

**ILLINOIS FINANCE AUTHORITY**

**BOARD MEETING**

**Tuesday, June 8, 2010**

**Chicago, Illinois**

**COMMITTEE OF THE WHOLE**

**8:30 a.m.**

**Two Prudential Plaza - IFA Chicago Office**

**180 N Stetson, Suite 2555**

**Chicago, Illinois**

**AGENDA**

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

**BOARD MEETING**

**11:30 a.m.**

**One Prudential Plaza Conference Center**

**130 East Randolph, 7th Floor**

**Chicago, Illinois**

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

**AGRICULTURE**

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
<b>Beginning Farmer Bonds</b> <i>Final (One-Time Considerations)</i>						
1	A) Brent A. Stortzum	Dieterich (Effingham County)	\$ 157,500	0	0	ER
	B) Clinton & Karen Hilmes	Carlyle (Clinton County)	\$ 232,000	0	0	ER
	C) Seth A. Kopplin	Altamont (Effingham County)	\$ 184,000	0	0	ER
	D) Keri L. Justison	Hillsboro (Montgomery County)	\$ 249,736	0	0	ER
	E) David M. Justison	Hillsboro (Montgomery County)	\$ 249,736	0	0	ER
<b>TOTAL AGRICULTURE PROJECTS</b>			\$ 1,072,972	0	0	

**BUSINESS AND INDUSTRY**

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
<b>Industrial Revenue Bonds</b> <i>Final</i>						
2	NGS Printing, Inc. and Gerhard G. Landrowski, as Co-Trustee of the Amendment and Restatement of the Gerhard G. Landrowski Declaration of Trust Dated November 18, 1993, Eric H. Landrowski, as Trustee of the Eric H. Landrowski Trust Dated August 28, 2006, and Mark G. Landrowski, as Trustee of the Mark G. Landrowski Trust Dated June 26, 2001 (One-time Consideration)	Elgin (Kane County)	\$ 3,000,000	2	57	ST
<b>TOTAL BUSINESS AND INDUSTRY PROJECTS</b>			\$ 3,000,000	2	57	

**HIGHER EDUCATION/CULTURAL/501(c)(3)'s**

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
<b>501(c)(3) Revenue Bonds</b> <i>Final</i>						
3	Garrett-Evangelical Theological Seminary (One-time Consideration)	Evanston (Cook County)	\$ 15,000,000	4	30	RF
<b>TOTAL HIGHER EDUCATION/CULTURAL/501(c)(3) PROJECTS</b>			\$ 15,000,000	4	30	

**HEALTHCARE**

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
<b>501(c)(3) Revenue Bonds</b> <i>Preliminary</i>						
4	Christian Homes, Inc.	Multiple (Lincoln, Bensenville, Carmi, Chrisman, Decatur, Forsyth, Springfield, Washington)	\$ 25,000,000	0	50	PL/SG
<b>501(c)(3) Bonds</b> <i>Final</i>						
5	Community Memorial Hospital Association	Staunton (Macoupin County)	\$ 900,000	6	15	JS
6	NorthShore University HealthSystem (f/k/a Evanston Northwestern Healthcare)	Evanston, Glenview, Highland Park, Skokie (Cook County and Lake County)	\$ 160,000,000	0	0	PL/BC
7	OSF Healthcare System	Peoria (Peoria County)	\$ 200,000,000	0	0	PL/BC
8	The Admiral at the Lake, Inc.	Chicago (Cook County)	\$ 225,000,000	135	300	PL/BC
<b>TOTAL HEALTHCARE PROJECTS</b>			\$ 610,900,000	141	365	
<b>GRAND TOTAL</b>			\$ 629,972,972	147	452	

**RESOLUTIONS**

Tab	Project	FM
<b>Amendatory Resolutions / Resolutions</b>		
9	Resolution authorizing the Execution and Delivery of a Supplemental Loan Agreement between Illinois Wesleyan University and the Illinois Finance Authority to amend certain covenants and reporting requirements with the credit enhancer relating to IFA Series 2006 and IFA Series 2006B Revenue Bonds (Illinois Wesleyan University Project)	RF/MN
10	Resolution authorizing Consent to a Reduction in the Debt Service Reserve Fund Requirement for IFA Series 2007 Subordinate (Conduit) Solid Waste Disposal Revenue Bonds (Illinois River Energy, LLC Project)	ST
11	Request by First Bank in Pittsfield for IFA concurrence on a covenant waiver related to an IFA Agri-Debt Guarantee Loan to Hayden Farms Partnership	ER
12	Resolution authorizing the execution and delivery of a Supplemental bond indenture and supplemental loan agreement extending the maturity of the Series 1995 and 1996 Bonds from 2030 to 2035 and providing for mandatory sinking fund payments commencing in 2011. (NorthShore University HealthSystem)	PL
13	REG Danville's Request for Consent to a Fourth Amendment to the Loan Agreement	ST
14	Resolution to Adopt the Report of the Compensation Committee	CM

**OTHER  
 ADJOURNMENT**

June 8, 2010

TO: William A. Brandt, Jr., Chairman  
Dr. William Barclay  
Ronald E. DeNard  
James J. Fuentes  
Edward H. Leonard, Sr.  
Terrence M. O'Brien  
Juan B. Rivera

Michael W. Goetz, Vice Chairman  
Roderick S. Bashir  
John E. Durburg  
Dr. Roger D. Herrin  
Joseph McInerney  
Roger E. Poole  
Bradley A. Zeller

RE: Message from the Executive Director

Dear Members of the Authority:

FY '10 opened with grave concerns regarding the ability of IFA's core business sectors (healthcare; business & industry; higher education/cultural/non-profits; agriculture) to generate sufficient revenue to maintain existing staffing and client service. An anticipated decline in healthcare financings due to general economic conditions and the continued construction of new and replacement facilities was particularly worrisome as healthcare had generated between 55% and 70% of IFA revenues in recent years. "Counter-cyclical" tax-exempt facility project financings were not expected to compensate for the anticipated decline in healthcare financings. Finally, in line with the general economic conditions, write-downs and losses in the participation loan portfolio were expected.

The development of the Energy Sector in partnership with programs anticipated to become available through the United States Department of Energy ("USDOE") was expected to be a partial solution to the IFA's revenue concerns but the timing of any new revenue from energy projects remained uncertain. Aggressive cost reductions implemented during FY '09 and FY '10 were projected to be insufficient to address the revenue concerns. The result was the October 2009 economic layoff that reduced the IFA staff by 20% and targeted every business sector except for healthcare and energy.

While the October 2009 layoff strengthened the financial position of the IFA, revenue also unexpectedly increased during the second half of FY '10. Due to a continued favorable interest rate environment and an increase in the cost of credit enhancement, YTD healthcare financings and refundings exceeded annual revenue projections by a dramatic 61%. In the business/industry and 501(c)(3) segments, a sustained effort to diversify and expand revenues in the Exempt Facilities sector in general and the Water Utility sector in particular to compensate for reduced IRB volume, as well as a favorable interest rate environment for fixed rate re-financings, resulted in revenue exceeding projections by an estimated 67%.

On the administrative side, the IFA continued to watch costs and delayed filling vacant positions. As a result, we anticipate a robust finish to FY'10 with \$7.1 million in total revenue, of which administrative and application fees accounted for \$5.0 million (64% healthcare; 31% business, industry, higher education; 4.3% agriculture). Interest on loans, primarily from the participation loan portfolio, are expected to top \$1.0 million. Annual Issuance, Loan Fees, and Other Income are also expected to finish at \$1.0 million. Meanwhile, spending has trended slightly above budgetary projections, due mainly to increased reserves for bad debt.

The IFA has made significant progress on its legislative agenda this year. Among the actions taken by this session of the 96<sup>th</sup> General Assembly are:

- SB 3719 (Sen. Frerichs/ Rep. Bradley) Public Act 96-0897, signed by Governor Quinn on May 24, 2010, expands existing Agri-Business guarantee programs to working capital and allows long-held IFA funds to be used to supplement appropriated reserves. The Chair of the IFA's Agriculture Committee, Edward H. Leonard, Sr., and IFA Member Bradley A. Zeller, were with the Governor for the signing. We are informing more than 300 lenders with an upcoming e-blast, and are spreading the word through radio interviews featuring Eric Reed and Sen. Frerichs (Farm Bureau Radio airing June 9, and WGN's Orion Samuelson airing June 5).
- HB 5854 (Rep. Colvin/Sen. Clayborne) sent to Governor Quinn on May 27, 2010, expands existing Agri-Business guarantee programs allows IFA to fund multi-state projects for not-for-profits.
- HB 2369 (Rep. Mautino/Sen. Wilhelmi) passed both Houses on May 26, 2010, allows voluntary waiver of federal stimulus volume cap under expiring Recovery Zone and Qualified Energy Conservation bonds.
- SR 808 (Sen. Frerichs, Althoff, Clayborne, Hunter, Dahl, Raoul) adopted May 27, 2010, urges the United States Senate to renew the Biodiesel Blenders Tax Credit. The Members of the IFA passed a similar resolution at the May Board meeting.

On the Federal level, the House recently passed HR 4213 that included one year extensions on Federal Home Loan Bank Letter of Credit provisions, Bank Qualification provisions that set a \$30 million by user, not issuer, and the extension of the Biodiesel Blenders Tax Credit.

Looking ahead, the strategic planning process for FY11 is well under way. Over the past month, the senior leadership team has looked at major macroeconomic trends, the business climate in general, opportunities for IFA funding activity, and we have conducted an extensive review of the human capital we have and we need to get the job done. Concurrently, the budgeting process is well on its way. The results of the planning and budgeting process will be provided for your input shortly, and the budget for FY' 11 is anticipated to be considered for approval at the July meeting.

Respectfully,

---

Christopher B. Meister  
Executive Director

Attachments:

Attachment 1– General Fund, Financial Results plus the consolidated balance sheet and the audit tracking schedule will be distributed at the meeting

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

**Illinois Finance Authority  
General Fund - Actual to Budget  
Statement of Activities  
for Period Ending  
May 31, 2010**

	Actual May 2010	Budget May 2010	Current Month Variance <u>Actual vs. Budget</u>	Current % Variance	Actual YTD FY 2010	Budget YTD FY 2010	Year to Date Variance <u>Actual vs. Budget</u>	YTD % Variance	Total Budget FY 2010	% of Budget Expended
<b>REVENUE</b>										
INTEREST ON LOANS	89,749	91,284	(1,535)	-1.68%	942,773	1,097,857	(155,084)	-14.13%	1,175,722	80.19%
INVESTMENT INTEREST & GAIN(LOSS)	4,465	20,834	(16,369)	-78.57%	40,596	229,166	(188,570)	-82.29%	250,000	16.24%
ADMINISTRATIONS & APPLICATION FEES	556,878	183,214	373,664	203.95%	4,828,206	3,313,502	1,514,704	45.71%	3,496,715	138.08%
ANNUAL ISSUANCE & LOAN FEES	47,343	51,781	(4,438)	-8.57%	736,186	593,832	142,354	23.97%	645,618	114.03%
OTHER INCOME	7,701	2,975	4,726	158.86%	229,456	32,725	196,731	601.16%	35,700	100.00%
<b>TOTAL REVENUE</b>	<b>706,136</b>	<b>350,088</b>	<b>356,048</b>	<b>101.70%</b>	<b>6,777,218</b>	<b>5,267,082</b>	<b>1,510,136</b>	<b>28.67%</b>	<b>5,603,755</b>	<b>120.94%</b>
<b>EXPENSES</b>										
<b>EMPLOYEE RELATED EXPENSES</b>										
COMPENSATION & TAXES	197,823	229,167	(31,344)	-13.68%	2,487,506	2,520,837	(33,331)	-1.32%	2,750,000	90.45%
BENEFITS	19,058	23,042	(3,984)	-17.29%	251,478	253,462	(1,984)	-0.78%	276,500	90.95%
TEMPORARY HELP	2,723	3,157	(434)	-13.74%	30,068	34,727	(4,659)	-13.42%	37,880	79.38%
EDUCATION & DEVELOPMENT	-	417	(417)	-100.00%	15,410	4,587	10,823	235.95%	5,000	308.20%
TRAVEL & AUTO	11,731	5,175	6,556	126.68%	64,774	56,925	7,849	13.79%	62,100	104.31%
<b>TOTAL EMPLOYEE RELATED EXPENSES</b>	<b>231,335</b>	<b>260,958</b>	<b>(29,623)</b>	<b>-11.35%</b>	<b>2,849,236</b>	<b>2,870,538</b>	<b>(21,302)</b>	<b>-0.74%</b>	<b>3,131,480</b>	<b>90.99%</b>
<b>PROFESSIONAL SERVICES</b>										
CONSULTING, LEGAL & ADMIN	36,141	15,833	20,308	128.26%	193,899	174,163	19,736	11.33%	190,000	102.05%
LOAN EXPENSE & BANK FEE	10,307	11,208	(901)	-8.04%	110,330	123,288	(12,958)	-10.51%	134,500	82.03%
ACCOUNTING & AUDITING	22,505	21,667	838	3.87%	256,196	238,337	17,859	7.49%	260,000	98.54%
MARKETING GENERAL	68	9,285	(9,217)	-99.26%	5,920	55,710	(49,790)	-89.37%	65,000	9.11%
FINANCIAL ADVISORY	18,333	18,333	-	0.00%	201,663	201,663	0	0.00%	220,000	91.67%
CONFERENCE/TRAINING	3,655	1,250	2,405	192.40%	12,317	13,750	(1,433)	-10.42%	15,000	82.12%
MISC. PROFESSIONAL SERVICES	17,142	17,142	-	0.00%	124,474	102,852	21,622	21.02%	120,000	103.73%
DATA PROCESSING	6,580	2,917	3,663	125.58%	47,980	32,087	15,893	49.53%	35,000	137.09%
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>114,731</b>	<b>97,635</b>	<b>17,096</b>	<b>17.51%</b>	<b>952,780</b>	<b>941,850</b>	<b>10,930</b>	<b>1.16%</b>	<b>1,039,500</b>	<b>91.66%</b>

**Illinois Finance Authority  
General Fund - Actual to Budget  
Statement of Activities  
for Period Ending  
May 31, 2010**

	Actual May 2010	Budget May 2010	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2010	Budget YTD FY 2010	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2010	% of Budget Expended
<b>OCCUPANCY COSTS</b>										
OFFICE RENT	22,420	22,917	(497)	-2.17%	239,041	252,087	(13,046)	-5.18%	275,000	86.92%
EQUIPMENT RENTAL AND PURCHASES	971	5,167	(4,196)	-81.20%	25,551	56,837	(31,286)	-55.05%	62,000	41.21%
TELECOMMUNICATIONS	3,208	4,358	(1,150)	-26.38%	44,683	47,938	(3,255)	-6.79%	52,300	85.44%
UTILITIES	889	800	89	11.15%	10,750	8,800	1,950	22.16%	9,600	111.98%
DEPRECIATION	2,876	4,025	(1,149)	-28.54%	48,346	44,275	4,071	9.20%	48,300	100.10%
INSURANCE	1,975	500	1,475	294.91%	21,072	5,500	15,572	283.12%	6,000	351.19%
<b>TOTAL OCCUPANCY COSTS</b>	<b>32,340</b>	<b>37,767</b>	<b>(5,427)</b>	<b>-14.37%</b>	<b>389,443</b>	<b>415,437</b>	<b>(25,994)</b>	<b>-6.26%</b>	<b>453,200</b>	<b>85.93%</b>
<b>GENERAL &amp; ADMINISTRATION</b>										
OFFICE SUPPLIES	516	8,667	(8,151)	-94.04%	36,139	81,337	(45,198)	-55.57%	90,000	40.15%
BOARD MEETING - EXPENSES	1,744	1,600	144	9.00%	27,233	17,600	9,633	54.73%	19,200	141.84%
PRINTING	-	600	(600)	-100.00%	6,107	6,600	(493)	-7.46%	7,200	84.83%
POSTAGE & FREIGHT	1,807	1,250	557	44.54%	15,949	13,750	2,199	15.99%	15,000	106.33%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,264	3,083	(1,819)	-59.00%	28,808	33,913	(5,105)	-15.05%	37,000	77.86%
PUBLICATIONS	285	250	35	14.16%	1,950	2,750	(800)	-29.08%	3,000	65.01%
OFFICERS & DIRECTORS INSURANCE	16,561	16,917	(356)	-2.10%	174,039	186,087	(12,048)	-6.47%	203,000	85.73%
MISCELLANEOUS	-	-	-	0.00%	(245)	-	(245)	0.00%	-	0.00%
<b>TOTAL GENL &amp; ADMIN EXPENSES</b>	<b>22,178</b>	<b>32,367</b>	<b>(10,189)</b>	<b>-31.48%</b>	<b>289,980</b>	<b>342,037</b>	<b>(52,057)</b>	<b>-15.22%</b>	<b>374,400</b>	<b>77.45%</b>
LOAN LOSS PROVISION/BAD DEBT	25,000	25,000	-	0.00%	657,202	275,000	382,202	138.98%	300,000	219.07%
<b>OTHER</b>										
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
<b>TOTAL OTHER</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>
<b>TOTAL EXPENSES</b>	<b>425,583</b>	<b>453,727</b>	<b>(28,144)</b>	<b>-6.20%</b>	<b>5,138,641</b>	<b>4,844,862</b>	<b>293,779</b>	<b>6.06%</b>	<b>5,298,580</b>	<b>96.98%</b>
<b>NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) &amp; TRANSFERS</b>	<b>280,553</b>	<b>(103,639)</b>	<b>384,192</b>	<b>-370.70%</b>	<b>1,638,576</b>	<b>422,219</b>	<b>1,216,356</b>	<b>288.09%</b>	<b>305,175</b>	<b>536.93%</b>
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	-	-	-	0.00%	80,608	-	80,608	100.00%	-	-
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
<b>NET INCOME/(LOSS)</b>	<b>280,553</b>	<b>(103,639)</b>	<b>384,192</b>	<b>-370.70%</b>	<b>1,719,184</b>	<b>422,219</b>	<b>1,296,965</b>	<b>307.18%</b>	<b>305,175</b>	<b>563.34%</b>



**Illinois Finance Authority  
General Fund - Actual to Actual  
Statement of Activities  
for Period Ending  
May 31, 2010**

	Actual May 2010	Actual May 2009	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2010	Actual YTD FY 2009	Year to Date Variance Actual vs. Actual	YTD % Variance
<b>REVENUE</b>								
INTEREST ON LOANS	89,749	108,321	(18,572)	-17.15%	942,773	1,201,064	(258,291)	-21.51%
INVESTMENT INTEREST & GAIN(LOSS)	4,465	5,345	(880)	-16.46%	40,596	231,686	(191,090)	-82.48%
ADMINISTRATIONS & APPLICATION FEES	556,878	273,472	283,406	103.63%	4,828,206	4,521,163	307,043	6.79%
ANNUAL ISSUANCE & LOAN FEES	47,343	55,012	(7,669)	-13.94%	736,186	600,619	135,567	22.57%
OTHER INCOME	7,701	8,576	(875)	-10.20%	229,456	95,888	133,568	139.30%
<b>TOTAL REVENUE</b>	<b>706,136</b>	<b>450,726</b>	<b>255,410</b>	<b>56.67%</b>	<b>6,777,218</b>	<b>6,650,420</b>	<b>126,797</b>	<b>1.91%</b>
<b>EXPENSES</b>								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	197,823	221,933	(24,110)	-10.86%	2,487,506	2,553,330	(65,824)	-2.58%
BENEFITS	19,058	24,529	(5,471)	-22.30%	251,478	265,605	(14,127)	-5.32%
TEMPORARY HELP	2,723	1,778	946	53.19%	30,068	54,458	(24,389)	-44.79%
EDUCATION & DEVELOPMENT	-	-	-	0.00%	15,410	893	14,517	1624.87%
TRAVEL & AUTO	11,731	10,290	1,441	14.00%	64,774	63,542	1,232	1.94%
<b>TOTAL EMPLOYEE RELATED EXPENSES</b>	<b>231,335</b>	<b>258,529</b>	<b>(27,194)</b>	<b>-10.52%</b>	<b>2,849,236</b>	<b>2,937,828</b>	<b>(88,592)</b>	<b>-3.02%</b>
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	36,141	8,000	28,141	351.76%	193,899	253,552	(59,653)	-23.53%
LOAN EXPENSE & BANK FEE	10,307	10,775	(468)	-4.35%	110,330	122,428	(12,098)	-9.88%
ACCOUNTING & AUDITING	22,505	21,708	797	3.67%	256,196	290,130	(33,934)	-11.70%
MARKETING GENERAL	68	19,709	(19,641)	-99.65%	5,920	58,716	(52,796)	-89.92%
FINANCIAL ADVISORY	18,333	5,000	13,333	266.66%	201,663	275,075	(73,412)	-26.69%
CONFERENCE/TRAINING	3,655	625	3,030	484.80%	12,317	11,246	1,071	9.53%
MISC. PROFESSIONAL SERVICES	17,142	-	17,142	0.00%	124,474	20,000	104,474	522.37%
DATA PROCESSING	6,580	3,621	2,960	81.75%	47,980	40,834	7,146	17.50%
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>114,731</b>	<b>69,438</b>	<b>45,294</b>	<b>65.23%</b>	<b>952,780</b>	<b>1,071,981</b>	<b>(119,201)</b>	<b>-11.12%</b>

**Illinois Finance Authority  
General Fund - Actual to Actual  
Statement of Activities  
for Period Ending  
May 31, 2010**

	Actual May 2010	Actual May 2009	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2010	Actual YTD FY 2009	Year to Date Variance Actual vs. Actual	YTD % Variance
<b>OCCUPANCY COSTS</b>								
OFFICE RENT	22,420	22,573	(153)	-0.68%	239,041	270,782	(31,741)	-11.72%
EQUIPMENT RENTAL AND PURCHASES	971	3,793	(2,822)	-74.39%	25,551	53,612	(28,061)	-52.34%
TELECOMMUNICATIONS	3,208	5,323	(2,115)	-39.73%	44,683	56,516	(11,833)	-20.94%
UTILITIES	889	756	133	17.65%	10,750	13,334	(2,584)	-19.38%
DEPRECIATION	2,876	5,247	(2,371)	-45.18%	48,346	66,298	(17,951)	-27.08%
INSURANCE	1,975	1,951	23	1.20%	21,072	15,218	5,854	38.47%
<b>TOTAL OCCUPANCY COSTS</b>	<b>32,340</b>	<b>39,643</b>	<b>(7,303)</b>	<b>-18.42%</b>	<b>389,443</b>	<b>475,759</b>	<b>(86,316)</b>	<b>-18.14%</b>
<b>GENERAL &amp; ADMINISTRATION</b>								
OFFICE SUPPLIES	516	3,834	(3,318)	-86.54%	36,139	78,007	(41,868)	-53.67%
BOARD MEETING - EXPENSES	1,744	2,332	(588)	-25.22%	27,233	34,437	(7,205)	-20.92%
PRINTING	-	1,360	(1,360)	-100.00%	6,107	14,054	(7,947)	-56.54%
POSTAGE & FREIGHT	1,807	615	1,192	193.75%	15,949	21,426	(5,477)	-25.56%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,264	(1,247)	2,511	-201.34%	28,808	35,210	(6,402)	-18.18%
PUBLICATIONS	285	58	228	394.63%	1,950	3,312	(1,362)	-41.11%
OFFICERS & DIRECTORS INSURANCE	16,561	11,387	5,174	45.44%	174,039	159,070	14,969	9.41%
MISCELLANEOUS	-	-	-	-	(245)	4,048	(4,293)	-
<b>TOTAL GENL &amp; ADMIN EXPENSES</b>	<b>22,178</b>	<b>18,340</b>	<b>3,838</b>	<b>20.93%</b>	<b>289,980</b>	<b>349,565</b>	<b>(59,585)</b>	<b>-17.05%</b>
LOAN LOSS PROVISION/BAD DEBT	25,000	8,333	16,667	200.01%	657,202	(98,624)	755,826	-766.37%
<b>OTHER</b>								
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
<b>TOTAL OTHER</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>TOTAL EXPENSES</b>	<b>425,583</b>	<b>394,282</b>	<b>31,302</b>	<b>7.94%</b>	<b>5,138,641</b>	<b>4,736,509</b>	<b>402,132</b>	<b>8.49%</b>
<b>NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) &amp; TRANSFERS</b>								
	280,553	56,444	224,109	397.05%	1,638,576	1,913,911	(275,335)	-14.39%
<b>NET UNREALIZED GAIN/(LOSS) ON INVESTMENT</b>								
	-	-	-	0.00%	-	-	-	0.00%
<b>TRANSFER</b>								
	-	-	-	0.00%	80,608	20,125	60,483	300.54%
<b>REVENUE GRANT</b>								
	-	-	-	0.00%	-	-	-	0.00%
<b>APPROPRIATIONS FROM STATE</b>								
	-	-	-	0.00%	-	-	-	0.00%
<b>NET INCOME/(LOSS)</b>	<b>280,553</b>	<b>56,444</b>	<b>224,109</b>	<b>397.05%</b>	<b>1,719,184</b>	<b>1,934,036</b>	<b>(214,852)</b>	<b>-11.11%</b>

**Illinois Finance Authority  
General Fund  
Unaudited  
Balance Sheet  
for the Eleven Months Ending May 31, 2010**


		Actual May 2010
<b>ASSETS</b>		
CASH & INVESTMENTS, UNRESTRICTED	\$	20,408,985
RECEIVABLES, NET		196,637
LOAN RECEIVABLE, NET		20,052,861
OTHER RECEIVABLES		109,320
PREPAID EXPENSES		73,464
TOTAL CURRENT ASSETS		40,841,267
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION		50,942
DEFERRED ISSUANCE COSTS		362,242
<b>OTHER ASSETS</b>		
CASH, INVESTMENTS & RESERVES		1,580,618
VENTURE CAPITAL INVESTMENTS		-
OTHER		(12,454)
TOTAL OTHER ASSETS		1,568,164
TOTAL ASSETS	\$	42,822,615
<b>LIABILITIES</b>		
CURRENT LIABILITIES	\$	1,485,231
LONG-TERM LIABILITIES		525,268
TOTAL LIABILITIES		2,010,499
<b>EQUITY</b>		
CONTRIBUTED CAPITAL		4,111,479
RETAINED EARNINGS		23,010,155
NET INCOME / (LOSS)		1,719,184
RESERVED/RESTRICTED FUND BALANCE		1,732,164
UNRESERVED FUND BALANCE		10,239,134
TOTAL EQUITY		40,812,116
TOTAL LIABILITIES & EQUITY	\$	42,822,615

**Illinois Finance Authority  
Consolidated  
Unaudited  
Balance Sheet  
for the Eleven Months Ending May 31, 2010**

	<u>Actual May 2009</u>	<u>Actual May 2010</u>
<b>ASSETS</b>		
CASH & INVESTMENTS, UNRESTRICTED	\$ 28,009,503	\$ 33,916,878
RECEIVABLES, NET	60,882	196,638
LOAN RECEIVABLE, NET	83,992,148	89,134,949
OTHER RECEIVABLES	682,128	1,044,680
PREPAID EXPENSES	<u>75,575</u>	<u>73,464</u>
 TOTAL CURRENT ASSETS	 112,820,236	 124,366,609
 FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	 104,405	 50,942
 DEFERRED ISSUANCE COSTS	 585,269	 492,362
<b>OTHER ASSETS</b>		
CASH, INVESTMENTS & RESERVES	48,231,035	39,702,456
VENTURE CAPITAL INVESTMENTS	5,377,739	5,377,739
OTHER	<u>3,646,693</u>	<u>2,999,998</u>
 TOTAL OTHER ASSETS	 57,255,467	 48,080,193
 TOTAL ASSETS	 <u>\$ 170,765,377</u>	 <u>\$ 172,990,106</u>
 <b>LIABILITIES</b>		
CURRENT LIABILITIES	993,346	1,583,532
LONG-TERM LIABILITIES	<u>56,865,959</u>	<u>56,511,477</u>
 TOTAL LIABILITIES	 57,859,305	 58,095,009
<b>EQUITY</b>		
CONTRIBUTED CAPITAL	35,608,692	35,608,692
RETAINED EARNINGS	24,795,357	27,173,957
NET INCOME / (LOSS)	88,577	1,993,084
RESERVED/RESTRICTED FUND BALANCE	39,765,275	37,471,193
UNRESERVED FUND BALANCE	<u>12,648,171</u>	<u>12,648,171</u>
 TOTAL EQUITY	 112,906,072	 114,895,097
 TOTAL LIABILITIES & EQUITY	 <u>\$ 170,765,377</u>	 <u>\$ 172,990,106</u>

**Illinois Finance Authority**  
**FY09 Audit Finding: Material**  
**Update as of May 31, 2010**

**Number of Material Findings - 1**

Item Number	Description	Finding Type	Comments	Percentage Completed
09-01	Valuation of Venture Capital Investments	Significant Deficiency	<b>Auditor Recommendation:</b> The IFA has not had an independent valuation of its venture capital investments since fiscal year 2006. We recommend the Authority obtain an independent valuation of the investment portfolio periodically in order to support the amounts recorded and disclosed in the financial statements. <b>Authority Response:</b> The Authority accepted the auditor's recommendation. The Authority has procured a vendor to perform the valuation of the venture capital portfolio.	10 20 30 40 50 60 70 80 90 100 

**ILLINOIS FINANCE AUTHORITY**  
Schedule of Debt <sup>[a]</sup>

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

Section I (a)		Principal Outstanding		Program Limitations	Remaining Capacity
		June 30, 2009	May 31, 2010		
<b>Illinois Finance Authority "IFA"</b>					
261	Agriculture	\$ 40,653,000	\$ 47,672,000		
86	Education	3,494,340,000	3,703,860,000		
211	Healthcare	9,089,122,000	10,808,957,000		
60	Industrial Development	366,045,000	342,529,000		
21	Local Government	271,480,000	264,060,000		
19	Multifamily/Senior Housing	164,768,000	164,148,000		
96	501(c)(3) Not-for Profits	1,186,916,000	1,246,748,000		
5	Exempt Facilities Bonds	77,000,000	130,500,000		
759	<b>Total IFA Principal Outstanding</b>	<b>\$ 14,690,324,000</b>	<b>\$ 16,708,474,000</b>		
<b>Illinois Development Finance Authority "IDFA" <sup>[b]</sup></b>					
4	Education	75,163,000	42,198,000		
7	Healthcare	544,455,000	404,660,000		
78	Industrial Development	605,563,000	568,265,000		
35	Local Government	452,433,000	386,254,000		
16	Multifamily/Senior Housing	150,192,000	147,241,000		
107	501(c)(3) Not-for Profits	1,081,733,000	1,055,042,000		
1	Exempt Facilities Bonds	24,860,000	24,860,000		
244	<b>Total IDFA Principal Outstanding</b>	<b>\$ 2,934,399,000</b>	<b>\$ 2,628,520,000</b>		
<b>Illinois Rural Bond Bank "IRBB" <sup>[b]</sup></b>					
18	Bond Bank Revenue Bonds	30,725,000	26,385,000		
1	Conduit Debt	3,860,000	2,390,000		
19	<b>Total IRBB Principal Outstanding</b>	<b>\$ 34,585,000</b>	<b>\$ 28,775,000</b>		
109	<b>Illinois Health Facilities Authority "IHFA"</b>	<b>\$ 3,655,331,000</b>	<b>\$ 2,910,074,000</b>		
52	<b>Illinois Educational Facilities Authority "IEFA"</b>	<b>\$ 1,673,996,000</b>	<b>\$ 1,551,179,000</b>		
604	<b>Illinois Farm Development Authority "IFDA" <sup>[f]</sup></b>	<b>\$ 47,029,000</b>	<b>\$ 47,029,000</b>		
1,787	<b>Total Illinois Finance Authority Debt</b>	<b>\$ 23,035,664,000</b>	<b>\$ 23,874,051,000</b>	<b>\$ 28,150,000,000</b>	<b>\$ 4,275,949,000</b>

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

Section I (b)		Principal Outstanding		Program Limitations	Remaining Capacity
		June 30, 2009	May 31, 2010		
<b>General Purpose Moral Obligations</b>					
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]					
18	Issued through IRBB	\$ 30,725,000	\$ 26,385,000		
9	Issued through IFA	64,560,000	68,000,000		
27	<b>Total General Moral Obligations</b>	<b>\$ 95,285,000</b>	<b>\$ 94,385,000</b>	<b>\$ 150,000,000</b>	<b>\$ 55,615,000</b>
<b>Financially Distressed Cities Moral Obligations</b>					
Illinois Finance Authority Act [20 ILCS 3501/825-60]					
1	Issued through IFA	\$ 2,925,000	\$ 2,395,000		
1	Issued through IDFA	5,720,000	4,660,000		
2	<b>Total Financially Distressed Cities</b>	<b>\$ 8,645,000</b>	<b>\$ 7,055,000</b>	<b>\$ 50,000,000</b>	<b>\$ 42,945,000</b>
<b>State Component Unit Bonds <sup>[c]</sup></b>					
19	Issued through IRBB	\$ 30,725,000	\$ 26,385,000		
2	Issued through IDFA	105,530,000	100,915,000		
13	Issued through IFA	164,818,000	159,352,000		
34	<b>Total State Component Unit Bonds</b>	<b>\$ 301,073,000</b>	<b>\$ 286,652,000</b>		

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

Section I (c)		Principal Outstanding		Program Limitations	Remaining Capacity
		June 30, 2009	May 31, 2010		
Midwest Disaster Bonds [Flood Relief]		\$ -	\$ -	\$ 1,515,271,000	\$ 1,515,271,000

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

Section II		Principal Outstanding		Program Limitations	Remaining Capacity
		June 30, 2009	May 31, 2010		
Illinois Power Agency		\$ -	\$ -	\$ 4,000,000,000	\$ 4,000,000,000

**ILLINOIS FINANCE AUTHORITY**  
Schedule of Debt <sup>[a]</sup>

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

Section III		Energy	Principal Outstanding		Program Limitations	Remaining Capacity
			June 30, 2009	May 31, 2010		
Clean Coal, Coal ,Renewable Energy and Efficiency Projects		\$	-	\$	-	\$ 3,000,000,000 <sup>[d]</sup> \$ 3,000,000,000

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

Section IV		Principal Outstanding		Program Limitations	Remaining Capacity	State Exposure
		June 30, 2009	March 31, 2010			
Agri Debt Guarantees [Restructuring Existing Debt]		\$ 21,986,000	\$ 20,586,000	\$ 160,000,000	\$ 139,414,000	\$ 17,456,000
103	Fund # 994 - Fund Balance	\$ 9,922,207				
13	Agri Industry Loan Guarantee Program	\$ 13,648,000	\$ 9,941,000			8,450,000
1	Renewable Fuels	24,445,000	24,445,000			14,875,000
1	Farm Purchase Guarantee Program	496,000	496,000			421,000
34	Specialized Livestock Guarantee Program	12,696,000	8,688,000			7,385,000
12	Young Farmer Loan Guarantee Program	2,430,000	2,564,000			2,179,000
AG Loan Guarantee Program		\$ 53,715,000	\$ 46,134,000	\$ 225,000,000 <sup>[e]</sup>	\$ 178,866,000	\$ 33,310,000
61	Fund # 205 - Fund Balance	\$ 7,637,312				
164	Total State Guarantees	\$ 75,701,000	\$ 66,720,000	\$ 385,000,000	\$ 318,280,000	\$ 50,766,000

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

Section V		Fund #	Principal Outstanding		Appropriation Fiscal Year 2010	Fund Balance
			June 30, 2009	May 31, 2010		
116	Fire Truck Revolving Loan Program	Fund # 572	\$ 19,258,322	\$ 18,730,135	\$ 6,003,342	\$ 1,169,777
10	Ambulance Revolving Loan Program	Fund # 334	\$ 993,200	\$ 993,200	\$ 7,006,800	\$ 3,129,149

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

Section VI		Principal Outstanding		Program Limitations	Remaining Capacity
		June 30, 2009	May 31, 2010		
Environmental [Large Business]					
9	Issued through IFA	\$ 317,704,492	\$ 317,279,000		
21	Issued through IDFA	407,370,000	372,065,000		
30	Total Environmental [Large Business]	\$ 725,074,492	\$ 689,344,000	\$ 2,425,000,000	\$ 1,735,656,000
Environmental [Small Business]					
30	Total Environment Bonds Issued under Act	\$ 725,074,492	\$ 689,344,000	\$ 2,500,000,000	\$ 1,810,656,000

**Illinois Finance Authority Funds at Risk**

Section VII	#	Original Amount	Principal Outstanding	
			June 30, 2009	May 31, 2010
	Participation Loans			
64	Business & Industry	27,584,793.27	20,487,542.83	17,360,327.67
25	Agriculture	6,106,859.01	5,323,214.12	4,985,525.16
89	Total Participation Loans	\$ 33,691,652.28	\$ 25,810,756.95	\$ 22,345,852.83
1	Illinois Facility Fund	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
4	Local Government Direct Loans	\$ 1,289,750.00	\$ 387,931.74	\$ 309,303.50
6	FmHA Loans	\$ 963,250.00	\$ 617,776.68	\$ 510,442.21
2	Renewable Energy [RED Fund]	\$ 2,000,000.00	\$ 1,841,011.12	\$ 1,762,864.10
102	Total Loans Outstanding	\$ 38,944,652.28	\$ 29,657,476.49	\$ 25,928,462.64

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

[b] State Component Unit Bonds included in balance.

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

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

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

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

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

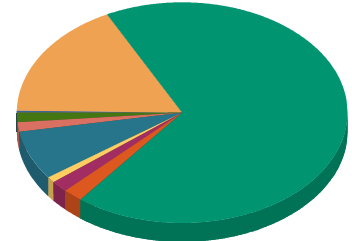
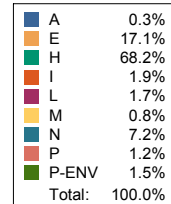


## Bonds Issued and Outstanding as of May 31, 2010

### Bonds Issued Since Inception

#	Market Sector	Principal Amount (\$)
8	Agriculture	55,469,462
95	Education	3,781,818,100
297	Healthcare	14,907,078,508
69	Industrial	429,425,669
26	Local Government	376,160,000
19	Multifamily/Senior Housing	175,417,900
127	501(c)(3) Not-for Profits	1,599,573,195
8	Exempt Facilities Bonds	275,700,000
9	Environmental issued under 20 ILCS 3515/9	326,630,000
		\$ 21,927,272,834

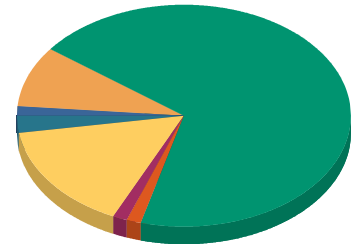
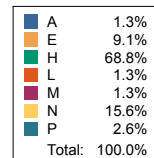
### Bonds Issued Since Inception



### Current Fiscal Year

#	Market Sector	Principal Issued
1	Agriculture	7,365,550
7	Education	283,745,000
53	Healthcare	2,535,200,448
1	Local Government	4,460,000
1	Multifamily/Senior Housing	5,700,000
12	501(c)(3) Not-for Profits	181,877,520
2	Exempt Facilities Bonds	53,500,000
		\$ 3,071,848,518

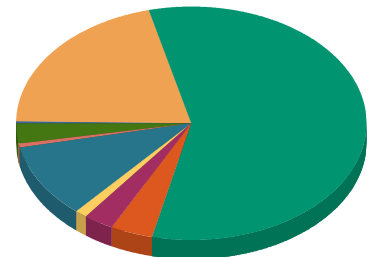
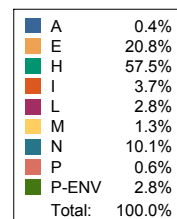
### Bonds Issued - Current Fiscal Year



### Schedule of Bonds Outstanding by Market Sector

Market Sector	Amount of Original Issue	Principal Outstanding
Agriculture	293,939,168	94,701,504
Education	5,502,905,730	5,119,452,654
Healthcare	16,025,357,337	14,123,690,907
Industrial	1,101,475,669	910,794,194
Local Government	1,138,329,413	679,089,169
Multifamily/Senior Housing	749,333,296	311,389,603
501(c)(3) Not-for Profits	2,869,714,996	2,479,574,774
Exempt Facilities Bonds	155,360,000	155,360,000
Environmental issued under 20 ILCS 3515/9	770,475,000	689,343,922
	\$ 28,606,890,609	\$ 24,563,396,726

### Principal Outstanding by Market Sector





## Bonds Issued between July 01, 2009 and May 31, 2010

<u>Bond Issue</u>	<u>Date Issued</u>	<u>Initial Interest Rate</u>	<u>Principal Issued</u>
Beginner Farmer Bonds - Fiscal Year 2010	07/01/2009	Various-See Below	7,365,550
Provena Health, Series 2009B-D	07/09/2009	VRB 0.20%	116,000,000
Jewish Charities RAN, Series 2009-2010A	07/09/2009	VRB 0.26%	14,370,000
Hospice of Northeastern Illinois, Series 2009	07/16/2009	VRB 0.28%	8,500,000
Illinois Institute of Technology, Series 2009	07/22/2009	4.750% to 7.125%	30,000,000
Alexian Brothers Health System, Inc., Series 2009	07/23/2009	DP-VRB 2.53%	13,607,000
Rush University Medical Center, Series 2009C&D	07/29/2009	6.20% to 6.625%	200,000,000
Riverside Health System, Series 2009	08/13/2009	5.75% to 6.25%	66,500,000
OSF Healthcare System, Series 2009E-G	08/18/2009	DP-VRB 4.98%	70,000,000
University of Chicago Medical Center, Series 2009C-E	08/20/2009	5.25% to 5.50%	225,000,000
Aunt Martha's Youth Service Center, Inc., Series 2009	08/20/2009	DP-VRB 5.65%	8,924,195
St. Patrick High School, Series 2009	08/20/2009	DP-VRB 5.19%	5,431,458
Our Lady of Angels Village, Series 2009	08/20/2009	DP-VRB	7,911,000
American Water Capital Corp., Series 2009	10/01/2009	5.25%	28,500,000
Lake Forest Hospital, Series 2009	10/16/2009	DP-VRB 1.109%	52,000,000
Trinity International University, Series 2009	10/22/2009	VRB 0.24%	22,870,000
Edward Hospital, Series 2009A	10/28/2009	VRB 0.28%	43,500,000
Concordia University Chicago, Series 2009	10/29/2009	VRB 0.23%	30,000,000
Central DuPage Health, Series 2009B	11/18/2009	3.00% to 5.75%	240,000,000
Bond Bank Revenue Bonds, Series 2009A	12/04/2009	1.90% to 5.375%	4,460,000
Roosevelt University, Series 2009	12/09/2009	5.00% to 6.50%	183,645,000
Rehabilitation Institute of Chicago, Series 2009A-C	12/10/2009	VRB 0.25%	90,675,000
Villa Guadalupe Senior Services, Series 2009	12/15/2009	DP-VRB 3.26%	3,345,000
Elgin Academy, Series 2009	12/16/2009	DP-VRB 4.80%	11,505,000
The Joliet Montessori School, Series 2009	12/16/2009	DP-VRB 5.00%	625,000
Marion SLF, Series 2009	12/16/2009	DP-VRB 6.75%	5,700,000
Museum Science & Industry, Series 2009A-D	12/17/2009	VRB 0.23%	64,000,000
IV HealthCorp, Inc. [Illinois Valley Hospital], Series 2009	12/17/2009	VRB 0.32%	22,955,000
Resurrection Health Care, Series 2009	12/22/2009	3.00% to 6.125%	103,805,000
Memorial Health System, Series 2009	12/22/2009	3.00% to 5.50%	150,000,000
Providence Life Services, Series 2009A&B	12/29/2009	DP-VRB 4.18%/4.23%	27,689,820
Advocate Health Care Network, Series 2010A-D	01/06/2010	5.50%	238,255,000
Jewish Charities RAN, Series 2009-2010B	01/14/2010	VRB 0.15%	14,545,000
Swedish Covenant Hospital, Series 2010A	02/02/2010	4.00% to 6.00%	100,690,000
Provena Health, Series 2010A&B	02/11/2010	5.00% to 6.25%	126,000,000
Adler School of Professional Psychology, Series 2010	02/16/2010	DP-VRB 4.60%	5,100,000
Hispanic Housing Development Corporation, Series 2010	02/19/2010	DP-VRB 4.32%	2,192,400
Saint Anthony's Health Center, Series 2010A-C	03/18/2010	DP-VRB 5.76%	10,000,000
Friendship Village of Schaumburg, Series 2010	03/22/2010	7.00% to 7.25%	33,610,000
Palos Community Hospital, Series 2010A&B	04/12/2010	BL-VRB	100,000,000
SwedishAmerican Hospital, Series 2010	04/19/2010	DP-VRB 4.05%	25,000,000
Alexian Brothers Health System, Series 2010	04/21/2010	3.00% to 5.25%	133,400,000
The Poetry Foundation, Series 2010	04/28/2010	2.75% to 5.30%	15,000,000
National Opinion Research Center, Series 2010	04/29/2010	3.60%	3,883,662
Palos Community Hospital, Series 2010C	05/06/2010	5.00% to 5.375%	147,525,000
Art Institute of Chicago, Series 2010B	05/20/2010	3.00% to 4.00%	53,955,000
Centegra Health System, Series 2010	05/25/2010	3.76%	3,268,433
Park Place of Elmhurst, Series 2010A-E	05/27/2010	8.00% to 8.25%	175,540,000
American Water Capital Corp., Series 2010	05/27/2010	5.25%	25,000,000
<b>Total Bonds Issued in Fiscal Year 2010</b>			<b>\$ 3,071,848,518</b>

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

**Beginner Farmer Bonds**

<u>Borrower</u>	<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>
Kane, Jason	10/15/2009	5.00%	250,000
Mueller, Charles	10/15/2009	5.75%	178,400
Dietmeier, Thomas & Wendy	10/15/2009	5.50%	87,500
Adair, Tye & Jill	10/20/2009	4.35%	137,500
Huschen, Rob	10/29/2009	4.50%	202,202
Miller, Curtis	10/29/2009	4.25%	120,000
Walk, Chad	10/29/2009	4.50%	150,000
Reeves, Jeremy & Tara	11/02/2009	4.50%	201,000
Van Fleet, Ryan	11/18/2009	4.25%	150,000
Swanson, Matthew & Angela	11/18/2009	4.25%	101,500
Hill, Barrett	12/01/2009	4.25%	239,000
Weber, Daniel	12/10/2009	4.00%	177,300
Boehl, Bruce	12/15/2009	4.25%	149,000
Wolber, DuWayne & Abby	12/15/2009	4.25%	250,000
Jensen, Jeffrey	12/22/2009	4.50%	250,000
Holland, Nicholas	12/22/2009	4.00%	113,920
Killiam, Mark & Beth	12/22/2009	3.75%	469,200
Nichelson, William & Jennie	12/22/2009	3.75%	469,200
Laue, Jonathan	02/19/2010	4.25%	72,500
Behrens, Ronald & Sandra	03/01/2010	3.95%	470,100
Semple, Jacob	03/03/2010	4.25%	139,750
McKeown, Richard & Linda	03/23/2010	4.39%	160,000
Shike, Ronald & Suellen	03/23/2010	4.39%	160,000
Eshbach, Galen	03/23/2010	4.75%	470,100
Pilman, Jacob E.	03/25/2010	5.00%	136,000
Kalaher, Chad	03/25/2010	4.00%	203,500
Belusko, Matthew	03/31/2010	4.25%	229,000
Belusko, David	03/31/2010	4.25%	229,000
Steidinger, Gary & Annette	04/22/2010	3.50%	127,920
Altwardt, Justin	04/27/2010	3.90%	203,000
Voss, Brian & Karen	04/27/2010	4.80%	87,000
Marron, Michael T.	05/06/2010	4.17%	165,000
Dotterer, Alex	05/06/2010	3.50%	131,128
Smithenry, Steven R.	05/07/2010	4.25%	40,950
Coulter, Benjamen & Sonya	05/14/2010	4.75%	188,880
Niehaus, Chad	05/19/2010	4.25%	216,000
Hemker, Lynette	05/19/2010	4.00%	115,000
Bauer, Dustin & Christine	05/26/2010	4.50%	125,000
<b>Total Beginner Farmer Bonds Issued</b>			<b>\$ 7,365,550</b>

<u>AG Debt Restructuring Guarantee</u>	<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>State Guarantee</u>
Hayden Farms	09/30/2009	7.50%	500,000	425,000
Beer, Keith	10/23/2009	6.00%	500,000	425,000
Blackhawk REG [Danville Biofuels Plant]	02/26/2010	4.23%	24,444,583	14,874,529
Hill, Paul & Mark	05/10/2010	5.58%	500,000	425,000
<b>Total AG Debt Restructuring Guarantee</b>			<b>\$ 25,944,583</b>	<b>\$ 16,149,529</b>

<b>AG Young Farmer Guarantee</b>	<b><u>Date Funded</u></b>	<b><u>Initial Interest Rate</u></b>	<b><u>Loan Proceeds</u></b>	<b><u>State Guarantee</u></b>
Wagner, Kyle & Jenny	12/15/2009	5.25%	310,000	263,500
<b>Total AG Young Farmer Guarantee</b>			<b>\$ 310,000</b>	<b>\$ 263,500</b>
<b>Total Agriculture Guarantees</b>			<b>\$ 26,254,583</b>	<b>\$ 16,413,029</b>

---

**Participation Loans**

<b>Project Name</b>	<b>Participating Bank</b>	<b><u>Date Funded</u></b>	<b><u>Initial Interest Rate</u></b>	<b><u>Amount</u></b>
Midwest Investment Solutions, Inc.	Alpine Bank and Trust	12/23/2009	4.875%	468,262
Zehr Foods, Inc.[Zehr, Brent & Christine]	First Security Bank	05/07/2010	5.250%	300,000
<b>Total Participation Loans Funded in Current Fiscal Year</b>				<b>\$ 768,262</b>

**BMINUTES OF THE MAY 4, 2010 MEETING OF THE COMMITTEE OF THE WHOLE OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY**

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA” or the “Authority”), pursuant to notice duly given, held a Committee of the Whole Meeting at 8:30 a.m. on Tuesday, May 4, 2010 at the IFA’s Chicago Office at 180 N. Stetson Avenue, Ste. 2555, Chicago, IL 60601.

**Members present:**

1. William A. Brandt, Jr., Chairman
2. Bradley A. Zeller
3. Terrence M. O’Brien
4. Joseph McInerney
5. Ronald E. DeNard
6. James J. Fuentes
7. Roger Poole
8. Roderick Bashir\*

**Members participating by telephone:**

1. Dr. Roger D. Herrin\*\*
2. Dr. William J. Barclay\*\*\*

**Members absent:**

1. Michael W. Goetz, Vice Chairman
2. Juan B. Rivera
3. Edward H. Leonard, Sr.
4. John “Jack” Durburg

**Vacancies:**

One

- \* Mr. Bashir joined the meeting at 10:56 a.m.  
\*\*Dr. Herrin joined the meeting via phone at 10:30 a.m.  
\*\*\* Dr. Barclay joined the meeting via phone at 9:35 a.m.

**Staff Members Present:**

Chris Meister, Executive Director  
Pam Lenane, Vice President & Acting General Counsel  
Art Friedson, Chief Human Resources Officer  
Rich Frampton, Vice President  
Kara Boulahanis, Project Coordinator & Asst. Secretary to the Board

**Staff Members Participating via Telephone:**

Yvonne Towers, Chief Financial & Technology Officer  
Eric Reed, Downstate Regional Manager  
Jim Senica, Senior Funding Manager

*Call to Order*

Chairman Brandt called the meeting to order at 8:34 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests.

*Executive Director’s Presentation*

Director Meister presented in accordance with the Board Book. He noted that the IFA Springfield office would be relocating, along with DCEO’s staff, to a new office building closer to the Capital Building. Director Meister added that the IFA will have an intake conference with their new auditors, E.C. Ortiz & Co. LLP during the week of May 10 – 14<sup>th</sup>.

Director Meister continued that the Senate Appropriations Committee hearing on April 28<sup>th</sup> was attended by himself, CFO Yvonne Towers and VP and Acting General Counsel Pam Lenane. No substantive issues were raised. IFA’s multi-state initiative, HB 5854 and IFA’s agriculture working capital loan initiative, SB 3719, passed both chambers in the month of April but neither had been signed by the Governor at the time of the meeting. Director Meister concluded his legislative update by stating that an agreement had been reached on the cede back of Recovery Zone Bond and Qualified Clean Energy Bond allocations under the Federal stimulus act .

Director Meister congratulated Mr. Rich Frampton, Vice President and the Roosevelt University financing team for the nomination of Roosevelt’s \$183 Million Bond issue as one of three finalists by the Council of Development Finance Authorities in its annual Best Bond Deal of the Year (2009) competition.

Director Meister stated that the IFA's joint application with the Department of Commerce and Economic Opportunity (DCEO) and the Midwest Energy Efficiency Alliance (MEEA) was not awarded any funds under the U.S. Department of Energy's highly competitive Retrofit Ramp-Up program. Director Meister offered his congratulations to the Chicago Metropolitan Agency for Planning (CMAP) and the City of Chicago for their award of \$25 million under this program.

Director Meister noted that several representatives of The Clare project and the affiliated organizations would be attending the Committee of the Whole Meeting at 10:30 a.m. He also stated that a discussion of an extension of the original Hotel Pere Marquette Loan would take place during the Committee of the Whole meeting as well.

#### *Senior Staff Reports*

Chairman Brandt asked Ms. Ximena Granda, Assistant Chief Financial Officer, to present the financials. Ms. Granda presented in accordance with the Board Report. She noted that the Audit Intake Conference for the FY 2010 audit was scheduled with E.C. Ortiz, IFA's new auditors, on May 10<sup>th</sup>, 2010.

Chairman Brandt added that after discussions with the Office of the Auditor General, the IFA has decided to proceed with Scott Balice on the venture capital fund valuation.

#### *Committee Reports:*

Chairman Brandt requested the committee reports be presented.

Mr. Zeller began by presenting the Agriculture Committee report. He stated that all of the projects presented for consideration today were recommended for approval by the Agriculture Committee.

Chairman Brandt then asked Dr. Barclay to present the Healthcare Committee Report. Dr. Barclay stated that with the exception of The Clare (which would be discussed further by the Committee of the Whole), the Healthcare Committee had recommended all projects presented at the meeting for approval. He stated Board Member Bashir, he and Pam Lenane had the opportunity to meet with Ziegler Securities regarding diversity in borrowing teams. Dr. Barclay relayed that he felt the meeting with Ziegler Securities was very productive. He stated that the Healthcare Committee discussed The Clare in great detail. A discussion of the issues related to the project ensued but no objections were noted.

Dr. Barclay asked Ms. Lenane to provide a capsule discussion of The Clare project to the Board, in advance of the discussion with the Borrower. Ms. Lenane presented in accordance with the Board Report. She noted for the Board that while some of the terms of the agreement remained confidential, the fact that a restructuring is being contemplated and many of the terms of that restructuring have been publicly posted on EMMA.

Mr. O'Brien asked Ms. Lenane what would result if the Board did not approve the restructuring agreement. Ms. Lenane explained that The Clare would most likely file for bankruptcy.

Chairman Brandt noted to the Board that the restructuring agreement would require 95% of the outstanding bondholders to consent, which is a very substantial threshold. Chairman Brandt added that the Board did not want The Clare to end up in bankruptcy, if it could be avoided.

Chairman Brandt explained to the Board that during the tenure of Executive Director Filan, he was made aware that some funds being held in trust for the residents or future residents of The

Clare may have been used to finance the day to day operations of the Clare. The Clare had provided written representation to the Authority that no funds held in trust were used for operations. Chairman Brandt noted that IFA considered an audit under Director Filan but deemed it too costly and time-consuming to undertake at the time.

Ms. Lenane stated that the Authority would be receiving indemnities from The Clare to protect the IFA in the event of bondholder or other third party suits. The indemnities will be secured by a pledge of \$1MM to be held in escrow in the event the IFA incurs any fees or other liabilities associated with The Clare project, however the indemnity is unlimited.

Chairman Brandt stated that he desired to have the \$1MM held in escrow be paid out as the last million, not as the first million dollars. This would provide IFA with additional security.

Ms. Lenane stated that she would speak with the representatives of The Clare project and return with additional information at 10:30 a.m.

Director Meister then presented the Energy Committee report in accordance with the board report.

### *Project Reports*

Chairman Brandt then asked for the project reports.

Mr. Reed presented the following projects to the Board:

- No. 1A: Gregory J. Dowdall**  
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$131,500 for the purchase of approximately 40 acres of farmland. This project is located in unincorporated Hancock County near Hamilton, IL.
- No. 1B: Michael Nelson**  
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$273,750 for the purchase of approximately 157 acres of farmland and buildings. This project is located in unincorporated Warren County near Alexis, IL.
- No. 1C: Lynette Hemker**  
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$115,000 for the purchase of approximately 60 acres of farmland and buildings. This project is located in unincorporated Bond County near Mulberry Grove, IL.
- No. 1D: Jason McKay**  
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$177,500 for the purchase of approximately 80 acres of farmland. This project is located in unincorporated Fayette County near Beecher City, IL.
- No. 1E: Matthew James Elam**  
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$220,000 for the purchase of approximately 104 acres of

farmland. This project is located in unincorporated Bond County near Smithboro, IL.

- No. 1F: Chad Edward Hawkey**  
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$153,000 for the purchase of approximately 80 acres of farmland. This project is located in unincorporated Marion County near Kinmundy, IL.

Mr. Rich Frampton presented the following project for approval.

- No. 2: American Water Capital Corp., on behalf of Illinois-American Water Company**  
Request for the approval of a final bond resolution for the issuance of up to \$25 million in water furnishing facilities revenue bonds. The proceeds of these bonds will be used to: finance a series of 11 capital improvement projects to Illinois-American's water plant located statewide. Additionally, Bond Proceeds may also be used to pay of capitalized interest during construction and pay certain costs of issuance. These projects are located in Champaign, Livingston, Madison, Peoria and St. Clair Counties.

Mr. Jim Senica presented the following project for approval.

- No. 3: Par-Ko Enterprises, Inc.**  
Request for the approval of a one-time final resolution for funding of a participation loan in favor of Busey Bank in an amount not to exceed \$168,750. The proceeds of this issuance will be used to purchase a \$168,750 *pari passu* Participation Loan interest in a \$337,500 Mortgage Loan with Busey Bank. This Participation Loan is being approved subject to the execution of a Rider and/or Intercreditor Agreement satisfactory to IFA Counsel that will assure this combined \$337,500 IFA Participation/Busey Bank Loan will be repaid first in the event of foreclosure or disposition of the project assets. Proceeds of the IFA Participation Loan will be used to: provide permanent financing for the construction of an 8,300 SF addition to the Borrower's existing 54,000 SF manufacturing facility located at 501 E Courtland Avenue in Morton, Illinois (Tazewell County) that is leased to Parker Fabrication, Inc. (the "Operating Company" and "Corporate Guarantor"). This project is located in Morton, IL. (Tazewell County)

Mr. Bill Claus presented the following projects for approval:

- No. 4: Institute for Transfusion Medicine**  
Request for the approval of a preliminary bond resolution for the issuance of up to \$30 million in 501(c)(3) not-for-profit bonds. The proceeds of these bonds will be used to: (i) fund the acquisition of a new building in Rosemont; (ii) fund the renovation, refurbishment and equipping of the subject facility and; (iii) pay expenses related to costs of issuance. This project is located in Rosemont, IL (Cook County).
- No. 5: OSF Healthcare System**  
Request for the approval of a preliminary bond resolution for the issuance of up to \$160 million in 501(c)(3) not-for-profit bonds. The proceeds of this issuance

will be used to current refund approximately \$142 million of OSF's variable rate bonds with fixed rate. OSF wishes to rebalance their debt structure in what is currently an attractive market for fixed rate debt. At the same time, OSF plans to take the opportunity to finance reimbursement of certain prior capital expenditures. This project is located in Peoria, IL (Peoria County).

**No. 6: NorthShore University HealthSystem (f/k/a Evanston Northwestern Hospital)**  
Request for the approval of a preliminary bond resolution for the issuance of up to \$160 million in 501(c)(3) not-for-profit bonds. The proceeds of this issuance will be used to convert or refund existing variable rate debt to fixed rate debt and to terminate two fixed payer swaps. This project is located in Evanston, IL (Cook County).

**No. 8: Friendship Village of Mill Creek, NFP (GreenFields of Geneva Project)**  
Request for the approval of a final bond resolution for the issuance of up to \$30 million in 501(c)(3) not-for-profit bonds. The proceeds of these bonds will be used to: (i) to construct and equip a new Continuing Care Retirement Community, (ii) repay monies used to finance pre-development costs, including the BANs referenced below and other seed capital funds provided by various sources (iii) fund one or more Debt Service Reserve Funds, (iv) fund interest expense on the Bonds for a period of approximately 20 months, and (v) fund certain professional and bond issuance costs. This project is located in Geneva, IL (Kane County).

Mr. Shannon Govia presented the following project for approval.

**No. 7: Centegra Health Systems**  
Request for the approval of a final bond resolution for the issuance of up to \$30 million in 501(c)(3) not-for-profit bonds. Bond proceeds will be used to: fund capital expenditures and other improvements for the health care facilities of the Borrower including, but not limited to, an advanced GE Healthcare ("GE Healthcare") Clinical Information System Project including Enterprise Clinical Data Repository, Pharmacy Information System, Medication Administration and Reconciliation Technology, Inpatient Electronic Medical Record, Emergency Room Information System, Perinatology Information System and Surgical Information System. This project is located in McHenry, IL (McHenry County).

Mr. Frampton presented the following resolutions for approval.

**No. 10: Slovak American Charitable Association.** Request for approval of a Resolution Authorizing the Execution and Delivery of a First Amendment to a Modification Agreement between Slovak American Charitable Association and MB Financial Bank relating to IDFA (IFA) Series 2000 Bonds (Slovak American Charitable Association Project) to (1) provide for the extension of the Current Interest Rate Holding Period, and (2) reset the interest rate in the extended holding period at a lower interest rate.

**No. 11: Columbia College Chicago.** Request for approval of a Resolution Authorizing the Execution and Delivery of Amendments to the Mortgage and Security Agreement between Columbia College Chicago and the Illinois Finance Authority ("IFA" or the "Authority") relating to (1) Illinois Educational Facilities Authority ("IEFA") Series 1998 Revenue Bonds, (2) IEFA Series 2003 Bonds,



(3) IFA Series 2004 Bonds, and (4) IFA Series 2007 Bonds (collectively, the “Prior Bonds”), and Authorizing the Execution and Delivery of any Other Necessary Documents Required to Effect Such Amendment; and Authorizing and Approving Related Matters.

**No. 12: Fee Schedule for Healthcare Equipment Financing Transactions.** Resolution Establishing a Fee for the Illinois Finance Authority for Healthcare Equipment Financing Transactions.

**No. 14: Extend the Tax Incentives for the Domestic Biodiesel Industry.** Resolution to the United States Congress to Quickly Enact Legislation to Extend the Tax Incentives for the Domestic Biodiesel Industry.

Ms. Lenane presented the following project for consideration.

**No. 9: The Clare at Water Tower**  
The objective of the Tender & Exchange is to restructure the Borrower’s debt obligations by reducing its annual debt service payments to a level that can be sustained by present and anticipated future operations. The Bonds will be exchanged for that portion of Series 2005 A, B & C Bonds of the Authority that are tendered by the holders thereof (collectively the “Prior Bonds”) with each holder of Prior Bonds to receive: (a) Series 2010A Bonds in a principal amount equal to 70% of the principal amount of the Prior Bonds and (b) Series 2010B Bonds in a principal amount equal to 30% of the principal amount of such Prior Bonds, (the “Bond Exchange”). This project is located in Chicago, IL (Cook County).

Ms. Lenane then introduced the following guests.

John Bibby, Jones Day  
Lynn Coe, Jones Day  
Steve Towbin, Shaw Gussis  
Thomas M. Fahey, Ungaretti & Harris  
Jim Broeking, Ungaretti & Harris  
Mr. Alan Bell, Charity & Associates  
Thomas Barry, Cain Brothers

Ms. Lenane stated that this is the first restructuring that the IFA or any of its predecessor entities had considered. She then introduced Mr. Alan Bell, IFA’s legal counsel. Mr. Bell explained the liability concerns and the mechanics of the \$1 million in escrow.

Mr. Fahey then explained the role of the Franciscan Sisters in the transaction and their financial relationship.

Chairman Brandt then explained that upon further consideration of the issues, he would recommend that the IFA accept \$750,000 in escrow with a one-time, non-refundable \$250,000 change fee payable to the IFA. This fee would be paid at closing.

Chairman Brandt continued that the Board agreed that a 95% compliance rate by the bondholders would be very difficult to achieve. He noted that Mr. O’Brien had requested an audit of The Clare’s financials due to concerns on IFA’s part. As the IFA is prepared

to forgo a costly and time consuming audit in favor of resolving this issue through written representations from The Clare stating that no funds were used for operations, the \$750,000 in escrow and the one-time \$250,000 fee as compensation for the risk IFA is incurring with this transaction.

Ms. Bashir joined the meeting at 10:56 am, shortly after Chairman Brandt concluded speaking.

Chairman Brandt reiterated that it was imperative that the IFA Board act on this request today, as there is a limited time frame for restructuring and any inaction by any parties could force The Clare into bankruptcy before the next meeting.

Mr. Fahey, representative of the Franciscan Sisters, thanked Chairman Brandt for the Board's consideration of the project. He stated that he could not speak on behalf of the stakeholders in regards to IFA's request, but he did note that the stakeholders were motivated to ensure this restructuring was successful.

Chairman Brandt stated that the Board had agreed to pass the resolution subject to The Clare agreeing to place \$750,000 in escrow for any liabilities IFA may incur on behalf of The Clare project and the payment of a \$250,000 non-refundable fee at the time of closing.

Mr. Fahey thanked the Board for their consideration.

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

**No. 13:**           **Pere Marquette Hotel Associates, L.P.** Resolution to Authorize the extension of the Maturity Date of IFA Participation Loan with PNC Bank, as successor to National City Bank (IFA Participation Loan B-LL-TX-582: Pere Marquette Hotel Associates, L.P.)

Mr. Senica explained that this request did not involve the proposed renovation and expansion of the Hotel Pere Marquette as a Courtyard by Marriott as requested by E.M. Properties at an earlier Board Meeting. Rather, this request is for extension of participation loan made to Pere Marquette Hotel Associates, L.P. by what is now PNC Bank.

Chairman Brandt clarified for the Board that PNC Bank reached out to the Authority before the expiration of loan on March 31<sup>st</sup>, 2010. In the subsequent discussion, PNC Bank requested that IFA extend the loan for 90 days to June 30<sup>th</sup>, 2010 with no modification to the loan terms. Chairman Brandt noted that IFA and PNC had considered a forbearance agreement but determined it would take more than 60 days to negotiate and execute.

Dr. Herrin suggested the IFA request an increase in the interest rate on the loan for the period of the extension. Chairman Brandt noted that IFA could request an increase on the interest rate, but PNC was not obligated to agree and it could result in a delay of this extension request. Mr. O'Brien suggested that it would be more prudent to agree to the

extension and inform PNC Bank that IFA would be making a demand for payment in full on June 30<sup>th</sup>, 2010. The Board agreed to this suggestion.

Chairman Brandt stated that the Board was prepared to grant the PNC Bank's request to extend the term of the loan from March 31<sup>st</sup>, 2010 to June 30, 2010 but would make a demand for payment in full on June 30<sup>th</sup>, 2010 as now recommended. Any extensions that may be requested in the future would be subject to execution of a forbearance agreement and also an interest rate increase.

*Closing Remarks and Adjournment:*

The meeting adjourned at 11:40 a.m.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary

**MINUTES OF THE MAY 4<sup>TH</sup>, 2010 MEETING OF THE BOARD OF DIRECTORS OF THE  
ILLINOIS FINANCE AUTHORITY**

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA” or the “Authority”), pursuant to notice duly given, held a Board Meeting at 11:30 a.m. on Tuesday, May 4<sup>th</sup>, 2010 at the Prudential Plaza Conference Center at 130 E. Randolph Street, 7<sup>th</sup> Floor, Chicago, IL 60601.

**Members present:**

1. William A. Brandt, Jr., Chairman
2. Bradley A. Zeller
3. Terrence M. O’Brien
4. Roderick Bashir
5. Ronald E. DeNard
6. James J. Fuentes
7. Roger Poole
8. Joseph McInerney

**Members absent:**

1. Michael W. Goetz, Vice Chairman
2. Juan B. Rivera
3. Edward H. Leonard, Sr.
4. John “Jack” Durburg

**Members participating by telephone:**

1. Dr. Roger D. Herrin\*
2. Dr. William J. Barclay

**Vacancies:**

One

\*Dr. Herrin joined the call at 11:53 a.m.

**GENERAL BUSINESS**

*Call to Order, Establishment of Quorum and Roll Call*

Chairman Brandt called the meeting to order at 11:50 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests. He then asked Assistant Secretary Kara Nystrom-Boulahanis to call the roll. There being eight (8) members physically present Ms. Nystrom-Boulahanis declared the quorum met.

*Acceptance of Financial Statements and Minutes*

Financial statements for the period ending April 30, 2010 and minutes for both the April 13, 2010 Committee of the Whole and Board of Directors meetings were presented to the Board. Chairman Brandt stated that the Authority’s financial statements and minutes were reviewed at the regularly scheduled Committee of the Whole meeting held at 8:30 a.m. that day. Chairman Brandt requested a motion to approve the April 30, 2010 financial statements and minutes from both the April 13, 2010 Committee of the Whole and the Board of Directors meeting.

The motion was moved by Mr. Goetz and seconded by Mr. Poole. The April 30, 2010 financial statements and minutes from both the April 13, 2010 Committee of the Whole and the Board of Directors meetings were unanimously approved by members of the Board.

*Senior Staff Reports*

None.

*Project Approvals*

Chairman Brandt asked Mr. Rich Frampton, Vice President, to present the projects for consideration to the Board. Chairman Brandt announced that the projects presented undergo an extensive review process prior to presentation to the Board. All projects are thoroughly vetted by a staff credit committee. All agriculture, energy and healthcare projects are also reviewed at their respective committees’ public

meetings each month. Finally, each project is thoroughly reviewed at the Committee of the Whole meeting held at 8:30 a.m. before the Board Meeting.

Mr. Frampton presented the following projects for board approval:

**No. 1A: Gregory J. Dowdall**

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$131,500 for the purchase of approximately 40 acres of farmland. This project is located in unincorporated Hancock County near Hamilton, IL.

**No. 1B: Michael Nelson**

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$273,750 for the purchase of approximately 157 acres of farmland and buildings. This project is located in unincorporated Warren County near Alexis, IL.

**No. 1C: Lynette Hemker**

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$115,000 for the purchase of approximately 60 acres of farmland and buildings. This project is located in unincorporated Bond County near Mulberry Grove, IL.

**No. 1D: Jason McKay**

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$177,500 for the purchase of approximately 80 acres of farmland. This project is located in unincorporated Fayette County near Beecher City, IL.

**No. 1E: Matthew James Elam**

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$220,000 for the purchase of approximately 104 acres of farmland. This project is located in unincorporated Bond County near Smithboro, IL.

**No. 1F: Chad Edward Hawkey**

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$153,000 for the purchase of approximately 80 acres of farmland. This project is located in unincorporated Marion County near Kinmundy, IL.

**No. 2: American Water Capital Corp., on behalf of Illinois-American Water Company**

Request for the approval of a final bond resolution for the issuance of up to \$25 million in water furnishing facilities revenue bonds. The proceeds of these bonds will be used to finance a series of 11 capital improvement projects to Illinois-American's water plants located statewide. Additionally, Bond Proceeds may also be used to pay capitalized interest during construction and pay certain costs of issuance. These projects are located in Champaign, Livingston, Madison, Peoria and St. Clair Counties.

**No. 3: Par-Ko Enterprises, Inc.**

Request for the approval of a one-time final resolution for funding of a participation loan in favor of Busey Bank in an amount not to exceed \$168,750. The proceeds of this issuance will be used to purchase a \$168,750 *pari passu* Participation Loan interest in a \$337,500 Mortgage Loan with Busey Bank. This Participation Loan is being approved subject to the execution of a Rider and/or Intercreditor Agreement satisfactory to IFA Counsel that will assure this combined \$337,500 IFA Participation/Busey Bank Loan will be repaid first in the event of foreclosure or disposition of the project assets. Proceeds of

the IFA Participation Loan will be used to: provide permanent financing for the construction of an 8,300 SF addition to the Borrower's existing 54,000 SF manufacturing facility located at 501 E Courtland Avenue in Morton, Illinois (Tazewell County) that is leased to Parker Fabrication, Inc. (the "Operating Company" and "Corporate Guarantor"). This project is located in Morton, IL. (Tazewell County)

No guests attended with respect to Project Nos. 1A, 1B, 1C, ID, 1E, 1F, 2 or 3. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1A, 1B, 1C, ID, 1E, 1F, 2 or 3. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1A, 1B, 1C, ID, 1E, 1F, 2 and 3. Project Nos. 1A, 1B, 1C, ID, 1E, 1F, 2 and 3 received approval with 10 ayes, 0 nays, and 0 abstentions.

**No. 4: Institute for Transfusion Medicine**

Request for the approval of a preliminary bond resolution for the issuance of up to \$30 million in 501(c)(3) not-for-profit bonds. The proceeds of these bonds will be used to: (i) fund the acquisition of a new building in Rosemont; (ii) fund the renovation, refurbishment and equipping of the subject facility and; (iii) pay expenses related to costs of issuance. This project is located in Rosemont, IL (Cook County).

**No. 5: OSF Healthcare System**

Request for the approval of a preliminary bond resolution for the issuance of up to \$160 million in 501(c)(3) not-for-profit bonds. The proceeds of this issuance will be used to current refund approximately \$142 million of OSF's variable rate bonds with fixed rate bonds. OSF wishes to rebalance their debt structure in what is currently an attractive market for fixed rate debt. At the same time, OSF plans to take the opportunity to finance reimbursement of certain prior capital expenditures. This project is located in Peoria, IL (Peoria County).

**No. 7: Centegra Health Systems**

Request for the approval of a final bond resolution for the issuance of up to \$30 million in 501(c)(3) not-for-profit bonds. Bond proceeds will be used to: fund capital expenditures and other improvements for the health care facilities of the Borrower including, but not limited to, an advanced GE Healthcare ("GE Healthcare") Clinical Information System Project including Enterprise Clinical Data Repository, Pharmacy Information System, Medication Administration and Reconciliation Technology, Inpatient Electronic Medical Record, Emergency Room Information System, Perinatology Information System and Surgical Information System. This project is located in McHenry, IL (McHenry County).

Chairman Brandt asked if the Board had any questions with regard to Resolution Nos. 4, 5, and 7. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolution Nos. 4, 5 and 7. Resolution Numbers 4, 5 and 7 received approval with 10 ayes, 0 nays, and 0 abstentions.

**No. 10: Slovak American Charitable Association.** Request for approval of a Resolution Authorizing the Execution and Delivery of a First Amendment to a Modification Agreement between Slovak American Charitable Association and MB Financial Bank relating to IDFA (IFA) Series 2000 Bonds (Slovak American Charitable Association Project) to (1) provide for the extension of the Current Interest Rate Holding Period, and (2) reset the interest rate in the extended holding period at a lower interest rate.

- No. 11:** **Columbia College Chicago.** Request for approval of a Resolution Authorizing the Execution and Delivery of Amendments to the Mortgage and Security Agreement between Columbia College Chicago and the Illinois Finance Authority (“IFA” or the “Authority”) relating to (1) Illinois Educational Facilities Authority (“IEFA”) Series 1998 Revenue Bonds, (2) IEFA Series 2003 Bonds, (3) IFA Series 2004 Bonds, and (4) IFA Series 2007 Bonds (collectively, the “Prior Bonds”), and Authorizing the Execution and Delivery of any Other Necessary Documents Required to Effect Such Amendment; and Authorizing and Approving Related Matters.
- No. 12:** **Fee Schedule for Healthcare Equipment Financing Transactions.** Resolution Establishing a Fee for the Illinois Finance Authority for Healthcare Equipment Financing Transactions.
- No. 13:** **Pere Marquette Hotel Associates, L.P.** Resolution to Authorize the extension of the Maturity Date of IFA Participation Loan with PNC Bank, as successor to National City Bank (IFA Participation Loan B-LL-TX-582: Pere Marquette Hotel Associates, L.P.)

Resolution No. 13 was approved subject to the conditions discussed at the Committee of the Whole meeting.

- No. 14:** **Extend the Tax Incentives for the Domestic Biodiesel Industry.** Resolution to the United States Congress to Quickly Enact Legislation to Extend the Tax Incentives for the Domestic Biodiesel Industry.

Chairman Brandt asked if the Board had any questions with regard to Resolution Nos. 10, 11, 12, 13 or 14. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolution Nos. 10, 11, 12, 13 and 14. Projects 10, 11, 12, 13 and 14 received approval with 10 ayes, 0 nays, and 0 abstentions.

- No. 9:** **The Clare at Water Tower**  
The objective of this Tender & Exchange Offer is to restructure the Borrower’s debt obligations by reducing its annual debt service payments to a level that can be sustained by present and anticipated future operations. The Bonds will be exchanged for that portion of Series 2005 A, B & C Bonds of the Authority that are tendered by the holders thereof (collectively the “Prior Bonds”) with each holder of Prior Bonds to receive: (a) Series 2010A Bonds in a principal amount equal to 70% of the principal amount of the Prior Bonds and (b) Series 2010B Bonds in a principal amount equal to 30% of the principal amount of such Prior Bonds, (the “Bond Exchange”). This project is located in Chicago, IL (Cook County).

No guests attended with respect to Project No. 9. Chairman Brandt asked if the Board had any questions with respect to Project No. 9. There being none, Chairman Brandt requested Secretary Nystrom-Boulahanis take a roll call vote. Project No. 9 received approval with 9 ayes, 0 nays, and 1 abstention. Chairman Brandt noted that he was abstaining from voting on this project as he was a member of the Board of Trustees of Loyola University, which has a nominal interest in this project.

- No. 6:** **NorthShore University HealthSystem (f/k/a Evanston Northwestern Hospital)**  
Request for the approval of a preliminary bond resolution for the issuance of up to \$160 million in 501(c)(3) not-for-profit bonds. The proceeds of this issuance will be used to

convert or refund existing variable rate debt to fixed rate debt and to terminate two fixed payer swaps. This project is located in Evanston, IL (Cook County).

Ms. Pam Lenane, Vice President and Acting General Counsel introduced Mr. Adam Kates, Sr. Director, Treasury, NorthShore University HealthSystem. Mr. Kates thanked the Board for their consideration of this project and offered to answer any questions the Board might have.

Chairman Brandt thanked Mr. Kates for attending the meeting and bringing this project before the Board. He asked if the Board Members had any questions. Hearing none, Chairman Brandt requested Secretary Nystrom-Boulahanis take a roll call vote. Project No. 6 received approval with 10 ayes, 0 nays, and 0 abstentions.

**No. 8: Friendship Village of Mill Creek, NFP (GreenFields of Geneva Project)**

Request for the approval of a final bond resolution for the issuance of up to \$30 million in 501(c)(3) not-for-profit bonds. The proceeds of these bonds will be used to: (i) to construct and equip a new Continuing Care Retirement Community, (ii) repay monies used to finance pre-development costs, including the BANs referenced below and other seed capital funds provided by various sources (iii) fund one or more Debt Service Reserve Funds, (iv) fund interest expense on the Bonds for a period of approximately 20 months, and (v) fund certain professional and bond issuance costs. This project is located in Geneva, IL (Kane County).

Ms. Lenane introduced Mr. Kim Klockenga, Chief Financial Officer, Friendship Senior Options. Mr. Klockenga thanked the Board for their consideration of Friendship Senior Options' prior financings and today's financing. He added that he would be happy to answer any questions the Board may have.

Chairman Brandt thanked Mr. Klockenga for attending the meeting and bringing this project before the Board. He asked if the Board Members had any questions. Seeing none, Chairman Brandt requested leave to apply the last unanimous vote in favor of this project. Project No. 8 received approval with 10 ayes, 0 nays, and 0 abstentions.

**Other Business**

Chairman Brandt asked if there was any other business to come before the Board. There being none, Chairman Brandt requested a motion to adjourn. Upon a motion by Dr. Herrin and seconded by Mr. Poole, the meeting adjourned at 12:09 p.m.

Chairman Brandt reminded all guests that next month's meeting will be on June 8, 2010 at the Conference Center at One Prudential Plaza, Chicago, IL and to please check IFA's web site at [www.il-fa.com](http://www.il-fa.com) for more information.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary



# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors  
From: Eric Reed (IK)  
Date: June 8, 2010  
Re: Overview Memo for Beginning Farmer Bonds

---

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached project
- **Amount:** Up to \$470,100 maximum of new money for each project\*
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$1,072,972**
- **Calendar Year Summary:** (as of June 8, 2010)
  - Volume Cap: \$25,000,000
  - Volume Cap Committed: \$5,759,980
  - Volume Remaining: \$18,867,393
  - Average Acreage Farm Size: 76
  - Number of Farms Financed: 30
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - convey tax-exempt status
    - will use dedicated 2010 IFA Volume Cap set-aside for Beginning Farmer transactions
- **IFA Fees:**
  - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
  - Bonds to be purchased directly as a non-rated investment held until maturity by the Borrower's Bank
  - The Borrower's Bank will be secured by the Borrower's assets, as on a commercial loan
  - Interest rates, terms, and collateral are negotiated between the Borrower and the Participating Bank, just as with any commercial loan
  - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd**  
Stephen F. Welcome, Esq.  
Three First National Plaza, Suite 4300  
Chicago, IL 60602

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

**A.**

<b>Project Number:</b>	<b>A-FB-TE-CD-8361</b>
Funding Manager:	Eric Reed
<b>Borrower(s):</b>	<b>Stortzum, Brent A.</b>
Borrower Benefit:	First Time Land Buyer
Town:	Dieterich, IL
<b>IFA Bond Amount:</b>	<b>\$157,500</b>
Use of Funds:	Farmland – 38 acres
Purchase Price:	\$320,000 (\$147,800 / \$3,889 per ac)
% Borrower Equity	5%
% USDA Farm Service Agency	45% ( <i>Subordinate Financing</i> )
% IFA	50%
County/Region:	Effingham / Central
Lender/Bond Purchaser	Peoples State Bank / Brian Bohnhoff
<b>Legislative Districts:</b>	Congressional: 19 <sup>th</sup> , John Shimkus State Senate: 54 <sup>th</sup> , John Jones State House: 108 <sup>th</sup> , David Reis

Amortizing Principal and interest payments shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first interest only payment to begin on December 1, 2010. The first full principal and interest payment will begin on December 1, 2011 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

**B.**

<b>Project Number:</b>	<b>A-FB-TE-CD-8362</b>
Funding Manager:	Eric Reed
<b>Borrower(s):</b>	<b>Hilmes, Clinton &amp; Karen</b>
Borrower Benefit:	First Time Land Buyer
Town:	Carlyle, IL
<b>IFA Bond Amount:</b>	<b>\$232,000</b>
Use of Funds:	Farmland – 80 acres
Purchase Price:	\$290,000 (\$3,625 per ac)
% Borrower Equity	20%
% Other	0%
% IFA	80%
County/Region:	Clinton / Southwestern
Lender/Bond Purchaser	Germantown Trust & Savings Bank / Floyd Trame
<b>Legislative Districts:</b>	Congressional: 19 <sup>th</sup> , John Shimkus State Senate: 51 <sup>st</sup> , Kyle McCarter State House: 102 <sup>nd</sup> , Ron Stephens

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

**C.**

<b>Project Number:</b>	<b>A-FB-TE-CD-8363</b>
Funding Manager:	Eric Reed
<b>Borrower(s):</b>	<b>Kopplin, Seth A.</b>
Borrower Benefit:	First Time Land Buyer
Town:	Altamont, IL
<b>IFA Bond Amount:</b>	<b>\$184,000</b>
Use of Funds:	Farmland – 73.62 acres
Purchase Price:	\$368,075 (\$4,999 per ac)
% Borrower Equity	5%
% USDA Farm Service Agency	45% ( <i>Subordinate Financing</i> )
% IFA	50%
County/Region:	Effingham / Central
Lender/Bond Purchaser	First Mid Illinois Bank & Trust / Doug Kopplin
<b>Legislative Districts:</b>	Congressional: 19 <sup>th</sup> , John Shimkus State Senate: 55 <sup>th</sup> , Dale Righter State House: 109 <sup>th</sup> , Roger Eddy

Principal shall be paid annually in installments determined pursuant to a twenty-nine year amortization schedule, with the first principal payment date to be June 15, 2012, and successive principal payment dates scheduled at one year intervals thereafter, with the twenty-ninth and final payment of all principal then outstanding due June 15, 2040. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be June 15, 2011, and successive interest payment dates to be at one year intervals thereafter, with the final payment of all interest then outstanding due June 15, 2040.

**D.**

<b>Project Number:</b>	<b>A-FB-TE-CD-8364</b>
Funding Manager:	Eric Reed
<b>Borrower(s):</b>	<b>Justison, Keri L.</b>
Borrower Benefit:	First Time Land Buyer
Town:	Hillsboro, IL
<b>IFA Bond Amount:</b>	<b>\$249,736</b>
Use of Funds:	Farmland – Undivided ½ interest of 212 acres (106)
Purchase Price:	\$499,472 (\$4,712 per ac)
% Borrower Equity	5%
% USDA Farm Service Agency	45% ( <i>Subordinate Financing</i> )
% IFA	50%
County/Region:	Montgomery / Central
Lender/Bond Purchaser	First National Bank of Litchfield / Kevin Niemann
<b>Legislative Districts:</b>	Congressional: 17 <sup>th</sup> , Phil Hare State Senate: 49 <sup>th</sup> , Deanna Demuzio State House: 98 <sup>th</sup> , Betsy Hannig

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

**E.**

<b>Project Number:</b>	<b>A-FB-TE-CD-8365</b>
Funding Manager:	Eric Reed
<b>Borrower(s):</b>	<b>Justison, David M.</b>
Borrower Benefit:	First Time Land Buyer
Town:	Hillsboro, IL
<b>IFA Bond Amount:</b>	<b>\$249,736</b>
Use of Funds:	Farmland – Undivided ½ interest of 212 acres (106)
Purchase Price:	\$499,472 (\$4,712 per ac)
% Borrower Equity	5%
% USDA Farm Service Agency	45% ( <i>Subordinate Financing</i> )
% IFA	50%
County/Region:	Montgomery / Central
Lender/Bond Purchaser	First National Bank of Litchfield / Kevin Niemann
<b>Legislative Districts:</b>	Congressional: 17 <sup>th</sup> , Phil Hare
	State Senate: 49 <sup>th</sup> , Deanna Demuzio
	State House: 98 <sup>th</sup> , Betsy Hannig

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

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
June 8, 2010**

**Project:** NGS Printing, Inc., and Gerhard G. Landrowski, as Co-Trustee of the Amendment and Restatement of the Gerhard G. Landrowki Declaration of Trust Dated November 18, 1993; Eric H. Landrowski, As Trustee of the Eric H. Landrowski Trust Dated August 28, 2006; and, Mark G. Landrowski, as Trustee of the Mark G. Landrowski Trust Dated June 26, 2001

---

**STATISTICS**

Project Number:	I-IRB-TE-CD-8368	Amount: \$3,000,000 (not to exceed)
Type:	Industrial Revenue Bond	IFA Staff: Steven Trout
County/Region:	Kane / Northeast	Location: Elgin

---

**BOARD ACTION**

Final Bond Resolution	No IFA or State Funds at Risk
No extraordinary conditions	Conduit Tax-Exempt Industrial Development Revenue Bonds

---

**VOTING RECORD**

This is the first time that the Project has been presented to the Board. NGS is seeking a one-time final to close by July 1.

---

**PURPOSE**

Bond proceeds will be used to refinance City of Elgin Industrial Development Revenue Bonds (Nelson Graphics Screenprinting, Inc. Project) Series 2006 and pay costs of issuance.

---

**IFA PROGRAM AND CONTRIBUTION**

IFA's Industrial Development Revenue Bonds encourage economic development by providing debt financing at reduced interest rates. Interest earned on the Bonds is exempt from federal income tax, which enables lenders to accept a reduced yield on these investments.

---

**VOLUME CAP**

The City of Elgin supplied the Volume Cap for the original issue. No additional Volume Cap is required to refinance the Bonds.

---

**JOBS**

Current employment:	44	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs:	0

---

**PRELIMINARY SOURCES AND USES OF FUNDS**

Sources:	IFA Bonds	\$ 2,754,000	Uses:	Refinance Elgin IRBs	\$2,700,000
	Taxable Term Loan	<u>950,000</u>		Refinance Term Loan	950,000
				Costs of Issuance	<u>54,000</u>
Total		<u>\$ 3,704,000</u>	Total		<u>\$ 3,704,000</u>

---

**FINANCING SUMMARY**

The Bonds: Industrial Revenue Bonds to be purchased by First Midwest Bank ("the Bank").

## CONFIDENTIAL INFORMATION

The Borrower: NGS Printing, Inc., Gerhard G. Landrowski, as Co-Trustee in the Amendment and Restatement of the Gerhard G. Landrowki Declaration of Trust Dated November 18, 1993, Eric H. Landrowski, As Trustee of the Eric H. Landrowski Trust Dated August 28, 2006 and Mark Landrowski, as Trustee of the Mark G. Landrowski Trust Dated November 18, 1993 (collectively, the "Borrower"). [Each of the above mentioned trusts are beneficiaries of the Land Trust Agreement #1068-I of First Chicago Bank and Trust, as successor Trustee to Bloomingdale Bank and Trust which owns title to the property located at 1400 Crispin Drive, Elgin, Illinois](#)

Security: First mortgage and assignment of rents on property located at 1400 Crispin Drive. First security interest in the business assets of NGS Printing, Inc., including without limitation, machinery and equipment and accounts receivable.

Maturity: 18 years.

Interest Rate: First Midwest will fix the interest rate for an initial 5 year terms at a rate to be determined at closing that is now estimated between 3.75% and 4.75%. Thereafter, First Midwest will reset the rate for terms up to 5 years, at a rate to be negotiated with the Borrower.

Credit Rating: The Bonds will not be rated. The Bank intends to hold the Bonds to maturity.

---

## PROJECT SUMMARY

Bond proceeds will be used to refinance the outstanding principal amount of the City of Elgin Industrial Development Revenue Bonds (Nelson Graphics Screenprinting, Inc. Project) Series 2006 (the "Refunded Bonds). The proceeds of the Refunded Bonds were used to (i) refund the outstanding principal amount of the City of Elgin, Illinois Variable Rate Industrial Development Revenue Bonds (Nelson Graphics Screenprinting, Inc. Project) Series 2000 (the "2000 Bonds), the proceeds of which were used to finance the acquisition of a 25,000 square foot existing facility at 1400 Crispin Drive in Elgin, Illinois, the acquisition and installation of equipment for use therein and the payment of related fees and costs and (ii) finance an approximately 15,000 square foot expansion to the facility, the purchase of additional equipment for use therein and the payment of a portion of costs of issuance of the Refunded Bonds.

The subject facilities are used to manufacture screenprinting products for the advertising and gaming industries, including point of purchase displays, arcade signage and advertising.

---

## BUSINESS SUMMARY

Background: NGS Printing, Inc., ("NGS" or "the Borrower") is a family owned Illinois S-Corporation that began operating in 1957. NGS specialize in high quality screen-printed and digital graphics and the fabrication of plastic, metal, paper and glass for use as signage, point of purchase displays, packaging, advertising and other promotional purposes.

---

## ECONOMIC DISCLOSURE STATEMENT

Applicant: NGS Printing, Inc., 1400 Crispin Drive, Elgin (Kane County) Illinois 60123  
(Contact: Eric Landrowski, Vice President, 847/741-1441)

Organization: NGS Printing, Inc., is an Illinois S-Corporation established 11/9/81.  
Gerhard G. Landrowski, as Co-Trustee in the Amendment and Restatement of the Gerhard G. Landrowki Declaration of Trust Dated November 18, 1993  
Eric H. Landrowski, As Trustee of the Eric H. Landrowski Trust Dated August 28, 2006  
Mark Landrowski, as Trustee of the Mark G. Landrowski Trust Dated November 18, 1993  
[Each of the above-mentioned trusts are beneficiaries of the Land Trust Agreement #1068-I of First Chicago Bank and Trust, as successor Trustee to Bloomingdale Bank and Trust, which owns the property located at 1400 Crispin Drive, Elgin, Illinois](#)

Ownership:	<u>NGS Printing</u>	<u>Land Trust Agreement #1068-1</u>
NGS ESOP	54.2%	0.0%
Gerhard Landrowski	21.2%	33.3%

**CONFIDENTIAL INFORMATION**

Eric Landrowski	12.3%	33.3%
Mark Landrowski	12.3%	33.3%

---

**PROFESSIONAL & FINANCIAL**

Bond Purchaser:	First Midwest Bank	Chicago	William Gibbons
Bank Counsel	Ice Miller LLP	Chicago	David Hight
Bond Counsel	Ice Miller LLP	Chicago	Jim Snyder
Borrower's Counsel	George Moravick Attorney at Law	St. Charles	George Moravick
Accountant	Weiss & Company LLP	Glenview	
Issuer's Counsel:	Requested		
IFA Financial Advisor:	Acacia	Chicago	Courtney Shea

---

**LEGISLATIVE DISTRICTS**

Congressional:	14 <sup>th</sup> District	Bill Foster
State Senate:	22 <sup>nd</sup> District	Michael Noland
State House:	43 <sup>rd</sup> District	Keith Farnham

**\$15,000,000**
**GARRETT-EVANGELICAL THEOLOGICAL SEMINARY**

<b>REQUEST</b>	<p><b>Purpose:</b> Bond proceeds will be used to finance or refinance a series of capital improvement projects at Garrett's Evanston campus including (1) substantial renovation and reconfiguration of Loder Hall (a student center; student housing, and student dining facility) into a LEED Silver-certified building; (2) substantial renovation of Lesemann Hall; (3) a series of capital improvements, repairs, equipment acquisitions, and life safety improvements (including installation of sprinkler systems); and (4) to refinance existing indebtedness of Garrett to finance off-campus residential housing improvements at two nearby properties in Evanston.</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds  <b>Extraordinary Conditions:</b> None.</p>			
<b>BOARD ACTIONS</b>	<b>Final Bond Resolution (One Time Consideration)</b>			
<b>MATERIAL CHANGES</b>	None – this is the first time this project has been presented to the IFA Board of Directors.			
<b>JOB DATA</b>	129	Current jobs	N/A	New jobs projected (Preliminary; subject to change)
	10-15	Retained jobs	115	Construction jobs projected (11 months)
<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>• Location: Evanston (Cook County/Northeast Region)</li> <li>• Garrett-Evangelical Theological Seminary was originally founded in 1852</li> <li>• This project will enable the Garrett to modernize its student housing facilities and library, and may also provide Garrett with the opportunity to generate additional income through the lease of student housing beds to students at adjacent Northwestern University.</li> </ul>			
<b>CREDIT</b>	<ul style="list-style-type: none"> <li>• Garrett is a non-rated 501(c)(3) organization that will rely on a Bank Letter of Credit structure to sell Bonds in the market to tax-exempt money market funds.</li> </ul>			
<b>INDICATORS</b>				
<b>PROPOSED STRUCTURE</b>	<ul style="list-style-type: none"> <li>• Direct Pay LOC from First Bank &amp; Trust of Evanston, further secured by a Confirming LOC from the Federal Home Loan Bank of Chicago</li> <li>• Final Maturity of up to 30 years; (initial Bank LOC term of 5 to 7 years, subject to extension to maturity).</li> </ul>			
<b>SOURCES AND USES</b>	IFA Bonds	<u>\$15,000,000</u>	New Proj. Cost	\$10,570,000
			Refinancing Taxable Loans	4,230,000
			Costs of Issuance	<u>200,000</u>
	<b>Total</b>	<b><u>\$15,000,000</u></b>	<b>Total</b>	<b><u>\$15,000,000</u></b>
<b>RECOMMENDATION</b>	Credit Committee recommends approval.			



**ILLINOIS FINANCE AUTHORITY**  
**BOARD SUMMARY**  
**June 8, 2010**

**Project:        Garrett-Evangelical Theological Seminary**

---

**STATISTICS**

Project Number: E-PC-TE-CD-8360	Amount: \$15,000,000 (not-to-exceed amount)
Type: 501(c)(3) Revenue Bonds	IFA Staff: Rich Frampton
Location: Evanston	County/
	Region: Cook/Northeast

---

**BOARD ACTION**

Final Bond Resolution (One-time consideration)  
Conduit 501(c)(3) Revenue Bonds and Refunding Bonds  
No IFA funds at risk  
Credit Review Committee recommends approval.  
No extraordinary conditions

---

**PURPOSE**

The proposed project will enable **Garrett-Evangelical Theological Seminary** (“**Garrett**” or the “**Borrower**”) to finance leasehold improvements that will enable the Borrower (i) to finance and reimburse costs of renovating and equipping Loder Hall and Lesemann Hall, (ii) to finance various repairs, capital improvements, educational equipment, library shelving, sprinkler installation in Loder Hall and Old Dormitory, and (iii) refinancing existing indebtedness by the Borrower, and to pay certain costs of issuance.

---

**IFA PROGRAM AND CONTRIBUTION**

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

---

**VOTING RECORD**

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

---

**PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS**

Sources: IFA Bonds	<u>\$15,000,000</u>	Uses: Project Costs	\$10,570,000
		Refinancing Tx. Loans	4,230,000
		Issuance Costs	<u>200,000</u>
<b>Total</b>	<b><u>\$15,000,000</u></b>	<b>Total</b>	<b><u>\$15,000,000</u></b>

---

### JOBS

Current employment: 102                      Projected new jobs: Not applicable  
Jobs retained: 10-15 (full-time and part-time)      Construction jobs: 115 (preliminary estimate – 11 mo's.)

---

### BUSINESS SUMMARY

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

Garrett is governed by a 39-member Board of Trustees (see p. 6 for listing).

**Description:** Garrett-Evangelical Theological Seminary is a United Methodist co-educational theological seminary that is co-located in Evanston with (and surrounded by) Northwestern University. Garrett was originally chartered by the State of Illinois in 1855. Garrett offers masters and doctoral degree programs in fields related to theology and the practice of ministry. Approximately 335 full- and part-time students are enrolled at Garrett, representing 38 states and 29 countries.

Garrett was founded by many of the same individuals who founded Northwestern University. Northwestern’s Evanston campus is located on property adjacent to Garrett’s campus. (Garrett is surrounded by Northwestern’s Evanston campus.)

Garrett has emerged after a series of mergers with other Chicago area Methodist seminaries, the most recent in 1974, when it merged with the Evangelical Seminary of Naperville. Following this merger, Garrett Theological Seminary became Garrett-Evangelical Theological Seminary and consolidated operations at Garrett’s Evanston Campus.

---

### FINANCING SUMMARY

Structure/  
Bondholder

**Security:** The proposed Bonds will be secured by a Direct Pay Letter of Credit from (non-rated) First Bank & Trust of Evanston and wrapped by a Confirming (Standby) Letter of Credit from the Federal Home Loan Bank of Chicago. As a result, the Bonds will be rated based on the Federal Home Loan Bank of Chicago’s A-1+ (S&P) Short-Term rating.

Direct Pay LOC

**Bank Collateral:** Garrett’s Reimbursement Obligation to First Bank & Trust will be an unsecured, full recourse obligation of Garrett-Evangelical Theological Seminary.

Final Maturity

**Date:** 30 years

**Interest Rates:** Bonds will be sold as 7-day Variable Rate Demand Bonds priced based on the rating of the Federal Home Loan Bank of Chicago. The most recent average weekly rate was 0.31% as of 5/10/2010 (excludes ongoing Direct Pay/Confirming LOC Fees, Remarketing Agent Fees, and Trustee Fees)

**Timing:** June, 2010

**Rationale:** This project will enable Garrett to renovate and convert its existing 104-bed student housing facility into a 42-bed facility with private bathrooms. This renovated student housing facility will enable Garrett to generate auxiliary revenues that will enable Garrett to (i) accelerate debt reduction, (ii) expand existing programs offerings, or (iii) help cover general operating expenses.

Additionally, the proposed renovations will enable Garrett to consolidate and refinance existing debt at a reduced interest rate.

Because Garrett's housing, library, and food service operations are accessible to Northwestern University, it is possible that Northwestern students may end up living, eating, and studying in Garrett's renovated facilities.

---

**PROJECT SUMMARY (for IFA Bond Resolution)**

The IFA Series 2010 New Money Bond Proceeds will be used by Garrett-Evangelical Theological Seminary (“Garrett” or the “Borrower”) (i) to finance and reimburse the Borrower for the costs of (a) the renovation and equipping of Loder Hall, (b) the renovation and equipping of Lesemann Hall, and (c) miscellaneous repairs, capital improvements, capital expenditures, capital additions and educational equipment and fixtures, including a library compact shelving expansion project, sprinkler installation in Loder Hall and Old Dormitory and minor renovations in Old Dormitory all at the main campus of the Borrower located at 2121 Sheridan Road in Evanston, Illinois (the “New Project”), (ii) to refinance existing indebtedness incurred by the Borrower to finance the renovation of and improvements to student apartment buildings located at 916½ Noyes Street, Evanston, Illinois and 2215-19 Maple Avenue, Evanston, Illinois (collectively, the “Prior Project” and together with the New Project, the “Project”) and (iii) the payment of certain costs of issuance of the Bonds (all of which constitutes a “Project” under the Illinois Finance Authority Act).

Preliminary Estimated Project Costs include:

Renovations – all buildings	9,660,000
Architectural & Eng.	600,000
Equipment	<u>370,000</u>
<b>Subtotal -- New Project</b>	
<b>Costs financed with IFA</b>	
<b>Bonds</b>	<b><u>\$10,570,000</u></b>

---

**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Garrett-Evangelical Theological Seminary (c/o, Mr. Arnold Henning, Vice President for Business Affairs, Garrett-Evangelical Theological Seminary, 2121 Sheridan Road, Evanston, IL 60201; (T): 847-866-3920; e-mail: [Arnold.Henning@garrett.edu](mailto:Arnold.Henning@garrett.edu) )

Web Site: [www.garrett.edu](http://www.garrett.edu)

Project name: Garrett-Evangelical Theological Seminary, Series 2010 Bonds

Locations: 2121 Sheridan Road, Evanston, IL 60201 (Including Loder Hall and Lesemann Hall Renovations) and 916 ½ Noyes Street, Evanston, IL 60201 and 2215-19 Maple Avenue, Evanston, IL 60201.

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

Board of  
Directors: Members of Garrett’s Board of Trustees are listed on p. 6 of this report.

Current  
Property  
Owner: Garrett currently owns the subject properties.

---

**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Witmer & Waldron, LLC	Northbrook, IL	Sam Witmer
Auditor:	Mann, Weitz & Associates L.L.C.	Deerfield, IL	
Bond Counsel:	Ice Miller LLP	Chicago, IL	Jim Snyder
Direct Pay LOC Bank:	First Bank & Trust	Evanston, IL	
Counsel to LOC Bank:			
Underwriter:	Robert W. Baird & Co.	Milwaukee, WI	John Mehan
Underwriter's Counsel:	Reinhart Boerner Van Deuren S.C.	Milwaukee, WI	William Flynn
Trustee:			
Architect:	McGuire, Igleski & Associates	Evanston, IL	Anne McGuire
General Contractor:	To be determined		
IFA Counsel:	Steve Lawrence	Chicago, IL	Steve Lawrence
IFA Financial Advisor:	Acacia Financial	Chicago, IL	Courtney Shea

---

**LEGISLATIVE DISTRICTS**

Congressional:	9	Jan Schakowsky
State Senate:	9	Jeffrey M. Schoenberg
State House:	18	Robyn Gabel

---

**Garrett-Evangelical Theological Seminary**  
**Board of Trustees**  
**2009-2010**

**Active Trustees**

David Ahn (student)  
Philip A. Amerson (*ex officio*)  
Thomas E. Babler  
James B. Beddow  
James B. Blue  
Gennifer B. Brooks (faculty)  
Juanita Bryant  
J. Robert Burkhart  
Robert R. Carpenter  
Michelle A. Cobb  
Bishop Philip R. Cousins, Sr.  
Grant Crusor (student)  
Roger H. Cummings  
Bonnie E. Draeger  
Anne Driscoll  
Cherida E. Gary (student)  
Ted R. Grossmickle  
Michael A. Hatfield  
Lee Hoekstra  
James W. Hook  
Chrys G. Hyde  
Sara L. Isbell  
Bishop Hee-Soo June (*ex officio*)  
Robert E. Knowling, Jr.  
William J. Lawson  
James W. Lumberg  
J. Michael McBride  
Harriet McCabe  
Kyle MacKenzie Nowell  
Bishop Donald A. Ott  
Thomas L. Pearson  
Bishop Sharon Z. Rader  
Randall R. Sailors  
Jack L. Seymour (faculty)  
Jerre L. Stead  
Carlyle Fielding Steward III  
Michele e. Watkins (student)  
Rosalyn D. Wesley  
Theodor I. Yi

**Life Trustees**

Bishop Edsel A. Ammons  
Clifford O. Bath, Jr.  
Donald N. Boyce  
Jeanette S. Buys  
Judith V. Crain  
Eugene L. Delves  
Bishop Jess R. DeWitt  
Marjorie A. Engelman  
Elizabeth B. Hendrickson  
Bishop Charles W. Jordan  
Marilyn W. Magee  
Barbara W. Milnor  
Margaret P. Sagan  
Howard E. Steele  
Phylemon D. Titus  
Ronald C. Woodard



June 8, 2010

**\$25,000,000**  
**CHRISTIAN HOMES, INC.**

**REQUEST**

**Purpose:** Bond proceeds will be used to: 1) Refund the Series 2007C (Tax-Exempt) Variable Rate Demand Bonds, 2) pay for certain capital improvements at the various Illinois campuses /facilities owned and operated by Christian Homes, Inc., 3) establish Debt Service Reserve Funds for the Series 2010 Bonds, and 4) pay bond issuance costs associated with the IFA Series 2010 Bonds.

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

**Extraordinary Conditions:** None.

**BOARD ACTIONS**

Preliminary Bond Resolution

**MATERIAL CHANGES**

None.

**JOB DATA**

2,500 FTE's	Current jobs	N/A	New jobs projected
2,500 FTE's	Retained jobs	50	Construction jobs projected

**DESCRIPTION**

- Locations: Lincoln, Decatur, Forsyth, Chrisman, Springfield, Carmi, Washington, and Bensenville
- Christian Homes, Inc. ("Christian Homes"), a 501(c)(3) Senior Living organization was established in 1962 in Lincoln, Illinois. Christian Homes Obligated Group is a multi-facility system that has a total of 12 communities which include approximately 1,465 skilled nursing beds, 180 assisted living apartments, and 646 independent living apartment and garden homes located in Illinois, Indiana, Iowa, and Missouri.
- Christian Homes currently has approximately \$74.155 million of outstanding Series 2007 Bonds. The Series 2007C Bonds will be refunded with the Series 2010 Bonds in order to eliminate the Letter of Credit renewal risk on those bonds. The Series 2007B Bonds will mature prior to the expiration of the existing Letter of Credit.
- Christian Homes has also financed a number of small projects, working capital, and capital expenses through the issuance of subordinate taxable general obligation debt. These bonds represent the general obligation of the parent (Christian Homes, Inc.) and are subordinate to the Series 2007 and the new Series 2010 Bonds. Currently, there is approximately \$37.3 million of General Obligation Bonds outstanding today.

**CREDIT**

- Fixed Rate Bonds

**SECURITY**

- Gross revenue pledge, mortgage and master notes under a master indenture. Covenants and other legal provisions are expected to be consistent with those in use for similar financings.

**INDICATORS**

- The Borrower anticipates a Fitch rating of (BB+/BBB-). They do not currently have a rating.

**MATURITY**

- 2027

**SOURCES AND USES**

IFA Bonds	\$25,000,000	Refunding Escrow	\$8,100,000
		Future Capital	
Trustee Held Funds	\$400,000	Expenditures	\$13,400,000
		Debt Service Reserve	
Equity	\$500,000	Fund	\$2,500,000
		Swap Termination	\$900,000
			\$1,000,000
		Cost of Issuance	(see Pg.2)
Total	<b>\$25,900,000</b>	Total	<b>\$25,900,000</b>

**Recommendation**

Credit Committee recommends approval.

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
June 8, 2010**

**Project: Christian Homes, Inc.**

---

**STATISTICS**

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

---

**BOARD ACTION**

Conduit 501 (c)(3) Bonds	Staff recommends approval.
No IFA funds at risk	Borrower is seeking a waiver of the IFA policy for non-rated debt
Preliminary Bond Resolution	

---

**VOTING RECORD**

---

**PURPOSE**

Bond proceeds will be used to: 1) Refund the Series 2007C (Tax-exempt) Variable Rate Demand Bonds, 2) pay for certain capital improvements at the various Illinois campuses owned and operated by Christian Homes, Inc., 3) establish Debt Service Reserve Funds for the Series 2010 Bonds, and 4) pay for the cost associated with the issuance of the Series 2010 Bonds.

---

**IFA PROGRAM AND CONTRIBUTION**

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

---

**VOLUME CAP**

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

---

**JOBS**

Current employment: 2,500 FTE's (1,200 in IL)	Projected new jobs: N/A (Incremental additions)
Jobs retained: 2,500 FTE's (1,200 in IL)	Construction jobs: 50

---

**ESTIMATED SOURCES AND USES OF FUNDS**

Sources:	IFA Bonds	\$25,000,000	Uses:	Refunding Escrow	\$8,100,000
	Trustee Held Funds	\$400,000		Future Capital Expenditures	\$13,400,000
	Equity Contribution	<u>\$500,000</u>		Debt Service Reserve	\$2,500,000
				Swap Termination	\$900,000
				Cost of Issuance	<u>*\$1,000,000</u>
<b>Total</b>		<b><u>\$25,900,000</u></b>	<b>Total</b>		<b><u>\$25,900,000</u></b>

\* The costs of issuance for this financing are high because it is anticipated that the majority of the Series 2010 Bonds will be sold retail. In addition, the number of Christian Homes communities in the Obligated Group involves a substantial amount of due diligence.



---

**FINANCING SUMMARY/STRUCTURE**

Security:	Gross revenue pledge, mortgage and master notes under a master indenture. Covenants and other legal provisions are expected to be consistent with those in use for similar financings.
Interest Rate:	To be determined.
Interest Mode:	Fixed Rate Bonds
Credit Enhancement:	None
Credit Rating:	The Borrower is currently working with Fitch Ratings on securing a rating for this transaction as well as a rating on its outstanding Series 2007 Bonds. It is anticipated that the rating will either be BB+ or BBB-.
Waiver	<p>The Borrower qualifies for a waiver of IFA's unrated/non-rated bond denomination policy requirements normally applicable to BB+/BBB- rated debt since the Borrower complies with two key tests contained in this policy:</p> <ol style="list-style-type: none"><li>1) The Borrower has issued, in the immediately preceding seven (7) years, at least two (2) series of Bonds that were unrated and non-credit enhanced by a rated entity, in an aggregate total of not less than \$40,000,000; and</li><li>2) The Borrower is not currently in default on any bonds and has not missed a payment date relative to any Bonds in the immediately preceding three (3) years.</li></ol> <p>The Borrower satisfies specified criteria contained in the Policy and, accordingly, may sell Bonds in denominations of less than \$100,000.</p>
Maturity:	The current bond structure anticipates a final bond maturity in 2027.
Estimated Closing Date:	To be determined.

---

**PROJECT SUMMARY**

Bond proceeds will be used to 1) Refund existing IFA Series 2007C bonds, 2) Pay for certain capital improvements at the various Illinois campuses owned and operated by Christian Homes, Inc., 3) Establish Debt Service Reserve Funds for the Series 2010 Bonds, and 4) Pay certain costs for the issuance of the Series 2010 Bonds.

Timing: To be determined.

---

**BUSINESS SUMMARY**

Description of Business: Christian Homes, Inc. ("Christian Homes"), a 501(c)(3) Senior Living organization was established in 1962 in Lincoln, Illinois. Christian Homes Obligated Group is a multi-facility system comprised of 12 communities including approximately 1465 skilled nursing beds, 180 assisted living apartments, and 646 independent living apartment and garden homes located in Illinois, Indiana, Iowa, and Missouri. The table below details the unit-mix for each community:

<b>Obligated Group Communities</b>	<b>Location</b>	<b>Independent</b>	<b>Assisted</b>	<b>Skilled</b>	<b>Total</b>
		<b>Living</b>	<b>Living</b>	<b>Nursing</b>	
Bridgeway Christian Village (LifeLink)	Bensenville, IL	173	0	190	363
Washington Christian Village	Washington, IL	30	0	122	152
The Christian Village	Lincoln, IL	65	0	112	177
Hickory Point Christian Village	Decatur, IL	50	48	0	98
Fair Havens Christian Home	Decatur, IL	10	0	154	164
Lewis Memorial Christian Village	Springfield, IL	38	0	155	193
Pleasant Meadows Christian Village	Chrisman, IL	14	0	109	123
Wabash Christian Retirement Center	Carmi, IL	11	0	158	169
Chicagoland Christian Village	Crown Point, IN	74	0	146	220
Hoosier Christian Village	Brownstown, IN	13	0	97	110
Risen Son Christian Village	Council Bluffs, IA	95	62	102	259
Spring River Christian Village	Joplin, MO	73	70	120	263
		646	180	1465	2291

**Existing Tax-Exempt Bonds:**

Christian Homes currently has approximately \$74.155 million of outstanding Series 2007 Bonds issued system-wide. Christian Homes' outstanding Bonds are listed in the table below.

<b>Series 2007 Bonds:</b>	<b>State</b>	<b>Taxable / Tax-Exempt</b>	<b>Fixed / Variable Rate</b>	<b>Par Amount Issued</b>	<b>Current Amount Outstanding</b>
Series 2007A	Illinois	Tax-Exempt	Fixed	\$37,365,000	\$37,365,000
Series 2007B	Illinois	Taxable	Variable	\$6,825,000	\$905,000
Series 2007C	Illinois	Tax-Exempt	Variable	\$8,090,000	\$8,090,000
Series 2007D	Indiana	Tax-Exempt	Fixed	\$7,155,000	\$7,155,000
Series 2007E	Iowa	Tax-Exempt	Fixed	\$8,300,000	\$8,300,000
Series 2007F	Missouri	Tax-Exempt	Fixed	\$12,340,000	\$12,340,000
				\$80,075,000	\$74,155,000

The Series 2007C Bonds will be refunded with the Series 2010 Bonds in order to eliminate the Letter of Credit renewal risk on those bonds. The Series 2007B Bonds will mature prior to the expiration of the existing Letter of Credit.

**Existing General Obligation Taxable Bonds:**

Christian Homes has financed several small projects, working capital, and capital expenditures through the issuance of subordinate taxable general obligation debt. These bonds represent a general obligation of the parent (Christian Homes, Inc.) and are subordinate to the Series 2007 and the new Series 2010 bonds. Currently, there are approximately \$37.3 million of General Obligation Bonds outstanding today.

---

**OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT**

Applicant: Christian Homes, Inc., Lincoln, Illinois

Project Location: Lincoln, Decatur, Forsyth, Chrisman, Springfield, Carmi, Washington, Bensenville

Borrower: Christian Homes Inc.

Board of Trustees:	Jim Blalock	Terry Goodner	Bob Crosby
	Amy Hanson	Gary Edwards	Dick Hart
	James Frasure	Larry Periman	Bill Lash
	Randy Clark	Patricia Lincoln	Rowe Marylyn
	Maurine Collett	Timothy Phillippe	Bill Carter

---

**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Sonnenschein Nath & Rosenthal	St. Louis, MO	Tom Vandiver
Accountant:	Larson, Allen, Weishair & Co.	St. Louis, MO	Allan Larson John Richter
Bond Counsel:	Jones Day	Chicago, IL	John Bibby
Bond Underwriter:	Ziegler Capital Markets Group	Chicago, IL	Dan Herman Will Carney Mike Taylor
Underwriter's Counsel:	Thompson Coburn	St. Louis, MO	Sara Kotthoff
Issuer's Counsel:	Shefsky & Froehlich	Chicago	Barry Maram
IFA Advisors:	Acacia Financial	Chicago, IL	Courtney Shea

---

**LEGISLATIVE DISTRICTS**

<b>Congressional:</b>	6 <sup>th</sup>	Peter J. Roskam,
	12 <sup>th</sup>	Jerry F. Costello
	15 <sup>th</sup>	Timothy V. Johnson
	17 <sup>th</sup>	Phil Hare
	18 <sup>th</sup>	Aaron Schock
	19 <sup>th</sup>	John M. Shimkus
<b>State Senate:</b>	39 <sup>th</sup>	Don Harmon
	44 <sup>th</sup>	Bill Brady
	50 <sup>th</sup>	Larry K. Bomke
	53 <sup>rd</sup>	Dan Rutherford
	54 <sup>th</sup>	John O. Jones
	55 <sup>th</sup>	Dale A. Righter
	59 <sup>th</sup>	Gary Forby
<b>State House:</b>	77 <sup>th</sup>	Angelo "Skip" Saviano
	87 <sup>th</sup>	Bill Mitchell
	99 <sup>th</sup>	Raymond Poe
	100 <sup>th</sup>	Rich Brauer
	106 <sup>th</sup>	Keith P. Sommer
	108 <sup>th</sup>	David B. Reis
	109 <sup>th</sup>	Roger L. Eddy
	117 <sup>th</sup>	John E. Bradley

---

**SERVICE AREA**

---

<b>Obligated Group Communities</b>	<b>Location</b>
Bridgeway Christian Village (LifeLink)	Bensenville, IL
Washington Christian Village	Washington, IL
The Christian Village	Lincoln, IL
Hickory Point Christian Village	Decatur, IL
Fair Havens Christian Home	Decatur, IL
Lewis Memorial Christian Village	Springfield, IL
Pleasant Meadows Christian Village	Chrisman, IL
Wabash Christian Retirement Center	Carmi, IL
Chicagoland Christian Village	Crown Point, IN
Hoosier Christian Village	Brownstown, IN Council Bluffs, IA
Risen Son Christian Village	IA
Spring River Christian Village	Joplin, MO

	<b>\$900,000</b>			
June 8, 2010	<b>COMMUNITY MEMORIAL HOSPITAL ASSOCIATION</b>			
<b>REQUEST</b>	<b>Purpose:</b> Community Memorial Hospital will use bond proceeds to finance the (i) construction of a 5,500 square foot medical office building that will provide space to house Hospital physicians who are currently in space within the Hospital and who are committed to transition to the new offices (ii) Acquisition of equipment for use therein and (iii) legal and professional issuance costs associated with the bond issuance. <b>Program:</b> 501(c)(3) Revenue Bonds  <b>Extraordinary Conditions:</b> None <b>Volume cap required:</b> None			
<b>BOARD ACTIONS</b>	Final Bond Resolution  December 8, 2009 Voting Record - 8 ayes, 0 nays, 0 abstained Absent: 6 (Rivera, Leonard, DeNard, Poole, McInerney, Bashir) Vacancies 1			
<b>MATERIAL CHANGES</b>	No material changes from the Preliminary Bond Resolution considered on December 8, 2009.			
<b>JOB DATA</b>	162	Current jobs	6	New jobs projected
	N/A	Retained jobs	15	Construction jobs projected (range over 6-month period)
<b>BORROWER DESCRIPTION</b>	<ul style="list-style-type: none"> <li>Community Memorial Hospital is a 501(c)(3) not-for-profit corporation that operates a 25-bed, short stay, non-denominational critical access hospital</li> <li>The Project will be located in Staunton, Illinois – Central Region</li> </ul>			
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>Not Rated</li> <li>The Direct Bond Purchaser/Investor will be First National Bank in Staunton</li> </ul>			
<b>PROPOSED STRUCTURE</b>	<ul style="list-style-type: none"> <li>Not enhanced</li> <li>Bonds will be purchased directly by First National Bank in Staunton and held as an investment until maturity.</li> <li>4.00% tax-exempt rate fixed for 10 years</li> <li>Maturity: 10 years with a 10-year amortization</li> </ul>			
<b>ESTIMATED SOURCES AND USES</b>	IFA 501(c)(3) Bonds:	\$900,000	Project Cost:	\$1,200,000
	Equity	<u>324,000</u>	Cost of Issuance	<u>24,000</u>
	<b>Total</b>	<b><u>\$1,224,000</u></b>	<b>Total</b>	<b><u>\$1,224,000</u></b>
<b>RECOMMENDATION</b>	Credit Review Committee recommends approval.			

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY**

**June 8, 2010**

**Project: Community Memorial Hospital Association**

---

**STATISTICS**

IFA Project:	H-HO-TE-CD-8301	Amount:	\$900,000 (Not-to-Exceed)
Type:	501(c) (3) Bonds	IFA Staff:	Jim Senica
County/			
Region:	Macoupin/ Central	Location:	Staunton

---

**BOARD ACTION**

Final Bond Resolution	
Conduit 501(c) (3) Bonds	No IFA funds at risk
Credit Committee Recommends Approval	No extraordinary conditions

---

**VOTING RECORD**

December 8, 2009 Voting Record - 8 ayes, 0 nays, 0 abstentions  
Absent: 6 (Rivera, Leonard, DeNard, Poole, McInerney, Bashir)  
Vacancies 1

---

**PURPOSE**

Bond proceeds along with equity funds will be used to finance (i) the construction of a 5,500 square foot medical office building to be built on land owned by and adjacent to the Hospital located in Staunton, Illinois (ii) the acquisition of equipment for use therein, and (iii) payment of bond issuance costs.

---

**IFA PROGRAM AND CONTRIBUTION**

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

---

**VOLUME CAP**

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

---

**SOURCES AND USES OF FUNDS**

Sources:	IFA 501(c)(3) Bonds	\$900,000	Uses:	Project Cost	\$1,200,000
	Equity	<u>324,000</u>		Issuance Costs	<u>24,000</u>
	<b>Total</b>	<b><u>\$1,224,000</u></b>		<b>Total</b>	<b><u>\$1,224,000</u></b>

---

**JOBS**

Current employment:	162	Projected new jobs:	6
Jobs retained:	N/A	Construction jobs:	15 (over 6 months)

---

### FINANCING SUMMARY

Structure:	The Bonds will be purchased directly by First National Bank in Staunton, the Direct Lender/Investor, and held as a portfolio investment until maturity.
Direct Lender/ Bond Investor Security:	First National Bank in Staunton will be secured by a first mortgage on the project real estate (land & building).
Interest Rate:	Interest rate will be fixed for 10 years at the Bank's tax-exempt rate of 4.00%
Term:	10 years (Final Maturity)
Amortization Period:	10-years
Timing:	Bond closing is tentatively set for June 25, 2010
Rationale:	The proposed project will enable Community Memorial Hospital to provide office space for hospital physicians currently using space within the main hospital building to enable the hospital to free-up space needed for other Hospital activities

---

### BUSINESS SUMMARY

Description: Community Memorial Hospital Association ("the Hospital") is an Illinois 501(c)(3) not-for-profit corporation incorporated in 1946 that operates a 25-bed hospital in Staunton, Illinois, a community of 5,000 residents approximately 30 miles northeast of St. Louis. The Hospital is a short-stay, non-denominational facility that maintains medical surgical units and multi-bed special care units. Twenty-four hour emergency care is available 365 days a year and nurses are specially trained in cardiac support, trauma life support and specialized pediatric care. The hospital has provided continuous health care to area residents since 1951 and holds full accreditation by JCAHO (Joint Commission on Accreditation of Health Care Organizations) and is licensed by the Illinois Department of Public Health.

*Community Memorial Hospital is one of 51 small hospitals located throughout the state that are designated as Critical Access Hospitals (CAHs).* The CAH Program was created by Congress in 1997 as a safety net to assure Medicare beneficiaries access to health care services in rural areas. It was designed to allow more flexible staffing options to respond to community needs, simplify billing methods, and create incentives to develop local integrated health delivery systems, including acute, primary, emergency, and long-term care.

The Hospital offers a wide array of surgical services including inpatient, outpatient, day surgery and minimally invasive procedures. Types of surgeries typically provided include:

- General Surgery
- Ear-Nose-Throat
- Endoscopy/Laparoscopy
- Gynecological
- Orthopedic
- Ophthalmology
- Podiatry
- Thoracic Surgery
- Urology

The Hospital provides a variety of specialty services in Audiology, Cardiology, Pulmonary, Dermatology, Neurology, Oncology, Ophthalmology, Orthopedics and Sports Medicine, Otolaryngology, Podiatry and Urology. Speech therapy services are also available to individuals who experience difficulties with their speech, language, cognitive-linguistic or swallowing abilities. Dietician/nutrition evaluations and teaching for individual diet needs as well as outpatient infusion and injections are also available at the Hospital.





**Community Memorial Hospital Association**

501(c) (3) Revenue Bonds

Page 5

Final Bond Resolution

June 8, 2010

Jim Senica

Bond Purchaser:	First National Bank in Staunton	Staunton, Illinois	Brian Ury
IFA Counsel:	Requested		
IFA Financial Advisors:	Scott Balice Strategies, LLC	Chicago, IL	Lois Scott

---

**LEGISLATIVE DISTRICTS**

Congressional:	17 – Phil Hare
State Senate:	49 – Deanna Demuzio
State House:	98 – Gary Hannig



June 8, 2010

**\$160,000,000**

**NORTHSHORE UNIVERSITY HEALTHSYSTEM (F/K/A EVANSTON NORTHWESTERN HEALTHCARE)**

**REQUEST**                      **Purpose:** To convert or refund existing variable rate debt to fixed rate debt and to terminate two fixed payer swaps.

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

**Extraordinary Conditions:** None

**BOARD ACTIONS**              Final Bond Resolution.

**MATERIAL CHANGES**      None. Preliminary Bond Resolution approved 5/4/2010: Ayes: 10; Nays: 0; Abstentions: 0 Absent: 4 (Rivera, Leonard, Durburg & Goetz); Vacancies: 1

**JOB DATA**

8,910	Current jobs	N/A	New jobs projected
8,910	Retained jobs	N/A	Construction jobs projected

**DESCRIPTION**

- Location: Evanston, Illinois
- **NorthShore University HealthSystem** (the “Corporation”) owns four hospitals. Evanston Hospital occupies approximately 15 acres in Evanston on which facilities house 368 licensed acute-care beds, ancillary and support services and a medical office building. Glenbrook Hospital occupies approximately 55 acres on which facilities house 153 licensed acute-care beds, all ancillary and support services and two medical office buildings. Highland Park Hospital occupies approximately 25 acres in Highland Park on which facilities house 158 licensed acute-care beds, ancillary and support facilities and a medical office building. Skokie Hospital occupies approximately 28 acres in Skokie on which facilities house 237 licensed acute-care beds and a medical office building. As of September 30, 2009, the combined licensed acute-care beds for the four hospitals was 916. The Corporation also owned 600,000 gross square feet of building space at 10 locations and leases certain additional space at locations throughout its service area that are used for physician offices and related services. The Corporation's corporate offices are located approximately 0.2 miles from Evanston Hospital.

- In March 2010, NorthShore was awarded Magnet designation by the American Nurses Credentialing Center. The Magnet designation includes all four of NorthShore’s hospitals. Additionally in March 2010, the Corporation was named among the Top 100 Hospitals and Top 15 Major Teaching Hospitals in America for the 14th time, more than any hospital in the United States. The annual study, conducted by *Thomson Reuters*, identifies top performing hospitals based on weighted performance measures of clinical excellence, operating efficiency and responsiveness to the community. In 2009, the Corporation was named one of the Most Wired hospitals in the country for the sixth consecutive year according to the results of the 2009 Most Wired Survey and Benchmarking Study released by *Hospitals & Health Networks* magazine. The Most Wired Survey, conducted annually, focuses on how the nation’s hospitals use information technologies for quality, customer service, public health and safety, business processes and workforce issues.

**STRUCTURE**                      • The plan of finance contemplates the refunding or conversion of existing variable rate debt to fixed rate debt and the termination of two outstanding fixed payer swaps.

**RATINGS**                         • Current NorthShore Ratings: Aa2/AA/NR (Moody’s/S&P/Fitch).

**MATURITY**                      • Bonds will Mature no later than 2040.

**SOURCES AND USES<sup>1</sup>**

IFA Bonds:	<u>\$144,330,000</u>	Refunding/Conversion <sup>2</sup>	\$120,000,000
		Swap Termination Fee	\$21,500,000
		Cost of Issuance	2,830,000
		Additional proceeds	<u>0</u>
Total	<b>\$144,330,000</b>	Total	<b>\$144,330,000</b>

1) Preliminary, subject to change.

2) Uses currently include the refunding the Corporation’s Series 2001A Bonds and the termination of two swaps, however the final plan of finance will depend upon market conditions at the time of pricing and may include the refunding of certain maturities of other series of bonds as management deems appropriate.

**RECOMMENDATION**              Credit Committee recommends approval.



---

### FINANCING SUMMARY/STRUCTURE

Security:	The Bonds are expected to be secured by an Obligation of NorthShore University HealthSystem under a Master Trust Indenture.
Structure:	The plan of finance contemplates conventional fixed rate bonds.
Interest Rate:	To be determined
Interest Mode:	Fixed
Credit Enhancement:	Not applicable
Maturity:	Up to 30 years final maturity
Ratings:	Aa2/AA/NR (Moody's/S&P/Fitch)
Estimated Closing Date:	July 14, 2010

---

### PROJECT SUMMARY

NorthShore University HealthSystem ("NorthShore" or "the Corporation"), in order to add conventional fixed rate debt to its capital structure, will either convert or refund outstanding debt which is currently in a variable rate mode. Concurrently, NorthShore will terminate two fixed payer swaps. By introducing committed funding to its capital structure and by unwinding the swaps, NorthShore will effectively reduce the risk profile of its debt portfolio. The transaction is expected to close within NorthShore's current fiscal year, which ends September 30, 2010.

---

### BUSINESS SUMMARY

Description of Business: The predecessor of the Corporation was established in 1891 in an eight-room cottage located at 806 Emerson Street, Evanston, Illinois. In 1895, the Corporation moved to its present location where it operates Evanston Hospital. An overview of NorthShore's four hospitals in the near northern suburbs of Chicago is included below.

- **Evanston Hospital** – occupies approximately 15 acres in Evanston on which facilities house 368 licensed acute-care beds, ancillary and support services and a medical office building.
- **Glenbrook Hospital** – occupies approximately 55 acres on which facilities house 153 licensed acute-care beds, all ancillary and support services and two medical office buildings.
- **Highland Park Hospital** – occupies approximately 25 acres in Highland Park on which facilities house 158 licensed acute-care beds, ancillary and support facilities and a medical office building.
- **Skokie Hospital** – occupies 28 acres in Skokie on which facilities house 237 licensed acute-care beds and a medical office building.

As of September 30, 2009, the combined licensed acute-care beds for the four hospitals was 916. The Corporation also owned 600,000 gross square feet of building space at 10 locations and leased certain additional space at locations throughout its service area which are used for physician offices and related services. The Corporation's corporate offices are located approximately 0.2 miles from Evanston Hospital.

On July 16, 2008, the Corporation, The University of Chicago and The University of Chicago Medical Center entered into a Master Affiliation Agreement to establish and govern an academic medical center affiliation for teaching, research and community service. The affiliation became effective July 1, 2009. The Corporation supports over 160 residents and fellows with this new affiliation.

The Corporation and The University of Chicago's Pritzker School of Medicine formed an academic affiliation that places medical students, residents and fellows from The University of Chicago Medical Center (UCMC) at the Corporation's four hospital locations for a portion of their medical education.

This affiliation creates opportunities for collaborative research projects that take advantage of each institution's respective strengths, particularly in the areas of clinical outcomes, clinical trials, oncology and imaging. Neither The University of Chicago nor The University of Chicago Medical Center has any obligation with respect to any NorthShore University HealthSystem debt issued under the Master Indenture or with respect to any series of Related Bonds issued for the benefit of the Corporation.

In March 2010, NorthShore was awarded Magnet designation by the American Nurses Credentialing Center. The Magnet designation includes all four of NorthShore's hospitals. Additionally in March 2010, the Corporation was named among the Top 100 Hospitals and Top 15 Major Teaching Hospitals in America for the 14th time, more than any hospital in the United States. The annual study, conducted by *Thomson Reuters*, identifies top performing hospitals based on weighted performance measures of clinical excellence, operating efficiency and responsiveness to the community. In 2009, the Corporation was named one of the Most Wired hospitals in the country for the sixth consecutive year according to the results of the 2009 Most Wired Survey and Benchmarking Study released by *Hospitals & Health Networks* magazine. The Most Wired Survey, conducted annually, focuses on how the nation's hospitals use information technologies for quality, customer service, public health and safety, business processes and workforce issues.

---

#### OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: NorthShore University HealthSystem (f/k/a Evanston Northwestern Healthcare, f/k/a Evanston Hospital Corporation)

1301 Central Street  
Evanston, IL 60201

Borrower: NorthShore University HealthSystem

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

Berger, Percy L.  
Caplan, Michael S., M.D.  
Claiborne, Touré S.  
Crown, A. Steven  
Davis, William L.  
Dillon, Mary  
Duckworth, Connie K.  
Hochberg, Laurie C., M.D.  
Hong, Ike  
Jones, Gregory D.  
Keyser, Richard L.  
Khandekar, Janardan D., M.D.  
Knight, Lester B., III  
Kraemer, Harry M. Jansen, Jr.  
Mencoff, Samuel M.  
Mills, Andrew J.  
Neaman, Mark N.  
Reyes, Jude M.  
Sentell, Susan B.  
Talamonti, Mark S., M.D., F.A.C.S.  
Thomas, J. Mikesell  
Walter, John R.  
Wang, Sona  
Ward, Jonathan P.  
White, William J.  
Wrigley, William Jr.

---

**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Ungaretti & Harris	Chicago	Julie Seymour
Accountant:	Ernst & Young	Chicago	Tadd Ingles
Bond Counsel:	Jones Day	Chicago	Mike Mitchell
Bond Underwriter:	J.P. Morgan	Chicago	Tim Wons
	Barclays Capital	Los Angeles	James Kim
	Barclays Capital	Chicago	Ben Klemz
	Loop Capital	Chicago	Lerry Knox
	Wells Fargo	Chicago	Phil Kaplan
Trustee:	The Bank of New York Mellon	Chicago	Robert Hardy
Underwriter's Counsel:	Chapman & Cutler	Chicago	James Luebchow
IFA Advisor:	Scott Balice Strategies	Chicago	Lois Scott
Issuer's Counsel:	Ice Miller	Chicago	Jim Snyder

---

**LEGISLATIVE DISTRICTS**

Congressional: 9- Janice D. Schakowsky  
State Senate: 9- Jeffrey M. Schoenberg  
State House: 18- Robin Gable

---

**SERVICE AREA**

The Corporation's service area consists of a 50-zip code area in the suburbs bounded by the City of Chicago to the south; Arlington Heights to the west; Long Grove and Round Lake to the northwest; Waukegan to the north; and Lake Michigan to the east. This broad service area, which is typical of a major tertiary care provider, has a population of over 1.6 million people with an estimated median household income of \$110,000. (Source: Thomson Reuters Market Planner Plus). The Corporation's share of admissions in this service area was approximately 21.5% for the twelve-month period ended September 30, 2009. (Source: Illinois Hospital Association COMPdata)



**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
May 4, 2010**

**Project: OSF Healthcare System**

---

**STATISTICS**

Project Number: H-HO-TE-CD-8358	Amount: \$200,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and William Claus
Locations: Peoria, Rockford, Bloomington, Galesburg, Monmouth	County/ Region: Peoria/North Central, Winnebago/Northern Stateline, McLean/North Central, Knox/West Central, Warren/West Central

---

**BOARD ACTION**

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

---

**VOTING RECORD**

Preliminary Bond Resolution approved 5/4/2010: Ayes: 10; Nays: 0; Abstentions: 0 Absent: 4 (Rivera, Leonard, Durburg & Goetz); Vacancies: 1

---

**PURPOSE**

Proceeds of the Bonds will be used to: (1) current refund approximately \$142 million of OSF's variable rate bonds, issued for their Illinois facilities, with fixed rate bonds. The Variable Rate Bonds to be refunded are (i) Illinois Health Facilities Authority, Variable Rate Demand Revenue Bonds, Series 1985B, (ii) Illinois Finance Authority Variable Rate Revenue Bonds, Series 2001, and (iii) Illinois Finance Authority Revenue Bonds, Series 2007D; (2) provide reimbursement for a portion of the costs associated with the construction and equipping a new 72,000 square foot corporate data center located in Peoria, Illinois.

---

**IFA PROGRAM AND CONTRIBUTION**

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

---

**VOLUME CAP**

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

---

**JOBS**

Current employment: 10,450 FTE's	Projected new jobs: 0
Jobs retained: 10,450 FTE's	Construction jobs: 0

---

**ESTIMATED SOURCES AND USES OF FUNDS**

Sources:	IFA bonds	\$158,000,000	Uses: Current Refunding	\$142,000,000
	OSF Equity	<u>\$12,000,000</u>	Reimbursement	\$25,000,000
	<b>Total</b>	<b>\$170,000,000</b>	Est. Cost of issuance	<u>\$3,000,000</u>
			<b>Total</b>	<b>\$170,000,000</b>



---

### FINANCING SUMMARY/STRUCTURE

Security: The Bonds will be secured by a master indenture note of OSF.

Structure: --- The structure of this Series 2010 Bond issue will include serial as well as terms bonds.

Interest Rate: --- Fixed rate. Estimated from 4.75% - 5.50%

Interest Mode: --- Fixed

Credit Enhancement: --- None

Maturity: --- 30 Years

Rating: The Borrower ratings are as follows: Moody's "A2", Standard & Poor's "A", and Fitch "A".

Est. Closing Date: June 29, 2010

---

### PROJECT SUMMARY

The Series 2010 Bonds will be used to currently refund approximately \$142 million of OSF's variable rate bonds issued for their Illinois facilities with fixed rate bonds. The bond issues to be refunded are the Series 1985B (\$75,000,000), Series 2001 (\$46,050,000), and Series 2007D (\$20,050,000). Refunding these bond issues with fixed rate bonds will eliminate the risks associated with variable rate bonds for this portion of OSF's long-term debt. OSF plans to contribute approximately \$12 million of equity toward the refunding. The Series 2010 Bonds will also include approximately \$25 million for reimbursement for a portion of the cost of the construction of a new 72,000 square foot corporate data center located in Peoria, Illinois.

---

### BUSINESS SUMMARY

Background: OSF Healthcare System ("OSF" or the "Corporation") is an Illinois not-for-profit corporation, exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. OSF was incorporated in 1880 as The Sisters of the Third Order of St. Francis. The Corporation's current name was adopted as part of a corporate restructuring in 1989. The sole corporate member of OSF is The Sisters of the Third Order of St. Francis, a religious congregation founded in 1877 in Peoria, Illinois. The Corporation operates its health care facilities as a single corporation, with each health care facility functioning as an operating division of the Corporation.

Description: OSF is headquartered in Peoria. Six of the Corporation's facilities (six hospitals and one continuing care and nursing home center) are located in Illinois. One hospital is located in Michigan. OSF has 1,314 licensed acute care beds and 155 licensed long term care beds. The Corporation's largest hospital, St. Francis Medical Center in Peoria, is a 616-licensed bed tertiary care teaching center providing numerous specialty services and extensive residency programs for physicians. The array of health services provided by OSF also includes 27 hospital-based outpatient facilities, approximately 92 physician office facilities of employed physicians, six home health agencies and five hospices. Multi-institutional membership status has been conferred on the Corporation by the Illinois Hospital Association and the American Hospital Association. Similar membership status exists with the Catholic Health Association of the United States and the Illinois Catholic Health Association.

Project

Rationale: Rebalance their long term debt converting variable rate bonds at what is currently an attractive fixed rate market for solid healthcare credits

Timing: Closing anticipated June 29, 2010.

---

**OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT**

Project name: OSF Healthcare System  
Location: 800 North East Glen Oak Avenue; Peoria, Illinois 61603  
Applicant: OSF Healthcare System  
Organization: 501(c)(3) Not-for-Profit Corporation  
State: Illinois  
Board Members 501(c)(3):

Sister Judith Ann Duvall, O.S.F., Chairperson  
James M. Moore, CEO  
Sister Diane Marie McGrew, O.S.F., President/Treasurer  
Sister Theresa Ann Brazeau, O.S.F., Secretary  
Sister Maria Elena Padilla, O.S.F.  
Sister Agnes Joseph Williams, O.S.F.  
Sister Rose Therese Mann, O.S.F.  
Leonard E. Nevitt  
Vance C. Parkhurst  
James W. Girardy, M.D.  
Gerald J. McShane, M.D.

---

**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	OSF Corporate Counsel	Peoria	Vance C. Parkhurst
Borrower's Special Counsel:	Hinshaw & Culbertson	Rockford	Charles Thomas
Accountant:	KPMG	Peoria	Charles Klescewski
Bond Counsel:	Jones Day	Chicago	John Bibby
Underwriters:	Merrill Lynch	New York	Neil Matthews
	Cabrera Capital	Chicago	Santino Bibbo
Underwriter's Counsel:	Sonnenschein Nath & Rosenthal	Chicago	Kathryn Ashton
Financial Advisor:	Anne Donahoe	Chicago	Anne Donahoe
Bond Trustee:	Wells Fargo	Chicago	Christopher Duncan
Issuer's Counsel:	Perkins Coie	Chicago	Bill Corbin
IFA Advisors:	Scott Balice Strategies	Chicago	Lois Scott

---

**LEGISLATIVE DISTRICTS**

Congressional: 18- Aaron Schock  
15-Timothy V. Johnson  
16- Donald A. Manzullo  
17- Phil Hare

State Senate: 46- David Koehler  
37- Dale E. Risinger  
53- Dan Rutherford  
44- Bill Brady  
47- John M. Sullivan

State House: 92 - Jehan Gordon  
73 - David R. Leitch  
106 - Keith P. Sommer  
69 -Ronald A. Wait

74 - Donald L. Moffitt  
88 - Dan Brady  
94 - Richard P. Myers

---

**SERVICE AREA**

Service Area: OSF has facilities in the following locations in Illinois: Peoria (St. Francis Medical Center); Rockford (Saint Anthony Medical Center); Bloomington (St. Joseph Medical Center); Galesburg (St. Mary Medical Center); Pontiac (Saint James Hospital); Peoria Heights (Saint Clare Home); Monmouth (Holy Family Medical Center). The facility in Michigan, St. Francis Hospital, is located in Escanaba.



**\$225,000,000**

**THE ADMIRAL AT THE LAKE PROJECT**

June 8, 2010

**REQUEST** **Purpose:** (i) to construct and equip a new Continuing Care Retirement Community, (ii) refinance a bank loan that was used to finance pre-construction costs, (iii) reimburse the Borrower for its funds used to finance pre-development costs, (iv) fund one or more Debt Service Reserve Funds, (v) fund interest expense on the bonds for a period of approximately 28 months, and (vi) fund certain professional and bond issuance costs.

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

**Extraordinary Conditions:** None.

**BOARD ACTIONS** Final Bond Resolution.  
Note that the IFA Board approved the Final Bond Resolution for the project on December 11, 2008.

**MATERIAL CHANGES** The corporate structure and financial feasibility of the project has changed substantially since the Final Bond Resolution was passed in December, 2008.

<b>JOB DATA</b>	Current employment:	8	Projected new jobs:	135
	Jobs retained:	8	Construction jobs:	300

**DESCRIPTION**

- **Location:** Chicago (Cook County).
- The Admiral at the Lake (“The Admiral”) was founded in 1858 as The Home for the Aged and Indigent Females to care for Chicago’s homeless elderly women. When founded, it was the first and only institution in Chicago dedicated to the care of the elderly. In 1887, The Admiral revised its charter, changed its name to The Old People’s Home of the City of Chicago and became a non-sectarian institution for both women and men of all faiths and nationalities. In 1960, The Admiral moved to its current location at Foster Avenue and Marine Drive on Chicago’s north lakefront, acquiring a former eleven-story residential hotel known as The Admiral and the organization became known as The Admiral at the Lake. As described below, The Admiral’s history involves operating a CCRC at this site until mid-2007, when all residents were relocated to alternate host communities. Residents will reside at these host communities while the redevelopment is underway. The Admiral’s original/prior facility, which was demolished in 2007, consisted of 77 independent living apartments, 42 assisted living apartments and 50 intermediate care nursing beds.
- In December 2009, The Admiral entered into Definitive Agreement with The Kendal Corporation (“Kendal”) by which The Admiral and Kendal agreed to mutually pursue the continued development, marketing, financing and construction of the community. The Admiral, through this Definitive Agreement, will become an affiliate of Kendal.
- The redeveloped community will consist of 200 one, two, and three bedroom independent living apartments (including 12 garden town home apartments), 39 assisted living units, 17 memory support assisted living units, and 36 nursing beds. There will be a parking garage containing space for approximately 290 vehicles. As of May 21, 2010, 135 of the 200 independent living units had been reserved by applicants each making a reservation deposit equal to 10% of the required entrance fee. An additional 10 independent living units have been reserved for previous residents of The Admiral now at host facilities. Entrance fees will not be received for these 10 units when the residents move into their units at the redeveloped community. **Based on 145 units (135 units plus 10 units), 73% of the 200 independent living units have either been pre-sold or are not subject to an entrance fee (as of May 21, 2010).**

**CREDIT** ● The expected plan of finance does not include credit enhancement.

**SECURITY** ● The security for the Bonds will include a mortgage and revenue pledge. Additionally, The Admiral at the Lake Foundation may provide additional credit support to the Project.

**INDICATORS** ● The underlying Borrower is unrated.

**MATURITY** ● No later than 2046. See below for specific maturity dates for each type of bonds to be issued.

<b>SOURCES AND USES</b>	IFA Bonds	\$204,555,000	Project Fund	\$153,584,854
	Charitable Contribution	6,500,000	Debt Service Reserve Fund	17,215,350
			Funded Interest (28 months)	34,643,251
			Cost of Issuance	1,725,000
			Underwriter’s Discount	3,886,545
		<b>Total</b>	<b>\$211,055,000</b>	<b>Total</b>

**RECOMMENDATION** Credit Committee recommends approval.

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
June 8, 2010**

**Project: The Admiral At The Lake**

---

**STATISTICS**

Number:	H-HO-TE-CD-7182	Amount:	\$225,000,000 (Not-to-Exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane & Bill Claus
County/Region	Cook County/Northeast	City:	Chicago

---

**BOARD ACTION**

Final Bond Resolution	Staff recommends approval
Conduit 501 (c)(3) bonds	No extraordinary conditions
No IFA funds at risk	Requesting a waiver of IFA Policy for nonrated, unenanced debt, to be based on a feasibility study by Management and Dixon Hughes PLLC.

---

**VOTING RECORD**

This project was brought to the IFA Board for a Final Bond Resolution, December 11, 2008, with a vote of:

Ayes – 9                  Nays – 0                  Absent – 6                  Vacancies – 1                  Abstentions – 0

The corporate structure and financial feasibility of the project has changed substantially since the Final Bond Resolution was passed in December, 2008. This is an updated Board Summary report reflecting these changes.

---

**PURPOSE**

Proceeds will be used to (i) construct and equip a new Continuing Care Retirement Community, (ii) refinance a bank loan that was used to finance pre-construction costs, (iii) reimburse the Borrower for its funds used to finance pre-development costs, (iv) fund one or more Debt Service Reserve Funds, (v) fund interest expense on the bonds for a period of approximately 28 months, and (vi) fund certain professional and bond issuance costs.

---

**IFA PROGRAM AND CONTRIBUTION**

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

---

**VOLUME CAP**

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

---

**JOBS**

Current employment:	8	Projected new jobs:	135 Full-time equivalents
Jobs retained:	8	Construction jobs:	300 (27 months)

---

---

**ESTIMATED SOURCES AND USES OF FUNDS**

Sources:	IFA bonds	\$204,540,000	Uses:	Project Fund	\$153,581,523
	Charitable Contribution	6,500,000		Debt Service Reserve Funds	17,210,998
				Funded Interest (28 months)	34,635,735
				Cost of Issuance	1,725,000
				Underwriter's Discount	3,886,744
	Total	\$211,040,000		Total	\$211,040,000

Note: The chart above represents the sources and uses pertaining to the IFA Bonds and the charitable contribution. In addition, resident entrance fees will be used as a significant source of funds to provide for a Working Capital Fund, an Operating Reserve Fund, certain development fees during fill-up and the redemption of a portion of the IFA Bonds.

---

**FINANCING SUMMARY**

Security:	The security for the bonds will include a mortgage and revenue pledge. The key bond documents will include a master indenture, bond indentures and loan agreements.
Structure:	The plan of finance is subject to change based on market conditions and potential investor feedback. The current plan, subject to change, is that this issue will consist of fixed rate bonds for the permanent, long-term debt and fixed rate bonds for the temporary debt (i.e., the debt to be repaid as quickly as possible using resident entrance fees after the community opens). In this case, the fixed rate temporary debt includes a series of Accelerated Redemption Reset Option Bonds ("ARROS"). ARROS are similar to the Ziegler proprietary product known as EXTRAS, except they are geared toward new senior living campuses who intended to pay the bonds off with the first generation entrance fees. The interest rate on ARROS and EXTRAS is fixed for a number of years (typical 5 to 7 years) and when the first interest rate reset date is reached, if the bonds have not already been optionally redeemed, then the interest rate will be reset at a rate that allows the bonds to be re-sold at par.
Interest Rate:	To be determined based on the pricing with bondholders. Please refer to the paragraph above.
Interest Mode:	Interest will be paid semi-annually.
Credit Enhancement:	The expected plan of finance does not include credit enhancement, although this is subject to change depending on market conditions.
Maturity:	The permanent debt will be amortized during 2017 through 2045. Temporary debt is expected to be repaid through optional redemptions during 2012 through 2015.
Rating:	Underlying borrower is unrated.
Estimated Closing Date:	August 26, 2010
Waiver:	The bonds will be sold in denominations less than \$100,000 (i.e. \$5,000). The Borrower has requested a waiver of our unrated and non-credit enhanced debt policy. They expect to meet the conditions for a waiver.
<u>Conditions for Waiver:</u>	The Borrower has secured a feasibility study* from an independent and qualified accounting or consulting firm acceptable to the Authority demonstrating the financial viability of the project.

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

---

### PROJECT SUMMARY

The Admiral at the Lake, Inc. ("The Admiral") intends to use the net proceeds of the Authority loan to provide funds to (i) construct and equip a continuing care retirement community facility having 200 one, two, and three bedroom independent living apartments (including 12 garden town home apartments), 39 assisted living units, 17 memory support assisted living units, 36 nursing beds, common areas, and a parking garage containing space for 290 cars to be located on approximately 2.1 acre site at 909 West Foster Avenue\*, Chicago, Cook County, Illinois, (ii) refinance a bank loan that was used to finance pre-construction costs, (iii) reimburse the Borrower for its funds used to finance pre-development costs, (iv) fund one or more Debt Service Reserve Funds, (v) fund interest expense on the bonds for a period of approximately 28 months, and (vi) fund certain professional and bond issuance costs.

**Project Costs:** Estimated at approximately \$153,585,000. This represents all project costs to be funded with IFA bonds and a charitable contribution, other than certain late-occurring development fees to be funded with entrance fees. Entrance fees will also be used to fund items not included in the \$153.6 million. These include the funding of a Working Capital Fund, an Operating Reserve Fund and redemption of Temporary Debt.

**The Project:** The redeveloped community will consist of 200 one, two, and three bedroom independent living apartments (including 12 garden town home apartments), 39 assisted living units, 17 memory support assisted living units, and 36 nursing beds. There will be a parking garage containing space for approximately 290 vehicles. As of May 21, 2010, 135 of the 200 independent living units had been reserved by applicants each making a reservation deposit equal to 10% of the required entrance fee. An additional 10 independent living units have been reserved for previous residents of The Admiral now at host facilities. Entrance fees will not be received for these 10 units when the residents move into their units at The Admiral. **Based on 145 units (135 units plus 10 units), 73% of the 200 independent living units have either been pre-sold or are not subject to an entrance fee (as of May 21, 2010).**

Independent living apartments are planned to range in size from 750 sq. ft. to 1,950 sq. ft. Independent garden town home apartments are planned to range from 1,025 sq. ft. to 1,350 sq. ft. Common areas are planned to include a:

- Large club room;
- Dining room offering three meals daily;
- Café/bistro;
- Private dining room for special occasions;
- Library/resource center;
- Theater;
- Conference room and administrative offices;
- Mail room;
- Media center;
- Salon/barber shop;
- Creative arts center;
- Wellness center;
- Fitness center; and
- Swimming pool.

It is anticipated that project construction will begin in August 2010 and that the various levels of care will be available for occupancy in phases beginning July 2012 through March 2013. Stable occupancy of the entire campus is estimated to occur after an approximately 36 month fill-up period, in July 2015. Admission to The Admiral generally will be open to persons at least 62

years of age who are able to live independently, and have assets and income that are sufficient to meet ordinary and customary living expenses after assuming occupancy.

Healthcare and other licensure: Once the project is completed, The Admiral anticipates that it will obtain licensure as an assisted living facility under the Assisted Living and Shared Housing Act and will obtain licensure as a Skilled Nursing Facility under the Illinois Nursing Home Care Act. The Admiral will be required to obtain licensure of the assisted living units from the Department of Health upon completion of construction. The Admiral previously held a Life Care Facilities permit. A new Life Care Facilities permit is required as a result of the project and The Admiral will apply for a new Life Care Facilities permit after issuance of the IFA Bonds. The Admiral received its Certificate of Need from the Illinois Health Facilities Planning Board under the Continuum of Care variance for the nursing beds on February 27, 2008.

\* The current address of the Project is 909 West Foster Avenue. Ultimately the Project is planned to have a different address: Both 929 and 933 West Foster Avenue.

---

### BUSINESS SUMMARY

**Background:** The Admiral was founded in 1858 as The Home for the Aged and Indigent Females to care for Chicago's homeless elderly women. When founded, it was the first and only institution in Chicago dedicated to the care of the elderly. In 1887, The Admiral revised its charter, changed its name to The Old People's Home of the City of Chicago and became a non-sectarian institution for both women and men of all faiths and nationalities. In 1960, The Admiral moved to its current location at Foster Avenue and Marine Drive on Chicago's north lakefront, acquiring a former eleven-story residential hotel known as The Admiral and the organization became known as The Admiral at the Lake. As described below, The Admiral's history involves operating a CCRC at this site until mid-2007, when all residents were relocated to alternate host communities. Residents will reside at these host communities while redevelopment is underway. The Admiral's original/prior facility, which was demolished in 2007, consisted of 77 independent living apartments, 42 assisted living apartments, and 50 intermediate care nursing beds.

The Admiral is governed by a 4-member Board, and the parent organization, The Old Peoples Home of the City of Chicago, is governed by a 3-member Board. Lists of Board members for each entity are attached to this report for IFA Board review.

In 2004, The Admiral's Board developed and approved a Redevelopment Plan (the "Plan") which outlined strategies to develop The Admiral into a financially viable community for the next 50 years. Their Board selected Greystone Communities, Inc. ("Greystone") as the developer of the new community on the current Admiral site. Greystone is a recognized leader in developing senior living communities.

The management of The Admiral engaged in a resident relocation process during early 2007 by which it identified host facilities to house and provide services to all of its existing residents. A transition team was established and a methodology was developed to strategically move residents to their new host facilities, and begin to shut down the operations of The Admiral.

As of July 1, 2007, all of the residents of The Admiral were relocated to host facilities and all employees were offered severance packages. Demolition of the existing facility began in August 2007, and was completed in December 2007.

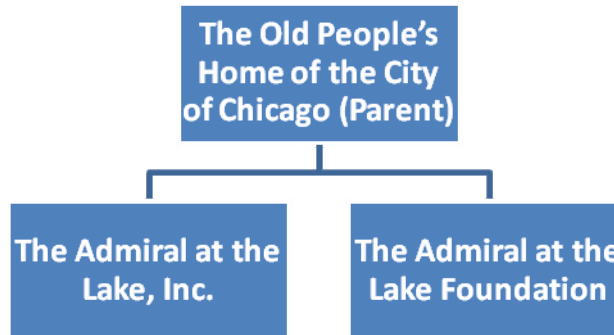
In December 2009, The Admiral entered into a Definitive Agreement with The Kendal Corporation ("Kendal"), by which The Admiral and Kendal agreed to mutually pursue the continued development, marketing, financing and construction of the community. Additionally, Kendal has provided for the use of its name in furtherance of the continued development, marketing, financing and ongoing operation of The Admiral.



In addition, the Admiral entered into a Development and Marketing Agreement with Kendal (the “Kendal Development Agreement”). Pursuant to the terms of the Kendal Development Agreement, Kendal will provide services to guide the development of the community in collaboration with The Admiral.

Pursuant to the terms and conditions described in the Kendal Development Agreement, The Admiral will become an affiliate of Kendal and adopt by-laws acceptable to Kendal and the parties will sign an affiliation agreement that makes The Admiral an affiliate of Kendal. After construction completion of the community and upon initial occupancy, The Admiral will become an affiliate of Kendal and will operate in accordance with the terms and conditions set forth in an affiliation agreement (the “Kendal Affiliation Agreement”).

Corporate Structure: The Admiral’s current structure is shown below.



Going forward, The Admiral at the Lake will be the only member of a to-be-formed obligated group. Neither the Parent nor the Foundation will be a member of the obligated group, and neither of them will have any obligations with respect to the bonds, the Master Indenture, the mortgage or the loan agreements that will be required with respect to the bonds.

---

### ECONOMIC DISCLOSURE STATEMENT

Applicant: The Admiral At The Lake  
Project: New Facility Project  
Location: 909 West Foster Avenue, Chicago, Cook County, IL  
(Note, upon completion the address will be 929 and 933 West Foster Avenue)  
Contact Person: Glenn Brichacek, President and CEO, 773-433-1800  
Organization: 501(c)(3) Corporation  
State: Illinois  
Board of Trustees:

#### THE ADMIRAL AT THE LAKE BOARD OF TRUSTEES

<u>NAME</u>	<u>AFFILIATION</u>
Charles F. Clarke III	Principal, Kinzie Realty Corporation
John A. Diffey	President and Chief Executive Officer, The Kendal Corporation
Andrea O. Hasten	Senior Vice President, The Northern Trust Company
Carol A. Stitzer	Development Officer, Lyric Opera of Chicago

**THE OLD PEOPLE’S HOME OF THE CITY OF CHICAGO  
 BOARD OF TRUSTEES**

<u>NAME</u>	<u>AFFILIATION</u>
John A. Diffey	President and Chief Executive Officer, The Kendal Corporation
Andrea O. Hasten	Senior Vice President, The Northern Trust Company
Sean Kelly	Director for New Business Development, The Kendal Corporation

**PROFESSIONAL & FINANCIAL**

Counsel:	Sonnenschein Nath & Rosenthal LLP	Chicago, IL	Mary Wilson
Accountant:	LarsonAllen LLP	Chicago, IL	Bernadette O’Toole
Bond Counsel:	Jones Day	Chicago, IL	John F. Bibby Jr.
Underwriter:	Ziegler Capital Markets	Chicago, IL	Dan Hermann Steve Johnson Jennifer Lavelle
Underwriter’s Counsel:	Katten Muchin Rosenman	Chicago, IL	Janet Hoffman
Issuer’s Counsel:	Greene & Letts	Chicago, IL	Allen P. Walker
Trustee:	Wells Fargo Bank, N.A.	Chicago, IL	Patricia Martirano Gail Klewin
Feasibility Consultant:	Dixon Hughes PLLC	Atlanta, GA	Keith Seeloff
IFA Financial Advisors:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott
	D. A. Davidson & Co.	Chicago, IL	Bill Morris

**LEGISLATIVE DISTRICTS**

Congressional: 9<sup>th</sup> Janice D. Schakowsky  
 State Senate: 7<sup>th</sup> Heather Steans  
 State House: 13<sup>th</sup> Greg Harris

**PRIMARY MARKET AREA FOR THE PROJECT**

The Primary Market Area (“PMA”) for providers of senior living services is typically defined as the geographic area from which a majority number of prospective residents reside prior to assuming occupancy at the Project. Based on the zip code origin of the Depositors, discussions with existing senior living providers in the area and experience with similar communities, Management has defined the PMA to be an area surrounding the Project which spans approximately eight miles from north to south and approximately four miles from east to west. The PMA includes the eight zip codes shown in the following table.

**Depositor and Returning A&B Resident Origin Data**

<u>Zip Code</u>	<u>Town</u>	<u>Number of Returning A&amp;B Residents</u>	<u>Number of Depositors <sup>(1)</sup></u>	<u>Total</u>	<u>Percentage of Total</u>
60610	Chicago	-	17	17	13.1%
60660	Chicago	-	16	16	12.3%
60640 <sup>(2)</sup>	Chicago	12	15	27	20.8%
60611	Chicago	-	15	15	11.5%
60657	Chicago	-	10	10	7.7%
60613	Chicago	-	8	8	6.2%
60614	Chicago	-	6	6	4.6%
<b>Total from PMA Zip Codes</b>		<b>12</b>	<b>87</b>	<b>99</b>	<b>76.2%</b>
Other Illinois areas		-	25	25	19.2%

Out of state	-	6	6	4.6%
<b>Total</b>	<b>12</b>	<b>118<sup>(3)</sup></b>	<b>130</b>	<b>100.0%</b>

Source: Management

- (1) Depositors include individuals with a deposit for an Independent Living Apartment as of October 17, 2008. Five of the depositors had an outstanding balance on the 10 percent deposit as of October 17, 2008.
- (2) The existing Community and Project are located in zip code 60640.  
The zip code origin for the Depositor who reserved two units was counted once for this analysis.

**ILLINOIS FINANCE AUTHORITY  
MEMORANDUM**

To: IFA Board of Directors

From: Rich Frampton and Mauricio Nares

Date: June 8, 2010

Re: Resolution Authorizing the Execution and Delivery of a Supplemental Loan Agreement between Illinois Wesleyan University and the Illinois Finance Authority relating to (1) IFA Series 2006 Revenue Bonds and (2) IFA Series 2006B Revenue Bonds to Effect Amendments in the Loan Agreement between Illinois Wesleyan University and CIFG Assurance North America, Inc.

---

The Request: **Illinois Wesleyan University** (the “**University**” or the “**Borrower**”) has requested the Illinois Finance Authority to approve a Resolution that will authorize the execution and delivery of a Supplemental Loan Agreement that will revise certain bond insurer covenants between CIFG Assurance North America, Inc., and the University relating to IFA Series 2006 and IFA Series 2006B Revenue Bonds (Illinois Wesleyan University Project).

The covenants to be revised include liquidity ratios and certain reporting requirements to CIFG and other related matters.

All payments are current on the IFA Series 2006 and IFA Series 2006B Bonds.

---

**ECONOMIC DISCLOSURE STATEMENT**

Applicant/ Illinois Wesleyan University, 1312 North Park, P.O. Box 2900 Bloomington, IL 61701

Contact: Mr. Daniel P. Klotzbach, Vice President for Business and Finance; 309/556-3021; Fax: 309/556-3411; e-mail: [dklotzba@iwu.edu](mailto:dklotzba@iwu.edu)

Location: Illinois Wesleyan University, Bloomington, Illinois 61701

Land Owner: Illinois Wesleyan University

Organization: Corporation

State: Illinois

Board of Directors: *See Page 3*

---

**PROFESSIONAL & FINANCIAL**

Borrower’s Counsel:	Dunn, Willard, Arkell & Bugg	Bloomington, IL	
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke
Bond Insurance:	CIFG Assurance North America, Inc.	New York, NY	
Trustee:	Commerce Bank, NA	Kansas City, MO	

---

Attachments: Draft IFA Resolution 2010-06-\_\_

**Members of the Board of Trustees**

**Officers of the Board of Trustees**

George A. Vinyard '71  
*President*  
Vice President and General Counsel  
ExteNet Systems, Inc  
Lisle, Illinois

Gilbert L. Dorsey '62  
*First Vice President*  
Retired Vice-Chairman  
The Eureka Company  
Bloomington, Illinois

Herbert A. Getz '77  
*Second Vice President*  
*President*  
Aspen Creek Partners Inc.  
Naperville, Illinois

Susan D. Waring  
*Secretary*  
Executive Vice President and  
Chief Administrative Officer  
State Farm Life Insurance  
Bloomington, Illinois

Robert E. Field '67  
*Treasurer*  
Attorney  
Field Law Firm  
New Lenox, Illinois

**President of the University**

Richard F. Wilson, Ph.D.

**Members of the Board of Trustees**

Richard S. Ames  
President  
Command Plastic  
Corporation  
Tallmadge, Ohio

Patricia M. Armstrong, Ph.D.  
'70  
Senior Vice President  
Family Wealth Group  
Wells Fargo & Company  
San Francisco, California

Jean M. Baird '80  
Vice President of Operations  
State Farm Insurance  
Companies  
Columbia, Missouri

Phyllis Barker '73  
Director of Volunteer  
Services  
Little Brothers – Friends of  
the Elderly, Chicago Chapter  
Chicago, Illinois

Thomas L. Brown '79  
Partner  
PricewaterhouseCoopers LLP  
Chicago, Illinois

Willie G. Brown  
Executive Committee  
Retired Executive Vice  
President  
State Farm Mutual  
Automobile Insurance  
Company  
Bloomington, Illinois

Cathy T. Carswell '65  
Executive Committee  
Former President  
Kappa Kappa Gamma  
Scarsdale, New York

Michael A. Clark '76  
Partner  
Sidley Austin LLP  
Chicago, Illinois

John S. Esch, M.D. '79  
Surgeon  
Esch, Wieland and Nour  
Bloomington, Illinois

Robert E. Evans '62  
Chief Executive Officer  
FMG Financial Services  
Worcester, Massachusetts

Judith E. Favell, Ph.D. '66  
Chief Executive Officer  
AdvoServ, Inc.  
Mount Dora, Florida

Todd M. French '93  
President  
StringWorks  
Dana Point, California

David W. Gaffron  
Retired Pastor  
Wesley United Methodist  
Church  
Bloomington, Illinois

Thomas O. Hansen '82  
Founder and Chairman  
Tom O. Hansen Sales  
Associates  
Orlando, Florida

John S. Horton '82  
Managing Director  
BCC Industrial Services, Inc.  
Paradise Valley, Arizona

Rebie R. Kingston, Ph.D.  
H'96  
Former Director, Office of  
Guidance  
Detroit Public Schools  
West Bloomfield, Michigan

W. Thomas Lawrence '80  
Tax Managing Partner  
Ernst & Young LLP  
Chicago, Illinois

Kathy Larey Lewton '70  
Principal  
Lewton, Seekins & Trester  
Stamford, Connecticut

**Members of the Board of  
Trustees – Continued:**

Thomas C. McKinney, Jr.,  
M.D. '76  
Executive Committee  
Pediatrician  
St. Louis Pediatric  
Association  
Chesterfield, Missouri

Thomas J. Neis '70  
Owner  
Neis Insurance Company,  
Inc.  
Crystal Lake, Illinois

Bishop Gregory V. Palmer  
Resident Bishop  
Illinois Great Rivers  
Conference, United  
Methodist Church  
Springfield, Illinois

David C. Petrick '67  
Owner and Chief Executive  
Officer  
Bretford Manufacturing  
Franklin Park, Illinois

J. William Roberts '64  
Managing Partner  
Hinshaw & Culbertson, LLP  
Springfield, Illinois

Ronald L. Ruecker, M.D. '66  
Senior Physician  
Internal Medicine  
Subspecialty Associates  
Decatur, Illinois

Edward B. Rust, Jr. '72, H'94  
Chairman and Chief  
Executive Officer  
State Farm Insurance  
Companies  
Bloomington, Illinois

James A. Shirk  
President  
Beer Nuts, Inc.  
Bloomington, Illinois

Dale H. Spiess '66  
Retired Senior Vice President  
NOVA Chemicals  
Salem, South Carolina

Myrtis L. Sullivan, M.D. '74  
Associate Director of Family  
Health Services  
State of Illinois – Department  
of Human Services  
Chicago, Illinois

Carlina Tapia-Ruano '77,  
H'04  
Attorney  
Tapia-Ruano & Gunn P.C.  
Chicago, Illinois

Michael L. Tipsord '81  
Vice Chairman, Treasurer  
and Chief Financial Officer  
State Farm Insurance  
Companies  
Bloomington, Illinois

Steven J. Wannemacher '73  
President  
Heritage Enterprises, Inc.  
Bloomington, Illinois

David G. Wilkins '74  
Assistant General Counsel  
The Dow Chemical Company  
Midland, Michigan

L. Tracy Wych '77  
Managing Director  
Calyon Corporate and  
Investment Bank  
New York, New York

**Honorary Trustees**

The Earl of Buckinghamshire  
London, England

Robert T. Fleming '45  
Normal, Illinois

Kenji Tanaka H'91  
Tokyo, Japan

Dawn K. Upshaw '82, H'95  
Bronxville, New York

**DRAFT**

**IFA RESOLUTION 2010-06-\_\_**

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN AMENDMENTS TO EXISTING LOAN AGREEMENTS RELATING TO CERTAIN BONDS ISSUED FOR THE BENEFIT OF ILLINOIS WESLEYAN UNIVERSITY; AUTHORIZING AND APPROVING THE DELEGATION OF CERTAIN FUTURE APPROVALS AND CONSENTS RELATING TO SUCH BONDS; AND AUTHORIZING AND APPROVING CERTAIN RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the “Authority”), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq*, as supplemented and amended (the “Act”), has heretofore issued \$14,260,000 in original aggregate principal amount of Illinois Finance Authority Revenue Bonds, Illinois Wesleyan University, Series 2006 (the “Series 2006 Bonds”), pursuant to that certain Trust Indenture dated as of February 1, 2006, between the Authority and Commerce Bank, National Association, as trustee (the “Series 2006 Trustee”); and

WHEREAS, the proceeds from the sale of the Series 2006 Bonds were loaned to Illinois Wesleyan University, an Illinois corporation (the “Corporation”), pursuant to the Loan Agreement dated as of February 1, 2006 (the “Series 2006 Loan Agreement”), between the Authority and the Corporation; and

WHEREAS, CIFG Assurance North America, Inc. (the “Bond Insurer”) has issued its bond insurance policy (the “Series 2006 Bond Insurance Policy”) securing the regularly scheduled payments of principal of and interest on the Series 2006 Bonds when due; and

WHEREAS, the Authority has heretofore issued \$31,930,000 in original aggregate principal amount of Illinois Finance Authority Revenue Bonds, Illinois Wesleyan University, Series 2006B (the “Series

2006B Bonds”) pursuant to that certain Trust Indenture dated as of December 1, 2006, between the Authority and Commerce Bank, National Association, as trustee (the “Series 2006B Trustee”); and

WHEREAS, the proceeds from the sale of the Series 2006B Bonds were loaned to the Corporation pursuant to the Loan Agreement dated as of December 1, 2006 (the “Series 2006B Loan Agreement” and together with the Series 2006 Loan Agreement, the “Loan Agreements”), between the Authority and the Corporation; and

WHEREAS, the Bond Insurer has issued its bond insurance policy (the “Series 2006B Bond Insurance Policy”) securing the regularly scheduled payments of principal of and interest on the Series 2006B Bonds when due; and

WHEREAS, Section 2.32 of each of the Loan Agreements contains certain financial, reporting and similar covenants and related definitions that were required by the Bond Insurer as a condition to the issuance of the Series 2006 Bond Insurance Policy and the Series 2006B Bond Insurance Policy, respectively; and

WHEREAS, Section 2.32(e) of the Series 2006 Loan Agreement provides that the covenants set forth in Section 2.32 of the Series 2006 Loan Agreement can be waived by the Bond Insurer without the consent or approval of the Series 2006 Trustee, the Authority or the holders of the Series 2006 Bonds and that the provisions of Section 2.32 of the Series 2006 Loan Agreement may be amended with the consent of the Bond Insurer and the University and without the consent of the Trustee, the Authority or the holders of the Series 2006 Bonds; and

WHEREAS, Section 2.32(g) of the Series 2006B Loan Agreement provides that the covenants set forth in Section 2.32 of the Series 2006B Loan Agreement can be waived by the Bond Insurer without the consent or approval of the Series 2006B Trustee, the Authority or the holders of the Series 2006B Bonds



and that the provisions of Section 2.32 of the Series 2006B Loan Agreement may be amended with the consent of the Bond Insurer and the University and without the consent of the Trustee, the Authority or the holders of the Series 2006 Bonds; and

WHEREAS, the Corporation and the Bond Insurer desire to amend certain of the financial, reporting and similar covenants and related definitions contained in Section 2.32 of each of the Loan Agreements; and

WHEREAS, the Corporation and the Bond Insurer have consented to such amendments; and

WHEREAS, the Corporation has requested that the Authority authorize and approve the execution and delivery of supplements to each of the Loan Agreements to effect such amendments; and

WHEREAS, the Corporation has also requested that the Authority delegate to its Chairperson, Vice Chairperson, Treasurer, any Assistant Treasurer, Executive Director, any Assistant Executive Director, Chief Financial Officer, any Assistant Chief Financial Officer (and for purposes of this Resolution, any person duly appointed to such office on an acting or interim basis) (each, an "Authorized Officer") the authority to approve the execution and delivery of any future supplements or amendments to the Series 2006 Loan Agreement and/or the Series 2006B Loan Agreement to effect any future amendments or changes to any of the provisions contained in Section 2.32 of the Series 2006 Loan Agreement and/or Section 2.32 of the Series 2006B Loan Agreement; and

WHEREAS, it is generally desirable for the Authority to streamline its approval process with respect to financial, reporting and similar covenants and related matters in certain circumstances where such provisions are required solely by credit providers, liquidity providers, bond insurers or purchasers of bonds and not by the Authority; and

WHEREAS, the Authority desires to authorize and approve the execution and delivery of supplements to each of the Loan Agreements to effect such amendments as described above, delegate to each Authorized Officer the authority to approve the execution and delivery of any future supplements or amendments to the Series 2006 Loan Agreement and/or the Series 2006B Loan Agreement to effect any future amendments or changes to any of the provisions contained in Section 2.32 of the Series 2006 Loan Agreement and/or Section 2.32 of the Series 2006B Loan Agreement and authorize and approve the execution and delivery of any necessary or appropriate documentation to effect the foregoing;

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

*Section 1. Amendments.* That the execution and delivery of supplements to each of the Loan Agreements to effect certain amendments to Section 2.32 of each of the Loan Agreements, as agreed to by the University and the Bond Insurer, is hereby authorized and approved.

*Section 2. Delegation of Future Approvals.* That each Authorized Officer of the Authority is hereby authorized to approve the execution and delivery of any future supplements or amendments to the Series 2006 Loan Agreement and/or the Series 2006B Loan Agreement to effect any future amendments or changes to any of the provisions contained in Section 2.32 of the Series 2006 Loan Agreement and/or Section 2.32 of the Series 2006B Loan Agreement.

*Section 3. Series 2006 Supplemental Loan Agreement.* That the Authority is hereby authorized to enter into a First Supplemental Loan Agreement (the "Series 2006 Supplemental Loan Agreement") with the Corporation, supplementing and amending the Series 2006 Loan Agreement, to accomplish the amendments described in this Resolution; such Series 2006 Supplemental Loan Agreement to be in substantially the same form now before the Authority; that the form, terms and provisions of the Series 2006 Supplemental Loan Agreement be, and they hereby are, in all respects approved; that each Authorized Officer of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is,

authorized, empowered and directed to attest and to affix the official seal of the Authority to, the Series 2006 Supplemental Loan Agreement in the name, for and on behalf of the Authority, and thereupon to cause the Series 2006 Supplemental Loan Agreement to be delivered to the Corporation; the Series 2006 Supplemental Loan Agreement to be in substantially the same form as is now before the Authority or with such changes therein as an Authorized Officer of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of any and all changes or revisions therein from the form of the Series 2006 Supplemental Loan Agreement now before the Authority; that when the Series 2006 Supplemental Loan Agreement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such Series 2006 Supplemental Loan Agreement will be binding on the Authority; that from and after the execution and delivery of the Series 2006 Supplemental Loan Agreement the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Series 2006 Supplemental Loan Agreement as executed.

*Section 4. Series 2006B Supplemental Loan Agreement.* That the Authority is hereby authorized to enter into a First Supplemental Loan Agreement (the "Series 2006B Supplemental Loan Agreement") with the Corporation, supplementing and amending the Series 2006B Loan Agreement, to accomplish the amendments described in this Resolution; such Series 2006B Supplemental Loan Agreement to be in substantially the same form now before the Authority; that the form, terms and provisions of the Series 2006B Supplemental Loan Agreement be, and they hereby are, in all respects approved; that each Authorized Officer of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the Series 2006B Supplemental Loan Agreement in the name, for and on behalf of the Authority, and thereupon to cause the Series 2006B Supplemental Loan Agreement to be delivered to the Corporation; the Series 2006B Supplemental Loan Agreement to be in substantially the same form as is

now before the Authority or with such changes therein as an Authorized Officer of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of any and all changes or revisions therein from the form of the Series 2006B Supplemental Loan Agreement now before the Authority; that when the Series 2006B Supplemental Loan Agreement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such Series 2006B Supplemental Loan Agreement will be binding on the Authority; that from and after the execution and delivery of the Series 2006B Supplemental Loan Agreement the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Series 2006B Supplemental Loan Agreement as executed.

*Section 5. Other Necessary Documents.* That each Authorized Officer of the Authority and any other officer of the Authority (and for purposes of this Resolution, any person duly appointed to any such office on an interim basis) be, and each of them hereby is, authorized to execute and deliver such documents, certificates and undertakings of the Authority, and to take such actions as may be required in connection with the execution, delivery and performance of the Series 2006 Supplemental Loan Agreement and the Series 2006B Supplemental Loan Agreement, all as authorized by this Resolution.

*Section 6. Future Consents or Approvals.* That each Authorized Officer of the Authority is hereby authorized to execute and deliver such documents, certificates and undertakings of the Authority, and to take such actions as may be required in connection with the approval of the execution and delivery of any future supplements or amendments to the Series 2006 Loan Agreement and/or the Series 2006B Loan Agreement to effect any future amendments or changes to any of the provisions contained in Section 2.32 of the Series 2006 Loan Agreement and/or Section 2.32 of the Series 2006B Loan Agreement.

*Section 7. Ratification of Actions.* That all acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

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

*Section 9. Conflicting Resolutions.* That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

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

# ILLINOIS FINANCE AUTHORITY

## MEMORANDUM

To: IFA Board of Directors

From: Steven Trout

Date: June 8, 2010

**Re: Request to Consent Through June 30, 2001 to a Reduction in the Debt Service Reserve Fund (“DSRF”) for IFA Subordinate Solid Waste Disposal Facility Revenue Bonds (Illinois River Energy, LLC Project), Series 2007**

---

### The Request

**Illinois River Energy, LLC (“IRE”)**, as **the Borrower**, has asked IFA to consent to a reduction of \$171,371.83 in the **Debt Service Reserve Fund (“DSRF”)**, originally funded at \$2,400,000 for the IFA Series 2007 Subordinate Solid Waste Disposal Revenue Bonds issued to finance an expansion of an ethanol production plant in Rochelle. As explained below, interest earnings on assets held in a **Capitalized Interest Account** were insufficient to make all interest payments on the Bonds that were due through July 1, 2009. Pursuant to the Indenture, **Wells Fargo, as the Trustee** drew on the DSRF to cover the shortfall in the Capitalized Interest Account to make the full interest payment on July 1. The Indenture for the Bonds permits draws on the DSRF if necessary to make payments on the Bonds, if the DSRF is replenished within 12 months.

While IRE has stated that its desire to replenish the DSRF before July 1, 2010, it is not presently able to do so under the terms of its Senior Credit Facility with West LB. IRE has advised IFA that it will be prevented from replenishing the DSRF on the Bonds (other than from interest earned on deposits in the DSRF) until after the Senior Credit Facility is retired or matures on July 20, 2015.

Wells Fargo and IRE have received consent from Oppenheimer Rochester National Municipals, the sole bondholder of the IFA Series 2007 Bonds. If necessary, Wells Fargo and IRE will seek consent in 2011 for another year.

### Recommendation

Staff recommends approval of this request. The Bonds were issued by IFA on July 24, 2007 as conduit, tax-exempt bond obligations. *Neither IFA nor the State has provided any credit enhancement to support the IFA Series 2007 Bonds.* An update on this Project follows, together with a review of the Borrower’s recent finances, which is presented in the Confidential Section.

### Background

IRE established a **Capitalized Interest Account (“the Account”)** to fund the semi-annual interest payments that were due to holders of the Bonds during a two-year construction period for construction of IRE’s expanded ethanol plant in Rochelle. IRE, with advice from a third-party consultant, determined that an initial deposit of \$4,206,108.41, together with interest earned thereon, would be sufficient to cover all of IRE’s interest payment obligations from July 24, 2007 through July 1, 2009. Due to unanticipated declines in interest rates (and returns on Capitalized Interest Account) since July 2007, the Account did not earn

sufficient interest to cover all interest obligations through July 1, 2009. The shortfall in the Account was \$171,623.83.

Pursuant to the Indenture, the Trustee transferred \$171,633.83 from the DSRF to make the interest payment due on the Bonds on July 1, 2009. As a result, IRE remains in compliance with its interest payment obligation under the Indenture and the Loan Agreement. However, the unplanned transfer from the DSRF has created a shortfall in that Fund.

While interest earned on the DSRF may eventually replenish the Fund to its original amount of \$2,400,000, it is not expected to occur within 12 months of the draw, as required under the Indenture, thereby resulting in IRE's negotiations with the bondholder of the IFA Subordinate Series 2007 Bonds (and the request presented herein).

**ILLINOIS FINANCE AUTHORITY**  
**MEMORANDUM**

To: IFA Board of Directors

From: Eric Reed, Regional Manager

Date: June 8, 2010

Re: Request by First Bank in Pittsfield for IFA concurrence of covenant waiver related to a loan for Hayden Farms Partnership.

(Loan number 2009-DR-0902)-	Original Amount:	\$500,000
<i>(Agri-Debt Guarantee)</i>	Current Balance:	\$492,373
	IFA Exposure:	\$418,517

---

**First Bank of Pittsfield** (the “**Bank**”) has requested concurrence of approval from the Illinois Finance Authority to waive a covenant violation from **Hayden Farms Partnership** (the “**Borrower**”).

The subject loan closed on September 30, 2009 in the amount of \$500,000. The loan is secured by a 1<sup>st</sup> real estate mortgage on 235 acres of farmland, with an appraised value of \$670,000.

Upon receipt of monthly financial statements, the Bank recently found that Timberline Farms, LLC, who is owned and operated by the Hayden Family and is listed as a co-borrower on IFA’s guaranteed loan, had borrowed \$80,000 from Carlinville National Bank. While the loan covenants are measured at FYE, the Bank reported the violation to the IFA in May after the finding.

The Bank has stated that the purpose of the funding was to payoff outstanding accounts payable for Timberline Farms, LLC. The Bank also states they have verified the use of loan proceeds and as a result will waive the covenant violation.

The Bank has provided a current financial statement and income tax return for the Borrower, which are summarized below. The financial statements are summarized and the Bank’s internal memo to file is listed below.

At the time the above loan was approved by the IFA Board of Directors, the Bank also obtained approval and funded a farm real estate loan in the amount of \$1,094,000, which was guaranteed by the USDA. The Bank states that they have requested concurrence of the waiver of covenant violation from USDA as well.

Based on the summary from the Bank, staff concurs with the lender’s request, subject to concurrence from the USDA.



# ILLINOIS FINANCE AUTHORITY

## MEMORANDUM

**TO:** IFA Board of Directors

**FROM:** Pam Lenane and Bill Claus

**DATE:** June 8, 2010

**RE:** A resolution authorizing the execution and delivery of a supplemental bond indenture and supplemental loan agreement extending the maturity of the Series 1995 and 1996 Bonds from 2030 to 2035 and providing for mandatory sinking fund payments commencing in 2011.  
(NorthShore University HealthSystem)  
IFA Project: H-HO-TE-CD-

---

The Illinois Health Facilities Authority, predecessor to the Illinois Finance Authority, issued two series of bonds for Evanston in 1995 and 1996. Each series of bonds have a maturity date of 2030 and provide for mandatory sinking fund payments commencing in 2027 through 2030. In order to better smooth its debt service, NorthShore University HealthSystem now desires to extend the maturity dates until 2035 and to commence mandatory sinking fund payments in 2011. The amendments will be consented to by the bondholders.

## RESOLUTION NUMBER 2010-\_\_\_\_\_

**Resolution** authorizing the execution and delivery of supplemental bond trust indentures and supplemental loan agreements relating to the Variable Rate Adjustable Demand Revenue Bonds, Series 1995 and Variable Rate Adjustable Demand Revenue Bonds, Series 1996 issued for the benefit of NorthShore University HealthSystem (formerly known as Evanston Hospital Corporation) for the purpose of extending the maturities of such Bonds; and authorizing and approving certain other matters.

**WHEREAS**, the Illinois Finance Authority (the “*Authority*”) has been created by, and exists under, the Illinois Finance Authority Act (the “*Act*”); and

**WHEREAS**, as of January 1, 2004, the Authority succeeded to all the rights and obligations of the Illinois Health Facilities Authority (the “*Health Authority*”); and

**WHEREAS**, on June 7, 1995, the Health Authority issued its \$50,000,000 Variable Rate Adjustable Demand Revenue Bonds, Series 1995 (Evanston Hospital Corporation) (the “*Series 1995 Bonds*”), pursuant to a Bond Trust Indenture dated as of June 1, 1995 (the “*Original Series 1995 Bond Indenture*”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor bond trustee (the “*Bond Trustee*”), and loaned the proceeds thereof to NorthShore University HealthSystem (formerly, Evanston Hospital Corporation), a not for profit corporation incorporated under the laws of the State of Illinois (the “*Corporation*”), pursuant to a Loan Agreement dated as of June 1, 1995 (the “*Original Series 1995 Loan Agreement*”), between the Corporation and the Authority to assist the Corporation in providing the funds necessary to (i) currently refund the outstanding principal amount of Illinois Health Facilities Authority Revenue Refunding Bonds, Series 1985A (Evanston Hospital Corporation) (the “*Series 1985A Bonds*”), (ii) pay or reimburse the Corporation for the payment of the costs of the construction, renovation, remodeling and equipping of certain facilities of the Corporation and the acquisition of certain capital equipment used or to be used in connection with existing health care facilities of the Corporation (the “*Series 1995 Project*”), (iii) pay a portion of the interest on the Series 1995 Bonds during the period of construction, acquisition and installation of the Series 1995 Project, (iv) provide working capital, and (v) pay certain expenses incurred in connection with the issuance of the Series 1995 Bonds and the current refunding of the Series 1985A Bonds; and

**WHEREAS**, the Original Series 1995 Bond Indenture and the Original Series 1995 Loan Agreement were amended and restated pursuant to the terms of the Amended and Restated Bond Trust Indenture dated as of November 1, 2009 (the “*Series 1995 Bond Indenture*”) and the Amended and Restated Loan Agreement dated as of November 1, 2009 (the “*Series 1995 Loan Agreement*”), respectively; and

**WHEREAS**, on August 28, 1996, the Health Authority issued its \$50,000,000 Variable Rate Adjustable Demand Revenue Bonds, Series 1996 (Evanston Hospital Corporation) (the “*Series 1996 Bonds*” and, together with the Series 1995 Bonds, the “*Bonds*”), pursuant to a Bond Trust Indenture dated as of August 15, 1996 (the “*Original Series 1996 Bond Indenture*”), between the Authority and the Bond Trustee, and loaned the proceeds thereof to the Corporation pursuant to a Loan Agreement dated as of August 15, 1996 (the “*Original Series 1996 Loan*”).

*Agreement*”), between the Corporation and the Authority to assist the Corporation in providing the funds necessary to (i) pay or reimburse the Corporation for the payment of the costs of the construction, renovation, remodeling and equipping of certain portions of the health facilities of the Corporation, (ii) pay a portion of the interest on the Series 1996 Bonds, (iii) provide working capital and (iv) pay related expenses incurred in connection with the issuance of the Series 1996 Bonds; and

**WHEREAS**, the Original Series 1996 Bond Indenture and the Original Series 1996 Loan Agreement were amended and restated pursuant to the terms of the Amended and Restated Bond Trust Indenture dated as of November 1, 2009 (the “Series 1996 Bond Indenture” and, together with the Series 1995 Bond Indenture, the “Bond Indentures”) and the Amended and Restated Loan Agreement dated as of November 1, 2009 (the “Series 1996 Loan Agreement” and, together with the Series 1995 Loan Agreement, the “Loan Agreements”), respectively; and

**WHEREAS**, the Corporation has requested that the Authority modify the schedule of mandatory bond sinking fund redemptions of each series of the Bonds and extend the stated maturity of each series of the Bonds;

**WHEREAS**, in connection with the modification of the schedule of mandatory bond sinking fund redemptions of each series of the Bonds and the extension of the maturities of each series of the Bonds, it is necessary and desirable to make certain amendments to the Bond Indentures and the Loan Agreements; and

**WHEREAS**, each Bond Indenture provides that such Bond Indenture may be amended in order to extend the stated maturity of the Bonds with the consent of each owner of the related series of Bonds;

**WHEREAS**, each Loan Agreement provides that such Loan Agreement may be amended to alter the payments of principal on, respectively, the Series 1995 Obligation and the Series 1996 Obligation (as defined in the related Bond Indenture) with the consent of each owner of the related series of Bonds;

**WHEREAS**, in connection with the amendments to the Bond Indentures and the Loan Agreements, the Corporation intends to exercise its option to convert all the outstanding Bonds from a Demand Period to a Unit Pricing Period and again from a Unit Pricing Period to a Demand Period (as such terms are defined in the Bond Indentures) (collectively, the “*Conversions*”); and

**WHEREAS**, the Corporation has requested that the Authority consent to the Conversions; and

**WHEREAS**, pursuant to the Bond Indentures, the Bonds are subject to mandatory tender on the day the Bonds are converted from one interest rate period to another (the “*Mode Adjustment Date*”); and

**WHEREAS**, the purchasers of each series of the Bonds on the Mode Adjustment Date will be deemed to have consented to the amendments to the related Bond Indenture and the Loan Agreement and the extension of the maturity of each series of the Bonds;

**WHEREAS**, drafts of the following documents have been previously provided to and are on file with the Authority (collectively, the “*Authority Documents*”):

(a) First Supplemental Bond Trust Indenture (the “*Series 1995 Supplemental Bond Indenture*”) between the Authority and the Bond Trustee, amending and supplementing the Series 1995 Bond Indenture by, among other things, extending the maturity of the Series 1995 Bonds from 2030 until 2035 and providing for mandatory sinking fund redemptions commencing in 2011;

(b) First Supplemental Bond Trust Indenture (the “*Series 1996 Supplemental Bond Indenture*” and, together with the Series 1995 Supplemental Bond Indenture, the “*Supplemental Bond Indentures*”) between the Authority and the Bond Trustee, amending and supplementing the Series 1996 Bond Indenture by, among other things, extending the maturity of the Series 1995 Bonds from 2030 until 2035 and providing for mandatory sinking fund redemptions commencing in 2011;

(c) First Supplemental Loan Agreement (the “*Series 1995 Supplemental Loan Agreement*”) between the Authority and the Corporation, amending and supplementing the Series 1995 Loan Agreement;

(d) First Supplemental Loan Agreement (the “*Series 1996 Supplemental Loan Agreement*” and, together with the Series 1995 Supplemental Loan Agreement, the “*Supplemental Loan Agreements*”) between the Authority and the Corporation, amending and supplementing the Series 1996 Loan Agreement;

**WHEREAS**, in connection with the extension of the maturities of the Series 1995 Bonds and Series 1996 Bonds, the following additional documents will be executed and delivered by parties other than the Authority (collectively, the “*Additional Transaction Documents*”):

(a) a reoffering circular (the “*Series 1995 Reoffering Circular*”), supplementing the reoffering circular most recently used to remarket the Series 1995 Bonds;

(b) a reoffering circular (the “*Series 1996 Reoffering Circular*”) supplementing the reoffering circular most recently used to remarket the Series 1996 Bonds;

(c) Supplemental Master Trust Indenture supplementing and amending the Master Trust Indenture dated as of October 1, 1985, as previously supplemented and amended (the “*Master Indenture*”), between the Corporation and U.S. Bank National Association, as successor master trustee (the “*Master Trustee*”) and providing for the issuance thereunder of a replacement Series 1995 Obligation and a replacement Series 1996 Obligation;

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

**Section 1. Authority Documents.** The Authority does hereby authorize and approve the execution by its Chairperson, Vice Chairperson, any of its other Members, Executive Director, Treasurer or any officer or employee designated by the Members (each an “*Authorized Officer*”) and the delivery and use of the Authority Documents. The Secretary or Assistant Secretary of the Authority is hereby authorized to attest to any Authority Document. The Authority Documents shall be substantially in the forms previously provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the

Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such person's approval and the Authority's approval of any changes or revisions therein from the forms of such Authority Documents previously provided to and on file with the Authority, and to constitute conclusive evidence of such person's approval and the Authority's approval of the terms of the conversion of the Series 1995 Bonds and Series 1996 Bonds and remarketing thereof.

**Section 2. Additional Transaction Documents.** The Authority does hereby approve the form of the Additional Transaction Documents. The Additional Transaction Documents shall be in substantially the forms previously provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer executing the Supplemental Bond Indentures, with such execution to constitute conclusive evidence of such person's approval and the Authority's approval of any changes or revisions therein from the forms of the Additional Transaction Documents attached hereto.

**Section 3. Approval of Extension of Maturities.** Conditioned on the consent of the owners of the related series of Bonds, the Authority approves the extension of the maturity of each series of the Bonds from 2030 until 2035

**Section 4. Approval of Conversions.** Based solely upon the request and direction of the Corporation, the Authority approves the conversion of the interest rate on the Series 1995 Bonds and Series 1996 Bonds from a Demand Period to a Unit Pricing Period and again from a Unit Pricing Period to a Demand Period; provided that both such conversions occur on or before October 1, 2010.

**Section 5. Authorization and Ratification of Subsequent Acts.** The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents as may be necessary to carry out and comply with the provisions of these resolutions, the Authority Documents and the Additional Transaction Documents, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Authority Documents or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Bond Indentures.

ADOPTED this 8<sup>th</sup> day of June, 2010 by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

---

Secretary

To: Members of the Energy Committee

From: Steven Trout

Date: June 3, 2010

**RE: REG Danville's Request for Consent to a Fourth Amendment to the Loan Agreement**

---

The Request: REG Danville, LLC ("REG Danville", formerly known as Blackhawk Biofuels, LLC) and Fifth Third Bank have asked for IFA's consent to enter into a Fourth Amendment to the Loan Agreement that IFA supports with an Agri-Industry Loan Guarantee in anticipation of REG Danville's request to terminate a feedstock supply agreement and likely failure to meet one covenant to be measured on June 30, 2010. REG and Fifth Third blame the likely covenant failure on Congress' failure to extend a \$1 per gallon Biodiesel Tax Credit (the "Tax Credit") beyond December 31, 2009.

Merger Update: Blackhawk and Fifth Third closed on the Third Amendment to the Loan Agreement on February 26, 2010. As anticipated, that day Blackhawk merged into the Renewable Energy Group, Inc. ("REG"). Immediately thereafter, Blackhawk was renamed REG Danville, LLC. On March 8, REG completed an asset purchase of Central Iowa Energy, LLC ("CIE") under which it assumed substantially all of the assets and liabilities pursuant of that entity.