ILLINOIS FINANCE AUTHORITY
BOARD MEETING
Tuesday, March 9, 2010
Chicago, Illinois

COMMITTEE OF THE WHOLE
12:00 p.m. noon
Hotel Pere Marquette, LaSalle Room
501 Main Street
Peoria, Illinois
REVISED March 5, 3:30 PM
AGENDA

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

BOARD MEETING
3:00 p.m.
Hotel Pere Marquette, Cheminee Room
501 Main Street
Peoria, Illinois
REVISED March 5, 3:30 PM

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

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Beginning Farmer Bonds *Final*						
1	A) Jacob Pilman	Newton (Jasper County)	$ 136,000	0	0	ER
	B) Richard and Linda McKeown	Alexis (Warren County)	$ 160,000	0	0	ER
	C) Ronald and Suellen Shike	Aledo (Warren County)	$ 160,000	0	0	ER
	D) Galen S. Eshbach	Bluford (Jefferson County)	$ 470,100	0	0	ER
Agri - Debt Guarantee *Final*						
2	Paul and Mark Hill	Rochelle (Ogle County)	$ 500,000	0	0	ER
TOTAL AGRICULTURE PROJECTS			$ 1,426,100	0	0	

COMMUNITY AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds *Preliminary*						
3	Community of Faith Family Life Center (Renaissance Center Project)	Dixmoor (Cook County)	$ 17,200,000	163	120	MN
4	The Art Institute of Chicago	Chicago (Cook County)	$ 245,000,000	0	0	RF
501(c)(3) Bonds *Final*						
5	The Poetry Foundation	Chicago (Cook County)	$ 25,000,000	8	75	RF
TOTAL COMMUNITY AND CULTURE PROJECTS			$ 287,200,000	171	195	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Taxable Conduit Bonds *Preliminary*						
6	Affordable Assisted Living Coalition Note Program	Statewide	$ 48,000,000	0	0	PL/BC
501(c)(3) Bonds *Final*						
7	Alexian Brothers Health System	Elk Grove Village and Hoffman Estates (Cook County)	$ 150,000,000	0	400	PL/SG
8	Palos Community Hospital	Palos Heights, Orland Park, Lemont, Oak Lawn (Cook County)	$ 305,000,000	160	164	PL/SG
9	Saint Anthony's Health Center	Alton (Madison County)	$ 10,000,000	0	0	PL/BC
10	Swedish American Hospital	Rockford (Winnebago County)	$ 25,000,000	0	0	PL/SG
TOTAL HEALTHCARE PROJECTS			$ 538,000,000	160	564	
GRAND TOTAL			**$ 826,626,100**	**331**	**759**	

RESOLUTIONS

Tab	Project	FM
Amendatory Resolutions / Resolutions		
11	Resolution to approve an Amended and Restated Trust Indenture and a First Amendment to the Loan Agreement, which provides for the creation of a new interest rate mode, and related matters (Genesis, Inc. and Shamrock Hill Farms Western Properties, LLC)	RF/MN
12	Resolution to approve and authorize a First Supplemental Trust Indenture, which provides for the creation of a new interest rate mode, and approval of a Final Reoffering Circular and Use and Distribution thereof relating to the Bonds, and related matters (Waste Management, Inc. Project)	RF

OTHER
ADJOURNMENT

IFA
ILLINOIS FINANCE AUTHORITY

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March 9, 2010

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

RE: Message from the Executive Director

Dear Members of the Authority:

During the past month we have remained intensely focused on the core business functions of the IFA. That attention has yielded measurable results in driving revenue, moving forward favorable legislation that creates opportunities and expands markets for IFA services, and improving operational excellence and portfolio management.

Borrowers continue to make the IFA their Illinois conduit bond issuer of choice. We believe that the IFA continues to finance around 95% of the transactions that could have gone to competitors. Borrowers come to the IFA because they know they will find highly experienced customer-focused IFA staff who, with the support of the IFA Board and Governor Quinn’s Office, have the ability to bring a complex financing to a timely, accurate closing. As a result, on a YTD basis, our Healthcare group is running 46% above budgeted revenue projections, while our Business, Industry and 501(c)(3) group is running 41% above projections.

The Authority continues to provide pragmatic leadership in tackling complex problems facing the citizens of Illinois. In an effort to maintain the continuation of affordable assisted living facilities in Illinois, the IFA is working with a State-wide coalition to provide funding for operators whose income streams have been severely impacted by delayed payments. It is hoped that Item #6 on this month’s agenda, the $48 million Affordable Assisted Living Coalition Note Project, will to go to market without invoking the moral obligation of the State. It is a prime example of a mission-driven outcome created by close attention to good business practices.

In other administrative and legislative matters, the Governor has recently designated the IFA as the sole issuer of up to $40 million in Midwest Disaster Relief bonds. An additional $25 million in volume cap was authorized for Beginning Farmer Bonds and Agri-business loan guarantees. Other measures nearing completion on our legislative agenda are an increase in the general IFA bond limit (HB6011, Mautino), authority to finance Illinois projects that may have concurrent components in other states (HB5854, Colvin-Black-Verschoore), ability to issue Recovery Zone Bonds (SB3474, Wilhelmi), clarification of joint IFA/IPA Financing Structure (SB3618, Wilhelmi & SB3719, Frerichs), and the designation of the IFA as bond issuer for Green Energy Special Service Areas (SB2505, Frerichs-Holmes-Koehler-Schoenberg-Noland).

Marketing efforts designed to increase revenue while furthering the mission of the IFA continue to expand. Eric Reed has worked to increase the visibility of IFA to farmers and agri-business by doing radio interviews with RFD Radio, WGN, and with Orion Samuelson. Articles on the Beginning Farmer Bond program have been submitted to leading farming publications. In Healthcare, work is underway to develop a marketing piece on funding mechanisms available for energy efficiency retrofit projects. A steady stream of new opportunities is being actively developed among new and existing clients in business, industry, municipal government, and a wide range of 501(c)(3)'s. Finally, work has begun on the IFA website to make it easier to find, access, and navigate.

Another highly effective marketing tool is the recognition of our talented staff in their respective professional communities. Pam Lenane has been slated to run for Vice President of NAHEFFA, the National Association of Health and Educational Facility Financing Authorities. Rich Frampton, who is also highly involved with NAHEFFA, was appointed to the Board of the Council for Development Finance Agencies where he works on federal legislative issues and serves as faculty for popular educational training seminars on IRB's and 501(c)(3) financings.

The IFA staff is keenly aware of the Board's interest in and the Authority's responsibility to properly maintain, monitor and manage its portfolio of outstanding debt.
The IFA currently has $23.6B in outstanding debt, with another $2.2B in transactions that have been approved and could reasonably be expected to close before December 31, 2010.

Fully 98% of the IFA's outstanding debt, or $23.3B, resides in conduit bonds. In conduit bond financing, the bond holders or the credit enhancers (banks) assume the risk of payment on the bonds, not the IFA or the State of Illinois. The only risks to the IFA are minor, such as reputational risk and the risk of an audit by the IRS of an insolvent borrower which could result in the IFA having to pay interest, penalties, and legal fees. Towards that end, we are pleased to note and that there have been three successful IRS audits on IFA conduit financings, one for Alexian Brothers Health System, one for the Jewish Federation Revenue Anticipation Notes and one for Rosalind Franklin University of Medicine and Science. Further, the Auditor General just released the IFA's FY09 Financial Audit on March 3, 2010.

Other financings facilitated by the IFA are backed by the full faith and credit of the State of Illinois. Most of these financings fall under the Agri-business loan guarantee program. Currently, the IFA has $71.2MM in outstanding loans. In these transactions, 15% of the risk stays with the banks, so 85% of the total risk, or $54.5MM, remains with the State. Two State appropriations totaling over $17.5MM exist to offset the State's exposure under these financings.

The next level of risk includes bonds issued by the IFA and its predecessor Authorities, the Illinois Rural Bond Bank and the Illinois Development Finance Authority. These bonds, which include aid to financially distressed municipalities, carry with them the moral obligation of the State of Illinois resulting in lower cost of borrowing. Currently, the IFA has $289.4MM in outstanding bonds issued with the moral obligation of the State.

The highest risk in the IFA portfolio are participation loans. These loans, originated primarily during 2005 and 2006, are much closer to traditional bank loans. Originally conceived as a conservative program to promote job growth, the maximum loan amount was originally set at $500,000. In 2004, that limit was raised to $1.0MM.

In a participation loan, the IFA buys a percentage of the loan ("participation") from the originating bank which has underwritten the loan. The IFA is at risk to lose the funds used to purchase the participation if the loan is not re-paid. Currently, the IFA has $26.9MM in outstanding participation loans.

While the performance of every financing issued through the IFA needs to be adequately monitored, we are particularly concerned with the agri-business portfolio where the full faith and credit of the State is at risk, and with the participation loan portfolio where the funds of the IFA are at risk. Following the recommendations of the Bronner report, the IFA has identified all 94 participation loans in its portfolio, established who was the funding manager at the time of loan origination, and more importantly, designated a specific funding manager to be responsible for the loan on an ongoing basis. Towards this end, personal contact is being made with each participating bank and standardized information sheets are being completed on every loan. More specific actions are being taken on loans that are either close to maturing or for which we have indications, formal or otherwise, of covenant defaults. This is a highly labor intensive process that will proceed in addition to the revenue generation activities of our professional staff.

The lack of a portfolio management function at the IFA dates back to the inception of the Authority in 2004, and adequate resources for effective portfolio management were not allocated by previous management teams. The solution will not come overnight, and it will remain a strain on the system until we have brought every transaction under our new, tighter umbrella of ongoing scrutiny. In the interim, we have already implemented a much more rigorous credit approval and due diligence process for new financing proposals. As we implement our comprehensive loan portfolio review procedures, we expect to prevent new problem loans from arising. We will continue to inform the Board of our progress throughout the process.

The economic environment is still very challenging. We have begun our strategic planning process to focus on revenue generation in FY11. We are going to have to work harder and smarter to build our book of business in sectors other than Healthcare to maintain our level of contribution to the economic development and welfare of the State of Illinois.

Respectfully,

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Christopher Meister
Executive Director

Attachments:

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

Attachment 2 – Schedule of Debt plus a listing of all FY 10 closed projects thru 2/28/10

Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
for Period Ending
February 28, 2010

	Actual February 2010	Budget February 2010	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2010	Budget YTD FY 2010	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2010	% of Budget Expended
REVENUE										
INTEREST ON LOANS	(255)	102,121	(102,376)	-100.25%	689,455	828,718	(139,263)	-16.80%	1,175,722	58.64%
INVESTMENT INTEREST & GAIN(LOSS)	2,497	20,833	(18,336)	-88.01%	28,989	166,664	(137,675)	-82.61%	250,000	11.60%
ADMINISTRATIONS & APPLICATION FEES	174,821	233,506	(58,685)	-25.13%	3,595,251	2,713,568	881,683	32.49%	3,496,715	102.82%
ANNUAL ISSUANCE & LOAN FEES	48,259	51,781	(3,522)	-6.80%	593,720	438,489	155,231	35.40%	645,618	91.96%
OTHER INCOME	7,701	2,975	4,726	158.86%	206,353	23,800	182,553	767.03%	35,700	100.00%
TOTAL REVENUE	233,023	411,216	(178,193)	-43.33%	5,113,768	4,171,239	942,529	22.60%	5,603,755	91.26%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	232,832	229,167	3,665	1.60%	1,885,998	1,833,336	52,662	2.87%	2,750,000	68.58%
BENEFITS	26,572	23,042	3,530	15.32%	193,513	184,336	9,177	4.98%	276,500	69.99%
TEMPORARY HELP	2,296	3,157	(861)	-27.27%	22,089	25,256	(3,167)	-12.54%	37,880	58.31%
EDUCATION & DEVELOPMENT	-	417	(417)	-100.00%	11,035	3,336	7,699	230.79%	5,000	220.70%
TRAVEL & AUTO	2,203	5,175	(2,972)	-57.43%	34,106	41,400	(7,294)	-17.62%	62,100	54.92%
TOTAL EMPLOYEE RELATED EXPENSES	263,903	260,957	2,946	1.13%	2,146,741	2,087,664	59,077	2.83%	3,131,480	68.55%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	16,304	15,833	471	2.97%	127,629	126,664	965	0.76%	190,000	67.17%
LOAN EXPENSE & BANK FEE	9,910	11,208	(1,298)	-11.58%	80,387	89,664	(9,277)	-10.35%	134,500	59.77%
ACCOUNTING & AUDITING	23,310	21,667	1,643	7.58%	187,892	173,336	14,556	8.40%	260,000	72.27%
MARKETING GENERAL	2,070	9,285	(7,215)	-77.71%	5,212	27,855	(22,643)	-81.29%	65,000	8.02%
FINANCIAL ADVISORY	18,333	18,333	(0)	0.00%	146,664	146,664	0	0.00%	220,000	66.67%
CONFERENCE/TRAINING	1,185	1,250	(65)	-5.20%	5,353	10,000	(4,647)	-46.47%	15,000	35.69%
MISC. PROFESSIONAL SERVICES	17,142	17,142	-	0.00%	83,923	51,426	32,497	63.19%	120,000	69.94%
DATA PROCESSING	3,273	2,917	356	12.22%	34,239	23,336	10,903	46.72%	35,000	97.83%
TOTAL PROFESSIONAL SERVICES	91,527	97,635	(6,108)	-6.26%	671,299	648,945	22,354	3.44%	1,039,500	64.58%

Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
for Period Ending
February 28, 2010

	Actual February 2010	Budget February 2010	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2010	Budget YTD FY 2010	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2010	% of Budget Expended
OCCUPANCY COSTS										
OFFICE RENT	22,420	22,917	(497)	-2.17%	171,781	183,336	(11,555)	-6.30%	275,000	62.47%
EQUIPMENT RENTAL AND PURCHASES	2,200	5,167	(2,967)	-57.42%	22,526	41,336	(18,810)	-45.51%	62,000	36.33%
TELECOMMUNICATIONS	2,963	4,358	(1,395)	-32.02%	34,400	34,864	(464)	-1.33%	52,300	65.78%
UTILITIES	1,104	800	304	38.00%	7,877	6,400	1,477	23.07%	9,600	82.05%
DEPRECIATION	3,942	4,025	(83)	-2.06%	38,275	32,200	6,075	18.87%	48,300	79.24%
INSURANCE	1,932	500	1,432	286.40%	15,500	4,000	11,500	287.51%	6,000	258.34%
TOTAL OCCUPANCY COSTS	34,561	37,767	(3,206)	-8.49%	290,360	302,136	(11,776)	-3.90%	453,200	64.07%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	2,438	8,667	(6,229)	-71.87%	27,539	55,336	(27,797)	-50.23%	90,000	30.60%
BOARD MEETING - EXPENSES	2,173	1,600	573	35.84%	20,977	12,800	8,177	63.89%	19,200	109.26%
PRINTING	629	600	29	4.86%	4,603	4,800	(197)	-4.10%	7,200	63.93%
POSTAGE & FREIGHT	721	1,250	(529)	-42.35%	10,217	10,000	217	2.17%	15,000	68.11%
MEMBERSHIP, DUES & CONTRIBUTIONS	5,467	3,083	2,383	77.30%	27,161	24,664	2,497	10.13%	37,000	73.41%
PUBLICATIONS	168	250	(82)	-32.80%	1,265	2,000	(735)	-36.76%	3,000	42.16%
OFFICERS & DIRECTORS INSURANCE	15,619	16,917	(1,297)	-7.67%	125,012	135,336	(10,324)	-7.63%	203,000	61.58%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	27,215	32,367	(5,152)	-15.92%	216,775	244,936	(28,161)	-11.50%	374,400	57.90%
LOAN LOSS PROVISION/BAD DEBT	25,000	25,000	-	0.00%	582,202	200,000	382,202	191.10%	300,000	194.07%
OTHER										
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL EXPENSES	442,206	453,726	(11,520)	-2.54%	3,907,377	3,483,681	423,696	12.16%	5,298,580	73.74%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	(209,183)	(42,510)	(166,673)	392.08%	1,206,391	687,557	518,833	75.46%	305,175	395.31%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	-	-	-	0.00%	80,608	-	80,608	100.00%	-	-
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	(209,183)	(42,510)	(166,673)	392.08%	1,286,999	687,557	599,442	87.18%	305,175	421.73%

Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
February 28, 2010

	Actual February 2010	Actual February 2009	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2010	Actual YTD FY 2009	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	(255)	96,062	(96,317)	-100.27%	689,455	878,585	(189,130)	-21.53%
INVESTMENT INTEREST & GAIN(LOSS)	2,497	10,036	(7,539)	-75.12%	28,989	208,769	(179,780)	-86.11%
ADMINISTRATIONS & APPLICATION FEES	174,821	318,681	(143,860)	-45.14%	3,595,251	3,191,325	403,926	12.66%
ANNUAL ISSUANCE & LOAN FEES	48,259	54,558	(6,299)	-11.54%	593,720	433,881	159,838	36.84%
OTHER INCOME	7,701	9,298	(1,597)	-17.17%	206,353	70,825	135,528	191.36%
TOTAL REVENUE	233,023	488,633	(255,610)	-52.31%	5,113,768	4,783,386	330,382	6.91%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	232,832	245,132	(12,300)	-5.02%	1,885,998	1,877,249	8,749	0.47%
BENEFITS	26,572	30,083	(3,511)	-11.67%	193,513	189,890	3,623	1.91%
TEMPORARY HELP	2,296	3,942	(1,646)	-41.75%	22,089	51,061	(28,972)	-56.74%
EDUCATION & DEVELOPMENT	-	-	-	0.00%	11,035	893	10,142	1135.17%
TRAVEL & AUTO	2,203	5,446	(3,243)	-59.55%	34,106	42,185	(8,078)	-19.15%
TOTAL EMPLOYEE RELATED EXPENSES	263,903	284,604	(20,701)	-7.27%	2,146,741	2,161,278	(14,537)	-0.67%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	16,304	7,885	8,419	106.78%	127,629	237,190	(109,561)	-46.19%
LOAN EXPENSE & BANK FEE	9,910	10,787	(877)	-8.13%	80,387	91,163	(10,777)	-11.82%
ACCOUNTING & AUDITING	23,310	23,298	12	0.05%	187,892	225,006	(37,114)	-16.49%
MARKETING GENERAL	2,070	554	1,516	273.32%	5,212	17,299	(12,087)	-69.87%
FINANCIAL ADVISORY	18,333	30,000	(11,667)	-38.89%	146,664	210,000	(63,336)	-30.16%
CONFERENCE/TRAINING	1,185	-	1,185	100.00%	5,353	9,296	(3,943)	-42.41%
MISC. PROFESSIONAL SERVICES	17,142	-	17,142	100.00%	83,923	20,000	63,923	319.62%
DATA PROCESSING	3,273	3,520	(247)	-7.03%	34,239	25,199	9,041	35.88%
TOTAL PROFESSIONAL SERVICES	91,527	76,044	15,483	20.36%	671,299	835,152	(163,853)	-19.62%

Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
February 28, 2010

	Actual February 2010	Actual February 2009	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2010	Actual YTD FY 2009	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	22,420	25,638	(3,218)	-12.55%	171,781	196,935	(25,153)	-12.77%
EQUIPMENT RENTAL AND PURCHASES	2,200	9,276	(7,076)	-76.28%	22,526	41,719	(19,193)	-46.01%
TELECOMMUNICATIONS	2,963	3,500	(537)	-15.33%	34,400	41,336	(6,936)	-16.78%
UTILITIES	1,104	972	132	13.53%	7,877	9,627	(1,750)	-18.18%
DEPRECIATION	3,942	4,951	(1,009)	-20.39%	38,275	50,556	(12,281)	-24.29%
INSURANCE	1,932	1,607	325	20.21%	15,500	12,952	2,548	19.67%
TOTAL OCCUPANCY COSTS	34,561	45,944	(11,383)	-24.78%	290,360	353,125	(62,765)	-17.77%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	2,438	10,700	(8,262)	-77.22%	27,539	62,577	(35,038)	-55.99%
BOARD MEETING - EXPENSES	2,173	2,682	(509)	-18.97%	20,977	29,725	(8,747)	-29.43%
PRINTING	629	297	332	111.68%	4,603	11,791	(7,188)	-60.96%
POSTAGE & FREIGHT	721	1,082	(361)	-33.41%	10,217	16,948	(6,731)	-39.72%
MEMBERSHIP, DUES & CONTRIBUTIONS	5,467	1,648	3,819	231.74%	27,161	21,343	5,818	27.26%
PUBLICATIONS	168	58	110	191.77%	1,265	2,611	(1,346)	-51.56%
OFFICERS & DIRECTORS INSURANCE	15,619	14,524	1,095	7.54%	125,012	117,678	7,334	6.23%
MISCELLANEOUS	-	120	(120)	-	-	4,048	(4,048)	-
TOTAL GENL & ADMIN EXPENSES	27,215	31,111	(3,896)	-12.52%	216,775	266,722	(49,947)	-18.73%
LOAN LOSS PROVISION/BAD DEBT	25,000	8,333	16,667	200.01%	582,202	(33,903)	616,105	-1817.26%
OTHER								
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%
TOTAL EXPENSES	442,206	446,037	(3,831)	-0.86%	3,907,377	3,582,374	325,003	9.07%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	(209,183)	42,597	(251,779)	-591.08%	1,206,391	1,201,012	5,379	0.45%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER	-	-	-	0.00%	80,608	20,125	60,483	300.54%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	(209,183)	42,597	(251,779)	-591.08%	1,286,999	1,221,137	65,862	5.39%

Illinois Finance Authority
General Fund
Unaudited
Balance Sheet
for the Eight Months Ending February 28, 2010

	Actual February 2010
ASSETS	
CASH & INVESTMENTS, UNRESTRICTED	$ 19,167,137
RECEIVABLES, NET	74,873
LOAN RECEIVABLE, NET	21,036,888
OTHER RECEIVABLES	103,584
PREPAID EXPENSES	118,352
TOTAL CURRENT ASSETS	40,500,834
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	61,014
DEFERRED ISSUANCE COSTS	379,027
OTHER ASSETS	
CASH, INVESTMENTS & RESERVES	1,580,349
VENTURE CAPITAL INVESTMENTS	-
OTHER	(616)
TOTAL OTHER ASSETS	1,579,733
TOTAL ASSETS	$ 42,520,608
LIABILITIES	
CURRENT LIABILITIES	$ 1,592,306
LONG-TERM LIABILITIES	548,371
TOTAL LIABILITIES	2,140,677
EQUITY	
CONTRIBUTED CAPITAL	4,111,479
RETAINED EARNINGS	23,010,156
NET INCOME / (LOSS)	1,286,999
RESERVED/RESTRICTED FUND BALANCE	1,732,163
UNRESERVED FUND BALANCE	10,239,134
TOTAL EQUITY	40,379,931
TOTAL LIABILITIES & EQUITY	$ 42,520,608

Illinois Finance Authority
Consolidated
Unaudited
Balance Sheet
for the Eight Months Ending February 28, 2010

	Actual February 2009	Actual February 2010
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	$ 26,987,556	$ 32,676,004
RECEIVABLES, NET	131,953	74,873
LOAN RECEIVABLE, NET	84,691,402	93,701,641
OTHER RECEIVABLES	655,074	1,610,770
PREPAID EXPENSES	47,777	118,352
TOTAL CURRENT ASSETS	112,513,762	128,181,640
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	119,318	61,014
DEFERRED ISSUANCE COSTS	610,797	515,285
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES	48,975,586	41,186,889
VENTURE CAPITAL INVESTMENTS	5,377,739	5,377,739
OTHER	3,682,072	3,000,010
TOTAL OTHER ASSETS	58,035,397	49,564,638
TOTAL ASSETS	$ 171,279,274	$ 178,322,577
LIABILITIES		
CURRENT LIABILITIES	$ 1,191,298	$ 1,733,951
LONG-TERM LIABILITIES	56,904,516	62,007,080
TOTAL LIABILITIES	58,095,814	63,741,031
EQUITY		
CONTRIBUTED CAPITAL	35,608,692	35,608,692
RETAINED EARNINGS	24,795,357	27,173,957
NET INCOME / (LOSS)	365,965	1,679,533
RESERVED/RESTRICTED FUND BALANCE	39,765,275	37,471,193
UNRESERVED FUND BALANCE	12,648,171	12,648,171
TOTAL EQUITY	113,183,460	114,581,546
TOTAL LIABILITIES & EQUITY	$ 171,279,274	$ 178,322,577

Illinois Finance Authority
FY09 Audit Finding: Material
Update as of February 28, 2010

Number of Material Findings - 1

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

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, 2009	Principal Outstanding February 28, 2010	Program Limitations	Remaining Capacity
	Illinois Finance Authority "IFA"				
461	Revenue Bonds	$ 14,115,957,000	$ 15,540,197,000		
2	Commercial Paper Revenue Notes	291,000,000	261,000,000		
2	Revenue Financing Notes	3,613,000	3,421,000		
9	Leases, Notes and Certificates of Participation	11,772,000	34,232,000		
3	Bond Anticipation Notes	5,500,000	9,185,000		
248	Agriculture: Beginner Farmer Bonds [f]	36,004,000	39,700,000		
11	State Component Units [b]	164,818,000	163,432,000		
1	Financially Distressed City Bonds	2,925,000	2,395,000		
737	**Total IFA Principal Outstanding**	**$ 14,631,589,000**	**$ 16,053,562,000**		
	Illinois Development Finance Authority "IDFA" [b]				
251	Revenue Bonds	2,823,149,000	2,693,602,000		
2	State Component Units **	105,530,000	99,570,000		
1	Financially Distressed City Bonds	5,720,000	4,660,000		
254	**Total IDFA Principal Outstanding**	**$ 2,934,399,000**	**$ 2,797,832,000**		
	Illinois Rural Bond Bank "IRBB" [b]				
19	Bond Bank Revenue Bonds	30,725,000	26,385,000		
2	Conduit Debt	3,860,000	3,715,000		
21	**Total IRBB Principal Outstanding**	**$ 34,585,000**	**$ 30,100,000**		
117	**Illinois Health Facilities Authority "IHFA"**	**$ 3,655,331,000**	**$ 3,041,768,000**		
55	**Illinois Educational Facilities Authority "IEFA"**	**$ 1,734,177,000**	**$ 1,629,757,000**		
604	**Illinois Farm Development Authority "IFDA" [f]**	**$ 47,029,000**	**$ 47,029,000**		
1,033	**Total Illinois Finance Authority Debt**	**$ 23,037,110,000**	**$ 23,600,048,000**	**$ 28,150,000,000**	**$ 4,549,952,000**

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

Section I (b)

		Principal Outstanding June 30, 2009	Principal Outstanding February 28, 2010	Program Limitations	Remaining Capacity
	General Purpose Moral Obligations				
	Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
19	Issued through IRBB	$ 30,725,000	$ 26,385,000		
7	Issued through IFA	24,560,000	28,000,000		
2	Illinois Medical District Commission	40,000,000	40,000,000		
28	**Total General Moral Obligations**	**$ 95,285,000**	**$ 94,385,000**	**$ 150,000,000**	**$ 55,615,000**
	Financially Distressed Cities Moral Obligations				
	Illinois Finance Authority Act [20 ILCS 3501/825-60]				
1	Issued through IFA	$ 2,925,000	$ 2,395,000		
1	Issued through IDFA	5,720,000	4,660,000		
2	**Total Financially Distressed Cities**	**$ 8,645,000**	**$ 7,055,000**	**$ 50,000,000**	**$ 42,945,000**
	State Component Unit Bonds [c] includes Moral Obligations under 20 ILCS 3501/801-40(w) and 20 ILCS 3501-825-60				
19	Issued through IRBB	$ 30,725,000	$ 26,385,000		
2	Issued through IDFA	105,530,000	99,570,000		
11	Issued through IFA	164,818,000	163,432,000		
32	**Total State Component Unit Bonds**	**$ 301,073,000**	**$ 289,387,000**		

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

Section I (c)

	Principal Outstanding June 30, 2009	Principal Outstanding February 28, 2010	Program Limitations	Remaining Capacity
Midwest Disaster Bonds [Flood Relief]	**$ -**	**$ -**	**$ 1,515,271,000**	**$ 1,515,271,000**

ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

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

Section II

	Principal Outstanding June 30, 2009	Principal Outstanding February 28, 2010	Program Limitations	Remaining Capacity
Illinois Power Agency	**$ -**	**$ -**	**$ 4,000,000,000**	**$ 4,000,000,000**

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

Section III

	Principal Outstanding June 30, 2009	Principal Outstanding February 28, 2010	Program Limitations	Remaining Capacity
Clean Coal, Coal ,Renewable Energy and Energy Efficiency Projects	**$ -**	**$ -**	**$ 3,000,000,000** [d]	**$ 3,000,000,000**

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

Section IV

		Principal Outstanding June 30, 2009	Principal Outstanding February 28, 2010	Program Limitations	Remaining Capacity	State Exposure
107	**Agri Debt Guarantees [Restructuring Existing Debt]** **Fund # 994 - Fund Balance $ 9,911,327**	**$ 21,986,000**	**$ 21,538,000**	**$ 160,000,000**	**$ 138,462,000**	**$ 18,251,000**
14	Agri Industry Loan Guarantee Program	$ 13,648,000	$ 12,250,000			10,412,000
1	Renewable Fuels	24,445,000	24,445,000			14,875,000
1	Farm Purchase Guarantee Program	496,000	496,000			421,000
37	Specialized Livestock Guarantee Program	12,696,000	9,761,000			8,297,000
14	Young Farmer Loan Guarantee Program	2,430,000	2,684,000			2,281,000
67	**AG Loan Guarantee Program** **Fund # 205 - Fund Balance $ 7,628,938**	**$ 53,715,000**	**$ 49,636,000**	**$ 225,000,000** [e]	**$ 175,364,000**	**$ 36,286,000**
174	**Total State Guarantees**	**$ 75,701,000**	**$ 71,174,000**	**$ 385,000,000**	**$ 313,826,000**	**$ 54,537,000**

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

Section V

		Principal Outstanding June 30, 2009	Principal Outstanding February 28, 2010	Fund #	Appropriation Fiscal Year 2010	Fund Balance
117	Fire Truck Revolving Loan Program	$ 19,258,322	$ 18,802,769	572	$ 6,003,342	$ 1,036,154
10	Ambulance Revolving Loan Program	$ 993,200	$ 993,200	334	$ 7,006,800	$ 3,125,718

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

Section VI

		Principal Outstanding June 30, 2009	Principal Outstanding February 28, 2010	Program Limitations	Remaining Capacity
Environmental [Large Business]					
9	Issued through IFA	$ 317,704,000	$ 317,399,000		
22	Issued through IDFA	407,370,000	372,320,000		
31	**Total Environmental [Large Business]**	**$ 725,074,000**	**$ 689,719,000**	**$ 2,425,000,000**	**$ 1,735,281,000**
Environmental [Small Business]		-	$ -	**$ 75,000,000**	**$ 75,000,000**
31	**Total Environment Bonds Issued under Act**	**$ 725,074,000**	**$ 689,719,000**	**$ 2,500,000,000**	**$ 1,810,281,000**

Illinois Finance Authority Funds at Risk

Section VII

#		Original Amount	Principal Outstanding June 30, 2009	Principal Outstanding February 28, 2010
	Participation Loans			
68	Business & Industry	27,584,793.27	20,487,542.83	18,131,381.51
26	Agriculture	6,106,859.01	5,323,214.12	5,123,498.54
94	**Total Participation Loans**	**$ 33,691,652.28**	**$ 25,810,756.95**	**$ 23,254,880.05**
1	**Illinois Facility Fund**	**$ 1,000,000.00**	**$ 1,000,000.00**	**$ 1,000,000.00**
4	**Local Government Direct Loans**	**$ 1,289,750.00**	**$ 387,931.74**	**$ 322,154.98**
6	**FmHA Loans**	**$ 963,250.00**	**$ 617,776.68**	**$ 537,879.31**
2	**Renewable Energy [RED Fund]**	**$ 2,000,000.00**	**$ 1,841,011.12**	**$ 1,784,258.41**
107	**Total Loans Outstanding**	**$ 38,944,652.28**	**$ 29,657,476.49**	**$ 26,899,172.75**

ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

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

[b] State Component Unit Bonds included in balance.

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

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

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

[f] Beginner Farmer Bonds are currently updated annually; new bonds will be added under the 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.

Bonds Issued/Loan Funded in July 1, 2009 - February 28, 2010

Closing Date	Bond Issue Principal	Issue	Invoice Amount	New Jobs	Cons Jobs
07/09/09	116,000,000.00	Provena Health Systems, Series 2009B-D	138,000.00	0	0
07/09/09	14,370,000.00	Jewish Charities RAN, Series 2009-2010A	12,500.00	0	0
07/16/09	8,500,000.00	Hospice of Northeastern Illinois	40,500.00	31	125
07/22/09	30,000,000.00	Illinois Institute of Technology	85,000.00	0	130
07/23/09	13,607,000.00	Alexian Brothers Health System	55,821.00	0	0
07/29/09	200,000,000.00	Rush University Medical Center	200,000.00	300	300
08/13/09	66,500,000.00	Riverside Health System	121,500.00	55	n/a
08/18/09	70,000,000.00	OSF Healthcare System	62,500.00	0	40
08/20/09	7,911,000.00	Our Lady of Angels Village Project [Joliet Franciscans]	38,733.00	2	80
08/20/09	225,000,000.00	University of Chicago Medical Center	211,000.00	0	700
08/20/09	5,431,458.00	St. Patrick High School	27,157.29	0	0
08/20/09	8,924,194.63	Aunt Martha's Youth Project	41,772.58	0	0
10/01/09	28,500,000.00	American Water Capital Corp.	219,450.00	4	120
10/16/09	52,000,000.00	Lake Forest Hospital	107,000.00	40	50
10/21/09	22,870,000.00	Trinity International University	75,740.00	3	40
10/28/09	43,500,000.00	Edward Hospital [refund IHFA 2001C]	98,500.00	0	0
10/29/09	30,000,000.00	Concordia University Chicago	77,500.00	53	70
11/18/09	240,000,000.00	Central DuPage Health, Series 2009B	211,000.00	33	400
12/04/09	4,460,000.00	Bond Bank Revenue Bonds	22,512.50	0	100
12/09/09	183,645,000.00	Roosevelt University	154,822.50	40	400
12/10/09	90,675,000.00	Rehabilitation Institute of Chicago	138,000.00	0	0
12/15/09	3,345,000.00	Villa of Guadalupe Senior Services Corporation	16,725.00	0	0
12/16/09	11,505,000.00	Elgin Academy	49,515.00	5	0
12/16/09	625,000.00	Joliet Montessori School	3,125.00	5	15
12/17/09	64,000,000.00	Museum of Science & Industry	119,000.00	22	914
12/17/09	22,955,000.00	Illinois Valley Community Hospital	37,955.00	3	200
12/17/09	5,700,000.00	Marion SLF	43,890.00	18	20
12/22/09	103,805,000.00	Resurrection Healthcare	138,000.00	0	0
12/23/09	150,000,000.00	Memorial Health System	138,000.00	107	1,031
12/29/09	27,689,820.00	Rest Haven Christian Convalescent Home	82,689.82	0	0
01/06/10	238,255,000.00	Advocate Health Care Network	211,000.00	0	150
01/14/10	14,545,000.00	Jewish Charities RAN, Series 2009-2010B	12,500.00	0	0
02/02/10	100,690,000.00	Swedish Covenant Hospital, Series 2010A	138,000.00	0	0
02/11/10	126,000,000.00	Provena Health Systems, Series 2010A&B	138,000.00	0	0
02/16/10	5,100,000.00	Adler School of Professional Psychology, Series 2010	25,500.00	37	25
02/16/10	2,192,400.00	Hispanic Housing Development Corporation	10,962.00	20	0
	$ 2,338,300,872.63	**Total Fees Collected**	$ 3,303,870.69	778	4,910

Beginner Farmer Bond Closings

Closing Date	Bond Issue Principal	Issue	Invoice Amount
10/15/09	250,000.00	Kane, Jason W.	3,650.00
10/15/09	178,400.00	Mueller, Charles	2,576.00
10/15/09	87,500.00	Dietmeier, Thomas & Wendy	1,212.50
10/20/09	137,500.00	Adair, Tye & Jill	1,962.50
10/29/09	120,000.00	Miller, Curtis	1,700.00
10/29/09	202,202.00	Huschen, Rob	2,933.03
10/29/09	150,000.00	Walk, Chad	2,150.00
11/02/09	201,000.00	Reeves, Jeremy & Tara	2,915.00
11/18/09	150,000.00	VanFleet, Ryan	2,150.00
11/18/09	101,500.00	Swanson, Matthew & Angela	1,422.50

Bonds Issued/Loan Funded in July 1, 2009 - February 28, 2010

Beginner Farmer Bond Closings - Continued

Closing Date	Bond Issue Principal	Issue	Invoice Amount
12/01/09	239,000.00	Hill, Barrett	3,485.00
12/10/09	177,300.00	Weber, Daniel	2,560.00
12/15/09	250,000.00	Jensen, Jeffrey R.	3,650.00
12/15/09	149,000.00	Boehl, Bruce	2,135.00
12/15/09	250,000.00	Wolber, DuWayne & Abby	3,650.00
12/16/09	113,920.00	Holland, Nicholas	1,608.80
12/22/09	469,200.00	Killiam, Mark & Beth	6,938.00
12/22/09	469,200.00	Nichelson, William & Jennie	6,938.00
02/19/10	72,500.00	Laue, Jonathan	987.50
	$ 3,768,222.00	**Total Beginner Farmer Bonds Fees Collected**	$ 54,623.83

Participation Loans

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

Local Government [Direct] Loans

Closing Date	Loan Amount	Issue	
07/08/09	825,000.00	City of Girard [Interim Bond Loan]	Paid in Full 12/04/2009
10/06/09	625,000.00	Village of Kane [Interim Bond Loan]	Paid in Full 12/04/2009
	$ 1,450,000.00	**Total Local Government Loans Funded**	

AG Debt Restructuring Guarantee Closings

Closing Date	Bond Issue Principal	Issue	State Exposure		Fees Collected
09/30/09	500,000.00	Hayden Farms Partnership	425,000.00	85.0%	3,750.00
10/23/09	500,000.00	Beer, Keith G.	425,000.00	85.0%	3,450.00
02/26/10	24,444,583.00	Blackhawk REG [Danville Biofuels Plant]	14,874,529.00	60.9%	-
	$ 25,444,583.00	**Total AG Debt Restructuring Fees Collected**	$ 15,724,529.00		7,200.00

AG Young Farmer Guarantee Closings

Closing Date	Bond Issue Principal	Issue	State Exposure		Invoice Amount
12/15/09	310,000.00	Wagner, Kyle & Jenny	263,500.00	85.0%	2,800.00
	$ 310,000.00	**Total AG Young Farmer Fees Collected**	$ 263,500.00		$ 2,800.00

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

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA" or the "Authority"), pursuant to notice duly given, held a Committee of the Whole Meeting at 8:30 a.m. on Tuesday, February 9, 2010 at the Chicago Office of the IFA at 180 N. Stetson, Suite 2555, Chicago, IL 60601.

Members present:
1. William A. Brandt, Jr., Chairman
2. Michael W. Goetz, Vice Chairman
3. Edward H. Leonard, Sr.
4. Terrence M. O'Brien
5. Bradley A. Zeller
6. John "Jack" Durburg (Temporary)
7. Roderick Bashir (Temporary)
8. Joseph McInerney (Temporary)
9. Roger Poole (Temporary)

Members absent:
1. Ronald E. DeNard
2. Juan B. Rivera
3. James J. Fuentes
4. Dr. William Barclay

Vacancies:
One

Members participating by telephone:
1. Dr. Roger D. Herrin

Staff Members Present:
Chris Meister, Executive Director
Yvonne Towers, CFO and CTO
Rich Frampton, V.P.
Art Friedson, CHRO
Pamela Lenane, V.P.-Acting General Counsel
Kara Boulahanis, Project Coordinator & Asst. Secretary to the Board
Eric Reed, Downstate Regional Manager via phone

Call to Order

Chairman Brandt called the meeting to order at 8:36 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests. Chairman Brandt reminded all Board Members that the March 2010 Board Meeting will be held in Peoria.

Chairman's Remarks

Chairman Brandt opened the meeting with an update for the Board on two prospective transactions discussed the previous month: ComEd and ShoreBank. He stated that ComEd was still interested in pursing projects with the Authority but is in the process of determining which specific projects they wish to propose.

Chairman Brandt then moved on to discuss the ShoreBank project. He stated that this project has not progressed past the non-disclosure agreement (NDA) mentioned at the previous Board Meeting. He added that in the interim, IFA became aware of participation loans that had been with ShoreBank, including a loan made in favor of Midway Broadcasting Company that had fallen into delinquency. The amount of the IFA's Midway Broadcasting participation loan is approximately $1MM. Chairman Brandt added that no other ShoreBank loans or projects through the Authority are in trouble. IFA's procedures require accounting to fully reserve the outstanding balance of any loan more than 90 days past due. The IFA does not anticipate the actual loss to be the entire value of the loan. IFA staff are involved in this issue and are actively working with ShoreBank undertaking a due diligence review of the loan including the financial viability of the underlying Borrower and adequacy of the pledged collateral (and any impairments thereof).

Chairman Brandt added that if ShoreBank does return to the Authority as described in January, it will still need a significant infusion of equity. He clarified that ShoreBank may benefit from the reallocation of TARP monies being considered by Congress.

Dr. Herrin stated that he did not see a conflict of interest or potential issue with the IFA assisting ShoreBank regardless of the participation loan issue. Chairman Brandt agreed.

Executive Director's Presentation

Director Meister extended his compliments to Pam Lenane, Vice President & Acting General Counsel and Rich Frampton, Vice President, for their work arranging for speakers and hosting another National Association of Healthcare and Educational Facilities Financing Authority ("NAHEFFA") meeting and webinar at the IFA's Chicago office. The meeting was well attended and well received by the group.

He also extended his compliments to the Energy Team, Steve Trout, Vice President, Marnin Lebovits, Senior Funding Manger, Kim Du'Prey, Senior Funding Manager and Kara Boulahanis, Project Coordinator for their work on the Authority's submission to the U.S. Department of Energy's (DOE) Financial Institute Partnership Program (FIPP) for Development Finance Organizations (DFOs). The DOE's consultants informed the IFA that 27 applications had been received under the program and that the IFA can anticipate receiving a "favorable" response in mid-March.

Director Meister informed the Board that along with Howard Kenner, the IFA's new contract lobbyist in Springfield, he was working to file the IFA's legislative agenda for Spring Session 2010. The IFA intends to pursue: (i) an increase in the Authority's general bond authorization, (ii) multi-state bonding authority, (iii) revisions to the agriculture guarantee program as outlined in the Governor's Economic Development Message, (iv) authorization for recovery zone bonds as outlined in the Governor's Economic Development Message and finally (v) a joint bill with DCEO and IPA to resolve any issues that could impede the utilization of IPA's energy bonding authority through the IFA.

Senior Staff Reports

Chairman Brandt asked Ms. Towers to make her presentation. He asked specifically that she present the loan loss reserve process.

Ms. Towers responded that IFA's policy requires the Authority to set aside 5% of the total outstanding loan balance. It also requires the accounting staff to reserve the outstanding loan balance delinquent greater than 90 days. At the time of the Board Meeting, the IFA had $3.6MM in reserves for loan losses. Ms. Towers emphasized that these were not all actual losses but merely loan loss reserves. She added that the accounting staff has been more aggressive than IFA's policy requires in setting aside loan loss reserves, given the current economic environment.

Dr. Herrin inquired as to the status of the Board's request that the Authority's funding managers review their entire loan portfolio for any potential issues to allow IFA staff and the Board to respond proactively instead of reactively.

Ms. Towers shared with Dr. Herrin that in the event of a late payment, MABSCO, the Authority's loan servicer, informs the accounting staff of any delinquencies in payments and then the accounting staff informs the funding managers.

Director Meister stated that the Midway Broadcasting Corp loan closed in 2007. The loan was hindered by the operational issues facing ShoreBank and by ShoreBank's credit committee delaying making a decision on a loan amendment for several months.

Mr. Frampton clarified that ShoreBank was unable to obtain a decision from their credit committee in time for the January meeting and then subsequently chose to turn the loan over to their "workout" department in late January instead of pursuing an amendment.

Mr. Durburg asked where the funds for the participation loan program originated. Director Meister informed Mr. Durburg that the participation loan program was funded through IFA's general operating fund derived from closing fees and interest – not State appropriations. He then further elaborated the history of the participation loan program.

Dr. Herrin stated that Board must have a write-up in the Board Book that shows any loans at the first sign of distress. This write-up would allow the Board to be aware of problem loans prior to being sent to a bank's work out department. Chairman Brandt emphatically agreed that a write-up, as described by Dr. Herrin, for the participation loan portfolio would be exceptionally helpful. He added that he did not believe such a write-up was necessary for the Authority's conduit transactions as the indenture trustees hold that role. He clarified that while conduit transactions do not pose a financial risk to the Authority, the IFA is very aware of the potential for reputation risk of a defaulted conduit transaction.

Ms. Lenane stated that participation loans do not have indenture trustees, and contractually obligate the banks originating the loan to inform the Authority of any material adverse events. She added that not all lenders follow established practices and procedures. Chairman Brandt asked if the Authority received semi-annual statements or another periodic report. Ms. Lenane responded that the Authority receives monthly reports from MABSCO. Chairman Brandt stated that the Board needs an ongoing report on any troubled projects.

Ms. Lenane added that at the time of the Board Meeting, the Authority had four conduit projects considered troubled. They were three continuing care retirement communities and a critical access hospital that all are in default under their bond covenants. All were working on workouts with their bond holders at the time of the meeting. None of these projects place funds of the Authority or the State at risk. She explained that all of the projects were considered viable at the time of origination but suffered with the downturn in the economy.

Mr. McInerney asked if it would be possible for the Board to receive an aging report for the entire portfolio. Ms. Towers stated that she would provide an aging report for the entire portfolio at the next Board Meeting.

Chairman Brandt reiterated his desire to have a report in the Board Book each month detailing any loans in default and those with the potential to default in the near term to allow the Board to assess the entirety of the problem instead of reviewing troubled projects on a one-off basis.

Dr. Herrin suggested that the new Chief Credit Officer be assigned this duty. Director Meister stated the new credit officer would join the IFA on February 22nd and that would, in fact, be a key duty.

Ms. Towers returned to her financial presentation. She stated that the Authority had completed the responses to the compliance audit findings and only four findings were reported. The CO8 finding was repeated due to IFA's reliance on third party trustees for report information. The CO8s had been a material finding for the past four years but thanks to the efforts of Joy Kuhn, Assistant Treasurer, it has been reduced to an immaterial finding for the FY 2009 audit. The other three findings were deemed material. They were IT-related as well and included 1) lack of encryption software for laptops; 2) lack of IFA bond database procedures; and 3) lack of a disaster recovery test.

Executive Director Meister commended Ms. Towers for the way she managed the audit. He stated that she significantly reduced the number of findings in the final report. Chairman Brandt added that there was an Audit Committee meeting scheduled for the morning of the Board Meeting but it was cancelled as there was nothing to present. The meeting has been rescheduled to March, with further rescheduling possible depending on the status of the audit report. Chairman Brandt then asked Ms. Towers to redistribute draft audit reports and to distribute any reports nearing their final form for the Board to review as soon as they became available.

Chairman Brandt commended Ms. Towers and Director Meister for the speed with which the audit was conducted for FY 2009. He stated that the FY 2008 audit was finalized in July of 2009. This year's audit is already six months ahead of the previous year's schedule.

Mr. McInerney asked for an explanation of the difference between the consolidated report and the general fund report. Ms. Towers explained that the general fund is the Authority's operating fund and the consolidated report covers all of the Authority's funds.

Committee Reports:

Chairman Brandt then asked for the Agriculture Committee report.

Mr. Leonard stated that the Ag Committee recommended approval of all the agriculture projects presented at the meeting. Executive Director Meister added that the Authority had been granted $25MM in volume cap for the agriculture programs.

Chairman Brandt stated that neither the Audit nor the Compensation Committee met in February. Chairman Brandt asked Dr. Herrin to give the Energy Committee report.

Dr. Herrin stated that the Energy Committee briefly discussed the program guidelines for the IFA's new energy efficiency initiative and a recommendation on a fee structure for the program. Dr. Herrin explained that he believed the Energy Committee would be ready to present a recommendation in March.

Dr. Herrin moved on to the energy projects. He stated that a preliminary resolution for White Oak was approved by the Board in January on a preliminary basis. At the time of the Board Meeting, the project was in the beginning stages of their application to the DOE. Dr. Herrin stated that Executive Director Meister went to Washington, D.C. with the Illinois delegation to meet with national leaders regarding the FutureGen project. The Alliance has been informed that the Department of Energy (DOE) intends to make their "go/no go" decision in the six to eight weeks following the Board meeting. The Authority is also working to remove any legislative barriers to funding the FutureGen project.

Executive Director Meister added that Exelon has joined the Alliance as well with a financial commitment of up to $20MM. Chairman Brandt explained that the State of Illinois was working together to present a united front to Secretary Chu at the DOE.

Dr. Herrin continued with his presentation on projects. He stated that the Cinespace project is no longer active due to the original investor backing out of the project. At the time of the meeting, staff was also waiting on the additional information requested from the developer of the Pere Marquette. Dr. Herrin explained that Rain CII is a promising project that is not ready for presentation to the Board at this time. Southern Illinois Power co-op in Washington County had approached the Authority regarding possible permanent financing for their portion of the Prairie State Power Project. Illinois River Energy has also begun discussions with the Authority regarding their energy efficiency projects and a possible refinancing of their senior debt.

Dr. Herrin then turned to the Blackhawk Biofuels, LLC project before the Board. He stated that he personally supported the amendment and that the Energy Committee had also recommended approval.

Mr. Trout presented the Blackhawk Biofuels, LLC amendment:

No. 9: **Blackhawk Biofuels, LLC.** Request by Fifth Third Bank for consideration of a Third Amendment to the Fifth Third Bank Term Loan with Blackhawk Biofuels, LLC.

Dr. Herrin explained that this amendment allows Renewable Energy Group (REG) to merge with Blackhawk Biofuels, LLC as the Borrower and defers principal payments for six months. Chairman Brandt asked Mr. Trout to explain the history of this project for the new Board Members. Mr. Trout complied.

Chairman Brandt asked if this amendment decreased the Authority's exposure. Mr. Trout explained that is did not decrease the Authority's exposure but it did provide the project with additional liquidity, increasing its chances of success. Mr. Goetz explained that Authority's position would be significantly strengthened by this amendment. Mr. O'Brien asked if Fifth Third bank would also be extending their exposure. Mr. Trout explained that Fifth Third Bank was extending their financial commitment by an additional $1MM. After a brief discussion the Board agreed that this amendment was the best choice for this project.

Dr. Herrin signed off of the call at 9:46 a.m.

Chairman Brandt asked the Ms. Lenane to make the Healthcare Committee presentation on Dr. Barclay's behalf. Ms. Lenane stated that the Committee recommended all projects for approval. She stated that the Healthcare Team was working on a pool for supportive living facilities and already had two banks interested in potentially offering credit enhancement for the pool. This pool would be available to all senior supportive living facilities to allow them to become current on delayed State payments at a reasonable cost.

Ms. Lenane continued by stating that the Healthcare staff was also considering a pool for community, critical access and safety net hospitals to meet the electronic records requirements in the ARRA. She added that at the time of the Board Meeting, the Healthcare sector was already $1.3MM ahead of the budget.

Director Meister asked Ms. Lenane to update the Board on the meeting with Jo Patten of the American Federation of State County and Municipal Employees (AFSCME) in follow up to the November Board Meeting. Ms. Lenane stated that the meeting had already occurred and Ms. Patton had made several requests. Some of these requests were already reflected in the board report for this month.

Ms. Lenane stated that the Healthcare Team was also working on a marketing plan for the energy efficiency program for hospitals.

Project Reports

The Chairman then asked for the project reports.

Mr. Reed explained to the Board that the Beginning Farmer Bond limit for 2010 was $470,200. He stated following projects required $800, 222 of the $25 MM in agriculture volume cap awarded to the Authority. He then presented the following projects to the Board:

No. 1A: **– Cody A. Purdom.**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $225,000 for the purchase of an undivided 1/3 interest in approximately 95 acres of farmland. This project is located in Marengo, IL (McHenry County).

Mr. Reed explained that there was an error in his board summary. He incorrectly stated the per acre price of the land. The price was approximately $8,000 per acre.

Mr. O'Brien asked what collateral the Authority can seize when a project is an undivided interest in a farm land. After some brief discussion, Ms. Lenane agreed to research the subject and provide an answer to the Board as soon as possible. (Ms. Lenane also noted that the Bank serves as the Secured Lender and Bond Purchaser on Beginning Farmer Bonds.) IFA is a conduit on these financings.

No. 1B: **– David Belusko**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $229,500 for the purchase of an undivided 1/2 interest in approximately 237.5 acres of farmland and related buildings. This project is located in Litchfield, IL (Montgomery County).

No. 1C: **– Matthew Ryan Belusko.**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $229,000 for the purchase of an undivided 1/2 interest in approximately 237.5 acres of farmland and related buildings. This project is located in Litchfield, IL (Montgomery County).

No. 1D: **– Jacob B. Semple.**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $139,750 for the purchase of approximately 79 acres of farmland. This project is located in West Liberty, IL (Richland County).

No. 8: **Scott Rippelmeyer.** An Amendment requested by Midland States Bank and Scott Rippelmeyer to release a $40,000 Certificate of Deposit originally pledged as collateral for a 1988 Agri-Debt Guarantee with an original amount of $150,000 and current balance of $98,007

Mr. Reed explained that despite the lack of a current appraisal for this project, the loan to value is excellent. He noted that this project was recommended for approval by the Agriculture Committee.

Mr. Govia presented the following project:

No. 2: **– Alexian Brothers Health System**
Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed $150 million. The proceeds of this issuance will be used to: 1) refund the remaining outstanding balance of the Alexian Brothers Health System Series 2005C Bonds, 2) fund a Project Fund for hospital modernization, 3) fund a Debt Service Reserve, and 4) pay certain costs of issuance associated

with the Series 2010 Bonds. This project is located in Elk Grove Village and Hoffman Estates, IL (Cook County).

Mr. Govia presented consistent with the board report. Ms. Lenane explained that this project was currently unrated but expects to be rated at A1 before issuance. Minimal discussion ensued and no objections were noted.

No. 4: **– Palos Community Hospital**

Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed $275 million. The proceeds of this issuance will be used to (i) provide financing to pay various capital expenditures associated with the acquisition, construction, and equipping of a new bed tower and for renovations to the existing hospital facility (ii) fund capitalized interest; (iii) fund a debt service reserve fund, if required, and (iv) to fund certain professional and bond issuance costs. This project is located in Palos Heights, Orland Park, Lemont and Oak Lawn, IL (Cook County).

Mr. Govia presented consistent with the board report. Ms. Lenane added that representatives from Palos Community Hospital would be attending the meeting and will be presenting a rendering of the proposed bed tower.

No. 6: **– The University of Chicago Medical Center**

Request for final approval for the issuance of up to $166.735 million of 501(c)(3) Bonds to (i) convert or refund most or all of the Series 2009A and 2009B variable rate bonds to a fixed interest rate, (ii) and to pay costs of issuance. This project is located in Chicago, IL (Cook County).

Mr. Govia presented consistent with the board report. Ms. Lenane explained that this borrower has an excellent track record of utilizing minority and women owned underwriters and construction firms. Minimal discussion ensued and no objections were noted.

No. 3: **– Friendship Village of Mill Creek, NFP (Greenfields of Geneva Project)**

Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed $125 million. The proceeds of this issuance will be used to (i) to construct and equip a new Continuing Care Retirement Community, (ii) repay monies used to finance pre-development costs, including the outstanding bond anticipation notes and other seed capital funds provided by various sources (iii) fund one or more Debt Service Reserve Funds, (iv) fund interest expense on the Bonds for a period of approximately 20 months, and (v) fund certain professional and bond issuance costs. This project is located in Geneva, IL (Kane County).

Mr. Bill Claus, Funding Manager, presented consistent with the Board report. Mr. Goetz asked if there would be minority representation on this transaction. Mr. Claus informed him there was none. Ms. Lenane added that it has historically been difficult to add minority and women underwriting firms on these non-rated start-up transactions. She added that at the time of the Board Meeting, IFA Healthcare staff was continuing discussions with the Borrower on that topic.

Mr. Bashir stated that the Healthcare Committee had a lengthy discussion on this issue. He asked for Chairman Brandt's permission to ask the current Underwriter and Borrower to meet with him and any other interested members of the Board to discuss this issue. Chairman Brandt emphatically agreed with Mr. Bashir's suggestion and suggested that he hold the meeting as soon as possible. A brief discussion of the differing factors contributing to the lack of minority representation on this type of project ensued.

No. 5: **<u>– Friendship Village of Mill Creek, NFP (Greenfields of Geneva Project)</u>**
Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed $36 million. Proceeds and certain other funds will be used to: 1) refund the existing Series 2005C Variable Rate Demand Bonds issued by the IFA 2) fund approximately $2.8 million of prior capital expenditures, 3) fund a Debt Service Reserve Fund, and 4) pay for certain costs of issuance associated with the Series 2010 Bonds. This project is located in Schaumburg, IL (Cook County).

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

No. 7: **<u>Hellenic-American Academy Foundation.</u>** Resolution Authorizing the Execution and Delivery of a First Amendment to the Bond and Loan Agreement and a Supplemental Tax Exemption Certificate and Agreement, which Amendments authorize (1) the substitution of Hellenic American Academy Foundation, NFP, an Illinois 501(c)(3) not for profit corporation, as Borrower in place of Sindesmos Hellinikes-Kinotitos of Chicago, a/k/a Holy Trinity Hellenic Orthodox Church, (2) a change in Interest Rate on the Bond; and (3) related matters (IFA Series 2007 Bonds, NFP Project)

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

Executive Director Meister noted one update on procurement. As of the day of the board meeting, the seven day procurement bulletin posting for financial advisors had expired and the Authority has officially selected Scott Balice and Acacia Financial Group, Inc., as advisors for the upcoming year.

Mr. Zeller asked if any progress has been made on the American Wind Energy Association WINDPOWER 2010 conference planning. Ms. Boulahanis explained that progress continued on a total budget for the conference. DCEO and IFA have worked together to reduce costs by almost half to approximately $60,000 to be split between 5 and 7 groups. The IFA is currently considering contributing approximately $15,000. She stated that more information would be available in the coming weeks.

Closing Remarks and Adjournment:

The meeting adjourned at 10:48 a.m.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary

MINUTES OF THE FEBRUARY 9, 2010 MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA" or the "Authority"), pursuant to notice duly given, held a Board Meeting at 11:30 a.m. on Tuesday, February 9, 2010 at the Conference Center at One Prudential Plaza, 7th Floor, 130 E. Randolph Street, Chicago, IL 60601.

Members present:
1. William A. Brandt, Jr., Chairman
2. Michael W. Goetz, Vice Chairman
3. Edward H. Leonard, Sr.
4. Terrence M. O'Brien
5. Dr. William J. Barclay
6. Bradley A. Zeller
7. John "Jack" Durburg (Temporary)
8. Roderick Bashir (Temporary)
9. Joseph McInerney (Temporary)
10. Roger Poole (Temporary)

Members absent:
1. Ronald E. DeNard
2. Juan B. Rivera
3. Dr. Roger D. Herrin
4. James J. Fuentes

Members participating by telephone:
None

Vacancies:
One

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 11:30 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests. He then asked Assistant Secretary Kara Nystrom-Boulahanis to call the roll. There being ten (10) members physically present Ms. Nystrom-Boulahanis declared the quorum met.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending January 31, 2010 and minutes for both the January 12, 2010 Committee of the Whole and Board of Directors meetings were presented to the Board. Chairman Brandt stated that the Authority's financial statements and minutes were reviewed at the regularly scheduled Committee of the Whole meeting held at 8:30 a.m. that day. Chairman Brandt requested a motion to approve the January 31, 2010 Financial Statements and minutes from both the January 12, 2010 Committee of the Whole and the Board of Directors meeting.

The motion was moved by Mr. Goetz and seconded by Mr. Bashir. The January 31, 2010 financial statements and minutes from both the January 12, 2010 Committee of the Whole and the Board of Directors meetings were unanimously approved by members of the Board.

Chairman's Remarks

Chairman Brandt welcomed Board Members and guests.

Senior Staff Reports

None.

Project Approvals

Chairman Brandt asked Mr. Rich Frampton, Vice President, to present the projects for consideration to the Board. Chairman Brandt announced that the projects presented undergo an extensive review process prior to presentation to the Board. All projects are thoroughly vetted by a staff credit committee. All agriculture, energy and healthcare projects are also reviewed at their respective committees' public meetings each month. Finally, each project is thoroughly reviewed at the Committee of the Whole meeting held at 8:30 a.m. before the Board Meeting.

Mr. Frampton presented the following projects for board approval:

No. 1A: **– Cody A. Purdom.**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $225,000 for the purchase of an undivided 1/3 interest in approximately 95 acres of farmland. This project is located in Marengo, IL (McHenry County).

No. 1B: **– David Belusko.**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $229,000 for the purchase of an undivided 1/2 interest in approximately 237.5 acres of farmland and related buildings. This project is located in Litchfield, IL (Montgomery County).

No. 1C: **– Matthew Ryan Belusko.**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $229,000 for the purchase of an undivided 1/2 interest in approximately 237.5 acres of farmland and related buildings. This project is located in Litchfield, IL (Montgomery County).

No. 1D: **– Jacob B. Semple.**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $139,750 for the purchase of approximately 79 acres of farmland. This project is located in West Liberty, IL (Richland County).

No. 8: **Scott Rippelmeyer.** An Amendment requested by Midland States Bank and Scott Rippelmeyer to release a $40,000 Certificate of Deposit originally pledged as collateral for a 1988 Agri-Debt Guarantee with an original amount of $150,000 and current balance of $98,007

No. 9: **Blackhawk Biofuels, LLC.** Request by Fifth Third Bank for consideration of a Third Amendment to the Fifth Third Bank Term Loan with Blackhawk Biofuels, LLC.

No. 7: **Hellenic-American Academy Foundation.** Resolution Authorizing the Execution and Delivery of a First Amendment to the Bond and Loan Agreement and a Supplemental Tax Exemption Certificate and Agreement, which Amendments authorize (1) the substitution of Hellenic American Academy Foundation, NFP, an Illinois 501(c)(3) not for profit corporation, as Borrower in place of Sindesmos Hellinikes-Kinotitos of Chicago, a/k/a Holy Trinity Hellenic Orthodox Church, (2) a change in Interest Rate on the Bond; and (3) related matters (IFA Series 2007 Bonds, Hellenic-American Foundation NFP Project)

No. 6: **– The University of Chicago Medical Center.**

Request for final approval for the issuance of up to $166.735 million of 501(c)(3) Bonds to (i) convert or refund most or all of the Series 2009A and 2009B variable rate bonds to a fixed interest rate, (ii) and to pay costs of issuance. This project is located in Chicago, IL (Cook County).

No guests attended with respect to Project Nos. 1A, 1B, 1C, ID or 6. Additionally, no guests attended with respect to Resolution Nos. 7, 8 or 9. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1A, 1B, 1C, ID, 6 or Resolution Nos. 7, 8 or 9. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1A, 1B, 1C, ID, 6 and Resolution Nos. 7, 8 and 9. Project Nos. 1A, 1B, 1C, ID, 6 and Resolution Nos. 7, 8 or 9 received approval with 10 ayes, 0 nays, and 0 abstentions.

No. 3: **– Friendship Village of Mill Creek, NFP (Greenfields of Geneva Project)**

Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed $125 million. The proceeds of this issuance will be used to (i) to construct and equip a new Continuing Care Retirement Community, (ii) repay monies used to finance pre-development costs, including the outstanding bond anticipation notes and other seed capital funds provided by various sources (iii) fund one or more Debt Service Reserve Funds, (iv) fund interest expense on the Bonds for a period of approximately 20 months, and (v) fund certain professional and bond issuance costs. This project is located in Geneva, IL (Kane County).

Ms. Pam Lenane, Vice President and Acting General Counsel, introduced Mr. Steve Yenchek, President and CEO of Friendship Senior Options. Mr. Yenchek thanked the Board for considering the Greenfields of Geneva project. He stated that this project would create a new community in Geneva that would be home to 200 older adults. He added that the project had already surpassed presale goals and Friendship Village was excited to extend their mission into Kane County.

Chairman Brandt thanked Mr. Yenchek for utilizing the Authority for his project. He added that there is another project from the same parent company and asked Mr. Frampton to please present that project.

No. 5: **– Evangelical Retirement Homes of Greater Chicago, Inc. d/b/a Friendship Village of Schaumburg**

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed $36 million. Proceeds and certain other funds will be used to: 1) refund the existing Series 2005C Variable Rate Demand Bonds issued by the IFA 2) fund approximately $2.8 million of prior capital expenditures, 3) fund a Debt Service Reserve Fund, and 4) pay for certain costs of issuance associated with the Series 2010 Bonds. This project is located in Schaumburg, IL (Cook County).

Ms. Lenane then introduced Mr. Kim Klockenga, Chief Financial Officer, for Friendship Senior Options. Mr. Klockenga thanked the Board for their consideration and for their assistance refinancing Friendship Village's 2005 issue.

Chairman Brandt thanked Mr. Klockenga for attending the meeting and for utilizing the IFA. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 3 or 5. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 3 and 5 received approval with 10 ayes, 0 nays, and 0 abstentions.

No. 2: **– Alexian Brothers Health System**

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

Ms. Lenane presented Mr. Jim Sances, Chief Financial Officer of Alexian Brother Health System, a long time borrower of the IFA. Mr. Sances thanked the Board for their consideration of this project as it will reduce costs and allow Alexian Brother Health System to improve and expand.

Chairman Brandt asked if the Board had any questions with respect to Project No. 2. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of No. 2 received approval with 10 ayes, 0 nays, and 0 abstentions.

No. 4: **– Palos Community Hospital**

Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed $275 million. The proceeds of this issuance will be used to (i) provide financing to pay various capital expenditures associated with the acquisition, construction, and equipping of a new bed tower and for renovations to the existing hospital facility (ii) fund capitalized interest; (iii) fund a debt service reserve fund, if required, and (iv) to fund certain professional and bond issuance costs. This project is located in Palos Heights, Orland Park, Lemont and Oak Lawn, IL (Cook County).

Ms. Lenane introduced Mr. Hugh Rose, Chief Financial Officer of Palos Community Hospital. Mr. Rose presented a rendering of the proposed project. Mr. Rose explained that the project would be a major renovation and expansion of Palos Community Hospital. The project would include a new wing with 156 private rooms, 36 intensive care units, new operating rooms and a new entrance. Palos Community Hospital intends to break ground this year, with the project continuing until 2011. Once this project is completed Palos Community Hospital intends to undertake the renovation of the current facility. He thanked the Board for their consideration.

Chairman Brandt thanked Mr. Rose for his presentation. He asked if the Board had any questions. Mr. Bashir asked Mr. Rose what types of jobs would be created by this project. Mr. Rose responded that the jobs that would be created would be across a variety of sectors, including: additional nurses, support staff, janitorial staff and other types of personnel.

Chairman Brandt asked if the Board had any additional questions with respect to Project No. 4. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of No. 4 received approval with 10 ayes, 0 nays, and 0 abstentions.

Other Business

Chairman Brandt asked if there was any other business to come before the Board. There being none, Chairman Brandt requested a motion to adjourn. Upon a motion by Mr. Zeller and seconded by Mr. O'Brien, the meeting adjourned at 11:48 a.m.

Chairman Brandt reminded all guests that next month's meeting will be on March 9, 2010 at the Pere Marquette Hotel in Peoria, IL and to please check www.il-fa.com for more information.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Reed/lk

Date: March 9, 2010

Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached project
- **Amount:** Up to $470,100 maximum of new money for each project*
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: $926,100**
- **Calendar Year Summary:** (as of March 9, 2010)
  - Volume Cap Allocated - Calendar 2010: $25,000,000
  - Volume Cap Committed: $2,903,007
  - Volume Cap Remaining: $22,096,993
  - Average Acreage Farm Size: 90.2
  - Number of Farms Financed: 11
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - convey tax-exempt status
    - will use dedicated 2010 IFA Volume Cap set-aside for Beginning Farmer transactions
- **IFA Fees**:
  - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
  - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's Bank
  - The Borrower's Bank will be secured by the Borrower's assets, as on a commercial loan
  - Interest rates, terms, and collateral are negotiated between the Borrower and the Participating Bank, just as with any commercial loan
  - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd**
  Stephen F. Welcome, Esq.
  Three First National Plaza, Suite 4300
  Chicago, IL 60602

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

A.

Project Number:	**A-FB-TE-CD-8324**
Funding Manager:	Eric Reed
Borrower(s):	**Pilman, Jacob**
Borrower Benefit:	First Time Land Buyer
Town:	Newton, IL
Amount:	$136,000
Use of Funds:	Farmland – 83.8 acres
Purchase Price:	$272,000 / ($3,246 per ac)
%Borrower Equity	5%
%USDA Farm Services Agency	45% *(Subordinate financing)*
%IFA	50%
County/Region:	Jasper / Southeastern
Lender/Bond Purchaser	The First National Bank of Dieterich / Travis Farley
Legislative Districts:	Congressional: 19th, John Shimkus
	State Senate: 54th, John O. Jones
	State House: 108th, David Reis

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

B.

Project Number:	**A-FB-TE-CD-8325**
Funding Manager:	Eric Reed
Borrower(s):	**McKeown, Richard and Linda**
Borrower Benefit:	First Time Land Buyer
Town:	Alexis, IL
Amount:	$160,000
Use of Funds:	Farmland – 48.8 acres
Purchase Price:	$203,366.67 / ($4,173 per ac)
%Borrower Equity	22%
%Other	0%
%IFA	78%
County/Region:	Warren / West Central
Lender/Bond Purchaser	Farmers State Bank of Western Illinois / Patricia L. Sims
Legislative Districts:	Congressional: 17th, Phil Hare
	State Senate: 47th, John Sullivan
	State House: 94th, Richard Myers

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

C.

Project Number:	**A-FB-TE-CD-8326**
Funding Manager:	Eric Reed
Borrower(s):	**Shike, Ronald and Suellen**
Borrower Benefit:	First Time Land Buyer
Town:	Aledo, IL
Amount:	$160,000
Use of Funds:	Farmland – 44 acres
Purchase Price:	$242,000 / ($5,500 per ac)
%Borrower Equity	34%
%Other	0%
%IFA	66%
County/Region:	Warren / West Central
Lender/Bond Purchaser	Farmers State Bank of Western Illinois / Patricia L. Sims
Legislative Districts:	Congressional: 17th, Phil Hare
	State Senate: 36th, Mike Jacobs
	State House: 72nd, Patrick Verschoore

Principal shall be paid annually in installments determined pursuant to a Twenty year amortization schedule, with the first principal payment date to begin on June 1, 2011. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on June 1, 2010 with the twentieth and final payment of all outstanding balances due June 1, 2030.

D.

Project Number:	**A-FB-TE-CD-8327**
Funding Manager:	Eric Reed
Borrower(s):	**Eshbach, Galen S.**
Borrower Benefit:	First Time Land Buyer
Town:	Bluford, IL
Amount:	$470,100
Use of Funds:	Farmland – 180 acres w/buildings
Purchase Price:	$600,000 / ($505,000 / $2,805 per ac)
%Borrower Equity	4%
%Fairfield National Bank	18%
%IFA	78%
County/Region:	Jefferson / Southern
Lender/Bond Purchaser	Fairfield National Bank / Richard Talbert
Legislative Districts:	Congressional: 19th, John Shimkus
	State Senate: 54th, John Jones
	State House: 107th, John Cavaletto

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

ILLINOIS FINANCE AUTHORITY

NON-CONDUIT

March 9, 2010

Paul and Mark Hill
$500,000 AGRI-DEBT GUARANTEE

REQUEST	Purpose: Provide 85% loan guarantee in favor of Resource Bank to refinance the Borrower's debts. Project Description: The proposed loan of $500,000 will refinance and restructure $350,000 in carryover operating debt and existing term loans. Program Product Type: Agri-Debt Guarantee State Treasurer's Funds at Risk: $425,000 Conditions: **1)** Annual Profit/Loss statements and annual Balance Sheets provided to Resource Bank and IFA. **2)** No capital purchases in excess of $10,000 annually, without prior consent from Resource Bank and IFA. **3)** No additional term debt without prior consent from Resource Bank and IFA. **4)** Annual assignment of all crop insurance to lender.
BOARD ACTIONS	Final Resolution-85% Loan Guarantee Voting Record: None prior
MATERIAL CHANGES	N/A
JOB DATA	N/A Current jobs N/A New jobs projected N/A Retained jobs N/A Construction jobs projected
BORROWER DESCRIPTION	• Type of entity: Sole Proprietorship • Location: Rochelle • When was it established: 1979 • What does the entity do: Grain Farming • Who does the entity serve: N/A • What will new project facilitate: Refinancing Borrower's debts
Proposed Structure	Originating Bank: Resource Bank ("Bank") Collateral: 1st Mortgage on 92 acres of farmland Collateral Position: 1st Maturity Years: 10 Years , with option to renew Interest Rate: Fixed for 3 years (See Confidential Section)
Sources and Uses	IFA Guarantee: $425,000 Term Loans $150,000 Resource Bank $75,000 Carryover Debt $350,000 **Total $500,000 Total $500,000**
Recommendation	Credit Review Committee Recommends Approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 9, 2010

Project: Paul and Mark Hill

STATISTICS

Project Number:	A-AD-GT-8333	Amount:	$500,000
Type:	Agri-Debt Guarantee	IFA Staff:	Eric Reed
County/Region:	Ogle/Northern Stateline	City:	Rochelle

BOARD ACTION

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

Extraordinary conditions: None

VOTING RECORD

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

PURPOSE

Use of proceeds: Refinance the Borrowers 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 funded for this program and 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:	IFA Guarantee:	$425,000	Uses:	Carryover Debt	$350,000
	Resource Bank	$75,000		Term Loans	$150,000
	Total	**$500,000**			**$500,000**

FINANCING SUMMARY/STRUCTURE

Security:	1st Real Estate mortgage on 92 acres
Structure:	10 year term and 30 year amortization, with option for 10 year renewals subject to IFA approval.
Interest Mode:	Fixed for initial 3 years
Credit Enhancement:	IFA 85% Guarantee
Co-Borrowers:	Carl and Marie Hill, individually and personal trusts for each
Maturity:	10 years with option for 10 year renewals up to 30 years total, subject to IFA approval.
Estimated Closing Date:	April 15, 2010

PROJECT SUMMARY

Summary: Resource Bank has requested a $500,000 Agri-Debt Guarantee on behalf of Paul and Mark Hill to facilitate financing to restructure carryover operating debt and other existing term loans. As part of this refinancing, the Borrowers will also liquidate 80 acres of farmland in order to reduce leverage and debt requirements.

Project Rationale: With the addition of the IFA Guarantee and this refinancing, the bank will be able correct the Borrowers liquidity deficiency. By reducing their leverage, the Borrowers are also providing commitment to maintaining the viability of their operation. The addition of the IFA Guarantee will also provide a reduced interest rate to the Borrower from Resource Bank.

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

BUSINESS SUMMARY

Paul and Mark Hill operate a cash grain farm, on which they raise corn and soybeans. Their operation consists of approximately 1,600 acres this year, of which 220 acres is owned by their family. They intend to plant roughly 1,200 acres of corn and 400 acres of beans in 2010. Paul and Mark Hill have approximately 30 years of experience in farming.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Paul and Mark Hill

Project Location: 7727 Woodlawn Road
Rochelle, IL 61068

Collateral Ownership: Carl and Marie Hill

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	N/A		
Accountant:	Blackhawk FBFM	Freeport	
Originating Bank:	Resource Bank	Malta	Tim Funfsinn
Bank Counsel:	N/A		
IFA Advisors:	Scott Balice Strategies, LLC	Chicago	Lois Scott
IFA Counsel:	N/A		

LEGISLATIVE DISTRICTS

Congressional: Donald Manzullo, 16th
State Senate: J. Bradley Burzynski, 35th
State House: Robert Pritchard, 70th

BACKGROUND INFORMATION

Paul and Mark Hill, who are brothers, operate a cash grain farm, on which they raise corn and soybeans. Their operation consists of approximately 1,600 acres this year, of which 220 acres is owned by their family. Their total acreage has been decreased by 300 acres from a year ago. The Hills had rented a farm in 2009 at over $300/Ac. and chose not to renew the lease after experiencing numerous drainage issues and reduced yields.

The Hills intend to plant roughly 1,200 acres of corn and 400 acres of beans in 2010. According to the lender, the Hills are above average managers with regard to crop production practices, utilization of crop insurance, grain marketing, and use of government programs. The Borrowers utilize a well respected accounting firm to provide in-depth financial information to the bank each year and seek advice from the lender for financial decisions.

Paul and Mark Hill, who are both in their mid-50's, assumed leadership of the family farm in 1979, operate in DeKalb, Lee, and Ogle Counties. Their farmland varies widely from very productive to lesser quality soils, although they generally maximize each farm's potential output. Paul and Mark's parents Carl and Marie Hill will pledge sufficient collateral to secure the proposed loan. Carl Hill is 93 years old, while Marie is 80.

Like many farmers in Central and Northern Illinois, the Hills experienced very wet conditions in 2010, which significantly delayed their spring planting and fall harvest. These conditions caused a 25% reduction in corn yields and a 21% reduction in soybean yields in 2009, as compared to 2008 yields received by the Borrowers. Additionally, input costs increased in 2009 as a result of increased drying costs related to higher moisture grain harvested by farmers. These factors have caused a shortfall in the Borrowers 2009 cash flow.

ILLINOIS FINANCE AUTHORITY

CONDUIT

March 9, 2010

$17,200,000
Community of Faith Family Life Center, (The Renaissance Center Project)

REQUEST	**Purpose**: The proposed IFA Series 2011 Bond proceeds will be used to enable The Community of Faith Family Life Center ("CFFLC" or the "Center" or the "Borrower") to finance, refinance, and reimburse all or a portion of the costs of various capital improvements relating to funds used to finance, refinance, or reimburse Community of Faith Family Life Center for all or a portion of the costs relating to (1) the acquisition of vacant land located at 145th & Marshfield; and property generally located at Spaulding Ave. and Davis Court in Dixmoor, IL, (2) all necessary site improvements and site preparation costs required to redevelop the sites, (3) the construction and equipping of a residential campus with approximately 3 new, two-story building thereon, which will serve as the living quarters for 120 young men. A 16-bed 16,662 sq. ft. residential facility, a 72-bed 24,864 sq. ft. residential facility, a 29,384 sq. ft. community building.(4) fund any debt service reserve or similar fund deemed necessary to secure the Bonds, (5) to pay capitalized interest, and (6) pay all or a portion of bond issuance costs, including but not limited to credit enhancement fees on the Bonds, and related expenses **Program**: 501(c)(3) Bonds **Extraordinary Conditions -** None:
BOARD ACTIONS	Preliminary Bond Resolution
MATERIAL CHANGES	None
JOB DATA	0 Current jobs; 163 New jobs projected 0 Retained jobs; 120 Construction jobs projected
DESCRIPTION	● Location (Dixmoor / Cook County / Northeast Region) ● The Renaissance Center ("TRC" or the "Center") will be erected on land leased from the Village of Dixmoor, Illinois. A 29,000 plus square foot community building and fifteen 2764 square feet four bedroom townhomes will comprise the physical space for the Center. The community building will feature a dining facility, meeting rooms, learning and computer labs, a gymnasium and study and recreational areas, and service rooms. The townhomes will house two youths per bedroom for a total of 120 young men in this residential facility. Support services, social, educational, health and vocational education will be designed, developed and implemented, based on best practices in youth development. These services will include but are not limited to: psycho-social; mental and physical health; alternative education and college preparatory education; vocational training; job readiness and placement; and recreation.
CREDIT INDICATORS	● CFFLC has provided letters from Loop Capital Markets (the prospective "Underwriter") indicating the ability to market the debt to Qualified Institutional Investor. ● CFFLC is also meeting with several area banks in regards to a direct purchase mode.
PROPOSED STRUCTURE	● The Underwriter is currently evaluating prospective structures, including non-rated bonds CFFLC has also been meeting with area Banks in regards to having the debt directly purchased.

SOURCES AND USES

IFA Bonds	$17,200,000	Project Cost	$16,700,000
		Debt Svc Reserve	200,000
		Issuance Cost	300,000
Total	**$17,200,000**	**Total**	**$17,200,000**

RECOMMENDATION Credit Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 9, 2010

Project: **Community of Faith Family Life Center (Renaissance Center Project)**

STATISTICS

Project Number:	N-NP-TE-CD-8145	Amount:	$17,200,000 (not to exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Mauricio Nares
County/Region:	Cook/Northeast	Location:	Dixmoor

BOARD ACTION

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

VOTING RECORD

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

PURPOSE

The IFA Series 2011 Bond proceeds will be used to enable The Community of Faith Family Life Center ("CFFLC" or the "Center" or the "Borrower") to finance, refinance, and reimburse all or a portion of the costs of various capital improvements relating to funds used to finance, refinance, or reimburse The Community of Faith Family Life Center for all or a portion of the costs relating to (1) the acquisition of vacant land located at 145th & Marshfield; and near Spaulding Ave. and Davis Court in Dixmoor, IL, (2) all necessary site improvements and site preparation costs required to redevelop the sites, (3) the construction and equipping of a residential campus with approximately 3 new, two-story building thereon, which will serve as the living quarters for 120 young men. A 16-bed 16,662 sq. ft. residential facility, a 72-bed 24,864 sq. ft. residential facility , a 29,384 sq. ft. community building.(4) fund any debt service reserve or similar fund deemed necessary to secure the Bonds, (5) to pay capitalized interest, and (6) pay all or a portion of bond issuance costs, including but not limited to credit enhancement fees on the Bonds, and related expenses

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	0	Projected new jobs:	163
Jobs retained:	Not applicable	Construction jobs:	120

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

Sources:	IFA Bonds	$17,200,000	Uses:	Project Costs	16,700,000
				Debt Svc. Reserve	200,000
				Issuance Costs	300,000
	Total	**$17,200,000**		**Total**	**$17,200,000**

FINANCING SUMMARY

IFA Series 2011 Bonds:

Structure/
Security: Loop Capital Markets LLC (the "Underwriter") is currently evaluating prospective structures. CFFLC has also been meeting with area Banks in regards to having the debt directly purchased.

Maturity: Not-to-exceed 20 years (could be extended if the underlying land lease with Dixmoor can be extended from 30 years to 50 years)

Estimated
Interest Rates: The Underwriter is still evaluating prospective structures and will provide an estimated rate before the final bond resolution documentation beings.

Timing: Estimated closing timeframe: March 1, 2011

PROJECT SUMMARY

The Facility: **The Renaissance Center ("TRC" or the "Center")** will be erected on a spacious campus in the Village of Dixmoor, Illinois. A 29,000 plus square foot community building and fifteen 2,764 square feet four bedroom townhomes will comprise the physical space for the Center. The community building will feature a dining facility, meeting rooms, learning and computer labs, a gymnasium and study and recreational areas, and service rooms. The townhomes will house two youth per bedroom for a total of 120 young men in this residential facility. Support services, social, educational, health and vocational education will be designed, developed and implemented, based on best practices in youth development. These services will include but are not limited to: psycho-social; mental and physical health; alternative education and college preparatory education; vocational training; job readiness and placement; and recreation.

Mission: TRC's staff of professionals will accomplish its mission by developing community-based programs and facilities that support juveniles in becoming accountable for their behavior; and by developing adequate resources through partnerships with the broader community and consistent with the goals of CFFLC to strengthen families and communities. TRC's Youth Residential Services program will operate in south suburban Cook County serving a target population of young males who meet established eligibility requirements referred from jurisdictions of Juvenile, Family and Domestic Relations Court, Illinois Department of Children and Families, and Thornton Township, as well as other social service organizations. These youth will be exposed to strategies that engage alienated and disaffected young people in activities designed to help them acquire skills and knowledge, change attitudes and behaviors, gain work experience, and improve the quality of their lives.

The primary goal of this initiative is to substantially increase the proportion of at-risk young men 12 to 18-years old who have the personal values, educational competency, social coping and interpersonal skills to not simply a high school diploma, but to be well on their way to a postsecondary degree or certificate, obtain employment in jobs with career mobility opportunities, become involved in stable interpersonal relationships, not engage in risk-taking behaviors, and make substantial positive contributions to their communities.

The Renaissance Center will achieve its goal by increasing the availability of effective services to youthful offenders; increasing the capacity of community-based agencies and other human service agencies to address the continuum of need of juvenile offenders in an environment that is positive and closer to home and their family members.

TRC's 12 to 18 month of programs are designed to help participants work through their problems and arrive at positive life choices. TRC staff will be committed to supporting them in adjusting to mainstream society. TRC's high standards for character development and personal discipline will positively impact the maturation of participants and ensure their increased success.

Capacity: TRC will be a 120 bed residential facility for young males involved with the Illinois Juvenile Justice System, the Illinois Department of Children and Family Services (DCFS) system or other child welfare agencies. The average length of stay is expected at 12 to 18 months.

Eligibility Requirements:

- Male, age 12-18 at time of admission
- History of delinquent and other problematic behaviors
- Correctional and/or DCFS system involved
- If correctional system involvement, no violent crime charges.
- History of mental health, learning, and/or developmental disabilities
- Cannot be effectively treated in a less restrictive environment due to one or more of the following reasons: risk to others and/or self, aggression, and developmental risk

Education: On-site educational services incorporated into the treatment programs are designed to insure that students experience educational success. All school programs will comply with Illinois Department of Education guidelines for primary and secondary schools.

Physical and Mental Health: An intensive therapeutic component will help students deal with the emotional and psychological origins of their self-destructive behavior and adhere to Illinois Department of Children and Families *Rule 403: Licensing Standards for Group Homes.* TRC is unique in that it not only will provide, in collaboration with its partners, best practices in direct assessment, education, enrichment, mentoring, counseling, intensive case management, vocational training, and psycho-educational services to at-risk clients, but it will also offer culturally-sensitive case and program consulting services TRC will offer a holistic approach in the provision of services that takes into account the biological, psychological, social, educational, cultural, and of the individuals it serves.

Service providers fall into one of several categories: Residential, Educational, Medical, Dental, Optical, and Psychiatric and Psychological. Residential services providers will include the Director of Residential Services, Unit Supervisors, and Residential Support Workers (RSW). Educational service providers will include the Director of Academic Services/Principal, teachers, teaching assistants, math specialists, reading specialists, and tutors. Medical service providers will include the Medical Director, general practitioners, nurses, and nursing assistants. Dental service providers will include a dentist and dental assistant. Optical service providers will include optometrists and eye-care assistants. Psychiatric and Psychological service providers will include psychiatrists, psychologists, therapists, nurses, and case managers.

Estimated project costs include:

Land/site acquisition:	$200,000
New Construction/ Site improvements:	14,000,000
Machinery and Equipment	875,000
Architectural & Engineering	630,000
Legal and Professional	995,000
Total:	**$16,700,000**

BUSINESS SUMMARY

Background: The **Community of Faith Family Life Center ("CFFLC")** is affiliated with the Community of Faith Church of Markham, Illinois. The Community of Faith Church(the "Church") established CFFLC to support the Church's' mission of strengthening families and communities through the design, development and implementation of charitable, educational and social programs. CFFLC is the designated not-for-profit arm of the church. The Community of Faith Church wanted to ensure that there was clear separation between the religious functions of the church and its educational, social and charitable responsibilities to the surrounding communities. CFFLC accepts from all ethnic backgrounds, race, creed and religionious.

Description: As proposed, TRC will be a holistic residential and treatment center; and will provide multi-faceted educational, social, and health services to meet the continuum of need for a wide range of low-income and ethnically diverse communities across the Southern Cook County area, and to the at-risk youth and families who reside within them.

Rational: This project will enhance CFFLC's efforts to meet the varied needs of the communities it serves by adding services to its service delivery system, keeping young people nearer their family support systems as appropriate and extending capacity building and frontline services to local community-based agencies while expanding its service area. While CFFLC served over 40 troubled youth annually in its initial years of operation, the services received from CFFLC by the youth were limited to mentoring and youth development. Demand for services for troubled youth has increased significantly. During the past six years, in Thornton Township's 17 municipalities alone, more than 2,000 youths per month have been referred for services to local service collaboratives. Through crisis intervention and management programs, many of these agencies have sought placement sites for homeless, chronic runaways and "locked out" youth.

CONDUIT

March 9, 2010

$245,000,000

The Art Institute of Chicago

REQUEST

Purpose: Bond proceeds will be used by The Art Institute of Chicago ("AIC", the "Institute", or the "Borrower"), together with other funds of the Borrower, to refund all or a portion of AIC's outstanding IFA (IEFA) Series 1992, Series 1995, Series 1996 Bonds, Series 1998A, and Series 2000A Bonds (collectively, the "Prior Bonds") and to pay costs of issuance.

Program: 501(c)(3) Revenue Bonds

Extraordinary Conditions - None:

BOARD ACTIONS

Preliminary Bond Resolution.

MATERIAL CHANGES

No prior Board actions. This is the first time this financing has been presented to the IFA Board.

JOB DATA

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

DESCRIPTION

● Location (Chicago/Cook County/Northeast Region)

● The mission of The Art Institute of Chicago is to provide appreciation and education in visual fine arts and design.

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

CREDIT INDICATORS

● Underlying rating [anticipated at A1/A+ (Moody's/S&P) as of 1/25/2010].

PROPOSED STRUCTURE

● The Refunded Bonds will be sold in Fixed Rate Mode, including both serial and term bonds. Exact structuring terms to be determined prior to Final Bond Resolution.

SOURCES AND USES

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

RECOMMENDATION

Credit Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 9, 2010

Project: The Art Institute of Chicago

STATISTICS

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

BOARD ACTION

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

VOTING RECORD

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

PURPOSE

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

AIC contemplates refunding 100% of its outstanding principal balance on its IFA (IEFA) Series 1992, Series 1995, Series 1996, Series 1998-A, and Series 2000-A Bonds (and collectively, the "**Prior Bonds**"). The current outstanding balance of the Prior Bonds was approximately $176,405,000 as of 2/1/2010.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

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

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

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

FINANCING SUMMARY

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

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

Maturity: Up to 30 years (to be determined by Bond Counsel based on a review of useful life of assets)

Estimated
Interest Rates: The Art Institute and their financial advisor (Prager Sealy) are evaluating prospective structures, including a combination of Serial and Term Bonds and are currently soliciting proposals from various Underwriters to serve as Senior Manager and Co-Managers. Preliminary estimated interest rates range between 4.30% and 5.00% based on maturity and market conditions as of 2/19/2010. (Maturities on the existing Bonds range between 2027 and 2034 – any changes in final maturity dates will be subject to additional due diligence by the Institute and their financing team.)

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

Timing: Estimated closing date: April 30, 2010

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

PROJECT SUMMARY (for IFA Bond Resolution)

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

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

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

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

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

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

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

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

Additionally, although not subject to this request (and the accompanying Resolution), the Institute intends to convert $58.0 million of the IFA Series 2009B Variable Rate Demand Bonds to annual put bonds.

Estimated project costs are comprised of:

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

BUSINESS SUMMARY

Background: **The Art Institute of Chicago** ("**AIC**", the "**Institute**" or the "**Borrower**") was incorporated as an Illinois not-for-profit corporation in 1879. The Institute received its original 501(c)(3) Determination Letter from the IRS in August 1925. The Institute is governed by an independent Board of Trustees (see Page 6 for listing).

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

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

- _Academic Program – School of the Art Institutes:_ Its academic programs ("School") offer comprehensive undergraduate and graduate curricula through the School of the Art Institute that prepare visual artists, teachers of art, designers, and others in areas that include written, spoken, and media formats.
    - The School is a degree-granting institution that is fully accredited with the North Central Association of Colleges and Schools, and with the National Association of Schools of Art and Design.
    - The Institute believes that the School is one of the most prestigious and comprehensive professional art schools in the world.
    - In the Fall Term of 2009, the School had approximately 3,000 degree-seeking students. The School also offers 715 permanent beds of student housing at several nearby locations.
    - As of June 30, 2008, the School had a faculty of 136 full-time tenured members, 550 part-time faculty members, and 4 visiting guest faculty.
- Operation of the Ryerson and Burnham Libraries (the "Libraries") are located in the main building of the Institute at 111 South Michigan Avenue in Chicago. These Libraries provide an important reference resource to School students, Museum Members, staff, and art scholars internationally and are among the largest art and architecture research libraries in the U.S.

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

Table 1: Summary of Museum Attendance and Membership:

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

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

The Art Institute of Chicago currently has ten (10) series of IFA Bond issues outstanding comprised of five (5) of Variable Rate Bond issues and five (5) Fixed Rate Bond issues as of 2/1/2010. All payments relating to the ten outstanding series of IFA Bonds (the "Prior Bonds") were current as of 2/1/2010. Details regarding the Prior Bonds follow below:

- The Art Institute currently has five series of Variable Rate Bond issues outstanding totaling $148.0 million as of 2/1/2010 (two series totaling $80.0 million were closed in 2009) . *Three Series of Variable Rate Bond totaling $68.0 million were issued in 1992, 1995, and 1996 (by the Illinois Educational Facilities Authority) and will likely be refunded as Fixed Rate Bonds with proceeds of the subject IFA Series 2010 Revenue Refunding Bonds.*
- The Art Institute has five series of Intermediate Term and Long Term Bonds outstanding totaling approximately $127.8 million as of 6/30/2008. All five Intermediate/Fixed Rate series were sold without credit enhancement based on the direct, underlying investment ratings of The Art Institute of Chicago and were originally issued by IEFA in 1998, 2000, 2003, along with two fixed rate series of IFA Bonds that closed in 2009. *Prospectively, certain of the Medium Term Series 1998A Bonds ($29.88MM outstanding) and Series*

2000A Bonds ($78.525MM outstanding) may be refunded with proceeds of the new IFA Series 2010 Bonds.

All bondholder payments relating to the all Prior IFA (IEFA) Bond Issues were current as of 2/1/2010.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The Art Institute of Chicago, 111 S. Michigan Ave., Chicago, IL 60603-6488
Web site:	www.artic.edu/aic
Web cam on addition:	http://www.artic.edu/aic/aboutus/newbuilding/index.html
Contact:	Eric Anyah, Senior VP for Finance, (T): 312-499-4263; (F) 312-499-4267; E-mail: eanyah@artic.edu
Project name:	IFA Revenue Refunding Bonds, Series 2010 (The Art Institute of Chicago)
Location:	111 S. Michigan Ave., 112 S. Michigan, Ave., 116 S. Michigan Ave., 7 W. Madison, and 1919 W. 43rd Street, all in Chicago (Cook County), IL
Organization:	Illinois 501(c)(3) Corporation
Board Membership:	*See attached list of Board of Trustees (see Page 6).*
Current Land Owner:	Legal title to the Institute's buildings in Grant Park and the land on which they are situated is vested in the Chicago Park District, but the Institute is vested with the sole and permanent right to the use and occupancy of the lands, buildings, and improvements at no cost to the Institute provided the facilities are used to support the Institute's mission.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Foley & Lardner LLP	Chicago, IL	Janet Zeigler, Mike Bailey
Borrower's Financial Advisor:	Prager Sealy & Co. LLC	New York, NY	Linda Fan
Auditor:	Deloitte & Touche LLP	Chicago, IL	Scott Hurwitz
Bond Counsel:	Orrick Herrington & Sutcliffe LLP	New York, NY	Eileen Heitzler
Underwriter/Senior Manager/Co-Managers:	Negotiating with JPMorgan Securities, Goldman Sachs, Morgan Stanley, William Blair & Co., LLC, Wells Fargo Capital Markets, Bank of America Merrill Lynch, Cabrera Capital Markets, LLC, and Loop Capital Markets, LLC		
Underwriter's Counsel:	To be determined		
Trustee:	To be determined		
General Contractor:	Not applicable		
Architects:	Not applicable		
Rating Agencies:	Moody's Investors Service	New York, NY	
	Standard & Poor's Ratings Services	New York, NY	
IFA Counsel:	Gonzalez Saggio & Harlan, LLP	Chicago, IL	Tim Wright
IFA Financial Advisor:	Scott Balice Strategies	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

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

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

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

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

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

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

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

IFA ILLINOIS FINANCE AUTHORITY

CONDUIT

March 9, 2010

$25,000,000
The Poetry Foundation

REQUEST	**Purpose**: To finance, refinance, and reimburse all or a portion of the costs of various capital improvements relating to funds used to finance, refinance, or reimburse the Foundation for all or a portion of the costs relating to (1) the acquisition of a 16,000 SF site located at the Southwest corner of North Dearborn Street and West Superior Street improved with two buildings located thereon (and the approximate street addresses of 55 W. Superior to 61 W. Superior Street) in Chicago, Illinois, (2) the demolition of the existing buildings and all necessary site improvements and site preparation costs required to redevelop the site, (3) the construction and equipping of a new, approximately 23,000 Gross SF, two-story building thereon, (4) to fund any debt service reserve or similar fund deemed necessary to secure the Bonds, (5) to pay capitalized interest, and (6) to pay all or a portion of bond issuance costs, including but not limited to credit enhancement fees on the Bonds, and related expenses **Program**: 501(c)(3) Bonds **Extraordinary Conditions -** None:
BOARD ACTIONS	Final Bond Resolution, October 23, 2008 Ayes: 9; Nays: 0; Abstentions: 0, Vacancies: 4, Absent: 2 (Herrin, Leonard)
MATERIAL CHANGES	Expect to add S&P rating to the previously contemplated Moody's rating. An update on the current status on Attorney General Inquiry will be disclosed in the Preliminary Official Statement, when released. On 3/5/2010, IFA staff had a conversation with the Charitable Trust Division of the Attorney General's Office, and their statement is substantively similar to that made in a *Chicago Tribune* article dated 12/31/2009 regarding the subject inquiry. Specifically, the Attorney General's office has not found any violations. Further, the Charitable Trust Division advised IFA staff that the general policy of the Attorney General's office is not to issue closing letters or issue public statements upon conclusion regarding investigations of this type.
JOB DATA	19 Current jobs; 8 New jobs projected 0 Retained jobs; 75 Construction jobs projected
DESCRIPTION	● Location (Chicago / Cook County / Northeast Region) ● The Poetry Foundation was founded in 1941 as the Modern Poetry Association and is incorporated as an Illinois not-for-profit corporation. The Poetry Foundation is governed by an independent Board of Trustees. ● The Project will serve as the administrative headquarters for the Poetry Foundation and its programs. Additionally, the new project will enable the Foundation to (1) house its archives and collections in a new, on-site library (presently, its collection is displayed and stored at the Newberry Library), (2) host public programming events including readings, panel discussions, and seminars at its own, dedicated facility, and (3) a public garden/outdoor space open to the public.
CREDIT INDICATORS	● The Bonds are expected to be rated A1/A+ (Moody's/S&P)
PROPOSED STRUCTURE	● The Bonds will be sold in Fixed Rate Mode ● Underlying rating [anticipated at A1/A+ (Moody's/S&P) as of 2/17/2010].

SOURCES AND USES

IFA Bonds	$23,705,000	Project Costs	$23,123,000
		Debt Svc. Reserve	230,000
		Issuance Costs	352,000
Total	**$23,705,000**	**Total**	**$23,705,000**

RECOMMENDATION Credit Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 9, 2010

Project: The Poetry Foundation

STATISTICS

Project Number:	N-NP-TE-CD-8145	Amount:	$25,000,000 (not-to-exceed amount; anticipated Par Amount: $15,000,000 to $23,705,000)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Mauricio Nares
County/Region:	Cook/Northeast	Location:	Chicago

BOARD ACTION

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

VOTING RECORD

Final Bond Resolution, October 23, 2008
Ayes: 9, Nays: 0, Abstentions: None, Vacancy: 4, Absent: 2 (Herrin, Leonard)

PURPOSE

The IFA Series 2008 Bond proceeds will be used to enable **The Poetry Foundation** (the **"Foundation"** or the **"Borrower"**) to finance, refinance, and reimburse all or a portion of the costs of various capital improvements relating to funds used to finance, refinance, or reimburse the Foundation for all or a portion of the costs relating to (1) the acquisition of a 16,000 SF site located at the southwest corner of North Dearborn Street and West Superior Street improved with two buildings located thereon (and the approximate street addresses of 55 W. Superior to 61 W. Superior Street, in Chicago, Illinois, (2) the demolition of the existing buildings and all necessary site improvements and site preparation costs required to redevelop the site, (3) the construction and equipping of a new, approximately 23,000 Gross SF, two-story building thereon, (4) fund any debt service reserve or similar fund deemed necessary to secure the Bonds, (5) to pay capitalized interest, and (6) pay all or a portion of bond issuance costs, including but not limited to credit enhancement fees on the Bonds, and related expenses (the "**Project**").

The Project will serve as the administrative headquarters for the Poetry Foundation and its programs. Additionally, the new project will enable the Foundation to (1) house its archives and collections in a new, on-site library (presently, its collection is displayed and stored at the Newberry Library), (2) host public programming events including readings, panel discussions, and seminars at its own, dedicated facility, and (3) a public garden/outdoor space open to the public.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	19 (16 FT; 3 PT)	Projected new jobs:	8
Jobs retained:	Not applicable	Construction jobs:	75-80 on average (18 months). A total of 250 construction workers are estimated over the 18 month construction period.

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

Sources:	IFA Bonds	$23,705,000	Uses:	Project Costs	$23,123,000
				Debt Svc. Reserve	230,000
				Issuance Costs	352,000
	Total	**$23,705,000**		**Total**	**$23,705,000**

FINANCING SUMMARY

IFA Fixed Rate Series 2010 Bonds:

Structure/ Security: The Bonds will be sold in Fixed Rate Mode. The Borrower and Underwriter (William Blair & Company) will evaluate whether municipal bond insurance provides the Foundation with a rate that is advantageous compared to a sale based on the Foundation's direct, underlying rating [anticipated at A1/A+ (Moody's/S&P) as of 2/24/2010]. Bondholders will be secured solely by a General Pledge of the Foundation.

Underlying Ratings: The Poetry Foundation is applying for a long-term Issuer Rating from Moody's and/or S&P in connection with the proposed IFA Series 2008A Bonds. William Blair & Company LLC anticipates that these Bonds will be rated A1/A+ by Moody's/S&P.

Maturity: Not-to-exceed 30 years

Estimated Interest Rates: Although William Blair & Company LLC (the "Underwriter") is currently evaluating prospective structures, including both Fixed Rate and Variable Rate Bonds, the most likely scenario will be a Fixed Rate Bond issue. William Blair has estimated that the proposed Bonds would bear an interest rate ranging between 5.00% and 5.50% based on market conditions as of 2/17/2010.

Timing: Estimated closing timeframe: March 1, 2010 – May 31, 2010

Rationale: The Project will serve as the administrative headquarters for the Poetry Foundation and its programs. Additionally, the new project will enable the Foundation to (1) house its archives and collections in a new, on-site library (presently, its collection is displayed and stored at the Newberry Library), (2) host public programming events including readings, panel discussions, and seminars at its own, dedicated facility, and (3) a public garden/outdoor space open to the public.

PROJECT SUMMARY (for IFA Bond Resolution)

The IFA Series 2010 Bond proceeds will be used to enable The Poetry Foundation (the "Foundation" or the "Borrower") to finance, refinance, and reimburse all or a portion of the costs of various capital improvements relating to funds used to finance, refinance, or reimburse the Foundation for all or a portion of the costs relating to (1) the acquisition of a 16,000 SF site located at or around the SW corner of N. Dearborn St. and W. Superior St., with approximate addresses of 55 through 61 W. Superior Street, Chicago, Illinois (the "Site") , (2) the acquisition, construction, furnishing and equipping on the Site a two-story, approximately 23,000 SF facility for the Foundation's programs, including offices for the Corporation and its programs, a library and archives, a multi-purpose space designed to support public programming including readings, panel discussions and seminars and public outdoor open space, (3) any such other related improvements as may be necessary and desirable for the purposes of the Foundation, (4) fund any debt service reserve or similar fund deemed necessary to secure the Bonds, (5) to pay capitalized interest for a period of up to two years, and (6) pay all or a portion of bond issuance costs, including but not limited to credit enhancement fees on the Bonds, and related expenses (the "**Project**").

The initial owner, operator, or manager of all of the facilities being financed, refinanced, or reimbursed with the proceeds of the Bonds is the Foundation.

Estimated project costs include:

Land/site acquisition:	$7,316,000
New Construction/ Site improvements:	14,284,000
Capitalized interest:	1,523,000
Total:	**$23,123,000**

BUSINESS SUMMARY

Background: The Poetry Foundation was founded in 1941 as the Modern Poetry Association and is incorporated as an Illinois not-for-profit corporation. The Poetry Foundation is governed by an independent Board of Trustees (see p. 7 for listing).

Description: The mission of The Poetry Foundation is to raise poetry to a more visible and influential position in American culture, existing to discover and recognize the best poetry and to place it before the largest possible audience.

Upon receiving a major gift from philanthropist Ruth Lilly, the Poetry Foundation was established in 2003, as a successor to the Modern Poetry Association. Subsequently, the Poetry Foundation has expanded its programs and established an endowment that will enable the Foundation's Chicago-based ***Poetry*** magazine to exist in perpetuity.

The Foundation fulfills its mission through by developing new audiences, developing new venues, encouraging the writing of criticism, and proposing new kinds of poetry through the following undertakings:

- **Poetry Magazine:** The Foundation provides direct financial support for Poetry Magazine, the pre-eminent poetry magazine in the English-speaking world. The Magazine publishes both new poets as well as criticism and has been based in Chicago since it was established by Harriet Monroe in 1912. Circulation is 27,000.
- **The Poetry in America Study (National Opinion Research Center):** The Foundation will periodically commission the Chicago-based National Opinion Research Center to undertake interviews with American adults who read for pleasure to gauge their attitudes and to ultimate gauge who reads poetry, why they read it, where they find it, and to learn

which types they hear and read. These periodic studies are intended to assist educators, publishers, and arts organizations.

- **Online Initiatives:** As a result of a past Poetry in America study, the Foundation is committed to building the internet's leading website for poetry in order to (i) reach and engage a broad audience in poetry and (ii) to provide an online presence that will support the Foundation's other initiatives and programs (see www.poetryfoundation.org).
- **Poetry and Youth:** As a result of the Poetry in America study, the Foundation now offers a variety of programs to develop new audiences for poetry among children and young adults.

- **Poetry in the Media:** Over time, the Foundation aims to enhance the presence of poetry in each of the major traditional media channels including (i) print, (ii) radio, (iii) television, (iv) film, and (v) new media technologies.
- **Awards and Recognitions:** The Foundation has established the Lilly Prize and Fellowships and plans to expand the Pegasus Awards, its family of prizes intended to celebrate the works of under-recognized poets and types of poetry.
- **New Foundation Headquarters/Symposia/Performance Venue:** The Board of the Poetry Foundation initiated its plan to establish a new, permanent home for the Foundation in 2008. The new facility will help formalize the Foundation's national leadership role and also establish a destination venue for symposia and both performance and civic events.

The proposed Bonds will be the first time that the Poetry Foundation has sought tax-exempt financing. The Poetry Foundation is currently debt-free.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The Poetry Foundation, 444 N. Michigan Ave., Suite 185D, Chicago, IL 60611-4034;
Web site:	www.poetryfoundation.org
Contact:	Ms. Caren F. Skoulas, Chief Financial Officer (T): 312-799-8010; E-mail: carenskoulas@poetryfoundation.org
Project name:	IFA Revenue Bonds, Series 2008 (The Poetry Foundation Project)
Location:	55 W. Superior St. to 61 West Superior St. (also 720 N. Dearborn St.), Chicago, IL 60654-3818
Organization:	Illinois 501(c)(3) Corporation
Board Membership:	*See attached list of Board of Trustees (see p. 6).*
Current Land Owner:	The Poetry Foundation closed on the acquisition of the subject site in July 2008. The Foundation plans to demolish both existing buildings on the site and construct a new building to house the Foundation.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Mayer Brown LLP	Chicago, IL	Joanna Horsnail, David Narefsky
Auditor:	Grant Thornton LLP	Chicago, IL	Tom Brean
Bond Counsel:	Perkins Coie LLP	Chicago, IL	Bill Corbin, Kurt Neumann
Underwriter/Senior Manager:	William Blair & Co. LLC	Chicago, IL	John Peterson, Celia Miller
Underwriter's Counsel:	Jones Day LLP	Chicago, IL	Dan Bacastow, Jennifer Russano
Trustee:	Bank of New York Trust Company	Chicago, IL	Mietka Collins
Trustee's Counsel:	Bank of New York Trust Company	Chicago, IL	John Prendiville

Project Manager:	US Equities Realty LLC	Chicago, IL	
General Contractor:	Norcon, Inc.	Chicago, IL	Jeff Jozwiak
Architect:	John Ronan Architects, Inc.	Chicago, IL	
Environmental Consultant:	Mostardi Platt Environmental	Oak Brook, IL	
Rating Agency:	Moody's Investors Service	New York, NY	Diana Viacava
		Chicago, IL	Edward Damutz
	Standard & Poor's	New York, NY	
IFA Counsel:	Charity & Associates, P.C.	Chicago, IL	Alan Bell
IFA Financial Advisors:	Scott Balice Strategies	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

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

BOARD OF TRUSTEES
2009

Trustee	**Affiliation-Officers**
John Barr	President, The Poetry Foundation
Thomas C. Cronin	Attorney, Cummins & Cronin, LLC; Cronin Enterprises, LLC; Yor-Vallette Corporation
Deborah Cummins	Poet; no other affiliations
Susan Page Estes	Managing Director, UBS (Investment Banking)
Celia Hilliard	Writer, Historian (Art Institute of Chicago; Northwestern University Women's Board; Women's Athletic Club of Chicago; Caxton Club of Chicago)
Ethel Kaplan, Chair	VP-Trust Administration, Wayne Hummer Trust Company
John J. Kenney, *Vice Chair*	Attorney, Hoguet Newman Regal & Kenney, LLP (Bennington College; Citizens Crime Commission of the City of New York; American Association for the International Commission of Jurists; New York State Disciplinary Committee)
Bill Kurtis	Kurtis Productions (Columbia College; Field Museum; Millennium Park, Inc.; Tallgrass Beef; Prairie Grass Café, Red Buffalo Ranch; Chicago Green City Market; Chicago Botanic Garden; Field Museum of Chicago)
Donald G. Marshal, *Chair*	Professor, Pepperdine University
Robert C. McCormack, *Vice Chair*	Founding Partner, Trident Capital (The Northern Trust Company; Illinois Tool Works, Inc.; DeVry, Inc.; Mead WestVaco, Inc.; Rehabilitation Institute of Chicago)
Daniel Menaker	Former Executive Editor-in-Chief, Random House Publishing Group (titlepage.tv)
Patricia Nissen	Public Relations Consultant; Writer (Center Stage of Lake Forest; Lake Forest Symphony; Lake Bluff Library; Illinois Symphony Orchestra)
Robert Wedgeworth, *Secretary*	Retired President, ProLiteracy Worldwide & Retired Executive Director, American Library Association (Newberry Library; Wabash College)
Paul Ruxin	Retired Partner, Jones Day LLP (Folger Shakespeare Library; Newberry Library; Yale Boswell Editions; Friends of Amherst College Library;
Addie S. Baker (Emeritus)	Civic Leader
Gilda R. Buchbinder (Emeritus)	Civic Leader
Andy Austin Cohen (Emeritus)	Courtroom Artist
Warren Bryan Fuermann (Emeritus)	Lecturer, Yale University

Ruth Horwich (Emeritus)	Civic Leader (The Museum of Contemporary Art; The Art Institute of Chicago; Chicago Cultural Center; Glessner House; The Hyde Park Art Center; Smart Museum of Art)
Eileen Mackevich	Abraham Lincoln Bicentennial Commission/Foundation; University of Chicago Women's Board; Chicago Network of Women; Heartland Literary Society
Diana Prince (Emeritus)	Civic Leader (Preservation Society of Newport County; National Gallery of Art; Washington National Opera)
Rudolph Rasin (Emeritus)	President, The Rasin Corporation (Alliance Brands, LLC; Riverwest Brands, LLC; Stenning Brands, LLC; Geneva Lake Conservancy; Facets Multimedia)

TAXABLE CONDUIT

ILLINOIS FINANCE AUTHORITY

March 9, 2010

$48,000,000

AFFORDABLE ASSISTED LIVING COALITION NOTE PROGRAM

REQUEST	**Purpose**: Note proceeds will be used to finance the cost of purchasing Medicaid accounts receivables from affordable assisted living providers across Illinois. **Program**: Conduit Taxable Bonds secured by State of Illinois Medicaid Receivables **Extraordinary Conditions**: The IFA will be assigned the receivables and sell the Notes to sophisticated investors.
BOARD ACTIONS	Preliminary Bond Resolution
MATERIAL CHANGES	None.
JOB DATA CENSUS:	5,000 Current jobs; 0 Jobs created by project + 5,000 Retained jobs; 0 Construction jobs created by project +
BORROWER DESCRIPTION	● Locations: Statewide ● The Affordable Assisted Living Coalition is a not-for-profit organization that represents Supportive Living Facilities (SLFs) in Illinois. SLF is an affordable, Medicaid-waiver model of assisted living that operates under a program administered by the Department of Healthcare and Family Services. ● The Affordable Assisted Living Coalition (AALC) is a 501(c)(6) not-for-profit membership organization made up of individuals and entities that develop and/or operate affordable assisted living projects (Supportive Living Facilities or SLFs) and their business partners that have an interest or involvement in Illinois' Supportive Living Program ● The Coalition's Executive Director, Wayne Smallwood, has over 30 years of experience with Illinois government in the Department of Healthcare & Family Services, formerly known as the Department of Public Aid. He is a recognized authority on the Supportive Living Program.
RATING	• Unrated
SECURITY	• Secured by State of Illinois approved receivables • Receivables accrue additional State of Illinois paid interest at a rate of 2%/month.
PROPOSED STRUCTURE	• The receivables will be assigned to IFA. • IFA will issue Notes which will be purchased by sophisticated investors • Proceeds of the Note sale will be paid to the Borrowers
INSURANCE	• None
TERM	• The Notes will amortize over a two year period

ESTIMATED SOURCES AND USES

IFA Bonds	$48,000,000	Receivables Fund	$47,220,000
		Underwriter's Discount	$480,000
		Cost of Issuance	$300,000
Total	**$48,000,000**	**Total**	**$48,000,000**

RECOMMENDATION	Credit Committee Recommends Approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 9, 2010

Project: Affordable Assisted Living Coalition

STATISTICS

Project Number:	H-AL-TE-CD-8332	Amount:	$48,000,000 (Not to exceed)
Type:	Taxable Conduit Bonds	IFA Staff:	Pam Lenane and Bill Claus
Locations:	Statewide		

BOARD ACTION

Preliminary Bond Resolution	No extraordinary conditions
Taxable Conduit Bonds	Staff recommends Approval.
No IFA funds at risk	

PURPOSE

Note proceeds will be used to finance the cost of (1) purchasing Medicaid accounts receivables from affordable assisted living providers across Illinois and (2) paying costs of issuance.

IFA PROGRAM AND CONTRIBUTION

The Illinois Finance Authority Act (20 ILCS 3501/801-1 et seq) provides IFA with the authority to issue debt for the purpose of financing Medicaid receivables and to loan the proceeds to the Providers (or alternatively, to purchase the receivables from the Providers), to receive a pledge and assignment of the receivables from the Providers and to pledge and apply the receivables to the repayment of debt. This conclusion assumes that each SLF meets the statutory definition of a "public or private congregate, life or extended care or elderly housing facility or any public or private home for the aged or infirm…." set forth in 20 ILCS 3501/801- 10(j) of the Act.

Section 1902(a)(32) of the Federal Social Security Act generally prohibits vendors from assigning payments to be made under the Medicaid program, but permits assignments to a "governmental agency or entity." The Attorney General of the State of Illinois issued an opinion on March 19, 1993 to the effect that two predecessor authorities to IFA (the Illinois Development Finance Authority and the Illinois Health Facilities Authority) were both governmental entities or agencies of the State of Illinois within the purview of the Social Security Act. We believe that IFA would also qualify as a governmental agency or entity of the State within the meaning of the Social Security Act as IFA is a successor entity to both the Illinois Development Finance Authority and Illinois Health Facilities Authority, although the parties may want to seek an updated Attorney General opinion on the matter.

VOTING RECORD

No Volume Cap is required for the purchase of, or a financing secured by, Medicaid receivables.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$48,000,000	Uses:	Receivables Fund	$47,220,000
				Underwriter's Discount	$480,000

		Cost of Issuance	$300,000
Total	**$48,000,000**	**Total**	**$48,000,000**

JOBS

Current employment:	5,000+	Projected new jobs:	0
Jobs retained:	5,000+	Construction jobs:	0

BUSINESS SUMMARY

The Problem:
Due to ongoing State of Illinois budgetary and fiscal issues the State remains several months late in paying the Medicaid accounts for all of the 119 supportive living facilities (SLF) in Illinois. These payments fund affordable assisted living services for their frail and disabled residents who receive Medicaid assistance. Typically, the State processes the Medicaid invoices and reimburses the SLFs within 60 – 90 days and up to 120 days of invoice. Due to budgetary shortfalls, the State may have to extend the reimbursement intervals to 180 – 365 days. Absent any legislative or other fiscal breakthroughs which will be necessary to balance the State budget and to bring these accounts receivable current, the underlying SLFs would like to sell their State receivables. Importantly, while often delayed, the State has never failed to make these payments.

The Solution:
William Blair & Company and the Affordable Assisted Living Coalition (Illinois SLF trade association) have structured an Accounts Receivable Note program which will fund up to 365 days of accounts receivable and provide reimbursement for each month of SLF Medicaid invoices. Separately, this program will allow the State to better manage its payment obligations under the SLF Program. The Program will be funded with a $48,000,000 taxable Note issue issued by the Illinois Finance Authority and underwritten by William Blair & Company. The Notes will be dated April 1, 2010 and will mature November 1, 2010 and June 1, 2011. Having two maturities will allow the SLF's to select participation for either six or twelve months. The Note proceeds will fund on a monthly basis the receivable invoices submitted by each SLF and certified by the State Department of Healthcare and Human Services. Thus, each participating SLF will receive immediate month's funding for their Medicaid receivables over the next six months to one year. Each participating SLF's Medicaid receivables will be pledged to IFA (the "Issuer") to secure the Notes. Payments from the State will be deposited with the trustee to retire the Notes and pay interest when due (prior to or on the 180th and 365th day). To the extent the receivables are longer than 60 days delinquent they will earn 2% per month (pursuant to the Illinois Prompt Payment Act) from the State and that amount will also be pledged to the trustee (or IFA) to pay debt service. The initial 60 day receivables will be discounted at 2% (for 30 days) to cover that month's interest.

Legal Considerations:
Section 1902(a)(32) of the Federal Social Security Act generally prohibits vendors from assigning payments to be made under the Medicaid program, but permits assignments to a "governmental agency or entity." The Attorney General of the State of Illinois issued an opinion on March 19, 1993 to the effect that two predecessor authorities to IFA (the Illinois Development Finance Authority and the Illinois Health Facilities Authority) were both governmental entities or agencies of the State of Illinois within the purview of the Social Security Act. We believe that IFA would also qualify as a governmental agency or entity of the State within the meaning of the Social Security Act, although the parties may want to seek an updated Attorney General opinion on the matter.

This does not constitute a formal legal opinion and remains subject to review by counsel.

PROJECT SUMMARY

Note proceeds will provide payment to the providers for services already provided. Upon receipt by the providers, funds have no restrictions as to use.

FINANCING SUMMARY

The Financing:	1. The Borrower's members providers (the "SLFs") pledge/sell Medicaid receivables to IFA as security for Notes. 2. Underwriter sells Notes to marketplace investors who will commit to purchase 6 and 12 months worth of receivables as they are presented each month (monthly takedowns of receivables are estimated at $4 million per month). 3. As State payments are received, they are remitted directly to the Trustee as the Issuer's designee for payment and the Notes are repaid for that amount. 4. The next month's receivables for that month will again be purchased until the end of the 6 month and 12 month periods. 5. Final State payments for those periods will be received and paid to the Trustee to retire the final balances.
Security/Collateral:	Assignment of Medicaid receivables as evidenced by Supportive Living Facilities ("SLF") invoices and State of Illinois (the "State") verification of same. Receivables are pledged to the Issuer and assigned to the Trustee for benefit of the Noteholders. State payments are deposited into an account under the control of the Issuer at the Trustee. Notes may also be repaid from subsequent Note issues.
Payment Source:	Payments from the State of Illinois on verified receivables for services previously provided.
Structure:	The Notes will accrue an interest rate not to exceed 2% per month (24% annually).
Insurance:	None
Term:	The Notes are expected to amortize over two years, however interest will continue to accrued at 2% per month until paid in full.
Credit Rating(s):	The Receivables and Notes are expected to remain non-rated.

ECONOMIC DISCLOSURE STATEMENT

Project name:	Affordable Assisted Living Coalition (AALC)
Organization:	501(c)(6) Not-for-Profit Corporation
State:	Illinois
Board of Trustees:	

Margel Peddicord	Mike Scavotto
Nancy McCaffrey	Cathy Croft
Rod Burkett	Bruce Schiff
Michael Greer	Steven N. Lavenda
Mitch Hamblet	Jerry Finis

PROFESSIONAL & FINANCIAL

Bond Counsel:	Greenberg Traurig LLP	Chicago	Matt Lewin
Underwriter:	William Blair & Co., LLC	Chicago	Chuck Freeburg
Underwriter's Counsel:	Ungaretti & Harris LLP	Chicago	Julie Seymour
Bond Trustee:	TBD	Chicago	TBD
Issuer's Counsel:	TBD	Chicago	TBD
IFA Financial Advisors:	Scott Balice Strategies	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Statewide

BACKGROUND / SUPPLEMENTAL INFORMATION ON SUPPORTIVE LIVING FACILITIES

Illinois' SLF Program: The Developer and the Illinois Department of Healthcare and Family Services executed a Contract for Furnishing Services (the "Contract") under the Supportive Living Program in August 2005. Pursuant to this Contract, the Owner must begin operations by May 2009 (subject to extension if project is under construction by May 2009). This Contract provides for the reimbursement of Covered Services to Eligible Residents under the Medical Assistance Program.

The State of Illinois (Department of Healthcare and Family Services) developed the Supportive Living Program as an alternative to nursing home care for (1) low-income older persons and (2) persons with disabilities under Medicaid. Supportive Living Facilities are designed to combine apartment-style housing with personal care and other services, enabling residents to continue to live independently.

The objective of the SLF Program is to reduce the State's Medicaid expenditures. SLF Facilities can reduce daily Medicaid reimbursement rates from $100/day to $60.23/day in certain regions. Approximately 32% of current SLF residents have relocated from a nursing home. Illinois has 105 open and operating SLF's (providing over 9,200 apartments), with approximately 42 additional facilities approved according to the State's SLF website (as of 12/3/2008; see www.slfillinois.com).

To test the concept of supportive living for Medicaid clients, the Department of Healthcare and Family Services has obtained a "waiver" to allow payment for services that are not routinely covered by Medicaid including personal care, homemaking, laundry, medication supervision, social activities, recreation, and 24-hour staffing. Residents are responsible for paying the cost of room and board.

Medicaid service reimbursement rates in Illinois are set at approximately 60% of the regional nursing home per diem rate. Maximum income for single tenants is approximately $23,000 for the Marion SLF project. Certified SLF's can charge a different rate for private pay residents.

Each qualified Medicaid-eligible resident must contribute all but $90 of income each month to cover monthly room and board.

State-certified SLF's are exempt from (1) the Nursing Home Care Act, (2) the Health Facilities Planning Act, and (3) the Assisted Living and Shared Housing Act. **IFA Bonds issued for these facilities are classified as "Qualified Residential Rental Facilities" under Section 142(a)(7) of the Internal Revenue Code and issued as "Multifamily Housing Bonds".**

Finally, the Bond Documents for SLF projects require Marion Supportive Living L.P., IFA, and US Bank to execute a Land Use Restriction Agreement, as customary for all affordable rental housing transactions. This Land Use Restriction Agreement will assure that the Project is leased to qualified Low or Moderate Income Tenants (i.e., occupants whose adjusted income does not exceed 60% of the Median Gross Income) for the life of the Project.

Accessibility: As new construction projects, all SLF's comply with the Americans with Disabilities Act ("ADA"). Accordingly, all public areas of each facility comply with ADA.

CONDUIT

March 9, 2010

$150,000,000
ALEXIAN BROTHERS HEALTH SYSTEM

REQUEST	**Purpose**: Proceeds will be used to: 1) refund the remaining balance of the Alexian Brothers Health System Series 2005C Bonds, 2) fund a Project Fund for hospital modernization, 3) fund a Debt Service Reserve, and 4) pay certain expenses incurred in connection with the issuance of the Series 2010 Bonds. **Program**: Conduit 501(c)(3) Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution
MATERIAL CHANGES	Voting Record for February 9, 2010: 8 ayes, 0 nays, 0 abstentions, 5 absent (Rivera, Leonard, DeNard, Poole, McInerney, Bashir), 1 vacancy .
JOB DATA	8,119 Current jobs / 0 Jobs created by project 8,119 Retained jobs / 400 Approximate construction jobs created by project
BORROWER DESCRIPTION	● Locations: Elk Grove Village and Hoffman Estates (Cook / Northwest) ● The Alexian Brothers Health System is a diversified multi-corporate healthcare delivery system sponsored by the Congregation of Alexian Brothers, Immaculate Conception Province, and a Roman Catholic religious institute. Alexian Brothers Health System carries out the healing mission of the Catholic Church through the Alexian Brothers ministries by identifying and developing effective responses to the health and housing needs of those they are called to serve. ● The Alexian Brothers began their ministry in the United States in 1866 with the opening of an eight-bed hospital in Chicago. Two years later, a larger hospital was built but destroyed in the Great Chicago Fire of 1871. Over the years, the Brothers twice rebuilt the facility.
SECURITY	Security interest in all accounts, a mortgage, and debt service reserve.
STRUCTURE	Structure: Current plan of finance contemplates the issuance of 100% fixed rate. Estimated Fixed Rate Yield: 5.00%-5.75% Interest Mode: Fixed Rate Credit Enhancement: None
RATING	Ratings: A3/A (Moody's/Fitch)
MATURITY	Maturity: Up to 30 years

SOURCES AND USES

Sources		Uses	
IFA Bonds	$136,500,000	Refunding Escrow	$70,420,000
		Costs of Issuance	2,480,000
		Debt Service Reserve	13,600,000
		Project Fund	50,000,000
Total	**$136,500,000**	**Total**	**$136,500,000**

RECOMMENDATION The Credit Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 9, 2010

Project: Alexian Brothers Health System

STATISTICS

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

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

BOARD ACTION

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

Credit Committee recommends approval.
No extraordinary conditions

VOTING RECORD

Voting Record for February 9, 2010: 8 ayes, 0 nays, 0 abstentions, 5 absent (Rivera, Leonard, DeNard, Poole, McInerney, Bashir), 1 vacancy

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

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

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

ESTIMATED SOURCES AND USES OF FUNDS

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

FINANCING SUMMARY/STRUCTURE

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

Structure: Fixed Rate Debt

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

Interest Mode: Fixed Rate

Credit Enhancement: None

Maturity:	Up to 30 years.
Credit Rating:	A3/A (Moody's/Fitch)
Estimated Closing Date:	May 1, 2010

PROJECT SUMMARY

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

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

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

BUSINESS SUMMARY

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

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

Today, the Alexian Brothers sponsor the following facilities:

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

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

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

Brother Richard Lowe, C.F.A.	Brother Thomas Keusenkothen, C.F.A
Bruce Wolfe	Kenneth McHugh
	Brother Theodore Loucks, C.F.A.

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

Elk Grove Village

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

Hoffman Estates

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

SERVICE AREA

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

ILLINOIS FINANCE AUTHORITY

CONDUIT

March 9, 2010

$305,000,000

PALOS COMMUNITY HOSPITAL

REQUEST	**Purpose**: (i) provide financing to pay various capital expenditures associated with the acquisition, construction, and equipping of a new bed tower and for renovations to the existing hospital facility (ii) fund capitalized interest; (iii) fund a debt service reserve fund, if required, and (iv) to fund certain professional and bond issuance costs. **Program**: Conduit 501 (c)(3) Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution February 9, 2009 Voting Record: 10 ayes, 0 nays, 0 abstentions (Absent: Rivera, DeNard, Fuentes, Dr. Herrin), 1 vacancy
MATERIAL CHANGES	None.
JOB DATA	3,023 Current jobs; 160 Jobs created by project 3,023 Retained jobs; 164 Construction jobs created by project
BORROWER DESCRIPTION	● Locations: Palos Heights, Orland Park, Lemont, Oak Lawn ● The St. George Corporation (the Corporation) is an Illinois not-for-profit corporation created in 2000 which serves as the parent corporation and sole corporate member of two not-for-profit corporations, Palos Community Hospital (PCH), an acute care hospital located in Palos Heights, Illinois with outpatient satellite facilities in the surrounding community, and St. George Wellness Center (SGWC) which operates the Palos Health and Fitness Center (the "Center") located in Orland Park, Illinois. ● The primary operating entity of the Corporation is PCH. Opened in 1972 with 265 beds, PCH has grown to its current licensed bed capacity of 436, of which 369 are in operation, by responding to population growth and service demands with major building additions and modernizations in 1975, 1978, 1992, 1995, 2006, and 2009. In addition to accommodating inpatient demand, these facility expansions have provided for the growth of outpatient, emergency and ancillary departments in response to volume demands, technology, and service developments including single room maternity care, interventional cardiology and open heart surgery. PCH also operates two satellite facilities; the Primary Care Center in Orland Park and the Palos Immediate Care Center in Palos Heights. These facilities provide access to non-urgent outpatient treatment and diagnostic services. PCH provides home based services through Palos Community Hospital Home Health Care, Hospice and Private Duty with offices in Lemont, Illinois. PCH is also a partner with Little Company of Mary Hospital in the Southwest Hospital MRI Center located in Oak Lawn, Illinois. ● Along with traditional health services, PCH makes its resources available to support many community health initiatives and programs responsive to the needs of the community. Examples of community services provided by include: Asthma Education Program, Chemical Dependency services, Diabetes Fair & Diabetes Self-Management Program, Home Delivered Meals, *Lifeline* (personal response home monitor), Osteoporosis Program, Parent-Child Health Education, Physician Referral Service, Psychiatric Services (inpatient & outpatient), Speakers Bureau, and various Support Groups.
CREDIT INDICATORS	**Direct Bank Purchase:** JP Morgan Chase and Northern Trust, Private Placement **Fixed Rate Bonds:** Public offering **Security:** Senior Parity Basis with existing debt issued under the Master Trust Indenture; Master Note; Revenue Pledge **Direct Bank Purchase:** Floating Rate Based off of LIBOR **Fixed Rate Bonds:** TBD; Current Estimate is a true-interest cost of 5.50% **Credit Rating:** Palos does not currently maintain an outstanding rating as they were withdrawn in 2007 in conjunction with the issuance of the Series 2007 Bonds which were MBIA insured; previous ratings were Aa3/AA/NR. Rating meetings are scheduled for late February 2010 to secure ratings for the 2010 Bonds and ratings of in the 'A1' are currently expected. **Maturity:** Up to 40 years

ESTIMATED SOURCES AND USES

Sources		Uses	
IFA Bonds	$175,000,000	Construction Costs	$270,000,000
Private Placement	$100,000,000	Costs of Issuance and Financing Costs	5,000,000
Total	**$275,000,000**	**Total**	**$275,000,000**

RECOMMENDATION Credit Committee Recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 9, 2010

Project: Palos Community Hospital

STATISTICS

Project Number:	H-HO-TE-CD-8319	Amount:	$305,000,000 (Not to exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane and Shannon Govia
Locations:	Palos Heights, Orland Park, Lemont, Oak Lawn	County/Region:	Cook/Northwest

BOARD ACTION

Final Bond Resolution
Conduit 501(c)(3) Bonds
No IFA funds at risk

No extraordinary conditions
Staff recommends approval.

PURPOSE

Bond proceeds will be used to: (i) provide financing to pay various capital expenditures associated with the acquisition, construction, and equipping of a new bed tower and for renovations to the existing hospital facility (ii) fund capitalized interest; (iii) fund a debt service reserve fund, if required, and (iv) to fund certain professional and bond issuance costs.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders and thereby reducing the Borrower's interest expense. 501(c)(3) bond issues do not require Volume Cap.

VOTING RECORD

February 9, 2009 Voting Record: 10 ayes, 0 nays, 0 abstained (Absent: Rivera, DeNard, Fuentes, Dr. Herrin) vacancies 1

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$175,000,000	Uses:	Project Fund	$270,000,000
	Bank Loan	$100,000,000		Cost of Issuance	$5,000,000
	Total	**$275,000,000**	**Total**		**$275,000,000**

JOBS

Current employment:	2,304 FTEs	Projected new jobs:	160
Jobs retained:	2,304 FTEs	Construction jobs:	164

BUSINESS SUMMARY

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

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

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

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

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

PROJECT SUMMARY

Bond proceeds will be used to: (i) provide financing to pay costs of capital expenditures for the acquisition, construction, and equipping of a new bed tower and for renovations to the existing hospital facility; (ii) fund capitalized interest; (iii) fund a debt service reserve fund, if required, and (iv) fund certain professional and bond issuance costs.

FINANCING SUMMARY

Security/Collateral:	Senior Parity Basis with existing debt issued under the Master Trust Indenture; Master Note; and Revenue Pledge
Structure:	Direct Bank Purchase: Floating Rate Based off of LIBOR with JP Morgan Chase and Northern Trust Fixed Rate Bonds: TBD; Current Estimate is a true-interest cost of 5.50% Amortizing from 2011 through 2051.
Maturity:	Not to exceed 40 years
Credit Rating(s):	Palos does not currently maintain an outstanding rating as they were withdrawn in 2007 in conjunction with the issuance of the Series 2007 Bonds which were MBIA insured; previous ratings were Aa3/AA/NR. Rating meetings are scheduled for late February 2010 to secure ratings for the 2010 Bonds and ratings in the 'A1' category are currently expected.

ECONOMIC DISCLOSURE STATEMENT

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

Board of Trustees:

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

Palos Community Hospital
Board of Directors
Thomas Courtney
Sister Anna Doyle
Lynn M. Egan
Lawrence Hunt
Margaret Lustig
Edward Mulcahy
Joseph Neverauskas
Richard Nogal
Sheila Pacholski
Carole Ruzich
Philip A. Salvador
Christie Sever
Dr. Mark Sinibaldi
Sister Margaret Wright

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

CONDUIT

March 9, 2009

$10,000,000
SAINT ANTHONY'S HEALTH CENTER

REQUEST	**Purpose**: Proceeds will be used by Saint Anthony's Health Center, an Illinois not-for-profit corporation (the "Borrower"), to fund capital expenditures and other improvements for the health care facilities of the Borrower including, but not limited to, certain radiology, hospital and other medical and non-medical equipment, information systems hardware and software, and various hospital building renovations and improvements. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution December 8, 2009 Voting Record - 8 ayes, 0 nays, 0 abstained (Absent: Rivera, Leonard, DeNard, Poole, McInerney, Bashir) vacancies 1
MATERIAL CHANGES	None
JOB DATA	809 Current jobs; 0 New jobs projected 809 Retained jobs; 0 Construction jobs projected
DESCRIPTION	● Location: Alton (Madison County) ● Saint Anthony's Health Center is a two-campus, 200-bed acute care facility located in Alton, Illinois. Comprised of Saint Anthony's Hospital and Saint Clare's Hospital, the organization offers the latest in technology and state-of-the-art medicine administered with care and skill. ● Both the Health System and Saint Anthony's are operated by the Sisters of Saint Francis of the Martyr Saint George, some of who are employees of Saint Anthony's. The Sisters is a worldwide congregation based in Germany with its American headquarters in Alton, Illinois.
CREDIT	● The plan of finance contemplates the issuance of fixed rate bonds. Approximate rates; Series 2010A – 5.76% Series 2010B – 5.61% Series 2010C – 5.59%
SECURITY	● The Bonds will be secured a first priority security interest in capital equipment being financed with bond proceeds and notes of Saint Anthony's Health Center under a Master Trust Indenture.
INDICATORS	● Rating not applicable – Bank Purchase
MATURITY	● No later than 2020

SOURCES AND USES

IFA Bonds	$10,000,000	Project Costs	$10,000,000
Equity		Cost of Issuance	
Total	**$10,000,000**	Total	**$10,000,000**

Recommendation Credit Committee recommends approval.

3/3/2010 9:42 AM

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 9, 2010

Project: Saint Anthony's Health Center

STATISTICS

Project Number: H-HO-TE-CD-8303
Type: 501(c)(3) Bonds
County/Region: Madison/Southwest

Amount: $10,000,000 (Not-to-Exceed)
IFA Staff: Pam Lenane & Bill Claus
City: Alton

BOARD ACTION

Final Bond Resolution
No IFA Funds contributed
Conduit 501(c)(3) bonds

No extraordinary conditions
Credit Committee recommends approval.

VOTING RECORD

December 8, 2009 Voting Record - 8 ayes, 0 nays, 0 abstained (Absent: Rivera, Leonard, DeNard, Poole, McInerney, Bashir) vacancies 1

PURPOSE

Proceeds will be used by Saint Anthony's Health Center, an Illinois not-for-profit corporation (the "Borrower"), to fund capital expenditures and other improvements for the health care facilities of the Borrower including, but not limited to, certain radiology, hospital and other medical and non-medical equipment, information systems hardware and software, and various hospital building renovations and improvements.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 809
Jobs retained: 809

Jobs created by project: 0
Construction jobs created by project: 0

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bond proceeds	$10,000,000	Uses:	Project Costs	$10,000,000
				Cost of Issuance	
	Total	$10,000,000		Total	$10,000,000

FINANCING SUMMARY/STRUCTURE

Security: The Bonds will be secured a first priority security interest in capital equipment being financed with bond proceeds and notes of Saint Anthony's Health Center under a Master Trust Indenture.

Structure: The plan of finance contemplates the issuance of three private placements (i.e., direct purchases) with GE Government Finance, Inc. ($3 million), Key Government Finance, Inc. ($5 million) and Commerce Bank, N.A. ($2 million)

Interest Rate:	To be determined three days before closing
Interest Mode:	The plan of finance contemplates the issuance of fixed rate bonds. Series 2010A – 5.76% Series 2010B – 5.61% Series 2010C – 5.59%
Credit Enhancement:	None.
Maturity:	Not later than 2018
Rating:	Rating not applicable – Bank Purchase
Est. Closing Date:	March 2010

PROJECT SUMMARY

CON Status: Not required

Summary Description:

The project will include:

- Renovate patient rooms to create a private room environment;
- Apply some finish work to ED and replace some ED equipment;
- Extend the MRI and CT for the next 5 years;
- Upgrade the laboratory information system;
- Move the Health Center to a digital PACS environment for radiology only;
- Move the Health Center to digital mammography;
- To provide other various equipment replacement.

BUSINESS SUMMARY

Background: Saint Anthony's Health Center ("Saint Anthony's") is an Illinois not-for-profit corporation, exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Saint Anthony's operates a 200-bed, dual campus, acute care facility located in Alton, Illinois. It was incorporated in 1925 under the laws of Illinois. The sole member of Saint Anthony's is Saint Anthony's Health System, an Illinois not-for-profit corporation. Both the Health System and Saint Anthony's are operated by the Sisters of Saint Francis of the Martyr Saint George, some of who are employees of Saint Anthony's. The Sisters is a worldwide congregation based in Germany with its American headquarters in Alton, Illinois.

Description: Saint Anthony's Health Center is a two-campus, 200-bed acute care facility located in Alton, Illinois. Comprised of Saint Anthony's Hospital and Saint Clare's Hospital, the organization offers the latest in technology and state-of-the-art medicine administered with care and skill.

Services based at Saint Anthony's Hospital, located on Saint Anthony's Way, include: Emergency, Obstetrics, Surgery, Cardiology, a Gastrointestinal Diagnostic Center, other diagnostic services and medical care. The Saint Clare's Hospital campus at 915 East Fifth Street features: Cancer Treatment, Adult Day Services, outpatient and inpatient Rehabilitative Services, and Extended Care Services. Saint Clare's Villa, a supportive living facility for seniors, is also located on the Saint Clare's campus.

Additional facilities of Saint Anthony's Health Center include: Saint Anthony's Medical Equipment, located at 2600 State Street in Alton; Saint Anthony's Medical Mall, located at 4325 Alby in Alton; and Saint Anthony's Imaging Center at 325 East Madison in Wood River.

In addition to these inpatient and outpatient services, the Health Center offers a multitude of community outreach programs. The Home Health Care staff serves patients in a five-county region with home health, hospice and Lifeline services. Although inpatient admissions have declined, the Health Center's outpatient business is increasing.

Utilization Stats:

	2006	**2007**	**2008**	**October 2008 YTD**	**October 2009 YTD**
Average Beds in Operation	146	146	146	146	146
Discharges	5,894	5,369	5,127	4,294	4,118
Average Length of Stay	5.81	5.85	5.91	5.98	5.49
Patient Days	34,269	31,830	30,291	25,675	22,603
Percentage Occupancy	64.80	59.73	56.69	57.66	50.93
Emergency Room Visits	21,743	22,248	23,867	20,196	20,376
Home Health Visits	20,648	21,234	20,682	16,640	17,842
Total Outpatient Visits	89,495	96,776	101,735	85,534	89,840

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Saint Anthony's Health Center
Project Location:	#1 Saint Anthony's Way Alton, IL 62002
Borrower:	Saint Anthony's Health Center

Saint Anthony's Health Center Board Members:

Daniel V. Beiser	Sheila A. Mayer
Sr. M. Anselma Belongea	Sr. M. Mikela Meidl
Dr. Edward B. Blair, Jr.	Thomas M. Moore
Dale T. Chapman	Sr. M. Angelica Neumann
Mother M. Regina Pacis Coury	Donald W. Norton
William R. Haine	Dr. Larry D. Reed
Sr. M. Kateri Hawley	Jane Saale
A. Jesse Hopkins	Herman L. Seedorf
James M. Hudson	Joan L. Sheppard
E.J. J. Kuiper	Jim Shrader
Dr. Salvador LoBianco	Mark F. Weber
Dwight A. Werts	Dr. Steven P. Zenker

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Thompson Coburn LLP	St. Louis, MO	Deborah K. Rush
Accountant:	BKD LLP	St. Louis, MO	
Bond Counsel:	Jones Day	Chicago, IL	Mike Mitchell
Underwriter:	GE Government Finance, Inc.	Eden Prairie, MN	Bill Reveille
Underwriter's Counsel:	Kutak Rock	Omaha, NE	Brad Nielsen
Issuer's (IFA) Counsel:	Evans, Froehlich, Beth & Chamley	Chicago, IL	Kurt Froehlich
Escrow & Paying Agent:	Wells Fargo Bank, N.A.	Chicago, IL	Patricia Martirano

LEGISLATIVE DISTRICTS

Congressional: 12th District – Jerry F. Costello State Senate: 56th District – William R. Haine
State House: 111th District – Daniel V. Beiser

SERVICE AREA

Alton is one of eleven communities, which comprise the River Bend area that utilizes Saint Anthony's services. The City of Alton, plus the surrounding cities and townships of Godfrey, East Alton, Wood River, Bethalto, Jerseyville, Brighton, and Cottage Hills comprise Saint Anthony's primary service area. Saint Anthony's secondary service area encompasses the cities of Bunker Hill, South Roxana, Hartford, Moro, Edwardsville, Granite City, Grafton and Roxana.

Inpatient Case Origins

Primary Service Area Originations*

	Inpatients	% of Total
62002 - Alton	1,619	32.2%
62035 - Godfrey	654	13.0%
62095 - Wood River	435	8.6%
62024 - E. Alton	406	8.1%
62010 - Bethalto	300	6.0%
62012 - Brighton	255	5.0%
62052 - Jerseyville	237	4.7%
62018 - Cottage Hills	187	3.7%
62014 - Bunker Hill	80	1.6%
62025 - South Roxana	79	1.6%
Top 10 Subtotal	4,252	84.4%
Total	5,034	100.0%

* Source: Hospital Industry Data Institute, January, 2009

Secondary Service Area Originations*

	Inpatients	% of Total
62014 - Bunker Hill	59	1.2%
62048 - Hartford	53	1.1%
62067 - Moro	46	0.9%
62084 - Roxana	43	0.9%
62016 - Carrollton	42	0.8%
62037 - Grafton	36	0.7%
62047 - Hardin	35	0.7%
62040 - Granite City	34	0.6%
62063 - Medora	33	0.6%
62686 - Shipman	33	0.6%
Top 10 Subtotal	414	8.1%
Total	5,034	100.0%

* Source: Hospital Industry Data Institute, January, 2009

CONDUIT

March 9, 2009

$25,000,000
SWEDISH AMERICAN HOSPITAL

REQUEST	**Purpose**: Bond proceeds will be used to (i) refinance a taxable loan from JPMorgan Chase Bank, N.A. (the "Bank Loan") that was used to redeem all of the outstanding $25,000,000 Illinois Finance Authority Variable Rate Revenue Bonds, Series 2005 (SwedishAmerican Hospital) Auction Rate Securities (the "Series 2005 Bonds"), and (ii) pay certain expenses incurred in connection with the issuance of the Bonds. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution
MATERIAL CHANGES	None
JOB DATA	1,946 Current jobs — 0 New jobs projected 1,946 Retained jobs — 0 Construction jobs projected
DESCRIPTION	● Location: Rockford ● Swedish American Hospital (the "Corporation") was incorporated in 1911 as an Illinois not-for-profit corporation. The Corporation operates a full service acute care hospital located in Rockford, Illinois, approximately ninety (90) miles northwest of Chicago. It provides a broad range of services to residents of Greater Rockford, Northern Illinois, and Southern Wisconsin. The Corporation employs approximately one thousand nine hundred and forty six (1,946) full-time equivalent employees.
CREDIT	● None
SECURITY	● The Bonds will be secured by all assets provided through the Master Trust Indenture
INDICATORS	● Rating not applicable – Bank Purchase
MATURITY	● No later than 20 years

SOURCES AND USES

Sources		Uses	
IFA Bonds	$25,000,000	Refinance Taxable Note	$25,000,000
Equity	$500,000	Cost of Issuance	$500,000
Total	**$25,500,000**	**Total**	**$25,500,000**

Recommendation Credit Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 9, 2010

Project: Swedish American Hospital

STATISTICS

Project Number:H-HO-TE-CD-8323	Amount: $25,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and Shannon Govia
County/Region: Winnebago/Northern Stateline	City: Rockford

BOARD ACTION

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

VOTING RECORD

This is the first time this project has been brought before the Board. This project is being presented as a one time final to take advantage of current market conditions.

PURPOSE

Bond proceeds will be used to (i) refinance a taxable loan from JPMorgan Chase Bank, N.A. (the "Bank Loan") that was used to redeem all of the outstanding $25,000,000 Illinois Finance Authority Variable Rate Revenue Bonds, Series 2005 (SwedishAmerican Hospital) Auction Rate Securities (the "Series 2005 Bonds"), and (ii) pay certain expenses incurred in connection with the issuance of the Bonds.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	1,946	Projected new jobs: N/A
Jobs retained:	1,946	Construction jobs: N/A

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA bonds	$25,000,000	Uses: Refinancing taxable note	$25,000,000
	Equity	$500,000	Est. Cost of Issuance	$500,000
	Total	**$25,500,000**	**Total**	**$25,500,000**

FINANCING SUMMARY/STRUCTURE

Security:	Security interest in all assets provided through the Master Trust Indenture
Structure:	Bank Qualified
Interest Rate:	4.05%
Interest Mode:	10 years
Credit Enhancement:	None
Maturity:	20 years
Rating:	The Bonds will be purchased directly by Riverside Community Bank, the underlying ratings of the Borrower are A-/A (S&P / Fitch)
Estimated Closing Date:	April 15, 2010

PROJECT SUMMARY

Proceeds will be used to refund a Chase Bank Line of Credit.

BUSINESS SUMMARY

Description of Business: Swedish American Hospital (the "Corporation") was incorporated in 1911 as an Illinois not-for-profit corporation. The Corporation operates a full service acute care hospital located in Rockford, Illinois, approximately ninety (90) miles northwest of Chicago. It provides a broad range of services to residents of Greater Rockford, Northern Illinois, and Southern Wisconsin. The Corporation employs approximately one thousand nine hundred and forty six (1,946) full-time equivalent employees.

Project Rationale: Bank qualified tax exempt bonds provide permanent financing and fixed rates.

Timing: April 15, 2010

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	SwedishAmerican Health System, Rockford, IL
Location:	1313 East State Street, Rockford, IL 61104
Project name:	SwedishAmerican Health System
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois Ownership
Board Members:	Board Members as of 01-01-2010

Danny Copeland	Patrick Derry
Gordon Geddes	Jim Gingrich
Robert Head, PhD	Helen Hill
Dennis Johnson	Greg Jury
Marco Lenis	Dan Loescher
Fran Morrissey	John Myers, M.D.
Bill Roop, First Vice Chairman	David Rydell, Immediate Past Chairman
John Scheub, M.D.	Steve Sjogren
Jim Waddell	Tom Walsh
Frank Walter, Chairman	Amy Wilcox
Allen Williams, M.D.	

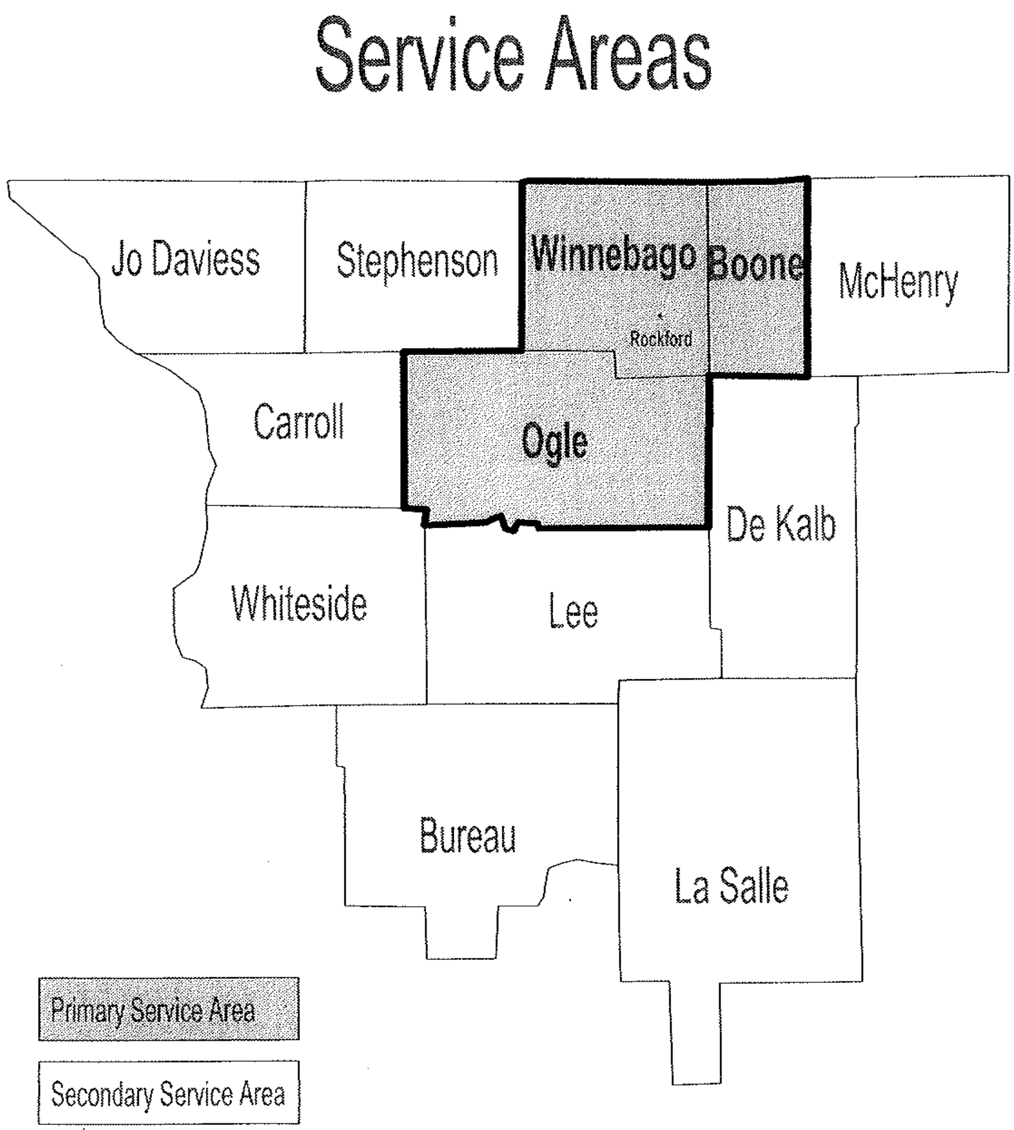
PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Holmstrom & Kennedy	Rockford	Phil Frankfort
Bond Counsel:	Jones Day	Chicago	Rich Tomei
Bank/Purchaser:	Riverside Community Bank	Rockford	Bill Brenner
Bank Counsel:	Dorsey & Whitney	Des Moines	David Claypool
Financial Advisor	Whitman Group LLC	Chicago	Shelley Phillips
Bond Trustee	N/A	N/A	N/A
Issuer's Counsel:	Miller, Hall & Triggs LLC	Peoria	Richard Joseph
IFA Advisor:	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 16-Donald A. Manzullo
State Senate: 34-Dave Syverson
State House: 67-Charles E. "Chuck" Jefferson

SERVICE AREA



ILLINOIS FINANCE AUTHORITY
Memorandum

To:	IFA Board of Directors
From:	Rich Frampton and Mauricio Nares
Date:	March 9, 2010
Re:	Resolution to approve an Amended and Restated Trust Indenture and a First Amendment to the Loan Agreement, which provides for the creation of a new interest rate mode, and related matters (Genesis, Inc. and Shamrock Hill Farms Western Properties, LLC) IFA File Number- I-ID-TE-CD-7246

Request:
Genesis, Inc. and Shamrock Hill Farms Western Properties, LLC ("Genesis" or the "Borrower") is requesting approval of a Resolution to approve an Amended and Restated Trust Indenture to enable creation of a Direct Purchased Mode.

Genesis is requesting approval of this Resolution to enable Genesis to replace is existing LOC-enhanced structure (secured by a Direct Pay Letter of Credit from Fifth Third Bank) with a Direct Purchase Structure for the next 5 years. The initial purchaser under this Direct Purchase Structure will be First Midwest Bank Corp. (the "Direct Lender" and "Bond Purchaser").

Pursuant to the attached Resolution, the outstanding Par Amount of the IFA Series 2008 Bonds issued for the Genesis project will be reduced to approximately $3,600,000. Specifically, Genesis will be paying off its entire $400,000 Series 2008B Taxable Bonds and a portion of its outstanding Tax-Exempt Bonds.

This new structure, due to the addition of this new interest rate mode, will be considered a reissuance for tax purposes. IFA's fee for this restructuring will be $10,000.

Background:
IFA originally issued $4,200,000 of Series 2008A Tax-Exempt Industrial Revenue Bonds and $400,000 of Series 2008B Taxable Bonds on behalf of Genesis in 2008. Bond proceeds financed the acquisition of land, construction, acquisition of machinery and equipment and to pay certain bond issuance costs.

Taxable bond proceeds were used to cover land costs that were not eligible for tax-exempt financing and to pay additional bond issuance costs that exceeded the 2% use of tax-exempt bond proceeds limit applicable to Private Activity Bonds, including Industrial Revenue Bonds.

All payments relating to the IFA Series 2008 Bonds have been current.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Genesis, Inc.

William Stringfellow	68%
Thomas Stringfellow	16%
William Stringfellow, Jr.	16%

Shamrock Hill Farms Western Properties, LLC

William Stringfellow - 100%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Clingen Callow Wolfe & McClean	Wheaton	Mary Callow
Accountant:	Baerson, Witonski, Patel, Ruben	Northbrook	Charles Baerson
Bond Counsel:	Greenberg Traurig LLP	Chicago	Matt Lewin
New Direct Bond Purchaser/Investor	First Midwest Bank	Lake Forest	Steve Olson
Previous LOC Bank:	Fifth Third Bank	Rolling Meadows	
Previous Remarketing Agent:	Fifth Third Securities, Inc.	Chicago	Douglas DeAngelis
Issuer's Counsel:	Request Forthcoming		
Trustee:	The Bank of New York	Chicago	Merci F. Stahl
IFA Financial Advisor:	Scott Balice Strategies	Chicago	Lois Scott

Enclosure: Copy of IFA Resolution 2010-03-11

IFA RESOLUTION NO. 2010-03-11

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED INDENTURE OF TRUST AND A FIRST AMENDMENT TO LOAN AGREEMENT RELATING TO $3,600,000 OUTSTANDING PRINCIPAL AMOUNT OF INDUSTRIAL DEVELOPMENT REVENUE BONDS (GENESIS, INC. PROJECT) SERIES 2008A OF THE ILLINOIS FINANCE AUTHORITY WHICH AMENDMENTS PROVIDE FOR THE ADDITION OF A NEW INTEREST RATE MODE; AND RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a political subdivision and a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "**Authority**"), including, without limitation, the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as supplemented and amended (the "**Act**"), has previously issued its $4,200,000 initial aggregate principal amount Industrial Development Revenue Bonds (Genesis, Inc. Project) Series 2008A (the "**Series 2008A Bonds**") and its $400,000 Taxable Industrial Development Revenue Bonds, Series 2008B (the "**Series 2008B Bonds**") (collectively, the "**Bonds**"); and

WHEREAS, the Series 2008A Bonds are expected to be redeemed in the principal amount of $600,000 (leaving $3,600,000 aggregate principal amount outstanding) and the Series 2008B Bonds are expected to be redeemed in whole; and

WHEREAS, in furtherance of the issuance of the Bonds, the Authority entered into an Indenture of Trust dated as of May 1, 2008 (the "**Indenture**") with The Bank of New York Mellon Trust Company, N.A., as Trustee (the "**Existing Trustee**"), and a Loan Agreement dated as of May 1, 2008 (the "**Loan Agreement**") with Genesis, Inc., an Illinois corporation ("**Genesis**"), and Shamrock Hill Farms Western Properties, L.L.C., an Illinois limited liability company ("**Shamrock**" and, collectively with Genesis, the "**Borrower**"), pursuant to which the proceeds of the Bonds were loaned by the Authority to the Borrower to finance a portion of the costs of the acquisition, construction and equipping of a manufacturing facility of the Borrower in Roselle, Illinois and to finance a portion of certain cost of issuing the Bonds; and

WHEREAS, the parties desire to amend the Indenture and, as necessary, the Loan Agreement, to add a new interest rate mode (the "**Direct Purchase Mode**") under which the Series 2008A Bonds will be directly owned initially by First Community Bank (the "**Purchaser**") and during which the Series 2008A Bonds will not be secured by any letter of credit or other credit enhancement; and

WHEREAS, the parties have presented to the Board of the Authority at this meeting a form of Amended and Restated Indenture of Trust (the "**Amended Indenture**") between the Authority and a Trustee (which may be the Existing Trustee, the Purchaser or any other trustee designated by the Borrower) (the "**Trustee**") and the First Amendment to Loan Agreement (the "**Amended Loan Agreement**") between the Authority and the Borrower, to add the Direct Purchase Mode and to make related provisions not inconsistent with the provisions of this Resolution; and

WHEREAS, it is necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of (i) the Amended Indenture, (ii) as necessary, the Amended Loan Agreement, and (iii) the revised Series 2008A 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, as follows:

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

Section 2. That, pursuant to the Act, the modification of the terms of the financing of the manufacturing facilities financed with the proceeds of the Bonds in accordance with the terms of the 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 before 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 Treasurer or the Executive Director of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to 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 before 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 before 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 before 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 Treasurer or the Executive Director of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to 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 before 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 before 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 Revised Bonds while in the Direct Purchase Mode shall bear interest at a variable or fixed rate of interest as set forth in the Amended Indenture (as executed) not in excess of 15% per annum and shall be payable on such dates and subject to such redemption and tender provisions as shall be set forth in the Amended Indenture (as executed); and that the form of the Revised Bonds in substantially the same form now before the Authority, subject to appropriate insertions and revisions in order to comply with the provisions of the Amended 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, the Treasurer or the Executive Director and attested with the manual or facsimile signature of the Secretary or any Assistant Secretary and the official seal of the Authority shall be impressed or imprinted thereon; that the Authority deems it proper to delegate to the Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority the power to approve any and all changes to the Revised Bonds as the Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority shall, on behalf of the Authority, determine, subject to the terms of the Revised Bonds contained in the Amended Indenture; that any such determinations shall be conclusive, shall be evidenced by the execution and delivery by the Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority of the Revised Bonds, and shall be authorized by this Resolution; that the Revised Bonds, as executed, shall be binding on the Authority; that the Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority or the Secretary or any Assistant Secretary of the Authority shall cause the Revised Bonds, as so executed and attested, to be delivered to the Trustee for authentication; that when the Revised Bonds shall be executed on behalf of the Authority in the manner and containing the terms contemplated by the 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 Treasurer, the Executive Director, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized to execute and deliver such documents, certificates, and undertakings of the Authority and to take such other actions as may be required in connection with the execution, delivery and performance of the Amended Indenture, the Amended Loan Agreement and the Revised Bonds authorized by this Resolution, including without limitation, an arbitrage and tax certification pertaining to the Revised Bonds and the signing of IRS Form 8038 and the filing thereof with the Internal Revenue Service if required by Bond Counsel.

Section 7. 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 8. That any references in this Resolution to the “Executive Director” shall be deemed also to refer to the “Authorized Officers” to whom the delegation of the authority of the Executive Director was authorized and approved pursuant to, and in accordance with the terms of, Section 2 of Resolution Number 2009-06-17 adopted by the Authority on June 9, 2009.

Section 9. The Authority hereby elects to have the provisions of Section 144(a)(4) of the Code apply to the Series 2008A Bonds.

Section 10. 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 11. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 12. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Passed and approved this 9th day of March, 2010.

Attest:

ILLINOIS FINANCE AUTHORITY

[SEAL]

By ______________________________________
Chairman

By ______________________________
Secretary

ILLINOIS FINANCE AUTHORITY
Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: March 9, 2010

Re: Resolution to approve and authorize a First Supplemental Trust Indenture, which provides for the creation of a new interest rate mode, and approval of a Final Reoffering Circular and Use and Distribution thereof relating to the Bonds, and related matters

IFA Series 2007 Solid Waste Disposal Revenue Bonds (Waste Management, Inc. Project)

IFA File Number: P-SW-PO-TE-CD-547

Request:
Waste Management, Inc. ("**WM**" or the "**Borrower**") is requesting approval of a Resolution to approve an Amended and Restated Trust Indenture that will create a new 6-month interest rate mode and related changes.

The Bonds would then be remarketed on April 1, 2010 as required under the Trust Indenture (the Series 2007 Bonds were sold initially in a 3-Year Adjustable Rate Mode). Thus, Mandatory Tender and Remarketing of the IFA Series 2007 Bonds will occur April 1, 2010.

The outstanding Par Amount of the IFA Series 2007 Bonds issued for the Waste Management, Inc. project was approximately $30,000,000 as of 1/31/2010.

Due to the addition of this new 6-month interest rate mode, the Series 2007 Bonds will be deemed reissued for tax purposes. IFA's fee for this amendment to add the new interest rate mode will be $10,000.

Background:
IFA originally issued $30,000,000 of Solid Waste Disposal Revenue Bonds on behalf of Waste Management, Inc. in April 2007.

Bond proceeds financed landfill cell construction, construction of leachate/methane gas collection systems, and to purchase containers, transportation equipment, and equipment for use at 8 Waste Management project sites statewide. These Bonds were issued by the Illinois Finance Authority under the Illinois Environmental Facilities Financing Authority Act. These Bonds do not count against the Illinois Finance Authority's general $28.5 Billion statutory debt limit.

All payments relating to the IFA Series 2007 Bonds have been current. Waste Management currently has a long-term rating of BBB (Stable) from S&P.

VOTING RECORDS

Final Bond Resolution – March 22, 2007 (not-to-exceed amount of $30.0 million):
Ayes: 10 Nays: 0 Abstentions: 0 Absent: 4 (Boyles, DeNard, Herrin, Valenti))
Vacancies: 1

Preliminary Bond Resolution – April 12, 2005 (not-to-exceed amount of $100.0 million):
Ayes: 9 Nays: 0 Abstentions: 0 Absent: 3 (Goetz, Herrin, Leonard)
Vacancies: 3

ECONOMIC DISCLOSURE STATEMENT

Applicant/Contacts: Waste Management of Illinois, Inc. David LaPaul, Assistant Treasurer, Waste Management, Inc., 1001 Fannin, Suite 4000, Houston, TX 77002,
Direct Ph.: 713-394-2161; Fax: 866-239-7964; E-mail: dlapaul@wm.com

Project Name: Waste Management, Inc. (Waste Management of Illinois, Inc. Series 2007 Bonds)

Project Locations:

- Countryside Landfill, 31725 Route 83 North, Grayslake, IL 60030-9546 (Lake County)
- Envirofil of IL -- Macomb Landfill, 13998 1400th Street East, Macomb, IL 61455-9412 (McDonough County)
- Prairie View Landfill, 29755 Prarieview South (near IL Hwy. 53 & Arsenal Road), Wilmington, IL 60481-7609 (Will County)
- Sumner Illinois Landfill [S&S Grading of IL], County Road 550E at IL Hwy. 250, Rural Route 3, Box 892, Sumner, IL 62466-9379 (Lawrence County)
- Cottonwood Hills Landfill, 10400 Hillstown Road, Marissa, IL 62257-1034 (St. Clair County)
- Settler's Hill RDF, 1031 E. Fabyan Parkway, Batavia, IL 60510-1409 (Kane County)
- Milam RDF, Interstate 55/70 at IL Hwy 203, 602 Madison Road, Fairmont City, IL 62201-1647 (St. Clair County)
- Prairie Hill RDF, 18762 Lincoln Road, Morrison, IL 61270-9587 (Whiteside County)

Land Owner: The subject properties are all owned by Waste Management of Illinois, Inc. or its subsidiaries.

	Borrower: *Waste Management of Illinois, Inc.*	**Corporate Guarantor:** *Waste Management, Inc.*
Organization:	Corporation	Corporation
State:	Delaware	Delaware

Ownership (5.0% or Greater – SEC threshold for public companies):

Waste Management, Inc. (As of 12/31/2009, there was only one shareholder holding more than a 5.0% ownership interest in Waste Management, Inc., thereby meriting disclosure to the IFA Board of Directors):

- **Capital World Investors: 8.22%:** 333 South Hope Street, 55th Floor, Los Angeles, CA 90071-1447; Phone: 213-486-9200.
  - Capital World Investors is an institutional money management firm as registered on Form 13F with the Securities and Exchange Commission. Capital World Investors is affiliated with The Capital Group Companies and The American Funds family of mutual funds.

PROFESSIONAL & FINANCIAL

Borrower:	David LaPaul, Waste Management, Inc.	Houston, TX	
Borrower's Counsel:	Waste Management, Inc. (in-house counsel)	Houston, TX	
Accountant:			
Bond Counsel:	McGuireWoods, LLP	Richmond, VA	Doug Lamb
Remarketing Agent:	Bank of America Merrill Lynch	San Francisco	Lawrence Tonomura
Remarketing Agent's Counsel:	Edwards Angell Palmer & Dodge, LLP	Boston, MA	Tony Martini
Trustee:	Deutsche Bank National Trust Company	Jersey City, NJ	Debra Schwalb
Rating Agency	Standard & Poor's Rating Services	New York, NY	James Siahaan
IFA Financial Advisor:	Scott Balice Strategies	Chicago	Lois Scott

Attachment: Draft Copy of IFA Resolution 2010-03-12

IFA RESOLUTION 2010-03-12

WHEREAS, the Illinois Finance Authority, a public 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"), to issue its revenue bonds to finance or refinance the costs of any industrial, commercial or manufacturing project in order to promote the expansion, retention or diversification of employment opportunities within the State of Illinois (the "State") or any area thereof and aid in stabilizing or developing any industry or economic sector of the State economy;

WHEREAS, the Authority is also authorized and empowered by the provisions of the Illinois Environmental Facilities Financing Act, 20 ILCS 3515/1 et seq., as from time to time supplemented and amended (the "Environmental Act"), to issue its revenue bonds to finance or refinance the costs of an environmental facility;

WHEREAS, at the request of Waste Management of Illinois, Inc. (the "Company"), the Authority has previously issued its Solid Waste Disposal Revenue Bonds (Waste Management, Inc. Project), Series 2007 (the "Bonds"), in the aggregate principal amount of $30,000,000, pursuant to and in accordance with, among other things, a resolution duly adopted by the Authority on March 22, 2007 and an Indenture, dated as of March 1, 2007 (the "Original Indenture"), between the Authority and Deutsche Bank Trust Company Americas, as trustee (the "Trustee");

WHEREAS, pursuant to a Loan Agreement, dated as of March 1, 2007, between the Authority and the Company, the Authority loaned the proceeds of the Bonds to the Company to finance or refinance the cost of the acquisition, construction, improvement, installation and/or equipping of certain solid waste disposal facilities (the "Project") located in the State of Illinois, as more particularly described in the Loan Agreement;

WHEREAS, the Bonds were issued as exempt facility bonds for solid waste disposal facilities pursuant to Section 142 of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, Sections 56 and 57 of the Code provide that, in general, the interest on exempt facility bonds such as the Bonds is treated as a tax preference item for purposes of the individual and corporate federal alternative minimum tax ("AMT") and must be included in adjusted current earnings for purposes of the corporate AMT;

WHEREAS, Section 1503 of Division B of the American Recovery and Reinvestment Act of 2009 ("ARRA") provides an exception to the general rules of Sections 56 and 57 of the Code for the interest on exempt facility bonds, including certain bonds that, solely for federal tax law purposes, constitute refunding bonds, and are issued during calendar years 2009 and 2010;

WHEREAS, pursuant to Section 9.1(A) of the Original Indenture, the Company has requested that the Authority enter into a First Supplemental Indenture (as hereinafter defined) amending and supplementing certain provisions of the Original Indenture for purposes of causing the reissuance of the Bonds to allow the interest thereon to qualify for the exemption provided in Section 1503 of Division B of ARRA;

WHEREAS, the Authority is authorized under Section 9.1(A) of the Original Indenture to enter into indentures supplemental thereto, with the written consent of the Holders of a majority in aggregate principal amount of all Bonds Outstanding;

WHEREAS, the Bonds will be reoffered for sale pursuant to the terms of a Preliminary Reoffering Circular and a final Reoffering Circular, that will provide a summary description of the Project, certain provisions of the Bonds and the security therefor;

WHEREAS, upon the reoffering of the Bonds, the purchasers of the Bonds will be deemed by their purchase of the Bonds to have consented to the First Supplemental Indenture, thereby satisfying the requirements of Section 9.1(A) of the Original Indenture;

WHEREAS, the Authority has examined the proposed form of the First Supplemental Indenture, including the form of Bond attached thereto, which in accordance with the provisions hereof, the Authority proposes to approve; and

WHEREAS, any capitalized term used and not otherwise defined herein shall have the meaning given such term in the Original Indenture.

NOW, THEREFORE, BE IT RESOLVED, as follows:

Section 1. Authorization of First Supplemental Indenture. The proposed form of First Supplemental Indenture, between the Authority and the Trustee (the "First Supplemental Indenture"), as submitted to the Authority, is hereby approved. The Chairman or Vice-Chairman and Secretary or Assistant Secretary of the Authority, any of whom may act, are hereby authorized and directed to execute, acknowledge and deliver to the Trustee, the First Supplemental Indenture in substantially the form submitted to the Authority, with such insertions, omissions and changes therein as the officers executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 2. Approval of Preliminary Reoffering Circular and Final Reoffering Circular and Use and Distribution Thereof Relating to the Bonds. The Chairman or Vice-Chairman of the Authority is hereby authorized to deem the information relating to the Authority in the Preliminary Reoffering Circular to be final within the meaning of Rule 15c2-12 of the Securities and Exchange Commission except for the omission of certain pricing and other information allowed to be omitted pursuant to Rule 15c2-12, and the distribution of the Preliminary Reoffering Circular by Merrill Lynch, Pierce, Fenner & Smith Incorporated, as assignee of Banc of America Securities LLC and as the remarketing agent for the Bonds (the "Remarketing Agent"), is hereby approved with respect to the Bonds. The officers and staff of the Authority are authorized and directed to assist with the preparation of a final Reoffering Circular, appropriately dated, in the form of the Preliminary Reoffering Circular, with appropriate completions, insertions, omissions and changes as shall be necessary to accurately describe the Bonds, the security therefor, the Authority, the Borrower, Waste Management, Inc., as the Guarantor, and the Project. The Chairman or Vice-Chairman of the Authority, is authorized and directed to execute, if necessary, and deliver the final Reoffering Circular on behalf of the Authority. The use and distribution by the Remarketing Agent of such final Reoffering Circular in connection with the offer and sale of the Bonds are hereby approved.

Section 3. General Authority. The officers of the Authority are hereby authorized and directed to do any and all things, including, without limitation, to execute and deliver any and all documents, instruments and certificates, including an amended or supplemental tax certificate, the Bond and IRS Form 8038 and to take any other actions which they may deem necessary or advisable in order to effectuate the purpose of this Resolution.

Section 4. Action Approved and Confirmed. Any action heretofore or hereafter taken by any officer of the Authority in conformity with the purposes and intent of this Resolution is hereby ratified, approved and confirmed.

Section 5. Severability of Invalid Provisions. If any one or more of the agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such agreements or provisions shall be null and void and shall be deemed separable from the remaining agreements and provisions and shall in no way affect the validity of any of the other agreements and provisions hereof.

Section 6. Effective Date. This Resolution shall become effective immediately upon its adoption.

ADOPTED this 9th day of March, 2010.

ILLINOIS FINANCE AUTHORITY

(SEAL)

By:________________________________
Chairman

Attest:

By:________________________________
Secretary