ILLINOIS FINANCE AUTHORITY
BOARD MEETING
May 12, 2009
Chicago, Illinois

COMMITTEE OF THE WHOLE
8:30 a.m.
Michael A. Bilandic Building
160 N. LaSalle, 5th Floor, Room N-505
Chicago, Illinois

AGENDA

- Chairman's Remarks
- Executive Director's Report
- Financials Report
- Executive Staff Reports
- Committee Reports
- Project Reports
- Closed Session, if necessary
- Other Business
- Adjournment

BOARD MEETING
11:30 a.m.
Michael A. Bilandic Building
160 N. LaSalle, 5th Floor, Room C-500
Chicago, Illinois

- Call to Order
- Chairman's Remarks
- Roll Call
- Acceptance of Financials
- Approval of Minutes
- Executive Director's Remarks
- Project Approvals
- Resolutions / Amendments
- Other Business

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Beginning Farmer Bonds *Final*						
1	Jason W. Kane	Smithshire	$250,000	0	0	ER
Agri - Debt Guarantee *Final*						
2	Mark and Karen Donoho	Bluford	$413,950	0	0	ER
TOTAL AGRICULTURE PROJECTS			$663,950	0	0	

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Industrial Revenue Bonds *Final*						
3	C&L Tiling, Inc.	Timewell	$4,000,000	24	50	JS
TOTAL BUSINESS AND INDUSTRY PROJECTS			$4,000,000	24	50	

COMMUNITY AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds *Final*						
4	Notre Dame College Prep	Niles	$16,500,000	10	65	SCM
5	Near North Montessori School	Chicago	$12,000,000	5	84	SCM
TOTAL COMMUNITY AND CULTURE PROJECTS			$28,500,000	15	149	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds *Final*						
6	Passavant Memorial Area Hospital Association	Jacksonville	$2,195,000	0	0	PL / BC
TOTAL HEALTHCARE PROJECTS			$2,195,000	0	0	
GRAND TOTAL			$35,358,950	39	199	

RESOLUTIONS

Tab	Project	FM
Amendatory Resolutions / Resolutions		
7	A Request to Authorize Amendments to the Final Bond Resolution to Increase the Initial Maximum Fixed Rate Yield from 8.00% to 8.50% and start date of principal amortization from August 15, 2014 to August 15, 2030. (Silver Cross Hospital Project)	PL / BC
8	A Request to Authorize the Execution and Delivery of Amendments to the Loan Agreements and to Authorize the Executions and Delivery of any other Necessary Documents Required to Effect Such Amendments; and Authorize and Approve Related Matters for IFA Series 2004C Bonds, IFA Series 2005A-B-C Bonds, IFA Series 2008 Bonds (DePaul University)	RF
9	A Resolution Authorizing Amendments to the Final Bond Resolution to include in the refinancing of the Series 1998C Bonds in the uses of proceeds. (Provena Health Project)	PL / BC

<u>Other</u>

<u>Adjournment</u>

Illinois Finance Authority
Report of the Executive Director
May 12, 2009

To: IFA Board of Directors and Office of the Governor

From: John B. Filan, Executive Director

<u>Financial Performance</u>

General Fund:

The Illinois Finance Authority's General Fund unaudited financial position for the ten months ending 04/30/2009, reports total assets of $42,648,584, liabilities of $1,629,710 and total equity of $41,018,874. This compares favorably to the April 2008 balance sheet, with $38,419,462 in total assets, liabilities at $1,847,999 and total equity of $36,571,463.

Gross revenue YTD for April was $6,199,695, or $809,922 (-11.6%) below plan. The unfavorable plan performance is primarily due to fee income and investment income. Total operating expenses were $4,342,228, or $1,043,130 (-19.4%) below plan. This is primarily due to a reduction of employee related expenses, professional services and loan loss provision/bad debt.

Gross revenue YTD of $6,199,695, was $1,097,008 (-15.0%) below same period last fiscal year 2008. This is primarily due to reductions from interest on loans ($202,193), fee income ($557,411) and investment income ($280,947). Operating expenses YTD were $4,342,228, or $1,258,708 (-22.5%) lower than same period last fiscal year 2008. This is due to a reduction in employee related expenses, professional services and reduced loan loss reserve.

Year-to-date net income for April was $1,877,592, or $253,333 higher than plan and $665,627 lower than same period last fiscal year.

Consolidated Results:

The Illinois Finance Authority's unaudited financial position as of 04/30/2009 reports consolidated total assets of $171,807,538, liabilities of $58,197,779 and total equity of $113,609,758. This compares favorably to the April 2008 balance sheet of $158,112,033 in total assets, liabilities of $61,037,409 and total equity of $97,074,623.

Audit and Compliance

The fiscal year 2008 audit opinions, for the financial and compliance audits, will be rendered on May 6, 2009.

Attached is the status of fiscal year 2007 audit findings for your review.

Financial Services

Market Update

Recent weeks have demonstrated the initial positive impact of the 2009 Federal Stimulus Bill (formally, "The American Reinvestment and Recovery Act of 2009" or "ARRA") on pricing in the traditional municipal bond market.

Build America Bonds:

Under ARRA, units of State and Local Government may issue Taxable Tax Credit Bonds (i.e., "Build America Bonds" or "BABs") instead of traditional, Tax-Exempt municipal bonds for governmentally-owned capital projects until 2011.

As a result of ARRA, many local government issuers have opted to issue the new Build America Bonds.

The Build America Bonds pay Taxable Interest Rates to the bond investor, while the Issuer receives a cash subsidy equal to 35% of the Taxable Interest paid as a direct payment from the US Treasury (e.g., on a Taxable Bond with a 10% coupon, the Issuer would receive a direct cash payment equivalent to 35% of the interest payments – thus, the effective interest rate to the Borrower would be approximately 6.5%).

Several Investment Banking firms have noted that because many municipal issuers have higher ratings than many corporate obligors (and also carry backing of general obligation taxing powers); the Taxable Build America Bonds have proven to be a good value for the taxable bond investor. Additionally, because the Bonds do not carry any US income tax benefit for investors, these Bonds have been successfully marketed to an international investor base, thereby increasing demand for these Bonds, resulting in more favorable pricing for the Borrower.

Furthermore, Build America Bonds are sold to a distinct, Taxable Investor base, thereby helping to reduce oversupply problems in the traditional, fixed rate, tax-exempt bond market. New issuance of taxable bonds hit its highest level since June 2003 in April attributable to Build America Bonds.

By diverting supply from traditional fixed rate tax-exempt bond issues, to the global taxable market, Build America Bonds have helped to reduce ongoing oversupply problems that have plagued pricing in the traditional, tax-exempt market since Fall 2008.

This recent reduction in traditional tax-exempt municipal bond supply attributable to Build America Bonds has had a significant positive initial impact on tax-exempt yields as evidenced by a 34 basis point (0.34%) reduction in MMD's 30-year Fixed Rate GO Bond Index to 4.42% as of 5/1 (compared to 4.76% as of 4/1).

The observed reduction in MMD's 30-year Fixed Rate GO Bond Index is more significant when evaluated against 30-year Treasury rates which increased to 4.09% as of 5/1, a 103 basis point increase compared to 4/1. Without the supply increase attributable to the Build America Bonds, it is likely that rates on 30-year Tax-Exempts would have also increased (instead of decreasing).

According to Citigroup Managing Director George Friedlander, "The Build American Bonds will take a huge bite out of the amount of tax-exempt issuance that would come to market until December 31, 2010, when the federal subsidy expires". The success of the Build America Bonds issues puts a ceiling on what yields on comparable tax-exempt issues are likely to be: if the required yield as a tax-exempt issue is higher than what the Build American Bonds market appears to require, the issuer will attempt to sell the Build American Bonds instead." *The Bond Buyer* has reported that market participants estimate that between $75 billion to $100 billion of Build America Bonds could come to the market in 2009, thereby reducing ongoing pricing pressure due to oversupply in the traditional, tax-exempt bond sector.

Consistent with these preliminary estimates, California led April's issues, which included approximately $7.6 billion of Taxable Build America Bonds. According to Bloomberg, issuances of long-term, fixed rate, tax-exempt bonds dropped to about $25.3 billion from $35.6 billion in April 2008. Undoubtedly, a considerable portion of this volume decrease is attributable to issuance of taxable Build America Bonds. On April 29th, Southern Illinois University announced plans to issue $48 million of Build America Bonds (which will be combined with a $6.0 million Tax-Exempt issue) – the proposed SIU issue represents the first significant Build America Bonds issue announced by an Illinois governmental issuer. Additionally, the May 4th edition of *The Bond Buyer* reported that market participants have reported that the Illinois State Toll Highway Authority is considering issuance of $400 million of Build America Bonds along with $100 million of Tax-Exempt Bonds to finance the next phase of the Illinois Tollway's rebuilding and expansion plan.

Because many of the initial Build America Bond issues have been large (i.e., over $1 Billion), BAB's have successfully diverted an excess supply of Tax-Exempt paper into the Taxable Market. According to the financial trade press, these large Build America Bond issues have been purchased by international, taxable investors – an investor class that does not typically invest in the U.S. municipal bond market (since international investors have no need for income exempt from U.S. income taxes). As a result of this reduction in supply in the traditional tax-exempt market, yields on 30-year, Double-A rated Tax-Exempt General Obligation Bonds declined by 34 basis points over the first 3 weeks of April (noted below in the interest rate report).

Impact of Build America Bonds on IFA

The impact of Build America Bonds on IFA and our conduit borrowers has been indirect, but significant. In particular, the reduction in Tax-Exempt supply resulting from the purchase of BAB's by international investors has eased over-supply pressure across all Tax-Exempt Bond sectors, including both (1) governmental-purpose bonds and (2) conduit bonds issued for 501(c)(3) entities and other borrowers.

In particular, recent all-in fixed rates on 30-year Healthcare bonds for comparably-rated borrowers dropped by over 30 basis points (i.e., 0.30%) compared to pricings just 3-4 weeks ago.

The direct impact of BAB's on IFA's Local Government Bond issuance volume is less certain and is likely to evolve as the market develops. Although, BAB's have been issued both by small municipalities (e.g., the initial BAB was a $3.65 million government purpose issue by Stevens Point, Wisconsin) and large issuers (e.g., the New Jersey Turnpike Authority issued $1.375 Billion of BAB's), it is unclear whether there will be sustainable demand for smaller BAB issues going forward. In particular, market participants have noted that the investor base for small BAB's (i.e., under $50 million) may be limited to traditional municipal bond purchasers (e.g., domestic banks and funds), whereas international taxable investors are primarily interested in issues of $100 million or more.

As government issuers of all sizes test the market, *The Bond Buyer* reports that many municipalities and school districts (and their professional advisors) are requesting proposals for both Tax-Exempt and Taxable BAB pricing as they seek the lowest possible effective borrowing cost.

Consequently, it is likely that some IFA's Local Government Program prospects may forego traditional Tax-Exempt issuances for Taxable BAB's.

IFA staff will continue to assess the impact of BAB's on prospective Local Government Program issuance volume as we implement our FY 2010 Local Government marketing plan.

General Market Conditions for IFA Borrowers:

Nevertheless, the credit markets remains volatile and access to bank credit, either through Letters of Credit or Bank Direct Purchases, continues to be challenging for many borrowers (and particularly for borrowers with projects over $25 million).

According to informal discussions with several market participants, many investment grade borrowers (i.e., Triple-B/Single-A Credits) have experienced difficulty in obtaining (1) access to fixed rate financing and (2) access to Bank credit to support (i) Letters of Credit to support variable rate financings or (ii) Direct Purchase financings since September 2008. As a result, several IFA borrowers have been involuntarily deferred projects since they cannot be financed within their target maximum interest rate.

Quarterly Upgrade-Downgrade Summary Reports by Rating Agencies (affects large, institutional municipal and conduit issuers):

Moody's: Moody's reported the first 3 months of 2009 was the first time that all municipal sectors, including state and local government, housing, healthcare and higher education, received a **negative outlook** (the Industrial Development Bond sector is not rated by any of the three rating agencies).

- Symptomatic of deteriorating liquidity and general balance sheet strength, Moody's Investors Services reported that the Ratio of Upgrades to Downgrades fell to 0.86 (for Q1-2009) from 1.10 (for Q4-2008).

- In the Healthcare sector, the ratio of upgrades to downgrades was 0.25 (or 1 to 4).
    - Moody's noted that Healthcare issues are facing declining patient volume, increased bad debt expense, and increased charity care expense compared to prior years.

Fitch Ratings: Fitch also reported more downgrades than upgrades during Q1-2009 and noted that downgrades had reached their highest absolute number since at least 2002, when it began to issue quarterly aggregate outlook/rating change reports.

Standard & Poor's: S&P reported 327 downgrades for Q1-2009 – which exceeded the 262 downgrades reported during calendar 2008.

Interest Rates:

Tax-Exempt Rates:

- Variable Index (***** SIFMA): 0.57% (4/22), up 4 basis points from last month
- Fixed GO Bond (****** MMD-30yr-AA): 4.42% (5/1), down 34 basis points from last month.

Taxable Rates:

- Fed Reserve Benchmark Target Rate: 0.25% (5/1) unchanged from last month
- 90-day LIBOR: 1.00% (5/1), down 19 basis points from last month
- 2-yr Treasury: 0.92%, (5/1) up 6 basis points from last month
- 30-yr Treasury: 4.09% (5/1) up 103 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 's proprietary indices of High Grade Municipal Bonds of varying maturities under their "MMD" indices.*

The Tax-Exempt SIFMA Variable Rate Index still remains near historical lows, consistent with strong investor demand for liquidity, as in last month's report. Typical of April performance, however, the SIFMA index increase by 4 basis points from March due to redemptions from tax-exempt money market funds to pay income taxes.

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

Additionally, the impact of the new Taxable Build America Bonds on long-term Tax-Exempt interest rates is further highlighted by comparing the direction of the 30-Year MMD Tax-Exempt Fixed GO Rate (i.e., declining 34 b.p. in April) to comparable 30-Year Treasuries (which increased by 103 b.p. in April). Accordingly, the reduction in supply of 30-Year Tax-Exempts due to the BABs was more than sufficient to offset a general increase in long-term taxable rates.

The Federal Reserve is expected to hold rates near 0% for an extended period of time. Long-term Treasury rates are expected to remain low for most of 2009 given the ongoing recession and anticipated Fed purchases of Treasuries.

Economic Data:

Business conditions in the Chicago region improved in April, according to the NAPM-Chicago's business barometer released Thursday 4/30. The index improved to 40.1 in April from 31.4 in March. The new orders index also improved to 42.1 from 30.9 in March. The employment index improved to 31.8 from 28.1 in March. (For each of these indices, any reading below 50 indicates contraction.)

According to an April 17th report released by the US Bureau of Labor Statistics, Illinois' unemployment rose to 9.1% in March from 8.6% in February. Estimated Illinois jobless claims increased by approximately 39,600 in March. Illinois' 2009 unemployment rate is 3.6% higher than the 5.5% rate posted in March 2008.

According to the U.S. Labor Department, fewer Americans filed first-time applications for unemployment insurance last week, indicating the pace of job losses is slowing even as the total number of people on benefits continues to break records. Initial jobless claims decreased by 14,000 to a less-than- forecast 631,000 in the week ended 4/25, from a revised 645,000 the prior week. The number of people relying on jobless benefit rolls increased by 133,000 to 6.27 million for the week ended 4/25, the 13th straight week the figure has set a record.

Factory orders fell 0.9 percent in March to $345.3 billion, according to U.S. Commerce Department data released on 5/1, a larger drop than expected. Factory orders have been down seven of the past eight months. In contrast, the April ISM manufacturing index rose to 40.1 from 36.3, a sign that the contraction in the manufacturing sector may be slowing. In particular a research note commented that: "The ISM report does not yet signal manufacturing growth, but the first step towards growth is for the rate of decline to ease, and this report signals an end to the period of manufacturing free-fall," said, Nigel Gault, chief U.S. economist for IHS Global Insight.

Other Market News

- Berkshire Hathaway Inc. Vice Chairman Charles Munger said he supports an outright ban of credit-default swaps to prevent speculators from profiting on the failure of companies. At least 32 companies as of March 12 had more credit swap protection outstanding on their bonds than actual bonds, according to a March 27 research note by Christopher Garman, CEO of Garman Research LLC in Orinda, California.

- The Tennessee comptroller announced plans for a comprehensive overhaul of municipal bond market regulations for Tennessee issuers. The plan would prohibit small cities and counties from using derivatives.

- The U.S. Securities and Exchange Commission will evaluate the need for stricter municipal bond market oversight this summer and may seek authority from Congress to regulate the market more closely.

- Federal Reserve keeps key rates steady in order to reduce contraction within the economy. - Real gross domestic product decreased at an annual rate of 6.1% in the first quarter of 2009.

IFA Sales, Marketing and Credit

- **Marketing** – Spurred by the 2009 Recovery Act (or "ARRA"), and the related need to upgrade pubic infrastructure and educational facilities, IFA's Local Government Team is finalizing marketing and development plans to encourage both conduit financings for larger borrowers and pooled financings for small municipalities. IFA's Local Government is also working with the Illinois Municipal League, the Illinois State Board of Higher Education, and various professional groups including the Illinois Government Finance Officers Association, the Illinois City and County Management Association, and the Illinois Association of School Business Officials to submit newsletter articles and to arrange speaking engagements at professional events.

- **Energy Initiative** – Participation at the American Wind Energy Association's 2009 Conference in Chicago in early May with marketing initiatives geared towards wind energy turbine manufacturers and component suppliers. Additionally, IFA's Energy Team is also working with the US Department of Energy and the Council of Development Finance Agencies to create a new category of Exempt Facilities Bonds that would enable (1) the construction of new electric transmission lines and (2) construction of renewable energy facilities with tax-exempt bonds.

- **Agriculture & Rural Development Initiative** – A more concise plan has been drafted and will be discussed during the next group call.

- **Treasury, Risk Management and Management Reporting** – committee meetings to improve practices

Program Development

- **Local Government –** Today's agenda includes a proposal to revise fees and streamline procedures for conduit Local Government Program Bonds. The objective of this proposal is to induce more activity. The recommended changes reflect input from various market participants.

- **Fire Truck and Ambulance Revolving Loan Funds -** IFA Legal began closing Fire Truck and Ambulance Loans immediately upon receipt of executed borrower Loan Agreements beginning the week of 4/27. Payment authorization has been sent to the Comptroller.

- The Spring 2009 Local Government Pool is now in marketing mode.

- Local Government Staff has already identified two borrowers that intend to finance through the Local Government Pool and submit applications within the next 30-60 days.

- Local Government Staff intends to work with eligible (i.e., “creditworthy”) Borrowers to facilitate interim financing of credit-approved borrowers with an existing, dedicated $2,561,229 (as of April 30, 2009) IRRB Special Reserve Fund (established for the Illinois Rural Bond Bank, an IFA predecessor). This IFA interim financing would enable (i) creditworthy borrowers to proceed with their financings and (ii) enable each IFA Local Government Pool to aggregate sufficient volume to provide economies of scale for participants.

- Local Government Staff have also been announcing changes in pricing to market participants (e.g., underwriters and financial advisors) and prospective borrowers as approved at the April Board Meeting.

- Proposals for Investment Bankers for the Local Government Programs are currently under review as of 5/1.

- SBA Micro Loan Program – Although the SBA Micro Loan Application is substantially complete, the application cannot be submitted to the U.S. Small Business Administration without a copy of IFA’s audited financial statements for FYE 6/30/2008 (which are due back to IFA in early May).

- Participation Loan and EDA Title IX Revolving Loan Fund, and USDA Rural Development Loan Programs: Additional review of these programs is underway. The option of redeploying IFA assets to provide guarantees (as a future alternative) will also be under review.

<u>Sales Activities</u>

Funding Managers will be presenting six financings totaling $35,358,950 for consideration at the May 12, 2009 board meeting:

- Agriculture projects total $663,950.
- Business and Industry projects total $4.0 Million.
- Non-Healthcare Projects (Cultural and other 501(c)(3)) total $28.5 Million.
- Healthcare Projects total $2,195,000.

The six financings presented for consideration today are expected to create 39 new jobs and 199 construction jobs.

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

<u>Agriculture</u>

IFA’s Ag staff fielded calls from fifteen lenders on inquiries for various projects. Additionally, staff also received calls from businesses and farmers seeking financing assistance. These inquiries included a beginning farmer bond, a rural development loan, and a potential application for the new micro-loan program at IFA that is currently under development.

For the month of May, staff is submitting 1 Beginning Farmer Bond and 1 Ag Restructuring Guarantee for consideration by the Board of Directors.

Agriculture, Beginning Farmer Bonds, April, 2009 Closing(s)

Closing Date	Amount	Borrower
04/01/2009	$103,200	Crystal & Thomas Joos, Buda, IL
04/06/2009	$164,000	James Nofftz, Tolono, IL
04/16/2009	$175,000	Michael Urish, Morrison, IL
04/30/2009	$229,632	Amber & Bradley Carriker, Raymond, IL
04/30/2009	$250,000	David Hartke, Litchfield, IL
04/30/2009	$107,500	Paul Shepherd, Hillsboro, IL
04/30/2009	$220,000	Neal Nelson, Orion, IL
04/30/2009	$240,000	Kal Engelkens, Milledgeville, IL
4/30/2009	$250,000	Nick & Lynde France, Table Grove , IL

Agriculture, Agri-Debt Guarantee, April 2009 Closing(s)

Closing Date	Amount	Borrower
04/23/2009	$325,000	John & Nancy Howard, Texico, IL

Business and Industry

As expected, IFA application and closing-related activity in the Business and Industry Sector remain well below levels posted in 2008. As a proxy for Business and Industry Activity, the following table compares 2009 and 2008 Industrial Revenue Bond applications and issuances for the first four calendar months (April 30th) of each year. Notably, although application volume is down, streamlined Volume Cap allocation procedures have enabled IFA's 2009 applications to close more expeditiously than in 2008.

For the 4 months ended April 30th:	# 2009	# 2008	$ 2009	$ 2008
IRB Applications	**2**	4	**$9,500,000**	$23,950,000
IRB Closings	**2**	0	**$20,000,000**	$0

The outlook for 2009 IFA Business & Industry activity suggested by IFA market participants is consistent with results from the US Department of the Treasury's Bank Lending Survey released April 15th: "Commercial and Industrial lending activity in February continued to weaken across all categories. Uncertain economic conditions have resulted in borrowers reducing expenses, paying down debt, and delaying capital expenditures… Companies continued to focus on preserving liquidity and strengthening their balance sheets..."

IFA's B&I Team will be focusing calls on Illinois-based manufacturers that service industries that remain relatively healthy during the current recession including (1) component suppliers to the wind turbine and other alternative energy sources, (2) the medical products industry.

Additionally, IFA's B&I team will be focusing on Exempt Facilities Financings (e.g., Private Water Utilities and certain other categories) that represent significant countercyclical financing opportunities. These financings represent a significant prospective growth segment given the focus on renewing America's water supply infrastructure.

IFA B&I Industry Team member Jim Senica made a presentation on IFA's Business Financing Programs at an entrepreneurial development and financing seminar sponsored by State Treasurer Alexi Giannoulias ("Entrepreneurship in Tough Times") in Decatur. Over 60 people attended this event, which was held at the Richland College Entrepreneurship Center.

Finally, IFA's B&I Team participated in an Illinois Fresh Food Initiative task force meeting held in Chicago. The purpose of this meeting was to finalize recommendations for the Initiative, which includes funding this initiative on an ongoing basis from various sources for the next three years. IFA's Townsend Albright will be representing the Authority on this initiative.

Business & Industry April 2009, Closing(s)

Closing Date	Amount	Borrower
04/08/2009	$10,000,000	Fitzpatrick Brothers, Quincy, IL

Healthcare

The Healthcare Team spent a majority of their time crafting the anticipated Medicaid Receivables and Hospital Assessment Program ("HAP") Securitization Programs with underwriters and attorneys. The Request for Proposal for underwriting firms was distributed and document preparation and review will begin shortly.

- IFA's Healthcare Team views this program extremely positively given that it will benefit both (1) the State of Illinois (i.e., resulting in increased federal funding as a result of having Medicare Account Receivables current) and (2) hospitals (by providing additional access to liquidity).

- As noted in last month's Executive Director's report, the Healthcare Team met with the President of the Illinois Hospital Association ("IHA") to discuss IFA programs that are under development to assist health care providers. There has been significant positive feedback from the President of IHA to IFA's Healthcare Team.

Also, during these discussions with Underwriters the Healthcare Team was able to determine 5 separate new issues for the 2009 fiscal year ranging from $20 million to $420 million.

In May, the Central DuPage Hospital financing for $90 million closed. The fixed rate market has improved significantly for high-grade AA credits with CDH issuing pricing at all-in TIC of 5.42%, a substantially improved rate compared to just weeks ago.

IFA's Healthcare Team will continue to work with Borrowers who are restructuring their plans of finance to try to get into this very turbulent and unpredictable market, such as The Admiral, Timothy Place and Silver Cross Hospital, which are financing new facilities.

Healthcare April, 2009 Closing(s)

Closing Date	Amount	Borrower
04/09/2009	$475,000,000	Northwestern Memorial Hospital, Chicago, IL
4/23/2009	$15,000,000	Bethany Gardens Assisted Living Center, Morton Grove, IL

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

Credit availability continues to be an ongoing issue for many IFA borrowers. Market participants have informally reported that the supply of Letters of Credit to support projects at or above $25 million remains tight. In particular, IFA has received reports from market participants that several mid investment grade, Non-healthcare borrowers with Triple-B and Single-A ratings have been having difficulties obtaining Letter of Credit financing commitments from banks.

Furthermore, 501(c)(3) entities with larger projects (i.e., $50 million or greater) are finding that prospective Letters of Credit providers have constrained Letters of Credit capacity compared to recent history. As a result, larger projects are having to negotiate with a larger syndicate of banks to support any proposed Letters of Credit secured financing.

Although Direct Purchase transactions are also a possibility, according to market participants, many Banks active in the Direct Purchase market focus on smaller financings of $15 million or under (or seek to be the Borrower's primary lender).

501(c)(3)'s April 2009, Closings

Closing Date	Amount	Borrower
4/29/2009	$4,000,000	Namaste Charter School, Chicago, IL

Staff Presentations/External Activities:

Members of IFA's Higher Education Team discussed the impact of the new, $30 Million Bank Qualification ("BQ") election provision with representatives of both (1) The Federation of Independent Illinois Colleges and Universities and (2) the Associated Colleges of Illinois.

- This Bank Qualification election provision will facilitate IFA issuances of Bonds of up to $30 Million pursuant to temporary provisions in the Federal Stimulus Legislation that will be effective until 2011. (This Bank Qualification election enables Commercial Banks to write-off costs associated with purchasing Bank Qualification Bonds as a portfolio investment, thereby providing Commercial Banks with a second tax incentive, in addition to tax-exempt interest income, thereby enabling the Bank to pass through additional savings to the Borrower on Bonds with Bank Qualification status.)

- The new Bank Qualification provision enables all 501(c)(3) entities with bond issues under $30 Million to:

    1. use IFA as an Issuer of Bank Qualification Bonds for the first time (historically, only municipalities and other small issuers have been able to issue Bank Qualification 501(c)(3) Bonds).

    2. prospectively reduce interest expense further for any Bond issue up to $30 Million that closes in calendar 2009 and 2010.

IFA Non-Healthcare 501(c)(3) Staff Members discussed financing projects with several Higher Education and General 501(c)(3) prospects.

Finally, IFA Senior Funding Manager Townsend Albright served as a Judge for an annual monetary grant award competition organized by the Alford-Axelson Center for Non-Profit Management (the "Center") at North Park University. Over 40 Illinois-based 501(c)(3) not-for-profit entities participated in this competition.

Local Government

IFA's Local Government Staff and IFA Legal have begun closing loans for the Ambulance and Fire Truck Revolving Loan programs. Loans will continue to close as executed Loan Agreements are received from each Borrower.

IFA's Local Government Team also made calls to all units of local government that approved referenda for school construction, community college expansion, and other local government capital projects. Additionally, IFA's Local Government Team discussed financing through IFA's mid-year Pooled Bond issuance with several prospects.

IFA's Local Government Team is also assessing the prospective impact of the Stimulus Bill's Taxable Build America Bonds as an alternative to traditional tax-exempt local government bond issues through IFA.

There were no Local Government Closings in April, 2009

Energy

Major initiatives include:

SB 1912: SB 1912 passed the Senate 54-1 on April 1st, and confirms IFA's authority to issue State Moral Obligation Bonds for renewable energy projects and to expand capacity to issue Agricultural Loan Guarantees. Passage would (1) improve IFA's ability to finance renewable energy projects consistent with the Obama Administration's "Clean, Renewable and American Energy Initiative" and (2) enable IFA to leverage substantial federal resources that have been appropriated under ARRA (i.e., the 2009 Stimulus Bill).and anticipated to be funded later this year. The House Executive Committee has scheduled a hearing on SB 1912 on May 6.

DOE Loan Guarantee: The US Department of Energy ("DOE") recently invited IFA to offer suggestions as to how conduit issuers might work with DOE to finance renewable energy projects on a joint basis. DOE is seeking to leverage the expertise and resources that conduit issuers, ratings agencies and private banks have to streamline and accelerate the process for evaluating loan guarantee applications. DOE plans to begin accepting applications by early summer for its newest program, Section 1705, which authorizes issuance of up to $70 billion in loan guarantees. DOE's consultants commended IFA for its commitment to energy development, depth of expertise assembled in its Illinois Energy Team, range of finance tools and a substantial project pipeline. The prospect of partnering with DOE offers an extraordinary opportunity to leverage State resources to attract projects and help developers obtain debt financing, today's most important development hurdle.

Wind: IFA is participating at the American Wind Energy Association ("AWEA") 2009 Conference, the world's largest wind conference, which is being held in Chicago on May 5th-8th. IFA and DCEO are co-sponsoring a booth and a reception that Governor Quinn and Chicago Mayor Richard Daley are expected to attend. Staff has been collaborating with the Illinois Power Agency to develop financing for wind power projects if SB 1912 is enacted into law.

Tax-Exempt Bonds: Relatively few privately owned energy projects can now be financed with tax-exempt bonds. IFA is working with the Council of Development Finance Authorities ("CDFA") to encourage Congress to authorize the issuance of Renewable Energy Bonds that would authorize the issuance of tax exempt bonds for privately owned renewable projects (such as wind power, hydro, solar and biodiesel) that can not now use them. Director Filan, Chris Meister and Rich Frampton attended the CDFA's 2009 Conference, which was held in Pittsburgh.

There were no Energy Closings in April, 2009

Venture Capital

Staff participated in Board meetings for zuChem, OHMX, VHT, zuChem, and Harmonic Vision. Updates for all companies were completed and distributed to the Venture Capital Board Committee.

Staff solicited proposals from three vendors interested in completing valuation reviews for companies in the Venture Fund. One vendor declined to respond. Two responses were received neither of which met either IFA needs or requirements. A draft outlining services required for use in a formal procurement solicitation was completed and circulated for internal review.

Facilities

The Springfield office relocation project was completed.

Human Resources

- Ethics training for all IFA staff and Board members was completed.
- All Statements of Economic Interest required of staff and board members were completed and submitted to the Secretary of State prior to the May 1, 2009 filing deadline.
- Open Enrollment for benefit plan year 2009-2010 was completed.
- Hired temporary staff to provide administrative services at the new Springfield office location.
- Completed and submitted IFA's Third Quarter EEOC/AA Report to the Illinois Department of Human Rights.

Treasury

Work continues on implementation of IFA's Investment Strategy. A draft of an updated Investment Policy has been completed and is being circulated for review by the Management Team. An RFP is being developed for an Investment Advisory Service provider. Staff is working with ISAC to determine if RFPs are needed to select providers offering Money Market and Government Bond Funds.

Operations

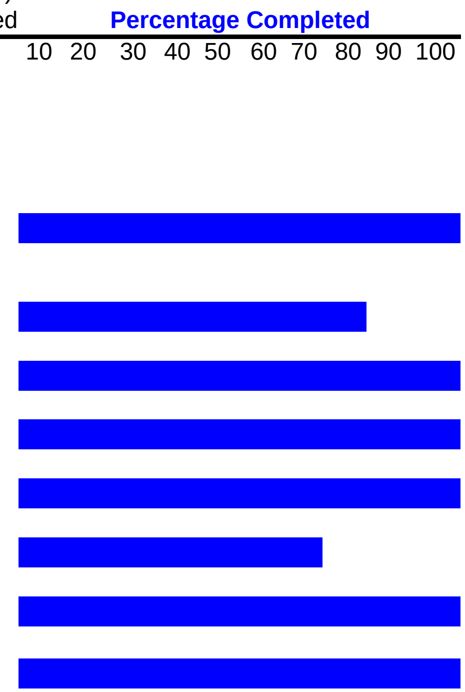
Risk Management: The insurance policy renewal was completed for IFA's Property and Casualty, and Crime Policy, insurance coverage. The current Professional Liability insurance coverage was extended for two additional months to provide time for the indemnification provision in IFA's by laws to be further reviewed and updated, and to allow IFA's insurance brokers more time to solicit proposals from underwriters.

Legal/Legislative

A verbal report will be provided at the April 14, 2009 meeting of the Committee of the Whole.

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

Item Number	Description	Estimated Completion Date	Status Action Items/ (not final) Action Items Completed
Total Number of 8			
FY 07 Material Findings			
07-01	Missing Policy on Nondiscrimination	7/31/2008	2/2
07-02	Failure to Report Revenue bond Information to the Illinois Office of the Comptroller		4/3
07-03	Bad-Debts not Referred to the Illinois Office of the Comptroller	7/31/2008	4/4
07-04	Noncompliance with the Illinois Procurement Code and SAMS Procedures	6/30/2008	2/2
07-05	Lack of Segregation of duties in Managing Property and Equipment	4/30/2008	**4/4**
07-06	No Established Rules to Administer Loan Programs		**2/1**
07-07	Authority is Not a Member of the Illinois Forestry Development Council	4/30/2008	**2/2**
07-08	Failure to Administer the Exporter Award Program	11/30/2008	**2/2**



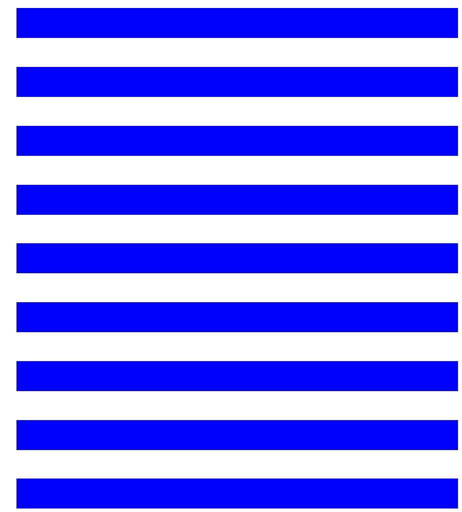
<50% = Partially Completed or under review
60% = Substantially Completed
100% = Completed

Finding 07-02 — The Authority is in constant communication with the Office of the Comptroller, with formal discussion/meetings quarterly. They have agreed to send their delinquency report quarterly. Letters have been sent to each trustee to remind them of their duty and to avoid having late CO 8's.

Finding 07- 06 — A draft for the rules have been written, but not approved.

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

Item Number	Description	Estimated Completion Date	Status Action Items/ (not final) Action Items Completed	Percentage Completed
				10 20 30 40 50 60 70 80 90 100
Total Number of 9				
FY 07 Immaterial Findings				
IM07-01	Approval of Incomplete Travel and Marketing Reimbursement Forms	3/31/2009	**4/4**	
IM07-02	Inadequate Processing and Untimely Deposit of Cash Receipts and Refunds	4/30/2008	**4/4**	
IM07-03	Corrected Agency Workforce Report was not Filed Timely	4/30/2008	**4/4**	
IM07-04	Use of Telecommunications Devices Not Properly Monitored	4/30/2008	**3/3**	
IM07-05	Outdated Investment Report	4/30/2008	**4/4**	
IM07-06	Allowance of Old Accounts Receivable Not Performed	7/31/2008	**4/4**	
IM07-07	Statement of Economic Interest Report Not Filed Timely	4/30/2008	**4/4**	
IM07-08	Failure to File for a Refund of Telephone Excise Tax	4/30/2008	**2/2**	
IM07-09	Noncompliance with Printing Requirements	4/30/2008	**2/2**	



<50% = Partially Completed or under review
60% = Substantially Completed
100% = Completed

Illinois Finance Authority
General Fund
Unaudited
Balance Sheet
for the Ten Months Ending April 30, 2009

	Actual April 2009
ASSETS	
CASH & INVESTMENTS, UNRESTRICTED	$ 14,377,839
RECEIVABLES, NET	70,594
LOAN RECEIVABLE, NET	24,728,210
OTHER RECEIVABLES	187,869
PREPAID EXPENSES	59,809
TOTAL CURRENT ASSETS	39,424,321
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	109,652
DEFERRED ISSUANCE COSTS	436,399
OTHER ASSETS	
CASH, INVESTMENTS & RESERVES	871,796
VENTURE CAPITAL INVESTMENTS	-
OTHER	1,806,416
TOTAL OTHER ASSETS	2,678,212
TOTAL ASSETS	$ 42,648,584
LIABILITIES	
CURRENT LIABILITIES	$ 1,002,563
LONG-TERM LIABILITIES	627,147
TOTAL LIABILITIES	1,629,710
EQUITY	
CONTRIBUTED CAPITAL	4,111,479
RETAINED EARNINGS	23,058,506
NET INCOME / (LOSS)	1,877,592
RESERVED/RESTRICTED FUND BALANCE	1,732,164
UNRESERVED FUND BALANCE	10,239,134
TOTAL EQUITY	41,018,874
TOTAL LIABILITIES & EQUITY	$ 42,648,584

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

	Actual April 2009	Budget April 2009	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2009	Budget YTD FY 2009	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2009	% of Budget Expended
REVENUE										
INTEREST ON LOANS	106,506	101,110	5,396	5.34%	1,092,743	1,174,600	(81,857)	-6.97%	1,374,474	79.50%
INVESTMENT INTEREST & GAIN(LOSS)	6,867	46,384	(39,517)	-85.20%	226,342	453,768	(227,426)	-50.12%	547,221	41.36%
ADMINISTRATIONS & APPLICATION FEES	389,491	487,517	(98,026)	-20.11%	4,247,691	4,823,795	(576,104)	-11.94%	5,781,179	73.47%
ANNUAL ISSUANCE & LOAN FEES	53,403	61,155	(7,753)	-12.68%	545,607	557,454	(11,847)	-2.13%	665,579	81.97%
OTHER INCOME	8,633	-	8,633	0.00%	87,312	-	87,312	0.00%	-	0.00%
TOTAL REVENUE	564,900	696,166	(131,266)	-18.86%	6,199,695	7,009,617	(809,922)	-11.55%	8,368,453	74.08%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	222,820	265,585	(42,765)	-16.10%	2,331,397	2,670,175	(338,778)	-12.69%	3,206,787	72.70%
BENEFITS	24,064	23,288	776	3.33%	241,077	235,343	5,734	2.44%	281,903	85.52%
TEMPORARY HELP	1,200	3,333	(2,133)	-64.00%	52,680	33,330	19,350	58.06%	40,000	131.70%
EDUCATION & DEVELOPMENT	-	417	(417)	0.00%	893	4,170	(3,277)	-78.58%	5,000	17.87%
TRAVEL & AUTO	5,763	10,250	(4,487)	-43.77%	53,252	102,500	(49,248)	-48.05%	123,000	43.29%
TOTAL EMPLOYEE RELATED EXPENSES	253,847	302,873	(49,026)	-16.19%	2,679,299	3,045,518	(366,219)	-12.02%	3,656,690	73.27%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	8,037	66,867	(58,830)	-87.98%	245,552	668,670	(423,118)	-63.28%	802,400	30.60%
LOAN EXPENSE & BANK FEE	10,046	11,825	(1,779)	-15.04%	111,653	118,250	(6,597)	-5.58%	141,900	78.68%
ACCOUNTING & AUDITING	21,708	29,764	(8,056)	-27.07%	268,422	297,640	(29,218)	-9.82%	357,168	75.15%
MARKETING GENERAL	15,786	8,333	7,453	89.44%	39,007	83,330	(44,323)	-53.19%	100,000	39.01%
FINANCIAL ADVISORY	30,000	25,000	5,000	20.00%	270,075	250,000	20,075	8.03%	300,000	90.03%
CONFERENCE/TRAINING	1,325	1,250	75	0.00%	10,621	12,500	(1,879)	-15.03%	15,000	70.81%
MISC. PROFESSIONAL SERVICES	-	-	-	0.00%	20,000	-	20,000	0.00%	-	0.00%
DATA PROCESSING	5,951	3,750	2,201	58.68%	37,214	37,500	(286)	-0.76%	45,000	82.70%
TOTAL PROFESSIONAL SERVICES	92,853	146,789	(53,936)	-36.74%	1,002,544	1,467,890	(465,346)	-31.70%	1,761,468	56.92%

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

	Actual April 2009	Budget April 2009	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2009	Budget YTD FY 2009	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2009	% of Budget Expended
OCCUPANCY COSTS										
OFFICE RENT	25,638	25,905	(267)	-1.03%	248,210	259,050	(10,840)	-4.18%	310,860	79.85%
EQUIPMENT RENTAL AND PURCHASES	4,187	3,867	320	8.28%	49,819	38,670	11,149	28.83%	46,404	107.36%
TELECOMMUNICATIONS	4,342	5,420	(1,078)	-19.89%	51,193	54,200	(3,007)	-5.55%	65,040	78.71%
UTILITIES	821	933	(112)	-11.98%	12,578	9,330	3,248	34.81%	11,196	112.34%
DEPRECIATION	5,247	7,355	(2,108)	-28.66%	61,050	73,550	(12,500)	-16.99%	88,256	69.17%
INSURANCE	1,400	1,500	(100)	-6.67%	13,267	15,000	(1,733)	-11.56%	18,000	73.70%
TOTAL OCCUPANCY COSTS	41,635	44,980	(3,345)	-7.44%	436,117	449,800	(13,683)	-3.04%	539,756	80.80%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	6,732	9,450	(2,718)	-28.76%	74,173	94,500	(20,327)	-21.51%	113,400	65.41%
BOARD MEETING - EXPENSES	1,539	2,983	(1,444)	-48.39%	32,105	29,830	2,275	7.63%	35,796	89.69%
PRINTING	400	1,200	(800)	-66.67%	12,694	12,000	694	5.78%	14,400	88.15%
POSTAGE & FREIGHT	1,987	2,300	(313)	-13.63%	20,811	23,000	(2,189)	-9.52%	27,600	75.40%
MEMBERSHIP, DUES & CONTRIBUTIONS	4,844	3,083	1,761	57.12%	36,458	30,830	5,628	18.25%	36,996	98.54%
PUBLICATIONS	129	300	(171)	-57.10%	3,254	3,000	254	8.47%	3,600	90.39%
OFFICERS & DIRECTORS INSURANCE	15,000	14,524	476	3.28%	147,682	145,240	2,442	1.68%	174,292	84.73%
MISCELLANEOUS	-	42	(42)	0.00%	4,048	420	3,628	863.90%	504	803.25%
TOTAL GENL & ADMIN EXPENSES	30,631	33,882	(3,251)	-9.60%	331,225	338,820	(7,595)	-2.24%	406,588	81.46%
LOAN LOSS PROVISION/BAD DEBT	8,333	8,333	-	0.00%	(106,957)	83,330	(190,287)	-228.35%	100,000	-106.96%
OTHER										
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL EXPENSES	427,299	536,857	(109,558)	-20.41%	4,342,228	5,385,358	(1,043,130)	-19.37%	6,464,502	67.17%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	137,601	159,309	(21,708)	-13.63%	1,857,467	1,624,259	233,208	14.36%	1,903,951	97.56%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	-	-	-	0.00%	20,125	-	20,125	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	137,601	159,309	(21,708)	-13.63%	1,877,592	1,624,259	253,333	15.60%	1,903,951	98.62%

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

	Actual April 2009	Actual April 2008	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2009	Actual YTD FY 2008	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	106,506	123,113	(16,607)	-13.49%	1,092,743	1,294,936	(202,193)	-15.61%
INVESTMENT INTEREST & GAIN(LOSS)	6,867	28,538	(21,671)	-75.94%	226,342	507,288	(280,947)	-55.38%
ADMINISTRATIONS & APPLICATION FEES	389,491	493,061	(103,570)	-21.01%	4,247,691	4,625,097	(377,406)	-8.16%
ANNUAL ISSUANCE & LOAN FEES	53,403	67,810	(14,408)	-21.25%	545,607	725,612	(180,005)	-24.81%
OTHER INCOME	8,633	11,417	(2,784)	0.00%	87,312	143,770	(56,457)	0.00%
						-	-	-
TOTAL REVENUE	564,900	723,940	(159,040)	-21.97%	6,199,695	7,296,703	(1,097,008)	-15.03%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	222,820	227,401	(4,581)	-2.01%	2,331,397	2,597,568	(266,171)	-10.25%
BENEFITS	24,064	21,662	2,402	11.09%	241,077	229,069	12,008	5.24%
TEMPORARY HELP	1,200	4,092	(2,892)	-70.67%	52,680	69,562	(16,882)	-24.27%
EDUCATION & DEVELOPMENT	-	-	-	0.00%	893	3,553	(2,660)	-74.85%
TRAVEL & AUTO	5,763	8,183	(2,420)	-29.57%	53,252	103,489	(50,237)	-48.54%
TOTAL EMPLOYEE RELATED EXPENSES	253,847	261,338	(7,491)	-2.87%	2,679,299	3,003,242	(323,943)	-10.79%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	8,037	32,163	(24,126)	-75.01%	245,552	696,661	(451,109)	-64.75%
LOAN EXPENSE & BANK FEE	10,046	12,195	(2,149)	-17.62%	111,653	129,787	(18,134)	-13.97%
ACCOUNTING & AUDITING	21,708	27,073	(5,365)	-19.82%	268,422	301,615	(33,194)	-11.01%
MARKETING GENERAL	15,786	7,420	8,366	112.75%	39,007	47,570	(8,562)	-18.00%
FINANCIAL ADVISORY	30,000	24,000	6,000	25.00%	270,075	240,559	29,516	12.27%
CONFERENCE/TRAINING	1,325	750	575	0.00%	10,621	5,843	4,778	81.77%
MISC. PROFESSIONAL SERVICES	-	-	-	0.00%	20,000	12,055	7,945	0.00%
DATA PROCESSING	5,951	6,780	(829)	-12.23%	37,214	47,786	(10,573)	-22.12%
TOTAL PROFESSIONAL SERVICES	92,853	110,381	(17,528)	-15.88%	1,002,544	1,481,876	(479,333)	-32.35%

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

	Actual April 2009	Actual April 2008	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2009	Actual YTD FY 2008	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	25,638	25,671	(34)	-0.13%	248,210	238,550	9,660	4.05%
EQUIPMENT RENTAL AND PURCHASES	4,187	3,508	679	19.34%	49,819	55,601	(5,782)	-10.40%
TELECOMMUNICATIONS	4,342	5,198	(856)	-16.47%	51,193	62,641	(11,448)	-18.28%
UTILITIES	821	857	(36)	-4.18%	12,578	10,394	2,184	21.01%
DEPRECIATION	5,247	7,249	(2,002)	-27.62%	61,050	63,930	(2,880)	-4.50%
INSURANCE	1,400	1,802	(402)	-22.31%	13,267	13,935	(668)	-4.79%
TOTAL OCCUPANCY COSTS	41,635	44,286	(2,651)	-5.99%	436,117	445,051	(8,934)	-2.01%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	6,732	9,374	(2,642)	-28.19%	74,173	78,549	(4,376)	-5.57%
BOARD MEETING - EXPENSES	1,539	847	692	81.67%	32,105	45,830	(13,725)	-29.95%
PRINTING	400	1,007	(607)	-60.27%	12,694	13,238	(544)	-4.11%
POSTAGE & FREIGHT	1,987	2,612	(626)	-23.95%	20,811	24,110	(3,299)	-13.68%
MEMBERSHIP, DUES & CONTRIBUTIONS	4,844	6,096	(1,252)	-20.54%	36,458	39,162	(2,704)	-6.90%
PUBLICATIONS	129	142	(14)	-9.65%	3,254	1,998	1,256	62.87%
OFFICERS & DIRECTORS INSURANCE	15,000	14,524	476	3.28%	147,682	147,242	440	0.30%
MISCELLANEOUS	-	-	-	0.00%	4,048	1,348	2,700	200.23%
TOTAL GENL & ADMIN EXPENSES	30,631	34,604	(3,973)	-11.48%	331,225	351,476	(20,251)	-5.76%
LOAN LOSS PROVISION/BAD DEBT	8,333	33,333	(25,000)	-75.00%	(106,957)	319,290	(426,247)	-133.50%
OTHER								
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%
TOTAL EXPENSES	427,299	483,942	(56,643)	-11.70%	4,342,228	5,600,935	(1,258,708)	-22.47%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	137,601	239,998	(102,397)	-42.67%	1,857,467	1,695,768	161,699	9.54%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	53,189	(53,189)	0.00%
TRANSFER	-	-	-	0.00%	20,125	794,262	(774,137)	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	137,601	239,998	(102,397)	-42.67%	1,877,592	2,543,219	(665,627)	-26.17%

Illinois Finance Authority
Consolidated
Unaudited
Balance Sheet
for the Ten Months Ending April 30, 2009

	Actual April 2008	Actual April 2009	Budget April 2009	Variance to budget
ASSETS				
CASH & INVESTMENTS, UNRESTRICTED	$ 20,350,707	$ 27,748,461	25,457,430	$ 2,291,031
RECEIVABLES, NET	1,569,447	1,326,524	291,626	1,034,898
LOAN RECEIVABLE, NET	88,393,272	82,981,583	107,081,522	(24,099,939)
OTHER RECEIVABLES	373,479	899,409	1,157,351	(257,942)
PREPAID EXPENSES	207,425	59,809	170,555	(110,746)
TOTAL CURRENT ASSETS	110,894,331	113,015,786	134,158,484	(21,142,698)
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	203,361	109,652	125,488	(15,836)
DEFERRED ISSUANCE COSTS	706,318	591,567	618,923	(27,356)
OTHER ASSETS				
CASH, INVESTMENTS & RESERVES	36,887,727	49,066,100	39,552,336	9,513,764
VENTURE CAPITAL INVESTMENTS	5,738,224	5,377,739	5,738,223	(360,484)
OTHER	3,682,072	3,646,693	3,682,072	(35,379)
TOTAL OTHER ASSETS	46,308,023	58,090,532	48,972,631	9,117,901
TOTAL ASSETS	$ 158,112,033	$ 171,807,538	$ 183,875,526	$ (12,067,989)
LIABILITIES				
CURRENT LIABILITIES	$ 1,176,464	$ 1,108,559	728,096	$ 380,463
LONG-TERM LIABILITIES	59,860,945	57,089,220	68,180,829	(11,091,611)
TOTAL LIABILITIES	61,037,409	58,197,779	68,908,925	(10,711,148)
EQUITY				
CONTRIBUTED CAPITAL	36,061,462	35,608,692	35,608,692	-
RETAINED EARNINGS	17,921,049	24,799,651	24,799,651	-
NET INCOME / (LOSS)	5,035,391	792,263	2,149,105	(1,356,842)
RESERVED/RESTRICTED FUND BALANCE	25,491,190	39,760,982	39,760,982	-
UNRESERVED FUND BALANCE	12,565,531	12,648,171	12,648,171	-
TOTAL EQUITY	97,074,623	113,609,758	114,966,601	(1,356,842)
TOTAL LIABILITIES & EQUITY	$ 158,112,033	$ 171,807,538	$ 183,875,526	$ (12,067,989)

General Operating Fund
Projected Cash Flow
for the Two months ending June 30, 2009

Cash Beg. Bal as of 04/30/2009		14,292,839
Projected Additions: May thru Jun 09		
Administration Fees & Application Fees	931,265	
Service Fees	57,744	
Interest on Loans	197,228	
Principal Bal. Reductions	398,905	
Investment Income	20,000	
Total projected income		1,605,142
Total Incoming Cash Flows thru June 30, 2009		15,897,981
Deductions:		
Operating Expenses May thru June 09	882,886	
Less non cash transactions		
Depreciation Expense	(11,370)	
Cost of issuance	(14,000)	
Loan Loss provision	(8,000)	
Total Outflows in Operating Exp.	849,516	
Loans to be funded/approved by the board as of April 09 board meeting	2,385,000	
	2,385,000	
Total Outflows as of June 30, 2009		3,234,516
Ending Cash balance as of 6/30/09		12,663,465
Net Increase/(decrease) on cash		(1,629,374)
Reserve for 6 months Operating Expenses	3,150,000	
	3,150,000	
Total Cash Available as of June 30, 2009		9,513,465

General Operating Fund
Projected Cash Flow
For Fiscal Year 2009

Cash Beg. Bal as of 06/30/08		9,886,971
Additions:		
Principal repayments Jul 08 thru April 09	3,891,517	
Revenues from Jul 08 thru April 09 Collected in cash	7,483,178	
Total cash Receipts		11,374,695
Total Cash		21,261,666
Projected Additions: May 09 thru Jun 09		
Administration Fees & Application Fees	931,265	
Service Fees	57,744	
Interest on Loans	197,228	
Principal Bal. Reductions	398,905	
Investment Income	20,000	
Total projected income		1,605,142
Total Incoming Cash Flows thru June 30, 2009		22,866,808
Deductions:		
Expenses from July 08 thru Apr 09 Paid in cash	4,258,605	
Projected Operating Expenses May 09 thru June 09	882,886	
Less non cash transactions		
Depreciation Expense	(11,370)	
Cost of issuance	(14,000)	
Loan Loss provision	(8,000)	
Total Outflows in Operating Exp.	5,108,121	
Loans funded Jul 08 thru Apr 09	2,710,222	
Loans to be funded/approved by the board as of April 09 board meeting	2,385,000	
Potential loan prospects	-	
Total Loans	5,095,222	
Total Outflows as of June 30, 2009		10,203,343
Ending Cash balance as of 6/30/09		12,663,465
Net increase/(decrease) on cash		2,776,494
Reserve for 6 months Operating Expenses	3,150,000	
	3,150,000	
Total Cash Available as of June 30, 2009		9,513,465

MINUTES OF THE APRIL 14, 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 April 14, 2009 at the James R. Thompson Center, Senate Conference Room, 16th Floor, Room No. 16-503, Chicago, Illinois.

Members present:	Members absent:	Members participating by telephone:
William A. Brandt, Jr., Chairman	April D. Verrett	Dr. Roger D. Herrin
Michael W. Goetz, Vice Chairman		Edward H. Leonard, Sr.
Dr. William J. Barclay	**Vacancies:**	
Ronald E. DeNard	4	
James J. Fuentes		
Terrence M. O'Brien		
Juan B. Rivera		
Bradley A. Zeller		

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 Secretary, Carla Burgess Jones to call the roll. There being eight (8) members physically present, and two (2) members on the phone, Ms. Burgess Jones declared a quorum present.

Acceptance of Financial Statements

Financial statements for the period ending March 31, 2009, were presented to members of the Board and accepted by the Board. Chairman Brandt stated that the Authority's financial statements 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 March 31, 2009 Financial Statements. The motion was moved by Mr. Rivera and seconded by Dr. Barclay. The March 31, 2009 Financial Statements were unanimously approved by members of the Board.

Minutes

Chairman Brandt announced that the next order of business was to approve the minutes of the March 10, 2009 Meeting of the Board of Directors. Chairman Brandt announced that the March 10, 2009 minutes were reviewed at the regularly scheduled

Committee of the Whole Meeting held today at 8:30 a.m. The March 10, 2009 minutes were unanimously approved by members of the Board.

Executive Director's Remarks

Director Filan announced that at today's meeting eight (8) financings and four (4) Beginning Farmer Bonds will be presented to members of the board for approval. Director Filan announced that the projects being presented for approval today are expected to create 145 new jobs and 1,388 construction jobs for the State of Illinois.

Director Filan reported that the healthcare sector continues to meet with various state and local organizations in its efforts to provide financing assistance to hospitals across the State of Illinois, with particular focus on assisting safety net hospitals.

Director Filan reported that the IFA's Energy Initiative continues to progress and that the IFA will co-sponsor an information booth at the American Wind Energy Association Conference that will be held in Chicago in May, 2009.

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. 3: **N-NP-TE-CD-8223 – Museum of Science and Industry**

Request for preliminary approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed $115M. Bond proceeds will be used to refinance outstanding Variable Rate Demand Bonds, finance the purchase and installation of new HVAC equipment, finance and refinance capital expenditures, and pay issuance costs. This project is located in Chicago, Illinois. This project is expected to create 22 new jobs and 914 construction jobs. **(09-04-03).**

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. There were no guests. Chairman Brandt asked Secretary Burgess Jones to take a roll call vote. Project No. 3 received preliminary approval with 9 ayes, 0 nays, and 1 abstention. Mr. Fuentes abstained from voting on Project No. 3 because he serves on the board of the Museum of Science and Industry.

No. 1: **A-FB-TE-CD-8229 – Kal Engelkens**

Request for final approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed $240,000 for the purchase of 75 acres of farmland. This project is located in Milledgeville, Illinois. **(09-04-01).**

A-FB-TE-CD-8230 – Cody A. Purdom
Request for final approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed $120,000 for the purchase of a 1/3 interest in 95 acres of farmland and equipment. This project is located in Marengo, Illinois. **(09-04-01).**

A-FB-TE-CD-8231 – Paul Shepherd
Request for final approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed $110,000 for the purchase of 55 acres of farmland. This project is located in Hillsboro, Illinois. **(09-04-01).**

A-FB-TE-CD-8232 – Brian and Evelyn Bielfeldt
Request for final approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed $95,000 for the purchase of 40 acres of farmland. This project is located in Paxton, Illinois. **(09-04-01).**

No guests attended with respect to the four (4) Beginning Farmer Bonds that were presented. Chairman Brandt asked if the Board had any questions with respect to the four (4) Beginning Farmer Bonds that were presented. There being none, Chairman Brandt asked Secretary Burgess Jones to take a roll call vote. The four (4) Beginning Farmer Bonds listed under Project No. 1 received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 2: **I-ID-TE-CD-8226 – Carri Scharf Materials Company**
Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed $4M. Bond proceeds will be used to finance the acquisition of new dredging equipment, finance legal and professional costs and issuance costs. This project is expected to create 9 new jobs within two years. This project is located in Spring Bay, Illinois. **(09-04-02).**

This financing will require $4M of 2009 IFA Volume Cap.

No. 6: **H-SL-RE-TE-CD-8233 – Norwood Crossing**
Request for preliminary approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed $30M. Bond proceeds will be used to construct and equip a new facility, repay monies used to finance development and construction, fund interest expense, fund certain credit enhancement costs, and pay issuance costs. This project is expected to create 44 new jobs and 200 construction jobs. This project is located in Chicago, Illinois. **(09-04-06).**

No guests attended with respect to Project Nos. 2 and 6. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 2 and 6. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 2 and 6. Leave was granted. Project Nos. 2 and 6 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

No. 7: **<u>H-HO-TE-CD-8052 – Bethany Gardens Assisted Living Center at Bethany Terrace Nursing Center</u>**
Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed $15M. Bond proceeds will be used to finance construction, reimburse project related expenses, and fund an interest reserve account. This project is expected to create 50 new jobs and 40-50 construction jobs. This project is located in Morton Grove, Illinois. **(09-04-07).**

On behalf of the IFA Board of Directors, Chairman Brandt gave special recognition to representatives attending the meeting from MB Financial Bank on behalf of Bethany Gardens Assisted Living Center at Bethany Terrace Nursing Center. Chairman Brandt thanked MB Financial Bank for serving as a Bond Purchaser on a number of IFA 501(c)3 projects, and for the Bank's dedication to helping to create economic support in communities throughout the State of Illinois.

No. 8: **<u>H-HO-TE-CD-8234 – Provena Health</u>**
Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed $200M. Bond proceeds will be used to pay or reimburse the Borrower for, or refinance outstanding taxable indebtedness, pay a portion of the interest on the Bonds, fund one or more debt service reserve funds, provide working capital, and pay certain expenses incurred in connection with the issuance of the Bonds. This project is located in Chicago, Illinois. **(09-04-08).**

No guests attended with respect to Project Nos. 7 and 8. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 7 and 8. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 7 and 8. Leave was granted. Project Nos. 7 and 8 received final approval with 10 ayes, 0 nays, and 0 abstentions.

<u>Resolutions / Amendatory Resolutions</u>

No. 9: **Sunshine Through Golf Foundation Amendatory Resolution.** Request to authorize execution of an Amended and Restated Trust Indenture and Loan Agreement and related documents to enable LOC replacement and an extension of the Final Maturity Date of IFA Series 2004 Bonds. **(09-04-09).**

No. 10: **Prairie Power Amendatory Resolution.** Request to authorize an Amendment to $51.2M in IFA Solid Waste Disposal Facilities Revenue Bonds, Series 2008, to permit a conversion to non-AMT Status and the addition of a 13-month Interest Mode Option. **(09-04-10).**

No. 11: **Local Government Bond Program Resolution**. Resolution to request Authorized Pricing and Process changes to the IFA Local Government Bond Program. **(09-04-11).**

No. 12: **Battery Initiative Resolution.** Resolution to delegate to staff and a board sub-committee the authority to negotiate and develop financing offers with respect to an American energy independence battery initiative, subject to Board ratification if necessary. **(09-04-12).**

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

No. 4: **<u>N-NP-TE-CD-828 – Near North Montessori School</u>**
Request for preliminary approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed $12M. Bond proceeds will be used to finance construction, renovations, purchase equipment and furnishings and to pay certain bond issuance costs. This project is expected to create 5 new jobs and 84 construction jobs. This project is located in Chicago, Illinois. **(09-04-04).**

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 4. Ms. Sharnell Curtis-Martin, Senior Funding Manager, introduced Ms. Linda Rudnick, Finance Director and Ms. Mieko Yoshita, Operations & Facilities Director. Ms. Rudnick thanked the Board for its consideration, and gave a brief history of the school. Ms. Rudnick also shared with the Board that the financing received for this project is very critical to the school's operations costs and will provide new jobs and construction jobs for residents of Illinois.

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

No. 5: **<u>N-NP-TE-CD-8225 – Namaste Charter School</u>**
Request for final approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed $4M. Bond proceeds will be used to finance construction, purchase equipment and furnishings, pay capitalized interest and pay issuance costs. This project is expected to create 15 new jobs and 150 construction jobs. This project is located in Chicago, Illinois. **(09-04-05).**

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 5. Ms. Sharnell Curtis-Martin, Senior Funding Manager, introduced Ms. Kathleen Clark, Director of School Operations, and Ms. Jill Levine. Ms. Levine thanked the Board for its consideration, and gave a brief summary of some of the school's activities.

Chairman Brandt asked if the Board had any questions for Ms. Levine. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 5. Leave was granted. Project No. 5 received final approval with 10 ayes, 0 nays, and 0 abstentions.

Other Business

Chairman Brandt asked if there was any other business to come before the Board. There being none, Chairman Brandt requested a motion to adjourn. Upon a motion by Mr. Goetz and seconded by Mr. O'Brien, the meeting adjourned at approximately 12:17 p.m.

Respectfully Submitted

Carla B. Burgess Jones, Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Reed/lk

Date: May 12, 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
- **Amounts:** Up to $250,000 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: $250,000.00**
- **Calendar Year Summary:** (as of May 12, 2009)
  - Volume Cap: $15,000,000.00
  - Volume Cap Committed: $4,241,486.00
  - Volume Remaining: $10,758,514.00
  - Average Acreage Farm Size: 85
  - Number of Farms Financed: 21
- **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

Project Number:	**A-FB-TE-CD-8238**
Funding Manager:	Eric Reed
Borrower(s):	**Kane, Jason W.**
Borrower Benefit:	First Time Land Buyer
Town:	Smithshire, IL
Amount:	$250,000
Use of Funds:	Farmland – 188 acres
Purchase Price:	$500,000 / ($2,660 per ac)
%Borrower Equity	0%
%Other Agency	50%
%IFA	50%
County/Region:	Warren / West Central
Lender/Bond Purchaser	Midwest Bank of Western IL / Brad Ray
Legislative Districts:	Congressional: 17th, Phil Hare
	State Senate: 47th, John Sullivan
	State House: 94th, Richard Myers

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

*__Jason W. Kane__: Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.00% fixed for the first five years and adjust every five years thereafter equal to prime as listed in the Wall Street Journal with a floor rate of 5.00%. IFA Fee: $3,750

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

IFA ILLINOIS FINANCE AUTHORITY

NON-CONDUIT

May 12, 2009

$413,950
Mark and Karen Donoho
AGRI- DEBT GUARANTEE

REQUEST	Purpose: Provide 85% loan guarantee in favor of Peoples National Bank to facilitate the restructuring of the borrower's debts. Project Description: The proposed loan of $487,000 is part of the overall refinancing package proposed by the lender. By refinancing their debts, the borrowers will be able to restructure debts properly and improve cash flow. Program: Product Type: Agri-Debt Guarantee State Treasurer's Funds at Risk:$413,950 Conditions: none
BOARD ACTIONS	Final Voting Record: None prior
MATERIAL CHANGES	N/A
JOB DATA	N/A Current jobs N/A New jobs projected N/A Retained jobs N/A Construction jobs projected
BORROWER DESCRIPTION	● Type of entity: Sole-Proprietorship ● Location: Keenes/Southern Region ● When was it established: 1979 ● What does the entity do: Grain and pumpkin Farm ● Who does the entity serve: N/A ● What will new project facilitate: Refinancing of borrower's debts
CREDIT INDICATORS	
Proposed Structure	Originating Bank: Peoples National Bank Collateral: 160 Acres Collateral Position: 1st Corporate Guarantor: ________N/A_____ Personal Guarantor: N/A Maturity Years: 25 Years Interest Rate: 6.5% fixed for 3 years
Sources and Uses	New Bank Loan: $487,000 Refinancing $487,000 Total $487,000 Total $ 487,000
Recommendation	Staff Recommends Approval Credit Review Committee Recommends Approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 12, 2009

Project: Mark and Karen Donoho

STATISTICS

Project Number:	A-DR-GT-8239	Amount:	$413,950
Type:	Agri-Debt Guarantee	IFA Staff:	Eric Reed
County/Region:	Jefferson/Southern	City:	Bluford

BOARD ACTION

Final Resolution
State Treasurer's Reserve Funds at risk: $413,950
Credit Committee Recommends Approval

Extraordinary conditions: None
Additional covenants: Subordination of PNB Equipment Loan to Real Estate Loan.

VOTING RECORD

None.

PURPOSE

Use of proceeds: Refinance and restructure various existing debts for the borrower.

IFA PROGRAM AND CONTRIBUTION

The Authority's Agriculture Guarantee Program guarantees up to 85% of a bank's loans to Illinois farmers and agribusiness owners. The Agri-Debt Restructuring Guarantee Program is available to assist farmers to consolidate and extend the term of agricultural debt. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are backed by an IFA reserve funded for this program and are also full faith and credit obligations of the State of Illinois. IFA's issuance of guarantees helps borrowers obtain debt financing at reduced rates of interest and improved terms.

VOLUME CAP

N/A

JOBS

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Guarantee:	$413,950	Uses:	Equipment Debt	$268,000
	Peoples National Bank	$73,050		Carryover Debt	$ 55,000
				Real Estate Debt	$164,000
	Total	**$487,000**			**$487,000**

FINANCING SUMMARY/STRUCTURE

Security:	1st real estate mortgage on 160 acres of farm land and all improvements.
Structure:	25 year term with annual payments of principal and interest.
Interest Rate:	See confidential section
Interest Mode:	Adjustable

Credit Enhancement:	IFA 85% Guarantee
Maturity:	25 years
Estimated Closing Date:	June 15, 2009

PROJECT SUMMARY

Summary: Mark and Karen Donoho are seeking to refinance various accounts payable, equipment debt, and real estate mortgages through Peoples National Bank. Peoples National Bank has proposed a 25 year loan in the amount of $487,000, secured by a 1st mortgage on 160 acres of farm land. As part of the total refinancing package, Peoples National Bank will also originate a $155,000 4 year term loan secured by equipment.

Project Rationale: With the approval of the proposed loan transaction, the borrower's debts will be structured properly and cash flow and liquidity will be improved. Due to cash flow problems and inconsistent cash flow, Peoples National Bank has requested an IFA guarantee to solidify the bank's position and allow the bank to continue with financing. The new loan will also provide significant interest rate savings for the borrower, as their current debts carry between 9% and 12% interest rates.

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

BUSINESS SUMMARY

Mark and Karen Donoho operate a 1,500 acre farm in Eastern Jefferson County. The Donohos raise yellow corn, white corn, soybeans, and pumpkins. The majority of their operation is devoted to the specialty crops of white corn and pumpkins, which are raised and sold on contract.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Mark and Karen Donoho
Project Location:	23399 N. Heritage Lane Bluford, IL 62814
Borrower:	Mark and Karen Donoho
Ownership:	Sole Proprietorship

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	N/A		
Accountant:	Aldag & Associates	Mt. Vernon	Louis Aldag
Originating Bank:	Peoples National Bank	Mt. Vernon	Mark Kabat
Bank Counsel:	N/A		
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott
IFA Counsel:	N/A		

LEGISLATIVE DISTRICTS

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

SERVICE AREA

N/A

BACKGROUND INFORMATION

Mark and Karen Donoho operate a 1,500 acre grain and pumpkin farm in Eastern Jefferson County. The Donohos raise traditional row crops as yellow corn and soybeans, as well as specialty crops of white corn and pumpkins, which are grown on contract. The Donohos contract the sale of their white corn with Atzeca Milling in Evansville, IN, while they grow pumpkins on contract for Frey Farms Produce headquartered in Keenes, IL.

Mark is 49 years old and has farmed all his life, while Karen is 51 and works as a part time teacher at Frontier College in Fairfield. Mark Donoho began working for Frey Farms Produce at the age of 19, which evolved into a partnership whereby Mr. Donoho now raises pumpkins for the Freys. The Donohos primarily raise jack lantern pumpkins for Frey's rather than pumpkins for processing. Most of their pumpkins are sold in retail locations such as Kroger and Wal-Mart.

Frey Farms Produce is headquartered in Keenes, IL with operations in also located in Poseyville, IN. In addition to pumpkins, the company also produces, distributes, and sells watermelons, cantaloupes, and ornamental gourds. The company maintains shipping locations in Georgia, Missouri, and Florida. Mr. Donoho states that Frey Farms is one of the largest producers of pumpkins in the United States and that he is Frey's largest grower.

The Donohos grow white on contract for Azteca Milling Co., which is headquartered in Irving, TX, also has operations in Evansville, IN. Azteca Milling Co. is the largest producer of corn masa flour in the United States. Their products are used by the tortilla, bakery, snack, and retail industry. The Azteca Milling plant buys white corn from farmers within an approximate radius of 60 miles of Evansville, including farmers in Southwest Indiana, Southern Illinois, and Western Kentucky. Azteca provides a premium payment to it's growers for white corn which is paid above and beyond the market price for traditional yellow corn. The location of Azteca in the area provides significant additional income for the farmers who contract with them.

CONDUIT

:May 12, 2009

$4,000,000 (not-to-exceed amount)
C & L TILING, INC.

REQUEST	Purpose: Provide conduit IRB financing Project Description: finance (i) construction of a 3,000 square foot addition to the Company's existing 32,000 square foot manufacturing facility ($959,400), (ii) acquisition of new machinery and equipment to expand the operations of C & L Tiling, Inc. ($2,960,600) Issuance Cost: Estimated at $80,000 Program: IRB Extraordinary Conditions: None No State resources. Volume cap required $4,000,000 Waiver request: N/A No Extraordinary Conditions
BOARD ACTIONS	Final Bond Resolution requested Prior Voting Record: Preliminary Bond Resolution - May 13, 2008: Ayes: 11 Nays: 0 Abstentions: 0 Vacancy: 1 Absent: 3 (Barclay, DeNard & O'Brien)
MATERIAL CHANGES	None from Preliminary Bond Resolution
JOB DATA	101 Current jobs 24 New jobs projected 101 Retained jobs 50 Construction jobs projected
BORROWER DESCRIPTION	● Type of entity: S Corporation - Manufacturer ● Location: Village of Timewell/Brown County/West Central ● When was it established: 1982 ● What does the entity do: Manufactures & Distributes Drainage Tiling ● Who does the entity serve Commercial, Agricultural and Residential Markets ● What will new project facilitate Business Expansion
CREDIT INDICATORS	● Not Rated. ● Direct Bond Purchaser/Investor: Bank of Springfield ● Insurer: N/A
Proposed Structure	Not Enhanced Adjustable Rate Bonds Maturity: 15 Years
Sources and Uses	IFA Bonds: 4,000,000 Project Cost: $3,980,000 Costs of Issuance: $80,000 Total $4,000,000 Total $4,000,000
Recommendation	Credit Review Committee Recommends Approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
MAY 12, 2009

Project: C & L Tiling, Inc.

STATISTICS

Project Number:	I-ID-TE-CD-8071	Amount:	$4,000,000 (not-to-exceed amount)
Type:	Industrial Revenue bond	IFA Staff:	Jim Senica
County/Region:	Brown/West Central	City:	Timewell

BOARD ACTION

Final Bond Resolution
Conduit Industrial Revenue Bonds — No IFA funds at risk
Credit committee recommends approval — No extraordinary conditions

VOTING RECORD

Preliminary Bond Resolution approved May 13, 2008:

Ayes: 11 Nays: 0 Abstentions: 0 Vacancy: 1
Absent: 3 (Barclay, DeNard & O'Brien)

PURPOSE

Proceeds will be used to finance (i) construction of a 3,000 square foot addition to the Company's existing 32,000 square foot manufacturing facility, (ii) acquisition of new machinery and equipment to expand the operations of C & L Tiling, Inc. and (iii) legal and professional issuance costs associated with the bond issuance.

IFA PROGRAM AND CONTRIBUTION

The Authority's Industrial Revenue Bond Program provides low interest rate financing for qualifying industrial projects. IFA's issuance of Industrial Revenue Bonds will exempt income earned on the Bonds from federal income tax and thereby enable the Borrower to obtain a lower interest rate on this debt.

VOLUME CAP

Issuance of the bonds will require an allocation of $4.0 million of Volume Cap to be provided by the Governor's Office of Management and Budget.

The project site is located in a rural Western Illinois in Timewell, a non-home rule community located approximately 30 *miles east of Quincy on U.S. Highway 24.*

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA Bonds:	$4,000,000	Uses: Building Construction	$959,400
	Total	**$4,000,000**	Equipment Acquisition	2,960,600
			Issuance costs	80,000
			Total	**$4,000,000**

JOBS

Current employment:	101	Projected new jobs:	24
Jobs retained:	N/A	Construction jobs:	50

FINANCING SUMMARY

Structure: The Bonds will be a Direct Purchase by the Bank of Springfield as Direct Lender/Investor and will be held as a direct investment by the Bank until maturity (or until refinanced by another lender).

	Resale of these Bonds will be prohibited in the secondary market, as customary for lender-purchased bonds.
Direct Lender Security:	Bonds will be a direct obligation of C & L Tiling, Inc. The Bank of Springfield will be further secured by a guaranty of C & L Tiling, Inc.'s 100% owner, Mr. Don Colclasure.
Interest Rate:	Tax-exempt rate of interest fixed at 4.55% for years 1 through 5, then reset at the end of year 5 to national Prime (WSJ) + 35 basis points for years 6 through 15 with an interest rate floor of 4.16%
Maturity:	Bond term – 15 years
Timing:	May 21, 2009 is the estimated closing date
Rationale:	The project completion will bring increased manufacturing capacity to C & L Tiling, Inc. to accommodate the manufacture of additional tiling products in house to replace outsourced production by an unrelated third party (located outside of Illinois). According to the Company, the proposed equipment has an estimate useful life of 15 years.

PROJECT SUMMARY

Bond proceeds will be used by C & L Tiling, Inc. to finance (i) construction of a 3,000 SF addition to the Company's existing 32,000 SF manufacturing facility located on U.S. Highway 24 in Timewell, Illinois, (ii) acquisition of new machinery and equipment, and (iii) to pay bond issuance costs.

The building construction and equipment acquisition and installation were completed pursuant to the IFA Preliminary Bond Resolution approved in May 2008. The Bonds will take-out interim financing used to acquire the project assets.

Estimated new project costs are as follows:

Construction of Building Addition:	$959,400
New Equipment	2,960,600
Total New Project Cost:	**$3,920,000**

BUSINESS SUMMARY

Description: C & L Tiling, Inc. ("C & L" or the "Company") is an Illinois S corporation that was founded on April 1, 1982, by Mr. Don Colclasure in Timewell, Illinois to engage in the installation of agricultural and commercial drainage tiling. In 1995, the Company began full-scale manufacturing with its first extrusion line producing 3", 4", 6" and 8" drainage tubing.

Background: C & L Tiling, Inc. manufactures and distributes a wide variety of drainage tiling for applications in the commercial, agricultural and residential markets. The Company began with one extrusion line producing small-diameter tubing in 1995, expanded to three extrusion lines in 1997 to produce 10", 12" and 15" tubing, and in 2001 installed a fourth extrusion line dedicated to the burgeoning needs of the commercial market.

In 2002, the Company added (1) a new Maxflo dual wall manufacturing line providing Timewell with the capability to manufacture its own 4" through 24" dual wall pipes, and (2) C & L a full-service distribution center in Enfield, Illinois (located between McLeansboro and Carmi on Illinois Highway 14 in Southern Illinois).

Upon installation of the 2009 equipment and completion of the subject project, C & L will have he capability to add more than 50 new drainage products to its lineup.

In addition to expanding the Timewell facility, C & L has expanded by adding production capacity elsewhere. Specifically, in 2004, C & L purchased a second manufacturing facility located in Clifford, Michigan (and expanded in 2006). Most recently, C & L added a new manufacturing facility in Providence, KY to better serve customers located in the Southeast. C & L has also added distribution warehouse space located in Kansas City, MO, St. Louis, MO, and Nashville, TN. As a result of these expansions, C & L Tiling, Inc. now employs over 150 employees company-wide and sells drainage products and services in approximately 20 states.

It is important to note that C & L Tiling, Inc. was a previous IFA (IDFA) Participation Loan borrower. C & L paid off its Participation Loan several years ago. C & L is a prime example of how IFA's Participation Loan Program has served as a gateway to Industrial Revenue Bond financing.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	C & L Tiling, Inc.
Project Location:	118 R.R. 1 Timewell, IL 62375 (Brown County)
Borrower:	C & L Tiling, Inc.
Ownership:	Don Colclasure – 100%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	McClure, Brannan and Thomas	Beardstown, IL	George McClure
Accountant:	Myers & Myers CPAs	Beardstown, IL	John Myers
Bond Counsel:	Kasson & Associates LLC	Cincinnati, OH	Henry C. Kasson
Purchasing Bank:	Bank of Springfield	Springfield, IL	Rik Kyes
Bank Counsel:	Sorling Northrop Hanna Cullen & Cochran, Ltd.	Springfield, IL	Todd Turner
Financial Advisor:	W.R. Taylor & Company, LLC	Montgomery, AL	Belle Walker
Issuer's Counsel:	Requested – assignment pending		
IFA Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	18 Aaron Schock
State Senate:	47 John M. Sullivan
State House:	93 Jil Tracy

ADDITIONAL BACKGROUND INFORMATION

At its inception in 1982, C & L Tiling, Inc. was an agriculturally-focused company providing field drainage products and services to Midwestern farmers and contractors. For the ag market, the Company is able to produce the majority of its product needs. However, in more recent years with the emergence of EPA requirements that mandate a storm water runoff plan for nearly every major commercial development and , the growing acceptance of plastic pipe to replace broken metal and concrete pipe, the Company has aggressively pursued expansion into the commercial markets, particularly in the retention/detention and storm sewer segments. These markets require dual wall pipe that is 30", 36", 48", and 60" in diameter.

Prior to the subject project, C & L has only had capacity to manufacture 24" dual wall pipe. Consequently, the Company has had to outsource manufacturing of these large diameter pipes. While these outsourcing arrangements provided C & L with product large diameter pipe for commercial real estate customers, low margins resulting have placed pressure on C & L to provide competitive prices.

Hence, this project represents an essential step for the Company to increase the Company's profitability, while reducing seasonality, and providing opportunities to diversify its customer base. C & L has positioned itself as the "contractor's company", selling directly to these contractors.

May 12, 2009
Board Meeting

$16,500,000
NOTRE DAME COLLEGE PREP

REQUEST	Notre Dame College Prep (formerly known as Notre Dame High School for Boys) will use conduit 501(c)(3) bond proceeds to refund a previous bond issue, refinance existing debt, construct various campus improvements and pay bond issuance costs. The new project will allow the borrower to add new classrooms, artificial turf and track, a baseball field, locker rooms, administration offices and a field house. Program: 501(c)(3) Revenue and Refunding Bonds
BOARD ACTION	Final Bond Resolution Initial IFA Board Vote -- this project is being presented for one-time approval as a Final Bond Resolution
MATERIAL CHANGES	Not applicable
JOB DATA	90 Current jobs; 10 New jobs projected N/A Retained jobs; 65 Construction jobs projected
BORROWER DESCRIPTION	● Private College Prep High School ● Location (Niles / Cook County / Northeast Region) ● Notre Dame College Prep (formerly known as Notre Dame High School for Boys) ("Notre Dame", "Borrower" or the "School") is an Illinois not-for-profit corporation founded in 1954 by the Priests of the Congregation of Holy Cross, Indiana Province. ● The School is accredited by the North Central Association of Colleges and Schools and the Illinois State Board of Education. Located in Niles, the School also attracts students from Chicago, Morton Grove and Park Ridge. ● The new project will allow the borrower to add new classrooms, artificial turf and track, a baseball field, locker rooms, administration offices and a field house.
CREDIT INDICATORS	● Not Rated. ● Direct Bond Purchase by MB Financial Bank
Proposed Structure	Not Credit Enhanced Bonds will be purchased directly by MB Financial and held as an investment Fixed rate of 4.0% with a five year initial rate (i.e., reset after five years) 10 years with a 25 year amortization (i.e., with balloon at 10 years).

Sources and Uses

IFA Bonds	$16,500,000	Project Costs	$9,450,000
		Refunding	5,750,000
		Refinancing	1,200,000
		Bond Issuance Costs	100,000
Total	$16,500,000	Total	$16,500,000

Recommendation Credit Review Committee Recommends Approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 12, 2009

Project: NOTRE DAME COLLEGE PREP

STATISTICS

Project Number:	N-NP-TE-CD-8235	Amount:	$16,500,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue and Refunding	IFA Staff:	Sharnell Curtis Martin
County/Region:	Cook County/Northeast	City:	Niles

BOARD ACTION

Final Bond Resolution
No IFA Funds contributed
Material changes from Preliminary: Not Applicable

Credit Review Committee recommends approval
No extraordinary conditions

VOTING RECORD

Initial Board consideration. This is the first time this project has been presented to the IFA Board. Notre Dame is being presented for one-time consideration and approval of a Final Bond Resolution.

PURPOSE

Bond proceeds will be used to refund existing bonds, refinance existing debt, finance construction 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.

VOLUME CAP

Not applicable, 501(c)(3) projects do not require Volume Cap.

JOBS

Current employment:	90	Projected new jobs:	10
Jobs retained:	N/A	Construction jobs:	65

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$16,500,000	Uses:	New Project Costs	$9,450,000
				Refunding Bonds	5,750,000
				Refinancing	1,200,000
				Bond Issuance Costs	100,000
	Total Sources	**$16,500,000**		**Total Uses**	**$16,500,000**

FINANCING SUMMARY/STRUCTURE

Collateral:	First Mortgage and assignment of rents and leases on the property located at 7655 W. Demptser Street in Niles, IL. First priority lien on all general business assets of Notre Dame College Prep.
Structure:	Bonds will be purchased directly by MB Financial and held as an investment.
Maturity:	10 year initial term, with a 25 year amortization (i.e., balloon after 10 years).
Interest rate:	Fixed rate of 4.0% with a five year reset (at new rate until expiration of 10 year initial term)
Est. Closing:	Summer 2009

PROJECT SUMMARY

Bond proceeds will be used to current refund approximately $5.7 million of existing bonds (Village of Niles, Series 2001), refinance existing debt, finance the construction of several major campus additions including new classrooms, artificial turf and track, a baseball field, locker rooms, administrative offices and a field house located on the School's campus at 7655 West Dempster Street in Niles, IL (Cook County). Additionally, bond proceeds will be used to pay bond issuance costs. Estimated New Project Cost is estimated as follows:

Construction Projects	$9,000,000
Contingency	450,000
Total	**$9,450,000**

BUSINESS SUMMARY

Description: Notre Dame College Prep (formerly known as Notre Dame High School for Boys, and hereinafter, "Notre Dame", the "Borrower" or the "School") is a 501(c)(3) organization incorporated under Illinois law. Notre Dame was founded in 1954 by the Priests of the Congregation of Holy Cross, Indiana Province.

The School campus sits on 28 acres and is located in Niles, Illinois. With 836 students presently enrolled, Notre Dame has graduated more than 11,000 young men since its inception.

Prior to 2006, the School was affiliated with the Priests of the Congregation of Holy Cross, Indiana Province, a Catholic order headquartered in South Bend. The Congregation is also notably affiliated with the University of Notre Dame and University of Portland. In the summer of 2006, the Congregation decided to end its formal association with the School effective end of the 2006/7 school year as a result of personnel constraints. During its affiliation, the Congregation provided 10 priests as teachers and school leaders, in addition to a financial guarantee of up to $2 million. When the School first opened its doors, more that 45 priests were on staff as teachers.

Since governance of the School was restructured, a Board of religious and lay people has been established to run the school with support of the Archdiocese of Chicago. It is at this time that the name was formally changed to Notre Dame College Prep.

Remarks: Notre Dame is accredited by the North Central Association of Colleges and Schools and the Illinois State Board of Education. Located in Niles, the School also attracts students from Chicago, Morton Grove and Park Ridge.

Project: The new project will allow the borrower add new classrooms, artificial turf and track, baseball field, locker rooms, administrative offices, and a field house.

The refinancing portion of the financing will current refund approximately $5.7 million of 501(c)(3) Revenue Bonds issued by the Village of Niles in 2001. The original principal balance of the original Series 2001 was $6.0 million and proceeds were used to finance construction and equipping of a new science wing.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Notre Dame College Prep 7655 West Dempster Street, Niles, IL (Cook County) 60714 – 2033 Mr. Charles McNulty	
Project Location:	7655 West Dempster Street, Niles, IL (Cook County) 60714 – 2033	
Borrower:	Notre Dame College Prep	
Board Members 501(c)(3):	Patrick Callero	Eugene Faut
	Robert Flood	Joseph Gurdak
	Anthony Mandolini	Peter Newell
	Christopher Nowotarski	Rev. John P. Smyth
	Patricia Tennant	Paula Waters
	Charles McNulty	

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Stone, Pogrund & Korey	Chicago	Chris Nowotarski
Accountant:	Gray Hunter Stenn, LLP	Oak Brook	
Bond Counsel:	Greenberg Traurig, LLP	Chicago	Matt Lewin
Purchasing Bank:	MB Financial Bank	Rosemont	John Sassaris
Bank Counsel:	Burke, Burns & Pinelli, Ltd.	Chicago	Mary Ann Murray
IFA Advisors:	D. A. Davidson	Chicago	Bill Morris
	Scott Balice Strategies	Chicago	Lois Scott
Issuer's Counsel:	Requested – appointment forthcoming		

LEGISLATIVE DISTRICTS

Congressional:	9	Janice Schakowsky
State Senate:	8	Ira Silverstein
State House:	15	John D'Amico

SERVICE AREA

The School is located in Niles and also attracts students several nearby communities with most students residing in Chicago, Morton Grove and Park Ridge.

CONDUIT

$12,000,000
NEAR NORTH MONTESSORI SCHOOL

May 12, 2009

REQUEST	Purpose: Provide conduit financing 501(c)(3) financing for construction, renovations, to purchase equipment and furnishings and to pay certain bond issuance costs. Project Description: Finance construction, renovations, and pay certain bond issuance Costs. Program: Conduit 501(c)(3) Revenue Bonds No Extraordinary Conditions
BOARD ACTIONS	Final Bond Resolutoion Preliminary Bond Resolution: April 14, 2009 10 Ayes 0 Nays 0 Abstentions 1 Absent (April Verrett) 4 Vacancies
MATERIAL CHANGES	None
JOB DATA	138 Current jobs 5 New jobs projected N/A Retained jobs 84 Construction jobs projected
BORROWER DESCRIPTION	● Montessori School ● Location (Chicago / Cook County / Northeast Region) ● Near North Montessori School (“Near North”, “Borrower” or the “School”) is an Illinois not-for-profit corporation that owns and operates a school that offers families in the metropolitan Chicago area education for preschool through junior high school level children. The School’s purpose is to serve the needs of students age 3 to 14 years in adherence to the Montessori philosophy of education. Ms. Jacqueline Bergen, is the school’s Executive Director and has been with the School since it opened in 1972 as a teacher and administrator. ● The new project includes major renovations to the existing school building, constructed in 1892 as well as construction of a new multi purpose gymnasium immediately adjacent to the school. The work will be completed in two phases beginning with the renovation to the school’s existing major systems including: HVAC, Electrical, Plumbing, and Safety/Security. The second phase of work will begin in the summer and consist of the large gymnasium, locker rooms and rooftop playground.
CREDIT INDICATORS	● Not Rated ● Direct Bond Purchase with MB Financial Bank
Proposed Structure	Not Credit Enhanced The bonds will be direct purchased by MB Financial Bank Fixed Rate Bonds 5.05% Up-front 10 year term (First 24 months interest only. Month 25 and thereafter, monthly principal and interest payments with balloon payment plus accrued interest due at the end of year eight.)

Sources and Uses

	IFA Bonds	$12,000,000	Project Cost	$14,325,400
	Equity	3,265,400	Refinancing	750,000
			Cost of Issuance	190,000
	Total Sources	$15,265,400	Total	$15,265,400

Recommendation Credit Review Committee Recommends Approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 12, 2009

Project: NEAR NORTH MONTESSORI SCHOOL

STATISTICS

Project Number:	N-NP-TE-CD-828	Amount:	$12,000,000
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Sharnell Curtis Martin
County/Region:	Cook County/Northeast Region	City:	Chicago

BOARD ACTION

Final Bond Resolution	Credit Review Committee Recommends Approval
No IFA Funds contributed	No Extraordinary conditions
Material changes from Preliminary: None	

VOTING RECORD

Preliminary Bond Resolution: April 14, 2009

10 Ayes 0 Nays 0 Abstentions 1 Absent (April Verrett) 4 Vacancies

PURPOSE

Bond proceeds will be used to finance construction, renovations, to purchase equipment and furnishings 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.

VOLUME CAP

Not Applicable, 501(c)(3) Revenue Bonds do not require Volume Cap.

JOBS

Current employment:	138	Projected new jobs:	5
Jobs retained:	N/A	Construction jobs:	84

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$12,000,000	Uses:	Project Costs	$14,325,400
	Equity	3,265,400		Refinancing	750,000
				Cost of Issuance	190,000
Total Sources		**$15,265,400**		**Total Uses**	**$15,265,400**

The sources of equity are from the proceeds of Near North's building fund currently held with Vanguard; in a short-term bond fund and Near North's Capital Campaign which has a goal of $3 million. The Capital Campaign is presently in the quiet phase and has received pledges and donations of approximately $1.2 million. Approximately $2 million of the $3 million capital campaign will be used to support the project.

FINANCING SUMMARY/STRUCTURE

Security:	The Bonds will be purchased directly by MB Financial and held as investment.
Collateral:	First mortgage on subject real estate and first lien on all receivables, equipment and furnishings.
Structure:	Fixed rate bonds to be held by MB Financial as an investment.
Interest Rate:	Fixed rate of 5.05%
Maturity:	10 Years
Rating:	Not applicable
Est. Closing Date:	June 30, 2009

PROJECT SUMMARY

Bond proceeds will be used to finance renovations and construction of a gymnasium located at 1434 West Division Street in Chicago, IL (Cook County), and to pay certain bond issuance costs. Project costs are estimated as follows:

Renovations	$7,969,900
Construction	5,260,700
Architectural and Engineering	1,094,800
Total Project Costs	**$14,325,400**

BUSINESS SUMMARY

Description: Near North Montessori School ("Near North", "Borrower" or the "School") is an Illinois not-for-profit corporation that owns and operates a school that offers families in the metropolitan Chicago area education for preschool through junior high school level children. The School's purpose is to serve the needs of students age 3 to 14 years in adherence to the Montessori philosophy of education. Ms. Jacqueline Bergen is the school's Executive Director and has been with the School since it opened in 1972 as a teacher and administrator.

The School attracts children from the greater Chicago area. The highest concentration of students come from Bucktown, Lincoln Park, DePaul, Logan Square, Humboldt Park, Old Irving, Horner Park, Edison/Jefferson Park, Lakeview, Pilsen, Little Village, Bridgeport and Little Italy neighborhoods. Near North is one of the largest Montessori schools in the world and is a respected voice in the Montessori movement, now scientifically validated and considered the "gold standard" for education because of its high academic standards, good track record, and hands on philosophy of learning. The School was named a "Blue Ribbon" School by the US Department of Education in 2001. Near North's reputation is strong as evidenced by the 600 student waiting list.

Project: The new project includes major renovations to the existing school building constructed in 1892 as well as construction of a new multi purpose gymnasium immediately adjacent to the school. The work will be completed in two phases beginning with the renovation to the school's existing major systems including: HVAC, Electrical, Plumbing, and Safety/Security. The second phase of work will begin in the summer and consist of the large gymnasium, locker rooms and rooftop playground.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Near North Montessori School 1434 West Division Street, Chicago, IL 60642 (Cook County) Linda Rudnick, Finance Director		
Project Location:	1434 West Division Street, Chicago, IL 60642 (Cook County)		
Borrower:	Near North Montessori School		
Board Members :	Janet Cory, President	Susan Nash, Vice President	Lois Scott, Treasurer
	David Morrison, Secretary	Alina Cowden	Stephanie Cox-Batson
	Eddie Gersham	Doug Gutherie	Cathy Jackson
	Faye Katt	Brian King	Jerry Krulewitch
	Michelle Nicolet	Kirti Patel	Simon Reeves
	Roc Rooney	David Kelson	

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Winston & Strawn	Chicago	Dennis Kelly
Accountant:	John Kopczyk, Ltd.	Chicago	John Kopczyk
Bond Counsel:	Greenberg Traurig LLP	Chicago	Matt Lewin
Purchasing Bank:	MB Financial Bank	Rosemont	John Sassaris
Bank Counsel:	Burke Burns and Pinelli	Chicago	Mary Anne Murray
IFA Advisors:	D. A. Davidson	Chicago	Bill Morris
Issuer's Counsel:	Requested		

LEGISLATIVE DISTRICTS

Congressional:	7 – Danny Davis
State Senate:	2 – William Delgado
State House:	4 – Cynthia Soto

SERVICE AREA

The School attracts children from the greater Chicago area. The highest concentration of students come from Bucktown, Lincoln Park, DePaul, Logan Square, Humboldt Park, Old Irving, Horner Park, Edison/Jefferson Park, Lakeview, Pilsen, Little Village, Bridgeport and Little Italy neighborhoods.

CONDUIT

May 12, 2009

$2,195,000

PASSAVANT MEMORIAL AREA HOSPITAL ASSOCIATION

REQUEST

Purpose: To fund upgrades of lighting, electrical, and HVAC systems, resulting in a yearly reduction of approximately 19% in utility costs. The project has a simple payback period of approximately 6½ years.

Program: Conduit 501(c)(3) Equipment Lease

Extraordinary Conditions: None.

BOARD ACTIONS

Final Resolution

This project is coming for a One-time Final Resolution because of market conditions

MATERIAL CHANGES

None

JOB DATA

731	Current jobs	0	New jobs projected
731	Retained jobs	15	Construction jobs projected

DESCRIPTION

● Location (Jacksonville / Morgan County / Central)

● Passavant Area Hospital in Jacksonville, Illinois, serves the residents of Morgan, Cass, Greene, Scott, and Macoupin counties in West Central Illinois. The facility is located at 1600 West Walnut, on Jacksonville's west side.

● In 2006, Passavant was named one of the top two hospitals in Illinois and one of the top 10 percent in the nation to administer antibiotics 60 minutes prior to surgery by the IHA. Passavant also received the 2006 Distinguished Hospital Award for Patient Safety from HealthGrades, the nation's leading independent healthcare ratings company.

● The hospital is accredited by the Joint Commission on Accreditation of Healthcare Organizations (JACHO), and is a member of the American Hospital Association, the Illinois Hospital Association (IHA), and the Voluntary Hospitals of America (VHA).

CREDIT

● Fixed Rate Equipment Lease

LEASE PROVIDER

● Bank of America

SECURITY

● Equipment

PROPOSED STRUCTURE

● 7 Year Fixed Rate lease, Expected Rate of 4.47%

SOURCES AND USES

Sources		Uses	
IFA Lease	$2,194,732	Projects	$2,294,732
Rebate	100,000		
Equity	15,000	Cost of Issuance	15,000
Total	**$2,309,732**	Total	**2,309,732**

RECOMMENDATION

Credit Committee recommends approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 12, 2009

Project: Passavant Memorial Area Hospital Association

STATISTICS

Project Number: H-HO- TE-CD-8237
Type: 501(c)(3) Lease
County/Region: Morgan County

Lease Amount: $2,195,000 (Not-to-Exceed)
IFA Staff: Pam Lenane and Bill Claus
City: Jacksonville, IL

BOARD ACTION

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

Staff recommends approval
No extraordinary conditions

VOTING RECORD

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

PURPOSE

Use of proceeds: To fund upgrades of lighting, electrical, and HVAC systems, to generate ongoing energy savings. The project has a simple payback period of approximately 6½ years.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) leases are a form of lease 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 by the bank, thereby reducing the borrower's interest expense.

VOLUME CAP

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

JOBS

Current employment:	731 FTE's	Projected new jobs:	0
Jobs retained:	Not applicable	Construction jobs:	0

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA lease	$2,194,732	Uses:	Energy Savings Project	$2,294,732
	Rebate by AMEREN	100,000		Lease Closing Costs	15,000
	Hospital Funds	15,000			
	Total	**$2,309,732**		**Total**	**$2,309,732**

FINANCING SUMMARY/STRUCTURE

Security:	Equipment
Structure:	7 years fixed rate lease
Interest Rate:	Estimated at 4.47%
Interest Mode:	Fixed
Maturity:	7 years
Estimated Closing Date:	May or June 2009

PROJECT SUMMARY

The Hospital is proposing to enter into a tax-exempt financing lease with Bank of America N.A. to fund upgrades of lighting, electrical, and HVAC systems, resulting in a yearly reduction of approximately 19% in utility costs. The project, which will take nine months to complete and will be done by TRANE, will consist of the following:

- upgrade lighting & electrical systems
- upgrade controls for (2) AHU's
- retro-commissioning of existing controls
- upgrade chilled water system
- upgrade steam boiler system
- upgrade laundry operation
- lower ground HVAC 75 addition upgrades
    - replace hot water system in mech. room 3
    - ductwork
    - air terminal devices
    - climate controls

The project will cost $2,294,732, of which $100,000 will be rebated to the Hospital by AMEREN after the work is completed and the savings are verified. TRANE is guaranteeing a minimum yearly savings of $340,738 in energy and maintenance costs. Therefore, the project has a maximum simple payback period of approximately 6½ years.

The project will be funded by a seven year tax-exempt financing lease with Bank of America N.A. The tax-exempt fixed interest rate is estimated to be 4.47%, with payments being made on a quarterly basis.

BUSINESS SUMMARY

Background: Passavant Area Hospital in Jacksonville, Illinois, serves the residents of Morgan, Cass, Greene, Scott, and Macoupin counties in West Central Illinois. The facility is located at 1600 West Walnut, on Jacksonville's west side.

The hospital is accredited by the Joint Commission on Accreditation of Healthcare Organizations (JACHO), and is a member of the American Hospital Association, the Illinois Hospital Association (IHA), and the Voluntary Hospitals of America (VHA).

In 2006, Passavant was named one of the top two hospitals in Illinois and one of the top 10 percent in the nation to administer antibiotics 60 minutes prior to surgery by the IHA. Passavant also received the 2006 Distinguished Hospital Award for Patient Safety from HealthGrades, the nation's leading independent healthcare ratings company.

Rationale: Energy Savings
Timing: Completion of the project will take approximately nine months

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Passavant Memorial Area Hospital Association
Project Location: 1600 West Walnut, Jacksonville, IL 62650-1136
Borrower: Passavant Memorial Area Hospital Association; Phone: 217-245-9541

Ownership/Board Members (501(c)(3)): The membership of the Hospital is composed of representatives elected or appointed by the churches in Morgan County, Scott County, and portions of Greene County, Macoupin County, and Cass County and from each of the following organizations: The Passavant Memorial Area Hospital Auxiliary; The Passavant Memorial Area Hospital Alumnae Association; Our Saviour's Holy Cross Alumnae Association; The

Passavant Memorial Area Hospital active Medical Staff; and the Ministerial Association of Jacksonville. The members of the Hospital collectively constitute the Board of Governors of the Hospital and are responsible for certain duties including electing the Board of Directors of the Hospital and making recommendations to the Board of Directors. Members of the Board of Governors hold office for a term of one year or until their successors are elected.

The Hospital is governed by a Board of Directors comprising of sixteen community members and physicians. The Directors are elected to a term of four years. The Board of Directors elects individuals to fill vacancies as they occur. The Directors do not receive compensation. The President of the Hospital serves as an ex-officio member of the Board with no voting rights. The Chair, Vice Chair, Secretary, and Treasurer of the Board of Directors also serve as the Chair, Vice Chair, Secretary, and Treasurer, respectively, of the Board of Governors. Current members of the Board of Directors of the Hospital include: Keith Bradbury (Franklin Bank); Ginny Fanning (Chamber of Commerce); Valerie Flynn (Zumbahlen, Eyth, Surratt, Foote & Flynn); Dr. Eric Giebelhausen (M.D.); Roger Houston (self-employed farmer); Amy Jackson (Rammelkamp Law Office); Gilbert Joehl (Northwestern Mutual Financial Network); Richard Johnson (retired-construction); Phyllis Lape, Ph.D. (retired-educator); Dr. Steven Lillpop (M.D.); Greg May (Williamson Funeral Home); Dr. Jeffrey Olejnik (M.D.); Matthew Smith (Bellatti, Fay, Bellatti & Beard); Andy Stafford (real estate investor); Linda Standley (IL-MO Products); Ron Tendick (Mayor of Jacksonville).

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Martindale	Eddie Carpenter
Accountant:	BKD, LLP	Fred Helfrich
Bond Counsel:	Jones Day LLP	Mike Mitchell
Lease Provider:	Bank of America N.A.	Jeoff Culm

LEGISLATIVE DISTRICTS

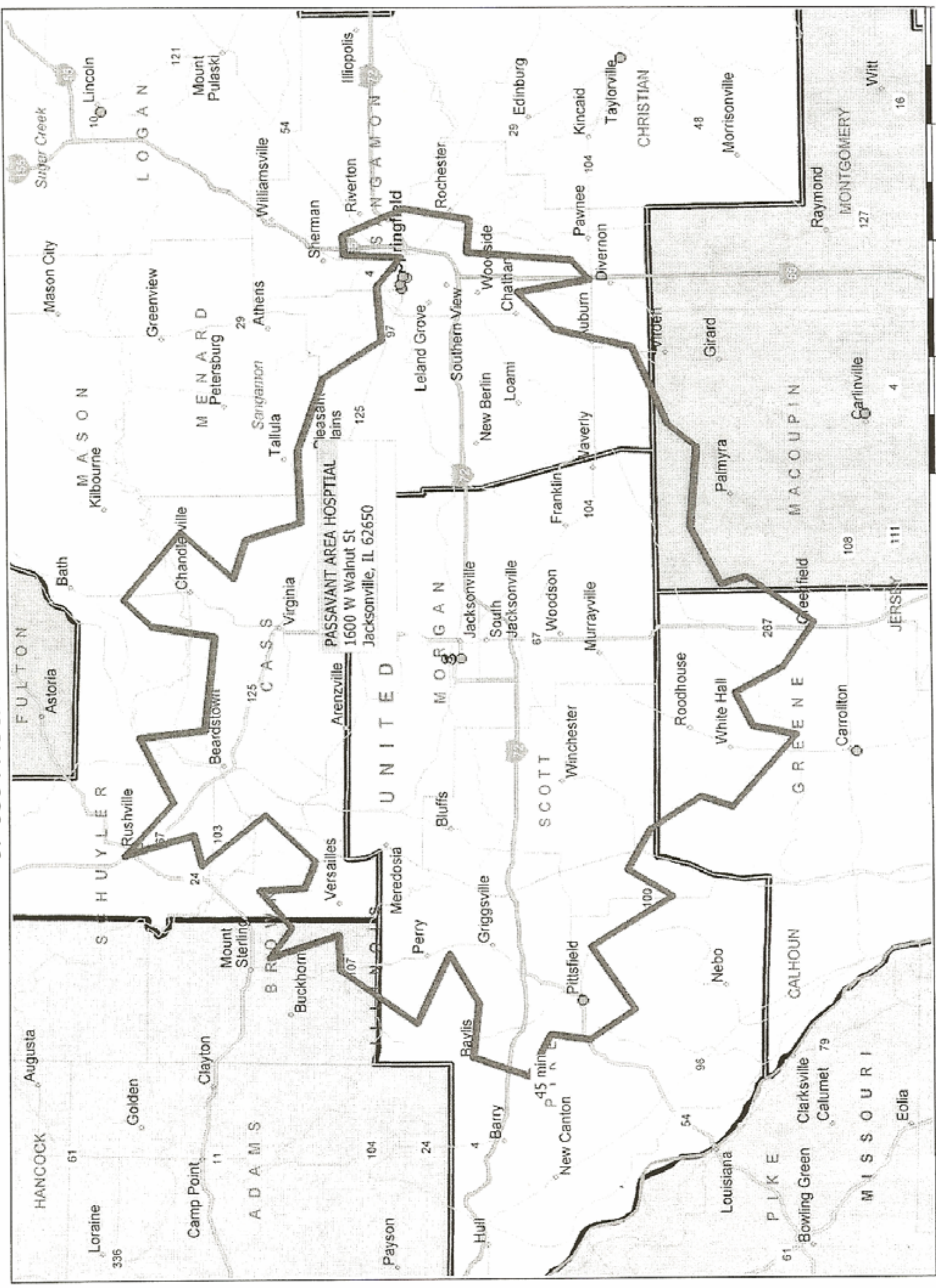
Congressional:	18	Aaron Schock
State Senate:	49	Deanna Demuzio
State House:	97	Jim Watson

SERVICE AREA

The Passavant Memorial Area Hospital Association is an acute care hospital located in Jacksonville, Illinois, the county seat of Morgan County, approximately 90 miles north of St. Louis, Missouri, and 35 miles west of Springfield, Illinois. The Corporation was originally established in 1875 and was incorporated in 1906 as an Illinois not-for-profit corporation.

Passavant is the only hospital in Morgan, Cass, and Scott Counties (see attached map). There is only one other hospital in Passavant's primary service area, Thomas Boyd Memorial Hospital located in Carrollton (Greene County) approximately 35 miles away from Passavant. Boyd is a 33-bed facility used primarily for long term care and is not considered to be a competitive facility by Hospital management.

07-083 PASSAVANT AREA HOSPITAL



ILLINOIS FINANCE AUTHORITY

MEMORANDUM

TO: IFA Board of Directors

FROM: Pam Lenane and Bill Claus

DATE: April 28, 2009

RE: A Resolution Authorizing Amendments to the Final Bond Resolution to Increase the Initial Maximum Fixed Rate Yield from 8.00% to 8.50% and start date of principal amortization from August 15, 2014 to August 15, 2030
(Silver Cross Hospital)
<u>IFA Project: H-HO-TE-CD-8051</u>

BACKGROUND:

The IFA Board of Directors approved a Final Bond Resolution to issue conduit 501(c)(3) Revenue Bonds for the Silver Cross Hospital project in an amount not-to-exceed $275 million at the October 14, 2008 Board Meeting. The Series 2009 Bonds will be fixed rate with a maturity no later than 2049.

Proceeds of the bonds will be used to: 1) finance the construction of a replacement hospital in New Lenox; 2) pay for capitalized interest; 3) fund a debt service reserve fund; 4) pay costs of issuance.

REQUEST:

Because of the market volatility, after further discussions with Silver Cross Hospital and their financing team, Silver Cross Hospital is requesting that the IFA Board approve an increase of their maximum fixed rate yield on the proposed IFA Series 2009 Bonds (Silver Cross Hospital) from 8.00% to 8.50% and the start date of principal amortization from August 15, 2014 to August 15, 2030.

Silver Cross Hospital is not requesting any other amendments to the documents previously approved by the IFA Board.

RECOMMENDATION:

Staff recommends approval of the accompanying Amendatory Resolution to accomplish the objectives of increasing the fixed rate yield from 8.00% to 8.50% on the proposed bonds and the start date of principal amortization from August 15, 2014 to August 15, 2030., as requested.

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

TO: IFA Board of Directors

FROM: Rich Frampton

DATE: May 12, 2009

RE: Resolution Authorizing the Execution and Delivery of Amendments to the Loan Agreements Relating to the (i) IFA Revenue Bonds, DePaul University, Series 2004C, (ii) IFA Revenue Refunding Bonds, DePaul University, Series 2005A, (iii) IFA Adjustable Rate Revenue Refunding Bonds, DePaul University, Series 2005B and Series 2005C, and (iv) IFA Revenue Bonds, DePaul University, Series 2008; and Authorizing the Execution and Delivery of any other Necessary Documents Required to Effect Such Amendments; and Authorizing and Approving Related Matters
IFA Series 2004C Bonds, IFA Series 2005A-B-C Bonds, IFA Series 2008 Bonds (DePaul University)

Request:

DePaul University is requesting Amendments to four (4) Loan Agreements relating to five prior IFA bond issues including:

- $46,880,000 Illinois Finance Authority Revenue Bonds, DePaul University, Series 2008
- $43,735,000 Illinois Finance Authority Revenue Refunding Bonds, DePaul University, Series 2005A,
- $23,000,000 Illinois Finance Authority Adjustable Rate Revenue Refunding Bonds, DePaul University, Series 2005B and $37,600,000 Illinois Finance Authority Adjustable Rate Revenue Refunding Bonds, DePaul University, Series 2005C, and
- $47,850,000 Illinois Finance Authority Revenue Bonds, DePaul University, Series 2004C

The 4 specified Loan Agreements will be amended to (1) replace existing "no default statement language" specified in the existing Loan Agreements with new "no default statement language" conforming with current Generally Accepted Auditing Standards, *and* (2) also providing catch-all provision allowing for the submission of any other statement that as is consistent with Generally Accepted Auditing Standards for this purpose and is certified to that effect by the University's independent certified accountants.

Recommendation:

The Credit Review Committee recommends approval.

PROFESSIONAL & FINANCIAL (Parties involved in these Amendments only)

Borrower:	DePaul University	Chicago, IL	Jeff Bethke, Interim Treasurer Elizabeth Honold, Senior Financial Analyst
Borrower's Counsel:	O'Keefe, Lyons & Hynes, LLC	Chicago, IL	Dan Coyne
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Jim Luebchow, Becky Brueckel
Bond Trustee:	US Bank, NA	Chicago, IL	Grace Gorka
Issuer's Counsel:	Burke Burns & Pinelli, Ltd.	Chicago, IL	Steve Welcome
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

DePaul University Board of Trustees

Ms. Carla Michelotti
Executive VP/General Counsel
Leo Burnett Company, Inc

Ms. Trish J. Parson
Retired, Consultant to AmerInd
FCBS, Inc

Mr. Roger L. Plummer
President
Plummer & Associates Consulting

Mr. George Ruff
Senior Principal
Trinity Hotel Investors LLC

Mr. Jim Ryan
President & CEO
W.W. Grainger, Inc.

Mr. John B. Simon
Partner
Jenner & Block

Mr. Errol L. Stone
Partner
Sonnenschein

Mr. Richard E. Terry
Retired, Chairman & CEO
Peoples Energy Corporation

Mrs. Joanne Velasquez
Executive Vice President
Azteca Foods Inc

Mr. Patrick J. Moore
Chairman and Chief Executive Officer
Smurfit-Stone Container Corporation

Mr. Peter Pesce
Vice President, Human Resources
A.T. Kearney, LLC

Rev. Prudencio Rodriguez, C.M.
Vicar
DePaul House

Mr. Lawrence C. Russell
Managing Director
The Director's Firm

Mr. Bertram L. Scott
Executive Vice President and Chief Institutional Development and Sales Officer
TIAA-CREF

Mr. John C. Staley
Retired Managing Partner
Ernst & Young LLP

Rev. James E. Swift, C.M.
Provincial Superior, Midwest Province
Congregation of the Mission

Mr. Daniel C Ustian
Chairman, President & CEO
Navistar International Corporation

Ms. Dia S. Weil
Retired

DRAFT

RESOLUTION 2009-05-08

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENTS TO THE LOAN AGREEMENTS RELATING TO (I) THE ILLINOIS FINANCE AUTHORITY REVENUE BONDS, DEPAUL UNIVERSITY, SERIES 2004C, (II) THE ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BONDS, DEPAUL UNIVERSITY, SERIES 2005A, (III) THE ILLINOIS FINANCE AUTHORITY ADJUSTABLE RATE REVENUE REFUNDING BONDS, DEPAUL UNIVERSITY, SERIES 2005B AND SERIES 2005C, AND (IV) THE ILLINOIS FINANCE AUTHORITY REVENUE BONDS, DEPAUL UNIVERSITY, SERIES 2008; AUTHORIZING THE EXECUTION AND DELIVERY OF ANY OTHER NECESSARY DOCUMENTS REQUIRED TO EFFECT SUCH AMENDMENTS; AND AUTHORIZING AND APPROVING RELATED MATTERS.

Whereas, the Illinois Finance Authority (the "Authority") has heretofore issued its (i) Illinois Finance Authority Revenue Bonds, DePaul University, Series 2004C (the "Series 2004C Bonds") under and pursuant to a Trust Indenture dated as of June 1, 2004 (the "Series 2004C Indenture"), between the Authority and U.S. Bank National Association (the "Bank"), as trustee, (ii) Illinois Finance Authority Revenue Refunding Bonds, DePaul University, Series 2005A (the "Series 2005A Bonds") under and pursuant to a Trust Indenture dated as of March 1, 2005 (the "Series 2005A Indenture"), between the Authority and the Bank, as trustee, (iii) Illinois Finance Authority Adjustable Rate Revenue Refunding Bonds, DePaul University, Series 2005B and Series 2005C (the "Series 2005B/C Bonds") under and pursuant to a Trust Indenture dated as of March 1, 2005 (the "Series 2005B/C Indenture"), between the Authority and Bank, as trustee, and (iv) Illinois Finance Authority Revenue Bonds, DePaul University, Series 2008 (the "Series 2008 Bonds" and, collectively with the Series 2004C Bonds, the Series 2005A Bonds and the Series 2005B/C Bonds, the "Bonds") under and pursuant to a Trust Indenture dated as of June 1, 2008 (the "Series 2008 Indenture" and, collectively with the Series 2004C Indenture, the Series 2005A Indenture and the Series 2005B/C Indenture, the "Indentures"), between the Authority and the Bank, as trustee (the Bank, as trustee for each series of the Bonds being referred to herein as the "Trustee"); and

WHEREAS, the Authority loaned the proceeds from the sale of the Bonds of each series to the University of Chicago, an Illinois not for profit corporation (the "University"), pursuant to a separate Loan Agreement dated as of the date of the related Indenture (each, a "Loan Agreement" and, collectively, the "Loan Agreements") between the University and the Authority; and

WHEREAS, Section 2.6(a) of each of the Loan Agreements requires that, for each of its fiscal years, the University deliver to the Authority and the Trustee (i) its financial statements for such fiscal year, certified by KPMG LLP, independent certified public accountants ("KPMG"), or by another independent certified public accountant or firm of independent certified public accountants of nationally recognized standing selected by the University, and (ii) a separate written statement of KPMG or such other accountant or firm of accountants to the effect that it has obtained no knowledge of any default by the University in the fulfillment of any of the terms, covenants, provisions or conditions of the Loan Agreement relating to financial matters;

provided, however, that if it has obtained knowledge of any such default or defaults and the nature thereof, such written statement shall disclose the same; and

WHEREAS, KPMG has advised the University that it cannot provide the written statements required by Section 2.6(a) of each of the Loan Agreements pursuant to current auditing standards generally accepted in the United States; and

WHEREAS, the University now desires to amend the Loan Agreements in order to enable KPMG or such other accountant or firm of accountants selected by the University to deliver written statements regarding the University's performance of its covenants under the Loan Agreement in accordance with said Section 2.6(a) that comply with current generally accepted auditing standards, as they may be modified from time to time; and

WHEREAS, Section 1001 of each of the Indentures provides that the Authority and the University may enter into supplements to the related Loan Agreement, with the consent of the Trustee and without the consent of registered owners of the related Bonds, to make amendments thereto which, in the judgment of the Trustee, are not to the prejudice of the Trustee or the registered owners of the related Bonds, and that the Trustee may rely on an opinion of counsel that such amendments are not to the prejudice of the registered owners of the related Bonds in consenting to such changes; and

WHEREAS, the Authority has been informed that the Trustee has determined that (a) the amendment to Section 2.6(a) of each of the Loan Agreements is not to the prejudice of the Trustee, (b) on the basis of an opinion of counsel to the effect described above, such amendments are not to the prejudice of the registered owners of the Bonds and (c) in reliance upon such opinion of counsel, the Trustee will consent to such amendment to each of the Loan Agreements; and

WHEREAS, the University has requested that the Authority enter into a separate First Supplemental Loan Agreement (each, a "First Supplemental Loan Agreement" and, collectively the "Supplemental Loan Agreements") with the University amending Section 2.6(a) of each of the Loan Agreements as aforesaid; and

WHEREAS, the University has requested that the Authority also authorize and approve the execution and delivery of all other necessary documentation required to effectuate the provisions of the First Supplemental Loan Agreements;

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

Section 1. That the Authority hereby approves the amendments to the Loan Agreements described in the recitals hereto.

Section 2. That the Authority is hereby authorized to enter into the First Supplemental Loan Agreements with the University in substantially the forms thereof now before the Authority; that the forms, terms and provisions of the First Supplemental Loan Agreements be, and they hereby are, in all respects approved; that the Chairperson, the Vice Chairperson, the Treasurer, the Executive Director or any Assistant Executive Director (and for purposes of this

Resolution, any person duly appointed to any such office on an interim or acting basis) 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 Loan Agreements in the name, for and on behalf of the Authority, and thereupon to cause the First Supplemental Loan Agreements to be executed, acknowledged and delivered to the University and the Trustee, in substantially the form now before the Authority or with such changes therein as the Chairperson, the Vice Chairperson, the Treasurer, the Executive Director or any Assistant Executive Director (and for purposes of this Resolution, any person duly appointed to any such office on an interim or acting basis) shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the forms of the First Supplemental Loan Agreements now before the Authority; that when the First Supplemental Loan Agreements are executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, the First Supplemental Loan Agreements shall be binding on the Authority; that from and after the execution and delivery of the First Supplemental Loan Agreements, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the First Supplemental Loan Agreements as executed.

Section 3. That the Chairperson, the Vice Chairperson, the Treasurer, the Executive Director or any Assistant Executive Director (and for purposes of this Resolution, any person duly appointed to any such office on an interim or acting basis) be, and each of them hereby is, authorized to execute and deliver such documents, certificates, and undertakings of the Authority, including, if necessary, any related amendment or supplement to the Loan Agreements, and to take such other actions as may be required in connection with the execution, delivery and performance of each of the First Supplemental Loan Agreements and the effectuation of the amendment to each of the Loan Agreements as provided herein, all as authorized by this Resolution.

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

Section 5. That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 6. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

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

APPROVED this 12th day of May, 2009.

ILLINOIS FINANCE AUTHORITY

Chairman (or Vice Chairman)

ATTEST:

Secretary (or Assistant Secretary)

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

TO: IFA Board of Directors

FROM: Pam Lenane and Bill Claus

DATE: May 6, 2009

RE: A Resolution Authorizing Amendments to the Final Bond Resolution to include in the refinancing of the Series 1998C Bonds in the uses of proceeds.
(Provena Health)
IFA Project: H-HO-TE-CD-8234

BACKGROUND:

The IFA Board of Directors approved a Final Bond Resolution to issue conduit 501(c)(3) Revenue Bonds for the Provena Health project in an amount not-to-exceed $200 million at the April 14, 2009 Board Meeting. The Series 2009 Bonds will be fixed rate with a maturity no later than 2049.

Bond proceeds along with certain other funds will be used to: (i) pay or reimburse the Borrower, Provena Hospitals (the "Hospital") or Provena Senior Services ("Senior Services") for, or refinance outstanding taxable indebtedness the proceeds of which were used for, the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain health care facilities owned by the Borrower, the Hospital or Senior Services and all necessary and attendant facilities, equipment, site work and utilities thereto; (ii) **refinance the outstanding Series 1998C Bonds** (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (iv) fund one or more debt service reserve funds, if deemed necessary or advisable by the Authority or the Borrower; (v) provide working capital, if deemed necessary or advisable by the Authority or the Borrower; and (vi) pay certain expenses incurred in connection with the issuance of the Bonds, including but not limited to fees for insurance, credit enhancement or liquidity enhancement for the Bonds.

REQUEST:

The Series 1998C Bonds in the amount of $43.8 Million are MBIA insured VRDBs with a standby bond purchase agreement by JP Morgan. Given the numerous MBIA downgrades JP Morgan have been unsuccessful in remarketing the bonds. The terms of the documents given that the bonds are held by the bank require amortization over a short time period (typically 5 years). Given the required term-out provisions, Provena would like to include in the financing the ability to refinance the Series 1998C Bonds.

Provena Health is not requesting any other amendments to the documents previously approved by the IFA Board.

RECOMMENDATION:

Staff recommends approval of the inclusion of the Series 1998C Bonds in the refinanced proceeds.