
Interest Rate:	To be determined the day of pricing depending on market conditions.
Interest Mode:	VRDB's (Self Liquidity and 7 day re-sets) and Fixed Rate Bonds
Credit Enhancement:	None
Maturity:	2052 (40 years)
Current Rating:	A1/AA-/AA- (Moody's/S&P/Fitch); The Borrower will obtain ratings from a minimum of two rating agencies for the Series 2012 Bonds.
Estimated Closing Date:	October 1, 2012

PROJECT SUMMARY

The project at St. Joseph's-Highland includes the construction of a new 25 bed Critical Access Hospital to replace the current 25 bed Critical Access Hospital at a total cost of \$52.7 million on a new site of approximately 60 acres. The building cost is \$36 million and equipment costs will be \$12.9 million. The purchase of land was \$1.2 million and other costs total \$3.6 million (asbestos abatement, demolition of existing facility, financing, and legal). The new hospital will accommodate ambulatory services sized for future growth and expansion.

The project at St. John's-Springfield includes renovation of the existing surgery unit for a total of \$115.1 million, including the replacement of the inpatient surgery facilities and related ancillary support functions. The project includes the demolition of three buildings and the relocation of critical utilities and infrastructure. The project also includes sequential renovation of four floors of the existing patient tower creating all private patient rooms for a total of \$46.9 million. The redesign will reorient the hospital to Madison Street. Support and infrastructure space will be segregated from the patient care environment. The design facilitates efficient access to patients and improved work flow and will create smaller units that focus on specific disease states such as oncology, neuroscience, etc.

BUSINESS SUMMARY

Background: Hospital Sisters Services, Inc. (HSSI), an Illinois not for profit corporation, was incorporated on November 4, 1983, when the Hospital Sisters Health System (HSHS), an Illinois not for profit corporation, reorganized its corporate structure. HSSI is the sole member of thirteen not for profit or nonprofit corporations that own and operate acute care hospitals, with eight located in Illinois and five located in Wisconsin.

Each hospital is separately incorporated and has a seven to nine member Board of Directors, composed of members of the Hospital Sisters of the Third Order of St. Francis (the Order), an order of the Roman Catholic Church, HSHS employees and local citizens. The hospitals located in Illinois are currently licensed to operate 2,372 acute care beds, and the hospitals located in Wisconsin are currently approved for 1,451 acute care beds. HSSI and all of the hospitals are Members of the Obligated Group established under the Master Indenture (see service area on page 5 for a listing of individual hospitals).

The Order was founded in Germany in 1844 and is dedicated to the service of the sick and those in need. In 1875, twenty Sisters of the Order arrived in the United States and several years later established their Motherhouse in Springfield, Illinois. The residents of Illinois and Wisconsin were among the first served by the Order.

Description: The primary mission of Hospital Sisters Health System is to provide a structure and the means whereby the Hospital Sisters of the Third Order of St. Francis continue their healing mission in the Roman Catholic Church. Hospitals and other institutionally-based programs are the primary means of responding to those in need. Service is regarded as a ministry of healing which exemplifies the Gospel values of compassion, justice, and reverence for life throughout its continuum.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Hospital Sisters Services, Inc.
4936 LaVerna Road
Springfield (Sangamon County), IL
62707-9456

Project Locations:

St. Joseph's - Highland
1515 Main Street
Highland, IL 62249

St. John's - Springfield
800 East Carpenter Street
Springfield, IL 62769

Borrower: Hospital Sisters Services, Inc.

Board Members:

Sister Mary Ann Minor.....	Chairperson
Sister Maureen O'Connor.....	Secretary
Mary Starmann-Harrison.....	President/CEO
Sister Bernice Coreil, DC.....	Member
Sister Mary Mollison, CSA.....	Vice Chairperson
Sister Gertrude O'Connor.....	Member
John R. Combes, MD.....	Member
Stephen J. Bochenek, Esq.....	Member
John Staudt.....	Member
Robert B. Atwell.....	Member
Steven Hassebrock, MBA, CPA.....	Member

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	SNR Denton	Chicago	Mary Wilson
Bond Counsel:	Jones Day	Boston	Lynn Coe
Accountant:	KPMG LLP	Peoria	Butch Klescewski
Financial Advisor:	Ponder & Co.	Evergreen, CO	Christopher Payne
Underwriter:	Bank of America Merrill Lynch	New York	Ed Malmstrom
	BMO Capital Markets	Chicago	Kerry Rudy
	J.P. Morgan Securities	Chicago	Timothy Wons
	PNC Capital Markets	Pittsburgh	Donald J. Persinski
Underwriter's Counsel:	Foley & Lardner LLP	Chicago	Heidi Jeffery
Direct Purchase Bank:	JPMorgan Chase Bank	Chicago	Sara May
Bank Counsel:	Ungaretti & Harris	Chicago	Julie Seymour
LOC Banks:	BMO Harris Bank	Chicago	Geraldine Rudig
	BNY Mellon	Pittsburgh	John M. DiMarsico
BMO Harris Counsel:	Chapman & Cutler LLP	Chicago	Carol Thompson
BNY Mellon Counsel:	TBD		
IFA Counsel:	Pugh Jones & Johnson, P.C.	Chicago	Lorraine Tyson
IFA Financial Advisor:	The PFM Group	Chicago	Julia Harris

LEGISLATIVE DISTRICTS

St. Joseph's – Highland

Congressional: 18- Aaron Schock
State Senate: 51- Kyle McCarter
State House: 102- Paul J Evans

St. John's - Springfield

Congressional: 17- Bobby Schilling
State Senate: 50- Larry K. Bomke
State House: 99- Raymond Poe

SERVICE AREA

The Hospital Facilities in Illinois have as their primary market service area St. Clair County (St. Elizabeth's-Belleville), Clinton County (St. Joseph's-Breese), Macon County (St. Mary's-Decatur), Effingham County (St. Anthony's-Effingham), Madison County (St. Joseph's-Highland), Montgomery and Macoupin Counties (St. Francis-Litchfield), Sangamon County (St. John's-Springfield), and LaSalle County (St. Mary's-Streator). As of March 31, 2012, St. Francis Litchfield, St. Mary's Decatur, and St. John's Springfield (Central Illinois Region) had a market share of 33.4%. Memorial Medical Center of Springfield had a market share of 34.4%. St. Mary's Streator has a market share of 25.0%, while Ottawa Regional Hospital's market share is 28.5%. St. Anthony's Effingham has the majority market share of 38.4%. St. Joseph's Breese, St. Joseph's Highland, and St. Elizabeth's Belleville comprise the Southern Illinois Region. They have the largest market share at 70.7%. This market share information was received from IHA Compdata, DataBay 2012.

August 14, 2012

\$45,000,000
SwedishAmerican Health System

REQUEST	<p>Purpose: Bond proceeds will be used by SwedishAmerican Health System (“SwedishAmerican”, “SAHS”, the “Corporation” or the “Borrower”) to: (i) finance the construction of an off-campus cancer treatment center, (ii) finance the construction and modernization of the existing Hospital campus owned by SwedishAmerican Health System in Rockford, (iii) pay a portion of the interests accruing on the Bonds, if deemed necessary or advisable, (iv) fund one or more debt service reserve funds, if deemed necessary or advisable and (v) pay certain expenses incurred in connection with the issuance of the Bonds.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p>																
BOARD ACTIONS	Final Bond Resolution (<i>One-time consideration</i>)																
MATERIAL CHANGES	None. This is the first time this project has been presented to the IFA Board of Directors.																
JOB DATA	<table border="0"> <tr> <td>2,664</td> <td>Current jobs</td> <td>39</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained job</td> <td>250</td> <td>Construction jobs projected</td> </tr> </table>	2,664	Current jobs	39	New jobs projected	N/A	Retained job	250	Construction jobs projected								
2,664	Current jobs	39	New jobs projected														
N/A	Retained job	250	Construction jobs projected														
DESCRIPTION	<ul style="list-style-type: none"> • Location: Rockford/ Winnebago County / Northern Stateline Region • The Corporation is an Illinois not for profit corporation, exempt from federal income tax as an organization described in Section 501(c)(3) of the Code. Its sole corporate member is SwedishAmerican Health System Corporation (the "Parent"). The Parent's corporate purpose is to promote, support, and develop the charitable, educational, and scientific activities of certain not for profit healthcare organizations of which it is the sole member, and to be the sole shareholder of certain for profit corporate subsidiaries. The Parent is an Illinois not for profit corporation, exempt from federal income tax as an organization described in Section 501(c)(3) of the Code. 																
SECURITY	<ul style="list-style-type: none"> • SAHS has recently met with two of the rating agencies (S&P and Fitch) and expects long-term ratings of “A-” (Stable) from S&P and “A” (Stable) from Fitch 																
CREDIT INDICATORS	<ul style="list-style-type: none"> • The plan of finance contemplates the issuance of fixed rate bonds in a public offering. • A-/A (S&P/Fitch) 																
STRUCTURE	<ul style="list-style-type: none"> • The current plan of finance anticipates the issuance of fixed rate bonds. SAHS may elect to issue some of the bonds as insured bonds if market conditions provide a benefit in doing so. 																
SOURCES AND USES	<table border="0"> <tr> <td>Sources:</td> <td></td> <td>Uses:</td> <td></td> </tr> <tr> <td>IFA Bonds</td> <td>\$45,000,000</td> <td>Project Costs</td> <td>\$44,437,500</td> </tr> <tr> <td></td> <td></td> <td>Cost of Issuance (<i>estimated</i>)</td> <td><u>562,500</u></td> </tr> <tr> <td>Total</td> <td>\$45,000,000</td> <td>Total</td> <td>\$45,000,000</td> </tr> </table>	Sources:		Uses:		IFA Bonds	\$45,000,000	Project Costs	\$44,437,500			Cost of Issuance (<i>estimated</i>)	<u>562,500</u>	Total	\$45,000,000	Total	\$45,000,000
Sources:		Uses:															
IFA Bonds	\$45,000,000	Project Costs	\$44,437,500														
		Cost of Issuance (<i>estimated</i>)	<u>562,500</u>														
Total	\$45,000,000	Total	\$45,000,000														
RECOMMENDATION	Credit Review Committee recommends approval																

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 14, 2012**

Project: SwedishAmerican Health System

STATISTICS

Project Number:	H-HO-TE-CD-8567	Amount:	\$45,000,000(Not-to-Exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane and Nora O'Brien
City:	Rockford	County/Region:	Winnebago/Northern Stateline

BOARD ACTION

Final Bond Resolution (<i>One-time consideration</i>)	No IFA Funds at Risk
Conduit 501(c)(3) Bonds	No Extraordinary Conditions
Credit Review Committee recommends approval	

VOTING RECORD

This is the first time this project is being presented to the IFA Board of Directors.

PURPOSE

Bond proceeds will be used to: (i) finance the construction of an off-campus cancer treatment center, (ii) finance the construction and modernization of the existing Hospital campus owned by SwedishAmerican Health System in Rockford, (iii) pay a portion of the interests accruing on the Bonds, if deemed necessary or advisable, (iv) fund one or more debt service reserve funds, if deemed necessary or advisable and (v) pay certain expenses incurred in connection with the issuance of the Bonds.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance and refinance 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:	2,664	Projected new jobs:	39
		Construction jobs:	250

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	<u>\$45,000,000</u>	Project Costs	\$44,437,500
		Cost of Issuance (<i>estimated</i>)	<u>562,500</u>
Total	<u>\$45,000,000</u>	Total	<u>\$45,000,000</u>

FINANCING SUMMARY

Security:	SAHS has recently met with two of the rating agencies (S&P and Fitch) and expects long-term ratings of "A-" (stable) from S&P and "A" (Stable) from Fitch.
Structure:	The current plan of finance anticipates the issuance of fixed rate bonds. SAHS may elect to issue some of the bonds as insured bonds should market conditions provide a benefit in doing so
Interest Rate:	To be determined the day of pricing depending on market conditions.
Interest Mode:	Fixed Rate
Credit Enhancement:	No
Maturity:	Up to 30 Years
Rating:	A-/A (S&P/Fitch)
Estimated Closing Date:	September, 2012

PROJECT SUMMARY

The proceeds of the Bonds will be used, together with certain other funds, to (i) pay or reimburse the Borrowers for the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities of the Borrowers, including, without limitation, (a) the construction of an approximately two-story, approximately 63,500 square foot cancer treatment center to be located at 3535 North Bell School Road in Rockford, Illinois, and all necessary and attendant equipment, facilities, site work and utilities therefor, and (b) the renovation, remodeling and equipping of the acute care hospital facility located at 1401 East State Street, Rockford, Illinois; (ii) pay a portion of the interest accruing on the Bonds, if deemed necessary or advisable by the Authority and the Borrower; (iii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Authority and the Borrower; (iv) fund working capital, if deemed necessary or advisable by the Authority and the Borrowers; and (v) pay certain expenses incurred in connection with the issuance of the Bonds.

BUSINESS SUMMARY

Background:	SwedishAmerican Hospital (the "Corporation") was incorporated in 1911 as an Illinois not-for-profit corporation. The Corporation operates two full-service acute care hospitals with a total of three hundred seventy-two (378) licensed beds and three hundred seventeen (317) beds in service. The facilities are located in Rockford and Belvidere, Illinois, approximately ninety (90) miles northwest of Chicago. The Corporation provides a broad range of services to a 12 county service area and includes patients from Northern Illinois, and Southern Wisconsin. The Corporation employs approximately two thousand six hundred sixty-four (2,664) full-time equivalent employees.
Structure:	The Corporation is an Illinois not for profit corporation, exempt from federal income tax as an organization described in Section 501(c)(3) of the Code. Its sole corporate member is SwedishAmerican Health System Corporation (the "Parent"). The Parent's corporate purpose is to promote, support, and develop the charitable, educational, and scientific activities of certain not for profit healthcare organizations of which it is the sole member, and to be the sole shareholder of certain for profit corporate subsidiaries. The Parent is an Illinois not for profit corporation, exempt from federal income tax as an organization described in Section 501(c)(3) of the Code.

ECONOMIC DISCLOSURE STATEMENT

Applicant: SwedishAmerican Health Systems, Rockford, IL
Location: 1313 East State Street, Rockford, IL 61104
Project name: SwedishAmerican Health System
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois
Board of Trustees: William R. Gorski, M.D. Richard P. Walsh Frank Bonelli, M.D.
Sara Fleming, M.D. John Shiro, M.D. Peter Christman
Danny Copeland, M.D. Michael E. Dallman Patrick T. Derry
James L. Gingrich Robert L. Head, PhD Helen Chung-Hill
Michael Houselog Dennis W. Johnson Gregory Jury
Marco T. Lenis Dan Loescher Fran Morrissey
John Myers, M.D. William Roop Daniel T. Ross
David R. Rydell John Scheub, M.D. C. Steven Sjogren
James Waddell Thomas R. Walsh Frank Walter
Amy Wilcox Allen Williams, M.D.

PROFESSIONAL & FINANCIAL

Borrower's Counsel: Holmstrom & Kennedy Rockford Phil Frankfort
Accountant: McGladrey Rockford Bob Wright
Bond Counsel: Jones Day Chicago Richard K. Tomei
Underwriter: BofA Merrill Lynch Chicago Ken Vallrugo
BofA Merrill Lynch New York Jeffrey Sahrbeck
Underwriter's Counsel: Polsinelli Shughart PC Chicago Dana Lach
Bond Trustee: BNY Mellon Trust Company Chicago Bob Hardy
Issuer's Counsel: Pugh Jones & Johnson, P.C. Chicago Lorraine Tyson
Financial Advisor: Acacia Financial Group, Inc. Chicago Courtney Shea

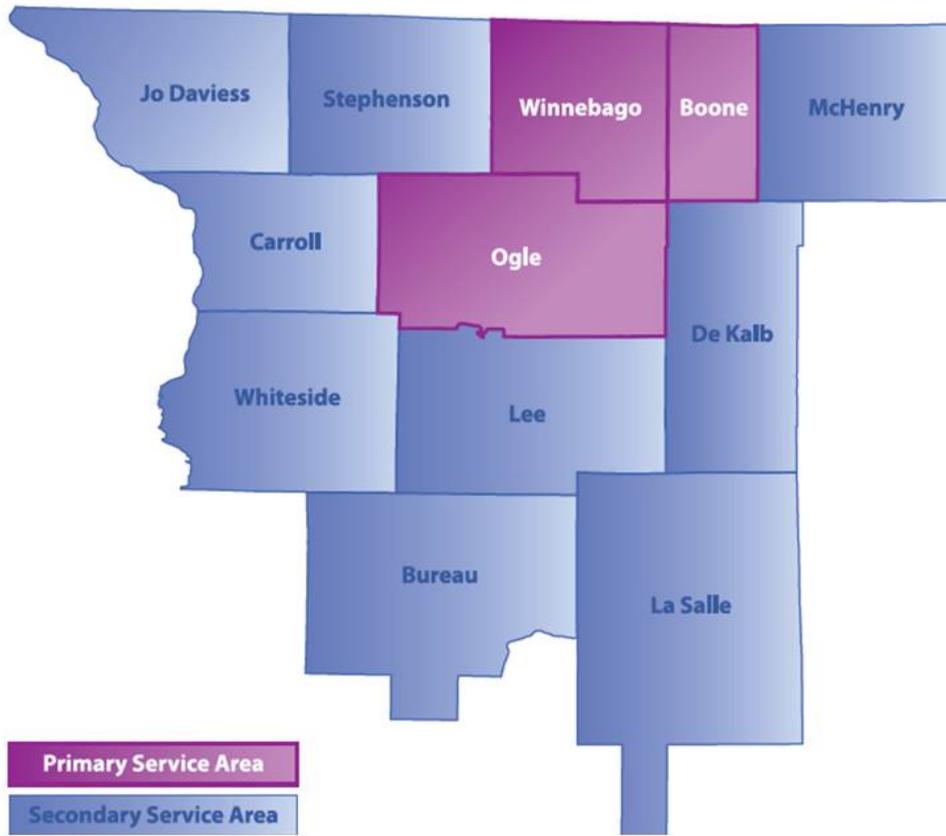
LEGISLATIVE DISTRICTS

Congressional: 16 Donald Manzullo
State Senate: 34 Dave Syverson
State House: 67 Chuck Jefferson

SERVICE AREA

The Corporation serves a broad geographic market, attracting patients from Southern Wisconsin, northwest suburban Chicago and throughout Northern and Northwestern Illinois. The map on the following page depicts their Illinois service area.

SERVICE AREA MAP





August 14, 2012

**\$200,000,000
OSF Healthcare System**

REQUEST	<p>Purpose: The Series 2012 Bonds will be used to refund approximately \$120 million in fixed rate bonds for present value savings and approximately \$16 million in variable rate bonds to eliminate the risks associated with variable rate debt and lock-in low cost committed capital. At the same time, OSF plans to take the opportunity to permanently finance its PNC Line relating to debt associated with Ottawa Regional Hospital & Healthcare Center (now known as OSF St. Elizabeth Medical Center) and the 2008 CP program relating to the Glen Park Place expansion. In addition, OSF will finance the reimbursement of certain prior capital expenditures relating to the cost of constructing and equipping a birthing center at Joseph Medical Center (known as the “Bloomington Project”).</p> <p>Program: Conduit 501(c)(3) Bonds</p> <p>Extraordinary Conditions: None.</p>																				
BOARD ACTIONS	Final Bond Resolution (<i>One-time consideration</i>)																				
MATERIAL CHANGES	None.																				
JOB DATA	<table border="0"> <tr> <td>11,578</td> <td>Current jobs (FTEs)</td> <td>6</td> <td>Jobs created by project</td> </tr> <tr> <td>11,578</td> <td>Retained jobs (FTEs)</td> <td>41</td> <td>Construction jobs created by project</td> </tr> </table>	11,578	Current jobs (FTEs)	6	Jobs created by project	11,578	Retained jobs (FTEs)	41	Construction jobs created by project												
11,578	Current jobs (FTEs)	6	Jobs created by project																		
11,578	Retained jobs (FTEs)	41	Construction jobs created by project																		
DESCRIPTION	<ul style="list-style-type: none"> • Locations: Peoria, Rockford, Bloomington, Galesburg, and Monmouth • OSF Healthcare System (“OSF” or the “Corporation”) is an Illinois not-for-profit corporation, exempt from Federal income taxation 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 its health care facilities as a single corporation, with each health care facility functioning as an operating division of the Corporation. • The Bonds will be secured by a master indenture note of OSF. No mortgage or debt service reserve fund will be required. 																				
SECURITY	<p>Public Offering</p> <p>Ratings: A3/A/A by Moody’s/S&P/Fitch</p> <p>Interest Rate: Fixed Rate</p> <p>Maturity: Up to 30 Years</p>																				
SOURCES AND USES	<table border="0"> <tr> <td>IFA Bonds</td> <td>\$166,000,000</td> <td>Refunding</td> <td>\$150,000,000</td> </tr> <tr> <td>Premium</td> <td>\$15,000,000</td> <td>Reimbursement</td> <td>\$16,000,000</td> </tr> <tr> <td>DSRF Release</td> <td><u>\$14,000,000</u></td> <td>Finance PNC Line</td> <td>\$26,500,000</td> </tr> <tr> <td></td> <td></td> <td>Est. Costs of Issuance*</td> <td><u>\$2,500,000</u></td> </tr> <tr> <td>Total</td> <td>\$195,000,000</td> <td>Total</td> <td>\$195,000,000</td> </tr> </table> <p><small>*Cost of Issuance estimated at 1.50% of par. Not reflective of actual costs.</small></p>	IFA Bonds	\$166,000,000	Refunding	\$150,000,000	Premium	\$15,000,000	Reimbursement	\$16,000,000	DSRF Release	<u>\$14,000,000</u>	Finance PNC Line	\$26,500,000			Est. Costs of Issuance*	<u>\$2,500,000</u>	Total	\$195,000,000	Total	\$195,000,000
IFA Bonds	\$166,000,000	Refunding	\$150,000,000																		
Premium	\$15,000,000	Reimbursement	\$16,000,000																		
DSRF Release	<u>\$14,000,000</u>	Finance PNC Line	\$26,500,000																		
		Est. Costs of Issuance*	<u>\$2,500,000</u>																		
Total	\$195,000,000	Total	\$195,000,000																		
RECOMMENDATION	Credit Review Committee recommends approval																				

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 14, 2012**

Project: OSF Healthcare System

STATISTICS

Project Number:	H-HO-TE-CD-8568	Amount:	\$200,000,000 (Not-to-Exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane and Nora O'Brien
Locations:	Peoria, Rockford, Bloomington, Galesburg, Monmouth	County/ Regions:	Peoria/North Central, Winnebago/Northern Stateline, McLean/North Central, Knox/West Central, Warren/West Central

BOARD ACTION

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

VOTING RECORD

None. This is the first time this project is being presented to the IFA Board of Directors.

PURPOSE

Proceeds of the Bonds will be used to: (1) refund approximately \$120 million in fixed rate bonds and approximately \$16 million in variable rate bonds. The Bonds to be refunded are (i) the Series 2004 Bonds, (ii) the Series 2007G Bonds, (iii) a portion of the Series 2009A Bonds, and (iv) the Series 2009F Bonds; (2) provide permanent financing for the PNC Line relating to the Ottawa debt and 2008 CP program refinancing; and (3) provide reimbursement for a portion of the costs associated with the Bloomington Project.

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) Bonds do not require Volume Cap.

JOBS

Current employment: 11,578 FTEs	Projected new jobs: 6
Jobs retained: 11,578 FTEs	Construction jobs: 41

ESTIMATED SOURCES AND USES OF FUNDS

IFA Bonds	\$166,000,000	Refunding	\$150,000,000
Premium	\$15,000,000	Reimbursement	\$16,000,000
DSRF Release	<u>\$14,000,000</u>	Finance PNC Line	\$26,500,000
		Est. Costs of Issuance*	<u>\$2,500,000</u>
Total	\$195,000,000	Total	\$195,000,000

*Cost of Issuance estimated at 1.50% of par. Not reflective of actual costs.

FINANCING SUMMARY/STRUCTURE

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

Par Amount: Up to \$200,000,000.

Structure: The structure of this Series 2012 Bond issue will include serial as well as term bonds.

Interest Rate: Fixed rate estimated from 4.75% - 5.50%

Interest Mode: Fixed

Credit Enhancement: None

Maturity: Up to 30 Years (11/15/2042)

Rating: A3/A/A (Moody's/S&P/Fitch)

Closing Date: Estimated September, 2012

PROJECT SUMMARY

The Series 2012 Bonds will be used to refund approximately \$120 million in fixed rate bonds and approximately \$16 million in variable rate bonds. The bond issues to be refunded are the Series 2004 Fixed Rate Bonds (\$59,455,000), the Series 2007G Variable Rate Bonds (\$15,945,000), a portion of the Series 2009A Fixed Rate Bonds (\$40,310,000), and the Series 2009F Fixed Rate Bonds (\$20,698,939). Refunding these bond issues with fixed rate bonds will allow OSF to capture economic savings, eliminate the risks associated with variable rate debt and lock-in low cost committed capital. OSF also plans to permanently finance the PNC Line (\$26,500,000), associated with the Ottawa debt and 2008 CP program refinancing. The Series 2012 Bonds will also include a new money component (\$15,800,000) for reimbursement for a portion of the cost of the Bloomington Project.

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 its 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. Eight of the Corporation's facilities (seven hospitals and one continuing care and nursing home center) are located in Illinois. One hospital is located in Michigan. OSF has 1,314 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 90 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.

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:
Sister Judith Ann Duvall, O.S.F., Chairperson
Kevin D. Schoepflein, 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 Rose Therese Mann, O.S.F.
Susan K. Campbell, DNP, RN
Vance C. Parkhurst
James W. Girardy, M.D.
Gerald J. McShane, M.D.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	OSF Corporate Counsel	Peoria	Vance C. Parkhurst
Borrower's Special Counsel:	Hinshaw & Culbertson	Rockford	Charles Thomas
Accountant:	KPMG	Peoria	Charles Klescewski
Bond Counsel:	Jones Day	Chicago	John Bibby
Underwriters:	Barclays	Chicago	Ben Klemz
Underwriter's Counsel:	SNR Denton	Chicago	Kathryn Ashton
Financial Advisor:	Anne Donahoe	Chicago	Anne Donahoe
Bond Trustee:	Wells Fargo	Chicago	Kevin O'Kelly
Issuer's Counsel:	Chapman & Cutler	Chicago	Nancy Burke
IFA Advisors:	The PFM Group	Chicago	Julia Harris

LEGISLATIVE DISTRICTS

Congressional: 18- Aaron Schock
15-Timothy V. Johnson
16- Donald A. Manzullo
17- Bobby Schilling

State Senate: 46- David Koehler
37- Darin LaHood
53- Shane Cultra
44- Bill Brady
47- John M. Sullivan

State House: 92 - Jehan Gordon
73 - David R. Leitch
106 - Keith P. Sommer
69 - Joe Sosnowski
74 - Donald L. Moffitt
88 - Dan Brady
94 - Norine K. Hammond

SERVICE AREA

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

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: August 14, 2012

Re: Resolution authorizing the execution and delivery of an Amendment to the Bond and Loan Agreement in connection with Illinois Finance Authority ("IFA") Industrial Development Revenue Refunding Bonds (Transparent Container Company, Inc. Project), Series 2011

IFA File Number: I-ID-TE-CD-407

Request:

Transparent Container Co., Inc. ("Transparent Container" or the "**Original Borrower**") and **North Shore Community Bank and Trust Company** (the "**Bond Purchaser**") are requesting approval of a Resolution to authorize execution and delivery of an Amendment to the Bond and Loan Agreement to effectuate the purchase of IFA Industrial Development Revenue Refunding Bonds (Transparent Container Project), Series 2011 (the "**Bonds**").

The Bonds are currently held by JPMorgan Chase Bank, N.A. and will be purchased in whole and held as an investment by North Shore Community Bank and Trust Company of Skokie (a Wintrust Community Bank).

The original par amount of the Bonds was approximately \$3,795,000. The outstanding par amount of the Bonds was approximately \$3,605,250 as of August 1, 2012.

Approval of this resolution will (i) authorize the \$3,605,250 in principal amount of IFA Industrial Development Revenue Refunding Bonds (Transparent Container Project), Series 2011 to be purchased directly by North Shore Community Bank and Trust Company, (ii) authorize adjustments to the Applicable Margin per annum, (ii) add Richardson & Edwards Printing, Inc. (the "**Co-Borrower**" and together with the Original Borrower, the "**Borrower**") as an obligor and (iii) amend the principal payment schedule to increase monthly principal payments.

Richardson and Edwards Printing, Inc. is being acquired by the owners of Transparent Container Co., Inc. (the Greiwe family) and its operations are being relocated to Transparent Container's production facility. Because both companies will be affiliated under common ownership, the documents will be amended to identify the two affiliates as co-obligors of the Bonds. As the terms of the Bonds will not be significantly modified, bond counsel (Ice Miller LLP) has determined that a new public hearing on the project (i.e., a "**TEFRA Hearing**" as defined under the Internal Revenue Code) will not be necessary. Nevertheless, bond counsel has determined that this transaction will be considered a reissuance for tax law purposes. IFA's estimated administrative fee will be \$5,000.

Background:

The proceeds of the IFA Series 2011 Bonds were used by the Original Borrower to assist in providing the funds necessary to refund the outstanding amount of Illinois Finance Authority Variable Rate Demand Industrial Development Revenue Bonds (Transparent Container Co., Inc. Project), Series 2004 (the "Prior Bonds"). The Prior Bonds financed the costs of acquiring, rehabbing and equipping of a manufacturing facility located at 325 South Lombard, Addison, Illinois 60101, and the rehabbing and equipping of manufacturing facilities located at 5744 McDermott Drive, Berkeley, Illinois 60103, and at 625 Thomas Drive, Bensenville, Illinois 60106, for use by the Original Borrower in its visible container business and related costs of issuance.

All payments relating to the IFA Series 2011 Bonds are current and have been paid as scheduled.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Bazos, Freeman, Kramer, Schuster, Vanek & Kolb	Elgin, IL	Peter C. Bazos
Bond Counsel:	Ice Miller LLP	Chicago, IL	James M. Snyder Patra Geroulis
Bond Purchaser:	North Shore Community Bank & Trust Co.	Skokie, IL	Tim Kramer
Bank Counsel:	Ice Miller LLP	Chicago, IL	David Hight Laurie Miller
IFA Counsel:	Chapman and Cutler LLP	Chicago, IL	William Corbin
IFA Financial Advisor:	Public Financial Management, Inc.	Chicago, IL	Shannon Williams

IFA RESOLUTION NO. 2012-0814-AD__

A RESOLUTION PROVIDING FOR THE APPROVAL BY THE ILLINOIS FINANCE AUTHORITY (THE "ISSUER") OF THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED BOND AND LOAN AGREEMENT IN CONNECTION WITH THE OUTSTANDING INDUSTRIAL DEVELOPMENT REVENUE REFUNDING BONDS (TRANSPARENT CONTAINER PROJECT), SERIES 2011; AND RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "Issuer") previously issued its Illinois Finance Authority Variable Rate Demand Industrial Development Revenue Bonds (Transparent Container Co., Inc. Project), Series 2004 (the "2004 Bonds") which 2004 Bonds financed the costs of acquiring, rehabbing and equipping of a manufacturing facility located at 325 South Lombard, Addison, Illinois 60101, and the rehabbing and equipping of manufacturing facilities located at 5744 McDermott Drive, Berkeley, Illinois 60103, and at 625 Thomas Drive, Bensenville, Illinois 60106, for use by Transparent Container in its visible container business and related costs of issuance of the 2004 Bonds; and

WHEREAS, the Issuer on July 19, 2011 adopted a resolution authorizing the issuance and delivery of its \$3,795,000 original principal amount Industrial Development Revenue Refunding Bonds (Transparent Container Project), Series 2011 (the "2011 Bonds").

WHEREAS, the Bonds were previously issued pursuant to a Bond and Loan Agreement dated as of August 1, 2011 (the "Bond and Loan Agreement") among the Issuer, Transparent Container Co., Inc. (the "Original Borrower") and JPMorgan Chase Bank, N.A. (the "Original Purchaser"); and

WHEREAS, the Borrower has requested the Issuer and North Shore Community Bank and Trust Company (the "Purchaser") amend certain provisions of the Bond and Loan Agreement, in order to provide for certain amendments relating to the 2011 Bonds (as amended and restated, the "Bonds"), the change to the references of the Borrower and the change to the references of the Purchaser; and

WHEREAS, it is necessary and proper for the interests and convenience of the Issuer to authorize such amendments to the Bond and Loan Agreement and the Bonds; and

WHEREAS, the Issuer has caused to be prepared and presented to this meeting the Amended and Restated Bond and Loan Agreement dated as of August 1, 2012 among the Issuer, the Borrower and the Purchaser (the "Amended Bond and Loan Agreement"), which the Issuer proposes to enter into and which amends the Bond and Loan Agreement and the Bonds; and

WHEREAS, Richardson & Edwards Printing, Inc. (the "Co-Borrower" and together with the Original Borrower, the "Borrower") will also be a Borrower under the Amended Bond and Loan Agreement; and

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

Section 1. That the form, terms and provisions of the proposed Amended Bond and Loan Agreement, a copy of which is before this meeting, be, and it hereby is, in all respects approved, and that the Chairman, Vice Chairman, Treasurer, Assistant Treasurer or Executive Director (or other person duly appointed to any such office on an interim or acting basis) be, and they are hereby authorized, empowered and directed to execute and deliver such instrument in the name and on behalf of the Issuer and the Secretary or Assistant Secretary is hereby authorized to attest the same and to affix thereto the corporate seal of the Issuer and thereupon to cause the Amended Bond and Loan Agreement to be delivered to the Bank and the Borrower; that the Amended Bond and Loan Agreement is to be in substantially the form thereof submitted to this meeting and hereby approved, with such changes therein as shall be approved by the officials of the Issuer executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of such instrument hereby approved; that the Amended Bond and Loan Agreement shall be entered into with the Purchaser and the Borrower; and from and after the execution and delivery of such instrument, the officials, agents and employees of the Issuer 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 such instrument as executed. The Amended Bond and Loan Agreement shall constitute, and is hereby made a part of this Resolution and a copy of such document shall be placed in the official records of the Issuer, and shall be made available for public inspection.

Section 2. That the amendment of the Bonds is hereby approved and the Chairman, Vice Chairman, Treasurer, Assistant Treasurer or Executive Director (or other person duly appointed to any such office on an interim or acting basis) and the Secretary or Assistant Secretary of the Issuer be and are hereby authorized, empowered and directed to cause to be prepared the Bonds in the form and having the other terms and provisions specified in the Amended Bond and Loan Agreement (as executed and delivered); that the Bonds shall continue to be designated "Industrial Development Revenue Refunding Bonds (Transparent

Container Project), Series 2011;" that the Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of its Chairman, Vice Chairman, Treasurer, Assistant Treasurer or Executive Director (or other person duly appointed to any such office on an interim or acting basis) and the manual or facsimile signature of its Secretary or Assistant Secretary and the seal of the Issuer shall be impressed or reproduced thereon, and that the Chairman, Vice Chairman, Treasurer, Assistant Treasurer or Executive Director (or other person duly appointed to any such office on an interim or acting basis) or any other officer of the Issuer shall cause the Bonds as so executed and attested, to be delivered to the Purchaser; and the form of the Bonds submitted to this meeting as the same appears in the Amended Bond and Loan Agreement, subject to appropriate insertion and revision in order to comply with the provisions of said Amended Bond and Loan Agreement be, and the same hereby is, approved, and when the same shall be executed on behalf of the Issuer in the manner contemplated by the Amended Bond and Loan Agreement and this Resolution in the principal amount not to exceed \$3,795,000, it shall represent the approved form of the Bonds of the Issuer.

Section 3. That from and after the execution and delivery of the Amended Bond and Loan Agreement, the proper officials, agents and employees of the Issuer 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 said document as executed and to further the purposes and intent of this Resolution, including the preamble hereto. The Chairman, Vice Chairman, Treasurer, Assistant Treasurer or Executive Director (or other person duly appointed to any such office on an interim or acting basis) and the Secretary or Assistant Secretary be, and they are hereby, further authorized and directed for and on behalf of the Issuer, to execute all papers, documents, certificates and other instruments that may be required for the carrying out of the authority conferred by this Resolution or to evidence said authority, including without limitation, the execution and delivery of the Certificate of the Issuer re: Arbitrage, the signing of IRS Form 8038 and the filing thereof as therein required and the certifications relating to Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder and changes in the documents approved hereby as approved by the officials of the Issuer executing the same, and to exercise and otherwise take all necessary action to the full realization of the rights, accomplishments and purposes of the Issuer under the Amended Bond and Loan Agreement and to discharge all of the obligations of the Issuer thereunder. For purposes of certifying as to matters of arbitrage, the Chairman, the

Vice Chairman, the Treasurer, the Assistant Treasurer, the Executive Director, any Assistant Executive Director (or other person duly appointed to any such office on an interim or acting basis) or any one of them, is hereby designated an officer responsible for reissuing the Bonds.

Section 4. That all prior acts and doings of the officials of the Issuer which are in conformity with the purposes and intent of this Resolution are, in all respects, approved and confirmed.

Section 5. That the Issuer hereby elects to have the provisions of Section 144(a)(4)(A) of the Internal Revenue Code of 1986, as amended, apply to the hereinabove described bond issue and hereby affirmatively notes said election in this Resolution.

Section 6. That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision shall, for any reason, be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions.

Section 7. That all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby superseded.

Section 8. This Resolution shall be in full force and effect from and after its passage and approval, in accordance with law.

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ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Pam Lenane & Nora O'Brien

Date: August 14, 2012

Re: Resolution Approving and Ratifying the Substitution of Credit Facility Provider for Certain Outstanding Bonds Issued on Behalf of Swedish Covenant Hospital; Approving and Ratifying the Replacement of Remarketing Agent for Certain Outstanding Bonds Issued on Behalf of Swedish Covenant Hospital; and Authorizing, Approving and Ratifying Certain Other Matters

(IFA Series Variable Rate Demand Revenue Refunding Bonds Series 2008A – Swedish Covenant Hospital Project)

Swedish Covenant Hospital (“**Swedish Covenant**” or the “**Borrower**”) will be replacing the existing Bank of America, N.A. letter of credit and replacing the remarketing agent for certain outstanding Bonds.

The Illinois Finance Authority (the “**Authority**”) has previously issued its \$60,000,000 Illinois Finance Authority Variable Rate Demand Revenue Refunding Bonds, Series 2008A (Swedish Covenant Hospital) (the “**Series 2008A Bonds**”). Swedish Covenant has determined that it is desirable to have PNC Bank, National Association provide a substitute letter of credit for the Series 2008A Bonds in replacement of the existing letter of credit provided by Bank of America, N.A. and to replace Merrill Lynch, Pierce, Fenner & Smith Incorporated as the Remarketing Agent for the Series 2008A Bonds with a new Remarketing Agent to be selected by Swedish Covenant.

IFA RESOLUTION NO. 2012-0814-AD

RESOLUTION APPROVING AND RATIFYING THE SUBSTITUTION OF CREDIT FACILITY PROVIDER FOR CERTAIN OUTSTANDING BONDS OF THE ILLINOIS FINANCE AUTHORITY; APPROVING AND RATIFYING THE REPLACEMENT OF REMARKETING AGENT FOR CERTAIN OUTSTANDING BONDS OF THE ILLINOIS FINANCE AUTHORITY; AND AUTHORIZING, APPROVING AND RATIFYING CERTAIN OTHER MATTERS.

WHEREAS, the **ILLINOIS FINANCE AUTHORITY** (the "Authority") has been created by the Illinois Finance Authority Act, as amended (the "Act"); and

WHEREAS, the Authority has previously issued its \$60,000,000 Illinois Finance Authority Variable Rate Demand Revenue Refunding Bonds, Series 2008A (Swedish Covenant Hospital) (the "Series 2008A Bonds") pursuant to the Bond Trust Indenture dated as of April 1, 2008 (the "Bond Indenture") between the Authority and U.S. Bank National Association, as bond trustee, the proceeds of which were loaned to Swedish Covenant Hospital, a not for profit healthcare institution (the "Corporation") pursuant to the Loan Agreement dated as of April 1, 2008 (the "Loan Agreement") between the Authority and the Corporation; and

WHEREAS, the Corporation has determined that it is desirable to have (i) PNC Bank, National Association provide an Alternate Credit Facility (as defined in the Bond Indenture) for the Series 2008A Bonds in replacement of the existing letter of credit provided by Bank of America, N.A., and (ii) to replace of Merrill Lynch, Pierce, Fenner & Smith Incorporated as remarketing agent for the Series 2008A Bonds with a remarketing agent selected by the Corporation and meeting the qualifications set forth in the Bond Indenture (collectively, the "Series 2008A Credit Facility and Remarketing Agent Substitution"); and

WHEREAS, the Corporation has requested that the Authority approve the Series 2008A Credit Facility and Remarketing Agent Substitution and provide for amendments to the Bond Indenture and the Loan Agreement that may be required by the rating agencies currently rating the Series 2008A Bonds to maintain the highest short term ratings on the Series 2008A Bonds; and

WHEREAS, the Authority wishes to authorize, approve and ratify all actions of the officers and employees of the Authority undertaken in connection with the Series 2008A Credit Facility and Remarketing Agent Substitution;

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

Section 1. The Series 2008A Credit Facility and Remarketing Agent Substitution. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including, without limitation, any supplements to the Bond Indenture or Loan Agreement, consents, waivers, reimbursement agreements or disclosure documents) such officers, agents or employees of the Authority deem necessary to implement the Series 2008A Credit Facility and Remarketing Agent Substitution, to maintain the short term ratings in the highest short term rating category from each rating agency currently rating the Series 2008A Bonds and comply with the provisions of the applicable documents relating to the Series 2008A Bonds, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved.

Section 2. Continued Effectiveness of Resolution 2004-7. This resolution shall be and is intended to be in all cases a ratification of the authority granted under Resolution 2004-7 of the Authority (the "2004 Resolution") and in any resolutions approving the original issuance of the Series 2008A Bonds (the "Prior Approving Resolutions"). Notwithstanding anything set forth herein, the 2004 Resolution and the Prior Approving Resolutions shall remain in full force and effect and shall remain full and complete authorization for the members and/or officers

of the Authority to execute and deliver any and all certificates, agreements and other instruments in connection with a Credit Facility substitution or replacement of remarketing agent or such other matters set forth in the 2004 Resolution or the Prior Approving Resolutions.

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ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Christopher B. Meister and Sohair Omar

Date: August 14, 2012

Re: Resolution Delegating to the Executive Director of the Illinois Finance Authority the Power to Develop and Administer a Pilot Program in Connection with the Small Contractor Initiative of the United States Department of Housing and Urban Development and the United States Small Business Administration

Request:

The Illinois Finance Authority (the “IFA”) requests approval of a Resolution delegating to the Executive Director of the IFA the power to develop and administer a pilot program in connection with the Small Contractor Initiative (the “Initiative”) of the United States Department of Housing and Urban Development (“U.S. HUD”) and the United States Small Business Administration (“U.S. SBA”).

Background:

Government-funded construction projects represent significant business opportunities for small contractors, which include minority-owned, women-owned and disadvantaged business enterprises (“M/W/DBE”). However, M/W/DBE face two major financial barriers: (i) obtaining bonding to prequalify for public construction contracts; and (ii) obtaining working capital to prequalify for bonding.¹²

In partnership with the U.S. HUD and the U.S. SBA, the IFA proposes to launch an M/W/DBE Contractor Working Capital Loan Pilot Program (the “Program”) as part of the Initiative. The Initiative takes an integrated approach to help small and emerging contractors develop the capacities that they need to grow their construction businesses by providing access to business training and counseling and access to working capital to obtain bonding. It leverages the U.S. SBA’s Surety Bond Guarantee Program and the U.S. Department of Transportation’s Bonding Education Program. The Program will be designed to provide accounts receivable financing for small contractors executing public agency (local, State and federal) contracts in the State of Illinois.

Recommendation:

IFA Staff recommends approval of the accompanying Resolution that would delegate to the Executive Director of the IFA the power to develop and administer the Program in connection with the Initiative of the U.S. HUD and the U.S. SBA.

¹ A surety bond, also referred to as a performance bond, is a legal guarantee that the project will be completed. It is required for all public work costing over \$50,000 in the State of Illinois, pursuant to the Public Construction Bond Act, 30 ILCS 550/0.01 et seq., as amended.

² See the 2011 Disadvantaged Business Enterprise Disparity Study commissioned by the Illinois State Toll Highway Authority.

RESOLUTION NO. 2012-0814-ADXX

RESOLUTION DELEGATING TO THE EXECUTIVE DIRECTOR OF THE ILLINOIS FINANCE AUTHORITY THE POWER TO DEVELOP AND ADMINISTER A PILOT PROGRAM IN CONNECTION WITH THE SMALL CONTRACTOR INITIATIVE OF THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND THE UNITED STATES SMALL BUSINESS ADMINISTRATION

WHEREAS, pursuant to Section 801-30 and Section 801-40 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as amended, the Illinois Finance Authority (the "Authority") is authorized to make loans and enter into loan agreements to accomplish the purposes of the Act; and

WHEREAS, pursuant to the Business Enterprise for Minorities, Females, and Persons with Disabilities Act, 30 ILCS 575/1-1 et seq., as amended, it is the public policy of the State of Illinois to promote and encourage the continuing economic development of businesses owned by minorities, females and persons with disabilities ("M/W/DBE"); and

WHEREAS, the United States Department of Housing and Urban Development ("U.S. HUD") and the United States Small Business Administration ("U.S. SBA") plan to execute a Small Contractor Initiative to assist small and emerging contractors in developing management capacities and obtaining bonding for public work; and

WHEREAS, the 2011 Disadvantaged Business Enterprise Disparity Study, commissioned by the Illinois State Toll Highway Authority, revealed that M/W/DBE in the State of Illinois have limited access to business capital and have difficulties obtaining bonding for public work; and

WHEREAS, the U.S. HUD and the U.S. SBA have invited the Authority to participate in the Small Contractor Initiative to make working capital loans available to M/W/DBE in the State of Illinois for the purposes of obtaining bonding for public work; and

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

Section 1. Delegation to the Executive Director. The Authority hereby delegates to the Executive Director of the Authority, in conjunction with the other officers of the Authority, the power to take or cause to be taken any and all such actions, and to execute, acknowledge and deliver any and all such agreements, instruments, certificates and other documents as may be required in connection with the development and administration of the M/W/DBE Contractor Working Capital Loan Pilot Program as part of the Small Contractor Initiative of the U.S. HUD and the U.S. SBA.

Section 2. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Section 3. Enactment. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

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