ILLINOIS FINANCE AUTHORITY
BOARD MEETING
Tuesday, September, 2009
Chicago, Illinois

COMMITTEE OF THE WHOLE
8:30 a.m.
Two Prudential Plaza - IFA Chicago Office
180 N Stetson, Suite 2555
Chicago, Illinois

AGENDA

I. Call to Order
II. Roll Call
III. Chairman's Remarks
IV. Financial Report
V. Senior Staff Report
VI. Committee Reports
VII. Project Reports
VIII. Closed Session, if necessary
IX. Other Business
X. Adjournment

BOARD MEETING
11:30 a.m.
One Prudential Plaza Conference Center
130 East Randolph, 7th Floor
Chicago, Illinois

I. Call to Order
II. Chairman's Remarks
III. Roll Call
IV. Acceptance of Financials
V. Approval of Minutes
VI. Senior Staff Remarks
VII. Project Approvals
VIII. Resolutions / Amendments
IX. Other Business

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Beginning Farmer Bonds *Final*						
1	A) Dietmeier, Thomas and Wendy	Orangeville (Stephenson County)	$87,500	0	0	ER
	B) Jensen, Jeffery R.	Roseville (Warren County)	$250,000	0	0	ER
	C) VanFleet, Ryan	Plymouth (Schuyler County)	$150,000	0	0	ER
	D) Swanson, Matthew and Angela	LaHarpe (Hancock County)	$101,500	0	0	ER
Agri-Debt Guarantee *Final*						
2	Keith G. Beer	Iuka (Marion County)	$500,000	0	0	ER
3	Hayden Farms Partnership, Ronald and Mary Hayden Jeffrey and Heather Hayden, Timberline Farms, LLC	Pittsfield (Pike County)	$500,000	0	0	ER
TOTAL AGRICULTURE PROJECTS			$1,589,000	0	0	

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Participation Loan *Final*						
4	Brett and Christine Zehr (Zehr Foods, Inc.)	Mackinaw (Tazewell County)	$300,000	14	200	JS
TOTAL BUSINESS AND INDUSTRY PROJECTS			$300,000	14	200	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds *Preliminary*						
5	Edward Hospital	Naperville (DuPage County)	$55,000,000	0	0	PL/BC
6	Lake Forest Hospital	Grayslake / Lake Forest (Cook / Lake County)	$60,000,000	40	50	PL/SG
TOTAL HEALTHCARE PROJECTS			$115,000,000	40	50	

HIGHER EDUCATION

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds *Preliminary*						
7	Trinity International University	Deerfield (Lake County)	$23,500,000	3	40	TA
8	Roosevelt University	Chicago & Schaumburg (Cook / Lake County)	$210,000,000	40	400	RF
501(c)(3) Bonds *Final*						
9	Concordia University Chicago	River Forest (Cook County)	$32,000,000	53	70	TA
TOTAL HIGHER EDUCATION PROJECTS			$265,500,000	96	510	
GRAND TOTAL			$382,389,000	150	760	

RESOLUTIONS

Tab	Project	FM
Amendatory Resolutions / Resolutions *Final*		
10	Resolution to authorize execution of an Amendment to the Trust Indenture and related documents to enable the replacement of the Remarketing Agent $2,500,000 IFA Series 2006 Bonds (Beecher Energy LLC Project)	TA
11	Resolution to authorize execution of an Amendment to the Trust Indenture and related documents to enable the replacement of the Remarketing Agent $7,500,000 IFA (IDFA) Series 2003 Bonds (Sexton Energy LLC Project)	TA
12	Resolution to authorize execution of an Amended and Restated Trust Indenture and related documents to enable the replacement of the original Credit Facility Provider and the Remarketing Agent $5,080,000 IFA (IDFA) Series 1999A Bonds (Rubenson Real Estate LLC and General Converting, Inc. Project)	TA
13	Resolution to Authorize Execution of a Supplemental Trust Indenture improving the security provisions for bondholders per S&P's Structured Finance Group's suggestions to enable LOC Ratings IFA (IEFA) Series 2003 Bonds (Chapin Hall Center for Children)	PL/BC
14	Resolution for Participation Loan Payment Modifications by Heartland Bank and Trust Company and IMT Real Estate, L.L.C. The requested payment modifications are as follows: 1. Interest-only payments for the six-month period from October, 2009 through March 2010 2. Deferral of the scheduled October through March principle payments until the end of the loan term September 4, 2014 IMT Real Estate, L.L.C. IFA Project No. B-LL-TX-6090	JS
15	Resolution providing for the Extension of Maturity of $5,010,000 Convertible Multi-Family Housing Revenue Refunding Bonds Series 2007A of the Illinois Finance Authority in Connection with the Conversion of such Bonds; Authorizing the Execution and Delivery of a First Supplement to Indenture of Trust, a Supplement to Official Statement, and an Arbitrage and Tax Certificate in Connection Therewith; and related matters. Project: Liberty Towers Associates II L.P. (IFA File: M-MH-TX-CD-7001)	RF
16	Resolution to Amend Prior Final Bond Resolution approved in February 2009 to confirm identify of Bond Trustee and Underwriter. $28,500,000 IFA Series 2009Bonds (American Water Capital Corp. Project) IFA Project No.: PU-WD-TE-CD-8182	RF
17	Resolution authorizing the issuance of not-to-exceed $8,500,000 Adjustable Rate Bonds, Series 2009 and the execution and delivery of an Amended and Restated Loan Agreement, Trust Indenture, Tax Regulatory Agreement and related matters of IFA Series 2007 Adjustable Rate Demand Revenue Bonds, (SOS Children's Villages Illinois Project).	SCM
18	Linker Farms, Inc. request to extend regularly scheduled principle and interest payments for Linker Farms, Inc. for 90-days.	ER
19	Andy Shull, request by Peoples National Bank and Andy Shull to defer principal payments for a period of six months on two outstanding loans.	ER

Other

Adjournment

Illinois Finance Authority
Report of the Senior Staff
September 9, 2009

To: **IFA Board of Directors and Office of the Governor**

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

Financial Performance:

General Fund:

The Illinois Finance Authority's General Fund unaudited financial position for the month ending August, 2009, reports total assets of $41,028,848, liabilities of $1,267,296 and total equity of $39,761,552. This compares favorably to the August 2008 balance sheet, with $38,714,836 in total assets, liabilities at $2,185,256 and total equity of $36,529,580.

Gross revenue YTD (other than loan repayments) for the period ending August, 2009 was $1,504,947, or $139,733 (10.2%) above the approved FY10 budget. The favorable variance is primarily due to fee income. Total operating expenses were $868,265, or $17,670 (2.1%) higher than budget. This is primarily due to a retroactive adjustment for an operational change to the IFA 401(a) Plan.

Gross revenue YTD of $1,504,947was $552,762 (58%) higher than same period last fiscal year 2009. This is primarily due to fee income. Operating expenses YTD were $868,265, or $105,368 (-10.8%) lower than same period last fiscal year 2009. This is mainly due to a reduction in legal and accounting fees, office supplies and miscellaneous office services.

Year-to-date net income for August was $668,620 or $154,002 higher than budget and $676,944 higher than same period last fiscal year.

Consolidated Results:

The Illinois Finance Authority's unaudited financial position for its fourteen (14) funds, as of August 31, 2009, reports consolidated total assets of $172,407,210, liabilities of $58,701,089 and total equity of $113,706,121. This compares favorably to the August 2008 balance sheet of $176,333,730 in total assets, liabilities of $63,268,927 and total equity of $113,064,803.

Audit and Compliance:

The fiscal year 2009 audit field work is underway.
Attached is the status of fiscal year 2008 audit findings for your review.

Financial Services

- *Tax-Exempt Volume:* Municipal issuers totaled $33.21 billion in tax-exempt issues in August, according to *Thomson Reuters*, a 2.2% decline from August 2008. Investors continue to purchase high quality fixed-rate bonds. Consistent with post-ARRA (Recovery Act) activity trends, Taxable Build America Bonds (see below) continue to drive volume. State and Local Governments sold $10.23 billion of taxable bonds in August, which comprised a record 30.8% of all municipal debt sold in August, according to *Thomson Reuters*. Although fixed rate volume continues to dominate the market (due to the scarcity and high cost of credit enhancement (which is necessary to support variable rate financings), August volume declined by 25.4% compared to August 2008.
- *Trends for Conduit Borrowers:* Confirming experiences of many Illinois borrowers, *The Bond Buyer* reported that Conduit Borrowers with stressed credit or hopes for selling credit-enhanced, variable-rate bonds continue to face market access challenges. Additionally, *The Bond Buyer* noted that pricing for Bank Letters of Credit is still high by historical standards. As a result, Letter of Credit-secured issuance volume fell by 76.5% compared to August 2008. Issuers sold $3.18 billion of Letter of Credit-backed securities down from $8.52 billion in August 2008.

Market Trends

- *Bank Qualified Issuance:* Bank-Qualified ("BQ") issuance continues to grow in the wake of Federal Government's expansion of municipal debt eligible to be held by banks. Normally, banks have to pay taxes on the interest they receive on municipal Bonds investments. For the years 2009 and 2010 the American Recovery and Reinvestment Act ("ARRA") raised the "bank qualification" ceiling for municipal Issuers from $10 million or less of bond issuance to $30 million per year. This resulted in an increase in Bank Qualified Bonds. ARRA has allowed these BQ issuers to come to market and retain their BQ status, in pooled bond issuances. BQ Issuance jumped almost 80% in August to $2.06 billion. BQ issuance for the year has almost doubled according to *The Bond Buyer*. Most of IFA's 2009 501(c)(3) issuances and reissuances this year have taken advantage of the opportunity to reissue under ARRA as Bank Qualified Bonds.

- *Build America Bonds ("BAB's"):* Consistent with prior reports, the emergence of BAB's has had a favorable impact on pricing in the Tax-Exempt market with rates and credit spreads declining due to a significant diversion of prospective Government Purpose Issues to the Taxable BAB market. Accordingly to *The Bond Buyer*, over 92% of taxable issuance volume in August was through the BAB Program. Issuers have sold $28.42 billion BAB's since April representing almost 17% of municipal issuance volume. (Issuance of BAB's is limited to Governmental Purpose Projects – rather than the conduit financings for non-governmental third parties that are IFA's focus).

Interest Rate Data:

Tax-Exempt Rates:

- Variable Index (* SIFMA): 0.39% (8/26), down 2 basis points from last month's report.
- Fixed GO Bond (** MMD-30yr-AA): 4.54% (9/1), up 18 basis points from last month's report.

Taxable Rates:

- Fed Reserve Benchmark Target Rate: 0.25% (9/1) unchanged from last month
- *** 90-day LIBOR: 0.41% (9/1), down 7 basis points from last month
- **** Prime Rate: 3.25% (9/1), unchanged since 12/15/2008.
- 2-yr Treasury: 1.18%, (9/1) up 18 basis points from last month
- 30-yr Treasury: 4.42% (9/1) down 8 basis points from last month

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

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

****LIBOR (i.e., London Interbank Offering Rate); "LIBOR" is the world's most widely used benchmark for short-term interest rates.*

*****Prime Rate: the interest rate benchmark most commercial banks charge their most creditworthy customers (typically for Revolving Lines of Credit and other short-term loans)).*

The Tax-Exempt SIFMA Variable Rate Index dropped 2 basis points from July, following an 11 basis point increase in July. Still, the SIFMA Index remains near historical lows.

The 30-Year MMD (AA-rated) rate increases 18 basis points from last month, while the 30-Year Treasury dropped 9 basis points from July. The observed increase in 30-Year MMD (while the 30-Year Treasury dropped) is indicative of an undersupply of long-term investors in the tax-exempt market.

Among Taxable rates, 90-day LIBOR, which is used to determine borrowing rates for many interbank loans, continued its decline in with a 7 basis point decline in August, approaching its lowest levels since 2004. 90-day LIBOR (plus a margin) is frequently used as a benchmark for determining variable rate commercial loan interest rates.

Economic Data:

Gross Domestic Product Estimate:
According to an estimate released by the Bureau of Economic Analysis on August 27th, Real Gross Domestic Product ("GDP") -- the output of goods and services produced by labor and property located in the United States -- decreased at an annual rate of 1.0% in the second calendar quarter of 2009 ("Q2 2009"), compared to a Q1 2009 decrease of 6.4%. (The 6.4% decline reported in Q1 2009 was the sharpest contraction in nearly 30 years.)

Following this anticipated Q2 2009 GDP decline, the US economy will have contracted for four consecutive quarters for the first time on record since 1947.

Based on the Q2 2009 decline in the rate of GDP contraction, many economists believe that Q1 2009 represented a "bottoming" in economic performance (as widely reported).

Employment:

New claims for US unemployment benefits dipped over the past week in a sign of modest improvement in the job situation for the recession-mired economy, according to a U.S. Labor Department report released August 27th. Seasonally adjusted initial jobless claims fell to 570,000 in the week ending August 22 from the previous week's revised figure of 580,000..

According to the Federal Reserve Bureau, the number for seasonally adjusted insured unemployment or continuing claims filed during the week ending August 15 was 6.133 million, a decrease of 119,000 from the preceding week.

A survey by ADP Employer Services showed businesses reduced payrolls by 298,000 in August, following a decline of 360,000 in July.

Illinois unemployment rate has reached 10.4% for July 2009 reported by the Illinois Department of Unemployment Securities; the data for August will be available on September 17^{th}.

Manufacturing:

According to the August Purchasing Manager's Index ("PMI") report, the manufacturing sector ended 18 consecutive months of decline in August as the PMI registered 52.9, which is 4 points higher than the 48.9 percent reported in July. August's 52.9 reading is the highest since June 2007. (A PMI reading over 50.0 indicates that the manufacturing sector is generally expanding; while a reading under 50.0 indicates that it is generally contracting.)

Other Economic News:

- Ford Motor Co., Toyota Motor Corp. and Honda Motor Co. led U.S. auto sales to the first monthly gain since 2007 as the governments "cash for clunkers" rebates lured shippers to showrooms.

- Mortgage bankers are pushing Congress to expand the U.S. government's support of the market by guaranteeing private-industry home-loan securities and replacing finance companies Fannie Mae and Freddie Mac.
- Waterbury, Connecticut, raised $313 million to bolster its public employee retirement system in the largest pension bond sale by a U.S. municipality since March.

IFA Sales, Marketing and Credit

Marketing – Spurred by the 2009 Recovery Act (or "ARRA"), and the related need to upgrade pubic infrastructure and educational facilities, IFA's Local Government Team is implementing marketing and development plans to encourage (1) conduit financings for large municipalities, school districts, and community college districts and (2) pooled financings for small municipalities.

IFA's Local Government team continues to focus marketing efforts to associations including the Illinois Municipal League, the Illinois State Board of Higher Education, the Illinois Government Finance Officers Association, the Illinois City and County Management Association, and the Illinois Association of School Business Officials. IFA will continue to submit newsletter articles and arrange to speak at regularly scheduled conferences held by these organizations. Ongoing emphasis will be educating prospective users on the benefits of using IFA as a conduit issuer for use of the double exemption and the state revenue intercept.

Program Development

Fire Truck and Ambulance Revolving Loan Funds –All loans for this Fiscal Year have been completed, Staff has resumed servicing the portfolio.

Local Government Pooled Bond Issue -- Local Government Staff is continuing to work with prospective borrowers to facilitate interim financing of credit-approved borrowers with a dedicated $1,744,074 (unencumbered balance as of September 3, 2009) IRBB Special Reserve Fund (established and capitalized for the benefit of the Illinois Rural Bond Bank, an IFA predecessor). Today's agenda includes $625,000 interim loan request from the Village of Kane interim financings would enable (i) creditworthy borrowers to proceed with their financings immediately and (ii) provide additional time for each IFA Local Government Pool to aggregate sufficient volume to provide optimal economies of scale to participants.

Sales Activities

Funding Managers will be presenting twelve financings totaling $382,389,000 for consideration at the September, 2009 Board Meeting:

- Agriculture projects total $1,589,000
- Business and Industry projects total $300,000
- Healthcare projects total $115,000,000
- Non-Healthcare Projects (Cultural and other 501(c)(3) projects) total $265,500,000.

The twelve financings presented for consideration today are expected to create 150 new jobs and 760 construction jobs.

<u>IFA Industry Updates and Closing Reports:</u>

<u>Agriculture</u>

During the month of August, the Ag Staff fielded calls from 8 producers and small business, as well as 14 lenders seeking information about IFA programs for potential projects. Project inquiries ranged from Beginning Farmer Bonds, Rural Development loans, Participation loans, and Agricultural Guarantees.

Staff was also heavily involved in the planning for future energy workshops to be held around the State in order to promote the new Treasury Department's Direct Subsidy payment program. Other major project inquiries requiring significant time are a potential Food Grade Ethanol Plant in Benton, which is seeking State assistance for financing its operations. Staff also spent significant time on a potential Industrial Revenue Bond to reopen a boat manufacturer in West Frankfort. Both of these projects could bring significant new jobs back to Southern Illinois if successful.

Staff spent a half day with the Bank of Jacksonville to tour a large hog farm, which has an IFA guarantee in place. The credit has been discussed with the credit committee and the Board of Directors on several occasions. Staff has been receiving many calls from lenders involved in the swine industry seeking new guarantees or modifications to existing guarantees, as this industry continues to struggle financially.

The most significant development in the Ag Market was the signing of SB260 by Governor Quinn, which makes IFA statutory parameters consistent with federal legislation that had expanded eligibility under the Beginning Farmer Bond program nationally. Now, IFA’s Statute will enable the maximum bond limit to be increased from $250,000 to $469,200 while the previous land ownership limit of $125,000 has been removed. The increased expenditure limits significantly enhance the utility of the Beginning Farmer Bonds Program for IFA and the Ag Market. As with many changes to federal tax law, these changes in eligibility parameters had required years of effort to support.

In late August, AG staff attending the annual Illinois Bankers Association's (“IBA”) Ag Lender's conference in Springfield. As a sponsor of the event, IFA was provide for a booth to promote our new limit for Beginning Farmer Bonds. The IBA conference was attended by 65 lenders from across the State.

For the September board meeting, staff will present 4 Beginning Farmer Bonds, 2 Agri-Debt Guarantees, and 1 Amendment.

There were no Agriculture Closings in August, 2009.

Business and Industry

Members of the B&I Team are working with the Illinois Development Council ("IDC") to resume more active participation in regional seminars and educational events. The Illinois Development Council is a statewide membership organization comprised of local (municipal and county) economic development organizations statewide. IDC meetings provide an effective forum for IFA to discuss

IFA's B&I Team met with the Village of Tinley Park – Economic Development and the Will County Center for Economic Development to discuss prospective Industrial Revenue Bond financings and to discuss prospective opportunities for Recovery Zone Facility Bond financings in Tinley Park and Will County.

IFA's B&I Team continues to focus calling activity on Illinois-based manufacturers servicing industries that have remained relatively healthy during the current recession including (1) component suppliers to the wind turbine and other alternative energy sources, (2) the medical products industry. There have been several potential borrowers who have expressed interest in both the Participation Loan Program and the Industrial Revenue Bond Program.

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

Additionally, it has become evident from informal discussions with Borrowers and investment bankers who serve this market that Bank Letter of Credit for prospective Industrial Revenue Bond, Intermodal, and Solid Waste Transactions is continues to see substantially higher pricing.. As a result, Bank LOC-enhanced Tax-Exempt Financings for these Borrowers provide relatively less benefit now than at any time in recent years.

IFA's B&I team expect American Water Capital Corp. to close a $28.5 million fixed rate issue in late September or early October.

There were no Business and Industry Closings in August, 2009.

Healthcare

The Health Care Market continues to improve. This month, there were successful pricings for (1) Riverside Health System (6.34%) and (2) University of Chicago Medical Center (5.75%), while (3) OSF Healthcare System, (4) The Joliet Franciscans, and (5) Aunt Martha's Youth Project were all privately placed with banks (i.e., Bank Direct Purchase transactions). IFA's Healthcare Team expect activity to increase moderately before the end of this year, with Edward Hospital and Lake Forest Hospital coming this month for refinancing and new money financing, respectively. Prior to the end of the calendar year, we anticipate two additional financings to close.

IFA's Healthcare Team presented the structure of the HAP program to Assured Guaranty on August 4, 2009, which provided an opportunity for Assured Guaranty to ask questions to facilitate their due diligence review of the structure. The interest rate for HAP Pool is tentatively scheduled for the second week of September.

The Healthcare Team has been preparing to implement a rigorous marketing effort once the final commitment and pricing from Assured is received. The effort will include calls and emails to all Illinois hospital CFOs, with personal follow-up meetings to spur participation in the Program. We have already met with several of the HAP participants to discuss the Program. These meetings have also provided an opportunity to discuss their future financing plans. Hospitals contacted this month included: Northwestern University, Children's Memorial, OSF Health System, Rockford Memorial, Swedish American, Rush, University of Chicago, Advocate, Riverside, and Edward.

Another key initiative of the Healthcare Team has been organizing the Underwriter Diversity Forum Seminar which will be held on September 10, 2009. The Healthcare Team has contacted 115 financial professionals from Illinois hospitals, financial advisory firms, and minority and women owned underwriting firms to attend the Underwriter Diversity Forum at the Oak Brook DoubleTree Hotel. Currently, 14 minority and women owned underwriting firms are scheduled to participate in the Forum. All 11 hospitals that we met this month to discuss the HAP program, were also personally invited to attend the Diversity Forum. The Forum will be used not only to introduce Illinois minority and women owned underwriting firms to the Illinois hospital community, but also to publicly introduce the IFA HAP Program.

The Association of Safety Net Community Hospitals also invited Pam Lenane and the Healthcare Team to present the HAP Program at an Association meeting on September 8, 2009. The Team utilized this opportunity to promote both the HAP Program and the Diversity Forum. The Hospitals that will attend include: Swedish Covenant, Mercy, St. Bernard, Loretto, Norwegian American, and Roselyn.

Finally, the Authority is hosting the Annual Conference of the National Association of Health and Education Facilities Finance Authorities in Chicago on September 23rd through 25th. Chairman Brandt will be opening the conference and the Healthcare Team will be moderating 3 sessions. IFA Staff (also including IFA's General 501(c)(3) Team) have encouraged minority and women owned firms to participate in the conference, to gain exposure to the executive directors and staffs of authorities and issuers nationally.

Healthcare August, 2009 Closing(s)

Closing Date	Amount	Borrower
08/13/09	66,500,000.00	Riverside Health System
08/18/09	70,000,000.00	OSF Healthcare System
08/20/09	7,911,000.00	Joliet Franciscans
08/20/09	225,000,000.00	University of Chicago Medical Center
08/20/09	8,924,194.63	Aunt Martha's Youth Project

<u>Non-Healthcare 501(c)(3)'s:</u>

Members of the Not for Profit Team continue to meet with market participants to discuss both opportunities and challenges in the Higher Education and Cultural subsectors, as well as other K-8 education, social services, and other 501(c)(3) subs-markets.

The Team continued to work with local banks on converting LOC backed transactions to Direct Purchase mode transactions.

The Not for Profit Team participated in the following events:

- Met with commercial lending teams at Fifth Third Bank and RBS/Charter One Bank to discuss options for restructuring existing Letter of Credit secured transactions as (1) Direct Bank Purchases or (2) with the addition of a Confirming LOC from a Federal Home Loan Bank.
- Served as exhibitors at the Lumpkin Foundation Downstate Non Profit Conference held in Champaign. The Lumpkin Foundation serves as a support organization providing grants and educational programs that support over 200 not for profits throughout Central and Southern Illinois.
- Teleconference call on The Jewish Federation's Revenue Anticipation Note program hosted by the CFO of the Jewish Federation and their counsel for not for profit organizations. More that 60 representatives from Not for Profits participated in the conference call.

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

Closing Date	**Amount**	**Borrower**
8/27/2009	$5,431,485	St. Patrick High School

<u>Local Government</u>

Progress is being made by IFA Local Government Staff on finalizing financial due diligence reports with approximately nine municipalities primarily located in Central and Southern Illinois for participation in the next Local Government Pooled Program.

The target date for the next issue is in late October. IFA's Local Government Team anticipates an approximately $5 million pool to support various community infrastructure projects. Pursuant to proposals secured under a Request for Proposal/Request for Qualifications, Bond Counsel, Underwriter, and Issuer Counsel have been selected for the initial pool and will be discussed briefly.

In August, the Local Government Team discussed IFA financing with approximately 15 other communities, including school districts.

There were no Local Government Closings in August, 2009

<u>Energy</u>

<u>US Department of Energy Loan Guarantee Program</u>

IFA is in ongoing discussions with DOE's consultants regarding their pending solicitation for public sector Designated Lenders for a new Loan Guarantee program, Section 1705. Designated Lenders will be authorized to sponsor qualifying projects for DOE Loan Guarantees. Designated Lenders will be charged with underwriting projects, completing due diligence and submitting detailed credit memorandums that DOE will use to evaluate requests for guarantees. DOE expects Designated Lender to support recommended financings with their own capital. DOE is expected to issue this solicitation in August.

IFA Energy Initiative

Staff has been working closely with the Energy Committee and Scott Balice Strategies to begin developing policies and procedures for the IFA Energy Initiative. This effort has included preparing credit criteria for wind power and other renewable energy projects, developing a fee structure, developing plans for how IFA will respond to inquiries, generate interest, qualify, and evaluate financing requests, close financings, and monitor projects after closing.

Project Vetting

In July, staff invited developers of 15 projects that IFA and DCEO believes are most ready for development to participate in vetting sessions to be attended by IFA staff, Scott Balice Strategies and members of the Illinois Energy Team. The purpose of the vetting sessions is to complete a high level evaluation of each project's technology, environmental attributes and financial viability to identify a manageable set of projects that merit further consideration for State Moral Obligation and perhaps, sponsorship for a DOE Loan Guarantee. Written responses are due August 15. In-person vetting sessions are expected to be scheduled in late August and in September, with preliminary vetting to be completed by September.

Energy Efficiency

IFA is aggressively evaluating opportunities for financing energy efficiency projects. These projects are very attractive from a development and environmental perspective. The Federal government has announced numerous incentives to encourage investment in energy efficiency technology and renewable energy systems. These projects are often relatively low cost (ranging from several thousands to several million dollars), relatively easy to implement, promise significant cost savings and environmental benefits and represent an opportunity to quickly put many people back to work. IFA continues to receive financing requests for energy efficiency projects from a wide variety of project sponsors. To respond to these inquiries, develop financing programs and enhance outreach efforts, management has assigned the following funding managers to this effort:

Bill Claus:	Health Care
Townsend Albright:	501(c)(3) Non Healthcare
Kim DuPrey:	Local Government
Chris Meister and Eric Reed	Commercial and Industrial Organizations

To enhance our efforts, IFA recently began working with the Clinton Climate Initiative, an entity funded by the William Clinton Foundation that is charged with implementing energy efficiency projects in Chicago and other major US cities. Staff is also investigating an opportunities for funding and technical assistance that may be available from DOE and various foundations that are interested in encouraging energy efficiency.

There were no Energy Closings in August, 2009

Human Resources

Background work was completed for IFA's EEO/AA Plan for fiscal year 2010. The Plan draft was reviewed and approved by IFA's Authorized Officers.

A training session, Employee Management Process, for IFA management staff was completed this month.

A job description was developed for the State Purchasing Officer position.

Employment offers were extended to Janis Sinisi (to convert from part-time to full-time employment as IFA's State Purchasing Officer) and Marnin Lebovits who was hired as a Senior Funding Manager working on the Energy Team.

Procurement

Janis Sinisi completed training for the Illinois Procurement Bulletin and REMEDY, both systems which will enable the IFA to generate new procurement solicitations.

Content was drafted for the three Treasury procurements for submission to REMEDY for approval.

Benefits

An operational change to the way IFA's Individual Retirement Account Plan matching contributions are processed was approved and implemented. IFA staff received an employee communication explaining the change.

Venture Capital

IFA participated in numerous Firefly Energy board meetings surrounding their efforts to raise additional investment capital. A summary of company activity was prepared and provided to the Energy Team.

IFA attended Board meetings for Riverglass and VHT.

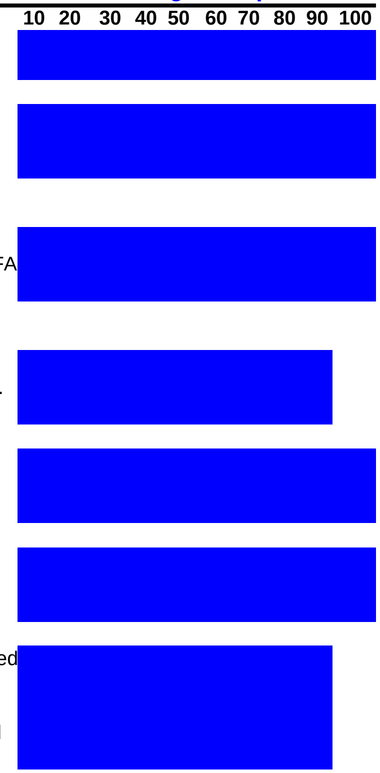
Legal/Legislative: *An oral report will be provided at the September 9,, 2009 Committee of the Whole Meeting.*

Illinois Finance Authority
FY08 Audit Findings: Material and Immaterial
Update as of August 31, 2009

Number of Findings - 7

Item Number	Description	Finding Type	Comments
Government Auditing Standards:			
08-01	**Draft Financial Statements Not Completed Timely**	Significant Deficiency	People, processes and systems are in place to produce timely financial statements.
08-02	**Failure to Provide a Listing of Laws and Regulations Applicable to the Authority**	Significant Deficiency	Database developed; identification and tracking, and maintenance of the statutory mandate database have been executed.
Federal Compliance:			
08-03	**Missing Policy on Nondiscrimination**	Noncompliance and Significant Deficiency	The product bulletin and the application for the Rural Development Program have been updated and posted to the IFA website.
State Compliance:			
08-04	**Failure to Report Revenue Bond Information to the Office of the Comptroller**	Noncompliance and Significant Deficiency	Implemented a "reminder" process with trustees/paying agents. Changes required from the IOC to totally eliminate this finding.
08-05	**No Established Rules to Administer Loan Program (Fire Sprinkler Dormitory Revolving Loan Program)**	Noncompliance and Significant Deficiency	No appropriation to fund the program; rules filed with the Secretary of State.
08-06	**Failure to Administer the Exporter Award Program**	Noncompliance and Significant Deficiency	IFA posted an invitation on its website; nominated borrowers; actual award by DCEO were made on 06/29/09; none of the awardees were submitted by IFA.
08-07	**No Formal Record Retention Plan**	Noncompliance and Significant Deficiency	Applications on file with State Archives. Currently being reviewed by State Archives Field Representative and State Archive Director. Records Retention Schedule pending finalization by State Archives. State Record Commission review is scheduled during September, 2009.

Percentage Completed



Illinois Finance Authority
Audit Findings Material and Immaterial
Update as of August 31, 2009

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

Illinois Finance Authority
General Fund
Unaudited
Balance Sheet
for the Two Months Ending August 31, 2009

	Actual August 2009
ASSETS	
CASH & INVESTMENTS, UNRESTRICTED	$ 15,559,445
RECEIVABLES, NET	171,662
LOAN RECEIVABLE, NET	23,501,069
OTHER RECEIVABLES	225,738
PREPAID EXPENSES	204,338
TOTAL CURRENT ASSETS	39,662,252
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	88,229
DEFERRED ISSUANCE COSTS	412,596
OTHER ASSETS	
CASH, INVESTMENTS & RESERVES	872,407
VENTURE CAPITAL INVESTMENTS	-
OTHER	(6,637)
TOTAL OTHER ASSETS	865,770
TOTAL ASSETS	$ 41,028,848
LIABILITIES	
CURRENT LIABILITIES	$ 672,719
LONG-TERM LIABILITIES	594,577
TOTAL LIABILITIES	1,267,296
EQUITY	
CONTRIBUTED CAPITAL	4,111,479
RETAINED EARNINGS	23,010,155
NET INCOME / (LOSS)	668,620
RESERVED/RESTRICTED FUND BALANCE	1,732,164
UNRESERVED FUND BALANCE	10,239,134
TOTAL EQUITY	39,761,552
TOTAL LIABILITIES & EQUITY	$ 41,028,848

Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
for Period Ending
August 31, 2009

	Actual August 2009	Budget August 2009	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	290,679	270,574	20,105	7.43%	582,462	555,399	27,063	4.87%	3,456,565	16.85%
INVESTMENT INTEREST & GAIN(LOSS)	65,462	110,655	(45,194)	-40.84%	161,570	221,309	(59,739)	-26.99%	1,327,584	12.17%
ADMINISTRATIONS & APPLICATION FEES	560,994	512,483	48,511	9.47%	1,098,721	1,024,966	73,755	7.20%	3,496,715	31.42%
ANNUAL ISSUANCE & LOAN FEES	119,789	55,244	64,545	116.84%	167,197	110,489	56,708	51.32%	645,618	25.90%
OTHER INCOME	28,501	16,308	12,193	74.77%	59,041	32,616	26,425	81.02%	195,700	30.17%
APPROPRIATIONS FROM STATE	-	-	-	-	-					
TOTAL REVENUE	1,065,425	965,264	100,161	10.38%	2,068,990	1,944,780	124,211	6.39%	9,122,182	22.68%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	270,005	229,167	40,838	17.82%	494,656	458,333	36,323	7.92%	2,750,000	17.99%
BENEFITS	21,138	23,042	(1,904)	-8.26%	44,844	46,083	(1,239)	-2.69%	276,500	16.22%
TEMPORARY HELP	2,541	3,157	(616)	-19.52%	5,280	6,313	(1,033)	-16.36%	37,880	13.94%
EDUCATION & DEVELOPMENT	1,035	417	618	0.00%	1,035	833	202	24.25%	5,000	20.70%
TRAVEL & AUTO	3,773	5,175	(1,402)	-27.10%	4,934	10,350	(5,416)	-52.33%	62,100	7.94%
TOTAL EMPLOYEE RELATED EXPENSES	298,491	260,958	37,533	14.38%	550,749	521,912	28,837	5.53%	3,131,480	17.59%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	17,179	17,500	(321)	-1.83%	33,754	35,000	(1,246)	-3.56%	210,000	16.07%
LOAN EXPENSE & BANK FEE	218,404	220,307	(1,904)	-0.86%	435,068	440,615	(5,547)	-1.26%	2,643,688	16.46%
ACCOUNTING & AUDITING	24,859	21,872	2,987	13.66%	49,717	43,743	5,974	13.66%	262,455	18.94%
MARKETING GENERAL	16	-	16	0.00%	16	-	16	0.00%	65,000	0.02%
FINANCIAL ADVISORY	18,333	18,333	-	0.00%	36,666	36,667	(1)	0.00%	220,000	16.67%
CONFERENCE/TRAINING	1,770	1,250	520	41.60%	1,770	2,500	(730)	-29.20%	15,000	11.80%
MISC. PROFESSIONAL SERVICES	3,333	3,333	-	0.00%	6,666	6,667	(1)	-0.01%	160,000	4.17%
DATA PROCESSING	2,835	2,917	(82)	-2.82%	5,368	5,833	(465)	-7.97%	35,000	15.34%
TOTAL PROFESSIONAL SERVICES	286,728	285,512	1,216	0.43%	569,025	571,025	(2,000)	-0.35%	3,611,143	15.76%

Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
for Period Ending
August 31, 2009

	Actual August 2009	Budget August 2009	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	22,567	22,917	(350)	-1.53%	44,673	45,833	(1,160)	-2.53%	275,000	16.24%
EQUIPMENT RENTAL AND PURCHASES	3,644	5,167	(1,523)	-29.48%	7,597	10,333	(2,736)	-26.48%	62,000	12.25%
TELECOMMUNICATIONS	5,414	4,358	1,056	24.23%	10,865	8,717	2,148	24.64%	52,300	20.77%
UTILITIES	1,003	800	203	25.40%	2,010	1,600	410	25.61%	9,600	20.94%
DEPRECIATION	5,227	4,025	1,202	29.88%	10,455	8,050	2,405	29.88%	48,300	21.65%
INSURANCE	1,951	500	1,451	290.24%	3,812	1,000	2,812	281.24%	6,000	63.54%
TOTAL OCCUPANCY COSTS	39,806	37,767	2,039	5.40%	79,412	75,533	3,879	5.14%	453,200	17.52%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	2,793	6,667	(3,874)	-58.11%	6,612	13,333	(6,721)	-50.41%	90,000	7.35%
BOARD MEETING - EXPENSES	6,646	1,600	5,046	315.37%	6,882	3,200	3,682	115.08%	19,200	35.85%
PRINTING	499	600	(101)	-16.87%	1,067	1,200	(133)	-11.06%	7,200	14.82%
POSTAGE & FREIGHT	584	1,250	(666)	-53.25%	1,853	2,500	(647)	-25.87%	15,000	12.36%
MEMBERSHIP, DUES & CONTRIBUTIONS	819	3,083	(2,264)	-73.43%	2,399	6,167	(3,768)	-61.10%	37,000	6.48%
PUBLICATIONS	93	250	(158)	-63.00%	87	500	(413)	-82.62%	3,000	2.90%
OFFICERS & DIRECTORS INSURANCE	13,683	16,917	(3,234)	-19.12%	30,600	33,833	(3,233)	-9.56%	203,000	15.07%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	#DIV/0!	-	#DIV/0!
TOTAL GENL & ADMIN EXPENSES	25,116	30,367	(5,251)	-17.29%	49,501	60,733	(11,232)	-18.49%	374,400	13.22%
LOAN LOSS PROVISION/BAD DEBT	25,000	25,000	-	0.00%	50,000	50,000	-	0.00%	300,000	16.67%
OTHER										
INTEREST EXPENSE	597	597	0	0.04%	1,195	1,195	(0)	-0.04%	6,684	17.87%
TOTAL OTHER	597	597	0	0.04%	1,195	1,195	(0)	-0.04%	6,684	17.87%
TOTAL EXPENSES	675,739	640,199	35,540	5.55%	1,299,881	1,280,398	19,483	1.52%	7,876,907	16.50%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	389,686	325,065	64,621	19.88%	769,109	664,382	104,728	15.76%	1,245,275	61.76%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%			-	0.00%	-	0.00%
TRANSFER TO STATE OF ILLINOIS		-	-	0.00%		-	-	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	389,686	325,065	64,621	19.88%	769,109	664,382	104,727	15.76%	1,245,275	61.76%

Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
August 31, 2009

	Actual August 2009	Actual August 2008	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	101,549	115,242	(13,693)	-11.88%	204,799	232,445	(27,645)	-11.89%
INVESTMENT INTEREST & GAIN(LOSS)	4,734	42,403	(37,670)	-88.84%	9,989	82,069	(72,080)	-87.83%
ADMINISTRATIONS & APPLICATION FEES	560,994	371,849	189,146	50.87%	1,098,721	512,550	586,170	114.36%
ANNUAL ISSUANCE & LOAN FEES	119,789	50,153	69,636	138.85%	167,197	106,636	60,561	56.79%
OTHER INCOME	7,709	8,409	(700)	0.00%	24,242	18,485	5,757	0.00%
						-	-	-
TOTAL REVENUE	794,775	588,056	206,719	35.15%	1,504,947	952,184	552,762	58.05%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	270,005	227,834	42,172	18.51%	494,656	467,250	27,406	5.87%
BENEFITS	21,138	25,584	(4,447)	-17.38%	44,844	53,847	(9,003)	-16.72%
TEMPORARY HELP	2,541	3,659	(1,118)	-30.56%	5,280	8,405	(3,125)	-37.18%
EDUCATION & DEVELOPMENT	1,035	-	1,035	0.00%	1,035	448	587	130.82%
TRAVEL & AUTO	3,773	6,552	(2,779)	-42.42%	4,934	11,165	(6,232)	-55.81%
TOTAL EMPLOYEE RELATED EXPENSES	298,491	263,628	34,863	13.22%	550,749	541,115	9,633	1.78%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	16,346	34,445	(18,098)	-52.54%	32,088	66,000	(33,912)	-51.38%
LOAN EXPENSE & BANK FEE	9,405	10,711	(1,307)	-12.20%	17,070	22,154	(5,084)	-22.95%
ACCOUNTING & AUDITING	22,813	29,237	(6,424)	-21.97%	45,626	56,502	(10,876)	-19.25%
MARKETING GENERAL	16	2,594	(2,578)	-99.38%	16	6,849	(6,833)	-99.77%
FINANCIAL ADVISORY	18,333	25,000	(6,667)	-26.67%	36,666	50,000	(13,334)	-26.67%
CONFERENCE/TRAINING	1,770	3,990	(2,220)	0.00%	1,770	4,340	(2,570)	-59.22%
MISC. PROFESSIONAL SERVICES	-	-	-	0.00%	-	-	-	0.00%
DATA PROCESSING	2,835	3,512	(677)	-19.29%	5,368	6,994	(1,626)	-23.25%
TOTAL PROFESSIONAL SERVICES	71,517	109,489	(37,972)	-34.68%	138,603	212,839	(74,236)	-34.88%

Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
August 31, 2009

	Actual August 2009	Actual August 2008	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	22,567	24,716	(2,150)	-8.70%	44,673	49,433	(4,760)	-9.63%
EQUIPMENT RENTAL AND PURCHASES	3,644	4,072	(428)	-10.51%	7,597	7,830	(233)	-2.97%
TELECOMMUNICATIONS	5,414	4,806	608	12.64%	10,865	9,217	1,648	17.88%
UTILITIES	1,003	829	174	20.97%	2,010	2,205	(196)	-8.87%
DEPRECIATION	5,227	6,486	(1,258)	-19.40%	10,455	12,971	(2,516)	-19.40%
INSURANCE	1,951	1,607	344	21.41%	3,812	3,214	598	18.61%
TOTAL OCCUPANCY COSTS	39,806	42,516	(2,710)	-6.37%	79,412	84,870	(5,458)	-6.43%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	2,793	5,192	(2,400)	-46.21%	6,612	15,058	(8,446)	-56.09%
BOARD MEETING - EXPENSES	6,646	3,571	3,074	86.09%	6,882	9,469	(2,586)	-27.31%
PRINTING	499	1,556	(1,057)	-67.95%	1,068	3,969	(2,901)	-73.10%
POSTAGE & FREIGHT	584	1,678	(1,093)	-65.17%	1,853	4,341	(2,488)	-57.31%
MEMBERSHIP, DUES & CONTRIBUTIONS	819	955	(136)	-14.24%	2,399	5,336	(2,937)	-55.05%
PUBLICATIONS	93	229	(137)	-59.65%	87	922	(835)	-90.58%
OFFICERS & DIRECTORS INSURANCE	13,683	14,524	(841)	-5.79%	30,600	29,048	1,552	5.34%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%
TOTAL GENL & ADMIN EXPENSES	25,116	27,706	(2,590)	-9.35%	49,501	68,143	(18,642)	-27.36%
LOAN LOSS PROVISION/BAD DEBT	25,000	33,333	(8,333)	-25.00%	50,000	66,666	(16,666)	-25.00%
OTHER								
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%
TOTAL EXPENSES	459,931	476,673	(16,742)	-3.51%	868,265	973,633	(105,368)	-10.82%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	334,844	111,382	223,461	200.63%	636,682	(21,449)	658,131	-3068.36%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER	-	13,125	(13,125)	0.00%	31,938	13,125	18,813	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	334,844	124,507	210,336	168.93%	668,620	(8,324)	676,944	-8132.50%

Illinois Finance Authority
Consolidated
Unaudited
Balance Sheet
for the Two Months Ending August 31, 2009

	Actual August 2008	Actual August 2009
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	$ 25,102,494	$ 29,064,999
RECEIVABLES, NET	352,326	171,662
LOAN RECEIVABLE, NET	89,556,129	94,938,391
OTHER RECEIVABLES	465,628	1,802,542
PREPAID EXPENSES	143,821	204,338
TOTAL CURRENT ASSETS	115,620,398	126,181,931
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	146,850	88,229
DEFERRED ISSUANCE COSTS	661,853	561,131
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES	50,523,741	37,198,179
VENTURE CAPITAL INVESTMENTS	5,698,817	5,377,739
OTHER	3,682,072	3,000,000
TOTAL OTHER ASSETS	59,904,629	45,575,919
TOTAL ASSETS	$ 176,333,730	$ 172,407,210
LIABILITIES		
CURRENT LIABILITIES	$ 1,576,684	$ 786,417
LONG-TERM LIABILITIES	61,692,243	57,914,672
TOTAL LIABILITIES	63,268,927	58,701,089
EQUITY		
CONTRIBUTED CAPITAL	35,608,692	35,608,692
RETAINED EARNINGS	24,795,357	27,173,957
NET INCOME / (LOSS)	247,308	769,108
RESERVED/RESTRICTED FUND BALANCE	39,765,275	37,506,193
UNRESERVED FUND BALANCE	12,648,171	12,648,171
TOTAL EQUITY	113,064,803	113,706,121
TOTAL LIABILITIES & EQUITY	$ 176,333,730	$ 172,407,210

MINUTES OF THE AUGUST 11, 2009 MEETING OF THE COMMITTEE OF THE WHOLE OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA”), pursuant to notice duly given, held a Committee of the Whole Meeting at 8:30 a.m. on August 11, 2009 at the Chicago Office of the IFA at 180 N. Stetson, Suite 2555, Chicago, IL 60601.

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

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’s Remarks

Chairman Brandt shared with the Board and guests that Senate Bill 1906 was signed into law by the Governor on July 27, 2009 and is now Public Act 96-0103. There was substantial media interest in the bill. The Energy Committee will share with the rest of the board in the upcoming month the plan for implementing the authority that PA 96-0103 grants the IFA. While the IFA has the capacity to undertake a financial credit review, we do not have the expertise to undertake an environmental or feasibility review of projects. In order to ensure that projects meet yet to be established environmental, technical and financial criteria for project financing, a thorough vetting process will be established, along with fees to cover any expenses occurred by the IFA during this process. The IFA will receive assistance vetting projects from members of the Illinois Energy Team. A fee schedule for their assistance is being established. Additionally, the relationship between members of the Illinois Energy Team is being formalized through Intergovernmental Agreements (IGAs).

A request for additional information, along with an update on PA 96-0103, was sent to several developers at the beginning of August. That letter set a refundable deposit of $10,000 as a fee, but Chairman Brandt explained that he would like to seek the input of the board before setting any specific fees. Chairman Brandt also noted that the fees for the Energy sector will be much more significant than for IFA’s traditional sectors due to the increased due diligence required.

Mr. Meister emphasized to the Board that IFA’s doors remain open to any energy project interested in talking to a funding manager without any fee. He also informed the Board that from the earlier request for proposals IFA received 3 project submissions – two from Midwest Generation and one from a downstate Biodiesel plant.

Dr. Herrin, the chair of the Energy Committee, explained to the board that this type of financing is unlike anything IFA has undertaken previously, as the business plans, technologies and challenges faced by this sector are new to IFA's staff and no precedent exists.

Mr. Meister agreed with Dr. Herrin and stated that the energy sector is fundamentally different from IFA's traditional non-profit and tax-exempt financing, not solely because of how different this sector is from the other sectors, but also because we are utilizing an unusually high degree of State guaranteed additional security (known as "moral obligation"). The program has $3 Billion in authorized bonding authority, which includes up to $2 Billion for either coal or renewable energy sources. Additionally, the legislature increased the Agri-industry guarantee from $75 million to $225 million, which is debt backed by the full faith-and-credit of the State of Illinois which can be used in support of energy feedstock crops and biofuels production. IFA hopes to couple these tools with delegated lender authority that may be awarded by the U.S. Department of Energy (US D.O.E.) under the Section 1705 program for projects between $100 and $250 million. It is anticipated that the U.S. D.O.E. will issue invitations to the delegated lender program by the end of August. It is further hoped that awards under the US D.O.E. lender program will be awarded on a rolling basis.

Mr. Meister continued by saying that due to the high degree of exposure and the lack of technical renewable energy expertise in-house at IFA, additional resources and levels of due diligence will be necessary at an additional cost to the Authority. These costs could be significant, depending on the size and complexity of a project. Since IFA does not have the ability to absorb these costs, they will be passed on to the project developers.

Dr. Herrin stated that his preference would be to have the fees paid by the developer directly to the institution doing the vetting. This would eliminate the need for estimating a total cost of project vetting to hold in retainer or for allocating IFA funds to cover upfront expenses that would then be reimbursed by the developer.

Chairman Brandt noted that it was very important that IFA assign the team for due-diligence vetting and the developers are not allowed to select their vetting team – even from members of the Illinois Energy Team. All projects must be assigned to a vetting team by IFA staff and a pre-determined, fully disclosed, fair rate that is universal among applicants of a similar project type. He noted that the effective date of Public Act 96-0103 was January 1, 2010, so the IFA still had time to properly implement a program. Chairman Brandt also stated that the Attorney General suggested to him that environmental advocacy groups in Illinois would like the opportunity to give input on projects as well.

Given the procedural and structural issues still outstanding, Chairman Brandt recommends delaying the establishment of a formal fee structure and formalizing the procedures of vetting these projects to the September Board meeting. Dr. Herrin agreed that another month would be prudent and stated he had no objections to the recommendation. With no objections from any other Board Members, it was agreed that the Energy Committee would present a fee schedule and formalized procedures at the September Board meeting. Mr. Meister agreed to reach out to those projects that had already received an invitation from the IFA to convey the Board's decision.

Dr. Herrin then stated that it will also be very important to hire people with the appropriate expertise if we are to carry out any plan put forward by the Energy Committee. Mr. Leonard then asked where the list of projects sent invitations came from. Mr. Meister responded that the project list came from various sources including the promising projects IFA has met with over the last eighteen months as well the projects that have approached our sister agency, the Department of Commerce and Economic Opportunity.

Chairman Brandt then moved on to ask Mr. Meister to introduce the new members of IFA's team to the Board. Mr. Meister introduced Kim Du'Prey, a new Senior Funding Manger, who will primarily focus on Local Governments and School Districts. She came to the IFA from D.A. Davidson where she served in the Public Finance division. She has been involved in all aspects of municipal finance during her career, which includes time at both Citibank and Merrill Lynch. IFA is excited to welcome her aboard and looks forward to utilizing her talents.

Mr. Meister then introduced Mr. Marnin Lebovits, a new Senior Funding Manager focusing on renewable energy technologies. Mr. Lebovits joins the IFA from DEPFA Bank where he worked as the Managing Director. Prior to working at DEPFA he had been with CDR Financial Products and The Sumitomo Bank. Mr. Meister stated that Mr. Lebovits brings more than 20 years of municipal banking experience to IFA and we are excited to have him join the team.

Chairman Brandt then shared with the Board that the IFA's longtime Financial Advisory firm D.A. Davidson is closing and our Advisor, Bill Morris, is retiring. Chairman Brandt then recognized Mr. Morris and offered him the opportunity to speak. Mr. Morris stated that he had been involved with IFA since the decision to consolidate the predecessor entities into the IFA was made. Mr. Morris stated that he considered his work at the IFA to be one of the major accomplishments of his career and he has appreciated tremendously the opportunity to work with the staff at the IFA.

Chairman Brandt then stated his desire to introduce a resolution to thank D.A. Davidson and Mr. Morris for their years of hard work on behalf of the IFA as well as to wish him well in all of his future endeavors. Mr. Goetz seconded the motion and it passed unanimously on the roll call vote.

Chairman Brandt stated that his final announcement had to do with compensation. The Governor has asked all agencies under his authority to take 12 mandatory furlough days to help balance the State's budget. Since IFA is not a state agency and is not supported by State appropriations, as of yet IFA staff will not be taking unpaid furlough days. However, IFA has delayed consideration of its annual compensation incentive adjustments to September from June and is considering alternatives to this arrangement. IFA is looking at ways to improve its employee package, including switching to the State's health insurance plan. The Board will need another month to finalize these discussions and will report again on IFA compensation at September's meeting.

Financials

Yvonne Towers, Chief Financial Officer, Chief Technology Officer and Authorized Officer of the Authority, presented IFA's Financial Information to the Board.

The Illinois Finance Authority's General Fund unaudited financial position for the month ending July, 2009, reports total assets of $40,760,718, liabilities of $1,334,011 and total equity of $39,426,707. This compares favorably to the July 2008 balance sheet, with $37,683,222 in total assets, liabilities at $1,278,150 and total equity of $36,405,072.

Gross revenue YTD (other than loan repayments) for July was $710,171, or $23,216 (3.4%) above the approved FY10 budget. The favorable variance is primarily due to fee income. Total operating expenses were $408,334, or $16,965 (4.0%) below budget. This

is primarily due to a reduction of employee related expenses, professional and office services.
Gross revenue YTD of $710,171 was $346,043 (95%) higher than same period last fiscal year 2009. This is primarily due to fee income. Operating expenses YTD were $408,334, or $88,627 (-17.8%) lower than same period last fiscal year 2009. This is due to a reduction in employee related expenses, professional and office services.

Year-to-date net income for July was $333,776 or $72,119 higher than budget and $466,608 higher than same period last fiscal year.

Senior Staff Reports

Mr. Frampton reported that Letters of Credit (LOCs) remain very scarce in this market and expensive to obtain. Volume in LOCs is down 83% over July of 2008, which was already a weak period. IFA has seen a number of failed remarketings. We will continue to see restructuring for some time to come.

He also reported that the staff will be presenting one local government interim financing request from the Village of Kane. This financing will be the cornerstone of an anticipated local government pool bond issue that is slated to close before the end of this year. Additionally, Eric Reed, Downstate Regional Manager, will be attending and presenting at both the Farm Progress Show and the Illinois Banker's Association this upcoming month.

Committee Reports:

Healthcare: The IFA Healthcare Team had no projects to present this month, however August is traditionally a slow month for healthcare deals. The team will be presenting two new projects and one final resolution at the September board meeting.

The Healthcare Team was excited to present the Hospital Assessment Securitization Program or HAP for a preliminary review by the Board. They explained that in Illinois, thanks to the hard work of Barry Maram, Director of the Department of Healthcare and Family Services (DHFS) and former director of the Illinois Health Finance Authority (IHFA), and others, Illinois hospitals have their Medicare assessment payments secured for 5 years, with 4 years remaining on the legislation. This is a guaranteed stream of income from the Federal Government allowing for borrowing against it at a very favorable rate. Other states only guarantee this income stream for 1 to 2 years, leaving their hospitals unable to use this income stream to finance tax-exempt capital expenditures. Since the rates and participants are not yet determined, the Healthcare Team presented this information to the Board as a precursor to presenting the entire program to the Board this September. Ms. Pam Lenane noted that if the Healthcare Team secures pool participants totaling $200 million it could potentially generate $500,000 of revenue for the IFA.

Dr. Herrin asked Ms. Lenane if this pool could apply to Long Term Care Facilities. Ms. Lenane explained that it could not – only hospitals participating in the Medicare Hospital Assessment program through the State who are interested in making tax-exempt capital expenditures are eligible. Dr. Herrin followed up by asking if success of this pool is dependent on the State being current in paying their bills. Ms. Lenane stated that yes; the pool is dependent on the State being current with its bills, but that she does not anticipate a problem as the State is 30 days current presently.

The Healthcare Team was also proud to announce that the Healthcare and Diversity Committees have set a date for the Underwriter Diversity Forum at the Doubletree Hotel in Oakbrook, IL. It will be held on September 10, 2009 from 8:30 a.m to 11:30 a.m. More than a dozen minority and women owned underwriting firms are slated to attend along with a speaker from Fitch Ratings to draw hospital executives. The Healthcare Team hopes to widen the pool of minority and women owned underwriting firms utilized by IFA Healthcare issuers through this networking opportunity. Ms. Lenane told the board that the newest member of her healthcare team, Associate Funding Manger, Shannon Govia, was of great help in setting up this event. She thanked him for all of his help.

Chairman Brandt thanked the Healthcare Team for their presentation and congratulated them on their excellent work on the Underwriter Diversity Forum. He then commented that for the next several meetings it is important, as always, to ensure that a quorum is achieved. To this end, Chairman Brandt asked the downstate members of the board what month would be most preferable to them to hold the meeting in Springfield. After some debate between Mr. Zeller and Mr. Leonard it was agreed that October would be the best month to hold the Board Meeting in Springfield, IL. Therefore the September and October meetings would be held in Chicago and Springfield respectively. Chairman Brandt also requested comments from the Board regarding possibly holding the second downstate meeting this year somewhere other than Springfield. He recommended considering, on a yearly rotating basis, Carbondale, Rockford or Peoria, IL but mentioned that he is open to suggestions on location. Dr. Herrin immediately agreed that it was a good idea and noted that "Downstate Illinois" does not end at I-80.

There was some discussion of additional locations for the Board Meeting, including Mt. Vernon and Metro East St. Louis, but there was a general agreement that taking one of the two meetings out of Springfield would be an excellent idea. Chairman Brandt noted that IFA's custom of two downstate meetings per year would now include one meeting in Springfield and one in a city on a to be determined rotating list.

Project Reports

Eric Reed presented the following project and three amendatory resolutions:

No. 1: **A-FB-TE-CD-8257 – Scot A. Sell**

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $240,000 for the purchase of 15 acres of farmland with related buildings. This project is located in Kingston, IL (Boone County).

No. 5: **Jeff and Mary Bolomey.** A request for a resolution by U.S. Bank and Jeff and Mary Bolomey to amend Guaranteed Loan terms to reduce the borrower's monthly principal and interest payments by 40% for a 6th month period. (IFA Loan No. 2000-SL-0086)

Dr. Herrin asked Mr. Reed if the Bolomey's had long term contracts in place with their hog farmers to ensure this sort of thing didn't happen. Mr. Reed assured that while the borrowers had ten year contracts in place, the Bolomey's farm is suffering because of the decline of the other party to the contract: Hickory Grove Pork Farm (HGPF). HGPF's financial decline has been a problem for many of the hog farmers in the State as they have asked all of their suppliers to voluntarily take a 40% cut in their payments for a minimum of six months. While the Bolomey's are looking for an alternate contract holder, the market in hogs is currently very depressed and the borrowers are not currently receiving any offers. Dr. Herrin then asked how the value of the collateral has held up over time. Mr. Reed confirmed that the collateral value has held up well.

No. 6: **Applewood Farms LLC.** A resolution requesting the release of three guarantors (Burke; Weck; Ward) from limited personal liability, with conditions, by Bank of Springfield and Applewood Farms LLC. (IFA Loan Nos. 200-AJ-0801; 2007-SL-0701)

Mr. Reed noted that the conditions required by the bank and the IFA included the signing of an unlimited personal guarantee by the remaining partners: Dr. Alan Wildt and the Giertz Brothers. Chairman Brandt asked if the remaining partners had already agreed to sign the unlimited personal guarantees. Mr. Reed responded that they have not already agreed, but the bank and all the partners are aware of this condition, so he anticipates no problem in obtaining the guarantees.

No. 7: **Merlin and Ryan McClure.** A Resolution requesting the release of eighty acres of land from current collateral package securing Participation loans for Merlin and Ryan McClure and approve a subordination of $50,000 on 195 acres of farm land. (IFA Loan Nos. A-LL-TX-6225; A-LL-TZ-6226)

Mr. Reed explained that this resolution was coming before the board a second time to subordinate an additional loan Merlin and Ryan McClure had to take on and does not substantially change the previous request.

Steve Trout, Senior Funding Manager and Vice President, presented the following resolution for board approval:

No. 11: **REG/Blackhawk Biofuels LLC.** A Resolution to authorize a request by Fifth Third Bank to amend its term loan and consent to the merger of Blackhawk Biofuels, LLC with REG Danville, LLC and REG Newco, Inc.

Mr. Trout introduced Dan Oh, the President of REG. Mr. Oh presented the Board with bottles of the first run of Biodiesel from the plant in Danville, Illinois. Mr. Oh explained that the Biodiesel in the bottles was the first batch to come out of the newly re-opened facility. He stated that he was here to answer any questions the Board might have regarding the proposed merger between Blackhawk Biofuels and REG and the terms of the loan with Fifth Third Bank. Chairman Brandt explained to Mr. Oh that the Board was grateful for his willingness to come speak with them on so many occasions. Mr. Oh then explained the guarantee that REG was using to back the Fifth Third Loan which REG hoped to supplant with a loan guarantee from the US Department of Agriculture (USDA). The USDA loan guarantee decision is expected within 90 days. He also detailed a supply relationship REG had negotiated with Bungee, a nearby investment-grade rated supplier. Finally he reassured the Board that REG is committed to ensure the success of the Danville plant and looks forward to completing this merger. Chairman Brandt asked if the Board had any further questions. The Board had none and Chairman Brandt thanked Mr. Oh for his time.

Dr. Herrin stated that he felt much more comfortable supporting the merger after hearing Mr. Oh's explanations. He recommended that the Board get all of the reassurances and details Mr. Oh shared with the Board during the meeting in writing, in the form of a Memorandum of

Understanding (MOU) between REG and the IFA. Chairman Brandt agreed and suggested that Mr. Trout ensure an MOU was drafted.

John Filan, advisor to the IFA's energy initiative, told the Board that he had spoken with the consultants from the U.S. DOE that morning and they indicated that the solicitation for delegated loan authority is expected before the end of August, within the next week or two. He also stated that FutureGen had received a $1 Billion grant from the U.S. DOE but that renders them ineligible for the Section 1705 Loan Guarantee program administered by the U.S. DOE.

Mr. Reed then presented his final project:

No. 2: **B-LL-TX-8256 – New Concepts Development Corp. and LROC Properties, LLC**

Request for final approval of the issuance of a participation loan in the amount of $325,000 to finance the acquisition of a used Vestas wind turbine to produce electricity for the company's operations. This project is located in Woodstock, IL. (McHenry County)

No substantive discussion followed this project.

Mr. Jim Senica, Senior Funding Manager, and Mr. Mauricio Nares, Associate Funding Manager, presented the following project for approval:

No. 3: **I-ID-TE-CD-8254– The Deboyz Group, LLC (PolyConversions, Inc.)**

Request for preliminary approval for the issuance of an Industrial Revenue Bond (IRB) in an amount not-to-exceed $10 M. Bond proceeds will be used to finance (i) the construction of an 81,000 square foot manufacturing facility; (ii) the acquisition of new automated poly gown equipment; and (iii) certain legal and professional issuance costs associated with the deal. This project is located in Mahomet, Illinois (Champaign County).

Mr. Nares passed around a box of samples from the poly gown factory that is to be expanded with the proceeds of this issuance. Mr. Senica explained that this project would bring 50 new permanent jobs in 2 years, which would double the workforce on site. It would also bring 200 construction jobs to the area. He noted that this would be a private placement. The DeBoyz Group has seen 18% growth from 2006 to 2008 and is project 20% growth, despite the downturn the economy, over a similar period going forward.

Ms. Kim Du'Prey presented the following project to the Board for their approval:

No. 4: **L-GP-TE-7401 – Village of Kane**

Request for final approval for the issuance of a Local Government Direct Loan in an amount not-to-exceed $625,000. Bond proceeds will be used to finance (i) the removal of an existing, 50 year old, 50,000 gallon elevated water storage tank; (ii) the acquisition of a new 100,000 gallon water tank and related appurtenances; (iii) the installation of a new telemetry system including approximately 800-feet of 8-inch PVC water main and related appurtenances; and (iv) pay certain issuance costs. It is located in Kane, IL (Greene County).

Ms. Du'Prey explained to the Board that the current water storage tank has a 50,000 gallon capacity and can process up to 144,000 gals/day. Currently, at peak capacity, daily water usage in Kane runs at 70,000 gals/day and average daily usage is 40,000 gals/day. This project is needed to keep the Village of Kane in compliance with EPA regulations as well to ensure the continuity of the water supply to its residents.

Ms. Sharnell Curtis-Martin, Senior Funding Manger, presented the following two resolutions to the Board:

No. 8: **SOS Children's Villages of Illinois.** A Resolution to authorize execution of an Amended and Restated Trust Indenture, Loan Agreement, Mortgage, and related documents to provide for a Direct Purchase Mode for SOS Children's' Villages of Illinois. (IFA Project No. N-NP-TE-CD-6211)

No. 9: **Lake County YMCA.** A Resolution to authorize execution of an Amended and Restated Trust Indenture, Loan Agreement, Mortgage, and related documents to provide for a Direct Purchase Mode for Lake County YMCA. (IFA Project No. N-NP-TE-CD-7181)

No substantive discussion followed the above resolutions.

Mr. Rich Frampton presented the final resolution:

No. 10: **The Adler Planetarium.** A Resolution to Authorize Execution of an Amended and Restated Trust Indenture, Loan Agreement, and Related Documents to Enable an Addition of a Confirming Credit Facility for The Adler Planetarium. ($27 Million IFA (IEFA) Series 1997 Bonds)

No substantive discussion followed the above resolution.

Energy Initiative Update

Mr. Filan provided the following update to the Board. The U.S. Treasury Cash Grant in lieu of Tax Credits program for renewable energy projects application procedures and deadlines have been announced. This program will provide up to a 30% cash grant in lieu of a tax credit for certain qualified energy installations.

IFA's preliminary vetting process continues with 12 to 15 promising projects on IFA's short list. He noted that Secure Energy was turned down by the U.S. DOE's predecessor to the Section 1705 Loan Guarantee known as the Section 1703 program. They are currently pursuing a possible grant through the US DOE. Great Point Energy is currently looking to become a major partner in the FutureGen Alliance as well. Finally, Mr. Meister is working on formalizing the Illinois Energy Team Relationship through Intergovernmental Agreements (IGAs) with the member groups.

Closing Remarks and Adjournment:
The meeting adjourned at 11:23 a.m.

MINUTES OF THE AUGUST 11, 2009 MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held a Board Meeting at 11:30 a.m. on August 11, 2009 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. Terrence M. O'Brien
4. Dr. Roger D. Herrin
5. Edward H. Leonard, Sr.
6. Bradley A. Zeller
7. Ronald E. DeNard
8. Juan B. Rivera

Members absent:
1. April D. Verrett
2. Dr. William J. Barclay
3. James J. Fuentes

Vacancies:
Four

Members participating by telephone:
None

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

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

Announcements

Chairman Brandt announced that the IFA's meeting schedule continues to change. The Committee of the Whole meetings remain at the IFA Chicago Office at 180 N. Stetson Street, Suite 2555, Chicago, IL 60601 at the regularly scheduled time. Second, the IFA Board meeting will remain in Chicago at One Prudential Plaza, 7th Floor Conference Center, 130 E. Randolph Street, Chicago, IL 60601 for the September meeting but will be in Springfield, IL in October at the State Library. Chairman Brandt requested attendees check the IFA's website (www.il-fa.com) for updates and additional information.

Chairman Brandt also announced that going forward, IFA's custom of holding two Board Meetings in Springfield, IL will be expanded to include one meeting in Springfield per year and one meeting in a rotating, downstate location. This year the second downstate meeting will be held in March in Peoria, IL. He also reiterated that due to the small number of current Board Members it has been difficult in the past for the Board to achieve a quorum in downstate locations. He asked that all guests check the IFA website for updates prior to every Board Meeting.

Chairman Brandt then shared that in the Energy Subcommittee Meeting, held earlier in the week, it was announced that the Governor signed Senate Bill 1906 (now Public Act 96-0103) on July 27, 2009. The IFA will have an additional $3 Billion in renewable energy and clean coal bonding authority once the bill becomes effective January 1, 2010. These projects will require a much higher level of due diligence than IFA's traditional projects require – including a review for technical viability. This review cannot take place in-house at IFA, so the IFA staff will be utilizing the collective expertise of the member research institutions and universities of the Illinois Energy Team. Chairman Brandt also noted that the fee structure for these projects will be significantly different than traditional sectors and will be much more significant.

He stated that the Energy Committee will be submitting its recommendations on the fee structure to the Board at the September Meeting for review and approval.

Chairman Brandt moved on to the Diversity and Healthcare Committees to announce that the IFA Underwriter Diversity Forum will be held in Oakbrook at the Doubletree Hotel on September 10, 2009 from 8:30 a.m. to 11:30 a.m. Over a dozen minority and women-owned firms have been invited to participate and IFA hopes this event will foster greater diversity in the underwriting firms serving our borrowers.

Lastly, Chairman Brandt announced the retirement of long-time IFA financial advisor Bill Morris and the closing of his firm, D.A. Davidson. Chairman Brandt thanked Mr. Morris and D.A. Davidson for their years of excellent service and shared with the guests that a resolution to this effect was passed in the Committee of the Whole Meeting earlier that morning.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending July 31, 2009 and minutes for the both the July 14, 2009 Committee of the Whole and the Board of Directors meeting were presented to members of the Board and accepted by the Board. Chairman Brandt stated that the Authority's financial statements and minutes were reviewed at the regularly scheduled Committee of the Whole Meeting held today at 8:30 a.m. Chairman Brandt requested a motion to approve the July 31, 2009 Financial Statements and minutes from both the July 14, 2009 Committee of the Whole and the Board of Directors meeting.

The motion was moved by Mr. Zeller and seconded by Dr. Herrin. The July 31, 2009 Financial Statements and minutes from both the July 14, 2009 Committee of the Whole and the Board of Directors meeting were unanimously approved by members of the Board.

Project Approvals

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

Mr. Frampton presented the following projects for board approval:

No. 1: **A-FB-TE-CD-8257 – Scot A. Sell**

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $240,000 for the purchase of 15 acres of farmland with related buildings. This project is located in Kingston, IL (Boone County).

No. 3: **I-ID-TE-CD-8254– The Deboyz Group, LLC (PolyConversions, Inc.)**

Request for preliminary approval for the issuance of an Industrial Revenue Bond (IRB) in an amount not-to-exceed $10 M. Bond proceeds will be used to finance (i) the construction of an 81,000 square foot manufacturing facility; (ii) the acquisition of new automated poly gown equipment; and (iii) certain legal and professional issuance costs associated with the deal. This project is located in Mahomet, Illinois (Champaign County).

No. 4: **L-GP-TE-7401 – Village of Kane**

Request for final approval for the issuance of a Local Government Direct Loan in an amount not-to-exceed $625,000. Bond proceeds will be used to finance (i) the removal of an existing, 50 year old, 50,000 gallon elevated water storage tank; (ii) the acquisition of a new 100,000 gallon water tank and related appurtenances; (iii) the installation of a new telemetry system including approximately 800-feet of 8-inch PVC water main and related appurtenances; and (iv) pay certain issuance costs. It is located in Kane, IL (Greene County).

No. 2: **B-LL-TX-8256 – New Concepts Development Corp. and LROC Properties, LLC**

Request for final approval of the issuance of a participation loan in the amount of $325,000 to finance the acquisition of a used Vestas wind turbine to produce electricity for the company's operations. This project is located in Woodstock, IL. (McHenry County)

No guests attended with respect to Project Nos. 1, 2, 3 or 4. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1, 2, 3 or 4. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1, 2, 3 and 4. Leave was granted. Project Nos. 1, 2, 3 and 4 received final approval with 8 ayes, 0 nays, and 0 abstentions.

Mr. Frampton then presented the following resolutions to the Board:

No. 5: **Jeff and Mary Bolomey.** A request for a resolution by U.S. Bank and Jeff and Mary Bolomey to amend Guaranteed Loan terms to reduce the borrower's monthly principal and interest payments by 40% for a 6th month period. (IFA Loan No. 2000-SL-0086)

No. 6: **Applewood Farms LLC.** A resolution requesting the release of three guarantors (Burke; Weck; Ward) from limited personal liability, with conditions, by Bank of Springfield and Applewood Farms LLC. (IFA Loan Nos. 200-AJ-0801; 2007-SL-0701)

No. 7: **Merlin and Ryan McClure.** A Resolution requesting the release of eighty acres of land from current collateral package securing Participation loans for Merlin and Ryan McClure and approve a subordination of $50,000 on 195 acres of farm land. (IFA Loan Nos. A-LL-TX-6225; A-LL-TZ-6226)

No. 8: **SOS Children's Villages of Illinois.** A Resolution to authorize execution of an Amended and Restated Trust Indenture, Loan Agreement, Mortgage, and related documents to provide for a Direct Purchase Mode for SOS Children's' Villages of Illinois. (IFA Project No. N-NP-TE-CD-6211)

No. 9: **Lake County YMCA.** A Resolution to authorize execution of an Amended and Restated Trust Indenture, Loan Agreement, Mortgage, and related documents to provide for a Direct Purchase Mode for Lake County YMCA. (IFA Project No. N-NP-TE-CD-7181)

No. 10: **The Adler Planetarium.** A Resolution to Authorize Execution of an Amended and Restated Trust Indenture, Loan Agreement, and Related Documents to Enable an Addition of a Confirming Credit Facility for The Adler Planetarium. ($27 Million IFA (IEFA) Series 1997 Bonds)

No. 11: **REG/Blackhawk Biofuels LLC.** A Resolution to authorize a request by Fifth Third Bank to amend its term loan and consent to the merger of Blackhawk Biofuels, LLC with REG Danville, LLC and REG Newco, Inc.

No guests attended with respect to Amendatory Resolutions No. 5, 6, 7, 8, 9, 10 or 11. Chairman Brandt asked if the Board had any questions with respect to Amendatory Resolutions No. 5, 6, 7, 8, 9, 10 or 11. There being none, Chairman Brandt asked leave to apply the last unanimous vote in favor of the project. Leave was granted. Amendatory Resolutions 5, 6, 7, 8, 9, 10 and 11 received final approval with 8 ayes, 0 nays, and 0 abstentions.

Other Business

Chairman Brandt asked if there was any other business to come before the Board. There being none, Chairman Brandt requested a motion to adjourn. Upon a motion by Mr. Goetz and seconded by Mr. Rivera, the meeting adjourned at approximately 12:03 p.m.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Reed/lk

Date: September 9, 2009

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 $469,200 maximum of new money for each project*
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: $589,000**
- **Calendar Year Summary:** (as of September 8, 2009)
  - Volume Cap: $15,000,000
  - Volume Cap Committed: $5,628,588
  - Volume Remaining: $9,371,812
  - Average Acreage Farm Size: 70
  - Number of Farms Financed: 30
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - convey tax-exempt status
    - will use dedicated 2009 IFA Volume Cap set-aside for Beginning Farmer transactions
- **IFA Fees**:
  - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
  - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's Bank
  - The Borrower's Bank will be secured by the Borrower's assets, as on a commercial loan
  - Interest rates, terms, and collateral are negotiated between the Borrower and the Participating Bank, just as with any commercial loan
  - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **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-8263**
Funding Manager:	Eric Reed
Borrower(s):	**Dietmeier, Thomas & Wendy**
Borrower Benefit:	First Time Land Buyer
Town:	Orangeville, IL
Amount:	$87,500
Use of Funds:	Farmland – 40 acres
Purchase Price:	$196,160 / ($4,904 per ac)
%Borrower Equity	45%
%Other Agency	0%
%IFA	55%
County/Region:	Stephenson / Northern Stateline
Lender/Bond Purchaser	Citizens State Bank / Joel Kempel
Legislative Districts:	Congressional: 16th, Donald Manzullo
	State Senate: 45th, Tim Bivins
	State House: 89th, Jim Sacia

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

Thomas & Wendy Dietmeier: Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.5% fixed for the first five years and adjust every five years thereafter to 2.25% above the five-year US Treasury rate as listed in the Wall Street Journal.
IFA Fee: $1,313

B.

Project Number:	**A-FB-TE-CD-8264**
Funding Manager:	Eric Reed
Borrower(s):	**Jensen, Jeffrey R.**
Borrower Benefit:	First Time Land Buyer
Town:	Roseville, IL
Amount:	$250,000
Use of Funds:	Farmland – 70 acres
Purchase Price:	$500,500 / ($7,150 per ac)
%Borrower Equity	49%
%Other Agency	0%
%IFA	51%
County/Region:	Warren / West Central
Lender/Bond Purchaser	Midwest Bank of Western Illinois / Matthew Gillen
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 twenty-five 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 twenty-fifth and final payment of all outstanding balances due twenty five years from the date of closing.

Jeffrey R. Jensen: Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.50% fixed for the first five years and adjust every five years thereafter to 1.00% below the five-year US Treasury rate as listed in the Wall Street Journal. Note will have a floor rate of 4.50%.
IFA Fee: $3,750

C.

Project Number:	**A-FB-TE-CD-8261**
Funding Manager:	Eric Reed
Borrower(s):	**VanFleet, Ryan**
Borrower Benefit:	First Time Land Buyer
Town:	Plymouth, IL
Amount:	$150,000
Use of Funds:	Farmland – 113.4 acres
Purchase Price:	$300,000 / ($2,646 per ac)
%Borrower Equity	50%
%Other Agency	0%
%IFA	50%
County/Region:	Schuyler / West Central
Lender/Bond Purchaser	Marine Bank & Trust / Lynn Fisher
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 on January 1, 2010. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date on January 1, 2010 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

Ryan VanFleet: Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.25% fixed for the first five years and adjust every five years thereafter to .25% above the Farmer Mac five-year Reset Cost of Funds Index. The note will have a floor rate of 4.0% per the term of the loan.
IFA Fee: $2,250

D.

Project Number:	**A-FB-TE-CD-8262**
Funding Manager:	Eric Reed
Borrower(s):	**Swanson, Matthew & Angela**
Borrower Benefit:	First Time Land Buyer
Town:	LaHarpe, IL
Amount:	$101,500
Use of Funds:	Farmland – 59.8 acres
Purchase Price:	$203,000 / ($3,395 per ac)
%Borrower Equity	50%
%Other Agency	0%
%IFA	50%
County/Region:	Hancock / West Central
Lender/Bond Purchaser	Marine Bank & Trust / Lynn Fisher
Legislative Districts:	Congressional: 17th, Phil Hare
	State Senate: 47th, John Sullivan
	State House: 94th, Richard Myers

Principal shall be paid semi-annually in installments determined pursuant to a thirty year amortization schedule, with the first principal payment date to begin on January 5, 2010. Accrued interest on the unpaid balance hereof shall be paid semi-annually, with the first interest payment date to on January 5, 2010 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

Matthew & Angela Swanson: Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.25% fixed for the first five years and adjust every five years thereafter to .25% above the Farmer Mac five-year Reset Cost of Funds Index. The note will have a floor rate of 4.0% per the term of the loan.
IFA Fee: $1,523

NON-CONDUIT

September 9, 2009

$500,000
Keith G. Beer
AGRI-DEBT GUARANTEE

REQUEST	Purpose: Provide 85% loan guarantee in favor of the Peoples National Bank to refinance the Borrower's debts. Project Description: The proposed loan of $500,000 will be secured by a first mortgage on 280 acres of farmland. Product Type: Agri-Debt Guarantee State Treasurer's Funds at Risk: $425,000 Conditions: 1) Assignment of Crop Insurance to Peoples National Bank 2) Negative covenant requiring Bank and IFA approval on further debts
BOARD ACTIONS	Final Resolution 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: Iuka/Southeastern Region, Marion County ● When was it established: 1985 ● What does the entity do: Grain and cattle Farm ● Refinancing Borrower's debts and divorce settlement expenses
Proposed Structure	Originating Bank: Peoples National Bank ("PNB") Collateral: 280 Acres farmland Collateral Position: 1st Maturity Years: 30 Years Interest Rate: Fixed for 3 years initially.

Sources and Uses	New Bank Loan:	$500,000	Refinancing	$325,000
			Settlement	$175,000
	Total	**$500,000**	**Total**	**$ 500,000**

Recommendation	Credit Review Committee Recommends: Approval subject to above conditions

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2009

Project: Keith G. Beer

STATISTICS

Project Number:	A-AD-GT-8265	Amount:	$500,000
Type:	Agri-Debt Guarantee	IFA Staff:	Eric Reed
County/Region:	Marion/Southeastern	City:	Iuka

BOARD ACTION

Final Resolution
State Treasurer's Reserve Funds at risk: $425,000
Credit Committee Recommends Approval

Extraordinary conditions: None
Additional covenants: 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 and divorce expenses.

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:	Refinance Debt	$325,000
	Peoples National Bank	$75,000		Settlement	$175,000
	Total	**$500,000**			**$500,000**

FINANCING SUMMARY/STRUCTURE

Security:	1st real estate mortgage on 280 acres of farm land.
Structure:	30 year term with 30 year amortization and annual payments of principal and interest.
Interest Mode:	Adjustable
Credit Enhancement:	IFA 85% Guarantee
Maturity:	30 years
Estimated Closing Date:	June 15, 2009

PROJECT SUMMARY

Summary:	Keith Beer is seeking financing from Peoples National Bank ("PNB") to restructure his debts and finance a divorce settlement. Peoples National Bank will originate a $500,000 real estate loan to provide for the refinancing.
Project Rationale:	Mr. Beer needs to refinance a portion of his current debts as well as borrow the necessary funds to settle a divorce with his ex-wife. By refinancing these debts and obtaining an IFA guarantee, financing for this purpose at an extended term of 30 years.
Timing:	The proposed transaction is expected to close within 30 days of approval.

BUSINESS SUMMARY

Keith Beer operates a small grain and livestock farm, which currently consists of a 60 cow (beef) herd and 68 calves. He also farms 312 acres on which he raises hay, corn, soybeans and wheat.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Keith G. Beer
Project Location:	3500 Metcalf Road Iuka, IL 62849
Borrower:	Keith G. Beer
Ownership:	Sole Proprietorship

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	N/A		
Accountant:	Leymone Hardcastle & Co.	Flora	
Originating Bank:	Peoples National Bank	Salem	Roger Frederichs
Bank Counsel:	N/A		
IFA Advisors:	Scott Balice Strategies, Inc.	Chicago	Lois Scott
IFA Counsel:	N/A		

LEGISLATIVE DISTRICTS

Congressional:	19th, John Shimkus
State Senate:	54th, John O. Jones
State House:	107th, John Cavaletto

BACKGROUND INFORMATION

Mr. Beer started farming on his own in 1985 on some of the land he currently owns. Initially he was involved in assisting his father in the family's dairy operation, which has since been liquidated. He established his own farming operation near his parents which allows him to share machinery and farm buildings with them. Mr. Beer has maintained a small livestock enterprise, which consists of a 60 cow (beef) herd and 68 calves, currently. He raises his own hay and produces some cash grain. Last year, Mr. Beer devoted 307 acres of owned and rented land to the production of corn, soybeans and wheat. Mr. Beer has expanded his operation since 2000 from 137 owned acres to 312 acres.

Mr. Beer recently settled his costly divorce in 2009. The property settlement (which is primarily determined by the value of livestock, machinery, and land) is included in the proposed restructuring loan. Mr. Beer intends to continue building his cow herd, which will require him to rent more pasture land. Mr. Beer has a goal reaching 100 head of productive cows. When his father retires from farming Mr. Beer will likely assume hay and grazing land associated with his father's operation, include his cow herd.

Mr. Beer has kept off-farm employment as a source for living expenses and is currently employed with GSI Group of Assumption on a full time basis.

NON-CONDUIT

September 9, 2009

$500,000
Hayden Farms Partnership, Ronald and Mary Hayden
Jeffrey and Heather Hayden, Timberline Farms, LLC
AGRI-DEBT GUARANTEE

REQUEST	Purpose: Provide 85% loan guarantee in favor of the First Bank in Pittsfield to refinance the Borrower's debts. Project Description: The proposed loan of $500,000 will be secured by a first mortgage on 235 acres of farm land. Program Product Type: Agri-Debt Guarantee State Treasurer's Funds at Risk: $425,000 Conditions: See Bank Loan covenants listed below. Additional Conditions: **1)** IFA approval is subject to approval from other Lenders on all transactions listed below. **2)** Assignment of Life Insurance of $\geq$$250,000 for Ron and Jeffrey Hayden. IFA Guarantee: Initial Guarantee will be written for 5 years, renewal of the guarantee will be subject to an extension of the contract term by The Maschoffs Inc. (a large pork producer), but not to exceed 15 years.
BOARD ACTIONS	Final Resolution 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: Partnership ● Location: Pittsfield/West Central, Pike County ● When was it established: 1969 ● What does the entity do: grain and hog farm ● Who does the entity serve: N/A ● What will new project facilitate: Refinancing Borrower's debts
Proposed Structure	Originating Bank: First Bank in Pittsfield ("First Bank") Collateral: 235 Acres Farmland Collateral Position: 1^{st} All entities and principals will sign loan agreements and co-Borrowers Maturity Years: 15 Years Interest Rate: Fixed for initial 3 years

Sources and Uses

New Bank Loan:	$500,000	Refinancing	$467,000
		Fees, Other	$33,000
Total	**$500,000**	**Total**	**$500,000**

Recommendation Credit Review Committee Recommends: Approval subject to receipt of life insurance assignment and all bank conditions.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2009

Project: Hayden Farms Partnership, Ronald and Mary Hayden Jeffrey and Heather Hayden, Timberline Farms, LLC

STATISTICS

Project Number:	A-AD-GT-8266	Amount:	$500,000
Type:	Agri-Debt Guarantee	IFA Staff:	Eric Reed
County/Region:	Pike/West Central	City:	Pittsfield

BOARD ACTION

Final Resolution
State Treasurer's Reserve Funds at risk: $425,000
Credit Committee Recommends Approval

Extraordinary conditions: None
Additional covenants: 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 Borrower's existing debts.

IFA PROGRAM AND CONTRIBUTION

The Authority's Agriculture Guarantee Program guarantees up to 85% of a bank's loans to Illinois farmers and agribusiness owners. The Agri-Debt Guarantee Program is available to assist farmers in refinancing and restructuring their debts. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are backed by an IFA reserve 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: Refinance Debt	$467,000
	First Bank	$75,000	Fees, Other	$33,000
	Total	**$500,000**		**$500,000**

FINANCING SUMMARY/STRUCTURE

Security:	1st real estate mortgage on 235 acres of farm land.
Structure:	5 year term, renewable up to 15 years with 30 year amortization.
Interest Mode:	Adjustable
Credit Enhancement:	IFA 85% Guarantee
Maturity:	5 years
Estimated Closing Date:	October 30, 2009

PROJECT SUMMARY

Summary:	First Bank in Pittsfield is seeking to restructure and refinance a portion of the Borrower's debts in order to improve the Borrower's liquidity and cash flow. The Borrower has suffered losses in recent years from their swine operations.
Project Rationale:	Hayden Farms is a longtime customer of First Bank, who wishes to provide a loan restructuring for the Borrowers in order to improve their financial position and continue operations.
Timing:	The proposed transaction is expected to close within 30 days of approval.

BUSINESS SUMMARY

Ronald and Mary Hayden own and operate a grain and hog farm near Milton. The Haydens, who are in their late 60's, have operated the farm for approximately 40 years. The Hayden's son, Jeffrey Hayden, is a partner with them in the operation. The family's grain operation is operated under a general partnership known as **Hayden Farms**, while the family's hog operation is operated under **Timberline Farms LLC**. Jeffrey Hayden owns farm acreage, which he farms outside of the general partnership.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Co-Applicants:	Hayden Farm Partnership; Ronald and Mary Hayden; Jeffrey and Heather Hayden; Timberline Farms, LLC	
Project Location:	22053 488th Street Pittsfield, IL 62363	
Co-Borrowers:	Hayden Farm Partnership; Ronald and Mary Hayden; Jeffrey and Heather Hayden; Timberline Farms, LLC	
Ownership	Hayden Farms-General Partnership-	Ronald Hayden-50% Jeffrey Hayden-50%
	Timberline Farms, LLC-	Ronald Hayden-50% Jeffrey Hayden-50%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	N/A		
Accountant:	Arnold, Behrens, Nesbit, Gray P.C.	Quincy	Robert Gray
Originating Bank:	First Bank	Pittsfield	Julie Plattner
Bank Counsel:	N/A		
IFA Advisors:	Scott Balice Strategies, Inc.	Chicago	Lois Scott
IFA Counsel:	N/A		

LEGISLATIVE DISTRICTS

Congressional:	18th, Aaron Shock
State Senate:	49th, Deanna Demuzio
State House:	97th, Jim Watson

BACKGROUND INFORMATION

Ronald and Mary Hayden have owned and operated a grain and hog farm near Milton for decades. The Haydens, who are in their late 60's, have a son Jeffrey Hayden, who partners with them in the operation. The family's grain operation is operated under a general partnership known as Hayden Farms, while the family's hog operation is operated under Timberline Farms LLC. Jeffrey Hayden owns farm acreage, which he farms outside of the general partnership.

The Lender states that the grain operation has historically been profitable, but has recently been pressured by losses incurred in the family's hog operation. *Their hog operation originally started as a small genetics business and evolved in to a large farrow to finish hog operation started in 2001, operated under Timberline Farms LLC.* Due to prolonged losses, the Borrowers have chosen to discontinue their independent operation and contract finish hogs through The Maschoffs in Carlyle, IL.

Hayden Farms is a general partnership evenly owned by Ronald and Jeffrey Hayden, which serves as the operating entity for the family's grain farming operation. Hayden Farms owns all assets related to the grain farming operation, including crops and equipment. Hayden Farms leases farmland from Ronald and Mary Hayden, as well as other farmland not owned by the family. Jeff Hayden owns farmland of his own outside the family partnership. Since he is able to utilize the partnership's equipment, Jeffrey's grain operation has very little overhead and is profitable.

First Bank originally financed a 1,300 head sow unit in 2001, which was later expanded in 2004. The loan, which was originally written for 10 years performed as expected through 2006, but experienced problems in 2007 due to production problems related to breeding. In response to the 2007 breeding problems, First Bank provided flexible terms to the Borrower by allowing interest only payments for 6 months. However, the company was crippled by the record corn prices and feed costs in 2007.

Timberline continued interest-only payments until October 2008, at which time the Haydens decided to liquidate their sow herd and discontinue production. At that time, a short term lease was negotiated with The Maschoffs, which allowed the Borrower to resume principal and interest payments based on a 15-year amortization. The Maschoffs have since become comfortable with the Hayden's facility and offered them a 5-year production contract, which will pay Timberline $13 per pig produced. This contract, which is in effect now, requires the Haydens to provide facilities and labor, while the Maschoffs own all livestock and are responsible for all variable expenses.

The Maschoffs: Based in Carlyle, Illinois and founded in 1939, The Maschhoffs, Inc.,(www.themaschoffs.com) is the 7th largest pork producer in the United States. The company, which remains family owned, maintains a herd of about 110,000 sows, a large number of which are raised by approximately 250 contract growers (small Midwest farmers located in seven states that Maschhoffs calls it's "production partners.") The state-of-the-art operation raises hogs from weaning to finishing, prepared for sale to meat packers. As last reported in 2008, the company employs 550 people, has capacity to produce 2.7MM hogs annually, and generate sales in excess of $3 Billion. The company's major customers are Cargill and Hormel.

The Maschhoffs use a closed-herd system that produces its own replacement females rather than bringing them in from the outside. In this way, the risk of disease is reduced, the health of the herd is optimized, and the mortality rate is lowered. Moreover, a closed-herd enjoys higher feed efficiency, a greater growth rate, and a lower cost of production, resulting in more consistent cash flow and greater profitability. Maschhoffs has also been in the forefront of the pork industry in the use of artificial insemination, the latest in feed technology, improved environmental safeguards, and better confinement configurations that improve the well-being of the herd and also result in more efficient pork production. Each year Maschhoffs sends well over two million finished hogs to market, delivering them to packing plants owned by Cargill in Beardstown, Illinois, and Ottumwa, Iowa. The company is run by brothers Ken Maschhoff, Chief Executive Officer, and Dave Maschhoff, Chief Operating Officer.

Structure:

In an effort to refinance past losses from Timberline Farms, First Bank is proposing a complete refinancing package for Timberline Farms' debts. The terms and loans of the Lenders plan are as follows:

1) **$1,094,000** real estate loan originated by First Bank with a USDA 90% guarantee and secured by Timberline Farms' hog facilities and 51 acres of farmland. This loan will be amortized over 15 years with monthly payments. First Bank will sell the guaranteed portion of this loan into the secondary market through Farmer Mac to further reduce exposure. **First Bank states this loan was approved on 9/1/09**.

2) **$609,814** real estate mortgage originated by the Bank of Kampsville. This loan is expected to be written with a 3-year balloon, based on a 13-year amortization. The loan will be secured by 270 acres of farm land. First Bank had originally committed to provided financing for this loan, however was eventually able to find another Lender to provided financing, which will reduce First Bank's exposure in the relationship.

3) **$50,000** revolving line of credit provided by First Bank for working capital purposes to be secured by all crops, inventory, and equipment. This loan will be written for a term of 1-year will all principal and interest due at maturity.

4) **$500,000** real estate mortgage originated by First Bank and secured by 235 acres of farm land to refinance $380,000 in carryover debt from Timberline Farms, $87,000 in term debt, and $33,000 for legal and loan fees, as well as funds spent on rehabilitation expenses for their hog facilities, as required by The Maschoffs. *First Bank* is seeking an 85% guarantee from the IFA for this loan.

Loan Covenants imposed by First Bank:

1) Minimum Global Debt Coverage based on EBITDA of 1.15:1 to be tested annually on an accrual basis at fiscal year end 12/31/XX.
2) Minimum Global Current Ratio of 1.0:1 tested annually with consolidated FYE balance sheets.
3) All withdrawls and distributions from entities must have prior Bank approval. The 3-year average of family living withdrawls shall be considered pre-approved.
4) **Cash flow recapture provision on the $380,000 Timberline Farms carryover debt; First Bank shall reserve the right to determine excess cash flow on a quarterly basis, determined via analysis of Borrower-prepared income statements. Excess cash flow available after the allowance for cap ex allowance may be applied as prepayment to the IFA loan. This provision prospectively enables accelerated repayment of the IFA-guaranteed loan.**
5) Prohibition on new term debt without prior Bank and IFA approval.
6) FYE balance sheets from all entities and guarantors are due within 60 days of FYE.
7) Federal income tax returns from all entities are due within 30 days of filing.
8) Borrower to provide monthly profit/loss statement on Timberline Farms, LLC to First Bank.
9) First Bank will hold an assignment of contract payments from The Maschoffs (with contract payments made electronically and directly to First Bank).
10) First Bank will hold the assignment of crop insurance policies owned by Hayden Farms

NON-CONDUIT

September 9, 2009

$300,000

BRETT & CHRISTINE ZEHR

PRODUCT TYPE : PARTICIPATION LOAN

REQUEST	IFA contributing funds used to finance the construction of a commercial building and the acquisition of equipment. The company is building and equipping a new grocery store in a rural community after the previous grocery was destroyed by fire. Product Type: Participation Loan IFA Funds at risk $300,000 Subject to all bank conditions, including but not limited to the subordination of the Village of Mackinaw revolving loan to the IFA/Bank Participation Loan.
BOARD ACTIONS	Final Participation Loan Resolution Voting Record: None prior
MATERIAL CHANGES	N/A
JOB DATA	37 Current jobs 14 New jobs projected 37 Retained jobs 200 Construction jobs projected
BORROWER DESCRIPTION	●Brett & Christine Zehr ● Mackinaw IGA owned and operated by Borrowers for 14 years ● The Purpose of this financing is to rebuild the Village of Mackinaw's only grocery store after the prior 150-year-old grocery building was destroyed by fire.
CREDIT INDICATORS	Corporate Guaranty from Zehr Foods, Inc. Personal assignment of rents and leases
PROPOSED STRUCTURE	First Security Bank of Mackinaw is the participating bank 1st Collateral position on the real estate and equipment Corporate Guarantor: Zehr Foods, Inc. 5 Year Maturity 1% under Bank's interest rate

SOURCES AND USES

New Bank Loan:	$300,000	Project Cost:	$2,625,840
Village of Mackinaw Loan (2nd mortgage)	1,875,840		
IFA Participation	300,000		
Insurance Proceeds (Equity)	150,000		
Total	**$2,625,840**	**Total**	**$2,625,840**

RECOMMENDATION	Credit Review Committee Recommends Approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2009

Project: **Brett and Christine Zehr**
(Zehr Foods, Inc.)

STATISTICS

Project Number: B-LL-TX-8258
Type: Participation Loan
County/Region: Tazewell/North Central

Amount: $300,000
IFA Staff: Jim Senica
City: Mackinaw

BOARD ACTION

Participation Loan Resolution
IFA Funds contributed: $300,000
Credit Committee Recommends approval

Staff request: Approval subject to bank conditions
Extraordinary condition: Subordination of Village of Mackinaw loan

VOTING RECORD

None. This is the first time the project has been considered.

PURPOSE

Use of Proceeds: Loan proceeds will be used to finance the construction of a 16,000 square foot commercial building and the acquisition of equipment for use therein in order to supplement the proceeds of fire insurance.

IFA PROGRAM AND CONTRIBUTION

Under its Participation Loan Program, the Authority participates in bank loans financing capital projects for business, industry, farmers and agri-industry. The Authority will participate in loans for up to 10 years at a rate of interest that is variable or fixed for up to 5 years at 100 basis points below the originating bank's rate. The Authority shares pro-rata in the Bank's collateral and generally in conjunction with the Bank's loan advances funds at rates up to 80% of appraised fair market value for real estate, 65% of cost for new equipment and 65% of orderly appraised liquidated value for used equipment. IFA's participation reduces the Borrower's interest expense.

VOLUME CAP

N/A

JOBS

Current employment: 37*
Jobs retained 37*

Projected new jobs: 14
Construction jobs: 200

*Zehr Foods, Inc. employed 37 before a fire destroyed the business; the Company will not only retain those 37 existing jobs, but will increase the size and amenities of the new facility adding 14 new jobs.

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA Participation:	$300,000	Uses:	Building Construction	$1,527,840
	First Security Bank	300,000		Machinery & Equipment	769,000
	Village of Mackinaw RLF (Subordinated)	150,000		Inventory	329,000
	Insurance Proceeds (Equity)	1,875,840			
	Total	**$2,625,840**		**Total**	**$2,625,840**

FINANCING SUMMARY/STRUCTURE

Security:	The proposed loan will be secured by a ***Parri Passu*** shared first real estate mortgage on the subject property and a shared blanket first lien on the business' (Zehr Foods) equipment and will include personal assignment of rents and leases.
Corporate guarantor:	Zehr Foods, Inc.
Structure:	Monthly principal and interest payments over 5 years with a 20 year amortization and a balloon payment due at the end of the loan term.
Interest Mode:	Fixed
Maturity:	5 Years
Estimated Closing Date:	10/15/09

PROJECT SUMMARY

Summary: The Borrower is in the final stages of completing the construction of a 16,000 square foot commercial building to house the Borrowers' retail grocery operation and installation of new machinery and equipment in the facility.

Project Rationale: Zehr Foods, Inc., owned by the Borrowers, Brett and Christine Zehr, experienced a devastating fire that destroyed its former 150 year-year old building located at the subject project site in Mackinaw. The owners felt wanted to rebuild providing the rural community's only grocery store which many residents considered to also serve as a community center. The new Mackinaw IGA officially opened on September 2, 2008 one day before the first anniversary of the fire with upgraded amenities and a parking lot. The new building is constructed of decorative masonry.

Timing: The transaction is expected to close within 60 days of approval.

BUSINESS SUMMARY

Brett and Christine Zehr have been engaged in the grocery business for over 30 years, operating the only grocery store in the Central Illinois village of Mackinaw, a community with approximately 2,000 residents located midway between Peoria and Bloomington/Normal. The grocery store, operated under the name Mackinaw IGA, provided a complete line of groceries as well as fresh meat and produce. The business not only serves Mackinaw residents but also represents the primary grocery center for the surrounding area. Without this grocery store, this area would be a rural food desert.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicants:	Brett and Christine Zehr
Project Location:	100 N Main Street Mackinaw, IL 61755 (Tazewell County)
Borrowers:	Brett and Christine Zehr
Ownership:	Zehr Foods, Inc. by Brett Zehr – 100%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Mark J. McGrath PC	Mackinaw	Mark McGrath
Accountant:	Willcock Warning & Co., PC	Pekin	
Originating Bank:	First Security Bank of Mackinaw	Mackinaw	Dan Schoop
Contractor:	Peoria Metro Construction, Inc.	Peoria	
IFA Advisors:	Scott Balice Strategies, Inc.	Chicago	Lois Scott
IFA Counsel:	TBD		

LEGISLATIVE DISTRICTS

Congressional:	18th – Aaron Schock
State Senate:	44th – Bill Brady
State House:	87th – Bill Mitchell

BACKGROUND INFORMATION

Brett and Christine Zehr have been engaged in the grocery business for over 30 years, and have operated the Mackinaw IGA grocery store for the last fourteen. This store was the only grocery store in the Village of Mackinaw and the surrounding area Mackinaw's located equal distant or midway between Peoria and Bloomington/Normal, the community plays host to many families.

The Zehrs also own and operate a smaller IGA grocery in the village of Minier, approximately 11 miles South of Mackinaw. That store serves the Minier community and several additional small rural towns south to near Lincoln. It is important to note that many Mackinaw residents supported the Zehrs during the Mackinaw store closure by driving to shop at the Minier store. The Minier facility typically generated revenues about one half of the amount generated by the Mackinaw facility.

Although the former Mackinaw IGA was a full-service grocery store, <u>the Zehrs chose to significantly expand the offerings</u> of the new facility to entice a larger number of shoppers who might otherwise leave the community to avail themselves of amenities associated with larger, bigger city supermarkets. Of most significance is the fact that while the old store was approximately 6,000 square feet, the new store will be 16,000 square feet providing the store with the opportunity to greatly expand the number of product offerings available. Additionally, the new store will offer much larger meat and produce sections as well as much larger preparation and freezer sections. A new feature being added is an expanded deli section with a seating area.

Coop Affiliation:
Mackinaw IGA, although an independently owned grocery facility, is affiliated with IGA, a retailer cooperative designed to employ economy of scale on behalf of its retailer members which use the cooperative's purchasing power to acquire discounts from manufacturers and often share marketing expenses. Founded in 1926 with the acronym standing for "Independent Grocers Alliance", the premise behind the coop is to bring together independent grocers to ensure that trusted, family-owned local grocery stores remain strong in the face of ever-increasing chain competition. IGA represents the world's largest cooperative supermarket chain with the IGA banner being licensed in 45 countries and territories to cover 4000 independent supermarkets served by 37 independent distributors. The Company uses the "Hometown Proud Supermarkets" slogan and does offer several private label products to its members. Nearly all IGA grocery stores are located in smaller cities and towns throughout the United States. The IGA Company is headquartered in Chicago.

Grocery Supplier:
Mackinaw IGA is supplied by SuperValu Foods, the 135 year old grocery distribution company based in Minneapolis, Minnesota. SuperVale is the parent company of Albertson's and Jewel Food stores and is a publicly-held company (NYSE Ticker "SVU") In addition to supplying product, the Company also supplies merchandising programs to insure that the grocers its supplies are best equipped to meet the local needs of the community served.

CONDUIT

$55,000,000

EDWARD HOSPITAL

September 9, 2009

REQUEST	**Purpose**: Proceeds will be used to: Current Refund the IHFA Series 2001 C Bonds and Pay costs of Issuance. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Preliminary Bond Resolution This issuance will refinance the existing IHFA Series 2001C Bonds
MATERIAL CHANGES	None
JOB DATA	4,600 Current jobs; 0 New jobs projected 4,600 Retained jobs; 0 Construction jobs projected
DESCRIPTION	● Location (DuPage County) ● Edward Hospital, an Illinois not for profit corporation ("Edward Hospital" and "the Corporation"), together with Edward Health Services Corporation, an Illinois not for profit corporation, Edward Health Ventures, an Illinois not for profit corporation, and Edward Health and Fitness Center, an Illinois not for profit corporation, and Naperville Psychiatric Ventures, d/b/a Linden Oaks Hospital, an Illinois general partnership comprise the current "Obligated Group." ● Edward Hospital & Health Services is a full-service, regional healthcare provider offering access to complex medical specialties and innovative programming. Edward Hospital has a medical staff of more than 900 physicians, representing more than 60 medical and surgical specialties and subspecialties. Ninety-eight percent of Edward's physicians are board certified.
CREDIT	● Variable Rate Demand Bonds
SECURITY **INDICATORS**	● The 2009 Bonds will be secured by a Direct Pay Letter of Credit from a commercial bank with a rating of A- or better. ●Underlying rating of Edward Hospital is A2 / A+ (Moody's / S&P)
COLLATERAL **MATURITY**	• All of the Bonds will be secured by a master indenture note, and the Bonds will be uninsured and secured by a Direct Pay Letter of Credit. ● 28 year final maturity

SOURCES AND USES

Sources		Uses	
IFA Bonds	$49,100,000	Refunding Escrow	$48,140,000
		Cost of Issuance	$960,000
Total	**$49,100,000**	Total	**$49,100,000**

Recommendation Credit Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2009

Project: Edward Hospital

STATISTICS

Project Number:	H-HO-TE-CD-8259	Amount:	$55,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff :	Pam Lenane & Bill Claus
Locations:	Naperville	County:	DuPage
Region:	Northeast		

BOARD ACTION

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

No extraordinary conditions
Credit Review Committee recommends approval.

VOTING RECORD

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

PURPOSE

Proceeds will be used to: Current Refund the IHFA Series 2001C Bonds and pay Costs of Issuance

IFA PROGRAMS & 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 rate.

VOLUME CAP

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

JOBS

Current employment:	4,600 employees	Projected new jobs:	N/A
Jobs retained:	4,600 employees	Construction jobs:	N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Refunding Bonds	$49,100,000	Uses:	Series 2007 Refunding	$48,140,000
				Cost of Issuance	$960,000
	Total	**$49,100,000**		**Total**	**$ 49,100,000**

FINANCING SUMMARY

Security/Collateral:	All of the Bonds will be secured by a master indenture note, and will be secured by a Direct Pay Bank Letter of Credit.
Structure:	The Series 2009 Refunding Bonds will be sold as Variable Rate Demand Obligations. All Series 2009 Bonds will be uninsured with liquidity to bondholders secured through a Direct Pay Letter of Credit (bank to be determined, but will carry a long-term rating of A- or better).
Interest Mode:	The structure will be Variable Rate Bonds to be offered initially in a Weekly Interest Rate Mode
Credit Enhancement:	The 2009 Bonds will be secured by a Direct Pay Letter of Credit from a commercial bank with a rating of A- or better.
Credit Rating:	Underlying rating of A2/A+ (Moody's/S&P)
Maturity:	28 year final maturity.
Estimated Closing Date:	October 2009

PROJECT SUMMARY

Proceeds will be used to refinance the Series 2001C Bonds in the aggregate amount of $48,100,000. The proceeds of the 2001C Bonds were used to pay or reimburse the hospital for the costs of acquiring, constructing, renovating, and equipping certain of its health care facilities.

BUSINESS SUMMARY

Background:	Edward Hospital, an Illinois not for profit corporation ("Edward Hospital" and "the Corporation"), together with Edward Health Services Corporation, an Illinois not for profit corporation, Edward Health Ventures, an Illinois not for profit corporation, and Edward Health and Fitness Center, an Illinois not for profit corporation, and Naperville Psychiatric Ventures, d/b/a Linden Oaks Hospital, an Illinois general partnership comprise the current "Obligated Group."
Description:	The Obligated Group is headquartered in Naperville, Illinois. Edward Hospital has 311 licensed acute care beds. All of the beds are located in private rooms. The licensed acute-care bed complement consists of 204 medical-surgical beds, 10 pediatrics beds, 18 neonatal intensive care beds, 31intensive care beds and 25 obstetrics/gynecology beds. Edward Hospital provides a full range of medical, surgical, obstetrics/gynecology, pediatric and ancillary and support services, including but not limited to the following: cardiology and cardiovascular surgery, thoracic and vascular surgery, orthopedics, diagnostics radiology, oncology, physical and occupational health, emergency medicine and trauma services, neonatology, infectious disease, pulmonary medicine, gastroenterology, internal medicine, hemodialysis, neurology and neurosurgery and urology. Edward Hospital is designated as a Level II Trauma Center by the State of Illinois. Edward Hospital was designated as a Level III Perinatal Center by the Illinois Health Facilities Planning Board in November 2000. Linden Oaks Hospital has 110 licensed beds. Edward Hospital is a member of the Illinois Hospital Association and the American Hospital Association.
Project Rationale:	The rates on variable rate debt insured by FSA/Assured Guaranty have been trading above SIFMA due to rating uncertainty related to FSA.
Timing:	October 2009

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT

Project name:	Edward Hospital
Location:	801 W. Washington, Naperville, Illinois 60566
Applicant:	Edward Hospital
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois
Board of Trustees:	Joe Beatty Scott Berger Dennis Burke Gary Cianci Pamela Meyer Davis Dave Delgado Joe Depaulo Richard Endress Mary Kay Ladone Rocco Martino Timothy Rivelli Thom Rooke, M.D. Alison B. Smith William Wheeler
Officers:	Rocco Martino, Chairperson Joe Beatty, Vice-Chairperson John Mordach, Treasurer Nanette Bufalino, Secretary

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	McDermott Will & Emery	Chicago	Bob Hoban
Bond Counsel:	Chapman & Cutler LLP	Chicago	James Leubchow
Underwriter:	Citigroup	Chicago	Mike Brown
		Los Angeles	Charles Plimpton
Underwriter's Counsel:	Sonnenschein Nath & Rosenthal LLP	Chicago	Steve Kite
Bond Trustee:	Deutsche Bank	Chicago	Kathy Cokic
Accountant	Ernst & Young	Chicago	Tadd Ingles
Issuer's Counsel:	Burke, Burns & Pinelli	Chicago	Mary Ann Murray

LEGISLATIVE DISTRICTS

Congressional:	13 - Judy Biggert
State Senate:	48 - Randy Hultgren
State House:	96 - Joe Dunn

SERVICE AREA

Service Area: Edward Hospital is located in the City of Naperville, Illinois, a Western suburb approximately 25 miles outside Chicago. The Hospital's primary service area (76% of patient discharges) includes the cities of Naperville, Bolingbrook, Lisle, Warrenville, Woodridge, Plainfield, Oswego, Romeoville, and Yorkville. Its secondary service area (6% of patient discharges) includes a number of surrounding communities.

The Obligated Group has facilities in the following locations: a) Naperville: Edward Hospital, Edward Cancer Center, Edward Healthcare Center, Linden Oaks Hospital, Edward Women's Imaging Center, Edward Center for Diabetes Education; b) Bolingbrook: Edward Healthcare Center / Bolingbrook; and c) Plainfield: Edward Healthcare Center / Plainfield.

CONDUIT

ILLINOIS FINANCE AUTHORITY

SEPTEMBER 9, 2009

$60,000,000
Lake Forest Hospital

REQUEST	**Purpose**: (1) Fund the addition of an outpatient surgery center, radiation oncology center, and observation beds at our Grayslake Campus; (2) fund additional renovation projects at the site; (3) potentially fund small projects at the Lake Forest Campus; and (4) fund Cost of Issuance. **Program**: Conduit 501 (c)(3) Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Preliminary Bond Resolution
MATERIAL CHANGES	This is the first time this financing request has been presented to the IFA Board.

JOB DATA

1,800	Current jobs	40	Jobs created by project
1,800	Retained jobs	50	Construction jobs created by project

BORROWER DESCRIPTION

- Location: Lake County
- **Lake Forest Hospital (the "Corporation" or "LFH") and Lake Forest Health and Fitness Institute (the "Institute")**, each an Illinois not for profit corporation, and are the only Members of the Obligated Group. **The Lake Forest Hospital Foundation**, an Illinois not for profit corporation **(the "Foundation")**, serves as the sole corporate member of each of the Corporation and the Institute. The Foundation is not a Member of the Obligated Group. There are no current plans to add any additional members to the Obligated Group in the foreseeable future. Each of the Foundation, the Corporation and the Institute is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986 (the "Code") as an organization described in Section 501(c)(3) of the Code.
- The Corporation owns and operates multiple facilities on a 160-acre campus in Lake Forest, Illinois (the "Lake Forest Campus"), approximately 30 miles north of downtown Chicago, and at a number of off-campus locations in Lake and Cook County, Illinois, including a facility in Grayslake Illinois. The Corporation's 126-licensed bed acute care hospital facility (the "Hospital Facility"), was founded in 1899 as Alice Home and has grown into a comprehensive community hospital that offers a range of inpatient and outpatient health care services.
- In 2004, the Corporation opened the Grayslake Outpatient and Acute Care Center to improve access to outpatient services for patients living in the Northwest part of the corporation's service area. The 136,000 square foot ambulatory campus features an acute care center that recently won State approval to convert to a Freestanding Emergency Center, advanced diagnostics, outpatient services including physical therapy and Cardiology, and medical offices. In April 2009, the Corporation was awarded a Certificate of Need for a 77,000 square foot expansion of the Grayslake campus. The project which is described herein will expand clinical services to include a four-room ambulatory surgery center, a cancer center with infusion therapy and radiation therapy, additional diagnostic imaging, and an outpatient observation unit.
- The Institute was established in 1992 by the Foundation as part of its ongoing commitment to ensure the good health of the community. The Fitness Center consists of two separate facilities offering cardiovascular fitness, orthopedic medicine, sports medicine, physical therapy and a wide variety of health and wellness programs to over 6,000 members. One of the Institute's facilities is located on the Lake Forest Campus, while the other is located in Lindenhurst, Illinois.

CREDIT INDICATORS

Direct Bank Purchase: JPMorgan Chase Bank, N.A. and/or the Northern Trust Company
Private Placement
Security: Security interest in all assets provided through the Master Trust Indenture

Interest Rate: Variable (1-month LIBOR + 2%) * 67%

Credit Rating: Underlying (A3/A/A-)

Maturity: Up to 30 years

SOURCES AND USES

IFA Bonds	$60,000,000	Construction Costs	58,800,000
		Costs of Issuance and Financing Costs	1,200,000
Total	**$60,000,000**	**Total**	**$60,000,000**

RECOMMENDATION

Credit Committee Recommends Approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: Lake Forest Hospital – Grayslake Construction Project

STATISTICS

Project Number: H-HO-TE-CD-8268
Type: 501(c)(3) Bonds
County/Region: Lake County / Cook County, Northeast

Amount: $60,000,000 (Not-to-Exceed)
IFA Staff: Pam Lenane & Shannon Govia
City: Grayslake/ Lake Forest

BOARD ACTION

Preliminary Bond Resolution
Conduit 501 (c)(3) Bonds
No IFA Funds at Risk

Credit Committee Recommends Approval.
No extraordinary conditions.

VOTING RECORD

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

This project is coming for approval of Preliminary Bond Resolution.

PURPOSE

Proceeds will be used to: (1) fund the addition of an outpatient surgery center, radiation oncology center, and observation beds at the Grayslake Campus; (2) fund additional renovation projects at the site; (3) potentially fund small projects at the Lake Forest Campus; and (4) fund Costs of Issuance.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. 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: 1,800 FTE's
Jobs Retained: 1,800 FTE's

Projected new jobs: 40
Construction jobs: 50

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$60,000,000	Uses:	Construction Costs	$58,800,000
				Issuance and Financing Costs	$ 1,200,000
	Total	$60,000,000		Total	$60,000,000

FINANCING SUMMARY/STRUCTURE

Security:	Security interest in all assets provided through the Master Trust Indenture
Structure:	Private Placement of Tax-Exempt Debt
Interest Rate:	Variable (1-Month LIBOR + 2.00%) * 67%
Interest Mode:	Variable Rate Mode
Credit Enhancement:	None
Maturity:	Up to 30 years
Credit Rating:	Underlying rating of A3/A-/A (Moody's/ S&P/ Fitch)
Estimated Closing Date:	November, 2009

PROJECT SUMMARY

Proceeds will be used to: (1) fund the addition of an outpatient surgery center, radiation oncology center, and observation beds at the Grayslake Campus; (2) fund additional renovation projects at the site to; (3) potentially fund small projects at the Lake Forest Campus; and (4) fund Costs of Issuance.

This project will enhance patient access to outpatient services in the Northern and Central part of Lake County.

The project will commence in October 2009 with an anticipated completion date of February 2011. The oncology center will open by Summer 2010.

BUSINESS SUMMARY

Background: **Lake Forest Hospital (the "Corporation" or "LFH")** and **Lake Forest Health and Fitness Institute (the "Institute")**, each an Illinois not for profit corporation, are the only Members of the Obligated Group (as such term is defined in the Master Indenture) as of the date hereof. The **Lake Forest Hospital Foundation**, an Illinois not for profit corporation **(the "Foundation")**, serves as the sole corporate member of each of the Corporation and the Institute. The Foundation is not a Member of the Obligated Group. There are no current plans to add any additional members to the Obligated Group in the foreseeable future. Each of the Foundation, the Corporation and the Institute is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986 (the "Code") as an organization described in Section 501(c)(3) of the Code.

The Corporation owns and operates multiple facilities on a 160-acre campus in Lake Forest, Illinois (the "Lake Forest Campus"), approximately 30 miles North of downtown Chicago, and at a number of off-campus locations in Lake and Cook County, Illinois, including a facility in Grayslake Illinois. The Corporation's 126-licensed bed acute care hospital facility (the "Hospital Facility"), was founded in 1899 as Alice Home and has grown into a comprehensive community hospital that offers a range of inpatient and outpatient health care services. The Corporation also owns and operates the **Westmoreland Nursing Center (the "Nursing Center")**, which is an 88-licensed bed long-term skilled nursing facility located on the Lake Forest Campus providing care for adults 19 years of age and older in a homelike environment. The Nursing Center coordinates the Lake Forest Adult Day Care Program.

The Corporation also owns and operates the **Dearhaven Child Care and Learning Center (the "Child Care Center")** located on the Lake Forest Campus. The Child Care Center offers childcare in a learning environment where goals and activities have been developed expressly for the individual needs of five distinct age groups ranging from infants to kindergarten.

The Institute was established in 1992 by the Foundation as part of its ongoing commitment to ensure the good health of the community. The Institute consists of two separate facilities offering cardiovascular fitness, orthopedic medicine, sports medicine, physical therapy and a wide variety health and wellness programs to over 6,000 members. One of the Institute's facilities is located on the Lake Forest Campus, while the other is located in Lindenhurst, Illinois.

Description: In 2004, the Corporation opened the Grayslake Outpatient and Acute Care Center to improve access to outpatient services for patients living in the Northwest part of the corporation's service area. The 136,000 square foot ambulatory campus features an acute care center that recently won State approval to convert to a Freestanding Emergency Center, with advanced diagnostics, outpatient services including physical therapy and Cardiology, and medical offices. In April 2009, the Corporation was awarded a Certificate of Need for a 77,000 square foot expansion of the Grayslake campus. The project which is described herein will expand clinical services to include a four-room ambulatory surgery center, a cancer center with infusion therapy and radiation therapy, additional diagnostic imaging, and an outpatient observation unit.

Timing: Closing in November, 2009

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Project name:	Grayslake Construction Project	
Locations:	660 N. Westmoreland, Lake Forest, Illinois 60045	
Applicant:	Lake Forest Hospital	
Organization:	501(c)(3) Not-for-Profit Corporation	
State:	Illinois	
Board of Trustees:	Todd Altounian	John R. Andrews, M.D.
	Michael Bauer, M.D.	Thomas L. Bernardin
	Jennifer Bianchi	Clair M. Callan, M.D.
	Kenneth M. Campia	Pat Carey
	John H. Dick	Aristeidie Diveris, M.D.
	Willard M. Hunter	Joseph Imperato, M.D.
	Anthony K. Kesman	Thomas J. McAfee
	Joanne C. Miller	Charlie Mills
	C. A. Lance Piccolo	Debbie Saran
	Laura Skinner	Alexander Stuart
	Forrest R. Whittaker	Arthur M. Wood, Jr.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Ungaretti & Harris	Chicago	Julie Seymour
Accountant:	KPMG	Chicago	Jim Stark
Bond Counsel:	TBD	TBD	TBD
Bank/Purchaser:	JPMC or Northern Trust	TBD	TBD
Bank Counsel:	TBD	TBD	TBD
Financial Advisor:	Kaufman Hall	Northfield	Terri Wareham/Dawn Samaris
Bond Trustee:	Bank of New York Mellon	Chicago	Cynthia Duncan
Issuer's Counsel:	TBD		TBD
IFA Advisors:	Scott Balice Strategies	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	10 - Mark Steven Kirk
	8 - Melissa Bean
State Senate:	29 - Susan Garrett
	31 - Michael Bond
State House:	58 - Karen May
	62 - Sandy Cole

SERVICE AREA

Service Area: Lake Forest Hospital draws patients from across Lake County (Illinois) and Southeastern Wisconsin. The primary service area for Lake Forest Hospital includes: Eastern Lake County (Libertyville, Vernon Hills and Mundelein) and Northern Lake County (Grayslake, Round Lake, Gurnee, Lake Villa and Antioch).

CONDUIT

$23,500,000

TRINITY INTERNATIONAL UNIVERSITY

September 9, 2009

REQUEST	Purpose: Bond proceeds will be (i) used to current refund outstanding bonds and loans of the University, (ii) to provide new money and reimbursement for the construction of a campus student life center, (iii) capitalize the first 6 month of a letter of credit payment, and (iv) pay bind issuance costs. Project Description: Refinance approximately $12,843,000 of the University's 2004 Series Bonds, refinance a 2005 taxable loan in the amount of approximately $9,300,000, and provide funds provide approximately $4,670,845 of new money to finance a new campus student life center.
BOARD ACTIONS	Preliminary Bond Resolution Voting Record: None. This is the first time the project has been presented to the Board.
MATERIAL CHANGES	N/A

JOB DATA	270	Current jobs	3	New jobs projected
	N/A	Retained jobs	40/6 months	Construction jobs projected

BORROWER	● Trinity International University
DESCRIPTION	● Located in Deerfield, Illinois (Lake County), with satellite campuses in Miami, Florida and Anaheim, California. ● The University was incorporated in July 1996 as a result of a merger of Trinity College and Trinity Evangelical Divinity School. The College and Divinity School have been incorporated in Illinois since 1960. ● The Borrower is a four-year accredited arts & sciences college, and has a graduate theological divinity school, a graduate professional school and a law school. The Borrower is an Illinois Not for Profit Corporation. ● University enrolls approximately 3,000 students, 1,200 are undergraduates and 2,500 study at the Deerfield, Illinois campus, 50% of whom are from Illinois. ● Finance and reimburse the costs of a new Student Life Center that will enhance student life on campus and refund and restructure existing bonds and loans to provide the University approximately $2,500,000 in cash flow savings over the next 3 years.
CREDIT INDICATORS	● Bonds will be secured by a Direct pay Letter of Credit from a bank to be determined with a Confirming Letter of Credit from the FHLB Chicago. Bond Ratings AA+/A-1+. ● The Bonds will not be insured.
Credit Enhancement	The Bonds will be enhanced by a Direct Pay Letter of Credit from a bank to be determined with a Confirming Letter of Credit from the FHLB Chicago
PROPOSED STRUCTURE	. ● Variable Rate Demand Bonds ● Maturity Years 21 Years (October 1, 2030)

SOURCES AND USES	IFA Bonds	$23,500,000	Project Cost	$4,670,845
	Equity	$4,051,025	Refinancing	$22,143,525
			Cap Int.	$170,325
			Underwriter / Placement Fees	$295,230
			Other Cost of Issuance	$271,100
	Total	$27,551,025	Total	$27,551,025

RECOMMENDATION	Credit Review Committee Recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2009

Project: Trinity International University

STATISTICS

Project Number:	E-PC-TE-CD-8260	Amount:	$23,500,000
Type:	501(3)(c) Bonds	IFA Staff:	Townsend Albright
County/Region:	Lake/Northeast	City:	Deerfield

BOARD ACTION

Preliminary Bond Resolution
IFA Funds contributed: None

Credit Committee recommends approval.
Extraordinary conditions: None

VOTING RECORD

No prior board action

PURPOSE

Finance and reimburse the costs of a new Student Center that will enhance student life on campus and refund existing debt to provide the University approximately $2.5 million in cash flow savings over the next 3 years.

IFA PROGRAM AND CONTRIBUTION

Convey Tax Exempt status on $23.5 million Series 2009 Bonds. 501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders and thereby reducing the borrower's interest expense.

VOLUME CAP

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

JOBS

Current employment:	270	Projected new jobs:	3
Jobs retained:	N/A	Construction jobs:	40/6 months

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Bonds	$23,500,000	Uses:	Refinancing	$22,143,525
(Refunding and new money)			Project Costs	4,670,845
			Interest	170,325
Equity*	4,051,025		Bond Issuance Costs	566,330
Total	$27,551,025		Total	$27,551,025

* Approximately $97,000 of internal equity will be used to pay bond issuance costs over the 2.0% allowed amount.

FINANCING SUMMARY/STRUCTURE

Security: General obligation pledge of the University and a mortgage on substantially all of the campus facilities.
Structure: Variable rate bonds (VRDBs) to be sold directly to investors secured by a Direct Pay LOC from a bank to be determined and further secured by a confirming LOC from the FHLB Chicago (rated AA+/A-1+) (No Swaps or derivatives).
Interest Rate: Variable
Interest Mode: Likely 7-day Variable Rate Demand Bonds
Credit Enhancement: Direct Pay LOC from a bank to be determined and further secured by a confirming LOC from the FHLB Chicago
Maturity: 21 years
Rating: AA+/A-1+
Estimated Closing Date: October 22, 2009

PROJECT SUMMARY

The proceeds of the Bonds will be used to (i) refinance $12.843,525 of the University's Series 2004 taxable and tax-exempt bond issue, (ii) refinance a 2005 taxable loan outstanding in the amount of $9,300,000 the proceeds of which were used to finance the construction of a Deerfield, IL campus residence hall, (iii) reimburse and provide the University new money and reimbursement for the construction of a new student life center located on the University's campus at 2065 Half Day Road, Deerfield, Lake County, IL, 60015-1241, (iv) capitalize the first 6 months of letter of credit payments, and (v) pay costs of issuance.

Project Costs:	Refinance Series 2004 Bonds and construction loans	$ 22,143,525
	Construction/Equipment	4,670,845
	Total	$26,814,300

Project Rationale: The University will save approximately $2.5 mm over the next three years in gross cash flow, and also improve the campus by constructing a new student life center. The $4,670,845 in qualified new money will make it possible for the University to appropriate funds from its quasi-endowment to pay off its taxable debt.

BUSINESS SUMMARY

Description of Business: Trinity University (the "Applicant", the "University") was incorporated and commenced operations as a not for profit organization in 1897, and was incorporated as an Illinois not for profit corporation in 1960. The University offers undergraduate degrees through its Trinity College, a four-year accredited arts and sciences college. The university is accredited by the North Central Association of Colleges. The University also offers graduate level masters, doctorial, and law degrees. The University has established Trinity International Foundation (the "Foundation") to facilitate planned and capital gifts and to manage endowment investments. The University's main campus is located in Deerfield, Illinois, with a satellite campus Miami, Florida. The Board of Regents of TIU consists of 27 Regents that serve rotating three-year terms. There are nine members whose terms will end each year. Of these vacancies, six are appointed by the Evangelical Free Church of America ("EFCA").

Student enrollment: The University enrolls approximately 3,000 students. Approximately 1,200 are undergraduates. The other 1,800 are graduate level students -- approximately 1,400 Divinity School, 250 Graduate School, and 150 Law School students. Approximately 2,500 students study in Deerfield or it extension sites; 300 study at the South Florida campus; 150 at the California campus. Approximately 68.0% of the College students at the Deerfield campus live on campus. All students enrolled full-time at the College are required to live in campus residence halls with the exceptions of (i) students living with parents, (ii) seniors within 30 hours of graduation, (iii) students having permanent live-in jobs, (iv) students over 21 years of age, and (v) married students.

Trinity students come from 46 different states with about 50% of the Deerfield students from Illinois. The University's programs enroll approximately 188 international students from 45 different countries. Approximately 25% of the overall University's enrollment is made up of minority students.

The University's relationship with the EFCA: The University is the only U.S. institution of higher education operated by the Evangelical Free Church of America. The EFCA, which is based in Minneapolis, MN, is an association of approximately 1,400 autonomous churches in the U. S. that affiliate in order to be more effective in various outreaches of the church. While the University does not receive any direct financial support from the EFCA, the University does receive substantial gifts from member churches which have totaled more than $3 million over the last five years. Approximately 33.0% of the University's student body comes from EFCA churches.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Trinity International University
Project Location: 2065 Half Day Road, Deerfield, Lake County, Illinois 60015
Borrower: Trinity International University
Contact: Mike Picha, VP for Business & Finance, 847-317-7029, mikep@tiu.edu
Ownership Illinois 501(c)(3) Corporation

The Board of Regents meets three times annually to set institutional direction and mission at Trinity.
A list of current Board members is provided below.

Name	Occupation	Term
Dr. Rodney Adam	Professor of Medicine & Immuniobiology University of Arizona College of Medicine	2010 (2nd Term)
Dr. Michael Andrus	Sr. Pastor, First Evangelical Free Church, Wichita	2011 (3rd Term)
Mr. Ronald Aucutt*	Attorney/Partner, McGuire Woods LLP	*Ex Officio*
Mr. Gregory Barrett	Attorney/Partner, Barrett & Gilbert LLP	2010 (2nd Term)
Mr. Scott Carter	President, Unitrin Direct	2009 (2nd Term)
Mr. Howard Dahl	President & CEO, Amity Technology, LLC	2009 (1st Term)
Mr. James Gilbert	President, PHIREtech LLC	2011 (2nd Term)
Mrs. Maureen Girkins	President & CEO, Zondervan	2011 (1st Term)
Dr. Steve Goold	Sr. Pastor, New Hope Church, Minneapolis	2011 (3rd Term)
Dr. William Hamel*	President, Evangelical Free Church of America	*Ex Officio*
Mr. Steve Hawn*	Attorney, Law Offices of Steven D. Hawn	*Ex Officio*
Mrs. Charlene Kalebic	Attorney, Schiff Hardin LLP	2009 (1st Term)
Mr. Robert Kleinschmidt	Chief Financial Officer, Carlson Hotels Worldwide	2011 (2nd Term)
Mrs. Carole Lehn	Homemaker and Executive Area Manager Arbonne International	2010 (1st Term)
Mr. Rodney Nelson	Head Master, River Tree School	2010 (1st Term)
Dr. Thomas Nelson	Sr. Pastor, Christ Community EFC, Leawood, KS	2009 (1st Term)
Rev. W.R. Norful, Jr.	Pastor/Publisher/Recording Artist Victory Cathedral Worship Center	2010 (1st Term)

Mr. Neil Nyberg	Vice President/Chief Ethics and Compliance Officer, Kellogg Company	2009 (1st Term)
Dr. Richard Parker	Sr. Pastor, Creekside Community Church Gainesville, FL	2010 (2nd Term)
Mr. Edmond Soliday	Indiana State Representative	2011 (3rd Term)
Mrs. Susan Ruud Stover	Vice President and Corporate Secretary Ruud Lighting, Inc.	2011 (3rd Term)
Dr. James Tahmisian	Psychologist, Dr. James A. Tahmisian, Inc	2011 (2nd Term)
Mr. W. Charles Thor	Development Partner, The Daly Group	2009 (1st Term)
Mr. Henry Van Dixhorn	General Partner, College Park Athletic Club	2009 (1st Term)
Dr. Craig Williford	President, Trinity International University	

*The Board of Regents includes three Ex Officio Members. Their terms correspond to their roles as President of the Evangelical Free Church of America, Moderator of the Evangelical Free Church of America, and Chair of the Evangelical Free Church of America

All Regents serve on a volunteer basis and are not compensated for time or services rendered as board members.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Schiff Harden LLP	Chicago, IL	Paul Marengo
Accountant:	BKD LLP	Ft. Wayne, IN	
Bond Counsel:	Ice Miller LLP	Indianapolis, IN	Jeff Lewis Patra Geroulis
Credit Enhancer/ Purchasing Bank:	TBD		
Bank Counsel:	TBD		
Bond Underwriter:	BMO Capital Markets GKST Inc.	Chicago, IL	Michael Boisvert Lindsay Wall
Underwriter's Counsel:	Miller Canfield	Chicago, IL	Darryl Davidson
Remarketing Agent:	BMO Capital Markets GKST Inc.	Chicago, IL	
Trustee:	TBD		
IFA Advisor:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott
Issuer's Counsel:	Requested		

LEGISLATIVE DISTRICTS

Congressional:	10	Mark S. Kirk
State Senate:	29	Susan Garrett
State House:	58	Karen May

SERVICE AREA

Illinois, the United States, and international.

IFA ILLINOIS FINANCE AUTHORITY

CONDUIT

September 9, 2009

$210,000,000
Roosevelt University

REQUEST	**Purpose**: Bonds will be used to (1) finance the construction and equipping of the new Wabash Development Project, a multi-use 32-story administrative and student housing facility, and to (2) current refund three outstanding series of IFA Bonds (previously converted to a synthetic fixed rate) to reduce variable interest rate risk, eliminate financial covenants related to the Letter of Credit associated with the Prior Bonds, and eliminate renewal and pricing renewal risks associated with the Letter of Credit. Bond proceeds will also finance costs of issuance and may also finance Letter of Credit and Swap Termination Fees. **Project Description**: The IFA Series 2009 New Money Bonds Proceeds will be used to finance, refinance, or reimburse Roosevelt University for the (i) acquisition of land the new construction/build-out of an approximately 32-story, multi-use academic center and student housing facility located at 421-425 S. Wabash Avenue, Chicago, IL 60605 (Cook County), (ii) finance the acquisition of approximately 14,100 SF of land located at the SE corner of Congress Parkway and Wabash Avenue, Chicago, IL 60603 (Cook County), and (iii) finance various capital improvements located at Roosevelt University's Chicago campus locations at 430 S. Michigan Avenue and 18-28 S. Michigan Avenue. Additionally, New Money Bond Proceeds may also be used to (iv) pay capitalized interest with respect to certain portions of the New Money projects, (v) fund a debt service reserve fund, (vi) pay the termination cost for the interest rate swaps associated with the Prior Bonds, (vii) pay the termination cost for the Letter of Credit associate with the Prior Bonds and (viii) finance certain costs of issuance. The IFA Series 2009 Refunding Bond Proceeds will be applied to refund and redeem outstanding IFA including IFA (IDFA) Series 1995 Bonds, IFA (IEFA) Series 2000 Bonds (ACI/Cultural Pooled Financing Program and, IFA (IDFA) Series 2002 Bonds, the proceeds of which financed improvements located at Roosevelt's Chicago and Schaumburg campuses. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Preliminary Bond Resolution
MATERIAL CHANGES	Not applicable – this is the first time this project has been presented to the IFA Board of Directors.

JOB DATA

1,700	Current jobs	400	New jobs projected
N/A	Retained jobs	175	Construction jobs projected (over two years)

DESCRIPTION	● Location (Chicago & Schaumburg / Cook County / Northeast Region) ● Roosevelt University was founded in 1945 and has campuses in downtown Chicago and Schaumburg. ● This project will enable Roosevelt to continue its transformation to a residential campus by adding 236 new student housing beds, while replacing and upgrading 364 existing beds. ● Roosevelt attained new FTE enrollment and new freshman enrollment records of 626 in Fall 2009 and 502 in Fall 2008.
CREDIT INDICATORS	● Roosevelt currently has long-term investment grade ratings of Baa1/A- (Moody's/Fitch). ● Roosevelt will be seeking long-term ratings for the proposed IFA Series 2009 Bonds
Proposed Structure	• Fixed Rate Bonds • Final Maturity of up to 35 years; structuring details to be determined.

Sources and Uses

IFA New Money Bds.	$167,285,000	New Proj. Cost	$140,923,570
IFA Refunding Bonds	32,900,000	Refunding Escrow Cap I, DSRF, LOC/Swap Term Fees	72,080,859
Equity	14,423,570	Cost of Issuance	1,604,141
Total	**$214,608,570**	**Total**	**$214,608,570**

Recommendation Credit Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2009

Project: Roosevelt University

STATISTICS

Project Number:	E-PC-TE-CD-8267	Amount:	$210,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton
Locations:	Chicago and Schaumburg	County/ Region:	Cook/Northeast

BOARD ACTION

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

PURPOSE

This financing will consist of both a new project and a Refunding of Prior Bonds to reduce variable interest rate risk, eliminate financial covenants related to the Letter of Credit associated with the Prior Bonds and eliminate renewal and pricing renewal risks associated with the Letter of Credit.

The IFA Series 2009 New Money Bonds will finance new projects that will primarily benefit Roosevelt's Chicago/Loop Campus and principally consists of the development of the **Wabash Development Project**, contemplated to be an approximately 32 story multi-use building that will be located at 421-425 Wabash Avenue on a 17,300 square foot site already owned by Roosevelt University (the current site of its 364-unit Henry Crown Center student housing facility). The Wabash Development Project will be a multi-use facility that will provide student services, student life facilities, academic space, administrative offices, and student housing.

(Note: Although an estimated 500 student housing beds will be built in connection with this financing, 364 beds will represent replacement units for the Henry Crown Center, which Roosevelt plans to demolish to provide the development site for the new project. Accordingly, this financing will result in a net increase of 236 student housing beds.)

Additionally, Roosevelt plans to issue Series 2009 Refunding Bonds that will enable Roosevelt to convert approximately $32.9 million of existing 7-day Variable Rate Demand Bonds to fixed rate, amortizing bonds. The Prior Bonds (described in detail below) were used to finance the original acquisition, renovation, and equipping of Roosevelt's Schaumburg campus in 1995 (the former Unocal Corporation Midwest Division Headquarters) and for a series of capital improvement projects at both Roosevelt's Chicago and Schaumburg campuses.

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

No prior voting record. This is the first time this financing request has been presented to the IFA Board of Directors.

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA New Money	$167,285,000	Uses:	New Project Cost	$140,923,570
	IFA Refunding	32,900,000			
	Equity	14,423,570		IFA Refunding Escrow	32,900,000
	Total	**$214,608,570**		Capitalized Interest	21,982,820
				DSRF	15,198,039
				Swap Termination	1,600,000
				LOC Termination	400,000
				Issuance Costs	1,604,141
				Total	**$214,608,570**

JOBS

Current employment:	1,700	Projected new jobs:	400 (FT and PT)
Jobs retained:	N/A	Construction jobs:	175 (24 months)

BUSINESS SUMMARY

Background: **Roosevelt University** ("**Roosevelt**", the **"University"**, or the **"Borrower"**) is incorporated under Illinois law and is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code.

Roosevelt University is governed by its Board of Trustees. The by-laws of the University provide that the Board of Trustees consists of not less than 67 trustees and not more than 72 trustees consisting of fifty public persons, five faculty members, two students, the President of the Corporation (ex-officio), the President of the Alumni Association (ex-officio), the Chairs Emeriti, and up to 13 Life Trustees as elected by the Board. Additionally, the Board may elect Honorary Trustees who will be without vote and who will not count in determining a quorum. Student trustees serve two-year terms, and public and faculty trustees serve three-year terms.

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Description: Roosevelt University was established in 1945 as a private, not-for-profit institution of higher education with campuses located in downtown Chicago (430 South Michigan and 425 South Wabash) and Schaumburg. In addition to providing education at the undergraduate and graduate levels, Roosevelt also performs research, training, and other services under grants and contracts with third-party sponsors.

Roosevelt's mission has been to make higher education available to all students who can qualify academically. Roosevelt's niche has been providing education to residents of the inner city, students who work full-time, and students who are the first in their families to attend college. Approximately 87% of the University's student enrollment for the 2008 Fall term was comprised of residents of the greater Chicago metropolitan area.

The University is in the process of transforming itself from an institution catering to predominately part-time, non-traditional students to a four-year, traditional urban campus providing a world-class academic environment and modern living and learning facilities. Roosevelt's current enrollment is nearly 7,700, comprised of approximately 4,400 undergraduate (57%) and 3,300 graduate students (43%). On an FTE basis, Roosevelt's enrollment increased to 5,077 FTE's and has grown approximately 19% for the five years ending in Fall 2008, with growth at both the undergraduate and graduate levels. Roosevelt has set freshman enrollment records in each of the last two academic years (i.e., 626 in Fall 2009 and 502 in Fall 2008; compared to 337 in Fall 2004).

Roosevelt employs over 700 faculty members, including approximately 210 full-time faculty members and more than 500 part-time faculty members. Consistent with Roosevelt's mission, the faculty is primarily focused on classroom instruction rather than research.

Roosevelt has benefited from several bond financings through IFA and its predecessors including:

- In 1995, IFA (IDFA) financed the acquisition and renovation of Roosevelt's Schaumburg campus (the former Midwest Regional Headquarters of Unocal (formerly Union Oil) Corporation) in 1995 with $16,500,000 of bond financing (Maturity 4/1 2025). *The outstanding balance of these LOC-enhanced Variable Rate Bonds will be refinanced with proceeds of the IFA Series 2009 Refunding Bonds.*
- In 1999, IFA (IDFA) provided $900,000 through a five-year capital lease agreement that was used to finance acquisition of a new telephone system at its Chicago campus. (This lease financing was repaid in 2004.)
- In 2000, IFA (IEFA) provided $6.4 million to refinance existing debt through the ACI Cultural Pool, to equip new space at its Chicago campus and to build-out and furnish additional space at its Schaumburg campus (Maturity 8/1/2030). *The outstanding balance of these LOC-enhanced Variable Rate Bonds will be refinanced with proceeds of the IFA Series 2009 Refunding Bonds.*
- In 2002, IFA (IDFA) provided $10.0 million of financing for infrastructure improvements at the landmark Auditorium Theatre Building at the Chicago Campus and for various improvements to expand its Schaumburg campus (4/1/2032). *The outstanding balance of these LOC-enhanced Variable Rate Bonds will be refinanced with proceeds of the IFA Series 2009 Refunding Bonds.*
- Most recently, in December 2007, IFA provided $45.49 million of financing for (1) the acquisition and renovation of condominium office space in the Gage Building, (2) the acquisition, demolition, and site clearing of structures relating to the Fine Arts Annex Building and the Herman Crown Center, (3) various renovations, including HVAC replacement and Life Safety Improvements to the University's Auditorium Building, (4) the acquisition of certain land and development rights near its Chicago campus, and (5) various renovations and capital improvements at the University's Chicago and Schaumburg campuses. (Maturity: 4/1/2037). *The Series 2007 Bonds represent the only Roosevelt Bonds that are not credit enhanced – accordingly, the Series 2007 Bonds will not be refinanced with proceeds of the Series 2009 Bonds.*

Although the Series 1995, Series 2000, and Series 2002 Bonds were all originally sold on a Variable Rate basis, all three series are hedged by interest rate swaps that enabled Roosevelt to benefit from a synthetic fixed rate on each financing, thereby reducing variable interest rate risk.

All payments on all Prior Bonds were current as of 8/1/2009.

FINANCING SUMMARY

Structure:	The Bonds will be sold based on the direct rating of Roosevelt University. The Underwriter (Barclays Capital) and Roosevelt have scheduled site visits with Moody's Investors Service, Fitch Ratings and Standard and Poor's for the proposed IFA Series 2009 Bonds. Roosevelt currently has credit ratings of "Baa1"/"A-" from Moody's/Fitch.
Security/ Collateral:	Bondholders will be secured by a first security interest in all revenues of the University. The Bonds will be secured by a mortgage on Roosevelt's Chicago campus. In addition, security features including a debt service reserve fund and an additional bonds test may be offered to investors.
Final Maturity Date:	4/1/2044 (35 years)
Interest Rates:	The estimated interest rate for the Bonds was approximately 6.50% as of 8/20/2009 (as estimated by the Underwriter).
Timing:	4th Calendar Quarter 2009

Rationale: The IFA Series 2009 New Money Bonds will enable Roosevelt University to (1) provide more on-campus housing for its students as it continues its transition from a commuter campus to a residential urban campus, (2) provide new lecture halls, science laboratories, and provide a new home for Roosevelt's College of Business Administration, and (3) student services, including dining facilities, meeting rooms, a fitness center, and administrative offices for admissions and financial aid.

The IFA Series 2009 Refunding Bonds will enable Roosevelt University to (1) convert its Series 1995, 2000, and 2002 synthetic fixed rate bonds (due to Variable to Fixed Interest Rate Swap Agreements on each as noted in the preceding section of this report) to traditional, amortizing fixed rate bonds. In addition to reducing variable rate risk, the Series 2009 Bonds will eliminate (2) LOC renewal risk and LOC pricing renewal risk, and (3) streamline financial covenants across its bond issues.

PROJECT SUMMARY (for IFA Preliminary Bond Resolution)

The proposed financing will consist of Bonds to be issued in one or more Series.

The IFA Series 2009 New Money Bond Proceeds will be used to finance, refinance, or reimburse Roosevelt University for the following capital improvements: (i) to acquire land and finance the new construction/build-out of an approximately 32-story, multi-use academic center and student housing facility located at 421-425 S. Wabash Avenue, Chicago, IL 60605 (Cook County), (ii) finance the acquisition of approximately 14,100 SF of land located at the SE corner of Congress Parkway and Wabash Avenue, Chicago, IL 60603 (Cook County), and (iii) finance various capital improvements located at Roosevelt University's Chicago campus locations at 430 S. Michigan Avenue and 18-28 S. Michigan Avenue. Additionally, New Money Bond Proceeds may also be used to (iv) pay capitalized interest with respect to certain portions of the New Money projects, (v) fund a debt service reserve fund, (vi) pay the termination cost for the interest rate swaps associated with the Prior Bonds, (vii) pay the termination cost for the Letter of Credit associate with the Prior Bonds and (viii) finance certain costs of issuance.

The IFA Series 2009 Refunding Bond Proceeds will be applied to refund and redeem outstanding IFA (IDFA/IEFA) Bonds, including but not limited to (ix) IFA (IDFA) Series 1995 Bonds, the proceeds of which were originally used to purchase and renovate Roosevelt University's Schaumburg campus site located at 1400 N. Roosevelt Blvd., Schaumburg, IL 60173; (x) IFA (IEFA) Series 2000 Bonds (ACI/Cultural Pooled Financing Program), the proceeds of which were used to finance the acquisition of equipment for use at both Roosevelt's Chicago and Schaumburg campuses and refinance certain taxable debt of Roosevelt University; and, (xi) IFA (IDFA) Series 2002 Bonds, the proceeds of which were used to finance the renovation, build-out, equipping, and expansion of facilities located at Roosevelt's Chicago and Schaumburg campuses.

A summary of the New Project Costs to be financed through the IFA Series 2009 New Money Bonds follows:

Land Acquisition/Site Prep	$15,447,800
Hard Costs/Construction	105,315,000
FF&E	5,327,359
A&E/Construction Mgt/Fees	14,833,411
Subtotal—Development	$140,923,570
LESS: Equity Contrib.	(14,423,570)
Net New Project Costs financed with IFA Bonds	**$126,500,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant: Roosevelt University (c/o , Ms. Miroslava Mejia Krug, Senior Vice President for Finance & Administration and Chief Financial Officer, 430 S. Michigan Ave., Chicago, IL 60605; (T): 312-341-3628; (F): 312-341-3657; e-mail: mmkrug@roosevelt.edu)
Web Site: www.roosevelt.edu
Project name: Roosevelt University Series 2009 (New Money and Refunding Bonds)

Locations: 421-425 S. Wabash Avenue, and 430 S. Michigan Ave., Chicago (Cook County), IL, 60605; 18-28 S. Michigan Avenue, Chicago (Cook County), IL 60603, SE Corner of East Congress Parkway and S. Wabash Avenue, Chicago (Cook County), IL 60603; and 1400 N. Roosevelt Blvd., Schaumburg (Cook County), IL 60173.

Organization: Illinois 501(c)(3) not-for-profit corporation

Board of Directors: Members of Roosevelt University's Board of Trustees are listed on pp. 7-8 of this report.

Current Property Owner of New Site:

- Roosevelt owns the new project sites at 421-425 South Wabash Avenue on which the new multi-use facility will be constructed and land located at the SE Corner of E. Congress Pkwy. and S. Wabash St.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Holland & Knight, LLP	Chicago, IL	Anthony L. Frink Anne Hamblin Schiave
Auditor:	Crowe Horwath LLC	Chicago, IL	
Bond Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Janet Goelz Hoffman, Maribel Mata Benedict
Financial Advisor to Borrower:	Columbia Capital Management, LLC	Chicago, IL	Jeff White, Kelsi Powell
Senior Manager:	Barclays Capital	New York, NY	Jim Costello, John Stevenson
Co-Senior Manager:	Morgan Stanley	New York, NY	Eric Wild
Co-Managers:	Edward Jones	St. Louis, MO	Richard A. Ryffel
	Siebert Brandford Shank & Co., L.L.C.	Chicago, IL	Elizabeth Coolidge
	William Blair & Company	Chicago, IL	John H. Peterson
	Cabrera Capital Markets	Chicago, IL	Santino Bibbo
Underwriter's Counsel:	Kutak Rock LLP	Chicago, IL	Bob Star, Jerry Wallack, Kevin Barney
Rating Agency:	Moody's Investors Service	New York, NY	
	Fitch Ratings	New York, NY	
	Standard & Poor's	New York, NY	
Trustee:	TBD		
Trustee's Counsel:	TBD		
Architect/ General Contractor:	The John Buck Company	Chicago, IL	
IFA Counsel:	To be determined		
IFA Financial Advisor:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

	Chicago Campus		Schaumburg Campus	
Congressional:	7	Danny K. Davis	8	Melissa Bean
State Senate:	13	Kwame Raoul	33	Dan Kotowski
State House:	26	William D. ("Will") Burns	66	Mark Walker

Roosevelt University Board of Trustees

CONDUIT

ILLINOIS FINANCE AUTHORITY

$32,000,000

CONCORDIA UNIVERSITY CHICAGO

September 9, 2009

REQUEST	Purpose: Bond proceeds will be used refinance the outstanding par amount of IFA (IEFA) Series 2001 Bonds, and to fund various campus improvements at Concordia's campus. Campus renovations include mandated sprinkler systems required by law to be installed and operational by 2013. The Series 2009 Bonds will extend maturities and amortizations, thereby improving Concordia's cash flow. Additionally, this refinancing will result in significant credit facility cost savings. Project Description: To (i) refinance $24,500,000 IFA (IEFA) Series 2001 Bonds, and to finance various campus renovation projects at Concordia's campus including new roofs, masonry work, elevator improvements, and residence hall improvements. Program: Conduit 501(c)(3) Bonds Extraordinary Conditions: None
BOARD ACTIONS	Final Bond Resolution Voting Record: Preliminary Bond Resolution: July 14, 2009 8 Ayes, 0 Nays, 0 Abstentions, Absent 3 (DeNard, Verrett, Zeller), Vacancies 4
MATERIAL CHANGES	N/A

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

BORROWER DESCRIPTION	● Type of entity: Private University ● Location: (River Forest), Cook County, Northeast Region ● When it was established: Concordia University was founded in 1864 in Addison, Illinois as a private teachers college. University moved to River Forest in 1913 ● Concordia University Chicago is an Illinois not for profit corporation, and is a private liberal arts educational institution located in River Forest, Illinois. It is operated under the auspices of The Lutheran Church-Missouri Synod (the "Synod") which is a Missouri not for profit corporation headquartered in St Louis, Missouri. ● Concordia's mission is to equip men and women to serve and lead with integrity, creativity, competence, and compassion in a diverse, interconnected, and increasingly urbanized world. ● The new project will enable Concordia to maintain its physical facilities that will continue to attract and retain quality students and faculty.
CREDIT INDICATORS	● Bonds will be secured by a Direct Pay LOC from Park Bank, Chicago, IL with a Confirming LOC from the FHLB Chicago. ● The Bonds will not be insured.
Proposed Structure	Enhanced by a Direct Pay Letter of Credit from Park Bank, Chicago, IL with a confirming LOC from the FHLB-Chicago (Bonds are expected to carry FHLB Chicago's respective long-term ratings (AA-/A-1+) Variable Rate Demand Bonds Maturity: 30 Years (2039)

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

Recommendation	Credit Review Committee Recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2009

Project: Concordia University Chicago

STATISTICS

Project Number:	E-PC-TE-CD-8249	Amount:	$32,000,000 (not to exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Townsend Albright
County/Region:	Cook/Northeast	Location:	River Forest

BOARD ACTION

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

VOTING RECORD

Preliminary Bond Resolution: July 14, 2009

8 Ayes 0 Nays 0 Abstentions Absent 3 (DeNard, Verrett, Zeller) 4 Vacancies

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

Convey Tax Exempt status on $31.6 million Series 2009 Bonds. 501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders and thereby reducing the borrower's interest expense.

VOLUME CAP

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

JOBS

Current employment: 330 (FT Staff)		Projected new jobs:	53
Jobs retained: N/A		Construction jobs:	70/3 months

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Bonds	$31,600,000	Uses:	New Project Costs	$ 6,500,000
(Refunding and new money)			Refunding Escrow	24,500,000
			Bond Issuance Costs	600,000
Total:	$31,600,000	Total:		$31,600,000

FINANCING SUMMARY/STRUCTURE

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

Maturity:	30 years
Rating:	Proposed bonds will be rated AA+/A-1+ based on the FHLB Chicago's underlying ratings.
Estimated Closing Date:	October 29, 2009

PROJECT SUMMARY

Bond Proceeds will be used (i) to refinance 100% of the outstanding par value of Concordia University's IFA (IEFA) Series 2001 Illinois Education Facilities Authority Bonds, (ii) to fund various campus improvements at Concordia's main campus, including new roofs, masonry work, elevator improvements, and residence hall improvements. Concordia's campus is located at 7400 W. Augusta Street, River Forest, Illinois 60305, and prospectively, (iii) capitalize interest; and (iv) to pay bond issuance costs.

Project Costs:

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

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

BUSINESS SUMMARY

Concordia University (a.k.a.. "Concordia University Chicago", the "University", or "Concordia") is an Illinois 501(c)(3) not for profit corporation, and is a private educational institution centered in the liberal arts located in River Forest, Illinois. It is operated under the auspices of The Lutheran Church-Missouri Synod (the "Synod"), a Missouri 501(c)(3) not for profit corporation headquartered in St. Louis, Missouri.

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

Accreditations:

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

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

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

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

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

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

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

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

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

PROFESSIONAL & FINANCIAL

Borrower’s Counsel:	The Stolar Partnership LLP	Chicago, IL	Ed Holderle
Accountant:	Grant Thornton LLP	Chicago, IL	Frank Jakosz
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy A. Burke
Direct Pay LOC Bank:	Park Bank, Chicago	Chicago, IL	
Bank Counsel:	Winston & Strawn LLP	Chicago, IL	Kay McNab
Confirming Bank LOC:	FHLB Chicago	Chicago, IL	
Confirming Counsel:	Ice Miller	Indianapolis, IN	Heather R. James
Bond Underwriter:	Stern Brothers & Co.	St. Louis, MO	Ron Braun
Underwriter’s Counsel:	Spencer Fane Britt & Brown, LLP	St. Louis, MO	John Brickler
Issuer’s Counsel:	Chico & Nunes, P.C.	Chicago, IL	Elaine Williams
Trustee:	Bank of New York	Chicago, IL	Michael Countryman
Trustee Counsel:	In house		
Financial Advisor:	Mickeni LLC	Chicago, IL	Ken Kerznar
IFA Advisors:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

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

UNIVERSITY REGENTS

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

MEMORANDUM

TO: IFA Board of Directors

FROM: Townsend Albright

DATE: September 9, 2009

SUBJECT: Resolution to authorize execution of an Amendment to the Trust Indenture and related documents to enable the replacement of the Remarketing Agent $2,500,000 IFA Series 2006 Bonds (Beecher Energy LLC Project)

Date Closed: June 29, 2006

Original Par Amount: $2,500,000

Outstanding Principal Balance as of August 14, 2009: $2,500,000

Current Structure: 7-day Variable Rate Demand Industrial Revenue Bonds secured by an Associated Bank, N.A. Direct Pay Letter of Credit.

Amended Structure: (i) Change the "Authorized Denominations" from $100,000 to $5,000 or multiples thereof, and (ii) replace the existing Remarketing Agent with Robert W. Baird & Company

Request: Beecher Energy LLC, an Illinois Limited Liability Company ("Beecher LLC") and Will County Energy Limited Partnership ("Will County Energy LP") (the "Borrowers") request the Illinois Finance Authority to authorize the following actions relating to the $2,500,000 outstanding par amount IFA Series 2006 Adjustable Rate Demand Revenue Bonds: (i) execution of an Amended and Restated Indenture of Trust to allow change of the Authorized Denominations from $100,000 to $5,000 and multiples thereof, and (ii) replace Stern Brothers & Co. with Robert W. Baird & Co. as the new Remarketing Agent of the Bonds, and other related changes to the documents.

The Borrowers selected Robert W. Baird, which has been successful in remarketing bonds which have an Associated Bank (rated "BBB/A-2") LOC, as the new Remarketing Agent.

Reduction in Denominations: The reduction in denominations from $100,000 to $5,000 and any integral multiple thereof was discussed at length by the Credit Review Committee. The IFA Program Handbook requires the bonds to be investment grade or have a liquidity provider that has an investment grade rating from the major rating agencies. The LOC provider's ratings of "BBB" from Standard & Poors and "A-2" from Moodys Investors Service are investment grade, and satisfy IFA policy.

Recommendation: The Credit Review Committee recommends approval.

Original Purpose of the Bonds: The proceeds of the Taxable Industrial Revenue Bonds were to finance the acquisition of blowers, electric power generation and transmission equipment at the Beecher Development Co. landfill located in Beecher, Illinois, and pay costs of issuance.

Bond Structure: The Bonds will remain 7-day Variable Rate Demand Taxable Industrial Revenue Bonds secured by an Associated Bank Direct Pay Letter of Credit. Final maturity is July 1, 2026.

Corporate Status and Ownership: Beecher Energy LLC is an Illinois Limited Liability Corporation owned by Sexton Power LLC which is owned by the following:

John Sexton Sand & Gravel Corporation (80% member), an Illinois S Corporation, with the following ownership:

Eileen G. Sexton Trust	75.0%
Carole S. Malinksi Revocable Trust	12.5%
Kathleen S. Daniels Revocable Trust	12.5%

The trusts are wholly owned by the individuals named above. The Trusts' address is 4415 West Harrison Street, Suite 535, Hillside, IL 60162-1900.

Carolan Associates (10.0% member), a Michigan Limited Liability Corporation, which is 100.0% owned by Michael Carolan, of Bloomfield Hills, Michigan

GAMA Investments LLC (10.0% member) which is 100.0% owned by Jay Corgiant, PhD.. 26W271 Durfee Road, Wheaton, IL 60189.

Will County LP Partners and shares of ownership are:

Beecher Energy LLC – owns a 5.0% General Partnership Interest (shares of ownership are listed above). The corporate address is 4415 West Harrison Street, Suite 535, Hillside, IL 60162-1900

Inland Diesel, Inc. owns a 95.0% Limited Partnership Interest. The corporate address is 13015 West Custer Avenue, Butler, WI 53007.

PROFESSIONAL & FINANCIAL

Borrower:	Beecher Energy LLC	Hillside, IL	Michael Carolan
Bond Counsel:	Ice Miller LLP	Chicago, IL	Patra Geroulis
Direct Pay LOC Bank:	Associated Bank	Chicago, IL	Alexei V. Bibik
Bank Counsel:	Dykema	Chicago, IL	I. Walter Deitch
Remarketing Agent:	Robert W. Baird & Co.	Milwaukee, WI	Michael W. Scalise
Remarketing Agent Counsel:	Ice Miller LLP	Chicago, IL	Patra Geroulis
Existing Remarketing Agent:	Stern Brothers & Co.	Kansas City, MO	Chuck Gleason
Issuer's Counsel:	Requested		
Trustee:	Bank of New York Trust Co., N.A.	Chicago, IL	Daniel Marroquin
Trustee Counsel:	In house		
IFA Advisor:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

Attachment: Board Resolution

DRAFT

RESOLUTION 09-09-10

A RESOLUTION PROVIDING FOR THE APPROVAL BY THE ILLINOIS FINANCE AUTHORITY (THE "ISSUER") OF THE EXECUTION AND DELIVERY OF AN AMENDMENT TO INDENTURE IN CONNECTION WITH THE OUTSTANDING TAXABLE VARIABLE RATE DEMAND REVENUE BONDS (BEECHER ENERGY, LLC PROJECT), SERIES 2006; APPROVING THE DISTRIBUTION OF A SECOND SUPPLEMENT TO OFFERING MEMORANDUM; AND RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "Issuer"); and

WHEREAS, the Issuer on June 13, 2006 adopted a resolution authorizing the issuance and delivery of its $2,500,000 original principal amount Taxable Variable Rate Demand Revenue Bonds (Beecher Energy, LLC Project), Series 2006 (the "Bonds"); and

WHEREAS, the Bonds were issued pursuant to a Trust Indenture dated as of June 1, 2006 (the "Indenture") between the Issuer and The Bank of New York Mellon Trust Company, N.A. (the "Trustee") and a Loan Agreement dated as of June 1, 2006 (the "Loan Agreement") among Beecher Energy, LLC, an Illinois limited liability company and Will County Energy Limited Partnership, an Illinois limited partnership (collectively, the "Borrower") and the Issuer; and

WHEREAS, Stern Brothers & Co. was originally appointed as the Remarketing Agent; and

WHEREAS, the Borrower wishes to substitute Robert W. Baird & Co. Incorporated, as Remarketing Agent under the Indenture; and

WHEREAS, the Borrower has requested the Issuer and the Trustee to amend certain provisions of the Indenture, in order to provide for certain amendments relating to the substitution of the Remarketing Agent; and

WHEREAS, it is necessary and proper for the interests and convenience of the Issuer to authorize such amendments to the Indenture; and

WHEREAS, the Issuer has caused to be prepared and presented to this meeting the Amendment to Indenture dated as of September 1, 2009 among the Issuer, the Borrower and the Trustee (the "Amendment"), which the Issuer proposes to enter into and which amends the Indenture; and

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

That the form, terms and provisions of the proposed Amendment be, and its hereby is, in all respects approved, and that the Chairman, Vice Chairman, Treasurer or Executive Director (or other person duly appointed to any such office on an interim or acting basis) or any Authorized Officer and the Secretary or Assistant Secretary be, and they are hereby authorized, empowered and directed to execute and deliver such instrument in the name and the behalf of the Issuer and that the Amendment is to be in substantially the form thereof submitted to this meeting and hereby approved, with such changes therein as shall be approved by the officials of the Issuer executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from and after the execution and delivery of such instrument, the officials, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such instrument as executed.

That the distribution and use of a Second Supplement to Offering Memorandum presented at this meeting (with such changes therein as shall be required or approved by counsel to the Issuer) is hereby authorized.

That from and after the execution and delivery of the Amendment, the proper officials, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed and to further the purposes and intent of this Resolution, including the preamble hereto. The Chairman, Vice Chairman, Treasurer or Executive Director (or other person duly appointed to any such office on an interim or acting basis) or any Authorized Officer and the Secretary or Assistant Secretary be, and they are hereby, further authorized and directed for and on behalf of the Issuer, to execute all papers, documents, certificates and other instruments that may be required for the carrying out of the authority conferred by this Resolution or to evidence said authority, and changes in the documents approved hereby as approved by the officials of the Issuer executing the same, and to exercise and otherwise take all necessary action to the full realization of the rights, accomplishments and purposes of the Issuer under the Amendment and to discharge all of the obligations of the Issuer thereunder.

The Issuer hereby acknowledges that Robert W. Baird & Co. Incorporated has been appointed by the Borrower to act as Remarketing Agent under the Indenture, subject to the provisions of the Indenture pertaining to the resignation and removal of the Remarketing Agent.

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

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

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

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

APPROVED this 9th day of September, 2009.

ILLINOIS FINANCE AUTHORITY

Chairman (or Vice Chairman)

ATTEST:

Secretary (or Assistant Secretary)

MEMORANDUM

TO: IFA Board of Directors

FROM: Townsend Albright

DATE: September 9, 2009

SUBJECT: Resolution to authorize execution of an Amendment to the Trust Indenture and related documents to enable the replacement of the Remarketing Agent
$7,500,000 IFA (IDFA) Series 2003 Bonds (Sexton Energy LLC Project)

Date Closed: November 12, 2003

Original Par Amount: $7,500,000

Outstanding Principal Balance as of August 14, 2009: $6,840,000

Current Structure: 7-day Variable Rate Demand Industrial Revenue Bonds secured by an Associated Bank Direct Pay Letter of Credit.

Amended Structure: (i) change the "Authorized Denominations" from $100,000 to $5,000 or multiples thereof, and (ii) replace the existing Remarketing Agent with Robert W. Baird & Company

Request: Sexton Energy LLC, an Illinois Limited Liability Company (the "Borrower") requests the Illinois Finance Authority to authorize the following actions relating to the $6,840,000 outstanding par amount IFA (IDFA) Series 2003 Adjustable Rate Demand Revenue Bonds: (i) execution of an Amended and Restated Indenture of Trust to allow change of the Authorized Denominations from $100,000 to $5,000 and multiples thereof, and (ii) replace Stern Brothers & Co. with Robert W. Baird & Co. as the new Remarketing Agent of the Bonds, and other related changes to the documents.

The Borrower selected Robert W. Baird, which has been successful in remarketing bonds which have an Associated Bank LOC (rated "BBB/A-2") as the new Remarketing Agent.

Recommendation: The Credit Review Committee recommends approval.

Reduction in Denominations: The reduction in denominations from $100,000 to $5,000 and any integral multiple thereof was discussed at length by the Credit Review Committee. The IFA Program Handbook requires the bonds to be investment grade or have a liquidity provider that has an investment grade rating from the major rating agencies. The LOC provider's ratings of "BBB" from Standard & Poors and "A-2" from Moodys Investors Service are investment grade, and satisfy IFA policy.

Original Purpose of the Bonds: The proceeds of the Industrial Revenue Bonds were to finance the acquisition of land and the construction and equipping of a solid waste disposal facility located in Hillside, Illinois.

Bond Structure: The Bonds will remain 7-day Variable Rate Demand Industrial Revenue Bonds secured by an Associated Bank Direct Pay Letter of Credit. Final maturity is October 1, 2023.

Corporate Status and Ownership: Sexton Energy LLC is an Illinois Limited Liability Corporation owned by the following:

John Sexton Sand & Gravel Corporation (80% member), an Illinois S Corporation, with the following ownership:

Eileen G. Sexton Trust	75.0%
Carole S. Malinksi Revocable Trust	12.5%
Kathleen S. Daniels Revocable Trust	12.5%

The trusts are wholly owned by the individuals named above. The Trusts' address is 4415 West Harrison Street, Suite 535, Hillside, IL 60162-1900.

Carolan Associates (10.0% member), a Michigan Limited Liability Corporation, which is 100.0% owned by Michael Carolan, of Bloomfield Hills, Michigan

GAMA Investments LLC (10.0% member) which is 100.0% owned by Jay Corgiant, PhD., 26W271 Durfee Road, Wheaton, IL 60189.

PROFESSIONAL & FINANCIAL

Borrower:	Sexton Energy LLC	Hillside, IL	Michael Carolan
Bond Counsel:	Ice Miller LLP	Chicago, IL	Patra Geroulis
Direct Pay LOC Bank:	Associated Bank	Chicago, IL	Alexei V. Bibik
Bank Counsel:	Dykema	Chicago, IL	I. Walter Deitch
Remarketing Agent:	Robert W. Baird & Co.	Milwaukee, WI	Michael W. Scalise
Remarketing Agent Counsel:	Ice Miller LLP	Chicago, IL	Patra Geroulis
Existing Remarketing Agent:	Stern Brothers & Co.	Kansas City, MO	Chuck Gleason
Issuer's Counsel:	Requested		
Trustee:	Bank of New York Trust Co., N.A.	Chicago, IL	Daniel Marroquin
Trustee Counsel:	In house		
IFA Advisor:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

Attachment: Board Resolution

DRAFT

RESOLUTION 09-09-11

A RESOLUTION PROVIDING FOR THE APPROVAL BY THE ILLINOIS FINANCE AUTHORITY (AS SUCCESSOR TO THE ILLINOIS DEVELOPMENT FINANCE AUTHORITY) (THE "ISSUER") OF THE EXECUTION AND DELIVERY OF AN AMENDMENT TO INDENTURE IN CONNECTION WITH THE OUTSTANDING ILLINOIS DEVELOPMENT FINANCE AUTHORITY VARIABLE RATE DEMAND REVENUE BONDS (SEXTON ENERGY, LLC PROJECT), SERIES 2003; APPROVING THE DISTRIBUTION OF A SECOND SUPPLEMENT TO OFFERING MEMORANDUM; AND RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "Issuer"); and

WHEREAS, the Illinois Development Finance Authority (the predecessor to the Issuer) on October 16, 2003 adopted a resolution authorizing the issuance and delivery of its $7,500,000 original principal amount Variable Rate Demand Revenue Bonds (Sexton Energy, LLC Project), Series 2003 (the “Bonds”); and

WHEREAS, the Bonds were issued pursuant to a Trust Indenture dated as of October 1, 2003 (the "Indenture") between the Issuer and The Bank of New York Mellon Trust Company, N.A. (as successor to Fifth Third Bank (Chicago)) (the "Trustee") and a Loan Agreement dated as of October 1, 2003 (the "Loan Agreement") between Sexton Energy, LLC, an Illinois limited liability company (the “Borrower”) and the Issuer; and

WHEREAS, Stern Brothers & Co. was originally appointed as the Remarketing Agent; and

WHEREAS, the Borrower wishes to substitute Robert W. Baird & Co. Incorporated, as Remarketing Agent under the Indenture; and

WHEREAS, the Borrower has requested the Issuer and the Trustee to amend certain provisions of the Indenture, in order to provide for certain amendments relating to the substitution of the Remarketing Agent; and

WHEREAS, it is necessary and proper for the interests and convenience of the Issuer to authorize such amendments to the Indenture; and

WHEREAS, the Issuer has caused to be prepared and presented to this meeting the Amendment to Indenture dated as of September 1, 2009 among the Issuer, the Borrower and the Trustee (the "Amendment"), which the Issuer proposes to enter into and which amends the Indenture; and

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

That the form, terms and provisions of the proposed Amendment be, and its hereby is, in all respects approved, and that the Chairman, Vice Chairman, Treasurer or Executive Director (or other person duly appointed to any such office on an interim or acting basis) or any Authorized Officer and the Secretary or Assistant Secretary be, and they are hereby authorized, empowered and directed to execute and deliver such instrument in the name and the behalf of the Issuer and that the Amendment is to be in substantially the form thereof submitted to this meeting and hereby approved, with such changes therein as shall be approved by the officials of the Issuer executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from and after the execution and delivery of such instrument, the officials, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such instrument as executed.

That the distribution and use of a Second Supplement to Offering Memorandum presented at this meeting (with such changes therein as shall be required or approved by counsel to the Issuer) is hereby authorized.

That from and after the execution and delivery of the Amendment, the proper officials, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed and to further the purposes and intent of this Resolution, including the preamble hereto. The Chairman, Vice Chairman, Treasurer or Executive Director (or other person duly appointed to any such office on an interim or acting basis) or any Authorized Officer and the Secretary or Assistant Secretary be, and they are hereby, further authorized and directed for and on behalf of the Issuer, to execute all papers, documents, certificates and other instruments that may be required for the carrying out of the authority conferred by this Resolution or to evidence said authority, and changes in the documents approved hereby as approved by the officials of the Issuer executing the same, and to exercise and otherwise take all necessary action to the full realization of the rights, accomplishments and purposes of the Issuer under the Amendment and to discharge all of the obligations of the Issuer thereunder.

The Issuer hereby acknowledges that Robert W. Baird & Co. Incorporated has been appointed by the Borrower to act as Remarketing Agent under the Indenture, subject to the provisions of the Indenture pertaining to the resignation and removal of the Remarketing Agent.

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

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

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

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

APPROVED this 9th day of September, 2009.

ILLINOIS FINANCE AUTHORITY

____
Chairman (or Vice Chairman)

ATTEST:

____
Secretary (or Assistant Secretary)

MEMORANDUM

TO: IFA Board of Directors

FROM: Townsend Albright

DATE: September 9, 2009

SUBJECT: Resolution to authorize execution of an Amended and Restated Trust Indenture and related documents to enable the replacement of the original Credit Facility Provider and the Remarketing Agent
$5,080,000 IFA (IDFA) Series 1999A Bonds (Rubenson Real Estate LLC and General Converting, Inc. Project)

Date Closed: 6/01/1999

Original Par Amount: $5,080,000

Outstanding Principal Balance as of August 3, 2009: $3,305,000

Current Structure: 7-day Variable Rate Demand Industrial Revenue Bonds secured by a National City Bank Direct Pay Letter of Credit.

Amended Structure: (i) Change the authorized denominations from $100,000 to $5,000 and multiples thereof, and (ii) replace the existing Remarketing Agent with Robert W. Baird & Company

Request: Ruebenson Real Estate LLC and General Converting, Inc., an Illinois S Corporation (the "Co-Obligors") request the Illinois Finance Authority to authorize the following actions relating to the $3,305,000 outstanding par amount IFA (IDFA) Series 1999A Adjustable Rate Demand Revenue Bonds: execution of an Amended and Restated Indenture of Trust to allow for a change in the authorized denominations from $100,000 to $5,000 and multiples thereof, and to replace Stern Brothers & Co. with Robert W. Baird & Co. as the new Remarketing Agent of the Bonds, and make other changes necessary to bring the structure into conformity with current rating agency standards.

In May, 2009, National City Bank, the prior Credit Provider, provided notice to the Obligors that it was not going to extend its LOC facility beyond the June 17 expiration date. The Obligors selected Associated Bank (rated "BBB/A-2") as the New Credit Provider.

National City Capital Markets, an affiliate of the prior Credit Provider, was unable to remarket the Bonds. The Co-Obligors selected Stern Brothers as the Remarketing Agent on June 15, 2009. Stern Brothers & Co. was subsequently unable to remarket the bonds. The Co-Obligors selected Robert W. Baird & Co., which has been successful in remarketing bonds which have an Associated Bank LOC, as the new Remarketing Agent.

The Bonds have not been remarketed and the Bonds are currently Credit Provider Bonds for the benefit of the Old Credit Provider.

Recommendation: The Credit Review Committee recommends approval.

Reduction in Denominations: The reduction in denominations from $100,000 to $5,000 and any integral multiple thereof was discussed at length by the Credit Review Committee. The IFA Program Handbook requires the bonds to be investment grade or have a liquidity provider that has an investment grade rating from the major rating agencies. The LOC provider's ratings of "BBB" from Standard & Poors and "A-2" from Moodys Investors Service are investment grade, and satisfy IFA policy.

Original Purpose of the Bonds: The proceeds of the Industrial Revenue Bonds were to finance the acquisition, construction and equipping of manufacturing facilities located in the Village of Bolingbrook, Illinois.

Bond Structure: The bonds will remain 7-day Variable Rate Demand Taxable Industrial Revenue Bonds secured by an Associated Bank Direct Pay Letter of Credit.

General Converting, Inc.

Corporate Status and Ownership: General Converting, Inc. is an Illinois S-Corporation and is 100.0% owned by Robert W. Rubenson. Rubenson Real Estate LLC is a Delaware limited liability corporation and is owned by the following individuals;

Robert W. Rubenson 48.0%

Robert W. Rubenson, Trustee of the Robert L. Rubenson Trust Dated May 22, 2000, 55 West Erie Street, #2705, Chicago, IL 60611

Karen Nalbandian 25.0%

8907 Flamingo Drive, Tinley Park, IL 60477

Gayle M. Parkinson 6.25%

1985 Cavalier, Canton, MI 48187

Jean Tolliver 6.25%

11905 Chisholm Trail, Orland Park, Il 60462

Donna Van Loh 6.25%

4687 Hale Avenue North, Oakdale, MN 55128

Michael Rubenson 6.25%

3519 Sweet Maggie Lane, Naperville, IL 60564

Robert F. Rubenson 2.00%

13336 Edinburgh Lane, Palos Heights, IL 60463

PROFESSIONAL & FINANCIAL

Borrower:	General Converting, Inc.	Bolingbrook, IL	Christopher Husenger
Bond Counsel:	K&L Gates LLP	Chicago, IL	Douglas J. Hatlestad
Direct Pay LOC Bank:	Associated Bank	Glenview, IL	Bill Dierking
Bank Counsel:	Robbins Salmon Patt, LTD	Chicago, IL	Nat Pomerenze
Remarketing Agent:	Robert W. Baird & Co.	Milwaukee, WI	Michael W. Scalise
Prior Remarketing Agent:	Stern Brothers & Co.	Kansas City, MO	Chuck Gleason
Issuer’s Counsel:	Requested		
Trustee:	U.S. Bank N.A.	Chicago, IL	Vernita L. Anderson
Trustee Counsel:	In house		
IFA Advisor:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

Attachment: Bond Resolution

RESOLUTION 09-09-12

THE GENERAL CONVERTING PROJECT

A RESOLUTION PROVIDING FOR THE AMENDMENT OF THAT CERTAIN INDENTURE OF TRUST DATED AS OF JUNE 1, 1999, BETWEEN THE ILLINOIS FINANCE AUTHORITY AND U.S. BANK NATIONAL ASSOCIATION, AS SUCCESSOR TRUSTEE.

WHEREAS, the Illinois Finance Authority, a body politic and corporate (the "Issuer") 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, housing, higher education, health facility, educational facility, public purpose or other project as defined in the Act;

WHEREAS, the Industrial Development Revenue Bonds (General Converting Project), Series 1999A (the "Bonds") were issued by the Issuer in order to enable Ruebenson Real Estate LLC (the "LLC") and General Converting, Inc. (the "Company" and, together with the LLC, the "Obligors") to finance the acquisition, construction and equipping of manufacturing facilities located in the Village of Bolingbrook, Illinois (the "Project"). The Bonds were issued pursuant to an Indenture of Trust dated as of June 1, 1999 (the "Indenture") between the Issuer and U.S. Bank National Association, as the successor trustee (the "Trustee");

WHEREAS, National City Bank of the Midwest (the "Old Credit Provider"), issued an Irrevocable Direct Pay Letter of Credit, dated June 17, 2005, (as amended, the "Old Credit Facility"), which supported payment of the principal, interest and purchase price of the Bonds. On June 15, 2009, in connection with a Mandatory Tender under the Indenture for replacement of the Old Credit Facility, the Trustee drew on the Old Credit Facility in order to pay the purchase price of the Bonds to the Bondholders. The Bonds have not been remarketed and the Bonds are currently Credit Provider Bonds for the benefit of the Old Credit Provider;

WHEREAS, Associated Bank, N.A. (the "New Credit Provider") issued an Irrevocable Letter of Credit (Credit No. DC111488), dated June 16, 2009 with a stated amount of $3,354,575.00 (the "New Credit Facility"), which will, upon remarketing of the Bonds, support payment of the principal, interest and purchase price of the Bonds;

WHEREAS, the Obligors have replaced the existing remarketing agent with Robert W. Baird & Co. (the "New Remarketing Agent") effective as of September 9, 2009;

WHEREAS, the Obligors have requested that Moody's rate the Bonds;

WHEREAS, the New Remarketing Agent has advised the Obligors that the Bonds can be rated and remarketed if certain amendments are made to the Indenture and such requested amendments are reflected in a First Supplemental Indenture between the Issuer and the Trustee (the "First Supplemental Indenture"); and

WHEREAS, the Issuer has caused to be prepared and presented to this meeting the First Supplemental Indenture, which the Issuer proposes to enter into or approve.

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

Section 1. The Issuer hereby finds that the recitals contained in this Resolution are true, correct and complete, and does incorporate them into this Resolution by this reference.

Section 2. It is necessary and in the best interests of the Issuer to amend the Indenture by entering into the First Supplemental Indenture to allow for the changes necessary to remarket and rate the Bonds. It is hereby found and determined that such changes to the Indenture pursuant to the First Supplemental Indenture to allow for the remarketing and rating of the Bonds are for a proper public purpose or purposes and are in the public interest, and are authorized pursuant to the Act; and these findings and determinations shall be deemed conclusive.

Section 3. The First Supplemental Indenture is hereby approved in substantially the form submitted to this meeting, and the Chairman, any Vice Chairman or the Executive Director, and Secretary or Assistant Secretary of the Issuer are each hereby authorized and directed to execute, acknowledge and deliver the First Supplemental Indenture on behalf of the Issuer with such changes therein, including, without limitation, any changes requested by a rating agency rating the Bonds (including, without limitation, amendments to the provisions related to notice of interest rate, the notice to rating agencies and the removal of remarketing agent), as shall be approved by such persons executing such document, their execution to constitute conclusive evidence of such approval, and the Secretary or Assistant Secretary are each hereby authorized to seal and attest to the adoption of this Resolution, and to do any and all things necessary or desirable in order to carry out the intention of the parties expressed herein.

Section 4. That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision shall, for any reason, be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions.

Section 5. That all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby superseded.

Section 6. This Resolution shall be in full force and effect from and after its passage and approval, in accordance with law.

[Signature Page Follows]

APPROVED this 9th day of September, 2009.

ILLINOIS FINANCE AUTHORITY

____

Chairman

ATTEST:

____

Secretary

[SEAL]

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

TO: IFA Board of Directors

FROM: Pam Lenane and Bill Claus

DATE: September 9, 2009

RE: Resolution to Authorize Execution of a Supplemental Trust Indenture improving the security provisions for bondholders per S&P's Structured Finance Group's suggestions to enable LOC Ratings of A/A-1
IFA (IEFA) Series 2003 Bonds (Chapin Hall Center for Children)

Request:

The Chapin Hall Center for Children, a 501(c)(3) corporation incorporated under Illinois law, is requesting the Illinois Finance Authority to authorize a Supplemental Trust Indenture relating to the Chapin Hall Center for Children's $5,250,000 IFA Series 2003 Tax-Exempt Bonds. The changes are a request from S&P who plan to provide a rating to the bond issue. Changes include the requirement of eligible accounts which require any party holding funds (trustee) to maintain minimum rating criteria. It is expected that these adjustments will require a reissuance from a tax perspective.

The Rating (A/A-1) is anticipated to improve the trading of the Series 2003 Bonds and reduce debt service for Chapin Hall Center for Children.

The Series 2003 Bonds are currently bearing interest in 7-day Tax-Exempt Variable Rate Mode and secured by a Direct Pay Letter of Credit from Fifth Third Bank. Both Series will continue to bear interest in this Mode going forward.

Chapin Hall Center for Children:

Established in 1985, Chapin Hall is an independent policy research center whose mission is to build knowledge that improves policies and programs for children and youth, families, and their communities.

Its work is guided by the following principles:

- Sound policy is based on continuous knowledge building.
- The aim of Chapin Hall's multidisciplinary research is to learn more about the state of our young people and their families and the degree to which the policies and programs designed to support them are succeeding. While Chapin Hall's research concerns the well-being of all children and youth, the focus is on what is happening to the most vulnerable so that policymakers and practitioners can create institutions and programs that will help them develop into healthy, educated, productive adults. The concept of Chapin Hall has been replicated in many other locations within and outside of the United States, often with the help of Chapin Hall research fellows. Chapin Hall serves as a public policy resource for child-family research, both nationally and internationally.
- Much of Chapin Hall's research agenda evolves through long-term engagement with public agency directors, government officials, philanthropic and community leaders, and others who use Chapin Hall research to provide empirical support for policies and programs.
- Chapin Hall collaborates through conversations with decision makers to identify problems whose solutions require ongoing data collection and interpretation. For example, they develop analytic tools and systems to monitor outcomes for children and youth and provide technical assistance to help agencies work directly with information resources and apply data to improve performance within their organizations.

- A commitment to rigor, independence, and innovation is integral to Chapin Hall's ability to attain its mission.
- Chapin Hall's independent perspective identifies important issues or trends before they are widely recognized. For instance, Chapin Hall helped shape a field of research around the array of activities and resources needed by all young people to thrive physically, socially, and academically. Chapin Hall is also widely known for pioneering research methods that collect, link, and analyze case record data across human service systems to learn about the families using the systems and to understand how institutions and programs interact with each other. They also document and evaluate community-building resources and activities, and analyze the practice of philanthropy in such efforts.

VOTING RECORD

No prior voting record. This is the first time this project has been presented to the IFA Board.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Seyfarth Shaw LLP	Chicago, IL
Bond Counsel:	Chapman and Cutler	Chicago, IL
Remarketing Agent:	Fifth Third Bank	Chicago, IL
Direct Pay LOC:	Fifth Third Bank	Chicago, IL
Trustee:	Fifth Third Bank	Chicago, IL
Rating Agency:	Standard & Poor's	New York, NY

CHAPIN HALL CENTER FOR CHILDREN

Officers

Norman M. Bradburn Chair
Senior Fellow
National Opinion Research Center

Beverly Fleming, Vice-Chair
Senior Vice President and Director of Investor Relations
Northern Trust Corporation, Chicago

Stuart Flack, Secretary
Executive Director
Chicago Humanities Festival

Philip Halpern, Treasurer
CIO
Tellus Asset Management

Members

Adrienne Y. Bailey
Educational Consultant

IFA RESOLUTION 09-09-13

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENTS TO THE TRUST INDENTURE RELATING TO ILLINOIS EDUCATIONAL FACILITIES AUTHORITY ADJUSTABLE RATE DEMAND REVENUE BONDS, CHAPIN HALL CENTER FOR CHILDREN, SERIES 2003; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF ANY OTHER NECESSARY DOCUMENTS; AND AUTHORIZING AND APPROVING RELATED MATTERS

WHEREAS, the Illinois Educational Facilities Authority (the "IEFA"), a predecessor of the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "Authority"), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq, as supplemented and amended (the "Act"), has heretofore issued $5,250,000 in original aggregate principal amount of Illinois Educational Facilities Authority Adjustable Rate Demand Revenue Bonds, Chapin Hall Center for Children, Series 2003 (the "Bonds") pursuant to that certain Trust Indenture dated as of May 1, 2003 (the "Indenture"), between the Authority, as successor to the IEFA, and The Bank of New York Mellon Trust Company, N.A., as successor trustee; and

WHEREAS, Chapin Hall Center for Children, an Illinois not for profit corporation (the "Corporation"), has borrowed proceeds from the sale of the Bonds pursuant to the Loan Agreement dated as of May 1, 2003 (the "Loan Agreement") between the Authority, as successor to the IEFA, and the Corporation; and

WHEREAS, the Corporation used the proceeds of the Bonds to (a) currently refund all of the outstanding Illinois Educational Facilities Authority Revenue Bonds, Chapin Hall Center for Children, Series 1994 (the "Series 1994 Bonds"), (b) finance working capital consisting of the payment of a portion of the interest on the Bonds and (c) pay certain costs relating to the issuance of the Bonds, including the credit enhancement thereof, and the refunding of the Series 1994 Bonds; and

WHEREAS, the payment of principal of, interest on and purchase price for the Bonds is secured by an irrevocable transferable direct pay letter of credit (the "Credit Facility") issued by Fifth Third Bank, as credit provider (the "Credit Provider"); and

WHEREAS, the Bonds were originally issued as unrated bonds; and

WHEREAS, because of current market conditions, the Corporation now desires to provide that the Bonds be rated by Standard & Poor's Ratings Services ("S&P"); and

WHEREAS, in order to provide such rating, S&P has requested that certain amendments be made to the Indenture including, without limitation, (a) that all funds and accounts established under the Indenture must be held with financial institutions meeting certain requirements, (b) that for a Pledged Bond (as defined in the Indenture) to be released, the Credit Provider must give notice to the Trustee and the Remarketing Agent (as defined in the Indenture) that it has been fully reimbursed for a draw under the Credit Facility and that the amount drawn under the Credit Facility has been fully reinstated, (c) that the resignation or removal of the Trustee will take effect upon the appointment of and acceptance by a successor Trustee, not only the appointment thereof, and (d) that if the Trustee does not receive a draw under the Credit Facility by 11:00 a.m., New York City time, it no longer has to notify the Corporation of such event; and

WHEREAS, the Corporation has requested that the Authority authorize and approve such amendments to the Indenture; and

WHEREAS, such amendments to the Indenture may result in the Bonds being reissued for purposes of federal tax law; and

WHEREAS, the Authority desires to approve such amendments to the Indenture and any other necessary or appropriate documentation to effect such amendments and any reissuance of the Bonds for purposes of federal tax law;

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

Section 1. Amendments to the Indenture. That the above-described amendments to the Indenture are hereby authorized and approved.

Section 2. First Supplemental Trust Indenture. That the Authority is hereby authorized to enter into a First Supplemental Trust Indenture (the "Supplemental Indenture") with the Trustee, supplementing and amending the Indenture, to accomplish the purposes described in this Resolution, such Supplemental Indenture to be in substantially the same form now before the Authority; that the form, terms and provisions of the Supplemental Indenture be, and they hereby are, in all respects approved; that the Chairperson, the Vice Chairperson, the Treasurer, any Assistant Treasurer, the Executive Director, any Assistant Executive Director, the Chief Financial Officer, any Assistant Chief Financial Officer or the Deputy Director – General Counsel (and for purposes of this Resolution, any person duly appointed to such office on an interim or acting basis) (each, an "Authorized Officer") 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 Supplemental Indenture in the name, for and on behalf of the Authority, and thereupon to cause the Supplemental Indenture to be delivered to the Trustee; the Supplemental Indenture to be in substantially the same form as is now before the Authority or with such changes therein as an Authorized Officer of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of any and all changes or revisions therein from the form of the Supplemental Indenture now before the Authority; that when the Supplemental Indenture is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such Supplemental Indenture will be binding on the Authority; that from and after the execution and delivery of the Supplemental 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 Supplemental Indenture as executed; and that the Supplemental Indenture shall constitute, and hereby is made, a part of this Resolution, and a copy of the Supplemental Indenture shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 3. *Other Necessary Documents.* That the Authorized Officers of the Authority be, and each of them hereby is, authorized to execute and deliver such documents, certificates and undertakings of the Authority, including, without limitation, an IRS Form 8038 and a Tax Exemption Certificate and Agreement, if any, and to take such actions as may be required in connection with the execution, delivery and performance of the Supplemental Indenture and any reissuance of the Bonds for federal income tax purposes, all as authorized by this Resolution.

Section 4. *Ratification of Actions.* That all acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 5. *Separable Provisions.* 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 6. *Conflicting Resolutions.* That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 7. *Effectiveness.* That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

TO: IFA Board of Directors

FROM: Jim Senica

DATE: September 9, 2009

RE: Resolution for Participation Loan Payment Modifications by Heartland Bank and Trust Company and IMT Real Estate, L.L.C. The requested payment modifications are as follows:

1. Interest-only payments for the six-month period from September, 2009 through February, 2010
2. Deferral of the scheduled September through February principal payments until the end of the loan term September 4, 2014

IMT Real Estate, L.L.C.
IFA Project No. B-LL-TX-6090

THE REQUEST

Heartland Bank and Trust Company (the "**Bank**") and **IMT Real Estate, L.L.C.** (the "Borrower") are proposing modifications to the Borrower's existing Loan relating to loan payments as follows:

1. Interest-only payments for the 6-month period from September, 2009 through February, 2010
2. Deferral of the scheduled September through February principal payments until the end of the loan term (i.e., September 4, 2014)

THE SITUATION

Original Par Amount closed 8/4/07: $1,000,000
Outstanding Balance as of August 25, 2009: $955,390.49
IMT has remained current on its loan with its latest principal and interest payment received on August 4, 2009.

The Borrower is facing significantly reduced order volume from Caterpillar, its primary customer, that threaten its survival. Many small manufacturers in Central Illinois are facing similar challenges in responding to dramatically reduced orders from Caterpillar and John Deere, which are two of the region's most important economic drivers.

While management is working diligently to replace lost business with new customers (and has reportedly secured 7 new customers), the Bank and IFA staff believe that fixed payment reductions (including this loan) are needed to enhance IMT's odds of survival.

Pursuant to section 15(b) of the Participation Loan Agreement, requires that any payments received in a default must be applied to the loan in which IFA participates before payments are applied to pay any other bank loan that is secured by same collateral, subject to review and confirmation by IFA counsel.

BACKGROUND

Illinois Machine & Tool Works (the "Operating Company" or "IMTW") is an Illinois limited liability company originally founded in 1966 as Tompco and then purchased by Mark Markovich in 1993. IMT Real Estate ("IMT RE") is the holding company for the building that houses the operating company. IMTW specializes in production machining in accordance with customer specifications. They are a QS-9000 registered supplier of precision machined & turned castings, bar stock and flat work. Mr. Markovich and Rich Johnson, CFO, are the primary managers.

IFA (and IDFA) have had a prior relationship with the Company owners as IDFA was the issuer of a $7,020,000 Industrial Revenue Bond for an industrial project involving a related company, MC Products, L.L.C. Those bonds were subsequently paid off.

STAFF RECOMMENDATION

The Credit Committee recommends approval of payment modifications as follows:

1. Interest-only payments for the 6-month period from September, 2009 through February, 2010
2. Deferral of the scheduled September through February principal payments until the end of the loan term (i.e., September 4, 2014)

VOTING RECORD

The voting record of this Participation Loan as originally approval at the May 9, 2006, Board meeting is as follows:

Ayes:	10	Absent:	3 (Goetz, Herrin, Leonard)
Nays:	0	Abstentions:	0

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

To: IFA Board of Directors

From: Rich Frampton

Date: September 9, 2009

Re: Resolution providing for the Extension of Maturity of $5,010,000 Convertible Multi-Family Housing Revenue Refunding Bonds Series 2007A of the Illinois Finance Authority in Connection with the Conversion of such Bonds; Authorizing the Execution and Delivery of a First Supplement to the Indenture of Trust, a Supplement to the Official Statement, and an Arbitrage and Tax Certificate in Connection Therewith; and related matters.
Project: Liberty Towers Associates II L.P. (IFA File: M-MH-TX-CD-7001)

Request:
Liberty Towers Associates II L.P. (the "Borrower") is requesting the Illinois Finance Authority to authorize the extension, conversion and reissuance of an existing project by amending and restating the trust indenture, loan agreement, and to provide a new Tax Agreement which will extend the final maturity date by 5 to 10 years. This conversion will enable the Borrower to complete a two-stage refinancing that began with the issuance of IFA Taxable Convertible Bonds in 2007 to refinance its existing Bonds originally issued by the Village of Libertyville. In 2007. IFA refunded the Borrower' Series 1999 Village of Libertyville Tax-Exempt bonds to Taxable Weekly Mode (i.e., 7-day floating rate) with the anticipation of converting the Bonds to a Tax-Exempt status within 90 days of the next call date (i.e., December, 2009). The Borrower is now returning to convert the Bonds to Tax-Exempt status within 90-days of the 12/1/2009 call date.

History of the Transaction:
In 2007 IFA issued Taxable Convertible Affordable Rental Housing Bonds that were used to defease an outstanding principal balance ($5.3 million) of Series 1999 Village of Libertyville Tax-Exempt Bonds originally issued to purchase and renovate the Liberty Towers senior apartment project with a Letter of Credit ("LOC") from Harris Bank. The 2007 Series A and B Bonds closed on August 9, 2007. The Series 1999 Village of Libertyville Bonds were sold without credit enhancement and were rated A2 by Moody's.

The subject property was originally constructed in 1979 and was purchased by its current owners in 1999. The current owners financed both the acquisition and substantial renovation of the Project with approximately $5.45 million of Affordable Rental Housing Bonds issued by the Village of Libertyville (and supplemented with 4% Low Income Housing Tax Credit equity). The scope of the renovations, completed in 2000, included the remodeling of all apartments, common areas, and roof replacement.

Recommendation:

The Credit Review Committee recommends Approval

Background on Borrower and Project: Liberty Towers Associates II, L.P. (the "Borrower") is an Illinois limited partnership and special purpose entity established in 1999 for the express purpose of acquiring, financing, renovating, and owning **Liberty Towers** (the "**Project**" or the **"Property"**) in Libertyville, Illinois, an existing 121-unit affordable, senior housing property originally constructed in 1979

Liberty Towers is a seven (7) story, masonry, 121-unit, rental apartment building located in downtown Libertyville (central Lake County), approximately one block east of Illinois 21 (Milwaukee Avenue) and four blocks north of Illinois 176 (Park Avenue). The units are age restricted (i.e., 62 years and older) and subject to a Section 8 HAP Contract (expires 10/13/2009) and Section 42 Low Income Housing Tax Credit income limits. Liberty Towers is located within walking distance to downtown shops, restaurants, the public library, public parks, and the Metra passenger train station.

PROFESSIONAL & FINANCIAL

Counsel:	Krasnow Saunders Cornblath LLP	Chicago, IL	Henry Krasnow
Accountant:	Rockoff Harlan Rasof, Ltd.	Skokie, IL	Michael Harlan
Bond Counsel:	Greenberg Traurig, L.L.P.	Chicago, IL	Matt Lewin
Underwriter:	Mesirow Financial, Inc.	Chicago, IL	Bill Carney
Underwriter's Counsel:	Newbanks Law Firm LLC	Cincinnati, OH	Ron Newbanks
LOC Bank:	Harris Bank Chicago, IL	Steve Quasny	
LOC Bank Counsel:	Charity & Associates, P.C.	Chicago, IL	Elvin Charity
Trustee:	Bank of New York	Chicago, IL	
Rating Agency:	Standard & Poor's	New York, NY	
Management Agent:	Promex Midwest Corporation	Libertyville, IL	Pat Zinovic
Appraiser:	Appraisal Research Counselors	Chicago, IL	Ron De Vries
Issuer's Counsel:	Burke Burns & Pinelli, Ltd.	Chicago, IL	Steve Welcome
IFA Financial Advisor:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

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OWNERSHIP:

Liberty Towers Associates II, L.P., an Illinois limited partnership:

- **General Partners (0.1%):**
  - *Operating General Partners:*
    - DRE, Inc.,: Mr. Dennis R. Egidi, President, 800 S. Milwaukee Avenue, Suite 170, Libertyville (Lake County), IL 60048: 0.45%
      - Mr. Egidi also has a 60% ownership interest in Promex Midwest, the Managing Agent for Liberty Towers
    - Synergic, Inc., an Illinois corporation: Barry L. Weinstein, President, c/o Horowitz & Weinstein, 311 W. Superior St., Chicago (Cook County), IL 60610: 0.45%
  - *Administrative General Partner:*
    - National Corporate Tax Credit, Inc. IX, a California corporation (Tax Credit Investor), 9090 Wilshire Blvd., Suite 201, Beverly Hills, CA 90211
- **Limited Partner (99.9% - Tax Credit Investor):** National Corporate Tax Credit Fund IX, a California limited partnership, 9090 Wilshire Blvd., Suite 201, Beverly Hills, CA 90211

VOTING RECORD

Preliminary Bond Resolution: February 13, 2007
Ayes: 11 Nays: 0 Abstentions: 0 Absent: 3 (Herrin, Nesbitt, Valenti)Vacancies: 1

Final Bond Resolution: June 12, 2007
Ayes: 10 Nays: 0 Abstentions: 0
Absent: (Ronald E. DeNard, James J. Fuentes, Terrence M. O'Brien, Lynn F. Talbott)
Vacancies: 1

IFA RESOLUTION NO. 09-09-15

RESOLUTION PROVIDING FOR THE EXTENSION OF MATURITY OF $5,010,000 CONVERTIBLE MULTI-FAMILY HOUSING REVENUE REFUNDING BONDS (LIBERTY TOWERS PROJECT) SERIES 2007A OF THE ILLINOIS FINANCE AUTHORITY IN CONNECTION WITH THE CONVERSION OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENT TO INDENTURE OF TRUST, A SUPPLEMENT TO OFFICIAL STATEMENT, AND AN ARBITRAGE AND TAX CERTIFICATE IN CONNECTION THEREWITH; AND RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "**Authority**"), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1, as supplemented and amended (the "**Act**"), is authorized by the laws of the State of Illinois, including without limitation the Act, to issue its revenue bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to defray, among other things, the cost of the development, construction, acquisition and improvement of "housing projects," as defined in the Act, and to refund bonds issued to finance costs of "housing projects"; and

WHEREAS, the Authority issued its $5,010,000 aggregate principal amount Convertible Multi-Family Housing Revenue Refunding Bonds (Liberty Towers Project) Series 2007A (the "**Series 2007A Bonds**"), and its $290,000 aggregate principal amount Taxable Multi-Family Housing Revenue Refunding Bonds (Liberty Towers Project) Series 2007B (the "**Series 2007B Bonds**" and, together with the Series 2007A Bonds, the "**Bonds**") to (a) refund the Village of Libertyville, Illinois Affordable Housing Revenue Bonds, Series 1999A (Liberty Towers Project) (the "**Series 1999 Bonds**"), the proceeds of which were loaned to Liberty Towers Associates II L.P., an Illinois limited partnership (the "**Borrower**"), to finance costs of acquisition and renovation of a 121 residential rental housing project located in the Village of Libertyville, Illinois, occupied in part by elderly and handicapped persons of low income who are eligible for assistance under Section 8 of the United States Housing Act of 1937 (the "**Project**"), and (b) to pay certain costs of issuance of the Bonds; and

WHEREAS, the Borrower represented to the Authority that the acquisition, renovation, improvement and equipping of the Project met the public purposes of the Act and that the Project constitutes a "housing project" within the meaning of the Act; and

WHEREAS, the Authority entered into an Indenture of Trust (the "**Indenture**") between the Authority and The Bank of New York Trust Company, N.A., as trustee (the "**Original Trustee**") and a Loan Agreement between the Authority and the Borrower (the "**Loan Agreement**"), and caused there to be delivered an Official Statement (the "**Official Statement**") all in connection with the issuance of the Bonds; and

WHEREAS, the Bonds have been and will continue to be supported by a Letter of Credit issued by Harris N.A. (the "**Letter of Credit**"), which may be drawn upon to pay the principal of and a specified number of days of interest on the Bonds, and the mandatory or optional tender purchase price of the Bonds, when due, under the Indenture; and

WHEREAS, the Series 2007A Bonds will be remarketed from time to time as required, by Mesirow Financial, Inc. (the "**Remarketing Agent**"), pursuant to a Remarketing Agreement between the Borrower and the Remarketing Agent; and

WHEREAS, pursuant to the provisions of the Indenture, the Series 2007A Bonds are to be converted on October 1, 2009 (the "**Conversion Date**") to a "Weekly Mode" under the Indenture and, in connection with such conversion (a) the Borrower has directed that U.S. Bank National Association (the "**Trustee**") replace the Original Trustee under the Indenture, and (b) the Issuer and the Trustee, with the consent of the Borrower and the Bank, propose to amend and supplement the Indenture and the Series 2007A Bonds pursuant to a First Supplement to Indenture of Trust (the "**First Supplement to Indenture**") to, among other things, extend the maturity of the Series 2007A Bonds; and

WHEREAS, in connection with the conversion of the Series 2007A Bonds, the interest on the Series 2007A Bonds will become excludable from the gross income of the owners thereof for federal income tax purposes and, in connection therewith, the Issuer and the Borrower will enter into an Arbitrage and Tax Certificate (the "**Arbitrage Certificate**"); and

WHEREAS, in connection with the conversion of the Series 2007A Bonds, the change in the tax-exempt status of the interest thereon and the amendments provided by the First Supplement to Indenture, there will be prepared and distributed to prospective investors a Supplement to Official Statement relating to the Series 2007A Bonds (the "**Supplement to Official Statement**"); and

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

(i) the First Supplement to Indenture (including the amended form of Series 2007A Bonds),

(ii) the Arbitrage Certificate, and

(iii) the Supplement to Official Statement; and

WHEREAS, the Indenture and the Arbitrage Certificate are referred to collectively herein as the "**Authority Agreements**;" and

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

Section 1. The Authority is hereby authorized to enter into each of the Authority Agreements with the other party or parties thereto in substantially the same form now before the Authority; that the form, terms and provisions of each Authority Agreement be, and they hereby are, in all respects approved; that the Chairman, the Vice Chairman, the Executive Director, the General Counsel, the Director of Financial Services, the Secretary or the Treasurer of the Authority (or any person appointed to such office on an interim basis) be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and if required, 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, each Authority Agreement in the name, for and on behalf of the Authority, and thereupon to cause each Authority Agreement to be executed, acknowledged and delivered to the other party or parties thereto, in substantially the form now before the Authority or with such changes therein as the individual or individuals executing such Authority Agreement on behalf of the Authority shall approve, his execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the form of such Authority Agreement now before the Authority; that when each Authority Agreement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such Authority Agreement shall be binding on the Authority; that from and after the execution and delivery of each Authority 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 such Authority Agreement as executed; and that each Authority Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of such Authority 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 2. The amended form of the Series 2007A Bonds now before the Authority, subject to appropriate insertions and revisions in order to comply with the provisions of the First Supplement to Indenture (as executed and delivered), are hereby approved; that the Series 2007A Bonds shall be re-executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its Chairman and attested with the manual or facsimile signature of its Secretary or Assistant Secretary and the seal of the Authority shall be impressed or imprinted thereon; that the Chairman, the Vice Chairman or any other officer of the Authority shall cause the Series 2007A Bonds, as so executed and attested, to be delivered to the Trustee for authentication; and that when the Series 2007A Bonds shall be re-executed on behalf of the Authority in the manner contemplated by the First Supplement to Indenture and this Resolution, they shall represent the approved amended form of Series 2007A Bonds of the Authority.

The Series 2007A Bonds may be re-designated to another designation as set forth in the First Supplement to Indenture (as executed and delivered). The maturity of the Series 2007A Bonds shall be extended to a date no later than no later than October 1, 2049.

Section 3. The Series 2007A Bonds shall continue to be special, limited obligations of the Issuer payable solely out of the revenues and receipts derived from the Loan Agreement, the Letter of Credit and funds pledged under the Indenture. No holder of any Series 2007A Bond has the right to compel any exercise of the taxing power of the State of Illinois to pay the Series 2007A Bonds, the interest or premium, if any, thereon, and the Series 2007A Bonds shall not constitute an indebtedness of the State of Illinois or a loan of credit thereof within the meaning of any constitutional or statutory provisions. It shall be plainly stated on the face of each Series 2007A Bond that it does not constitute an indebtedness or obligation of the State of Illinois or a loan of credit thereof within the meaning of any constitutional or statutory provision, but is payable solely for the revenues of the Authority pledged therefor under the Indenture.

Section 4. The distribution of the Supplement to Official Statement by the Remarketing Agent is hereby approved, such Supplement to Official to be in substantially the same form as the Supplement to Official Statement now before the Authority, or with such changes therein as shall be made as shall be approved by the officer or officers of the Authority executing the First Supplement to Indenture, their execution thereof to constitute conclusive evidence of their approval of any such changes..

Section 5. The Chairman, the Vice Chairman, the Executive Director, the Secretary, the Treasurer, the General Counsel, the Director of Financial Services and any Assistant Secretary of the Authority (or any person appointed to such office on an interim basis) 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 Authority Agreements and the distribution of the Supplement to Official Statement authorized by this Resolution.

Section 6. All acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 7. The publication on behalf of the Authority of the notices of public hearing relating to the conduct of the public hearing by the Authority or its designee with respect to the issuance of the Bonds is hereby ratified, approved and confirmed. The public hearing (the "**Hearing**") is scheduled to be held on September ___, 2009. The approvals set forth herein are subject to the holding of the Hearing to the satisfaction of the officer or officers of the Authority executing the First supplement to Indenture. The execution of the First Supplement to Indenture by the officer or officers of the Authority (as authorized herein) shall be deemed evidence of the his, her or their satisfaction of the holding of the Hearing. The Authority's obligation to take the actions described herein is subject to the receipt of the approval of the Governor of the State of Illinois pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended.

Section 8. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 9. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 10. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

TO: IFA Board of Directors

FROM: Rich Frampton

DATE: September 9, 2009

RE: Resolution to Amend Prior Final Bond Resolution approved in February 2009 to confirm identify of Bond Trustee and Underwriter. $28,500,000 IFA Series 2009Bonds (American Water Capital Corp. Project)

IFA Project No.: PU-WD-TE-CD-8182

Background: The IFA Board of Directors approved a Bond Resolution in February 2009, approving an amount not-to-exceed $28.5 million on behalf of **American Water Capital Corp**. ("**AWCC**" or the "**Borrower**"), a Delaware corporation. The purpose of this financing is to finance capital improvements at its privately owned water utility plants and facilities serving several of its service areas across the state (including, but not limited to) Champaign County, Metro East, Suburban Chicago, and Peoria County.

American Water Capital Corp. now plans to close its transaction (pursuant to terms and conditions approved in IFA Resolution 09-02-02 approved at the February 10, 2009 Board Meeting) in late September 2009. Although IFA Resolution 09-02-02 provides sufficient authorization to close the Bonds in September, the February Resolution did not specifically identify either the Bond Trustee or Underwriter to be engaged by American Water Capital Corp.

Accordingly, although not required to close this transaction, the attached Resolution 09-09-16 will provide the IFA Board of Directors with its customary disclosures regarding the identity of the Underwriter and Bond Trustee in advance of this financing proceeding to pricing (and closing). Again, the attached Resolution (IFA Resolution 09-09-16) does not contemplate any material changes to the underlying terms and conditions relating to this transaction approved in February 2009.

More specifically, the attached IFA Resolution (No. 09-09-16) retains all material terms and conditions stated in the February 2009 Resolution (No. 09-02-02), and now also confirms and identifies that (1) Wells Fargo Bank, N.A., will serve as "Bond Trustee" and (2) Stifel, Nicolaus & Company, Incorporated will serve as "Underwriter" (and will be a party to the Bond Purchase Agreement to be entered along with the Authority and American Water Capital Corp.).

Voting Records:

Final Bond Resolution, February 10, 2009:

Ayes: 8 Nayes: 0 Abstentions: 0

Absent: 3 (Herrin, O'Brien, Zeller) Vacancies: 4

Preliminary Bond Resolution, December 9, 2008:

Ayes: 8 Nays: 0 Abstentions: 0

Absent: 3 (Fuentes, Herrin, Verrett) Vacancies: 4

Purpose: **American Water Capital Corp. is undertaking this financing on behalf of its affiliate, Illinois-American Water Company, an Illinois corporation (and a public water utility company regulated by the Illinois Commerce Commission.** Proceeds will be used to finance various capital improvements at Illinois-American Water Company facilities located statewide, including, but not limited to locations at the Company's Alton (Alton District), Champaign County (Champaign District), Grafton, Metro East (Interurban District), Peoria County (Peoria District), Streator (Streator District), and Suburban Chicago (Metro Chicago District).

Structure: Bonds will be sold without credit enhancement on a Fixed Rate Basis by Stifel, Nicolaus & Company, Incorporated, based on American Water Capital Corporation's underlying long-term

Baa2/BBB+ (Moody's/S&P) ratings. The Bonds will be sold in $5,000 denominations in accordance with standard IFA Bond Handbook requirements. Both Moody's and S&P reaffirmed American Water Capital Corporation's long-term Baa2/A- ratings (Moody's/S&P) in August in connection with another Tax-Exempt Bond Issue for which AWCC was the obligor.

Recommendation: The Credit Review Committee recommends approval of the Resolution that adds supplemental informational that discloses and specifies the identity of both the Bond Trustee and Underwriter, thereby amending IFA Resolution 09-02-02 that was approved at the February 10, 2009 IFA Board Meeting.

Borrower Ownership:	*American Water Works Company, Inc. (Parent)*	*American Water Capital Corp. (Financing Subsidiary/Affiliate)*	*Illinois-American Water Co. Oper. Sub.)*
Organization:	Corporation	Corporation	Corporation
State:	Delaware	Delaware	Illinois

Ownership: Illinois-American Water Company is a wholly-owned subsidiary of American Water Works Company, Inc., with stock traded on the New York Stock Exchange. Major shareholders of more than 5.0% of AWK's stock (i.e., SEC ownership disclosure threshold) according to public filings as of 6/30/2009 were:

- **RWE Aqua Holdings, GmbH**, a limited liability company organized under the laws of the Federal Republic of Germany that is a holding company for RWE's global water business is a direct beneficial owner: **23.54%** *(Note: this beneficial interest was reported in a special SEC 8-K Filing on 8/19/2009).*
    - RWE Aqua Holdings, GmbH is a direct wholly-owned subsidiary of **RWE Aktiengesellschaft** ("RWE"), a stock corporation incorporated in the Federal Republic of Germany whose shares are publicly listed on the Frankfurt and Dusseldorf stock exchanges.
    - RWE Aktiengesellschaft indirectly beneficially owns these shares through its ownership of RWE Aqua Holdings GmbH
    - Both RWE Aqua Holdings, GmbH, and its Parent Company (RWE Aktiengesellschaft) are headquartered at: RWE, Opernplatz 1, Essen, 2M, 45128.
    - *Because RWE Aktiengesellschaft is an offshore company, no further ownership disclosure is required pursuant to IFA policy.*
- **Capital World Investors**, 333 South Hope Street, 55th Floor, Los Angeles, CA 90071-1447; Phone: 213-486-9200: **5.07%.**
    - 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:	American Water Capital Corp.	Voorhees, NJ	Mark Chierici, Okechukwu Azie Anesha Turpin
Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Debbi Boye
Underwriter:	Stifel, Nicolaus & Company, Inc.	Edwardsville, IL, St. Louis, MO	Mary Kane Carl Ramey
Underwriter's Counsel:	Kutak Rock LLP	Omaha, NE	Curtis Christensen
Trustee:	Wells Fargo, N.A.	New York, NY	
Trustee's Counsel:	Wells Fargo, N.A.	New York, NY	
Issuer's Counsel:	Kevin Cahill, Esq.	Chicago, IL	
IFA Advisor:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

Attachment: IFA Resolution 09-09-16

IFA RESOLUTION NO. 09-09-16 (DRAFT)

A RESOLUTION PROVIDING FOR THE FINANCING BY THE ILLINOIS FINANCE AUTHORITY OF A PROJECT; AUTHORIZING THE ISSUANCE BY THE AUTHORITY OF ITS WATER FACILITIES REVENUE BONDS (AMERICAN WATER CAPITAL CORP. PROJECT) SERIES 2009 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $28,500,000 IN CONNECTION THEREWITH; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST SECURING SAID BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BETWEEN THE AUTHORITY AND AMERICAN WATER CAPITAL CORP.; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT PROVIDING FOR THE SALE OF SAID BONDS; APPROVING THE DISTRIBUTION OF A PRELIMINARY AND A FINAL OFFICIAL STATEMENT; AND RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate (the "Authority") is authorized and empowered by the provisions of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as supplemented and amended (the "Act"), to issue its revenue bonds to finance or refinance the costs of any industrial, housing, higher education, health facility, educational facility, public purpose or other project as defined in the Act; and

WHEREAS, as a result of negotiations between the Authority and American Water Capital Corp., a Delaware corporation (the "Company"), on behalf of its affiliate, Illinois-American Water Company, an Illinois corporation (the "Beneficiary"), the Company has provided for (i) the financing of the acquisition, construction and installation of the Beneficiary's interest in certain facilities for the furnishing of water (the "Project"), within the meaning of Section 142(a)(4) and Section 142(e) of the Internal Revenue Code of 1986, as amended (the "Code"), through the issuance by the Authority of its revenue bonds, (ii) the payment of capitalized interest on such revenue bonds during the construction of the Project, and (iii) the payment of certain costs of issuance of such revenue bonds (the costs described in clauses (ii) and (iii) of this paragraph being hereinafter referred to as the "related costs"), all of which constitutes a project under the Act, and the Authority is willing to issue its revenue bonds to finance such costs and to enter into an agreement with the Company under the terms of which the Company will make payments to the Authority sufficient to provide for the prompt payment of the principal of, and premium, if any, and interest on, such revenue bonds when due; and

WHEREAS, it is necessary and proper for the Authority to authorize the issuance of its Water Facilities Revenue Bonds (American Water Capital Corp. Project) Series 2009 in an aggregate principal amount not to exceed $28,500,000 (the "Bonds") to provide for the financing of the Project and the related costs; and

WHEREAS, the Bonds will be issued under and pursuant to, and are to be secured by, an Indenture of Trust (the "Indenture") to be entered into by the Authority and Wells Fargo Bank, N.A. as Trustee for the holders from time to time of the Bonds (the "Trustee"); and

WHEREAS, the proceeds of the sale of the Bonds will be loaned by the Authority to the Company to assist the Company in financing the costs of the Project and the related costs under the terms of a Loan Agreement (the "Loan Agreement") to be entered into by the Authority and the Company, whereby the Company will covenant and agree to make payments to the Authority in repayment of the loan sufficient to provide for the prompt payment of the principal of, and premium, if any, and interest on, the Bonds, as and when the same become due and payable; and

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

WHEREAS, the Bonds will be sold to Stifel, Nicolaus & Company, Incorporated (the "Underwriter") pursuant to the terms of a Bond Purchase Agreement (the "Bond Purchase Agreement") to be entered into by the Authority, the Company and the Underwriter; and

WHEREAS, it will be necessary for the Underwriter to distribute a Preliminary Official Statement (the "Preliminary Official Statement") and a final Official Statement (the "Official Statement") in connection with the offering and sale of the Bonds; and

WHEREAS, the Authority and the Company have caused to be prepared and presented to this meeting the following documents, which the Authority proposes to enter into:

1. the Indenture, to be dated as of the first day of the month in which the Bonds will be issued, setting forth the terms, conditions and security requirements for the Bonds and containing the form of the Bonds;

2. the Loan Agreement, to be dated as of the first day of the month in which the Bonds will be issued, setting forth the terms, conditions and security requirements for the loan of the Bond proceeds by the Authority to the Company;

3. the Bond Purchase Agreement, to be dated the date of its execution, setting forth the terms and conditions of the sale of the Bonds by the Authority to the Underwriter;

4. the Preliminary Official Statement, to be dated a date prior to the Bond Purchase Agreement; and

5. the Bonds; and

WHEREAS, pursuant to the provisions of Section 147(f) of the Code, a public hearing on the proposed plan of financing of the Project and the issuance of the Bonds will be held by the Executive Director of the Authority (or any officer, employee or agent of the Authority designated by the Executive Director or other Authority representative) prior to the approval by the Governor of the State of Illinois of the financing of the Project through the issuance of the Bonds, pursuant to notice published at a time and in a manner determined by the Authority to be appropriate and at least 14 days prior to the date on which such public hearing is to be held;

NOW, THEREFORE, BE IT RESOLVED by the Members of the Illinois Finance Authority on September 9, 2009 as follows:

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

Section 2. That the form, terms and provisions of the proposed Loan Agreement and Indenture be, and they hereby are, in all respects approved; that the Chairman, the Vice Chairman, the Treasurer or the Executive Director and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver such instruments in the name, for and on behalf of the Authority, and thereupon to cause the Loan Agreement to be delivered to the Company and to cause the Indenture to be delivered to the Trustee; that the Indenture shall constitute a lien for the security of the Bonds upon all right, title and interest of the Authority in and to the Loan Agreement (except for certain rights of the Authority to notice, indemnification and payment of expenses), and in and to the payments, revenues and receipts payable to the Authority pursuant thereto, and said revenues are hereby and in the Indenture pledged for such purpose; that the Loan Agreement and the Indenture are to be in substantially the respective forms submitted to this meeting and are hereby approved, with such changes or revisions therein as the individual executing the same on behalf of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes and revisions therein from the forms of the Loan Agreement and the Indenture hereby approved; and that from and after the execution and delivery of such instruments, 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 such instruments as executed. The Loan Agreement and the Indenture shall constitute, and are hereby made, a part of this Resolution, and a copy of each document shall be placed in the official records of the Authority and shall be made available for public inspection at the office of the Authority.

Section 3. That the sale of the Bonds to the Underwriter at a purchase price of not less than 98% of the principal amount thereof, there being no accrued interest, be, and is, in all respects authorized and approved, and the form, terms and provisions of the proposed Bond Purchase 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 deliver the Bond Purchase Agreement in the name, for and on behalf of the Authority, and thereupon to cause the Bond Purchase Agreement to be delivered to the Underwriter and the Company; that the Bond Purchase Agreement is to be in substantially the form submitted to this meeting and is hereby approved, with such changes or revisions therein as the individual executing the same 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 Bond Purchase Agreement hereby approved; and that from and after the execution and delivery of the Bond Purchase 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 Bond Purchase Agreement as executed. The Bond Purchase Agreement shall constitute, and is hereby made, a part of this Resolution, and a copy of such document shall be placed in the official records of the Authority and shall be made available for public inspection at the office of the Authority.

Section 4. That the issuance of the Bonds in an aggregate principal amount not to exceed $28,500,000, in denominations of $5,000 or any integral multiple thereof, subject to optional and mandatory redemption in accordance with the terms and provisions of the Indenture (as executed and delivered), maturing not later than the date that is thirty (30) years from the date of issuance thereof and bearing interest at a fixed rate of interest not to exceed the rate equal to the most recently available Municipal Market Data Index, plus 500 basis points, determined on the date of the execution and delivery of the Bond Purchase Agreement, is hereby approved; that the Chairman, the Vice Chairman, the Treasurer, the Executive Director and the Secretary or Assistant Secretary of the Authority be and are hereby authorized, empowered and directed to cause to be prepared the Bonds in the form and having the other terms and provisions specified in the Indenture (as executed and delivered); that the Bonds shall be designated "Water Facilities Revenue Bonds (American Water Capital Corp. Project) Series 2009"; that the Bonds shall be executed in the name of the Authority with the manual or facsimile signature of its Chairman, Vice Chairman, Treasurer or Executive Director and the manual or facsimile signature of its Secretary or Assistant Secretary and the seal of the Authority shall be impressed or reproduced thereon; that the Chairman, the Vice Chairman, the Executive Director, the Treasurer or any other officer, employee or agent of the Authority shall cause the Bonds, as so executed and attested, to be delivered to the Trustee for authentication and the Trustee is hereby requested to authenticate not to exceed $28,500,000 in aggregate principal amount of Bonds; that the form of the Bonds submitted to this meeting as the same appears in the Indenture, subject to appropriate insertion and revision in order to comply with the provisions of said Indenture be, and the same hereby is, approved, and when the same shall be executed on behalf of the Authority in the manner contemplated by the Indenture and this Resolution in the principal amount not to exceed $28,500,000, it shall represent the approved form of the Bonds of the Authority.

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

Section 6. That the distribution and use by the Underwriter of the Preliminary Official Statement, in substantially the form presented at this meeting, is hereby approved; and that the use by the Underwriter of the Official Statement, in substantially the form of the Preliminary Official Statement, is hereby authorized and approved, with appropriate variations to reflect the final terms of the Loan Agreement, the Indenture, the Bonds and the Bond Purchase Agreement as shall be required or approved by counsel to the Authority, is hereby authorized and approved. The Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority is hereby authorized, empowered and directed to certify that the portions of the Preliminary Official Statement and the Official Statement relating to the Authority are in a form deemed final by the Authority.

Section 7. That from and after the execution and delivery of the Loan Agreement, the Indenture and the Bond Purchase 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 said documents, as executed, and to further the purposes and intent of this Resolution, including the preamble hereto. The Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority be, and they are hereby, further authorized and directed for and on behalf of the Authority, to execute all papers, documents, certificates and other instruments that may be required for the carrying out of the authority conferred by this Resolution or to evidence said authority, including without limitation the execution and delivery of a Tax Exemption Certificate and Agreement, the signing of IRS Form 8038 and the filing thereof with the Internal Revenue Service as therein required, the making of the certifications relating to Section 148 of the Code and the regulations promulgated thereunder and the making of changes in the documents approved hereby by the officials of the Authority executing the same, and to exercise and otherwise take all necessary action to the full realization of the rights, accomplishments and purposes of the Authority under the Loan Agreement, the Indenture, the Bond Purchase Agreement and the Official Statement, and to discharge all of the obligations of the Authority thereunder. For purposes of certifying as to matters of arbitrage, the Chairman, the Vice Chairman, the Treasurer and the Executive Director, or any one of them, is hereby designated an officer responsible for issuing the Bonds.

Section 8. That all acts of the officers, employees and agents of the Authority which are in conformity with the intent and purposes of this Resolution and in furtherance of the issuance and sale of the Bonds in the principal amount not to exceed $28,500,000 and the financing of the Project and the related costs to that amount be, and the same hereby are, in all respects, ratified, confirmed and approved whether heretofore or hereafter taken or done.

Section 9. That the Authority hereby acknowledges that a Public Hearing on the proposed plan of financing of the Project and the issuance of the Bonds will be held by the Executive Director of the Authority (or any officer, employee or agent of the Authority designated by the Executive Director or other Authority representative) prior to the approval by the Governor of the State of Illinois of the financing of the Project through the issuance of the Bonds, pursuant to notice published at a time and in a manner determined by the Authority to be appropriate and at least 14 days prior to the date on which such public hearing is to be held.

Section 10. That the Bonds shall be issued in compliance with and under the authority of the provisions of the Act, this Resolution and the Indenture.

Section 11. That the Bonds may be initially issued in book-entry form and registered in the name of The Depository Trust Company, New York, New York ("DTC"), or its nominee, as securities depository for the Bonds; and that the Chairman, the Vice Chairman, the Treasurer or the Executive Director, or any one of them, is hereby authorized, empowered and directed to execute and deliver an agreement with DTC and any other necessary parties in order to effect such book-entry registration.

Section 12. That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision shall, for any reason, be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions.

Section 13. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 14. 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 September, 2009.

Attest:

ILLINOIS FINANCE AUTHORITY

[SEAL]

By ______________________________
Treasurer

By ______________________________
Secretary

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

To: IFA Board of Directors

From: Sharnell Curtis-Martin

Date: September 9, 2009

Re: Resolution authorizing the issuance of not-to-exceed $8,500,000 Adjustable Rate Bonds, Series 2009 and the execution and delivery of an Amended and Restated Loan Agreement, Trust Indenture, Tax Regulatory Agreement and related matters of IFA Series 2007 Adjustable Rate Demand Revenue Bonds, (SOS Children's Villages Illinois Project).

Date Closed: 6/7/2007
Original Par Amount: $8,500,000
Outstanding Principal Balance as of 6/30/2009: $8,500,000
Original Structure: Variable Rate Bond Secured by Charter One Bank Direct Pay LOC
Revised Structure: Direct Purchase by Charter One Bank
Maturity: Seven Year Term, 28 Year Amortization

This request amends a Resolution presented to the IFA Board of Directors at last month's Board Meeting (i.e., August 2009). Subsequent to approval of the August 2009 Resolution, there have been additional expenses incurred associated with the conversion of a Letter of Credit backed transaction to a direct purchase mode. The revised Resolution provides for the addition of reimbursement for interest rate swap termination costs and additional interest expense incurred. Miller Canfield, Bond Counsel, will be delivering a bond counsel opinion and Charter One Bank, the Lender has confirmed credit approval for this restructured financing.

Voting Record: August 11, 2009

Ayes: 8 Nays: 0 Abstentions: 0 Absent: 3 (Barclay, Verrett, Fuentes) Vacancies: 4

Request:

SOS Children's Villages of Illinois, a 501(c)(3) corporation established under Illinois law, is requesting consideration of the attached resolution to authorize the restructuring of an existing project by amending and restating the Trust Indenture and Loan Agreement and related documents.

The bonds will have a seven year term. The existing SWAP's based on the SIFMA index will be terminated and a new SWAP contract based on 30 day LIBOR will be entered into once the Bonds have been converted.

The existing Direct Pay Letter of Credit will be terminated and the 2007 Bonds will be reissued as a direct purchase transaction by Charter One Bank and held as an investment for the term of the bonds.

The Series 2007 Bonds are currently bearing interest in 7-day Tax Exempt variable rate mode, the new Bonds will bear a variable rate of 68% of one month LIBOR plus 260 basis point (i.e. 1.94% as of August 26, 2009).

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

Recommendation:

The Credit Review Committee recommends approval.

SOS Children's Villages of Illinois

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

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

Original use of proceeds of the Series 2007 Bonds:

Bond proceeds financed the acquisition and build-out of a facility is located at 7557 S. Parnell in Chicago that serves as a community and children learning center providing Day Care for more than 70 SOS children. Additionally, the facility offers Job and Life Skills training to young adults. The Series 2007 Bonds also financed renovations to SOS's corporate headquarters located at 216 W. Jackson in Chicago and at various SOS residential group homes located throughout the City of Chicago.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Burke Burns and Pinelli, Ltd.	Chicago	Stephen Welcome
Accountant:	Clifton Gunderson, LLP	Oak Brook, IL	
Bond Counsel:	Miller Canfield	Chicago	Paul Durbin
IFA Issuer's Counsel	Neal and Leroy	Chicago	Ann Fredd
IFA Financial Advisors:	Scott Balice Strategies, Inc.	Chicago	Lois Scott

BOARD OF DRIECTORS

Terry Athas	Sarah Beardsley	Gregory Coler	Paul Durbin
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Bryan Samuels	Paul Thompson	Ted Weldon	Jim Wolfe

DRAFT

RESOLUTION 09-09-17

A RESOLUTION PROVIDING FOR THE REFUNDING BY THE ILLINOIS FINANCE AUTHORITY (THE "ISSUER") OF THE ISSUER'S ADJUSTABLE RATE DEMAND REVENUE BONDS, SERIES 2007 (SOS CHILDREN'S VILLAGES ILLINOIS PROJECT) WHICH FINANCED AND REFINANCED THE COSTS OF ACQUIRING, REPAIRING, REHABILITATING AND EQUIPPING CERTAIN FACILITIES OF THE BORROWER (THE "PROJECT"); AUTHORIZING THE ISSUANCE OF THE ISSUER'S NOT TO EXCEED $8,500,000 ADJUSTABLE RATE BONDS, SERIES 2009 (SOS CHILDREN'S VILLAGES ILLINOIS PROJECT) (THE "BONDS"); AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED LOAN AGREEMENT BETWEEN THE ISSUER AND THE BORROWER; AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED TRUST INDENTURE SECURING THE BONDS (THE "INDENTURE"); AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX REGULATORY AGREEMENT; AND RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate (the "Issuer") 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, housing, higher education, health facility, educational facility, public purpose or other project(s) as defined in the Act; and

WHEREAS, as a result of negotiations between the Issuer and SOS Children's Villages Illinois, an Illinois not-for-profit corporation (the "Borrower"), the Borrower has provided for (i) the refunding of the Issuer's Adjustable Rate Demand Revenue Bonds, Series 2007 (SOS Children's Villages Illinois Project) (the "Prior Bonds"); (ii) paying capitalized interest on the Bonds, if any, (iii) funding a reserve fund, if any; (iv) paying termination or settlement costs of certain interest rate swaps related to the Prior Bonds, if any; and (v) paying certain costs associated with the issuance of the Bonds, and the Issuer is willing to issue its adjustable rate bonds to refund the Prior Bonds and to enter into an Amended and Restated Loan Agreement (the "Loan Agreement") with the Borrower upon terms which will produce revenues and receipts sufficient to provide for the prompt payment at maturity of the principal and interest on such adjustable rate bonds, all as set forth in the details and provisions of the Loan Agreement hereinafter identified; and

WHEREAS, it is necessary and proper for the Issuer, for the benefit of the inhabitants of the City of Chicago, Illinois, to authorize the refunding of the Prior Bonds and the issuance of the Issuer's Adjustable Rate Bonds, Series 2009 (SOS Children's Village's Illinois Project), in the aggregate principal amount not to exceed $8,500,000 (the "Bonds"); and

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

WHEREAS, RBS Citizens, N.A. (the "Purchaser") has indicated its willingness to purchase the Bonds pursuant to a Bond Purchase and Continuing Covenants Agreement; and

WHEREAS, it is necessary to authorize the execution of the Loan Agreement between the Issuer and the Borrower under the terms of which the Issuer will lend the proceeds of the sale of the Bonds to the Borrower to assist the Borrower in the refunding of the Prior Bonds, the payments to be paid by the Borrower to the Issuer in repayment of the loan to be sufficient to pay at maturity the principal of, premium, if any, and interest on the Bonds; and

WHEREAS, it is necessary for the Issuer to execute and deliver an Amended and Restated Trust Indenture (the "Trust Indenture") to The Bank of New York Mellon Trust Company N.A., or such other commercial bank or trust company acceptable to the Issuer, as trustee (the "Trustee") for the holders from time to time of the Bonds pursuant to which the Bonds will be issued; and

WHEREAS, the Issuer has caused to be prepared and presented to this meeting the following documents, which the Issuer proposes to enter into:

The Loan Agreement between the Issuer and the Borrower;
The Trust Indenture, between the Issuer and the Trustee, setting forth terms, conditions and security requirements for the proposed bond issue to refund the Prior Bonds and containing the form of the Bonds;
The Tax Regulatory Agreement (the "Tax Regulatory Agreement"), among the Issuer, the Borrower and the Trustee; and
The Bonds.

WHEREAS, pursuant to the provisions of Section 147(f) of the Internal Revenue Code of 1986, as amended, a public hearing on the proposed plan of financing and refinancing of the Project and the issuance of the Bonds was held by the Chairman of the Issuer, or his designee, on September 4, 2009, prior to the approval by the Governor of the State of Illinois of the refunding of the Prior Bonds through the issuance of the Bonds, pursuant to notice published at the direction of the Issuer in The State Journal-Register, a newspaper qualified by law to publish legal notices of the State of Illinois on August 20, 2009 and in the Chicago Sun-Times, a newspaper of general circulation in the City of Chicago, Illinois on August 20, 2009;

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

Pursuant to the Act, the refunding of the Prior Bonds through the issuance and sale of the Bonds in accordance with the terms of the Loan Agreement and the Trust Indenture is hereby authorized and approved. The use of the proceeds of the Bonds to refund the Prior Bonds is in furtherance of the public purposes set forth in the Act.

That the form, terms and provisions of the proposed Loan Agreement and Trust Indenture be, and they hereby are, in all respects approved, and that the Chairman, Vice Chairman, Treasurer or Executive Director (or any person (i) holding such title on an interim basis, or (ii) otherwise empowered for the purpose by resolution of the Authority) and the Secretary or Assistant Secretary of the Issuer (or any person (i) holding such title on an interim basis, or (ii) otherwise empowered for the purpose by resolution of the Authority) be, and they are hereby authorized, empowered and directed to execute and deliver such instruments in the name and on behalf of the Issuer, to cause the Loan Agreement to be delivered to the Borrower and to cause the Trust Indenture to be delivered to the Trustee; that the Trust Indenture shall constitute a lien for the security of the Bonds and upon all right, title and interest of the Issuer in and to the Loan Agreement (except for certain rights of the Issuer to notice, indemnification and payment of expenses) and in and to the payments, revenues and receipts payable to the Issuer pursuant thereto, and said revenues are hereby and in the Trust Indenture pledged for such purpose; that the Loan Agreement and the Trust Indenture are to be in substantially the respective forms submitted to this meeting and are hereby approved, with such changes therein as shall be approved by the officials of the Issuer executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the forms of the Loan Agreement and the Trust Indenture hereby approved; and that from and after the execution and delivery of such instruments, the officials, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such instrument as executed. The Loan Agreement and the Trust Indenture shall constitute, and are hereby made a part of this Resolution and a copy of each document shall be placed in the official records of the Issuer, and shall be made available for public inspection.

That the form, terms and provisions of the proposed Tax Regulatory Agreement, a copy of which is before this meeting, be, and it hereby is, in all respects approved, and that the Chairman, Vice Chairman, Treasurer or Executive Director (or any person (i) holding such title on an interim basis, or (ii) otherwise empowered for the purpose by resolution of the Authority) and the Secretary or Assistant Secretary of the Issuer (or any person (i) holding such title on an interim basis, or (ii) otherwise empowered for the purpose by resolution of the Authority) be, and they hereby are, authorized, empowered and directed to execute the Tax Regulatory Agreement in the name and on behalf of the Issuer and thereupon to cause the Tax Regulatory Agreement to be delivered to the Trustee and the Borrower; that the Tax Regulatory Agreement is to be in substantially the form thereof submitted to this meeting and hereby approved, with such changes therein as shall be approved by the officials of the Issuer executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of such instrument hereby approved; that the Tax Regulatory Agreement shall be entered into with the Trustee and the Borrower; and that from and after the execution and delivery of such instrument, the officials, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things necessary to carry out and comply with the provisions of such instrument as executed. The Tax Regulatory Agreement shall constitute, and is hereby made a part of this Resolution and a copy of such document shall be placed in the official records of the Issuer, and shall be made available for public inspection.

That the issuance of the Bonds in the aggregate principal amount not to exceed $8,500,000 to mature on or before __________ 1, 20__, in the denominations set forth in the Trust Indenture, and subject to optional and mandatory redemption and optional and mandatory tender for purchase in accordance with the terms and provisions of the Trust Indenture, as executed, and bearing interest initially at the interest rate to be set forth in the Trust Indenture or a Bond Purchase and Continuing Covenants Agreement, and thereafter at the variable or fixed rate(s) as provided in the Trust Indenture but in no event is the interest rate on the Bonds (regardless of the rate period) to exceed the maximum rate permitted by law, is hereby authorized and the Chairman, the Vice Chairman, the Treasurer or the Executive Director (or any person (i) holding such title on an interim basis, or (ii) otherwise empowered for the purpose by resolution of the Authority) and the Secretary or Assistant Secretary of the Issuer (or any person (i) holding such title on an interim basis, or (ii) otherwise empowered for the purpose by resolution of the Authority) be and are hereby authorized, empowered and directed to cause to be prepared the Bonds in the form and having the other terms and provisions specified in the Trust Indenture (as executed and delivered); that the Bonds shall be designated "Adjustable Rate Bonds, Series 2009 (SOS Children's Villages Illinois Project)" or such other name as is acceptable to the Issuer and its counsel; that the Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of its Chairman, Vice Chairman, Treasurer or Executive Director (or any person (i) holding such title on an interim basis, or (ii) otherwise empowered for the purpose by resolution of the Authority) and the manual or facsimile signature of its Secretary or Assistant Secretary (or any person (i) holding such title on an interim basis, or (ii) otherwise empowered for the purpose by resolution of the Authority) and the seal of the Issuer shall be impressed or reproduced thereon, and that the Chairman, Vice Chairman, Treasurer, the Executive Director and the Secretary or Assistant Secretary (or any person (i) holding such title on an interim basis, or (ii) otherwise empowered for the purpose by resolution of the Authority) or any other officer of the Issuer shall cause the Bonds, as so executed and attested, to be delivered to the Trustee for authentication and the Trustee is hereby requested to authenticate the not to exceed $8,500,000 aggregate principal amount of Bonds; and the form of the Bonds submitted to this meeting as the same appears in the Trust Indenture, subject to appropriate insertion and revision in order to comply with the provisions of said Trust Indenture be, and the same hereby is, approved, and when the same shall be executed on behalf of the Issuer in the manner contemplated by the Trust Indenture and this Resolution in the aggregate principal amount not to exceed $8,500,000, it shall represent the approved form of the Bonds of the Issuer. The Bonds or the obligations of the Borrower to the Purchaser with respect to the Bonds shall be further secured by a mortgage on the facilities financed with the proceeds of the Bonds, such mortgage to be from the Borrower and in favor of the Purchaser.

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

That the sale of the Bonds upon the terms and conditions set out in the Trust Indenture, be, and is, in all respects authorized and approved.

That from and after the execution and delivery of the Loan Agreement, the Trust Indenture and the Tax Regulatory Agreement, the proper officials, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed and to further the purposes and intent of this Resolution, including the preamble hereto.

The Chairman, Treasurer, Executive Director and the Secretary or Assistant Secretary (or any person (i) holding such title on an interim basis, or (ii) otherwise empowered for the purpose by resolution of the Authority) be, and they are hereby, further authorized and directed for and on behalf of the Issuer, to execute all papers, documents, certificates and other instruments that may be required for the carrying out of the authority conferred by this Resolution or to evidence said authority, including without limitation the signing of IRS Form 8038 and the filing thereof as therein required and the certifications relating to Section 148 of the Code and the regulations promulgated thereunder and changes in the documents approved hereby as approved by the officials of the Issuer executing the same, and to exercise and otherwise take all necessary action to the full realization of the rights, accomplishments and purposes of the Issuer under the Loan Agreement, the Trust Indenture and the Tax Regulatory Agreement and to discharge all of the obligations of the Issuer thereunder. For purposes of certifying to matters of arbitrage, the Chairman, the Vice Chairman, the Treasurer, the Executive Director, and the Secretary or Assistant Secretary (or any person (i) holding such title on an interim basis, or (ii) otherwise empowered for the purpose by resolution of the Authority), or any one of them, is hereby designated an officer responsible for issuing the Bond. The Members of the Issuer hereby delegate to the Chairman, the Vice Chairman, the Treasurer, the Executive Director (or any person (i) holding such title on an interim basis, or (ii) otherwise empowered for the purpose by resolution of the Authority), or any one of them, the authority to designate, based on representations of the Borrower, the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended.

That all acts and doings of the officials of the Issuer which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds in the aggregate principal amount not to exceed $8,500,000 and the refunding of the Prior Bonds to that amount be, and the same hereby are, in all respects, approved and confirmed.

That the Issuer hereby acknowledged that a Public Hearing was held on September 4, 2009 and hereby approves the Project and the plan of financing pursuant to Section 147(f) of the Code and directs that this issue be submitted to the Governor of the State of Illinois for approval of the elected representative.

That the Bonds shall be issued in compliance with and under the authority of the provisions of the Act, this Resolution and the Trust Indenture.

The Bonds may be, but need not be, initially issued in book-entry form and registered in the name of The Depository Trust Company, New York, New York ("DTC"), or its nominee, as securities depository for the Bonds. The Chairman, the Vice Chairman, the Treasurer and the Executive Director (or any person (i) holding such title on an interim basis, or (ii) otherwise empowered for the purpose by resolution of the Authority), or any one of them, is hereby authorized, empowered and directed to execute and deliver an agreement with DTC and any other necessary parties in order to effect such book-entry registration.

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

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

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

APPROVED this 9th day of September, 2009.

By: ______________________________________

Its: ______________________________________

ATTEST:

By: ______________________________________

Its: ______________________________________

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

To: IFA Board of Directors

From: Eric Reed, Regional Manager

Date: September 9, 2009

Re: Request by First State Bank of Shannon to extend a regularly scheduled Principal and Interest payment for Linker Farms, Inc. for 90 Days.

(Loan number 2005-SL-0901)-	Original Amount:	$121,000
(Specialized Livestock)	Current Balance:	$96,558
	IFA Exposure:	$82,074

The First State Bank of Shannon-Polo is requesting a 90 day extension for Linker Farms, Inc for their August 30, 2009 note payment in the amount of $17,512.44. The subject loan was originally funded to purchase 320 shares in a 3,000 sow farm known as Long View Pork, LLC located near Dekalb. The purpose for the purchase of the stock shares was to secure a source of feeder pigs for the Linker's hog finishing operation.

Doug and Jeanette Linker operated a 1,500 acre grain farm in Carroll County with Doug's parents Wayne and Mina Linker. Doug Linker also leases various finishing facilities, which provide him with the capacity for 5,100 head of hogs. While the Linker's lease their facilities, they do own the hogs they place in those facilities and sell them on the open market.

In March of 2009, Linker Farms, Inc projected cash flow for 2009 indicated a $44,000 short term excess borrowing need for the months of September and October, 2009, which included the annual payment for the IFA guaranteed loan. The August 2009 revised cash flow projections indicates a cash injection of $33,000 plus the IFA payment of $17,512.44 is needed until fall crops are harvested and sold. A cash market price for corn was targeted at $3.20/bu and $8.20 is projected for soybeans. To date, Linker Farms, Inc. has presold 85,000 bu. of corn for an average price of $3.90 and $18,000 bu. of soybeans for $9.41/bu., so forward sales have exceeded projections. The borrowers should begin soybean harvest in early October.

Due to the late planting season in 2009, Linker Farms Inc. needs to extend their August payment to allow for grain to be harvested, delivered, and sold. Based on the cash flow discussed above, it appears they have sufficient cash flow to meet the payment obligation.

All scheduled future annual payments (due August 30th) will continue going forward and no extension of the note maturity date or the IFA's guarantee will be required.

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

To: IFA Board of Directors

From: Eric Reed, Regional Manager

Date: September 9, 2009

Re: Request by Peoples State Bank and Andy Shull to defer principal payments for a period of 6 months on 2 loans listed below.

(Loan number 2001-GP-1269)-	Original Amount:	$160,000
(Agri-Debt Guarantee)	Current Balance:	$ 99,882
	IFA Exposure:	$ 84,899
(Loan number 2000-SL-0088)-	Original Amount:	$100,000
(Specialized Livestock)	Current Balance:	$ 49,649
	IFA Exposure:	$ 42,201

Andy Shull operates a 600 sow farrow to finish operation located in Jasper County. Mr. Shull is a longtime customer of Peoples State Bank (PNB) in Newton. Andy Shull also farms approximately 1,000 acres of corn and soybeans in the area, with help from his two sons who graduated from college a few years ago. Mr. Shull operates his farming operation under Andy Shull Inc.

Due to the prolonged downturn in the swine industry over the past 12 months, producers continue to face profitability challenges. Mr. Shull has provided a current financial statement and year to date profit and loss. The Borrower's current financial information indicates that the Borrower is currently losing $11/cwt[1] per finished hog.

PNB would like to defer principal payments on all of Andy Shull's debt obligations for six (6) months to provide relief in cash flow PNB feels this is the best option currently available to help the borrower weather the decline in hog prices. PNB will revisit the borrower's cash flow position at the end of the 6 month deferral.

The scheduled payment for loan # 2001-GP-1269 is $4,202 and matures 5/1/16, while the scheduled payment for loan # 2000-SL-0088 is $15,215 matures 11/15/11. With the principal deferrals for both loans, neither will require the extension of the maturity date or the term of the IFA guarantee.

Note: [1] cwt = 100 lb weight