ILLINOIS FINANCE AUTHORITY

Tuesday, October 9, 2012

AGENDA

COMMITTEE OF THE WHOLE MEETING
9:30 a.m.
IFA Chicago Office
Two Prudential Plaza
180 North Stetson Avenue, Suite 2555
Chicago, Illinois 60601

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

BOARD MEETING
10:30 a.m.
Conference Center
One Prudential Plaza
130 East Randolph Street, Suite 750
Chicago, Illinois 60601

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

PROJECT REPORTS AND RESOLUTIONS

AGRICULTURE

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
Beginning Farmer Bonds ***Final (One-Time Consideration)***						
1	A. Arian A. Landheer	Lyndon Township (Whiteside County)	$330,000	N/A	N/A	JS/LK
Specialized Livestock Guarantee ***Final (One-Time Consideration)***						
2	J Double R, L.L.C.	Sullivant Township (Ford County)	$1,000,000 (85% Guarantee amount is $850,000)	0	0	JS/LK
TOTAL AGRICULTURE PROJECTS			**$1,330,000**	**0**	**0**	

BUSINESS AND INDUSTRY PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
Midwestern Disaster Area Revenue Bonds ***Final***						
3	ROA Riverside Development, LLC	Rockford (Winnebago County)	$10,000,000	59	55	RF/BF
Affordable Rental Housing Bonds ***Final***						
4	Concordia Place Apartments, L.P.	Chicago (Cook County)	$15,100,000	N/A	15	RF/BF
TOTAL BUSINESS AND INDUSTRY PROJECTS			**$25,100,000**	**59**	**70**	

HEALTHCARE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
501(c)(3) Revenue Bonds ***Final (One-Time Consideration)***						
5	Centegra Health System	McHenry, Woodstock and other locations (McHenry County and Lake County)	$250,000,000	N/A	N/A	PL/NO
Taxable Revenue Bonds and Subordinated Revenue Refunding Bonds ***Final (One-Time Consideration)***						
6	Clare Oaks	Bartlett (Cook County)	$90,000,000	N/A	N/A	PL/NO
TOTAL HEALTHCARE PROJECTS			**$340,000,000**	**0**	**0**	
GRAND TOTAL			**$366,430,000**	**59**	**70**	

ILLINOIS FINANCE AUTHORITY
180 North Stetson Ave.
Suite 2555
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

October 9, 2012

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

RE: Message from the Executive Director

Dear Members of the Authority:

Congratulations and Thanks to Bill Brandt

Please join me in congratulating our Chairman, Bill Brandt, on his re-appointment on September 24, 2012 by Governor Quinn as Chairman of the Illinois Finance Authority. On a personal note, IFA Staff would like to thank Chairman Brandt for his successful and continuing term of voluntary public service as our Chair.

Chairman Brandt has provided active and effective stewardship at the IFA during a time of prolonged economic challenges beginning with the collapse of the financial markets in 2008. During his tenure at the IFA, Chairman Brandt has upheld fiscal responsibility by ensuring that this self-funded agency both fulfills its public economic development mission and lives within its means. Specifically, Chairman Brandt led an organizational restructuring of the IFA that:

- Reduced operating expenses while maintaining quality customer service and sound financial transaction management standards;
- Reduced IFA expenditures related to its annual operating budget by nearly 40 percent between FY 2008 and FY 2011; and
- Eliminated or mitigated $56 million in risk to the balance sheets of the State and the IFA.

Notwithstanding the worst economic challenges since the Great Depression, under Chairman Brandt's leadership (January 2008 through present), the IFA facilitated the creation of over 9,300 permanent jobs and over 34,000 construction jobs through 446 conduit debt projects with a combined value of $15.5 billion.

IFA conduit bonds financed the construction of new Illinois hospitals such as University of Chicago Medical Center, Rush University Medical Center, Carle Foundation, OSF Healthcare, Northwestern Memorial, Ann & Robert H. Lurie Children's Memorial Hospital, Advocate, Elmhurst Memorial, Little Company of Mary, Central DuPage, Sherman, Kewanee, Kishwaukee, and Silver Cross. IFA healthcare financings also include major healthcare system mergers and acquisitions, such as those of Trinity Health, Advocate, Central DuPage Health (Cadence), OSF Healthcare System, NorthShore University and Ascension Health Alliance.

Additional conduit bond volume in the 501(c)(3) not-for-profit sector has resulted in significant facility expansions at The University of Chicago, Roosevelt University, DePaul University, and the Adler School of Professional Psychology, and for significant new cultural facilities including the Modern Wing at The Art Institute of Chicago and the Museum of Science and Industry as well as the newly opened National Hellenic Museum of Chicago and the Poetry Foundation. Additionally, IFA worked with Illinois State University and Northern Illinois University to issue bonds to finance development of new privatized student housing facilities that opened this fall on both campuses. IFA also issued conduit bonds for Illinois College and Passavant Hospital in Jacksonville that enabled these borrowers to finance a series of energy improvement projects.

The IFA has issued 19 industrial revenue bonds that financed the construction or expansion of manufacturing facilities including Freedman Seating, Bison Gear & Engineering, Regis Technologies, Overton Chicago Gear, Anderson Shumaker, and for the Fitzpatrick Brothers Inc. project in Quincy.

Moreover, during Chairman Brandt's stewardship, IFA successfully implemented new program initiatives authorized under federal and State law, including but not limited to:

- A $150 million surface transportation bond issue for CenterPoint's Joliet Intermodal Center which was the first bond issue for a surface freight intermodal facility in the Midwest under the U.S. Department of Transportation's tax-exempt transportation infrastructure financing program.
- A series of tax-exempt financings from 2010 through 2012 under temporary special storm disaster relief and recovery zone facility programs including:
    - The first Midwestern Disaster Area Revenue Bond issue in Illinois (KONE Investment Fund, LLC, Moline, $20.2 million).
    - Eight Recovery Zone projects totaling $211.5 million, including Navistar International projects in Lisle and Joliet.
- Two multi-state 501(c)(3) Revenue Bond issues (Covenant Retirement Communities, Inc., $65 million; Ascension Health Alliance, $217 million).

Finally, in the agricultural sector and in cooperation with local banks across Illinois, IFA financed the purchase of 14,117 acres of farmland by family farmers through the issuance of 212 conduit Beginning Farmer Bonds valued at 39,514,792. IFA also provided guarantees to support nearly $34,643,509 in bank loans to Illinois farmers and agri-businesses throughout Illinois.

Welcome new board members: Lerry Knox and Mordecai Tessler

We are also very pleased to welcome two, new volunteer members to the Authority: Lerry Knox and Mordecai Tessler. Governor Quinn appointed Mr. Knox and Mr. Tessler on October 5, 2012. On behalf of the Members and the Staff of the Authority, we thank you both for your commitment to public service and we look forward to working with you to finance projects that create and retain jobs in our State.

Alliance for Health Sciences: DePaul University and Rosalind Franklin University

On October 3, 2012, two long-time Authority borrowers, DePaul University and Rosalind Franklin University, announced the creation of the Alliance for Health Sciences. Through the

Alliance, the universities will collaborate to develop innovative, rigorous curricula that will allow DePaul undergraduates to pursue healthcare careers in order to address the growing shortage in such careers nationally over the next decade.

Given the Authority's longstanding commitment to healthcare and higher education, we congratulate DePaul University and Rosalind Franklin University on their newly formed Alliance. The Authority is proud to have had assisted both institutions in their tax-exempt borrowings.

Respectfully,

____
Christopher B. Meister
Executive Director

Attachments:

Attachment 1 – Board of Directors Dashboard

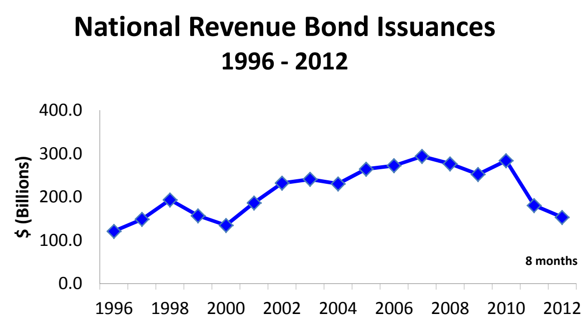
Attachment 2 – Quarterly Bonds Activity Report

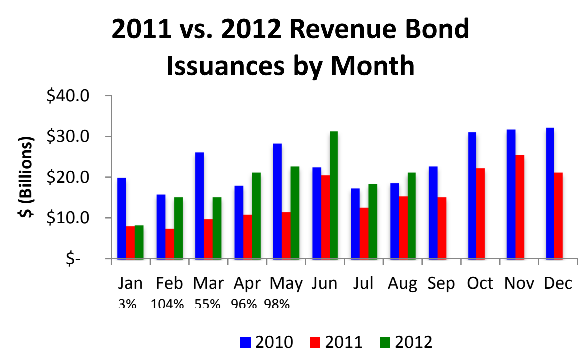
Attachment 3 – Monthly Bonds Activity Report; Schedule of Debt

Illinois Finance Authority
Board of Directors "Dashboard"
September 30, 2012

<u>Section 1: National Market Analysis</u>

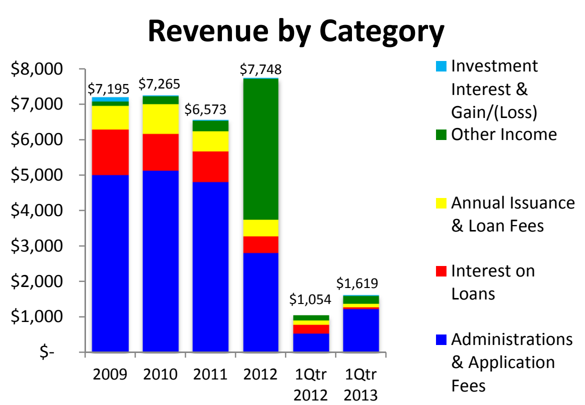
- Revenue Bonds issued in Calendar Year 2012 issuances up 71% over same period in Calendar Year 2011.
- Continue to see monthly increases over the same period last year.

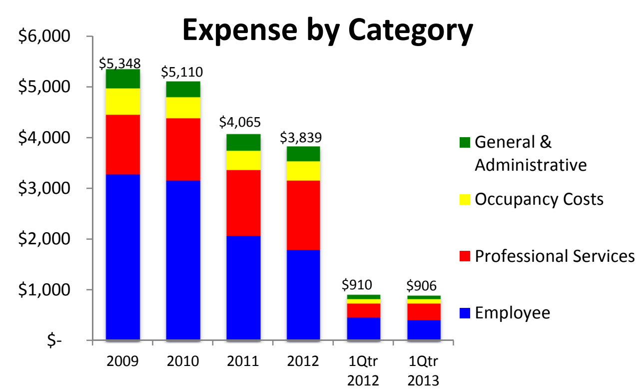


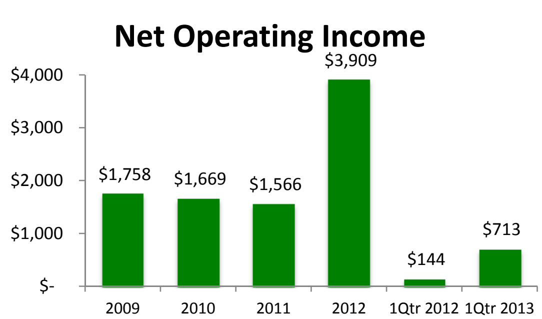


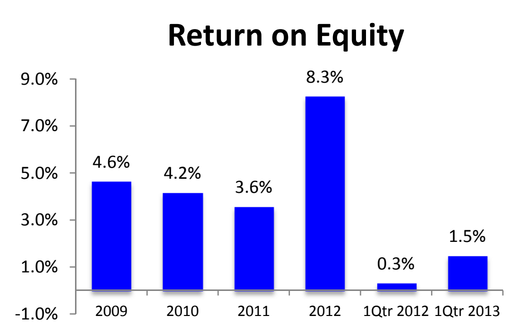
<u>Section 2: IFA Operational Analysis</u>

- Revenues increased by 53.6% and expenses decreased by .52% when compared 1st Qtr 2012 and 1st Qtr 2013.
- Net Income for FY13 ended at $1.03 Million due to the recovery of bad debt, Venture Capital Transfer, the Closing of the Title IX program and the adjustment to the reserve account on participation loans.
- Return on equity increased due to an increase on net operating income.





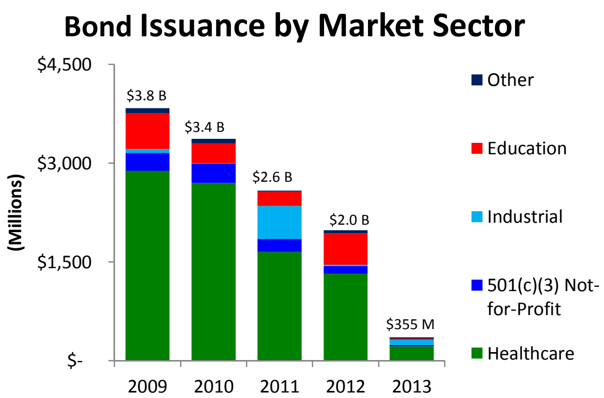


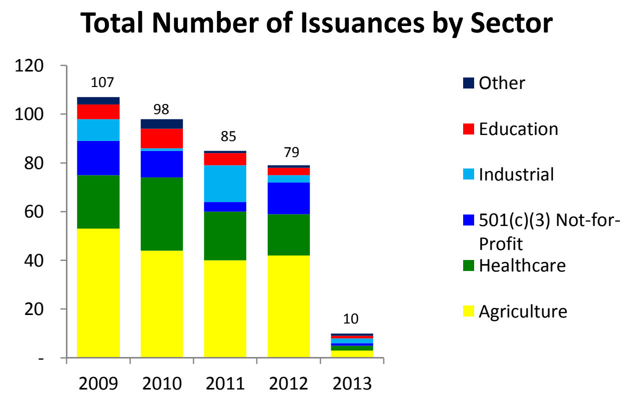


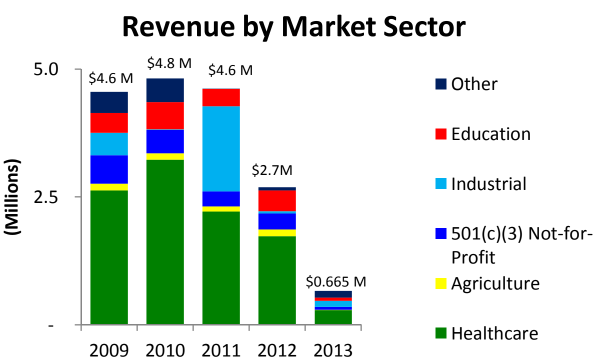
Illinois Finance Authority
Board of Directors "Dashboard"
September 30, 2012

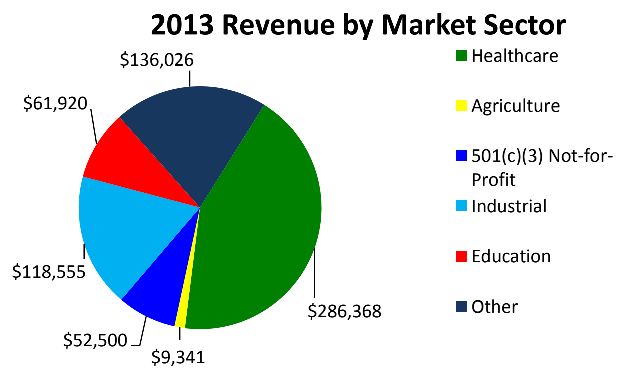
Section 3: Revenue Analysis

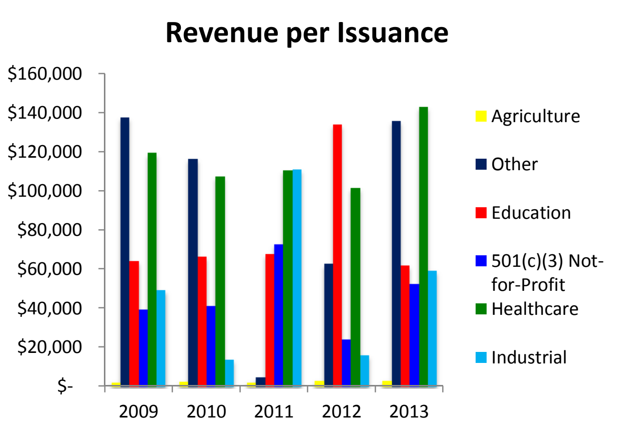
- Healthcare continues to drive the largest dollar volume of issuances and total revenue by sector.

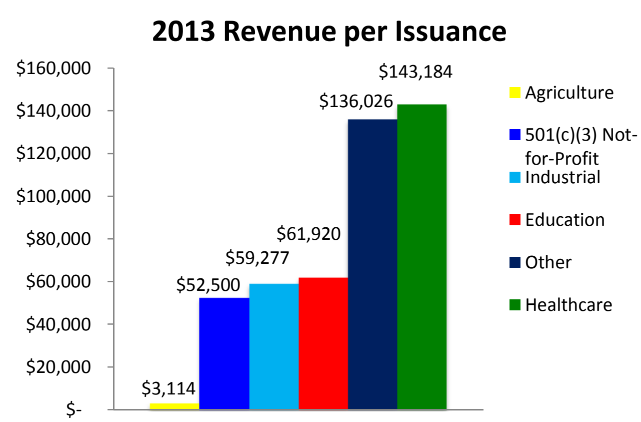












Principal Issued by Month *

Month	Data	Year 2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
January	Sum of Principal	-	138,085,000	98,670,000	13,680,000	122,870,000	723,895,000	252,800,000	-	1,000,000	-
	Sum of % of Change			-28.5%	-86.1%	798.2%	489.2%	-65.1%	-100.0%	100.0%	
February	Sum of Principal	22,950,000	31,714,000	85,235,000	243,775,000	57,235,000	383,520,000	233,982,400	224,050,000	437,570,000	-
	Sum of % of Change		38.2%	168.8%	186.0%	-76.5%	570.1%	-39.0%	-4.2%	95.3%	
March	Sum of Principal	72,920,000	243,620,900	221,200,000	429,933,900	67,400,000	647,005,000	43,610,000	177,225,000	40,873,200	-
	Sum of % of Change		234.1%	-9.2%	94.4%	-84.3%	859.9%	-93.3%	306.4%	-76.9%	
April	Sum of Principal	87,500,000	54,890,000	53,160,378	204,725,000	1,217,254,000	504,000,000	277,283,662	-	63,965,000	-
	Sum of % of Change		-37.3%	-3.2%	285.1%	494.6%	-58.6%	-45.0%	-100.0%	100.0%	
May	Sum of Principal	1,112,926,171	374,980,000	67,930,000	239,097,750	1,168,925,000	108,194,732	405,288,433	545,185,000	368,601,000	-
	Sum of % of Change		-66.3%	-81.9%	252.0%	388.9%	-90.7%	274.6%	34.5%	-32.4%	
June	Sum of Principal	62,305,000	137,165,000	131,900,914	394,513,530	817,587,000	475,200,000	287,150,000	120,000,000	106,695,000	-
	Sum of % of Change		120.2%	-3.8%	199.1%	107.2%	-41.9%	-40.1%	-58.2%	-11.1%	
July	Sum of Principal	109,045,000	370,370,000	183,955,000	149,165,000	56,242,400	382,477,000	284,660,000	-	51,590,000	-
	Sum of % of Change		239.6%	-50.3%	-18.9%	-62.3%	580.1%	-25.6%	-100.0%	100.0%	
August	Sum of Principal	77,395,000	317,680,000	416,886,100	695,600,000	110,315,000	383,766,653	172,185,000	195,053,000	-	-
	Sum of % of Change		310.5%	31.2%	66.9%	-84.1%	247.9%	-55.1%	13.3%	-100.0%	
September	Sum of Principal	195,595,000	199,800,000	34,525,000	65,406,650	186,705,000	-	72,000,000	225,430,000	302,335,000	-
	Sum of % of Change		2.1%	-82.7%	89.4%	185.5%	-100.0%	100%	213%	34.1%	
October	Sum of Principal	17,095,000	78,070,000	303,685,000	747,030,000	112,905,000	185,370,000	302,020,000	296,035,000	-	-
	Sum of % of Change		356.7%	289.0%	146.0%	-84.9%	56.7%	70.8%	-2.0%		
November	Sum of Principal	674,465,000	72,530,000	134,980,000	34,691,195	90,609,000	240,000,000	314,850,000	11,540,000	-	-
	Sum of % of Change		-89.2%	86.1%	-74.3%	161.2%	164.9%	31.2%	-96.3%		
December	Sum of Principal	275,415,000	655,400,000	435,050,000	765,246,784	431,000,000	668,404,820	363,412,184	228,053,846	-	-
	Sum of % of Change		138.0%	-33.6%	75.9%	-43.7%	55.1%	-45.6%	-37.2%		
Total Sum of Principal		2,707,611,171	2,674,304,900	2,167,177,392	3,982,864,809	4,439,047,400	4,701,833,205	3,009,241,679	2,022,571,846	1,372,629,200	-

"Sum of % of Change" reflects the percent of increase/decrease over the same month in the prior year.
* Does not include Beginner Farmer Bonds issued.

Bonds Issued by Quarter - Calendar Year

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1st Quarter	95,870,000	413,419,900	405,105,000	687,388,900	247,505,000	1,754,420,000	530,392,400	401,275,000	479,443,200	0
2nd Quarter	1,262,731,171	567,035,000	252,991,292	838,336,280	3,203,766,000	1,087,394,732	969,722,095	665,185,000	539,261,000	0
3rd Quarter	382,035,000	887,850,000	635,366,100	910,171,650	353,262,400	766,243,653	528,845,000	420,483,000	353,925,000	0
4th Quarter	966,975,000	806,000,000	873,715,000	1,546,967,979	634,514,000	1,093,774,820	980,282,184	535,628,846	0	0
Total Bonds Issued - Calendar Year	2,707,611,171	2,674,304,900	2,167,177,392	3,982,864,809	4,439,047,400	4,701,833,205	3,009,241,679	2,022,571,846	1,372,629,200	0
% Change over Prior Calendar Year		-1.2%	-19.0%	83.8%	11.5%	5.9%	-36.0%	-32.8%	-7.7%	-100.0%

Bonds Issued by Quarter - Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1st Quarter		382,035,000	887,850,000	635,366,100	910,171,650	353,262,400	766,243,653	528,845,000	420,483,000	353,925,000
2nd Quarter		966,975,000	806,000,000	873,715,000	1,546,967,979	634,514,000	1,093,774,820	980,282,184	535,628,846	
3rd Quarter	95,870,000	413,419,900	405,105,000	687,388,900	247,505,000	1,754,420,000	530,392,400	401,275,000	479,443,200	
4th Quarter	1,262,731,171	567,035,000	252,991,292	838,336,280	3,203,766,000	1,087,394,732	969,722,095	665,185,000	539,261,000	
Total Bonds Issued - Fiscal Year	1,358,601,171	2,329,464,900	2,351,946,292	3,034,806,280	5,908,410,629	3,829,591,132	3,360,132,968	2,575,587,184	1,974,816,046	353,925,000
% Change over Prior Fiscal Year		71.5%	1.0%	29.0%	94.7%	-35.2%	-12.3%	-23.3%	-23.3%	-15.8%

Bonds Issued by Quarter - New Money - Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1st Quarter		332,815,000	324,575,000	374,952,100	747,011,650	288,012,400	730,989,121	308,265,000	204,298,000	192,931,061
2nd Quarter		648,355,000	693,465,000	448,835,000	979,927,183	541,539,000	615,797,688	897,287,184	325,998,846	
3rd Quarter	41,940,000	195,919,900	221,690,000	443,963,900	125,595,000	1,189,598,986	253,995,777	308,290,000	153,628,200	
4th Quarter	785,756,179	451,565,000	223,076,292	623,144,280	1,000,621,000	622,409,732	598,482,095	598,100,000	283,606,000	
Total Bonds Issued - Fiscal Year	827,696,179	1,628,654,900	1,462,806,292	1,890,895,280	2,853,154,833	2,641,560,118	2,199,264,680	2,111,942,184	967,531,046	192,931,061
% Change over Prior Fiscal Year		96.8%	-10.2%	29.3%	50.9%	-7.4%	-16.7%	-4.0%	-33.7%	-5.6%

Principal Issued/Bonds Refunded by Month

	Year									
Month	2004	2005	2006	2007	2008	2009	2010	2011	2012	
January	-	138,085,000	98,670,000	13,680,000	122,870,000	723,895,000	252,800,000	-	11,540,000	Principal
	-	25,755,000	13,285,000	-	-	205,350,000	155,775,000	-	12,740,000	Refunded
February	22,950,000	31,714,000	85,235,000	243,775,000	57,235,000	383,520,000	233,982,400	224,050,000	218,053,846	Principal
	-	-	52,945,000	96,220,000	45,210,000	113,100,000	90,946,623	50,600,000	169,270,000	Refunded
March	72,920,000	243,620,900	221,200,000	429,933,900	67,400,000	647,005,000	43,610,000	177,225,000	40,873,200	Principal
	53,930,000	191,745,000	117,185,000	147,205,000	62,800,000	255,325,000	29,675,000	42,385,000	31,935,000	Refunded
April	87,500,000	54,890,000	53,160,378	204,725,000	1,217,254,000	504,000,000	277,283,662	-	63,965,000	Principal
	-	11,540,000	-	62,890,000	1,141,790,000	464,985,000	70,420,000	-	69,685,000	Refunded
May	1,112,926,171	374,980,000	67,930,000	239,097,750	1,168,925,000	108,194,732	405,288,433	545,185,000	368,601,000	Principal
	451,164,992	93,060,000	29,915,000	99,375,000	456,397,500	-	55,940,000	67,460,000	93,290,000	Refunded
June	62,305,000	137,165,000	131,900,914	394,513,530	817,587,000	475,200,000	287,150,000	120,000,000	106,695,000	Principal
	28,810,000	10,870,000	-	46,427,000	605,130,000	-	255,625,000	-	101,960,000	Refunded
July	109,045,000	370,370,000	183,955,000	149,165,000	56,242,400	382,477,000	284,660,000	-	51,590,000	Principal
	-	238,695,000	4,749,000	34,830,000	-	-	211,395,000	-	8,500,000	Refunded
August	77,395,000	317,680,000	416,886,100	695,600,000	110,315,000	383,766,653	172,185,000	195,053,000	-	Principal
	43,000,000	239,225,000	255,665,000	123,830,000	65,250,000	35,254,532	9,185,000	192,190,000	-	Refunded
September	195,595,000	199,800,000	34,525,000	65,406,650	186,705,000	-	72,000,000	225,430,000	302,335,000	Principal
	6,220,000	92,955,000	-	4,500,000	-	-	-	22,335,000	152,493,939	Refunded
October	17,095,000	78,070,000	303,685,000	747,030,000	112,905,000	176,870,000	302,020,000	296,035,000		Principal
	-	-	254,960,000	338,880,796	2,400,000	92,425,000	90,325,000	19,680,000		Refunded
November	674,465,000	72,530,000	134,980,000	34,691,195	90,609,000	240,000,000	314,850,000	11,540,000		Principal
	247,055,000	36,575,000	25,095,000	14,230,000	10,275,000	102,145,000	-	12,740,000		Refunded
December	275,415,000	655,400,000	435,050,000	765,246,784	431,000,000	668,404,820	363,412,184	218,053,846		Principal
	71,565,000	68,360,000	144,825,000	213,930,000	80,300,000	288,007,133	2,100,000	169,270,000		Refunded
Total Sum of Principal	2,707,611,171	2,674,304,900	2,167,177,392	3,982,864,809	4,439,047,400	4,693,333,205	3,009,241,679	2,012,571,846	1,163,653,046	Principal
Total Sum of Refunded	901,744,992	1,008,780,000	898,624,000	1,182,317,796	2,469,552,500	1,556,591,665	971,386,623	576,660,000	639,873,939	Refunded
Net Bonds Issued	1,805,866,179	1,665,524,900	1,268,553,392	2,800,547,013	1,969,494,900	3,136,741,540	2,037,855,056	1,435,911,846	523,779,107	Issued

Bonds Issued includes the value of the Bonds Refunded.

Bonds Issued and Outstanding
as of September 30, 2012

Bonds Issued Since Inception of Illinois Finance Authority

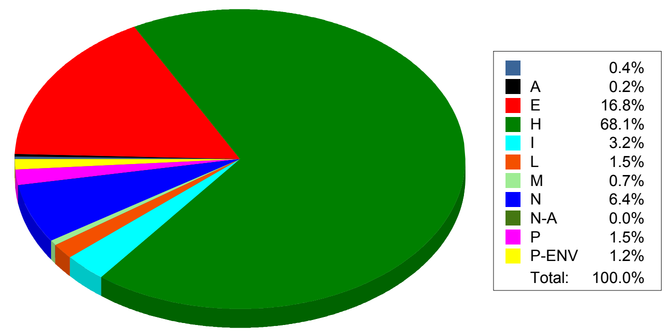
#	Market Sector	Principal Amount ($)
422	Agriculture **	67,557,282
87	Education	4,518,193,100
189	Healthcare *	18,533,951,708
83	Industrial ***	889,748,853
26	Local Government	420,155,000
17	Multifamily/Senior Housing	194,047,900
121	501(c)(3) Not-for Profits	1,774,870,041
11	Exempt Facilities Bonds ***	425,700,000
8	Environmental issued under 20 ILCS 3515/9	326,630,000
964		$ 27,150,853,883

* Includes CCRC's

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

*** Three Peoples Gas bonds moved from Industrial to Exempt Facilities Bonds

Bonds Issued Since Inception



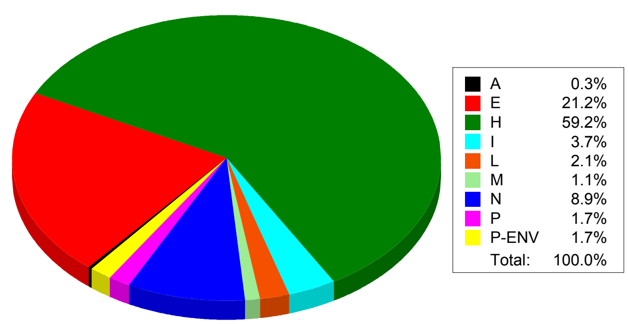
Schedule of Bonds Outstanding by Market Sector
Includes IFA and it's Predecessor Authorities

Market Sector	Amount of Original Issue	Principal Outstanding
Agriculture	268,854,471	80,235,279
Education	5,998,100,730	5,187,586,771
Healthcare *	16,854,363,159	14,473,872,122
Industrial **	1,154,732,939	914,127,994
Local Government	944,278,413	503,592,144
Multifamily/Senior Housing	708,325,396	268,712,242
501(c)(3) Not-for Profits	2,765,726,842	2,179,344,124
Exempt Facilities Bonds **	405,500,000	405,090,000
Environmental issued under 20 ILCS 3515/9	555,195,000	418,627,888
	$ 29,655,076,949	$ 24,431,188,564

* Includes CCRC's

** Three Peoples Gas bonds moved from Industrial to Exempt Facilities Bond

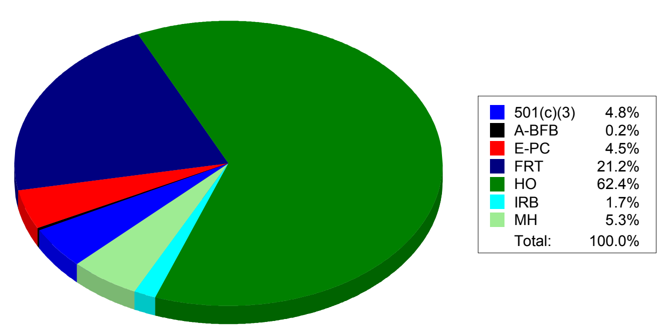
Principal Outstanding by Market Sector



Bonds Issued - Current Fiscal Year

#	Market Sector	Principal Issued
3	Agriculture - Beginner Farmer	642,700
1	Education	15,960,000
2	Healthcare - Hospital	221,290,000
1	Industrial Revenue	6,045,000
1	501(c)(3) Not-for-Profit	17,000,000
1	MultiFamily/Senior Housing	18,630,000
1	Freight Transfer Facilities Bonds	75,000,000
10		$ 354,567,700

Bonds Issued - Current Fiscal Year



Bonds Issued between July 01, 2012 and September 30, 2012

Bond Issue		Date Issued	Initial Interest Rate	Principal Issued	Bonds Refunded
A-BFB	Beginner Farmer Bonds, Series 2013A	07/01/2012	Various-See Below	642,700	0
501(c)(3)	Carmel Catholic High School, Series 2012	07/10/2012	DP-VRB 1.23%	17,000,000	8,500,000
MH	St. Anthony of Lansing, Series 2012	07/13/2012	6.50%	18,630,000	0
E-PC	Lake Forest College, Series 2012	07/24/2012	4.25% to 5.75%	15,960,000	0
IRB	Freedman Seating Company, Series 2012	09/06/2012	DP-VRB 1.60434%	6,045,000	1,085,000
HO	OSF Healthcare System, Series 2012A	09/26/2012	3.00% to 5.00%	179,845,000	151,408,939
HO	SwedishAmerican Hospital, Series 2012	09/27/2012	4.00% to 5.00%	41,445,000	0
FRT	CenterPoint Joliet Terminal Railroad, Series 2012	09/28/2012	DP-VRB 1.286625%	75,000,000	0
			Total Bonds Issued as of September 30, 2012	**$ 354,567,700**	**$ 160,993,939**

Legend: Fixed Rate Bonds as shown
DP-VRB = initial interest rate at the time of issuance on a Direct Purchase Bond
VRB = initial interest rate at the time of issuance on a Variable Rate Bond that does not include the cost of the LOC arrangement.
Beginner Farmer Bonds interest rates are shown in section below.

Beginner Farmer Bonds Funded between July 01, 2012 and September 30, 2012

Borrower	Date Funded	Initial Interest Rate	Loan Proceeds	Acres	County
Justison, Patricia	07/25/2012	3.75%	209,000	38.00	Macon
Voumard, Scott & Angela	08/08/2012	3.75%	248,700	89.26	Madison
Barth, Brian C.	08/24/2012	3.75%	185,000	97.00	Bond
	Total Beginner Farmer Bonds Issued		**$ 642,700**	**224.26**	

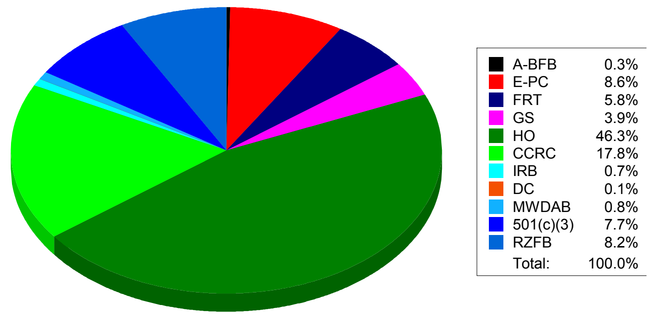
As of January 1, 2012, the amount of private activity volume cap available to the Illinois Finance Authority and allocable to Beginning Farmer Bonds is $15,000,000. In addition, the maximum of any Beginning Farmer Bond is $488,600.

Bonds Issued - Fiscal Year Comparison
for the Period Ending September 30, 2012

Fiscal Year 2011

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

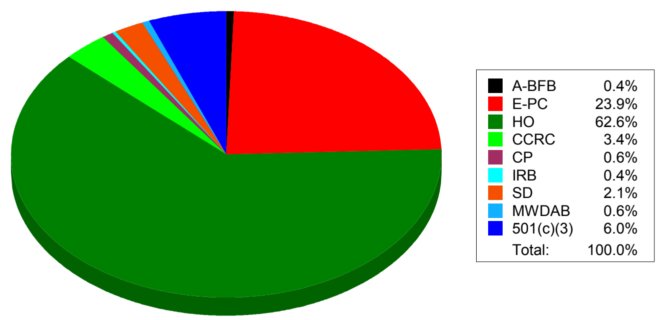
Bonds Issued in Fiscal Year 2011



Fiscal Year 2012

#	Market Sector	Principal Issued
41	Agriculture - Beginner Farmer	8,784,789
3	Education	474,685,000
14	Healthcare - Hospital	1,242,038,200
2	Healthcare - CCRC	66,765,000
1	Healthcare-Community Provider	12,700,000
2	Industrial Revenue	7,295,000
1	Local Government Schools	42,010,000
1	Midwest Disaster Area Bonds	11,066,000
13	501(c)(3) Not-for-Profit	118,256,846
78		$ 1,983,600,835

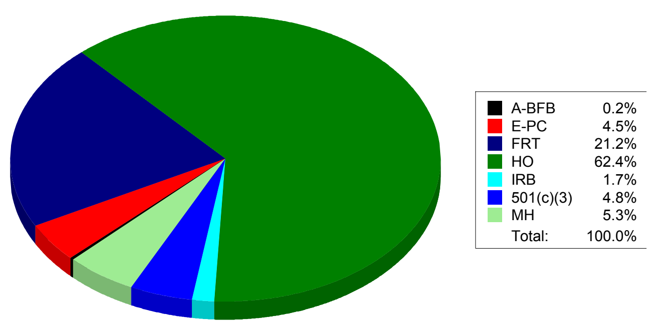
Bonds Issued in Fiscal Year 2012



Fiscal Year 2013

#	Market Sector	Principal Issued
3	Agriculture - Beginner Farmer	642,700
1	Education	15,960,000
2	Healthcare - Hospital	221,290,000
1	Industrial Revenue	6,045,000
1	501(c)(3) Not-for-Profit	17,000,000
1	MultiFamily/Senior Housing	18,630,000
1	Freight Transfer Facilities Bonds	75,000,000
10		$ 354,567,700

Bonds Issued in Fiscal Year 2013

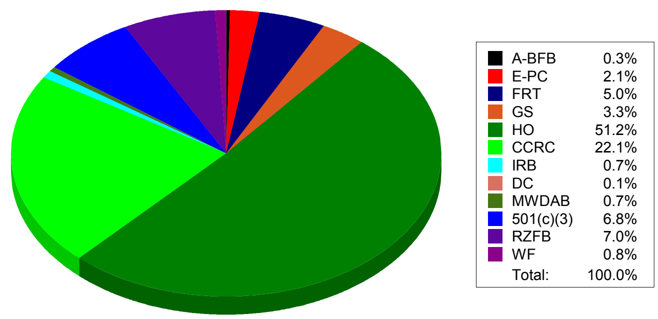


Bonds Issued - Calendar Year Comparison
as of September 30, 2012

Calendar Year 2010

#	Market Sector	Principal Issued
52	Agriculture - Beginner Farmer	9,308,619
5	Education	64,000,000
1	Freight Transfer Facilities Bonds	150,000,000
2	Gas Supply	100,000,000
20	Healthcare - Hospital	1,545,643,433
7	Healthcare - CCRC	667,855,000
4	Industrial Revenue	20,029,184
1	Financially Distressed Cities	1,985,000
1	Midwest Disaster Area Bonds	20,200,000
9	501(c)(3) Not-for-Profit	205,356,062
8	Recovery Zone Facilities Bonds	211,488,000
1	Water Facilities	25,000,000
111		$ 3,020,865,298

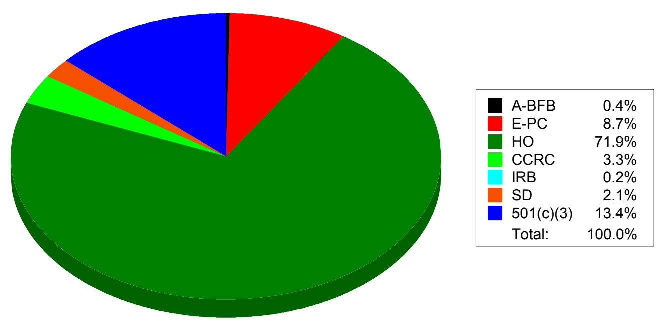
Bonds Issued in Calendar Year 2010



Calendar Year 2011

#	Market Sector	Principal Issued
40	Agriculture - Beginner Farmer	7,853,465
2	Education	177,390,000
13	Healthcare - Hospital	1,459,760,000
2	Healthcare - CCRC	66,765,000
1	Industrial Revenue	3,795,000
1	Local Government Schools	42,010,000
9	501(c)(3) Not-for-Profit	272,851,846
68		$ 2,030,425,311

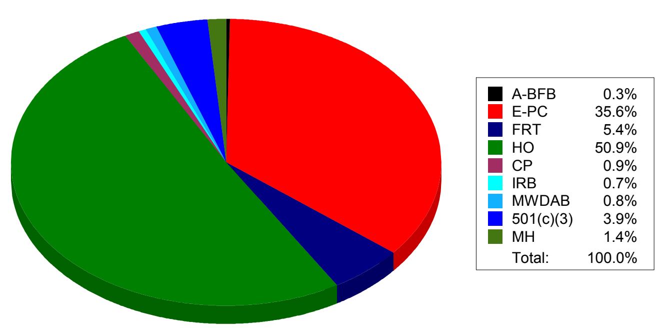
Bonds Issued in Calendar Year 2011



Calendar Year 2012

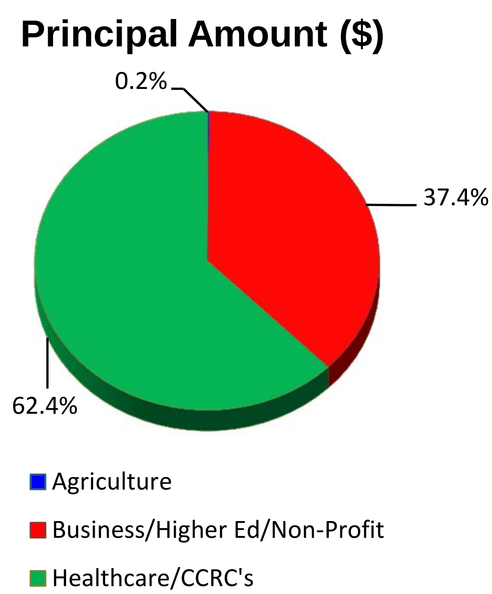
#	Market Sector	Principal Issued
16	Agriculture - Beginner Farmer	4,050,419
4	Education	490,645,000
9	Healthcare - Hospital	700,803,200
1	Healthcare-Community Provider	12,700,000
2	Industrial Revenue	9,545,000
1	Midwest Disaster Area Bonds	11,066,000
7	501(c)(3) Not-for-Profit	54,240,000
1	MultiFamily/Senior Housing	18,630,000
1	Freight Transfer Facilities Bonds	75,000,000
42		$ 1,376,679,619

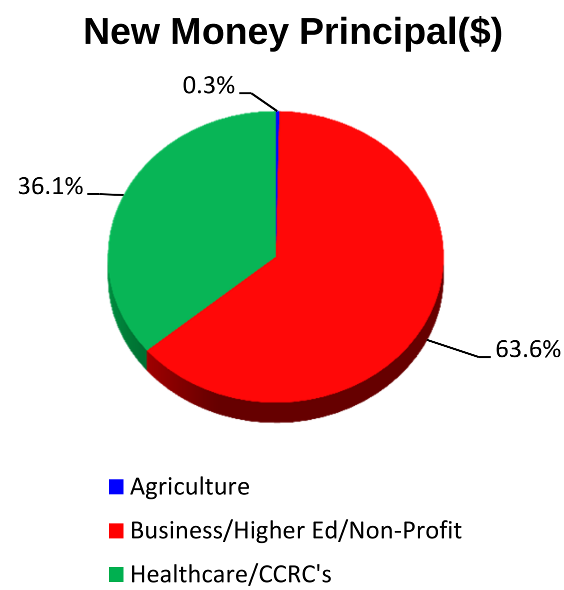
Bonds Issued in Calendar Year 2012

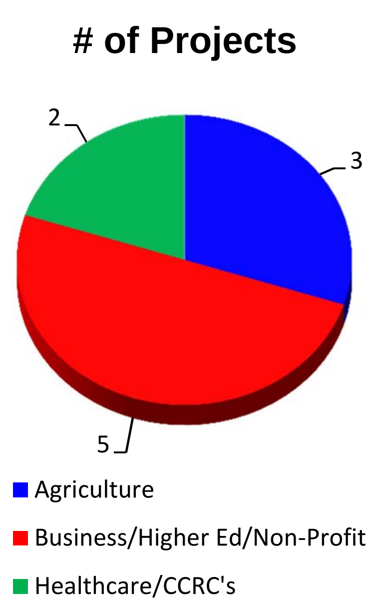


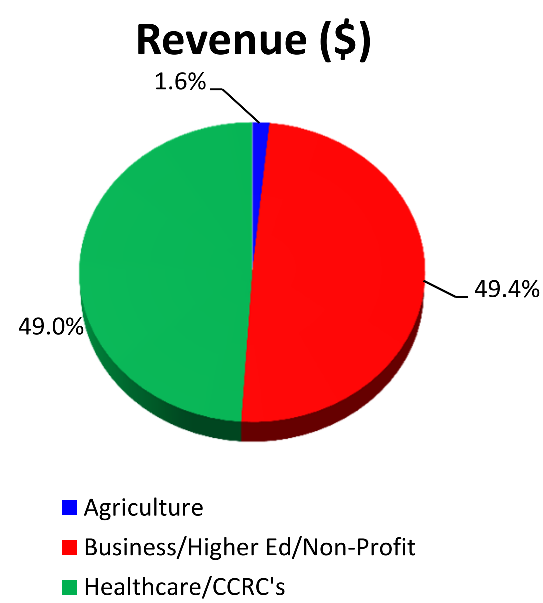
Illinois Finance Authority
Project Revenue
Fiscal Year 2013

Market Sector	Principal Amount ($)	New Money ($)	#	Revenue ($)
Agriculture	$ 642,700.00	$ 642,700.00	3	$ 9,340.50
Business/Higher Ed/Non-Profit	132,635,000.00	123,050,000.00	5	289,000.50
Healthcare/CCRC's	221,290,000.00	69,881,061.44	2	286,367.50
	$ 354,567,700.00	$ 193,573,761.44	10	$ 584,708.50





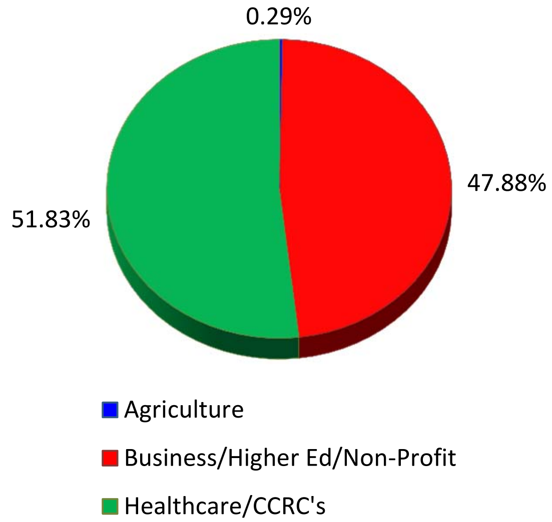




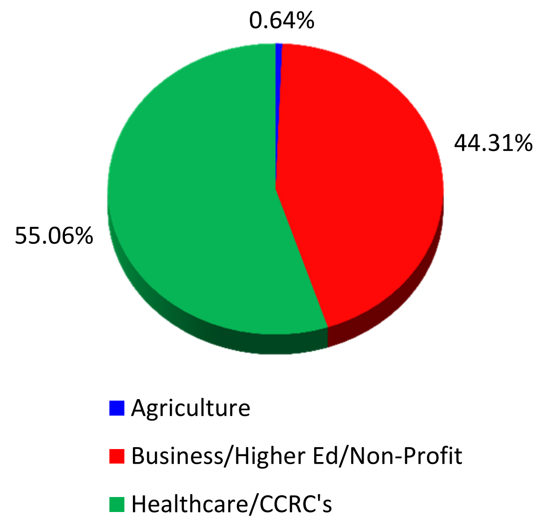
Illinois Finance Authority
Project Revenue
Calendar Year 2012

Market Sector	Principal Amount ($)	New Money ($)	#	Revenue ($)
Agriculture	$ 4,050,419.00	$ 4,050,419.00	16	$ 59,156.29
Business/Higher Ed/Non-Profit	659,126,000.00	280,991,000.00	16	881,305.10
Healthcare/CCRC's	713,503,200.00	349,174,261.44	10	835,997.25
	$ 1,376,679,619.00	$ 634,215,680.44	42	$ 1,776,458.64

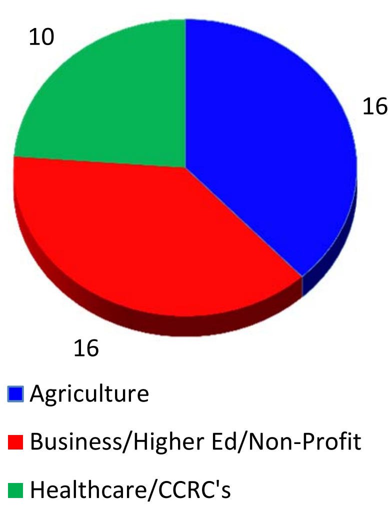
Principal Amount ($)



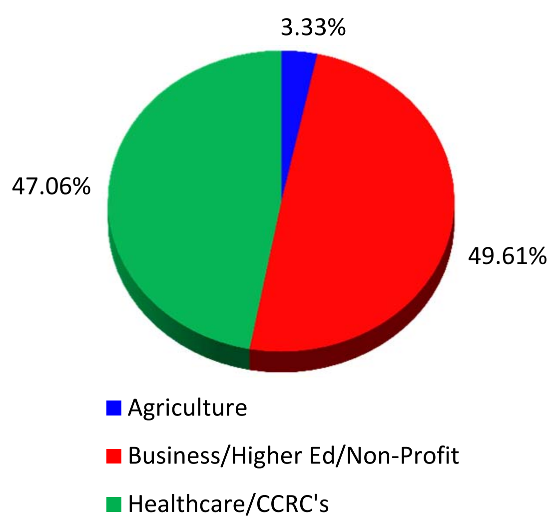
New Money Principal($)



# of Projects



Revenue ($)



ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

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

Section I (a)

		Principal Outstanding June 30, 2012	Principal Outstanding September 30, 2012	Program Limitations	Remaining Capacity
	Illinois Finance Authority "IFA" [b]				
356	Agriculture	$ 52,193,900	$ 52,836,600		
90	Education	4,096,631,500	4,094,344,400		
256	Healthcare	12,567,258,400	12,529,904,100		
68	Industrial Development [includes Recovery Zone/Midwest Disaster]	643,260,000	708,705,600		
20	Local Government	235,995,000	231,205,000		
18	Multifamily/Senior Housing	157,841,200	176,129,900		
98	501(c)(3) Not-for Profits	1,244,199,800	1,242,422,500		
8	Exempt Facilities Bonds	280,090,000	280,090,000		
914	**Total IFA Principal Outstanding**	**$ 19,277,469,800**	**$ 19,315,638,100**		
	Illinois Development Finance Authority "IDFA" [b]				
2	Education	13,666,400	12,911,400		
5	Healthcare	198,620,000	198,620,000		
49	Industrial Development	212,338,600	205,422,300		
20	Local Government	261,252,100	255,807,100		
10	Multifamily/Senior Housing	95,496,700	92,582,300		
80	501(c)(3) Not-for Profits	881,344,300	863,356,700		
2	Exempt Facilities Bonds	125,000,000	125,000,000		
166	**Total IDFA Principal Outstanding**	**$ 1,787,718,100**	**$ 1,753,699,800**		
	Illinois Rural Bond Bank "IRBB" [b]				
14	Bond Bank Revenue Bonds	16,825,000	16,580,000		
14	**Total IRBB Principal Outstanding**	**$ 16,825,000**	**$ 16,580,000**		
70	**Illinois Health Facilities Authority "IHFA"**	**$ 1,797,621,000**	**$ 1,745,348,000**		
44	**Illinois Educational Facilities Authority "IEFA"**	**$ 1,169,752,000**	**$ 1,153,896,000**		
401	**Illinois Farm Development Authority "IFDA" [f]**	**$ 27,398,700**	**$ 27,398,700**		
1,609	**Total Illinois Finance Authority Debt**	**$ 24,076,784,600**	**$ 24,012,560,600**	**$ 28,150,000,000**	**$ 4,137,439,400**

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

Section I (b)

		Principal Outstanding June 30, 2012	Principal Outstanding September 30, 2012	Program Limitations	Remaining Capacity
	General Purpose Moral Obligations				
	Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
14	Issued through IRBB - Local Government Pools	16,825,000	$ 16,580,000		
7	Issued through IFA - Local Government Pools	25,305,000	25,305,000		
2	Issued through IFA - Illinois Medical District Commission	39,120,000	38,440,000		
23	**Total General Moral Obligations**	**$ 81,250,000**	**$ 80,325,000**	**$ 150,000,000**	**$ 69,675,000**
	Financially Distressed Cities Moral Obligations				
	Illinois Finance Authority Act [20 ILCS 3501/825-60]				
2	Issued through IFA	$ 3,240,000	$ 3,240,000		
1	Issued through IDFA	2,430,000	2,430,000		
3	**Total Financially Distressed Cities**	**$ 5,670,000**	**$ 5,670,000**	**$ 50,000,000**	**$ 44,330,000**
	State Component Unit Bonds [c]				
14	Issued through IRBB	$ 16,825,000	$ 16,580,000		
2	Issued through IDFA [j]	63,485,000	69,685,000		
10	Issued through IFA [j]	93,064,700	93,064,700		
26	**Total State Component Unit Bonds**	**$ 173,374,700**	**$ 179,329,700**		

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

Section I (c)

		Principal Outstanding June 30, 2012	Principal Outstanding September 30, 2012	Program Limitations	Remaining Capacity
2	**Midwest Disaster Bonds [Flood Relief]**	**$ 30,680,435**	**$ 31,170,158**	**$ 1,515,271,000**	**$ 1,474,010,000**

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

Section I (d)

		ARRA Act of 2009 Volume Cap Allocated [h]	City/Counties Ceded Voluntarily to IFA	Bonds Issued as of September 30, 2012	Available "Ceded" Volume Cap
-	**Recovery Zone Economic Development Bonds;**	**$ 666,972,000**	**$ 16,940,000**	**$ 12,900,000**	**$ 4,040,000**
8	**Recovery Zone Facilities Bonds**	**$ 1,000,457,000**	**$ 292,400,000**	**$ 216,199,000**	**$ 76,201,000**
-	**Qualified Energy Conservation Bonds**	**$ 133,846,000**	**$ -**	**$ 12,500,000**	**$ -**

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

Section II

	Principal Outstanding June 30, 2012	Principal Outstanding September 30, 2012	Program Limitations	Remaining Capacity
Illinois Power Agency	**$ -**	**$ -**	**$ 4,000,000,000**	**$ 4,000,000,000**

ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

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

Section III	**Principal Outstanding June 30, 2012**	**Principal Outstanding September 30, 2012**	**Program Limitations**	**Remaining Capacity**
Clean Coal, Coal ,Renewable Energy and Energy Efficiency Projects	**$ -**	**$ -**	**$ 3,000,000,000** [d]	**$ 3,000,000,000**

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

#	**Section IV**	**Principal Outstanding June 30, 2012**	**Principal Outstanding September 30, 2012**	**Program Limitations**	**Remaining Capacity**	**State Exposure**
	Agri Debt Guarantees [Restructuring Existing Debt]	**$ 14,991,100**	**$ 14,353,100**	**$ 160,000,000**	**$ 145,646,900**	**$ 12,188,500**
82	**Fund # 994 - Fund Balance $ 10,041,252**					
	AG Loan Guarantee Program	**$ 15,186,800**	**$ 14,272,000**	**$ 225,000,000** [e]	**$ 210,728,000**	**$ 12,131,300**
35	**Fund # 205 - Fund Balance $ 7,754,749**					
8	Agri Industry Loan Guarantee Program	$ 8,207,725	$ 7,600,700			6,460,600
2	Farm Purchase Guarantee Program	956,064	956,100			812,700
15	Specialized Livestock Guarantee Program	3,812,465	3,504,700			2,979,000
10	Young Farmer Loan Guarantee Program	2,210,585	2,210,600			1,879,000
117	**Total State Guarantees**	**$ 30,177,900**	**$ 28,625,100**	**$ 385,000,000**	**$ 356,374,900**	**$ 24,319,800**

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

#	**Section V**		**Principal Outstanding June 30, 2012**	**Principal Outstanding September 30, 2012**	**Appropriation Fiscal Year 2013**	**Fund Balance**
133	Fire Truck Revolving Loan Program	**Fund # 572**	**$ 16,140,930**	**$ 19,069,950**	**$ 6,003,342**	**$ 1,646,969**
10	Ambulance Revolving Loan Program	**Fund # 334**	**$ 671,227**	**$ 599,407**	**$ 7,006,800**	**$ 3,562,302**

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

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

#	**Section VI**	**Principal Outstanding June 30, 2012**	**Principal Outstanding September 30, 2012**	**Program Limitations**	**Remaining Capacity**
	Environmental [Large Business]				
6	Issued through IFA	122,988,800	122,857,900		
17	Issued through IDFA	346,870,000	295,770,000		
23	**Total Environmental [Large Business]**	**$ 469,858,800**	**$ 418,627,900**	**$ 2,425,000,000**	**$ 2,006,372,100**
	Environmental [Small Business]	-	$ -	**$ 75,000,000**	**$ 75,000,000**
23	**Total Environment Bonds Issued under Act**	**$ 469,858,800**	**$ 418,627,900**	**$ 2,500,000,000**	**$ 2,081,372,100**

Illinois Finance Authority Funds at Risk

#	**Section VII**	**Original Amount**	**Principal Outstanding June 30, 2012**	**Principal Outstanding September 30, 2012**
	Participation Loans			
21	Business & Industry	23,020,157.95	5,105,506.90	4,708,397.92
8	Agriculture	6,079,859.01	1,759,093.06	1,742,989.59
29	**Participation Loans exluding Defaults & Allowances**	**$ 29,100,016.96**	**$ 6,864,599.96**	**$ 6,451,387.51**
	Plus: Legacy IDFA Loans in Default		**910,631.89**	**966,265.91**
	Less: Allowance for Doubtful Accounts		**1,377,989.75**	**1,204,404.01**
	Total Participation Loans		**$ 6,397,242.10**	**$ 6,213,249.41**
0	**Illinois Facility Fund**	**$ 1,000,000.00**	**$ -**	**-**
4	**Local Government Direct Loans**	**$ 1,289,750.00**	**$ 218,423.96**	**218,423.96**
3	**FmHA Loans**	**$ 963,250.00**	**$ 265,068.23**	**260,924.25**
2	**Renewable Energy [RED Fund]**	**$ 2,000,000.00**	**$ 1,579,752.12**	**1,557,304.00**
38	**Total Loans Outstanding**	**$ 34,353,016.96**	**$ 8,460,486.41**	**$ 8,249,901.62**

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

[b] State Component Unit Bonds included in balance.

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

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

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

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

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

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

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

[j] Includes EPA Clean Water Revolving Fund

[k] Midwest Disaster Bonds - P.O.B. Development LLC was issued in the amount of $11,066,000 but only $485,435.09 has been advanced to the borrower.

MINUTES OF THE SEPTEMBER 11, 2012 MEETING OF THE COMMITTEE OF THE WHOLE OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held a Committee of the Whole Meeting on September 11, 2012, at 9:30 a.m. in the Chicago Office of the IFA, 180 North Stetson Avenue, Suite 2555, Chicago, Illinois 60601.

IFA Committee of the Whole Members Present:

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

IFA Committee of the Whole Members Excused:

1. James J. Fuentes
2. Edward H. Leonard, Sr.

IFA Staff Present:

Christopher B. Meister, Executive Director
Richard Frampton, Vice President
Pamela A. Lenane, Vice President and Acting General Counsel
Ximena Granda, Assistant Chief Financial Officer
Norma Sutton, Agency Procurement Officer
James Senica, Senior Financial Analyst
Brad R. Fletcher, Legal/Financial Analyst
Nora O'Brien, Legal/Financial Analyst
Terrell Gholston, Procurement Analyst
Sohair Omar, Policy/Operations Analyst
Andrew Muller, Intern
Krystal Martinez, Intern

IFA Financial Advisor Present:

Courtney Shea, Acacia Financial Group, Inc.

I. Call to Order & Roll Call

The Committee of the Whole Meeting was called to order at 9:36 a.m. by Chairman Brandt. The Assistant Secretary of the Board, Mr. Fletcher, called the roll. There being eight members physically present and one member participating via audio conference, a quorum was reached.

Mayor Pedersen arrived in person at 9:50 a.m. He was added to the roll by Mr. Fletcher.

II. Chairman's Remarks

Chairman Brandt informed those present that he had no specific remarks at the present time and looks forward to the Executive Director's message.

III. Message from the Executive Director

Executive Director Meister informed those present that he is proud to report that CenterPoint Joliet Terminal Railroad, LLC is returning to the IFA for its second tranche of tax-exempt financing; it previously issued IFA Surface Freight Transfer Facilities Revenue Bonds in 2010.

Additionally, IFA has been active in recent weeks promoting Agricultural programs in the downstate media, particularly in the areas surrounding Quincy.

On August 29, 2012, Standard & Poor's Rating Services ("S&P") downgraded its credit rating on the State of Illinois to A from A+ and assigned a negative rating outlook. Furthermore, S&P also downgraded bonds secured by appropriations from the Illinois General Assembly or secured by the State's moral obligation pledge. A report from S&P has been made available to all members. It is important to note that prior to this announcement the credit rating from S&P was higher than the credit ratings assigned by Moody's or Fitch.

Executive Director Meister informed the members that a proposal in connection with the IFA's M/W/DBE Contractor Working Capital Loan Pilot Program has also been made available to them, along with letters of support for the Program from the Illinois Environmental Protection Agency, the Capital Development Board and the Illinois State Toll Highway Authority.

With respect to proceedings before the Legislative Audit Commission, Mr. Meister reported that Ms. Bronner will be providing the members with an update.

Finally, Mr. Meister acknowledged the presence of Claire Bushey from Crain Communications, Inc. and likewise asked Ms. Omar to introduce the new interns that have been hired at IFA.

IV. Consideration of the Minutes

Chairman Brandt asked if any members of the Committee of the Whole had any comments in connection with the minutes prepared by the Assistant Secretary of the Board for each of the prior month's Meetings. Hearing none, Chairman Brandt asked Mrs. Granda to present the Financial Statements.

V. Presentation and Consideration of the Financial Statements

Mrs. Granda explained that Total Revenue for the month of August ended at $280,000, which is $244,000 or 46.57% below the Fiscal Year ("FY") 2013 budget. In August, IFA received a recovery of bad debt for a participation loan in the amount of $138,000, which is reported as Other Income. This was a partial settlement that will pay-off a portion of the loan while $72,000 remains outstanding over the next five years. Year-to-Date Total Revenue ended at $761,000, which is $295,000 or 27.94% below the FY 2013 budget.

Total Expenses for the month of August ended at $282,000, which is $23,000 or 7.47% below the FY 2013 budget. The decrease is primarily due to employee related expenses. Year-to-Date Total Expenses ended at $569,000, which is $44,000 or 7.12% below the FY 2013 Budget.

In comparing Actual Total Expenses for FY 2013 to Actual Total Expenses for FY 2012, IFA expenses are down by $46,000 or 7.48%.

During the month of August, IFA received an escrow payment from one of its venture capital investments in the amount of $131,000; this is considered a transfer due to the fact that the Venture Capital Fund owed monies to the General Operating Fund of the Authority. Additionally, the funds from IFA's Title IX Fund were transferred to the General Operating Fund. The total amount transferred was $187,000; these monies were the match portion made by the Illinois Development Finance Authority pursuant to a Grant Agreement with Illinois Department of Commerce & Economic Opportunity ("DCEO"). Since the monies of the grant were returned to the guarantor, the match portion was returned to the General Operating Fund.

August ended with Net Income of $314,000 or 44.22% above the FY 2013 budget. This is primarily due to the recovery of bad debt of a participation loan and the two aforementioned transfers. Year-to-Date Net Income is $510,000 or 14.8% above FY 2013 budget.

Unrestricted Cash & Investments increased by $8.8 Million primarily due to the U.S. Securities & Exchange Commission ("SEC") settlements, recovery of bad debt and loan payoffs. In August, IFA had one loan payoff in the amount of $138,000.

With respect to the months of September and October, IFA forecasts Total Year-to-Date Projected Revenue will be $2.2 Million or $156,000 above the FY 2013 budget. Administration/closing fees will be $1.8 Million, which is $17,000 or 0.95% above the FY 2013 budget. Projected Net Income through October 31, 2012 will be $919,000, which is $110,000 or 13.61% above the FY 2013 budget.

Mrs. Granda confirmed that Ms. Bronner and the Executive Director attended the Legislative Audit Commission ("LAC") meeting this past 29th of August. The FY 2010 and FY 2011 Audit Reports were accepted. With respect to the FY 2012 Audit Report, a draft of the Financial Audit was submitted to the auditors on the 31st of August. In fact, IFA is on track for submitting all required reports to the auditors for the FY 2012 Audit. As of yet, the auditors have not raised any issues.

Finally, Mrs. Granda reminded members of the Committee of the Whole that State statute mandates IFA conduct an internal audit. While internal audit reports are not final, the Authority is scheduling a meeting with Crow Horwath LLP to review and finalize the reports.

Ms. Bronner expounded upon Mrs. Granda's remarks in connection with the LAC. IFA's appearance before the members of the LAC was uneventful and likewise few issues were raised during the proceeding. The LAC was pleased with the audit reports and the work of the IFA Audit Committee.

Chairman Brandt informed those present that he spoke with Governor Quinn regarding IFA and stated that the Governor is aware that the typical product line being marketed by IFA is not producing the same amount of income in comparison to previous years and prior economic climates. In that regard, Chairman Brandt and Governor Quinn engaged in a discussion about the competitive disadvantage IFA has with respect to its ability to issue multi-state bonds in a rapidly changing marketplace.

Chairman Brandt noted that while IFA is having a better beginning to Fiscal Year 2013 than it had in Fiscal Year 2012, the Board should remain cautiously optimistic as future revenue projections for the second half of Fiscal Year 2013 remain unknown.

Chairman Brandt and Ms. Lenane engaged in a discussion about The Clare at Water Tower and the indemnity fund created in connection with its bankruptcy protection filing. Ms. Lenane informed the members of the Committee of the Whole that the indemnity fund remains intact and IFA is being promptly reimbursed for expenses it submits. However, The Clare at Water Tower's creditors thus far will not release the fund. Chairman Brandt expressed his desire to wait patiently during the next few months while this issue is resolved.

Chairman Brandt and Ms. Lenane also engaged in a discussion about Clare Oaks. As they have filed for bankruptcy protection, it is likely they will soon conduct a tender and exchange transaction with the IFA.

Finally, Executive Director Meister provided some background information to the members of the Committee of the Whole on the Illinois Medical District Commission ("IMDC"), which does have an item on this month's agenda.

Ms. Lenane detailed that IMDC is seeking consent for the transfer through novation of bond insurance policies from CIFG Assurance North America, Inc. to Assured Guaranty Corp. for its IFA Series 2006 Revenue Bonds – which will ultimately require bondholder consent as well. Chairman Brandt expressed both his admiration for newly appointed Executive Director Warren Ribley of IMDC and also his belief that the backing of a rated monoline insurance company will all contribute to a more significant secondary market for the moral obligation bonds issued for IMDC.

To the extent that IMDC requires IFA cooperation, Chairman Brandt stated that he is confident in the abilities of Executive Director Meister in working with Executive Director Ribley.

Mr. Meister confirmed he has an open line of communication with IMDC and is happy to provide any assistance that may be needed, if any.

VI. Committee Reports

Agriculture Committee

Mr. Zeller reported that the Agriculture Committee reviewed two Beginning Farmer Bond projects and one Agri-Debt Guarantee. The Agriculture Committee recommended approval of the three projects.

Healthcare Committee

Dr. Barclay reported that while the Healthcare Committee was unable to reach a quorum, they did review the projects being presented for this month's agenda and were satisfied.

VII. Project Reports and Resolutions

Mr. Senica presented the following projects:

Agriculture – Beginning Farmer Bonds

Item No. 1A: <u>Dustin & Dee Ellinger - $118,000</u>

Dustin & Dee Ellinger are requesting approval of a Final Bond Resolution in an amount not-to-exceed One Hundred Eighteen Thousand Dollars ($118,000). Bond proceeds will be used to finance the acquisition of approximately 33.74 acres of farmland located in South Litchfield Township in Montgomery County.

Item No. 1B: <u>Jonathan Dolder - $446,650</u>

Jonathan Dolder is requesting approval of a Final Bond Resolution in an amount not-to-exceed Four Hundred Forty-Six Thousand Six Hundred and Fifty Dollars ($446,650). Bond proceeds will be used to finance the acquisition of approximately 122 acres of farmland located in Serena Township in LaSalle County.

Agriculture – Agri-Debt Guarantee

Item No. 2: <u>Brian & Kelly Duncan - $423,000</u>

Brian & Kelly Duncan are requesting approval of an Agri-Debt Guarantee in an amount not-to-exceed Four Hundred Twenty-Three Thousand Dollars ($423,000).

Loan proceeds will be used to finance the purchase of 350 shares of stock in South Morgan Acres, LLC and refinance an existing IFA Guaranteed Loan in the amount of One Hundred Twenty-Five Thousand Five Hundred Dollars ($125,500). The Agri-Debt Guarantee of eighty-five percent of the Loan, or Three Hundred Fifty-Nine Thousand Five Hundred and Fifty Dollars ($359,550), is a full faith and credit obligation of the State of Illinois.

Executive Director Meister reiterated the difference between conduit financing and loan guarantees. In fact, there are two Illinois Attorney General opinions that imply IFA Agricultural Loan Guarantees are nearly equivalent to a State of Illinois general obligation commitment.

Moreover, Mr. Meister believes after speaking with market participants that IFA Agricultural Loan Guarantee products will be the foremost tool sought after to mitigate the damage caused by drought conditions throughout the state in coming months.

Mr. Frampton presented the following projects and resolutions:

Business & Industry – Airport Facility Revenue Bonds

Item No. 3: **<u>Hawthorne Chicago, LLC - $9,500,000</u>**

Hawthorne Chicago, LLC is requesting approval of a Final Bond Resolution in an amount not-to-exceed Nine Million Five Hundred Thousand Dollars ($9,500,000).

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

Business & Industry – Freight Transfer Facilities Revenue Bonds

Item No. 4: **<u>CenterPoint Joliet Terminal Railroad, LLC - $80,000,000</u>**

CenterPoint Joliet Terminal Railroad, LLC is requesting approval of a Final Bond Resolution in an amount not-to-exceed Eighty Million Dollars ($80,000,000). This project is being presented for one-time consideration.

Bond proceeds will finance the acquisition of land, and construction and equipping of various capital improvements thereon at CenterPoint Intermodal Center in Joliet, Illinois, a rail-to-truck and truck-to-rail Intermodal facility generally located south and east of the Des Plaines River, east of the Burlington Northern Santa Fe Railway, north of Noel Road, and west of both Illinois 53 and the Union Pacific Railroad, and located within the corporate boundaries of the City of Joliet. Additionally, with respect to the heretofore issued Illinois Finance Authority Surface Freight Transfer Facilities Revenue Bonds, Series 2010 (CenterPoint Joliet Terminal Railroad Project), this financing will authorize a Supplemental Indenture to amend certain documents relating to the Series 2010 Bonds, if deemed necessary and desirable by the Borrower.

Chairman inquired about the employment predictions in connection with the project. Mr. Frampton informed those present that while forecasts have been made available for the project's lifetime, no forecasts have been specifically prepared in connection with this specific tranche of debt financing.

Educational, Cultural, and Non-Healthcare 501(c)(3) – 501(c)(3) Revenue Bonds

Item No. 5: **Rosalind Franklin University of Medicine & Science - $16,600,000**

Rosalind Franklin University of Medicine & Science is requesting approval of a Final Bond Resolution in an amount not-to-exceed Sixteen Million Six Hundred Thousand Dollars ($16,600,000).

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

Item No. 6: **The Art Institute of Chicago - $70,000,000**

The Art Institute of Chicago is requesting approval of a Final Bond Resolution in an amount not-to-exceed Seventy Million Dollars ($70,000,000). This project is being presented for one-time consideration.

Bond proceeds will be used by The Art Institute of Chicago ("AIC", the "Institute", or the "Borrower"), together with other funds of the Borrower, to (i) refund all or a portion of the Institute's outstanding Illinois Educational Facilities Authority Adjustable Medium Term Revenue Bonds, The Art Institute of Chicago, Series 1998A (the "Series 1998A Bonds"), (ii) refund all or a portion of the Institute's outstanding Illinois Educational Facilities Authority Adjustable Demand Revenue Bonds, Series 2000A (the "Series 2000A Bonds"), (iii) refund all or a portion of the Institute's outstanding Illinois Educational Facilities Authority Revenue Refunding Bonds, Series 2003A (the "Series 2003A Bonds"), (iv) refund all or portion of the Institute's outstanding Illinois Finance Authority Revenue Bonds, Series 2010B (the "Series 2010B Bonds" and, together with the Series 1998A Bonds, the Series 2000A Bonds and the Series 2003A Bonds, the "Refunded Bonds"), and (v) pay costs of issuance, if deemed necessary or desirable by the Borrower (collectively, the "financing purposes").

Item No. 7: **North Park University - $30,000,000**

North Park University is requesting approval of a Final Bond Resolution in an amount not-to-exceed Thirty Million Dollars ($30,000,000). This project is being presented for one-time consideration.

Bond proceeds will be used by North Park University (the "University" or the "Borrower") and used to (i) finance the costs of the construction and equipping of an approximately 101,000 square foot science and community life building to be located at or near 5125-5143 N. Christians Avenue, Chicago, Illinois, (ii) refinance existing indebtedness of the Borrower which financed the costs of (a) the acquisition and improvements of neighboring properties located at 5035 N. Spaulding Avenue, Chicago, Illinois, 5049 N. Spaulding Avenue, Chicago, Illinois, 5001-13 N. Kedzie Avenue, Chicago, Illinois, 5214 N. Spaulding Avenue, Chicago, Illinois, 5312 N. Sawyer Avenue, Chicago, Illinois, 5349 N. Spaulding Avenue, Chicago, Illinois, 5059 N. Sawyer Avenue Chicago, Illinois, (b) capital improvements to the Borrower's Magnuson Campus Center building located at 5000 N. Spaulding Avenue, Chicago, Illinois, and (c) capital improvements to Anderson Hall, a university residence hall also located at 5000 N. Spaulding Avenue, Chicago, Illinois, (iii) reimburse the Borrower for miscellaneous repairs, capital improvements, capital expenditures, capital additions and educational equipment and fixtures to various buildings, including construction of the nursing simulation laboratory, renovations to Ohlson House, Lund House and Anderson Hall and including landscaping and site improvements, all at or near the Borrower's campus located at 5258 N. Spaulding Avenue, Chicago, Illinois, 5148 N. Spaulding Ave., 5111 N. Spaulding Ave., 5130 N. Christiana Ave, 5001-07 N. Spaulding Ave/3246-56 W. Argyle Street, 3225 W. Foster Ave., 5000 N. Spaulding Ave., 32330 W. Carmen Ave., and 3311-3315 W. Foster Ave., Chicago, Illinois (collectively, the "Project") and (iv) pay all or a portion of the costs of issuing the Bonds (collectively, the "Financing Purposes").

Resolutions

Item No. 10: **Resolution for the benefit of Convent of the Sacred Heart of Chicago, Illinois (and the Sacred Heart School Project) authorizing the execution and delivery**

<u>of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement, and related documents; and approving related matters</u>

Ms. Lenane presented the following projects and resolutions:

Healthcare – 501(c)(3) Revenue Bonds

Item No. 8: <u>Lutheran Home and Services Obligated Group - $120,000,000</u>

Lutheran Home and Services Obligated Group is requesting approval of a Final Bond Resolution in an amount not-to-exceed One Hundred Twenty Million Dollars ($120,000,000).

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

Item No. 9: <u>Rosecrance, Inc. - $18,000,000</u>

Rosecrance, Inc. is requesting approval of a Final Bond Resolution in an amount not-to-exceed Eighteen Million Dollars ($18,000,000). This project is being presented for one-time consideration.

Bond proceeds will be used by Rosecrance, Inc. ("Rosecrance", the "Corporation" or the "Borrower") to (i) pay or reimburse the Users for the costs of acquiring, constructing, remodeling, renovating and equipping certain health care facilities owned by the Users; (ii) currently refund all or a portion of the outstanding

County of Winnebago, Series 1998 Bonds; (iii) currently refund all or a portion of the outstanding Illinois Development Finance Authority, Series 2003 Bonds; (iv) refinance certain taxable mortgage loans of the Users and (v) pay certain expenses incurred in connection with the issuance of the Series 2012 Bonds, the refinancing of the Taxable Loans and the current refunding of the Prior Bonds.

Resolutions

Item No. 11: **Resolution Approving the Execution of Supplemental Bond Indentures to Permit the Exchange of Master Notes Currently held by Various Bond Trustees for Master Notes Provided by "Presence Health Obligated Group", a newly created Parent Company for both Resurrection Health Care Corporation and Provena Health**

Item No. 12: **Resolution Authorizing the Execution and Delivery by the Illinois Finance Authority of a First Supplemental Indenture of Trust relating to its Tax-Exempt Revenue Bonds (Illinois Medical District Commission Project) Series 2006A and its Taxable Revenue Bonds (Illinois Medical District Commission Project) Series 2006B, along with related documents**

VIII. Other Business

Executive Director Meister reminded the members of the Committee of the Whole that they are subject to the requirements of the Open Meetings Act, and as such, are required to complete the online training.

IX. Public Comment

None.

X. Adjournment

The Committee of the Whole Meeting adjourned at 10:22 a.m.

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

MINUTES OF THE SEPTEMBER 11, 2012 MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held a Board Meeting on September 11, 2012, at 10:30 a.m. in the Conference Center, One Prudential Plaza, 130 East Randolph Avenue, Suite 750, Chicago, Illinois 60601.

IFA Board Members Present:

1. William A. Brandt, Jr., Chairman
2. Michael W. Goetz, Vice Chairman
3. Dr. William Barclay
4. Gila J. Bronner
5. Norman M. Gold
6. Terrence M. O'Brien
7. Heather D. Parish
8. Mayor Barrett F. Pedersen
9. Roger E. Poole (via audio conference)
10. Bradley A. Zeller

IFA Board Members Excused:

1. James J. Fuentes
2. Edward H. Leonard, Sr.

IFA Staff Present:

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

IFA Financial Advisor Present:

Courtney Shea, Acacia Financial Group, Inc.

I. Call to Order & Roll Call

The Board Meeting was called to order at 10:34 a.m. by Chairman Brandt. The Assistant Secretary of the Board, Mr. Fletcher, called the roll. There being nine members physically present and one member participating via audio conference, a quorum was reached.

II. Chairman's Remarks

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

III. Adoption of Minutes

Chairman Brandt stated that both the Minutes of the Committee of the Whole Meeting and the Minutes of the Board Meeting, each held on August 14, 2012, were reviewed at the Committee of the Whole Meeting held earlier this morning. Additionally, Chairman Brandt stated that the Financial Statements for the Month ended August 31, 2012 were reviewed at the Committee of the Whole Meeting held earlier this morning. Chairman Brandt requested a motion to adopt the Minutes of both Meetings held on August 14, 2012 and accept the Financial Statements for the Month ended August 31, 2012. Mr. O'Brien made a motion and Vice Chairman Goetz seconded the motion. A roll call vote was taken and the motion was adopted unanimously.

IV. Acceptance of Financial Statements

See Item III.

V. Approval of Project Reports and Resolutions

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

Mr. Frampton presented each of the following projects:

Agriculture – Beginning Farmer Bonds

Item No. 1A: <u>Dustin & Dee Ellinger - $118,000</u>

Dustin & Dee Ellinger are requesting approval of a Final Bond Resolution in an amount not-to-exceed One Hundred Eighteen Thousand Dollars ($118,000). Bond proceeds will be used to finance the acquisition of approximately 33.74 acres of farmland located in South Litchfield Township in Montgomery County.

Item No. 1B: <u>Jonathan Dolder - $446,650</u>

Jonathan Dolder is requesting approval of a Final Bond Resolution in an amount not-to-exceed Four Hundred Forty-Six Thousand Six Hundred and Fifty Dollars ($446,650). Bond proceeds will be used to finance the acquisition of approximately 122 acres of farmland located in Serena Township in LaSalle County.

Agriculture – Agri-Debt Guarantee

Item No. 2: <u>Brian & Kelly Duncan - $423,000</u>

Brian & Kelly Duncan are requesting approval of an Agri-Debt Guarantee in an amount not-to-exceed Four Hundred Twenty-Three Thousand Dollars ($423,000).

Loan proceeds will be used to finance the purchase of 350 shares of stock in South Morgan Acres, LLC and refinance an existing IFA Guaranteed Loan in the amount of One Hundred Twenty-Five Thousand Five Hundred Dollars ($125,500). The Agri-Debt Guarantee of eighty-five percent of the Loan, or Three Hundred Fifty-Nine Thousand Five Hundred and Fifty Dollars ($359,550), is a full faith and credit obligation of the State of Illinois.

Educational, Cultural, and Non-Healthcare 501(c)(3) – 501(c)(3) Revenue Bonds

Item No. 5: **Rosalind Franklin University of Medicine & Science - $16,600,000**

Rosalind Franklin University of Medicine & Science is requesting approval of a Final Bond Resolution in an amount not-to-exceed Sixteen Million Six Hundred Thousand Dollars ($16,600,000).

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

Healthcare – 501(c)(3) Revenue Bonds

Item No. 8: **Lutheran Home and Services Obligated Group - $120,000,000**

Lutheran Home and Services Obligated Group is requesting approval of a Final Bond Resolution in an amount not-to-exceed One Hundred Twenty Million Dollars ($120,000,000).

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

Item No. 9: **Rosecrance, Inc. - $18,000,000**

Rosecrance, Inc. is requesting approval of a Final Bond Resolution in an amount not-to-exceed Eighteen Million Dollars ($18,000,000). This project is being presented for one-time consideration.

Bond proceeds will be used by Rosecrance, Inc. (“Rosecrance”, the “Corporation” or the “Borrower”) to (i) pay or reimburse the Users for the costs of acquiring, constructing, remodeling, renovating and equipping certain health care facilities owned by the Users; (ii) currently refund all or a portion of the outstanding County of Winnebago, Series 1998 Bonds; (iii) currently refund all or a portion of the outstanding Illinois Development Finance Authority, Series 2003 Bonds; (iv) refinance certain taxable mortgage loans of the Users and (v) pay certain expenses incurred in connection with the issuance of the Series 2012 Bonds, the refinancing of the Taxable Loans and the current refunding of the Prior Bonds.

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

Chairman Brandt asked Mr. Frampton to present the projects and resolutions to the Board which may have guests.

Mr. Frampton presented each of the following resolutions:

Resolutions

Item No. 11: **Resolution Approving the Execution of Supplemental Bond Indentures to Permit the Exchange of Master Notes Currently held by Various Bond Trustees for Master Notes Provided by "Presence Health Obligated Group",**

a newly created Parent Company for both Resurrection Health Care Corporation and Provena Health

Item No. 12: **Resolution Authorizing the Execution and Delivery by the Illinois Finance Authority of a First Supplemental Indenture of Trust relating to its Tax-Exempt Revenue Bonds (Illinois Medical District Commission Project) Series 2006A and its Taxable Revenue Bonds (Illinois Medical District Commission Project) Series 2006B, along with related documents**

Item No. 10: **Resolution for the benefit of Convent of the Sacred Heart of Chicago, Illinois (and the Sacred Heart School Project) authorizing the execution and delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement, and related documents; and approving related matters**

Brian McGuinness, Chief Financial Officer of Sacred Heart Schools thanked the members of the Board for their consideration of this financing.

Chairman Brandt thanked Mr. McGuinness for his appearance before the Board. Chairman Brandt asked if the members of the Board had any questions related to any of the resolutions presented. There being none, Chairman Brandt requested leave to apply the previous roll call vote in favor of each resolution. Leave was granted unanimously.

Mr. Frampton presented each of the following projects:

Business & Industry – Airport Facility Revenue Bonds

Item No. 3: **Hawthorne Chicago, LLC - $9,500,000**

Hawthorne Chicago, LLC is requesting approval of a Final Bond Resolution in an amount not-to-exceed Nine Million Five Hundred Thousand Dollars ($9,500,000).

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

Will Harton, Vice President – Corporate Development of Hawthorne Global Aviation Services thanked the members of the Board for their consideration of this financing.

Chairman Brandt thanked Mr. Harton for his appearance before the Board.

Educational, Cultural, and Non-Healthcare 501(c)(3) – 501(c)(3) Revenue Bonds

Item No. 6: <u>The Art Institute of Chicago - $70,000,000</u>

The Art Institute of Chicago is requesting approval of a Final Bond Resolution in an amount not-to-exceed Seventy Million Dollars ($70,000,000). This project is being presented for one-time consideration.

Bond proceeds will be used by The Art Institute of Chicago ("AIC", the "Institute", or the "Borrower"), together with other funds of the Borrower, to (i) refund all or a portion of the Institute's outstanding Illinois Educational Facilities Authority Adjustable Medium Term Revenue Bonds, The Art Institute of Chicago, Series 1998A (the "Series 1998A Bonds"), (ii) refund all or a portion of the Institute's outstanding Illinois Educational Facilities Authority Adjustable Demand Revenue Bonds, Series 2000A (the "Series 2000A Bonds"), (iii) refund all or a portion of the Institute's outstanding Illinois Educational Facilities Authority Revenue Refunding Bonds, Series 2003A (the "Series 2003A Bonds"), (iv) refund all or portion of the Institute's outstanding Illinois Finance Authority Revenue Bonds, Series 2010B (the "Series 2010B Bonds" and, together with the Series 1998A Bonds, the Series 2000A Bonds and the Series 2003A Bonds, the "Refunded Bonds"), and (v) pay costs of issuance, if deemed necessary or desirable by the Borrower (collectively, the "financing purposes").

Eric Anyah, Executive Vice President/Chief Financial Officer of The Art Institute of Chicago thanked the members of the Board for their consideration of this financing.

Chairman Brandt thanked Mr. Anyah for his appearance before the Board.

Item No. 7: <u>North Park University - $30,000,000</u>

North Park University is requesting approval of a Final Bond Resolution in an amount not-to-exceed Thirty Million Dollars ($30,000,000). This project is being presented for one-time consideration.

Bond proceeds will be used by North Park University (the "University" or the "Borrower") and used to (i) finance the costs of the construction and equipping of an approximately 101,000 square foot science and community life building to be located at or near 5125-5143 N. Christians Avenue, Chicago, Illinois, (ii) refinance existing indebtedness of the Borrower which financed the costs of (a) the acquisition and improvements of neighboring properties located at 5035 N. Spaulding Avenue, Chicago, Illinois, 5049 N. Spaulding Avenue, Chicago, Illinois, 5001-13 N. Kedzie Avenue, Chicago, Illinois, 5214 N. Spaulding Avenue, Chicago, Illinois, 5312 N. Sawyer Avenue, Chicago, Illinois, 5349 N.

Spaulding Avenue, Chicago, Illinois, 5059 N. Sawyer Avenue Chicago, Illinois, (b) capital improvements to the Borrower's Magnuson Campus Center building located at 5000 N. Spaulding Avenue, Chicago, Illinois, and (c) capital improvements to Anderson Hall, a university residence hall also located at 5000 N. Spaulding Avenue, Chicago, Illinois, (iii) reimburse the Borrower for miscellaneous repairs, capital improvements, capital expenditures, capital additions and educational equipment and fixtures to various buildings, including construction of the nursing simulation laboratory, renovations to Ohlson House, Lund House and Anderson Hall and including landscaping and site improvements, all at or near the Borrower's campus located at 5258 N. Spaulding Avenue, Chicago, Illinois, 5148 N. Spaulding Ave., 5111 N. Spaulding Ave., 5130 N. Christiana Ave, 5001-07 N. Spaulding Ave/3246-56 W. Argyle Street, 3225 W. Foster Ave., 5000 N. Spaulding Ave., 32330 W. Carmen Ave., and 3311-3315 W. Foster Ave., Chicago, Illinois (collectively, the "Project") and (iv) pay all or a portion of the costs of issuing the Bonds (collectively, the "Financing Purposes").

Carl E. Balsam, Executive Vice President & Chief Financial Officer of North Park University thanked the members of the Board for their consideration of this financing.

Chairman Brandt thanked Mr. Balsam for his appearance before the Board. Chairman Brandt asked if the members of the Board had any questions related to any of the projects presented. There being none, Chairman Brandt requested leave to apply the previous roll call vote in favor of each project. Leave was granted unanimously.

Chairman Brandt asked Mr. Frampton to present projects to the Board which may require abstentions.

Mr. Frampton presented the following project:

Business & Industry – Freight Transfer Facilities Revenue Bonds

Item No. 4: <u>CenterPoint Joliet Terminal Railroad, LLC - $80,000,000</u>

CenterPoint Joliet Terminal Railroad, LLC is requesting approval of a Final Bond Resolution in an amount not-to-exceed Eighty Million Dollars ($80,000,000). This project is being presented for one-time consideration.

Bond proceeds will finance the acquisition of land, and construction and equipping of various capital improvements thereon at CenterPoint Intermodal Center in Joliet, Illinois, a rail-to-truck and truck-to-rail Intermodal facility generally located south and east of the Des Plaines River, east of the Burlington Northern Santa Fe Railway, north of Noel Road, and west of both Illinois 53 and the Union Pacific Railroad, and located within the corporate boundaries of the City of Joliet. Additionally, with respect to the heretofore issued Illinois Finance Authority Surface Freight Transfer Facilities Revenue Bonds, Series 2010

(CenterPoint Joliet Terminal Railroad Project), this financing will authorize a Supplemental Indenture to amend certain documents relating to the Series 2010 Bonds, if deemed necessary and desirable by the Borrower.

Tim Lippert, Vice President of Finance of CenterPoint Properties thanked the members of the Board for their consideration of this financing.

Chairman Brandt thanked Mr. Lippert for his appearance before the Board. Chairman Brandt asked if the members of the Board had any questions related to the project presented. There being none, Chairman Brandt requested a roll call vote in favor of the project in anticipation of an abstention. The Assistant Secretary of the Board, Mr. Fletcher, called the roll. With nine yeas, zero nays and one abstention by Mr. Gold, the project was granted approval. Mr. Gold abstained due to his employment relationship with one of the law firms associated with this transaction.

VI. Other Business

None.

VII. Public Comment

None.

VIII. Adjournment

Chairman Brandt requested a motion to adjourn the Board Meeting. A motion to adjourn was made by Mr. Goetz and seconded by Ms. Bronner. A voice vote was taken on the motion. The motion prevailed.

The Board Meeting adjourned at 11:00 a.m.

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

Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
for Period Ending
September 30, 2012

	Actual September 2012	Budget September 2012	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2013	Budget YTD FY 2013	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2013	% of Budget Expended
REVENUE										
INTEREST ON LOANS	19,938	16,421	3,517	21.42%	63,164	54,000	9,164	16.97%	269,742	23.42%
INVESTMENT INTEREST & GAIN(LOSS)	5,450	2,083	3,367	161.64%	12,752	6,249	6,503	104.06%	25,000	51.01%
ADMINISTRATIONS & APPLICATION FEES	720,833	461,465	259,368	56.21%	1,225,269	1,379,759	(154,490)	-11.20%	3,789,504	32.33%
ANNUAL ISSUANCE & LOAN FEES	30,507	28,234	2,273	8.05%	88,021	89,775	(1,754)	-1.95%	386,222	22.79%
OTHER INCOME	81,146	17,198	63,948	371.83%	229,620	51,594	178,026	345.05%	206,375	111.26%
TOTAL REVENUE	857,874	525,401	332,473	63.28%	1,618,826	1,581,377	37,449	2.37%	4,676,843	34.61%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	109,490	122,863	(13,373)	-10.88%	335,065	374,071	(39,006)	-10.43%	1,462,277	22.91%
BENEFITS	19,651	20,658	(1,007)	-4.87%	59,331	60,974	(1,643)	-2.69%	244,896	24.23%
TEMPORARY HELP	-		-	0.00%			-	0.00%	-	0.00%
EDUCATION & DEVELOPMENT	-	500	(500)	-100.00%	150	1,500	(1,350)	-90.00%	6,000	2.50%
TRAVEL & AUTO	4,243	5,000	(757)	-15.14%	10,217	15,000	(4,783)	-31.89%	60,000	17.03%
TOTAL EMPLOYEE RELATED EXPENSES	133,384	149,021	(15,637)	-10.49%	404,763	451,545	(46,782)	-10.36%	1,773,173	22.83%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	37,909	37,458	451	1.20%	113,603	112,374	1,229	1.09%	449,500	25.27%
LOAN EXPENSE & BANK FEE	7,477	8,750	(1,273)	-14.55%	25,408	26,250	(842)	-3.21%	105,000	24.20%
ACCOUNTING & AUDITING	27,906	24,754	3,152	12.73%	82,949	74,262	8,687	11.70%	297,000	27.93%
MARKETING GENERAL	163	1,250	(1,087)	-86.96%	2,107	3,750	(1,643)	-43.81%	15,000	14.05%
FINANCIAL ADVISORY	8,333	8,333	-	0.00%	24,999	24,999	-	0.00%	100,000	25.00%
CONFERENCE/TRAINING	2,070	2,500	(430)	-17.20%	5,595	7,500	(1,905)	-25.40%	30,000	18.65%
MISC. PROFESSIONAL SERVICES	17,850	6,250	11,600	185.60%	30,350	18,750	11,600	61.87%	75,000	40.47%
DATA PROCESSING	44,805	5,833	38,972	668.13%	50,196	17,499	32,697	186.85%	70,000	71.71%
TOTAL PROFESSIONAL SERVICES	146,513	95,128	51,385	54.02%	335,207	285,384	49,823	17.46%	1,141,500	29.37%
OCCUPANCY COSTS										
OFFICE RENT	21,688	22,406	(718)	-3.20%	64,169	67,218	(3,049)	-4.54%	268,872	23.87%
EQUIPMENT RENTAL AND PURCHASES	1,650	1,333	317	23.78%	3,638	3,999	(361)	-9.03%	16,000	22.74%
TELECOMMUNICATIONS	2,934	2,917	17	0.58%	7,014	8,751	(1,737)	-19.85%	35,000	20.04%
UTILITIES	997	1,000	(3)	-0.30%	2,841	3,000	(159)	-5.30%	12,000	23.68%
DEPRECIATION	3,621	2,708	913	33.71%	10,935	8,124	2,811	34.60%	32,500	33.65%
INSURANCE	1,951	2,083	(132)	-6.34%	5,852	6,249	(397)	-6.35%	25,000	23.41%
TOTAL OCCUPANCY COSTS	32,841	32,447	394	1.21%	94,449	97,341	(2,892)	-2.97%	389,372	24.26%

Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
for Period Ending
September 30, 2012

	Actual September 2012	Budget September 2012	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2013	Budget YTD FY 2013	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2013	% of Budget Expended
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	3,014	2,983	31	1.04%	7,868	8,949	(1,081)	-12.08%	35,800	21.98%
BOARD MEETING - EXPENSES	2,572	2,917	(345)	-11.83%	6,825	8,751	(1,926)	-22.01%	35,000	19.50%
PRINTING	538	833	(295)	-35.41%	1,630	2,499	(869)	-34.77%	10,000	16.30%
POSTAGE & FREIGHT	1,032	1,250	(218)	-17.44%	4,678	3,750	928	24.75%	15,000	31.19%
MEMBERSHIP, DUES & CONTRIBUTIONS	-	2,000	(2,000)	-100.00%	1,877	6,000	(4,123)	-68.72%	34,000	5.52%
PUBLICATIONS	203	583	(380)	-65.18%	222	1,749	(1,527)	-87.31%	7,000	3.17%
OFFICERS & DIRECTORS INSURANCE	16,542	16,667	(125)	-0.75%	48,192	50,001	(1,809)	-3.62%	200,000	24.10%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	23,901	27,233	(3,332)	-12.24%	71,292	81,699	(10,407)	-12.74%	336,800	21.17%
LOAN LOSS PROVISION/BAD DEBT	-	-	-	.	-	-	-	0.00%	-	0.00%
OTHER										
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL EXPENSES	336,639	303,829	32,810	10.80%	905,711	915,969	(10,258)	-1.12%	3,640,845	24.88%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	521,235	221,572	299,663	135.24%	713,115	665,408	47,707	7.17%	1,035,998	68.83%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	-	-	-	0.00%	317,153	-	317,153	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	521,235	221,572	299,663	135.24%	1,030,268	665,408	364,860	54.83%	1,035,998	99.45%

Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending September 30, 2012

	Actual September 2012	Actual September 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2013	Actual YTD FY 2012	Year to Date Variance Actual vs. Budget	YTD % Variance
REVENUE								
INTEREST ON LOANS	19,938	32,623	(12,685)	-38.88%	63,164	321,311	(258,147)	-80.34%
INVESTMENT INTEREST & GAIN(LOSS)	5,450	2,636	2,814	106.75%	12,752	6,480	6,272	96.79%
ADMINISTRATIONS & APPLICATION FEES	720,833	292,056	428,777	146.81%	1,225,269	549,468	675,801	122.99%
ANNUAL ISSUANCE & LOAN FEES	30,507	53,269	(22,762)	-42.73%	88,021	113,651	(25,630)	-22.55%
OTHER INCOME	81,146	128,830	(47,684)	-37.01%	229,620	142,425	87,195	61.22%
TOTAL REVENUE	857,874	509,414	348,460	68.40%	1,618,826	1,133,335	485,491	42.84%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	109,490	123,446	(13,956)	-11.31%	335,065	392,142	(57,077)	-14.56%
BENEFITS	19,651	17,657	1,994	11.29%	59,331	60,705	(1,374)	-2.26%
TEMPORARY HELP	-	-	-	0.00%		-	-	0.00%
EDUCATION & DEVELOPMENT	-	150	(150)	0.00%	150	150	-	0.00%
TRAVEL & AUTO	4,243	2,337	1,906	81.56%	10,217	8,861	1,356	15.30%
TOTAL EMPLOYEE RELATED EXPENSES	133,384	143,590	(10,206)	-7.11%	404,763	461,858	(57,095)	-12.36%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	37,909	29,312	8,597	29.33%	113,603	89,216	24,387	27.33%
LOAN EXPENSE & BANK FEE	7,477	8,949	(1,472)	-16.45%	25,408	27,062	(1,654)	-6.11%
ACCOUNTING & AUDITING	27,906	24,205	3,701	15.29%	82,949	65,615	17,334	26.42%
MARKETING GENERAL	163	1,065	(902)	-84.69%	2,107	1,584	523	33.02%
FINANCIAL ADVISORY	8,333	16,667	(8,334)	-50.00%	24,999	50,001	(25,002)	-50.00%
CONFERENCE/TRAINING	2,070	2,884	(814)	-28.22%	5,595	5,664	(69)	-1.22%
MISC. PROFESSIONAL SERVICES	17,850	9,167	8,683	94.72%	30,350	27,501	2,849	10.36%
DATA PROCESSING	44,805	1,928	42,877	2223.91%	50,196	7,223	42,973	594.95%
TOTAL PROFESSIONAL SERVICES	146,513	94,177	52,336	55.57%	335,207	273,866	61,341	22.40%
OCCUPANCY COSTS								
OFFICE RENT	21,688	21,132	556	2.63%	64,169	65,587	(1,418)	-2.16%
EQUIPMENT RENTAL AND PURCHASES	1,650	1,523	127	8.34%	3,638	5,824	(2,186)	-37.53%
TELECOMMUNICATIONS	2,934	1,929	1,005	52.10%	7,014	7,752	(738)	-9.52%
UTILITIES	997	1,135	(138)	-12.16%	2,841	3,524	(683)	-19.38%
DEPRECIATION	3,621	4,075	(454)	-11.14%	10,935	8,641	2,294	26.55%
INSURANCE	1,951	1,945	6	0.31%	5,852	5,835	17	0.29%
TOTAL OCCUPANCY COSTS	32,841	31,739	1,102	3.47%	94,449	97,163	(2,714)	-2.79%

Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending September 30, 2012

	Actual September 2012	Actual September 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2013	Actual YTD FY 2012	Year to Date Variance Actual vs. Budget	YTD % Variance
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	3,014	2,315	699	30.19%	7,868	7,883	(15)	-0.19%
BOARD MEETING - EXPENSES	2,572	2,338	234	10.01%	6,825	7,222	(397)	-5.50%
PRINTING	538	812	(274)	-33.74%	1,630	2,701	(1,071)	-39.65%
POSTAGE & FREIGHT	1,032	732	300	40.98%	4,678	6,213	(1,535)	-24.71%
MEMBERSHIP, DUES & CONTRIBUTIONS	-	4,487	(4,487)	-100.00%	1,877	6,851	(4,974)	-72.60%
PUBLICATIONS	203	184	19	10.33%	222	637	(415)	-65.15%
OFFICERS & DIRECTORS INSURANCE	16,542	15,507	1,035	6.67%	48,192	46,031	2,161	4.69%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%
TOTAL GENL & ADMIN EXPENSES	23,901	26,375	(2,474)	-9.38%	71,292	77,538	(6,246)	-8.06%
LOAN LOSS PROVISION/BAD DEBT	-	-	-	.	-	-	-	0.00%
OTHER								
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%
TOTAL EXPENSES	336,639	295,881	40,758	13.78%	905,711	910,425	(4,714)	-0.52%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	521,235	213,533	307,702	144.10%	713,115	222,910	490,205	219.91%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER	-	8,008	(8,008)	0.00%	317,153	8,008	309,145	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	521,235	221,541	299,694	135.28%	1,030,268	230,918	799,350	346.16%

Illinois Finance Authority
General Fund
Unaudited
Balance Sheet
for the Three Months Ending September 30, 2012

	Actual September 2011	Actual Septembe 2012
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	$ 33,313,363	$ 41,460,701
RECEIVABLES, NET	247,837	564,767
LOAN RECEIVABLE, NET	10,888,512	6,213,249
OTHER RECEIVABLES	267,323	58,337
PREPAID EXPENSES	175,280	209,647
TOTAL CURRENT ASSETS	44,892,315	48,506,701
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	144,161	97,397
DEFERRED ISSUANCE COSTS	284,659	235,841
OTHER ASSETS		
CASH RESTRICTED, INVESTMENTS & RESERVES	874,380	875,154
VENTURE CAPITAL INVESTMENTS	-	-
OTHER	578	7,669
TOTAL OTHER ASSETS	874,958	882,823
TOTAL ASSETS	$ 46,196,093	$ 49,722,762
LIABILITIES		
CURRENT LIABILITIES	$ 1,963,669	$ 620,606
LONG-TERM LIABILITIES	417,181	348,292
TOTAL LIABILITIES	2,380,850	968,898
EQUITY		
CONTRIBUTED CAPITAL	4,111,479	4,111,479
RETAINED EARNINGS	27,501,548	31,640,819
NET INCOME / (LOSS)	230,918	1,030,268
RESERVED/RESTRICTED FUND BALANCE	1,732,164	1,732,164
UNRESERVED FUND BALANCE	10,239,134	10,239,134
TOTAL EQUITY	43,815,243	48,753,864
TOTAL LIABILITIES & EQUITY	$ 46,196,093	$ 49,722,762

Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
for Period Ending
September 30, 2012

	Actual September 2012	Budget September 2012	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2013	Budget YTD FY 2013	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2013	% of Budget Expended
REVENUE										
INTEREST ON LOANS	157,976	153,039	4,937	3.23%	478,493	468,880	9,613	2.05%	1,931,461	24.77%
INVESTMENT INTEREST & GAIN(LOSS)	50,417	45,154	5,263	11.66%	273,123	135,462	137,661	101.62%	543,350	50.27%
ADMINISTRATIONS & APPLICATION FEES	720,833	461,465	259,368	56.21%	1,225,269	1,379,759	(154,490)	-11.20%	3,789,504	32.33%
ANNUAL ISSUANCE & LOAN FEES	30,507	28,234	2,273	8.05%	88,021	89,775	(1,754)	-1.95%	386,222	22.79%
OTHER INCOME	104,298	42,198	62,100	147.16%	323,841	126,594	197,247	155.81%	506,375	63.95%
TOTAL REVENUE	1,064,031	730,090	333,941	45.74%	2,388,747	2,200,470	188,277	8.56%	7,156,912	33.38%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	109,490	122,863	(13,373)	-10.88%	335,065	374,071	(39,006)	-10.43%	1,462,277	22.91%
BENEFITS	19,651	20,658	(1,007)	-4.87%	59,331	60,974	(1,643)	-2.69%	244,896	24.23%
TEMPORARY HELP	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
EDUCATION & DEVELOPMENT	-	500	(500)	-100.00%	150	1,500	(1,350)	-90.00%	6,000	2.50%
TRAVEL & AUTO	4,243	5,000	(757)	-15.14%	10,217	15,000	(4,783)	-31.89%	60,000	17.03%
TOTAL EMPLOYEE RELATED EXPENSES	133,384	149,021	(15,637)	-10.49%	404,763	451,545	(46,782)	-10.36%	1,773,173	22.83%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	39,992	39,542	450	1.14%	119,852	118,626	1,226	1.03%	474,500	25.26%
LOAN EXPENSE & BANK FEE	168,977	170,236	(1,259)	-0.74%	509,905	510,708	(803)	-0.16%	2,042,832	24.96%
ACCOUNTING & AUDITING	29,205	26,653	2,552	9.57%	86,846	79,959	6,887	8.61%	319,791	27.16%
MARKETING GENERAL	163	1,250	(1,087)	-86.96%	2,107	3,750	(1,643)	-43.81%	15,000	14.05%
FINANCIAL ADVISORY	8,333	8,333	-	0.00%	24,999	24,999	-	0.00%	100,000	25.00%
CONFERENCE/TRAINING	2,070	2,500	(430)	-17.20%	5,595	7,500	(1,905)	-25.40%	30,000	18.65%
MISC. PROFESSIONAL SERVICES	21,183	9,583	11,600	121.05%	40,349	28,749	11,600	40.35%	115,000	35.09%
DATA PROCESSING	44,805	5,833	38,972	668.13%	50,196	17,499	32,697	186.85%	70,000	71.71%
TOTAL PROFESSIONAL SERVICES	314,728	263,930	50,798	19.25%	839,849	791,790	48,059	6.07%	3,167,123	26.52%
OCCUPANCY COSTS										
OFFICE RENT	21,688	22,406	(718)	-3.20%	64,169	67,218	(3,049)	-4.54%	268,872	23.87%
EQUIPMENT RENTAL AND PURCHASES	1,650	1,333	317	23.78%	3,638	3,999	(361)	-9.03%	16,000	22.74%
TELECOMMUNICATIONS	2,934	2,917	17	0.58%	7,014	8,751	(1,737)	-19.85%	35,000	20.04%
UTILITIES	997	1,000	(3)	-0.30%	2,841	3,000	(159)	-5.30%	12,000	23.68%
DEPRECIATION	3,621	2,708	913	33.71%	10,935	8,124	2,811	34.60%	32,500	33.65%
INSURANCE	1,951	2,083	(132)	-6.34%	5,851	6,249	(398)	-6.37%	25,000	23.40%
TOTAL OCCUPANCY COSTS	32,841	32,447	394	1.21%	94,448	97,341	(2,893)	-2.97%	389,372	24.26%

Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
for Period Ending
September 30, 2012

	Actual September 2012	Budget September 2012	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2013	Budget YTD FY 2013	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2013	% of Budget Expended
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	3,014	2,983	31	1.04%	7,866	8,949	(1,083)	-12.10%	35,800	21.97%
BOARD MEETING - EXPENSES	2,572	2,917	(345)	-11.83%	6,825	8,751	(1,926)	-22.01%	35,000	19.50%
PRINTING	538	833	(295)	-35.41%	1,630	2,499	(869)	-34.77%	10,000	16.30%
POSTAGE & FREIGHT	1,032	1,250	(218)	-17.44%	4,678	3,750	928	24.75%	15,000	31.19%
MEMBERSHIP, DUES & CONTRIBUTIONS	-	2,000	(2,000)	-100.00%	1,877	6,000	(4,123)	-68.72%	34,000	5.52%
PUBLICATIONS	203	583	(380)	-65.18%	222	1,749	(1,527)	-87.31%	7,000	3.17%
OFFICERS & DIRECTORS INSURANCE	16,541	16,667	(126)	-0.76%	48,192	50,001	(1,809)	-3.62%	200,000	24.10%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	23,900	27,233	(3,333)	-12.24%	71,290	81,699	(10,409)	-12.74%	336,800	21.17%
LOAN LOSS PROVISION/BAD DEBT	-	-	-	.	-	-	-	0.00%	-	0.00%
OTHER										
INTEREST EXPENSE	455	455	-	0.00%	1,364	1,365	(1)	-0.07%	5,166	26.40%
TOTAL OTHER	455	455	-	0.00%	1,364	1,365	(1)	-0.07%	5,166	0.00%
TOTAL EXPENSES	505,308	473,086	32,222	6.81%	1,411,714	1,423,740	(12,026)	-0.84%	5,671,634	24.89%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	558,723	257,004	301,719	117.40%	977,033	776,730	200,303	25.79%	1,485,278	65.78%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT		-	-	0.00%		-	-	0.00%	-	0.00%
TRANSFER		-	-	0.00%		-	-	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	841,399	-	841,399	0.00%	-	0.00%
TRANSFER FROM STATE		-	-	0.00%		-	-	0.00%	-	-
NET INCOME/(LOSS)	558,723	257,004	301,719	117.40%	1,818,432	776,730	1,041,702	134.11%	1,485,278	122.43%

Illinois Finance Authority
Consolidated Statement of Activities
Comparison
for Period Ending
September 30, 2012

	Actual September 2012	Actual September 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2013	Actual YTD FY 2012	Year to Date Variance Actual vs. Budget	YTD % Variance
REVENUE								
INTEREST ON LOANS	157,976	(70,493)	228,469	-324.10%	478,493	791,635	(313,142)	-39.56%
INVESTMENT INTEREST & GAIN(LOSS)	50,417	15,500	34,917	225.27%	273,123	145,170	127,953	88.14%
ADMINISTRATIONS & APPLICATION FEES	720,833	292,056	428,777	146.81%	1,225,269	549,468	675,801	122.99%
ANNUAL ISSUANCE & LOAN FEES	30,507	53,269	(22,762)	-42.73%	88,021	113,651	(25,630)	-22.55%
OTHER INCOME	104,298	161,964	(57,666)	-35.60%	323,841	226,491	97,350	42.98%
TOTAL REVENUE	1,064,031	452,296	611,735	135.25%	2,388,747	1,826,415	562,332	30.79%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	109,490	123,446	(13,956)	-11.31%	335,065	392,142	(57,077)	-14.56%
BENEFITS	19,651	17,657	1,994	11.29%	59,331	60,705	(1,374)	-2.26%
TEMPORARY HELP	-	-	-	0.00%	-	-	-	0.00%
EDUCATION & DEVELOPMENT	-	150	(150)	0.00%	150	150	-	0.00%
TRAVEL & AUTO	4,243	2,337	1,906	81.56%	10,217	8,861	1,356	15.30%
TOTAL EMPLOYEE RELATED EXPENSES	133,384	143,590	(10,206)	-7.11%	404,763	461,858	(57,095)	-12.36%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	39,992	31,395	8,597	27.38%	119,852	95,465	24,387	25.55%
LOAN EXPENSE & BANK FEE	168,977	26,532	142,445	536.88%	509,905	557,139	(47,234)	-8.48%
ACCOUNTING & AUDITING	29,205	21,834	7,371	33.76%	86,846	66,342	20,504	30.91%
MARKETING GENERAL	163	1,066	(903)	-84.71%	2,107	1,584	523	33.02%
FINANCIAL ADVISORY	8,333	16,667	(8,334)	-50.00%	24,999	50,001	(25,002)	-50.00%
CONFERENCE/TRAINING	2,070	2,884	(814)	-28.22%	5,595	5,664	(69)	-1.22%
MISC. PROFESSIONAL SERVICES	21,183	12,500	8,683	69.46%	40,349	37,500	2,849	7.60%
DATA PROCESSING	44,805	1,928	42,877	2223.91%	50,196	7,223	42,973	594.95%
TOTAL PROFESSIONAL SERVICES	314,728	114,806	199,922	174.14%	839,849	820,918	18,931	2.31%
OCCUPANCY COSTS								
OFFICE RENT	21,688	21,132	556	2.63%	64,169	65,587	(1,418)	-2.16%
EQUIPMENT RENTAL AND PURCHASES	1,650	1,522	128	8.41%	3,638	5,824	(2,186)	-37.53%
TELECOMMUNICATIONS	2,934	1,929	1,005	52.10%	7,014	7,751	(737)	-9.51%
UTILITIES	997	1,135	(138)	-12.16%	2,841	3,524	(683)	-19.38%
DEPRECIATION	3,621	4,075	(454)	-11.14%	10,935	8,641	2,294	26.55%
INSURANCE	1,951	1,945	6	0.31%	5,851	5,835	16	0.27%
TOTAL OCCUPANCY COSTS	32,841	31,738	1,103	3.48%	94,448	97,162	(2,714)	-2.79%

Illinois Finance Authority
Consolidated Statement of Activities
Comparison
for Period Ending
September 30, 2012

	Actual September 2012	Actual September 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2013	Actual YTD FY 2012	Year to Date Variance Actual vs. Budget	YTD % Variance
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	3,014	2,314	700	30.25%	7,866	7,885	(19)	-0.24%
BOARD MEETING - EXPENSES	2,572	2,337	235	10.06%	6,825	7,222	(397)	-5.50%
PRINTING	538	812	(274)	-33.74%	1,630	2,701	(1,071)	-39.65%
POSTAGE & FREIGHT	1,032	732	300	40.98%	4,678	6,213	(1,535)	-24.71%
MEMBERSHIP, DUES & CONTRIBUTIONS	-	4,487	(4,487)	-100.00%	1,877	6,851	(4,974)	-72.60%
PUBLICATIONS	203	184	19	10.33%	222	637	(415)	-65.15%
OFFICERS & DIRECTORS INSURANCE	16,541	15,507	1,034	6.67%	48,192	46,030	2,162	4.70%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%
TOTAL GENL & ADMIN EXPENSES	23,900	26,373	(2,473)	-9.38%	71,290	77,539	(6,249)	-8.06%
LOAN LOSS PROVISION/BAD DEBT	-	-	-	#DIV/0!	-	-	-	#DIV/0!
OTHER								
INTEREST EXPENSE	455	503	(48)	-9.54%	1,364	1,508	(144)	-9.55%
TOTAL OTHER	455	503	(48)	0.00%	1,364	1,508	(144)	0.00%
TOTAL EXPENSES	505,308	317,010	188,298	59.40%	1,411,714	1,458,985	(47,271)	-3.24%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	558,723	135,286	423,437	312.99%	977,033	367,430	609,603	165.91%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT		-	-	0.00%		-	-	0.00%
TRANSFER			-	0.00%		(3,169)	3,169	0.00%
REVENUE GRANT	-	-	-	0.00%	841,399	-	841,399	0.00%
TRANSFERS FROM STATE		-	-	0.00%		-	-	0.00%
NET INCOME/(LOSS)	558,723	135,286	423,437	312.99%	1,818,432	364,261	1,454,171	399.21%

Illinois Finance Authority
Consolidated
Unaudited
Balance Sheet
for the Three Months Ending September 30, 2012

	Actual September 2011	Actual September 2012
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	$ 33,313,363	$ 41,460,701
RECEIVABLES, NET	247,837	564,767
LOAN RECEIVABLE, NET	31,535,384	27,903,601
NOTES RECEIVABLE	38,663,637	34,643,937
OTHER RECEIVABLES	682,205	1,281,522
PREPAID EXPENSES	175,280	209,647
TOTAL CURRENT ASSETS	104,617,706	106,064,175
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	144,161	97,397
DEFERRED ISSUANCE COSTS	385,762	319,088
OTHER ASSETS		
CASH RESTRICTED, INVESTMENTS & RESERVES	52,269,347	55,229,801
VENTURE CAPITAL INVESTMENTS	2,247,981	-
OTHER	3,000,000	3,000,000
TOTAL OTHER ASSETS	57,517,328	58,229,801
TOTAL ASSETS	$ 162,664,957	$164,710,461
LIABILITIES		
CURRENT LIABILITIES	2,080,055	744,367
BONDS PABYABLE	46,840,000	42,130,000
OTHER LIABILITIES	1,353,957	2,208,103
TOTAL LIABILITIES	50,274,012	45,082,470
EQUITY		
CONTRIBUTED CAPITAL	35,608,692	35,608,692
RETAINED EARNINGS	28,655,681	30,492,093
NET INCOME / (LOSS)	364,261	1,818,432
RESERVED/RESTRICTED FUND BALANCE	35,114,140	39,060,603
UNRESERVED FUND BALANCE	12,648,171	12,648,171
TOTAL EQUITY	112,390,945	119,627,991
TOTAL LIABILITIES & EQUITY	$ 162,664,957	$164,710,461

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Jim Senica and Lorrie Karcher

Date: October 9, 2012

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 $488,600 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: $330,000**
- **Calendar Year Summary:** (as of October 9, 2012)
  - Volume Cap: $15,000,000
  - Volume Cap Committed: $4,757,389
  - Volume Cap Remaining: $10,242,611
  - Average Farm Acreage: 75
  - Number of Farms Financed: 19
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - Convey tax-exempt status
    - Will use dedicated 2012 IFA Volume Cap set-aside for Beginning Farmer Bond transactions
- **IFA Fees**:
  - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
  - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's bank (the "Bank")
  - The Bank will be secured by the Borrower's assets, as on a commercial loan
  - Interest rates, terms, and collateral are negotiated between the Borrower and the Bank, just as with any commercial loan
  - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd.**
  Stephen F. Welcome, Esq.
  Three First National Plaza, Suite 4300
  Chicago, IL 60602

A.

Project Number:	**A-FB-TE-CD-8578**
Borrower(s):	**Landheer, Arian A.**
Borrower Benefit:	First Time Land Buyer
Town:	Lyndon, IL
IFA Bond Amount:	**$330,000**
Use of Funds:	Farmland –34.48 acres of farmland
Purchase Price:	$413,760 / ($11,971 per ac)
%Borrower Equity	20%
% Other	0%
%IFA	80%
Township:	Lyndon
County/Region:	Whiteside / Northwest
Lender/Bond Purchaser	Farmers National Bank of Prophetstown / Doug Vanderlaan
Legislative Districts:	Congressional: 17
	State Senate: 45
	State House: 90

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

NON-CONDUIT

October 9, 2012

$1,000,000
J DOUBLE R, L.L.C.
SPECIALIZED LIVESTOCK GUARANTEE

REQUEST	**Purpose:** Provide 85% loan guarantee in favor of **Bank of Gibson City** (the "**Bank**" or "**Lender**") to finance the construction of a hog facility and refinance an existing loan to **J Double R, L.L.C.** (the "**Borrower**" or the "**LLC**"). **Project Description:** The proposed loan of $1,000,000 will finance the construction of a 3,400 head, wean to finish hog building and refinance an existing IFA guaranteed real estate loan in the amount of $325,000 (that closed in 2003). **Program Product Type:** Specialized Livestock Guarantee **State Treasurer's Funds at Risk: $850,000** **Condition:** (1) Annual LLC Profit/Loss Statements and Balance Sheets provided to Lender and IFA.
BOARD ACTIONS	Final Resolution-85% Loan Guarantee Voting Record: No prior IFA Board actions
MATERIAL CHANGES	N/A
JOB DATA	15 Current jobs — N/A New jobs projected 15 Retained jobs — 30 Construction jobs projected
BORROWER DESCRIPTION	• **Type of entity:** Limited Liability Company • **Location:** Sullivant Township (Ford County), Illinois • **When was it established:** 1988 • **What does the entity do:** Hog Production • **What will new project facilitate:** Building construction and debt refinancing
PROPOSED STRUCTURE	**Collateral:** Existing Real Estate and Proposed new building **Collateral Position:** 1st **Maturity:** 10 years **Interest Rate:** Fixed for initial 5 years (See confidential Section)
SOURCES AND USES	IFA/Bank Loan: $1,000,000 — Bldg. Construction $812,145 Equity 137,145 — Refinancing Debt: 325,000 **Total $1,137,145** — **Total $1,137,145**
RECOMMENDATION	Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2012

Project: J Double R, LLC

STATISTICS

Project Number:	A-SL-GT-8576	Amount:	$1,000,000
Type:	Specialized Livestock Guarantee	IFA Staff:	Jim Senica
Location:	Sullivant Township	County/Region:	Ford /East Central

BOARD ACTION

Final Resolution-85% Loan Guarantee	Credit Review Committee recommends approval.
State Treasurer's Reserve Funds at risk: $850,000	Extraordinary conditions: None

VOTING RECORD

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

PURPOSE

Use of proceeds: Proceeds from the proposed loan will finance the construction of a 3,400 head, wean to finish hog building and refinance an existing IFA guaranteed real estate loan in the amount of $325,000.

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 Specialized Livestock Guarantee Program is designed to provide family-owned livestock operations the access to capital needed to enter, upgrade, or expand their livestock business. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are backed by an IFA reserve capitalized for this program. These guarantees are also full faith and credit obligations of the State of Illinois. IFA's issuance of guarantees helps Borrowers obtain debt financing at reduced rates of interest and improved terms.

VOLUME CAP

N/A

JOBS

Current employment:	15	Projected new jobs:	N/A
Jobs retained:	15	Construction jobs:	30

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA /Bank Loan:	$1,000,000	Uses:	Bldg. Construction	$812,145
	Equity	137,145		Refinancing Debt	325,000
	Total	**$1,137,145**			**$1,137,145**

FINANCING SUMMARY/STRUCTURE

Security:	1st Mortgage on real estate
Structure:	10-year term and 15-year amortization.
Interest Mode:	Fixed for initial 5 years
Credit Enhancement:	IFA 85% Guarantee
Personal Guarantees:	N/A
Maturity:	10 years
Estimated Closing Date:	October 25, 2012

PROJECT/BUSINESS BACKGROUND

Summary: The Mueller family has operated a successful family farming operation for many years in the Sibley-Strawn area, incorporating as a Limited Liability Company in 1988. Ron Mueller, Sr., and Loida Mueller have 10 children (7 sons and 3 daughters) and like many family businesses faced the challenges of (1) how to bring the children with the desire to farm into the operation and (2) how to structure and expand the business so that it could support the growing family. Currently Ron Mueller, Sr., with his wife Loida and 6 of his sons (John, Jeffrey, Stacey, Stanley, Timothy and Benjamin along with their spouses) are owners and operators of the large-scale hog and grain farm.

The family controls its management and ownership through four operating entities:

1. J Double R, L.L.C. and Mueller Farms General Partnership comprise the principal operating enterprises:
    a. **J Double R, L.L.C.** (the "**Borrower**" or the "**LLC**") manages the family's hog operations and is the entity through which borrowing is done for all Mueller family farming operations
    b. **Mueller Farms General Partnership** is the entity under which the grain operation is managed.
2. The Muellers have also formed two affiliates to own equipment (these entities have been formed for tax purposes):
    a. **Mueller Trucking, L.L.C.** and
    b. **Mueller Pork, L.L.C.**

Each of the seven family members (the "**Partners**") has an equal ownership interest of 14.286% in both J Double R, L.L.C. and in Mueller Farms General Partnership. The creation of the two primary entities not only allows the individuals to work together to grow the business but also allows some room for each partner to make their own purchases or investments outside of the business operation. Some of these individually owned properties are leased to J Double R, L.L.C. or another business affiliate.

Each of the Partners owns their own home. Several of the Partners also own one or more rental homes that are held as investment properties. Each of the Partners also own one or more tracts of farmland (*the smallest owned is 140 acres, the largest is 600 acres*) that are cash rented to Mueller Farms, G.P. Cash rent in 2011 was set at $300 per acre for the first 140 acres rented from a member of the LLC. All acres above 140 were rented at $225 per acre.

Additionally, several of the Partners have purchased or constructed hog barns that are then rented to J Double R, LLC. Rent paid on the hog barns is established primarily by the capacity of the barn, with some factor of adjustment for age and type of building (e.g. finishing barn, nursery, farrowing building etc.). Nearly all corn grown by Mueller Farms is sold to J Double R, L.L.C. for use as hog feed. Excess grain is marketed on a cash basis or pre-sold via futures contracts.

J Double R, L.L.C. has marketed approximately 56,000 hogs annually, while Mueller Farms Raises approximately 3,000 acres of corn and soybeans (*with 10% planted in soybeans*). Mueller Farms normally tries to have 50-60% of their inventory pre-sold. *The majority of the equipment owned is held by J Double R, L.L.C. and all entity borrowing through the Bank of Gibson City is through J Double R, L.L.C.*

In late 2010, an opportunity to purchase another hog farm with a capacity for finishing 10,000 head of hogs became available. The Muellers were able to purchase this farm and began renovating the facilities immediately.

Renovations have been paid-for with loan funds from the purchase (provided by Metropolitan Life Insurance) and with funds from normal cash flow. This project is nearing completion and the farm is fully stocked.

In 2003, J Double R, L.L.C. secured a $1,000,000 loan from Bank of Gibson City with an IFA Specialized Livestock Guarantee to construct two 2,400 head wean to finish buildings and refinance an existing 2,400 head finishing building. This loan (*IFA Loan # 2035-SL-0131*) was paid down to approximately $325,500 in early September and the refinanced Project will also collateralize the new financing request.

Project Description: J Double R, L.L.C. is constructing a 3,400 head, wean to finish hog building on land owned by J Double R, LLC. The building is of concrete and metal construction and includes a complete manure handling system, fan ventilation system (for air replacement, removal of moisture and removal of excess heat), and the installation of a side curtain system to prevent drafts and to provide protection against rapid changes of temperature during inclement weather. Concrete flooring for the structure will feature slats that will allow the pig manure to drop or be forced through the slats thereby reducing direct contact with the animals (and minimizing contact with wastes potentially containing pathogenic organisms and/or parasites).

Project Rationale: Construction of the new hog building will replace several older rental buildings with a new facility designed to minimize disease and handling difficulties and increase operating efficiencies. Refinancing the existing IFA guaranteed real estate loan will provide the Borrower with a reduced interest rate and a longer amortization period. Additionally, the project will assist the Bank with its lending limit requirements allowing it to provide additional financing for the Borrower as needed.

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

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	J Double R, L.L.C.
Project Location:	596A 1400 North Road Sibley, IL 61773
Collateral:	First Real Estate Mortgage
Ownership:	J Double R, L.L.C.

J Double R, L.L.C. Membership Listing
(Each partner owns a *14.286%* membership interest)

Ronald Mueller, Sr.
204 E Church Street
Forrest, IL 61741

Jeffrey A. Mueller
1222 N 3000 East Road
Strawn, IL 61775

John T. Mueller
657 E 1100 North Road
Sibley, IL 61773

Stacey W. Mueller
606 E 1400 North Road
Sibley, IL 61773

Stanley R. Mueller
746 E 1300 North Road
Sibley, IL 61773

Timothy J. Mueller
522 E 1100 North Road
Sibley, IL 61773

Benjamin L. Mueller
596 E 1400 North Road
Sibley, IL 61773

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	N/A		
Borrower's Accountants:	Striegel Knobloch & Company	Bloomington	
Originating Bank:	Bank of Gibson City	Gibson City	Joe Wier
Bank Counsel:	N/A		
IFA Counsel:	N/A		
IFA Advisors:	Acacia Financial Group, Inc.	Chicago	Courtney Shea
	Public Financial Management, Inc.	Chicago	Shannon Williams

LEGISLATIVE DISTRICTS

Congressional:	15
State Senate:	53
State House:	105

ILLINOIS FINANCE AUTHORITY

CONDUIT

October 9, 2012

$10,000,000 (not-to-exceed amount)
ROA Riverside Development, LLC

REQUEST	**Purpose:** Bond proceeds will be combined with other funds and used by **ROA Riverside Development, LLC** (the "**Borrower**" or "**ROA**") to finance all or a portion of the costs of (i) acquiring, constructing, remodeling, renovating and equipping an approximately 88,000 square foot medical office facility and retail facility to be located at 5825, 5875, and 5901 East Riverside Boulevard, Rockford (Winnebago County), IL 61114 to be owned by the Borrower and leased to Rockford Orthopedic Associates, Ltd. (an affiliate of the Borrower) and other users (the "**Project**"), (ii) costs of issuance , if deemed necessary or desirable by the Borrower, (iii) capitalized interest, if deemed necessary or desirable by the Borrower, and (iv) certain reserves, if deemed necessary or desirable by the Borrower (and collectively with the Project, the "**Financing Purposes**"). **Program:** Midwestern Disaster Area Revenue Bonds **Volume Cap Required:** This Project will not use any of Illinois Finance Authority's ("IFA's") standard 2012 Private Activity Bond Volume Cap for Industrial Development Revenue Bonds. Rather, this Project will be financed as a Midwestern Disaster Area Revenue Bond ("MDAB") issue and will use up to $10.0 million of an approximately $1.515 billion MDAB allocation to IFA for projects located in 18 MDAB-eligible Illinois counties. **Extraordinary Conditions:** None. No IFA Funds at risk. No State Funds at risk.
BOARD ACTION	Final Bond Resolution
MATERIAL CHANGES	Final terms of the financing plan have been identified. Preliminary Bond Resolution approved June 12, 2012: Yeas: 9; Nays: 0; Abstentions: 0; Absent: 3 (Brandt, Gold and Parish); Vacancies: 3
JOBS DATA	221 (0 at new site) Current jobs; 59 New jobs projected N/A Retained jobs; 30 average; 55 peak (8 mo.'s) Construction jobs projected
BORROWER DESCRIPTION	● Type of entity: Special purpose entity to develop, finance, renovate, and operate the office building/retail shopping center as a multi-tenant rental facility. ● Location: Rockford/Winnebago/Northern Stateline ● ROA Riverside Development, LLC is affiliated through common ownership with the private medical practice of Rockford Orthopedic Associates, Ltd. (www.rockfordortho.com).
CREDIT INDICATORS	● The Borrower is a newly-formed, non-rated, special purpose entity established to develop and own the subject redevelopment Project. ● The Bonds will be purchased directly as an investment by **Riverside Community Bank** of Rockford or an affiliate thereof (the "**Bank**"). ● The Bank will be secured by a first mortgage on the subject real estate and a collateral assignment of rents and leases.
STRUCTURE	● The Bonds will be purchased directly as an investment by Riverside Community Bank (which is the direct lender to the Borrower and other affiliated companies). ● Term: Not-to-exceed 25 years (initial term of 15 years with periodic reset provisions thereafter) ● Rate: The initial interest rate will be set at closing as negotiated by the Borrower and the Bank and is estimated at between 3.50% and 4.50% under current market conditions.
SOURCES AND USES	See table below
RECOMMENDATION	Credit Review Committee recommends approval.

Sources and Uses:

Sources:		**Uses:**	
IFA Bonds	$10,000,000	Project Cost:	$11,000,000
Partner Equity	1,200,000	Costs of Issuance	200,000
Total	**$11,200,000**	**Total**	**$11,200,000**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2012

Project: ROA Riverside Development, LLC

STATISTICS

IFA Project:	I-MDAB-TE-CD-9556	Amount:	$10,000,000 (not-to-exceed amount)
Type:	Midwestern Disaster Area Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Rockford	County/ Region:	Winnebago / Northern Stateline

BOARD ACTION

Final Bond Resolution
Midwestern Disaster Area Revenue Bonds — No IFA funds at risk
Credit committee recommends approval — No extraordinary conditions

VOTING RECORD

Preliminary Bond Resolution approved June 12, 2012:
Yeas: 9; Nays: 0; Abstentions: 0; Absent: 3 (Brandt, Gold and Parish); Vacancies: 3

PURPOSE

Bond proceeds will be combined with other funds and used by **ROA Riverside Development, LLC** (the "**Borrower**" or "**ROA**") to finance all or a portion of the costs of (i) acquiring, constructing, remodeling, renovating and equipping an approximately 88,000 square foot medical office facility and retail mall to be located at 5825, 5875, and 5901 East Riverside Boulevard, Rockford (Winnebago County), IL 61114 to be owned by the Borrower and leased to Rockford Orthopedic Associates, Ltd. (an affiliate of the Borrower) and other retail users (the "**Project**"), (ii) costs of issuance , if deemed necessary or desirable by the Borrower, (iii) capitalized interest, if deemed necessary or desirable by the Borrower, and (iv) certain reserves, if deemed necessary or desirable by the Borrower (and collectively with the Project, the "**Financing Purposes**").

IFA PROGRAM AND CONTRIBUTION

Midwestern Disaster Area Revenue Bonds ("**MDABs**") are a federal program that enables tax-exempt bonds to be issued to finance certain types of privately-owned projects that will generate jobs and economic development activity in 18 federally designated counties in Illinois that suffered damage in mid-2008 from floods and other storm damage. MDABs are a provision of the federal **Heartland Disaster Tax Relief Act of 2008** (Public Law 100-344; 122 Stat. 3918) (the "**Act**") that enables issuance of tax-exempt bonds for certain privately-owned projects located in designated counties throughout the Midwest until 12/31/2012.

VOLUME CAP

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

The State is authorized with approximately $1.5 billion in bonding authority for issuance of MDABs until 12/31/2012.

Volume Cap Required: This project will not use any of IFA's 2012 Private Activity Bond Volume Cap allocated for Industrial Revenue Bonds or Exempt Facilities Bond financings.

Because this project will be financed as a Midwestern Disaster Area Revenue Bond issue, this project will require up to $10.0 million of Illinois' Midwestern Disaster Area Revenue Bond allocation.

To date, approximately $41.3MM of MDABs have been issued in Illinois, and an additional $158.5MM have been induced by the Authority.

Accordingly, after using the $10.0MM MDAB allocation already encumbered for use by this Project, there remains approximately $1.3 billion of unencumbered MDAB allocation available for new projects through 12/31/2012.

SOURCES AND USES OF FUNDS

Sources:			**Uses:**		
IFA Bonds	$	10,000,000	Project Costs	$	11,000,000
Equity		1,200,000	Issuance Costs		200,000
Total	**$**	**11,200,000**	**Total**	**$**	**11,200,000**

JOBS

Current employment:	221 (0 at project site)	*Projected new jobs:	59 (one year)
Jobs retained:	N/A	Construction jobs:	30 average; 55 peak (8 months)

***** The Developer anticipates leasing the building to various retail and/or medical office tenants to be determined that will substantially fill the building. All 59 new jobs are attributed to Rockford Orthopedic Associates, Ltd. (i.e., Borrower's affiliate and principal owner). No additional jobs associated with unrelated third-party tenants are projected herein, in order to provide a conservative estimate of employment impact. Additionally, it is unknown whether non-credit tenants of the Project will be relocating from within the area or will represent new businesses in the greater Rockford area at this time. Riverside Community Bank is the relationship bank for Rockford Orthopedic Associates, Ltd., the anchor tenant (which has common shareholders/members with the Borrower).

FINANCING SUMMARY

Structure/ Bank Direct Purchase: As contemplated, the proposed Bonds will be purchased directly by Riverside Community Bank, Rockford, Illinois (the "**Bank**" or the "**Direct Lender**" / "**Bond Purchaser**"). In addition to the general pledge of the Borrower, the Bank will be secured by a first mortgage on the subject property and a collateral assignment of rents and leases.

Interest Rate: The initial interest rate will be set at closing as negotiated by the Borrower and the Bank and is estimated at between 3.25% and 4.25% based on current market conditions. The initial interest rate reset period will be 15 years.

Credit Rating: The underlying Borrower is a non-rated entity. The Bonds will be purchased directly by the Borrower's relationship bank (and the primary bank of the Project's principal tenant, Rockford Orthopedic Associates, Ltd.).

Final Maturity Date: Not-to-exceed 25 Years

Anticipated Closing Date: October 15, 2012

BUSINESS SUMMARY

Description: **ROA Riverside Development, LLC** (the "**Borrower**" or "**ROA**"), is an Illinois limited liability company established in 2012 as a special purpose entity to acquire, develop, redevelop, renovate, construct, own, and operate a multi-tenant building originally developed as an office/retail facility originally known as Riverside Pavilion Shopping Center and comprising approximately 88,000 SF and located at 5825, 5875, and 5901 East Riverside Boulevard in Rockford, along with adjacent pad development sites and outlots.

The Borrower is principally owned by a group of physicians that are the beneficial owners of Rockford Orthopedic Associates, Ltd., a private medical practice based in Rockford, Illinois that will be the principal tenant of the Project upon completion of the proposed renovations.

Additional ownership information on the 11 owners/members of ROA is described further in the Economic Disclosure Statement section of this report (see page 6).

Additional background information on the Rockford Orthopedic Associates, Ltd. follows immediately below.

Background on Rockford Orthopedic Associates, Ltd.: Rockford Orthopedic Associates, Ltd. (the "**Practice Group**") is a multi-specialty orthopedic and musculoskeletal practice comprised of board certified/admissible physicians. As a bone and joint center, the Practice Group provides upper extremity, joint, trauma, pediatric, and sports medicine orthopedic surgical, conservative, and rehabilitative treatment; arthritis, osteoporosis, and autoimmune disorder care; and neuromuscular pain management. The Practice Group's mission is to provide the highest standards of orthopedic care, and promoting orthopedic wellness through community education.

The Practice Group was established in 1967. Since inception, the Practice Group has grown to currently employ twelve sub-specialized orthopedic surgeons including three upper extremity surgeons, three total joint surgeons, two sports medicine surgeons, three trauma surgeons, and one pediatric orthopedic surgeon. The Practice Group also employs two podiatric surgeons, two non-operative sports medicine physicians, three rheumatologists, two physical medicine & rehabilitation physicians, one occupational medicine physician, fourteen physician assistants, six occupation/hand therapists, eleven physical therapists, and five physical therapy assistants. Additionally, the Practice Group employs a 163-person administrative staff that performs organizational, financial, clerical, billing, accounts receivable, information technology, and clinical functions.

Since 2000, Rockford Orthopedic Associates, Ltd. has added a range of ancillary services including:

- 2001 Physical Therapy and MRI;
- 2003 X-ray and Durable Medical Equipment (DME) Dispensary;
- 2004 DEXA Scan and Electromyography (EMG); and
- 2006 Clinical Research and Pharmaceutical Dispensary.

Management Company:	The Project will be managed by ROA Development, LLC, a special purpose entity that is also owned by an affiliate of Rockford Orthopedic Associates, Ltd.
Background on the Facility:	The Riverside Pavilion facility was originally constructed as a neighborhood retail center in 1994. The shopping center has suffered from substantial vacancies and diminished rents subsequent to its anchor (grocery) tenant (Eagle Food Center) ceasing operations in 2000.
Rationale:	The proposed acquisition by the Borrower will repurpose the largely vacant retail facility into a medical office facility, creating employment opportunities and increasing the assessed valuation of the property on the Rockford-area tax rolls. In Fall 2012, Rockford Orthopedic Associates, Ltd. will add four sub-specialized orthopedic surgeons. These physicians specialize in surgical sports medicine, spine, upper extremity, and total joint, respectively. The addition of the spine surgeon will expand the Practice Group's offerings and will be the catalyst for the creation of the spine center to be located at the renovated Riverside Pavilion facility. Ultimately, the Practice Group anticipates 59 additional jobs at the Riverside Pavilion facility within one year of completing conversion of the facility into a medical office building/professional building/retail facility.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

ROA Riverside Development, LLC, an Illinois limited liability company (the "**Company**"), has requested that the Authority issue in an aggregate principal amount not to exceed $10,000,000 of its Midwestern Disaster Area Revenue Bonds, Series 2012 (ROA Riverside Development, LLC Project) (hereinafter, the "**Bond**") and loan the proceeds thereof to the Company in order to provide the Company with all or a portion of the funds to be applied, together with certain other funds, to (i) pay or reimburse the Company for the costs of acquiring, constructing, remodeling, renovating and equipping a building and related improvements, all to be owned and operated by the Company (the "**Project**"), (ii) pay interest on the Bond during the construction of the Project, and (iii) pay certain expenses incurred in connection with the issuance of the Bond, all as permitted by the Act (collectively, the "**Financing Purposes**").

Note: Based on the structure of this transaction, Riverside Community Bank will own a single Bond. Accordingly, IFA is only issuing a single Bond in connection with the Company's Project.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	ROA Riverside Development, LLC, c/o Rockford Orthopedic Associates, Ltd., 324 Roxbury Rd. Rockford, IL 60117
Contact:	Lauren Anderson, Rockford Orthopedic Associates, Ltd., 324 Roxbury Rd., Rockford, IL 60117; (P) 815-381-7395; laurena@rockfordortho.com
Project name:	Riverside Pavilion Redevelopment Project
Location:	5825, 5875, and 5901 East Riverside Blvd., Rockford (Winnebago County), IL 61114

Ownership
Information: The Manager and any individuals holding a 7.5% or greater ownership (membership) interest in the Borrower are listed below:

Applicant: ROA Riverside Development, LLC, an Illinois limited liability company, c/o Rockford Orthopedic Associates, Ltd., 324 Roxbury Rd., Rockford, IL 60117:

Manager: Mr. Donald Schreiner, Manager (also CEO of Rockford Orthopedic Associates, Ltd.)

Members: Each of the following 11 individuals owns an 9.09% membership interest in the Borrower:

Mark L. Barba, M.D.
Brian J. Bear, M.D.
William J. Bush, DPM
Michael J. Chmell, M.D.
Scott T. Ferry, M.D.
Kenneth J. Korcek, M.D.
Edric G. Schwartz, M.D.
Anthony T. Sorkin, M.D.
Scott W. Trenhaile
Jon B. Whitehurst, M.D.
Marc A. Zussman, M.D.

Seller
Disclosure: The subject property was acquired by the Borrower on May 3, 2012 (at which time ROA took title to the property).

PROFESSIONAL & FINANCIAL

General Counsel:	Reno & Zahm	Rockford, IL	Craig Thomas
Accountant:	WIPFLI, Inc.	Rockford, IL	Michael Smith
Bond Counsel:	Ungaretti & Harris LLP	Chicago, IL	Julie Seymour
Bond Purchaser:	Riverside Community Bank (Heartland Financial USA, Inc.)	Rockford, IL	Kay Wadsworth Shelley Phillips
Counsel to Bank:	Dorsey & Whitney, LLP	Des Moines, IA	David Claypool
Bond Trustee:	Not applicable (bank direct purchase)		
Architect:	AMB Development Group, LLC	Milwaukee, WI	Michael Janssen
Building Leasing Agent:	First Rockford Group, Inc.	Rockford, IL	Sunil Puri
General Contractor:	Strenstrom Companies Ltd. (Construction Division)	Rockford, IL	
IFA Counsel:	Kutak Rock LLP	Chicago, IL	Kevin Barney
IFA Financial Advisor:	Public Financial Management, Inc.	Chicago, IL	Shannon Williams

LEGISLATIVE DISTRICTS

Congressional:	16
State Senate:	34
State House:	68

CONDUIT

October 9, 2012

$15,100,000
Concordia Place Apartments, L.P.
(Concordia Place Apartments Project)

REQUEST	**Purpose**: Bond proceeds will be used by Concordia Place Apartments, L.P., an Illinois limited partnership (the "**Borrower**"), to (i) issue an amount not to exceed of $12,100,000 aggregate principal amount IFA Variable Rate Demand Multi-Family Housing Revenue Refunding Bonds (**Concordia Place Apartments Project**) Series 2012A (the "**Series 2012A Bonds**") to refund City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (**Concordia Place Apartments, L.P. Project**) Series 2003 (the "**Series 2003 Bonds**"), the proceeds of which were loaned to the Borrower to finance costs of acquisition and renovation of a 297-unit residential rental housing development (the "**Development**") comprising 29 buildings in the City of Chicago, Illinois (the "**Series 2003 Project**"); and (ii) issue in an amount not to exceed $3,000,000 in aggregate principal amount IFA Subordinate Multi-Family Housing Revenue Bonds (**Concordia Place Apartments Project**) Series 2012B (the "**Series 2012B Bonds**", and together with the Series 2012A Bonds, the "**Bonds**"), to finance, refinance and reimburse a loan to the Borrower for payment of costs of certain capital improvements to the Development and related costs, (iii) fund certain reserves for the Development and (iv) pay costs of issuance of the Bonds (the "**Series 2012 Project**"). The main clubhouse office for Concordia Place Apartments is located at 13037 S. Daniel Drive in Chicago and the 29 buildings are located at nearby addresses on E. 130th Street, S. Daniel Drive, E. 131st Place, and S. Dr. Martin Luther King Jr. Drive. **Program**: Affordable Rental Housing Bonds **Extraordinary Conditions**: None **Estimated Carryforward or Home Rule Volume Cap required:** $2.85 Million ($3.0 Million maximum)
BOARD ACTIONS	Final Bond Resolution Final Bond Resolution approved December 14, 2010: Ayes: 10; Nays: 0; Abstentions: 0; Absent: 5 (DeNard; Durburg; Fuentes; McInerney; Parish) Preliminary Bond Resolution approved April 13, 2010: Ayes: 8; Nays: 0; Abstentions: 0; Absent: 6 (Bashir, DeNard, Herrin; Leonard; Rivera; Leonard); Vacancies: 1
MATERIAL CHANGES	New structure involves (1) a Letter of Credit ("LOC") secured series and (2) a non-rated series. (Prior structure approved in December 2010 contemplated 4 series of Bonds, including two LOC-secured series, one of which would bear interest at a taxable rate, and two non-rated tax-exempt series, of which one series was to refund $800,000 Subordinate IFA Series 2006 Bonds.)
JOB DATA	8.5 FTE Current jobs 0 New jobs projected N/A Retained jobs 10-15 Construction jobs projected
BORROWER DESCRIPTION	Concordia Place Apartments, L.P. is an Illinois limited partnership and special purpose entity established in 2001 for the express purpose of acquiring, financing, renovating, and owning **Concordia Place Apartments** (the "**Development**" or the "**Property**") in Chicago, Illinois, an existing 297-unit affordable multifamily housing property originally constructed in 1970.

PROPOSED STRUCTURE

The Senior IFA Series 2012A Bonds will be credit enhanced with a Direct Pay LOC from BMO Harris Bank, N.A. The Senior IFA Series 2012A Bonds will initially be sold as 7-day Variable Rate Bonds. An interest rate cap will be purchased to limit the variable interest rate exposure on the Series 2012A Bonds.

The Subordinate IFA Series 2012B Bonds will be unenhanced, privately placed bonds with minimum denominations of $100,000 (i.e., institutional investors only). The Subordinate IFA Series 2012B Bonds will be sold with annual or multi-annual interest rate reset provisions that will be set prior to closing at a rate satisfactory to BMO Harris Bank, N.A. (the Senior Lender and LOC Provider for the Senior IFA Series 2012 A Bonds).

Although the Bond Resolution will permit a final maturity date in 30 years, the Senior IFA Series 2012A Bonds are expected to be sold with a final maturity of approximately 21 years. The Subordinate IFA Series 2012B Bonds are expected to be privately placed with a final maturity of approximately 7 years (subject to approval of all terms by BMO Harris Bank, N.A. as the LOC Provider for the Senior IFA Series 2012A Bonds).

SOURCES AND USES

Sources:		**Uses:**	
IFA Refunding Bonds	$12,100,000	Bond Refunding Escrow	$12,100,000
IFA New Money Bonds	2,285,000	BMO Harris Bank, N.A. – Third-Party Reports, Survey	20,100
Equity	66,900	Reserve Funds	1,121,900
Existing Reserves	708,275	Harris LOC & Interest Rate Cap Fees	180,000
		Title and Recording Fees	8,000
		Cost of Issuance	354,600
		Legal Fees – Owner (Refinancing)	40,000
		Construction Costs & Release of Existing Reserves	1,335,575
Total	**$15,160,175**	**Total:**	**$15,160,175**

RECOMMENDATION

Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2012

Obligor: Concordia Place Apartments, L.P. (Concordia Place Apartments Project)

STATISTICS

Project Number:	M-MH-TE-CD-8347	Amount:	$15,100,000 (not-to-exceed amount); comprised of up to $12.1MM of Refunding Bonds and up to $3.0MM of New Money Bonds
Type:	Affordable Rental Housing Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Chicago	County/Region:	Cook/Northeast

BOARD ACTION

Final Bond Resolution (Refunding and New Money Bonds)
Conduit Tax-Exempt Affordable Rental Housing Bonds
Credit Review Committee recommends approval.

No IFA Funds contributed
No extraordinary conditions (All Bonds will be sold in minimum denominations of $100,000, including the LOC-enhanced series, thereby limiting sale of both Series 2012A and 2012B to institutional investors)

VOTING RECORD

Final Bond Resolution approved December 14, 2010:
Ayes: 10; Nays: 0; Abstentions: 0; Absent: 5 (DeNard; Durburg; Fuentes; McInerney; Parish)

Preliminary Bond Resolution approved April 13, 2010:
Ayes: 8; Nays: 0; Abstentions: 0; Absent: 6 (Bashir, DeNard, Herrin; Leonard; Rivera; Leonard); Vacancies: 1

PURPOSE

Bond proceeds will be used by Concordia Place Apartments, L.P., an Illinois limited partnership (the "**Borrower**"), to (i) issue an amount not to exceed of $12,100,000 aggregate principal amount IFA Variable Rate Demand Multi-Family Housing Revenue Refunding Bonds (**Concordia Place Apartments Project**) Series 2012A (the "**Series 2012A Bonds**") to refund City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (**Concordia Place Apartments, L.P. Project**) Series 2003 (the "**Series 2003 Bonds**"), the proceeds of which were loaned to the Borrower to finance costs of acquisition and renovation of a 297-unit residential rental housing development (the "**Development**") comprising 29 buildings in the City of Chicago, Illinois (the "**Series 2003 Project**"); and (ii) issue in an amount not to exceed $3,000,000 in aggregate principal amount IFA Subordinate Multi-Family Housing Revenue Bonds (**Concordia Place Apartments Project**) Series 2012B (the "**Series 2012B Bonds**", and together with the Series 2012A Bonds, the "**Bonds**"), to finance, refinance and reimburse a loan to the Borrower for payment of costs of certain capital improvements to the Development and related costs, (iii) fund certain reserves for the Development and (iv) pay costs of issuance of the Bonds (the "**Series 2012 Project**"). The main clubhouse office for Concordia Place Apartments is located at 13037 S. Daniel Drive in Chicago and the 29 buildings are located at nearby addresses on E. 130th Street, S. Daniel Drive, E. 131st Place, and S. Dr. Martin Luther King Jr. Drive.

IFA CONTRIBUTION AND PROGRAM

Conduit Tax-Exempt Affordable Rental Housing Bonds. IFA will convey tax-exempt municipal bond status on the subject Bonds.

VOLUME CAP

This financing will require approximately $2.285 million of Volume Cap or Carryforward Volume Cap (estimated, subject to change) to finance capitalized reserves required by BMO Harris Bank, N.A., or bond investors, and other eligible costs, including the purchase of an interest rate cap, funding a U.S. Department of Housing and Urban Development ("HUD") Restabilization Reserve, and costs of issuance. The Borrower has negotiated to use prior year Carryforward assigned and designated by Home Rule Units for use on Multifamily and other Affordable Rental Housing Bond projects financed by IFA. The accompanying Resolution authorizes an amount of up to $3.0 million of New Money Bonds to be issued for this Development (subject to approval of BMO Harris Bank, N.A., the Letter of Credit Provider for the Senior IFA Series 2012A Bonds).

JOBS

Current employment:	8.5 FTE	Projected new jobs: 0 (Refunding)	
Jobs retained:	Not applicable	Construction jobs: 10-15	

SOURCES AND USES OF FUNDS – ESTIMATED, SUBJECT TO CHANGE

Sources:		**Uses:**	
IFA Refunding Bonds	$12,100,000	Bond Refunding Escrow	$12,100,000
IFA New Money Bonds	2,285,000	BMO Harris Bank, N.A. – Third-Party Reports, Survey	20,100
Equity	66,900	Reserve Funds	1,121,900
Existing Reserves	708,275	Harris LOC & Interest Rate Cap Fees	180,000
		Title and Recording Fees	8,000
		Cost of Issuance	354,600
		Legal Fees – Owner (Refinancing)	40,000
		Construction Costs & Release of Existing Reserves	1,335,575
Total	**$15,160,175**	**Total:**	**$15,160,175**

FINANCING SUMMARY/STRUCTURE

Security: The financing team has proposed that the Series 2012 Bonds will be sold in two tax-exempt series. The Senior IFA Series 2012A Refunding Bonds secured by a Direct Pay Letter of Credit while the Subordinate IFA Series 2012B New Money Bonds will be sold on a non-rated basis to investors as described further below:

- The anticipated $12,100,000 Senior IFA Series 2012A Tax-Exempt Refunding Bonds will be credit enhanced by a Direct Pay Letter of Credit ("LOC") from BMO Harris Bank, N.A., underwritten by **Incapital LLC** (as the "**Underwriter**") and initially sold as 7-day (Weekly) Variable Rate Demand Bonds. Mesirow Financial, Inc. will serve as the Remarketing Agent.

- The (maximum) $3,000,000 Subordinate IFA Series 2012B Tax-Exempt New Money Bonds will be privately placed on a non-rated basis by **Incapital LLC** (as the "**Placement Agent**") directly to institutional investors subject to execution of an Investor Letter.
  - The Subordinate IFA Series 2012B Bonds will be secured by:
    - a lien on Net Operating Income of the Development (subordinate to payments due to BMO Harris Bank, N.A., on the Senior IFA Series 2012A Bonds); and,
    - a 2nd Mortgage on the Development (subordinate to BMO Harris Bank's 1st Mortgage on the Development).

Structure: Both the LOC-enhanced Senior IFA Series 2012A Bonds and the Non-Rated Subordinate IFA Series 2012B Bonds will be sold in minimum denominations of $100,000 (and any integral multiple of $5,000) as described further below:

- The anticipated $12,100,000 Senior IFA Series 2012 Tax-Exempt Refunding Bonds will be sold initially as 7-day Variable Rate Demand Bonds. The most recent average tax-exempt weekly floating rate was approximately 0.17% as of 9/19/2012 (which excludes ongoing Letter of Credit/credit enhancement, remarketing agent, and bond trustee fees).

- The maximum $3,000,000 Subordinate IFA Series 2012B New Money Bonds will bear an interest rate that will be reset every 1 to 2 years. It is anticipated that the Series 2012B Bonds will be subject to optional redemption beginning January 1, 2016 (i.e., approximately 3 years after the date of issuance).

- The Borrower's $800,000 Subordinate IFA Series 2006 New Money Bonds bear a fixed interest rate of 5.0% and are scheduled to mature in 2026.

  - Incapital LLC anticipates that the IFA Series 2012B Bonds will be issued on a parity basis to the IFA Series 2006 Bonds and are likely to be placed with the same Accredited Investors that hold the IFA Series 2006 Bonds.

Notes on Use of Proceeds for each Series: The IFA Series 2012A Refunding Bonds will current refund the existing outstanding balance of the City of Chicago Series 2003 Bonds. (The outstanding Subordinate IFA Series 2006 Bonds ($800,000) will remain in place, as noted in the preceding section.)

The Subordinate IFA Series 2012B New Money Bonds will fund reimbursement of additional capital improvement costs to the Development, fund certain reserve funds, and fund costs of issuance.

Maturity Dates:

- IFA Series 2012A Tax-Exempt Variable Rate Refunding Bonds (BMO Harris Bank, N.A. LOC-enhanced): January 1, 2034 (approximately 21 years)
- IFA Series 2012B Subordinate Lien Bonds (non-rated): December 31, 2019 (i.e., approximately 7 years)

Note on IFA Bond Resolution Parameter: The IFA Bond Resolution provides for a Final Maturity Date parameter of not later than 30 years after the date of issuance for both the Senior IFA Series 2012A and Subordinate IFA Series 2012B Bonds.

Requirement to Purchase Interest Rate Cap: The Borrower will purchase a five-year interest rate cap (with a strike rate of no more than 6.0%) to limit variable interest rate risk on the Series 2012A Bonds.

HAP Contract Term: The existing project-based Housing Assistance Payment ("HAP") Contract with HUD on all 297 units is scheduled to expire as of 5/15/2017. Pursuant to HUD guidelines, the Borrower cannot request renewal of a project-based HAP contract until 5/15/2016 (i.e., exactly one year prior to scheduled expiration date of the current contract). The Borrower anticipates submitting a request to renew the project-based HAP contract for a 15- to 20-year period in 2016.

HAP Contract Restabilization Reserve Requirement: On the date that the IFA Series 2012 Bonds close, BMO Harris Bank, N.A., reserves the right to require the Borrower to deposit an amount equal to the greater of (a) an amount indicated by a Restabilization Analysis, or (b) 6 months of debt service payments on the IFA Series 2012 Bonds. *This HAP Debt Service Reserve would be available to pay debt service, as needed, if the HAP Contract expires and is not renewed.*

Anticipated Closing Date: October or November 2012

Informational Disclosure: In July 2006, IFA issued $800,000 of Series 2006 Subordinate Bonds, the proceeds of which were used to finance and refinance substantial rehabilitation expenditures required to maintain the condition of the subject properties. The current principal balance of the IFA Series 2006 Bonds was $800,000 as of 9/1/2012. All payments to date have been made as scheduled. These non-rated Bonds were placed directly with an Accredited Investor subject to delivery of an Investor Letter. These Bonds will remain outstanding and subordinate to the Series 2012A Bonds.

Incapital LLC anticipates that the new Subordinate IFA Series 2012B Bonds will be issued on a parity basis to the $800,000 Subordinate IFA Series 2006 Bonds and will likely be purchased by the same Accredited Investors that hold the IFA Series 2006 Bonds.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be used by Concordia Place Apartments, L.P., an Illinois limited partnership (the "**Borrower**"), to (i) issue an amount not to exceed of $12,100,000 aggregate principal amount IFA Variable Rate Demand Multi-Family Housing Revenue Refunding Bonds (**Concordia Place Apartments Project**) Series 2012A (the "**Series 2012A Bonds**") to refund City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (**Concordia Place Apartments, L.P. Project**) Series 2003 (the "**Series 2003 Bonds**"), the proceeds of which were loaned to the Borrower to finance costs of acquisition and renovation of a 297-unit residential rental housing development (the "**Development**") comprising 29 buildings in the City of Chicago, Illinois (the "**Series 2003 Project**"); and (ii) issue in an amount not to exceed $3,000,000 in aggregate principal amount IFA Subordinate Multi-Family Housing Revenue Bonds (**Concordia Place Apartments Project**) Series 2012B (the "**Series 2012B Bonds**", and together with the Series 2012A Bonds, the "**Bonds**"), to finance, refinance and reimburse a loan to the Borrower for payment of costs of certain capital improvements to the Development and related costs, (iii) fund certain reserves for the Development and (iv) pay costs of issuance of the Bonds (the "**Series 2012 Project**").

The main clubhouse address for the Development is 13037 South Daniel Drive, Chicago, Illinois. The 29 buildings are located generally from: 301 to 321 E. 130th Street; 13101 to 13113 S. Daniel Drive, 236 to 328 E. 131st Place, and 13022 to 13107 S. Dr. Martin Luther King Jr. Drive, all in the City of Chicago, Illinois.

BUSINESS SUMMARY

Organization: **Concordia Place Apartments, L.P. (**the "**Applicant**"**)** is an Illinois limited partnership and special purpose entity established in 2003 for the express purpose of acquiring, financing, renovating, and owning the **Concordia Place Apartments** (the "**Development**" or the "**Property**") in Chicago, Illinois, an existing 297-unit affordable multifamily housing property originally constructed in 1970.

The Applicant financed the acquisition and renovation of the subject property in 2003 with $14.0 Million of Bonds issued by the City of Chicago. Additionally, the Applicant financed subsequent renovations with $800,000 of Subordinate Illinois Finance Authority Bonds issued in July 2006.

The **General Partner** and 1.0% owner of the Applicant is **DRE, Inc.** ("**DRE**") of Libertyville, Illinois. **Mr. Dennis R. Egidi** is the President of DRE, Inc.

There are two Limited Partners that each own a 49.5% ownership interest in the Development: (1) City LIII Tax Credit Fund I, LLC, (an affiliate of City Securities Corporation of Indianapolis, IN), and (2) National City Community Development Corporation, Cleveland, OH (an affiliate of PNC Bank, Pittsburgh, PA). See Page 7 for additional information (Economic Disclosure Statement section).

Background: Concordia Place Apartments includes twenty-nine (29) wood frame buildings and contains 297 units overall. The Property was opened in 1970 and includes a mix of studio, one-, two-, and three-bedroom units. The Development is located on an approximately 20.72 acre site at 13037 South Daniel Drive in Chicago. The Development is located approximately 1.2 miles west of the I-94 (Bishop Ford Freeway)/130th Street interchange in the City of Chicago's Riverdale neighborhood. [Chicago's Riverdale neighborhood is bounded by 115th Street on the north, 118th Street on the south, I-94 (Bishop Ford Freeway) on the east, and the Canadian National (formerly Illinois Central) Railroad right-of-way on the west. The Village of Riverdale is located west of Chicago's Riverdale neighborhood.]

The Applicant originally financed the acquisition and renovation of the subject property in 2003 with $14.0 million of Tax-Exempt Multifamily Housing Revenue Bonds issued by the City of Chicago (and approximately $8.0 million of 4% Low Income Housing Tax Credit Equity). The Series 2003 City of Chicago Bonds are currently secured by a Direct Pay Letter of Credit from BMO Harris Bank, N.A., and bear interest at a 7-day floating interest rate. Payments on the Series 2003 Bonds and the Subordinate IFA Series 2006 Bonds were both current as of 9/1/2012.

The Development's common facilities include 294 parking spaces and an 8,984 SF clubhouse facility. Recreational facilities include a basketball court and tot lot.

The Series 2003 Bonds financed the original acquisition and substantial rehabilitation of the property. Improvements included: appliance replacement, A/C sleeve unit replacement, carpeting replacement, vinyl flooring replacement, wall and ceiling repair throughout, repainting throughout, balcony replacement, exterior wood siding cleaning/caulking/painting, various carpentry repairs to level 1st floor flooring supports, kitchen cabinet replacement, kitchen faucet and sink replacement, miscellaneous plumbing repairs including water and waste lines, sump pump replacements throughout, clubhouse renovations (HVAC, Laundry Room renovations), replacement of concrete walks, stoops, and curbing, wood siding replacement, parking lot repairs, replacement of kitchen and bathroom lighting fixtures, re-landscaping of the property with over 200 new trees, and boiler replacements in all 29 buildings.

Background on Developer and Affiliates: **DRE, Inc.** ("**DRE**") is a Libertyville-based real estate investment, development, and management firm established in 1993 and specializes in the acquisition, rehabilitation, and development of multi-family residential communities in the Chicago metropolitan area. DRE, Inc. has developed thirteen projects in Illinois, Ohio, Indiana, and California totaling 2,266 units.

Mr. Dennis R. Egidi is the President of DRE and also serves as the managing general partner for 16 limited partnerships organized from 1973 to present. These partnerships include a total of sixteen projects and 1,884 units of Section 8 Housing and Tax Credit projects completed with DRE as the General Partner (or as the Managing Partner of The Egidi Group II).

The current property manager for Concordia Place Apartments is **Promex Midwest Corporation** ("**Promex**" or the "**Property Manager**"), of Libertyville, Illinois, which is approximately 60%-owned by Mr. Egidi, who serves as its President and Chairman. Promex currently manages commercial and multifamily housing properties in the Midwest. Promex currently manages 12 affordable rental properties, both multifamily and senior, including 10 properties located in Illinois. Promex also provides oversight management to two properties totaling 329 units: Cinnamon Lake Towers (274 multifamily units in Waukegan, IL), and Fort Wayne Renaissance Homes (46 single-family units in Fort Wayne, IN).

Promex' ten Illinois affordable residential rental housing properties under management include the projects listed below. These projects include a mix of multifamily and senior properties. All ten properties have been supported with tax credits and require compliance with Low Income Housing Tax Credit requirements. All projects, except for one (Meadow View Apartments), were financed with Tax-Exempt Bonds:

- ***Concordia Place Apartments* (*Subject*), Chicago** (297 units – Section 8 Multifamily)
- *Galesburg Towers*, Galesburg, IL (123 units –Section 8 Elderly)
- *Liberty Towers II*, Libertyville (121 units – Section 8 Elderly)
- *Sterling Towers II,* Sterling (111 units – Section 8 Elderly)
- *Mattoon Towers II,* Mattoon (81 units – Section 8 Elderly)
- *Spring Creek Towers II*, Decatur (137 units – Section 8 Elderly)
- *Pontiac Towers,* Pontiac (111 units – Section 8 Elderly)
- *Rome Meadows Apartments*, Dix (95 units – Section 8 Elderly)
- *Meadow View Apartments*, Blue Island (99 units – Multifamily)
- *Hyde Park Apartments*, Chicago (73 units – Section 8 Elderly)

IFA and IDFA have closed Tax-Exempt Bond financings for 9 projects developed by entities affiliated with Mr. Egidi including: (1) Galesburg Towers, (2) Mattoon Towers, (3) Sterling Towers, (4) Pontiac Towers, (5) Rome Meadows in Dix, (6) Cinnamon Lake Towers in Waukegan, (7) Sandwich Apartments in Sandwich, (8) Liberty Towers in Libertyville, and (9) Concordia Place Apartments in Chicago.

Aside from the IFA Series 2009 Liberty Towers Bonds and the IFA Series 2006 Concordia Place Apartments Bonds, the Cinnamon Lake Towers bond issue is the only prior IFA (IDFA) transaction that remains outstanding (with all payments current as of 9/1/2012). The Sterling, Mattoon, Pontiac, and Sandwich projects were subsequently refinanced or sold without IFA (IDFA) involvement and were repaid in full. The IFA (IDFA) Galesburg Towers Bonds and Rome Meadows Bonds were both paid off in 2006.

Accessibility: According to the Developer, previous improvements brought the Development into full compliance with ADA standards (to the extent applicable for a project originally completed in 1970).

ECONOMIC DISCLOSURE STATEMENT

Applicant: Concordia Place Apartments, L.P., an Illinois limited partnership, c/o Mr. Dennis R. Egidi, General Partner, c/o DRE, Inc., 800 S. Milwaukee Avenue, Suite 170, Libertyville (Lake County), IL 60048-3255; Ph.: 847-816-6400; Fax: 847-816-6783; e-mail: dennis.egidi@dre-pmc.com

Project name: Concordia Place Apartments

Location: 13037 South Daniel Drive, Chicago (Cook County), IL 60827-1252, and adjacent sites identified in this report

Organization: Limited Partnership

State: Illinois

Ownership of Applicant: Concordia Place Apartments, L.P., an Illinois limited partnership:

- General Partners (1.0%):
  - Mr. Dennis R. Egidi, Managing General Partner: 100%
- Limited Partners (Tax Credit Investors, each with a 49.5% beneficial ownership interest in Concordia Place Apartments, L.P.):
  - City LIII Tax Credit Fund I, LLC, an Indiana Limited Liability Company, c/o City Real Estate Advisors, Inc., its Managing Member (an affiliate of City Securities Corporation), 30 S. Meridian St., Suite 600, Indianapolis, IN 46204
  - National City Community Development Corporation, Cleveland, OH, an Ohio Corporation (an affiliate of The PNC Financial Services Group, Inc., Pittsburgh, PA, and PNC Bank, Pittsburgh, PA)

Current Property Owner:	Concordia Place Apartments, L.P. is the 100% owner of the Development (acquisition by Borrower closed in 2003 concurrent with issuance of City of Chicago Series 2003 Bonds and related sale of 4% Low Income Tax Credit Equity to the Limited Partners)

PROFESSIONAL & FINANCIAL

Counsel:	Krasnow Saunders Cornblath LLP	Chicago, IL	Henry Krasnow
Accountant:	The Reznick Group, P.C.	Skokie, IL	Jeff Cunningham
Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Underwriter (Senior IFA Series 2012A):	Incapital LLC	Chicago, IL	Bill Carney
Placement Agent (Subordinate IFA Series 2012B):	Incapital LLC	Chicago, IL	Bill Carney
Counsel to the Underwriter and Placement Agent:	Michael Best & Friedrich LLP	Chicago, IL	Chuck Katz
Remarketing Agent (Series 2012A):	Mesirow Financial Inc.	Chicago, IL	Todd Krzyskowski
Bank LOC:	BMO Harris Bank, N.A.	Chicago, IL	Jim West
Counsel to LOC Bank:	Charity & Associates, P.C.	Chicago, IL	Elvin Charity
Trustee:	BNY Mellon	New York, NY	Rhonda Jackson
Tax Credit Investors:	City LIII Tax Credit Fund I, LLC (an affiliate of City Securities Corp.)	Indianapolis, IN	Brian McDonnell
	National City Community Development Corporation (an affiliate of PNC Bank)	Chicago, IL	Jill Bridgewater
Management Agent:	Promex Midwest Corporation	Libertyville, IL	Pat Zinovik
Appraiser:	Joseph J. Glake & Associates, Inc.	Chicago, IL	Dave Perry
Issuer's Counsel:	Peck Shaffer LLP	Chicago, IL	Tom Smith
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS (Reflects 2012 Redistricting)

Congressional:	2
State Senate:	15
State House:	29

CONDUIT

October 9, 2012

$250,000,000
Centegra Health System

REQUEST	**Purpose**: Bond proceeds will be used by **Centegra Health System** ("**Centegra**", the "**Corporation**" or the "**Borrower**") to: (i) refinance existing debt and derivative instruments including, but not limited to Series 1998 Bonds, Series 2002 Bonds, Series 2003A Bonds, Series 2007A & B Bonds, Series 2010 Bonds, a Bank Promissory Note and terminate a 2002 Swap; (ii) fund capital expenditures including, but not limited to, a Clinical Information System, with both taxable and tax-exempt bonds and (iii) pay certain costs of issuance. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution (*One-time consideration)*
MATERIAL CHANGES	None. This is the first time this project has been presented to the IFA Board of Directors.
JOB DATA	2,789 Current jobs; N/A New jobs projected N/A Retained jobs; N/A Construction jobs projected
DESCRIPTION	● Locations: multiple locations throughout McHenry County ● Centegra Health System ("**Centegra**" and / or the "**System**") is an Illinois not-for-profit corporation that provides health care and other related services to Chicago's far northwestern suburban metropolitan area. Acute inpatient care services are provided at the System's two hospitals, the 157-acute-care-bed Northern Illinois Medical Center ("**NIMC**") in McHenry, IL, and the 84-acute-care-bed Memorial Medical Center ("**MMC**") in Woodstock, IL. Centegra is the parent and sole corporate member of NIMC and MMC. In July, the Illinois Health Facilities and Services Review Board approved the application for the 128-bed Centegra Hospital – Huntley. ● In addition to acute inpatient services provided at NIMC and MMC, the System also provides health care services through other affiliates and subsidiary corporations. Such services include eleven primary care clinics located in McHenry and Lake Counties, two health and wellness centers, behavioral health services, rehabilitation and sports medicine, two diabetes centers, home health care, cardiac rehabilitation, occupational health, spine center, wound care center, sleep disorders clinic, bariatric, and neurology services.
STRUCTURE	● The Bonds will be sold at a fixed rate in a public offering.
CREDIT INDICATORS	● The plan of finance contemplates the issuance of taxable and tax-exempt Bonds in an aggregate amount not to exceed $250,000,000 under a Master Financing Agreement. **Rating:** The Series 2012 Bonds will be rated. Centegra Health System is currently rated "A-" Stable by Standard & Poor's (affirmed on March 26, 2012); and rated "A-" Stable by Fitch (affirmed on January 12, 2011).
SOURCES AND USES	See table below
RECOMMENDATION	Credit Review Committee recommends approval.

SOURCES AND USES

Sources:		**Uses**:	
IFA Bonds	$250,000,000	Refinance of existing debt and financing of current IT capital project; routine capital	$245,300,000
		Cost of Issuance (*estimated*)	$4,700,000
Total	**$250,000,000**	**Total**	**$250,000,000**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2012

Project: Centegra Health System

STATISTICS

Project Number:	H-HO-TE-CD-8579	Amount:	$250,000,000 (not-to-exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane and Nora O'Brien
City:	McHenry, Woodstock and other locations	County/Region:	McHenry & Lake Counties/Northeast

BOARD ACTION

Final Bond Resolution *(One-time consideration)*
Conduit 501(c)(3) Bonds
Credit Review Committee recommends approval

No IFA Funds at Risk
No Extraordinary Conditions

VOTING RECORD

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

PURPOSE

Bond proceeds will be used by Centegra Health System to: (i) refinance existing debt and derivative instruments including, but not limited to Series 1998 Bonds, Series 2002 Bonds, Series 2003A Bonds, Series 2007A & B Bonds, Series 2010 Bonds, a Bank Promissory Note and terminate a 2002 Swap; (ii) fund capital expenditures including, but not limited to, a Clinical Information System, with both taxable and tax-exempt bonds and (iii) pay certain 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 and refinance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders and thereby reducing the borrower's interest expense.

VOLUME CAP

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

JOBS

Current employment: 2,789
Jobs retained: N/A

Projected new jobs: N/A
Construction jobs: N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		**Uses**:	
IFA Bonds	$250,000,000	Refinance of existing debt and financing of current IT capital project; routine capital	$245,300,000
		Cost of Issuance (*estimated*)	$4,700,000
Total	**$250,000,000**	**Total**	**$250,000,000**

FINANCING SUMMARY

Security:	Revenue Pledge
Structure:	The Bonds will be sold in a public offering.
Interest Rate:	Estimated at 4.5%; final rate to be determined three days before closing.
Interest Mode:	Rates on all Bonds will be fixed for their respective terms.
Credit Enhancement:	None.
Maturity:	2042
Rating:	The Series 2012 Bonds will be rated. Centegra Health System is currently rated "A-" Stable by Standard & Poor's (affirmed on March 26, 2012); and rated "A-" Stable by Fitch (affirmed on January 12, 2011).
Estimated Closing Date:	November 20, 2012

PROJECT SUMMARY

Bond proceeds will be used to: (a) refund Illinois Health Facilities Authority Revenue Bonds, Series 1998 Bonds (Centegra Health System) (the "**Series 1998 Bonds**"); (b) refund Illinois Health Facilities Authority Revenue Bonds, Series 2002 Bonds (Centegra Health System) (the "**Series 2002 Bonds**"); (c) refund Upper Illinois River Valley Development Authority Revenue Bonds, Series 2003 (NIMED Corp. or "**NIMED**") (the "**Series 2003 Bonds**"); (d) refund all of Upper Illinois River Valley Development Authority Revenue Bonds, Series 2007A/B (NIMED Corp.) (the "**Series 2007 Bonds**" and, together with the Series 1998 Bonds, the Series 2002 Bonds and the Series 2003 Bonds, the "**Prior Bonds**"); (e) refinance all or a portion of certain taxable indebtedness of the Corporation and the Users (as hereinafter defined), including without limitation a Promissory Note dated August 21, 2006 to First Midwest Bank from the Corporation (collectively, the "**Prior Indebtedness**"); (f) pay or reimburse Northern Illinois Medical Center ("**NIMC**") and Memorial Medical Center - Woodstock ("**MMC**", and together with NIMC and NIMED, the "**Users**"), each an Illinois not for profit controlled by the Corporation, for the payment of the cost of acquiring, constructing, renovating, remodeling and equipping certain of their health facilities (the "**Project**"); (g) finance the cost of terminating certain interest rate hedges entered into in connection with the issuance of certain of the Prior Bonds; (h) pay a portion of the interest on the Series 2012 Bonds; (i) establish a debt service reserve fund for the benefit of the Series 2012 Bonds, if deemed necessary or desirable; and (j) pay certain expenses incurred in connection with the issuance of the Bonds, the refunding of the Prior Bonds and the refinancing of the Prior Indebtedness, all as permitted by the Act (collectively, the "**Financing Purposes**").

BUSINESS SUMMARY

Centegra Health System ("**Centegra**" and /or the "**System**") is an Illinois not-for-profit corporation that provides health care and other related services to Chicago's far northwestern suburban metropolitan area. Acute inpatient care services are provided at the System's two hospitals, the 157-acute-care-bed Northern Illinois Medical Center ("**NIMC**") in McHenry, IL, and the 84-acute-care-bed Memorial Medical Center ("**MMC**") in Woodstock, IL. Centegra is the parent and sole corporate member of NIMC and MMC. In July, the Illinois Health Facilities and Services Review Board approved the application for the 128-bed Centegra Hospital – Huntley.

In addition to acute inpatient services provided at NIMC and MMC, the System also provides health care services through other affiliates and subsidiary corporations. Such services include eleven primary care clinics located in McHenry and Lake Counties, two health and wellness centers, behavioral health services, rehabilitation and sports medicine, two diabetes centers, home health care, cardiac rehabilitation, occupational health, spine center, wound care center, sleep disorders clinic, bariatric, and neurology services.
Centegra Health System includes the following affiliated entities:

- Northern Illinois Medical Center
- Memorial Medical Center
- Centegra Health System Foundation;
- NIMED Corp., a not-for-profit entity that owns real estate, leases office space, and houses joint ventures;
- Health Bridge Corporation and Centegra Health Bridge Fitness Center L.L.C., health and wellness centers;
- Centegra Management Services, Inc., a for-profit general management services company for physician practices;
- Centegra Insurance Services, LTD, a captive insurance plan;
- Centegra Primary Care L.L.C., an operator of various group physician practices with an emphasis on primary care and 82 physicians;
- Centegra Clinical Laboratories, L.L.C., a reference laboratory providing laboratory and pathology services to Centegra Health System and its affiliates;
- Centegra Health & Wellness Network, a clinically integrated health care network encompassing Centegra's independent and employed medical staff, hospitals, and ancillary affiliates.

Only Centegra, NIMC and MMC are members of the Centegra Health System Obligated Group. It is anticipated that Centegra Hospital – Huntley will be added to the Obligated Group upon obtaining its 501(c)(3) designation letter.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Centegra Health System
Location:	4209 West Shamrock Lane McHenry, Illinois 60050
Project name:	Centegra Health System
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois
Contact:	Eric Zornow, Corporate Treasurer

<u>Board of Trustees</u>:

Terrence J. Bugno
Tom Carey
William Cox
Mike Curran
Michael S. Eesley
Luke Johnsos
Michael Luecht
Angela McAuley
Pat Morehead
Parmod Narang
Jack Porter
Kathy Powell
Charles Ruth
Charie Zanck
Robert Lind – Ex-Officio
Robert Nixon – Ex-Officio

PROFESSIONAL & FINANCIAL

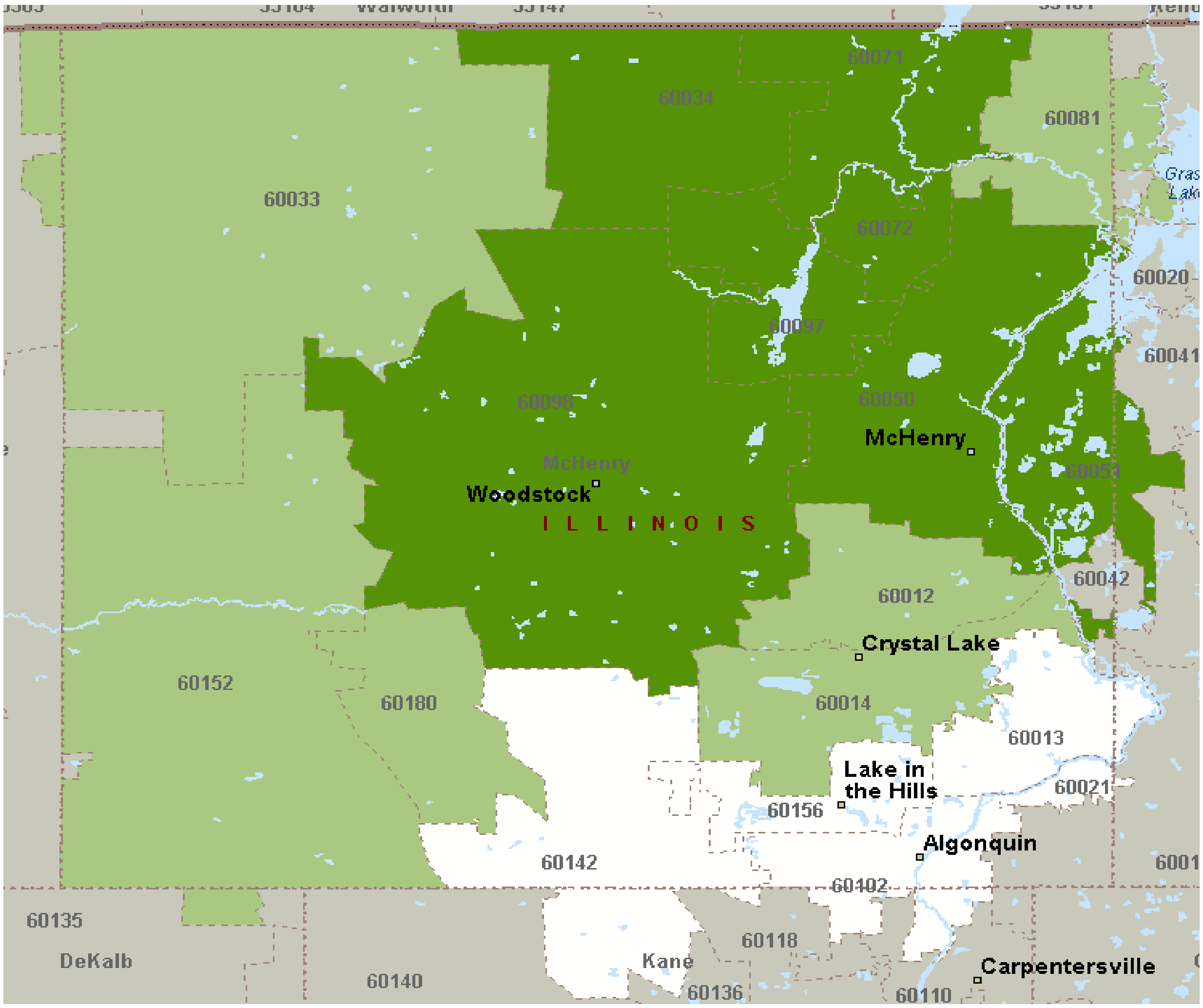
Borrower's Counsel:	K&L Gates	Chicago	Richard Sevcik
Accountant:	KPMG LLP	Chicago	Darryl Buikema
Bond Counsel:	Jones Day	Chicago	Lynn Coe
Underwriters:	J.P. Morgan Securities	Chicago	Timothy Wons
	US Bancorp	Chicago	Brian McGough
Underwriter's Counsel:	Ungaretti & Harris	Chicago	Ray Fricke
IFA Financial Advisor:	Public Financial Management, Inc.	Chicago	Shannon Williams
Issuer's Counsel:	Miller Canfield	Chicago	Paul Durbin

LEGISLATIVE DISTRICTS

Congressional:	8, 16
State Senate:	26, 32
State House:	52, 63, 64

SERVICE AREA

Centegra's total service area includes McHenry County, northern portions of Kane County and the western portion of Lake County.



ILLINOIS FINANCE AUTHORITY
MEMORANDUM

To: IFA Board of Directors

From: Pam Lenane & Nora O'Brien

Date: October 9, 2012

Re: Clare Oaks Plan of Reorganization and Bond Restructuring

Clare Oaks, an Illinois not-for-profit corporation (the "**Borrower**"), was formed in 2002 and received its IRS determination letter dated June 15, 2005, determining that it is exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "**Code**"), as an organization described in Section 501(c)(3) of the Code. The Borrower was formed for the purpose of developing the continuing care retirement community known as "**Clare Oaks**" (the "**Project**" or the "**Community**") as a sponsored institution of the Sisters of St. Joseph of the Third Order of St. Francis, a Roman Catholic congregation of women represented principally in the Archdioceses of Chicago and Detroit and the Dioceses of LaCrosse and Cleveland. The Project is located on approximately 41 acres land in Bartlett, Illinois, owned by The Sisters of St. Joseph of the Third Order of St. Francis, Inc, an Indiana nonprofit corporation (the "**SSJ-TOSF**"), and leased to the Borrower under a ground lease. The Community provides a comprehensive continuum of care to its residents and consists of 164 independent living units, 17 assisted living units, 16 specialty care (memory support) units, and 120 skilled nursing beds.

In 2006 the Illinois Finance Authority issued $112,725,000 of revenue bonds (the "**Series 2006 Bonds**") to finance a portion of the costs of the Project. The issue was allocated among the following series designations:

1. Series 2006A Bonds – Fixed Rate Revenue Bonds ($5,000 Denominations)
2. Series 2006B-1 Bonds – EXTRAS ($5,000 Denominations)
3. Series 2006B-2 Bonds – EXTRAS ($5,000 Denominations)
4. Series 2006C Bonds – Variable Rate Revenue Bonds ($100,000 Denominations)
5. Series 2006D Bonds – Variable Rate Revenue Bonds ($100,000 Denominations)

The Community opened in 2007. Many factors common to the operating performance of other CCRC facilities, including the downturn in the residential real estate market (which has impaired the ability of some potential residents to sell their houses and move into the Community contributed to a slower fill-up), and less operating revenue than was projected at the beginning of development of the Project, thereby resulting in faster depletion of operating and debt service reserves. In December 2011 the Borrower filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code.

The Borrower has continued to operate the Community as debtor-in-possession during the course of the bankruptcy case. As of July 31, 2012, occupancy of the Community was 136 independent living units, 32 assisted living and specialty care units, and 93 skilled nursing beds.

In connection with its bankruptcy case, the Borrower has engaged in negotiations regarding a Bond restructuring with an informal steering committee comprised of bondholders and Sovereign Bank, which provided Letters of Credit supporting the Series 2006C Bonds and the Series 2006D Bonds and is now the owner of such bonds. The bond restructuring would be accomplished pursuant to a plan of reorganization (the "**Plan**") approved by the bankruptcy court. Under the Plan, up to $12 million of bonds, notes or other form of tax-exempt and taxable indebtedness (the "**Series 2012A Debt**") would be issued by the IFA (or Clare Oaks directly) to certain existing bondholders and/or Sovereign Bank to pay certain costs of emerging from bankruptcy protection, including repaying the Borrower's debtor-in-possession ("**DIP**") financing, financing the costs of certain capital expenditures; funding certain operating, debt service, and lease payment reserves; paying certain expenses of the bond restructuring; and, financing the acquisition by the Borrower of a fee simple purchase option on the underlying land for the Project.

Additionally, the Plan contemplates the exchange of the outstanding Series 2006 Bonds for $40 million of current interest paying tax-exempt bonds (the "**Series 2012B Bonds**") and $35 million of tax-exempt capital appreciation bonds (the "**Series 2012C Bonds**"). Upon the satisfaction of certain conditions, $5 million of Series 2012C Bonds would convert to current interest paying bonds after six years from the date of issuance (the "**Series 2012C-1 Bonds**") and an additional $5 million of Series 2012C Bonds would convert to current interest paying bonds after 11 years from the date of issuance (the "**Series 2012C-2 Bonds**").

The plan contemplates the issuance of Illinois Finance Authority Taxable Revenue Bonds and Illinois Finance Authority Subordinated Revenue Refunding Bonds in the following series:

1. Series 2012A Bonds (not-to-exceed $12,000,000 of taxable revenue bonds): (i) refinance the DIP financing; (ii) pay or reimburse the Borrower for the costs of certain projects owned or to be owned by the Corporation; (iii) pay a portion of the interest on the 2012 Bonds if deemed necessary or advisable; (iv) provide working capital if deemed necessary or advisable; (v) fund one or more debt service reserve funds if deemed necessary or advisable, and (vi) pay certain expenses incurred in connection with the issuance of the Series 2012 Bonds.
2. Series 2012B Bonds (not-to-exceed $40,000,000 of subordinated revenue refunding tax-exempt bonds): exchange a portion of the outstanding Series 2006 Bonds for current interest paying tax-exempt bonds.
3. Series 2012C Bonds (not-to-exceed $35,000,000 of subordinated revenue refunding tax-exempt bonds): exchange a portion of the outstanding Series 2006 Bonds for tax-exempt capital appreciation bonds.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2012

Project: Clare Oaks

STATISTICS

Project Number: H-SL-TE-CD-8580
Type: 501(c)(3) Bonds
County/Region: Cook

Amount: $90,000,000 (Not-to-Exceed)
IFA Staff: Pam Lenane and Nora O'Brien
City: Bartlett

BOARD ACTION

Bond Exchange and New Issue Resolution
Conduit 501(c)(3) bonds
No IFA funds at risk

Staff recommends approval
[Request Waiver of the Board policy for non-rated debt]

VOTING RECORD

Original financing for this project was approved by the Board in May 2006. This is the first time this restructuring transaction has been brought before the Board.

PURPOSE

The objective of the Plan of Reorganization is to restructure the Borrower's debt obligations by reducing its annual debt service to a level that can be sustained by present and anticipated future operations. The Series 2012A Debt will be used to refinance the borrower's existing debtor-in-possession ("**DIP**") facility, finance certain capital expenditures, provide a portion of the funds for certain operating, debt service and lease payment reserve funds, pay certain costs of issuance and financing the acquisition by the Borrower of a fee simple purchase option on the underlying land for the Project. The Series 2012B Bonds and the Series 2012C Bonds will be exchanged for the outstanding Series 2006 Bonds.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	188 FTE's	Projected additional new jobs:	0 FTE's
Jobs retained:	188 FTE's	Construction jobs:	0 FTE's

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	Series 2012A	$12,000,000	Uses:	Series 2006 Refunding	$75,000,000
	Series 2012B	$40,000,000		Repay DIP Loan	$6,000,000
	Series 2012C	$35,000,000		Capital Expenditures	$2,000,000
	Borrower funds	$3,000,000		Operating Reserves	$3,150,000
	Trustee funds	$2,700,000		Debt Service/Rent Reserves	$3,500,000
	Total	$92,700,000		Issuance Costs	$1,550,000
				Fee Simple Option Fee	$1,500,000
				Total	$92,700,000

FINANCING SUMMARY/STRUCTURE

Security:	The Bonds will be secured by a gross revenues pledge provided under the Borrower's Master Trust Indenture and by a first mortgage lien provided under the Borrower's Leasehold Mortgage and Security Agreement.
Structure:	The plan of finance contemplates that the Series 2012A Debt will include tax-exempt fixed rate bonds and taxable indebtedness, that the Series 2012B Bonds will be current interest paying tax-exempt bonds and that the Series 2012C Bonds will be capital appreciation bonds. Capital appreciation bonds do not pay interest on a current basis but appreciate in value based on a specified accretion rate until final maturity.
Interest Rates:	(A) Interest rates on the Series 2012A Debt will not exceed 7% per annum. (B) The Series 2012B Bonds will bear interest initially at 4% per annum for years 1 through 15 and at 6% thereafter until final maturity. (C) The Series 2012C Bonds will accrete at 2% per annum compounded semi-annually.
Maturity:	Not later than 2052 (40 years)
Rating:	Not rated
Estimated Closing Date:	October 2012

PROJECT SUMMARY FOR BOND EXCHANGE AND NEW ISSUE

Proceeds of the Series 2012A Debt will be used to (i) refinance the Borrower's debtor-in-possession (DIP) financing; (ii) pay or reimburse the Borrower for the payment of certain costs of acquiring, constructing and equipping certain "projects" (as such term is defined in the Act) relating to the Community; (iii) fund operating, debt service and lease payment reserves; (iv) finance the acquisition by the Borrower of a fee simple purchase option on the underlying land for the Project; and (vi) pay certain expenses incurred in connection with the issuance of the Bonds.

Upon the effective date of the Plan of Reorganization, the outstanding Series 2006 Bonds will be exchanged for $40 million of Series 2012B Bonds and $35 million of Series 2012C Bonds.

BUSINESS SUMMARY

Description of Business: **Clare Oaks,** an Illinois not-for-profit corporation (the "**Borrower**"), was formed in 2002 and received an IRS determination letter dated June 15, 2005, determining that it is exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "**Code**"), as an organization described in Section 501(c)(3) of the Code. The Borrower was formed for the purpose of developing the continuing care retirement community known as "**Clare Oaks**" (the "**Project**" or the "**Community**") as a sponsored institution of the Sisters of St. Joseph of the Third Order of St. Francis, a Roman Catholic congregation of women represented principally in the Archdioceses of Chicago and Detroit and the Dioceses of LaCrosse and Cleveland.

The Community is located on approximately 41 acres land in Bartlett, Illinois, owned by The Sisters of St. Joseph of the Third Order of St. Francis, Inc, an Indiana nonprofit corporation (the "SSJ-TOSF"), and leased to the Borrower under a ground lease. The Community provides a comprehensive continuum of care to its residents and consists of 164 independent living units, 17 assisted living units, 16 specialty care (memory support) units and 120 skilled nursing beds. The Community commenced operations in 2007.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Clare Oaks
Location:	West Bartlett Road, Bartlett, IL
Project name:	Clare Oaks
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois
***Present Board Members:**	Michael D. Hovde, President Dan Walsh, Vice President and Secretary Paul Clemens, Treasurer Edward (Ted) Otto Therese Malm Sister Denise Seymour Sister Marcella Nowakowski

***Board Members of the Borrower upon emergence from Bankruptcy will be disclosed in a supplement to the Plan of Reorganization. Certain amendments to the Bylaws of the Borrower will become effective upon emergence from bankruptcy as described in the Restructuring Term Sheet included in the Plan of Reorganization.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Ungaretti & Harris LLP	Chicago	James Broeking
Accountant:	CliftonLarsonAllen	Chicago	Chad Kunze
Bond Counsel:	Jones Day	Chicago	John Bibby
Bank:	Sovereign Bank	Chicago	Naomi O'Dell
Bank Counsel:	Duane Morris LLP	Chicago	John Weiss
Financial Advisors:	Alvarez & Marsal, LLC	Chicago	Paul Rundell
	B.C. Ziegler & Company	Chicago	Kevin Carden
Bond Trustee:	Wells Fargo Bank, N.A.	Chicago	
Bond Trustee's Counsel:	Mintz Levin	Boston	Daniel Bleck
Issuer's Counsel:	Charity & Associates, P.C.	Chicago	Alan Bell
IFA Advisor:	Acacia Financial Group	Chicago	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional:	6
State Senate:	28
State House:	55

SERVICE AREA

The Community's service area remains the same as described in the feasibility study prepared in connection with the original financing. The Community is located on an approximately 41-acre site on West Bartlett Road, Bartlett, Illinois, which is approximately 37 miles northwest of Chicago near Cook County's border with DuPage County. The Project's primary market area ("PMA") includes 8 zip codes (60103, 60123, 60007, 60188, 60101, 60120, 60108 and 60194) that fall within a 10-mile radius of the Project.