

**ILLINOIS FINANCE AUTHORITY
BOARD MEETING**

Wednesday, October 14, 2009

Chicago, Illinois

COMMITTEE OF THE WHOLE

8:30 a.m.

Two Prudential Plaza - IFA Chicago Office

180 N Stetson, Suite 2555

Chicago, Illinois

Revised 10/9/2009 3:55 PM

AGENDA

- I. Call to Order
- II. Roll Call
- III. Chairman's Remarks
- IV. Senior Staff Report (Tab A)
- V. Financial Report (Tab B)
- VI. Committee Reports
- VII. Project Reports
- VIII. Closed Session pursuant to:
paragraph C(1) of Section 2 of the Open Meetings Act (5 ILCS 120/2)
- IX. Other Business
- X. Adjournment

BOARD MEETING

11:30 a.m.

One Prudential Plaza Conference Center

130 East Randolph, 7th Floor

Chicago, Illinois

Revised 10/9/2009 3:55 PM

- I. Call to Order
- II. Chairman's Remarks
- III. Roll Call
- IV. Acceptance of Financials
- V. Approval of Minutes (Tab C & D)
- VI. Senior Staff Remarks
- VII. Project Approvals
- VIII. Resolutions / Amendments
- IX. Adoption of Reports
- X. Other Business

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Beginning Farmer Bonds						
<i>Final</i>						
1	A) Chad A. Walk	Neoga (Shelby County)	\$150,000	0	0	ER
	B) Jeremy and Tara Reeves	Greenville (Bond County)	\$201,000	0	0	ER
Young Farmer Guarantee						
<i>Final</i>						
2	Kyle and Jenny Wagner	Canton (Fulton County)	\$263,500	0	0	ER
TOTAL AGRICULTURE PROJECTS			\$614,500	0	0	

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Industrial Revenue Bonds						
<i>Preliminary</i>						
3	The Clarke Group, Inc.	Roselle (DuPage County)	\$10,000,000	25	TBD	RF/MN
TOTAL BUSINESS AND INDUSTRY PROJECTS			\$10,000,000	25	0	

COMMUNITIES AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds						
<i>Preliminary</i>						
4	Hales Franciscan High School	Chicago (Cook County)	\$13,000,000	8	60	SCM
5	Joliet Montessori School	Crest Hill (Will County)	\$650,000	5	15	TA
6	Country Health, Inc.	Gifford (Champaign County)	\$7,500,000	10	50	JS
501(c)(3) Bonds						
<i>Final</i>						
7	Elgin Academy	Elgin (Kane County)	\$12,000,000	5	0	TA
TOTAL COMMUNITIES AND CULTURE PROJECTS			\$33,150,000	28	125	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds						
<i>Preliminary</i>						
8	Advocate Health Care Network	Multiple	\$280,000,000	0	150	PL/BC
9	Memorial Health System	Multiple	\$170,000,000	107	1031	PL/BC
10	Villa of Guadalupe Senior Services Corporation	Chicago (Cook County)	\$5,000,000	0	0	PL/BC
11	Resurrection Health Care	Multiple	\$120,000,000	0	0	PL/BC
501(c)(3) Bonds						
<i>Final</i>						
12	Central DuPage Health	Winfield (DuPage County)	\$280,000,000	0	400	PL/BC
13	Edward Hospital	Naperville (DuPage County)	\$55,000,000	0	0	PL/BC
14	Lake Forest Hospital	Grayslake/Lake Forest (Lake/Cook County)	\$60,000,000	40	50	PL/SG
15	Timothy Place, NFP., D/B/A Park Place Christian Community of Elmhurst	Elmhurst (DuPage County)	\$195,000,000	138	900	PL/BC
TOTAL HEALTHCARE PROJECTS			\$1,165,000,000	285	2,531	

HIGHER EDUCATION

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds						
<i>Preliminary</i>						
16	Adler School of Professional Psychology	Chicago (Cook County)	\$5,100,000	37	25	RF
501(c)(3) Bonds						
<i>Final</i>						
17	Roosevelt University	Chicago and Schaumburg (Cook County)	\$210,000,000	40	400	RF
18	Trinity International University	Deerfield (Lake County)	\$23,500,000	3	40	TA
TOTAL HIGHER EDUCATION PROJECTS			\$238,600,000	80	465	
GRAND TOTAL			\$1,447,364,500	418	3,121	

Tab	Project	FM
Amendatory Resolutions / Resolutions		
19	Request by Peoples National Bank to modify the payment date for an existing Young Farmer Guaranteed Loan (Michael and Shari Flanigan)	ER
20	Resolution to authorize execution of an Amended Trust Indenture to eliminate the requirement that the Lessee execute requisitions from the Special Tenant Improvements Account held under the Indenture. (Theory and Computing Sciences Building Trust (Argonne National Laboratory) Series 2007 Taxable Bonds).	TA
21	Resolution for Participation Loan Payment Modifications by Heartland Bank and Trust Company and IMT Real Estate, LLC. (Illinois Machine and Tool Works Project)	JS
22	Fifth Third Bank's Request to Change the Measurement Dates for Two Covenants Associated with the IFA Guaranteed Term Loan to Blackhawk Biofuels, LLC.	ST
Adoption of Reports		
23	Report concerning compensation and personnel matters	

Other
Adjournment



**Illinois Finance Authority
Report of the Senior Staff
October 14, 2009**

To: IFA Board of Directors and Office of the Governor

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

Financial Performance:

General Fund:

The Illinois Finance Authority's General Fund unaudited financial position for the month ending September, 2009, reports total assets of \$41,683,560, liabilities of \$1,640,667 and total equity of \$40,042,893. This compares favorably to the September 2008 balance sheet, with \$38,503,987 in total assets, liabilities at \$1,726,651 and total equity of \$36,777,336.

Gross revenue YTD (other than loan repayments) for the period ending September, 2009 was \$2,079,883, or \$24,183 (1.2%) above the approved FY10 budget. The favorable variance is primarily due to fee income. Total operating expenses were \$1,292,597, or \$16,702 higher than budget. This is primarily due to a retroactive adjustment for an operational change to the 401(a) Plan.

Gross revenue YTD of \$2,079,883 was \$558,671 (36.7%) higher than same period last fiscal year 2009. This is primarily due to fee income. Operating expenses YTD were \$1,292,597 or \$2,309 lower than same period last fiscal year 2009. This is mainly due to a reduction in legal and accounting fees, office supplies, and miscellaneous office services, offset by an increase in bad debt.

Year-to-date net income for September was \$819,224 or \$39,420 higher than budget and \$579,793 higher than same period last fiscal year.

Consolidated Results:

The Illinois Finance Authority's unaudited financial position for its fourteen (14) funds, as of September 30, 2009, reports consolidated total assets of \$173,305,477, liabilities of \$59,290,268 and total equity of \$114,015,209. This compares favorably to the September 2008 balance sheet of \$176,564,193 in total assets, liabilities of \$62,826,504 and total equity of \$113,737,689.

Audit and Compliance

The fiscal year 2009 audit field work is underway.

Financial Services

Market Trends

- ***Build America Bonds (“BAB’s”)***: continued to reshape public finance last month, shifting more than a quarter of state and local government debt into the taxable bond market. Accordingly to *The Bond Buyer*, over 92% of taxable issuance volume in August was through the BAB Program. Issuers have sold \$25.15 billion BAB’s in September up from \$20.19 billion in August last year. Taxable Bonds represented 28.2% of municipal issuance in September. (Issuance of BAB’s is limited to Governmental Purpose Projects – rather than the conduit financings for non-governmental third parties that are IFA’s focus).

Interest Rate Data:

Tax-Exempt Rates:

- Variable Index (* SIFMA): 0.34% (10/1), down 5 basis point from last month’s report.
- Fixed GO Bond (** MMD-30yr-AA): 3.61% (10/2), down 93 basis points from last month’s report.

Taxable Rates:

- Fed Reserve Benchmark Target Rate: 0.25% (10/2) unchanged from last month
- *** 90-day LIBOR: 0.28% (10/2), down 13 basis points from last month
- **** Prime Rate: 3.25% (10/2), unchanged since 12/15/2008.
- 2-yr Treasury: .87%, (10/2) down 31 basis points from last month
- 30-yr Treasury: 3.97% (10/2) down 45 basis points from last month

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

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

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

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

The Tax-Exempt SIFMA Variable Rate Index dropped 5 basis points from the previous month. The SIFMA Index remains near historical lows.

The 30-Year MMD (AA-rated) rate decreased 93 basis points from last month, while the 30-Year Treasury dropped 45 basis points from July. This signals an undersupply of long-term investors in the tax-exempt market relative to the taxable market.

Among Taxable rates, 90-day LIBOR, which is used to determine borrowing rates for many interbank loans, continued its downward trend in with a 13 basis point decline in August, approaching its lowest levels since 2004. 90-day LIBOR (plus a margin) is frequently used as a benchmark for determining variable rate commercial loan interest rates.

Economic Data:

Gross Domestic Product second quarter Estimate:

Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- decreased at an annual rate of 0.7 percent in the second quarter of 2009, (that is, from the first quarter to the second quarter), according to the "third" estimate released by the Bureau of Economic Analysis. In the first quarter, real GDP decreased 6.4 %.

The decrease in real GDP in the second quarter primarily reflected negative contributions from private inventory investment, nonresidential fixed investment, residential fixed investment, personal consumption expenditures (PCE), and exports. These reductions were partly offset by positive contributions from federal government spending and state and local government spending. Imports, which results in reductions to GDP, decreased.

Employment:

Nonfarm payroll employment continued to decline in September (-263,000), and the unemployment rate 9.8 % continued to trend upward, the U.S. Bureau of Labor Statistics reported October 2, 2009. The largest job losses were in construction, manufacturing, retail trade, and government.

Nonfarm private employment decreased 254,000 from August to September 2009 on a seasonally adjusted basis, according to the ADP National Employment Report. The estimated change of employment from July to August was revised by 21,000, from a decline of 298,000 to a decline of 277,000.

September's employment decline was the smallest since July of 2008 and employment losses have diminished significantly over the last two quarters. Nevertheless, employment, which usually trails overall economic activity, is likely to decline for at least several more months, with losses continuing to diminish, according to the ADP National Employment Report.

Illinois' unemployment rate held flat at 10% for the month of August as reported by the Illinois Department of Employment Securities; the data for September will be available on October 16th.

Manufacturing:

According to the September Purchasing Manager's Index ("PMI") report, the manufacturing sector posted 52.6 for the month. Although 0.3 points higher than the previous month, the September index reading was below consensus expectations. Still,

the September PMI index posted its second consecutive monthly reading over 50. (A PMI reading over 50.0 indicates that the manufacturing sector is generally expanding; while a reading under 50.0 indicates that it is generally contracting.)

The PMI index had been below 50 for an extended period prior to the August report.

Other Economic News:

- Personal bankruptcies topped the 1 million mark in the first nine months of the year, the first time in four years, released on October 1, 2009. Personal bankruptcies were up 35% from the same period in 2008, according to the report from the American Bankruptcy Institute (ABI).

Program Development

Local Government Pooled Bond Issue – Scheduled for the November 10th meeting, the pool currently has 9 Local Government Pooled Bond projects totaling approximately \$5,000,000. This will be IFA's first Local Government Pooled issuance since May of 2008. IFA's Local Government Pooled Bond Program enables small, non-rated Units of Local Government to aggregate several small issues to obtain economies of scale to participants.

Fire Truck and Ambulance Revolving Loan Funds – Invoices for outstanding Fire Truck Loans for prior fiscal years (2005-2008) were completed and mailed for collection. Additionally, the Administrative Rules for the Ambulance and Fire Truck Revolving Loan Programs were finalized and submitted for a 2nd Reading. The Joint Administrative Review Committee has scheduled a meeting to discuss these Rules on October 13, 2009.

Sales Activities

Funding Managers will be presenting eighteen financings totaling \$1,447,364,500 for consideration at the October 14, 2009 Board Meeting including:

- Agriculture projects total \$614,000
- Business and Industry projects total \$10,000
- Healthcare projects total \$1,165,500,000
- Non-Healthcare Projects (Cultural and other 501(c)(3) projects) total \$271,750,000

The twelve financings presented for consideration today are expected to create 418 new jobs and 3,121 construction jobs.

IFA Industry Updates and Closing Reports:

Agriculture

In September, the Agriculture Team attended the National Farm Progress Show in Decatur. This is the nation's largest outdoor trade show, which is an annual event that rotates between Decatur, IL and Boone, IA. The IFA was able to partner with the Illinois Department of Agriculture to obtain tent space for an informational booth. Ag Team

attended the 3-Day show, which afforded IFA the opportunity to meet with a large number of farmers, lenders, and other agencies.

During the month, staff received a variety of calls from lenders and producers inquiring about the IFA's Guaranteed Loan programs and Beginning Farmer Bond programs. As noted last month, the market seems to be more interested in loan guarantees than in the past two years as commodity prices have declined. The livestock industry continues to be a concern within the agricultural industry. Staff received an inquiry from the Illinois Department of Agriculture regarding programs available to those producers in the swine industry. It is anticipated that staff will either meet directly with the Illinois Pork Producers or attend a joint meeting with the Farm Service Agency and the Illinois Department of Agriculture in the near future.

In addition to various calls and meetings with lenders and producers, staff also attended a business development dinner in Lawrence County sponsored by the Greater Wabash Regional Planning Commission. The dinner provided the opportunity for an informational booth, as well as the opportunity to network with various County Board Members, Mayors, area Legislators, and representatives from USDA, DCEO, as well as other agencies. Observations from the program were that many community leaders in the area are aware of DCEO and USDA, but not all were aware of the programs offered by the IFA.

Staff will be presenting two Beginning Farmer Bonds and one Young Farmer Guarantee for consideration of approval. While the two Beginning Farmer Bond applications do not yet utilize the new increased bond limit, staff anticipates an application in November that will.

There were no Agriculture Closings in August, 2009.

Business and Industry

IFA's B&I Team continue to focus calling activity on economic development representatives to build awareness about IFA, with special emphasis on the "Southern 21 counties". The response to IFA has been very positive, with economic development representatives showing interest in IFA's Local Government Pooled Bond Program, IRBs and IFA's Participation Loan Program; the B&I team has scheduled follow-up meetings with these economic development representatives to meet with commercial banks and manufacturing operations.

Additionally, it has become evident from informal discussions with Borrowers and Investment Bankers who serve the B&I market that Bank Letters of Credit for prospective Industrial Revenue Bond, Intermodal, and Solid Waste Transactions are continuing to see substantially higher pricing than observed in the recent past. As a result, Bank LOC-enhanced Tax-Exempt Financings for these Borrowers provide relatively less benefit now than at any time in recent years.

IFA staff hopes to continue to build on its new relationship with American Water Capital Corp. (Illinois-American Water Company) and its renewed relationship with Aqua Illinois, Inc. to generate additional bond financing activity in the Business and Industry segment, particularly while Industrial Revenue Bond activity remains below historic averages. Water Utility Revenue Bonds finance investments in local water systems necessary for quality of life and economic development.

Although there are considerable credit challenges in the B&I segment, the American Water Capital Corp. financing priced at 5.25% fixed for a 30-year term – a favorable rate for a Baa2/BBB+ rated credit (Moody’s/S&P).

Business and Industry Closing for September/Early October, 2009 Closing(s)

Closing Date	Amount	Borrower
10/1/2009	\$28,500,000	American Water Capital Corp.
10/1/2009	\$5,010,000	Liberty Towers Associates II, L.P.

Healthcare

The Healthcare credit markets continue to improve evidenced by yields decreasing by 50 basis points in the last two weeks. We expect activity to increase with many borrowers converting floating rate debt to fixed rates. This month we have Edward Hospital, Lake Forest Hospital, and Central DuPage Hospital, coming for final approval. Prior to the end of the calendar year, we anticipate eight to ten additional financings to close.

The Healthcare Team is working through credit terms of the HAP Program with Assured Guaranty and continues to receive positive feedback. Due to the current Federal Healthcare Reform agenda and the risk associated with changes to the Hospital Assessment Program the willingness of Assured has diminished without recourse to the hospital.

The Team also hosted the IFA’s first Underwriter Diversity Forum on September 10, 2009. Representatives of several hospitals as well as financial advisors attended the event along with numerous minority and women owned underwriting firms. The event successfully provided the opportunity for both the healthcare community professionals and financial underwriting firms to network with each other and the IFA staff.

The IFA was chosen to host the annual National Association of Health and Education Facilities Finance Authorities (NAHEFFA) conference in Chicago from September 23rd to the 25th. Rich Frampton, Vice President & Director of Funding Managers and Pam Lenane, Vice President of Healthcare & Associate General Counsel worked with agencies from throughout the nation to successfully organize this event. The IFA sponsored an architectural boat tour and moderated discussion panels on both “Current Economic Forecast” and “Innovative Technology & Energy Solutions for Higher Education and Health Care”. The conference provided the opportunity for local finance and legal professionals to build new relationships with Authorities from other states.

The Healthcare Team attended the annual Illinois Hospital Association Leadership Summit in Galena, Illinois on September 24th and the 25th to promote the HAP Program. A booth was set-up and run by members of both IFA and Loop Capital Markets to inform executives of hospitals of the IFA’s new program. The Healthcare Team discussed the program with representatives of Kewanee Hospital, St. Mary’s Hospital located in Streator, St. John’s Hospital located in Springfield, and with many other hospital representatives which attended the conference. As reported in past months there was significant interest in the program.

There were no Healthcare Closings in September, 2009

Non-Healthcare 501(c)(3)'s:

Credit challenges due to (1) bank rating downgrades and (2) related failed remarketings of impaired variable rate paper have resulted in a steady stream of Amendments and Restructurings. The Federal Home Loan Bank Letter of Credit initiative – which was added as a result of the 2008 Housing Recovery Act (effective July 30, 2008) -- continues to provide considerable assistance to existing 501(c)(3) borrowers who are (1) facing expensive LOC renewals at expiration, (2) are seeking replacement LOCs from non-rated banks, or (3) are further enhancing existing LOC-enhanced transactions to improve the interest rate to Borrowers. IFA has closed 3 FHLB LOC-enhanced transactions to date -- with two additional transactions expected to close within the next 45 to 60 days for Non-Healthcare 501(c)(3) Borrowers.

IFA staff originally projected that approximately 5-6 FHLB-enhanced transactions would close each calendar year. Given that 4 of IFA's initial 5 FHLB-enhanced transactions have restructured existing tax-exempt transactions and propped-up market access for 501(c)(3)'s, IFA and NAHEFFA are hopeful that the actual cost of the FHLB Letter of Credit provision to the Treasury will be less than originally projected by the Joint Committee on Taxation, thereby improving the likelihood of extension of the FHLB LOC provision beyond 12/31/2010.

The 501(c)(3) Team participated in the following events:

- Local Community Foundations to discuss IFA programs and how the Authority could provide financing for 501(c)(3) not-for-profits in Downstate.
- The Team gave a presentation at US Bank to their middle market bankers and portfolio managers. 501(c)(3) bond financing, IRBs and Participation Loans.
- IFA staff continued to work closely with both (1) the Federation of Independent Illinois Colleges and Universities and (2) the Associated Colleges of Illinois to educate Illinois private colleges and universities about the IFA Energy Retrofit Financing Program to provide gap financing for energy and HVAC upgrades that are partially funded by ARRA grants and/or State of Illinois Energy grants.
- Women in Public Finance Conference and Reception

Hales Franciscan High School, a 501(c)(3) private high school for boys will be coming before the IFA Board in October for approval of a \$13 million construction/renovation project to their campus, anticipated to close by winter 2009. SOS Children's Villages is scheduled to close October 8, 2009. IFA closed on a \$27.0MM restructuring for the Adler Planetarium on October 1st that added a Confirming LOC from the Federal Home Loan Bank of Boston.

Non-Healthcare 501(c)(3) Closing for September/Early October, 2009 Closing(s)

Closing Date	Amount	Borrower
October 1, 2009	\$27,000,000	Adler Planetarium

Local Government

The Local Government Team focused efforts on collecting information in preparation for the Local Government Pooled Bond Program issue planned for to close in late November or early December. There are 9 participants included with an overall issuance amount of approximately \$5 million for a variety of projects in 8 counties. Additionally, work has been completed in preparation for one Interim Direct Loan scheduled for closing on October 6, 2009 for the Village of Kane in the amount of \$625,000. Pursuant to an RFP, IFA has engaged Stifel Nicolaus to underwrite this initial issue and Chapman Cutler to serve as Bond Counsel.

The Local Government Team continues to meet with city officials to build awareness about IFA in the Southern 21 counties. The response to IFA has been very receptive, with community leaders showing interest in IFA's Local Government Pooled Bond Program.

The Team has scheduled presentations with the Community Funding Forum October 8th to the Franklin County Mayors. The Local Government Team participated in a similar forum in Matton on September 8th

- IFA was an exhibitor at the annual Illinois Municipal League Conference held in Chicago in late September. IFA Staff worked the booth on the two-day event. Approximately 300 Mayors and other local government officials attended the Annual Conference.
- IFA Staff phone calls, meetings, and presentations have generated several leads for sewer and other infrastructure projects from communities across Illinois, including Plano (Kendall County), Lincoln (Logan County), Lawrenceville (Lawrence County), Roxana (Madison), and Shiloh (St. Clair).

There were no Local Government Closings in September, 2009

Energy Efficiency

On September 9th, Kim DuPrey served as the Harnetech LLC's keynote luncheon speaker, for a presentation entitled "Financing Green" to area Architects on IFA's role with Public and Private Issuers on financing energy efficiency and renewable energy projects. She outlined the IFA's coordination with other State and Federal Agencies like the DCEO, DOE and State for grants and loan guarantees.

IFA staff participated in the Illinois Government Finance Officers Association's Annual Conference in Springfield, Sept 21st – 22nd. Staff Presented the IFA's role in helping public and private sector finance energy efficiency and renewable projects. Our programs are used to finance "matching funds" and "supplemental funding" required to take advantage of the many ARRA incentives being offered by the State and the Federal Government.

IFA staff participated in the Illinois Municipal League's Annual Conference in Chicago, September 24th – 26th. This was attended by approximately 300 village administrators:

Mayors, Alderman, Trustees and Finance Directors. We staffed a vendor's booth showcasing our funding and financing programs for local governments, private businesses and not-profits. Townsend Albright served on a panel discussion with DCEO and the University of Illinois at Chicago to discuss IFA financing programs for local governments that could provide gap financing for energy and HVAC upgrades partially funded by ARRA grants administered through the State of Illinois' DCEO.

IFA plans to participate in the Green Town Chicago 2009 conference sponsored by the City of Chicago, Columbia College and Clinton Climate Initiative on October 15, 2009. We have been invited to speak on a panel moderated by the Clinton Climate Initiative on "Making Existing Buildings Energy Efficient" and will serve as a presenter in a session entitled: "Renewable Energy: Preparing Local Communities to Meet Regional Goals." We will share this session with staff from the Chicago-based Environmental Law & Policy Center. Topics addressed in this session will include pertain to energy efficiency and renewable energy finance, grants and incentives, environmental issues, and recent legislative changes expanding the IFA's role to help entities gain access to capital for these initiatives.

There were no Energy Closings in August, 2009

Venture Capital

IFA continues to monitor the orderly wind down of the Champaign Urbana Venture Fund and its one remaining asset, User Active. This investment has already been written down to zero. Final cash disbursements from the Fund have already been received. Timing of the formal dissolution of the Fund is later this year and early 2010.

Staff completed due diligence for documents Riverglass has asked IFA to sign related to a recent financing effort. IFA is not participating in this round and will submit the requested documents in early October.

Staff participated in board meetings for Stonewater and Ohmx, and met with the President and CEO and prospective new CFO of ZuChem.

Human Resources

IFA's EEO/AA Plan for fiscal year 2010 was submitted on time and approved by the Illinois Department of Human Rights. The new plan has been distributed to all IFA associates and the required postings have been completed. Staff met the Department to review and sign off on the third and fourth quarter reports submitted for fiscal year 2009.

Review of personnel files over the last two months was completed this month in anticipation of the upcoming audit.

The Board Compensation Committee met twice during the month of September.

Benefits

The Trustees for IFA's Individual Account Plan held a Trustee meeting. Fund performance was reviewed. The Trustees voted to add new fund to the selection of funds available for participants to invest in. The Trustees also voted to amend the Plan to include an explanation of a recent operational change and to meet two compliance responsibilities.

Compliance

Staff completed and submitted the State the Annual Real Property Report.

Procurement

Staff submitted three Procurement Business Cases (PLBC) for Treasury-related procurements (Government Bond and Government Security Money Market Funds, Managed Investment Services, and CDARS). The CDARS PBC was approved; questions concerning the other two are being addressed. The State has advised IFA to utilize Information for Bid (IFB) solicitation for all three pending final approval of the remaining two PBCs. This appears to be a more suitable approach than issuing Request for Proposals and will expedite the completion of these solicitations. IFB content was drafted for the Government Bond and Government Securities Money Market Funds and the Managed Investment Service solicitations.

Staff prepared content for submission of a PBC for Venture Capital Evaluation Services. The PBC should be submitted early in October. Work will commence immediately on the Request for Proposal solicitations.

Documentation of the human resource, payroll, and other services being provided to IFA by ADP TotalSource was completed. Content for the PBC for inclusion in the PBC is estimated to be 60% done and should be completed during the week of October 5th.

Legal/Legislative Update

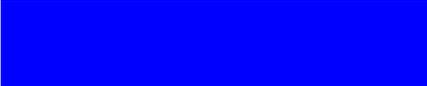
An oral report will be provided at the August 11, 2009 Committee of the Whole Meeting.

Illinois Finance Authority
FY08 Audit Findings: Material and Immaterial
Update as of September 30, 2009

Number of Findings - 7

Item Number	Description	Finding Type	Comments	Percentage Completed										
				10	20	30	40	50	60	70	80	90	100	
Government Auditing Standards:				10	20	30	40	50	60	70	80	90	100	
08-01	Draft Financial Statements Not Completed Timely	Significant Deficiency	People, processes and systems are in place to produce timely financial statements.	[Redacted]										
08-02	Failure to Provide a Listing of Laws and Regulations Applicable to the Authority	Significant Deficiency	Database developed; identification and tracking, and maintenance of the statutory mandate database have been executed.	[Redacted]										
Federal Compliance:				10	20	30	40	50	60	70	80	90	100	
08-03	Missing Policy on Nondiscrimination	Noncompliance and Significant Deficiency	The product bulletin and the application for the Rural Development Program have been updated and posted to the IFA website.	[Redacted]										
State Compliance:				10	20	30	40	50	60	70	80	90	100	
08-04	Failure to Report Revenue Bond Information to the Office of the Comptroller	Noncompliance and Significant Deficiency	Implemented a "reminder" process with trustees/paying agents. Changes required from the IOC to totally eliminate this finding.	[Redacted]										
08-05	No Established Rules to Administer Loan Program (Fire Sprinkler Dormitory Revolving Loan Program)	Noncompliance and Significant Deficiency	No appropriation to fund the program; rules filed with the Secretary of State.	[Redacted]										
08-06	Failure to Administer the Exporter Award Program	Noncompliance and Significant Deficiency	IFA posted an invitation on its website; nominated borrowers; actual award by DCEO were made on 06/29/09; none of the awardees were submitted by IFA.	[Redacted]										
08-07	No Formal Record Retention Plan	Noncompliance and Significant Deficiency	State Record Commission review and approved the Records Retention Schedule.	[Redacted]										

**Illinois Finance Authority
Audit Findings Material and Immaterial
Update as of September 30, 2009**

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

**Illinois Finance Authority
General Fund
Unaudited
Balance Sheet
for the Three Months Ending September 30, 2009**

		Actual September 2009
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	\$	15,664,547
RECEIVABLES, NET		852,417
LOAN RECEIVABLE, NET		23,269,553
OTHER RECEIVABLES		225,000
PREPAID EXPENSES		185,419
TOTAL CURRENT ASSETS		40,196,937
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION		83,002
DEFERRED ISSUANCE COSTS		407,002
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES		872,519
VENTURE CAPITAL INVESTMENTS		-
OTHER		(6,637)
TOTAL OTHER ASSETS		865,882
TOTAL ASSETS	\$	41,552,823
LIABILITIES		
CURRENT LIABILITIES	\$	1,053,791
LONG-TERM LIABILITIES		586,876
TOTAL LIABILITIES		1,640,667
EQUITY		
CONTRIBUTED CAPITAL		4,111,479
RETAINED EARNINGS		23,010,155
NET INCOME / (LOSS)		819,224
RESERVED/RESTRICTED FUND BALANCE		1,732,164
UNRESERVED FUND BALANCE		10,239,134
TOTAL EQUITY		39,912,156
TOTAL LIABILITIES & EQUITY	\$	41,552,823

**Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
for Period Ending
September 30, 2009**

	Actual September 2009	Budget September 2009	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2010	Budget YTD FY 2010	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2010	% of Budget Expended
REVENUE										
INTEREST ON LOANS	98,683	98,950	(267)	-0.27%	303,483	281,093	22,389	7.97%	1,175,722	25.81%
INVESTMENT INTEREST & GAIN(LOSS)	4,170	20,833	(16,663)	-79.98%	14,159	62,499	(48,340)	-77.35%	250,000	5.66%
ADMINISTRATIONS & APPLICATION FEES	269,946	512,483	(242,537)	-47.33%	1,368,667	1,537,449	(168,782)	-10.98%	3,496,715	39.14%
ANNUAL ISSUANCE & LOAN FEES	194,435	55,244	139,191	251.95%	361,632	165,733	195,898	118.20%	645,618	56.01%
OTHER INCOME	7,701	2,975	4,726	0.00%	31,943	8,925	23,018	0.00%	35,700	0.00%
TOTAL REVENUE	574,936	690,485	(115,549)	-16.73%	2,079,883	2,055,700	24,183	1.18%	5,603,755	37.12%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	226,960	229,167	(2,207)	-0.96%	721,616	687,500	34,116	4.96%	2,750,000	26.24%
BENEFITS	22,975	23,042	(67)	-0.29%	67,819	69,125	(1,306)	-1.89%	276,500	24.53%
TEMPORARY HELP	3,368	3,157	212	6.71%	8,649	9,470	(821)	-8.67%	37,880	22.83%
EDUCATION & DEVELOPMENT	-	417	(417)	0.00%	1,035	1,250	(215)	-17.20%	5,000	20.70%
TRAVEL & AUTO	7,113	5,175	1,938	37.44%	12,046	15,525	(3,479)	-22.41%	62,100	19.40%
TOTAL EMPLOYEE RELATED EXPENSES	260,416	260,957	(541)	-0.21%	811,165	782,870	28,295	3.61%	3,131,480	25.90%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	15,833	15,833	(0)	0.00%	47,921	47,500	421	0.89%	190,000	25.22%
LOAN EXPENSE & BANK FEE	11,143	11,208	(65)	-0.58%	28,213	33,625	(5,412)	-16.10%	134,500	20.98%
ACCOUNTING & AUDITING	25,010	21,667	3,343	15.43%	70,636	65,000	5,636	8.67%	260,000	27.17%
MARKETING GENERAL	350	-	350	0.00%	366	-	366	0.00%	65,000	0.56%
FINANCIAL ADVISORY	18,333	18,333	(0)	0.00%	54,999	55,000	(1)	0.00%	220,000	25.00%
CONFERENCE/TRAINING	1,053	1,250	(197)	0.00%	2,823	3,750	(927)	-24.71%	15,000	18.82%
MISC. PROFESSIONAL SERVICES	-	-	-	0.00%	-	-	-	0.00%	120,000	0.00%
DATA PROCESSING	3,483	2,917	566	19.41%	8,851	8,750	101	1.15%	35,000	25.29%
TOTAL PROFESSIONAL SERVICES	75,205	71,208	3,997	5.61%	213,808	213,625	183	0.09%	1,039,500	20.57%

**Illinois Finance Authority
General Fund - Actual to Budget
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for Period Ending
September 30, 2009**

	Actual September 2009	Budget September 2009	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2010	Budget YTD FY 2010	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2010	% of Budget Expended
OCCUPANCY COSTS										
OFFICE RENT	22,470	22,917	(447)	-1.95%	67,143	68,750	(1,607)	-2.34%	275,000	24.42%
EQUIPMENT RENTAL AND PURCHASES	3,340	5,167	(1,827)	-35.36%	10,937	15,500	(4,563)	-29.44%	62,000	17.64%
TELECOMMUNICATIONS	4,358	4,358	(0)	-0.01%	15,223	13,075	2,148	16.43%	52,300	29.11%
UTILITIES	958	800	158	19.74%	2,968	2,400	568	23.65%	9,600	30.91%
DEPRECIATION	5,227	4,025	1,202	29.88%	15,682	12,075	3,607	29.88%	48,300	32.47%
INSURANCE	1,951	500	1,451	290.24%	5,764	1,500	4,264	284.24%	6,000	96.06%
TOTAL OCCUPANCY COSTS	38,304	37,767	537	1.42%	117,716	113,300	4,416	3.90%	453,200	25.97%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	2,485	6,667	(4,181)	-62.72%	9,097	20,000	(10,903)	-54.51%	90,000	10.11%
BOARD MEETING - EXPENSES	2,424	1,600	824	51.52%	9,307	4,800	4,507	93.89%	19,200	48.47%
PRINTING	573	600	(27)	-4.54%	1,640	1,800	(160)	-8.87%	7,200	22.78%
POSTAGE & FREIGHT	1,812	1,250	562	44.99%	3,666	3,750	(84)	-2.25%	15,000	24.44%
MEMBERSHIP, DUES & CONTRIBUTIONS	2,402	3,083	(681)	-22.10%	4,801	9,250	(4,449)	-48.10%	37,000	12.98%
PUBLICATIONS	91	250	(159)	-63.52%	178	750	(572)	-76.25%	3,000	5.94%
OFFICERS & DIRECTORS INSURANCE	15,619	16,917	(1,297)	-7.67%	46,219	50,750	(4,531)	-8.93%	203,000	22.77%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	25,407	30,367	(4,959)	-16.33%	74,908	91,100	(16,192)	-17.77%	374,400	20.01%
LOAN LOSS PROVISION/BAD DEBT	25,000	25,000	-	0.00%	75,000	75,000	-	0.00%	300,000	25.00%
OTHER										
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL EXPENSES	424,332	425,298	(966)	-0.23%	1,292,597	1,275,895	16,702	1.31%	5,298,580	24.40%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	150,604	265,187	(114,583)	-43.21%	787,286	779,804	7,481	0.96%	305,175	257.98%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	-	-	-	0.00%	31,938	-	31,938	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	150,604	265,187	(114,583)	-43.21%	819,224	779,804	39,420	5.06%	305,175	268.44%

**Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
September 30, 2009**

	Actual September 2009	Actual September 2008	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2010	Actual YTD FY 2009	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	98,683	112,853	(14,169)	-12.56%	303,483	345,297	(41,815)	-12.11%
INVESTMENT INTEREST & GAIN(LOSS)	4,170	41,200	(37,029)	-89.88%	14,159	123,269	(109,110)	-88.51%
ADMINISTRATIONS & APPLICATION FEES	269,946	356,517	(86,571)	-24.28%	1,368,667	869,068	499,599	57.49%
ANNUAL ISSUANCE & LOAN FEES	194,435	49,883	144,553	289.79%	361,632	156,518	205,114	131.05%
OTHER INCOME	7,701	8,576	(875)	0.00%	31,943	27,061	4,882	0.00%
TOTAL REVENUE	574,936	569,028	5,909	1.04%	2,079,883	1,521,212	558,671	36.73%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	226,960	227,800	(840)	-0.37%	721,616	695,050	26,566	3.82%
BENEFITS	22,975	13,545	9,430	69.62%	67,819	67,392	427	0.63%
TEMPORARY HELP	3,368	6,649	(3,280)	-49.34%	8,649	15,054	(6,405)	-42.55%
EDUCATION & DEVELOPMENT	-	75	(75)	0.00%	1,035	523	512	97.75%
TRAVEL & AUTO	7,113	5,447	1,665	30.57%	12,046	16,613	(4,566)	-27.49%
TOTAL EMPLOYEE RELATED EXPENSES	260,416	253,515	6,900	2.72%	811,165	794,631	16,534	2.08%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	15,833	46,873	(31,040)	-66.22%	47,921	112,873	(64,952)	-57.54%
LOAN EXPENSE & BANK FEE	11,143	10,484	659	6.29%	28,213	32,638	(4,425)	-13.56%
ACCOUNTING & AUDITING	25,010	27,265	(2,255)	-8.27%	70,636	83,767	(13,131)	-15.68%
MARKETING GENERAL	350	4,060	(3,710)	-91.38%	366	10,909	(10,543)	-96.64%
FINANCIAL ADVISORY	18,333	25,000	(6,667)	-26.67%	54,999	75,000	(20,001)	-26.67%
CONFERENCE/TRAINING	1,053	4,350	(3,297)	0.00%	2,823	8,690	(5,867)	-67.51%
MISC. PROFESSIONAL SERVICES	-	20,000	(20,000)	0.00%	-	20,000	(20,000)	0.00%
DATA PROCESSING	3,483	3,004	479	15.93%	8,851	9,999	(1,148)	-11.48%
TOTAL PROFESSIONAL SERVICES	75,205	141,036	(65,831)	-46.68%	213,808	353,876	(140,067)	-39.58%

**Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
September 30, 2009**

	Actual September 2009	Actual September 2008	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2010	Actual YTD FY 2009	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	22,470	25,697	(3,228)	-12.56%	67,143	75,130	(7,987)	-10.63%
EQUIPMENT RENTAL AND PURCHASES	3,340	5,411	(2,071)	-38.28%	10,937	13,241	(2,304)	-17.40%
TELECOMMUNICATIONS	4,358	4,829	(471)	-9.75%	15,223	14,046	1,177	8.38%
UTILITIES	958	1,583	(625)	-39.50%	2,968	3,789	(821)	-21.67%
DEPRECIATION	5,227	6,527	(1,299)	-19.91%	15,682	19,498	(3,815)	-19.57%
INSURANCE	1,951	1,607	344	21.41%	5,764	4,821	942	19.54%
TOTAL OCCUPANCY COSTS	38,304	45,654	(7,350)	-16.10%	117,716	130,524	(12,808)	-9.81%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	2,485	10,077	(7,592)	-75.34%	9,097	25,135	(16,038)	-63.81%
BOARD MEETING - EXPENSES	2,424	2,184	241	11.01%	9,307	11,653	(2,346)	-20.13%
PRINTING	573	1,434	(861)	-60.05%	1,640	5,402	(3,762)	-69.64%
POSTAGE & FREIGHT	1,812	4,550	(2,737)	-60.16%	3,666	8,891	(5,225)	-58.77%
MEMBERSHIP, DUES & CONTRIBUTIONS	2,402	1,187	1,215	102.33%	4,801	6,524	(1,723)	-26.41%
PUBLICATIONS	91	41	50	123.53%	178	963	(785)	-81.51%
OFFICERS & DIRECTORS INSURANCE	15,619	14,524	1,095	7.54%	46,219	43,572	2,647	6.07%
MISCELLANEOUS	-	1,500	(1,500)	0.00%	-	1,500	(1,500)	0.00%
TOTAL GENL & ADMIN EXPENSES	25,407	35,496	(10,089)	-28.42%	74,908	103,639	(28,731)	-27.72%
LOAN LOSS PROVISION/BAD DEBT	25,000	(154,430)	179,430	-116.19%	75,000	(87,764)	162,764	-185.46%
OTHER								
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%
TOTAL EXPENSES	424,332	321,272	103,060	32.08%	1,292,597	1,294,906	(2,309)	-0.18%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	150,604	247,756	(97,152)	-39.21%	787,286	226,307	560,980	247.88%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER	-	-	-	0.00%	31,938	13,125	18,813	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	150,604	247,756	(97,152)	-39.21%	819,224	239,432	579,793	242.15%

**Illinois Finance Authority
Consolidated
Unaudited
Balance Sheet
for the Three Months Ending September 30, 2009**

	Actual September 2008	Actual September 2009
	<u> </u>	<u> </u>
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	\$ 26,081,834	\$ 29,170,558
RECEIVABLES, NET	223,141	852,417
LOAN RECEIVABLE, NET	88,880,023	94,816,497
OTHER RECEIVABLES	709,372	2,002,966
PREPAID EXPENSES	<u>126,405</u>	<u>185,419</u>
 TOTAL CURRENT ASSETS	 116,020,775	 127,027,857
 FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	 140,323	 83,002
 DEFERRED ISSUANCE COSTS	 648,921	 555,536
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES	50,521,785	37,130,605
VENTURE CAPITAL INVESTMENTS	5,550,317	5,377,739
OTHER	<u>3,682,072</u>	<u>3,000,000</u>
 TOTAL OTHER ASSETS	 59,754,173	 45,508,345
 TOTAL ASSETS	 <u>\$ 176,564,193</u>	 <u>\$ 173,174,740</u>
 LIABILITIES		
CURRENT LIABILITIES	\$ 1,133,674	\$ 1,174,298
LONG-TERM LIABILITIES	<u>61,692,830</u>	<u>58,115,970</u>
 TOTAL LIABILITIES	 62,826,504	 59,290,268
EQUITY		
CONTRIBUTED CAPITAL	35,608,692	35,608,692
RETAINED EARNINGS	24,795,357	27,173,957
NET INCOME / (LOSS)	920,193	982,459
RESERVED/RESTRICTED FUND BALANCE	39,765,275	37,471,193
UNRESERVED FUND BALANCE	<u>12,648,171</u>	<u>12,648,171</u>
 TOTAL EQUITY	 113,737,689	 113,884,472
 TOTAL LIABILITIES & EQUITY	 <u>\$ 176,564,193</u>	 <u>\$ 173,174,740</u>

**MINUTES OF THE SEPTEMBER 9, 2009 MEETING OF THE COMMITTEE OF THE
WHOLE OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE
AUTHORITY**

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA”), pursuant to notice duly given, held a Committee of the Whole Meeting at 8:30 a.m. on September 9, 2009 at the Chicago Office of the IFA at 180 N. Stetson, Suite 2555, Chicago, IL 60601.

Members present:

1. William A. Brandt, Jr., Chairman
2. Michael W. Goetz, Vice Chairman
3. Terrence M. O’Brien
4. Dr. Roger D. Herrin
5. Edward H. Leonard, Sr.
6. Bradley A. Zeller
7. Juan B. Rivera
8. Dr. William J. Barclay
9. James J. Fuentes

Members absent:

1. April D. Verrett
2. Ron DeNard

**Members participating by
telephone:**

None

Vacancies:

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Call to Order

Chairman Brandt called the meeting to order at 8:58 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests.

Chairman’s Remarks

Chairman Brandt opened the meeting by announcing that the Board will be thoroughly briefed on the progress the Energy Committee has made in the past month on guidelines and a fee structure for the Energy Initiative. Chairman Brandt noted that he would be speaking at the opening session of the National Association of Health and Education Authorities Fall 2009 Conference to welcome the attendees to Chicago. Additionally, Chairman Brandt became aware of an opportunity to assist a smaller Illinois community, Warsaw that needs to repair damage caused by flooding in 2008. They are planning to be on the October Board Meeting agenda for financing.

Chairman Brandt updated Board Members regarding re-appointments and appointments to the Board.

Additionally, he announced that there will be an Underwriter’s Diversity Forum on September 10, 2009 in Oak Brook, IL at the Doubletree Hotel. Chairman Brandt told Ms. Lenane to use every means at her disposal to ensure this event had the attendance necessary to be a success.

Senior Staff Reports

Mr. Frampton presented his report, consistent with the Senior Staff Report. Mr. Frampton also noted progress on the Warsaw local government financing. Chairman Brandt stated that he was happy with the progress made on the Warsaw financing, but he hoped other similar deals are not being missed. Mr. Frampton agreed and stated it is the duty of our Funding Managers to reach out to these communities. Mr. Frampton also introduced Kim Du’Prey as a local government specialist.

Mr. Frampton resumed discussing the local government financing pool; stating there will be a group of 8 to 12 borrowers moving forward in October. The pool is expected to be approximately \$5 million.

Mr. Brandt discussed Midwestern Disaster Relief Bonds to help communities that were affected by the Flood of 2008. IFA could possibly help issue these bonds and collect issuance fees.

On the legislative front, Mr. Meister stated that SB 1906, the state energy financing tool, was signed into law at the end of July. It will be effective 1/1/10. Also, the Beginning Farmer Bond limit has increased to \$450,000 from \$250,000 with a built in inflationary increase each year to match the Federal Legislation.

Mr. Rivera asked if there would be an update on venture capital. Mr. Boldry stated that he continued to try to sit in on as many Board Meetings as was feasible.

Financials

Ms. Towers then presented the financials, consistent with the Senior Staff Report and including a comparison of the revenue projections for this year and the actual revenue from the previous 5 years.

Ms. Towers stated that IFA's revenue was \$7.2 million last year and \$10.1 million two years ago. IFA has lost 50% of its revenue in the past 3 years. Chairman Brandt felt this precipitous drop was at least partially due to the economy but noted that Mr. Filan helped the IFA to significantly reduce operating costs. Ms. Towers stated that currently the budget seems workable, but it is very early in the year.

Ms. Towers stated that even though we are ahead of last year at this time; there is only \$3.5 million in activity projected for this year, not including Energy projects. Chairman Brandt stated that the IFA will likely spend money on Energy before any is earned. He stated that later when the Energy Committee makes their presentation Board Members will see that it will be more lucrative than some of our other bond structures. The reality of expenditures out before revenues in will be difficult for the IFA however.

Ms. Towers stated that the official budget approved by the Board will not change, but forecasts will be made of energy revenue and will be shared with the Board. Ms. Towers added that all sectors, including energy, would be updated as would expense projections.

Mr. Frampton stated that IFA staff will have to continue to find new solutions to ongoing financing challenges. Mr. Brandt stated he thought it was incumbent upon the Board and the Committees to come up with innovative solutions to this ongoing challenge.

Dr. Herrin stated that he believed additional smaller deals, similar to the Village of Warsaw deal discussed earlier, would be one solution. Mr. Brandt stated that his message is to live within our means; but he realized this would be difficult with the energy agenda.

Ms. Towers then mentioned that the audit would begin again the following day. She stated that she would keep the Board apprised of any findings or concerns. Some special reporting may be required if IFA receives stimulus monies.

Mr. Meister stated that the IFA has hired the Bronner Group to review where we have credit risk and to lay the foundation of monitoring and portfolio management. Sara Siegel was a CFO at a

predecessor entity and now is working with the Bronner Group. Mr. Meister then introduced Ms. Seigel.

Committee Reports:

Chairman Brandt stated that the Energy Committee would present last. He asked the Healthcare Team to make the first committee presentation.

Dr. Barclay asked that Ms. Lenane to report on the status of the Healthcare sector. Ms. Lenane's reported from the Healthcare Committee and her report was consistent with that in the Senior Staff Report.

Mr. Reed then reported from the Agriculture Committee and his report was consistent with that in the Senior Staff Report.

Chairman Brandt then asked the Energy Committee to give its presentation.

Dr. Herrin told the Board Members that there was a new handout that was a finalization of the document discussed at the Energy Committee meeting on September 8, 2009. He offered to give a general overview and then asked Mr. Bill Young, Consultant to the Energy Initiative, to provide the details. He stated that there has been a lot of work on an organizational structure done by John Filan, Scott Balice, staff and Mr. Young. Mr. Young has joined IFA's energy team. Mr. Young has created a structure that more closely resembles a bank's vetting process, which Dr. Herrin believes is necessary. The Energy Committee also agreed to present a fee structure.

Mr. Young then presented the proposed energy guidelines, Risk Asset Acceptance Criteria (RAACs), including an approval process, a pricing sheet and guidelines for portfolio management and transaction monitoring.

Mr. Rivera asked if IFA would be limiting Developer Fees. Mr. Young responded that we wouldn't be specifically limiting them but that there is a requirement that net of all fees, developers must have a minimum of 20% equity so they are exposed to any loss as well. He stated the team was less worried about fees and more concerned about ensuring that all developers have real cash equity in their projects next of any grants or fees. The goal is to minimize the risk of loss as well as incentivize economic development.

Mr. Goetz stated that he would like to commend the entire Energy Committee and staff for their great work.

Mr. Rivera stated that one concern that has come up in the Venture Capital Committee is the value of the collateral. He wanted to know with the innovative nature of many of these projects how the team intended to value collateral. Mr. Young stated that the team wants to avoid projects that don't have very secure cash flows. One of the requirements is a long term Power Purchase Agreement (PPA) from an investment grade counter-party.

Dr. Herrin added that very little to no technology risk will be accepted. Mr. Young discussed the monitoring plan for these projects. Mr. Goetz asked if IFA staff would actually monitor the construction. Mr. Young stated it would depend on the developer.

Dr. Herrin then clarified the use of the Illinois Energy Team (IET). He stated that they would be consultants. The issue of fees to defer the costs of the IET will be determined.

Dr. Herrin stated that his team would make every effort to help a project and that anytime any developer has a question they are more than welcome to contact us. IFA's file will show what the team has done and try to bring a project to fruition.

Dr. Herrin was also pleased to announce that the Energy Committee, on behalf of the Board, had come to preliminary terms with Mr. Bill Young, a former banker with extensive background in the credit and risk management, as the Head of Energy Financing, for minimal compensation. This arrangement would be subject to Mr. Young and the IFA reaching a final written agreement.

Chairman Brandt reminded everyone that the SB 1906 authorization does not become active until January 1, 2010.

Dr. Herrin stated that he understands Chairman Brandt's duty to this agency and his concern for the entire IFA budget but he believes the energy sector will be very profitable as long as IFA avoids bad loans. Mr. Rivera asked if the IFA would be adding any staff. Chairman Brandt stated that that was under discussion.

Project Reports

- No. 1A:** **A-FB-TE-CD-8263 – Thomas & Wendy Dietmeier**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$87,500 for the purchase of 40 acres of farmland. This project is located in Orangeville, IL (Stephenson County).
- No. 1B:** **A-FB-TE-CD-8264 – Jeffrey R. Jensen**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$250,000 for the purchase of 70 acres of farmland. This project is located in Roseville, IL (Warren County).
- No. 1C:** **A-FB-TE-CD-8261 – Ryan VanFleet**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$150,000 for the purchase of 113.4 acres of farmland. This project is located in Plymouth, IL (Schuyler County)
- No. 1D:** **A-FB-TE-CD-8262 – Matthew & Angela Swanson**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$203,000 for the purchase of 59.8 acres of farmland. This project is located in LaHarpe, IL (Hancock County).

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

- No. 2:** **I-A-AD-GT-8265 – Keith G. Beer**
Request for final approval for the issuance of an Agri-Debt Guarantee in an amount not-to-exceed \$500,000. Proceeds from this financing will be used to refinance the Borrower's existing debts and divorce expenses. This project is located in Iuka, IL (Marion County)

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

- No. 3:** **A-AD-GT-8266 – Hayden Farms Partnership, Ronald & Mary Hayden, Jeffrey & Heather Hayden, Timberline Farms, LLC**

Request for final approval for the issuance of an Agri-Debt Guarantee in an amount not-to-exceed \$500,000. Proceeds from this financing will be used to refinance the Borrower's existing debts. This project is located in Pittsfield, IL (Pike County).

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No. 18: **Linker Farms, Inc.** Request by Linker Farms, Inc and First State Bank to extend regularly scheduled principal and interest payments in the Bank for 90-days on a Guaranteed Loan.

No. 19: **Andy Shull.** Request by Peoples National Bank and Andy Shull to defer principal payments to Peoples National Bank for a period of six months on two outstanding Guaranteed Loans.

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Chairman Brandt stated that he believed that Mr. Reed had a sense of the Board's philosophy on these types of projects. He further stated that he wished it was possible to charge additional fees on these types of projects but since that is not possible the IFA must ensure that our loan is not the last to be repaid. He also stated that he wanted to have more aggressive monitoring of these credit issues.

Dr. Herrin suggested that every couple of months Funding Mangers should call to check on "problem" credits. Chairman Brandt agreed but said it should be every month.

Mr. Jim Senica then presented the following project for approval:

No. 4: **B-LL-TX-8256 – Brett & Christine Zehr (Zehr Foods, LLC)**
Request for final approval of the issuance of a participation loan in the amount of \$300,000. Proceeds from this financing will be used to finance the construction of a 16,000 square foot commercial building and the acquisition of equipment for use therein in order to supplement the proceeds of fire insurance. This project is located in Mackinaw, IL (Tazewell County).

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

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Mr. Senica presented consistent with the Board report. Mr. Senica noted the dramatically declining sales and the impact of the decline on the loan.

Chairman Brandt asked if the company had lost \$2 million a month in 2009 sales. Mr. Senica stated that was correct. Chairman Brandt said that it seemed six months would not be sufficient to attain firm ground. He asked if extra collateral was available. Mr. Senica informed the Board that there was no additional collateral available. He stated that the IFA does have guarantees from the principal. His shared that the principal's net worth has declined as he's put more money into his business. Dr. Barclay stated the underlying problem was more serious than just losses given the reported year to year sales decline.

Dr. Herrin asked about the confidential financial information provided to the Board. A discussion followed with further proprietary information. The discussion resulted in the Board choosing to table this amendment for the following month and ask for additional collateral from the principal.

No. 5: H-HO-TE-CD-8268 – Lake Forest Hospital

Request for the preliminary approval of the issuance of 501(c)3 Bonds in an amount not to exceed \$60 million. The proceeds of this issuance will be used to (1) Finance the addition of an outpatient surgery center, radiation oncology center, and observation beds at the Grayslake Campus; (2) finance additional renovation projects at Grayslake site; (3) potentially fund small projects at the Lake Forest Campus; and (4) pay bond issuance costs. This project is located in Greyslake and Lake Forest, IL (Cook and Lake Counties).

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

No. 6: H-HO-TE-CD-8259 – Edward Hospital

Request for the preliminary approval of the issuance of 501(c)3 Bonds in an amount not to exceed \$55 million. The proceeds of this issuance will be used to current refund IHFA Series 2001C Bonds and pay costs of issuance. This project is located in Naperville, IL (DuPage County).

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

No. 13: Chapin Hall Center for Children. Resolution to authorize execution of a Supplemental Trust Indenture per S&P Structured Finance Group's suggestions to enable LOC Ratings for IFA (IEFA) Series 2003 Bonds.

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

Mr. Frampton then presented his projects and amendments:

No. 8: E-PC-TE-CD-8260 – Roosevelt University

Request for the preliminary approval of the issuance of 501(c)3 Bonds in an amount not to exceed \$210 million. The proceeds of this issuance will be used (1) finance construction of the University's new Wabash Development Project, a new 32-story multi-use building that will include relocated and enlarged student service facilities and provide 500 beds of new and replacement student housing. (2) Additionally, the Bonds will current refund three outstanding prior series of IFA Bonds. This project is located in Chicago and Schaumburg, IL (Cook and Lake Counties).

Mr. Frampton shared that this is a preliminary resolution for Roosevelt University for \$210 million in new and refunded money. He stated this is the largest capital project and financing ever undertaken by Roosevelt. The borrower has a longstanding relationship with IFA and its predecessor entities, going back to 1992. He stated that this financing will also include a current refunding of all variable rate bonds issued by IDFA and IEFA.

Mr. Frampton noted that Roosevelt has a total of approximately \$70 million in outstanding bonds. Roosevelt currently has BAA1 and AA- long-term ratings from Moody's and Fitch. Mr. Frampton said that the borrower has prepared preliminary forecasts on tuition and payments. The CFO will be joining us and making a presentation regarding this project.

No. 15: **Liberty Towers Associates II L.P.** Resolution providing for the Extension of Maturity of \$5,010,000 Convertible Multi-Family Housing Revenue Refunding Bonds Series 2007A of the Illinois Finance Authority in Connection with the Conversion of such Bonds; Authorizing the Execution and Delivery of a First Supplement to Indenture of Trust, a Supplement to Official Statement, and an Arbitrage and Tax Certificate in Connection therewith; and related matters for the benefit of Liberty Towers Associates II L.P. and the 121-unit Liberty Towers Senior Apartments in Libertyville. (IFA File: M-MH-TX-CD-7001)

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

No. 16: **American Water Capital Corp. Project.** Resolution to Amend Prior Final Bond Resolution approved in February 2009 to confirm identity of Bond Trustee and Underwriter. \$28,500,000 IFA Series 2009 Bonds (IFA Project No.: PU-WD-TE-CD-8182).

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

Mr. Townsend Albright presented the following projects:

No. 7: **E-PC-TE-CD-8260 – Trinity International University**
Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$23.5 million. The proceeds of this issuance will be used to finance and reimburse the costs of a new Student Center and refund existing debt. This project is located in Deerfield, IL (Lake County).

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

No. 9: **E-PC-TE-CD-8249 – Concordia University Chicago**
Request for final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$32 million. The proceeds of this issuance will be used to refund the outstanding par amount of IFA (IEFA) Series 2001 Bonds, and to fund various improvements at Concordia's River Forest campus. Campus renovations will also include mandated sprinkler system installations required by law in 2013. Bond proceeds will also be used to pay bond issuance costs. This project is located in River Forest, IL (Cook County).

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

No. 10 **Beecher Energy LLC Project.** Resolution to authorize execution of an Amendment to the Trust Indenture and related documents to enable the replacement of the Remarketing Agent for \$2,500,000 IFA Series 2006 Bonds.

No. 11: **Sexton Energy LLC Project.** Resolution to authorize execution of an Amendment to the Trust Indenture and related documents to enable the replacement of the Remarketing Agent for \$7,500,000 IFA (IDFA) Series 2003 Bonds

No. 12: **Ruebenson Real Estate LLC and General Converting, Inc. Project.** Resolution to authorize execution of an Amended and Restated Trust Indenture and related documents to enable the replacement of the original Credit Facility Provider and the Remarketing Agent for \$5,080,000 IFA (IDFA) Series 1999A Bonds.

Items 10, 11 and 12 are all technical resolutions and the IFA will be collecting fees on all.

Chairman Brandt then distributed a schedule of meetings. He told the Board that his office and Chris Meister's office has gone over this list in great detail. Next month's meeting is being held on Wednesday instead of Tuesday in Springfield, IL. Additionally, the staff has secured the Hotel Pere Marquette for the March meeting in Peoria.

Ms. Sharnell Curtis-Martin then presented the following amendatory resolution:

No. 17: **SOS Children's Villages Illinois Project .** Resolution authorizing the issuance of not-to-exceed \$8,500,000 Adjustable Rate Bonds, Series 2009 and the execution and delivery of an Amended and Restated Loan Agreement, Trust Indenture, Tax Regulatory Agreement and related matters of IFA Series 2007 Adjustable Rate Demand Revenue Bonds (IFA Project No. N-NP-TE-CD-8255)

Ms. Curtis-Martin presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

Closing Remarks and Adjournment:

The meeting adjourned at 11:35 a.m.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary

**MINUTES OF THE SEPTEMBER 9, 2009 MEETING OF THE COMMITTEE OF THE
WHOLE OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE
AUTHORITY**

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA”), pursuant to notice duly given, held a Committee of the Whole Meeting at 8:30 a.m. on September 9, 2009 at the Chicago Office of the IFA at 180 N. Stetson, Suite 2555, Chicago, IL 60601.

Members present:

1. William A. Brandt, Jr., Chairman
2. Michael W. Goetz, Vice Chairman
3. Terrence M. O’Brien
4. Dr. Roger D. Herrin
5. Edward H. Leonard, Sr.
6. Bradley A. Zeller
7. Juan B. Rivera
8. Dr. William J. Barclay
9. James J. Fuentes

Members absent:

1. April D. Verrett
2. Ron DeNard

**Members participating by
telephone:**

None

Vacancies:

4

Call to Order

Chairman Brandt called the meeting to order at 8:58 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests.

Chairman’s Remarks

Chairman Brandt opened the meeting by announcing that the Board will be thoroughly briefed on the progress the Energy Committee has made in the past month on guidelines and a fee structure for the Energy Initiative. Chairman Brandt noted that he would be speaking at the opening session of the National Association of Health and Education Authorities Fall 2009 Conference to welcome the attendees to Chicago. Additionally, Chairman Brandt became aware of an opportunity to assist a smaller Illinois community, Warsaw that needs to repair damage caused by flooding in 2008. They are planning to be on the October Board Meeting agenda for financing.

Chairman Brandt updated Board Members regarding re-appointments and appointments to the Board.

Additionally, he announced that there will be an Underwriter’s Diversity Forum on September 10, 2009 in Oak Brook, IL at the Doubletree Hotel. Chairman Brandt told Ms. Lenane to use every means at her disposal to ensure this event had the attendance necessary to be a success.

Senior Staff Reports

Mr. Frampton presented his report, consistent with the Senior Staff Report. Mr. Frampton also noted progress on the Warsaw local government financing. Chairman Brandt stated that he was happy with the progress made on the Warsaw financing, but he hoped other similar deals are not being missed. Mr. Frampton agreed and stated it is the duty of our Funding Managers to reach out to these communities. Mr. Frampton also introduced Kim Du’Prey as a local government specialist.

Mr. Frampton resumed discussing the local government financing pool; stating there will be a group of 8 to 12 borrowers moving forward in October. The pool is expected to be approximately \$5 million.

Mr. Brandt discussed Midwestern Disaster Relief Bonds to help communities that were affected by the Flood of 2008. IFA could possibly help issue these bonds and collect issuance fees.

On the legislative front, Mr. Meister stated that SB 1906, the state energy financing tool, was signed into law at the end of July. It will be effective 1/1/10. Also, the Beginning Farmer Bond limit has increased to \$450,000 from \$250,000 with a built in inflationary increase each year to match the Federal Legislation.

Mr. Rivera asked if there would be an update on venture capital. Mr. Boldry stated that he continued to try to sit in on as many Board Meetings as was feasible.

Financials

Ms. Towers then presented the financials, consistent with the Senior Staff Report and including a comparison of the revenue projections for this year and the actual revenue from the previous 5 years.

Ms. Towers stated that IFA's revenue was \$7.2 million last year and \$10.1 million two years ago. IFA has lost 50% of its revenue in the past 3 years. Chairman Brandt felt this precipitous drop was at least partially due to the economy but noted that Mr. Filan helped the IFA to significantly reduce operating costs. Ms. Towers stated that currently the budget seems workable, but it is very early in the year.

Ms. Towers stated that even though we are ahead of last year at this time; there is only \$3.5 million in activity projected for this year, not including Energy projects. Chairman Brandt stated that the IFA will likely spend money on Energy before any is earned. He stated that later when the Energy Committee makes their presentation Board Members will see that it will be more lucrative than some of our other bond structures. The reality of expenditures out before revenues in will be difficult for the IFA however.

Ms. Towers stated that the official budget approved by the Board will not change, but forecasts will be made of energy revenue and will be shared with the Board. Ms. Towers added that all sectors, including energy, would be updated as would expense projections.

Mr. Frampton stated that IFA staff will have to continue to find new solutions to ongoing financing challenges. Mr. Brandt stated he thought it was incumbent upon the Board and the Committees to come up with innovative solutions to this ongoing challenge.

Dr. Herrin stated that he believed additional smaller deals, similar to the Village of Warsaw deal discussed earlier, would be one solution. Mr. Brandt stated that his message is to live within our means; but he realized this would be difficult with the energy agenda.

Ms. Towers then mentioned that the audit would begin again the following day. She stated that she would keep the Board apprised of any findings or concerns. Some special reporting may be required if IFA receives stimulus monies.

Mr. Meister stated that the IFA has hired the Bronner Group to come review where we have credit risk and to lay the foundation of monitoring and portfolio management. Sara Siegel was a

CFO at a predecessor entity and now is working with the Bronner Group. Mr. Meister then introduced Ms. Seigel.

Committee Reports:

Chairman Brandt stated that the Energy Committee would present last. He asked the Healthcare Team to make the first committee presentation.

Dr. Barclay asked that Ms. Lenane to report on the status of the Healthcare sector. Ms. Lenane's reported from the Healthcare Committee and her report was consistent with that in the Senior Staff Report.

Mr. Reed then reported from the Agriculture Committee and his report was consistent with that in the Senior Staff Report.

Chairman Brandt then asked the Energy Committee to give its presentation.

Dr. Herrin told the Board Members that there was a new handout that was a finalization of the document discussed at the Energy Committee meeting on September 8, 2009. He offered to give a general overview and then asked Mr. Bill Young, Consultant to the Energy Initiative, to provide the details. He stated that there has been a lot of work on an organizational structure done by John Filan, Scott Balice, staff and Mr. Young. Mr. Young has joined IFA's energy team. Mr. Young has created a structure that more closely resembles a bank's vetting process, which Dr. Herrin believes is necessary. The Energy Committee also agreed to present a fee structure.

Mr. Young then presented the proposed energy guidelines, Risk Asset Acceptance Criteria (RAACs), including an approval process, a pricing sheet and guidelines for portfolio management and transaction monitoring.

Mr. Rivera asked if IFA would be limiting Developer Fees. Mr. Young responded that we wouldn't be specifically limiting them but that there is a requirement that net of all fees, developers must have a minimum of 20% equity so they are exposed to any loss as well. He stated the team was less worried about fees and more concerned about ensuring that all developers have real cash equity in their projects next of any grants or fees. The goal is to minimize the risk of loss as well as incentivize economic development.

Mr. Goetz stated that he would like to commend the entire Energy Committee and staff for their great work.

Mr. Rivera stated that one concern that has come up in the Venture Capital Committee is the value of the collateral. He wanted to know with the innovative nature of many of these projects how the team intended to value collateral. Mr. Young stated that the team wants to avoid projects that don't have very secure cash flows. One of the requirements is a long term Power Purchase Agreement (PPA) from an investment grade counter-party.

Dr. Herrin added that very little to no technology risk will be accepted. Mr. Young discussed the monitoring plan for these projects. Mr. Goetz asked if IFA staff would actually monitor the construction. Mr. Young stated it would depend on the developer.

Dr. Herrin then clarified the use of the Illinois Energy Team (IET). He stated that they would be consultants. The issue of fees to defer the costs of the IET will be determined.

Dr. Herrin stated that his team would make every effort to help a project and that anytime any developer has a question they are more than welcome to contact us. IFA's file will show what the team has done and try to bring a project to fruition.

The final issue he wanted to bring to the Board's attention is the issue of policy – he explained the document he offered is financing criteria, not policy. He stated that he didn't want to lean too far on either side of the financing, policy fence, but rather to straddle it.

Chairman Brandt reminded everyone that the SB 1906 authorization does not become active until January 1, 2010.

Dr. Herrin stated that he understands Chairman Brandt's duty to this agency and his concern for the entire IFA budget but he believes the energy sector will be very profitable as long as IFA avoids bad loans. Mr. Rivera asked if the IFA would be adding any staff. Chairman Brandt stated that that was under discussion.

Project Reports

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Ms. Curtis-Martin presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

Closing Remarks and Adjournment:

The meeting adjourned at 11:35 a.m.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary

**MINUTES OF THE SEPTEMBER 9, 2009 MEETING OF THE BOARD OF DIRECTORS OF
THE ILLINOIS FINANCE AUTHORITY**

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held a Board Meeting at 11:30 a.m. on September 9, 2009 at the Conference Center at One Prudential Plaza, 7th Floor, 130 E. Randolph Street, Chicago, IL 60601.

Members present:

1. William A. Brandt, Jr., Chairman
2. Michael W. Goetz, Vice Chairman
3. Terrence M. O'Brien
4. Dr. Roger D. Herrin
5. Edward H. Leonard, Sr.
6. Bradley A. Zeller
7. Juan B. Rivera
8. Dr. William J. Barclay
9. James J. Fuentes

Members absent:

1. April D. Verrett
2. Ronald E. DeNard

Members participating by

telephone:

None

Vacancies:

Four

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 11:48 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests and asked the Assistant-Secretary, Kara Nystrom-Boulahanis to call the roll. There being nine (9) members physically present, Ms. Nystrom-Boulahanis declared a quorum present.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending August 31, 2009 and minutes for both the August 11, 2009 Committee of the Whole and the Board of Directors meeting were presented to members of the Board. Chairman Brandt stated that the Authority's financial statements and minutes were reviewed at the regularly scheduled Committee of the Whole Meeting held today at 8:30 a.m. Chairman Brandt requested a motion to approve the August 31, 2009 Financial Statements and minutes from both the August 11, 2009 Committee of the Whole and the Board of Directors meeting.

The motion was moved by Dr. Barclay and seconded by Mr. Goetz. The August 31, 2009 Financial Statements and minutes from both the August 11, 2009 Committee of the Whole and the Board of Directors meeting were unanimously approved by members of the Board.

Chairman's Remarks

Chairman Brandt opened his remarks by stating that a new schedule for all of the Committee of the Whole, Board and Sub-Committee meetings for the remainder of the fiscal year will be posted online tomorrow, barring any final changes or corrections from Board Members. He also reminded everyone that next month's meeting will be at the Illinois State Library in Springfield, IL. The Committee of the Whole meeting will begin at noon and the Board Meeting will follow at 3 p.m. to accommodate people traveling to Springfield.

Additionally, Chairman Brandt reminded everyone that instead of hosting two meetings in Springfield each year, one meeting will be in Springfield and the other will be held in a rotating downstate location. This year it will be in Peoria, IL at the Hotel Pere Marquette in March, 2010. He stated that the entire meeting schedule will be posted shortly and he encouraged all guests to attend.

Chairman Brandt then moved on to the Authority's additional \$3 Billion in clean coal and renewable energy bonding authority granted by SB 1906. He stated that the Board had established a new Energy Subcommittee chaired by Dr. Herrin. These meetings will also be scheduled and open to the public. The Energy Committee will be presenting guidelines and an organizational structure for the energy sector for adoption by the Board at today's meeting. In the very near future these guidelines will be posted online as well.

Senior Staff Reports

None.

Project Approvals

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

Mr. Frampton presented the following projects for board approval:

- No. 1A:** **A-FB-TE-CD-8263 – Thomas & Wendy Dietmeier**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$87,500 for the purchase of 40 acres of farmland. This project is located in Orangeville, IL (Stephenson County).
- No. 1B:** **A-FB-TE-CD-8264 – Jeffrey R. Jensen**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$250,000 for the purchase of 70 acres of farmland. This project is located in Roseville, IL (Warren County).
- No. 1C:** **A-FB-TE-CD-8261 – Ryan VanFleet**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$150,000 for the purchase of 113.4 acres of farmland. This project is located in Plymouth, IL (Schuyler County)
- No. 1D:** **A-FB-TE-CD-8262 – Matthew & Angela Swanson**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$203,000 for the purchase of 59.8 acres of farmland. This project is located in LaHarpe, IL (Hancock County).
- No. 2:** **I-A-AD-GT-8265 – Keith G. Beer**
Request for final approval for the issuance of an Agri-Debt Guarantee in an amount not-to-exceed \$500,000. Proceeds from this financing will be used to refinance the Borrower's existing debts and divorce expenses. This project is located in Iuka, IL (Marion County)

No. 3: A-AD-GT-8266 – Hayden Farms Partnership, Ronald & Mary Hayden, Jeffrey & Heather Hayden, Timberline Farms, LLC

Request for final approval for the issuance of an Agri-Debt Guarantee in an amount not-to-exceed \$500,000. Proceeds from this financing will be used to refinance the Borrower's existing debts. This project is located in Pittsfield, IL (Pike County).

No. 4: B-LL-TX-8256 – Brett & Christine Zehr (Zehr Foods, LLC)

Request for final approval of the issuance of a participation loan in the amount of \$300,000. Proceeds from this financing will be used to finance the construction of a 16,000 square foot commercial building and the acquisition of equipment for use therein in order to supplement the proceeds of fire insurance. This project is located in Mackinaw, IL (Tazewell County).

Chairman Brandt shared that this was the only grocery store in Mackinaw until it burned down almost a year ago. He then stated that the IFA was proud to assist in bringing a modern grocery store and jobs to this community.

No. 6: H-HO-TE-CD-8259 – Edward Hospital

Request for the preliminary approval of the issuance of 501(c)3 Bonds in an amount not to exceed \$55 million. The proceeds of this issuance will be used to current refund IHFA Series 2001C Bonds and pay costs of issuance. This project is located in Naperville, IL (DuPage County).

No. 7: E-PC-TE-CD-8260 – Trinity International University

Request for the preliminary approval of the issuance of 501(c)3 Bonds in an amount not to exceed \$23.5 million. The proceeds of this issuance will be used to finance and reimburse the costs of a new Student Center and refund existing debt. This project is located in Deerfield, IL (Lake County).

No. 9: E-PC-TE-CD-8249 – Concordia University Chicago

Request for final approval of the issuance of 501(c)3 Bonds in an amount not to exceed \$32 million. The proceeds of this issuance will be used to refund the outstanding par amount of IFA (IEFA) Series 2001 Bonds, and to fund various improvements at Concordia's River Forest campus. Campus renovations will also include mandated sprinkler system installations required by law in 2013. Bond proceeds will also be used to pay bond issuance costs. This project is located in River Forest, IL (Cook County).

No guests attended with respect to Project Nos. 1, 2, 3, 4, 6, 7, or 9. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1, 2, 3, 4, 6, 7, or 9. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1, 2, 3, 4, 6, 7, and 9. Leave was granted. Project Nos. 1, 2, 3, 4, 6, 7, and 9 received final approval with 9 ayes, 0 nays, and 0 abstentions.

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

No. 10 Beecher Energy LLC Project. Resolution to authorize execution of an Amendment to the Trust Indenture and related documents to enable the replacement of the Remarketing Agent for \$2,500,000 IFA Series 2006 Bonds.

No. 11: Sexton Energy LLC Project. Resolution to authorize execution of an Amendment to the Trust Indenture and related documents to enable the replacement of the Remarketing Agent for \$7,500,000 IFA (IDFA) Series 2003 Bonds

No. 12: **Ruebenson Real Estate LLC and General Converting, Inc. Project.** Resolution to authorize execution of an Amended and Restated Trust Indenture and related documents to enable the replacement of the original Credit Facility Provider and the Remarketing Agent for \$5,080,000 IFA (IDFA) Series 1999A Bonds.

No. 13: **Chapin Hall Center for Children.** Resolution to authorize execution of a Supplemental Trust Indenture per S&P Structured Finance Group's suggestions to enable LOC Ratings for IFA (IEFA) Series 2003 Bonds.

No. 14: **Withdrawn**

No guests attended with respect to Amendatory Resolutions Nos. 10, 11, 12 or 13. Chairman Brandt asked if the Board had any questions with respect to Amendatory Resolutions Nos. 10, 11, 12 or 13. There being none, Chairman Brandt asked leave to apply the last unanimous vote in favor of the project. Leave was granted. Amendatory Resolutions 10, 11, 12 and 13 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 15: **Liberty Towers Associates II L.P.** Resolution providing for the Extension of Maturity of \$5,010,000 Convertible Multi-Family Housing Revenue Refunding Bonds Series 2007A of the Illinois Finance Authority in Connection with the Conversion of such Bonds; Authorizing the Execution and Delivery of a First Supplement to Indenture of Trust, a Supplement to Official Statement, and an Arbitrage and Tax Certificate in Connection therewith; and related matters for the benefit of Liberty Towers Associates II L.P. and the 121-unit Liberty Towers Senior Apartments in Libertyville. (IFA File: M-MH-TX-CD-7001)

No. 16: **American Water Capital Corp. Project.** Resolution to Amend Prior Final Bond Resolution approved in February 2009 to confirm identity of Bond Trustee and Underwriter. \$28,500,000 IFA Series 2009 Bonds (IFA Project No.: PU-WD-TE-CD-8182).

No. 17: **SOS Children's Villages Illinois Project .** Resolution authorizing the issuance of not-to-exceed \$8,500,000 Adjustable Rate Bonds, Series 2009 and the execution and delivery of an Amended and Restated Loan Agreement, Trust Indenture, Tax Regulatory Agreement and related matters of IFA Series 2007 Adjustable Rate Demand Revenue Bonds (IFA Project No. N-NP-TE-CD-8255).

No. 18: **Linker Farms, Inc.** Request by Linker Farms, Inc and First State Bank to extend regularly scheduled principal and interest payments in the Bank for 90-days on a Guaranteed Loan.

No. 19: **Andy Shull.** Request by Peoples National Bank and Andy Shull to defer principal payments to Peoples National Bank for a period of six months on two outstanding Guaranteed Loans.

No. 21: **Withdrawn**

No guests attended with respect to Amendatory Resolutions No. 15, 16, 17, 18, or 19. Chairman Brandt asked if the Board had any questions with respect to Amendatory Resolutions No. 15, 16, 17, 18, or 19. There being none, Chairman Brandt asked leave to apply the last unanimous vote in favor of the

amendatory resolutions. Leave was granted. Amendatory Resolutions 15, 16, 17, 18 and 19 received final approval with 9 ayes, 0 nays, and 0 abstentions.

Chairman Brandt noted that he was remiss in reminding everyone of the following day's Diversity Underwriter Event at the Doubletree Hotel in Oakbrook, IL, beginning at 8:30 a.m. He continued by saying that everyone was welcome and encouraged to attend. The IFA seeks to have the underwriting teams on projects that reflect the diverse city and state in which we live.

Mr. Frampton then presented the following projects with guests:

No. 5: H-HO-TE-CD-8268 – Lake Forest Hospital

Request for the preliminary approval of the issuance of 501(c)3 Bonds in an amount not to exceed \$60 million. The proceeds of this issuance will be used to (1) Finance the addition of an outpatient surgery center, radiation oncology center, and observation beds at the Grayslake Campus; (2) finance additional renovation projects at Grayslake site; (3) potentially fund small projects at the Lake Forest Campus; and (4) pay bond issuance costs. This project is located in Greyslake and Lake Forest, IL (Cook and Lake Counties).

Ms. Lenane, Assistant General Counsel and Vice President of IFA introduced Mr. Matthew Flynn, Chief Financial Officer of Lake Forest Hospital to the Board. Mr. Flynn thanked the Board for their consideration. He thanked Ms. Lenane and Mr. Govia for their help navigating this process and offered to answer any questions the Board might have. Chairman Brandt asked if any Board Members had questions.

Seeing none, Chairman Brandt asked for leave to apply the last unanimous vote in favor of this project. Leave was granted. Project No. 5 passed with 9 ayes, 0 nays, and 0 abstentions.

Mr. Frampton then presented the following project:

No. 8: E-PC-TE-CD-8260 – Roosevelt University

Request for the preliminary approval of the issuance of 501(c)3 Bonds in an amount not to exceed \$210 million. The proceeds of this issuance will be used (1) finance construction of the University's new Wabash Development Project, a new 32-story multi-use building that will include relocated and enlarged student service facilities and provide 500 beds of new and replacement student housing. (2) Additionally, the Bonds will current refund three outstanding prior series of IFA Bonds. This project is located in Chicago and Schaumburg, IL (Cook and Lake Counties).

Mr. Frampton then introduced Ms. Miroslava Mejia Krug, Senior Vice President for Finance & Administration and Chief Financial Officer for Roosevelt University. Mr. Krug thanked the Board for their consideration and then gave the following presentation.

Roosevelt University currently has a total enrollment of 7,700. 4,500 of those students are undergraduates and the remaining 3,200 are graduate students. This represents a 19% increase in full time enrollment from 2004 to 2008. The total number of credit hours this semester is projected to be the highest ever. To accommodate their rapidly growing student population Roosevelt University plans to build a building on Wabash Avenue in downtown Chicago that will house student services and student life on floors 0 to 5, academic facilities on floors 6 to 14 and student housing on floors 16 – 32.

The new student housing will have 611 beds. 363 beds will be replacement beds for the building being demolished. Roosevelt considers this a visionary and strategic project that will fundamentally change the

University. They believe it will allow their students to enjoy state of the art facilities that would not be possible in an older building. This issuance will also be used to refund previous bond issuances. This project will continue a 15 year relationship between IFA and Roosevelt University. Mr. Krug thanked the Board for their consideration once again.

Chairman Brandt thanked Ms. Krug and Roosevelt University for employing a minority and a woman owned underwriter. He then asked if any Board Members had further questions. Seeing none, Chairman Brandt asked for leave to apply the last unanimous vote in favor of this project. Leave was granted. Project No. 8 passed with 9 ayes, 0 nays, and 0 abstentions.

Chairman Brandt then announced that the Board would be voting on the guidelines and organizational structure for the new energy sector. He stated that the following report was presented by Dr. Herrin and the IFA staff assigned to this sector. He also reminded everyone that these guidelines were thoroughly reviewed at the Committee of the Whole meeting and would be available online shortly after this meeting. He then presented the following resolution:

No. 20: Resolution regarding the IFA Energy Committee and implementation guidelines.

Dr. Herrin made a motion to pass the above resolution. Mr. Goetz seconded it. Assistant Secretary Kara Nystrom-Boulahanis then took a roll call vote. The resolution passed unanimously with 9 ayes, 0 nays, and 0 abstentions. Chairman Brandt suggested that all interested parties and especially any prospective borrowers review these guidelines that will be posted on the IFA's website in the next several days.

Other Business

Chairman Brandt asked if there was any other business to come before the Board. There being none, Chairman Brandt requested a motion to adjourn. Upon a motion by Mr. Goetz and seconded by Mr. Rivera, the meeting adjourned at approximately 12:15 p.m.

Chairman Brandt reminded all guests that next month's meeting would be on Wednesday, October 14, 2009 in Springfield, IL at the Illinois State Library and encouraged everyone to attend.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Eric Reed/lk
Date: October 14, 2009
Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached project
- **Amount:** Up to \$469,200 maximum of new money for each project*
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$351,000**
- **Calendar Year Summary:** (as of October 14, 2009)
 - Volume Cap: \$15,000,000
 - Volume Cap Committed: \$5,628,939
 - Volume Remaining: \$9,371,461
 - Average Acreage Farm Size: 70
 - Number of Farms Financed: 32
- **IFA Benefits:**
 - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
 - **New Money Bonds:**
 - convey tax-exempt status
 - will use dedicated 2009 IFA Volume Cap set-aside for Beginning Farmer transactions
- **IFA Fees:**
 - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
 - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's Bank
 - The Borrower's Bank will be secured by the Borrower's assets, as on a commercial loan
 - Interest rates, terms, and collateral are negotiated between the Borrower and the Participating Bank, just as with any commercial loan
 - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd**
Stephen F. Welcome, Esq.
Three First National Plaza, Suite 4300
Chicago, IL 60602

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

A.

Project Number: A-FB-TE-CD-8280
Funding Manager: Eric Reed
Borrower(s): Walk, Chad A.
Borrower Benefit: First Time Land Buyer
Town: Neoga, IL
Amount: \$150,000
Use of Funds: Farmland – 50 acres
Purchase Price: \$300,000 / (\$6,000 per ac)
 %Borrower Equity 0%
 %Other Agency 50%
 %IFA 50%
County/Region: Shelby / Central
Lender/Bond Purchaser: First Mid Illinois Bank & Trust / Mark Cox
Legislative Districts: Congressional: 15th, Timothy Johnson
State Senate: 55th, Dale Righter
State House: 109th, Roger Eddy

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

Chad A. Walk: Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.50% fixed for the first five years and adjust every five years thereafter to 1.25% above the Wall Street Journal prime lending rate, with a floor of 3.5% and a ceiling of 5.5% at first reset period. Future floors and ceilings to be determined at next reset period. IFA Fee: \$2,250

B.

Project Number: A-FB-TE-CD-8281
Funding Manager: Eric Reed
Borrower(s): Reeves, Jeremy & Tara
Borrower Benefit: First Time Land Buyer
Town: Greenville, IL
Amount: \$201,000
Use of Funds: Farmland – 80 acres
Purchase Price: \$442,000 / (\$5,525 per ac)
 %Borrower Equity 5%
 %Other Agency 45%
 %IFA 50%
County/Region: Bond / Southwestern
Lender/Bond Purchaser: Bradford National Bank / Robert Tompkins
Legislative Districts: Congressional: 19th, John Shimkus
State Senate: 51st, Kyle McCarter
State House: 102nd, Ron Stephens

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

Jeremy & Tara Reeves: Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.50% fixed for the first five years and adjust annually thereafter to 75% of the prime rate as published in the Wall Street Journal, rounded up to the nearest .25 of one percent. The rate on this loan will not drop below 4.5% and will not raise more than 6% to provide a ceiling of 10.5%. IFA Fee: \$3,015

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

October 14, 2009

\$10,000,000 (not-to-exceed amount)
THE CLARKE GROUP, INC.

REQUEST	<p>Purpose: To finance the construction of three LEED Certified facilities comprised of approximately 41,500 square feet which will contain (i) Manufacturing, (ii) Research and Development, and (iii) Office Space, in Roselle, Illinois, (iv) the acquisition of new equipment to be located therein and to finance (v) cost of issuance.</p> <p>Program: Conduit Industrial Revenue Bonds</p> <p>Extraordinary Conditions: None Volume Cap required \$10,000,000</p>			
BOARD ACTIONS	<p>Preliminary Bond Resolution requested</p> <p>Initial IFA Board Vote -- This project is being presented for the first time.</p>			
MATERIAL CHANGES	Not applicable			
JOB DATA	109	Current jobs	25	New jobs projected
	109	Retained jobs	TBD	Construction jobs projected (12 month period)
BORROWER DESCRIPTION	<ul style="list-style-type: none"> • The Clarke Group, Inc. ("Clarke") offers a complete and innovative line of mosquito control products. Clarke's products are researched and developed by its staff of in-house entomologists, biologists, environmental scientists, and R&D scientists; Clarke has a sixty year tradition of product development. • Clarke's most recent product is Natular, the industry's first complete portfolio of larvicides with a naturally derived active ingredient. • Clarke provides application equipment, data management and surveillance tools to mosquito control professionals around the world. 			
PROPOSED STRUCTURE	<ul style="list-style-type: none"> • The proposed structure will be a Letter of Credit ("LOC") backed Variable Rate Demand Obligations (VRDO) from PNC Bank, N.A. with interest rates initially reset every 7 days. The SIFMA rate as set as of September 23, 2009 was 0.40% • The Bonds will be rated based on the PNC Bank, N.A. Letter of Credit ("LOC"). PNC Bank, N.A is rated A3/A/A+ for long term debt, P-1, VMIG-1/A-1/F1+ for short term (Moody's, S&P, Fitch). 			
SOURCES AND USES	Industrial Revenue Bond:	\$10,000,000	Project Cost:	\$15,557,000
	Bank Financing	2,600,000	Issuance Cost	<u>200,000</u>
	Equity	<u>3,157,000</u>		
	Total	\$15,757,000	Total	\$15,757,000
RECOMMENDATION	Credit Review Committee recommends Approval			

**ILLINOIS FINANCE AUTHORITY
 BOARD SUMMARY
 October 14, 2009**

Project: The Clarke Group, Inc.

STATISTICS

IFA Project:	I-ID-TE-CD-8271	Amount:	\$10,000,000
Type:	Industrial Revenue Bonds	IFA Staff:	Rich Frampton & Mauricio Nares
County/			
Region:	DuPage/Northeast	*Location:	Roselle

* The Clarke Group, Inc. ("Clarke") is currently in the negotiations stage and may elect another location to be disclosed upon an Amending Bond Resolution.

BOARD ACTION

Preliminary Bond Resolution	
Conduit Industrial Revenue Bonds	No IFA funds at risk
Credit Committee recommends Approval	No extraordinary conditions

VOTING RECORD

Preliminary Bond Resolution, no prior vote

PURPOSE

The IFA Bonds, bank financing and owner equity will finance the construction of three LEED Certified facilities comprising of approximately 41,500 square feet which will contain (i) Manufacturing, (ii) Research and Development, and (iii) Office Space, in Roselle, Illinois, (iv) the acquisition of new equipment to be located therein and to finance (v) cost of issuance.

IFA PROGRAM AND CONTRIBUTION

The Authority's Industrial Revenue Bond Program provides low interest rate financing for qualifying manufacturing projects. IFA's issuance of Industrial Revenue Bonds will enable the Borrower to obtain a lower interest rate on this debt.

VOLUME CAP

This financing will require \$10,000,000 of the Authority's 2010 State Agency Volume Cap. The project site is located in Roselle Illinois, a Non-Home Rule Village.

SOURCES AND USES OF FUNDS

Sources:	IRB	\$10,000,000	Uses:	Project Cost	\$15,557,000
	Bank Financing	2,600,000		Issuance Costs	<u>200,000</u>
	Equity	<u>3,157,000</u>			
	Total	<u>\$15,757,000</u>		Total	<u>\$15,757,000</u>

JOBS

Current employment:	109	Projected new jobs:	25 (within 2 years)
Jobs retained:	109	Construction jobs:	TBD

In addition to the retention of 109 jobs in Illinois, this project will result in the creation of 25 full-time headquarters, research & development, and manufacturing positions. Clarke typically hires approximately 100 seasonal full-time employees per year, which has a positive impact on the community. The Company is proposing to relocate its manufacturing (i.e., organic chemical) facilities from Rogers, MN to the new site. Clarke is also considering alternate sites in Ames, Iowa. Accordingly, this financing represents a retention project.

FINANCING SUMMARY

Structure:	Conduit Industrial Revenue Bonds secured by a Direct Pay Letter of Credit.
Interest Rate:	The Bonds are expected to be structured as seven day Variable Rate Demand Notes, with interest rates initially reset every 7 days. The SIFMA rate as set as of September 23, 2009 was 0.40%
Enhancement:	Payment on the Bonds will be secured by a Direct-Pay Letter of Credit provided by PNC Bank, N.A. (“the Bank”).
Credit Rating:	The Bonds will be rated based on the PNC Bank, N.A. Letter of Credit (“LOC”). PNC Bank, N.A. is rated A3/A/A+ for long term debt, P-1, VMIG-1/A-1/F1+ for short term (Moody’s, S&P, Fitch).
Bank Collateral:	The Bonds will be secured by a first lien on the financed equipment and first mortgage on the financed building.
Closing:	Fall 2010 (subject to Volume Cap allocation)

BUSINESS SUMMARY

Description:	<p>The Clarke Group, Inc. (“Clarke”) manufactures and develops a complete and line of mosquito control products. Clarke was established approximately in 1949. Clarke’s products are researched and developed by its staff of in-house entomologists, biologists, environmental scientists, and R&D scientists; Clarke has a sixty year tradition of produce development. Clarke’s most recent product is Natular, the industry’s first complete portfolio of larvicides with a naturally derived active ingredient. All formulations contain the patented ingredient, Spinosad, derived from a naturally occurring bacterium. Natular is in a chemical class different from all other larvicides and has a unique mode of action. Clarke’s DuraNet product is the most cost effective solution to stop and prevent malaria transmission. Malaria is a vicious killer of the most vulnerable victims in the developing world. Long-lasting insecticidal nets (“LLIN”) are the most effective prevention against Malaria.</p>
Background:	<p>Clarke is the only U.S. Company manufacturing a long lasting insecticide impregnated mosquito net. In addition, Clarke provides application equipment, data management and surveillance tools to mosquito control professionals around the world. Clarke manufactures its own equipment, and provides training and service. Clarke’s comprehensive data management software application helps clients more easily plan, track and monitor program applications.</p> <p>From its metro Chicago base, the Company participates in an annual giving tree program, supports employee volunteerism, and has a ‘Charity of the Month’ program. Through the donation of its DuraNet product, Clarke helps stop and prevent Malaria transmission. The Company is also passionate about environmental sustainability. Clarke’s Flagship building is expected to be LEED Certified. Other examples of the Company's environmental sustainability initiatives include transitioning from trucks to bicycles on service routes, retooling equipment to conserve electric power, and to replace historically inorganic chemical treatments with organic chemical formulations</p> <p>In 2008, Clarke established the Clarke Cares Foundation designed to help prevent mosquito-borne disease in developing countries around the world. Recently, Clarke Cares has partnered with the Carter Canter to provide 38,000 bed nets to Kanke, Nigeria to help combat malaria and lymphatic filariasis (this is enough to cover the entire population of the village).</p>
Rationale:	<p>The Clarke Group, Inc. is an Illinois-based, family-owned manufacturing company that, through its value-added activities, generates wealth and taxable income (from shareholders and employees), property taxes revenues for Roselle, Illinois (and other local taxing jurisdictions), and sales tax revenues from The Clarke Group, Inc. purchase of local supplies.</p> <p>The Clarke Group, Inc. has chosen to decline relocation offers from Ames, Iowa and build in Illinois to preserve jobs and maintain supplier continuity. As noted previously, this financing represents a “retention” project.</p>

The purpose of the project is for Clarke to obtain the most efficient long-term footprint for its current and future manufacturing operations and develop a real estate solution for their Headquarters and R&D facilities. Clarke plans to co-locate its HQ, R&D and Organic Manufacturing operations at a single location in Roselle or in an alternate Illinois location to be determined.

The proposed financing is consistent with the State's efforts to modernize and upgrade manufacturing technology to help assure retention of manufacturing companies and related value-added jobs in Illinois. The Clarke Group, Inc. also receives international sales that bring in wealth from overseas into Illinois.

PROJECT SUMMARY

The IFA Bonds, bank financing and owner equity will finance the construction of three LEED Certified facilities comprised of 41,500 square feet that will contain (i) Manufacturing, (ii) Research and Development, and (iii) Office Space, in Roselle, Illinois, (iv) the acquisition of new equipment to be located therein and to finance (v) issuance costs.

Estimated project costs are as follows:	
Building Acquisition	\$2,300,000
Rehabilitation/Construction	12,820,000
Professional	437,000
Cost of Issuance	200,000
Total Project Costs	<u>\$15,757,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The Clarke Group, Inc. (Contact: Mr. Joseph A. Drago, Chief Financial Officer, 159 Garden Avenue, Roselle, IL 60712-1734 Ph: 630.894.2000 (Alternate Contact: Joseph E. Pilewski, Director – Duff and Phelps, 311 S. Wacker Drive, Suite 4200, Chicago, Illinois 60606 Ph:312.697.4633 joe.pilewski@duffandphelps.com)		
Website:	www.clarke.com		
Project name:	The Clarke Group, Inc.		
Location:	159 N. Garden Avenue, Roselle, Illinois 60172-1734		
Borrower:	The Clarke Group, Inc.		
Ownership:	Frank J. Clarke, Trustee of the Frank J. Clarke Trust	19.08%	
	Stuart Haile Clarke, Trustee of the Stuart Haile Clarke Trust	22.17%	
	Mary Rob Clarke, Trustee of the Mary Rob Clarke Trust	10.04%	
	John Lyell Clarke, III, Trustee of the John Lyell Clarke, III	28.40%	
	Andrew P. Tecson, Trustee of the John Lyell Clarke, III Grantor	10.61%	

PROFESSIONAL & FINANCIAL

General Counsel:	Chuhak and Tecson	Chicago, IL	Andrew P. Tecson
Accountant:	RSM McGladrey	Deerfield, IL	Jeffrey Pozen
Financial Consultant:	Duff & Phelps LLC	Chicago, IL	Joseph E. Pilewski
Underwriter:	To be determined		
Underwriter Counsel:	To be determined		
Bond Counsel:	Drinker Biddle & Reath LLP	Chicago, IL	Charles Katz
LOC Provider:	PNC Bank, N.A.	Chicago, IL	
Bank Counsel:	To be determined		
IFA Financial Advisor:	Scott Balice Strategies	Chicago, IL	Lois Scott
IFA Counsel:	Requested		
Architect:	To be determined		
General Contractor:	To be determined		
Trustee:	To be determined		

LEGISLATIVE DISTRICTS

Congressional: 6th Peter J. Roskam

State Senate: 28th John Millner

State House: 56th Paul Froehlich



October 14, 2009
Meeting

\$13,000,000
HALES FRANCISCAN HIGH SCHOOL

REQUEST	Purpose: Provide conduit 501(c)(3) financing to finance and reimburse expenses for construction, renovations, to purchase equipment and furnishings and to pay certain bond issuance costs. Project Description: Bond proceeds will be used to finance and reimburse the construction, renovations, to purchase equipment and furnishings and to pay certain bond issuance cost. Program: Conduit 501(c)(3) Revenue Bond Extraordinary Conditions: None			
BOARD ACTIONS	Preliminary Bond Resolution No previous voting record			
MATERIAL CHANGES	None, This is the first time this project is being presented to the IFA Board.			
JOB DATA	18	Current jobs	8	New jobs projected
	N/A	Retained jobs	60	Construction jobs projected
BORROWER	<ul style="list-style-type: none"> ● Private High School 			
DESCRIPTION	<ul style="list-style-type: none"> ● Location (Chicago / Cook County / Northeast Region) ● Hales Franciscan High School (“Hales”, the “Applicant” or the “School”) was founded in 1962 by the Franciscan Order of Priests. The School is a private, male college preparatory high school serving grades nine through twelve. The Applicant incorporated as a 501(c)(3) in 1993 and is located at 4930 South Cottage Grove in Chicago, Illinois. ● The School is accredited by the North Central Association of Colleges and Schools and the Illinois State Board of Education. In addition to academics, Hales offers its 176 students an interscholastic sports program and various other extracurricular and social activities available to its students. ● New developments within the schools programming includes the following: <ul style="list-style-type: none"> ○ The International Baccalaureate (IB) Program beginning in 2010-2011 academic year. ○ Residents Scholars Program for International and Domestic Students ○ Pre-Engineering Program and Curriculum designed by Siemens Technologies ● The new project will involve construction and renovation projects that include: Repaving the parking lot and sidewalks; exterior renovations (tuck pointing, window and door replacement); roof replacement; interior upgrades to classrooms and administrative offices; replacement of heating ventilation and air conditioning system, electrical system, plumbing system, fire protection system and improvements to the outdoor track and football field area. 			
CREDIT	<ul style="list-style-type: none"> ● Not Rated 			
INDICATORS	<ul style="list-style-type: none"> ● The bonds will be directly purchased by one of the following banks: Charter One Bank, MB Financial, First Midwest Bank and/or Seaway Bank and Trust Co. ● Interest Rate To Be Determined with a 30 Year Maturity ● Direct Purchase Structure with one of the above referenced banks. 			
PROPOSED STRUCTURE	<ul style="list-style-type: none"> ● Non-Enhanced 			
SOURCES AND USES	IFA Bonds	\$13,000,000	Project Cost	\$14,600,000
	Equity	<u>2,000,000</u>	Capitalized Int.	200,000
			Bond Issuance	<u>200,000</u>
	Total	\$15,000,000	Total	\$15,000,000
RECOMMENDATION	Credit Review Committee Recommends Approval.			

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 14, 2009**

Project: Hales Franciscan High School

STATISTICS

Deal Number:	E-PS-TE-CD-7184	Amount:	\$13,000,000
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Sharnell Curtis Martin
County/ Region:	Cook/Northeast	Location:	Chicago

BOARD ACTION

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

PURPOSE

Bond proceeds will be used to finance and reimburse expenses for construction, renovations, acquisition of equipment and furnishings, to pay capitalized interest and to pay certain bond issuance costs.

IFA PROGRAM and CONTRIBUTION

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

VOTING RECORD

Preliminary Bond Resolution, no previous voting record.

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$13,000,000	Uses:	Project Costs	\$14,600,000
	Equity	<u>2,000,000</u>		Capitalized Interest	200,000
				Bond Issuance Costs	<u>200,000</u>
Total Sources		<u>\$15,000,000</u>	Total Uses		<u>\$15,000,000</u>

Equity is comprised of a portion of the School's Capital Campaign proceeds that have been collected.

JOBS

Current employment:	18	Projected new jobs:	8
Jobs retained:	N/A	Construction jobs:	75

BUSINESS SUMMARY

- Background:** Hales Franciscan High School (“Hales”, the “Applicant” or the “School”) was founded in 1962 by the Franciscan Order of Priests. The School is a private, male college preparatory high school serving grades nine through twelve. The Applicant incorporated as a 501(c)(3) in 1993 and is located at 4930 South Cottage Grove in Chicago, Illinois.
- Description:** The new project will involve the construction and renovation projects that include: Repaving the parking lot and sidewalks; exterior renovations (tuck pointing, window and door replacement); roof replacement; interior upgrades to classrooms and administrative offices; replacement of heating ventilation and air conditioning system, electrical system, plumbing system and fire protection system and improvements to the outdoor track and football field area.
- Remarks:** The School is accredited by the North Central Association of Colleges and Schools and the Illinois State Board of Education. In addition to academics, Hales offers its students an interscholastic sports program and various other extracurricular and social activities available to its students. New developments within the schools programming includes the following:
- The International Baccalaureate (IB) Program beginning in 2010-2011 academic year.
 - Residents Scholars Program for International and Domestic Students:
The conversion of former priest residential units to a dorm will allow Hales the ability to house exchange students. The School Administration has had meetings with parliament members from the delegations of Nigeria and Ghana. This program will be supported by the governments of each country as well as private sponsors to be identified.
 - Pre-Engineering Program and Curriculum designed by Siemens Technologies:
The support of Siemens Technologies includes the development of the curriculum and contribution of lab equipment and materials.

FINANCING SUMMARY

- Security:** The Bonds will be purchased directly by one of the following banks: Charter One, MB Financial, First Midwest Bank and/or Seaway National Bank and Trust.
- Bank Collateral:** First Mortgage on subject real estate and first lien on all receivables, equipment and furnishings.
- Structure:** Bank Direct Purchase
- Interest Rate:** To Be Determined; likely to be fixed initially for a three to ten year term
- Maturity:** 30 Years
- Closing Date:** December 2009

PROJECT SUMMARY

Bond proceeds will be used to finance the construction and renovation of several school projects located at 4930 S. Cottage Grove in Chicago, IL (Cook County), acquisition of equipment and furnishings, capitalized interest, and to pay certain bond issuance costs. Project costs are estimated as follows:

Construction and Renovation	\$12,250,000
Equipment and Furnishings	1,200,000
Contingency	<u>1,150,000</u>
Total Project Costs	<u>\$14,600,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Hales Franciscan High School, Inc.
4930 S. Cottage Grove, Chicago, IL 60615 (Cook County)
Zeb McLauren, Chairman of Board of Trustees

Project name: Hales Franciscan High School Facility Master Plan

Location: 4930 S. Cottage Grove, Chicago, IL 60615 (Cook County)

Organization: 501(c)(3) Corporation

State: Illinois

Board Members: Zeb McLauren, Chairman
Winston McGill, Jr, Treasurer
Dr. Marcus Ahmed
Prentice C. Butler
Father George Clements
Pat Eilers
Louis Williams
Joseph Moffa

Kyle Williams, Secretary
Derrick Blakely
Jeffrey Carroll
Adolph Dean
Dr. Clyde El-Amin
Jelani McEwen
Joyce Washington

Land Sellers: Not Applicable

PROFESSIONAL AND FINANCIAL

Borrower's Counsel:	Elvin Charity and Associates	Chicago	Allan Bell
Financial Advisor:	Gardner Bacon and Underwood	Chicago	Deneice Jordan-Walker
Accountant:	Benford Brown and Associates	Chicago	Kimi Ellen
Bond Counsel:	Greenberg Traurig, LLP	Chicago	Matt Lewin
Purchasing Bank:	To Be Determined		
Bank Counsel:	To Be Determined		
Issuer's Counsel:	Greene and Letts	Chicago	Allan Walker
IFA Financial Advisor:	Scott Balice Strategies	Chicago	Lois Scott
Architect:	Johnson & Lee	Chicago	
General Contractor:	Power and Sons Construction	Chicago	Marmon Powers

LEGISLATIVE DISTRICTS

Congressional: 1 – Bobby Rush
State Senate: 13 – Kwame Raoul
State House: 26 – Elga L. Jeffries

SERVICE AREA

Chicago's South Side and South Suburban communities



\$650,000
JOLIET MONTESSORI SCHOOL

October 14, 2009

REQUEST	<p>Purpose: Bond proceeds will be (i) used to refinance an outstanding mortgage, (ii) renovate, construct an addition, and purchase equipment and fixtures for an existing facility, and (iii) pay bond issuance costs. Project Description: Refinance an approximately \$340,000 outstanding balance of an existing mortgage, renovate and construct a 700 sq. ft. addition, and equip an existing building which will be used as an adolescent learning center (the "Adolescent Center").</p>			
BOARD ACTIONS	<p>Preliminary Bond Resolution Voting Record: None. This is the first time the project has been presented to the Board.</p>			
MATERIAL CHANGES	N/A			
JOB DATA	17	Current jobs	5	New jobs projected
	N/A	Retained jobs	15/6 months	Construction jobs projected
BORROWER	<ul style="list-style-type: none"> ● Joliet Montessori School (the "School") ● The School was incorporated in May, 1966, and is one of the oldest Montessori schools in the United States. ● The School offers programs beginning with Pre-K through grades 7 and 8. It is one of the few Montessori schools that offer adolescent teaching programs. ● The School's students come from primarily Will, and Southern Cook county. ● The expansion of the existing building increase student enrollment. The School cannot grow without the Adolescent Center. The financing will allow the School to refinance an existing loan, thereby improving cash flow. 			
CREDIT	<ul style="list-style-type: none"> ● The Bonds will be a direct purchase by the First Community Bank of Joliet (Joliet, Illinois) for its investment portfolio as Direct Lender/Investor. 			
INDICATORS	<ul style="list-style-type: none"> ● The Bonds will not be insured and will not be rated. 			
Credit Enhancement	None (Direct Purchase). First Community Bank will be secured by a first mortgage on all School property.			
PROPOSED	<ul style="list-style-type: none"> ● Fixed Rate 501(c)(3) Not For Profit Bonds ● Maturity: 10 year (preliminary, both final term and 10-year amortization subject to change); with 5 year initial term (interest rate fixed at 5.0%). 			
STRUCTURE				
SOURCES AND USES	IFA Bonds	\$650,000	Project Cost	\$381,470
	Equity	<u>\$91,470</u>	Refinancing	\$340,000
			Cost of Issuance	<u>\$ 20,000</u>
	Total	<u>\$741,470</u>	Total	<u>\$741,470</u>
RECOMMENDATION	Credit Review Committee Recommends approval.			

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 14, 2009**

Project: Joliet Montessori School

STATISTICS

Project Number: E-PS-TE-CD-8270	Amount: \$650,000
Type: 501(c)(3) Bonds	IFA Staff: Townsend Albright
County/Region: Will/Northeast	City: Crest Hill

BOARD ACTION

Preliminary Bond Resolution	Credit Review Committee recommends approval.
IFA Funds contributed: None	Extraordinary conditions: None

VOTING RECORD

No prior board action

PURPOSE

(i) Refinance an approximately \$340,000 outstanding balance of an existing mortgage, (ii) renovate, equip, and construct a 700 sq. ft. addition to an existing building which will be used as an adolescent teaching center, and (iii) pay issuance costs.

IFA PROGRAM AND CONTRIBUTION

Convey Tax Exempt status on a \$650,000 501(c)(3) Revenue Bond issuance. 501(c)(3) Bonds are a form of municipal security 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 Lease paid to the lease holder and thereby reduce the borrower's interest expense.

VOLUME CAP

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

JOBS

Current employment: 152	Projected new jobs: 5
Jobs retained: N/A	Construction jobs: 15/6 months

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Lease	\$650,000	Uses: Project Costs	\$381,470
Equity	<u>91,470</u>	Refinancing	340,000
		Bond Issuance Costs	<u>20,000</u>
Total	<u>\$741,470</u>	Total	<u>\$741,470</u>

FINANCING SUMMARY/STRUCTURE

Security: The Bonds will be secured by a first mortgage on all School property.
Structure: Fixed Rate Bonds to be sold directly to the First Community Bank of Joliet, Joliet, Illinois for its investment portfolio as lender investor.
Interest Rate: 5.00%
Interest Mode: Fixed at 5.00% for five years, and be amortized over ten years.
Maturity: 10 years (2019)
Rating: The Bonds will not be insured and will not be rated.
Estimated Closing Date: November, 2009.

PROJECT SUMMARY

Proceeds of the Bonds will be used to (i) refinance an approximately \$340,000 outstanding balance of an existing mortgage loan with a commercial bank, (ii) renovate the existing facility and construct a 700 sq. ft. addition thereto which is located at 1612 Root Street, Crest Hill, Will County, Illinois, and (iii) equip said building which will be used as an adolescent learning center, and (iv) pay cost of issuance.

Project Costs:	Refinance outstanding loan	\$340,000
	Construction/Renovation	316,470
	Equipment	<u>65,000</u>
	Total	<u>\$721,470</u>

Project Rationale: The School wishes to consolidate its debt at a favorable tax-exempt rate and finance the renovation and expansion of a building the School purchased in 2004 to create a new Adolescent Center for the Grades 7 and 8. The former space occupied by the Adolescent Center will be converted into another classroom which will make it possible for the School to increase enrollment by approximately 32 students. If the project is not pursued, enrollment growth will stall with the possible elimination of teaching positions.

BUSINESS SUMMARY

Description of Business: The Joliet Montessori School (the “Applicant”), (the “School”) is one of the oldest Montessori schools in the United States. The School is a non-denominational private school that welcomes qualified students of all races and religious beliefs. The School was incorporated in 1966 as an Illinois Not For Profit Corporation. The mission of the school is to inspire students to engage academically and socially every day to develop independence, a love of work, and a respect for all. The School is governed by an 18-member Board (a list of members is provided for review on page four).

The Montessori Philosophy: Students are educated using the Montessori philosophy of education which emphasis the following themes:

1. Human development does not occur in a steady pattern but in a series of four formative “planes”. The first plane occurs from birth to age six. During this time, children are sensorial explorers.
2. The second plane occurs from age six to twelve. During which children explore the world in abstract concepts rather than depending solely on concrete materials.
3. The third plane occurs from age twelve to age eighteen. Children at this age group seek to understand the world and their place in it.
4. The fourth plane occurs from age 18 to age 24, as young adults, individuals seek to understand how to contribute fully to their society.

Student enrollment: Enrollment for the 2008-2009 academic year is 152 students. The teacher/student ratio is approximately 27:1. The School offers programs beginning with Pre-K (three-year olds) through grade 8. It is one of the few Montessori schools that offer adolescent teaching programs. The School serves primarily Will County, but has attracted students from the Southwest Chicago suburbs, as far east as Tinley Park, and as far south as Wilmington. The School offers after-school care and programs for students of working parents.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Joliet Montessori School
Project Location: 1612 Root Street, Crest Hill (Will County) Illinois 60403
Borrower: Joliet Montessori School
Contact: Ms. Kathy Bertani, Business Manager, 815-741-4180 (kbertani@jolietmontessorischool.org)
Ownership: Illinois 501(c)(3) Corporation

A list of current Board Members is provided below.

Karen Barowsky, Secretary	Justin Binns, VP	Heather Bonacorda, Chair, Development
Soniya Dani, Trustee	Kathy Duranto-Huebner, Trustee	Lynn Gonzalez, Trustee
Jenny Dolph, Trustee	Jess Jankowski, Trustee	Peter Brown, Chair, Facilities Committee
Robert Forte, Trustee	Dave Spesia, Trustee	Mark Villegas
Dawn Polacek, President	Jeni White, Trustee	Donna Sabo, Trustee
Dave Shea, Trustee	Mary Spreitzer, Chair, Head Support/Evaluation	

All Members serve on a volunteer basis and are not compensated for time or services rendered as Board Members.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Specia, Ayers & Ardaugh	Joliet, IL	Christian Specia
Accountant:	Dave Marchio, CPA	Joliet, IL	Dave Marchio, CPA
Bond Counsel:	TBD		
Purchasing Bank:	First Community Bank of Joliet	Joliet, IL	Steve Laken, VP
Bank Counsel:	In House		
Trustee:	Community Bank of Joliet	Joliet, IL	
IFA Advisor:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott
Issuer's Counsel:	Requested		

LEGISLATIVE DISTRICTS

Congressional:	13	Judy Biggert
State Senate:	43	A. J. Wilhelmi
State House:	85	Emily McAsey

SERVICE AREA

The Southwestern Chicago suburbs primarily within Will County.

October 14, 2009 **\$7,500,000**
COUNTRY HEALTH, INC.

REQUEST	Purpose: Country Health, Inc. will use bond proceeds to finance the (i) construction of a 26,833 square foot building addition to the borrower's existing 31,000 square foot skilled long-term care nursing facility, (ii) renovation of the existing nursing home facility and (iii) legal and professional issuance costs associated with the bond issuance. Program: 501 (c) (3) Revenue Bonds Extraordinary Conditions: None Volume cap required: None			
BOARD ACTIONS	Preliminary Bond Resolution requested Initial IFA Board Vote - This project is being presented for the first time.			
MATERIAL CHANGES	Not applicable			
JOB DATA	82	Current jobs	10	New jobs projected
	82	Retained jobs	50 to 100	Construction jobs projected (range over 6-month period)
BORROWER DESCRIPTION	<ul style="list-style-type: none"> Country Health, Inc. is a 501 (c) (3) not-for-profit corporation that operates a skilled long-term care nursing facility licensed for 89 beds. The Project will be located in Gifford, Illinois – East Central Region 			
CREDIT INDICATORS	<ul style="list-style-type: none"> Not Rated Direct Bond Purchasers/Investors are United Community Bank (Chatham, IL) and Gifford State Bank (Gifford, IL) 			
PROPOSED STRUCTURE	<ul style="list-style-type: none"> Not enhanced Bonds will be purchased directly by United Community Bank and Gifford State Bank and held as an investment Initial tax-exempt fixed rate of 4.95% Maturity: Initial 5-year term with options for renewal at 5-year intervals; 20-year amortization 			
ESTIMATED SOURCES AND USES	IFA Bond:	\$7,500,000	Project Cost:	\$9,130,675
	USDA Grant	1,040,000	Cost of Issuance	<u>150,000</u>
	Equity	<u>740,675</u>		
	Total	\$9,280,675	Total	\$9,280,675
RECOMMENDATION	Credit Review Committee Recommends Approval.			

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 14, 2009**

Project: Country Health, Inc.

STATISTICS

IFA Project:	H-SL-RE-TE-CD-8279	Amount:	\$7,500,000
Type:	501(c) (3) Bonds	IFA Staff:	Jim Senica
County/ Region:	Champaign/East Central	Location:	Gifford

BOARD ACTION

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

VOTING RECORD

Preliminary Bond Resolution, no prior vote

PURPOSE

The IFA Bond proceeds along with USDA grant and equity funds will be used to finance (i) the construction of a 26,833 square foot building addition to the borrower's existing 31,000 square foot skilled long-term care nursing facility located in Gifford, Illinois (ii) renovation of the existing nursing home facility and (iii) the bond issuance costs.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

SOURCES AND USES OF FUNDS

Sources:	IFA 501 (c) (3) bonds	\$7,500,000	Uses:	Project Cost	\$9,130,675
	USDA Grant	1,040,000		Issuance Costs	<u>150,000</u>
	Equity	740,675			
	Total	<u>\$9,280,675</u>		Total	<u>\$9,280,675</u>

JOBS

Current employment:	82	Projected new jobs:	10
Jobs retained:	82	Construction jobs:	50 to 100 (range over 12 months)

FINANCING SUMMARY

Structure:	As proposed, the Bonds would be purchased directly by United Community Bank and Gifford State Bank, the Direct Lenders/Investors, and held as a portfolio investment until maturity.
Direct Lender/ Bond Investor Security:	United Community Bank and Gifford State Bank will be secured by a <i>Parri Passu</i> first mortgage on the project real estate (land & building).
Interest Rate:	Initial rate will be fixed for 5 years at a tax-exempt rate of 4.95%, reset thereafter at 5-year intervals at a rate equivalent to 85% of prime subject to a rate floor of 4.95%.
Term:	Initial term of 5 years with options for renewal at 5-year intervals
Amortization Period:	20-years
Timing:	Second to third quarter 2010
Rationale:	The proposed project will enable Country Health, Inc. to renovate its existing facility and expand its usable service area to convert all of its 3 and 4-person rooms to private and double occupancy rooms. Country Health, Inc. will maintain its current licensed bed count of 89, will increase its resident count from 65 to 75 and will significantly upgrade its nursing care service provided to its residents.

BUSINESS SUMMARY

Description: Country Health, Inc. is an Illinois 501 (c) (3) not-for-profit corporation incorporated in 1967 that operates a skilled long-term care nursing facility (the "Facility") licensed for 89 beds in Gifford, Illinois. The organization's existing building was completed in 1970 with an upgrade in 1998 that added a 2,000 square foot dining room enabling all residents to be served at the same time. Additional upgrades in recent years included a courtyard, electric-powered resident beds and a new air conditioning system.

Pursuant to a management agreement in effect since July of 1995, Heritage Enterprises based in Bloomington, Illinois has managed the nursing home under the direction of Country Health, Inc.'s Board of Directors. Heritage Enterprises which owns and/or manages 34 nursing homes located primarily in central Illinois has been engaged in the nursing home business since 1963.

As a Skilled Nursing Facility or SNF, Country Health, Inc. employs registered nurses who help provide 24-hour care to people who can no longer care for themselves due to physical, emotional, or mental conditions. A licensed physician supervises each patient's care with a nurse or other medical professional always on the premises.

A Skilled Nursing Facility is for an individual who meets one or more of the following criteria:

- Cannot take care of themselves because of physical, emotional, or mental problems
- Can no longer care for their own personal needs, such as eating, bathing, using the bathroom, moving around, or taking medications (custodial care)
- Requires more care than can be provided by their caregiver and cannot live alone;
- Might wander away if unsupervised
- Has extensive medical needs requiring daily attention or monitoring by an RN supervised by an MD
- Is going to be discharged from the hospital and requires temporary Skilled Nursing care or rehabilitation before returning home or to a residential facility

Services provided by Country Health, Inc. include, but are not limited to, comprehensive medical services tailored to each individual's needs, rehabilitative physical, mental and speech therapy

services, occupational therapy designed to assist individuals in regaining independent self-care such as dressing, grooming and eating, complete meal service, medicine dispensing including oral, injections, ventilation or other required medicinal requirements and memory support services.

Country Health, Inc. considers its primary service area to include Champaign, Vermillion and Ford counties.

Rationale: The renovation and expansion of the existing facility will allow the nursing home to convert all of its 3 and 4 person rooms into private and double rooms, with anticipation that the current 65 resident count will be increased to 75. Each of the new or remodeled rooms will have its own private bathroom, large windows looking out onto landscaped gardens, ample storage space and in-room visiting areas. All rooms will also feature upgraded mechanical, lighting and safety systems. In addition to the enhanced resident rooms, the expansion of the facility will allow for the creation of new, state-of-the-art resident care facilities. These spaces will include two new nursing stations (increasing from one currently), spa-like common bathing rooms and salon and a new, prominently located physical therapy pavilion which will include space for an expanded out-patient therapy program. The building will also feature generous and inviting common areas highlighting a connection to nature.

Construction will take place on an ongoing basis with residents temporarily relocated to other rooms in the facility during their existing space renovation.

The new facility and renovations are being designed to increase resident health and well-being, incorporate a strong connection to nature and create a welcoming environment for visitors, all with the intent of significantly improving the level of care and attentiveness to privacy needs of the residents.

PROJECT SUMMARY

Bond proceeds will be used to finance:

- (i) the construction of a 26,833 square foot building addition to the borrower's existing 31,000 square foot skilled long-term care nursing facility located in Gifford, Illinois
- (ii) renovation of the existing nursing home facility and
- (iii) legal and professional issuance costs associated with the bond issuance.

Estimated project costs are as follows:

Building construction, site work & renovation	\$8,203,675
Building Fixtures/Equipment	485,000
Architectural/Engineering	<u>442,000</u>
Total Project Costs	<u>\$9,130,675</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Country Health, Inc. 2304 CR 3000N Gifford, Illinois 61847; Ph: (217) 568-7362
Contact: Craig Alter, Chief Financial Officer
Project name: Country Health, Inc.'s Gifford Nursing Home Expansion Project
Location: 2304 CR 3000N Gifford, Illinois (Champaign County)
Borrower: Country Health, Inc.
Organization: Illinois 501 (c) (3) Corporation

Board of Directors:	Deanna Osterbur	Ogden, IL
	Roger Jones	Rantoul, IL
	Barbara McFadden	Gifford, IL
	Celia Hethki	Gifford, IL
	Michael Frerichs	Gifford, IL
	Melvin Blobaum	Gifford, IL
	Lela Huls	St. Joseph, IL
	Millie Roseman	Rantoul, IL
	Mary Lou Ackerman	Penfield, IL

PROFESSIONAL & FINANCIAL

General Counsel:	To be determined		
Accountant:	Sulaski & Webb CPA's	Bloomington, IL	
Architect:	Worn Jerabek Architects, PC	Chicago, IL	
General Contractor:	Horvy Contracting	Forsyth, IL	
Bond Counsel:	Hart, Southworth & Witsman	Springfield, IL	
Bond Purchaser:	United Community Bank	Chatham, IL	Todd Wise
	Gifford State Bank	Gifford, IL	Tony McLean
IFA Counsel:	To be determined		
IFA Financial Advisors:	Scott Balice Strategies	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	15 – Timothy V. Johnson
State Senate:	52 – Michael L. Frerichs
State House:	104 – William B. Black



\$12,000,000
ELGIN ACADEMY

October 14, 2009

REQUEST Purpose: Bond proceeds will be (i) used to refund outstanding bonds of the Academy, (ii) to pay termination costs of an interest rate swap, and (iii) pay bond issuance costs.
Project Description: Refinance approximately \$10,885,700 of the Academy's 2007 Series Bonds issued through the IFA, and pay termination costs of an interest rate swap.

BOARD ACTIONS Final Bond Resolution
Voting Record: None. No prior Board action. Elgin Academy requests one-time Board approval because of the need to replace the liquidity provider and re-structure the Bonds to a fixed rate direct purchase.

MATERIAL CHANGES N/A

JOB DATA	73	Current jobs	5	New jobs projected
	N/A	Retained jobs	N/A	Construction jobs projected

- BORROWER**
- Elgin Academy
- DESCRIPTION**
- Located in Elgin, Illinois (Kane County).
 - Elgin Academy was incorporated in 1839, and is an independent day school that serves from more than 30 communities in the Fox Valley area.
 - The Academy serves pre-school through high school students from all faiths. The Academy accredited by the Independent Schools Association of the Central States. The Academy is an Illinois Not for Profit Corporation.
 - The Academy is accredited by the Independent Schools Association of the Central States.
 - The proposed bonds will refund and restructure existing bonds and loans and pay the termination costs of an interest rate swap.

CREDIT • A general obligation pledge of the Academy's revenues. The bonds will be held until maturity.

INDICATORS • The Bonds will not be insured.

Credit Enhancement N/A

PROPOSED • Non-Rated Fixed Rate Bonds

STRUCTURE • Maturity Years 28 Years (October 1, 2037)

SOURCES AND USES	IFA Bonds	<u>\$11,700,000</u>	Refinancing	\$10,885,000
			Swap Termination costs	690,000
			Other Cost of Issuance	<u>125,000</u>
	Total	<u>\$11,700,000</u>	Total	<u>\$11,700,000</u>

RECOMMENDATION Credit Review Committee Recommends approval.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 14, 2009**

Project: Elgin Academy

STATISTICS

Project Number: E-PC-TE-CD-8260	Amount: \$12,000,000 (Not to Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Townsend Albright
County/Region: Kane/Northeast	City: Elgin

BOARD ACTION

Final Bond Resolution	Credit Committee recommends approval.
IFA Funds contributed: None	Extraordinary conditions: None

VOTING RECORD

No prior board action. Elgin Academy requests one-time Board approval because of the need to replace the liquidity provider and re-structure the Bonds to a fixed rate direct purchase.

PURPOSE

To (i) refinance \$10,885,000 outstanding Adjustable Demand Revenue Bonds, Series 2007 issued through the IFA, (ii) pay existing swap termination costs, and (iii) pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

Convey Tax Exempt status on \$12,000,000 (not to exceed) Series 2009 Bonds. 501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders and thereby reduce the borrower's interest expense.

VOLUME CAP

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

JOBS

Current employment: 73	Projected new jobs: 5
Jobs retained: N/A	Construction jobs: N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Bonds	<u>\$11,700,000</u>	Uses: Refinancing	\$10,885,000
		Swap Termination Costs	690,000
		Bond Issuance Costs	<u>125,000</u>
Total	<u>\$11,700,000</u>	Total	<u>\$11,700,000</u>

FINANCING SUMMARY/STRUCTURE

Security:	General obligation pledge of the Academy's revenues.
Structure:	Fixed rate bonds to be purchased by First American Bank, Elk Grove Village, Illinois for its investment portfolio as lender investor.
Interest Rate:	Bonds will bear a 4.80% rate for 7 years, and be amortized over 28 years.
Interest Mode:	Fixed Rate Bonds
Credit Enhancement:	None.
Maturity:	28 years (June 1, 2037)
Rating:	None.
Estimated Closing Date:	October 21, 2009

PROJECT SUMMARY

The proceeds of the Bonds will be used to (i) refinance \$10,885,000 of the Academy's IFA Series 2007 Adjustable Rate Demand Revenue Bonds, Series 2007 issued through the Illinois Finance Authority, (ii) pay costs of terminating a swap with Charter One Bank, N.A., and (iii) pay costs of issuance.

Project Costs:	Refinance Series 2007 Bonds	\$ 10,885,000
	Swap termination costs	<u>690,000</u>
	Total	<u>\$11,575,000</u>

Project Rationale: The Academy seeks interest rate stability achieved through a fixed-rate bond structure. The Academy's current liquidity provider has experience downgrades from the major rating services due to its exposure to non-conforming loans and its capital requirements. There is no extension of maturity on the proposed refinanced debt. Although the Academy believes it will achieve a favorable fixed rate of interest by converting to a fixed-rate structure, it doesn't anticipate any significant interest rate savings. It reduces variable rate risk and converts from synthetic fixed rate structure to a true fixed rate structure.

BUSINESS SUMMARY

Description of Business: Elgin Academy (the "Applicant", the "Academy") is a coeducational college preparatory school located in Elgin, Illinois. The Academy is an Illinois 501(c)(3) corporation incorporated on March 6, 1957. Chartered in 1839, the Academy is the oldest coeducational non-sectarian college preparatory school west of the Allegheny Mountains. It is a day school that serves Preschool through Grade 12 students from Elgin, and serves a market area that includes Barrington, St. Charles, Dundee, Algonquin, and more than 30 other communities located in the Fox Valley area.

The Academy is an independent school dedicated to a classical curriculum, the development of high moral character, and a true spirit of community. The Academy provides tuition assistance for needy students.

Elgin Academy is accredited by the Independent Schools Association of the Central States, and recognized by the State of Illinois. Elgin Academy Foundation is an affiliate that was formed to hold and to invest the endowment fund investments and other investments for the benefit of the Academy. The Academy is governed by a 21-member Board of Directors. A list of Academy Directors is provided on Page four of this report.

The Cupola Foundation: The Academy is the Sponsor of the Cupola Foundation, a not for profit corporation formed to rehabilitate, own, and operate an apartment complex in Rockford. The project consists of 268 units and is subject to HUD regulation and the Low Income Housing Preservation and Resident Ownership Act of 1990.

Mulford Square Preservation Corporation: The Academy is the sponsor of said corporation which is a not for profit corporation formed to develop and rehabilitate low-income housing.

Student enrollment: The Academy has an enrollment for the 2008-2009 academic year of 460 students. In 2006, the Academy entered into an agreement with Summit School Inc. to take over the operations of Summit Academy, an Elgin private school which offered preschool through eighth grade curricula. Combined enrollment for both institutions for the 2006-2007 academic year was 614. The Academy enrolled approximately 475 students for the 2007-2008 academic year. The drop in enrollment in the 2007-2008 academic year was due to the attrition from Summit Academy as tuition fees were equalized and the two campuses were consolidated.

The Academy accepts qualified students from all socioeconomic backgrounds. Students receive financial assistance depending upon need. In the 2006-2007 academic year the Academy established an Elgin Academy Merit Scholarship for Rising Freshmen.

Qualifying students must be enrolled in the eights grade and have a cumulative GPA of 3.5 or above plus other requirements. The scholarship amount is \$1,000.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Elgin Academy
Project Location: 350 Park Street, Elgin, Kane County, Illinois 6120
Borrower: Elgin Academy
Contact: Gerald O'Keefe, Director of Finance and Operations, 847-695-0309 ext. 240,
gokeefe@elginacademy.org
Ownership: Illinois 501(c)(3) Corporation

A list of current Board members is provided below.

**Elgin Academy
Board of Trustees
2009-2010**

Fred Masnato, Chair
Harold Rider, Vice-Chair
Linda Kost Bremseth, Secretary
Keith Rauschenberger, Treasurer
Laura Anderson
Rob Berry '86
Steve Flexman
Janet Hughes
George Karas
Sandy Kirk
Robin Pearson
Harold Rider
Hugh Rider '86
Antonino Romano
Alan Scimeca
William Skok '81
Claire Suevel
Antonis Theodorou
Robert Wadington
Margaret Ward
Phil Wilmington

Ex-Officio Members

John Cooper, Head of School
Carolyn Hardy Selke '77, Alumni Advisory Board Rep
Jackie Lew, Parent Association President

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

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Schnell, Bazos, Freeman Kramer, Schuster & Vanek	Elgin, IL	Peter C. Bazos
Accountant:	Reznick Group	Skokie, IL	John Van Stee, CPA
Bond Counsel:	Ice Miller LLP	Indianapolis, IN	Jeff Lewis Patra Geroulis
Prior Letter of Credit Bank:	Charter One Bank, N.A.	Chicago, IL	
Purchasing Bank:	First American Bank	Elk Grove Village, IL	Steve Eikenberry
Bank Counsel:	In house		James Berton Fred Snow
Paying Agent:	First American Bank	Elk Grove Village, IL	
IFA Advisor:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott
Issuer's Counsel:	Gonzalez, Saggio & Harlan	Chicago, IL	Timothy W. Wright

LEGISLATIVE DISTRICTS

Congressional:	14	William Foster
State Senate:	22	Michael Noland
State House:	43	Ruth Munson

SERVICE AREA

The Fox Valley area of Illinois.



October 14, 2009

\$280,000,000
ADVOCATE HEALTH CARE NETWORK

REQUEST

Purpose: to 1) finance the merger-related redemption of BroMenn Healthcare’s (“BroMenn”) existing debt; 2) fund new money projects at both BroMenn and other Advocate hospital campuses, 3) refund a bridge loan provided to repay Midwest Physicians Group (“MPG”)’s tax-exempt bonds if deemed necessary or advisable; 4) restructure a portion of Advocate’s outstanding debt if deemed necessary or advisable; 5) fund a debt service reserve fund, if deemed necessary or advisable; and 6) pay costs of issuance.

Project Description: The bond financing will be used to refund all or a portion of the Prior Bonds and for capital expenditures for the health care facilities of the Borrower or its affiliates.

Program: Conduit 501(c)(3) Revenue Bonds

Extraordinary Conditions: None.

BOARD ACTIONS

Preliminary Bond Resolution

MATERIAL CHANGES

None

JOB DATA

23,600 Advocate	Current jobs	0	Jobs created from Project
1,500 Bromenn			
25,100	Retained jobs	150	Construction Jobs created by Project

DESCRIPTION

- Location (McLean, Woodford, Cook, DuPage and Lake Counties)
- As a faith-based health care organization, sponsored by the United Church of Christ and Evangelical Lutheran Church in America, the mission, values and philosophy of the System form the foundation for its strategic priorities. The System’s mission is to serve the health care needs of individuals, families and communities through a holistic philosophy rooted in the fundamental understanding of human beings.
- The System provides a continuum of care through its eight short term acute care hospitals with two integrated children’s hospitals and a specialty long term acute care hospital, with approximately 3,500 licensed beds, primary and specialty physician services, outpatient centers, physician office buildings, home health and hospice care throughout the metropolitan Chicago area.

CREDIT

- Fixed Rate Debt Anticipated (Flexibility to issue in other modes dependent upon market conditions)

INDICATORS

- Underlying ratings of Aa3/AA/AA (Moody’s/Standard and Poor’s/Fitch)

MATURITY

- Bonds will Mature no later than 2049

Sources and Uses

IFA Bonds	<u>\$280,000,000</u>	Acquisition and Project Cost	\$112,500,000
		Restructuring of Existing Debt	150,000,000
		Refunding of Bridge Loan	13,500,000
		Costs of Issuance / UD	<u>\$4,000,000</u>
Total	\$280,000,000	Total	\$280,000,000

Recommendation

Credit Review Committee recommends approval.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 14, 2009**

Project: Advocate Health Care Network

STATISTICS

Project Number: H-HO-TE-CD-8090	Amount: \$280,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane, Bill Claus and Shannon Govia
County/Region: McLean, Woodford, Cook, DuPage, and Lake counties	City: Bloomington-Normal – McLean Eureka - Woodford Chicago –Cook Oak Lawn – Cook Park Ridge – Cook Hazelcrest – Cook Barrington – Lake Libertyville – Lake Downers Grove - DuPage

BOARD ACTION

Preliminary Bond Resolution	No extraordinary conditions
No IFA Funds contributed	
Conduit 501(c)(3) bonds	

VOTING RECORD

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

PURPOSE

Bond proceeds which will be used to: 1) finance the merger-related redemption of BroMenn Healthcare (“BroMenn”) existing debt; 2) fund new money projects at both BroMenn and other Advocate hospital campuses, 3) refund a bridge loan provided to repay Midwest Physicians Group (“MPG”)’s tax-exempt bonds if deemed necessary or advisable; 4) restructure a portion of Advocate’s outstanding debt if deemed necessary or advisable; 5) fund a debt service reserve fund, if deemed necessary or advisable; and 6) pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment (Obl. Group):	23,600 (Advocate)	Jobs created by project:	0
	1,500 (Bromenn)		
Jobs retained:	25,100	Construction jobs created by project:	150

Advocate’s merger with BroMenn will retain FTEs at BroMenn.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$280,000,000	Uses:	Acquisition financing and new money projects*	\$112,500,000
				Restructuring of existing debt	\$150,000,000
				Refunding bridge loan	\$13,500,000
				Est. costs of issuance	4,000,000
	Total	\$280,000,000	Total		\$280,000,000

FINANCING SUMMARY/STRUCTURE

Security:	General, unsecured obligations of the Members of the Obligated Group (<u>Current members of the obligated group are: Advocate Health Care Network, Advocate Health and Hospital Corporation, Advocate Northside Health Network and Advocate Condell Medical Center</u>) and any future Members of the Obligated Group.
Structure:	The current plan of finance is to issue fixed rate bonds. However, if market conditions raise fixed interest rates to unacceptable levels, variable rate or term bonds may be used.
Interest Rate:	To be determined the day of pricing.
Interest Mode:	Fixed Rate Bonds or weekly/Windows/annual/multi-annual uninsured Variable Rate Bonds (i.e. multi-modal)
Credit Enhancement:	Fixed Rate Bonds would have the rating of Advocate Health Care Network. If uninsured variable rate demand bonds are issued, they will be backed by either a Standby Bond Purchase Agreement or Letter of Credit (bank(s) to be determined, but will carry a long-term rating of A- or better) unless in Windows mode, which does not require bank support. Annual and/or multi-annual uninsured variable rate demand bonds in a long-term mode would have the rating of Advocate Health Care Network.
Maturity:	Not later than 2049
Rating:	Underlying ratings of Aa3/AA/AA (Moody's/Standard and Poor's/Fitch)
Est. Closing Date:	January 5, 2010

PROJECT SUMMARY

1) Advocate Health Care Network and BroMenn Health Care System (“BroMenn”) have agreed upon a definitive agreement by which BroMenn will merge into an affiliate of Advocate Health Care Network (“AHCN”). This agreement allows AHCN, primarily through its wholly controlled subsidiary Advocate Health and Hospitals Corporation (“AHCN”), to continue to carry on the mission of BroMenn.

This transaction requires the approval of the Illinois Health Facilities Planning Board (“IHFPB”) for a change of ownership. The IHFPB is scheduled to review the change of ownership application at its October 14, 2009 meeting.

2) As part of its agreement with BroMenn, Advocate has committed to complete the construction of a new bed tower and certain other projects at BroMenn’s two hospitals. BroMenn currently has a Certificate of Need approval for the bed tower construction.

Further, AHCN desires to reimburse the Advocate Corporations for certain previous expenditures made on its various hospital campuses.

3) On July 1, 2009, AHCN and Midwest Physician Group (“MPG”), a 501 (c) (3) organization, entered into an asset purchase agreement by which AHCN acquired substantially all the assets and assumed substantially all liabilities of

MPG. This agreement allows AHHC to continue to carry on the mission of MPG. To complete the transaction AHHC entered into a short-term borrowing agreement of which the proceeds were used by MPG to repay its tax exempt bonds. Due to the timing of the transaction and the size of the borrowing, AHHC chose to defer until a later date the issuance of tax exempt bonds. In conjunction with this larger plan of finance, AHHC now looks to replace this short term taxable borrowing with tax exempt borrowing.

4) AHCN has approximately \$458 million of weekly variable rate demand obligations outstanding that are supported by a liquidity facility in the form of a bank standby agreement that expires in April 2011. AHCN desires the flexibility to restructure a portion of these bonds into fixed rate and/or other modes of variable rate bonds in order to increase its committed capital exposure.

BUSINESS SUMMARY

Description of Business: Advocate Health Care Network 501(c)(3), a not for profit corporation (“Advocate Network Corporation”) is the sole member of the not for profit Advocate Health and Hospitals Corporation (“Hospitals Corporation”). Advocate Network Corporation and the Hospitals Corporation are, in turn, the sole members of various not-for-profit corporations, including Advocate Condell Medical Center and Advocate Northside Health Network, the primary activities of which are the delivery of health care services or the provision of goods and services ancillary thereto. Such controlled corporations along with Advocate Network Corporation and the Hospitals Corporation constitute the Advocate Health Care Network (the “System”). The System was created in January 1995 through the consolidation of two health systems, Evangelical Health System and Lutheran General Health System. As the parent of the System, Advocate Network Corporation currently has no material operations or activities of its own, apart from its ability to control subsidiaries.

As a faith-based health care organization, sponsored by the United Church of Christ and Evangelical Lutheran Church in America, the mission, values and philosophy of the System form the foundation for its strategic priorities. The System’s mission is to serve the health care needs of individuals, families and communities through a holistic philosophy rooted in the fundamental understanding of human beings as created in the image of God.

The System provides a continuum of care through its eight short term acute care hospitals with two integrated children’s hospitals and a specialty long term acute care hospital, with approximately 3,500 licensed beds, primary and specialty physician services, outpatient centers, physician office buildings, home health and hospice care throughout the metropolitan Chicago area. Through a long-term academic and teaching affiliation with the University of Illinois at Chicago Health Sciences Center, Advocate trains more resident physicians than any non-university teaching hospital in Illinois. In addition to owning and operating hospitals and other health care facilities, Advocate is affiliated with several large physician groups.

BroMenn Healthcare System, a not for profit corporation (“BroMenn”) is the sole member of the not for profit BroMenn Regional Medical Center (“BRMC”) and Eureka Hospital (“Eureka Hospital”). BroMenn is also the sole member of various other not-for-profit and for profit corporations the primary activities of which are the delivery of health care services or the provision of goods and services ancillary thereto. BroMenn provides a continuum of care through its two short-term acute care hospitals with approximately 221 CON authorized beds at BRMC and 25 CON authorized beds at Eureka Hospital, outpatient centers, a home health program, and employed physician practices and has been serving Bloomington-Normal and surrounding communities in Central Illinois for over 100 years.

The merger of BroMenn into Advocate will permit 1) an uninterrupted continuum of care and 2) completion/development of new services to the communities currently served by BroMenn by allowing access to the resources (medical, technological and financial) of the Advocate System.

As part of the merger agreement, Advocate has committed to complete the construction of a new bed tower and other projects at BroMenn and Eureka Hospitals. BroMenn currently has a certificate of need approval for the bed tower construction.

Midwest Physician Group (“MPG”) is one of the largest integrated multi-specialty physician group practices throughout the city and the south, and southwest suburban Chicago area. MPG started in 1975 as a division of the Chicago College of Osteopathic Medicine and was incorporated in 1982. MPG is a recognized 501(c)(3) tax exempt

organization by the Internal Revenue Service. MPG is a physician-member operated medical group that includes 71 employed/contracted physicians and 10 mid-level providers.

MPG provides primary care services including family medicine, internal medicine, and pediatrics with a variety of other physician specialties and ancillary services. MPG's two anchor locations are in Olympia Fields and Orland Park.

Timing: estimate: January 2010

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Advocate Health Care Network*
Project Location: Multiple
Borrower: Advocate Health Care Network
2025 Windsor Drive
Oak Brook, IL 60521
Ownership/Board Members (Advocate Health Care Network)
Lynn Crump-Caine, *Chairperson*
Mark Harris, *Vice Chairperson*
James Skogsbergh, *President and Chief Executive Officer*
David Anderson
Alejandro Aparicio, M.D.
Jon E. Christofersen, M.D.
Bruce E. Creger
Jose Elizondo, M.D.
Rev. Dr. Donald M. Hallberg
Rev. Phil Hart
Laurie L. Meyer
Bishop Wayne N. Miller
Clarence Nixon, Jr. Ph.D.
Thomas F. Shirey
Carolyn Hope Smeltzer
Rev. Ozzie Smith, Jr.
John F. Timmer

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Foley & Lardner LLP	Chicago	Robert Zimmerman Janet Zeigler
Bond Counsel:	Chapman & Cutler LLP	Chicago	Nancy Burke Becky Brueckel
Senior Underwriter:	Citi	Chicago	Ryan Freel Amy Yang
Co-Manager:	Loop Capital Markets, LLC	Chicago	Albert R. Grace, Jr
Co-Manager:	Cabrera Capital Markets, LLC	Chicago	Santino Bibbo
Underwriter's Counsel:	Sonnenschein Nath & Rosenthal	Chicago	Katie Ashton
Bond Trustee:	The Bank of New York	Chicago	John Prendiville
Accountant:	Ernst & Young	Chicago	Tadd Ingles
Issuer's Counsel:	Jones Day	Chicago	David Kates
IFA Advisors:	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

BroMenn Healthcare System, Normal, IL

Congressional: 11 – Debbie Halverson
Congressional: 15 – Tim Johnson
Congressional: 18 – Aaron Schock
State Senate: 44 – William Brady
State Senate: 53 – Dan Rutherford
State House: 88 – Dan Brady
State House: 106 – Keith Sommer
State House: 105 – Shane Cultra
State House: 87 – Bill Mitchell

Midwest Physician Group,

Congressional: 1 – Bobby Rush
Congressional: 3 – Daniel Lipinski
Congressional: 2 – Jesse Jackson, Jr.
Congressional: 11 – Debbie Halverson
Congressional: 13 – Judy Biggert
State Senate: 3 – Mattie Hunter
State Senate: 14 – Emil Jones, III
State Senate: 18 – Edward Maloney
State Senate: 19 – M. Maggie Crotty
State Senate: 38 – Gary Dahl
State Senate: 41 – Christine Radogno
State House: 6 – Esther Golar
State House: 27 – Monique Davis
State House: 28 – Robert Rita
State House: 35 – Kevin Joyce
State House: 38 – Al Riley
State House: 75 – Careen Gordon
State House: 81 – Renee Kosel

SERVICE AREA

Advocate Health Care Network has facilities in the following locations in Illinois: Chicago (Advocate Bethany Hospital), (Advocate Illinois Masonic Medical Center), (Advocate Trinity Hospital); Libertyville (Advocate Condell Medical Center); Oak Lawn (Advocate Christ Medical Center and Advocate Hope Children’s Hospital); Downers Grove (Advocate Good Samaritan Hospital); Barrington (Advocate Good Shepherd Hospital); Park Ridge (Advocate Lutheran General Hospital and Children’s Hospital) and Hazel Crest (Advocate South Suburban Hospital, Hazel Crest).

BroMenn Healthcare System is located in Normal and Eureka, Illinois.

Midwest Physician Group is located in Olympia Fields and Orland Park, IL along with smaller offices in Chicago, Boubonnais, and Crestwood, IL.



October 14, 2009

\$170,000,000
MEMORIAL HEALTH SYSTEM

REQUEST

Purpose: to (i) fund capital expenditures for the health care facilities of the Borrower and/or its affiliates, (ii) refund all or a portion of the Illinois Health Facilities Authority Revenue Bonds Series 1997 (Memorial Health System) (the “Prior Bonds”), (iii) fund a debt service reserve fund, if deemed necessary or advisable, and (iv) pay the cost of issuance.

Project Description: Capital expenditures for Memorial Health System health care facilities and/or its affiliates (“MHS”), including but not limited to: (i) 116,323 sq/ft replacement hospital facility for Abraham Lincoln Memorial Hospital (“ALMH”) in Lincoln, IL, (ii) 19,788 sq/ft outpatient addition for the Taylorville Memorial Hospital (“TMH”) in Taylorville, IL, (iii) replacement of a 336 car parking garage with a 450 car garage at Memorial Medical Center (“MMC”) in Springfield, IL, and (iv) various other capital projects at MMC including operating room expansion, medical/surgery expansion, and renovation of outpatient imaging services.

Program: Conduit 501(c)(3) Revenue Bonds

Extraordinary Conditions: None.

BOARD ACTIONS

Preliminary Bond Resolution

MATERIAL CHANGES

None

JOB DATA

4,750	Current jobs	107 @ MHS	Jobs created from Project
4,750	Retained jobs	1,031	Construction Jobs created by Project

DESCRIPTION

- Location (Springfield/ Sangamon County / Central Region)
- The System’s vision is to be a national leader for excellence in patient care. The System’s mission, to improve the health of the people and communities that are served, is evident in the System’s effort to provide healthcare services across the full continuum of care to the citizens of central Illinois. This is achieved by diligently seeking to provide a great patient experience by emphasizing primary care services as well as continuity and coordination of services between the providers within the System.
- Owns and operates MMC, a 507 bed teaching tertiary hospital in Springfield, IL
- Several affiliates including ALMH and TMH, which are critical access hospitals located in Lincoln, IL and Taylorville, IL, respectively

CREDIT

- Fixed Rate Debt

INDICATORS

- Bonds will be issued based on the underlying credit of Memorial Health System
- Bonds will Mature no later than 2040

Sources and Uses

IFA Bonds	<u>\$170,000,000</u>	Project Cost	\$121,405,000
		Refinancing:	\$29,725,000
		Debt Service Reserve Fund:	\$13,245,000
		Original Issue Discount:	\$3,415,000
		Costs of Issuance / UD	<u>\$2,210,000</u>
Total	\$170,000,000	Total	\$170,000,000

Recommendation

Credit Committee recommends approval.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 14, 2009**

Project: Memorial Health System

STATISTICS

Project Number: H-HO-TE-CD-8276	Amount: \$170,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane & Bill Claus
County/Region: Sangamon County / Central	City: Springfield, Taylorville, and Lincoln
Christian County / Central	
Logan County / Central	

BOARD ACTION

Preliminary Bond Resolution	No extraordinary conditions
No IFA Funds contributed	Credit Committee recommends approval.
Conduit 501(c)(3) bonds	

VOTING RECORD

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

PURPOSE

Proceeds will be used by Memorial Health System, an Illinois not for profit corporation (the "Borrower") to (i) fund capital expenditures for the health care facilities of the Borrower and/or its affiliates, (ii) refund all or a portion of the Illinois Health Facilities Authority Revenue Bonds Series 1997 (Memorial Health System) (the "Prior Bonds"), (iii) fund a debt service reserve fund, if deemed necessary or advisable, and (iv) pay the cost of issuance..

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment (Obl. Group):	4,750	Jobs created by project:	107 @ MHS
Jobs retained:	4,750	Construction jobs created by project:	1,031

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	<u>IFA Bond proceeds</u>	\$170,000,000	Uses:	Project Costs	\$121,405,000
				Refinancing	29,725,000
				Debt Service Reserve Fund	13,245,000
				Original Issue Discount	3,415,000
				<u>Costs of Issuance / UD</u>	<u>2,210,000</u>
Total		\$170,000,000	Total		\$170,000,000

FINANCING SUMMARY/STRUCTURE

Security:	The Bonds are expected to be secured by an Obligation of Memorial Health System under a Master Trust Indenture. The Obligation is a general unsecured obligation of the Borrower.
Structure:	The plan of finance contemplates the issuance of fixed rate debt. The fixed rate bonds will carry the rating of Memorial Health System which expects to receive ratings by mid/late November.
Interest Rate:	To be determined the day of pricing.
Interest Mode:	The plan of finance contemplates the issuance of Fixed Rate Bonds.
Credit Enhancement:	None. (The bonds will carry the credit rating of Memorial Health System.)
Maturity:	Not later than 2040
Rating:	(Rating Agency meetings in late October)
Est. Closing Date:	December 2009

PROJECT SUMMARY

The bond financing will be used to refund all or a portion of the Prior Bonds and toward capital expenditures for the health care facilities of the Borrower or its affiliates, including but not limited to the ALMH replacement facility (Lincoln, IL), TMH expansion (Taylorville, IL), MMC imaging facility renovations (Springfield, IL), MMC operating room expansion, MMC medical/surgical expansion and MMC parking garage replacement (collectively, the "Project") being constructed for Memorial Health System ("MHS").

CON Status: A Certificate of Need (CON) for the outpatient services center on the Taylorville Memorial Hospital campus was approved by the Illinois Health Facilities Planning Board on September 1, 2009. This 19,788 sq. ft. addition will house the emergency department, surgery center, and the radiology center for Taylorville Memorial Hospital. The \$21,000,479 project cost includes radiology and surgery equipment of \$5,300,000. This project timeline will begin construction in the fall of 2009, and be ready for occupancy early in 2011.

A Certificate of Need was approved by the Illinois Health Facilities Planning Board on January 27, 2009 for a replacement hospital facility in Lincoln, encompassing 116,323 square feet at a cost of \$49,958,815. Construction began in July 2009 and will be completed in December 2010.

Other Projects: Future construction projects for MMC (Springfield, IL) include renovation of the first floor of the Baylis Medical Building to consolidate outpatient imaging services. This project includes three distinct phases. Phase one is already completed and included the construction of an MRI (Magnetic Resonance Imaging) suite at the back of the building at a cost of \$3,461,000. Phase two includes the construction and consolidation of diagnostic imaging, digital breast imaging, bone densitometry, phlebotomy and EKG services at a cost of \$7,900,000 and should be completed in 2010. Phase three will renovate space to accommodate single-photon emission computed tomography with CT (SPECT/CT) and Positron Emission Tomography with CT (PET/CT) equipment to provide for patients to receive comprehensive imaging services in one convenient location at a cost of \$4,051,000 and will be completed in 2009. The Baylis Medical Building is located across the street from the new SimmonsCooper Cancer Institute at SIU and will serve as the primary provider of imaging services for cancer patients seen in that facility.

Further projects on the MMC campus include remodeling and conversion of the existing office and diagnostic testing into a new 22-bed, all private medical surgical unit at an estimated cost of

\$5,000,000 and completion in late 2009. In addition, an existing 336-car parking garage that is near the end of its useful life will be demolished and replaced with a new 450-car parking garage at an estimated cost of \$13,179,458 in mid to late 2010. An operating room expansion project is also underway which will include two additional operating rooms, recovery bays, and support space within the existing inpatient operating room suite. This project will be completed in early 2010 and will cost approximately \$7,903,000.

BUSINESS SUMMARY

Description of Business: As part of a corporate reorganization plan in 1993, Memorial Health System (the "System"), was incorporated as an Illinois not-for-profit corporation and the sole corporate member of the Medical Center. The System's vision is to be a national leader for excellence in patient care. The System's mission, to improve the health of the people and communities they serve, is evident in the System's effort to provide healthcare services across the full continuum of care to the citizens of central Illinois. This is achieved by diligently seeking to provide a great patient experience by emphasizing primary care services as well as continuity and coordination of services between the providers within the System.

In addition to MMC, the System is currently affiliated with: Memorial Physician Services ("MPS"), Memorial Home Services ("MHSvc"), ALMH, Abraham Lincoln Healthcare Foundation ("ALMF"), Mental Health Centers of Central Illinois ("MHCCI"), Memorial Health Ventures ("MHV") and TMH (collectively, the "Affiliated Corporations").

The System, MMC, MHSvc, ALMH, TMH, MPS, MHV, MHCCI and ALHF are all Illinois not-for-profit corporations and have all been recognized as organizations described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and are exempt from federal income taxation. An organizational chart is included on page 6.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Memorial Health System
Project Location:	701 N 1 st Street Springfield, IL 62781
Borrower:	Memorial Health System
Board Members (501(c)(3))	
Mark H. Ferguson (CHAIR)	Joseph M. Hurwitz (1 st VICE CHAIR)
James P. Bruner (2 nd VICE CHAIR)	Carol A. Hansen Posegate (SECRETARY)
John D. Blackburn (TREASURER)	Dwight H. O'Keefe III (IMMEDIATE PAST CHAIR)
Clifton R. Baxter	Edgar J. Curtis
J. Kevin Dorsey, M.D., Ph.D	William R. Enlow
Randall S. Germeraad	Nina M. Harris
Louis G. Lower II	M.G. Nelson
Howard A. Peters III	Diane K. Rutledge, Ph.D.
Martha S. Sumner	

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	TBD	Chicago, IL	TBD
Accountant:	Ernst & Young LLP	St. Louis, MO	Randy Koning
Bond Counsel:	Jones Day	Chicago, IL	Dan Bacastow
Bond Underwriter:	Piper Jaffray	Chicago, IL	Nessy Shems
Underwriter's Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Renee M. Friedman
Issuer's (IFA) Counsel:	TBD	Chicago, IL	TBD
Issuer's (IFA) Advisors:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

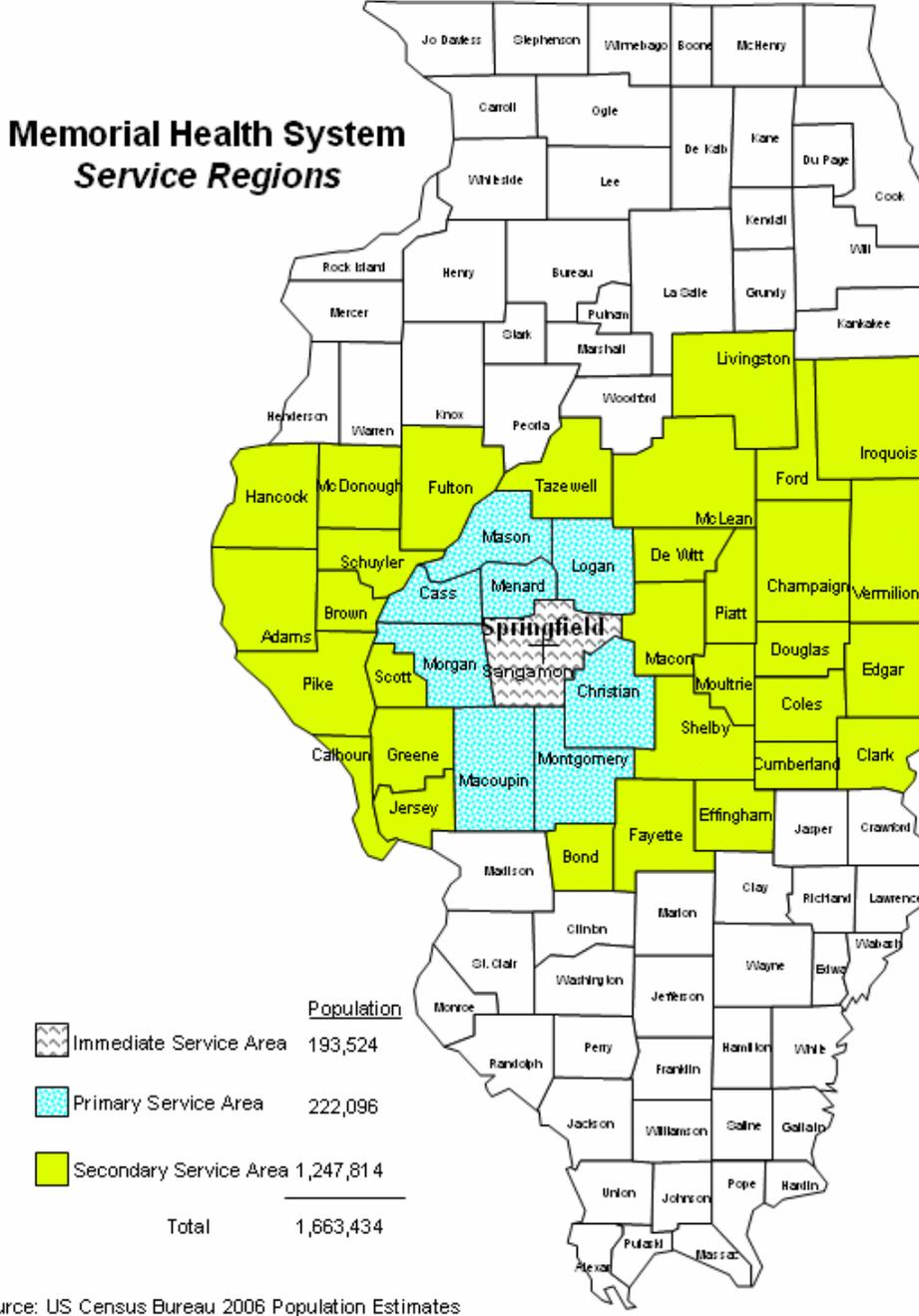
LEGISLATIVE DISTRICTS

Congressional: 17 – Phil Hare State Senate: 50 – Larry K. Bomke State House: 99 - Raymond Poe

SERVICE AREA

The System has a wide service area, drawing patients from the entire central portion of Illinois. The primary service area, which includes Sangamon County and eight surrounding counties, accounts for 86.5% of the System’s inpatients. Sangamon County, the immediate service area for MMC, accounts for 47.8% of the System’s inpatients. The System’s secondary service area includes 31 counties spanning the middle of the State and accounts for 10.5% of the System’s inpatients. The other 3.0% come from other locations in Illinois and from surrounding states. The System’s overall service area has remained constant over the past five years. The map and table, on the following page, depict the primary & secondary service areas and trends in inpatient origins.

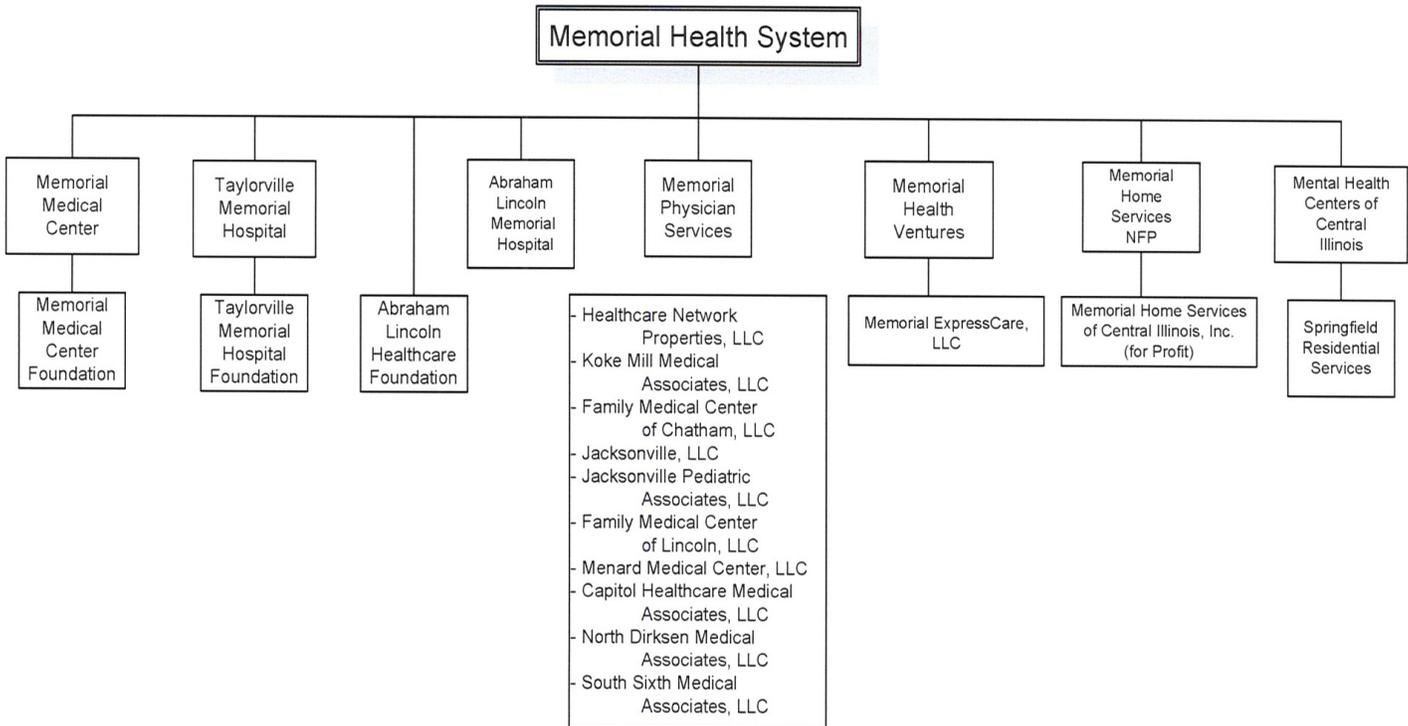
MHS Primary and Secondary Markets (Map)



Trends in Inpatient Origins 2004 - 2008
(MHS Calendar Year Discharges at MMC, ALMH & TMH – Excluding Newborns)

Service Area	2004		2005		2006		2007		2008	
	# Patient Discharges	% of Total								
Immediate (Sangamon County)	11,526	44.50%	11,705	45.50%	11,939	46.40%	12,577	47.80%	13,380	48.60%
Primary Primary (Excluding Sangamon County)	10,649	41.00%	10,395	40.40%	10,329	40.10%	10,182	38.70%	10,787	39.20%
Subtotal Immediate+Primary	22,175	85.50%	22,100	85.90%	22,268	86.50%	22,759	86.50%	24,167	87.80%
Secondary	3,008	11.60%	2,856	11.10%	2,838	11.00%	2,765	10.50%	2,728	9.90%
All Other	740	2.90%	773	3.00%	655	2.50%	804	3.00%	640	2.30%
Grand Total	25,923	100%	25,729	100%	25,761	100%	26,328	100%	27,535	100%

Source: Illinois Hospital Association/COMPdata





October 14, 2009

\$5,000,000

VILLA GUADALUPE SENIOR SERVICES CORPORATION

REQUEST

Purpose: Proceeds will be used to: 1) refund the existing Series 1990 Variable Rate Demand Bonds issued by the County of Cook, Illinois 2) fund future capital expenditures, and 3) pay for cost of issuance associated with the Series 2009 Bonds.

Program: Conduit 501(c)(3) Revenue Bonds

Extraordinary Conditions: None.

BOARD ACTIONS

Preliminary Bond Resolution

MATERIAL CHANGES

None

JOB DATA

9	Current jobs	0	New jobs projected
9	Retained jobs	0	Construction jobs projected

DESCRIPTION

- Location (Cook County)
- Villa of Guadalupe is a 53 unit retirement apartment building located at 91st Street and Brandon on the southeast side of the City of Chicago. Villa Guadalupe has been serving the elderly needs of the community since 1979. Villa of Guadalupe is affiliated with the Congregation of the Sons of the Immaculate Heart of Mary Eastern Province, Inc which is commonly known as the Claretians.
- The Claretians were established in 1849 and are comprised of Roman Catholic priests, brothers, deacons and students. The Claretians founded the National Shrine of St. Jude here in Chicago as well as parishes in Jamaica, Guatemala, and Mexico.
- In addition to their ministries, the Claretians are also the publisher of the award winning US Catholic magazine, a national publication, as well as a number of award-winning newsletters – Word One, Context, and At Home with Our Faith. The Claretians have a long and vibrant history and will be providing a full guarantee to Villa of Guadalupe for the Series 2009 Bonds.

CREDIT

- Bank Qualified Bank Purchase Bonds

SECURITY

- Collateral is expected to include a first mortgage on property and equipment, and a gross revenue pledge. The issue will also be guaranteed by the Claretians

INDICATORS

- The Village of Guadalupe Senior Services Corporation is not rated

MATURITY

- No later than 2039

SOURCES AND USES

IFA Bonds	<u>\$5,000,000</u>	Refunding Escrow	\$3,500,000
		Capital Expenditures	1,400,000
		Cost of Issuance	<u>\$100,000</u>
Total	\$5,000,000	Total	\$5,000,000

RECOMMENDATION

Credit Committee recommends approval.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 14, 2009**

Project: Villa of Guadalupe Senior Services Corporation

STATISTICS

Project Number: H-SL-RE-TE-CD-8283 Amount: \$5,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds IFA Staff: Pam Lenane and Bill Claus
County/Region: Cook/Northeast City: Chicago

BOARD ACTION

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

VOTING RECORD

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

PURPOSE

Proceeds will be used to: 1) refund the existing Series 1990 Variable Rate Demand Bonds issued by the County of Cook, Illinois 2) fund future capital expenditures, and 3) pay for cost of issuance associated with the Series 2009 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: 9 PTE's Projected new jobs: 0
Jobs retained: 9 PTE's Construction jobs: 0

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA bonds	\$5,000,000	Uses:	Refunding Escrow	\$3,500,000
	Trustee Held Funds			Capital Expenditures	\$1,400,000
	Equity Contribution*	_____		Issuance Costs*	<u>\$100,000</u>
	Total	<u>\$5,000,000</u>	Total		<u>\$5,000,000</u>

*An equity contribution will be made to cover cost of issuance in excess of the 2% tax limit. There is no equity contribution assumed at this time.

FINANCING SUMMARY/STRUCTURE

Security: Collateral is expected to include a first mortgage on property and equipment, and a gross revenue pledge. Also, this financing will be bank qualified with credit enhancement from Fifth Third Bank. The Claretians will be providing a guarantee as well.

Structure: The Series 2009 Bonds will be structured as bank qualified bonds by Fifth Third Bank (see below for rating).

Interest Rate: Fixed and Floating Rate mix will be determined based upon market rates

Rating: Fifth Third Bank has a rating of A2/P-1 (Moody's), BBB+/A-2 (S&P), A-/F1 (Fitch).

Maturity: 2039

Rating: The Bonds will be direct purchase bank qualified bonds but not be rated. The underlying borrower does not have a credit rating on its own.

Estimated Closing Date: November 4, 2009

PROJECT SUMMARY

Villa Guadalupe is issuing the Series 2009 Bonds in order to refund the existing Series 1990 Bonds and to fund future capital expenditures for the campus. Villa Guadalupe will be lowering their annual debt service payment by extending the final maturity of the Series 1990 bonds from 2020 to 2039. Bond Counsel has reviewed the average life of the assets that were financed in 1990 and has verified that the average life of the bonds will not exceed the remaining average life of the assets.

BUSINESS SUMMARY

Description of Business: Villa of Guadalupe is a 53 unit retirement apartment building located at 91st Street and Brandon on the southeast side of the City of Chicago. Villa Guadalupe has been serving the elderly needs of the community since 1979. Villa of Guadalupe is affiliated with the Congregation of the Sons of the Immaculate Heart of Mary Eastern Province, Inc which is commonly known as the Claretians. The Claretians were established in 1849 and are comprised of Roman Catholic priests, brothers, deacons and students. The Claretians founded the National Shrine of St. Jude here in Chicago as well as parishes in Jamaica, Guatemala, and Mexico. In the United States, the Claretians have 6 parishes, three of which are in Chicago, one in Perth Amboy, New Jersey, one in Atlanta Georgia, and one in Springfield, Missouri. In addition to their ministries, the Claretians are also the publisher of the award winning *US Catholic* magazine, a national publication, as well as a number of award-winning newsletters – Word One, Context, and At Home with Our Faith. The Claretians have a long and vibrant history and will be providing a full guarantee to Villa of Guadalupe for the Series 2009 Bonds.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Villa of Guadalupe Senior Services Corporation

Project Location: 3201 E. 91st Street
Chicago, IL 60617

Borrower: Villa of Guadalupe Senior Services Corp.

Ownership (501(c)(3)): Villa of Guadalupe Senior Services Corp is a 501(c)(3) organization. Its parent, The Congregation of the Sons of the Immaculate Heart of Mary Eastern Province, Inc., is also a 501(c)(3) organization.

Villa Guadalupe Board of Directors

Clare Retrum – Chairperson
Rev. Mark Brummel – Secretary/Treasurer, (CMF appointee)
Michelle Scheidt – member
Dan Hermann - member
Andy Jaworski – member
Gail Peters – member

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Mandel Legal Aid Clinic	Chicago	
Accountant:	Frank L. Sasseti & Co.		
Bond Counsel:	Katten Muchin Rosenman LLP	Chicago	Elizabeth Fleming Weber
Bank Qualified Bank:	Fifth Third Bank	Chicago	Jack Demes
Bank Counsel:	TBD		
Placement Agent:	Ziegler Capital Markets	Chicago	Lynn Daly Mike Taylor
Placement Counsel:	Katten Muchin Rosenman LLP	Chicago	Elizabeth Fleming Weber
IFA Advisors:	Scott Balice Strategies, Inc.	Chicago	Lois Scott
Issuer's Counsel:	Steve Lawrence & Associates	Chicago	Steve Lawrence

LEGISLATIVE DISTRICTS

Congressional: 2- Jesse L. Jackson, Jr.
State Senate: 13- Kwame Raoul
State House: 25- Barbara Flynn Currie

SERVICE AREA

When Villa Guadalupe senior housing was developed in 1991, its 53 apartments were in direct response to South Chicago seniors' plea for decent, secure and affordable housing. The Project was developed without federal funds which enabled flexibility in design and added common space. Villa Guadalupe was the first new residential construction in ten years in the community and was a catalyst for neighborhood revitalization within South Chicago.

Villa Guadalupe Senior Services is a non-profit organization with a history of finding creative solutions to meet the needs of local seniors. The problem of social services for isolated community seniors had long been an issue in South Chicago. Villa Guadalupe Senior Services is dedicated to creating solutions that meets the needs of our diverse senior population in cooperation with many local and city-wide partners. In South Chicago, 18 percent of the population is over 65, and nearly all of them are long-term residents; tied to the community through family, social, and spiritual relationships. Though South Chicago has suffered economic losses that caused younger residents to move away, many of South Chicago's seniors remained. The seniors that Villa Guadalupe serves are a racially diverse, low income population, and a significant number are Limited English Proficient, with most Latino seniors being monolingual in Spanish. The community ills have caused a lack of confidence in the future for these seniors, who are coping with the physical, emotional, and financial losses that accompany aging. For them, the importance of aging in place cannot be overstated. The key to a healthy aging process is the ability to remain in one's community, close to sources of security such as friends and family, the spiritual solace of a familiar place of worship, and the trust in merchants and sources of care that have developed over time.

The South Chicago senior population reflects the cultural diversity of South Chicago: 55 percent are Spanish-speaking Latino, 35 percent are African-American, 10 percent are Caucasian. Seventy percent are women. Most live below the poverty level. Of those Villa Guadalupe serves, approximately 50 percent receive Medicare, 30 percent receive Medicaid (available for those with low incomes) and 20 percent are uninsured and undocumented. (Undocumented persons are unable to receive either Medicare or Medicaid.)

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 14, 2009**

Project: Resurrection Health Care

STATISTICS

Project Number:H-HO-CD-TE-8061	Amount:\$120,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and Bill Claus
County/Region: Cook/Northeast	City: Chicago, Des Plaines, Elk Grove Village, Oak Park, Evanston, Melrose Park, Glenview, Park Ridge, Niles, Northlake, LaGrange Park, Morton Grove, Broadview

BOARD ACTION

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

VOTING RECORD

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

PURPOSE

Proceeds will be used to: (i) refund \$100 million of IFA Series 2008A-B Variable Rate Demand Bonds; (ii) fund a debt service reserve fund and (iii) pay cost of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 10,763	FTE's	Projected new jobs: 0
Jobs retained: N/A	FTE's	Construction jobs: 0

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA Bonds	<u>\$109,550,000</u>	Uses: Refunding	\$98,365,000
			DSRF	\$9,300,000
			COI	<u>\$1,885,000</u>
	Total	\$109,550,000	Total	\$109,550,000

FINANCING SUMMARY/STRUCTURE

Security: The Bonds are expected to be secured by an Obligation of Resurrection Health Care under a Master Trust Indenture. Collateral is expected to include a pledge of unrestricted receivables, DSRF and mortgage.

Structure: Uninsured, fixed rate bonds

Interest Rate: To be determined the day of pricing depending on market conditions.
Interest Mode: Fixed
Credit Enhancement: None
Credit Ratings: Resurrection Health Care carries ratings of Baa1/BBB+/A- (Moody's/S&P/Fitch)
Maturity: Not later than 2030
Estimated Closing Date: December 2009

PROJECT SUMMARY

Refunding of outstanding Variable Rate Bonds.

Project Rationale: The Letters of Credit are set to expire and will not be renewed

Timing: December 2009

BUSINESS SUMMARY

Description of Business: Resurrection Health Care and its affiliates provide healthcare services in northwest and west neighborhoods of Chicago and surrounding suburbs including Evanston, Oak Park, Des Plaines and Melrose Park. These services include inpatient and outpatient hospital care, nursing homes, retirement communities, outpatient and ambulatory clinics, physician centers, behavioral health care, home care and other health care services. Resurrection Health Care is committed to improving the health and well-being of the communities in which it serves (see service area on pages 4&5 for listing of individual hospitals).

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Resurrection Health Care

Project Location: Principal address: 7435 West Talcott Avenue, Chicago IL (in addition to facilities listed below under "Service Area").

Borrower: Resurrection Health Care

Ownership/Board Members (501(c)(3)):

Mr. Thomas D. Settles, Chairperson
Ms. Sandra Bruce, President & CEO
Ms. Janis Atkinson, M.D.
Mr. Haven Cockerham
Mr. Robert DelGuidice
Sister Donna Marie Wolowicki, C.R.
Sister Patricia Ann Koschalke, C.S.F.N.
Mr. Donald Offermann
Mr. Chester Stewart
Mr. James Winikates
Sister Loretta Theresa Felici, C.S.F.N.
Mr. Stephen Klasko, M.D.
Mr. Peter E. Eupierre, M.D.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Ungaretti & Harris	Chicago	Tom Fahey
Bond Counsel:	Jones Day	Chicago	Mike Mitchell
Underwriter:	Merrill Lynch	Chicago	Ken Vallrugo
Underwriter's Counsel:	Foley & Lardner	Chicago	Janet Ziegler
Bond Trustee:	Wells Fargo	Chicago	Patricia Martirano
Accountant:	KPMG	Chicago	John Depa
Issuer's Counsel:	TBD	Chicago	TBD
IFA Advisors:	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	4- Luis V. Gutierrez, 5- Rahm Emanuel, 7-Danny K. Davis, 9- Janice D. Schakowsky
State Senate:	2- William Delgado, 4- Kimberly A. Lightford, 6-John J. Cullerton, 9-Jeffrey M. Schoenberg, 10- James A. DeLeo, 29-Susan Garrett, 39-Don Harmon
State House:	4-Cynthia Soto, 7-Karen A. Yarbrough, 8-LaShawn Ford, 12-Sara Feigenholtz, 18-Julie Hamos, 19- Joseph M. Lyons, 20- Michael P. McAuliffe, 57-Elaine Nekritz, 78-Deborah L. Graham

SERVICE AREA

Primary Addresses:

Resurrection Health Care:

7435 West Talcott Avenue, Chicago, IL.,
100 N. River Road, Des Plaines, IL,
1100 Elmhurst Road, Elk Grove Village, IL

Saint Joseph Hospital

2900 N. Lake Shore Drive, Chicago, IL,

Holy Family Medical Center

100 N. River Road, Des Plaines, IL

West Suburban Medical Center

Erie Court at Austin Boulevard, Oak Park, IL

Saints Mary and Elizabeth Medical Center

2233 W. Division Street, Chicago, IL
1431 N. Claremont Avenue, Chicago, IL

Resurrection Medical Center

7435 W. Talcott Avenue, Chicago, IL

Our Lady of the Resurrection Medical Center

5645 W. Addison, Chicago, IL

St. Francis Hospital

355 Ridge Avenue, Evanston, IL

Westlake Community Hospital

1225 W. Lake Street, Melrose Park, IL

Holy Family Nursing and Rehabilitation Center

2380 E. Dempster Street, Des Plaines, IL

Maryhaven Nursing and Rehabilitation Center
1700 E. Lake Avenue, Glenview, IL

Resurrection Life Center
7370 W. Talcott Avenue, Chicago, IL

Resurrection Nursing and Rehabilitation Center
1001 N. Greenwood Avenue, Park Ridge, IL

Saint Benedict Nursing and Rehabilitation Center
6930 W. Touhy Avenue, Niles, IL

Saint Francis Nursing and Rehabilitation Center
500 Asbury Avenue, Evanston, IL

Villa Scalabrini Nursing and Rehabilitation Center
480 N. Wolf Road, Northlake, IL

Bethlehem Woods Retirement Community
1571 W. Ogden Avenue, LaGrange Park, IL

Casa San Carlo Retirement Community
420 N. Wolf Road, Northlake, IL

Resurrection Retirement Community
7262 W. Peterson Avenue, Chicago, IL

Saint Andrew Life Center
7000 N. Newark Avenue, Niles, IL

Resurrection Home Health Services
5747 W. Dempster, Morton Grove, IL

Resurrection Behavioral Health Services
1820 S. 25th Avenue, Broadview, IL



October 14, 2009

\$280,000,000
CENTRAL DUPAGE HEALTH

REQUEST

Purpose: to (i) refund all or a portion of the Illinois Health Facilities Authority Variable Rate Demand Revenue Bonds, Series 2000A, 2000B, 2000C, 2004A, 2004B, and 2004C (Central DuPage Health) (the “Prior Bonds”), (ii) fund capital expenditures for the health care facilities of the Borrower or its affiliates, (iii) pay a portion of the interest on the portion of Series 2009B Bonds that are issued to fund capital expenditures, if deemed necessary or advisable, (iv) provide working capital, if deemed necessary or advisable, (v) fund a debt service reserve fund, if deemed necessary or advisable, and (vi) pay the cost of issuance.

Project Description: Capital expenditures for Central DuPage Health or its affiliates, including but not limited to 280,000 square foot bed pavilion, diagnostic imaging facility, 202 private medical surgical rooms, and an approximately 400-space parking garage.

Program: Conduit 501(c) (3) Revenue Bonds

Extraordinary Conditions: None.

BOARD ACTIONS Final Bond Resolution

MATERIAL CHANGES None

JOB DATA	2,661	Current jobs	0	Jobs created from Project
	N/A	Retained jobs	400	Construction Jobs created by Project

DESCRIPTION

- Location (Winfield/ DuPage County / Northeast Region)
- Owns and operates a 113-licensed bed general acute care hospital on a 44-acre campus
- The Hospital has received numerous awards for its delivery of care

CREDIT INDICATORS

- Fixed Rate Debt
- Current rating of Central DuPage Health is AA/AA (S&P/Fitch).
- Bonds will Mature no later than 2049

Sources and Uses	IFA Bonds	\$280,000,000	Project Cost	\$149,000,000
	Corporate Equity	<u>\$3,360,000</u>	Refinancing:	\$100,000,000
			Capitalized Interest	\$24,000,000
			Working Capital	\$7,000,000
			Cost of Issuance	\$1,120,000
			Underwriters Discount	<u>\$2,240,000</u>
	Total	<u>\$283,360,000</u>	Total	<u>\$283,360,000</u>

Recommendation Credit Committee recommends approval

**ILLINOIS FINANCE AUTHORITY
 BOARD SUMMARY
 June 9, 2009**

Project: Central DuPage Health

STATISTICS

Project Number:	H-HO-TE-CD-8119	Amount:	\$280,000,000 (Not-to-Exceed)
Type:	501(c) (3) Bonds	IFA Staff:	Pam Lenane & Bill Claus
County/Region:	DuPage/Northeast	City:	Winfield

BOARD ACTION

Final Bond Resolution	Credit Committee recommends approval
No IFA Funds contributed	No extraordinary conditions
Conduit 501(c) (3) bonds	

VOTING RECORD

In June 2009, the Authority passed a resolution authorizing the issuance of not to exceed \$150,000,000 of Series 2009B bonds. The Authority also issued Series 2009A bonds in May 2009.

PURPOSE

Proceeds will be used by Central DuPage Health, an Illinois not for profit corporation (the "Borrower") to (i) refund all or a portion of the Prior Bonds, (ii) fund capital expenditures for the health care facilities of the Borrower or its affiliates, including but not limited to a portion of the Project (defined under PROJECT SUMMARY), (iii) pay a portion of the interest on the portion of Series 2009B Bonds that are issued to fund capital expenditures, if deemed necessary or advisable, (iv) provide working capital, if deemed necessary or advisable, (v) fund a debt service reserve fund, if deemed necessary or advisable, and (vi) pay the cost of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment (Obl. Group):	2,661 FTE's	Jobs created by project:	0
Jobs retained:	N/A FTE's	Construction jobs created by project:	400

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bond proceeds	\$280,000,000	Uses:	Project Costs	\$149,000,000
	<u>Corporate Equity</u>	<u>\$3,360,000</u>		Capitalized Interest	24,000,000
				Working Capital	7,000,000
				Refinancing	100,000,000
				Costs of Issuance	1,120,000
				<u>Underwriter's Discount</u>	<u>2,240,000</u>
	Total	<u>\$283,360,000</u>		Total	<u>\$283,360,000</u>

FINANCING SUMMARY/STRUCTURE

Security:	The Bonds are expected to be secured by an Obligation of Central DuPage Health under a Master Trust Indenture. The Obligation is a general unsecured obligation of the Borrower and its affiliate Central DuPage Hospital Association (collectively, the "Obligated Group").
Structure:	The plan of finance contemplates the issuance of fixed rate debt. The fixed rate bonds will carry the rating of Central DuPage Health which is AA/AA (S&P/Fitch).
Interest Rate:	To be determined the day of pricing.
Interest Mode:	The plan of finance contemplates the issuance of Fixed Rate Bonds.
Credit Enhancement:	None. (The Bonds will carry the credit rating of Central DuPage Health.)
Maturity:	Not later than 2049
Rating:	AA/AA (S&P/Fitch)
Est. Closing Date:	November 2009

PROJECT SUMMARY

The bond financing will be used to refund all or a portion of the Prior Bonds and toward capital expenditures for the health care facilities of the Borrower or its affiliates, including but not limited to the bed pavilion, diagnostic imaging facility, and parking garage (collectively, the "Project") being constructed for Central DuPage Hospital Association (the "Hospital"). On October 23, 2007 the Hospital received a Certificate of Need permit (the "Permit") from the Illinois Health Facilities Planning Board to build a five story, approximately 280,000 square foot bed pavilion to be occupied by, among other things, 202 private medical surgical rooms, a diagnostic imaging center at the hospital and to construct an approximately 400 space parking garage. The financing will be used to finance a portion of the construction of the Project and other capital expenditures of the Obligated Group. The Project will be financed with a combination of bond proceeds and the Borrower's cash on hand. Construction has already commenced on the Project and is anticipated to conclude on or around November 2011 for the Bed Pavilion.

In order to continue to function as a top medical institution, it is necessary to provide a more modern, efficient bed complement. The Project will enable improvement both in the delivery of care and in patient, family, physician and staff satisfaction.

BUSINESS SUMMARY

Description of Business: Central DuPage Health (the "Borrower") was incorporated in 1980 as an Illinois not for profit corporation and is the parent corporation of an integrated network of healthcare organizations which primarily serves western DuPage and Kane Counties, Illinois. The Borrower's primary affiliate is Central DuPage Hospital Association (the "Hospital"). The Borrower and the Hospital together comprise the "Obligated Group" under the Master Trust Indenture.

The Hospital owns and operates a general acute care hospital on a 44-acre site in Winfield, Illinois, located in the central portion of DuPage County, approximately 30 miles west of Chicago. Beginning in 1958, a group of concerned community citizens formed the Hospital and in 1963 purchased the then-existing Winfield Tuberculosis Sanitarium and surrounding acreage from the Jewish Federation of Metropolitan Chicago. The facility was renovated and converted into a 113-bed acute care hospital which opened on September 16, 1964. Since then, successive building additions were constructed to expand the services of the facilities of the Hospital to accommodate the growing needs of the surrounding service area. Today, the Hospital facilities comprise approximately 1.9 million square feet with 2,342 parking spaces.

The Hospital has received numerous awards for its delivery of care some of which include:

- One of America's Best Hospitals by *US News and World Report* in 2007 and 2008, orthopedics category
- *Thomson Reuters* 100 Top Hospitals in 2006, 2007 and 2008
- Recognition by *HealthGrades* for Clinical Excellence in 2007, 2008 and 2009 and for Patient Safety in 2006, 2007, 2008 and 2009
- *Hospitals & Health Networks* Top 100 Most Wired Award in 2004, 2006, 2007 and 2008.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Central DuPage Health
Project Location:	25 North Winfield Road Winfield, IL 60190
Borrower:	Central DuPage Health
Board Members (501(c)(3))	
C. William Pollard (CHAIR)	Richard A. Mark (VICE CHAIR)
James E. Comerford (SECRETARY)	Gregory W. Osko (TREASURER)
Walter W. Filkin	Kathleen L. Halloran
Sharon Hillman	Bradley J. Kinsey
Catherine E. Kozik	Angelo Miele, M.D.
Christine M. Roche	Matthew Ross, M.D.
Judith A. Whinfrey	Roger L. Benson
James Giblin, M.D.	Luke McGuinness

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	TBD		
Accountant:	KPMG LLP	Chicago, IL	Jim Stark
Bond Counsel:	Jones Day	Chicago, IL	David Kates
Bond Underwriter:	Morgan Stanley	New York, NY	Brett Tande
Underwriter's Counsel:	Foley & Lardner LLP	Chicago, IL	Janet Zeigler
Issuer's (IFA) Counsel:	Holland & Knight LLP	Chicago, IL	Barbara Adams
Issuer's (IFA) Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

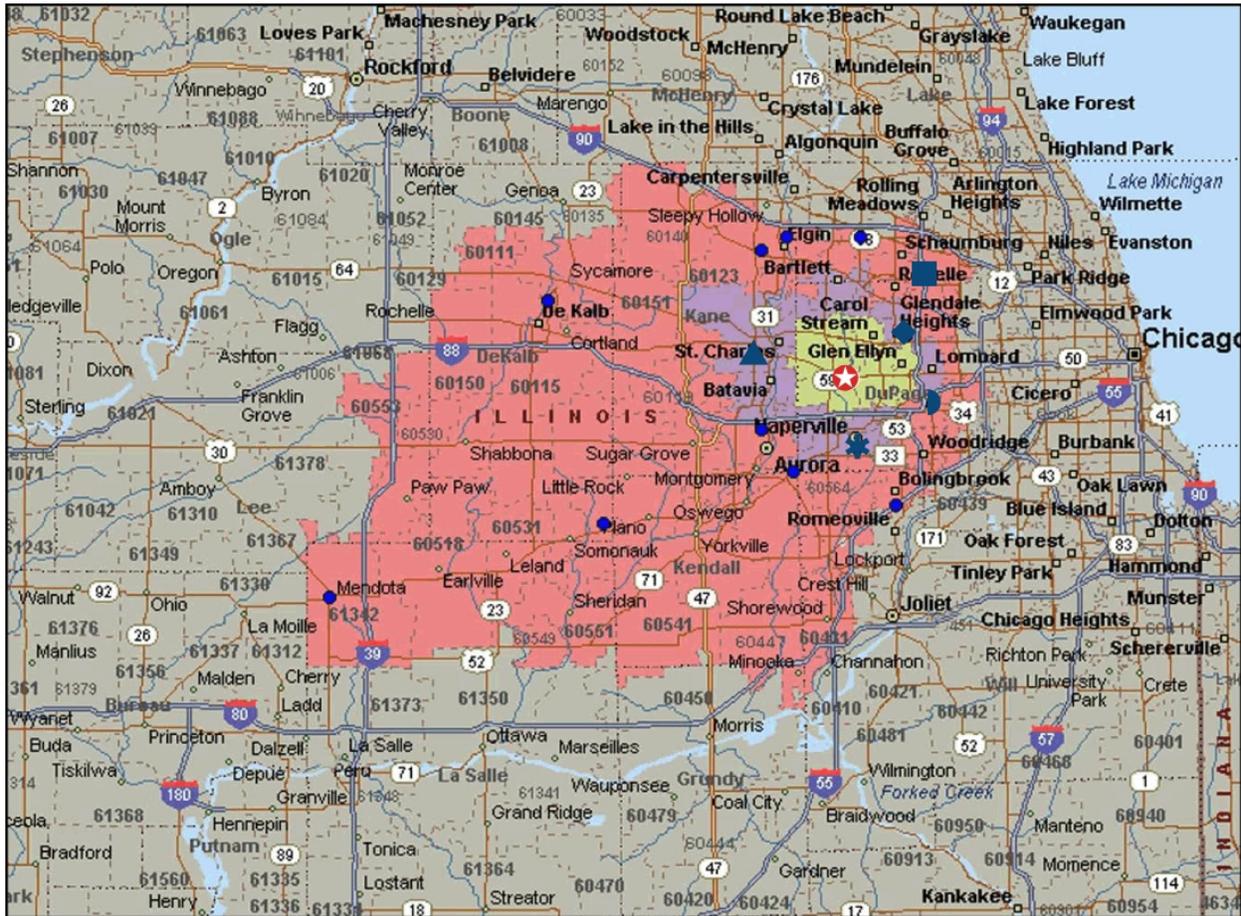
LEGISLATIVE DISTRICTS

Congressional: 6- Peter J. Roskam
State Senate: 48- Randall M. "Randy" Hultgren
State House: 95- Mike Fortner

SERVICE AREA

Central DuPage Hospital (CDH), located in Winfield, provides care to patients from towns in DuPage County and surrounding areas. Bordering and nearby towns in the primary service area are Carol Stream, Glen Ellyn, Warrenville, West Chicago, and Wheaton; 49 percent of inpatients originated from the primary service area in Fiscal Year (FY) 2009. Many patients travel to CDH to receive care from other communities, spanning a radius of approximately 50 miles from Winfield. The majority of patients come from the home county. (i.e., In FY 2009*, 70 percent originated in DuPage County.) Towns to the west, northwest and southwest of CDH are expected to grow substantially. The 65 and older population in DuPage County is expected to grow by over 21% over the next five years.

CDH Primary and Secondary Markets (Map)



- | | |
|--|--|
| <ul style="list-style-type: none"> ▲ Advocate Good Samaritan Hospital ■ Alexian Brothers Medical Center ★ Central DuPage Hospital ▲ Delnor-Community Hospital ✱ Edward Hospital ◆ Adventist Glen Oaks Hospital ● Other Hospitals | <ul style="list-style-type: none"> ■ EXTENDED ■ PRIMARY ■ SECONDARY |
|--|--|

CDH Patient Origin as a Percent of Total Inpatient Volume, by County in FY 2009*

CDH Patient Origin by County	
DUPAGE	69.9%
KANE	10.6 %
COOK	9.9%
WILL	3.0%
ALL OTHER COUNTIES	6.6%

*Fiscal Year 2009 represents the first three quarters of FY 2009, thus July 1, 2008 to March 31, 2009



October 14, 2009

\$55,000,000
EDWARD HOSPITAL

REQUEST **Purpose:** Proceeds will be used to: Current Refund the IHFA Series 2001 C Bonds and Pay costs of Issuance.
Program: Conduit 501(c)(3) Revenue Bonds
Extraordinary Conditions: None.

BOARD ACTIONS Final Bond Resolution
Voting Record from Preliminary Bond Resolution approved September 9, 2009:
9 Ayes, 0 Nays, 0 Abstentions, Absent 2 (DeNard, Verrett), 4 Vacancies

MATERIAL CHANGES JP Morgan Chase selected as LOC bank.

JOB DATA	4,600	Current jobs	0	New jobs projected
	4,600	Retained jobs	0	Construction jobs projected

DESCRIPTION

- Location (DuPage County)
- Edward Hospital, an Illinois not for profit corporation (“Edward Hospital” and “the Corporation”), together with Edward Health Services Corporation, an Illinois not for profit corporation, Edward Health Ventures, an Illinois not for profit corporation, and Edward Health and Fitness Center, an Illinois not for profit corporation, and Naperville Psychiatric Ventures, d/b/a Linden Oaks Hospital, an Illinois general partnership comprise the current “Obligated Group.”
- Edward Hospital & Health Services is a full-service, regional healthcare provider offering access to complex medical specialties and innovative programming. Edward Hospital has a medical staff of more than 900 physicians, representing more than 60 medical and surgical specialties and subspecialties. Ninety-eight percent of Edward's physicians are board certified.

CREDIT • Variable Rate Demand Bonds

SECURITY • The 2009 Bonds will be secured by a Direct Pay Letter of Credit from a commercial bank with a rating of A- or better.

INDICATORS • Underlying rating of Edward Hospital is A2 / A+ (Moody’s / S&P)

COLLATERAL • All of the Bonds will be secured by a master indenture note, and the Bonds will be uninsured and secured by a Direct Pay Letter of Credit.
MATURITY • 28 year final maturity

SOURCES AND USES	IFA Bonds	<u>\$49,100,000</u>	Refunding Escrow	\$48,140,000
			Cost of Issuance	<u>\$960,000</u>
	Total	\$49,100,000	Total	\$49,100,000

Recommendation Credit Committee recommends approval.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 14, 2009**

Project: Edward Hospital

STATISTICS

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

BOARD ACTION

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

VOTING RECORD

Voting Record from Preliminary Bond Resolution approved September 9, 2009:
9 Ayes, 0 Nays, 0 Abstentions, Absent 2 (DeNard, Verrett), 4 Vacancies

PURPOSE

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

IFA PROGRAMS & CONTRIBUTION

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

VOLUME CAP

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

JOBS

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Refunding Bonds	<u>\$49,100,000</u>	Uses:	Series 2007 Refunding	\$48,140,000
				Cost of Issuance	<u>\$960,000</u>
	Total	<u>\$49,100,000</u>		Total	<u>\$ 49,100,000</u>

FINANCING SUMMARY

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

PROJECT SUMMARY

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

BUSINESS SUMMARY

Background:	Edward Hospital, an Illinois not for profit corporation ("Edward Hospital" and "the Corporation"), together with Edward Health Services Corporation, an Illinois not for profit corporation, Edward Health Ventures, an Illinois not for profit corporation, and Edward Health and Fitness Center, an Illinois not for profit corporation, and Naperville Psychiatric Ventures, d/b/a Linden Oaks Hospital, an Illinois general partnership comprise the current "Obligated Group."
Description:	The Obligated Group is headquartered in Naperville, Illinois. Edward Hospital has 317 licensed acute care beds. All of the beds are located in private rooms. The licensed acute-care bed complement consists of 199 medical-surgical beds, 7 pediatrics beds, 12 neonatal intensive care beds, 60intensive care beds and 39 obstetrics/gynecology beds. Edward Hospital provides a full range of medical, surgical, obstetrics/gynecology, pediatric and ancillary and support services, including but not limited to the following: cardiology and cardiovascular surgery, thoracic and vascular surgery, orthopedics, diagnostics radiology, oncology, physical and occupational health, emergency medicine and trauma services, neonatology, infectious disease, pulmonary medicine, gastroenterology, internal medicine, hemodialysis, neurology and neurosurgery and urology. Edward Hospital is designated as a Level II Trauma Center by the State of Illinois. Edward Hospital was designated as a Level III Perinatal Center by the Illinois Health Facilities Planning Board in November 2000. Linden Oaks Hospital has 101 licensed beds. Edward Hospital is a member of the Illinois Hospital Association and the American Hospital Association.
Project Rationale:	The rates on the existing variable rate debt insured by FSA/Assured Guaranty have been trading above SIFMA due to rating uncertainty related to FSA.
Timing:	October 2009

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT

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

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

SERVICE AREA

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

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

OCTOBER 14, 2009

\$60,000,000 (NOT-TO-EXCEED)

Lake Forest Hospital

REQUEST

Purpose: (1) Fund the addition of an outpatient surgery center, radiation oncology center, and observation beds at our Grayslake Campus; (2) fund additional renovation projects at the site; (3) potentially fund small projects at the Lake Forest Campus; and (4) fund Cost of Issuance.

Program: Conduit 501 (c)(3) Bonds

Extraordinary Conditions: None.

BOARD ACTIONS

Final Bond Resolution

MATERIAL CHANGES

Voting Record: Voting Record from Preliminary Bond Resolution approved September 9, 2009: 9 Ayes, 0 Nays, 0 Abstentions, Absent 2 (DeNard, Verrett), 4 Vacancies

JOB DATA

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

BORROWER DESCRIPTION

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

CREDIT INDICATORS

Direct Bank Purchase: The Northern Trust Company
Private Placement
Security: Security interest in all assets provided through the Master Trust Indenture
Interest Rate: Variable (1-month LIBOR + 1.4%) * .67%
Credit Rating: Underlying (A3/A-/A) (Moody's/ S&P/ Fitch)
Maturity: Up to 3.5 years

ESTIMATED SOURCES AND USES

IFA Bonds	<u>\$60,000,000</u>	Construction Costs	58,800,000
		Costs of Issuance and Financing Costs	<u>1,200,000</u>
Total	<u>\$60,000,000</u>	Total	<u>\$60,000,000</u>

RECOMMENDATION

Credit Committee Recommends Approval.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

Project: Lake Forest Hospital – Grayslake Construction Project

STATISTICS

Project Number: H-HO-TE-CD-8268 Amount: \$60,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds IFA Staff: Pam Lenane & Shannon Govia
County/Region: Lake County & Cook County/Northeast City: Grayslake/ Lake Forest

BOARD ACTION

Final Bond Resolution Credit Committee Recommends Approval.
Conduit 501(c)(3) Bonds No extraordinary conditions.
No IFA Funds at Risk

VOTING RECORD

Voting Record from Preliminary Bond Resolution approved September 9, 2009:
9 Ayes, 0 Nays, 0 Abstentions, Absent 2 (DeNard, Verrett), 4 Vacancies

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 1,800 FTE's Projected new jobs: 40
Jobs Retained: 1,800 FTE's Construction jobs: 50

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	<u>\$60,000,000</u>	Uses:	Construction Costs	\$58,800,000
				Issuance and Financing Costs	<u>\$ 1,200,000</u>
	Total	<u>\$60,000,000</u>		Total	<u>\$60,000,000</u>

FINANCING SUMMARY/STRUCTURE

Security: Security interest in all assets provided through the Master Trust Indenture
Structure: Private Placement of Tax-Exempt Debt
Interest Rate: Variable (1-Month LIBOR + 1.4%) * .67%
Interest Mode: Variable Rate Mode
Credit Enhancement: None
Maturity: Up to 3.5 years
Credit Rating: Underlying rating of A3/A-/A (Moody's/ S&P/ Fitch)
Estimated Closing Date: November, 2009

PROJECT SUMMARY

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

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

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

BUSINESS SUMMARY

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

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

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

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

In September 2009 Lake Forest Hospital signed an affiliation agreement with Northwestern Memorial Healthcare to form an integrated healthcare system. Northwestern Memorial Healthcare is the corporate parent of Northwestern Memorial Hospital.

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

a four-room ambulatory surgery center, a cancer center with infusion therapy and radiation therapy, additional diagnostic imaging, and an outpatient observation unit.

Timing: Closing in November, 2009

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

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

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Ungaretti & Harris	Chicago	Julie Seymour
Accountant:	KPMG	Chicago	Jim Stark
Bond Counsel:	Jones Day	Chicago	Rich Tomei
Bank/Purchaser:	Northern Trust Company	Chicago	Sally Miller
Bank Counsel:	Sonnenschein Nath & Rosenthal LLP	Chicago	Mary Wilson
Financial Advisor:	Kaufman Hall	Northfield	Terri Wareham/Dawn Samaris
Issuer's Counsel:	Greenberg Traurig	Chicago	Matt Lewin
IFA Advisors:	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 10 - Mark Steven Kirk
8 - Melissa Bean

State Senate: 29 - Susan Garrett
31 - Michael Bond

State House: 58 - Karen May
62 - Sandy Cole

SERVICE AREA

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



October 14, 2009

\$195,000,000

TIMOTHY PLACE, NFP., D/B/A PARK PLACE CHRISTIAN COMMUNITY OF ELMHURST

REQUEST

Purpose: to (i) construct and equip a new Continuing Care Retirement Community, (ii) repay monies used to finance pre-development costs, (iii) fund one or more Debt Service Reserve Funds, (iv) fund interest expense on the bonds for a period of approximately 28 months, and (v) fund certain professional and bond issuance costs.

Project Description: (i) construct and equip a continuing care retirement community facility having 173 one, two, and three bedroom independent living units, 10 catered living apartments, 46 assisted living units, 20 memory support assisted living units, 37 nursing beds, common areas, and an underground parking garage to be located on approximately 12.5 acre site in Elmhurst, Illinois, (ii) repayment of monies used to finance pre-development costs, (iii) fund one or more Debt Service Reserve Funds, (iv) fund interest expense on the bonds for a period of approximately 28 months, and (v) fund certain professional and bond issuance costs.

Program: Conduit 501(c) (3) Revenue Bonds

Extraordinary Conditions: Requesting a waiver of IFA Policy for nonrated, regarding the sale of unrated a unenhanced debt, based on a feasibility study by Management and Dixon Hughes PLLC.

BOARD ACTIONS

Final Bond Resolution

JOB DATA

5	Current jobs	138	Jobs created from Project
N/A	Retained jobs	900	Construction Jobs created by Project

DESCRIPTION

- Location (DuPage County, Northeast Region)
- Affiliate of Providence Life Services (formerly, Rest Haven Alliance)
- The Community, once constructed, will consist of 173 independent living units, 10 catered living apartments, 46 assisted living units, 20 memory support assisted living units, and 37 nursing beds.

CREDIT

- Fixed Rate Debt

INDICATORS

- The Borrower has secured a feasibility study from an independent and qualified accounting or consulting firm acceptable to the Authority demonstrating the financial viability of the project.
- The permanent debt will be amortized during 2016 through 2045. Temporary debt is expected to be repaid through optional redemptions during 2012 through 2014.

Sources and Uses

IFA Bonds	\$182,145,000	Project Cost	\$127,927,221
Corporate Equity/ Entrance Fees	<u>\$23,050,000</u>	Cost of Issuance	\$4,305,864.75
		Debt Service Reserve Fund	\$16,401,343
		Funded Interest	\$33,509,753
		Working Capital and Operating Reserve Fund	<u>\$23,050,819</u>
Total	<u>\$205,195,000</u>	Total	<u>\$205,195,000</u>

Recommendation

Credit Committee recommends approval.

**ILLINOIS FINANCE AUTHORITY
 BOARD SUMMARY
 October 14, 2009**

Project: Timothy Place, NFP., d/b/a Park Place Christian Community of Elmhurst

STATISTICS

Number:	H-SL-RE-TE-CD-8173	Amount:	\$195,000,000 (Not-to-Exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane/ Bill Claus
Location:	Elmhurst (DuPage County)	Region:	Northeast

BOARD ACTION

Final Bond Resolution	Credit Committee recommends approval
Conduit 501(c)(3) bonds	No extraordinary conditions
No IFA funds at risk	Requesting a waiver of IFA Policy for nonrated, regarding the sale of unrated a unenhanced debt, based on a feasibility study by Management and Dixon Hughes PLLC.

VOTING RECORD

Voting Record: Voting Record from Preliminary Bond Resolution approved November 12, 2008:
 9 Ayes, 0 Nays, 0 Abstentions, Absent 2 (DeNard, Verrett), 4 Vacancies

PURPOSE

Proceeds will be used to (i) construct and equip a new Continuing Care Retirement Community, (ii) repay monies used to finance pre-development costs, (iii) fund one or more Debt Service Reserve Funds, (iv) fund interest expense on the bonds for a period of approximately 28 months, and (v) fund certain professional and bond issuance costs.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	5	Projected new jobs:	138
Jobs retained:	N/A	Construction jobs:	900 (22 months)

ESTIMATED SOUCES AND USES OF FUNDS

IFA bonds	\$182,145,000	Project Fund	\$127,927,221
Equity/Entrance Fees	<u>\$23,050,000</u>	Debt Service Reserve Funds	\$16,401,343
		Funded Interest (28 months)	\$33,509,753
		Cost of Issuance (incl. undwrt disc)	\$4,305,864
		Working Capital & OPRF	<u>\$23,050,819</u>
Total	\$205,195,000	Total	\$205,195,000

Note: The chart above represents the sources and uses pertaining to the IFA Bonds and the equity contribution/resident entrance fees that will be used as part of the project. In addition, resident entrance fees will be used as a significant source of funds to provide for working capital, an Operating Reserve Fund, certain development fees and the redemption of a portion of the IFA Bonds.

FINANCING SUMMARY

- Security:** Bondholders will be secured by a mortgage and revenue pledge. The key bond documents include a master indenture, bond indentures and loan agreements.
- Additional Security:** Providence Life Services, f/k/a Rest Haven Illiana Christian Convalescent Home, the sole corporate member of the project's sponsor, is providing up to \$5 million in credit support to the project in the form of a liquidity support agreement. The liquidity support agreement will be fully funded at closing and will be available to fund construction cost overruns, and provide additional working capital for the community.
- Structure:** The current plan of finance, subject to change, is that this issue will consist of fixed rate bonds for the permanent, long-term debt and fixed rate bonds for the temporary debt (i.e., the debt to be repaid as quickly as possible using resident entrance fees after the community opens). A series of taxable bonds will be included as temporary debt to cover costs of issuance in excess of 2% and other project costs. A series of ARROS (Accelerated Redemption Reset Obligation Securities) will be included as temporary debt which will be repaid from entrance fees.
- Interest Rate:** To be determined. Please refer to the paragraph above.
- Interest Mode:** Interest will be paid semi-annually on May 15 and November 15 of each year.
- Maturity:** The permanent debt will be amortized during 2016 through 2045. Temporary debt is expected to be repaid through optional redemptions during 2011 through 2014.
- Rating:** The Borrower is a non-rated, special purpose entity formed to own and operate the subject facility.
- Estimated Closing Date:** December, 2009 (or upon the community reaching 75% presales of the independent living units)
- Waiver:** The Bonds will be sold in denominations of less than \$100,000 (i.e. \$5,000). The Borrower has requested a waiver of IFA's unrated and non-credit enhanced debt policy, but expect; to meet the conditions for a waiver specified in IFA's Bond Program Handbook, for which they qualify.
- Conditions for Waiver:** The Borrower will obtain a feasibility study* from an independent and qualified accounting or consulting firm acceptable to the Authority demonstrating the financial viability of the project.

*A full market and financial feasibility study is being prepared by Management and Dixon Hughes PLLC, a national accounting firm that provides financial forecast and feasibility studies for the senior living industry, in connection with the issuance of the Bonds. A draft of the feasibility study is attached.

PROJECT SUMMARY

Timothy Place, NFP., d/b/a Park Place Christian Community of Elmhurst (the "Community") intends to use the net proceeds of the Authority loan to provide funds to (i) construct and equip a continuing care retirement community facility having 173 one, two, and three bedroom independent living units, 10 catered living apartments, 46 assisted living units, 20 memory support assisted living units, 37 skilled nursing beds, common areas, and an underground parking garage to be located on approximately 12.5 acre site in Elmhurst, Illinois, (ii) repayment of

monies used to finance pre-development costs, (iii) fund one or more Debt Service Reserve Funds, (iv) fund interest expense on the bonds for a period of approximately 28 months, and (v) fund certain professional and bond issuance costs.

Project Costs: Estimated to be \$182,145,000. This represents all project costs to be funded with IFA bonds and equity, other than certain late-occurring development fees to be funded with entrance fees. Entrance fees will also be used to fund items not included in the \$182.145 million. These items include the funding of a Working Capital Fund, an Operating Reserve Fund and redemption of Temporary Debt.

The Project: The Community is being developed in two phases: (i) Phase I, which is being financed with the proceeds from the Series 2009 Bonds, will consist of 173 one, two, and three bedroom independent living units, 10 catered living apartments, 46 assisted living units, 20 memory support assisted living units, and 37 nursing beds. (ii) Phase II is anticipated to be constructed after the Community has reached stabilized occupancy (95% occupied) and is assumed to add an additional 60 to 80 independent living units to the Community. There will be an underground parking garage containing space for approximately 162 vehicles. As of September 25, 2009, 126 of the 173, or 73%, of the independent living units had been reserved by applicants each making a reservation deposit equal to 10% of the required entrance fee.

The Community's common areas are planned to include:

- Dining rooms offering three meals daily
- Café/bistro
- Private dining room for special occasions
- Library/Resource Center
- Beauty salon/barber shop
- Creative arts center
- Card/game room
- Aquatic center; and a
- Fitness center.

It is anticipated that project construction will begin in January, 2010, and be completed by October, 2011. Initial occupancy for independent living units is planned to begin in August, 2011.

Admission to Park Place of Elmhurst generally will be open to persons at least 62 years of age who are able to live independently, and have assets and income that are sufficient to meet ordinary and customary living expenses after assuming occupancy.

Healthcare and other licensure: Once the project is completed, Park Place of Elmhurst anticipates that it will obtain (i) a Life Care Facilities permit, (ii) licensure as an assisted living facility under the Assisted Living and Shared Housing Act, and (iii) licensure of the skilled nursing beds from the Illinois Department of Public Health. Park Place received its Certificate of Need from the Illinois Health Facilities Planning Board for the nursing units on April 8, 2008.

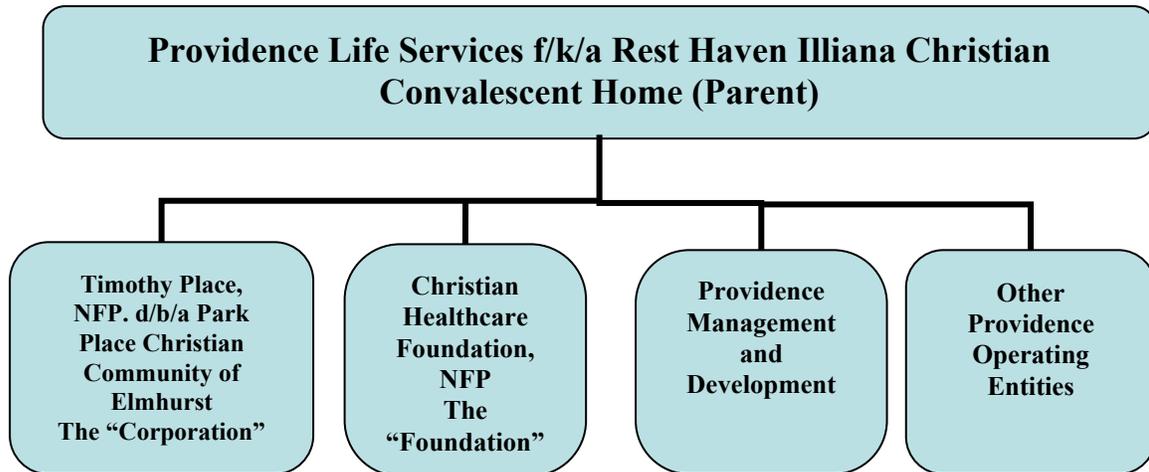
Sponsor: Park Place of Elmhurst is being developed by Timothy Place, NFP. d/b/a Park Place Christian Community of Elmhurst (the "Corporation") and Christian Healthcare Foundation, NFP d/b/a Providence Healthcare Foundation (the "Foundation", and collectively with the "Corporation", the "Obligors"). The Obligors are affiliates of Providence Life Services ("Providence"), previously known as Rest Haven Illiana Christian Convalescent Home. Providence was founded in 1956 as an Illinois not for profit corporation to own and operate senior living facilities. Providence currently operates 11 separate facilities comprising of approximately 1,700 units in Michigan and Illinois. The Community is not being financed as part of Providence's existing obligated group, but, rather as a stand alone financing. The Corporation initiated development activities for the

Community with the engagement of a development team led by Greystone Communities and Providence Management & Development (“PM&D”), an affiliated corporation of Providence. In addition, as part of the financing, Providence is providing credit support in the amount of \$5 million as a form of additional security.

BUSINESS SUMMARY

Background: The Community is being developed to meet the needs of the elderly population of the Elmhurst area. The Community, once constructed, will consist of 173 independent living units, 10 catered living apartments, 46 assisted living units, 20 memory support assisted living units, and 37 nursing beds. In addition, the Community will consist of numerous common areas which include dining rooms, a performing arts center, a fitness/wellness center, a library, a day spa and 162 underground parking spaces. The Community is being developed on approximately 12.5 acres that are situated next to Timothy Christian School and the newly constructed Elmhurst Christian Reform Church. The site is also located adjacent to the location of the new Elmhurst hospital. The location of the Community provides the residents easy access to the area’s cultural, religious, and recreational activities.

Corporate Structure: The Applicant’s and Sponsor’s corporate structure:



The Corporation and the Foundation will be the only members of a to-be-formed obligated group. Neither the Parent nor the other operating entities of Providence will be members of the obligated group and neither of them will have any obligations with respect to the bonds, the Master Indenture, and the mortgage or the loan agreements that may be required with respect to the bonds.

Background on Developers:

Providence Life Services, f/k/a Rest Haven Illiana Christian Convalescent Home is a 501(c)(3) corporation based in Tinley Park, Illinois (Will County) established in 1954 as an outgrowth of the Second Christian Reformed Church located in the Englewood community of Chicago.

Providence opened its first skilled nursing home in 1960. Providence offers a continuum of independent living, assisted living, skilled nursing, hospice, specialized care, and rehabilitation services at its various facilities.

Providence currently owns and manages 11 senior housing properties totaling approximately 1,700 units located in Suburban Chicago (Southern Cook County, Will County, and DuPage County), and Western Michigan (Grand Rapids and Zeeland). Providence also has three proposed senior projects under development located in Elmhurst (Park Place of Elmhurst), Northwest Indiana (St. John), and a new Supportive Living, Facility in Crete that will replace a co-located structurally obsolete facility. Several of these properties provide services to elderly residents who need assistance with one or more activities of daily living.

Providence’s seven existing senior housing/senior care projects in Illinois include the following properties that collectively provide (1) 509 skilled nursing beds, (2) 182 assisted living beds, and (3) 463 independent living beds:

<u>Campus</u>	<u>Illinois Location</u>	<u>Type of Project</u>	<u>Total Beds/Units</u>
Village Woods	Crete	Assisted Living (47 Units); Independent Living (100 Units); <i>Note: This structurally obsolete facility will be ultimately replaced by the new, affordable Oaks at Village Woods SLF facility.</i>	147
Providence Healthcare and Rehabilitation Center	Palos Heights	Skilled Nursing (193 beds)	193
Holland Home	South Holland	Assisted Living (55 Units); Independent Living (236 Units)	291
Providence Healthcare and Rehabilitation Center	South Holland	Skilled Nursing (171 beds)	171
Saratoga Grove	Downers Grove	Assisted Living (21 beds); Independent Living (75 Units)	96
Grand Victorian	Homer Glen	Independent Living (52 Beds)	52
Victorian Inn	Homer Glen	Assisted Living (59 Beds)	29

Greystone Development Company II, LP (“GDC”), a Delaware limited partnership, has also been engaged to provide development consulting services during the planning and development of the Community. GDC specializes in providing planning, development, marketing, management and strategic consulting services related to all areas critical to the senior housing and services business. GDC is currently, or has been, responsible for more than 100 senior living community development and expansion projects. GDC currently has a staff of approximately 175 persons, and senior management averages more than twenty five years of senior living experience.

Greystone Communities, Inc. ("GCI"), the operating predecessor and an affiliate of GDC, was formed in 1989 as the successor to VHA Development Company, Inc., which was formed in 1982.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Park Place Christian Community of Elmhurst
 Project: New Facility Project
 Location: Elmhurst, DuPage County, IL
 Contact Person: Bill DeYoung, CFO, 708-342-8139

Organization: 501(c)(3) Corporation
State: Illinois
Board of Trustees:
President – Sam Van Til
Vice President – Ken Mels
Secretary/Treasurer – Steven Vryhof
Assistant Secretary/Treasurer – Rich Van Hattem
Member – Van Zeilstra
Member – Bob Workman
Member – Jan DeBoer

PROFESSIONAL & FINANCIAL

Counsel:	Timothy G. Lawler, Attorney at Law	Chicago, IL	Tim Lawler
Accountant:	KPMG	Chicago, IL	TBD
Bond Counsel:	Jones Day	Chicago, IL	John F. Bibby Jr.
Underwriter:	Ziegler Capital Markets	Chicago, IL	Dan Hermann
Underwriter’s Counsel:	Katten Muchin Rosenman	Chicago, IL	Janet Hoffman
Issuer’s Counsel:	Schiff Hardin	Chicago, IL	Bruce Weisenthal
Trustee:	Wells Fargo Bank, N.A.	Chicago, IL	Patricia Martirano
Feasibility Consultant:	Dixon Hughes PLLC	Atlanta, GA	Jodi Bleier
IFA Financial Advisors:	Scott Balice Strategies	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 6th Peter J. Roskam
State Senate: 21th Dan Cronin
State House: 41st Robert A. “Bob” Biggins

SERVICE AREA

The primary market area (“PMA”) is defined as the probable geographic area from which the developed campus will draw many of its residents, taking into account man-made, socio-economic and natural barriers. The PMA for the proposed community is defined as a fifteen zip code area around Elmhurst, Illinois. The PMA consists of the following zip codes: 60126, 60523, 60521, 60527, 60525, 60148, 60137, 60558, 60559, 60187, 60516, 60181, 60514, 60515 and 60561.

\$5,100,000
Adler School of Professional Psychology

REQUEST	<p>Purpose: Bond proceeds will be used to finance leasehold improvements that will enable the Adler School of Professional Psychology to (1) consolidate its operations on two adjacent floors of a building, (2) provide room for future expansion, and (3) provide Adler’s faculty and students with a dedicated building entrance that will improve safety and cohesiveness of the campus to both students and faculty. Additionally, the Adler School will have the option to purchase a condominium interest in the subject space as of April 1, 2016. The renovated space will be used for classrooms, administrative offices, and as library space.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds Extraordinary Conditions: None.</p>			
BOARD ACTIONS	Preliminary Bond Resolution			
MATERIAL CHANGES	Not applicable – this is the first time this project has been presented to the IFA Board of Directors.			
JOB DATA	120	Current jobs	37	New jobs projected (preliminary; subject to change)
	N/A	Retained jobs	25	Construction jobs projected)
DESCRIPTION	<ul style="list-style-type: none"> • Location: Chicago (Cook County/Northeast Region) • The Adler School was founded in 1952 and is the oldest independent school of psychology in North America. • This project will enable the Adler School to consolidate its activities on two adjacent floors in its new location, which will also provide room for additional growth. • The Adler School has attained new enrollment records in each of the past 4 years. 			
CREDIT	<ul style="list-style-type: none"> • The subject Bonds will be purchased directly as an investment by MB Financial Bank (as “Lender/Investor”). MB will be a secured lender on this financing. 			
INDICATORS	<ul style="list-style-type: none"> • The Adler School is not a rated institution by any of the rating agencies (i.e., Moody’s/S&P/Fitch). 			
PROPOSED STRUCTURE	<ul style="list-style-type: none"> • Fixed Rate Bonds • Final Maturity of up to 10 years; (initial term/pricing of 5 to 7 years). 			
SOURCES AND USES	IFA Bonds	\$5,100,000	New Proj. Cost	\$6,981,500
	IFF Subordinate Loan (2 nd Leasehold Mortgage)	1,000,000		
	Equity	<u>1,000,000</u>	Cost of Issuance	<u>118,500</u>
	Total	<u>\$7,100,000</u>	Total	<u>\$7,100,000</u>
RECOMMENDATION	Credit Committee recommends approval.			

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 14, 2009**

Project: Adler School of Professional Psychology

STATISTICS

Project Number: E-PC-TE-CD-8182	Amount: \$5,100,000 (not-to-exceed amount)
Type: 501(c)(3) Revenue Bonds	IFA Staff: Rich Frampton
Locations: Chicago	County/Region: Cook/Northeast

BOARD ACTION

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

PURPOSE

The proposed project will enable **Adler School of Professional Psychology** (the “**Adler School**” or the “**Borrower**”) to finance leasehold improvements that will enable the Borrower to relocate and consolidate its operations at a new Downtown Chicago location in 2010 that will offer an improved functional layout, a dedicated lobby entrance and elevator access to the Adler School’s facilities within the building, and provide space to expand Adler’s operations consistent with expected growth associated with its new educational programs. Additionally, the Adler’s Schools lease will provide purchase options during the lease term that, if exercised, would enable the Adler School to acquire the subject space (as a condominium unit). The project will also provide room to accommodate future growth.

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

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

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Bonds	\$5,100,000	Uses: Leasehold Improv.	\$6,981,500
IFF Subordinate Loan (2 nd)	1,000,000	Issuance Costs	<u>118,500</u>
Equity	<u>1,000,000</u>		
Total	<u>\$7,100,000</u>	Total	<u>\$7,100,000</u>

JOBS

Current employment:	102	Projected new jobs:	31-37
Jobs retained:	N/A	Construction jobs:	25-30 (preliminary estimate)

BUSINESS SUMMARY

Background: **Adler School of Professional Psychology** (“**Adler School**” or the “**Borrower**”) is incorporated under Illinois law and is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code.

The Adler School is governed by a 16-member Board of Trustees (see pp. 8-9 for listing).

Description: Adler School of Professional Psychology was established in 1952 as a private, not-for-profit institution of higher education and is the oldest independent school of psychology in North America, providing masters and doctorate degrees in psychology. The Adler School currently has campuses located in Downtown Chicago (65 E. Wacker Place) and Vancouver, British Columbia. In addition to providing graduate level professional education, the Adler School supplements its educational mission by providing psychological services, research, professional publications, Roosevelt also performs research, training, and other services under grants and contracts with third-party sponsors.

The Adler School is named after Alfred Adler (1870-1937), the first community psychologist to initiated group counseling, family counseling, and public mental health education. Alfred Adler also pioneered community, preventative, and positive psychologies. The Adler School is committed to continuing the work of Alfred Adler by producing socially responsible graduates, promoting social justice, and providing holistic services to individuals and communities.

Social responsibility is the Adler School’s principal value in all its curricula and initiatives. To attain its mission and supplement learning experiences available to its students, Adler created Adler Community Health Services (d/b/a Dreikurs Psychological Services Center) and the Adler Institutes of Social Change.

- Adler Community Health Services provides mental healthcare for underserved individuals and communities while providing internship opportunities for students via programs targeted to assist children, adolescents, adults, couples, families, and groups dealing with marital and family problems, depression and anxiety, stress, school adjustments, family conflict, couple distress, grief and loss, substance abuse, and other psychological issues. All services are under supervision of the Adler School’s core faculty, all of whom are licensed clinical psychologists. 75% of the client base of the public served through these programs was at or below the poverty level in 2007.
- The Adler Institutes of Social Change include two institutes:
 1. The Adler School for Social Change was launched in 2005 and includes the Institute on Social Exclusion, which provides public policy discourse to promote social justice through applied research, public awareness, and community outreach by working in partnership with local governments and policy-makers.
 2. The Adler Institute for Public Safety and Social Justice was launched in Fall 2008 to provide law enforcement officers, public safety workers with sophisticated psychology-based tools that will enable these officials to be more emotionally responsive, attuned, and effective within diverse and challenging communities.

The Adler School offers a doctoral program in clinical psychology (Psy.D), accredited by the American Psychological Association (“APA”), and five Master’s programs in behavioral sciences

and services. The Adler School's recently launched Master's Program in Police Psychology is the first of its kind in the United States. Additionally, the APA recently granted its maximum accreditation of seven years to Adler's Doctoral Program in Clinical Psychology (Psy.D.). According to the Adler School, the seven year accreditation is reserved for institutions with exemplary performance and this seven-year accreditation is the first time the Adler School has received this distinction.

Adler School requires all of its applicants to have baccalaureate degrees from an accredited college or university.

Adler's Fall Chicago enrollment has increased 366 in Fall 2004 to 642 in Fall 2008 (a 75.4% increase), with compound average annual growth of approximately 15%. (During the same period, Vancouver campus enrollment increased from 74 to 135, an 82% increase, with compound average annual growth of approximately 16.2%.)

The Adler School's Fall 2009 enrollment will total 715 in Chicago and 156 in Vancouver, BC.

FINANCING SUMMARY

Structure: The proposed Bonds will be purchased directly by MB Financial Bank, Rosemont, IL. MB Financial Bank will be the Lender/Investor on the subject Bonds. The Adler School of Professional Psychology is a non-rated higher education institution. (The Adler School will execute a lease term of up to 15 years that will include the option to purchase the subject space as a condominium unit beginning April 1, 2016.)

Collateral: As described in additional detail in the Project Summary section that follows below, the Adler School of Professional Psychology will be using the proposed IFA Series 2009 Bond Proceeds to finance leasehold improvements at a new building where the Adler School will be leasing space. The term of the lease is for a minimum term of 15 years, while the anticipated bond term will be 5 years to 7 years (to be selected by the Adler School) with payments amortized over 10 years.

Accordingly, MB Financial Bank will be secured by a first leasehold mortgage on the subject project. As Direct Lender/Investor, MB will be secured Bondholders will be secured by a first security interest in all revenues of the University. (Accordingly, the Subordinate IFF Loan will be secured by a second leasehold mortgage. The Subordinate IFF Loan's terms will match the MB Financial Bond Terms – and will also have a 5 or 7 year term, and 10-year amortization. The interest rate is anticipated at approximately 6.0%, with interest-only payments for the initial 6 months, conforming to MB's repayment terms on the Bonds.)

Additionally, MB will cross collateralize and cross default its Line of Credit and all hereinafter originated loans and other debt obligations to the Adler School.

Final Maturity

Date: 8 to 10 years (with a 7 year initial term); maximum amortization and maturity date 10 years after closing

Interest Rates: MB has provided The Adler School with fixed interest rate pricing based a 7 year term.

Adler School expects to elect in its Tax Filing at closing for the subject Bonds to carry "Bank Qualified" status.

Timing: December 31, 2009

Rationale: The proposed 15-year lease structure (with options to purchase beginning in April 2016) will provide the Adler School with time to continue to increase enrollment and build-up liquidity in anticipation of exercising their purchase their option in 2016 or thereafter.

The new facility will enable the Adler School to consolidate its operations in 100,799 Rentable SF of space located on two adjacent floors. In contrast, the Adler School presently leases approximately 46,900 SF of space located on six non-contiguous floors (i.e., the 9th, 10th, 17th, 20th, 21st, and 22nd floors) at 65 E. Wacker Place. Adler’s management believes that its present configuration is both (1) inefficient and (2) does not meet Adler School’s future growth objectives.

The new facility will provide the Adler School with (1) its own dedicated entrance lobby (2,502 SF) on the ground floor of One North Dearborn, Chicago, IL, (2) a dedicated elevator bank, (3) primary classrooms, a library, dedicated bathrooms, and office space located on the 15th Floor (48,495 Rentable SF) and 16th Floor (29,799 Rentable SF).

The proposed Bonds will finance Adler’s School’s commitment to provide approximately \$7.0 million of leasehold improvements for the final build-out. On April 1, 2016 Adler will have the option to purchase the leased space at a pre-determined purchase price. Additionally, Adler School has additional purchase options within the Lease Agreement that will include (1) the right of first refusal for additional floors, a separate elevator bank, and reduced rent during the term in anticipation of the tax-exempt status of the property while leased to Adler School.

PROJECT SUMMARY (for IFA Preliminary Bond Resolution)

The IFA Series 2009 New Money Bond Proceeds will be used by the Adler School of Professional Psychology to finance, refinance, or reimburse the Borrower for leasehold improvements in connection with the construction /build-out of approximately 100,799 Rentable SF (“RSF”) leased building space comprising approximately (1) 2,502 RSF on Floor 1, (2) 48,495 RSF on Floor 15, (3) 49,799 RSF of Floor 16 located at 1 North Dearborn, Chicago, IL 60602, and (4) related building infrastructure, including, but not limited to dedicated elevators and elevator bank space. Additionally, New Money Bond Proceeds may also be used to (5) finance certain costs of issuance (the “**Project**”). Project facilities on Floors 15 and 16 will be used to provide classroom space, administrative offices, bathrooms, library space.

The classrooms will be technology-enhanced and provide “smart boards” that will allow professors to simulcast their classes at Adler’s satellite campus in Vancouver, BC.

A summary of the estimated leasehold improvement expenditures to be financed through the IFA Series 2009 New Money Bonds follows (*Note*: this is an allocation proration that excludes landlord-financed buildouts that will be included in lease payments.):

Construction (Offices, Classrooms, Bathroom, Library, etc.)/Leasehold Impr.	\$5,103,475
Architectural/Engineering Furniture, Fixtures, Entrance Constr.	802,875 <u>\$1,075,150</u>
Subtotal -- New Project Costs financed with IFA Bonds	<u>\$6,981,500</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Adler School of Professional Psychology (c/o, Mr. Jeffrey Green, Vice President of Finance & IT, Adler School of Professional Psychology, 65. E. Wacker Drive, Suite 2100, Chicago, IL 60601; (T): 312-201-5900 (x259); (F): 312-261-4044; e-mail: jgreen@adler.edu)

Web Site: www.adler.edu

Project name: Adler School of Professional Psychology, Series 2009 Bonds

Locations: 1 N. Dearborn (including all or portions of the 15th Floor, 16th Floor, and Ground Floor), Chicago (Cook County), IL, 60602-4331.

Adler School of Professional Psychology

501(c)(3) Revenue Bonds

Page 6

Preliminary Bond Resolution

October 14, 2009

Rich Frampton

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

Board of

Directors: Members of Adler School of Psychology's Board of Trustees are listed on pp. 8-9 of this report.

Current

Property

Owner/Landlord: The current owner of the subject property that will be leased to Adler School of Professional Psychology is **One North Dearborn Partners LLC**. **Contact information for the Member of One North Dearborn Partners LLC is:**

Mr. Meyer Chetrit
The Chetrit Group
404 Fifth Avenue, 4th Floor
New York, NY 10018
646- 230-9360

Contact information for the Leasing Agent for One North Dearborn is MB Real Estate Services, LLC:

Mr. Edward D. McKim
MB Real Estate
1 N. LaSalle, Suite 3700
Chicago, IL 60602
312-781-0314

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Holland & Knight, LLP	Chicago, IL	
Auditor:	Miller Cooper & Co., Ltd.	Northbrook, IL	
Bond Counsel:	To be determined (Negotiating with Greenberg Traurig and other firms)		
Direct Lender/ Bond Purchaser:	MB Financial Bank	Rosemont, IL	Bernard Bartilad
Counsel to Lender/ Bond Purchaser:	Burke Burns & Pinelli, Ltd.	Chicago, IL	Mary Ann Murray
Trustee:	Not applicable (Bonds will be bank purchased)		
Borrower's Real Estate Broker:	Transwestern		Chicago, IL Phil Utgard, Scott Becker
Architect: General	OWP/P	Chicago, IL	Charles Smith
Contractor:	Leopardo Construction	Chicago, IL	Rick Dupraw
IFA Counsel:	Requested – assignment forthcoming		
IFA Financial Advisor:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

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

Adler School of Professional Psychology – Board of Trustees

Patricia Moten Marshall, M.H.A.

Member since 1997

Board Chair

President, SynerChange Chicago. Ms. Marshall consults with senior executives, top management, and boards of directors throughout the United States.

Audra Akins, M.A.T.D.

Member since 2004

Ms. Akins is a doctoral student in instructional technology and design at Northern Illinois University, and she exemplifies the type of student we would most like to capture at our School, a student who is using education to improve her community. She has worked with and designed a number of community health programs.

Mary Cahillane, M.B.A.

Member since 2008

Ms. Cahillane is the Chief Financial and Administrative Officer for The Spencer Foundation, an organization that focuses on educational research. Prior to joining Spencer, Ms. Cahillane served in senior management positions at Bank of America.

Janet Campbell, M.S.W.

Member since 2006

Ms. Campbell is the Coordinator of Child and Youth Mental Health for the Vancouver Coastal Region and the Coordinator of PASTS (Psychological Assessments and Short Term Therapy Services.) She was formerly the Provincial Manager for Family Court Centre in Vancouver.

Victoria Chou, Ph.D.

Member since 2008

Dr. Chou has served as the Dean of the College of Education at UIC since 1997.

Raymond E. Crossman, Ph.D.

President, Adler School of Professional Psychology.

Diane Dinkins-Carr

Member since 2007

Ms. Dinkins-Carr is the Founder and President of DDC Consulting Group, Inc., an art appraisal and consulting business that provides professional appraisal, advisory, and resource services to connect individuals, collectors, architects, designers, developers, institutions and businesses to the visual fine arts.

William W. Greaves, Ph.D.

Member since 2005

Director/Community Liaison, Advisory Council on Gay and Lesbian Issues; City of Chicago Commission on Human Relations.

Lee Guthrie, M.B.A., M.L.S.

Member Since 2005

Vice President, Marketing and Business Development, Healthcare Financial Management Association(HFMA).

Steven Kirn, Ph.D.

Member Since 2001

President and Chief Executive Officer of Steven Kirn Consulting. Dr. Kirn studied clinical psychology before specializing in consultation and organizational psychology. He was formerly vice-president of innovation and organization development for Sears.

David J. Kreischer, M.A.

Member Since 2005

Managing Partner, Higgins Kreischer and Associates LLC. Mr. Kreischer's firm coaches and counsels senior executives and high potentials on career, team, and organizational development issues. Dave is an Adler School alumnus.

Harold Mosak, Ph.D.

Member Since 1952

Distinguished Professor, Adler School of Professional Psychology and one of the founders of the School. Across 60 years, Dr. Mosak has written hundreds of articles and numerous books on Individual Psychology.

Lindsay Setzer

Member Since 2008

Ms. Setzer worked for the Provincial Government of Canada for thirty years, until her retirement in 2005. Most recently, she served as the Director of the Maples Adolescent Treatment Centre, a provincial mental health facility in Burnaby, British Columbia.

Bernard Shulman, M.D.

Member Since 1952

Director of Psychiatric Services, Diamond Headache Clinic and one of the founders of the School.

Javier Ubarri, M.B.A.

Board Vice Chair

Member Since 2004. Regional Executive, Banco Popular North America.

Carolyn Williams Meza, M.B.A.

Member Since 2008

Ms. Williams Meza is an executive with over 30 years or broad expertise in the private, public and non-profit sectors. She has a specific strength in leadership development, team building, coaching, and operational improvement. Most recently, Ms. Williams Meza was the Chief Administrative Officer of the United Way for Southeastern Michigan, one of the 12 largest United Ways in the USA, with revenues of \$80 million and 140 employees.

October 14, 2009

**\$210,000,000 (not-to-exceed)
Roosevelt University**

REQUEST **Purpose:** Bonds will be used to (1) finance a new project (see below), and to (2) current refund three outstanding prior series of IFA Bonds. The Refundings will enable Roosevelt to reduce variable interest rate risk, eliminate financial covenants related to the Letter of Credit associated with the Prior Bonds, and eliminate renewal and pricing renewal risks associated with the Letter of Credit.

The IFA Series 2009 Refunding Bond Proceeds will be applied to refund and redeem outstanding IFA including IFA (IDFA) Series 1995 Bonds, IFA (IEFA) Series 2000 Bonds (ACI/Cultural Pooled Financing Program and, IFA (IDFA) Series 2002 Bonds, the proceeds of which financed improvements located at Roosevelt’s Chicago and Schaumburg campuses.

Program: Conduit 501(c)(3) Revenue Bonds

Extraordinary Conditions: Staff recommends approval subject to minimum ratings of Baa2/BBB/BBB (Moody’s/S&P/Fitch).

BOARD ACTIONS Final Bond Resolution

MATERIAL CHANGES Modifications in financing amount and uses reflecting refined financing plan.

JOB DATA	1,700	Current jobs	40	New jobs projected (preliminary; subject to change)
	N/A	Retained jobs	400	Construction jobs projected (over two years)

DESCRIPTION

- Location (Chicago & Schaumburg / Cook County / Northeast Region)
- Roosevelt University was founded in 1945 and has campuses in Chicago and Schaumburg.
- This project will enable Roosevelt to continue its transformation to a residential campus by adding 236 new student housing beds, while replacing and upgrading 364 existing beds.
- Roosevelt attained new FTE enrollment and new freshman enrollment records of 626 in Fall 2009 and 502 in Fall 2008.

CREDIT • Roosevelt currently has long-term investment grade ratings of Baa1/A- (Moody’s/Fitch).

INDICATORS • Roosevelt will be seeking long-term ratings of Baa2/BBB/BBB or better (Moody’s/S&P/Fitch)

PROPOSED STRUCTURE

- Fixed Rate Bonds
- Final Maturity of not later than 35 years; structured to produce substantially level overall debt service for all of the University’s outstanding Bonds.

SOURCES AND USES	IFA New Money Bds.	\$138,515,000	New Proj. Cost	\$140,923,570
	IFA Refunding Bonds	32,900,000	Refunding Escrow Cap Int./LOC Term	32,900,000
	Premium/(Discount)	(2,916,806)	Fees	18,234,543
	Equity	<u>24,423,570</u>	Cost of Issuance	<u>1,463,651</u>
	Total	<u>\$192,921,764</u>	Total	<u>\$192,921,764</u>

RECOMMENDATION Staff recommends approval subject to minimum ratings of Baa2/BBB/BBB in order to enable Roosevelt to prospectively price while current fixed market interest rates remain favorable. This will enable Roosevelt to price as soon as their ratings are affirmed and will eliminate the need to wait until after the November 10th Board Meeting to price their Series 2009 Bonds (by which time market conditions may have deteriorated, thereby possibly delaying financing and development of the Project).

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 14, 2009**

Project: Roosevelt University

STATISTICS

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

BOARD ACTION

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

PURPOSE

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

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

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

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

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

Preliminary Bond Resolution, September 9, 2009:
Ayes: 9 Nays: 2 Absent: 2 (DeNard; Verrett)
Abstentions: 0 Vacancies: 4

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA New Money	\$138,515,000	Uses:	New Project Cost	\$140,923,570
	IFA Refunding	32,900,000		IFA Refunding Escrow	32,900,000
	Premium/(Discount)	(2,916,806)		Capitalized Interest	17,234,543
	Equity	<u>24,423,570</u>		LOC Termination Fees	400,000
	Total	<u>\$192,921,764</u>		Issuance Costs	<u>1,463,651</u>
				Total	<u>\$192,921,764</u>

JOBS

Current employment:	1,700	Projected new jobs:	40 (preliminary; subject to change)
Jobs retained:	N/A	Construction jobs:	400 (24 months)

BUSINESS SUMMARY

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

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

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

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

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

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

Roosevelt has benefited from five prior tax-exempt bond and lease financings through IFA and its predecessors (IDFA and IEFA). The subject Series 2009B Refunding Bonds will refinance 100% of the outstanding principal amount of the IFA (IDFA/IEFA) Bonds issued in 1995, 2000, and 2002, which will convert from bearing variable rates of interest to a fixed rate of interest.

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

Most recently, in December 2007, IFA provided \$45.49 million of bond financing that financed improvements at several buildings at Roosevelt's Downtown Chicago campus (including the acquisition and renovation of condominium office space in the Gage Building), and at its Schaumburg campus.

Collectively, the Series 1995, 2000, 2002, and 2005 Bonds are referred to as the "Prior Bonds". All payments on the Prior Bonds were current as of 9/1/2009. The University is in compliance with all existing covenants on its outstanding variable rate bonds (i.e., Letter of Credit covenants).

FINANCING SUMMARY

- Structure:** The Bonds will be sold based on the direct ratings of Roosevelt University without credit enhancement. The Underwriter (Barclays Capital) and Roosevelt have concluded site visits with Moody's Investors Service, Standard and Poor's, and Fitch Ratings, for the proposed IFA Series 2009A-B Bonds. Ratings for the Series 2009 A-B Bonds are due for release in mid-October.
- Ratings:** Roosevelt currently has credit ratings of "Baa1"/"A-" from Moody's/Fitch. As a requirement for the issuance of the IFA Series 2009 Bonds, the Series 2009 Bonds must be rated at least Baa2/BBB/BBB by Moody's/S&P/Fitch in order to be sold in denominations of less than \$100,000 (as stipulated by IFA's Bond Program Handbook).
- Security/
Collateral:** Bondholders will be secured by a first security interest in all revenues of the University. The Bonds will be secured by a mortgage on Roosevelt's Chicago campus. In addition, security features including a debt service reserve fund and an additional bonds test may be offered to investors.
- Final Maturity
Date:** Not later than 4/1/2044 (35 years)
- Interest Rates:** The estimated interest rate for the Bonds was approximately 6.25% as of 9/30/2009 (as estimated by the Underwriter).
- Timing:** 4th Calendar Quarter 2009
- Rationale:** The IFA Series 2009 New Money Bonds will enable Roosevelt University to (1) provide more on-campus housing for its students as it continues its transition from a commuter campus to a residential urban campus, (2) provide new lecture halls, science laboratories, and provide a new home for Roosevelt's College of Business Administration, and (3) student services, including dining facilities, meeting rooms, a fitness center, and administrative offices for admissions and financial aid.
- The IFA Series 2009 Refunding Bonds will enable Roosevelt University to (1) convert its Series 1995, 2000, and 2002 synthetic fixed rate bonds (due to Variable to Fixed Interest Rate Swap Agreements on each as noted in the preceding section of this report) to traditional, amortizing fixed rate bonds. In addition to reducing variable rate risk, the Series 2009 Bonds will eliminate (2) LOC renewal risk and LOC pricing renewal risk, and (3) streamline financial covenants across its bond issues.

PROJECT SUMMARY (for IFA Final Bond Resolution)

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

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

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

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

Land Acquisition/Site Prep	\$15,447,800
Hard Costs/Construction	105,315,000
FF&E	5,327,359
A&E/Construction Mgt/Fees	<u>14,833,411</u>
Subtotal—Development	\$ <u>140,923,570</u>
LESS: Equity Contrib.	<u>(24,423,570)</u>
Net New Project Costs financed with IFA Bonds	<u>\$116,500,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Roosevelt University (c/o, Ms. Miroslava Mejia Krug, Senior Vice President for Finance & Administration and Chief Financial Officer, 430 S. Michigan Ave., Chicago, IL 60605; (T): 312-341-3628; (F): 312-341-3657; E-mail: mmkrug@roosevelt.edu)

Web Site: www.roosevelt.edu

Project name: Roosevelt University Series 2009 (New Money and Refunding Bonds)

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

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

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

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

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Holland & Knight, LLP	Chicago, IL	Anthony L. Frink Anne Hamblin Schiave
Auditor:	Crowe Horwath LLC	Chicago, IL	
Bond Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Janet Goelz Hoffman, Maribel Mata Benedict
Financial Advisor to Borrower:	Columbia Capital Management, LLC	Chicago, IL and Overland Park, KS	Jeff White, Kelsi Powell
Senior Manager:	Barclays Capital	New York, NY	Jim Costello, John Stevenson
Co-Senior Manager:	Morgan Stanley	New York, NY	Eric Wild
Co-Managers:	Edward Jones	St. Louis, MO	Richard A. Ryffel
	Siebert Brandford Shank & Co., L.L.C.	Chicago, IL	Elizabeth Coolidge
	William Blair & Company	Chicago, IL	John H. Peterson
	Cabrera Capital Markets	Chicago, IL	Santino Bibbo
Underwriter's Counsel:	Kutak Rock LLP	Chicago, IL	Bob Star, Jerry Wallack, Kevin Barney
Rating Agency:	Moody's Investors Service	New York, NY	
	Standard & Poor's	New York, NY	
	Fitch Ratings	New York, NY	
Trustee:	The University has requested proposals and is currently negotiating with Bank of New York Mellon, Deutsche Bank, US Bank, Amalgamated Bank, Cole Taylor Bank, and Wells Fargo Corporate Trust. The University expects to make a decision by the week of October 12 th .		
Trustee's Counsel: Architect/	To be selected by the Bond Trustee.		
General Contractor:	The John Buck Company	Chicago, IL	
IFA Counsel:	Schiff Hardin LLP	Chicago, IL	Bruce Weisenthal, John Schietinger
IFA Financial Advisor:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

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

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Student Trustee, Roosevelt University

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University

Professor Emeritus of Government, Columbia University

Principal, Combined Investments, LLC

Managing Director, Hedlund & Hanley, LLC

President and CEO, McCormick Foundation

Retired President and COO, Harris Bankcorp, Inc.

Co-owner, Table 52

Retired Vice President, Economic Development, Commonwealth
Edison

Judge, U.S. District Court

Principal, Private Investor Department, William Blair &
Company, LLC

Associate Professor, Dept. of Computer Sciences, Roosevelt
University

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Margaret M. Policastro	Professor of Education and Director, Language and Literacy, College of Education, <u>Roosevelt University</u>
Anna E. Roosevelt	Vice President, Global Corporate Citizenship, The Boeing Company
Samuel Rosenberg	Professor of Economics & Director of Honors Program, College of Arts & Sciences, <u>Roosevelt University</u>
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Joan E. Steel	Partner, Sidley Austin LLP
Susan A. Stone	Senior Vice President, Chief Credit Officer, The Northern Trust Company
Mark J. Van Grinsven	Project Manager, Walsh Construction
Matthew Walsh IV	Partner, Assurance & Advisory Business Services, Ernst & Young
Marek A. Wierzba	Retired, SPS Payment Systems Inc.
Robert L. Wieseneck	Management Consultant, F & H Solutions Group
Jill Wine-Banks	Entertainment Reporter, Chicago Sun-Times
William R. Zwecker	

Other Voting Members, Life:

Norm Frankel	President, Scientific Industrial Supply Co.
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Seymour H. Persky	Chairman of the Board & CEO, Parliament Enterprises, Ltd.
Manfred Steinfeld	Retired, The Steinfeld Consultancy LLC



\$23,500,000

TRINITY INTERNATIONAL UNIVERSITY

October 14, 2009

REQUEST Purpose: Bond proceeds will be (i) used to refinance outstanding notes and loans of the University, (ii) to provide new money and reimbursement for the construction of a campus student life center, (iii) capitalize the first 6 months of a letter of credit payment, and (iv) pay bond issuance costs.
 Project Description: Refinance approximately \$12,843,000 of the University's 2004 Series Bonds, refinance a 2005 taxable loan in the amount of approximately \$9,300,000, and provide funds provide approximately \$4,670,845 of new money to finance a new campus student life center.

BOARD ACTIONS Final Bond Resolution
 Voting Record: Voting Record from Preliminary Bond Resolution approved September 9, 2009:
 9 Ayes, 0 Nays, 0 Abstentions, Absent 2 (DeNard, Verrett), 4 Vacancies

MATERIAL CHANGES First American Bank, Elk Grove Village, IL will be the Direct Pay Letter of Credit provider.

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

BORROWER • Trinity International University

DESCRIPTION

- Located in Deerfield, Illinois (Lake County), with satellite campuses in Miami, Florida and Anaheim, California.
- The University was incorporated in July 1996 as a result of a merger of Trinity College and Trinity Evangelical Divinity School. The College and Divinity School have been incorporated in Illinois since 1960.
- The Borrower is a four-year accredited arts and sciences college, and has a graduate theological divinity school, a graduate professional school and a law school. The Borrower is an Illinois Not for Profit Corporation.
- University enrolls approximately 3,000 students, 1,200 are undergraduates and 2,500 study at the Deerfield, Illinois campus, 50% of whom are from Illinois.
- Finance and reimburse the costs of a new Student Life Center that will enhance student life on campus and refund and restructure existing bonds and loans to provide the University approximately \$2,500,000 in cash flow savings over the next 3 years.

CREDIT • Bonds will be secured by a Direct Pay Letter of Credit from First American Bank, Elk Grove Village, IL, and with a Confirming Letter of Credit from the FHLB Chicago. Bond Ratings AA+/A-1+.

INDICATORS • The Bonds will not be insured.

Credit Enhancement The Bonds will be enhanced by a Direct Pay Letter of Credit from First American Bank, Elk Grove Village, IL with a Confirming Letter of Credit from the FHLB Chicago

PROPOSED • Variable Rate Demand Bonds

STRUCTURE • Maturity Years 21 Years (October 1, 2030)

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

RECOMMENDATION Credit Review Committee Recommends approval.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 14, 2009**

Project: Trinity International University

STATISTICS

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

BOARD ACTION

Final Bond Resolution	Credit Committee recommends approval.
IFA Funds contributed: None	Extraordinary conditions: None
Material Changes: First American Bank, Elk Grove Village, IL will be the Direct Pay Letter of Credit provider. The Federal Home Loan Bank of Chicago will be the confirming Letter of Credit provider.	

VOTING RECORD

Voting Record from Preliminary Bond Resolution approved September 9, 2009:
Ayes, 0 Nays, 0 Abstentions, Absent 2 (DeNard, Verrett), 4 Vacancies

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

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

ESTIMATED SOURCES AND USES OF FUNDS

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

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

FINANCING SUMMARY/STRUCTURE

Security: General obligation pledge of the University and a mortgage on substantially all of the campus facilities.

Structure: 7-Day Variable Rate Demand Bonds (VRDBs) to be sold directly to investors secured by a Direct Pay LOC from First American Bank, Elk Grove Village, IL, and further secured by a confirming LOC from the FHLB Chicago (rated AA+/A-1+) (No swaps or derivatives).

Interest Rate: Variable

Interest Mode: 7-Day Variable Rate Demand Bonds

Credit Enhancement: Direct Pay LOC from First American bank, Elk Grove Village, IL, and further secured by a confirming LOC from the FHLB Chicago.

Maturity: 21 years (2030)

Rating: AA+/A-1+

Estimated Closing Date: October 22, 2009

PROJECT SUMMARY

The proceeds of the Bonds will be used to (i) refinance \$12,843,525 of the University's Series 2004 taxable and tax-exempt note issue*, (ii) refinance a 2005 taxable loan outstanding in the amount of \$9,300,000 the proceeds of which were used to finance the construction of a Deerfield, IL campus residence hall*, (iii) reimburse and provide the University new money and reimbursement for the construction of a new Student Life Center located on the University's campus at 2065 Half Day Road, Deerfield, Lake County, IL, 60015-1241, (iv) capitalize the first 6 months of interest payments, and (v) pay costs of issuance.

Project Costs:	Refinance Series 2004 Bonds and	\$ 22,143,525
	construction loans	
	Construction/Equipment	<u>4,670,845</u>
	Total	<u>\$26,814,370</u>

* The Series 2004 taxable and tax-exempt note issues mature October 30,2009; the 2005 taxable loan matures October 30, 2014

Project Rationale: The debt restructuring and extension of maturity improve gross cash flow by approximately \$2.5 million for the University over the next three years, and improve the campus by constructing a new student life center.

BUSINESS SUMMARY

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

Student enrollment: The University enrolls approximately 3,000 students. Approximately 1,200 are undergraduates. The other 1,800 are graduate level students-approximately 1,600 Divinity School, 150 Graduate School, and 136 Law School students. Approximately 2,500 full and part time students study in Deerfield or at extension sites; 60 study at the South Florida campus; 145 at the California campus. Approximately 68.0% of the College students at the Deerfield campus live on campus. All students enrolled full-time at the College are required to live in campus residence halls with the exceptions of (i) students living with parents, (ii) seniors within 30 hours of graduation, (iii) students having permanent live-in jobs, (iv) students over 21 years of age, and (v) married students.

Trinity Graduate School was approved by the North Central Association in 1966. Trinity Graduate Schools are located at its Deerfield, South Florida, and California campuses.

Trinity Law School resulted from the merger of Simon Greenleaf University in Anaheim, CA and Trinity University. The merger was approved by the North Central Association in 1997. The law school offers the Juris Doctor Degree.

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

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

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

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

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

Name	Occupation	Term
Dr. Rodney Adam	Professor of Medicine & Immunobiology University of Arizona College of Medicine	2010 (2 nd Term)
Dr. Michael Andrus	Sr. Pastor, First Evangelical Free Church, Wichita	2011 (3 rd Term)
Mr. Ronald Aucutt*	Attorney/Partner, McGuire Woods LLP	<i>Ex Officio</i>
Mr. Gregory Barrett	Attorney/Partner, Barrett & Gilbert LLP	2010 (2 nd Term)
Mr. Scott Carter	President, Unitrin Direct	2009 (2 nd Term)
Mr. Howard Dahl	President & CEO, Amity Technology, LLC	2009 (1 st Term)
Mr. James Gilbert	President, PHIREtech LLC	2011 (2 nd Term)
Mrs. Maureen Girkins	President & CEO, Zondervan	2011 (1 st Term)
Dr. Steve Goold	Sr. Pastor, New Hope Church, Minneapolis	2011 (3 rd Term)
Dr. William Hamel*	President, Evangelical Free Church of America	<i>Ex Officio</i>
Mr. Steve Hawn*	Attorney, Law Offices of Steven D. Hawn	<i>Ex Officio</i>
Mrs. Charlene Kalebic	Attorney, Schiff Hardin LLP	2009 (1 st Term)

Mr. Robert Kleinschmidt	Chief Financial Officer, Carlson Hotels Worldwide	2011 (2 nd Term)
Mrs. Carole Lehn	Homemaker and Executive Area Manager Arbonne International	2010 (1 st Term)
Mr. Rodney Nelson	Head Master, River Tree School	2010 (1 st Term)
Dr. Thomas Nelson	Sr. Pastor, Christ Community EFC, Leawood, KS	2009 (1 st Term)
Rev. W.R. Norful, Jr.	Pastor/Publisher/Recording Artist Victory Cathedral Worship Center	2010 (1 st Term)
Mr. Neil Nyberg	Vice President/Chief Ethics and Compliance Officer, Kellogg Company	2009 (1 st Term)
Dr. Richard Parker	Sr. Pastor, Creekside Community Church Gainesville, FL	2010 (2 nd Term)
Mr. Edmond Soliday	Indiana State Representative	2011 (3 rd Term)
Mrs. Susan Ruud Stover	Vice President and Corporate Secretary Ruud Lighting, Inc.	2011 (3 rd Term)
Dr. James Tahmisian	Psychologist, Dr. James A. Tahmisian, Inc	2011 (2 nd Term)
Mr. W. Charles Thor	Development Partner, The Daly Group	2009 (1 st Term)
Mr. Henry Van Dixhorn	General Partner, College Park Athletic Club	2009 (1 st Term)
Dr. Craig Williford	President, Trinity International University	

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

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

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Schiff Harden LLP	Chicago, IL	Paul Marengo
Accountant:	BKD LLP	Ft. Wayne, IN	
Bond Counsel:	Ice Miller LLP	Indianapolis, IN	Jeff Lewis
			Patra Geroulis
LOC Bank:	First American Bank	Elk Grove Village, IL	Steve Eikenberry
LOC Bank Counsel:	In House		Fred Snow
Confirming LOC Bank	FHLB Chicago	Chicago, IL	Barbara Watkins
Confirming Counsel:	TBD		
Bond Underwriter:	BMO Capital Markets GKST Inc.	Chicago, IL	Michael Boisvert
			Lindsay Wall
Underwriter's Counsel:	Miller Canfield	Chicago, IL	Darryl Davidson
Remarketing Agent:	BMO Capital Markets GKST Inc.	Chicago, IL	Bill Windisch
Trustee:	U. S. Bank N. A.	Milwaukee, WI	Yvonne Siira
IFA Advisor:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott
Issuer's Counsel:	Greene and Letts	Chicago, IL	Allen P. Walker

LEGISLATIVE DISTRICTS

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

SERVICE AREA

Illinois, the United States, and international.



October 14, 2009

\$310,000
Kyle and Jenny Wagner
 YOUNG FARMER GUARANTEE

REQUEST Purpose: Provide 85% loan guarantee in favor of the Bank of Farmington provide permanent financing for the purchase of 125 acres of farm land.
 Project Description: The proposed loan of \$310,000 will be secured by a first mortgage on the 125 acres purchased.
 Program: Product Type: Young Farmer Guarantee
 State Treasurer's Funds at Risk:\$263,500
 Conditions: Subject to all bank conditions

BOARD ACTIONS Final Approval
 Voting Record: None prior

JOB DATA	N/A	Current jobs	N/A	New jobs projected
	N/A	Retained jobs	N/A	Construction jobs projected

- BORROWER DESCRIPTION**
- Type of entity: Sole-Proprietorship
 - Location: Canton/North Central Region
 - When was it established: 2008
 - What does the entity do: Grain and cattle farm
 - Who does the entity serve: N/A
 - What will new project facilitate: Purchase 125 acres of farm land

Proposed Structure Originating Bank: Bank of Farmington
 Collateral: 125 Acres Collateral Position: 1st
 Corporate Guarantor: _____ N/A _____ Personal Guarantor: Dennis J. Wagner
 Maturity Years: 15 Years
 Interest Rate: 5.25% Adjusted annually

Sources and Uses	Sources:	Uses:
	IFA Guarantee \$263,500	Land Purchase <u>\$521,983</u>
	Bank of Farmington \$46,500	
	Borrower Equity \$52,198	
	Subordinate Loan <u>\$159,785</u>	
	<i>(Dennis Wagner)</i>	
	Total \$521,983	Total \$ 521,983

Recommendation Credit Review Committee Recommends Approval
 :

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 14, 2009**

Project: Kyle and Jenny Wagner

STATISTICS

Project Number: A-YF-GT-8284	Amount: \$263,500
Type: Young Farmer Guarantee	IFA Staff: Eric Reed
County/Region: Fulton/North Central	City: Canton

BOARD ACTION

Final Resolution	Extraordinary conditions: None
State Treasurer's Reserve Funds at risk: \$263,500	Covenants: No additional debt without prior consent from bank and IFA.
Credit Committee Recommends Approval	

VOTING RECORD

None. This is the first time the project has been considered by the IFA Board of Directors.

PURPOSE

Use of proceeds: Provide permanent financing for the purchase of 125 acres of farm land.

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 Young Farmer Guarantee Program is available to assist young farmers in accessing capital for purchases of fixed assets. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are partially backed by an IFA reserve funded for this program and are also full faith and credit obligations of the State of Illinois. IFA's issuance of guarantees helps borrowers obtain debt financing at reduced rates of interest and improved terms.

VOLUME CAP

N/A

JOBS

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Guarantee:	\$263,500	Uses: Purchase Land	<u>\$521,983</u>
	Bank of Farmington	\$46,500		
	Borrower Equity	\$52,198		
	Subordinate Loan	<u>\$159,785</u>		
	Total	<u>\$521,983</u>		<u>\$521,983</u>

FINANCING SUMMARY/STRUCTURE

Security: 1st real estate mortgage on 125 acres of farm land.
Structure: 15 year term with 30 year amortization and annual payments of principal and interest.
Interest Rate: See confidential section
Interest Mode: Adjustable
Credit Enhancement: IFA 85% Guarantee
Maturity: 15 years
Estimated Closing Date: November 30, 2009

PROJECT SUMMARY

Summary: Kyle and Jenny Wagner have purchased 125 acres of farmland. Since Kyle and Jenny are just beginning their farming operation, the Bank of Farmington has requested a loan guarantee on the related financing.

Project Rationale: Kyle Wagner has grown up on his family farming operation and helped his father Dennis Wagner most of his life. With the purchase of 125 acres of farmland, the Wagners will be able to expand their operations, as well as Kyle Wagner's involvement and ownership in the farm. Due to the limited financial strength of Kyle and Jenny Wagner, the Bank of Farmington is requesting a personal guarantee from Dennis Wagner and the IFA for the proposed financing.

Timing: The proposed transaction is expected to close within 45 days of approval.

BUSINESS SUMMARY

Kyle and Jenny Wagner are starting their own small farming operation with help from Kyle's father Dennis Wagner. Together Dennis and Kyle operate a grain and cattle operation located near Canton. Kyle's portion of the farm consists of 35 beef cows, 125 acres of farmland, which he recently purchased, and 40 acres of rented farmland. Dennis Wagner farms 1,225 acres of corn and soybeans of which, 400 acres he owns. Dennis also owns a portion of their cattle operation, owning 15 cows and 1 bull. Kyle is able to provide labor for Dennis' operation in exchange for use of farm equipment to farm the 165 acres of land he operates.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Kyle and Jenny Wagner
Project Location: 1105 Lawrence Drive
Canton, IL 61520
Borrower: Kyle and Jenny Wagner
Ownership: Sole Proprietorship

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	N/A		
Accountant:	N/A		
Originating Bank:	Bank of Farmington	Farmington	Tim Haley
Bank Counsel:	N/A		
IFA Advisors:	Scott Balice Strategies, Inc.	Chicago	Lois Scott
IFA Counsel:	N/A		

LEGISLATIVE DISTRICTS

Congressional: 17th, Phil Hare
State Senate: 56th, David Koehler
State House: 91st, Michael Smith

BACKGROUND INFORMATION

Kyle and Jenny Wagner are starting their own small farming operation with help from Kyle's father Dennis Wagner. Together Dennis and Kyle operate a grain and cattle operation located near Canton. Kyle's portion of the farm consists of 35 beef cows, 125 acres of farmland, which he recently purchased, and 40 acres of rented farmland. Dennis Wagner farms 1,225 acres of corn and soybeans of which, 400 acres he owns. Dennis also owns a portion of their cattle operation, owning 15 cows and 1 bull. Kyle is able to provide labor for Dennis' operation in exchange for use of farm equipment to farm the 165 acres of land he operates. In addition to their row crop and cattle enterprises, Kyle Wagner owns his own hay baler and produces their hay for their cattle operation.

Dennis Wagner is a longtime customer of the Bank of Farmington, who states his record with the bank has been exceptional. As stated above, Mr. Wagner will sign a personal guarantee for the portion IFA guaranteed loan portion of the financing for the 125 acre land purchase. In addition to signing a personal guarantee for Kyle and Jenny Wagner's loan, Dennis Wagner will take on the subordinate debt (\$159,785) required for Kyle and Jenny Wagner to meet the IFA's eligibility requirements for the Young Farmer Guarantee program.

Jenny Wagner is employed off the farm as an RN at St. Francis Hospital in Peoria, which provides sufficient income to service their living expenses and personal debt obligations.

This transaction would have normally been brought to the IFA for approval under the Beginning Farmer Bond program. However, the lender states that the transaction allowed for a very short time to close, causing them to proceed with financing internally. The lender did not submit an application to the IFA for a Beginning Farmer Bond within the specified deadline under the terms of the program. As a result the transaction is ineligible for a Beginning Farmer Bond.

LEGISLATIVE DISTRICTS

Congressional:	17	Phil Hare
State Senate:	46	David Koehler
State House:	91	Michael K Smith

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

TO: IFA Board of Directors
FROM: Townsend Albright
DATE: October 14, 2009
SUBJECT: Resolution to authorize execution of an Amended Trust Indenture to eliminate the requirement that the Lessee execute requisitions from the Special Tenant Improvements Account held under the Indenture.
\$63,535,000 IFA Theory and Computing Sciences Building Trust (Argonne National Laboratory) Series 2007 Taxable Bonds.

Date Closed: 12/01/2007

Original Par Amount: \$63,535,000

Outstanding Principal Balance as of September 9, 2009: \$63,535,000

Current Structure: 7-day Variable Rate Demand Taxable Industrial Revenue Bonds insured by MBIA.

Request: The **Theory and Computing Sciences Building Trust** (the “Trust”) and **University of Chicago Argonne, LLC** (the “Lessee”) request the Authority and the Bond Trustee, Wells Fargo Corporate Trust Services, to amend the existing Indenture of Trust to eliminate the requirement that the Lessee execute requisitions from the Special Tenant Improvements Account held under the Indenture. The Account is funded solely with moneys provided by the Lessee and not with bond proceeds. Presently, both the Borrower and the Lessee must execute requisitions from this account. According to Bond Counsel, *this request does not require consent of the Bondholders*. The Borrower will continue to execute requisitions from this account. The Trustee is agreeable to the proposed change.

Recommendation: The Credit Review Committee recommends approval.

Original Purpose of the Bonds: The proceeds of the Taxable Industrial Revenue Bonds were to finance the construction and equipping of an office and computing laboratory facility and parking lot located at Argonne National Laboratory, Argonne, Illinois.

Ownership: Argonne is a federally-owned property under the jurisdiction of the U.S. Department of Energy.

The Trust: The Trust is a Delaware statutory trust called the Theory and Computing Sciences Building Trust. This Trust leases property from the Department of Energy for the purposes of developing, financing, and supervising operation of an office and laboratory facility.

PROFESSIONAL & FINANCIAL (original team)

Special Counsel:	Patton Boggs, LLP	Washington, DC	Anatolij Kushnir Michael Simmons
Accountant:	U.S Accounting Office		
Bond Counsel:	Chapman and Cutler	Chicago, IL	William Libit
Issuer’s Counsel:	Law Offices of Kevin Cahill	Chicago, IL	Kevin Cahill
Underwriter:	Wachovia Securities	Atlanta, GA	Dick Layton
Underwriter’s Counsel:	McKenna Long & Aldridge LLP	Atlanta, GA	Maggie Joslin
Development Consultant:	Fioretti Associates, Inc.	Chicago, IL	Michael Yurkovic
Trustee (Corporate):	Wells Fargo Bank, NA	Chicago, IL	Patricia Martirano
Trustee’s Counsel: (Corporate)	Patton Boggs, LLP	Washington, DC	Anatolij Kushnir
Trustee (Individual):	Starshak Winzenberg & Co.	Chicago, IL	Joseph Starshak
Trustee’s Counsel: (Individual)	Patton Boggs, LLP	Washington, DC	Anatolij Kushnir Michael Simmons

Theory and Computing Sciences Building Trust (Argonne National Laboratory)

Amendment Request

Page 2

October 14, 2009
Townsend Albright

Bond Trustee:	Wells Fargo Corporate Trust Services	Chicago, IL	Patricia Martirano
Trustee Counsel:	Morris James LLP_	Wilmington, DE	Lewis Ledyard III
Argonne Project Lead:	Argonne National Laboratory	Darien, IL	Mary Spada
IFA Financial Advisor:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

Attachment: Bond Resolution

RESOLUTION _____

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL INDENTURE OF TRUST AND RELATED DOCUMENTS, ALL IN CONNECTION WITH THE ILLINOIS FINANCE AUTHORITY TAXABLE REVENUE BONDS (THEORY AND COMPUTING SCIENCES BUILDING TRUST PROJECT) SERIES 2007; AND AUTHORIZING AND APPROVING RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "*Authority*"), including without limitation the Illinois Finance Authority Act, 20 ILCS 3505/801 *et seq.* as supplemented and amended (the "*Act*"), has previously issued the Illinois Finance Authority Taxable Revenue Bonds (Theory and Computing Sciences Building Trust Project) Series 2007 (the "*Bonds*") pursuant to an Indenture of Trust, dated as of December 1, 2007 (the "*Original Indenture*") between the Authority and Wells Fargo Bank, N.A., as trustee (the "*Trustee*"); and

WHEREAS, the proceeds of the Bonds were loaned to the Theory and Computing Sciences Building Trust, a Delaware statutory trust (the "*Borrower*"), to assist in the financing of a facility to house a theory and computing sciences building, including a parking area, improvements and equipment (the "*Facility*"); and

WHEREAS, the Borrower entered into a Facilities Use Agreement dated as of December 1, 2007 with UChicago Argonne, LLC, as lessee (the "*Lessee*") regarding the use of the Facility; and

WHEREAS, the Borrower wishes to amend the Original Indenture in order to clarify the certifications required with respect to the disbursement of funds from the Special Tenant Improvements Account of the Project Fund created under, and held by the Trustee pursuant to, the Original Indenture and to make certain changes in connection therewith; and

WHEREAS, it is now necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of a First Supplemental Indenture of Trust with respect to the Bonds, dated as of August 1, 2009 (the "*First Supplemental Indenture*"), between the Authority and the Trustee; and

WHEREAS, the Authority has caused to be prepared and presented to its members a draft of the First Supplemental Indenture which the Authority proposes to enter into.

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

Section 1. The Authority is hereby authorized to enter into the First Supplemental Indenture with the Trustee in substantially the same form now before the Authority; the form, terms and provisions of the First Supplemental Indenture be, and they hereby are, in all respects approved; the Chairperson, the Vice Chairperson, the Treasurer, any Assistant Treasurer, the

Executive Director, any Assistant Executive Director, the Chief Financial Officer, any Assistant Chief Financial Officer or the Deputy Director – General Counsel (and for purposes of this Resolution, any person duly appointed to any such office on an interim or acting basis) (each such person being hereinafter referred to as an “Authorized Officer”) of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and the Secretary or any Assistant Secretary of the Authority be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the First Supplemental Indenture in the name, for and on behalf of the Authority, and thereupon to cause the First Supplemental Indenture to be executed, acknowledged and delivered to the Trustee, in substantially the form now before the Authority or with such changes therein as the Authorized Officer executing the same shall approve, his/her execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the form of such First Supplemental Indenture now before the Authority; when the First Supplemental Indenture is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such First Supplemental Indenture shall be binding on the Authority; and from and after the execution and delivery of the First Supplemental Indenture, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such First Supplemental Indenture as executed.

Section 2. The Authorized Officers be, and each of them hereby is, authorized to execute and deliver such documents, certificates, and undertakings of the Authority and to take such other actions as may be required in connection with the execution, delivery and performance of the First Supplemental Indenture, as authorized by this Resolution.

Section 3. The execution and delivery of the First Supplemental Indenture by the officers of the Authority as authorized in Section 1 are expressly conditioned upon the receipt of the approval of the First Supplemental Indenture from all parties required by the Original Indenture.

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

Section 5. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 6. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

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

**ILLINOIS FINANCE AUTHORITY
MEMORANDUM**

TO: IFA Board of Directors

FROM: Jim Senica

DATE: October 14, 2009

RE: Resolution for Participation Loan Payment Modifications by **Heartland Bank and Trust Company** (the “**Bank**”) and **IMT Real Estate, L.L.C.** (the “**Borrower**” and “**Landlord**”) [**Illinois Machine and Tool Works (“IMTW”) Project (the “Operating Company” and “Tenant”]**]. The requested payment modifications are as follows:

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

The intent of these payment modifications request is to keep the Borrower current while providing payment relief for an initial 6-month period.

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

THE REQUEST- UPDATE

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

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

RESPONSES TO BOARD QUESTIONS FROM SEPTEMBER COMMITTEE OF THE WHOLE MEETING-UPDATE

1. Is additional collateral available to further securitize this loan, specifically a Pompano Beach Condo?

Reply: The Bank has stated that all available collateral has been requested to secure this loan with no other collateral being currently available for attachment. The specific property referenced above has an outstanding mortgage at another bank.

2. Where is the owners’ official residence, official voting address and driver’s license held?

Reply: The owners’ official address is listed as being in Peoria, Illinois. Additionally, they are registered to vote in Peoria and hold drivers licenses issued by the State of Illinois.

RECENT DEVELOPMENTS-UPDATE

See the last page of this report for a confidential update on IMTW’s sales and order prospects.

The remainder of this report updates information presented at the September 2009 IFA Committee of the Whole Meeting.

THE SITUATION

Original Par Amount closed 8/4/07: \$1,000,000
Outstanding Balance as of September 30, 2009: \$955,390.49
IMT has not yet made the September payment awaiting approval of the interest-only payment request.

The Borrower is facing significantly reduced order volume from Caterpillar, its primary customer that threatens its survival. Many small manufacturers in Central Illinois are facing similar challenges in responding to dramatically reduced orders from Caterpillar and John Deere, which are two of the region's most important Original Equipment Manufacturers ("OEM's").

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

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

BACKGROUND

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

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

STAFF RECOMMENDATION

The Credit Committee recommends approval of payment modifications as follows:

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

The intent of the payment modifications request is to keep the Borrower current while providing payment relief for an initial 6-month period.

VOTING RECORD

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

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

**ILLINOIS FINANCE AUTHORITY
MEMORANDUM**

To: IFA Board of Directors

From: Steven Trout

Date: October 14, 2009

RE: Fifth Third Bank's Request to Change the Measurement Dates for Two Covenants Associated with the IFA Guaranteed Agri-Business Term Loan to Blackhawk Biofuels

Background: In response to IFA concerns, Blackhawk Biofuels, LLC and Fifth Third Bank acknowledged in July that Blackhawk would fail to meet year-end covenants as of December 31, 2009; including (1) **Fixed Charge Coverage Ratio** and (2) **the Debt to Earnings Ratio**. Fifth Third and Blackhawk chose not to pursue these covenant changes until now. If granted, this change would eliminate uncertainty with regard to the year-end covenants.

The Request: Fifth Third Bank is requesting IFA's consent to defer by 180 days from 12/31 annually to 6/30 the measurement of two covenants associated with a Term Loan to Blackhawk Biofuels, LLC that is supported by an IFA Agri-Industry Guarantee:

- **Fixed Charge Coverage Ratio ("FCCR")** to remain at or above 1.25 times, calculated on a quarterly basis beginning 12/31/09
- Senior Funded Debt to Earnings Before Interest Depreciation and Amortization ("**EBITDA**"), or ("**the Debt to Earnings Ratio**") not to exceed 4.50 times beginning 6/30/10

Fifth Third is requesting a 180 day deferral for both covenants to provide time to increase production at the Danville biodiesel plant. Both covenants will be monitored quarterly and calculated on a rolling 4 quarter basis.

Recent
Developments/
Project
Performance:

Project performance to date is discussed in the confidential section. It is anticipated that this report will be supplemented prior to the Committee of the Whole meeting on October 14, 2009 at 8:30 a.m.

Staff

Recommends: Staff recommends approving the request subject to Fifth Third Bank Credit Committee Approval.