ILLINOIS FINANCE AUTHORITY
BOARD MEETING
Tuesday, August 16, 2011
Chicago, Illinois

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

AGENDA

I. Call to Order & Roll Call
II. Chairman's Remarks
III. Message from the Executive Director (with attachments; Tab A)
IV. Senior Staff Reports
V. Committee Reports
VI. Project Reports
VII. Other Business
VIII. Public Comment
IX. Adjournment

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

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

Board Meeting Agenda ***(revised on August 12, 2011 to include Tab #7)***
August 16, 2011

AGRICULTURE

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM	FA
Beginning Farmer Bonds *Final (One-Time Consideration)*							
1	A) Joseph M. Adams	Tampico Township (Whiteside County)	$240,000	0	0	JS/LK	N/A
	B) Mathew A. Frohning	Bible Grove & Pixley Townships (Clay County)	$255,000	0	0	JS/LK	N/A
	C) Casey P. Sterrenberg	Chatsworth Township (Livingston County)	$477,000	0	0	JS/LK	N/A
	D) Evan T. Meister (no relation to IFA Executive Director)	Pigeon Grove Township (Iroquois County)	$203,940	0	0	JS/LK	N/A
	E) Nicholas Randall Borkgren	Andover Township (Henry County)	$225,720	0	0	JS/LK	N/A
	F) Alexander Colby Jordan	Bois D'Arc Township (Montgomery County)	$203,405	0	0	JS/LK	N/A
	G) Korey P. Jordan	Bois D'Arc Township (Montgomery County)	$203,405	0	0	JS/LK	N/A
Agri-Debt Guarantee *Final (One-Time Consideration)*							
2	Wayne H. Nelson	Unincorporated DeKalb County	$97,000	0	0	JS	SB
TOTAL AGRICULTURE PROJECTS			**$1,905,470**	**0**	**0**		

BUSINESS AND INDUSTRY

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM	FA
Midwestern Disaster Area Revenue Bonds *Preliminary*							
3	BNSF Railway Company	Gulfport (Henderson County)	$40,000,000	N/A	939	RF/BF	AC
TOTAL BUSINESS AND INDUSTRY PROJECTS			**$40,000,000**	**0**	**939**		

HEALTHCARE

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM	FA
501(c)(3) Revenue Bonds *Preliminary*							
4	Trinity Health Corporation	Maywood and Melrose Park (Cook County)	$600,000,000	N/A	N/A	PL/NO	AC
TOTAL HEALTHCARE PROJECTS			**$600,000,000**	**0**	**0**		

RESOLUTIONS

Tab	Project Name	FM	FA
Amendatory Resolutions			
5	Resolution authorizing the execution and delivery of an Amended and Restated Indenture of Trust and an Amended and Restated Loan Agreement in connection with IFA Series 1999 Adjustable Demand Revenue Bonds (Chicago Shakespeare Theater Project)	RF/BF	SB
6	Resolution authorizing the execution and delivery of a First Amendment to Bond and Loan Agreement in connection with IFA Series 2009 Educational Facility Revenue Bond (Namaste Charter School, Inc. Project)	RF/BF	SB

HIGHER EDUCATION, CULTURAL, AND OTHER NON-HEALTHCARE 501(c)(3)'s

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM	FA
501(c)(3) Revenue Bonds *Final*							
7	UNO Charter School Network, Inc.	Chicago (Cook County)	$40,000,000	N/A	**8 to 10**	RF/BF	AC
TOTAL HIGHER EDUCATION, CULTURAL, AND OTHER NON-HEALTHCARE 501(c)(3)'s PROJECTS			**$40,000,000**	**0**	**8 to 10**		
GRAND TOTAL			**$681,905,470**	**0**	**947 to 949**		

ILLINOIS FINANCE AUTHORITY

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Suite 2555
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312-651-1300
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August 16, 2011

TO: William A. Brandt, Jr., Chairman
Dr. William Barclay
Gila J. Bronner
Heather D. Parish
Roger E. Poole
Bradley A. Zeller
Hon. Barrett Pedersen
Michael W. Goetz, Vice Chairman
Edward H. Leonard, Sr.
Terrence M. O'Brien
Jack Durburg
James J. Fuentes
Norman M. Gold

RE: Message from the Executive Director

Dear Members of the Authority:

The past month has been one of unprecedented tumult in the financial and political arenas that will have long lasting impacts on financial markets across the nation. Although there is no way to divine the future, the work that has been done to date to position the IFA to weather economic challenges provides a strong foundation for future success.

The United States of America and Standard & Poor's (S&P)

As you know, on August 5, 2011, S&P lowered the long-term credit rating of the United States of America to "AA+" from "AAA" while affirming the "A-1+" short-term credit rating of our nation's government. S&P based its decision on its view of political risk at the federal level and our nation's rising debt level. The reaction of the capital markets and government policy-makers was immediate and has not fully played out. Regardless of one's view of the merits of S&P's decision, the impact of this decision on the IFA's ability to fulfill its public mission to retain and create jobs and on the IFA's not-for-profit, corporate and individual borrowers is, at this point, not likely to be positive.

On August 8, S&P started to downgrade large numbers of municipal bonds, including those pre-refunded bonds backed by U.S. Treasuries, housing bonds with federal guarantees, investment pools that invested in U.S. Treasuries, and bonds backed by federal leases. (*S&P Begins Dropping a Broad Range of Muni Bonds*, Bond Buyer, Patrick Temple-West, August 9, 2011). Ultimately, the number of downgraded issues could be significant. For example, the muni market, including both general obligation borrowers and conduit borrowers, is comprised of an estimated 1.2 million individual bond issues. In comparison, the corporate bond market has an estimated 75,000 individual bond issues. (*Munis Waiting for Other Shoe to Drop*, Bond Buyer, Patrick McGee, August 9, 2011). By the end of the day on August 9, S&P downgraded more than 11,000 municipal bond issues consistent with its newly lowered rating on federal debt. (*S&P Cuts Ratings on 11,000 Muni Issues*, Wall Street Journal, Michael Aneiro, August 9, 2011). Finally, at least one bond trustee warned financing participants that the S&P downgrade of certain long-term U.S.-backed securities should trigger a review of compliance provisions regarding investments in bond documents. (Deutsche Bank Letter, August 9, 2011). Deutsche Bank serves as trustee to 17 IFA conduit transactions.

The August 5 S&P downgrade was preceded by the August 2 agreement between President Obama and Congress to raise the federal debt ceiling by $2.1 trillion and cut spending by as much as $2.4 trillion over the next decade. In the view of S&P, the August 2 agreement fell short of what "would be necessary to stabilize" the federal government's debt situation. (*Research Update: United States of America Long-Term Rating Lowered to "AA+" On Political Risk and Rising Debt Burden; Outlook Negative*, S&P, August 5, 2011). Still, the as yet unidentified projected cuts in federal spending from the August 2 agreement, as well as those implemented since January 2011, will focus disproportionately on healthcare and education – both found in federal discretionary spending that constitutes approximately 12.5% of the federal budget. Healthcare and Education borrowers constitute 86.1% or $20.9 billion of the IFA's total outstanding portfolio of conduit debt, which is nearly $25 billion. This does not include any monies of the State of Illinois or a debt of the State. Over the next several years, the impact of federal spending cuts as well as the ongoing impact of the recession could be very significant on IFA's healthcare and education borrowers.

The IFA staff will continue to monitor these developments and update Board Members accordingly. In addition, staff is in contact with IFA's key borrowers to ensure that the IFA will be able to identify challenges and maximize opportunities to work with affected borrowers.

Good News

It is easy to become discouraged by the fact that the financial world appears to be a much more dangerous and uncertain place than it appeared on August 4, the day before the S&P downgrade of the long-term credit rating of the U.S. However, despite the grim national economic and fiscal news, the IFA is pleased to present to two important job retention and creation projects this month.

First, we are very pleased to welcome Trinity Health System (Trinity), a multi-state not-for-profit healthcare system based in Michigan, to Illinois. As has been previously discussed, Trinity has completed its acquisition of Loyola University Medical Center in Maywood and Gottlieb Medical Center in Melrose Park, which combined employ nearly 6,000 workers. Trinity is seeking to issue more than $550 million in federally tax-exempt bonds to refinance and reimburse itself for costs incurred in connection with its acquisition of Loyola/Gottleib.

Second, we are also pleased to assist BNSF Railway Company in using Midwestern Disaster Area Revenue Bonds ("MDABs") to finance reconstruction of the Burlington Bridge over the Mississippi River in Henderson County on BNSF's Chicago-Denver mainline. The Burlington Bridge was originally constructed in 1891 and was last renovated in 1968. The BNSF Railway Company project will be the third MDAB Project considered by the IFA. We are proud to assist with this transportation infrastructure investment of national importance.

Conclusion

We continue to move forward with the strategic planning process, and look forward to beginning the formal process over the next few weeks. As always, the staff of the IFA looks forward to continuing to work with all of you to fulfill our mission to create and retain jobs.

Respectfully,

Christopher B. Meister

Attachments:

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

Attachment 2 – Schedule of Debt; FY'11 Closed Projects

Deutsche Bank

Deutsche Bank
60 Wall Street, 27th Floor
New York, NY 10005

URGENT AND TIME SENSITIVE MEMORANDUM

TO: Authorized Parties (as defined below)

FROM:	DEUTSCHE BANK NATIONAL TRUST COMPANY,
	DEUTSCHE BANK TRUST COMPANY AMERICAS
	each in their capacities as Trustee, Collateral Trustee, Custodian, Security Trustee, Indenture Trustee, Paying Agent, Tender Agent, Escrow Agent, Collateral Agent, Securities Intermediary, and/or Depositary or other similar appointments

DATE: August 9, 2011

RE: Review of Trust Permitted Investment Provisions in Light of Standard & Poor's Downgrade of United States of America ("U.S.") Sovereign Credit Rating and Possible Negative Ratings Actions by Other Ratings Agencies

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Each addressee of this Memorandum acts as an authorized party or authorized officer (collectively, "Authorized Parties") under one or more agreements (each, a "Agreement" and collectively, the "Agreements") for which Deutsche Bank National Trust Company or Deutsche Bank Trust Company Americas acts in one or more of the representative capacities indicated above (collectively, the "Trustees"). **This Memorandum concerns important legal and administrative issues and should be forwarded to your Legal Department or General Counsel's office as well as your relevant investment department.**

Under the standard terms of the Agreements, which consist of indentures, administration agreements, escrow agreements, depositary agreements, paying agent agreements, deposit agreements, security account control agreements, collateral agency agreements or other governing instruments for most trusts or similar arrangements ("Trusts"), moneys held in various Trust funds and accounts must be held at eligible depositaries and, to the extent that they are invested, be invested in specified "Permitted Investments" or "Eligible Investments" (collectively, "Permitted Investments"). In most instances, Trust funds are invested in Permitted Investments by or at the direction of Authorized Parties, and gains or losses on such investments are for the account of Authorized Parties.

On August 5, 2011, Standard & Poor's ("S&P") downgraded the long-term sovereign credit rating of the U.S., as well as the ratings of securities backed by the full faith and credit of the

U.S. ("FF&C Securities") from AAA to AA+. S&P also downgraded the ratings of certain other securities, the ratings of which are dependent on the rating of the U.S. ("Affected Securities"). S&P did not lower its short-term ratings on FF&C Securities or Affected Securities. There is a possibility that one or more of other nationally recognized statistical rating organizations (collectively, "Rating Agencies") may also downgrade FF&C Securities and Affected Securities in the future.[1]

Under the terms and conditions of most Agreements, FF&C Securities constitute Permitted Investments and are not themselves subject to a minimum ratings test. However, large amounts of Trust funds are currently invested in money market funds or similar investment vehicles that, in turn, invest some or all of their assets in FF&C Securities or Affected Securities ("Fund Investments"). Under the Agreements, such Fund Investments typically are subject to minimum ratings tests that require Fund Investments to be rated, for example, at the applicable Rating Agencies' highest rating level or category. Although the ratings of Fund Investments are determined by a number of factors, under certain circumstances, downgrades of FF&C Securities and Affected Securities may cause Rating Agencies to downgrade Fund Investments. Such downgrades of Fund Investments likely would cause them to cease to qualify as Permitted Investments under some Agreements. Agreements vary as to the legal and operational requirements in this situation. For example, while most Agreements would prohibit future placements of Trust funds in downgraded Fund Investments, some Agreements may additionally require immediate liquidation of existing Fund Investments.

Since most Trust funds are invested by or at the directive of the Authorized Party, we urge each Authorized Party to review immediately all relevant Agreements, all current Trust fund investments and all related investment directives (whether directed to the Trustees or to third parties) to determine the appropriate course of action in the event of downgrades of Fund Investments. Such actions may include appropriate modification of investment directives.

Please contact your Deutsche Bank service representative with any questions you may have regarding this Memorandum.

Thank you.

[1] As of the date of this writing, Moody's Investors Service has confirmed its AAa long-term rating of the U.S., FF&C Securities and Affected Securities, but has also assigned them a "negative ratings outlook." Fitch Ratings has announced that it will complete its ratings review of U.S. sovereign credit by the end of August, 2011.

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August 5, 2011

Research Update:

United States of America Long-Term Rating Lowered To 'AA+' On Political Risks And Rising Debt Burden; Outlook Negative

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Research Update:

United States of America Long-Term Rating Lowered To 'AA+' On Political Risks And Rising Debt Burden; Outlook Negative

Overview

- We have lowered our long-term sovereign credit rating on the United States of America to 'AA+' from 'AAA' and affirmed the 'A-1+' short-term rating.
- We have also removed both the short- and long-term ratings from CreditWatch negative.
- The downgrade reflects our opinion that the fiscal consolidation plan that Congress and the Administration recently agreed to falls short of what, in our view, would be necessary to stabilize the government's medium-term debt dynamics.
- More broadly, the downgrade reflects our view that the effectiveness, stability, and predictability of American policymaking and political institutions have weakened at a time of ongoing fiscal and economic challenges to a degree more than we envisioned when we assigned a negative outlook to the rating on April 18, 2011.
- Since then, we have changed our view of the difficulties in bridging the gulf between the political parties over fiscal policy, which makes us pessimistic about the capacity of Congress and the Administration to be able to leverage their agreement this week into a broader fiscal consolidation plan that stabilizes the government's debt dynamics any time soon.
- The outlook on the long-term rating is negative. We could lower the long-term rating to 'AA' within the next two years if we see that less reduction in spending than agreed to, higher interest rates, or new fiscal pressures during the period result in a higher general government debt trajectory than we currently assume in our base case.

Rating Action

On Aug. 5, 2011, Standard & Poor's Ratings Services lowered its long-term sovereign credit rating on the United States of America to 'AA+' from 'AAA'. The outlook on the long-term rating is negative. At the same time, Standard & Poor's affirmed its 'A-1+' short-term rating on the U.S. In addition, Standard & Poor's removed both ratings from CreditWatch, where they were placed on July 14, 2011, with negative implications.

The transfer and convertibility (T&C) assessment of the U.S.--our assessment of the likelihood of official interference in the ability of U.S.-based public- and private-sector issuers to secure foreign exchange for debt service--remains 'AAA'.

Rationale

We lowered our long-term rating on the U.S. because we believe that the prolonged controversy over raising the statutory debt ceiling and the related fiscal policy debate indicate that further near-term progress containing the growth in public spending, especially on entitlements, or on reaching an agreement on raising revenues is less likely than we previously assumed and will remain a contentious and fitful process. We also believe that the fiscal consolidation plan that Congress and the Administration agreed to this week falls short of the amount that we believe is necessary to stabilize the general government debt burden by the middle of the decade.

Our lowering of the rating was prompted by our view on the rising public debt burden and our perception of greater policymaking uncertainty, consistent with our criteria (see "Sovereign Government Rating Methodology and Assumptions ," June 30, 2011, especially Paragraphs 36-41). Nevertheless, we view the U.S. federal government's other economic, external, and monetary credit attributes, which form the basis for the sovereign rating, as broadly unchanged.

We have taken the ratings off CreditWatch because the Aug. 2 passage of the Budget Control Act Amendment of 2011 has removed any perceived immediate threat of payment default posed by delays to raising the government's debt ceiling. In addition, we believe that the act provides sufficient clarity to allow us to evaluate the likely course of U.S. fiscal policy for the next few years.

The political brinksmanship of recent months highlights what we see as America's governance and policymaking becoming less stable, less effective, and less predictable than what we previously believed. The statutory debt ceiling and the threat of default have become political bargaining chips in the debate over fiscal policy. Despite this year's wide-ranging debate, in our view, the differences between political parties have proven to be extraordinarily difficult to bridge, and, as we see it, the resulting agreement fell well short of the comprehensive fiscal consolidation program that some proponents had envisaged until quite recently. Republicans and Democrats have only been able to agree to relatively modest savings on discretionary spending while delegating to the Select Committee decisions on more comprehensive measures. It appears that for now, new revenues have dropped down on the menu of policy options. In addition, the plan envisions only minor policy changes on Medicare and little change in other entitlements, the containment of which we and most other independent observers regard as key to long-term fiscal sustainability.

Our opinion is that elected officials remain wary of tackling the structural issues required to effectively address the rising U.S. public debt burden in a manner consistent with a 'AAA' rating and with 'AAA' rated sovereign peers (see Sovereign Government Rating Methodology and Assumptions," June 30, 2011, especially Paragraphs 36-41). In our view, the difficulty in framing a consensus on fiscal policy weakens the government's ability to manage public finances and diverts attention from the debate over how to achieve more balanced and dynamic economic growth in an era of fiscal stringency and private-sector deleveraging (ibid). A new political consensus might (or might not) emerge after the 2012 elections, but we believe that by then, the government debt burden will likely be higher, the needed medium-term fiscal adjustment potentially greater, and the inflection point on the U.S. population's demographics and other age-related spending drivers closer at hand (see "Global Aging 2011: In The U.S., Going Gray Will Likely Cost Even More Green, Now," June 21, 2011).

Standard & Poor's takes no position on the mix of spending and revenue measures that Congress and the Administration might conclude is appropriate for putting the U.S.'s finances on a sustainable footing.

The act calls for as much as $2.4 trillion of reductions in expenditure growth over the 10 years through 2021. These cuts will be implemented in two steps: the $917 billion agreed to initially, followed by an additional $1.5 trillion that the newly formed Congressional Joint Select Committee on Deficit Reduction is supposed to recommend by November 2011. The act contains no measures to raise taxes or otherwise enhance revenues, though the committee could recommend them.

The act further provides that if Congress does not enact the committee's recommendations, cuts of $1.2 trillion will be implemented over the same time period. The reductions would mainly affect outlays for civilian discretionary spending, defense, and Medicare. We understand that this fall-back mechanism is designed to encourage Congress to embrace a more balanced mix of expenditure savings, as the committee might recommend.

We note that in a letter to Congress on Aug. 1, 2011, the Congressional Budget Office (CBO) estimated total budgetary savings under the act to be at least $2.1 trillion over the next 10 years relative to its baseline assumptions. In updating our own fiscal projections, with certain modifications outlined below, we have relied on the CBO's latest "Alternate Fiscal Scenario" of June 2011, updated to include the CBO assumptions contained in its Aug. 1 letter to Congress. In general, the CBO's "Alternate Fiscal Scenario" assumes a continuation of recent Congressional action overriding existing law.

We view the act's measures as a step toward fiscal consolidation. However, this is within the framework of a legislative mechanism that leaves open the details of what is finally agreed to until the end of 2011, and Congress and the Administration could modify any agreement in the future. Even assuming that at least $2.1 trillion of the spending reductions the act envisages are implemented, we maintain our view that the U.S. net general government debt burden (all levels of government combined, excluding liquid financial assets) will likely continue to grow. Under our revised base case fiscal scenario--which we consider to be consistent with a 'AA+' long-term rating and a negative outlook--we now project that net general government debt would rise from an estimated 74% of GDP by the end of 2011 to 79% in 2015 and 85% by 2021. Even the projected 2015 ratio of sovereign indebtedness is high in relation to those of peer credits and, as noted, would continue to rise under the act's revised policy settings.

Compared with previous projections, our revised base case scenario now assumes that the 2001 and 2003 tax cuts, due to expire by the end of 2012, remain in place. We have changed our assumption on this because the majority of Republicans in Congress continue to resist any measure that would raise revenues, a position we believe Congress reinforced by passing the act. Key macroeconomic assumptions in the base case scenario include trend real GDP growth of 3% and consumer price inflation near 2% annually over the decade.

Our revised upside scenario--which, other things being equal, we view as consistent with the outlook on the 'AA+' long-term rating being revised to stable--retains these same macroeconomic assumptions. In addition, it incorporates $950 billion of new revenues on the assumption that the 2001 and 2003 tax cuts for high earners lapse from 2013 onwards, as the Administration is advocating. In this scenario, we project that the net general government debt would rise from an estimated 74% of GDP by the end of 2011 to 77% in 2015 and to 78% by 2021.

Our revised downside scenario--which, other things being equal, we view as being consistent with a possible further downgrade to a 'AA' long-term rating--features less-favorable macroeconomic assumptions, as outlined below and also assumes that the second round of spending cuts (at least $1.2 trillion) that the act calls for does not occur. This scenario also assumes somewhat higher nominal interest rates for U.S. Treasuries. We still believe that the role of the U.S. dollar as the key reserve currency confers a government funding advantage, one that could change only slowly over time, and that Fed policy might lean toward continued loose monetary policy at a time of fiscal tightening. Nonetheless, it is possible that interest rates could rise if investors re-price relative risks. As a result, our alternate scenario factors in a 50 basis point (bp)-75 bp rise in 10-year bond yields relative to the base and upside cases from 2013 onwards. In this scenario, we project the net public debt burden would rise from 74% of GDP in 2011 to 90% in 2015 and to 101% by 2021.

Our revised scenarios also take into account the significant negative revisions to historical GDP data that the Bureau of Economic Analysis announced on July 29. From our perspective, the effect of these revisions underscores two related points when evaluating the likely debt trajectory of the U.S. government. First, the revisions show that the recent recession was deeper than previously assumed, so the GDP this year is lower than previously thought in both nominal and real terms. Consequently, the debt burden is slightly higher. Second, the revised data highlight the sub-par path of the current economic recovery when compared with rebounds following previous post-war recessions. We believe the sluggish pace of the current economic recovery could be consistent with the experiences of countries that have had financial crises in which the slow process of debt deleveraging in the private sector leads to a persistent drag on demand. As a result, our downside case scenario assumes relatively modest real trend GDP growth of 2.5% and inflation of near 1.5% annually going forward.

When comparing the U.S. to sovereigns with 'AAA' long-term ratings that we view as relevant peers--Canada, France, Germany, and the U.K.--we also observe, based on our base case scenarios for each, that the trajectory of the U.S.'s net public debt is diverging from the others. Including the U.S., we estimate that these five sovereigns will have net general government debt to GDP ratios this year ranging from 34% (Canada) to 80% (the U.K.), with the U.S. debt burden at 74%. By 2015, we project that their net public debt to GDP ratios will range between 30% (lowest, Canada) and 83% (highest, France), with the U.S. debt burden at 79%. However, in contrast with the U.S., we project that the net public debt burdens of these other sovereigns will begin to decline, either before or by 2015.

Standard & Poor's transfer T&C assessment of the U.S. remains 'AAA'. Our T&C assessment reflects our view of the likelihood of the sovereign restricting other public and private issuers' access to foreign exchange needed to meet debt service. Although in our view the credit standing of the U.S. government has deteriorated modestly, we see little indication that official interference of this kind is entering onto the policy agenda of either Congress or the Administration. Consequently, we continue to view this risk as being highly remote.

Outlook

The outlook on the long-term rating is negative. As our downside alternate fiscal scenario illustrates, a higher public debt trajectory than we currently assume could lead us to lower the long-term rating again. On the other hand, as our upside scenario highlights, if the recommendations of the Congressional Joint Select Committee on Deficit Reduction--independently or coupled with other initiatives, such as the lapsing of the 2001 and 2003 tax cuts for high earners--lead to fiscal consolidation measures beyond the minimum mandated, and we believe they are likely to slow the deterioration of the government's debt dynamics, the long-term rating could stabilize at 'AA+'.

On Monday, we will issue separate releases concerning affected ratings in the funds, government-related entities, financial institutions, insurance, public finance, and structured finance sectors.

Related Criteria And Research

- United States of America 'AAA/A-1+' Ratings Placed On CreditWatch Negative On Rising Risk Of Policy Stalemate, July 14, 2011
- U.S. Weekly Financial Notes: Soft Patch Or Quicksand?, Aug. 5, 2011
- Sovereign Government Rating Methodology And Assumptions, June 30, 2011
- 2011 Midyear Credit Outlook: Unresolved Economic And Regulatory Issues Loom Large, June 22, 2011
- Global Aging 2011: In The U.S., Going Gray Will Likely Cost Even More Green, Now, June 21, 2011
- United States of America 'AAA/A-1+' Rating Affirmed; Outlook Revised To Negative, April 18, 2011
- Fiscal Challenges Weighing On The 'AAA' Sovereign Credit Rating On The Government Of The United States, April 18, 2011
- A Closer Look At The Revision Of The Outlook On The U.S. Government Rating , April 18, 2011
- Banking Industry Country Risk Assessments, March 8, 2011
- Behind The Political Brinkmanship Of Raising The U.S. Debt Ceiling, Jan. 18, 2011
- U.S. Government Cost To Resolve And Relaunch Fannie Mae And Freddie Mac Could Approach $700 Billion, Nov. 4, 2010
- Global Aging 2010: In The U.S., Going Gray Will Cost A Lot More Green, Oct. 25, 2010,
- Après Le Déluge, The U.S. Dollar Remains The Key International Currency," March 10, 2010
- Banking Industry Country Risk Assessment: United States of America, Feb.

1, 2010

Ratings List

Rating Lowered

	To	From
United States of America (Unsolicited Ratings)		
Federal Reserve System (Unsolicited Ratings)		
Federal Reserve Bank of New York (Unsolicited Ratings)		
Sovereign Credit Rating	AA+/Negative/A-1+	AAA/Watch Neg/A-1+

This unsolicited rating(s) was initiated by Standard & Poor's. It may be based solely on publicly available information and may or may not involve the participation of the issuer. Standard & Poor's has used information from sources believed to be reliable based on standards established in our Credit Ratings Information and Data Policy but does not guarantee the accuracy, adequacy, or completeness of any information used.

Complete ratings information is available to subscribers of RatingsDirect on the Global Credit Portal at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

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

	Actual July 2011	Budget July 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2012	Budget YTD FY 2012	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2012	% of Budget Expended
REVENUE										
INTEREST ON LOANS	56,207	45,889	10,318	22.48%	56,207	45,889	10,318	22.48%	538,836	10.43%
INVESTMENT INTEREST & GAIN(LOSS)	1,547	2,083	(536)	-25.75%	1,547	2,083	(536)	-25.75%	25,000	6.19%
ADMINISTRATIONS & APPLICATION FEES	45,211	280,775	(235,564)	-83.90%	45,211	280,775	(235,564)	-83.90%	4,194,325	1.08%
ANNUAL ISSUANCE & LOAN FEES	25,217	34,922	(9,705)	-27.79%	25,217	34,922	(9,705)	-27.79%	425,670	5.92%
OTHER INCOME	6,928	13,605	(6,677)	-49.08%	6,928	13,605	(6,677)	-49.08%	163,250	4.24%
TOTAL REVENUE	135,110	377,274	(242,164)	-64.19%	135,110	377,274	(242,164)	-64.19%	5,347,081	2.53%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	146,036	145,429	607	0.42%	146,036	145,429	607	0.42%	1,730,791	8.44%
BENEFITS	22,897	22,060	837	3.79%	22,897	22,060	837	3.79%	265,728	8.62%
TEMPORARY HELP	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
EDUCATION & DEVELOPMENT	-	833	(833)	-100.00%	-	833	(833)	-100.00%	10,000	0.00%
TRAVEL & AUTO	3,554	5,833	(2,279)	-39.07%	3,554	5,833	(2,279)	-39.07%	70,000	5.08%
TOTAL EMPLOYEE RELATED EXPENSES	172,487	174,155	(1,668)	-0.96%	172,487	174,155	(1,668)	-0.96%	2,076,519	8.31%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	30,605	41,667	(11,062)	-26.55%	30,605	41,667	(11,062)	-26.55%	500,000	6.12%
LOAN EXPENSE & BANK FEE	9,187	9,250	(63)	-0.68%	9,187	9,250	(63)	-0.68%	111,000	8.28%
ACCOUNTING & AUDITING	20,705	21,962	(1,257)	-5.72%	20,705	21,962	(1,257)	-5.72%	263,536	7.86%
MARKETING GENERAL	-	1,250	(1,250)	-100.00%	-	1,250	(1,250)	-100.00%	15,000	0.00%
FINANCIAL ADVISORY	16,667	16,667	-	0.00%	16,667	16,667	-	0.00%	200,000	8.33%
CONFERENCE/TRAINING	-	2,500	(2,500)	-100.00%	-	2,500	(2,500)	-100.00%	30,000	0.00%
MISC. PROFESSIONAL SERVICES	9,167	9,167	-	0.00%	9,167	9,167	-	0.00%	110,000	8.33%
DATA PROCESSING	2,726	4,583	(1,857)	-40.52%	2,726	4,583	(1,857)	-40.52%	55,000	4.96%
TOTAL PROFESSIONAL SERVICES	89,058	107,046	(17,988)	-16.80%	89,058	107,046	(17,988)	-16.80%	1,284,536	6.93%

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

	Actual July 2011	Budget July 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2012	Budget YTD FY 2012	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2012	% of Budget Expended
OCCUPANCY COSTS										
OFFICE RENT	21,797	22,357	(560)	-2.50%	21,797	22,357	(560)	-2.50%	268,284	8.12%
EQUIPMENT RENTAL AND PURCHASES	1,093	1,300	(207)	-15.96%	1,093	1,300	(207)	-15.96%	15,600	7.00%
TELECOMMUNICATIONS	2,907	3,500	(593)	-16.95%	2,907	3,500	(593)	-16.95%	42,000	6.92%
UTILITIES	1,366	1,000	366	36.62%	1,366	1,000	366	36.62%	12,000	11.39%
DEPRECIATION	2,284	2,162	122	5.64%	2,284	2,162	122	5.64%	52,649	4.34%
INSURANCE	1,945	1,950	(5)	-0.25%	1,945	1,950	(5)	-0.25%	23,400	8.31%
TOTAL OCCUPANCY COSTS	31,392	32,269	(877)	-2.72%	31,392	32,269	(877)	-2.72%	413,933	7.58%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	1,597	2,900	(1,303)	-44.93%	1,597	2,900	(1,303)	-44.93%	34,800	4.59%
BOARD MEETING - EXPENSES	2,750	2,666	84	3.15%	2,750	2,666	84	3.15%	32,000	8.59%
PRINTING	989	875	114	13.03%	989	875	114	13.03%	10,500	9.42%
POSTAGE & FREIGHT	394	1,250	(856)	-68.46%	394	1,250	(856)	-68.46%	15,000	2.63%
MEMBERSHIP, DUES & CONTRIBUTIONS	993	1,909	(916)	-47.97%	993	1,909	(916)	-47.97%	32,000	3.10%
PUBLICATIONS	98	250	(152)	-60.96%	98	250	(152)	-60.96%	3,000	3.25%
OFFICERS & DIRECTORS INSURANCE	15,261	15,261	0	0.00%	15,261	15,261	0	0.00%	183,132	8.33%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	22,082	25,111	(3,029)	-12.06%	22,082	25,111	(3,029)	-12.06%	310,432	7.11%
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	315,019	338,581	(23,562)	-6.96%	315,019	338,581	(23,562)	-6.96%	4,085,420	7.71%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	(179,909)	38,693	(218,602)	-564.97%	(179,909)	38,693	(218,602)	-564.97%	1,261,661	-14.26%
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)	(179,909)	38,693	(218,602)	-564.97%	(179,909)	38,693	(218,602)	-564.97%	1,261,661	-14.26%

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

	Actual July 2011	Actual July 2010	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2012	Actual YTD FY 2011	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	56,207	134,885	(78,678)	-58.33%	56,207	134,885	(78,678)	-58.33%
INVESTMENT INTEREST & GAIN(LOSS)	1,547	5,398	(3,851)	-71.35%	1,547	5,398	(3,851)	-71.35%
ADMINISTRATIONS & APPLICATION FEES	45,211	756,097	(710,886)	-94.02%	45,211	756,097	(710,886)	-94.02%
ANNUAL ISSUANCE & LOAN FEES	25,217	34,580	(9,363)	-27.08%	25,217	34,580	(9,363)	-27.08%
OTHER INCOME	6,928	7,255	(327)	-4.51%	6,928	7,255	(327)	-4.51%
TOTAL REVENUE	135,110	938,215	(803,106)	-85.60%	135,110	938,215	(803,106)	-85.60%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	146,036	209,265	(63,229)	-30.21%	146,036	209,265	(63,229)	-30.21%
BENEFITS	22,897	26,310	(3,413)	-12.97%	22,897	26,310	(3,413)	-12.97%
TEMPORARY HELP	-	628	(628)	-100.00%	-	628	(628)	-100.00%
EDUCATION & DEVELOPMENT	-	-	-	0.00%	-	-	-	#DIV/0!
TRAVEL & AUTO	3,554	4,863	(1,309)	-26.92%	3,554	4,863	(1,309)	-26.92%
TOTAL EMPLOYEE RELATED EXPENSES	172,487	241,065	(68,578)	-28.45%	172,487	241,065	(68,578)	-28.45%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	30,605	20,875	9,731	46.62%	30,605	20,875	9,731	46.62%
LOAN EXPENSE & BANK FEE	9,187	10,002	(815)	-8.14%	9,187	10,002	(815)	-8.14%
ACCOUNTING & AUDITING	20,705	28,318	(7,613)	-26.88%	20,705	28,318	(7,613)	-26.88%
MARKETING GENERAL	-	103	(103)	-100.00%	-	103	(103)	-100.00%
FINANCIAL ADVISORY	16,667	23,750	(7,083)	-29.82%	16,667	23,750	(7,083)	-29.82%
CONFERENCE/TRAINING	-	384	(384)	0.00%	-	384	(384)	-100.00%
MISC. PROFESSIONAL SERVICES	9,167	15,375	(6,208)	0.00%	9,167	15,375	(6,208)	0.00%
DATA PROCESSING	2,726	2,322	404	17.40%	2,726	2,322	404	17.40%
TOTAL PROFESSIONAL SERVICES	89,058	101,128	(12,071)	-11.94%	89,058	101,128	(12,071)	-11.94%

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

	Actual July 2011	Actual July 2010	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2012	Actual YTD FY 2011	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	21,797	22,057	(260)	-1.18%	21,797	22,057	(260)	-1.18%
EQUIPMENT RENTAL AND PURCHASES	1,093	1,368	(276)	-20.16%	1,093	1,368	(276)	-20.16%
TELECOMMUNICATIONS	2,907	3,462	(556)	-16.05%	2,907	3,462	(556)	-16.05%
UTILITIES	1,366	1,055	311	29.49%	1,366	1,055	311	29.49%
DEPRECIATION	2,284	2,628	(344)	-13.09%	2,284	2,628	(344)	-13.09%
INSURANCE	1,945	1,929	16	0.82%	1,945	1,929	16	0.82%
TOTAL OCCUPANCY COSTS	31,392	32,500	(1,108)	-3.41%	31,392	32,500	(1,108)	-3.41%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	1,597	4,077	(2,480)	-60.83%	1,597	4,077	(2,480)	-60.83%
BOARD MEETING - EXPENSES	2,750	4,196	(1,446)	-34.45%	2,750	4,196	(1,446)	-34.45%
PRINTING	989	482	507	105.28%	989	482	507	105.28%
POSTAGE & FREIGHT	394	1,175	(781)	-66.45%	394	1,175	(781)	-66.45%
MEMBERSHIP, DUES & CONTRIBUTIONS	993	729	265	36.31%	993	729	265	36.31%
PUBLICATIONS	98	159	(62)	-38.71%	98	159	(62)	-38.71%
OFFICERS & DIRECTORS INSURANCE	15,261	16,604	(1,343)	-8.09%	15,261	16,604	(1,343)	-8.09%
MISCELLANEOUS	-	-	-	-	-	-	-	-
TOTAL GENL & ADMIN EXPENSES	22,082	27,422	(5,340)	-19.47%	22,082	27,422	(5,340)	-19.47%
LOAN LOSS PROVISION/BAD DEBT	-	25,000	(25,000)	-100.00%	-	25,000	(25,000)	-100.00%
OTHER								
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%
TOTAL EXPENSES	315,019	427,115	(112,096)	-26.25%	315,019	427,115	(112,096)	-26.25%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	(179,909)	511,100	(691,009)	-135.20%	(179,909)	511,100	(691,009)	-135.20%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER	-	-	-	0.00%	-	-	-	#DIV/0!
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	(179,909)	511,100	(691,009)	-135.20%	(179,909)	511,100	(691,009)	-135.20%

Illinois Finance Authority
General Fund
Unaudited
Balance Sheet
for the One Month Ending July 31, 2011

	Actual July 2011
ASSETS	
CASH & INVESTMENTS, UNRESTRICTED	$ 31,201,782
RECEIVABLES, NET	95,032
LOAN RECEIVABLE, NET	11,572,272
OTHER RECEIVABLES	149,158
PREPAID EXPENSES	214,195
TOTAL CURRENT ASSETS	43,232,439
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	127,447
DEFERRED ISSUANCE COSTS	293,115
OTHER ASSETS	
CASH, INVESTMENTS & RESERVES	874,325
VENTURE CAPITAL INVESTMENTS	-
OTHER	-
TOTAL OTHER ASSETS	874,325
TOTAL ASSETS	$ 44,527,326
LIABILITIES	
CURRENT LIABILITIES	$ 614,660
LONG-TERM LIABILITIES	429,080
TOTAL LIABILITIES	1,043,740
EQUITY	
CONTRIBUTED CAPITAL	4,111,479
RETAINED EARNINGS	27,580,718
NET INCOME / (LOSS)	(179,909)
RESERVED/RESTRICTED FUND BALANCE	1,732,164
UNRESERVED FUND BALANCE	10,239,134
TOTAL EQUITY	43,483,586
TOTAL LIABILITIES & EQUITY	$ 44,527,326

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

	Actual July 2011	Budget July 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2012	Budget YTD FY 2012	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2012	% of Budget Expended
REVENUE										
INTEREST ON LOANS	209,752	202,351	7,401	3.66%	209,752	202,351	7,401	3.66%	2,377,527	8.82%
INVESTMENT INTEREST & GAIN(LOSS)	51,776	50,693	1,083	2.14%	51,776	50,693	1,083	2.14%	608,320	8.51%
ADMINISTRATIONS & APPLICATION FEES	45,211	280,775	(235,564)	-83.90%	45,211	280,775	(235,564)	-83.90%	4,194,325	1.08%
ANNUAL ISSUANCE & LOAN FEES	25,217	34,922	(9,705)	-27.79%	25,217	34,922	(9,705)	-27.79%	425,670	5.92%
OTHER INCOME	11,180	38,605	(27,425)	-71.04%	11,180	38,605	(27,425)	-71.04%	463,250	2.41%
	-	-	-	-	-	-	-	-	-	
TOTAL REVENUE	343,137	607,346	(264,209)	-43.50%	343,137	607,346	(264,209)	-43.50%	8,069,092	4.25%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	146,036	145,429	607	0.42%	146,036	145,429	607	0.42%	1,730,791	8.44%
BENEFITS	22,897	22,060	837	3.80%	22,897	22,060	837	3.80%	265,728	8.62%
TEMPORARY HELP	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
EDUCATION & DEVELOPMENT	-	833	(833)	-100.00%	-	833	(833)	-100.00%	10,000	0.00%
TRAVEL & AUTO	3,553	5,833	(2,280)	-39.09%	3,553	5,833	(2,280)	-39.09%	70,000	5.08%
TOTAL EMPLOYEE RELATED EXPENSES	172,486	174,155	(1,669)	-0.96%	172,486	174,155	(1,669)	-0.96%	2,076,519	8.31%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	32,688	43,750	(11,062)	-25.28%	32,688	43,750	(11,062)	-25.28%	525,000	6.23%
LOAN EXPENSE & BANK FEE	162,395	162,458	(63)	-0.04%	162,395	162,458	(63)	-0.04%	2,254,446	7.20%
ACCOUNTING & AUDITING	22,254	24,344	(2,090)	-8.59%	22,254	24,344	(2,090)	-8.59%	292,120	7.62%
MARKETING GENERAL	-	1,250	(1,250)	-100.00%	-	1,250	(1,250)	-100.00%	15,000	0.00%
FINANCIAL ADVISORY	16,667	16,667	-	0.00%	16,667	16,667	-	0.00%	200,000	8.33%
CONFERENCE/TRAINING	-	2,500	(2,500)	-100.00%	-	2,500	(2,500)	-100.00%	30,000	0.00%
MISC. PROFESSIONAL SERVICES	12,500	12,500	-	0.00%	12,500	12,500	-	0.00%	150,000	8.33%
DATA PROCESSING	2,726	4,583	(1,857)	-40.52%	2,726	4,583	(1,857)	-40.52%	55,000	4.96%
TOTAL PROFESSIONAL SERVICES	249,231	268,052	(18,821)	-7.02%	249,231	268,052	(18,821)	-7.02%	3,521,566	7.08%

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

	Actual July 2011	Budget July 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2012	Budget YTD FY 2012	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2012	% of Budget Expended
OCCUPANCY COSTS										
OFFICE RENT	21,797	22,357	(560)	-2.50%	21,797	22,357	(560)	-2.50%	268,284	8.12%
EQUIPMENT RENTAL AND PURCHASES	1,093	1,300	(207)	-15.96%	1,093	1,300	(207)	-15.96%	15,600	7.00%
TELECOMMUNICATIONS	2,907	3,500	(593)	-16.95%	2,907	3,500	(593)	-16.95%	42,000	6.92%
UTILITIES	1,366	1,000	366	36.62%	1,366	1,000	366	36.62%	12,000	11.39%
DEPRECIATION	2,284	2,162	122	5.64%	2,284	2,162	122	5.64%	52,649	4.34%
INSURANCE	1,945	1,950	(5)	-0.25%	1,945	1,950	(5)	-0.25%	23,400	8.31%
TOTAL OCCUPANCY COSTS	31,392	32,269	(877)	-2.72%	31,392	32,269	(877)	-2.72%	413,933	7.58%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	1,597	2,900	(1,303)	-44.93%	1,597	2,900	(1,303)	-44.93%	34,800	4.59%
BOARD MEETING - EXPENSES	2,750	2,666	84	3.15%	2,750	2,666	84	3.15%	32,000	8.59%
PRINTING	989	875	114	13.03%	989	875	114	13.03%	10,500	9.42%
POSTAGE & FREIGHT	394	1,250	(856)	-68.46%	394	1,250	(856)	-68.46%	15,000	2.63%
MEMBERSHIP, DUES & CONTRIBUTIONS	993	1,909	(916)	-47.97%	993	1,909	(916)	-47.97%	32,000	3.10%
PUBLICATIONS	98	250	(152)	-60.96%	98	250	(152)	-60.96%	3,000	3.25%
OFFICERS & DIRECTORS INSURANCE	15,261	15,261	0	0.00%	15,261	15,261	0	0.00%	183,132	8.33%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	22,082	25,111	(3,029)	-12.06%	22,082	25,111	(3,029)	-12.06%	310,432	7.11%
LOAN LOSS PROVISION/BAD DEBT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
OTHER										
INTEREST EXPENSE	503	503	-	0.00%	503	503	-	0.00%	5,748	8.75%
TOTAL OTHER	503	503	-	0.00%	503	503	-	0.00%	5,748	8.75%
TOTAL EXPENSES	475,694	500,090	(24,396)	-4.88%	475,694	500,090	(24,396)	-4.88%	6,328,198	7.52%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	(132,557)	107,256	(239,813)	-223.59%	(132,557)	107,256	(239,813)	-223.59%	1,740,894	-7.61%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFERS TO STATE OF ILLINOIS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	(132,557)	107,256	(239,813)	-223.59%	(132,557)	107,256	(239,813)	-223.59%	1,740,894	-7.61%

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

	Actual July 2011	Actual July 2010	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2012	Actual YTD FY 2011	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	209,752	1,087,533	(877,781)	-80.71%	209,752	1,087,533	(877,781)	-80.71%
INVESTMENT INTEREST & GAIN(LOSS)	51,776	177,623	(125,847)	-70.85%	51,776	177,623	(125,847)	-70.85%
ADMINISTRATIONS & APPLICATION FEES	45,211	756,097	(710,886)	-94.02%	45,211	756,097	(710,886)	-94.02%
ANNUAL ISSUANCE & LOAN FEES	25,217	34,580	(9,363)	-27.08%	25,217	34,580	(9,363)	-27.08%
OTHER INCOME	11,180	32,570	(21,390)	-65.67%	11,180	32,570	(21,390)	-65.67%
	-		-	0.00%	-		-	-
TOTAL REVENUE	343,137	2,088,403	(1,745,266)	-83.57%	343,137	2,088,403	(1,745,266)	-83.57%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	146,036	209,265	(63,229)	-30.21%	146,036	209,265	(63,229)	-30.21%
BENEFITS	22,897	26,310	(3,413)	-12.97%	22,897	26,310	(3,413)	-12.97%
TEMPORARY HELP	-	628	(628)	-100.00%	-	628	(628)	-100.00%
EDUCATION & DEVELOPMENT	-	-	-	0.00%	-	-	-	0.00%
TRAVEL & AUTO	3,553	4,863	(1,310)	-26.94%	3,553	4,863	(1,310)	-26.94%
TOTAL EMPLOYEE RELATED EXPENSES	172,486	241,066	(68,580)	-28.45%	172,486	241,066	(68,580)	-28.45%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	32,688	22,958	9,730	42.38%	32,688	22,958	9,730	42.38%
LOAN EXPENSE & BANK FEE	162,395	10,002	152,393	1523.63%	162,395	10,002	152,393	1523.63%
ACCOUNTING & AUDITING	22,254	28,318	(6,064)	-21.41%	22,254	28,318	(6,064)	-21.41%
MARKETING GENERAL	-	103	(103)	0.00%	-	103	(103)	0.00%
FINANCIAL ADVISORY	16,667	23,750	(7,083)	-29.82%	16,667	23,750	(7,083)	-29.82%
CONFERENCE/TRAINING	-	384	(384)	0.00%	-	384	(384)	0.00%
MISC. PROFESSIONAL SERVICES	12,500	18,708	(6,208)	0.00%	12,500	18,708	(6,208)	-33.18%
DATA PROCESSING	2,726	2,322	404	17.39%	2,726	2,322	404	17.39%
TOTAL PROFESSIONAL SERVICES	249,231	106,545	142,686	133.92%	249,231	106,545	142,686	133.92%

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

	Actual July 2011	Actual July 2010	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2012	Actual YTD FY 2011	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	21,797	22,057	(260)	-1.18%	21,797	22,057	(260)	-1.18%
EQUIPMENT RENTAL AND PURCHASES	1,093	1,368	(275)	-20.14%	1,093	1,368	(275)	-20.14%
TELECOMMUNICATIONS	2,907	3,462	(555)	-16.03%	2,907	3,462	(555)	-16.03%
UTILITIES	1,366	1,055	311	29.50%	1,366	1,055	311	29.50%
DEPRECIATION	2,284	2,628	(344)	-13.09%	2,284	2,628	(344)	-13.09%
INSURANCE	1,945	1,929	16	0.83%	1,945	1,929	16	0.83%
TOTAL OCCUPANCY COSTS	31,392	32,499	(1,107)	-3.41%	31,392	32,499	(1,107)	-3.41%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	1,597	4,077	(2,480)	-60.83%	1,597	4,076	(2,479)	-60.82%
BOARD MEETING - EXPENSES	2,750	4,196	(1,446)	-34.46%	2,750	4,196	(1,446)	-34.46%
PRINTING	989	482	507	0.00%	989	482	507	105.19%
POSTAGE & FREIGHT	394	1,175	(781)	-66.45%	394	1,175	(781)	-66.45%
MEMBERSHIP, DUES & CONTRIBUTIONS	993	729	264	36.25%	993	729	264	36.25%
PUBLICATIONS	98	159	(61)	-38.62%	98	159	(61)	-38.62%
OFFICERS & DIRECTORS INSURANCE	15,261	16,604	(1,343)	-8.09%	15,261	16,604	(1,343)	-8.09%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%
TOTAL GENL & ADMIN EXPENSES	22,082	27,422	(5,340)	-19.47%	22,082	27,421	(5,339)	-19.47%
LOAN LOSS PROVISION/BAD DEBT	-	25,000	(25,000)	-100.00%	-	25,000	(25,000)	-100.00%
OTHER								
INTEREST EXPENSE	503	550	(47)	-8.55%	503	550	(47)	-8.55%
TOTAL OTHER	503	550	(47)	-8.55%	503	550	(47)	-8.55%
TOTAL EXPENSES	475,694	433,082	42,612	9.84%	475,694	433,081	42,613	9.84%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	(132,557)	1,655,321	(1,787,878)	-108.01%	(132,557)	1,655,322	(1,787,879)	-108.01%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER TO STATE OF ILLINOIS	-	-	-	0.00%	-	-	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-		-	-	-	0.00%
NET INCOME/(LOSS)	(132,557)	1,655,321	(1,787,878)	-108.01%	(132,557)	1,655,322	(1,787,879)	-108.01%

Illinois Finance Authority
Consolidated
Unaudited
Balance Sheet
for the One Month Ending July 31, 2011

	Actual July 2010	Actual July 2011
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	$ 34,735,088	$ 44,720,455
RECEIVABLES, NET	101,950	95,032
LOAN RECEIVABLE, NET	42,895,200	33,071,816
NOTES RECEIVABLE	45,134,874	38,659,874
OTHER RECEIVABLES	1,160,289	1,198,305
PREPAID EXPENSES	222,710	214,195
TOTAL CURRENT ASSETS	124,250,111	117,959,677
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	60,700	127,447
DEFERRED ISSUANCE COSTS	475,687	394,946
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES	41,745,472	37,908,518
VENTURE CAPITAL INVESTMENTS	2,512,917	2,247,981
OTHER	3,000,000	3,028,402
TOTAL OTHER ASSETS	47,258,389	43,184,901
TOTAL ASSETS	$ 172,044,887	$ 161,666,971
LIABILITIES		
CURRENT LIABILITIES	1,553,152	720,760
BONDS PABYABLE	54,385,000	46,900,000
OTHER LIABILITIES	2,172,190	2,052,350
TOTAL LIABILITIES	58,110,342	49,673,110
EQUITY		
CONTRIBUTED CAPITAL	35,608,692	35,608,692
RETAINED EARNINGS	26,144,175	28,763,252
NET INCOME / (LOSS)	1,655,322	(132,557)
RESERVED/RESTRICTED FUND BALANCE	37,878,185	35,106,303
UNRESERVED FUND BALANCE	12,648,171	12,648,171
TOTAL EQUITY	113,934,545	111,993,861
TOTAL LIABILITIES & EQUITY	$ 172,044,887	$ 161,666,971

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

Number of Material Findings - 8

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

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

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

Bonds Issued and Outstanding
as of July 31, 2011

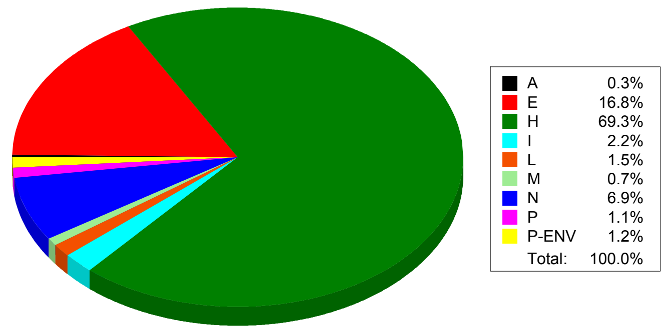
Bonds Issued Since Inception of Illinois Finance Authority

#	Market Sector	Principal Amount ($)
380	Agriculture **	64,514,748
83	Education	4,027,548,100
168	Healthcare *	16,936,023,508
79	Industrial	931,142,853
25	Local Government	378,145,000
16	Multifamily/Senior Housing	175,417,900
108	501(c)(3) Not-for Profits	1,692,433,195
8	Exempt Facilities Bonds	275,700,000
8	Environmental issued under 20 ILCS 3515/9	326,630,000
		$ 24,807,555,304

* Includes CCRC's

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

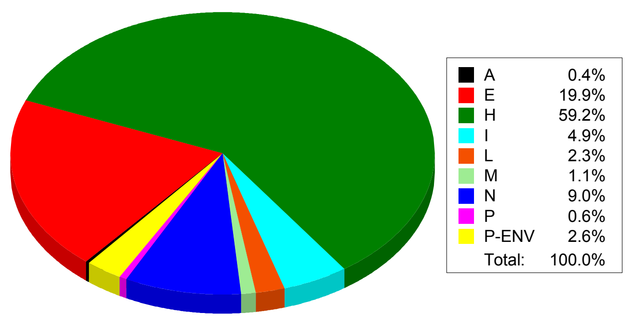
Bonds Issued Since Inception



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

Market Sector	Amount of Original Issue	Principal Outstanding
Agriculture	302,984,454	95,831,238
Education	5,625,425,730	5,121,868,909
Healthcare *	17,174,731,959	15,042,563,316
Industrial	1,497,661,939	1,288,160,385
Local Government	1,032,839,413	588,931,238
Multifamily/Senior Housing	726,835,396	290,228,291
501(c)(3) Not-for Profits	2,789,964,996	2,282,011,729
Exempt Facilities Bonds	155,360,000	155,160,000
Environmental issued under 20 ILCS 3515/9	756,325,000	672,000,626
* Includes CCRC's	$ 30,062,128,886	$ 25,536,755,732

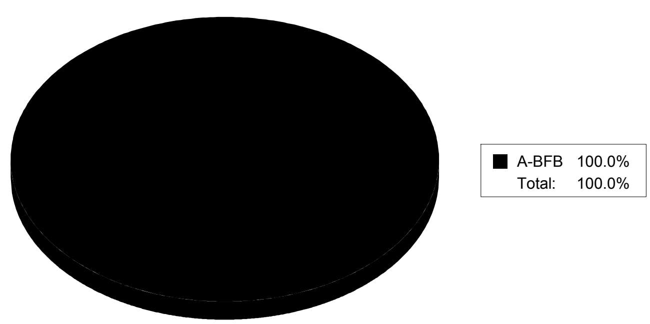
Principal Outstanding by Market Sector



Current Fiscal Year

#	Market Sector	Principal Issued
2	Agriculture - Beginner Farmer	728,799
2		$ 728,799

Bonds Issued - Current Fiscal Year



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

Bond Issue		Date Issued	Initial Interest Rate	Principal Issued	Bonds Refunded
A-BFB	Beginner Farmer Bonds, Series 2012A	07/01/2011	Various-See Below	728,799	0
		Total Bonds Issued in Fiscal Year 2011		**$ 728,799**	**$ 0**

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

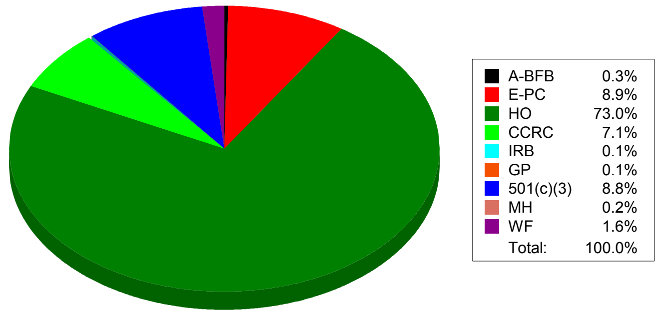
Borrower	Date Funded	Initial Interest Rate	Loan Proceeds	Acres	County
Bennett, Quinn P. & Kristen N.	07/15/2011	4.50%	252,350	75.76	Shelby
Neff, Jennifer	07/15/2011	3.65%	476,449	48.90	Macoupin
	Total Beginner Farmer Bonds Issued		**$ 728,799**	**124.66**	

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

Fiscal Year 2010

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

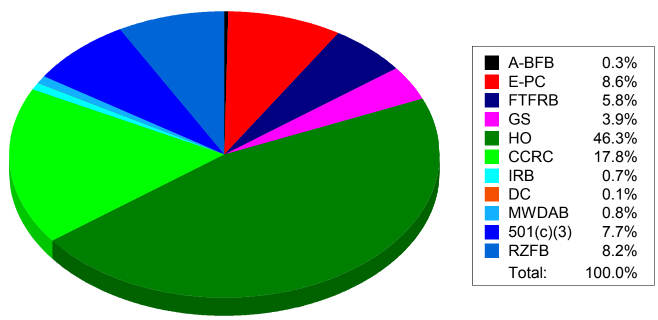
Bonds Issued in Fiscal Year 2010



Fiscal Year 2011

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

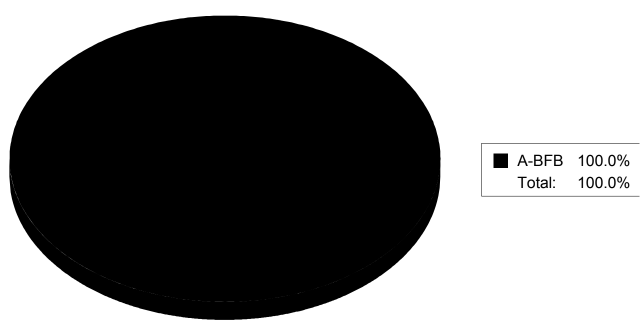
Bonds Issued in Fiscal Year 2011



Fiscal Year 2012

#	Market Sector	Principal Issued
2	Agriculture - Beginner Farmer	728,799
2		$ 728,799

Bonds Issued in Fiscal Year 2012



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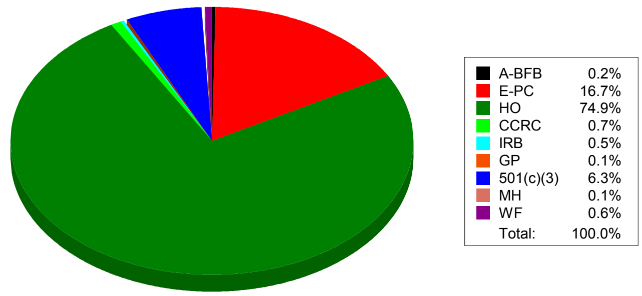
Bonds Issued - Calendar Year Comparison
as of July 31, 2011

Calendar Year 2009

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

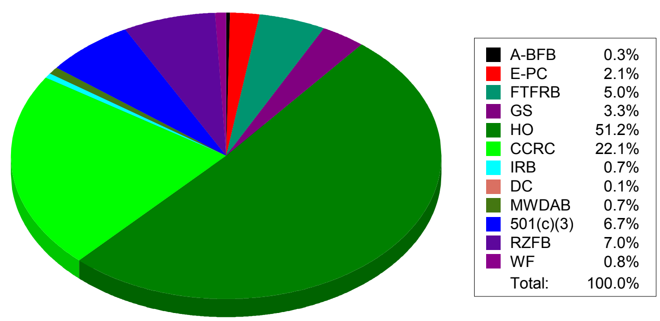
Bonds Issued in Calendar Year 2009



Calendar Year 2010

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

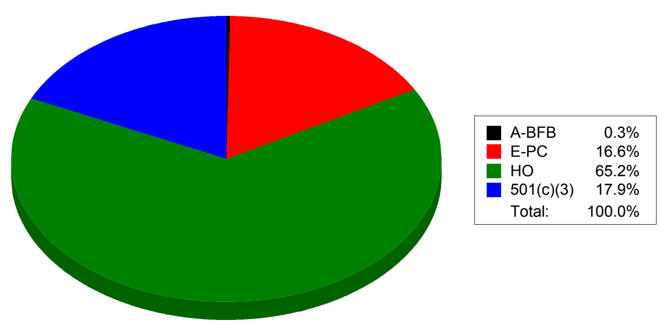
Bonds Issued in Calendar Year 2010



Calendar Year 2011

#	Market Sector	Principal Issued
16	Agriculture - Beginner Farmer	3,205,194
2	Education	177,390,000
6	Healthcare - Hospital	697,235,000
2	501(c)(3) Not-for-Profit	191,835,000
26		$ 1,069,665,194

Bonds Issued in Calendar Year 2011



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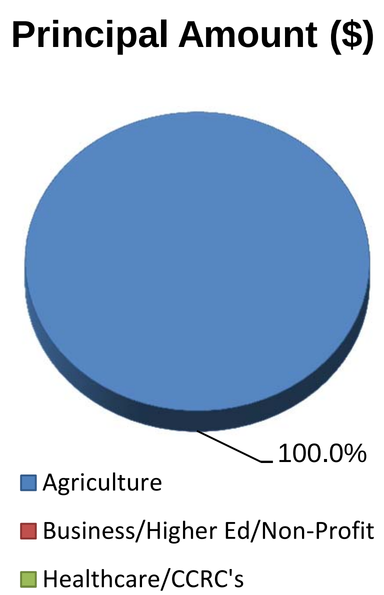
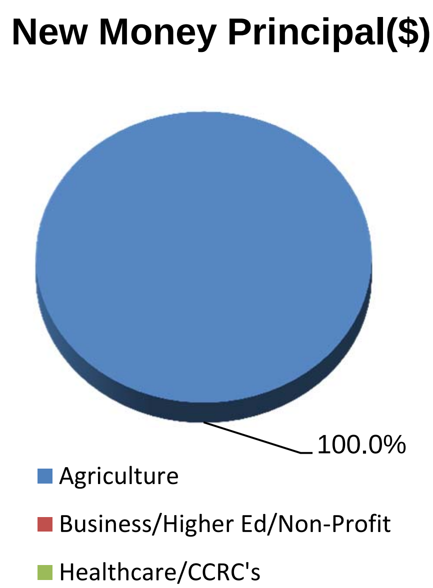
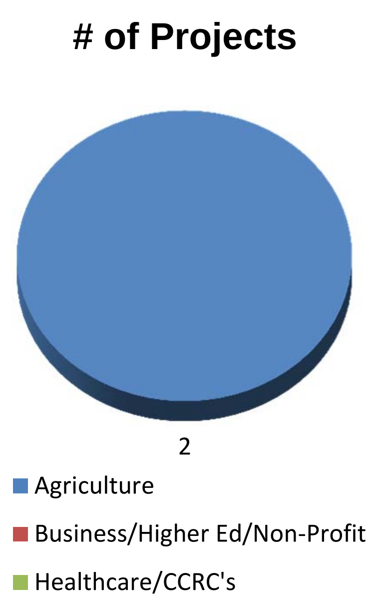
Illinois Finance Authority

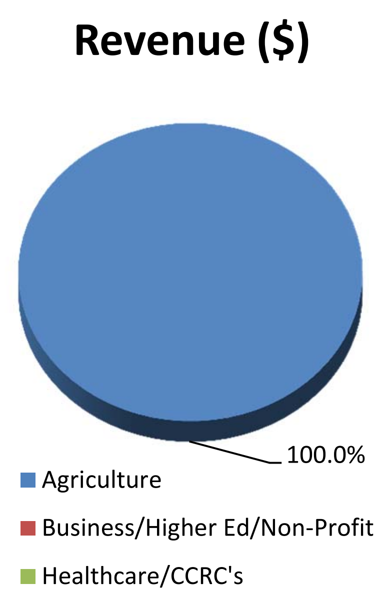
Fiscal Year 2012

Market Sector	Principal Amount ($)	New Money ($)	#	Revenue ($)
Agriculture	$ 728,799.00	$ 728,799.00	2	$ 10,731.99
Business/Higher Ed/Non-Profit				
Healthcare/CCRC's				
	$ 728,799.00	$ 728,799.00	2	$ 10,731.99









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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 June 30, 2011	Principal Outstanding July 31, 2011	Program Limitations	Remaining Capacity
	Illinois Finance Authority "IFA" [b]				
320	Agriculture	$ 53,079,000	$ 53,777,000		
90	Education	3,797,394,000	3,787,176,000		
242	Healthcare	12,342,557,000	12,329,990,000		
70	Industrial Development [includes Recovery Zone/Midwest Disaster]	824,952,000	811,308,000		
22	Local Government	246,460,000	246,460,000		
18	Multifamily/Senior Housing	160,222,000	160,156,000		
92	501(c)(3) Not-for Profits	1,269,225,000	1,248,760,000		
5	Exempt Facilities Bonds	130,300,000	130,300,000		
859	**Total IFA Principal Outstanding**	**$ 18,824,189,000**	**$ 18,767,927,000**		
	Illinois Development Finance Authority "IDFA" [b]				
3	Education	20,661,000	20,661,000		
5	Healthcare	209,185,000	209,185,000		
64	Industrial Development	477,669,000	476,852,000		
32	Local Government	322,251,000	322,251,000		
13	Multifamily/Senior Housing	130,521,000	130,072,000		
95	501(c)(3) Not-for Profits	961,395,000	958,707,000		
1	Exempt Facilities Bonds	24,860,000	24,860,000		
210	**Total IDFA Principal Outstanding**	**$ 2,146,542,000**	**$ 2,142,588,000**		
	Illinois Rural Bond Bank "IRBB" [b]				
17	Bond Bank Revenue Bonds	20,220,000	20,220,000		
17	**Total IRBB Principal Outstanding**	**$ 20,220,000**	**$ 20,220,000**		
93	**Illinois Health Facilities Authority "IHFA"**	**$ 2,522,273,000**	**$ 2,503,388,000**		
48	**Illinois Educational Facilities Authority "IEFA"**	**$ 1,401,337,000**	**$ 1,388,577,000**		
561	**Illinois Farm Development Authority "IFDA" [f]**	**$ 42,055,000**	**$ 42,055,000**		
1,788	**Total Illinois Finance Authority Debt**	**$ 24,956,616,000**	**$ 24,864,755,000**	**$ 28,150,000,000**	**$ 3,285,245,000**

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

Section I (b)

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

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 June 30, 2011	Principal Outstanding July 31, 2011	Program Limitations	Remaining Capacity
1	**Midwest Disaster Bonds [Flood Relief]**	**$ 20,200,000**	**$ 20,200,000**	**$ 1,515,271,000**	**$ 1,495,071,000**

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, 2011	Available "Ceded" Volume Cap
-	**Recovery Zone Economic Development Bonds;**	**$ 666,972,000**	**$ 16,940,000**	**$ 12,900,000**	**$ 4,040,000**
8	**Recovery Zone Facilities Bonds**	**$ 1,000,457,000**	**$ 292,400,000**	**$ 218,631,000**	**$ 73,769,000**
-	**Qualified Energy Conservation Bonds**	**$ 133,846,000**	**$ -**	**$ -**	**$ -**

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

Section II

	Principal Outstanding June 30, 2011	Principal Outstanding July 31, 2011	Program Limitations	Remaining Capacity
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 June 30, 2011**	**Principal Outstanding July 31, 2011**	**Program Limitations**	**Remaining Capacity**
Clean Coal, Coal ,Renewable Energy and Energy Efficiency Projects	**$ -**	**$ -**	**$ 3,000,000,000** [d]	**$ 3,000,000,000**

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

	Section IV	**Principal Outstanding June 30, 2011**	**Principal Outstanding July 31, 2011**	**Program Limitations**	**Remaining Capacity**	**State Exposure**
	Agri Debt Guarantees [Restructuring Existing Debt]	**$ 17,330,000**	**$ 17,159,000**	**$ 160,000,000**	**$ 142,841,000**	**$ 14,568,000**
89	**Fund # 994 - Fund Balance $ 9,989,678**					
	AG Loan Guarantee Program	**$ 41,519,000**	**$ 41,351,000**	**$ 225,000,000** [e]	**$ 183,649,000**	**$ 29,669,000**
47	**Fund # 205 - Fund Balance $ 7,714,923**					
11	Agri Industry Loan Guarantee Program	$ 9,753,000	$ 9,753,000			8,290,000
1	Renewable Fuels	22,823,000	22,688,000			13,805,000
2	Farm Purchase Guarantee Program	975,000	975,000			829,000
22	Specialized Livestock Guarantee Program	5,552,000	5,523,000			4,695,000
11	Young Farmer Loan Guarantee Program	2,416,000	2,412,000			2,050,000
136	**Total State Guarantees**	**$ 58,849,000**	**$ 58,510,000**	**$ 385,000,000**	**$ 326,490,000**	**$ 44,237,000**

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

	Section V		**Principal Outstanding June 30, 2011**	**Principal Outstanding July 31, 2011**	**Appropriation Fiscal Year 2011**	**Fund Balance**
116	Fire Truck Revolving Loan Program	**Fund # 572**	**$ 2,723,118**	**$ 2,736,902**	**$ 6,003,342**	**$ 17,474,108**
10	Ambulance Revolving Loan Program	**Fund # 334**	**$ 590**	**$ 590**	**$ 7,006,800**	**$ 832,213**

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

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

	Section VI	**Principal Outstanding June 30, 2011**	**Principal Outstanding July 31, 2011**	**Program Limitations**	**Remaining Capacity**
	Environmental [Large Business]				
9	Issued through IFA	315,148,000	$ 315,106,000		
19	Issued through IDFA	356,895,000	356,895,000		
28	**Total Environmental [Large Business]**	**$ 672,043,000**	**$ 672,001,000**	**$ 2,425,000,000**	**$ 1,752,999,000**
	Environmental [Small Business]	-	$ -	**$ 75,000,000**	**$ 75,000,000**
28	**Total Environment Bonds Issued under Act**	**$ 672,043,000**	**$ 672,001,000**	**$ 2,500,000,000**	**$ 1,827,999,000**

Illinois Finance Authority Funds at Risk

Section VII #		**Original Amount**	**Principal Outstanding June 30, 2011**	**Principal Outstanding July 31, 2011**
	Participation Loans			
42	Business & Industry	23,020,157.95	12,718,990.12	11,976,227.36
13	Agriculture	6,079,859.01	3,308,196.84	2,413,225.85
55	**Participation Loans exluding Defaults & Allowances**	**$ 29,100,016.96**	**$ 16,027,186.96**	**$ 14,389,453.21**
	Plus: Legacy IDFA Loans in Default		**1,139,934.62**	**1,139,934.62**
	Less: Allowance for Doubtful Accounts		**3,957,841.93**	**3,957,124.46**
	Total Participation Loans		**$ 13,209,279.65**	**$ 11,572,263.37**
1	**Illinois Facility Fund**	**$ 1,000,000.00**	**$ 1,000,000.00**	**1,000,000.00**
4	**Local Government Direct Loans**	**$ 1,289,750.00**	**$ 246,526.74**	**246,526.74**
5	**FmHA Loans**	**$ 963,250.00**	**$ 303,781.68**	**299,061.23**
2	**Renewable Energy [RED Fund]**	**$ 2,000,000.00**	**$ 1,668,554.37**	**1,668,554.37**
67	**Total Loans Outstanding**	**$ 34,353,016.96**	**$ 16,428,142.44**	**$ 14,786,405.71**

[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 19, 2011, MEETING OF THE COMMITTEE OF THE WHOLE OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held a Committee of the Whole Meeting ("COW") at 9:30 a.m. on July 19, 2011, at the Chicago Office of the IFA at 180 North Stetson Avenue, Suite 2555, Chicago, IL 60601.

Members Present:	**Members Absent**:	**Staff Present**:
1. William A. Brandt, Jr., Chairman 2. Michael W. Goetz, Vice Chairman 3. Gila J. Bronner 4. John "Jack" Durburg 5. James J. Fuentes 6. Norman M. Gold 7. Edward H. Leonard, Sr. 8. Terrence M. O'Brien 9. Heather D. Parish 10. Roger E. Poole **Via Telephone:** None	11. Dr. William J. Barclay 12. Hon. Barrett F. Pedersen 13. Bradley A. Zeller **Vacancies**: Two	Christopher B. Meister, Executive Director Brendan M. Cournane, General Counsel Richard K. Frampton, Vice President Pamela A. Lenane, Vice President Art S. Friedson, Chief HR Officer Ximena Granda, Asst. CFO James P. Senica, Sr. Financial Analyst Norma Sutton, Procurement Officer Brad R. Fletcher, Legal/Financial Analyst Nora O'Brien, Legal/Financial Analyst Ahad F. Syed, Asst. Board Sect. /Admin. Asst. Terrell Gholston, Intern Vanessa Lin, Intern Barton Rosser, Intern **IFA Advisors Present**: Courtney Shea, Sr. VP, Acacia Financial Group Fiona McCarthy, Analyst, Acacia Financial Group Shannon Williams, Associate, PFM Group **Others:** James W. Tarasuik, Jr., Prospective Borrower (via telephone)

GENERAL BUSINESS

I. *Call to Order and Roll Call*

Chairman Brandt called the meeting to order at 9:41 a.m. He welcomed Members of the Board, IFA staff, IFA financial advisors and others present at the meeting. The Chairman asked the Board Secretary, Mr. Cournane, to call the roll. There being eight Members physically present, a quorum was declared.

Mr. Gold and Ms. Parish arrived in person at the meeting at 9:43 a.m. Mr. Gold and Ms. Parish were added to the roll call by Mr. Cournane. The total number of Members physically present at 9:43 a.m. was ten.

II. *Chairman's Remarks*

The Chairman informed all present that the IFA had received notices of settlement agreements between various federal agencies and JPMorgan Securities (and related entities). These settlement agreements were due to improper activities by the JPMorgan Securities and related entities in derivatives transactions in connection with municipal bond financings. Settlement amounts to the IFA exceed $981,000, though the IFA may be entitled to less of the settlement payment if certain underlying borrowers are due a portion of the settlement. Payment of the settlement amounts are due by early September.

Chairman Brandt announced to the Committee of the Whole that Mr. Friedson, who is in attendance, has resigned from the IFA and that his resignation would be effective at the end of today's business day. The Chairman congratulated Mr. Friedson on his new position in the private sector. The Chairman thanked Mr. Friedson for his service to the IFA in the capacity of Chief Human Resources Officer and wished him well.

III. *Message from the Executive Director*

Director Meister thanked the Chairman and began his presentation.

In the interest of time and anticipated discussion on the Budget, the Director asked the Board to defer discussion of the Committee Reports and Senior Staff Reports, not necessarily in that order, until after the Project Reports and discuss any proposed revisions or corrections to the Minutes necessary before acceptance at the Board Meeting. The Director asked Members of the Board if they had any suggested changes to the Minutes. Hearing none, the Director moved on to his report.

Director Meister stated that the IFA Senior Staff has been working on a Strategic Planning Initiative for Fiscal Year 2012. Director Meister stated that he has been in contact with Members of the Illinois General Assembly, organizations that represent the interests of companies such as the IFA and borrowers, prior to developing this plan. There are a number of matters that have prompted the IFA to draft a strategic plan.

First, the current political climate in Washington, D.C. regarding the future of tax-exempt municipal bonds is becoming increasingly hostile. Some legislators in Washington are calling for the end of tax-exempt municipal bonds issued for non-governmental purposes. The Director stated that the IFA is engaging with national organizations representing issuers of tax-exempt municipal bonds to work with Congress to convey the importance and success of private tax-exempt bond financing in supporting the national economy.

Current circumstances and budget projections are similar to those of Fiscal Year 2008. The Director explained that Fiscal Year 2008 ended better than expected due to two favorable factors: (i) the deterioration of monoline bond insurance that caused borrowers to depart from the auction rate securities market by refunding outstanding bonds; and (ii) fundamental changes related to the issuance of Industrial Revenue Bonds. These fortuitous events positively impacted the IFA's financial picture and increased volume. In some respects calendar year 2010 (Fiscal Year 2011) mirrored Fiscal Year 2008 due to the Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds Programs which expired in December 2010. The IFA utilized these programs to improve our financial position.

Director Meister explained that in these situations the increase in volume drove up issuance fees temporarily and enhanced the IFA financial picture. The Director reminded the Board that 99% of the IFA's revenue is from the issuance of tax-exempt debt and if tax-exempt financing is drastically scaled back or eliminated there would be serious negative consequences for the IFA.

The Director explained that for that reason the IFA would like to diversify its business by investing in new products and new hires. The Director noted a fundamental distinction between the inherent risks of certain programs such as the Participation Loan program, where the IFA shoulders most of the risk, versus federally tax-exempt debt, where the burden of risk falls upon the borrower. The Director stated that IFA is prepared to address these potential external challenges and is carefully monitoring developments in Washington as well as researching alternatives.

The Director stated his desire to communicate closely with the Board regarding these challenges and to assess the competitive advantage and unique revenue challenges for a self-funded organization such as the IFA.

The Director asked for shortened presentations of the projects followed by Committee Reports to allow for a more lengthy discussion on the resolution for the FY '12 IFA Budget.

Lastly, the Director noted that he had included information in the handout folders to the Members regarding the Elgin-O'Hare West-Bypass project or "EOWB". Director Meister is the Co-Chairman of the EOWB Finance Committee.

The Chairman thanked Director Meister for his presentation and made brief comments about the future of ethanol financing as well as the current status of discussions regarding the development of the area surrounding Wrigley Field.

The Chairman then asked for the Project Reports.

VI. *Project Reports*

Mr. Senica presented the following projects for consideration:

Agriculture - Beginning Farmer Bonds

Item No. 1A: **Brent Zaagman - $239,828 – 90 acres**

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $239,828 for the purchase of approximately 90 acres of farmland. This project is located in Hopkins Township, Whiteside County, IL.

Item No. 1B: **James W. Tarasuik, Jr. - $67,000 – 40 acres**

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $67,000 for the purchase of approximately 40 acres of farmland. This project is located in Burgess Township, Bond County, IL.

Item No. 1C: **Doug E. & Lora M. Kocher - $80,000 – 38 acres including buildings**

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $80,000 for the purchase of approximately 38 acres of farmland including buildings. This project is located in St. Marie Township, Jasper County, IL.

Mr. Leonard asked the Director a question regarding the current status of potential hires for agriculture lending.

Director Meister replied that there are two very capable candidates at the moment. The Director expressed his pleasure regarding the outstanding work done by Ms. Karcher and Mr. Senica in the agriculture sector. The Director stated that at the moment the IFA is planning on utilizing its resources most efficiently to meet its public mission and will make the hire in the context of the larger discussion regarding the budget of the Authority.

Resolutions

Item No. 7: **Resolution to Authorize a First Amendment to the Loan Agreement among the Illinois Finance Authority, Sunrise Ag Service Company, and Clayton Holdings LLC relating to IFA Series 2006 Industrial Revenue Bonds (Sunrise Ag Service Company Project)**

Authorizes certain changes to terms and provisions in the Loan Agreement.

Ms. Lenane presented the following projects for consideration:

Healthcare – 501(c)(3) Revenue Bonds

Item No. 2: **Advocate Health Care Network - $533,000,000 – Final**

Advocate Health Care Network ("**Advocate**") is requesting approval of a Final Bond Resolution in an amount not-to-exceed $533,000,000. Bond proceeds, together with other available monies of Advocate, will be used to (i) acquire, construct and equip several healthcare projects at various campuses, including a new ambulatory pavilion at Advocate Christ Medical Center in Oak Lawn, Illinois; (ii) restructure a portion of Advocate's outstanding debt issued for its facilities statewide, if deemed necessary or advisable; (iii) fund a debt service reserve fund, if deemed necessary or advisable; (iv) finance certain working capital expenditures, if deemed necessary or advisable; and (v) pay costs of issuance.

Item No. 3: **CDH-Delnor Health System - $190,000,000 – Final**

CDH-Delnor Health System ("CDH-Delnor") is requesting approval of a Final Bond Resolution in an amount not-to-exceed $190,000,000. Bond proceeds will be used to (i) refund CDH-Delnor's Series 2004A Bonds and Series 2008A Bonds; and (ii) pay costs of issuance.

Mr. Frampton presented the following projects for consideration:

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

Item No. 4: **Lawndale Educational and Regional Network Charter School (LEARN Charter School Project) - $6,000,000 – Final**

Lawndale Educational and Regional Network Charter School (LEARN Charter School Project) (or "**LEARN**") is requesting approval of a Final Bond Resolution in an amount not-to-exceed $6,000,000. Bond proceeds, together with other available monies of LEARN, will enable LEARN to (i) acquire, construct, renovate and equip a new school campus facility owned and operated by LEARN; (ii) refund certain outstanding Revenue Bonds in a current refunding; and (iii) pay costs of issuance.

Resolutions

Item No. 5: **Resolution Authorizing the Execution and Delivery of a Bond and Loan Agreement and Related Documents in Connection Therewith; and related matters in connection with IFA Series 2004 Industrial Revenue Bonds (Transparent Container Co., Inc. Project)**

Authorizes execution of a Bond and Loan Agreement to convert the Bonds from a Letter of Credit structure to a Direct Purchase structure.

Mr. Gold noted that the above transaction (Item No. 5) occurred in 2004 with Perkins Coie LLP as IDFA's (IFA's predecessor) Counsel. Consistent with IFA's policy, and for a more efficient transaction, Perkins Coie is again serving as IFA's Counsel in the amendatory transaction. Mr. Gold, who was not on the IFA Board at the time the original transaction occurred, is currently Senior Counsel at Perkins Coie LLP. Mr. Gold notified the Committee of the Whole regarding his intention to abstain from voting on Item No. 5 at the Board Meeting.

Mr. Frampton presented the following resolution for consideration:

Item No. 6: **<u>Resolution Approving the Transfer of Allocation for Bonding Authority of Midwestern Disaster Area Bonds by the Illinois Finance Authority to the Village of Gurnee, Lake County, Illinois, in an Aggregate Principal Amount not to exceed $11,000,000 and Related Matters</u>**

Authorizes the Transfer of Volume Cap of Midwestern Disaster Area Bonds in an amount not to exceed $11,000,000 and Bonding Authority from the Illinois Finance Authority to the Village of Gurnee, Illinois.

Chairman Brandt then asked for the Committee Reports beginning with the Agriculture Committee, followed by the Energy Committee and finally the Healthcare Committee.

V. <u>Committee Reports</u>

Agriculture Committee

Mr. Leonard, Chairman of the Agriculture Committee, deferred to Mr. Goetz. Mr. Goetz reported that the Agriculture Committee met for its regularly scheduled monthly meeting and approved recommendation of three Beginning Farmer Bond projects (Item Nos. 1A, 1B, and 1C) and one Amendatory Resolution (Item No. 7).

Energy Committee

Mr. Goetz, Chairman of the Energy Committee, reported that prior to the Energy Committee's special meeting, the Members of that Committee spoke to Energy Efficiency Providers. During the Energy Committee meeting the discussion centered on Qualified Energy Conservation Bonds and a recent report from the Brookings Institution. Mr. Goetz reported that following the adjournment of the Energy Committee, there was a discussion with representatives from Goldman Sachs.

Mr. Goetz also met with representatives from Aon and from Starr Insurance regarding the Energy Efficiency Program.

Healthcare Committee

Mr. Goetz reported that the Healthcare Committee met for its regularly scheduled monthly meeting and approved recommendation of two 501(c)(3) Revenue Bonds projects (Item Nos. 2 and 3) and one Amendatory Resolution (Item No. 7). The Healthcare Committee also received a short update on the Medicaid Vendor Payment Program.

Chairman Brandt thanked Mr. Goetz and asked for a presentation on the resolution to adopt the FY 2012 IFA budget.

Director Meister presented the following resolution for consideration:

Resolutions

Item No. 8: **<u>Resolution to Adopt FY 2012 Budget</u>**

Authorizes the Executive Director or his Designee(s) to Execute and Adopt the FY 2012 Budget as set forth in Exhibit A.

Chairman Brandt asked for the Senior Staff Reports and asked Ms. Granda to present the financials.

IV. *Senior Staff Reports*

Ms. Granda presented the following reports:

Financial Report

Ms. Granda explained that the gross revenues year-to-date through June 30, 2011, were $6.653 Million or $1.251 Million over budget. Total operating expenses were $5.007 Million or $164,596 under budget. Year-to-date net income thru June 30, 2011, was $2.821 Million or $2.591 Million higher than budget and $1.072 Million higher than the same period last fiscal year.

Ms. Granda also noted that the July Board Book includes consolidated financial statements, gross revenue year-to-date thru June 30, 2011 ended at $10.66 Million or $2.347 Million above the FY11 budget. Total operating expenses are $7.651 Million or $1.367 Million under budget.

Audit Report

Ms. Granda reported that the FY 2011 Audit is still in progress. The Auditor will return to the IFA in mid-August to finalize their fieldwork.

Chairman Brandt thanked Ms. Granda for her reports.

There was a short discussion regarding the FY 2012 Budget (Item No. 8). There were some concerns by the Chairman regarding the IFA's ability to stay within the budget with the expiration of the Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds under the provisions American Recovery and Reinvestment Act of 2009. The two programs expired at the end of calendar year 2010. The Chairman stated, however, that this was perhaps the best budget the IFA could have arrived at due to the uncertainty of the markets and fewer potential borrowers. Therefore, the Chairman stated that he sees no immediate reason why he would reject the budget in its current form.

VII. *Other Business*

Discussion on the Fiscal Year 2012 Budget

Director Meister agreed with Chairman Brandt's assessment of the bond market and noted that the Midwestern Disaster Area Bonds program, which expires at the end of calendar year 2012, has not yielded the potential revenue the IFA had expected when the program was first utilized by the Authority.

Ms. Bronner asked a question regarding the methodology used to arrive at the number given for Total Expenses and asked how the cost of auditing was factored into this total.

Director Meister explained that the budget calculation included the State mandate of obtaining an internal auditor. Director Meister elaborated that another factor was the increased staff participation in training and conferences. The IFA has placed Mr. Fletcher and Ms. O'Brien on a "training path" and is dedicated to investing in human capital as a means of better fulfilling its public mission. The IFA has also enhanced its leadership role: Mr. Frampton has been a very active and engaged member of the Council of Development Finance Authorities' Board of Directors; Ms. Lenane, who is also very involved in tax-exempt healthcare financing, will soon become President of the National Association of Healthcare and Educational Facilities Finance Authorities (or "NAHEFFA"). These developments are important given the current dialogue at the federal level regarding tax-exempt municipal debt and orient the IFA favorably to influence the discussion in a leadership role.

Ms. Bronner also noted that the total amount of "Depreciation" has increased and asked the Director if he could explain what material changes factored into the new budget calculation.

Director Meister explained that this was primarily due to the recent investment in IT and paper imaging in an effort to move to a paperless workplace. Both of these investments are expected to depreciate over the course of their lifetime.

Chairman Brandt asked the Board if there was a Member who would be a willing volunteer to work on the IFA Strategic Planning Initiative.

Ms. Parish volunteered to collaborate on the Strategic Planning Initiative.

Chairman Brandt thanked Ms. Parish for willingly volunteering for the position.

Mr. Leonard asked Director Meister for clarification on the goals and purpose of this Strategic Planning Initiative and how it would differ from the planning initiatives undertaken by the previous Director.

Director Meister explained that he, along with Senior Staff, would like to discuss the fundamental purpose and direction of the IFA. The Director stated that he believes the unprecedented challenges to tax-exempt issuance are the highest level since the Tax Reform Act of 1986. In light of these events at the state and national level the IFA should re-evaluate its fundamental role and be capable of understanding the changing landscape of tax-exempt municipal bonds. The Director stated that the IFA must be prepared to address these challenges while reaffirming its long-standing commitment to its public mission.

VIII. *Public Comment*

None.

IX. *Adjournment*

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

The meeting adjourned at 10:44 a.m.

Minutes submitted by:
Ahad Syed
Assistant Board Secretary

MINUTES OF THE JULY 19, 2011, MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA" or the "Authority"), pursuant to notice duly given, held a Board Meeting at 10:30 a.m. on Tuesday, July 19, 2011, at the Prudential Plaza Conference Center at 130 East Randolph Street, 7th Floor, Chicago, IL 60601.

Members Present:	**Members Absent**:	**Staff Present**:
1. William A. Brandt, Jr., Chairman 2. Michael W. Goetz, Vice Chairman 3. Gila J. Bronner 4. John "Jack" Durburg 5. James J. Fuentes 6. Norman M. Gold 7. Edward H. Leonard, Sr. 8. Terrence M. O'Brien 9. Heather D. Parish 10. Roger E. Poole **Via Telephone:** 11. Bradley A. Zeller *(The phone connection with Mr. Zeller was lost prior to the first roll call vote to establish quorum at 10:58. The connection with Mr. Zeller was reestablished at 11:00 a.m. and Mr. Zeller was added to the roll call for quorum. Chairman Brandt allowed a roll call vote to include Mr. Zeller on all the votes taken up to that point excluding the Acceptance of Financial Statements and Acceptance of Minutes both of which passed by affirmative motion.)*	12. Dr. William J. Barclay 13. Hon. Barrett F. Pedersen **Vacancies**: Two	Christopher B. Meister, Executive Director Brendan M. Cournane, General Counsel Richard K. Frampton, Vice President Pamela A. Lenane, Vice President Art S. Friedson, Chief HR Officer Ximena Granda, Asst. CFO James P. Senica, Sr. Funding Manager Norma Sutton, Procurement Officer Brad R. Fletcher, Legal/Financial Analyst Nora O'Brien, Legal/Financial Analyst Ahad F. Syed, Asst. Board Sect. /Admin. Asst. Terrell Gholston, Intern Vanessa Lin, Intern Barton Rosser, Intern **IFA Advisors Present**: Courtney Shea, Sr. VP, Acacia Financial Group Fiona McCarthy, Analyst, Acacia Financial Group Shannon Williams, Associate, PFM Group

I. *Call to Order*

Chairman Brandt called the meeting to order at 10:50 a.m. with the above Members present. The Chairman welcomed Members of the Board, IFA staff and all guests.

II. *Chairman's Remarks*

The Chairman announced that the IFA will be in receipt of an estimated $1.0 Million from a settlement with JP Morgan Securities (and related entities). The IFA will also be undertaking a Strategic Planning Initiative to discuss market opportunities and the future role of the IFA in light of the discussion in Washington, D.C. regarding the possibility of ending tax-exempt financing for private entities.

Chairman Brandt announced to all present that Mr. Friedson, who is in attendance, has resigned from the IFA, and that his resignation would be effective at the end of today's business day. The Chairman congratulated Mr. Friedson on his new job in the private sector. The Chairman thanked Mr. Friedson for his service to the IFA in the capacity of Chief Human Resources Officer and wished him well.

Director Meister also extended his congratulations to Mr. Friedson and thanked him for his service to the IFA.

III. <u>Roll Call</u>

The Chairman then asked the Board Secretary, Mr. Cournane, to call the roll. There being ten Members physically present and one Member via telephone a quorum was declared met.

IV. <u>Acceptance of Financial Statements</u>

Financial statements for the period ending June 30, 2011, were presented to the Board. Chairman Brandt stated that the Authority's Financial Statements were reviewed at the regularly scheduled Committee of the Whole Meeting held earlier this morning. The Chairman requested a motion to approve the June 30, 2011, Financial Statements.

The motion was made by Ms. Bronner and seconded by Mr. O'Brien. The June 30, 2011, Financial Statements were unanimously approved by the Members of the Board.

V. <u>Acceptance of Minutes</u>

Minutes for both the Committee of the Whole and Board of Directors Meetings each held on June 14, 2011, and May 10, 2011, were presented to the Board. Chairman Brandt stated that the Authority's Minutes were reviewed at the regularly scheduled Committee of the Whole Meeting held earlier this morning. The Chairman requested a motion to approve the Minutes for both the Committee of the Whole and Board of Directors Meetings held on June 14, 2011 and May 10, 2011.

The motion was made by Ms. Bronner and seconded by Mr. O'Brien. The Minutes for both the Committee of the Whole and Board of Directors Meetings held on June 14, 2011, and May 10, 2011, were unanimously approved by the Members of the Board.

Telephone connection with Mr. Zeller was temporarily lost at the time of this vote. Mr. Zeller returned for subsequent votes.

VI. <u>Project Approvals</u>

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

Mr. Frampton presented the following projects for consideration:

Agriculture - Beginning Farmer Bonds

Item No. 1A: <u>Brent Zaagman - $239,828 – 90 acres</u>

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $239,828 for the purchase of approximately 90 acres of farmland. This project is located in Hopkins Township, Whiteside County, IL.

Item No. 1B: <u>James W. Tarasuik, Jr. - $67,000 – 40 acres</u>

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $67,000 for the purchase of approximately 40 acres of farmland. This project is located in Burgess Township, Bond County, IL.

Item No. 1C: **Doug E. & Lora M. Kocher - $80,000 – 38 acres including buildings**

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $80,000 for the purchase of approximately 38 acres of farmland including buildings. This project is located in St. Marie Township, Jasper County, IL.

Healthcare – 501(c)(3) Revenue Bonds

Item No. 2: **Advocate Health Care Network - $533,000,000 – Final**

Advocate Health Care Network (“**Advocate**”) is requesting approval of a Final Bond Resolution in an amount not-to-exceed $533,000,000. Bond proceeds, together with other available monies of Advocate, will be used to (i) acquire, construct and equip several healthcare projects at various campuses, including a new ambulatory pavilion at Advocate Christ Medical Center in Oak Lawn, Illinois; (ii) restructure a portion of Advocate’s outstanding debt issued for its facilities statewide, if deemed necessary or advisable; (iii) fund a debt service reserve fund, if deemed necessary or advisable; (iv) finance certain working capital expenditures, if deemed necessary or advisable; and (v) pay costs of issuance.

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

Item No. 4: **Lawndale Educational and Regional Network Charter School (LEARN Charter School Project) - $6,000,000 – Final**

Lawndale Educational and Regional Network Charter School (LEARN Charter School Project) (or "**LEARN**") is requesting approval of a Final Bond Resolution in an amount not-to-exceed $6,000,000. Bond proceeds, together with other available monies of LEARN, will enable LEARN to (i) acquire, construct, renovate and equip a new school campus facility owned and operated by LEARN; (ii) refund certain outstanding Revenue Bonds in a current refunding; and (iii) pay costs of issuance.

VII. Resolutions

Item No. 7: **Resolution to Authorize a First Amendment to the Loan Agreement among the Illinois Finance Authority, Sunrise Ag Service Company, and Clayton Holdings LLC relating to IFA Series 2006 Industrial Revenue Bonds (Sunrise Ag Service Company Project)**

Authorizes certain changes to terms and provisions in the Loan Agreement.

Item No. 8: **Resolution to Adopt FY 2012 Budget**

Authorizes the Executive Director or his Designee(s) to Execute and Adopt the FY 2012 Budget as set forth in Exhibit A.

No guests attended with respect to Items Nos. 1A, 1B, 1C, 2, 4, 7 or 8. Chairman Brandt asked if the Board had any questions with respect to Items Nos. 1A, 1B, 1C, 2, 4, 7 or 8. There being none, Chairman Brandt requested a roll call vote in favor of Items Nos. 1A, 1B, 1C, 2, 4, 7 and 8.

Items Nos. 1A, 1B, 1C, 2, 4, 7 and 8 received approval with 11 ayes, 0 nays and 0 abstentions.

Item No. 6: **<u>Resolution Approving the Transfer of Allocation for Bonding Authority of Midwestern Disaster Area Bonds by the Illinois Finance Authority to the Village of Gurnee, Lake County, Illinois, in an Aggregate Principal Amount not to exceed $11,000,000 and Related Matters</u>**

Authorizes the Transfer of Volume Cap of Midwestern Disaster Area Bonds in an amount not to exceed $11,000,000 and Bonding Authority from the Illinois Finance Authority to the Village of Gurnee, Illinois.

Mr. Frampton introduced Mr. Kevin McCanna, President of Speer Financial, Inc. Speer Financial, Inc. is Financial Advisor to the Village of Gurnee.

Mr. McCanna thanked the Chairman, Members of the Board and IFA staff for their consideration and work on this project. Additionally, Mr. McCanna thanked the Authority for waiving their allocation to the Village of Gurnee and noted that the allocation will create local jobs.

Director Meister thanked Mr. McCanna for appearing and stated that under Governor Quinn's Jobs Plan the IFA is to allocate MDABs or to issue them to close projects. Director Meister stated that this was the first such project to come to the Board for approval in this fiscal year (beginning July 1, 2011) and noted that the IFA is appreciative of the Village of Gurnee's willingness to use this important and expiring resource.

Chairman Brandt asked if the Board had any questions with respect to Item No. 6. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Item No. 6.

Item No. 6 received approval with 11 ayes, 0 nays and 0 abstentions.

VI. *<u>Project Approvals</u>*

Healthcare – 501(c)(3) Revenue Bonds

Item No. 3: **<u>CDH-Delnor Health System - $190,000,000 – Final</u>**

CDH-Delnor Health System ("**CDH-Delnor**") is requesting approval of a Final Bond Resolution in an amount not-to-exceed $190,000,000. Bond proceeds will be used to (i) refund CDH-Delnor's Series 2004A Bonds and Series 2008A Bonds; and (ii) pay costs of issuance.

No guests attended with respect to Item No. 3. Chairman Brandt asked if the Board had any questions with respect to Item No. 3. Ms. Bronner stated that she would abstain due to the fact that she is related to a party that is involved with an entity working on this project. Chairman Brandt requested a roll call vote for Item No. 3.

Item No. 3 received approval with 10 ayes, 0 nays and 1 abstention (Bronner).

VII. *<u>Resolutions</u>*

Item No. 5: **<u>Resolution Authorizing the Execution and Delivery of a Bond and Loan Agreement and Related Documents in Connection Therewith; and related matters in connection with IFA Series 2004 Industrial Revenue Bonds (Transparent Container Co., Inc. Project)</u>**

Authorizes execution of a Bond and Loan Agreement to convert the Bonds from a Letter of Credit structure to a Direct Purchase structure.

No guests attended with respect to Item No. 5. Chairman Brandt asked if the Board had any questions with respect to Item No. 5. Mr. Gold stated that he would abstain due to the fact that he is currently Senior Counsel at Perkins Coie. Perkins Coie was listed as IDFA's (IFA's predecessor) Counsel on the original transaction in 2004 when Mr. Gold was not on the IFA Board of Directors. Chairman Brandt requested a roll call vote for Item No. 5.

Item No. 5 received approval with 10 ayes, 0 nays and 1 abstention (Gold).

VIII. *Other Business*

Chairman Brandt announced that the August 2011 meeting will be on the third Tuesday of the month or August 16, 2011, due to the seasonality of business. From the September meeting onward, the IFA will revert back to its normal schedule and will hold its meetings on the second Tuesday of the month or September 13, 2011.

IX. *Public Comment*

None.

X. *Adjournment*

Chairman Brandt then asked if there were any other business matters to come before the Board. Hearing none, the Chairman asked for a motion to adjourn. Vice Chairman Goetz motioned to adjourn and Mr. O'Brien seconded the motion. The Board unanimously agreed to adjourn at 11:10 a.m.

Minutes submitted by:
Ahad Syed
Assistant Board Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Jim Senica and Lorrie Karcher

Date: August 16, 2011

Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached projects
- **Amount:** Up to $477,000 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: $1,808,470**
- **Calendar Year Summary:** (as of August 16, 2011)
  - Volume Cap: $30,000,000
  - Volume Cap Committed: $6,316,842
  - Volume Cap Remaining: 23,683,158
  - Average Farm Acreage: 60.5
  - Number of Farms Financed: 32
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds:** No direct IFA or State funds at risk
  - **New Money Bonds:**
    - Convey tax-exempt status
    - Will use dedicated 2011 IFA Volume Cap set-aside for Beginning Farmer Bond transactions
- **IFA Fees**:
  - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
  - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's bank (the "Bank")
  - The Bank will be secured by the Borrower's assets, as on a commercial loan
  - Interest rates, terms, and collateral are negotiated between the Borrower and the Bank, just as with any commercial loan
  - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd.**
  Stephen F. Welcome, Esq.
  Three First National Plaza, Suite 4300
  Chicago, IL 60602

A.

Project Number:	**A-FB-TE-CD-8484**	
Borrower(s):	**Adams, Joseph M.**	
Borrower Benefit:	First Time Land Buyer	
Town:	Tampico, IL	
IFA Bond Amount:	**$240,000**	
Use of Funds:	Farmland – 80 acres	
Purchase Price:	$500,000 / ($6,250 per ac)	
%Borrower Equity	7%	
% USDA Farm Service Agency	45% *(Subordinate Financing)*	
%IFA	48%	
Township:	Tampico	
County/Region:	Whiteside / Northwest	
Lender/Bond Purchaser	Farmers National Bank of Prophetstown / Mike Urish	
Legislative Districts:	Congressional:	14th, Randall Hultgren
	State Senate:	45th, Tim Bivins
	State House:	90th, Jerry Mitchell

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

Adams, Joseph M.: Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.5% fixed for the first 10 years and adjust every 10 years thereafter to 50% below the Wall Street Journal Prime Rate with a floor of 4.5% and a cap of 7.5%. IFA Fee: $3,600

B.

Project Number:	**A-FB-TE-CD-8485**	
Borrower(s):	**Frohning, Mathew A.**	
Borrower Benefit:	First Time Land Buyer	
Town:	Ingraham, IL	
IFA Bond Amount:	**$255,000**	
Use of Funds:	Farmland – 115 acres	
Purchase Price:	$510,000 / ($4,435 per ac)	
%Borrower Equity	5%	
% USDA Farm Service Agency	45% *(Subordinate Financing)*	
%IFA	50%	
Townships:	Bible Grove and Pixley	
County/Region:	Clay / Central	
Lender/Bond Purchaser	Peoples State Bank / Brian Bohnhoff	
Legislative Districts:	Congressional:	19th, John Shimkus
	State Senate:	54th, John Jones
	State House:	108th, David Reis

Principal shall be paid annually in installments determined pursuant to a 30-year amortization schedule, with the first principal payment date to begin one year from the date of closing. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on February 15, 2012 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing. The note will have a 30-year amortization and maturity.

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

Frohning, Mathew A.: Note shall bear simple interest at the expressed rate. The expressed rate shall be 3.75% fixed for the first 5 ½ years until February 15, 2017 and adjust every 5 years thereafter to 2.00% below the Wall Street Journal Prime Rate with a floor of 3.75% and a cap of 12.99% not to exceed a 2.00% increase every 5 years. IFA Fee: $3,825

C.

Project Number:	**A-FB-TE-CD-8486**
Borrower(s):	**Sterrenberg, Casey P.**
Borrower Benefit:	First Time Land Buyer
Town:	Chatsworth, IL
IFA Bond Amount:	**$477,000**
Use of Funds:	Farmland – 96.7 acres
Purchase Price:	$726,000 / ($7,508 per ac)
%Borrower Equity	0%
% Other	34% (Subordinate financing gift from family member)
%IFA	66%
Township:	Chatsworth
County/Region:	Livingston / North Central
Lender/Bond Purchaser	Freestar Bank / Scott Bauknecht
Legislative Districts:	Congressional: 15th, Timothy Johnson
	State Senate: 53rd, Shane Cultra
	State House: 105th, Jason Barickman

Principal shall be paid annually in equal installments of $19,080.00 pursuant to a 25-year amortization schedule, with the first principal payment date to begin on November 1, 2012 plus accrued interest on the unpaid balance hereof shall also be paid annually, with the first interest payment date to begin on November 1, 2012 with the twenty fifth and final payment of all outstanding balances due November 1, 2036. The note will have a 25-year amortization and maturity.

Sterrenberg, Casey P.: Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.0% fixed for the first 5 years and adjust every 5 years thereafter to the Federal Home Loan banks 5-year funds rate plus 2.00%. The rate will adjust every 5 years and will not change more than 2.5% each 5-year period. The rate will never be below 4.00% and never be above 12.5%. Lender will assess a $250 one-time fee. IFA Fee: $7,155

D.

Project Number:	**A-FB-TE-CD-8487**
Borrower(s):	**Meister, Evan T.**
Borrower Benefit:	First Time Land Buyer
Town:	Ashkum, IL
IFA Bond Amount:	**$203,940**
Use of Funds:	Farmland – 80 acres
Purchase Price:	$407,800 / ($5,098 per ac)
%Borrower Equity	5%
% USDA Farm Service Agency	45% *(Subordinate Financing)*
%IFA	50%
Township:	Pigeon Grove
County/Region:	Iroquois / East Central
Lender/Bond Purchaser	Vermilion Valley Bank / Gary Loschen
Legislative Districts:	Congressional: 15th, Timothy Johnson
	State Senate: 53rd, Shane Cultra
	State House: 105th, Jason Barickman

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

Meister, Evan T.: Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.0% fixed for the first 5 years and adjust annually thereafter to 1.50% below the National Prime rate per the Wall Street Journal with a floor of 4.00%. Lender will assess a one-time fee of .50%. IFA Fee: $3,091

E.

Project Number:	**A-FB-TE-CD-8488**	
Borrower(s):	**Borkgren, Nicholas Randall**	
Borrower Benefit:	First Time Land Buyer	
Town:	Woodhull, IL	
IFA Bond Amount:	**$225,720**	
Use of Funds:	Farmland – 60 acres	
Purchase Price:	$500,800 / ($8,346 per ac)	
%Borrower Equity	10%	
% USDA Farm Service Agency	45% *(Subordinate Financing)*	
%IFA	45%	
Township:	Andover	
County/Region:	Henry / Northwest	
Lender/Bond Purchaser	BankORION / Mark Johnson	
Legislative Districts:	Congressional:	17th, Bobby Schilling
	State Senate:	37th, Darin LaHood
	State House:	74th, Donald Moffitt

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

Borkgren, Nicholas Randall: Note shall bear simple interest at the expressed rate. The expressed rate shall be at the Wall Street Journal Prime plus 1.15% for the first 5 years and adjust every 5 years thereafter to the Wall Street Journal Prime Rate plus 1.15% with a floor of 4.40% and a cap of 14.00%. Lender will assess a one-time fee of $250. IFA Fee: $3,386

F.

Project Number:	**A-FB-TE-CD-8489**	
Borrower(s):	**Jordan, Alexander Colby**	
Borrower Benefit:	First Time Land Buyer	
Town:	Springfield, IL	
IFA Bond Amount:	**$203,405**	
Use of Funds:	Farmland – 56 acres	
Purchase Price:	$406,809 / ($7,264 per ac)	
%Borrower Equity	5%	
% USDA Farm Service Agency	45% *(Subordinate Financing)*	
%IFA	50%	
Township:	Bois D'Arc	
County/Region:	Montgomery / Central	
Lender/Bond Purchaser	Bank & Trust Company / Bob Wagahoff	
Legislative Districts:	Congressional:	18th, Aaron Schock
	State Senate:	50th, Larry Bomke
	State House:	100th, Rich Brauer

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

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

Jordan, Alexander Colby: Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.0% fixed for the first 5 years and adjust every 5 years thereafter to .75% above the Wall Street Journal Prime Rate. Lender will assess a one-time fee of .50%. IFA Fee: $3,051

G.

Project Number:	**A-FB-TE-CD-8490**
Borrower(s):	**Jordan, Korey P.**
Borrower Benefit:	First Time Land Buyer
Town:	Springfield, IL
IFA Bond Amount:	**$203,405**
Use of Funds:	Farmland – 56 acres
Purchase Price:	$406,809 / ($7,264 per ac)
%Borrower Equity	5%
% USDA Farm Service Agency	45% *(Subordinate Financing)*
%IFA	50%
Township:	Bois D'Arc
County/Region:	Montgomery / Central
Lender/Bond Purchaser	Bank & Trust Company / Bob Wagahoff
Legislative Districts:	Congressional: 18th, Aaron Schock
	State Senate: 50th, Larry Bomke
	State House: 100th, Rich Brauer

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

Jordan, Korey P.: Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.0% fixed for the first 5 years and adjust every 5 years thereafter to .75% above the Wall Street Journal Prime Rate. Lender will assess a one-time fee of .50%. IFA Fee: $3,051

NON-CONDUIT

$97,000

August 16, 2011 **WAYNE H. NELSON AGRI-DEBT GUARANTEE**

REQUEST	**Purpose:** Provide 85% loan guarantee in favor of Resource Bank to refinance the Borrower's debts. **Project Description:** The proposed Bank Loan of $97,000 will refinance (i) an existing equipment loan of $51,300 and (ii) a working capital loan in the amount of $45,700. **Program Product Type:** Agri-Debt Guarantee **State Treasurer's Funds at Risk: $82,450 (i.e., 85% of the $97,000 Bank Loan)** **Conditions:** Annual Personal Financial Statements and Income Tax Returns provided to Lender and Illinois Finance Authority ("IFA").
BOARD ACTIONS	Final Resolution-85% Loan Guarantee Voting Record: None. This is the first time this project has been presented to the IFA Board of Directors.
MATERIAL CHANGES	N/A
JOB DATA	N/A Current jobs N/A New jobs projected N/A Retained jobs N/A Construction jobs projected
BORROWER DESCRIPTION	● Type of entity: Individual ● Location: DeKalb County, Illinois (near Sandwich and Somonauk, IL) ● When established: 1957 ● What does the entity do: Grain Farming ● What will new project facilitate: Refinancing Borrower's debts
PROPOSED STRUCTURE	Originating Bank: Resource Bank ("Bank") Collateral: First mortgage on 80 acres of farmland appraised at $660,000 Maturity: 30 years Interest Rate: Variable - adjustable every 3 years (See confidential Section)
SOURCES AND USES	Bank Loan (85% IFA guar.): $97,000 — Refinancing Debt $97,000 **Total $97,000** — **Total $97,000**
RECOMMENDATION	Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 16, 2011

Project: Wayne H. Nelson

STATISTICS

Project Number:	A-AD-GT-8492	Amount:	$97,000
Type:	Agri-Debt Guarantee	IFA Staff:	*Jim Senica*
Location:	City of Sandwich/ Village of Somonauk	County/Region:	DeKalb/Northeast

BOARD ACTION

Final Resolution - 85% Loan Guarantee
State Treasurer's Reserve Funds at risk: $82,450
Extraordinary conditions: None
Credit Review Committee recommends approval

VOTING RECORD

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

PURPOSE

Use of proceeds: Refinance the Borrower's existing debts.

IFA PROGRAM AND CONTRIBUTION

The Authority's Agriculture Guarantee Program guarantees up to 85% of a Bank's loans to Illinois farmers and agribusiness owners. The Agri-Debt Guarantee Program is available to assist farmers in refinancing and restructuring their debts. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are backed by an IFA reserve capitalized for this program. These guarantees are also full faith and credit obligations of the State of Illinois. IFA's issuance of guarantees helps Borrowers obtain debt financing at reduced rates of interest and improved terms.

VOLUME CAP

N/A

JOBS

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	Bank Loan (85% IFA Guar.):	$97,000	Uses: Refinancing Debt	$97,000
	Total	**$97,000**	**Total**	**$97,000**

FINANCING SUMMARY/STRUCTURE

Security:	First mortgage on 80 acres of farmland
Structure:	30-year term and amortization.
Interest Mode:	Variable - adjustable every 3 years
Credit Enhancement:	IFA 85% Guarantee
Personal Guarantees:	N/A
Maturity:	30 years
Estimated Closing Date:	August 25, 2011

PROJECT/BUSINESS SUMMARY

Summary: Wayne Nelson has been engaged in farming for over 35 years, having assisted his father in the family farming operation and then subsequently taking over upon his father's passing. Wayne began farming with only 160 acres but now farms nearly 400. All of the planted acreage is located in DeKalb County but is divided between the rural areas surrounding Sandwich and Somonauk. Wayne does not own any of the land personally but rather cash rents the land primarily from his mother and a small portion from his uncle. Mr. Nelson divides his production evenly between soybeans and corn. Wayne's mother, Shirley, is pledging a portion of her farm (held in trust) as collateral for this bank loan.

Project Rationale: The proposed loan will refinance an existing operating loan that provides Mr. Nelson with a working capital financing on a term basis and simplify Mr. Nelson's lending relationship with Resource Bank. The proposed loan will also refinance existing equipment financing under more favorable terms.

Timing: The proposed transaction is expected to close within thirty days of IFA Board approval.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Wayne H. Nelson

Project Location: 12790 Chicago Road
Somonauk, IL 60552

Collateral Ownership: Shirley Nelson Trust

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	N/A		
Originating Bank:	Resource Bank	Malta, IL	Tim Funfsinn
Bank Counsel:	N/A		
IFA Fiancial Advisor:	Scott Balice Strategies, LLC	Chicago, IL	Julia Harris
IFA Counsel:	N/A		

LEGISLATIVE DISTRICTS

Congressional:	14th – Randy Hultgren
State Senate:	35th – Christine Johnson
State House:	70th – Robert W. Pritchard

BACKGROUND INFORMATION

Wayne H. Nelson has been actively engaged in farming for thirty-five years. Wayne took over the family farming operations after the passing of his father and has increased the amount of acreage farmed from 160 originally to nearly 400 in 2011.

The Applicant's debt to asset ratio computed using the market value method (based on an April 2011 fair market value appraisal) is 47%.

ILLINOIS FINANCE AUTHORITY

CONDUIT

AUGUST 16, 2011

$40,000,000
BNSF RAILWAY COMPANY

REQUEST	**Purpose:** To enable **BNSF Railway Company** ("**BNSF**" or the "**Borrower**") to (i) finance the cost of acquiring, replacing, repairing, improving, reconstructing, rehabilitating, constructing and installing various site improvements and fixed improvements including but not limited to bridge approach spans, new bridge support pier foundations, concrete substructures, a 250-foot steel double-tracked trust ballast deck superstructure, sinking pilings and other foundation/preparation work, railroad ties, tracks, switching and other improvements comprising the eastern bridge approach spans and adjacent railway and railway right-of-way owned and operated by the BNSF Railway Company in the Village of Gulfport, Henderson County, Illinois, at the Burlington Bridge located on the Mississippi River, east of the City of Burlington, Des Moines County, Iowa (the "Project") and (ii) pay expenses incurred in connection with the issuance of the Bonds. **Program:** Midwestern Disaster Area Revenue Bonds **Volume Cap Required:** This Project will not use any of IFA's standard 2011 Private Activity Bond Volume Cap for Industrial Revenue Bonds. Rather, this Project will be financed as a Midwestern Disaster Area Revenue Bond ("**MDAB**") issue and will use $40,000,000 of an approximately $1.5 billion MDAB allocation to the Illinois Finance Authority ("IFA") on behalf of the state of Illinois. **No IFA Funds at risk. No State Funds at risk.** **Extraordinary Conditions:** None
BOARD ACTIONS	Preliminary Bond Resolution This is the first time this financing has been considered by the IFA Board of Directors.
MATERIAL CHANGES	Not applicable.
JOB DATA	N/A Current jobs; N/A New jobs N/A Retained jobs; 939 Construction jobs projected (Direct)
BORROWER DESCRIPTION	● Type of entity: BNSF is a North American Class I transcontinental railroad and the second largest freight railroad network in North America. ● Location: Village of Gulfport/Henderson County/West Central ● The phased reconstruction project will be utilized by BNSF in the shipment of private freight, as well as by Amtrak for daily passenger service provided by the "California Zephyr" between Chicago and the San Francisco Bay area via Denver; in addition, the Burlington Bridge is on the U.S. Military's Strategic Rail Corridor Network (STRACNET).
CREDIT INDICATORS	● Borrower has senior unsecured long-term debt ratings of A2/BBB+ (Moody's/S&P).
PROPOSED STRUCTURE	● Bonds will be a direct purchase by one or more members of BNSF's banking syndicate (preliminary, subject to change); or ● Bonds will be issued and sold through public offering (preliminary, subject to change) based on BNSF's underlying A2/BBB+ (Moody's/S&P) long-term debt ratings, with an underwriter to be determined. ● Term and Rate to be determined.
SOURCES AND USES	IFA Bonds: $40,000,000 Equity 66,200,000 **Total $106,200,000** Phase II Construction (costs attributable within Illinois) $105,400,000 Costs of Issuance: 800,000 **Total $106,200,000**
RECOMMENDATION	Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 16, 2011

Project: BNSF Railway Company

STATISTICS

Project Number:	I-MDAB-TE-CD-8491	Amount:	$40,000,000 (not-to-exceed amount)
Type:	Midwestern Disaster Area Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Village of Gulfport	County/ Region:	Henderson County/West Central

BOARD ACTION

Preliminary Bond Resolution
Midwestern Disaster Area Revenue Bonds
Credit Review Committee recommends approval

No IFA funds at risk
No extraordinary conditions

VOTING RECORD

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

PURPOSE

To enable **BNSF Railway Company** ("**BNSF**" or the "**Borrower**") to (i) finance the cost of acquiring, replacing, repairing, improving, reconstructing, rehabilitating, constructing and installing various site improvements and fixed improvements including but not limited to bridge approach spans, new bridge support pier foundations, concrete substructures, a 250-foot steel double-tracked trust ballast deck superstructure, sinking pilings and other foundation/preparation work, railroad ties, tracks, switching and other improvements comprising the eastern bridge approach spans and adjacent railway and railway right-of-way owned and operated by the BNSF Railway Company in the Village of Gulfport, Henderson County, Illinois, at the Burlington Bridge located on the Mississippi River, east of the City of Burlington, Des Moines County, Iowa (the "Project") and (ii) pay expenses incurred in connection with the issuance of the Bonds.

IFA PROGRAM AND CONTRIBUTION

Midwestern Disaster Area Revenue Bonds (MDABs") are a federal program that enables tax-exempt bonds to be issued to finance certain types of privately-owned projects that will generate jobs and economic development activity in 18 federally designated counties in Illinois that suffered damage in mid-2008 from floods and other storm damage.

MDABs are a provision of the federal Heartland Disaster Tax Relief Act of 2008 (Public Law 110-344; 122 Stat. 3918) (the "Act") that enables issuance of tax-exempt bonds for certain privately-owned projects located in certain designated throughout the Midwest until 12/31/2012 .

VOLUME CAP

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

The State has approximately $1.5 billion in bonding authority currently available for issuance of MDABs until 12/31/2012. The Project's Henderson County location is one of the 18 designated counties eligible for MDAB issues. The net amount of unencumbered MDAB allocation is approximately $1.48 billion (reflecting $31.2 million issued and encumbered to date).

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$40,000,000	Uses:	Phase II Construction (costs attributable w/in IL)	$105,400,000
	Equity	66,200,000		Costs of Issuance	800,000
Total		**$106,200,000**		**Total**	**$106,200,000**

Note: The phased reconstruction project consists of Phase I and Phase II. Phase I was the "lift span" construction and is not part of the Borrower's request. Total Phase II construction cost is estimated to be $123.85 MM, with 85.01% of costs attributable within the state of Illinois and 14.99% of costs attributable within the state of Iowa. Accordingly, this financing seeks to detail Phase II costs attributable within Illinois, described herein as the "Project".

JOBS

Current employment:	N/A	New jobs:	N/A
Jobs retained:	N/A	Construction jobs:	939 (Direct)

FINANCING SUMMARY

Security: Bonds will be senior unsecured long-term obligations of BNSF.

Structure: Bonds will be a direct purchase by one or more members of BNSF's banking syndicate (preliminary, subject to change); or issued and sold through public offering based on BNSF's underlying A2/BBB+ (Moody's/S&P) long-term debt ratings (preliminary, subject to change), with an underwriter to be determined.

Maturity: To be determined

Estimated Closing Date: September or October 2011

Underlying Ratings: The Borrower has senior unsecured long-term debt ratings of A2/BBB+ (Moody's/S&P).

PROJECT SUMMARY (FOR IFA PRELIMINARY BOND RESOLUTION)

Bond proceeds will be used to (i) finance the cost of acquiring, replacing, repairing, improving, reconstructing, rehabilitating, constructing and installing various site improvements and fixed improvements including but not limited to bridge approach spans, new bridge support pier foundations, concrete substructures, a 250-foot steel double-tracked trust ballast deck superstructure, sinking pilings and other foundation/preparation work, railroad ties, tracks, switching and other improvements comprising the eastern bridge approach spans and adjacent railway and railway right-of-way owned and operated by the BNSF Railway Company in the Village of Gulfport, Henderson County, Illinois, at the Burlington Bridge located on the Mississippi River, east of the City of Burlington, Des Moines County, Iowa (the "Project") and (ii) pay expenses incurred in connection with the issuance of the Bonds.

BUSINESS SUMMARY

Description: **BSNF Railway Company** (**"BNSF"** or the **"Borrower"**), is a wholly-owned subsidiary of **Burlington Northern Santa Fe, LLC**, successor corporation to Burlington Northern Santa Fe Corporation following its February 12, 2010 acquisition by **Berkshire Hathaway, Inc.**

Berkshire Hathaway, Inc. (the "**Parent Company**") is a diversified, publicly-traded holding company (NYSE Tickers: BRK.A and BRK.B) headquartered in Omaha, NE. See Economic Disclosure Statement for additional information (pg. 5 below).

Background: The Burlington Bridge between Burlington, Iowa and Gulfport, Illinois is a vital Mississippi River crossing and is a critical element in transcontinental railway routes across the United States. Originally built in 1868, the bridge was one of the first rail bridges to span the Mississippi River, connecting the East and West coasts and making the dream of cross county commerce a realistic option. The bridge is owned by BNSF as part of its Nebraska division mainline between Chicago and Denver. In 1891 the original single-track rod-iron bridge was replaced with the current double-track open deck steel structure, while reinforcing and enlarging the original masonry piers to support the larger structure to sustain growing rail utility, longer trains and heavier steam locomotives. Since 1891, major renovations were performed on the bridge in 1928 and 1968. Currently, the bridge consists of a swing span over the Mississippi River navigation channel that rotates on a vertical axis to clear river traffic, and a series of approach spans that make up the remainder of the bridge. The swing span is currently planned for replacement as part of a U.S. Coast Guard order to alter for improved waterway navigation.

The Burlington Bridge currently hosts approximately 29 trains per day, transporting a variety of cargos ranging from coal, to high-priority intermodal trains connecting Chicago with Denver, to industrial product and agricultural commodities. The bridge is part of a major coal traffic artery that brings low sulfur Powder River Basin coal from Wyoming to the East, producing the electrical generation output for nearly nine million homes.

Rationale: Rail continues to be the most cost-effective, fuel-efficient, and environmentally friendly mode for moving the nation's freight. The Burlington Bridge is part of Amtrak's nationwide intercity passenger rail network, a link for daily passenger service provided by the "California Zephyr" between Chicago and the San Francisco Bay area via Denver. Further, the U.S. DOT estimates that population growth, economic development, and increased trade will almost double freight rail transportation demand by 2035. The Burlington Bridge is a vital resource in helping meet that demand, moving the nation's freight along BNSF's 1,017 mile rail route from Denver to Chicago. Currently, considering its century old age and structural condition, it is a growing congestive conflict point in both freight and passenger rail efficiency. In order to support the nation's transportation supply chain efficiency goals, as well as reduce the future public costs associated with services across the bridge, the approach span structures require replacement.

In 1991 the U.S. Coast Guard identified the bridge as a hazard to river navigation. It has been struck 92 times by barges since 1992, which is the third highest collision rate in the country. The Coast Guard issued an order to alter the bridge, and construction is set to begin to replace the existing swing span with a new vertical lift structure that allows barge traffic to pass underneath the bridge via a navigable channel increasing in width from the current 105 feet to 310 feet. Phase II, which complements but does not include replacement of the swing span, proposes a $124 million reconstruction effort to replace the seven remaining bridge approach spans on both sides of the swing span.

ECONOMIC DISCLOSURE STATEMENT

Applicant: BNSF Railway Company, BNSF Railway Corporate Headquarters, 2650 Lou Menk Drive, Fort Worth, TX 76131-2830, c/o Todd J. Bailey, Director Finance; Ph.: (817) 352-3472;
E-mail: Todd.Bailey@bnsf.com

Website: www.bnsf.com

Location: Gulfport (Henderson County), Illinois
Project Name: IFA Series 2011 Midwestern Disaster Area Revenue Bonds (BNSF Railway Company Project)

Ownership Information: (I) **Borrower:** BSNF Railway Company

- Wholly-owned subsidiary of Burlington Northern Santa Fe, LLC, successor corporation to Burlington Northern Santa Fe Corporation following its February 12, 2010 acquisition by Berkshire Hathaway, Inc.

(II) **Parent Company:** Berkshire Hathaway, Inc.

- As of 6/30/2011, State Street Corporation (One Lincoln Street, Boston, MA 02111) held more than 5.0% of Berkshire Hathaway, Inc. common stock

No further disclosure of underlying shareholders is required pursuant to IFA Policy.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Chapman and Cutler LLP	Chicago, IL	William M. Libit
Borrower's Auditor:	Deloitte & Touche LLP	Fort Worth, TX	
Bond Counsel:	Pugh, Jones, Johnson & Quandt, P.C.	Chicago, IL	Glenn Weinstein
Bank:	To be determined		
Bank Counsel:	To be determined		
Underwriter:	To be determined		
Underwriter's Counsel:	To be determined		
Issuer's Counsel:	Schiff Hardin LLP	Chicago, IL	Bruce P. Weisenthal
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional:	17^{th}	Bobby Schilling
State Senate:	94^{th}	Norine K. Hammond
State House:	47^{th}	John M. Sullivan

ILLINOIS FINANCE AUTHORITY

CONDUIT

August 16, 2011

$600,000,000
Trinity Health Corporation

REQUEST	**Purpose**: The proceeds will be used by **Trinity Health Corporation** ("**Trinity Health**" or the "**Borrower**") to (i) refinance commercial paper ("**CP**") utilized to defease **Loyola University Health System** ("**LUHS**") indebtedness, (ii) reimburse Trinity Health for all or a portion of the cash component of acquisition purchase price, (iii) fund working capital relating to the LUHS facilities, and (iv) pay cost of issuance in connection with the Bonds (collectively, the "Financing Purposes") (Loyola University will not own or operate the facilities financed with these bonds). **Program**: Conduit 501(c)(3) Revenue Bonds/Multi-State Bond Issue **Extraordinary Conditions**: None.
BOARD ACTIONS	Preliminary Bond Resolution
MATERIAL CHANGES	None. This is the first time this project is being presented to the Board.
JOB DATA	46,000 FTEs — Current jobs — N/A — New jobs projected 6,000 FTEs — Retained jobs in Illinois — N/A — Construction jobs projected
DESCRIPTION	● Locations: (Site Addresses: 2160 South First Avenue, Maywood, IL 60153 , 701 W. North Ave., Melrose Park, IL, 60160, and ancillary locations; Trinity Health's Headquarters: 27870 Cabot Drive, Novi, Michigan 48377) ● Based in Novi, Michigan, Trinity Health operates 46 acute-care hospitals, 380 outpatient facilities, 34 long-term care facilities, numerous home health and hospice programs, and senior services/housing operations in nine states. ● As of July 1, 2011, LUHS has been consolidated with Trinity Health. LUHS is an Illinois not for profit corporation and is a regional integrated health care delivery system providing a full continuum of health care services and competencies in primary care and tertiary care medicine. (Loyola University will not own or operate the facilities financed with these bonds.)
CREDIT INDICATORS	● Trinity Health is rated Aa2/AA/AA by Moody's, S&P and Fitch, respectively.
SECURITY	● All Bonds will be secured under the existing Trinity Health Master Trust Indenture ("**MTI**"). The Bonds are joint and several obligations of the Obligated Group Members (currently only Trinity Health) and are equally and ratably secured under the MTI, together with all obligations issued under the MTI, by a security interest in all Pledged Property now owned or hereafter acquired by any Designated Affiliates.
MATURITY	● Bonds will mature no later than 2051 (40 years).
SOURCES AND USES	(see below)
RECOMMENDATION	Credit Committee recommends approval.

Sources and Uses:

Sources:		**Uses:**	
IFA Bonds	$550,000,000	Refinance Commercial Paper	$350,000,000
		LUHS Acquisition (cash component)	175,000,000
		Working Capital	19,500,000
		Costs of Issuance	5,500,000
Total	**$550,000,000**	**Total**	**$550,000,000**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 16, 2011

Project: Trinity Health Corporation

STATISTICS

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

BOARD ACTION

Preliminary Bond Resolution
Conduit 501(c)(3) Revenue Bonds
Credit Review Committee recommends approval

No IFA funds at risk
No extraordinary conditions

VOTING RECORD

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

PURPOSE

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

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$550,000,000	Uses:	Refinance Commercial Paper	$350,000,000
				LUHS Acquisition	175,000,000
				Working Capital	19,500,000
				Cost of Issuance	5,500,000
	Total	**$550,000,000**	**Total**		**$550,000,000**

JOBS

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

FINANCING SUMMARY

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

PROJECT SUMMARY (FOR IFA PRELIMINARY BOND RESOLUTION)

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

BUSINESS SUMMARY

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

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

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

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

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Trinity Health System
Site Addresses:	2160 South First Ave., Maywood, Illinois 60153, 701 W. North Ave., Melrose Park, IL, 60160, and ancillary locations
Contact:	Marianne Cunningham Director, Treasury Operations 248-489-6828 cunningm@trinity-health.org
Contact Address :	34605 W. Twelve Mile Road, Farmington Hills, MI 48331
Website:	www.trinity-health.org
Project name:	Trinity Health System
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Michigan

2010-11 Board Members
Mary Mollison, CSA, Chair
Henry R. Autry
James Bentley, PhD
Suzanne Brennan, CSC
Melanie Dreher, PhD, RN
Sarah Eames
Uma Kotagal, MD
Robert Ladenburger
Paul Robertson
Jose Santillan
Linda Werthman, RSM
Joseph Swedish

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

SERVICE AREA

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

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: August 16, 2011

Re: Resolution authorizing the execution and delivery of an Amended and Restated Indenture of Trust and an Amended and Restated Loan Agreement in connection with IFA Series 1999 Adjustable Demand Revenue Bonds (Chicago Shakespeare Theater Project)
IFA File Number: N-NP-8978

Request:

Chicago Shakespeare Theater ("**CST**" or the "**Borrower**"), an Illinois not for profit corporation, is requesting approval of a Resolution to authorize execution and delivery of an Amended Indenture (including the revised form of Bond contained therein), an Amended Loan Agreement and any Supplemental Certificates to effectuate the purchase of the Illinois Finance Authority (the "IFA") Adjustable Demand Revenue Bonds (Chicago Shakespeare Theater Project), Series 1999 (the "**Bonds**") by Wells Fargo Bank, N.A. (the "**Purchaser**").

The Bonds are currently supported by a Letter of Credit issued by Bank of America, N.A. that expires in September 2011. Bank of America, N.A. has indicated to CST that it will not renew the credit facility.

Wells Fargo Bank, N.A. will purchase the Bonds in whole and hold them as an investment without any credit enhancement. U.S. Bank, N.A. (the "**Trustee**") and the Borrower have agreed to the desired changes, including adding a new interest rate mode, needed to reflect the direct purchase structure as well as present market conditions. The Trustee will remain in place while Bonds bear interest in the new bank purchase mode.

The outstanding Par amount of the IFA Series 1999 Bonds was approximately $4,100,000 as of August 1, 2011. IFA's estimated administrative fee will be $5,000.

Background:

IFA issued $4,100,000 Bonds on behalf of CST in 1999. Bond proceeds were used by the Borrower to (i) finance costs of design, construction and equipping of an approximately 75,000 square foot, seven story theater located on Navy Pier at 800 East Grand Avenue in Chicago, Illinois on property leased from the Metropolitan Pier and Exposition Authority and (ii) pay certain bond issuance costs.

All payments relating to the IFA Series 1999 Bonds are current and have been paid as scheduled.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Kirkland & Ellis LLP	Chicago, IL	Natalia A. Sokolova
Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Bond Purchaser:	Wells Fargo Bank, N.A.	Bloomington, MN Minneapolis, MN	Jason Paulnock Michael Olauson
Bank/Purchaser's Counsel:	Chapman & Cutler LLP	Chicago, IL	Richard A. Cosgrove
Trustee:	U.S. Bank, N.A.	Chicago, IL	Vernita L. Anderson
IFA Counsel:	Law Offices of Kevin Cahill	Chicago, IL	Kevin Cahill
IFA Financial Advisor:	Scott Balice Strategies, LLC	Chicago, IL	Julia Harris

IFA RESOLUTION NO. 2011-0816-AD05

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED INDENTURE OF TRUST AND AN AMENDED AND RESTATED LOAN AGREEMENT RELATING TO THE $4,100,000 ORIGINAL PRINCIPAL AMOUNT ADJUSTABLE DEMAND REVENUE BONDS (CHICAGO SHAKESPEARE THEATER PROJECT), SERIES 1999 OF THE ILLINOIS DEVELOPMENT FINANCE AUTHORITY, WHICH AMENDMENTS PROVIDE FOR THE ADDITION OF A NEW INTEREST RATE MODE AND OTHER CHANGES; AND RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "**Authority**"), including, without limitation, the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as supplemented and amended (the "**Act**"), is successor to the Illinois Development Finance Authority which has previously issued its $4,100,000 aggregate principal amount Adjustable Demand Revenue Bonds (Chicago Shakespeare Theater Project), Series 1999 which are outstanding as of the date hereof in the aggregate principal amount of $4,100,000 (the "**Bonds**"); and

WHEREAS, in furtherance of the issuance of the Bonds, the Authority is a party to an Indenture of Trust dated as of September 1, 1999 (the "**Indenture**") with U.S. Bank, National Association (as successor to LaSalle Bank National Association), as Trustee (the "**Trustee**"), and a Loan Agreement dated as of September 1, 1999 (the "**Loan Agreement**") with Chicago Shakespeare Theater, an Illinois not for profit corporation (the "**Borrower**"), pursuant to which the proceeds of the Bonds were lent by the Authority to the Borrower to finance costs of design, construction and equipping of an approximately 75,000 square foot, seven story theater located on Navy Pier at 800 East Grand Avenue in Chicago, Illinois on property leased from the Metropolitan Pier and Exposition Authority (the "**Project**"); and

WHEREAS, payment of the Bonds is currently supported by a Letter of Credit (the "**Letter of Credit**") issued by Bank of America, N.A. (the "**Bank**"), which Letter of Credit expires in September 2011; and

WHEREAS, the Bank has indicated that it will not renew the Letter of Credit and the Borrower has arranged for the purchase of the Bonds in whole by Wells Fargo Bank, National Association (the "**Purchaser**") without any credit enhancement for the Bonds; and

WHEREAS, the Authority and the Borrower desire to add a new interest rate mode to the Indenture (the "**Index Interest Rate Period**") under which the Bonds will be initially owned by the Purchaser and to make certain other changes to the Indenture and the Loan Agreement to update such documents to conform to present market conditions; and

WHEREAS, the Indenture permits the supplementation and amendment of the Indenture and the Loan Agreement with the consent of the owner of the Bonds, the Trustee and the Borrower; and

WHEREAS, (i) the Trustee has agreed that it will consent to amendments to the Indenture (including the revised form of Bond contained therein) and the Loan Agreement in the form, respectively, of the Amended and Restated Indenture of Trust (the "**Amended Indenture**") between the Authority and the Trustee and the Amended and Restated Loan Agreement (the "**Amended Loan Agreement**") between the Authority and the Borrower, to add the Index Interest Rate Period and to make other changes to update such documents to conform to present market conditions; (ii) the Borrower has agreed that it will enter into the Amended Loan Agreement and will consent to the entering into of the Amended Indenture and that it will also enter into or provide any supplemental tax or other certificates required by Greenberg Traurig, LLP, as Bond Counsel (the "**Supplemental Certificates**"); and (iii) the Purchaser, as the registered owner of 100% of the outstanding principal amount of the Bonds on the amendment closing date will consent to the entering into of the Amended Indenture and the Amended Loan Agreement; and

WHEREAS, in order to effectuate the above, the Borrower has requested the Authority to approve and to enter into the Amended Indenture (including the revised form of Bond contained therein) and the Amended Loan Agreement, each in substantially the form submitted and on file with the Authority at this meeting, and to enter into or provide any Supplemental Certificates; and

WHEREAS, it is necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of (i) the Amended Indenture, (ii) the Amended Loan Agreement, and (iii) the revised Bonds in substantially the form set forth in the Amended Indenture (the "**Revised Bonds**");

NOW THEREFORE, BE IT RESOLVED by the Members of the Illinois Finance Authority on August 16, 2011, as follows:

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

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

Section 3. That the Authority is hereby authorized to enter into the Amended Indenture with the Trustee in substantially the same form now on file with the Authority; that the form, terms and provisions of the Amended Indenture be, and they hereby are, in all respects approved; that the Chairman, the Vice Chairman, the Executive Director of the Authority or any person authorized by a Resolution of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the Amended Indenture in the name, for and on behalf of the Authority, and thereupon to cause the Amended Indenture to be delivered to the Trustee in substantially the form now on file with the Authority or with such changes or revisions therein as the individual executing the Amended Indenture on behalf of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes and revisions therein from the form of the Amended Indenture now on file with the Authority; that when the Amended Indenture is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such Amended Indenture shall be binding on the Authority; that from and after the execution and delivery of the Amended Indenture, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Amended Indenture as executed; and that the Amended Indenture shall constitute, and hereby is made, a part of this Resolution, and a copy of the Amended Indenture shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 4. That the Authority is hereby authorized to enter into the Amended Loan Agreement with the Borrower in substantially the same form now on file with the Authority; that the form, terms and provisions of the Amended Loan Agreement be, and they hereby are, in all respects approved; that the Chairman, the Vice Chairman, the Executive Director of the Authority or any person authorized by a Resolution of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the Amended Loan Agreement in the name, for and on behalf of the Authority, and thereupon to cause the Amended Loan Agreement to be delivered to the Borrower in substantially the form now on file with the Authority or with such changes or revisions therein as the individual executing the Amended Loan Agreement on behalf of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes and revisions therein from the form of the Amended Loan Agreement now on file with the Authority; that when the Amended Loan Agreement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such Amended Loan Agreement shall be binding on the Authority; that from and after the execution and delivery of the Amended Loan Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Amended Loan Agreement as executed; and that the Amended Loan Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the Amended Loan Agreement shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 5. That the form of the Revised Bonds in substantially the same form now on file with the Authority, subject to appropriate insertions and revisions in order to comply with the provisions of the Amended Indenture (as executed and delivered), is hereby approved; that the Revised Bonds shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of the Chairman, the Vice Chairman or the Executive Director and attested with the manual or facsimile signature of the Secretary or any Assistant Secretary and the official seal of the Authority shall be impressed or imprinted thereon; that the Authority deems it proper to delegate to the Chairman, the Vice Chairman or the Executive Director of the Authority the power to approve any and all changes to the Revised Bonds as the Chairman, the Vice Chairman or the Executive Director of the Authority shall, on behalf of the Authority, determine, subject to the terms of the Revised Bonds contained in the Amended Indenture; that any such determinations shall be conclusive, shall be evidenced by the execution and delivery by the Chairman, the Vice Chairman or the Executive Director of the Authority of the Revised Bonds, and shall be authorized by this Resolution; that the Revised Bonds, as executed, shall be binding on the Authority; that the Chairman, the Vice Chairman or the Executive Director of the Authority or the Secretary or any Assistant Secretary of the Authority shall cause the Revised Bonds, as so executed and attested, to be delivered to the Trustee for authentication; that when the Revised Bonds shall be executed on behalf of the Authority in the manner and containing the terms contemplated by the Amended Indenture and this Resolution in an aggregate principal amount not to exceed the amount of Bonds outstanding on the date of such execution, they shall represent the approved form of Revised Bonds of the Authority.

Section 6. That the Chairman, the Vice Chairman, the Executive Director, the Secretary and any Assistant Secretary of the Authority or any person authorized by a Resolution of the Authority be, and each of them hereby is, authorized to execute and deliver such documents, Supplemental Certificates, certificates, and undertakings of the Authority and to take such other actions as may be required in connection with the execution, delivery and performance of the Amended Indenture, the Amended Loan Agreement and the Revised Bonds authorized by this Resolution, including without limitation the signing of IRS Form 8038 and the filing thereof with the Internal Revenue Service if required by Bond Counsel.

Section 7. That the Borrower shall be entitled to appoint a different Trustee to act as Trustee under the Amended and Restated Indenture so long as such new Trustee meets the general requirements of the Authority for acting as trustee thereunder, and the Authority's execution and delivery of the Amended and Restated Indenture shall constitute conclusive evidence of the Authority's approval of such new Trustee.

Section 8. That all acts of the officers, employees and agents of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, be, and the same hereby are, in all respects, ratified, confirmed and approved.

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

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

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

Passed and approved this 16th day of August, 2011.

Attest: ILLINOIS FINANCE AUTHORITY

[SEAL]

By ______________________________
Chairman

By ______________________________
Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: August 16, 2011

Re: Resolution authorizing the execution and delivery of a First Amendment to Bond and Loan Agreement in connection with IFA Series 2009 Educational Facility Revenue Bond (Namaste Charter School, Inc. Project)
IFA File Number: N-NP-TE-CD-8225

Request:

Namaste Charter School, Inc. ("**Namaste**" or the "**Borrower**") and **MB Financial Bank, N.A.** (the "**Bond Purchaser**") are requesting approval of a Resolution to authorize execution and delivery of a First Amendment to Bond and Loan Agreement to reflect a change of interest rate for the current interest period from a fixed rate to a variable rate and the extension of such interest period to a new final maturity of the Illinois Finance Authority (the "IFA") Educational Facility Revenue Bond (Namaste Charter School, Inc. Project), Series 2009 (the "**Bond**").

The First Amendment to Bond and Loan Agreement will amend certain provisions of (i) the Bond and Loan Agreement dated as of April 1, 2009 (the "**Original Agreement**") among the IFA, the Borrower and the Bond Purchaser; and (ii) the Bond.

The outstanding Par amount of the IFA Series 2009 Bond was approximately $3,754,000 as of August 11, 2011. Approval of this Resolution will neither cause the amortization of the Bond to be extended, nor the weighted average amortization taking into account the monthly principal payments. As a result, a new TEFRA Hearing will not be necessary. IFA's estimated administrative fee will be $5,000.

Background:

IFA issued the $4,000,000 Bond on behalf of Namaste Charter School, Inc. in 2009. Bond proceeds were used by the Borrower to (i) finance construction of a 12,000 square foot addition to an existing school building located at 3737 S. Paulina in Chicago, IL (Cook County) which added six new classrooms and other student areas, (ii) pay capitalized interest and (iii) pay bond issuance costs.

All payments relating to the IFA Series 2009 Bond are current and have been paid as scheduled.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Dykema Gossett, PLLC	Chicago, IL	Michael D. Rothstein
Bond Counsel:	Greenberg Traurig, LLP	Chicago, IL	Matt Lewin
Bond Purchaser:	MB Financial Bank N.A.	Chicago, IL	John Sassaris
Bank Counsel:	Burke, Burns & Pinelli, Ltd.	Chicago, IL	Mary Ann Murray
IFA Counsel:	Ice Miller, LLP	Chicago, IL	Jim Snyder
IFA Financial Advisor:	Scott Balice Strategies, LLC	Chicago, IL	Julia Harris

IFA RESOLUTION NO. 2011-0816-AD06

RESOLUTION AUTHORIZING THE AMENDMENT OF THE BOND AND LOAN AGREEMENT AMONG THE ILLINOIS FINANCE AUTHORITY, NAMASTE CHARTER SCHOOL, INC. AND MB FINANCIAL BANK N.A. RELATING TO THE AUTHORITY'S EDUCATIONAL FACILITY REVENUE BOND (NAMASTE CHARTER SCHOOL, INC. PROJECT), SERIES 2009; AND RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "**Authority**"), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1, as supplemented and amended (the "**Act**"), issued its Educational Facility Revenue Bond (Namaste Charter School, Inc. Project), Series 2009 (the "**Bond**") in the initial aggregate principal amount of $4,000,000; and

WHEREAS, proceeds of the Bond were lent to Namaste Charter School, Inc., an Illinois not-for-profit corporation (the "**Borrower**"), to finance or reimburse the Borrower for payment of (a) costs of construction of an approximately 12,120 square foot addition to the charter school leased and operated by the Borrower and located at 3737 South Paulina, Chicago, Illinois, which addition enabled the Borrower to add six additional classrooms, a library, an additional gymnasium, administrative offices, and special education spaces, (b) costs of renovations and upgrades to and equipping of the existing charter school, including air conditioning, lighting and electrical power improvements and renovations to make the building accessible under the Americans with Disabilities Act, and (c) as applicable, costs of issuance of the Bond and capitalized interest on the Bond (collectively, the "**Project**"); and

WHEREAS, the Bond was issued and sold to MB Financial Bank, N.A. (the "**Purchaser**") in whole pursuant to a Bond and Loan Agreement dated as of April 1, 2009 (the "**Original Agreement**") among the Authority, the Borrower and the Purchaser; and

WHEREAS, the Borrower and the Purchaser have requested that the Authority enter into a First Amendment to Bond and Loan Agreement (the "**First Amendment**") in order to amend certain provisions of the Original Agreement and the Bond, including, without limitation, the change of the interest rate for the current interest period from a fixed rate to a variable rate and the extension of such interest period to a new final maturity of the Bond.

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

Section 1. Pursuant to the Act, the Authority does hereby authorize the amendment of the Bond and the Original Agreement as described above and such amendments are in the public interest and will promote the purposes of the Authority.

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

Section 3. The Authority is hereby authorized, empowered and directed to cause to be executed and delivered an amended Bond (the "**Amended Bond**") in a principal amount not exceeding the outstanding principal amount of the Bond on the date of the amendment and having all of the terms of the original Bond except as amended by the First Amendment; provided that in no event shall the Amended Bond mature on a date later than the maturity date of the original Bond nor bear interest at a rate in excess of 15% per annum. The Amended Bond shall be exchanged for the original Bond held by the Purchaser which original Bond shall then be canceled. The Amended Bond shall be executed on behalf of the

Authority with the manual or facsimile signature of the Chairman of the Authority and shall have impressed or imprinted thereon the official seal of the Authority attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority.

The Amended Bond and interest thereon shall be a limited obligation of the Authority, payable solely out of the revenue and receipts derived from the Borrower by the Authority pursuant thereto as described in the Original Agreement, as amended by the First Amendment. The Amended Bond shall not in any respect be a general obligation of the Authority, nor shall it be payable in any manner from funds raised by taxation. No holder of the Amended Bond has the right to compel any exercise of the taxing power of the State of Illinois or any political subdivision thereof to pay the Amended Bond, the interest or premium, if any, thereon. The Amended Bond shall not constitute in any respect an indebtedness of the Authority or loan of credit thereof within the meaning of any constitutional or statutory provision.

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

Section 4. The Chairman, the Vice Chairman, the Executive Director, the Secretary and Assistant Secretary of the Authority or any person authorized by a Resolution of the Authority are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond, the execution and delivery of the First Amendment and the Amended Bond, including, without limitation, an amendment or supplement to the Arbitrage and Tax Certificate executed and delivered in connection with the Agreement and the original Bond, and to carry out the intent and purposes of this Resolution, including the preambles hereto.

Section 5. All acts of the officials of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance of the First Amendment and the Amended Bond, and the same hereby are, in all respects, approved and confirmed.

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

Section 7. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 8. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Passed and approved this 16th day of August, 2011.

Attest:

ILLINOIS FINANCE AUTHORITY

[SEAL]

By ______________________________
Chairman

By ______________________________
Secretary

MEMORANDUM

To: Members of the Board of the Illinois Finance Authority

From: Rich Frampton

Re: UNO Charter School Network financing

Date: August 12, 2011

On Wednesday, August 10, 2011, the Credit Review Committee met to consider, among other things, a recommendation approving a final resolution of the Board for UNO Charter School Network ("UCSN") for a conduit Bond issue in an amount not to exceed $40,000,000. At the meeting, questions were raised regarding the revenues supporting the repayment of the debt as UCSN receives a significant portion of its revenues from the Chicago Board of Education, the State of Illinois and the U.S. Government. In particular, the budget for fiscal year 2012 for the Chicago Board of Education has not yet been approved by its governing board.

In light of the security, the Credit Review Committee deferred its approval until the September Board meeting. Subsequent to the Credit Review Committee meeting, UCSN requested a reconsideration of the Committee's deferral and requested the matter be appended to the Board's agenda for consideration at the August 1, 2011, meeting of the IFA. IFA has received certain additional information and assurances from UCSN supporting the sufficiency of revenues in support of debt service on the proposed bond issuance.

Upon the basis of this additional information, the Credit Review Committee recommends the approval of a final bond resolution in support of the Authority's Charter School Refunding and Improvement Revenue Bonds (UNO Charter School Network, Inc. Project), Series 2011, in one or more series (collectively, the "Bonds"), in an aggregate principal amount of not to exceed $40,000,000.

CONDUIT

August 16, 2011	**$40,000,000 (not-to-exceed amount)** **UNO Charter School Network, Inc.**
REQUEST	**Purpose**: Bond proceeds, combined with funds from other sources, will enable **UNO Charter School Network, Inc.** (“**UCSN**” or the **“Borrower”**) to: (i) refinance all or a portion of the Borrower’s outstanding taxable bank loans, (ii) prospectively finance renovations at its campuses, (iii) capitalize a debt service reserve fund, if deemed necessary or desirable, and (iv) pay bond issuance costs (the “**Project**”). **Extraordinary Conditions**: None. **Program**: Conduit 501(c)(3) Revenue Bonds No IFA funds at risk. No State funds at risk.
BOARD ACTIONS	Final Bond Resolution Preliminary Bond Resolution approved May 10, 2011: Ayes: 10; Nays: 0; Abstentions: 0; Absent: 4 (Fuentes; Herrin; Leonard; Zeller); Vacancies: 1
MATERIAL CHANGES	Not-to-exceed Par amount reduced from $65MM to $40MM (approximate anticipated issuance amount: $35.5MM). UCSN will be refinancing an additional $13.65MM of bank debt with proceeds of a JPMorgan/LISC financing. Approximately $18.865MM will be rolled over into a new bank loan.
JOBS DATA	299 Current jobs; *N/A New jobs projected (*UCSN expects to open new schools that will add 478 jobs over the next 2 years as an indirect result of this financing) N/A Retained jobs; 8-10 Construction jobs projected (depends on amount of construction activity)
DESCRIPTION	● Location: Chicago (Cook County/Northeast Region) ● UCSN was created in 1998 by **United Neighborhood Organization** (**“UNO Corporate” or the “Guarantor”)** as an outgrowth of UNO Corporate’s mission to improve educational opportunities in Chicago. UNO Corporate has managed facilities operated by UCSN since 2000 and although a non-rated entity, will guarantee the Bonds (see “Credit Indicators” below. ● This financing will enable UCSN to refinance approximately $30.4MM of existing bank loans (with an additional $13.65MM of existing bank debt to be refinanced with proceeds of the JPMorgan Chase/LISC Financing). ● UCSN anticipates savings realized through these refinancings will enable UCSN to accelerate new school openings. UCSN plans to open eight additional campuses over the next three years.
CREDIT INDICATORS	● UCSN’s financing team will be applying for a long-term debt rating from S&P during the week of 8/8. ● UCSN is currently non-rated. ● The Bonds will be guaranteed by UNO Corporate, a non-rated, 501(c)(3) entity that provides management services to UCSN and is affiliated with UCSN.
PROPOSED STRUCTURE	● Bonds will be sold based on the underlying long-term debt rating of UCSN (S&P – Forthcoming). ● Final Maturity of up to 40 years.
SOURCES AND USES (SUBJECT TO CHANGE)	see table below
RECOMMENDATION	Credit Review Committee recommends approval.

Sources:		**Uses:**	
IFA Tax-Exempt Bonds (Series 2011A):	$35,000,000	Refinance Bank Debt:	$43,225,000
IFA Taxable Bonds (Series 2011B):	495,000	Debt Svc. Reserve Fd.:	2,971,430
JPMorgan/LISC Financing:	13,650,000	Costs of Issuance:	1,153,570
Extension of Portion of Bank Loan:	18,665,000	Extension of Portion of Bank Loan:	18,665,000
		Repay IFF Loan:	945,000
		New Money Project Costs/Other Costs:	850,000
Total	**$67,810,000**	**Total**	**$67,810,000**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 16, 2011

Project: UNO Charter School Network, Inc.

STATISTICS

Project Number: N-NP-TE-CD-8464

Type: 501(c)(3) Revenue Bonds
Location: Chicago

Amount: $40,000,000 (not-to-exceed amount; anticipated issuance amount: $35,495,000)
IFA Staff: Rich Frampton
County/Region: Cook/Northeast

BOARD ACTION

Final Bond Resolution
Conduit 501(c)(3) Revenue Bonds
Credit Review Committee recommends approval

No IFA funds at risk
No extraordinary conditions

VOTING RECORD

Preliminary Bond Resolution approved May 10, 2011:
Ayes: 10; Nays: 0; Abstentions: 0; Absent: 4 (Fuentes; Herrin; Leonard; Zeller); Vacancies: 1

PURPOSE

Bond proceeds will be used to: (i) refinance all or a portion of the Borrower's outstanding taxable bank loans, (ii) prospectively finance renovations at its campuses, (iii) capitalize a debt service reserve fund, if deemed necessary or desirable, and (iv) pay bond issuance costs (the "**Project**").

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. IFA's issuance of these Bonds will convey federal tax-exempt status on the interest paid to bondholders, thereby enabling bondholders to accept a below market interest rate that is passed through to the Borrower.

ESTIMATED SOURCES AND USES OF FUNDS (SUBJECT TO CHANGE)

Sources:	IFA Tax-Ex. Bonds:	$35,000,000	Uses:	Refinance Bank Debt:	$43,225,000
	IFA Taxable Bonds:	495,000		Debt Svc. Reserve Fd.:	2,971,430
	JPMorgan/LISC Financing:	13,650,000		Issuance Costs:	1,153,570
	Extension of Portion of Bank Loan:	18,665,000		Extension of Portion of Bank Loan:	18,665,000
				Repay IFF Loan:	945,000
				New Money Project - Cost/Other Costs:	850,000
	Total	**$67,810,000**		**Total**	**$67,810,000**

Note: Costs of Issuance in excess of 2% of the Tax-Exempt Par Amount would be financed with proceeds of the IFA Series 2011B Taxable Bonds.

JOBS

Current employment: 309

Projected new jobs: N/A (Refinancing; although UCSN anticipates adding 478 new jobs over the next 2 years as an indirect result of this refinancing)

Jobs retained: N/A

Construction jobs: 8-10 (depends on amount of construction activity undertaken)

FINANCING SUMMARY

Purpose: The overall Plan of Finance is comprised of three new debt instruments that will repay (and refinance) UCSN's existing Bank Loan and, prospectively, finance renovations at other campuses.

Rationale for the Proposed Financings: These financing will enable UCSN to refinance existing bank loans at nine of its charter school campuses (at seven distinct locations) and, prospectively, finance renovations at other additional campuses. As an indirect result of this refinancing, UCSN expects to add eight (8) new campuses over the next three years.

Anticipated Closing Date: October 2011

SUMMARY OF THE PLAN OF FINANCE

The existing Bank Loan will be refinanced by proceeds from three new debt instruments. It is contemplated that all three debt instruments will close on the same date as the issuance of the IFA Series 2011A and IFA Series 2011B Bonds.

The three new debt instruments are described in further detail within this section based on descriptions contained in the draft Preliminary Official Statement as of 8/9/2011 and are comprised of the following:

(1) IFA Series 2011A ($35,000,000) and IFA Series 2011B Taxable Bonds ($495,000);
(2) JPMorgan Chase/Local Initiatives Support Corporation Transaction: $13,650,000; and,
(3) New Bank Loan Extension ($18,665,000). As presently contemplated, this Bank loan extension would be refinanced in 2012 with a New Markets Tax Credit financing (as described on p. 5).**

(1) IFA Series 2011A Tax-Exempt Bonds and IFA Series 2011B Taxable Bonds: $35,495,000 (subject to change)

Structure/ Bondholder Security: The proposed Bonds will be underwritten by Robert W. Baird & Co. and Cabrera Capital Markets, LLC, serving as Senior Manager and Co-Manager, respectively. The Bonds will be sold on the basis of UCSN's underlying long-term rating from S&P (see "Underlying Ratings" below).

Seven of the nine physical facilities will be pledged (Gross Revenues and Mortgages) to repayment of the Bonds.

The IFA Series 2011 Bonds will be the first sold under a Master Trust Indenture created to facilitate future UCSN financings for new acquisition, construction, and debt refinancing projects. The Master Trust Indenture establishes financing covenants and other benchmarks that must be attained in order for UCSN to issue additional debt.

The IFA Series 2011 Bonds will be secured under Obligation No. 1, and thus secured by a general pledge of UCSN's Gross Revenues and an assignment of leasehold mortgages and fee mortgages on seven properties (that comprise nine UCSN campuses). UCSN leases the subject facilities from either the Archdiocese of Chicago or UNO Corporate (*see the Project Summary on p. 6 which identifies the lessor for each property*).

Two Series of IFA Bonds: UCSN will issue both a Tax-Exempt Series of Bonds (Series 2011A) and a Taxable Series of Bonds (Series 2011B).

The Par Amount of the Tax-Exempt Series 2011A Bonds is expected to range between $35MM and $40MM (and is currently estimated at $35.0MM).

The Par Amount of the Taxable Series 2011B Bonds is estimated at approximately $495,000. Proceeds of the Series 2011B Bonds will be used to pay costs of issuance that exceed the 2.0% limit for Tax-Exempt bond issues.

Underlying Ratings: UCSN is not currently a rated entity but will be applying to S&P for a long-term rating during the week of August 8th. UCSN anticipates receiving a low investment grade rating. (In the event that UCSN fails to attain IFA's minimum ratings required for retail sale (i.e., Baa2/BBB/BBB), the Bonds will be Underwritten and sold in minimum denominations of $100,000, consistent with IFA Bond Program Handbook requirements.)

Guarantor: UNO Corporate, as guarantor, is a non-rated entity that provides management services to all UCSN campuses. UNO Corporate was the founding organization of UCSN.

Interest Rates: Fixed rates. Interest rates and term will be determined at pricing based on UCSN's underlying S&P long-term rating (anticipated in late August).

Maturity: Up to 40 years for Tax-Exempt Series 2011A. Two (2) years anticipated for Taxable Series 2011B.

Collateral: The Bonds will be secured by a general pledge of UCSN's Gross Revenues and an assignment of leasehold mortgages and fee mortgages on seven properties (comprising nine UCSN campuses) that are identified in the "Project Summary" section of this report (see p. 6).

(2) JPMorgan Chase Bank, N.A. ("JPMorgan Chase") / Local Initiatives Support Corporation ("LISC") Transaction: $13,650,000 (subject to change)

This financing is being provided by both JPMorgan Chase and LISC as part of a national lending initiative to charter schools.

Structure: According to the draft Preliminary Official Statement: This JPMorgan Chase/LISC financing will consist of three loans totaling $13.65MM made to an affiliate of UCSN and UNO Corporate using a combination of federal New Markets Tax Credits and leveraged loans. The affiliate will then lease the financed schools to the Borrower.

Interest Rate: The interest rate will be set at a below market that will be determined at closing.

Maturity: The terms of this financing will include a forgivable note of approximately $2.8MM due to the equity received by the affiliate of the Borrower and the Guarantor through the New Market Tax Credit Program.

Term: This financing will be for an initial term of approximately 7 years. At maturity (in 2018 or 2019), UCSN will need to finance approximately $7,716,000 of the remaining (unforgiven) loan balance (which could prospectively be refinanced with an issuance of tax-exempt bonds under the Master Trust Indenture).

Collateral: *The JPMorgan/LISC financing will not be secured by any assets or revenues pledged under the Master Trust Indenture, the Bond Indenture, or the Mortgages securing the IFA Series 2011 Bonds. Instead, the JPMorgan/LISC financing will be secured by the assets and revenues derived from UCSN's Donald Marquez and Gage Park campuses.*

****(3) Extension of Portion of Bank Loan: $18,865,000 (subject to change)**

The remaining unpaid principal balance of the Bank Loan (currently estimated at $18.865MM) will be extended on the date of issuance of the Series 2011 Bonds by two banks in UCSN's existing lending syndicate (Cole Taylor Bank and MB Financial Bank, N.A.) for a term ending October 1, 2012. UCSN anticipates the Cole Taylor/MB Financial Bank loans will be taken out with proceeds of a New Markets Tax Credit loan (see section below on "Proposed Plan to Refinance this Extended Bank Loan in 2012"):

Structure: According to the draft Preliminary Official Statement: UCSN would seek an extension of their existing conventional bank loans with Cole Taylor Bank and MB Financial Bank, N.A. for a one-year term (anticipated maturity date: 10/1/2012).

Interest Rate: The interest rate on this one year Bank Loan is expected to be set based on a LIBOR index plus a spread, as of 8/9/2011 (with the likely interest rate estimated to range between 2.75% and 3.50% based on current market conditions).

Term: This loan is scheduled to mature in one year and be taken out at that time (as UCSN expects with proceeds of a New Markets Tax Credit Financing) as further described below.

Collateral: This Bank Loan, as extended, will be secured by an additional Obligation issued by the Borrower under the Master Trust Indenture and thus will be secured on a parity with Obligation No. 1 that will secure the IFA Series 2011 Bonds, including the pledge of UCSN's Gross Revenues and the Mortgages.

**Proposed Plan to Refinance this Extended Bank Loan in 2012: UCSN expects, but cannot guarantee, that the amount of the Extended Bank Loan (i.e., $18.865MM less principal repayments) will be refinanced with the proceeds of a New Markets Tax Credit Financing in 2012 (and prior to October 1, 2012).

As customary on a New Markets Tax Credit financing, the likely terms would include a forgivable loan (i.e., equity component) and leveraged loans, with a final term of 7 years (and maturing in 2019).

As presently contemplated, the New Markets Tax Credit Financing will likely be secured by an additional Obligation issued by UCSN under the Master Trust Indenture and thus secured on parity with Obligation No. 1 securing the IFA Series 2011 Bonds including the pledge of Gross Revenues and the Mortgages.

<u>*Note:*</u> in the event that UCSN is unable to obtain a New Markets Tax Credit allocation for any reason, UCSN would likely seek to roll over this Bank Loan for an additional term and would also investigate the feasibility of financing with proceeds of a tax-exempt bond issue.

PROJECT SUMMARY (for IFA Final Bond Resolution)

Bond proceeds, combined with other funds (and prospectively including funds of the Borrower), will be used by UNO Charter School Network, Inc. to: (i) refund outstanding indebtedness original incurred for the acquisition, renovation, and equipping of the charter school facilities, all located in the City of Chicago (Cook County), Illinois and (ii) to, prospectively, finance renovations or other capital improvements (including, but not limited to building renovations and leasehold improvements) for the charter school facilities, all located in the City of Chicago (Cook County), Illinois at the addresses identified below, and (iii) to pay bond issuance costs.

Campus	Address (all Chicago, Illinois)
Octavio Paz (leased from Archdiocese of Chicago)	2651 W. 23rd Street, 60608-3609
Rufino Tamayo (leased from Archdiocese of Chicago)	5135 S. California Ave., 60632-2124
Carlos Fuentes (leased from Archdiocese of Chicago)	2845 W. Barry Ave., 60618-7015
Barolome de las Casas (leased from Archdiocese of Chicago)	1641 W. 16th Street, 60608-2039
Humboldt Park (St. Mark's; leased from Archdiocese of Chicago)	2510 W. Cortez, 60622-3422
Soccer Academy (leased from UNO Corporate)	NW corner of 51st and Homan, 60632-3059
***Veteran's Memorial Campus** (comprised of three campuses located at a single location; the site is leased from UNO Corporate):*	
PFC Omar E. Torres	4248 W. 47th Street, 60632-4402
Maj. Hector P. Garcia, M.D.	4248 W. 47th Street, 60632-4402
SPC Daniel Zizumbo	4248 W. 47th Street, 60632-4402

Note: UCSN's has two other campuses (i.e., Donald Marquez and Gage Park campuses) that will not be pledged to secure the IFA Series 2011 Bonds (or other Bonds issued pursuant to the Master Trust Indenture and related documents) but, rather, will secure the JPMorgan Chase/LISC financing.

BUSINESS SUMMARY

Background - UNO: **United Neighborhood Organization** ("**UNO Corporate**" or the "**Guarantor**") was established in 1984 as a grassroots organization supporting the Chicago Hispanic community and is a tax-exempt 501(c)(3) organization incorporated under Illinois law. UNO Corporate is governed by a 6-member Board of Directors (see p. 8 for listing).

UNO Corporate is the largest charter school operator and management company in Illinois, and is the largest Hispanic charter school operator in the nation.

Background – UCSN: As an outgrowth of UNO Corporate's mission, the **UNO Charter School Network, Inc.** ("**UCSN**") was created in 1997 and received its charter in 1998 to provide quality educational opportunities in Chicago's Hispanic neighborhoods. UCSN is 501(c)(3) organization incorporated under Illinois law.

USCN is governed by a 6-member Board of Directors (see p. 8 for listing).

UCSN is subject to a "Charter Agreement" with the City of Chicago Board of Education that was renewed for a term commencing July 1, 2008 and ending June 30, 2013. UCSN has been approved and certified as a Charter School by the Illinois State Board of Education.

Under Illinois law, CPS has oversight responsibility to verify that UCSN complies and meets the expectations of a public educational system and to also satisfy regulations and compliance requirements established by CPS.

All schools of UCSN are non-selective public schools that are open to all city of Chicago residents. There is an application process to ensure that no school is over-enrolled. Each school has a separate application. Applications are entered into a lottery database at the main office. If the number of applications exceeds the number of available seats, a manual blind lottery is conducted. After all spaces are filled, the remaining applicants are placed on a waiting list and are offered enrollment in the order selected. The wait list is only valid for one year.

Description: UNO Corporate is a grassroots community organization for Chicago's Hispanic community. Today, UNO is the largest Hispanic organization in the region, serving over 20,000 individuals by providing leadership, social services, and programming in education, parenting, health care, immigration, and economic development. Through these services, UNO maintains one focus: to bring its community the necessary tools to encourage empowerment and self-sufficiency.

In academic year 2010-2011, UCSN operated nine (9) charter schools serving 4,500 predominantly Hispanic youths. Approximately 41% of students attending UNO Charter Schools have limited proficiency with English. Over 95% of UCSN's students qualify for free or subsidized school lunches and live in the following Southwest and Northwest-side neighborhoods: Little Village, Archer Heights, Brighton Park, Gage Park, Hermosa and Belmont-Cragin.

UCSN's fundamental mission is to create schools that become anchors in their community and support economic and academic success, thereby strengthening the surrounding community.

According to UCSN, this refinancing will indirectly enable UCSN to undertake new expansions and school openings that will help alleviate overcrowding in the CPS system, particularly for elementary schools that are mostly Hispanic. This severe overcrowding and a failure in many cases to meet educational goals, combined with the appeal of the UCSN school model explain why Hispanic families in Chicago's Southwest and Northwest-side neighborhoods seek placement in UCSN's schools.

UNO Corporate has provided management services to all school facilities operated by UCSN since 2000. As of 7/31/2011 (and for academic 2010-2011), UCSN operated nine schools that operated within seven facilities that are a part of the UCSN charter – all are managed by UNO Corporate. UCSN will be opening two new charter schools and will be operating eleven campuses as of September 2011.

ECONOMIC DISCLOSURE STATEMENT

Applicant: UNO Charter School Network, Inc. (c/o Mrs. Kathy McIntryre, Director of Finance, 954 W. Washington Blvd., 3rd Floor, Chicago, IL 60607; (T) 312-432-6301, ext. 283; email: kmcintyre@uno-online.org)
Web Site: www.unocharterschools.org
Project name: UNO Charter School Network, Series 2011 Bonds
Locations: 2651 W. 23rd St., Chicago, IL 60608-3609; 5135 S. California Ave., Chicago, IL 60632-2124; 2845 W. Barry Ave., Chicago, IL 60618-7015; 1641 S. 16th St., Chicago, IL 60608-2039; 4248 W. 47th St., Chicago, IL 60632-4402; 5050 S. Homan Ave., Chicago, IL 60632-3059; 2510 W Cortez, Chicago, IL 60622-3422
Organizations: Illinois 501(c)(3) not-for-profit corporations (Borrower and Corporate Guarantor)
Board of Directors: Borrower: Members of UNO Charter School Network, Inc. are listed below on page 8.
Guarantor: Members of United Neighborhood Organization (i.e., UNO Corporate) are listed below on page 8.
Current Property Owners: The current school facilities are leased by UNO Charter School Network, Inc. from (1) United Neighborhood Organization (i.e., UNO Corporate, an affiliated entity), and (2) the Catholic Archdiocese of Chicago.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Burke, Burns & Pinelli, Ltd.	Chicago, IL	Stephen Welcome
Auditor:	Ostrow Reisin Berk & Abrams, Ltd.	Chicago, IL	
Borrower's Advisor:	Buck Financial Advisors LLC	Englewood, CO	John Buck
Bond Counsel:	Kutak Rock LLP	Denver, CO	Thomas Peltz
		Chicago, IL	Kevin Barney
Senior Managing Underwriter:	Robert W. Baird & Co.	Denver, CO	Brian Colon
Co-Managing Underwriter:	Cabrera Capital Markets, LLC	Chicago, IL	Brian King
Underwriter's Counsel:	Greenberg Traurig, LLP	Chicago, IL	Matthew Lewin
Co-Underwriter's Counsel:	Tristan & Cervantes	Chicago, IL	Homero Tristan
Trustee:	Amalgamated Bank of Chicago	Chicago, IL	
IFA Counsel:	Sanchez Daniels & Hoffman LLP	Chicago, IL	John Cummins
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional:	3, 4, 7
State House:	1, 2, 5, 12, 20
State Senate:	1, 2, 4, 5, 23, 40

BOARD OF DIRECTORS

(1) United Neighborhood Organization ("UNO Corporate") and
(2) UNO Charter School Network, Inc. ("UCSN")

Note: *Although UNO Corporate has the same individuals on its Board of Directors as the UNO Charter School Network, Inc., UNO Corporate and UNO Charter School are separate legal and financial entities.*

The Board of Directors for both UNO Corporate and UCSN Board of Directors are reported below, along with their respective positions on each Board.

	UNO Corporate Board Position	UCSN Board Position	Professional Affiliation
Veronica Alanis	Chairperson	Board Member	Director of Strategic Initiatives, Chicago Transit Authority
Juan Rangel	Board Member	Chairperson	CEO, UNO Corporate; President, UCSN
Mark Doyle	Treasurer	Treasurer	Senior VP, Second Federal Savings & Loan, Chicago, Illinois
Guadalupe Gallo-Brinkman	Board Member	Board Member	Retired
William Abolt	Secretary	Secretary	Chicago District Manager, Shaw Environmental & Infrastructure, Inc.

RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED $40,000,000 ILLINOIS FINANCE AUTHORITY CHARTER SCHOOL REFUNDING AND IMPROVEMENT REVENUE BONDS (UNO CHARTER SCHOOL NETWORK, INC. PROJECT), SERIES 2011 FOR THE PURPOSE OF FINANCING OR REFINANCING ALL OR A PORTION OF THE COSTS OF CONSTRUCTION, ACQUISITION, REHABILITATION AND EQUIPPING CHARTER SCHOOL FACILITIES FOR USE BY UNO CHARTER SCHOOL NETWORK, INC., AN ILLINOIS NOT-FOR-PROFIT CORPORATION; AUTHORIZING THE EXECUTION AND DELIVERY BY THE ILLINOIS FINANCE AUTHORITY OF SUCH BONDS AND A LOAN AGREEMENT, A BOND TRUST INDENTURE AND BOND PURCHASE AGREEMENT IN CONNECTION THEREWITH; AND RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate (the "Authority") is authorized and empowered by the provisions of The Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq.*, as from time to time supplemented and amended (the "Act"), is authorized by the laws of the State of Illinois (the "State"), including without limitation the Act, to issue its bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to finance or refinance, among other things, the cost of the construction, acquisition, rehabilitation and equipping of “projects,” as defined in the Act, and to refund debt issued for such purposes; and

WHEREAS, UNO Charter School Network, Inc., an Illinois not-for-profit corporation (the "Borrower"), desires that the Authority assist with the financing or refinancing of all or a portion of the costs of constructing, acquiring, rehabilitating and equipping charter school facilities located or to be located in the City of Chicago, Illinois (collectively, the "Project"), which constitutes a project under the Act, and the Authority is willing to issue its revenue bonds to finance all or a portion of the cost of the Project and to enter into a Loan Agreement with the Borrower upon terms which will produce the revenues and receipts or other available funds sufficient to provide for the prompt payment at maturity of the principal of, and premium, if any, and interest on such revenue bonds, all as set forth in the details and provisions of the Loan Agreement hereinafter identified; and

WHEREAS, it is necessary and proper for the Authority for the benefit of the inhabitants within the State to authorize the financing or refinancing of the Project and the issuance of the Authority's Charter School Refunding and Improvement Revenue Bonds (UNO Charter School Network, Inc. Project), Series 2011, in one or more series (collectively, the "Bonds"), in the aggregate principal amount of not to exceed $40,000,000; and

WHEREAS, the Bonds and the obligation to pay interest thereon are special, limited obligations of the Authority, payable solely out of the revenues and receipts or other available funds derived from the Loan Agreement and as otherwise provided in the Indenture hereinafter referred to; the Bonds and the obligation to pay interest thereon will not be deemed to constitute an indebtedness or an obligation of the Authority, the State or any political subdivision thereof within the purview of any constitutional limitation or statutory provision or a charge against the general credit or taxing powers, if any, of any of them; and neither the purchaser nor any future owner of the Bonds will have the right to compel any exercise of the taxing power, if any, of the Authority, the State or any political subdivision thereof to pay any principal or purchase price of, premium, if any, or interest on the Bonds; and

WHEREAS, Robert W. Baird & Co., as representative of the underwriters (the "Representative") has indicated its willingness to purchase the Bonds to provide the financing or refinancing of the Project; and

WHEREAS, it is necessary to authorize the execution of a Loan Agreement by and between the Authority and the Borrower under the terms of which the Authority will lend the proceeds of the sale of the Bonds to the Borrower to pay or reimburse the Borrower for all or a portion of the costs of the Project, the payments to be paid by the Borrower to the Authority in repayment of the loan to be sufficient to pay at maturity the principal of, premium, if any, and interest on the Bonds; and

WHEREAS, it is necessary for the Authority to execute and deliver a Bond Trust Indenture to Amalgamated Bank of Chicago, as trustee (the "Trustee"), for the owners from time to time of the Bonds pursuant to which the Bonds will be issued; and

WHEREAS, it is necessary to authorize the sale of the Bonds and to execute a Bond Purchase Agreement hereinafter identified in connection therewith; and

WHEREAS, a Preliminary Official Statement (the "Preliminary Official Statement") to be used by the underwriters in connection with the sale of the Bonds has been prepared; and

WHEREAS, proposed forms of the following documents have been prepared, which are on file in the office of the Authority, and which are in substantially the form of similar such documents executed by the Authority in previous transactions:

1. A Loan Agreement (the "Loan Agreement"), by and between the Authority and the Borrower;

2. A Bond Trust Indenture (the "Indenture"), by and between the Authority and the Trustee, setting forth terms, conditions and security requirements for the Bonds and containing the form of the Bonds; and

3. A Bond Purchase Agreement to be dated the date of its execution and delivery (the "Bond Purchase Agreement"), by and among the Authority, the Borrower and the Representative; and

WHEREAS, the Authority held a Public Hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), on August 12, 2011;

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

<u>Section 1</u>. Pursuant to the Act, the financing of all or a portion of the costs of the Project through the issuance and sale of the Bonds in accordance with the terms of the Loan Agreement and the Indenture is hereby authorized and approved. The use of the proceeds of the Bonds to finance costs of the Project is in furtherance of the public purposes set forth in the Act.

<u>Section 2</u>. The preambles hereto are fully incorporated into this Resolution and made a part hereof. The form, terms and provisions of the proposed Loan Agreement and Indenture be, and they hereby are in all respects approved, and the Chairman, Vice Chairman or Executive Director, and the Secretary or Assistant Secretary be, and they are hereby authorized, empowered and directed to execute and deliver such instruments in the name and on behalf of the Authority, to cause the Loan Agreement to be delivered to the Borrower and to cause the Indenture to be delivered to the Trustee; the Loan Agreement and the Indenture may be dated as of the first date of the month in which the Bonds are issued; the Indenture shall constitute a lien for the security of the Bonds and upon all right, title and interest of the Authority in and to the Loan Agreement (except for certain rights of the Authority to notice, indemnification and payment of expenses) and in and to the , revenues and receipts or other available funds payable to the Authority pursuant thereto, and said revenues and receipts or other available funds are hereby and in the Indenture pledged for such purpose; the Loan Agreement and the Indenture are to be in substantially the respective forms on file in the Office of the Secretary of the Board, with such changes therein as shall be approved by the Chairman, Vice Chairman or Executive Director of the Authority (each an "Authorized Officer") executing the same, and the Secretary or any Assistant Secretary of the Authority attesting the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the forms of the Loan Agreement and the Indenture hereby approved; and from and after the execution and delivery of such instruments, the officials, agents and employees of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such instrument as executed. The Loan Agreement and the Indenture shall be placed in the official records of the Authority, and shall be made available for public inspection.

<u>Section 3</u>. The form, terms and provisions of the proposed Bond Purchase Agreement, the form of which is on file in the Office of the Secretary of the Board, be, and it hereby is, in all respects approved, and any of the Authorized Officers of the Authority be, and any hereby is, authorized, empowered and directed to execute the Bond Purchase Agreement in the name and on behalf of the Authority and thereupon to cause the Bond Purchase Agreement to be delivered to the Representative and the Borrower; the Bond Purchase Agreement is to be in substantially the form hereby approved, with such changes therein as shall be approved by the Authorized Officer executing the same, such Authorized Officer's execution thereof to constitute conclusive evidence of such Authorized Officer's approval of any and all changes or revisions therein from the form of such instrument hereby approved; the Bond Purchase Agreement shall be entered into with the Representative and the Borrower; and from and after the execution and delivery of such instrument, the officials, agents and employees of the Authority are hereby authorized, empowered and directed to do all such acts and things necessary to carry out and comply with the provisions of such instrument as executed. The Bond Purchase Agreement shall be placed in the official records of the Issuer, and shall be made available for public inspection.

Section 4. The issuance of the Bonds in one or more series in the aggregate principal amount of not to exceed $40,000,000, maturing no later than December 1, 2051, subject to optional and mandatory redemption in accordance with the terms and provisions of the Indenture, as executed and bearing interest at a rate not to exceed 12.00% per annum is hereby approved and the Authorized Officers and the Secretary or any Assistant Secretary of the Authority 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 Indenture (as executed and delivered); the Bonds shall be executed in the name of the Authority with the manual or facsimile signature of its Chairman and the manual or facsimile signature of its Secretary or any Assistant Secretary and the seal of the Authority may be impressed or reproduced thereon, and the Chairman or any other Authorized Officer of the Authority shall cause the Bonds, as so executed and attested, to be delivered to the Trustee for authentication and the Trustee is hereby requested to authenticate the not to exceed $40,000,000 aggregate principal amount of Bonds; and the form of the Bonds as such form appears in the Indenture, subject to appropriate insertion and revision in order to comply with the provisions of said Indenture be, and the same hereby is approved, and when the same shall be executed on behalf of the Authority in the manner contemplated by the Indenture and this Resolution, it shall represent the approved form of the Bonds of the Authority. If the Bonds are not issued on or before December 31, 2011, the Series designation of the Bonds may be changed to the calendar year in which the Bonds are issued.

Section 5. The Bonds shall be special, limited obligations of the Authority and except to the extent payable from Bond proceeds or moneys from the investment thereof, shall be payable solely from the revenues and receipts or other available funds received by or on behalf of the Authority pursuant to the Loan Agreement. The Bonds and interest thereon shall not be deemed to constitute an indebtedness or an obligation of the Authority, the State or any political subdivision thereof within the purview of any constitutional limitation or statutory provisions or a charge against the general credit or taxing powers, if any, or any of them. No taxing powers, if any, of the Authority, the State or any political subdivision thereof are available to pay the Bonds or interest or any premium thereon. The Authority has no taxing power. The special limited nature of the obligation represented by the Bonds is as more fully set forth in the Indenture.

Section 6. The distribution and use of the Preliminary Official Statement by the underwriters is hereby authorized and approved and the distribution and use of a final Official Statement (in substantially the form of the Preliminary Official Statement but with appropriate variations to reflect the final terms of the Loan Agreement, the Indenture, the Bonds and the Bond Purchase Agreement) is hereby authorized and approved. Each Authorized Officer is hereby authorized, empowered and directed to certify that the portions of the Preliminary Official Statement and the Official Statement relating to the Authority are in a form deemed final by the Authority.

Section 7. The sale of the Bonds, upon the terms and conditions set out in the Bond Purchase Agreement, be, and is, in all respects authorized and approved. The purchase price to be paid by the underwriters for the Bonds shall be not less than 95% of the principal amount thereof, which Bonds are to be reoffered at such purchase price plus accrued interest from the date of the Bonds.

Section 8. From and after the execution and delivery of the Loan Agreement, the Indenture and the Bond Purchase Agreement, the proper officials, agents and employees of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed and to further the purposes and intent of this Resolution, including the preamble hereto. Each Authorized Officer (and any designee thereof), the Secretary or any Assistant Secretary be, and they are hereby, further authorized and directed for and on behalf of the Authority, 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 signing of IRS Form 8038 and the filing thereof as therein required and certifications relating to matters of arbitrage and Section 148 of the Code and the regulations promulgated thereunder and changes in the documents approved hereby as approved by the officials of the Authority executing the same, and to exercise and otherwise take all necessary action to the full realization of the rights, accomplishments and purposes of the Authority under the Loan Agreement, the Indenture and the Bond Purchase Agreement and to discharge all of the obligations of the Authority thereunder. For purposes of certifying to matters of arbitrage, each Authorized Officer is hereby designated an officer responsible for issuing the Bonds.

Section 9. All acts and doings of the officials of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds in the aggregate principal amount of not to exceed $40,000,000 and the financing of the Project to that amount be, and the same hereby are, in all respects, approved and confirmed.

Section 10. The Authority hereby acknowledges that a public hearing was held on August 12, 2011, and hereby approves the Project and the plan of financing pursuant to Section 147(f) of the Code and directs that this issue be submitted to the Governor of the State of Illinois for approval of the elected representative.

Section 11. The Bonds shall be issued in compliance with and under the authority of the provisions of the Act, this Resolution and the Indenture.

Section 12. The Bonds may be initially issued in book-entry form and registered in the name of The Depository Trust Company, New York, New York ("DTC"), or its nominee, as securities depository for the Bonds. An Authorized Officer is hereby authorized, empowered and directed to execute and deliver an agreement with DTC and any other necessary parties in order to effect such book-entry registration.

Section 13. 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 14. 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 15. This Resolution shall be in full force and effect from and after its passage and approval, in accordance with law.

APPROVED this 16th day of August, 2011.