

Illinois Finance Authority

May 13, 2008

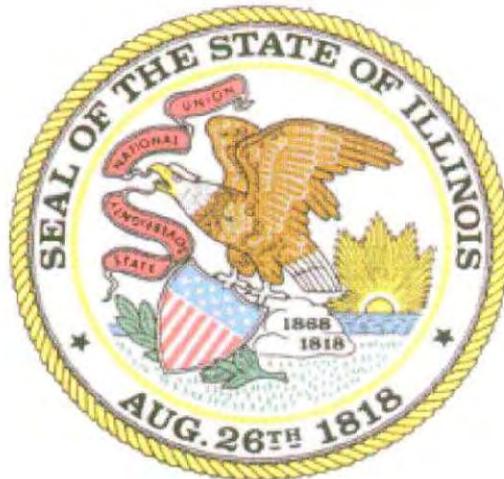
11:30 AM

Board Meeting

Mid America Club

200 E. Randolph Drive, 80th Floor

Chicago, Illinois



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**ILLINOIS FINANCE AUTHORITY
BOARD MEETING**

May 13, 2008

Chicago, Illinois

COMMITTEE OF THE WHOLE

8:30 a.m.

**Illinois Finance Authority
180 N. Stetson, Suite 2555**

AGENDA

- Chairman's Remarks
- Executive Director's Report
- Financials Report
- Executive Staff Reports
- Committee Reports
- Project Reports
- Other Business
- Adjournment

BOARD MEETING

11:30 a.m.

**Mid-America Club
200 E. Randolph Drive, 80th Floor
Chicago, Illinois**

AGENDA

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

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Beginning Farmer Bonds						
1	Kevin Dean Woods	Newton	\$195,000	0	0	ER
	Mark J. Ochs	West Liberty	\$30,000	0	0	ER
	Michael & Peggy Breeze	Ashley	\$100,000	0	0	ER
	Peter Ragan	Mendon	\$90,000	0	0	CEM
Participation Loans						
<i>Final</i>						
2	Kevin and Tracy Niemann	Litchfield	\$145,000	0	0	ER
3	Niemann Grain Farms, Inc	Litchfield	\$100,000	0	0	ER
TOTAL AGRICULTURE PROJECTS			\$660,000	0	0	

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Participation Loans						
<i>Final</i>						
4	Drumheller Bag Corporation	Peoria	\$500,000	6	0	JS
5	Russ Erlinger Crane Service	Belleville	\$500,000	2	0	ER
Federal Empowerment Zone Bonds						
<i>Preliminary</i>						
6	Western Fulton Holding Company, LLC and Universal Scrap Metals, Inc.	Chicago	\$9,000,000	5	50	TA
Industrial Revenue Bonds						
<i>Preliminary</i>						
7	C & L Tiling, Inc.	Timewell	\$4,000,000	24	50	JS
Industrial Revenue Bonds						
<i>Final</i>						
8	DD Leasing, LLC and RDD Leasing, LLC	Franklin Park, Bartlett, & Huntley	\$4,500,000	30	0	ST
9	Genesis, Inc. and Shamrock Hill Farms Western Properties, LLC	Roselle	\$5,000,000	29	85	SCM
TOTAL BUSINESS AND INDUSTRY PROJECTS			\$23,500,000	96	185	

COMMUNITIES AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds <i>Preliminary</i>						
10	El Valor Corporation	Chicago	\$4,000,000	31	10	RF
11	Prairie Crossing Charter School	Grayslake	\$10,500,000	0	20	TA
12	The Chicago Horticultural Society	Glencoe	\$30,000,000	0	200	TA
501(c)(3) Bonds <i>Final</i>						
13	Chicago Symphony Orchestra	Chicago	\$85,000,000	0	0	RF
14	Marwen Foundation, Inc.	Chicago	\$6,000,000	6	5	RF
Local Government Pooled Bonds <i>Final</i>						
15	Village of Harmon	Harmon	\$315,000	0	0	EW/KC
16	Adams County Water District	Multiple	\$205,000	0	0	EW/KC
17	Local Government 2008 A Pool	Multiple	\$4,200,000	0	0	EW/KC
TOTAL COMMUNITIES AND CULTURAL PROJECTS			\$140,220,000	37	235	

HEALTHCARE

501(c)(3) Refunding Bonds <i>Final</i>						
18	Hospital Sisters Services, Inc.	Springfield	\$130,000,000	0	0	PL/DS
19	Resurrection Health Care	Multiple	\$105,000,000	0	0	PL/DS
TOTAL HEALTHCARE PROJECTS			\$235,000,000	0	0	

HIGHER EDUCATION

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds						
<i>Preliminary</i>						
20	Lake Forest College	Lake Forest	\$40,000,000	0	75	TA
21	St. Augustine College	Chicago	\$7,475,000	0	0	TA
22	St. Xavier University	Chicago	\$25,000,000	15	50	RF
501(c)(3) Bonds						
<i>Final</i>						
23	DePaul University	Chicago	\$55,000,000	0	0	RF
24	Illinois Wesleyan University	Bloomington	\$30,500,000	0	0	RF/JS
TOTAL HIGHER EDUCATION PROJECTS			\$157,975,000	15	125	
GRAND TOTAL			\$557,355,000	148	545	

RESOLUTIONS

Tab	Project	FM
Resolutions		
25	Request to amend the Bond and Loan Agreement to revise the interest rate to reduce the interest rate from 5.40% to 5.04% per annum for Cornerstone Services, Inc.	SCM
26	Amendatory Resolution for Southern Illinois Healthcare Enterprises, Inc. Series 1998B IHFA/IFA Bonds and Series 2005 IFA Reset Auction Mode Securities	PL/DS
27	Resolution to Amend the amount that Village of Cooksville is borrowing as a participant in the Local Government Pooled Program	EW
28	A Resolution Authorizing Amendments to the Trust Indenture Relating to the IFA Senior Series 2004A and IFA Subordinate Series 2004B Multifamily Housing Revenue Bonds on behalf of Hinsdale Mirabel Limited Partnership (Hinsdale Lake Terrace Apartments Project), a Delaware Limited Partnership, or an affiliate thereof, and the Termination of the Credit Enhancement Facility on the Senior Series 2004A Bonds, and related matters	RF
29	Resolution to amend the loan guarantee amount for Roanoke Milling Co., Inc.	CEM

Other

Adjournment



**Illinois Finance Authority
Executive Director's Report
May 13, 2008**

To: IFA Board of Directors and Office of the Governor

From: Kym M. Hubbard, Executive Director

Financial Performance

Consolidated Results: Illinois Finance Authority's financial position remains strong with total assets of \$158,571,920 consisting of Equity of \$97,100,433 and Liabilities of \$61,471,488. This compares favorably to the April 2007 balance sheet of \$149,746,378 in total assets comprising of \$91,284,707 in Equity and \$58,461,671 in Liabilities and Bonds Payable.

Gross Income YTD for April ended at \$10,998,198 or \$489,896 over plan. The above plan performance is primarily due to fee income and interest on loans. Total operating expenses ended at \$7,919,200 or \$703,383 below plan. This is primarily due to a reduction of professional services and employee related expenses. Net income ended at \$5,061,200 which includes the \$2,000,000 grant received in July 2007 from the Illinois Clean Energy Foundation.

Sales Activities

Funding Managers will be presenting 24 projects totaling \$557,355,000 for approval in May, 2008. Agriculture projects total \$660,000; Business and Industry projects total \$23,500,000; Communities and Culture projects total \$140,220,000; Healthcare projects total \$235,000,000; and Higher Education projects total \$157,975,000. These projects are expected to create 148 new jobs and 545 construction jobs.

Agriculture: Staff continues their marketing efforts to partner with community banks by initiating calls to lenders across the State of Illinois. Members of the Ag team were contacted by farm producers inquiring about IFA programs and financing options; and, funding managers continue marketing efforts that target opportunities in rural communities that are outside of the traditional agriculture financings.

Funding Managers also met with agribusiness owners to discuss the IFA's industrial revenue bond financings, which is an area that is targeted for expansion in the agricultural market sector.

The Ag team continues to receive strong interest from lenders and producers in regard to the IFA's Beginning Farmer Bond program. Many of the calls received were a direct result of the Farm Week Article that ran in April, 2008, which highlighted the IFA's Beginning Farmer Bond Program and the IFA's efforts to support proposed legislative changes to the Program. Due to the legislative efforts of members of the Ag Team, the IFA has been successful in securing additional sponsorship for HB3817, which will bring improvements to the Beginning Farmer Bond Program.

Additionally, during the month of April, members of the Ag team attended the Community Financing Seminar in Rockford, Illinois. The seminar was held in conjunction with the Department of Commerce & Economic Opportunity and the Illinois Municipal League.

Agricultural April Closings

Closing Date	Issuance\$\$	Borrower
04/04/2008	\$234,500	Robinson, Don & Jolene
04/04/2008	\$250,000	Williams, Wallace
04/09/2008	\$222,481	Dewald, Duane & Gena
04/11/2008	\$250,000	Seibring, Richard & Margaret
04/11/2008	\$180,000	Harrison, Thomas & Bonnie
04/11/2008	\$207,021	Lucas, Chad
04/11/2008	\$222,750	Franzen, Doug
04/12/2008	\$182,500	Houck, Heath & Jamie
04/15/2008	\$250,000	Peterson, Chad & Kelly
04/15/2008	\$95,000	Bush, Bradley & Abbi
04/18/2008	\$189,600	DeBaillie, Russell & Mary
04/22/2008	\$180,000	Rosenthal, Dustin
04/22/2008	\$50,000	Graham, Michael
04/23/2008	\$198,000	Bauer, Ryan & April
04/24/2008	\$175,000	Walter, Adam
04/28/2008	\$115,000	Handy, Bradley
04/29/2008	\$93,000	Reynolds, Kris & Jodi

Healthcare: The Healthcare team closed four of the Auction Rate Securities refundings that were approved by the Board in March, 2008 and, successfully converted several of the hospitals' auction rate securities to another interest rate mode. In response to the auction rate market crisis, the healthcare team assisted several hospitals in redeeming their bonds. These hospitals intend to refund the bonds later in the year in connection with financings for new projects. All hospitals that were affected by the auction rate securities were very grateful to the Board and the Authority for the efficient and

streamlined manner in which the healthcare team assisted them during this market crisis.

Also during the month of April, 2008, the Healthcare team closed new money financings for Alexian Brothers Health System and continued working on the replacement hospital financings for the Children's Memorial Hospital and Elmhurst Memorial Hospital.

Additionally, the Healthcare team attended the Women in Public Finance panel discussion on the current market conditions, which specifically discussed the market turmoil caused by the auction rate crisis. The seminar was very informative and the panel speakers, which included a financial advisor, trader, attorney and representative from the rating agency, all presented their different perspectives on the market.

Healthcare April Closings

Closing Date	Issuance\$\$	Borrower
04/08/08	\$60,000,000	Swedish Covenant Hospital, Series 2008A
04/23/08	\$45,000,000	Alexian Brothers Health System, Inc., Series 2008
04/23/08	\$153,430,000	Advocate Healthcare Network, Series 2008A
04/23/08	\$122,450,000	Advocate Healthcare Network, Series 2008B
04/23/08	\$348,300,000	Advocate Healthcare Network, Series 2008C
04/29/08	\$134,340,000	Little Company of Mary Hospital
04/30/08	\$126,220,000	Edward Health Services Corporation, Series 2008B&C

Higher Education: Members of the Higher Education team met with the newly appointed President of Rockford College, and members of his staff to discuss refinancing the college's taxable debt into tax-exempt bonds, to finance campus renovations. Additionally, IFA staff attended a reception hosted by the Illinois Federation of Independent Colleges and Universities in Springfield, Illinois. College President's expressed a need for a financing mechanism for their individual college's mandated sprinkler installation and related HVAC improvements to the dorms and other living facilities.

Additionally, IFA staff members met with the Director of Finance and members of the finance committee, and the Head of Morgan Park Academy to discuss their plans for

new construction and to refinance existing debt. A June or July, 2008 application for bond financing is anticipated.

Higher Education April Closings

Closing Date	Issuance\$\$	Borrower
04/03/08	\$123,604,000	University of Chicago

Communities and Culture: The IFA partnered with the Northern States Region of the Department of Commerce & Economic Development to host an economic seminar that was well attended by City and Village Managers, Mayors and Economic Development Counsel members from Winnebago, Boone, and Ogle Counties. Staff also participated as a panel member at the Rockford Area Association of Realtors economic symposium. Panel members for the Rockford symposium included speakers from the IFA, DCEO, the Rockford Economic Development Commission, the Rockford Council of 100, and the Winnebago County Economic Development Commission. The symposium was well attended with over 60 commercial realtors, area bankers, and Mayors of Winnebago County communities. Staff also met with the Board of Harlem School District #22, in Rockford, to discuss the possible financing of Debt Extension Bonds to fund renovations to the District's school buildings.

IFA staff also conducted a Roundtable Meeting held in Rockford, Illinois. The purpose of the meeting was to discuss "Financing Community Projects." Guest speakers for the meeting were Chapman and Cutler, LLC and N-Tech, which is a local government and small business consulting firm. Representatives from several municipalities, banks, educational agencies and economic development groups were among those who attended. The IFA, the Illinois Department of Commerce and Community Affairs, and the Illinois Municipal League, co-sponsored the event. Additional sessions are planned this summer for Cook County and the Chicago Suburbs as well as in Mt. Vernon, Illinois.

The Healthy Schools Campaign is a not-for-profit organization based in Chicago and is committed to working in Illinois communities to better understand the connection between environment, health and learning in the public schools with a focus on the elementary and secondary levels. IFA staff are discussing the benefits of partnering with The Healthy Schools Campaign to plan a financing opportunity for schools who want to finance projects that meet the criteria of high performing schools.

IFA staff also participated in a unique workshop that focused on Green Building Design. The workshop was titled "Green School Workshop & Tour: Green Design Up Close and In Action" and was conducted by the Healthy Schools Campaign with support from the Illinois Clean Energy Community Foundation and, the Chicago Chapter of the U.S. Green Building Council. Over 30 public school administrators and design professionals attended the workshop.

Staff also met with the President of the American Lung Association to discuss future financings for the Association's new location in the Chicago Loop.

Community & Culture April Closings

Closing Date	Issuance\$\$	Borrower
04/08/08	\$1,810,000	Center on Deafness
04/23/08	16,000,000	Gift of Hope Organ and Tissue Donor Network

Business & Industry: Industrial Revenue Bond applications volume is increasing as typical during Spring construction season. However, there is a consensus among commercial lenders that owners of manufacturing companies are being cautious

reflecting concerns about the economy. These concerns have also been evident in discussions with local economic development practitioners as well as prospective borrowers. Equipment-intensive businesses, particularly those with exposure to discretionary expenses (e.g., commercial printing companies) are among the most cautious at this time.

Application volume for the Participation Loan Program continues to be steady in the downstate area. Closing activity should begin to pick-up in this sector, consistent with historic seasonal trends.

Additionally, IFA staff members made a presentation to a minority owned bank's commercial loan department and discussed the Authority's Participation Loan Program, 501(c)3 Bond and Lease Program and the Industrial Revenue Bond Program.

There were no Business & Industry Closings in April, 2008

Energy: Financing for Blackhawk Biofuels' acquisition of a biodiesel plant that is currently owned by Biofuels Company of America ("BCA") is advancing and is expected to close in May.

Construction of the Prairie State Energy Campus is continuing on schedule. The Board gave preliminary approval in January for the issuance of up to \$70 million in Solid Waste Disposal Facility Bonds for Lively Grove, Prairie Power and Southern Illinois Power Cooperative to fund a portion of their respective investments in Prairie State.

There were no Energy Closings in April, 2008

Local Government: During the month of April, staff contacted approximately fifteen units of local government to discuss financing options with the IFA. In addition, IFA staff attended, and presented, at the following events located throughout Illinois: Healthy Schools Campaign (which encourages "green schools"), the U.S. Department of Agriculture's Engineers Conference, and a Community Roundtable Discussion for the Rockford area. The Community Roundtable was in conjunction with the Illinois Municipal League and the Department of Commerce & Economic Opportunity.

Additionally, IFA staff and members from the Office of the State Fire Marshall discussed implementation of Public Act No. 095-0717, which will inflect an additional \$9 million into the Fire Truck Revolving Loan Fund and \$4 million into the Ambulance Revolving Loan Fund. Both funds are administered by the IFA and provide 0% interest loans to rural Illinois fire and rescue departments and districts.

There were no Local Government closings in April, 2008

Human Resources/Operations

Human Resources: Benefit enrollments have been completed for the 2008/2009 benefit plan year. The IFA renewed the standard benefits package offered to all staff (life insurance, short and long term disability) and provided health, dental, and eye care insurance options from which staff can select.

The third quarter EEOC/AA report has been completed and submitted.

Venture Capital: IFA staff continues to participate in due diligence meetings of the venture capital companies in IFA's portfolio. Significant progress has been made in the valuation of these companies. In the coming months discussions will be held with the Venture Capital Committee and the IFA Board on the direction of the venture capital program.

Information Technology: The IFA is in the process of developing a business contact management and tracking system to enable the IFA to perform deal management, customer development/sales acquisition, program development, compliance, purchase-to-pay (for procurement purposes) and management performance.

Facilities Management: Leases have been completed for the Mt. Vernon and Peoria offices and, the Peoria office has also been moved to a new location located at 100 SW Water Street in Peoria, Illinois.

Marketing/Public Relations

Public Relations: Press releases and/or articles on projects for Omhx, Gift of Hope, Alexian Brothers and the Beginning Farmer Bond program were posted on the IFA's website.

Strategic Planning: In April, the IFA launched its FY 2009 planning with a series of market sector meetings and the development of a survey to collect initial input for strategic planning. Each market sector review, conducted by the Director of Financial Services, included input from Funding Managers and Financial Advisors, discussion of

market opportunities, program development ideas and transaction potential. The plan will be further developed over the next quarter.

Freedom Of Information Act requests for the month of April:

- Shelton, PGM – Originating Lenders Report for secondary market program.
- C. Fusco, Sun-Times – Documents regarding IEFA 1994 bonds for Chicago Children's Museum and IFA 2004 bonds for Rogers Park Montessori School
- B. Adams - Correspondence related to Senator Obama
- T. Novak, Sun-Times - Data on bond issues since 2004

ILLINOIS FINANCE AUTHORITY
COMPARISON APRIL 2008 TO APRIL 2007
FINANCIAL STATEMENTS

ASSETS

- Total Assets increased by \$8.8 M due to:
 1. An increase on our participation loan portfolio and an increase on our cash balance due to the payoff of a loan and an increase in fee revenue.

LIABILITIES

- Total Liabilities
 1. Total liabilities increased by \$3.0 M due to a bond issuance of \$8.9 M for local government bond pool in fiscal year 2008 and a reduction in the pool, due to principal payments of \$5.9 M.

REVENUE/EXPENSES

- Revenue

Gross revenue for fiscal year 2008 ended at \$10,998,198 or \$528,260 below fiscal year 2007 this is primarily due to a reduction on year to date fee income, annual issuance fees from previous IHFA, IEFA bond deals and a decrease in investment interest.

- Expenses

Expenses ended at \$7,919,200 or \$166,363 lower than fiscal year 2007 due to:

1. Professional services decreased by \$148,552 or 4% due a reduction on our legal fees.
2. Fewer delinquent loans so the loan loss provision decreased by \$57,977 or 15%.
3. All other expenses increased by a minimal margin, but the net effect was favorable.

**Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
for Period Ending April 30, 2008**

	Actual April 2008	Budget April 2008	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2008	Budget YTD FY 2008	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2008	% of Budget Expended
REVENUE										
INTEREST ON LOANS	293,717	279,070	14,647	5.25%	3,278,557	2,855,290	323,267	10.94%	3,526,320	92.97%
INVESTMENT INTEREST & GAIN (LOSS)	118,519	210,667	(92,148)	-43.74%	2,150,933	2,079,773	71,160	3.42%	2,499,176	86.07%
ADMINISTRATIONS & APPLICATION FEES	493,061	600,567	(107,506)	-17.90%	4,626,272	4,457,775	168,497	3.78%	6,530,805	70.84%
ANNUAL ISSUANCE & LOAN FEES	67,810	92,835	(25,025)	-26.96%	725,612	865,994	(140,382)	-16.21%	1,038,859	69.85%
OTHER INCOME	15,236	14,947	289	1.94%	216,825	149,470	67,355	45.06%	179,564	120.89%
TOTAL REVENUE	988,344	1,198,086	(209,742)	-17.51%	10,998,198	10,508,302	489,896	4.66%	13,774,524	79.84%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	227,401	298,374	(70,973)	-23.79%	2,597,568	3,137,841	(540,273)	-17.22%	3,732,896	69.59%
BENEFITS	21,662	24,985	(3,323)	-13.30%	229,069	260,466	(31,397)	-12.05%	310,439	73.79%
TEMPORARY HELP	4,092	2,500	1,592	63.68%	69,562	25,000	44,562	178.25%	30,000	231.87%
EDUCATION & DEVELOPMENT	-	500	(500)	0.00%	3,553	5,000	(1,447)	-28.94%	6,000	59.22%
TRAVEL & AUTO	8,183	12,501	(4,318)	-34.54%	103,489	125,010	(21,521)	-17.22%	150,000	68.99%
TOTAL EMPLOYEE RELATED EXPENSES	261,338	338,860	(77,522)	-22.88%	3,003,242	3,553,317	(550,075)	-15.48%	4,229,335	71.01%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	33,788	87,332	(53,544)	-61.31%	732,642	873,320	(140,678)	-16.11%	1,048,000	69.91%
LOAN EXPENSE & BANK FEE	205,177	206,237	(1,060)	-0.52%	2,327,614	2,165,624	161,990	7.48%	2,578,138	90.28%
ACCOUNTING & AUDITING	27,073	29,329	(2,256)	-7.69%	327,192	293,290	33,902	11.56%	351,946	92.97%
MARKETING GENERAL	7,421	20,833	(13,412)	-64.38%	47,570	208,330	(160,760)	-77.17%	250,000	19.03%
FINANCIAL ADVISORY	24,000	24,545	(545)	-2.22%	240,559	240,905	(346)	-0.14%	290,000	82.95%
CONFERENCE/TRAINING	750	2,083	(1,333)	0.00%	5,843	20,830	(14,987)	-71.95%	25,000	23.37%
MISC. PROFESSIONAL SERVICES	-	9,167	(9,167)	0.00%	49,555	91,670	(42,115)	-45.94%	110,004	45.05%
DATA PROCESSING	6,780	2,917	3,863	132.43%	47,786	29,170	18,616	63.82%	35,000	136.53%
TOTAL PROFESSIONAL SERVICES	304,989	382,463	(77,474)	-20.26%	3,778,761	3,923,139	(144,378)	-3.68%	4,688,088	80.60%

**Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
for Period Ending April 30, 2008**

	Actual April 2008	Budget April 2008	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2008	Budget YTD FY 2008	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2008	% of Budget Expended
OCCUPANCY COSTS										
OFFICE RENT	25,671	26,196	(525)	-2.00%	238,550	261,960	(23,410)	-8.94%	314,350	75.89%
EQUIPMENT RENTAL AND PURCHASES	3,508	4,000	(492)	-12.29%	55,601	41,260	14,341	34.76%	49,680	111.92%
TELECOMMUNICATIONS	5,198	7,083	(1,885)	-26.61%	62,641	70,830	(8,189)	-11.56%	85,000	73.70%
UTILITIES	857	983	(126)	-12.81%	10,394	9,830	564	5.74%	11,800	88.09%
DEPRECIATION	7,249	6,637	612	9.22%	63,930	63,919	11	0.02%	77,194	82.82%
INSURANCE	1,802	2,000	(198)	-9.90%	13,935	20,000	(6,065)	-30.33%	24,000	58.06%
TOTAL OCCUPANCY COSTS	44,286	46,899	(2,613)	-5.57%	445,051	467,799	(22,748)	-4.86%	562,024	79.19%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	9,374	8,750	624	7.13%	78,549	87,500	(8,951)	-10.23%	105,000	74.81%
BOARD MEETING - EXPENSES	847	2,568	(1,721)	-67.00%	45,830	33,862	11,968	35.34%	39,000	117.51%
PRINTING	1,007	1,200	(193)	-16.10%	13,238	12,000	1,238	10.32%	14,400	91.93%
POSTAGE & FREIGHT	2,612	2,067	545	26.38%	24,110	20,670	3,440	16.64%	24,800	97.22%
MEMBERSHIP, DUES & CONTRIBUTIONS	6,096	3,333	2,763	82.91%	39,162	33,330	5,832	17.50%	40,000	97.90%
PUBLICATIONS	142	300	(158)	-52.52%	1,998	3,000	(1,002)	-33.40%	3,600	55.50%
OFFICERS & DIRECTORS INSURANCE	14,524	14,750	(226)	-1.53%	147,242	147,500	(258)	-0.17%	177,000	83.19%
MISCELLANEOUS	-	42	(42)	0.00%	1,348	420	928	221.05%	500	269.68%
TOTAL GENL & ADMIN EXPENSES	34,604	33,010	1,594	4.83%	351,476	338,282	13,194	3.90%	404,300	86.93%
LOAN LOSS PROVISION/BAD DEBT	33,333	33,333	-	0.00%	333,954	333,330	624	0.19%	400,000	83.49%
OTHER										
INTEREST EXPENSE	644	644	(0)	-0.02%	6,716	6,716	(0)	0.00%	8,004	83.91%
TOTAL OTHER	644	644	(0)	-0.02%	6,716	6,716	(0)	0.00%	8,004	83.91%
TOTAL EXPENSES	679,194	835,209	(156,015)	-18.68%	7,919,200	8,622,583	(703,383)	-8.16%	10,291,751	76.95%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	309,150	362,877	(53,727)	-14.81%	3,078,998	1,885,719	1,193,279	63.28%	3,482,773	88.41%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	(78,322)	(16,667)	(61,655)	369.92%	(17,798)	(166,670)	148,872	-89.32%	(200,000)	8.90%
REVENUE GRANT	-	-	-	0.00%	2,000,000	-	2,000,000	0.00%	-	0.00%
NET INCOME/(LOSS)	230,828	346,210	(115,382)	-33.33%	5,061,200	1,719,049	3,342,151	194.42%	3,282,773	154.17%

**Illinois Finance Authority
Consolidated
Statement of Activities
Comparison
for April 2008 and April 2007**

	Actual April 2008	Actual April 2007	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2008	Actual YTD FY 2007	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	293,717	(68,468)	362,185	-528.98%	3,278,557	2,542,683	735,874	28.94%
INVESTMENT INTEREST & GAIN(LOSS)	118,519	126,068	(7,549)	-5.99%	2,150,933	2,319,332	(168,400)	-7.26%
ADMINISTRATIONS & APPLICATION FEES	493,061	468,500	24,561	5.24%	4,626,272	5,485,648	(859,376)	-15.67%
ANNUAL ISSUANCE & LOAN FEES	67,810	86,354	(18,544)	-21.47%	725,612	919,586	(193,974)	-21.09%
OTHER INCOME	15,236	11,183	4,053	36.24%	216,825	259,209	(42,384)	-16.35%
TOTAL REVENUE	988,344	623,635	364,707	58.48%	10,998,198	11,526,459	(528,260)	-4.58%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	227,401	238,133	(10,732)	-4.51%	2,597,568	2,497,571	99,998	4.00%
BENEFITS	21,662	23,059	(1,397)	-6.06%	229,069	268,159	(39,090)	-14.58%
TEMPORARY HELP	4,092	13,689	(9,597)	-70.11%	69,562	79,758	(10,196)	-12.78%
EDUCATION & DEVELOPMENT	-	2,195	(2,195)	0.00%	3,553	7,653	(4,100)	-53.57%
TRAVEL & AUTO	8,183	18,885	(10,701)	-56.67%	103,489	136,998	(33,509)	-24.46%
TOTAL EMPLOYEE RELATED EXPENSES	261,338	295,961	(34,623)	-11.70%	3,003,242	2,990,139	13,103	0.44%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	33,788	147,977	(114,189)	-77.17%	732,642	1,330,239	(597,598)	-44.92%
LOAN EXPENSE & BANK FEE	205,177	(194,135)	399,312	-205.69%	2,327,614	1,920,958	406,657	21.17%
ACCOUNTING & AUDITING	27,073	32,351	(5,278)	-16.31%	327,192	307,218	19,974	6.50%
MARKETING GENERAL	7,421	11,605	(4,184)	-36.05%	47,570	58,107	(10,537)	-18.13%
FINANCIAL ADVISORY	24,000	20,000	4,000	20.00%	240,559	233,508	7,051	3.02%
CONFERENCE/TRAINING	750	770	(20)	-2.60%	5,843	14,216	(8,373)	-58.90%
MISC. PROFESSIONAL SERVICES	-	-	-	0.00%	49,555	33,728	15,828	46.93%
DATA PROCESSING	6,780	4,370	2,410	55.15%	47,786	29,339	18,447	62.87%
TOTAL PROFESSIONAL SERVICES	304,989	22,938	282,051	1229.62%	3,778,761	3,927,313	(148,552)	-3.78%

**Illinois Finance Authority
Consolidated
Statement of Activities
Comparison
for April 2008 and April 2007**

	Actual April 2008	Actual April 2007	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2008	Actual YTD FY 2007	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	25,671	25,565	106	0.42%	238,550	254,468	(15,918)	-6.26%
EQUIPMENT RENTAL AND PURCHASES	3,508	4,386	(878)	-20.01%	55,601	41,215	14,386	34.91%
TELECOMMUNICATIONS	5,198	6,656	(1,458)	-21.90%	62,641	67,647	(5,005)	-7.40%
UTILITIES	857	1,698	(841)	-49.51%	10,394	10,503	(108)	-1.03%
DEPRECIATION	7,249	3,825	3,425	89.54%	63,930	38,023	25,906	68.13%
INSURANCE	1,802	1,881	(79)	-4.21%	13,935	13,526	408	3.02%
TOTAL OCCUPANCY COSTS	44,286	44,010	276	0.63%	445,051	425,381	19,670	4.62%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	9,374	7,384	1,991	26.96%	78,549	83,131	(4,582)	-5.51%
BOARD MEETING - EXPENSES	847	3,583	(2,736)	-76.35%	45,830	37,380	8,450	22.60%
PRINTING	1,007	1,561	(554)	-35.48%	13,238	13,570	(332)	-2.45%
POSTAGE & FREIGHT	2,612	3,048	(436)	-14.30%	24,110	21,718	2,392	11.01%
MEMBERSHIP, DUES & CONTRIBUTIONS	6,096	894	5,202	581.73%	39,162	38,200	962	2.52%
PUBLICATIONS	142	329	(187)	-56.73%	1,998	7,975	(5,977)	-74.95%
OFFICERS & DIRECTORS INSURANCE	14,524	14,746	(222)	-1.51%	147,242	136,246	10,996	8.07%
MISCELLANEOUS	-	-	-	0.00%	1,348	5,406	(4,057)	-75.05%
TOTAL GENL. & ADMIN EXPENSES	34,604	31,546	3,058	9.70%	351,476	343,625	7,851	2.28%
LOAN LOSS PROVISION/BAD DEBT	33,333	25,000	8,333	33.33%	333,954	391,931	(57,977)	-14.79%
OTHER	644	690	(46)	-6.69%	6,716	7,175	(459)	-6.40%
TOTAL OTHER	644	690	(46)	-6.69%	6,716	7,175	(459)	-6.40%
TOTAL EXPENSES	679,194	420,145	259,049	61.66%	7,919,200	8,085,564	(166,363)	-2.06%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	309,150	203,490	105,660	51.92%	3,078,998	3,440,895	(361,897)	-10.52%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	(78,322)	(1,658)	(76,664)	4625.25%	(17,798)	(206,072)	188,275	-91.36%
REVENUE GRANT	-	-	-	0.00%	2,000,000	-	2,000,000	0.00%
NET INCOME/(LOSS)	230,828	201,832	28,995	14.37%	5,061,200	3,234,823	1,826,377	56.46%

Illinois Finance Authority
Consolidated
Balance Sheet

for the Ten Months Ending April 30, 2008

	Actual April 2007	Actual April 2008	Budget April 2008	Variance to budget
ASSETS				
CASH & INVESTMENTS, UNRESTRICTED	\$ 28,465,515	\$ 30,128,908	25,127,016	5,001,892
LOAN RECEIVABLE, NET	83,006,720	89,717,527	87,663,752	2,053,775
ACCOUNTS RECEIVABLE	467,945	245,192	590,670	(345,478)
OTHER RECEIVABLES	475,902	834,568	1,459,017	(624,449)
PREPAID EXPENSES	209,585	207,425	186,813	20,613
TOTAL CURRENT ASSETS	112,625,667	121,133,621	115,027,269	6,106,353
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	162,733	203,361	285,621	(82,260)
DEFERRED ISSUANCE COSTS	836,212	706,318	757,996	(51,678)
OTHER ASSETS				
CASH, INVESTMENTS & RESERVES	27,330,404	27,108,325	28,184,510	(1,076,185)
VENTURE CAPITAL INVESTMENTS	5,714,091	5,738,223	6,804,090	(1,065,867)
OTHER	3,077,270	3,682,072	3,041,123	640,949
TOTAL OTHER ASSETS	36,121,765	36,528,620	38,029,723	(1,501,103)
TOTAL ASSETS	\$ 149,746,378	\$ 158,571,920	154,100,607	4,471,312
LIABILITIES				
CURRENT LIABILITIES	1,364,942	1,176,464	1,322,802	(146,338)
LONG-TERM LIABILITIES	57,096,729	60,295,024	59,019,525	1,275,499
TOTAL LIABILITIES	58,461,671	61,471,488	60,342,327	1,129,161
EQUITY				
CONTRIBUTED CAPITAL	36,061,462	36,061,462	36,061,462	0
RETAINED EARNINGS	15,015,018	17,921,049	17,921,049	0
NET INCOME / (LOSS)	3,234,823	5,061,200	1,719,049	3,342,151
RESERVED/RESTRICTED FUND BALANCE	24,279,992	25,491,190	25,491,190	0
UNRESERVED FUND BALANCE	12,693,412	12,565,531	12,565,531	0
TOTAL EQUITY	91,284,707	97,100,433	93,758,281	3,342,151
TOTAL LIABILITIES & EQUITY	\$ 149,746,378	\$ 158,571,920	\$ 154,100,608	4,471,311

**Illinois Finance Authority
Participations
30-60-90-120-180 Day Delinquencies**

as of **4/30/2008**

Loan #	Borrower Name	Due Date	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 + Days
Participations									
10041	NEWLINE HARWOODS, INC	2/4/2008	\$0.00	.00	13,292.82	.00	.00	.00	.00
10049	SHULTS MACHINE	4/5/2007	\$0.00	.00	.00	.00	.00	.00	144,288.11
10068	MACON METAL PRODUCTS	4/14/2008	\$1,500.00	.00	.00	.00	.00	.00	.00
10073	BAXTER, JAY & COLLEEN	4/29/2008	\$565.00	.00	.00	.00	.00	.00	.00
10143	C & D RECYCLING	4/21/2008	\$2,280.41	.00	.00	.00	.00	.00	.00
5			\$4,345.41	.00	13,292.82	.00	.00	.00	144,288.11
FMHA									
10064	GRAYSON HILL ENERGY, LLC	4/1/2008	\$1,443.27	.00	.00	.00	.00	.00	.00
1			\$1,443.27	.00	.00	.00	.00	.00	.00
Municipalities									
10098	ADAMS COUNTY WATER	2/1/2008	\$0.00	.00	14,587.08	.00	.00	.00	.00
1			\$0.00	.00	14,587.08	.00	.00	.00	.00
7			\$6,354.68	.00	27,879.90	.00	.00	.00	144,288.11

**Illinois Finance Authority
Audit Findings Material and Immaterial
Update as of April 30, 2008**

Item Number	Description	Estimated Completion Date	Status Action Items/ (not final) Action Items Completed	Percentage Completed
FY 07 Material Findings				
07-01	Missing Policy on Nondiscrimination	6/30/2008	2/1	50%
07-02	Failure to Report Revenue bond Information to the Illinois Office of the Comptroller		4/3	75%
07-03	Bad-Debts not Referred to the Illinois Office of the Comptroller	6/30/2008	4/3	100%
07-04	Noncompliance with the Illinois Procurement Code and SAMS Procedures	6/30/2008	2/1	100%
07-05	Lack of Segregation of duties in Managing Property and Equipment	4/30/2008	4/4	100%
07-06	No Established Rules to Administer Loan Programs	7/31/2008	2/1	50%
07-07	Authority is Not a Member of the Illinois Forestry Development Council	4/30/2008	2/2	100%
07-08	Failure to Administer the Exporter Award Program	7/31/2008	2/1	50%

Total Number of 8

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

**Illinois Finance Authority
Audit Findings Material and Immaterial
Update as of April 30, 2008**

Item Number	Description	Estimated Completion Date	Status Action Items/ (not final) Action Items Completed	Percentage Completed
Total Number of 9				
FY 07 Immaterial Findings				
IM07-01	Approval of Incomplete Travel and Marketing Reimbursement Forms	6/30/2008	5/3	100%
IM07-02	Inadequate Processing and Untimely Deposit of Cash Receipts and Refunds	4/30/2008	4/4	100%
IM07-03	Corrected Agency Workforce Report was not Filed Timely	4/30/2008	4/4	100%
IM07-04	Use of Telecommunications Devices Not Properly Monitored	4/30/2008	3/3	100%
IM07-05	Outdated Investment Report	4/30/2008	4/4	100%
IM07-06	Allowance of Old Accounts Receivable Not Performed	6/30/2008	4/3	83%
IM07-07	Statement of Economic Interest Report Not Filed Timely	4/30/2008	4/4	100%
IM07-08	Failure to File for a Refund of Telephone Excise Tax	4/30/2008	2/2	100%
IM07-09	Noncompliance with Printing Requirements	4/30/2008	2/2	100%

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

MINUTES OF THE APRIL 8, 2008 MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA”), pursuant to notice duly given, held a Board Meeting at 11:30 a.m. on April 8, 2008, at the Mid America Club, 200 E. Randolph Street, 80th floor, Chicago, Illinois.

Members present:

William A. Brandt, Jr., Chair
Michael W. Goetz, Vice Chair
Dr. William J. Barclay
Magda M. Boyles
Ronald E. DeNard
Edward H. Leonard, Sr.
Terrence M. O’Brien
Juan B. Rivera
April D. Verrett
Bradley A. Zeller

Members absent:

Joseph P. Valenti
Dr. Roger D. Herrin
Lynn F. Talbott

Vacancies:

1

Members participating by telephone:

*James J. Fuentes

*Mr. Fuentes called into the meeting but due to technical difficulties the connection was lost.

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 11:36 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests and asked Secretary, Carla Burgess Jones to call the roll. There being ten (10) members physically present, and one (1) member on the telephone Ms. Burgess Jones declared a quorum present.

Chairman’s Report

Chairman Brandt thanked fellow Board members and guests for coming. Chairman Brandt stated that all projects being presented at today’s meeting were reviewed by all members of the Board at the Committee of the Whole meeting held at 8:30 a.m. today. Chairman Brandt announced the formation of two new IFA sub-committees; Healthcare and Diversity. The new committees are being formed to insure that the IFA remains compliant with the State of Illinois’ Statute that relates to the utilization of minority and women owned business on IFA conduit bond financings.

Acceptance of Financial Statements

Financial statements for the period ending March 31, 2008 were presented to members of the Board and accepted by the Board. Chairman Brandt stated that the Authority’s financial statements were reviewed at the regularly scheduled Committee of the Whole Meeting held today at 8:30 a.m. Chairman Brandt then asked Secretary Burgess Jones to take a roll call vote for approval of the financials. The financials were approved by a roll call vote with 10 ayes, 0 nays, and 0 abstentions.

Minutes

Chairman Brandt announced that the next order of business was to approve the minutes of the March 11, 2008 Meeting of the Board. Chairman Brandt announced that the March 11, 2008 minutes were approved at the regularly scheduled Committee of the Whole Meeting held today at 8:30 a.m. Chairman Brandt requested a motion to approve the minutes. Motion was moved by Mr. Rivera and seconded by Ms. Boyles. Secretary, Burgess Jones, took a roll call vote for approval of the minutes. The minutes were approved by a roll call vote with 10 ayes, 0 nays, and 0 abstentions.

Chairman Brandt then asked Director Hubbard to give the Director's Report.

Executive Director's Report

Director Hubbard welcomed and thanked all guests for coming. Director Hubbard reported that the Authority's financial position remains strong. Director Hubbard reported that the sixteen (16) projects being presented today total over \$1 billion and, are expected to create approximately 183 new jobs and 925 construction jobs.

Projects

Chairman Brandt asked Executive Director Hubbard to present the projects for consideration to the Board. Director Hubbard presented agricultural projects in a total approximate amount of \$1,775,910 to the Board for approval. Project no. 1 includes eight (8) individual Beginning Farmer Bond projects:

No. 1: A-FB-TE-CD-8036 – Kristopher & Jodie Reynolds
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$93,000 to provide permanent financing to purchase approximately 31 acres of farmland. This project is located in Nokomis, Illinois. **(08-04-01)**.

A-FB-TE-CD-8038 – Lance L. Klauser
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$241,200 to provide permanent financing to purchase approximately 40 acres of farmland. This project is located in Liberty, Illinois. **(08-04-01)**.

A-FB-TE-CD-8039 – Abraham I. Huls
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$90,210 to provide permanent financing to purchase approximately 58.2 acres of farmland. This project is located in Carthage, Illinois. **(08-04-01)**.

A-FB-TE-CD-8040 – Andrew Thomas Cave

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$82,500 to provide permanent financing to purchase approximately 25 acres of farmland. This project is located in Grand Ridge, Illinois. (08-04-01).

A-FB-TE-CD-8041 – Adam Cave

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$200,000 to provide permanent financing to purchase approximately 80 acres of farmland. This project is located in Grand Ridge, Illinois. (08-04-01).

A-FB-TE-CD-8042 – Ryan & April Bauer

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$200,000 to provide permanent financing to purchase approximately 80 acres of farmland. This project is located in Smithboro, Illinois. (08-04-01).

A-FB-TE-CD-8043 – Jeremy Snider

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$129,000 to provide permanent financing to purchase approximately 39.38 acres of farmland. This project is located in Oblong, Illinois. (08-04-01).

A-FB-TE-CD-8044 – Bradley Michael Handy

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$115,000 to provide permanent financing to purchase approximately 52.5 acres of farmland. This project is located in Ashland, Illinois. (08-04-01).

No guests attended with respect to Project no. 1. Chairman Brandt asked if the Board had any questions with respect to the Beginning Farmer Bonds presented. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 1 which includes eight (8) individual Beginning Farmer Bonds. Leave was granted. Project No. 1 which includes eight (8) individual Beginning Farmer Bonds received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 2: A-FP-GT-8055 – Everett and Diana Lemke

Request for final approval of the issuance of a Farm Purchase Guarantee in an amount not-to-exceed \$500,000 to provide permanent financing to purchase 541 acres of farmland. Note: Motion to approve the Lemke request for a Farm Purchase Guarantee is subject to receipt and review of additional documentation with respect to the land sale contract and the insertion of a cross-default feature in the respective notes. This project is located in Dahlgren, Illinois. (08-04-02).

No. 3: **A-FP-GT-8054 – Everett and Diana Lemke**
Request for final approval of the issuance of an Agri-Debt Guarantee in an amount not-to-exceed \$125,000 to provide permanent financing to restructure a portion of the borrower's short term debt. Note: Motion to approve the Lemke request for an Agri-Debt Guarantee is subject to receipt and review of additional documentation with respect to the land sale contract and the insertion of a cross-default feature in the respective notes. This project is located in Dahlgren, Illinois. **(08-04-03)**.

No guests attended with respect to Project nos. 2 and 3. Chairman Brandt asked if the Board had any questions with respect to Project nos. 2 and 3. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project nos. 2 and 3. Leave was granted. Project nos. 2 and 3 received final approval with 10 ayes, 0 nays and 0 abstentions.

No. 4: **B-LL-TX-8045 – TG-IL, Inc.**
Request for final approval of a Participation Loan in an amount not-to-exceed \$287,000. Proceeds will be used to acquire and refurbish a commercial building. This project is expected to create approximately 4 new jobs and 20 construction jobs. This project is located in Peoria, Illinois. **(08-04-04)**.

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

No. 5: **M-MH-TE-CD-7261 – Anna Marion Supportive Living, LP (River to River Anna SLF and River to River Marion SLF Projects)**
Request for final approval of the issuance of Affordable Rental Housing Bonds in an amount not-to-exceed \$11.8 million to finance the acquisition of land, construction and equipment for a new 50 unit supportive living facility. This project is expected to create approximately 16 new jobs and 40 construction jobs. This project is located in Anna Marion, Illinois. **(08-04-05)**.

No guests attended with respect to Project no. 55 Chairman Brandt asked if the Board had any questions with respect to Project no. 3. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project no. 5. Leave was granted. Project No. 5 received final approval with 10 ayes, 0 nays and 0 abstentions.

No. 6: **N-NP-TE-CD-8050 – UNO Charter School Network**
Request for preliminary approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$80 million to finance the acquisition of land, construction and renovation costs, refinance conventional debt, refund outstanding bonds and pay certain issuance costs. This project is expected to create 101 new jobs and 300 construction jobs. This project is located in Chicago, Illinois. **(08-04-06)**.

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. Ms. Sharnell Curtis-Martin, Senior Funding Manager, introduced Mr. Andrew Alt, vice

President of School Operations. Mr. Alt thanked members of the board for their consideration and support, and stated that this financing will address the school's over-crowding issues. Chairman Brandt then asked if the Board had any questions for Mr. Alt. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 6. Leave was granted. Project No. 6 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

No. 7: N-NP-TE-CD-8048 – Marwen Foundation, Inc.

Request for preliminary approval of 501(c)3 Revenue Bonds in an amount not-to-exceed \$6 million for the acquisition of two additional floors of condominium space, thereby enabling Marwen to remain at its current location for the long-term. This project is expected to create 6 new jobs and 5 construction jobs. This project is located in Itasca, Illinois. (08-04-07).

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. Mr. Rich Frampton, Vice President, introduced Ms. Darlene Dies, Director of Finance & Administration. Ms. Dies gave a brief description of the project and how the approved financing will assist with the Foundations plans. Ms. Dies also thanked the board for their consideration and support. Chairman Brandt then asked if the Board had any questions for Ms. Dies. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 7. Leave was granted. Project No. 7 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

No. 8: N-NP-TE-CD-8029 – Chicago Symphony Orchestra

Request for preliminary approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed \$85 million. Proceeds of the new IFA Series 2008 Bonds to refund a conventional Northern Trust Bank Line of Credit. These bonds will enable the CSO to refinance its existing debt at a low tax-exempt rate. The new Series 2008 Bonds will be secured by a Direct Pay Letter of Credit from the Royal Bank of Scotland. This project is located in Chicago, Illinois. (08-04-08).

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. Mr. Rich Frampton, Vice President, introduced Ms. Isabelle Goossen, Vice President, Finance & Administration. Ms. Goossen gave a brief description of the project and thanked the board for their consideration and support. Chairman Brandt then asked if the Board had any questions for Ms. Goossen. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 8. Leave was granted. Project No. 8 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

No. 9: N-NP-TE-CD-8046 – New Hope Center Inc.

Request for preliminary approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed \$6 million. Bond proceeds will be used to finance acquisition of a building and land, renovations, construction, refinance existing debt and pay certain bond issuance costs. This project is expected to create approximately 34 new jobs and 35 construction jobs. This project is located in Crete, Illinois. (08-04-09).

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. Ms. Sharnell Curtis-Martin, Senior Funding Manager, introduced Mr. Tim Knapp, Executive Director. Mr. Knapp thanked members of the board for their consideration and support, and provided a brief description of the project. Chairman Brandt then asked if the Board had any questions for Mr. Knapp. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 9. Leave was granted. Project No. 9 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

No. 10: **E-PF-TE-CD-8016 – Gift of Hope Organ and Tissue Donor Network**
Request for final approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed \$16 million for the acquisition and renovation of an existing office building. This project is expected to create approximately 22 new jobs and 25 construction jobs. This project is located in Itasca, Illinois. (08-04-10).

No. 11: **WITHDRAWN**

No. 12: **L-GP-7042 – City of Bunker Hill**
Request for final approval of the issuance of Local Government Pooled Bonds in an amount not-to-exceed \$450,000 to provide financing for the City’s water system updates. This project is located in Bunker Hill, Illinois. (08-04-12).

No. 13: **WITHDRAWN**

No. 14: **WITHDRAWN**

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

No. 15: **H-HO-TE-CD-8026 – Elmhurst Memorial Healthcare**
Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$540 million to provide financing to construct and equip a replacement hospital, refinance existing debt and pay issuance and financing costs. This project is expected to create 250 construction jobs. This project is located in Elmhurst, Illinois. (08-04-15).

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. Ms. Pamela Lenane, Vice President, introduced Mr. Kevin Fitch, Senior Treasury Analyst. Mr. Fitch thanked members of the board for their consideration and support, and provided a brief description of the project. Chairman Brandt then asked if the Board had any questions for Mr. Fitch. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 15. Leave was granted. Project No. 15 received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 16: H-HO-TE-CD-8501 – Silver Cross Hospital
Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$120 million. Proceeds will be used to refund the CIFG Assurance, NA, Inc., insured IFA Series 2005B/C/D auction rate securities and pay costs of issuance. This project is located in Joliet, Illinois. **(08-04-16)**.

No guests attended with respect to Project No. 16. Chairman Brandt asked if the Board had any questions with respect to Project No. 16. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 16. Leave was granted. Project No. 16 received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 17: E-PC-TE-CD-8049 – DePaul University
Request for preliminary approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed \$55 million. Bond proceeds will be used to purchase student housing facilities from MJH Educational Assistance. This project is located in Chicago, Illinois. **(08-04-17)**.

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. Mr. Rich Frampton, Vice President, introduced Ms. Elizabeth Hunnel, Sr. Treasury Analyst. Ms. Hunnel thanked the board for their consideration and provided a brief overview of the project. Chairman Brandt then asked if the Board had any questions for Ms. Hunnel. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 17. Leave was granted. Project No. 17 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

No. 18: E-PC-TE-CD-8044 – Loyola University Chicago
Request for final approval of the issuance of 501(c)3 Commercial Paper Notes in an amount not-to-exceed \$95 million. Proceeds will be used to refund \$34.8 million of Series 2004B IFA Revenue Bonds and, fund all or a portion of the capital projects located within its Lake Shore and Water Tower campuses. This project is expected to create approximately 250 construction jobs. This project is located in Chicago, Illinois. **(08-04-18)**.

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. Mr. Rich Frampton, Vice President, introduced Ms. Sue Bodin, Director, Strategic Planning & Risk Management and Mr. William Laird, CFO. Ms. Bodin thanked the board for their consideration and provided a brief overview of the project. Chairman Brandt then asked if the Board had any questions for Ms. Bodin. There being none, Chairman Brandt requested a roll call vote on Project No. 18. Project No. 18 received final approval with 8 ayes, 0 nays, and 2 abstentions. Chairman Brandt abstained from voting on Project No. 18 because he serves on the Board of Trustees of Loyola University. Ms. Boyles abstained from voting on Project No. 18 because her law firm represents Loyola University.

Resolutions/Amendatory Resolutions

- No. 19:** **OSF Healthcare System.** Amendatory Resolution for OSF Healthcare System Series 2005 A&B IFA Bonds and Series 2007 B,C&D IFA Bonds to convert the length of the Auction Rate Period.
- No. 20:** **Overton Gear & Tool, Inc.** Amendatory Resolution to increase the not-to-exceed amount of the Inducement Resolution for Overton Gear & Tool, Inc. from \$7.0 million to \$10.0 million.
- No. 21:** **Delnor-Community Hospital.** Revenue Refunding Bonds, Series 2008. Amendatory Resolution authorizing the issuance of Variable Rate Bonds.
- No. 22:** **Central Macoupin County Rural Water District.** Resolution to amend the amount that Central Macoupin County Rural Water District is borrowing as a participant in the Local Government Pooled Program – IFA Project No. L-GP-7018.

Chairman Brandt asked if the Board had any questions with respect to Resolution Nos. 19 through 22. There being none, Chairman Brandt requested a roll call vote to approve Resolution Nos. 19 through 22. Resolution Nos. 19 through 22 was approved with 10 ayes, 0 nays, and 0 abstentions.

- No. 23:** **Home Retention Mortgage Loan Program.** Resolution to authorize the Illinois Finance Authority to assist with respect to a Home Retention Mortgage Loan Program and to address the residential sub-prime mortgage crisis.

Chairman Brandt asked if the Board had any questions with respect to Resolution No. 23. There being none, Chairman Brandt requested a roll call vote to approve Resolution No. 23. Resolution No. 23 was approved with 9 ayes, 1 nay, and 0 abstentions. Mr. O'Brien voted no on Resolution No. 23.

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

Respectfully Submitted,

Carla B. Burgess Jones, Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Eric Reed & Cory Mitchell/lk
Date: May 13, 2008
Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolutions for each attached project
- **Amounts:** Up to \$250,000 maximum of new money for each project
- **Project Type:** **Beginning Farmer Revenue Bonds**
- **Total Requested:** **\$415,000.00**
- **IFA Benefits:**
 - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
 - **New Money Bonds:**
 - convey tax-exempt status
 - will use dedicated 2008 IFA Volume Cap set-aside for Beginning Farmer transactions
- **IFA Fees:**
 - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
 - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's Bank
 - The Borrower's Bank will be secured by the Borrower's assets, as on a commercial loan
 - Interest rates, terms, and collateral are negotiated between the Borrower and the Participating Bank, just as with any commercial loan
 - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd**
Stephen F. Welcome, Esq.
Three First National Plaza, Suite 4300
Chicago, IL 60602

Project Number: A-FB-TE-CD-8063
Funding Manager: Eric Reed
Borrower(s): Woods, Kevin Dean
Town: Newton, IL
Amount: \$195,000
Use of Funds: Farmland – 100 acres
Purchase Price: \$390,000 / (\$3,900 per ac)
%Borrower Equity: 0%
%Other Agency: 50%
%IFA: 50%
County/Region: Jasper / Southeastern
Lender/Bond Purchaser: Peoples State Bank / Brian Bohnhoff
Legislative Districts: Congressional: 19th, John Shimkus
State Senate: 54th, John O Jones
State House: 108th, David Reis

Principal shall be paid annually in installments determined pursuant to a Twenty year amortization schedule, with the first principal payment date to begin on January 15, 2010. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on January 15, 2010 with the twentieth and final payment of all outstanding balances due twenty years from the date of closing.

***Kevin Woods:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.75% fixed for the first five years from the date of closing and then adjust every 5 years thereafter for the term of the note to 2.0% below the Wall Street Journal Prime with a minimum rate to customer of 4.75% and a maximum rate of 12.99%. **IFA FEE: \$2,925**

Project Number: A-FB-TE-CD-8064
Funding Manager: Eric Reed
Borrower(s): Ochs, Mark J.
Town: West Liberty, IL
Amount: \$30,000
Use of Funds: Farmland – 19 acres
Purchase Price: \$38,000 / (\$2,000 per ac)
%Borrower Equity: 21%
%Other Agency: 0%
%IFA: 79%
County/Region: Jasper / Southeastern
Lender/Bond Purchaser: Peoples State Bank / Brian Bohnhoff
Legislative Districts: Congressional: 19th, John Shimkus
State Senate: 54th, John O Jones
State House: 108th, David Reis

Principal shall be paid annually in installments determined pursuant to a Fifteen year amortization schedule, with the first principal payment date to begin on March 1, 2009. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on March 1, 2009 with the fifteenth and final payment of all outstanding balances due fifteen years from the date of closing.

***Mark Ochs:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.75% fixed for the first five years (March 1, 2013) and then adjust every 5 years thereafter for the term of the note to 2.0% below the Wall Street Journal Prime with a minimum rate to customer of 4.75% and a maximum rate of 12.99%. **IFA FEE: \$450**

Project Number: A-FB-TE-CD-8065
Funding Manager: Eric Reed
Borrower(s): Breeze, Michael and Peggy
Town: Ashley, IL
Amount: \$100,000
Use of Funds: Pasture Land & used buildings – 140 acres
Purchase Price: \$100,000 / (\$87,000/\$621.00 per ac)
%Borrower Equity: 0%
%Other Agency: 0%
%IFA: 100%
County/Region: Marion / Southeastern
Lender/Bond Purchaser: Fairfield National Bank / Richard Talbert
Legislative Districts: Congressional: 19th, John Shimkus
State Senate: 58th, David Luechtefeld
State House: 115th, Mike Bost

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 hereof shall be paid annually, with the first interest payment date to be 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.

***Michael & Peggy Breeze:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.25% fixed for the first five years from the date of closing and then adjust every 5 years thereafter for the term of the note to 1% below the Wall Street Journal Prime. Lender will charge .25%. **IFA FEE: \$1,500**

Project Number: A-FB-TE-CD-8066
Funding Manager: Cory Mitchell
Borrower(s): Peter, Ragan
Town: Mendon, IL
Amount: \$90,000
Use of Funds: Farmland – 49.56 acres
Purchase Price: \$100,000 / (\$2,018 per ac)
%Borrower Equity: 10%
%Other Agency: 0%
%IFA: 90%
County/Region: Hancock / West Central
Lender/Bond Purchaser: First Bankers Trust Co., N.A. / Marvin Rabe
Legislative Districts: Congressional: 17th, Phil Hare
State Senate: 47th, John Sullivan
State House: 94th, Richard Myers

Principal shall be paid semi annually in installments determined pursuant to a Twenty year amortization schedule, with the first principal payment date to begin on October 1, 2008 Accrued interest on the unpaid balance hereof shall be paid semi annually, with the first interest payment date to begin on October 1, 2008 with the twentieth and final payment of all outstanding balances due twenty years from the date of closing.

***Ragan Peter:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.55% fixed for the first five years from the date of closing and then adjust annually thereafter for the term of the note to 80% of the Wall Street Journal Prime. **IFA FEE: \$1,350**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 13, 2008

Project: Kevin and Tracy Niemann

STATISTICS

Project Number: A-LL-TX-8076	Amount: \$145,000
Type: Participation Loan	IFA Staff: Eric Reed
County/Region: Montgomery/Central	City: Litchfield

BOARD ACTION

Final Resolution	<u>Staff request:</u> Approval subject to bank conditions
IFA Funds contributed: \$145,000	
Extraordinary conditions: none	<u>Staff Recommendation:</u> Approval to purchase a loan from First National Bank in Litchfield.

VOTING RECORD

None

PURPOSE

Use of proceeds: Provide permanent financing for the purchase of 90 acres of farm land. This project is related to a project for Niemann Grain Farms, Inc.

IFA PROGRAM AND CONTRIBUTION

Under its Participation Loan Program, the Authority participates in bank loans financing capital projects for business, industry, farmers and agri-industry. The Authority will participate in loans for up to 10 years at a rate of interest that is variable or fixed for up to 5 years at 100 basis points above the 3-month LIBOR. The Authority shares pro-rata in the Bank's collateral and generally in conjunction with the Bank's loan advances funds at rates up to 80% of appraised fair market value for real estate, 65% of cost for new equipment and 65% of orderly appraised liquidated value for used equipment. IFA's participation reduces the borrower's interest expense.

VOLUME CAP

N/A

JOBS

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	\$145,000	Uses:	Land Purchase	\$292,500
	Borrower Equity	2,500		Refinance Land	\$ 70,000
	FNB Litchfield:	215,000		Total	<u>\$362,500</u>
	Total	<u>\$362,500</u>			

FINANCING SUMMARY/STRUCTURE

Security: The proposed loan will be secured by a *Parri passu* shared lien position with a 1st mortgage on 170 acres of farm land.

Structure: 20 year term and amortization with annual P & I payments.

Interest Rate: See confidential section

Interest Mode: Adjustable

Credit Enhancement: None

Maturity: 20 years

Estimated Closing Date: June 15, 2008

PROJECT SUMMARY

Summary: Kevin and Tracy Niemann will be purchasing 90 acres of farm land for \$292,500. The borrowers have a current balance of \$70,000 on 80 acres. First National Bank will finance \$290,000 of the purchase price of 90 acres and refinance the existing balance of \$70,000. FNB has asked IFA to participate in a 50% participation loan on the new funds requested.

Project Rationale: The proposed financing will allow the borrowers to expand their operation size. The 90 acre parcel is located adjacent to land already owned by the borrowers.

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

BUSINESS SUMMARY

Description of Business: The borrowers operate a sizeable cash grain farm in central Illinois consisting of 2,400 acres. The Niemann's operate their farming operation within two entities. Niemann Grain Farms Inc. is the primary operating entity, while Kevin and Tracy own some of the farm assets personally.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Kevin and Tracy Niemann
Project Location: 17498 Dickey Road
Litchfield, IL 62056
Borrower: Kevin and Tracy Niemann
Ownership: Sole-Proprietorship

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	None		
Accountant:	N/A		
Originating Bank:	First National Bank	Litchfield	Ken Elmore
Bank Counsel:	N/A		
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott
IFA Counsel:	Dykema Gossett PLLC	Chicago	Darrell Pierce

LEGISLATIVE DISTRICTS

Congressional: Phil Hare, 17th District
State Senate: Deanna Demuzio, 49th District
State House: Gary Hannig, 98th District

SERVICE AREA

N/A

BACKGROUND INFORMATION

Kevin and Tracy Niemann own and operate a grain farming operation in central Illinois. The borrowers started the farming operation in 1987 by renting 200 acres of land. Since then, the Nyman's have expanded their operation to 550 owned acres and total operations of 2,400 acres. The borrowers operate the farm under two ownership structures. The primary operating entity is Niemann Grain Farms Inc., which is responsible for the majority of the row crop production, incurs most of the operating expenses and receives most of the grain sales. As a sole-proprietorship, the borrowers own their farm real estate personally and rent the majority of the land back to the corporation. Since the inception of their operation, the Niemanns have added a full-time employee to help with operations.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 13, 2008**

Project: Niemann Grain Farms, Inc.

STATISTICS

Project Number: A-LL-TX-8077	Amount:	\$100,000
Type: Participation Loan	IFA Staff:	Eric Reed
County/Region: Montgomery/Central	City:	Litchfield

BOARD ACTION

Final Resolution	<u>Staff request:</u> Approval subject to bank conditions
IFA Funds contributed: \$100,000	
Extraordinary conditions: none	<u>Staff Recommendation:</u> Approval to purchase a loan from First National Bank in Litchfield.

VOTING RECORD

None

PURPOSE

Use of proceeds: Provide permanent financing for the purchase of 40 acres of farm land. This project is related to a participation loan request for Kevin and Tracy Niemann, submitted for approval at the May 13, 2008 Board Meeting.

IFA PROGRAM AND CONTRIBUTION

Under its Participation Loan Program, the Authority participates in bank loans financing capital projects for business, industry, farmers and agri-industry. The Authority will participate in loans for up to 10 years at a rate of interest that is variable or fixed for up to 5 years at 100 basis points above the 3-month LIBOR. The Authority shares pro-rata in the Bank's collateral and generally in conjunction with the Bank's loan advances funds at rates up to 80% of appraised fair market value for real estate, 65% of cost for new equipment and 65% of orderly appraised liquidated value for used equipment. IFA's participation reduces the borrower's interest expense.

VOLUME CAP

N/A

JOBS

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

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA Participation:	\$100,000	Uses:	Land Purchase	\$220,000
	Borrower Equity	20,000			
	FNB Litchfield:	<u>100,000</u>		Total	<u>\$220,000</u>
	Total	<u>\$220,000</u>			

FINANCING SUMMARY/STRUCTURE

Security: The proposed loan will be secured by a *Parri passu* shared lien position with a 1st mortgage on 40 acres and 2nd mortgage on 170 acres of farm land.

Structure: 10 year term and amortization with annual P & I payments.

Interest Rate: See confidential section

Interest Mode: Fixed

Credit Enhancement: Personal Guaranty: Kevin and Tracy Niemann

Maturity: 10 years
Estimated Closing Date: June 15, 2008

PROJECT SUMMARY

Summary: Kevin and Tracy Niemann will be purchasing 40 acres of farm land for \$220,000. First National Bank will finance \$200,000 of the purchase price of 40 acres. FNB has asked IFA to participate in 50% of the new loan.

Project Rationale: The proposed financing will allow the borrowers to expand their operation size. The farm is currently rented and farmed by Niemann Grain Farms, Inc.

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

BUSINESS SUMMARY

Description of Business: Niemann Grain Farms Inc. is a grain farming operation, consisting of 2,400 acres, owned and operated by Kevin and Tracy Niemann. The company was originated in 2004, although the borrowers have been farming for 20 years.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Niemann Grain Farms, Inc .
Project Location: 17498 Dickey Road
Litchfield, IL 62056
Borrower: Niemann Grain Farms, Inc.
Ownership: S-Corporation-Kevin and Tracy Niemann 50% each.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	None		
Accountant:	N/A		
Originating Bank:	First National Bank	Litchfield	Ken Elmore
Bank Counsel:	N/A		
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott
IFA Counsel:	Dykema Gossett PLLC	Chicago	Darrell Pierce

LEGISLATIVE DISTRICTS

Congressional: Phil Hare, 17th District
State Senate: Deanna Demuzio, 49th District
State House: Gary Hannig, 98th District

SERVICE AREA

N/A

BACKGROUND INFORMATION

Niemann Grain Farms, Inc.(NGFI) is a cash grain farming operation located in Montgomery County, IL, which currently operates 2,400 acres of farmland. NGFI is the primary operating entity for Kevin and Tracy Niemann, who own and operate the business equally. NGFI originated in 2004, although the Niemanns have been farming for 20 years. As the farm has expanded operations over the past several years, they have added a full-time employee and utilize seasonal help as well. The Niemann's would like to purchase 40 acres, which they have rented and farmed in the past. The borrowers would like to purchase the property in the name of NGFI.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 13, 2008**

Project: Drumheller Bag Corporation

STATISTICS

Project Number: B-LL-TX-8072	Amount: \$500,000
Project Type: Participation Loan	IFA Staff: Jim Senica
County/Region: Peoria /North central	City: Peoria

BOARD ACTION

Approval of Participation Loan purchase from Town & Country Bank of Springfield (one-time approval)
\$500,000 IFA Funds at risk
Policy Exception: 85% LTV based on appraised *orderly liquidation value* of equipment and third mortgage
on *appraised value* of real estate
Staff recommends approval

VOTING RECORD

No voting record. This is the first time the IFA Board of Directors has reviewed this project.

PURPOSE

Proceeds will be used to acquire manufacturing equipment to be located in the borrower's manufacturing facility at 1114 SW Adams Street in Peoria.

IFA PROGRAM AND CONTRIBUTION

Under its Participation Loan Program, the Authority participates in bank loans financing capital projects for business, industry, farmers and agri-industry. The Authority will participate in loans for up to 10 years at a rate of interest that is variable or fixed for up to 5 years at 100 basis points above the 3-month LIBOR. The Authority shares pro-rata in the Bank's collateral and generally in conjunction with the Bank's loan advances funds at rates up to 80% of appraised fair market value for real estate, 65% of cost for new equipment and 65% of orderly appraised liquidated value for used equipment. IFA's participation reduces the borrower's interest expense.

VOLUME CAP

This project does not require the use of volume cap.

JOBS

Current employment: 63*	Projected new jobs: 6
Jobs retained: N/A	Construction jobs: N/A

NOTE: 57 of 63 Drumheller Bag Corporation employees represent experienced bag manufacturing workers hired after having lost their jobs upon closure of a 100-year-old Peoria bag manufacturer as referenced in the **Business Summary** on page 3 of this report.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Participation Loan	\$500,000	Uses:	Equipment Acquisition	\$3,330,000
	Town & Country Bank loan	1,350,000		Total fund uses	<u>\$3,330,000</u>
	SBA 504 Loan (subordinated)	<u>1,480,000</u>			
	Total fund sources	<u>\$3,330,000</u>			

FINANCING SUMMARY/STRUCTURE

Security: Pro rata first position *parri passu* on the project equipment to be located at 1114 SW Adams Street in Peoria, Illinois with an appraised orderly liquidation value of \$2,105,200 (*prepared by Walter W. Dean, AEA of Dean Machinery International, Inc. of Alpharetta, GA*) and as an abundance of caution, a pro rata share in the unlimited guaranty of Drumheller Properties, LLC, owner of the Drumheller Bag Corporation's real estate located at 1114 SW Adams Street in Peoria. The guaranty includes a third mortgage on the subject real estate valued at \$71,853 (\$825,000 appraised value less 1st mortgage of \$418,415 held by *Zions First National Bank* and second mortgage of \$334,732 held by the *Small Business Administration*), providing the Bank and IFA collateral coverage on this loan of 1.18 times (85% LTV). IFA and the Bank will also share in the unlimited and unconditional personal guaranty of David V. Drumheller, Sr., 100% owner of Drumheller Bag Corporation. NOTE: Collateral coverage on this loan represents an IFA policy exception in that collateral coverage has been customary maximized at 65% of appraised orderly liquidation value of equipment being acquired. **The request is being made because of the critical importance to Peoria's economy of the Company's employment of former bag manufacturing workers who lost jobs in conjunction with the closure of a major bag manufacturer in the city.**

Collateral Value: aggregate LTV –85% of assets

First position on subject equipment based

on appraised orderly liquidation value \$2,105,200

Third mortgage on real estate as described

in above paragraph \$71,853

Guarantor: David V. Drumheller, Sr.

Structure: 10-year fixed-rate loan

Amortization Period: 10 years

Maturity: 10 years from date of closing

Bank Interest Rate: 7.50% fixed for first 5 years readjusted at the end of 5 years to U.S. Swap rate in effect at that time plus 400 basis points for the remaining 5 years of the loan

IFA Interest Rate: 3-month LIBOR + 100 basis points – 3.87%

Estimated Closing Date: June 15, 2008

PROJECT SUMMARY

The Authority's \$500,000 Participation Loan proceeds will be combined with Town and Country Bank of Springfield's loan in the amount of \$1,350,000 and an SBA 504 loan (subordinated to the IFA/Bank loan) to finance the acquisition of new manufacturing equipment to be used in the borrower's bag manufacturing operation located at 1114 SW Adams Street in Peoria, Illinois in the City's near-south side manufacturing district.

BUSINESS SUMMARY

Background: Drumheller Bag Corporation is an S corporation that began operations under a new name on October 25, 2005 as a direct result of an orderly split from Colonial Bag Company, Inc. (a Georgia corporation), a company previously owned by David V. Drumheller, Sr. and his brother Michael A. Drumheller. To facilitate this split, David V. Drumheller, Sr. swapped all of his stock in Colonial Bag Company for all of the Drumheller Bag Corporation stock held by Colonial Bag Company. Up until this point, Drumheller Bag Corporation (a Mississippi corporation) was owned in total by Colonial Bag Company. David V. Drumheller, Sr. is now the sole owner of Drumheller Bag Corporation. David and his brother Michael began Colonial Bag Company approximately 15 years ago and grew the company to nearly \$25 million in annual sales. The

Clarksdale, Mississippi Drumheller Bag plant was started approximately 10 years ago in facilities that are in part leased from the area economic development group.

Description: Drumheller Bag Corporation is a manufacturer of paper bags used primarily in the agriculture industry. Uses include feed, seed, flour, cake mix, aggregates, etc. The Company has operated profitably in Clarksville, Mississippi for several years but decided to expand into Peoria, Illinois to take advantage of a void created when Bemis Corporation closed their Peoria operation in 2006 after nearly 100 years of continuous operation. The closure of the Bemis plant was not due to a lack of business, but rather was part of a corporate restructuring related to a contemplated sale (which never took place) of Bemis paper bag division (including several other paper bag plants throughout North America) to Mundy Corporation of South Africa. As part of the Bemis was pursuing a strategy of focusing on its films and plastics products rather than paper bag packing. Drumheller Bag Corporation has relocated their corporate headquarters to Peoria with CEO, David Drumheller and CFO Jeri Forth relocating their residence to Central Illinois. The plant manager, production managers and most of the employees all came from Bemis with significant experience in the bag-making business. It is important to note that Drumheller Bag Corporation did not acquire the Bemis plant facility or any of its equipment but rather acquired a more preferable plant formerly used in label production along with some of the former manufacturer's prime equipment.

Drumheller Bag Corporation manufactures sewn open mouth multi-wall paper bags as well as pinch bottom open mouth bags in the Peoria plant. Although the two styles of bags use different construction techniques, the applications are the same and are both provided due to customer preferences for one style of bag over another. The ability to produce both styles of bags now allows Drumheller Bag to expand its market even with existing customers. In addition, the Peoria plant now features a graphics department capable of producing the printing plates needed to apply the customer's customized label to the bag. Previously, this function was outsourced; the Company expects to realize a significant improvement in margin by bringing this function in house.

The Drumheller family has had three generations in the paper bag-making industry. In addition to David V. Drumheller, Sr., David's father was in the industry and now David's son, David Jr. manages the Clarksdale, Mississippi plant for Drumheller Bag Corporation.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Drumheller Bag Corporation
Project Location: 1114 SW Adams Street Peoria, IL 61602 (Peoria County)
Ownership: David V. Drumheller, Sr. – 100%

PROFESSIONAL & FINANCIAL

Bank:	Town and Country Bank of Springfield	Springfield, IL	Grant N. Franklin
IFA Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott
IFA Counsel:	Dykema Gossett PLLC	Chicago, IL	Darrell Pierce

LEGISLATIVE DISTRICTS

Congressional: 18 – Ray LaHood
State Senate: 46 – David Koehler
State House: 92 – Aaron Schock

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 13, 2008

Project: Russ Erlinger Crane Service Inc.

STATISTICS

Project Number: B-LL-TX-8080	Amount:	\$500,000
Type: Participation Loan	IFA Staff:	Eric Reed
County/Region: St. Clair/Southwest	City:	Belleville

BOARD ACTION

Final Resolution	<u>Staff request:</u> Approval subject to bank conditions
IFA Funds contributed: \$500,000	Extraordinary conditions: none
Additional Covenant: Subordination of shareholder debt	<u>Staff Recommendation:</u> Approval to purchase a loan from Community First Bank in Fairview Heights.

VOTING RECORD

None

PURPOSE

Use of proceeds: Purchase a Grove 115 Ton portable crane.

IFA PROGRAM AND CONTRIBUTION

Under its Participation Loan Program, the Authority participates in bank loans financing capital projects for business, industry, farmers and agri-industry. The Authority will participate in loans for up to 10 years at a rate of interest that is variable or fixed for up to 5 years at 100 basis points above the 3-month LIBOR. The Authority shares pro-rata in the Bank's collateral and generally in conjunction with the Bank's loan advances funds at rates up to 80% of appraised fair market value for real estate, 65% of cost for new equipment and 65% of orderly appraised liquidated value for used equipment. IFA's participation reduces the borrower's interest expense.

VOLUME CAP

N/A

JOBS

Current employment: 18	Projected new jobs: 2
Jobs retained: N/A	Construction jobs: N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	\$500,000	Uses: Equipment	<u>\$1,316,702</u>
	Borrower Equity	166,702		
	Community 1 st Bank:	<u>615,000</u>	Total	<u>\$1,316,702</u>
	Total	<u>\$1,316,702</u>		

FINANCING SUMMARY/STRUCTURE

Security:	The proposed loan will be secured by a <i>Parri passu</i> shared lien position with a blanket lien on equipment
Structure:	60 month commercial loan with 96 month amortization
Interest Rate:	See confidential section
Interest Mode:	Fixed
Credit Enhancement:	Personal Guaranty from Rich Hillesheim
Maturity:	5 Years

Estimated Closing Date: June 1, 2008

PROJECT SUMMARY

Summary: Russ Erlinger Crane Service Inc. will purchase a new 115 Ton crane.
Project Rationale: The purchase of this crane allows the company to accept larger projects that they are unable to service, because they do not have the equipment to handle the heavy loads. These jobs are currently going to St. Louis companies.
Timing: The transaction is expected to close within 60 days of approval.

BUSINESS SUMMARY

Description of Business: Russ Erlinger Crane Service, Inc. provides cranes to the construction industry in and around the metro east area of St. Louis. The cranes are used to lift various items weighing up to 60 tons.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Russ Erlinger Crane Service Inc.
Project Location: 2502 South Belt West
Belleville, IL 62226
Borrower: Russ Erlinger Crane Service Inc.
Ownership: Corporation

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	None		
Accountant:	Rice, Sullivan & Co.	Swansea	
Originating Bank:	Community First Bank	Fairview Heights	Todd Neighbors, VP
Bank Counsel:	Sandberg & Phoenix	St. Louis	Mike Forster
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott
IFA Counsel:	Dykema Gossett PLLC	Chicago	Darrell Pierce

LEGISLATIVE DISTRICTS

Congressional: Jerry Costello, 12th District
State Senate: James Clayborne, 57th District
State House: Thomas Holbrook, 113th District

SERVICE AREA

N/A

BACKGROUND INFORMATION

Russ Erlinger Crane Service, Inc. provides cranes to the construction industry in and around the metro east area of St. Louis. The cranes are used to lift various items weighing up to 60 tons. Rich Hillesheim took over the company from his ex-father in law, Russ Erlinger in 2002. Prior to taking over, Rich worked for Russ Erlinger Construction Company for 18 years. Prior to 2002, the crane company was viewed as a complimentary business to Russ Erlinger Construction Company, a residential and commercial builder in the metro east area.

The company had 5 small cranes until 2002 when Rich decided to expand the business into commercial work as well as residential work. Mr. Hillesheim actively sought jobs all over the metro east area by contacting commercial contractors to provide large cranes to service their needs. Currently, the company has 13 cranes ranging from boom cranes to 65 ton all terrain cranes. The company currently employs upwards of 15 operators from the local union hall. The cranes are used to lift anything from landscaping stones to trusses to rooftop HVAC units and tilt up walls. Recent projects include high schools in the metro east, the Center Ethanol Plant in Sauget, and several large retail

developments throughout the area. This new crane will allow the company to expand into larger commercial projects and retain projects, which are currently being awarded to St Louis companies.

The New crane that they are purchasing will be used initially for the new Peabody Energy plant that is being built in Lively Grove. Mr. Hillesheim will be able to have several people working full time for an extended period at this job.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 13, 2008**

Project: **Western Fulton Holding Company, LLC, and
Universal Scrap Metals, Inc.**

STATISTICS

Project Number:	I-EZ-TE-CD-8075	Amount:	\$9,000,000 (not to exceed)
Type:	Empowerment Zone Bonds	IFA Staff:	Townsend Albright
Location:	Chicago (Cook County)	Region:	Northeast

BOARD ACTION

Preliminary Bond Resolution	Conduit Industrial Revenue Bonds
No IFA funds at risk	Staff recommends approval

VOTING RECORD

Preliminary Bond Resolution, no prior vote.

PURPOSE

Proceeds will be used to (i) purchase and renovate two existing buildings located in a Federal Empowerment Zone, and (ii) fund legal and professional issuance costs.

IFA PROGRAM AND CONTRIBUTION

Congress created Federal Empowerment Zone Revenue Bonds to encourage private investment in capital projects that will create jobs for people living in designated Federal Empowerment Zones. IFA's issuance of Federal Empowerment Zone Revenue Bonds conveys federal income tax exemption on interest earned on the Bonds, which will reduce the borrower's interest expense.

VOLUME CAP

Issuance of the Bonds is subject to an allocation of Federal Empowerment Zone Volume Cap. The City of Chicago has entered into an Intergovernmental Agreement with the IFA under which the City will cede its Empowerment Zone Bonding Authority to IFA in order for IFA to issue the Bonds. No IFA Volume Cap would be used, and no IFA funds would be pledged to the financing.

JOBS

Current employment:	68	Projected new jobs:	5
Jobs retained:	N/A	Construction jobs:	50 (9 months)

SOURCES AND USES OF FUNDS

Source:	IFA Bonds	<u>\$9,000,000</u>	Uses:	Project Costs	\$8,750,000
				Costs of Issuance	<u>250,000</u>
	Total	<u>\$9,000,000</u>		Total	<u>\$9,000,000</u>

FINANCING SUMMARY

Security:	First mortgage on the real estate being financed.
Structure:	Fixed rate bonds to be purchased by GE Capital at an interest rate not to exceed 6.00%.
Collateral:	The bonds will be secured by a first mortgage on the financed property.
Maturity:	20 years (not to exceed)

PROJECT SUMMARY

Proceeds will be used to (i) purchase and renovate two existing buildings having a total of approximately 86,000 sq. ft. located on a 3.4 acre site at 312 through 342 North Western Avenue, Chicago, Cook County, Illinois, and (ii) fund legal and professional costs.

Project Costs:	Building purchase	\$5,100,000
	Renovation	<u>3,650,000</u>
	Total	<u>\$8,750,000</u>

BUSINESS SUMMARY

Background: Western Fulton Holding Company, LLC and Universal Scrap Metals (“USM”), are the Co-Applicants. Universal Scrap Metals, Inc. was established in 1972, and is one of the Midwest’s largest wholesaler & processor of scrap metal. The three operating companies, Universal Scrap Metals (USM), USM Processing, and USM Recycling, buy non-ferrous, ferrous, precious metal bearing, used beverage cans (UBC), hi-temp alloys, electronic and composite metal scrap from industrial and manufacturing companies, recycling centers and independent scrap dealers. Western Fulton Holding Company, LLC (the “LLC”) is the umbrella organization for the entities which are related through common ownership and management. The principal shareholders of the LLC and related entities are Philip L. Zeid, 50.0%, and Barry Riback, 50.0%.

Description: USM provides a full range of comprehensive scrap management services and technically advanced scrap handling equipment to all types of industrial accounts throughout metropolitan Chicago and the U.S. Universal does extensive scrap processing and preparation at their facility in Chicago, with a satellite location in Alsip, Illinois. Universal now handles more than 80 million pounds of nonferrous materials a year. Annual revenues have increased twenty-fold in the past 15 years. The Applicant is considering several different expansion opportunities for the warehouse space, which may include electronic recycling, wire recycling, and / or other partnership opportunities.

The Project: Proceeds of the proposed financing will be used to purchase and renovate existing facilities located in the Kinzie Industrial Corridor which is designated as a Federal Empowerment Zone. The subject property currently holds two vacant buildings. The company plans to renovate the facilities into a 50,000-sq. ft. warehouse facility and a 3-story 36,000-sq. ft. office building. Universal Scrap will occupy the warehouse facility, and will lease out the office space to a related entity. The Applicants acquired the site from the City of Chicago in March, 2008. The property is classified as an empowerment zone, enterprise zone, and planned manufacturing district. The subject property is located in the City of Chicago Kinzie Conservation TIF District.

Remarks: The project will transform an otherwise undesirable abandoned piece of real estate into a new real estate development that will house operations of an established Chicago company, and a new office building. The project will create greater business capacity for USM, improvement to the overall community, employment opportunities, and a greater quality of life for the surrounding areas.

Empowerment

Zone Bonds: This program resulted from the enactment of the Community Renewal Tax Relief Act of 2000 (HR 12387), which expanded the scope and dollar limit for the issuance of Industrial Revenue Bonds (“IRBs”) in federally designated Empowerment Zones (“EZs”). EZ bonds, unlike IRBs, have much higher limits on the dollar amount of bond issuance, and can be issued for non-manufacturing projects. Dollar limits cannot exceed \$60 million if such zone is in a rural area, \$130 million if such zone is located in an urban area and the zone has a population of less than 100,000; and \$230 million if such zone is in an urban area and the zone has a population of at least 100,000. EZ bonds were developed to assist the most economically distressed communities.

A requirement of the Empowerment Zone bond program is to hire a substantial number of residents of the Empowerment Zone.

ECONOMIC DISCLOSURE STATEMENT

Applicants: Western Fulton Holding Company, LLC and Universal Scrap Metals, Inc.
Project Name: Western Fulton Holding Company Enterprise Zone Bond, Series 2008
Project Location: 312-342 North Western Avenue, Chicago, Cook County, Illinois
Contact: Dave Glassman, Manager/Dennis Klein, Controller, 312-666-0011
Land Owner: Western Fulton Holding Company, LLC
Shareholder Ownership: Philip L. Zeid 50.0%
Barry Riback 50.0%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	TBD		
Accountant:	Lerman, Boudart & Associates, LLP	Chicago, IL	Irwin Lerman
Bond Counsel:	Ice Miller LLP	Chicago, IL	James Snyder
Underwriter/ Purchasing Entity:	GE Capital	Chicago, IL	Brian Reardon
Counsel to Purchaser:	TBD		
Trustee:	TBD		
Issuer's Counsel:	Sonnenschein Nath & Rosenthal LLP	Chicago, IL	Mary Wilson
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 07, Danny K. Davis
State Senate: 05, Rickey R. Hendon
State House: 10, Annazette Collins

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
MAY 13, 2008**

Project: C & L Tiling, Inc.

STATISTICS

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

BOARD ACTION

Preliminary Resolution	Conduit Industrial Revenue Bonds
No IFA Funds at risk	No extraordinary conditions
Staff recommends approval	

VOTING RECORD

Preliminary Bond Resolution, no prior vote.

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

Issuance of the bonds will require an allocation of \$4.0 million of Volume Cap to be from IFA's 2008 Volume Cap allocation.

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

JOBS

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Bonds:	\$4,000,000	Uses: Building Construction	\$959,400
Total	<u>\$4,000,000</u>	Equipment Acquisition	2,960,600
		Issuance costs	<u>80,000</u>
		Total	<u>\$4,000,000</u>

FINANCING SUMMARY/STRUCTURE

Security:	Bonds will be secured with the pledged assets being financed and the personal guaranty of C & L Tiling, Inc.'s owner, Don Colclasure.
Structure:	Bonds will be privately placed with one of several banks under negotiation
Interest Rate:	Tax-exempt rate of interest will be negotiated with the purchasing bank
Maturity:	Bond term (estimated) - 20 years on real estate, 12 years on equipment
Estimated Closing Date:	August 15, 2008

PROJECT SUMMARY

Proceeds will be used to finance (i) construction of a 3,000 square foot addition to the Company's existing 32,000 square foot manufacturing facility located on U.S. Highway 24 in Timewell, Illinois, (ii) acquisition of new machinery and equipment to expand the operations of C & L Tiling, Inc. and (iii) legal and professional issuance costs associated with the bond issuance. The estimated cost of the building construction is \$959,400, and the equipment acquisition is expected to cost approximately \$2,960,600 with the average expected useful life of the equipment estimated in excess of 12 years.

The building construction and equipment acquisition are expected to be completed in July of 2008.

The project completion will bring increased manufacturing capacity to C & L Tiling, Inc. to accommodate the manufacture of additional tiling product in house that is now being produced for C & L Tiling, Inc. by a supplier based outside of Illinois.

BUSINESS SUMMARY

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

Background: C & L Tiling, Inc. manufactures and distributes a wide variety of drainage tiling for applications in the commercial, agricultural and residential markets. The Company began with one extrusion line producing small-diameter tubing as referenced above, expanded to three extrusion lines in 1997 to produce 10", 12" and 15" tubing and in 2001 installed a fourth extrusion line dedicated to the burgeoning needs of the commercial market. With the installation of the latest extrusion line, the Company added more than 50 new drainage products to its lineup. In 2002, the Company underwent its largest expansion ever with the addition of its new Maxflo dual wall manufacturing line providing Timewell with the capability to manufacture its own 4" through 24" dual wall, engineered for water-tight seals. The smooth flow bell design represented the first of its kind in the nation. Also added in 2002 was a full-service distribution center in Emfield, Illinois, located between McLeansboro and Carmi on Illinois Highway 14 in Southern Illinois. 2004 brought expansion for the Company into the Michigan market with the purchase of a manufacturing facility in Clifford, MI. This facility was upgraded significantly in 2006 with the addition of a complete custom fabrication division. In 2007, C & L added a new manufacturing facility in Providence, KY to better serve needs in the southern states. Recently, full-service distribution centers were added in Kansas City, MO, St. Louis, MO and Nashville, TN. With all of its additions in place, C & L Tiling, Inc. employs over 150 employees and sells drainage products and services in about 20 states.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

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

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	McClure, Brannan and Thomas	Beardstown, IL	George McClure
Accountant:	Myers & Myers CPAs	Beardstown, IL	John Myers
Bond Counsel:	Borrower is currently engaged in discussion with several bond counsels		
Issuer's Counsel:	To be determined		
Purchasing Bank	Borrower is currently in negotiation with Wells Fargo Bank and Bank of Springfield		
IFA Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 18 – Ray LaHood
State Senate: 47 – John M. Sullivan
State House: 93 – Jill Tracy

ADDITIONAL BACKGROUND INFORMATION

During the beginning days of the Company, C & L Tiling, Inc. had been considered an agricultural-based company providing field drainage products and services to Midwestern farmers and contractors. For the ag market, the Company is able to produce the majority of its product needs. However, over the last several years with the emergence of EPA Phase 2 which requires a storm water runoff plan for nearly every major commercial development, the growing acceptance of plastic pipe to replace broken down metal and concrete pipe and the need for the Company to become less seasonal, the Company has aggressively pursued expansion into the commercial markets, particularly in the retention/detention and storm sewer segments. These markets require dual wall pipe that is 30", 36", 48" and at times even 60" in diameter. With C & L currently only having capacity to manufacture 24" dual wall pipe, it has had to rely on outside manufacturers as their source for larger diameter pipe. While this enabled the Company to supply commercial customers with the needed material, low margins have placed pressure on C & L to maintain market-competitive prices. Hence, this project represents an essential step for the Company to further its pursuance of the commercial markets which will increase the Company's profitability and decrease its business seasonality.

As mentioned, stricter EPA Phase 2 requirements along with greater field performance than metal and concrete pipe have contributed significantly to the growing popularity of large diameter plastic pipe. The Company is strategically positioning itself to capitalize on these factors. Analysis of the pipe industry reveals a large, dominant manufacturer (Advanced Drainage Systems) and several smaller regional manufacturers such as C & L. In high population areas, the majority of the regional manufacturers sell through distribution. However, for C & L, its target customer in the commercial market is not the distributor but rather the contractors directly who perform the installation. C & L has positioned itself as the "contractor's company", selling directly to these contractors allowing them to obtain product at less cost and more quickly.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 13, 2008**

Project: DD Leasing, LLC and RDD Leasing, LLC

STATISTICS

Deal Number:	I-ID-TE-7258	Amount:	\$4,500,000 (not-to-exceed amount)
Type:	Industrial Revenue Bond	IFA Staff:	Steven Trout
Location:	Franklin Park, Bartlett & Huntley	County / Region:	Cook County & DuPage County / Northeast

BOARD ACTION

Final Resolution to Issue Conduit Industrial Revenue Bonds	Key project changes since February 2008 include:
No IFA funds contributed	\$1,000,000 increase in the Project amount
Staff recommends approval	Confirmed \$1,200,000 in Cap from Bartlett
No Extraordinary Conditions	Added RDD Leasing as a Co-Borrower
	Added the Co-Borrower's 2007 results to the Financial Summary
	Revised forecasts to reflect additional debt

VOTING RECORD

The IFA Board adopted a preliminary resolution for this project on February 12, 2008 by the following vote:

Ayes: 10 Nays: 0 Abstentions: 0 Absent: 4 (Boyles, DeNard; Fuentes; Herrin & Valenti) Vacancies: 0

On September 7, 2006 IFA issued \$1,570,000 in IRBs to finance the acquisition of equipment for DD Leasing, LLC.

PURPOSE

To finance the acquisition and installation of an asphalt plant and two cold milling machines and to pay for professional and legal services.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

The Village of Bartlett has committed \$1,200,000 in Volume Cap to the Project, which matches the Co-Borrowers' investment in Bartlett. Neither Franklin Park nor Huntley are contributing Cap, as they are non-Home Rule municipalities. **The IFA is prepared to commit \$3,000,000 in Volume Cap to this project. *Issuance of the Bonds is subject to a sufficient allocation of Volume Cap from IFA and other sources.***

JOBS

Current employment:	560	Projected new jobs:	30
Jobs retained:	0	Construction jobs:	0

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	<u>\$4,200,000</u>	Uses:	Project Costs	\$4,106,000
				Professional & Legal	<u>94,000</u>
	Total	<u>\$4,200,000</u>		Total	<u>\$4,200,000</u>

FINANCING SUMMARY/STRUCTURE

Co-Obligors: DD Leasing, LLC and RDD Leasing, LLC
 Security: A perfected first security interest in the machinery and equipment financed and an assignment of rents and leases
 Structure: Industrial Revenue Bonds to be purchased by GE Government Finance, Inc.
 Interest Rate: Fixed at a rate to be determined.
 Credit Rating: Not applicable, as GE Government Finance (or another GE affiliate) intends to hold the Bonds as an investment until maturity.
 Maturity: 10 years
 Closing Date: Late May or June, 2008

PROJECT SUMMARY

Bond proceeds will be loaned to D.D. Leasing, L.L.C., and RDD Leasing, Inc., and will be used (i) to finance, refinance or reimburse the Borrowers for all or a portion of the costs of (a) the acquisition of an asphalt batch plant to be located at 2200 Graham Street in Bartlett, Illinois, (b) two (2) asphalt grinders and an asphalt crusher to be located at 10555 Waveland Avenue in Franklin Park, Illinois, (c) an asphalt crusher to be located at 11900 Raymond Court in Huntley, Illinois and (ii) to pay all or a portion of the costs of issuance of the Bond. Upon completion of the related construction projects, all of the equipment other than the asphalt batch plant will be re-located to PCI's headquarters at 1100 Brandt Drive in Hoffman Estates, Illinois. Project costs are estimated as follows:

Bartlett: Asphalt plant equipment and concrete batch plant equipment	1,200,000
Franklin Park: Cold milling equipment	1,306,000
Franklin Park: Other Manufacturing Equipment	800,000
Huntley: Nordberg Crusher	<u>800,000</u>
Total	<u>\$4,106,000</u>

BUSINESS SUMMARY

Description: Plote Construction, Inc. ("PCI"), is a family-owned, Illinois C-corporation that was formed in December 1974, incorporated in June 1981 and is owned by Raymond and Janice Plote. PCI operates primarily in Chicagoland in the real estate and construction industries. DD Leasing, LLC ("DD") is an Illinois Limited Liability Company formed in September 2000 that is owned by Raymond, Daniel and David Plote. RDD Leasing, LLC is another Illinois Limited Liability Company that is owned by the same group. Both DD Leasing and RDD Leasing operate equipment companies for PCI's Chicagoland and Northwest Illinois market and manage the purchasing, financing and leasing of equipment for affiliated companies.

Background: PCI is the principal operating entity and source of operating cashflows to pay interest and principal on the Bonds. PCI's major lines of business include:

Excavation, including mass grading, excavation, utility installation, demolition, and snow removal.

Asphalt, including building and reconstructing highways and reprocessing old road surfaces. This division operates six asphalt plants in Bartlett, Chicago, DesPlaines, Franklin Park, Hillside and Huntley, Illinois and produces thousands of tons of asphalt each day.

Concrete, including road construction, curbing and related projects, including production and transportation of concrete. This division also serves as a subcontractor for commercial, residential and land development projects.

Real Estate, developing 11 commercial sites at a business park in Huntley.

Other Services, including operations, construction management, engineering and layout.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: DD Leasing, LLC, 1100 Brandt Avenue, Hoffman Estates, IL 60120 (Contact: Ms. Keri Caduto, Treasury Manager, 847/695-3900)
Project name: DD Leasing, LLC
Location: 2200 Graham Street, Bartlett IL 60103
10555 Waveland Avenue, Franklin Park IL 60131
Organization: Illinois Limited Liability Company
Owners: Daniel Plote (49%) David Plote (49%) Raymond Plote (2%)

PROFESSIONAL & FINANCIAL

Accountant:	Plante & Moran, PLLC	Elgin	
Corporate Counsel:	Fuller & Beres	South Barrington	Warren Fuller
Bond Purchaser:	GE Capital	Oak Brook	Brian Riordan
Bond Counsel:	Perkins Coie	Chicago	Bob Stephan
Paying Agent	Deutsche Bank National Trust Co.	Chicago	George Kubin
Issuer Counsel:	Greeburg Traurig	Chicago	Mark McCombs
IFA Financial Advisor:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

	<u>Franklin Park</u>	<u>Bartlett</u>	<u>Huntley</u>
Congressional:	5 th : Rahm Emanuel	14 th Bill Foster	14 th Bill Foster
State Senate:	39 th : Don Harmon	55 th Dale A Righter	25 th Chris Lauzen
State House:	77 th : Angelo "Skip" Saviano	28 th Robert Rita	49 th Timothy Schmitz

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 13, 2008**

Project: Genesis, Inc. And Shamrock Hill Farms Western Properties, LLC

STATISTICS

Project Number: I-ID-TE-CD-7246	Amount: \$4,600,000 (not-to-exceed amount)
	\$ 400,000 Taxable Bonds (not-to-exceed amount)
Type: Industrial Revenue Bonds	IFA Staff: Sharnell Curtis Martin
County/Region: DuPage /Northeast	City: Roselle

BOARD ACTION

Final Bond Resolution
IFA Funds contributed: Not Applicable
Staff requests approval
Material changes from Preliminary: Selection of financing team members
Finalized the transaction structure to include the addition of taxable bonds.

VOTING RECORD

Preliminary Bond Resolution: December 11, 2007

Ayes: 9 Nays: 0 Abstentions: 0 Absent: 6 (Boyles, Fuentes, Herrin, Leonard
O'Brien, Talbott)

PURPOSE

Bond proceeds will be used to finance the acquisition of land, construction, acquisition of machinery and equipment and to pay certain bond issuance costs. Taxable bond proceeds will be used to cover land costs that are not eligible for tax-exempt financing due to the fact that the original land acquisition date was prior to 60 days before the preliminary bond resolution date. Taxable bond proceeds may also be used to cover any additional bond issuance costs that exceed the 2% limit that can be financed under tax-exempt financing guidelines.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

The Company will be awarded \$4.6 million in 2008 IFA Volume Cap. The project is located in the Village of Roselle which is a Non Home Rule Community. As a result, the Village of Roselle does not receive an allocation of Volume Cap to support this project.

JOBS

Current employment: 136	Projected new jobs: 29
Jobs retained: N/A	Construction jobs: 85

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$4,200,000	Uses:	Project Costs	\$4,500,000
	IFA Taxable Bonds	400,000		Bond Issuance Costs	100,000
	Total Sources	<u>\$4,600,000</u>		Total Uses	<u>\$4,600,000</u>

FINANCING SUMMARY/STRUCTURE

Security: The Bonds will be secured by a Direct Pay Letter of Credit from Fifth Third Bank
Structure: Variable Rate Demand Bonds (7-day floaters)
Maturity: 25 Years
Credit Rating: The transaction will bear the credit rating of the credit enhancement provider, Fifth Third Bank. Fifth Third long term ratings are AA- by S&P, Aa2 by Moody's and AA- by Fitch AA.
Closing: This project is anticipating a closing on our about May 22, 2008.

PROJECT SUMMARY

Bond proceeds will be used to finance the acquisition of 2.75 acres of land and construction of a 16,500 square foot manufacturing facility located at 325 W. Central in Roselle, IL (DuPage County) the acquisition of new equipment for use therein and to pay certain bond issuance costs. Project costs are estimated as follows:

Construction	\$2,000,000
Machinery and Equipment	2,000,000
Land	500,000
Total Project Costs	<u>\$4,500,000</u>

BUSINESS SUMMARY

Background: Genesis Inc. ("Genesis" or the "Company") was established in 1976 by William Stringfellow and is a family owned and operated business. Mr. Stringfellow is CEO and manages the day-to-day operations of the Company.

Shamrock Hill Farms Western Properties, LLC is a limited liability company also owned and operated William Stringfellow. The bonds will be issued on behalf of the limited liability company and the facility and equipment will be leased to the Company while owned by the LLC.

The Company specializes in precision sheet metal forming and fabrication and counts several Fortune 500 Companies among its clients. Products produced by Genesis consist of slot machine cabinets, metal beds in MRI machines, fire alarm boxes, and pizza ovens.

The Company presently operates two shifts per day and its major customers include: General Electric, Motorola, Honeywell, Smith Aerospace and Siemens.

Description: The new project is a 16,500 square foot expansion next to the current 65,000 square foot facility and will include the acquisition of 2.75 acres of land and construction of a 16,500 square foot expansion facility located in Roselle and the acquisition of new equipment for use therein. It's anticipated that the project will be completed in May 2008.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Genesis, Inc. And Shamrock Hill Farms Western Properties, LLC
301 W. Central Avenue, Roselle, IL 60172 (DuPage County)
Mr. William Stringfellow, Chief Executive Officer

Project name: Genesis Inc. Expansion
Location: 325 W. Central Avenue
Roselle, IL 60172 (DuPage County)

Organization: Corporation and Limited Liability Corporation
State: Illinois

Ownership: Genesis, Inc. William Stringfellow 68%
Thomas Stringfellow 16%
William Stringfellow, Jr. 16%

Shamrock Hill Farms Western Properties, LLC
Member: William Stringfellow - 100%
Land Sellers: Shamrock Hill Farms Eastern Properties, LLC
Member: William Stringfellow - 100%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Clingen Callow Wolfe & McClean	Wheaton	Mary Callow
Accountant:	Baerson, Witonski, Patel, Ruben	Northbrook	Charles Baerson
Bond Counsel:	Greenberg Traurig	Chicago	Matt Lewin
LOC Bank:	Fifth Third Bank	Rolling Meadows	Steven Olson
LOC Bank's Counsel:	Holland and Knight	Chicago	Frank Keldermans
Underwriter:	Fifth Third Securities, Inc.	Chicago	Douglas DAngelis
Underwriter's Counsel:	Greenberg Traurig	Chicago	Matt Lewin
Issuer's Counsel:	Charity and Associates	Chicago	Alan Bell
Trustee:	The Bank of New York	Chicago	Merci F. Stahl
IFA Financial Advisor:	D. A. Davidson	Chicago	Bill Morris
	Scott Balice Strategies	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 6 – Peter Roskam
State Senate: 21 – Dan Cronin
State House: 42 – Sandra Pihos

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 13, 2008**

Project: El Valor Corporation

STATISTICS

Project Number:	N-NP-TE-CD-8040	Amount:	\$4,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton
County/Region:	Cook County/Northeast	Location:	Chicago

BOARD ACTION

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

VOTING RECORD

None. This is the first time this financing has been presented to the IFA Board.

PURPOSE

Bond proceeds will be used by El Valor to refinance existing interim loans, mortgage debt, building renovations, and costs of issuance. Savings attributable to the refinancings will be used to finance various renovations/additional build-out at four of El Valor facilities. (See Project Summary for IFA Preliminary Bond Resolution on page 2 for comprehensive project description.)

IFA CONTRIBUTION AND PROGRAM

501(c)(3) Bonds are municipal bonds authorized under the Internal Revenue Code that enable 501(c)(3) corporations to finance capital projects at municipal bond interest rates. 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

None. This is the first time this financing has been presented to the IFA Board.

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds (Perm. Fin.)	<u>\$3,570,000</u>	Uses:	Refinancing	\$2,900,000
				Renovations	600,000
				Costs of Issuance	<u>70,000</u>
	Total	<u>\$3,570,000</u>		Total	<u>\$3,570,000</u>

JOBS

Current employment:	353	Projected new jobs:	31 (2 years)
Jobs retained:	Not applicable	Construction jobs:	10-12 (renovations)

FINANCING SUMMARY

Security/Rating: Bonds will be purchased directly by one of the following banks: (1) First American Bank, Elk Grove Village, (2) First Midwest Bank, Deerfield, (3) MB Financial Bank, Rosemont, (4) The Northern Trust Company, Chicago, or (5) Fifth Third Bank, Chicago.

Structure: Bonds will be purchased directly and held as an investment (pursuant to a Bond and Loan Agreement between El Valor and the Lender/Bond Purchaser).

Interest Rate: The Bonds will be priced every 5 years based on a Prime or LIBOR-based index (e.g., 77.2% of 30-Day LIBOR + 2%, or 80% of Prime). Current estimated rate of 4.75% for the initial 5 years (estimated as of 4/17/2008).

Maturity: 25 years

Underlying Ratings: Not applicable. The Bonds will be purchased as a direct investment until maturity by a Bank

Closing Date: August 2008 to October 2008

Bank Collateral: The proposed Bank (the "Lender/Investor") will be secured by a blanket first security interest in all real estate, equipment, receivables/contract revenues, and inventory of El Valor Corporation.

Rationale: The proposed project will enable El Valor to obtain permanent financing for its Carlos Cantu Children & Family Center and reduce the interest rate on the debt to be refinanced from 6.25% to an estimated rate of 4.75%, generating annual savings of approximately \$43,500. The savings generated from this refinancing will essentially enable El Valor to finance the proposed renovations to cure deferred maintenance at certain of its facilities and for additional build-out to the new Cantu Children's & Family Center. The anticipated savings of \$43,500 will be offset by the approximately \$46,000 increase in payments attributable with debt incurred to finance (i) the \$600,000 of renovations and (ii) \$70,000 of bond issuance costs.

PROJECT SUMMARY FOR PRELIMINARY BOND RESOLUTION

Bond Proceeds will be by El Valor Corporation (the "Borrower") to finance or refinance all or a portion of the costs of (i) refinancing certain mortgage loans presently financed by the Metropolitan Bank and Trust Company of Chicago, and the U.S. Department of Housing and Urban Development; and (2) funding a capital fund for various renovation, rehabilitation, and certain major, deferred maintenance programs within the for four properties located at: (i) 1951 W. 19th Street, Chicago, IL 60608-2647 (Child Day Care Center), (ii) 3050 E. 92nd Street (Child Day Care Center), Chicago, IL 60617-4602, (iii) the additional build-out and equipping (prospectively) of an existing 28,000 SF building located at 2434 S. Kildare/4304 W. 24th Place (Child Care Day Care Center), Chicago (Cook County), IL 60623, and (iv) 1931 W. 19th Street (HUD ICFDD Residence), Chicago, IL 60608-2647, and (3) to pay costs of issuance and the funding of any reserve funds necessary to issue the proposed bonds as authorized under the Illinois Finance Authority Act (the "Project").

Preliminary Summary of project costs:

Refinancing:	\$2,900,000
Renovations:	<u>600,000</u>
Total:	\$3,500,000

BUSINESS SUMMARY

Background: El Valor Corporation ("El Valor" or the "Borrower") is an Illinois 501(c)(3) organization originally established and incorporated in 1973.

El Valor is governed by a 24-member Board of Directors (see p. 6) and its day to day operations are managed by Dr. Vincent Allocco, who has served as President and Executive Director of El Valor since 1979.

Description: El Valor was established by Mrs. Guadalupe Reyes in 1973 to serve children and adults with developmental disabilities in Chicago. The Reyes family had a son with developmental disabilities who inspired her to create an organization to provide educational and rehabilitation services special needs children.

Over time, El Valor has expanded its mission. El Valor is now a multipurpose social service organization that provides services for individuals with disabilities in the areas of vocational training and placement, specialized developmental training, residential community housing, and respite programs. El Valor also provides educational and early developmental training to families and children from birth to age five as well as educational enrichment opportunities for children ages six to 14.

El Valor's services include:

- (1) Support Services to People with Disabilities
 - Intake and referral
 - Vocational evaluation/assessment
 - Developmental training
 - Job placement
 - Lifestyle enrichment (art, horticulture, food/nutrition, sports/recreation)
- (2) Early childhood development services
 - Early Head Start
 - Head Start
 - Early intervention for special needs children
 - Training for Spanish-Speaking Child Care Professionals/Providers
 - International Public Awareness
 - Advocacy and Public Policy
- (3) Academic-based youth enrichment programs
 - Reading clinics
 - Math clinics
 - First Notes Music Program (guitar, keyboard, saxophone, violin)
 - Urban Academy
 - Mentoring/tutoring program
- (4) Strengthening Families:
 - Family support groups
 - Parenting classes
 - Family support & respite care
 - Health Screenings
 - Educational Enrichment for Parents
 - Self-Advocacy
 - Financial Classes
- (5) Encouraging Leadership
 - Mentoring
 - Educational seminars
 - Education/Professional Certificates

El Valor operates three (3) Children & Family Center in the Chicago neighborhoods of Pilsen, Little Village, and South Chicago. El Valor's Carlos H. Cantu Children & Family Center in Little Village opened in September 2007. According to El Valor, these Family Centers have hundreds of families on waiting lists.

El Valor also owns and operates six (6) Community Residence Homes for adults with developmental disabilities located throughout the Chicago metropolitan area. Additionally, El Valor operations a vocational work center and a technology center, both of which are located in the Pilsen community.

Overall, El Valor is currently working with over 4,000 families in Cook County and has a staff of over 350 to provide services to children with disabilities, and their families.

El Valor is a partner with the White House Initiative of Educational Excellence for Hispanic Americans and is nationally recognized for its Public Awareness Campaign focusing on early childhood learning. In May 2007, *Hispanic Business Magazine* ranked El Valor among the 20 largest Hispanic Non-Profit Organizations in the US.

El Valor's strategic partners include: Aon Foundation, Azteca Foods, Bank of America, Boeing Corp. BP, Charter One, Chicago Community Trust, Exelon Corp. Hinshaw & Culbertson, Leo Burnett Worldwide, McCormick Tribune Foundation, McDonald's Corp., Metropolitan Bank Group, Microsoft Corp., Edison International/Midwest Generation, Rooney Family Foundation, Ronald McDonald House Charities, SBC Communities, Schwarz Paper Group, Tribune Company/Hoy, Univision/Telefutera Chicago, and Waste Management, Inc.

According to the Borrower, The Board of Directors of El Valor approved a Reimbursement Resolution in June 2007 that will enable the projects described herein (see Project Description for IFA Preliminary Bond Resolution on p.2) to be refinanced with proceeds of the proposed IFA Bonds.

El Valor completed construction of the new \$7.7 million Carlos H. Cantu Children & Family Center located at 2434 S. Kildare in September 2007. Construction of the Cantu Center was financed with (1) a \$2.5 million grant from the Illinois Department of Commerce and Economic Opportunity, (2) a \$3.6 million grant from the City of Chicago's Early Childcare and Educational Plan Grant, and (3) a \$500,000 grant from the Coleman Foundation, and a \$350,000 grant from Exelon Corporation, in honor of former ComEd employee and El Valor Board Member, the late Carlos H. Cantu.

ECONOMIC DISCLOSURE STATEMENT

Applicant: El Valor Corporation, 1850 West 21st Street, Chicago, IL 60608 (T): 312-666-4511; (F): 312-666-6677
Web site: www.elvalor.org
Contact: Daniel J. Overstreet, Vice President for Finance/CFO, (T) 312-492-5930; daniel.overstreet@elvalor.net
Project name: El Valor Corporation, Series 2008 Bonds
Location: 2434 S. Kildare Ave., Chicago (Cook County), IL 60623
Organization: Illinois 501(c)(3) corporation
Board of Trustees: *See attached list of Board of Directors on Pages 6 of this report.*
Current Land Owners: The subject facility is currently owned by El Valor Corporation.

PROFESSIONAL AND FINANCIAL

Borrower's Counsel: Hinshaw & Culbertson Chicago, IL Leslie Richards-Yellen
Auditor: Blackman Kallick, LLP Chicago, IL Cliff Shapiro
Bond Counsel: Negotiating with Greenberg Traurig LLP, Ice Miller LLP, Kutak Rock LLP, Perkins Coie LLP (all in Chicago)
Bond Purchaser/Investor: Negotiating with: First American Bank (Elk Grove Village), First Midwest Bank (Deerfield), MB Financial Bank (Rosemont), The Northern Trust Company (Chicago), and Fifth Third Bank (Chicago)
Bank Counsel: To be selected by Bank/Bond Purchaser/Investor.
Paying Agent: Reporting will be undertaken by the bond purchaser/investor.

General Contractors: Not applicable. El Valor will engage subcontractors directly as needed.
Architect: Not applicable.
Issuer's Counsel: Pugh Jones Johnson & Quandt, P.C.
(MBE) Chicago, IL Scott Bremer
IFA Financial
Advisors: D.A. Davidson & Co. Chicago, IL Bill Morris
Scott Balice Strategies, Inc. Chicago, IL Lois Scott

LEGISLATIVE DISTRICTS

2434 S. Kildare/4304 W. 24th Pl.
Congressional: 4 Luis V. Gutierrez
State Senate: 12 Martin A. Sandoval
State House: 23 Daniel J. Burke

1931 & 1951 W. 19th St.
Congressional: 4 Luis V. Gutierrez
State Senate: 1 Antonio "Tony" Munoz
State House: 2 Edward J. Acevedo

3050 E. 92nd St.
Congressional: 2 Jesse L. Jackson, Jr.
State Senate: 13 Kwame Raoul
State House: 25 Barbara Flynn Currie

**El Valor Corporation
Board of Directors**

Executive Committee

Chairperson
Rey B. Gonzales
VP, Legislative Affairs
ComEd

Dr. Vincent Allocco
President, El Valor

Vice Chairperson/Secretary
Philip K. Fuentes
Owner
PMA McDonald's

Vice Chairperson/Treasurer
Saul Robles
Senior VP

Chairperson, Personnel Comm.
Dr. Victor H. Ramirez,
Julian Ramirez DDS &
Associates, P.C.

Board Members

Rina Alvarez-Flaharty

Ted Barillas
VP, Community Resource Network

Maria Bolanos

James M Briott, Ph.D

Craig A. Chico
President
Back of the Yards Council

Luisa Echvarria
Director of Community Relations
Univision Chicago/Telefutera

Eduardo Espinosa

Paul Gaughan
President
Metropolitan Bank

Christopher J. Gonzalez
Government Account Executive
Microsoft Corporation

John LaMotte
Senior Principal
The Lakota Group

Gen. Michael P. Mulqueen

Don Mrozek
Chairman
Hinshaw & Culbertson

Michelle Marme, Ph.D., LCPC
Licensed Clinical Professional
Counselor

Joshua Nava

Miguel A. Ortega
Director of Technical Standards & Support
Exelon Corporation

Phillip B. Rooney
Chairman
Claddagh Investments LLC

Diana Reyes

William Uruba
Attorney-at-Law

David D. Weick
Senior VP, CIO
McDonald's Corp.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May13, 2008**

Project: Prairie Crossing Charter School

STATISTICS

Number:	N-PS-TE-CD-8067	Amount:	\$10,500,000
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Location:	Grayslake (Lake County)	Region:	Northeast

BOARD ACTION

Preliminary Bond Resolution	No Extraordinary conditions
No IFA funds contributed	Staff recommends approval

VOTING RECORD

Preliminary Bond Resolution; no prior vote.

PURPOSE

Proceeds will be used to (i) refinance an outstanding construction loan, (ii) refinance an outstanding Foundation loan, finance infrastructure improvements, and (iii) fund professional 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) Bonds do not require Volume Cap.

JOBS

Current employment:	63	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	20 (six months)

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	<u>\$10,500,000</u>	Refinance construction loan	\$ 9,225,800
		Refinance Foundation loan	200,000
		Infrastructure improvements	874,000
		Legal and professional costs	<u>200,200</u>
Total	<u>\$10,500,000</u>	Total	<u>\$10,500,000</u>

FINANCING SUMMARY

Security: Direct Pay Letter of Credit from a bank to be determined.
Structure: Weekly multi-mode floating rate bonds. Weekly floating rates for Letter of Credit backed bonds averaged 2.55% for the week ending April 29, 2008. This rate would be locked for five years.
Collateral: The bonds will be secured by a first mortgage on the financed property.
Maturity: 30 years

PROJECT SUMMARY

The School intends to use the net proceeds of the Authority loan to refinance outstanding taxable loans at a tax exempt rate, and fund capital improvements.

Refinancings	\$ 9,425,800
Campus improvements	<u>874,000</u>
Total	<u>\$10,299,800</u>

BUSINESS SUMMARY

Background: Prairie Crossing Charter School (the "School", the "Applicant"), is a not-for-profit Illinois Corporation. Founded in 1999 and chartered by the Illinois State Board of Education ("ISBE"), the School provides an academic curriculum centered on the environment, teaching students in grades K through 8 through daily experiences in the Grayslake community's environment of prairies, wetlands, lakes, and woodlands, or at the School's organic farm. The School's curriculum and charter is unique – it is the only public or private school in Illinois of its kind. The initial charter was renewed in 2004 for a second term lasting until 2009. PCCS Holdings LLC (the "LLC") is an Illinois limited liability company, with the School as a single member. The LLC was formed in June, 2004 to own and develop the School's property and lease it to the School. The School is governed by a nine-member Board whose names are provided in this report.

Description: The School has grown from an initial size of 60 students to a current enrollment of 358 students. Starting with two kindergartens and one multi-age 1st/2nd grade, the School has added two additional kindergarten classes each year to reach K through 8. The School draws its students from two Lake County school districts, Woodland District #50 and Fremont District #79, that have a combined population of over 10,000 students. In addition to the Woodland and Fremont communities, PCCS also serves a number of other neighboring areas including, Wauconda, Gurnee, Grayslake, Mundelein, Libertyville, Wildwood, Third Lake, Waukegan and Park City. Student admission is determined by a public, non-discriminatory lottery process. In an effort to keep class sizes small, the School's capacity is 360 students, which the School expects to fully enroll next year.

A five-year history of the School's enrollment is provided in the chart below. The increase from 2004-05 to 2005-06 resulted from the addition of Grade 8.

Total Enrollment	
2004-05	301
2005-06	342
2006-07	343
2007-08	358
2008-09	360

The School prides itself on its curriculum, one that has a unique focus on environmental topics. Following a constructivist approach to teaching, the staff works to integrate science and social

science to teach skills through concept development. Much of this is done through hands-on learning which provides authentic knowledge and understanding.

The School's campus currently includes five buildings. The historic Wright Schoolhouse was moved to the site in 1996 and renovated to serve as the original classroom space. As the School needed additional space, classroom trailers were utilized from 2002 to 2004. The Kenicott Building, built in 2000-01 for a cost of \$2.5 million, houses several classrooms and the School's administrative offices. The Comstock Building was constructed in 2005 to address the need for additional classroom space. In 2006, PCCS constructed another new classroom building and a gymnasium. Expansion of the School's facilities has followed the growth of the student body.

The Project: Proceeds of the proposed financing will refund an approximate \$9.3 million construction loan , which proceeds were used to construct several school facilities on the School's campus, and pay off a \$200 thousand loan from a family foundation. The project goals are:

- Lowering the rate on its debt.
 - Lowering annual payments on existing debt, both through a reduction in rate and through use of a 30-year amortization structure.
 - Providing \$874,000 of new money for a variety of capital improvement projects.
 - Obtaining satisfactory financial covenants and prepayment options.
- The financing is expected to save over \$151,000 in annual debt service relative to its current debt service payments on the taxable loan. These savings will provide greater cash flow flexibility for the School's operations.

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT//

Applicant: Prairie Crossing Charter School
 Project names: Refinancing and Capital Improvement Project
 Location: 1531 Jones Point Road, Grayslake, Lake County, IL 60030
 Contact Person: Elizabeth Jung,. Business Manager, (847)543-0752
 Organization: 501(c)(3) Corporation
 State: Illinois

Board of Directors:

Name	Role	Occupation	Term
Dennis Munk	President	College Professor / Parent	2007-2008
Steve Barg	Vice President	Professional Consultant; Environmental Expert / Parent	2007-2010
Wendy Richter	Secretary	IT Systems Manager / Parent	2007-2010
Geoffrey Deigan	Treasurer	Ecological Consulting Business Owner / Parent	2007-2010
Bob Bentz	Member	Paramedic / Parent	2006-2009
Robert Creviston	Member	Human Resource Professional	2006-2009
Cheryl Pytlarz	Member	Agricultural Specialist & Educator / Parent	2006-2009
Kim VanderYacht	Member	Retail Sales Manager / Parent	2005-2008
Linda Wiens	Member	Administrator / Consultant	2005-2008

PROFESSIONAL & FINANCIAL

General Counsel:	TBD		
Accountant:	Wolf & Company LLP	Oak Brook, IL	David Seihoff
Bond Counsel:	Ice Miller LLP	Chicago, IL	James Snyder
Underwriter:	Griffin, Kubik, Stephens & Thompson, Inc.	Chicago, IL	Helena Burke-Bevin
Placement Agent:			
Underwriter's Counsel:	TBD		
LOC Bank Counsel:	TBD		
Issuer's Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke
Bond Trustee:	TBD		
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

SERVICE AREA

The School draws students from local and adjacent school districts.

LEGISLATIVE DISTRICTS

Congressional: 08, Melissa Bean
State Senate: 31, Michael Bond
State House: 62, Sandy Cole

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May13, 2008**

Project: The Chicago Horticultural Society

STATISTICS

Number:	N-NP-TE-CD-8074	Amount:	\$30,000,000
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Location:	Glencoe (Lake County)	Region:	Northeast

BOARD ACTION

Preliminary Bond Resolution	No Extraordinary conditions
No IFA funds contributed	Staff recommends approval

VOTING RECORD

Preliminary Bond Resolution; no prior vote.

PURPOSE

Proceeds will be used to (i) construct and equip a new Plant Conservation Science Center, (ii) capitalize interest, and (iii) fund professional 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) Bonds do not require Volume Cap.

JOBS

Current employment:	425FTEs/PTEs (1,100 Volunteers)	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	200 (16 months)

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	\$30,000,000	Project construction /equipment	\$ 9,225,800
Equity	<u>775,000</u>	Capitalized interest	2,100,000
		Legal and professional costs	<u>450,000</u>
Total	<u>\$30,775,000</u>	Total	<u>\$30,775,000</u>

FINANCING SUMMARY

Security: Direct Pay Letter of Credit from a bank to be determined. Debt service payments are a general obligation of the Society, and will paid from all available sources of revenue.

Structure: Weekly multi-mode floating rate bonds. As of April 29, 2008 the interest rate for Letter of Credit enhanced bonds was 2.55%. The proposed bonds would have a lock on the initial rate for five years.

Collateral: The bonds will be secured by a first mortgage on the financed property.
Maturity: 35 years

PROJECT SUMMARY

The Society intends to use the net proceeds of the Authority loan to (i) construct a new approximately 50,000 sq. ft. Plant Conservation Science Center, (ii) capitalize two years' interest of the proposed bonds, and (ii) fund professional and issuance costs

BUSINESS SUMMARY

Background: The Chicago Horticultural Society (the "Society"), (the "Applicant"), is an Illinois not-for-profit corporation formed in 1890 that operates the Chicago Botanic Garden (the "Garden"), a 385 acre botanical garden that features 23 display gardens and three native habitats. The Garden is located in Glencoe, Illinois, a northern suburb of Chicago. The site and certain facilities that the Garden occupies are owned by the Forest Preserve District of Cook County (the "District").

Prior to the establishment of the Garden, the Society supported philanthropic efforts for the City of Chicago and promoted horticultural appreciation through flower shows, lecture series and displays at private homes and smaller gardens. Through the cooperative efforts of the District and the Society, construction of the Garden began in January 1965 and the Garden opened to the public in 1972.

The mission of the Garden is to promote the enjoyment, understanding and conservation of plants and the natural world. The Society is currently governed by a 74-member Board whose names are provided in this report. The Society is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), by virtue of being an organization described in Section 501(c)(3) of the Code. The work of the Board also is supported by a 53 active (77 total) member Woman's Board, formed in 1951, and a 110-member Guild, formed in 1998.

Description: From its founding, the Garden has hired leading architects, beginning with the master plan by John O. Simonds and Geoffrey Rausch. Edward Larabee Barnes designed the Education Center as the Garden's first building in 1977. The Malott Japanese Garden, Sansho-En, was completed in 1982. Throughout its existence, the Garden has developed gardens and educational facilities with a meticulous eye toward its original mission.

The Garden, with its plant collections and displays, is one of the country's most visited public gardens and a preeminent center for learning and scientific research. The 385-acre Garden features 23 display gardens and three native habitats, uniquely situated on nine islands surrounded by lakes. There are approximately 50,000 members, the largest membership of any U.S. botanic garden, and approximately 750,000 - 800,000 visitors annually, making it one of the most-visited botanic gardens in the United States.

The District Agreement:

The Society and the District entered into an agreement (the "District Agreement") in 1975, which succeeded a prior agreement between the two parties entered into in 1965. The District Agreement expires in 2015 and provides for an automatic 40-year extension unless either the Society or the District elects not to extend the District Agreement. The Society has operated the Garden since its inception. Under the District Agreement, the Society is responsible for the maintenance and operation of the Garden. The land and certain of the facilities comprising the Garden are owned by the District. The Science Center also will be owned by the District. The Society is responsible for providing the plant materials and plant collections for the Garden. Subject to the terms of the District Agreement, the Society controls and manages the Garden and employees and compensates all personnel engaged in the management and operation of the Garden.

Garden Property Tax Revenues. Pursuant to Illinois statute, the District is empowered to levy and collect annually an ad valorem property tax (the "Garden Property Tax") on all taxable property in the District, which is coterminous with Cook County, Illinois. The revenues from the Garden Property Tax are to be used for the maintenance and operation of the Garden. During the last five years, the Garden has received the following revenues from the Garden Property Tax:

YEAR	GARDEN PROPERTY TAX REVENUES	% INCREASE FROM PRIOR YEAR	% OF TOTAL SOCIETY REVENUES
2003	\$8,290,000	-4%	24%
2004	8,865,000	7%	24%
2005	9,184,000	4%	17%
2006	9,020,000	-2%	20%
2007	8,612,000	-5%	19%

Net property tax revenues of \$9,119,000 and \$9,561,000 were appropriated for the Garden in 2007 and 2008 (for receipt in 2008 and 2009), respectively. The 2008 appropriation (to be received in 2009) includes a 5% increase in the tax levy appropriation.

The Illinois Property Tax Extension Limitation Law is applicable to the District. As a result, the annual increase in property taxes that may be levied by the District is generally limited to five percent or the increase in the Consumer Price Index, whichever is less. Management of the Society does not believe that the Property Tax Extension Limitation Law will have a significant impact on the revenues generated by the Garden Property Tax.

Budgets. The Society is required to submit its annual budget for approval by the District's Board of Commissioners. Garden Property Tax Revenues may be expended for purposes approved by the District. District approval is not required for specific expenditures. On November 7, 2007 the District's Board of Commissioners approved the Society's budget for 2008.

Other Provisions. The District Agreement provides that all property purchased by the Society with funds provided by the District shall be the property of the District, subject to certain exceptions. The District must approve any increases in the Garden's parking fees and must approve the imposition of any admission fee. The District Agreement also requires that the Society maintain public liability and property damage insurance for the Garden. **The Society is not responsible for debt service on the District's outstanding bonds.**

The Project: The Society intends to use the net proceeds of the Bonds to finance the costs related to the construction of a new Plant Conservation Science Center that will house world-class research facilities, which will be the first phase of a five-to-ten year initiative. The Daniel F. and Ada L. Rice Plant Conservation Science Center is part of a 15-acre science campus dedicated to plant and science conservation, located at the southeastern corner of the Garden, extending for a half mile north from Dundee Road to the current Lavin Plant Evaluation Garden. The Science Center will include a 38,000-square foot laboratory building and will allow the plant conservation science doctoral program to move forward, as well as provide the requisite space and upgraded equipment to attract, train, and retain new scientists. With the new facility, Garden scientists can expand their field studies in the areas of habitat fragmentation, species loss, and the interactions of soil and plants on climate change, and make important achievements in restoring and protecting important ecosystems. Environmental horticulture and plant production will be given the necessary space to expand to meet the needs and demands of sustaining an exquisite public garden. The Science Center will include seven laboratories, an herbarium, seed bank, teaching greenhouse and office and support space for scientists, students, interns and staff.

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT

Applicant: The Chicago Horticultural Society
Project names: Plant Conservation Science center Project
Location: 1000 Lake Cook Road, Glencoe, Cook County, IL 60022
Contact Person: Elizabeth Jung, Business Manager, (847) 835-5440
Organization: 501(c)(3) Corporation
State: Illinois
Board of Directors: List of Directors and Life Trustees attached for Board review.

THE CHICAGO HORTICULTURAL SOCIETY
BOARD OF DIRECTORS

<u>NAME</u>	<u>AFFILIATION</u>
William J. Hagenah, Chairman	Retired Sr. Vice President, Bank One
Alice Goltra	Civic Leader
Anne O. Scott	Civic Leader
Arthur M. Wood, Jr.	Senior Vice President, The Northern Trust Company
Barbara A. Lumpkin	Civic Leader
Barbara Whitney Carr	Retired President and CEO, Chicago Botanic Garden
Benjamin F. Lenhardt, Jr., Vice Chairman	Retired Chairman and CEO, UBS Global Asset Management – Americas
Bill Kurtis	President, Kurtis Productions
Caryn Harris	Civic Leader
Christopher A. Deveny	Managing Director, JP Morgan Private Bank
David Byron Smith	Retired, Illinois Tool Works
Donna LaPietra	Producer, Kurtis Productions
Dorothy H. Gardner	Civic Leader
Edward Hines	President, Edward Hines Lumber Company
Edward Minor	Chairman, Robinson Steel Company, Inc.
Ellis M. Goodman	Chairman, Allied District Properties Corporation
Gary P. Coughlan	Retired Chief Financial Officer, Abbott Laboratories
George A. Peinado	Managing Director, Madison Dearborn Partners
Homi B. Patel, Vice Chairman	Chairman and CEO, Hartmarx Corporation
Hon. Todd H. Stroger	President, Cook County Board of Commissioners
Howard J. Trienens	Partner, Sidley & Austin LLP
James J. Glasser, Vice Chairman	Retired Chairman and CEO, GATX Corporation
James W. DeYoung, Vice Chairman	Principal, Winston Partners Incorporated
Jane Irwin	Senior Vice President, Potash Corporation
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John D. Fornengo	Eckhardt Trading Company
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John L. Howard	Senior Vice President and General Counsel, W.W. Grainger, Inc.
John V. Crowe	Chairman, Transport Service Company
Joseph A. Gregoire	President & CEO – Illinois Banking, National City
Josephine P. Louis	Chairwoman, Eximious, Inc.
Kathleen Kelly Spear	Senior Vice President and Deputy General Counsel, Kraft Foods, Inc.
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Posy L. Krehbiel	Civic Leader
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Robert F. Finke	Partner, Mayer, Brown, Rowe and Maw LLP
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Thomas F. Aichele	Vice President, American Airlines
Timothy C. Coleman	Senior Managing Director, Dresner Investment Services
Todd E. Warnock	Founding Partner, Roundtable Healthcare Partners
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Florence S. Hart	Civic Leader
Francis C. Farwell II	Retired Principal, William Blair & Company L.L.C.
J. Melfort Campbell	Retired, Commercial Club of Chicago
John E. Preschlack	Chairman, JEPCOR, Inc.
Kent Chandler, Jr.	Attorney, Bell Jones & Quinlisk
Marilynn B. Alsdorf	President, Alsdorf International Ltd.
Mary Mix McDonald	Retired, Cook County Commissioner
Peter H. Merlin	Retired Attorney, Gardner Carton & Douglas
Ralph F. Fujimoto	Retired, Ernst & Young LLP
Ralph Thomas O'Neil	Retired, AMOCO
William P. Sutter	Retired, Hopkins & Sutter
William T. Bacon, Jr.	Retired, The Chicago Corporation

PROFESSIONAL & FINANCIAL

General Counsel:	Drinker Biddle & Reath LLP	Chicago, IL	Michael Csar
Accountant:	Blackman Kallick Bartelstein, LLP	Chicago, IL	
Bond Counsel:	Perkins Coie	Chicago, IL	William Corbin
Underwriter/ Placement Agent:	William Blair and Company	Chicago, IL	Thomas E. Lanctot
Underwriter's Counsel:	TBD		
LOC Bank Counsel:	TBD		
Issuer's Counsel:	Greenberg & Traurig, LLP	Chicago, IL	Matthew Lewin
Bond Trustee:	TBD		
Architect:	Booth Hansen	Chicago, IL	
Project Manager:	Brown & Associates	Lincolnwood, IL	
Construction Manager:	Featherstone, Inc.	Downers Grove, IL	
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

SERVICE AREA

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LEGISLATIVE DISTRICTS

Congressional:	10,	Mark Steven Kirk
State Senate:	29,	Susan Garrett
State House:	58,	Karen May

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 13, 2008**

Project: Chicago Symphony Orchestra

STATISTICS

Project Number:	N-NP-TE-CD-8029	Amount:	\$85,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton
County/Region:	Cook/Northeast	Location:	Chicago

BOARD ACTION

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

Changes from Preliminary: Revision of Sources and Uses of Funds; Refinement of Project Summary (p.2) to conform with project documents.

VOTING RECORD

Preliminary Bond Resolution, April 8, 2008:

Ayes: 10	Nays: 0	Abstentions: 0
Absent: 4 (Fuentes, Herrin, Talbott, Valenti)	Vacancies: 1	

Informational Disclosure -- Resolution approved for Mode Conversion for Cultural Institution Bond Issues at IFA's March 11, 2008 Board Meeting (included Chicago Symphony Orchestra):

Ayes: 11 (DeNard, Fuentes, Talbott by Phone)	Nays: 0	Abstentions: 0
Absent: 4 (O'Brien, Rice, Valenti, Verrett)	Vacancies: 0	

PURPOSE

The IFA Series 2008 Bond proceeds will be used to enable the Chicago Symphony Orchestra ("CSO") to refinance a Northern Trust Company Line of Credit that was used to refinance 100% of outstanding balance of IFA (IEFA) Series 2002 Chicago Symphony Orchestra Bonds. The IFA Series 2002 Bonds were AMBAC-insured and had been bearing interest in Auction Rate Mode. At the March 11, 2008 Board Meeting, the IFA Board approved a Resolution authorizing the CSO to convert its IFA (IEFA) Series 2002 Auction Rate Bonds to an Adjustable Rate Mode as of 3/19/2008. Upon conversion, CSO used a secured Line of Credit from the Northern Trust Company to purchase the IFA (IEFA) Series 2002 Bonds. The CSO then delivered the Series 2002 Bonds to the Trustee for cancellation.

The new IFA Series 2008 Bonds will refund the Northern Trust Bank Line of Credit. The IFA Series 2008 Bonds will be secured by a Direct Pay Letter of Credit from RBS Citizens, N.A. (The Royal Bank of Scotland PLC) and will be priced initially as 7-Day Variable Rate Demand Bonds.

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 at municipal bond interest rates. 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.

VOLUME CAP

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

JOBS

Current employment:	229	Projected new jobs:	Not applicable
Jobs retained:	Not applicable	Construction jobs:	Not applicable

ESTIMATED SOURCES AND USES OF FUNDS (PRELIMINARY, SUBJECT TO CHANGE)

Sources:	IFA Bonds	\$80,625,000	Uses:	Refunding	\$80,625,000
	Fundraising/Cash	<u>1,600,000</u>		*Conversion costs and	
				Issuance Costs	<u>1,600,000</u>
	Total	<u>\$81,215,000</u>		Total	<u>\$81,215,000</u>

*Conversion costs represent costs of converting the IFA (IEFA) Series 2002 Bonds from Auction Rate Mode. A portion of these costs may be eligible to be financed with bond proceeds under the Internal Revenue Code.

FINANCING SUMMARY

Structure/
 Security: The Bonds will be sold in Variable Rate Mode and will be secured and rated solely based on a Direct Pay Letter of Credit to be provided by RBS Citizens, N.A./The Royal Bank of Scotland (its Illinois affiliate is Charter One Bank). Bondholders will be secured solely by this Bank LOC.

Bond/ LOC
 Bank Ratings: RBS Citizens, N.A. is an affiliate of The Royal Bank of Scotland PLC. The Royal Bank of Scotland PLC currently has long-term Ratings of Aaa/AA/AA+ and short-term ratings of VMIG-1/A-1+/F1+ from Moody's/S&P/Fitch. (The short-term ratings will be the pertinent ratings upon initial sale in 7-day floating rate mode.)

Underlying
 Rating: Chicago Symphony Orchestra currently has an underlying long-term rating of A3 (Moody's) with a positive outlook. CSO is requesting an updated Issuer Rating from Moody's in connection with the proposed refunding (due to backlog at Moody's, rating may not be affirmed until early May).

Maturity:
 Estimated 30 years (preliminary, subject to change)

Interest Rates: Although the bond documents will permit multiple modes, Morgan Stanley expects to sell the Bonds initially as 7-Day Variable Rate Demand Bonds ("7-Day VRDN's"). The most recent 7-day SIFMA municipal swap rate was 2.10% as of 4/16/2008.

Timing: Estimated closing date: May 2008

Rationale: The proposed Refunding Bonds will enable CSO to refinance an existing Northern Trust Line of Credit with a Royal Bank of Scotland Direct Pay LOC that will secure 7-Day VRDN's and enable the CSO to borrow at tax-exempt rates.

PROJECT SUMMARY (for IFA Bond Resolution)

Bond proceeds will be used by the Chicago Symphony Orchestra (the "Borrower"), together with other funds of the Borrower (i) to refinance a secured lined of credit from the Northern Trust Company that was used to refinance the IFA (IEFA) Series 2002 Revenue Refunding Bonds, and (ii) pay certain costs relating to the conversion and cancellation of the Series 2002 Bonds and the issuance of the IFA Series 2008 Bonds. The IFA (IEFA) Series 2002 Bonds current refunded 100% of the outstanding principal balance of IFA (IDFA) Series 1996 Bonds, the proceeds of which were used to finance, refinance or reimburse itself for certain of the costs of acquiring, constructing, remodeling, renovating, and equipping certain facilities located at Symphony Center, 220 S. Michigan Avenue, Chicago (Cook County), IL 60604-2559. Additionally, proceeds of the IFA (IDFA) Series 1996 Bonds were used to (i) pay interest on the Series 1996 Bonds, and (ii) pay costs of issuance on the Bonds, including the cost of credit or liquidity enhancement, if any (the "Project").

BUSINESS SUMMARY

Background: Chicago Symphony Orchestra (“CSO” or the “Borrower”) is a 501(c)(3) organization originally incorporated under Illinois law in 1890. The CSO is governed by an independent Board of Trustees (see pages 4-5 for listing).

Description: The CSO’s mission is to sustain the highest artistic quality in its music programs; to develop and sustain a strong and diverse audience base; and to increase the awareness and enjoyment of music in the life of the greater Chicago community.

This mission is accomplished through the annual activities of the CSO’s symphonic orchestra (the “Orchestra”), which is currently in its 117th season. The Orchestra performs over 100 concerts annually from September through June at its principal performance space -- Orchestra Hall at Symphony Center at 220 S. Michigan Ave. -- and during its summer season at the Ravinia Festival in Highland Park. The Orchestra has release many best-selling recordings and frequently tours worldwide. Members of the Orchestra are also active participants in educational and community programs, both at Orchestra Hall and in Chicago’s neighborhoods.

In addition to the Orchestra, the CSO also achieves its mission through its management of (1) the Civic Orchestra of Chicago (founded in 1919 as a training orchestra for young, pre-professional musicians), (2) the Chicago Symphony Chorus (founded in 1957), and (3) the Symphony Center Presents (“SCP”) concert series (established in 1930).

Integral to CSO’s activities is its facility – the Orchestra Center at Symphony Center. Orchestra Hall was completed in 1904 and was the first permanent performance hall owned by any major United States orchestra. In addition to providing performance space for the Orchestra, the Hall also hosts a variety of recitals, jazz concerts, lectures, films, and meetings.

In 1996, the CSO issued \$80,650,000 of Bonds through IFA (IDFA) that were used to finance a complete renovation and expansion of the facilities of Orchestra Hall to create Symphony Center, a music complex featuring new rehearsal and performance spaces, a multi-story arcade with a sky-lit atrium, new administrative offices, a restored and acoustically renovated Orchestra Hall, as well as renovated commercial space. Orchestra Hall’s auditorium seats 2,522. Approximately 400,000 tickets were sold for events at Symphony Center during the 2006-2007 season.

In addition to the IFA (IEFA) Series 2002 Bonds, the CSO also has two prior series of Bonds outstanding totaling \$63,400,000 as of 6/30/2007 (comprised of \$50,000,000 IFA (IDFA) Series 1994 Bonds and \$13,400,000 IFA (IDFA) Series 1999 Bonds). All bondholder payments relating to all three Prior Bond Issues were current as of 3/1/2008.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Chicago Symphony Orchestra, 220 S. Michigan Ave., Chicago, IL 60604
Web site: www.cso.org
Contact: Isabelle C. Goossen, Vice President for Finance and Administration, Ph.: 312-294-3301; e-mail: GoossenI@cso.org
Project name: IFA Series 2008 Revenue Refunding Bonds (Chicago Symphony Orchestra Project)
Location: 220 S. Michigan Ave., Chicago (Cook County), IL 60604-2559
Organization: Illinois 501(c)(3) Corporation
Board Membership: *See attached list of Board of Trustees (pp. 4-5).*
Current Land Owner: This is a refinancing. The CSO currently owns the facilities originally financed with the proposed IFA Series 2008 Revenue Refunding Bonds.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Mayer Brown LLP	Chicago, IL	Joanna Horsnail
Auditor:	McGladrey & Pullen, LLP	Chicago, IL	Beverly Tomasiewicz
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke
Financial Advisor:	Prager Sealy & Co., LLC	New York, NY	Linda Fan
LOC Bank:	RBS Citizens, N.A. (Royal Bank of Scotland)	Chicago, IL	Lucy Czyz
LOC Bank Counsel:	Chapman and Cutler LLP	Chicago, IL	Carol Thompson
Underwriter:	Morgan Stanley	Chicago, IL	Bill Mack
Underwriter's Counsel:	Ungaretti & Harris LLP	Chicago, IL	Ray Fricke
Trustee:	Bank of New York Trust Company	Chicago, IL	Mietka Collins
Trustee's Counsel:	Bank of New York Mellon, N.A.	Chicago, IL	John Prendiville
General Contractor:	Not applicable		
Architect:	Not applicable		
Rating Agency:	Moody's Investors Service	New York, NY	
IFA Counsel:	Schiff Hardin LLP	Chicago, IL	Bruce Weisenthal
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	7 Danny K. Davis
State Senate:	13 Kwame Raoul
State House:	26 Elga L. Jeffries

Chicago Symphony Orchestra: Board of Trustees

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**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 13, 2008**

Project: Marwen Foundation, Inc.

STATISTICS

Project Number:	N-NP-TE-CD-8048	Amount:	\$6,000,000
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton
County/Region:	Cook/Northeast	Location:	Chicago

BOARD ACTION

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

Changes from Preliminary: Selection of Bond Trustee; refinement of Project Summary (p. 2) and final terms.

VOTING RECORD

Preliminary Bond Resolution, April 8, 2008:

Ayes: 10	Nays: 0	Abstentions: 0
Absent: 4 (Fuentes, Herrin, Talbott, Valenti)	Vacancies: 1	

PURPOSE

Acquisition of two additional floors of condominium space (and proportional common elements including basement space and parking) where Marwen is located, thereby enabling Marwen to remain at its current location long-term. Upon issuance of the subject Bonds, Marwen Foundation would own 100% of the subject building. Bond proceeds will also be used to renovate and equip space throughout the building located at 833 N. Orleans in Chicago. (Marwen currently owns 50% of the building – including floors 1-2, as well as 50% of the basement and parking lot.) Finally, Bond proceeds will also be used to restructure Marwen's existing \$2,200,000 IFA (IEFA) Series 1999 Bonds to extend the final maturity date from 2019 to 2038. (The Refunding Bonds will continue bearing interest in 7-Day Variable Rate Mode.)

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 at municipal bond interest rates. 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.

VOLUME CAP

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

JOBS

Current employment: 23	Projected new jobs: 6
Jobs retained: Not applicable	Construction jobs: 5-10 (1-2 months)

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$2,925,000	Uses:	Project Costs	\$2,885,000
	IFA Refunding Bonds	2,200,000		Refunding Escrow	2,200,000
	Fundraising/Cash	<u>90,000</u>		Issuance Costs	<u>130,000</u>
	Total	<u>\$5,215,000</u>		Total	<u>\$5,215,000</u>

FINANCING SUMMARY

Structure: Although the bond documents will be drafted to provide Marwen with the flexibility to select from several interest rate modes (i.e., daily, weekly, adjustable, and fixed), Banc of America Securities, LLC (the "Underwriter") expects to sell the Bonds initially in Weekly Variable Rate Mode secured and rated solely based on a Direct Pay Letter of Credit to be provided by Bank of America (the "Bank"). Marwen Foundation has yet to request assignment of its own underlying credit ratings (and does not anticipate doing so for the subject bond issue). Bank of America's Senior Long-Term Debt was rated "Aaa/AA+/AA" and short-term debt was rated "VMIG1/A-1+/F1+" by Moody's/S&P/Fitch as of 4/16/2008. The subject bonds will be rated by Moody's.

**Security/
Collateral:** Bondholders will be secured by a Direct Pay Letter of Credit from Bank of America. The Bank, in turn, will be secured by a first mortgage on the subject real estate and by a blanket first security interest in all presently owned and subsequently acquired equipment and on all receivables and inventory. (The Bank will be secured by a first mortgage on the subject real estate.)

Maturity: 30 years

**Estimated
Interest Rates:/
Modes** Although the bond documents will permit multiple modes, Banc of America Securities, LLC, expects to sell the Bonds initially as 7-Day Variable Rate Demand Bonds ("7-Day VRDN's"). The most recent SIFMA 7-day municipal swap index rate was 2.10% as of 4/16/2008.

Timing: Estimated closing date: May 21, 2008 (due to real estate closing)

Rationale: The acquisition, renovation, and equipping of the remaining space in the condominium building will enable Marwen to expand its Teacher Education Program (Visual Arts) for classroom teachers in Chicago, consistent with its strategic planning objectives. Additionally, this financing will enable Marwen to remain at its current location long-term.

PROJECT SUMMARY (for IFA Final Bond Resolution)

Bond proceeds will be used by the Marwen Foundation, Inc. (the "Borrower"), together with other funds of the Borrower to (i) finance the costs of acquiring the 3rd Floor and 4th Floor, 50% of the basement, 50% of the parking lot (and a 50% interest in all other common and limited common elements) of a four-story (plus basement) building located at 833 N. Orleans St., Chicago (Cook County), IL 60610, (2) finance the costs of constructing, installing, and equipping certain facilities, including costs to renovate the third floor, and costs to furnish and equip staff offices and conference room facilities, (3) refinance 100% of the outstanding principal amount of IFA (IEFA) ACI/Cultural Pooled Financing Program Series 1999 Bonds (Marwen Foundation, Inc. Project), the proceeds of which were originally used by the Borrower to purchase, build-out, and equip the 1st Floor and 2nd Floor, 50% of the basement, 50% of the parking lot (and a 50% interest in all other common and limited common elements), and (4) pay costs of issuance on the Bonds, including the costs of credit or liquidity enhancement (and collectively, the "Project").

Estimated project costs include:

Acquisition of 3 rd & 4 th Floor of 833 N. Orleans St.:	\$2,350,000
Renovations/Rehab.:	329,000
Furniture, Equipment, Fixtures	100,000
Real Estate Acq. Costs (appraisal, inspections, legal, etc.)	<u>106,000</u>
Total:	\$2,885,000

BUSINESS SUMMARY

Background: Marwen Foundation, Inc. (“Marwen”, the “Borrower”, or the “Organization”) is a 501(c)(3) organization incorporated under Illinois law in 1987. Marwen’s mission is to provide free, high quality visual arts education, college planning, and career development programs to the underserved youth of Chicago in grades 6-12. Marwen does not have any significant income that is subject to unrelated business income taxes. (See list of Board of Directors on Page 5.)

Description: Marwen was established in 1987 by Steven Berkowitz, a Chicago entrepreneur and art collector. Mr. Berkowitz’ vision was for all Chicago youth to have access to the kind of opportunities that his daughters had experienced as adolescents. By 1999, Marwen’s programs had outgrown the original single studio space and a \$2.9 million capital campaign was launched to purchase and renovate portions of a nearby building. In January 2000, Marwen officially relocated to its current, six studio space at 833 N. Orleans St., comprising 15,000 SF. The Foundation has been managed by Executive Director Antonia Contro since 1993 and its administrative affairs have been managed by Darlene Dies, Director of Finance and Administration, since 2005.

Marwen provides students in grades 6-12 throughout Chicago with access to its fine arts programs. In 2007, Marwen served 2066 students from over 200 schools, 57 parents, 218 teachers, 217 alumni, and 1,616 friends and family members.

Marwen operations are currently located in two floors of a four-story condominium building. Marwen’s operations current occupy approximately 15,000 SF of the condominium building and also provide workshop/classroom, exhibition, and office space, including six (6) fully equipped studios.

Marwen offers both after-school and weekend courses, workshops, exhibitions, employment opportunities, and college and career counseling. Marwen’s courses are taught by professional artists, architects, designers, and experts in technology. Course offerings include oil painting, figure drawing, sculpture, ceramics, documentary photography, and cartoon animation.

Marwen’s curriculum moves students through a series of progressively challenging programs, developing sophisticated communication, critical thinking, and interpretive skills. According to Marwen’s management, nearly every student participating in Marwen’s college planning program makes the transition from high school to college with scholarships or financial aid commitments.

Marwen’s programs are offered free of charge. Marwen is primarily funded from contributions and grants from individuals, corporations, and foundations. Key Marwen corporate and foundation contributors have included: Unilever, The Polk Bros. Foundation, the Surdna Foundation, The Wallace Foundation, LaSalle Bank (Bank of America), U.S. Cellular, The Gap Foundation, and the Northern Trust Company. Marwen has also received grants from (1) the National Endowment of the Arts, (2) the Illinois Arts Council, and (3) The City of Chicago’s Department of Cultural Affairs. Marwen has been recognized with a “Coming up Taller Award” from the President’s Committee on the Arts & Humanities.

The proposed expansion will enable Marwen to expand its existing programs that train public school teachers (and teaching artists) thereby furthering the profession of visual arts education. Marwen anticipates expanding these offerings gradually over the next five years.

Marwen previously borrowed through the IFA (IEFA) as a member of the Associated Colleges of Illinois (“ACI”) Cultural Pooled Financing Program. Marwen borrowed \$2.2 million of proceeds that were used to finance a portion of the acquisition, build-out, renovation, and equipping of its current facility located at 833 N. Orleans St. in Chicago.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Marwen Foundation, Inc., 833 N. Orleans St., Chicago, IL 60610-3171; Ph.: 312-944-2418;
Fax: 312-944-6696

Web site: www.marwen.org

Contact: Ms. Darlene Dies, Director – Finance and Administration, 833 North Orleans St., Chicago, IL
60610-3171; Ph.: 312-944-2418 (ext. 253); Email: dgdies@marwen.org

Project name: IFA Series 2008 Bonds (Marwen Foundation, Inc. Project)

Location: 833 N. Orleans St., Chicago, IL 60610

Organization: Illinois 501(c)(3) Corporation

Board Membership: *See list of Board of Directors (p. 5).*

Current Land Owner: Crilly Court Trust, Aldine Trust, and Schenectady Trust
c/o Alan Levy, The Belgravia Group, Ltd.
833 N. Orleans St., Suite 400
Chicago, IL 60610
Ph.: 312-751-2777

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Sonnenschein Nath & Rosenthal LLP	Chicago, IL	Steve Gray
Auditor:	McGladrey & Pullen, LLP	Chicago, IL	
Bond Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Janet Hoffman
LOC Bank:	Bank of America	Chicago, IL	Greg Mojica
LOC Bank Counsel:	Chapman and Cutler LLP	Chicago, IL	Bill Hunter
Underwriter:	Banc of America Securities, LLC	Chicago, IL	Michelle Salomon, Jason Bormann
Underwriter's Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Elizabeth Weber
Trustee:	Amalgamated Bank of Chicago	Chicago, IL	Donna Howard
General Contractor:	To be engaged post-closing		
Architect:	Gennsler Chicago	Chicago, IL	Mark Spencer
Rating Agency:	Moody's Investors Service	New York, NY	
IFA Counsel:	Ice Miller, LLP	Chicago, IL	Jim Snyder, Anna-Lisa Miller
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

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

Marwen Foundation, Inc.: Board of Directors

Chairman of the Board of Directors: Leif L. Selkregg
Bryan S. Traubert, President

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Kimberly Taylor-Smith
Andrew Weimer
David Weinberg
Jim Wicks
Hilary Wolfe
Karen Zelden

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 13, 2008**

Project: Village of Harmon

STATISTICS

Project Number:L-GP-MO-8078	Amount: \$315,000 (not to exceed)
Type: Local Government Pooled Bond Program	IFA Staff: Kristi Conrad / Eric Watson
County/Region: Lee / Northwest	City: Harmon, Illinois

BOARD ACTION

Final Bond Resolution
No IFA Funds contributed
Staff recommends approval
Closing is conditional based on rate increase

VOTING RECORD

No prior voting record.

PURPOSE

Funds will be utilized towards purchasing a water tower and refunding a bank loan that was used for water infrastructure purposes.

IFA PROGRAM AND CONTRIBUTION

IFA's Local Government Pooled Bond Program combines the needs of more than one unit of local government into a pooled bond issue, with the IFA serving as the financing conduit. The pooling process allows local governments to realize savings by sharing fixed costs and achieving economies of scale. In addition, the issues are supported by the "moral obligation" of the State of Illinois. This, coupled with the bonds double-tax exemption offers participants a lower overall borrowing rate.

JOBS

Current employment: 10 (part-time)	Projected new jobs:
Jobs retained:	Construction jobs:

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA Bonds	\$315,000	Uses: Water Improvements	\$ 200,000
			Refund Bank Loan	100,000
			Underwriter Fee	5,355
			IFA Fee	790
			Local Bond Counsel	3,500
			Other	5,355
Total		<u>\$ 315,000</u>	Total	<u>\$ 315,000</u>

FINANCING SUMMARY/STRUCTURE

The Bonds: The bonds will be Alternate Revenue Bonds, with the Water Systems's net revenues pledged as the primary revenue source. In the event that the net revenues are insufficient to pay principal and interest on the bonds, the Village has committed to collect ad valorem property taxes levied to pay debt service on the bonds. The Village must document that the primary revenues are sufficient to provide 1.25 times debt service coverage on the bonds in order to pledge ad valorem property taxes to repay the bonds without passing a voter referendum to do so. The Village will pass a "backdoor

referendum” authorizing issuance of the bonds unless a sufficient number of voters petition to require referendum approval. In the event that there are not adequate funds for debt service payment, the City will pledge its interceptable state revenues (State Income Tax, State Sales Tax, State Replacement Tax, and Motor Fuel Tax).

Collateral: The bonds are general obligations of the Village and are payable from (i) net revenues of the Water System and (ii) ad valorem property taxes levied against all of the taxable property in the City without limitation as to rate or amount. The bonds will also be secured by the City’s interceptable State revenues.

Structure: Principal is expected to be due on February 1, beginning in 2009 with a final maturity in 2038. Interest will be fixed rate and payable each August 1 and February 1, beginning August 1, 2008. The bonds are subject to redemption prior to maturity.

Credit Enhancement: Moral Obligation

Maturity: 30 years

Estimated Closing: Spring/Summer 2008

PROJECT SUMMARY

The Village of Harmon had not addressed water infrastructure needs nor accompanying water rates for many years. During the past two years, the community was identified by the Illinois Environmental Protection Agency as having unsafe water (due to radon exposure). The Village was directed to correct the problem, or face penalties imposed by the Illinois agency. Harmon wisely chose to complete a new building, water treatment plant and water tower.

In addition, The Village secured a Community Development Assistance Program (CDAP) Grant from the Department of Commerce and Economic Opportunity in order to fund portions of the project. A majority of the CDAP funds were to be used towards the construction of a new water tower. To date, the tower has not been constructed and the Village will be forced to return grant funds if they are not used for the intended purpose. The Village has decided it is more beneficial to the community to continue with the water tower (and utilize the CDAP funds) and finance (via the IFA) the remaining costs of the project.

IFA financed debt will be utilized to refund approximately \$100,000 of an existing bank loan (that financed the new building) and to fund \$200,000 of the water tower project.

Funding for this project is imperative.

BUSINESS SUMMARY

The Village of Harmon, located in Lee County, covers a geographical area of 0.1 square miles. The community is approximately 80 miles northeast of the Quad Cities and has a population of 149 (as of the 2000 census).

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Village of Harmon
Project Location: PO Box 119, Harmon, IL 61042
Borrower: Illinois Municipality
Mayor: Jeff Morehead

Underwriter:	Wachovia (formerly AG Edwards)	St Louis, MO	Anne Noble
	Ramirez and Company	Chicago, IL	
IFA Pool Counsel	Chapman & Cutler	Chicago, IL	Chuck Jarik
Local Bond Counsel:	Chapman & Cutler	Chicago, IL	Glenn Weinstein
Issuers Counsel:	Law Offices of Kevin Cahill	Chicago	Kevin Cahill
Trustee:	US Bank	St. Louis, MO	Brian Kabbes
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 14th – Bill Foster
State Senate: 45th – Tim Bivens
State House: 90th – Jerry L. Mitchell

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 13, 2008

Project: Adams County Water District

STATISTICS

Number:	L-GP-6242	Amount:	\$205,000 (not to exceed)
Type:	Local Government Pooled Bond Program		
County / Region:	Adams / West Central	IFA Staff:	Eric Watson

BOARD ACTION

Final Resolution
No IFA funds contributed
Staff recommends approval subject to execution of an Escrow Agreement with a bank.

VOTING RECORD

This project was approved by the Board of Directors for an IFA interim loan at the December 2006 meeting.

The December, 2006 voting record was:
10 ayes, 0 nays, 0 abstentions

PURPOSE

To provide long term funding of the IFA interim financing that was used to purchase land for a new Regional Sanitary Sewer System that will be completed in December 2008.

IFA CONTRIBUTION

IFA's Local Government Pooled Bond Program combines the needs of more than one unit of local government into a pooled bond issue, with the IFA serving as the financing conduit. The pooling process allows local governments to realize savings by sharing fixed costs and achieving economies of scale. In addition, the issues are supported by the "moral obligation" of the State of Illinois. This, coupled with the bonds double-tax exemption offers participants a lower overall borrowing rate.

The IFA's Board approved Adams County for the Local Government Interim Loan Program in December, 2006. On December 18, 2006, the IFA directly purchased the \$173,000 of the Water District' Revenue Bonds. The IFA's direct bond purchase, or "interim loan" will be refunded from the proceeds of the pooled bond issue.

JOBS

Current employment: 0	Projected new jobs: 0
Jobs retained: 0	Construction jobs: 0

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$205,000	Uses:	IFA Interim Bonds Refunded	173,000
	Wastewater Infrastructure			Construction / Engineering/ Renov	4,431,000
	Revolving Loan	1,448,815		Equipment	250,000
	Unsewered Comm Grant,			Working Capital – Contingency	162,500
	IL First Grant, CDAP	<u>3,394,685</u>		Underwriter	3,485
				IFA Fee	515
				Local Bond Counsel	4,000
				Capitalized Interest	14,000
				Other Costs of Issue	10,000
Total		<u>\$5,048,500</u>	Total		<u>\$5,048,500</u>

FINANCING SUMMARY

- The Bonds:** The Bonds will be Revenue Bonds, with the District's net revenues from its Water / Sewer System pledged as the primary revenue source. As part of their bond ordinance, the District must document that the System's net revenues are sufficient to provide 1.25 times debt service coverage on the bonds. If coverage is not met, the District will take necessary steps (i.e. by raising rates or cutting operating expenditures) to ensure coverage.
- Structure:** Principal is expected to be due on February 1, beginning in 2009 with a final maturity in 2028. Interest will be fixed rate and payable each August 1 and February 1, beginning February 1, 2009. The bonds have a ten-year call date.
- Escrow Agreement:** Adams County Water District will enter into an escrow agreement with a bank (escrow agent) wherein the District will deposit funds sufficient to pay principal and interest on the Bonds coming due. Moneys in the Escrow Account would be used solely for the purpose of paying principal and interest on the bonds.
- Credit Enhancement:** Moral Obligation
- Maturity:** 20 years
- Estimated Closing:** Summer 2008

PROJECT SUMMARY

Adams County Water District was provided an interim loan to (i) purchase land on which a new sewer system will be constructed and certain costs associated with the issuance of the Local Government Securities and the Bonds. The IFA provided the interim loan under the assumption that if the plant was constructed, the interim loan would be replaced with long term financing through the Pooled Bond Program. The plant is under construction and is expected to have a completion date of December 2008. However, revenues will start to be generated by partial start-up of the system in August 2008.

The project consists of construction of Regional Sanitary Sewer System to serve the rural communities of Coatsburg, Columbus, Fowler, and Paloma and included the purchase of 40 acres for a lagoon site and construction of gravity flow mains and force mains.

The new system will address current public health concerns. The aforementioned four communities share a common problem with safe disposal of domestic waste water. The current private waste disposal systems are ineffective due to the native soil characteristics, high groundwater table and small lot sizes.

In February 2008, officials of the Adams County Water District contacted IFA to delay their initial payment of approximately \$15,000 (a \$5,000 in principal payment and \$9,700 in an interest payment) on the interim loan. Although monies could be made available to make payment by cashing in their CD's, the District indicated that doing so could provide the potential for budgetary hardship and exhaust their rainy day/emergency need funds.

IFA staff agreed to allow the District to delay payment and move forward to participate in the Pooled Bond Program. The District has requested that the initial payment that was due to be included in the amount being requested. Monies from the Pooled Bond issue will be utilized to pay-off the IFA interim loan and cost of issue.

BUSINESS SUMMARY

In March of 2002, Honey Creek Township officials held a public meeting to discuss the possibility of seeking financial assistance for the design and construction of a public sanitary sewer system for the Paloma community. Township officials decided to apply for (and received) a CDAP planning grant to study the feasibility of construction of a public wastewater collection and treatment system. In addition, residents of the nearby communities of

Coatsburg, Columbus and Fowler had similar problems with their on-site sewage disposal systems. Due to the overwhelming response from residents outside of Paloma, Honey Creek Township decided to evaluate a regional sanitary district as a solution not only for the residents of Paloma, but also for the four communities as a whole.

The communities of Fowler and Paloma and the villages of Coatsburg and Columbus are located in the central part of Adams County, Illinois. The community of Paloma and the Village of Coatsburg are located in the southeastern portion of Honey Creek Township.

Currently, each building within the District is served by a private waste disposal system for the treatment of sanitary sewage. The majority of the systems consist of a septic tank that drains to a leach field. Considering the density of the housing units in these communities, problems with any of the on-site systems could be detrimental to a sizable fraction of the population. Since roughly 55% of the housing was constructed prior to 1960, it is likely that many of the existing private waste disposal systems were installed in a manner that do not meet current accepted practices. While individual septic tanks clearly provide reliable primary treatment of wastes, disposal of septic tank effluent is difficult in these communities:

- Due to the small lots, poor soil conditions and seasonally high water tables, the use of subsurface seepage fields or beds for disposal of septic tank effluent is not effective;
- The size of the residential lots precludes surface discharges; and
- There are no surface waters of sufficient size or flow to accept septic tank effluent.

Project: The proposed project consists of construction of Regional Sanitary Sewer System to serve the rural communities of Coatsburg, Columbus, Fowler, and Paloma and includes the purchase of 40 acres for a lagoon site and construction of gravity flow mains and force mains.

The new system will address current public health concerns. The aforementioned four communities share a common problem with safe disposal of domestic waste water. The current private waste disposal systems are ineffective due to the native soil characteristics, high groundwater table and small lot sizes.

Adams County Water District utilized the IFA interim funds to purchase additional land where the sewer system will be located. Funding from this Pooled Bond issue will be utilized to repay the IFA and the interim loan.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Adams County Water District
Project names: Adams County Water District
Location: 1804 E. 1650th Street, Paloma, IL 62359-2015
Organization: Illinois Water District
Chairman: David Whitler

PROFESSIONAL & FINANCIAL

Underwriter:	Wachovia (formerly AG Edwards) Ramirez and Company	St Louis, MO Chicago, IL	Anne Noble
Underwriter Counsel:	Bell Boyd & Lloyd	Chicago, IL	
Local Bond Counsel:	Evans, Froehlich, Beth & Chamley	Champaign, IL	Kurt Froehlich
IFA Pooled Bond Counsel	Chapman & Cutler, LLP	Chicago	Chuck Jarik
Issuers Counsel:	Law Offices of Kevin Cahill	Chicago	Kevin Cahill
Trustee:	US Bank	St. Louis, MO	Brian Kabbes
IFA Financial Advisors:	D.A. Davidson & Co. Scott Balice Strategies, Inc.	Chicago Chicago	Bill Morris Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 18th Ray LaHood
State Senate: 47th John M. Sullivan
State House: 93rd Jil Tracy

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 13, 2008**

Project: Local Government 2008 A Pool

STATISTICS

Project Number: L-G-MO-8081	Amount: \$4,200,000 (not to exceed)
Type: Local Government Pooled Bond Program	IFA Staff: Eric Watson and Kristi Conrad
Counties/Regions:	Cities:
Macoupin / Central	Village of Bunker Hill, Central Macoupin County Water District
McLean/North Central	Village of Cooksville
Randolph / Southwestern	Village of Coulterville
Lee / Northwest	Village of Harmon
Green / Central	Village of Kane
Peoria / North Central	Village of Kingston Mines
Franklin / Southern	Village of Thompsonville
Adams / West Central	Adams County Rural Water District

BOARD ACTION

Final Bond Resolution to purchase bonds in the amount not to exceed from the following communities:

Village of Bunker Hill
Central Macoupin County Water District
Village of Cooksville
Village of Coulterville
Village of Harmon
Village of Kane
Village of Kingston Mines
Village of Thompsonville
Adams County Rural Water District
No extraordinary conditions
Local Government Pooled Bond
Staff recommends approval

Board approval is subject to all local approvals including resolutions, backdoor referendum, debt service levies, escrow agreements, intercept agreements and any other local approvals required.

VOTING RECORD

The following entities were approved by the Board on an individual basis on June 12, 2007:

- Village of Thompsonville

The following entities were approved by the Board on an individual basis on February 12, 2008:

- Village of Kane

The following entities were approved by the Board on an individual basis on March 11, 2008

- Village of Cooksville
- Central Macoupin County Rural Water District
- Village of Coulterville
- Village of Kingston Mines

The following entities were approved by the Board on an individual basis on April 8, 2008

- Village of Bunker Hill

The following entities are presented and are contingent upon approval by the Board on an individual basis on May 13, 2008

- Village of Harmon
- Adams County Rural Water District

This is the first time the 2008 A pool has been presented to the Board in its entirety.

PURPOSE

IFA's Local Government Pooled Bond Program combines the needs of more than one unit of local government into a pooled bond issue, with the IFA serving as the financing conduit. The pooling process allows local governments to realize savings by sharing fixed costs and achieving economies of scale. In addition, the issues are supported by the "moral obligation" of the State of Illinois. This, coupled with the bonds double-tax exemption offers participants an lower overall borrowing rate. **Subject to appropriate security being provided by the borrower. Subject to Moral Obligation of the State of Illinois.**

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$4,200,000	Uses: Project Amounts	3,570,000
	IFA equity contribution	<u>100,000</u>	IFA Non Asset Bond (for GIC)	400,000
			IFA Equity Contribution (for GIC)	100,000
			Underwriter's Discount	72,000
			Local Bond Counsel	80,000
			Issuers Counsel	4,750
			Pooled Bond Counsel	16,500
			Other Fees	45,750
			IFA Fee	<u>11,000</u>
	Total	<u>\$4,300,000</u>	Total	<u>\$4,300,000</u>

*In addition, we are requesting a debt service reserve contribution, not to exceed \$100,000. This will be combined with IFA issued non asset bonds (not to exceed \$400,000) that will be used to secure a Guaranteed Investment Contract (GIC). This investment mechanism serves to fund a debt service reserve, which has historically served as security for local government pooled issues since 1990. The equity contribution will come from the \$2.5 million that was transferred from the Illinois Rural Bond Bank to the IFA and is designated for local government purposes. Further explanation is provided below in the "Security" section of the Board Write-up.

FINANCING SUMMARY

The Bonds: As a conduit, the IFA Bonds will be Revenue Bonds. The underlying bonds issued by the local government participants will be the following:

Borrower	Amount	Bonds	Security	Project
Village of Bunker Hill	\$450,000	Alternate Revenue Bonds	Intercept Agreement	Water Infrastructure
Central Macoupin County Water District	\$280,000	Revenue Bonds	Escrow Agreement	Water Infrastructure
Village of Cooksville	\$350,000	Alternate Revenue Bonds	Intercept Agreement	Water Infrastructure
Village of Coulterville	\$1,075,000 *\$689,000 of issue is refunding debt	Alternate Revenue Bonds	Intercept Agreement	Water Infrastructure / Refunding Bonds
Village of Harmon	\$315,000	Alternate Revenue Bonds	Intercept Agreement	Water Infrastructure
Village of Kane	\$550,000	Alternate Revenue Bonds	Intercept Agreement	Water Infrastructure
Village of Kingston Mines	\$235,000	Alternate Revenue Bonds	Intercept Agreement	Water Infrastructure
Village of Thompsonville	\$285,000 * entire project is refunding debt	Alternate Revenue Bonds	Intercept Agreement	Refunding Sewer System Revenue Bonds
Adams County Rural Water Dist	\$205,000	Revenue Bonds	Escrow Agreement	Land
Non Asset Bonds	\$400,000	Revenue Bonds		To fund debt service reserve fund

- Note 1: debt will not be refunded if market conditions are not favorable for community savings.

Security: The security is dependent upon the underlying debt issued and is reflected in the following:

Alternate Revenue Bonds - The bonds will be Alternate Revenue Bonds, with the borrower's net revenues from the pledged fund as the primary revenue source. In the event that the net revenues are insufficient to pay principal and interest on the bonds, the borrower has committed to collect ad valorem property taxes levied to pay debt service on the bonds. The borrower must document that the primary revenues are sufficient to provide 1.25 times debt service coverage on the bonds in order to pledge ad valorem property taxes to repay the bonds without passing a voter referendum to do so. The borrower will pass a "backdoor referendum" authorizing issuance of the bonds unless a sufficient number of voters petition the Board of Trustees to require referendum approval. In the event that there are not adequate funds for debt service

payment, the borrower will pledge its interceptable state revenues (State Income Tax, State Sales Tax, State Replacement Tax, and Motor Fuel Tax).

Revenue Bonds – The Bonds will be Revenue Bonds, with the District’s net revenues from its Water System pledged as the primary revenue source. As part of their bond ordinance, the District must document that the System’s net revenues are sufficient to provide 1.25 times debt service coverage on the bonds. If coverage is not met, the District will take necessary steps (i.e. by raising rates or cutting operating expenditures) to ensure coverage.

Central Macoupin County Rural Water District and Adams County Rural Water District will enter into an escrow agreement with a bank (escrow agent) wherein the Districts will deposit funds sufficient to pay principal and interest on the Bonds coming due. Moneys in the Escrow Account would be used solely for the purpose of paying principal and interest on the bonds.

Non Asset Bonds – Since the inception of the Illinois Rural Bond Bank (IRBB) in 1990, additional security was provided to local government pools by the IRBB via funding of a debt service reserve (DSR). The DSR provides security for all pools issued in totality, not for each pool individually. To date, the reserve is valued at an amount exceeding \$8.8 million (\$8 million in IRBB / IFA non asset bond issuance and \$800,000 of equity contributions). The DSR must be adequately funded so as to be able to fully fund annual debt service (of all pools issued to date).

The DSR must meet a two-pronged test: 1) the DSR must be at least 10% of the total par amount outstanding (in the pooled bond program) and 2) the DSR must meet the annual maximum debt service outstanding for the combined pools (issued since 1990). Currently, the DSR must be funded upon the 2008 A issue, due to the fact that it will not meet criteria 2).

In order to fund the DSR, non-asset bonds in combination with an equity contribution are used to purchase a Guaranteed Investment Contract (GIC). Interest earned from the GICs must be adequate to pay for the bi-annual non-asset bond payments. Therefore, it is necessary at times for the IFA to make an equity contribution in order for the GIC to be sizable enough for interest earnings to meet the non-asset bonds interest obligations.

IFA’s new local government pool issues generally require additional funding of the DSR. The fact that the 2008 A pool is a new issuance of \$8.12 million with a term of 30 years, and the historically purchased GICs are subject to mature prior to the 2008 A pool’s maturity, it is necessary to fund the DSR. Wachovia, the underwriter, anticipates that the IFA will need to issue no more than \$400,000 in non-asset bonds and make an equity contribution of no more than \$100,000.

It is important to note that the equity contribution remains with pool funds until the GIC matures. Furthermore, the equity contribution is funded via the \$2.5 million that was transferred from the Illinois Rural Bond Bank to the IFA and is designated for local government purposes.

Structure: Principal is expected to be due on February 1, with a final maturity of the pool anticipated in 2038. Interest will be fixed rate and payable each August 1 and February 1, beginning February 1, 2009. The bonds are subject to redemption prior to maturity.

Applicants Village of Bunker Hill, Central Macoupin County Rural Water,
and Village of Cooksville, Village of Coulterville, Village of Harmon
Locations Village of Kane, Village of Kingston Mines, Village of Thompsonville, Adams County
Rural Water District

Project name: Local Government 2008 A Pool

Organizations: Illinois Local Governments

PROFESSIONAL & FINANCIAL

Underwriter:	Wachovia (formerly AG Edwards)	St Louis, MO	Anne Noble
	Ramirez and Company	Chicago, IL	
Underwriter Counsel:	Bell Boyd & Lloyd	Chicago, IL	Kenneth Peterson
IFA Pooled Bond Counsel	Chapman & Cutler, LLP	Chicago	Chuck Jarik
Issuers Counsel:	Law Offices of Kevin Cahill	Chicago	Kevin Cahill
Trustee:	US Bank	St. Louis, MO	Brian Kabbes
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Village of Bunker Hill

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

Central Macoupin County Water District

Congressional: 19th – John M. Shimkus
State Senate: 49th – Deanna Demuzio
State House: 97th – Jim Watson

Village of Cooksville

Congressional: 15th – Timothy V. Johnson
State Senate: 53rd – Dan Rutherford
State House: 106th – Keith P. Sommer

Village of Coulterville

Congressional: 12th – Jerry F. Costello
State Senate: 58th – David Luechtefeld
State House: 116th – Dan Reitz

Village of Harmon

Congressional: 14th – Bill Foster
State Senate: 45th – Tim Bivens
State House: 90th – Jerry L. Mitchell

Village of Kane

Congressional: 19th – John M. Shimkus
State Senate: 49th – Deanna Demuzio
State House: 97th – Jim Watson

Village of Kingston Mines

Congressional: 18th – Ray Lahood
State Senate: 46th – Dave Koehler
State House: 91st – Michael Smith

Village of Thompsonville

Congressional: 12th – Jerry F. Costello
State Senate: 59th – Gary Forby

State House: 117th – John E. Bradley

Adams County Rural Water District

Congressional: 18th Ray LaHood

State Senate: 47th John M. Sullivan

State House: 93rd Jil Tracy

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 13, 2008**

Project: Hospital Sisters Services, Inc.

STATISTICS

Project Number: H-HO-CD-TE-8060	Amount: \$130,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and Dana Sodikoff
County/Region: Sangamon/Central	City: Springfield

BOARD ACTION

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

VOTING RECORD

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

This project is coming for a one time Final Resolution to take advantage of market conditions for savings.

PURPOSE

Proceeds will be used to: i) refund approximately \$124.8 million of IHFA Series 1998 MBIA insured fixed rate bonds to variable rate demand bonds; and ii) pay costs of issuance for the IHFA Series 1998 fixed rate bond refunding and the IHFA Series 2003A and IFA Series 2007C conversion .*

*Hospital Sisters Services, Inc. is also converting IHFA Series 2003A (\$65,550,000) and IFA Series 2007C (\$100,425,000), FSA insured auction rate securities under the Healthcare Mode Conversion Omnibus Resolution that was passed at the March 11, 2008 meeting. Under federal tax law, the costs relating to the interest rate mode conversions for the IHFA Series 2003A and 2007C FSA insured auction rate bonds of \$450,500 (set forth below) may be financed with tax-exempt bond proceeds if such converted bonds are deemed to be "reissued" for tax purposes, and treated as part of the same issue for tax purposes as the new 2008 Bonds. The total par amount for the aggregate transaction (conversion and refunding) is \$305,000,000. The total underwriter's discount and cost of issuance (\$1,312,500) is below the permitted 2% limit under tax law applicable to the new 2008 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 reduces the borrower's interest expense.

VOLUME CAP

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

JOBS

Current employment: 11,478 FTE's	Projected new jobs: 0
Jobs retained: 11,478 FTE's	Construction jobs: 0

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA bonds	\$126,112,500	Uses: Series 1998 Refunding	\$124,800,000
			Est. Underwriter's Discount-Refunding	312,000
			Est. Underwriter's Discount-Conv**	450,500
			Est. Cost of Issuance	550,000
	Total	<u>\$126,112,500</u>	Total	<u>\$126,112,500</u>

** Since the conversion is a new issue for tax purposes, then proceeds from the refunding bonds can be used to pay costs of issuance for the conversion in addition to the costs of issuance for the refunding, up to 2% of the aggregate transaction par amount (\$305,000,000).

FINANCING SUMMARY/STRUCTURE

Security:	HSSI is an Obligated Group, all members of the Group (the thirteen hospitals in Illinois and Wisconsin), are liable for this debt. These bonds will be issued on a parity basis with the existing indebtedness of Hospital Sisters Services, Inc., with covenants relating to additional debt; consolidation, merger, sale or disposition of property; and senior liens.
Structure:	The plan of finance contemplates the issuance of variable rate debt. The variable rate demand bonds will be backed by Hospital Sisters self-liquidity. Hospital Sisters Services, Inc carries ratings of Aa3/AA/AA- (Moody's/S&P/Fitch).
Interest Rate:	To be determined the day of pricing depending on market conditions. The variable rate demand bonds to average over time approximately 3% (tracking closely to the SIFMA variable rate index).
Interest Mode:	Refunding Fixed Rate Bonds to Variable Rate Demand Bonds
Credit Enhancement:	The Bonds will carry the ratings of Hospital Sisters Service, Inc. (see below)
Credit Rating:	Ratings of Aa3/AA/AA- (Moody's/S&P/Fitch)
Maturity:	Not later than 2048
Estimated Closing Date:	June 2008

PROJECT SUMMARY

Refunding of outstanding Series 1998 Fixed Rate Bonds for debt service savings.

Timing: May 2008

BUSINESS SUMMARY

Background: Hospital Sisters Services, Inc. (HSSI), an Illinois not for profit corporation, was incorporated on November 4, 1983, when the Hospital Sisters Health System (HSHS), an Illinois not for profit corporation, reorganized its corporate structure. HSSI is the sole member of thirteen not for profit or nonprofit corporations that own and operate acute care hospitals, eight located in Illinois and five located in Wisconsin. Each hospital is separately incorporated and has a seven to nine member Board of Directors, composed of members of the Hospital Sisters of the Third Order of St. Francis (the Order), an order of the Roman Catholic Church, HSHS employees and local citizens. The hospitals located in Illinois currently are licensed to operate 2,372 acute care beds, and the hospitals located in Wisconsin currently are approved for 1,451 acute care beds. HSSI and all of the hospitals are Members of the Obligated Group established under the Master Indenture (see service area on page 3 for listing of individual hospitals).

The Order was founded in Germany in 1844 and is dedicated to the service of the sick and those in need. In 1875, twenty Sisters of the Order arrived in the United States and several years later established their Motherhouse in Springfield, Illinois. The residents of Illinois and Wisconsin were among the first served by the Order.

Description: The primary mission of Hospital Sisters Health System is to provide a structure and the means whereby the Hospital Sisters of the Third Order of St. Francis continue their healing mission in the Roman Catholic Church. Hospitals and other institutionally-based programs are the primary means of responding to those in need. Service is regarded as a ministry of healing which exemplifies the Gospel values of compassion, justice, and reverence for life throughout its continuum.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Project name: Hospital Sisters Services, Inc.
Locations: Belleville, Breese, Decatur, Effingham, Highland, Litchfield, Springfield and Streator.
Hospital Sisters Services, Inc. also operates five hospitals in Wisconsin.
Applicant: Hospital Sisters Services, Inc.
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois

HOSPITAL SISTERS SERVICES, INC.

Board of Directors:

Sister Mary Ann MinorChairperson
Sister Maureen O'Connor Secretary
Stephanie S. McCutcheon President/CEO
Sister Mary MorinMember
Sister MaryAnn FalbeMember
Sister Bernice Coreil, DCMember
Sister Mary Mollison, CSA Vice Chairperson
Mr. Leo "Lee" J. Dondanville Member
Mr. John E. StaudtMember
Mr. John R. Combes, MD.....Member

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Graham & Graham, Ltd.	Springfield	Hugh Graham, III
Bond Counsel:	Jones Day	Chicago	Lynn Coe
Underwriter:	Merrill Lynch	Chicago	Terry Mieling
Underwriter's Counsel:	Foley & Lardner	Chicago	Robert Zimmerman
Bond Trustee:	Bank of New York	Indianapolis	Lynda Hanna
Accountant:	KPMG	Chicago	John Depa
Issuer's Counsel:	Office of Kevin Cahill	Chicago	Kevin Cahill
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 18- Ray LaHood
State Senate: 50- Larry K. Bomke
State House: 99- Raymond Poe

SERVICE AREA

Service Area: The Hospital Facilities in Illinois have as their primary market service area St. Clair County (St. Elizabeth's-Belleville), Clinton County (St. Joseph's-Breese), Macon County (St. Mary's-Decatur), Effingham County (St. Anthony's-Effingham), Madison County (St. Joseph's-Highland), Montgomery and Macoupin Counties (St. Francis-Litchfield), Sangamon County (St. John's-Springfield), and LaSalle County (St. Mary's-Streator). As of June 30, 2007, these Hospital Facilities (other than St. Elizabeth's-Belleville, St. Mary's-Decatur, and St. John's-Springfield) had (according to information received from the Illinois Health Care Cost Containment Council) the largest market share for their primary service areas. St. Elizabeth's-Belleville had approximately 27.7% of the market share in its primary service area for the same period, St. Mary's-Decatur had a 31.7% market share, and St. John's-Springfield had a 43.6% market share.

The Hospital Facilities in Wisconsin have as their primary market service area Barron, Chippewa, Dunn and Eau Claire Counties (St. Joseph's-Chippewa Falls and Sacred Heart-Eau Claire), Brown County (St. Mary's-Green Bay and St. Vincent-Green Bay), and Sheboygan County (St. Nicholas-Sheboygan). As of December 31, 2007, these Hospital Facilities (other than St. Nicholas) had (according to information received from the State of Wisconsin's Office of Healthcare Information) the largest market share in their primary service areas. St. Nicholas had approximately 37.1%

of the market share in Sheboygan County, according to the Wisconsin Bureau of Health Care Financing, as of June, 2007.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 13, 2008

Project: Resurrection Health Care

STATISTICS

Project Number:H-HO-CD-TE-8061	Amount:\$105,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and Dana Sodikoff
County/Region: Cook/Northeast	City: Chicago, Des Plaines, Elk Grove Village, Oak Park, Evanston, Melrose Park, Glenview, Park Ridge, Niles, Northlake, LaGrange Park, Morton Grove, Broadview

BOARD ACTION

Final Resolution-Streamlined process due to Market Conditions	Staff recommends approval
Conduit 501 (c)(3) bonds	No extraordinary conditions
No IFA funds at risk	

VOTING RECORD

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

This project is coming for a one time Final Resolution because of conditions in the Auction Rate Securities Market.

PURPOSE

Proceeds will be used to: (i) refund \$100 million of IHFA Series 1999C FSA insured auction rate securities; and (ii) pay cost of issuance for the IHFA Series 1999C refunding and potentially the IHFA Series 1999A and IHFA Series 1999B conversion.*

*Resurrection Health Care is also converting IHFA Series 1999 A (\$116,100,000) and IHFA Series 1999B (\$116,100,000) FSA insured auction rate securities under the Healthcare Mode Conversion Omnibus Resolution that was passed at the March 11, 2008 meeting. Under federal tax law, the costs relating to the interest rate mode conversions for the IHFA Series 1999A and 1999B FSA insured auction rate bonds of \$1,200,000 (set forth below) may be financed with tax-exempt bond proceeds if such converted bonds are deemed to be "reissued" for tax purposes, and treated as part of the same issue for tax purposes as the new 2008 Bonds. The total par amount for the aggregate transaction (conversion and refunding) is \$340,000,000. The total underwriter's discount and cost of issuance (\$1,980,000) is below the permitted 2% limit under tax law applicable to the new 2008 Bonds.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 13,375	FTE's	Projected new jobs: 0
Jobs retained: 13,375	FTE's	Construction jobs: 0

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$101,980,000	Uses: Refunding	\$100,000,000
			Est. Underwriter's Discount-Refunding	250,000
			Est. Underwriter's Discount-Conv**	1,200,000
			Est. Cost of Issuance	530,000

Total \$101,980,000 Total \$101,980,000

**Since the conversion is a new issue for tax purposes, then proceeds from the refunding bonds can be used to pay costs of issuance for the conversion in addition to the costs of issuance for the refunding, up to 2% of the aggregate transaction par amount (\$340,000,000).

FINANCING SUMMARY/STRUCTURE

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

Structure: The plan of finance contemplates the issuance of variable rate debt. The variable rate demand bonds will be backed by letters of credit from JP Morgan and Bank of America.

Interest Rate: To be determined the day of pricing depending on market conditions. The variable rate demand bonds to average over time approximately 3% (tracking closely to the SIFMA variable rate index).

Interest Mode: Variable Rate Demand Bonds

Credit Enhancement: Letters of credit from JP Morgan and Bank of America, both which carry short-term ratings of VMIG-1/A-1+/F1+ (Moody's/S&P/Fitch)

Credit Ratings: Resurrection Health Care carries ratings of A3/A-/A (Moody's/S&P/Fitch)

Maturity: Not later than 2048

Estimated Closing Date: June 2008

PROJECT SUMMARY

Refunding of outstanding auction-rate security bonds.

Project Rationale: The cost of auction rate debt has become cost prohibitive. This refunding will restructure an unfavorable debt product.

Timing: June 2008

BUSINESS SUMMARY

Description of Business: Resurrection Health Care and its affiliates provide healthcare services in the northwest and west Chicago and surrounding suburbs including Evanston, Oak Park, Des Plaines and Melrose Park. These services include inpatient and outpatient hospital care, nursing homes, retirement communities, outpatient and ambulatory clinics, physician centers, behavioral health care, home care and other health care services. Resurrection Health Care is committed to improving the health and well-being of the communities in which it serves (see service area on pages 3&4 for listing of individual hospitals).

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Resurrection Health Care

Project Location: Principal address: 7435 West Talcott Avenue, Chicago IL in addition to facilities listed below under service area.

Borrower: Resurrection Health Care

Ownership/Board Members (501c3):
Donald Offermann, Ph.D., Chairperson
Mr. Joseph F. Toomey, President

Mr. Robert DelGuidice
Sister Donna Marie Wolowicki, C.R.
Sister Patricia Ann Koschalke, C.S.F.N.
Mr. Donald V. Versen, Sr.
Sister Virginia Ann Wanzek, C.R.
Mr. Walter Kelly, Jr.
Sister Cecilia Mary Berdar, C.R.
Mr. Chester Stewart
Ada I. Arias, M.D.
Sister Loretta Theresa Felici, C.S.F.N.
Mr. Thomas D. Settles
Michael Prendergast, M.D.
Peter E. Eupierre, M.D.

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

SERVICE AREA

Primary Addresses:

Resurrection Health Care:

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

Saint Joseph Hospital

2900 N. Lake Shore Drive, Chicago, IL,

Holy Family Medical Center

100 N. River Road, Des Plaines, IL

West Suburban Medical Center

Erie Court at Austin Boulevard, Oak Park, IL

Saints Mary and Elizabeth Medical Center

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

Resurrection Medical Center

7435 W. Talcott Avenue, Chicago, IL

Our Lady of the Resurrection Medical Center
5645 W. Addison, Chicago, IL

St. Francis Hospital
355 Ridge Avenue, Evanston, IL

Westlake Community Hospital
1225 W. Lake Street, Melrose Park, IL

Holy Family Nursing and Rehabilitation Center
2380 E. Dempster Street, Des Plaines, IL

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

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

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

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

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

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

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

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

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

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

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

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May13, 2008**

Project: **Lake Forest College**

STATISTICS

Number:	N-PS-TE-CD-8073	Amount:	\$40,000,000 (not to exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Locations:	Lake Forest (Lake County)	Region:	Northeast

BOARD ACTION

Preliminary Bond Resolution	No Extraordinary conditions
No IFA funds contributed	Staff recommends approval

VOTING RECORD

Preliminary Bond Resolution; no prior vote.

PURPOSE

Proceeds will be used to (i) current refund outstanding indebtedness, (ii) construct an addition to the College's existing sports facility, and (iii) fund professional 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) Bonds do not require Volume Cap.

JOBS

Current faculty employment:	118.5, FTE/PTEs	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	75 (10 months)

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	<u>\$40,000,000</u>	Refund outstanding debt	\$23,000,000
		Addition project	16,300,000
		Legal and professional costs	<u>700,000</u>
Total	<u>\$40,000,000</u>	Total	<u>\$40,000,000</u>

FINANCING SUMMARY

Security: Direct Pay Letter of Credit from a bank to be determined.
Structure: Weekly multi-mode floating rate bonds. The weekly rate for Letter of Credit enhanced bonds as of April 29, 2008 was 2.55%. The College's outstanding 1998 Series has an interest cost of approximately 5.00%.
Collateral: The bonds will be secured by a first mortgage on the financed property.
Maturity: 30 years

PROJECT SUMMARY

The College intends to use the net proceeds of the Authority loan to (i) current refund approximately \$23,000,000 of its Series 1998 Bonds issued through the Illinois Education Finance Authority, (ii) fund the construction and equipping of an approximately 70,000 sq. ft. addition to the College's sports facility, and (iii) fund professional and bond issuance costs.

BUSINESS SUMMARY

Background: The College is a coeducational, undergraduate institution, located 30 miles north of Chicago in Lake Forest, Illinois. The College occupies 107 acres on three attached campuses, part of the lands claimed for the College at its founding in 1857. The College is an Illinois not-for-profit corporation and an organization described under section 501(c)(3) of the Internal Revenue Code. The members of the Board of Trustees of the College include Charter Trustees, National Trustees, Ex Officio Trustees and Life Trustees. A list of each group of Trustees is included in this report for IFA Board review.

Description: After its founding in 1857, the College grew to include male and female high schools, a co-educational undergraduate college and graduate schools of medicine, dentistry and law. The undergraduate college enrolled students continuously as Lake Forest University beginning in 1876. In the early twentieth century, the graduate schools were disassociated from the University and the high schools became autonomous schools (continuing today as Lake Forest Academy / Ferry Hall). Lake Forest University thereafter devoted full attention to its undergraduate College. Accordingly, the institution was formally renamed Lake Forest College in 1965. The College has a faculty of 118.5 FTE/PTEs. Of the College's 92 full-time teaching faculty, 96.7% hold terminal degrees.

ENROLLMENT AND ADMISSIONS

In recent years, the College's enrollment of full-time undergraduate and graduate students has averaged its target level of approximately 1,400 students. Full-time undergraduate enrollment for the 2007 fall semester was 1,427. Applications for fall 2008, as of March, 2008 now total 2,481. The following table, based on fall semester registration, shows full-time enrollment for the five academic years from fall 2003 through fall 2007.

Full-Time Fall Enrollment

Academic Year	<u>Undergraduate</u>
2003-04	1,333
2004-05	1,379
2005-06	1,405
2006-07	1,413
2007-08	1,427

TUITION

Tuition rates are determined in the budget process in conjunction with an analysis of anticipated revenue and expenditures for the following year. Annual tuition for the last five academic years is as follows:

Undergraduate	<u>Fall 2003</u>	<u>Fall 2004</u>	<u>Fall 2005</u>	<u>Fall 2006</u>	<u>Fall 2007</u>
Annual tuition	\$24,096	\$25,518	\$27,000	\$28,700	\$30,600
Annual room and board	5,764	6,222	6,526	6,960	7,326
Other annual fees and charges	<u>410</u>	<u>310</u>	<u>334</u>	<u>464</u>	<u>364</u>
Total	\$30,270	\$32,050	\$33,860	\$36,124	\$38,290

Approximately 80% percent of the full-time undergraduate students live in residential facilities on the campus. There are 10 residence halls on campus.

FINANCIAL AID

In 2007-2008, 68% of the College's students received some degree of need-based financial aid, and 20% of the students received no-need merit scholarships. The average financial aid package was \$24,400 of which the average grant from all sources including state and federal governments was \$18,200. The average need-based grant from the College was \$20,000. The average no-need merit scholarship from the College was \$11,600.

The Project: Proceeds of the proposed financing will refund an approximate \$23,000,000 of the College's Series 1998 bonds which were issued through the Illinois Education Finance Authority, and fund the construction and equipping of an approximately 70,000 sq. ft. addition to the College's recreation facility. The Sport Center addition includes three practice courts on the ground level with various surfaces for a variety of sports including basketball, volleyball, soccer, tennis and various other recreational activities. Above the courts and located on a mezzanine is a four lane running track that is 1/10th of a mile. The addition to the lower level contains 12,000 square feet for strength and conditioning that will provide a variety of equipment including various cardiovascular machines, selectorized stations and free and plate loaded weight benches. A dance studio, batting cage, and associated storage rooms are added. There are two new public bathrooms, with connected locker rooms and showers for both faculty and students.

Remarks: The refunding is expected to produce a net present value savings of approximately \$1.5 million, or 6.40% of the refunded bonds. The 1998 Series has a bullet maturity at 2028. The proposed bonds will have a bullet maturity in 2038, extending the term of the financing ten years. extend the ma maturity will be extended The projected savings and term extension will provide greater cash flow flexibility for the School's operations.

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT//

Applicant: Lake Forest College
 Project names: Refinancing and Capital Improvement Project
 Locations: 555 North Sheridan Road, Lake Forest, Lake County, IL 60045
 Contact Person: Ms. Leslie Chapman, VP for Business Affairs and Treasurer (847) 234-3100
 Organization: 501(c)(3) Corporation
 State: Illinois
 Boards of Trustees:

LAKE FOREST COLLEGE
BOARD OF TRUSTEES 2007-2008
CHARTER TRUSTEES

<u>NAME</u>	<u>AFFILIATION</u>
Peter G. Schiff, Chairman	Chairman, Northwood Ventures
Robert D. Krebs, Vice Chairman	Retired Chairman and CEO, Santa Fe Railway
John W. Ballantine	Retired Executive VP, First Chicago NBD Corp
Earl J. Barnes II	Vice President of Legal Affairs and General Counsel, Rockford Health System
William G. Brown	Partner, Bell, Boyd & Lloyd
Tyler R. Cain	Private Investor
Barbara W. Carr	Retired President and CEO, Chicago Botanic Garden
Judith Simpson Corson	President, Judith Corson, Inc.
Daniel D. Dolan Jr.	Owner/Managing Member, Dolan, McEniry Capital Management LLC
John K. Greene	Retired Partner, Wm Blair and Company
Samuel J. Henry	Retired Partner, Chapman and Cutler
Lorna S. Langdon	Community Volunteer
John S. Lillard	Chairman, Wintrust Financial Corporation
William A. Lowry	Partner, Nyhan Pfister, Babbrick, Kinzie & Lowry, P.C.
Dennis R. Nyren	Principal, MJ Partners
Roy Palmer	Attorney
William U. Parfet	Chairman and CEO, MPI Research
Thomas W. Price	Headmaster, The Branson School

LAKE FOREST COLLEGE
BOARD OF TRUSTEES 2007-2008
NATIONAL TRUSTEES

<u>NAME</u>	<u>AFFILIATION</u>
Bruce N. Cronstein	Professor, New York University School of Medicine
Elizabeth Dickey	Professor, New School University
James R. Donnelley	Partner, Stet & Query Limited Partnership
Anne Hunting	Community Volunteer
Marian H. Niles	Community Volunteer
Charles W. Peabody	President, Portales Partners, L.L.C.
Tamara A. Smith	President, D.C. Healthcare Systems, Inc.
Stephen C. Strelsin	CEO, Newmindsets, Inc.

LAKE FOREST COLLEGE
BOARD OF TRUSTEES 2007-2008
EX OFFICIO TRUSTEES

<u>NAME</u>	<u>AFFILIATION</u>
Wayne R. Rohde	President, Lake Forest College Alumni Association
John N. Popoli	President, Lake Forest Graduate School of Management
Stephen D. Schutt	President, Lake Forest College

LAKE FOREST COLLEGE
 BOARD OF TRUSTEES 2007-2008
 LIFE TRUSTEES

<u>NAME</u>	<u>AFFILIATION</u>
Clarissa H. Chandler	Community Volunteer
Wesley M. Dixon Jr.	Kinship Trust Company, L.L.C.
Maurice F. Dunne Jr.	President, Maurice F. Dunne, Ltd.
Francis C. Farwell II	Retired Partner, William Blair & Company
Russell W. Fisher	Chairman, Biofit Engineered Products
James P. Gorter	Greenbay Management Company
Arthur G. Hailand Jr.	Retired Chairman, Butler Aviation
Margaret S. Hart	Community Volunteer
Betty Jane Schultz Hollender	Community Volunteer
Laurence R. Lee	Retired Senior VP, Abbott Laboratories
Paula P. Lillard	Co-founder and Teacher, Forest Bluff School
David B. Mathis	Retired Chairman, Kemper Insurance Companies
Jean Whyte Mohr	Community Volunteer
Marian P. Pawlick	Community Volunteer
Rhoda A. Pierce	Executive Director, Illinois Arts Council
Charlotte H. Simmons	Community Volunteer
Virginia B. Sonnenschein	Frosch Travel
Barbara O. Taylor	President, Excelsior! Foundation
Florence F. Wheeler	Community Volunteer

PROFESSIONAL & FINANCIAL

General Counsel:	TBD		
Accountant:	Grant Thornton LLP	Milwaukee, WI	
Bond Counsel:	TBD	Chicago, IL	
Underwriter:	William Blair & Company, L.L.C.	Chicago, IL	Thomas E. Lanctot
Placement Agent:			
Underwriter's Counsel:	TBD		
LOC Bank Counsel:	TBD		
Issuer's Counsel:	Mayer Brown, Rowe & Maw LLP	Chicago, IL	David Narefsky
Bond Trustee:	TBD		
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

SERVICE AREA

The College draws students from Chicagoland, nationally, and globally.

LEGISLATIVE DISTRICTS

Congressional:	10, Mark Steven Kirk
State Senate:	29, Susan Garrett
State House:	58, Karen May

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May13, 2008**

Project: **St. Augustine College**

STATISTICS

Number:	N-PS-TE-CD-8068	Amount:	\$7,475,000
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Locations:	Chicago (Cook County)	Region:	Northeast

BOARD ACTION

Preliminary Bond Resolution	No Extraordinary conditions
No IFA funds contributed	Staff recommends approval

VOTING RECORD

Preliminary Bond Resolution; no prior vote.

PURPOSE

Proceeds will be used to (i) refinance outstanding indebtedness to significantly reduce debt service payments and smooth cash flow, (ii) and fund professional 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) Bonds do not require Volume Cap.

JOBS

Current faculty employment:	23, FTEs, 124 PTEs	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	<u>\$7,475,000</u>	Refund outstanding debt	\$7,335,000
		Legal and professional costs	<u>140,000</u>
Total	<u>\$7,475,000</u>	Total	<u>\$7,475,000</u>

FINANCING SUMMARY

Structure: Fixed Rate bonds to be purchased by Bridgeview Bank, Chicago, Illinois at a 4.45% rate fixed for five years. On the sixth year, the rate will be adjusted to market conditions.
Collateral: The bonds will be secured by a first mortgage on the financed property.
Maturity: 30 years

PROJECT SUMMARY

The College intends to use the net proceeds of the Authority loan to refund approximately \$4,945,000 of its outstanding IDFA VRD Series 2002 Bonds, (ii) refinance a US Department of Education loan of approximately \$2,195,000 of the College's outstanding IDFA Series 1995B Bonds.

Project Costs \$7,335,000

BUSINESS SUMMARY

Background: St. Augustine College (the "College") is a bilingual (dual language) institution of higher education which offers certificate, associate and bachelor's degrees that was created to make the American system of higher education accessible to a non-traditional student population, particularly students of Hispanic descent. The College was established in 1980 with the support of the Episcopal Diocese of Chicago. Since its establishment, enrollment at the College has increased from 256 part-time students in the spring of 1981 to 977 full-time and 247 part-time students in the spring of 2008. The College is organized as a non-profit, tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code. The College is governed by a 16-member board of which a list is provided in this report for IFA Board review. Board capacity is 25 members.

Description: The College was established as a result of more than ten years of community education work performed by Social and Education Services (formerly, Spanish Episcopal Services), an educational agency created in 1970 by Father Carlos A. Plazas, Ph.D., now President Emeritus of the College. The work in this agency indicated that (1) Hispanic adults needed a bilingual and specially-tailored program and environment to avail themselves of post-secondary learning opportunities and to be successful in a college setting and that (2) a bilingual curriculum would be more suitable to prepare Hispanic students in accordance with the trends for a global economy and a global education.

The main campus of the College is located on an approximately five-acre site on the North side of Chicago, Illinois at 1333-1345 West Argyle in the Uptown area and is easily accessible by either car or public transportation. In addition to its main campus, the College operates two satellite facilities that allow many students to begin experiencing the benefits of higher education in their own neighborhoods. The satellites are located at 3255 West Armitage in Chicago ("the West Town Satellite") and at 2610 West 25th Place (the "South Satellite"). During the 1987-1988 academic year the College acquired ownership of the main campus and the West Town Satellite and in 1992 it purchased the South Satellite. Prior to these acquisitions, the College leased its facilities.

Academic Programs

St. Augustine occupies a unique niche in Illinois higher education: it is the only bilingual (dual-language) college in the State. Central to its approach is its transitional bilingual program and curriculum. Approximately 80% of the College's students begin with elementary English classes and by graduation have attained college level proficiency in English. Such a mission presents a unique challenge for the College and students alike: the College must teach a language while also covering a substantive curriculum. Below is a summary of all the degrees and certificates for which the College offers courses:

<u>Degrees/Certificates</u>	<u>Majors</u>	<u>Areas of Concentration</u>
Bachelor of Social Work (BSW)	Social Work	
Associate of Arts (AA)	Business Administration Liberal Arts and Sciences	Interdisciplinary Psychology Social Service Spanish Child Development Addiction Counseling
Associate of Applied Sciences (AAS)	Accounting Administrative Assistant Business Management	
<u>Degrees/Certificates (cont.)</u>	<u>Majors (cont.)</u>	<u>Areas of Concentration (cont.)</u>
	Computer Information Systems Culinary Arts Early Childhood Education Respiratory Therapy	
Associate of General Studies (AGS)		
Certificates of Applied Sciences		Accounting Computer Information Systems: Applications Programming Computer Information Systems: Systems Support Early Childhood Education Administrative Assistant Early Childhood Assistant Teacher
Certificates of Completion		Addiction Counseling/Basic Addiction Counseling/Advanced Professional Cooking

Since its founding in 1980, enrollment at the College has increased by 470%. The following table details full-time equivalent headcount for the Fall semester for the past three years.

Full-Time Equivalent Enrollment

	<u>Total</u>	<u>Full-Time Equivalent Total</u>
2005	1,541	1,370
2006	1,219	1,114
2007	1,224	1,129

From 2005 to 2006, St. Augustine's enrollment fell significantly from a headcount of 1,541 to 1,219. This was due in large part to a regulatory change in the State's MAP grant program, which curtailed the usage of these grants for students matriculating in the Spring semester. A significant percentage of St. Augustine's potential students both relied on these grants and tended to matriculate in Spring, resulting in a significant enrollment loss. At the same time, St. Augustine also had turnover in its Admissions

Office. The result was a delayed start in some key recruitment activities and less contact between the College and its core constituencies than the College would have liked. In the 2007-08 fiscal year, the College began to take both short-term and long-term steps to increase enrollment. Steps included (i) restructuring of the Admissions Office procedures, and (ii) restructuring of the College's financial aid policies and practices.

The College was initially accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools (the "Commission") in 1987, and was re-accredited for eight years in May of 1999. Accreditation was extended for an additional year in 2007. On March 19, 2008 the visiting team of the Commission recommended continued accreditation for six years. The Commission visits Colleges it accredits at five to eight year intervals to approve future accreditation...

Student Aid and Fees

The cost of education at the College is covered primarily by tuition and fees and federal and state grants. For the 2007 Fiscal Year, tuition and fees represented approximately 67.7% of the operating revenues of the College. The tuition for the 2007-2008 academic year is \$303 per credit hour. Students in the occupational program are charged a flat tuition rate of \$2,155/semester. Over 95% of students enrolled at the College receive financial aid.

Approximately 50% of students receive the maximum award available for the MAP Grant (\$3,974 for 12 credits), IIA (\$500, freshmen only) and PELL Grant (\$4,310). A student who receives the maximum award from these sources is able to cover tuition, fees, books and childcare without incurring any out-of-pocket expenses. In addition, the student will receive a reimbursement of approximately \$350 - \$500 "in excess" award. The refund is typically not calculated until the 11th week of the semester.

Because of the economic profile of the student body and the amount of aid received from the sources listed above, the College is able to provide a minimal amount of student aid from its own budget. The College's tuition discount for FY 06/07 was 11%. Some aid is given by the College in the form of merit scholarships according to the following schedule:

"A" Average	\$1,850 or 100% of balance due
"B" Average	\$1,600 or 75% of balance due
"C" Average	\$1,350 or 50% of balance due

In addition the College also offers the President's Award which is awarded without regard to need in the amount of 50% of tuition for high achieving students who do not qualify for other kinds of financial aid.

The Project: The proceeds of the Bonds will be used to (i) refund the College's outstanding Illinois Development Finance Authority, Variable Rate Demand Revenue Bonds, Series 2002, St. Augustine College Project (the "2002 Bonds") and its Illinois Development Finance Authority, College Facilities Revenue Bonds, Series 1995B (the "1995B Bonds") and (ii) pay costs associated with the issuance of the Bonds. In addition to seeking a long-term refinancing of its existing debt, St. Augustine is requesting banks to bid on providing a \$1.5 million line of credit for working capital purposes. The College would expect the line to be cross-collateralized with the long-term financing.

The 2002 Series Bonds and the US Department of Education loan which paid off the College's 1995B Series bonds bear interest rates of 5.70% and 5.50%, respectively. The Letter of Credit for the Series 2002 Bonds expires March, 2009. The all in 4.875% rate on the proposed 2008 Series is estimated to produce a net present value cash flow savings of approximately \$385,320 over the life of the bonds. There will be an extension of debt.

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT//

Applicant: St. Augustine College
 Project names: Bond Refunding Project
 Locations: Main campus, 1333-1345 W. Argyle, Chicago, Cook County, IL; West Town campus, 3255 W. Armitage, Chicago, Cook County, IL; and South campus, 2610 W. 25th Place, Chicago, Cook County, IL
 Contact Person: Sandra Fleming, VP for Finance, (773) 878-4699
 Organization: 501(c)(3) Corporation
 State: Illinois

Board of Directors:

<u>Name</u>	<u>Occupation</u>	<u>Term</u>
Rev. Victor Scantlebury	Assistant Bishop Episcopal Diocese of Chicago	2008
Jenny Aguirre, MBA	Special Asst. For Hispanic Affairs and Refugee Health Coordinator, IL Dept. of Public Health	2010
Miguel Alba, MBA	Public Affairs Director, Jewel-Osco	2008
Celso Bejarano, MBA, MCE	Innovations Director, Sabritas-formerly with Kraft Foods	2008
Rev. Sandra Castillo	Church of the Advent Nuestra Senora de las Americas	2009
John Gonzales	Vice-President of Plaza Bank	2010
Antonio J. Herrera, MBA	Managing Director Information Technology Rock Valley College, Rockford IL	2010
Pedro Lopez, M. Div.	Rector, Episcopal Church of the Redeemer Elgin, IL	2009
Elena Mulcahy, Ed.D.	Co-Director of the Human Capital Initiative at the Illinois Resource Center	2008
Damian J. Ortiz, JD	Clinical Professor of Law, John Marshall Law School	2010
Dr. Jay Price	Professor of Accounting University of Utah	2010
Rory Dean Smith	Associate Dean for Advancement and Planning, John Marshall Law School	2009
Milady Velazquez	Assistant VP/Finance and Controller, St. Xavier University	2009
Rafaela E. Weffer, Ph.D.	Associate VP for Academic Affairs, DePaul Univ.	2009
Rev. Robert O Wyatt, Ph.D.	Rector of St. Helena's Episcopal Church	2010
Marcelo Zwierzynski, MA	Principal for the Aleph Consulting Group; Pres. and CEO of Quercus Woodworking Corporation	2010

PROFESSIONAL & FINANCIAL

Borrower Counsel:	Law offices of Kevin Cahill	Chicago, IL	Kevin Cahill
Accountant:	McGladry & Pullen, LLP	Chicago, IL	
Bond Counsel:	Katen Muchin Rosenmann	Chicago, IL	Elizabeth Weber
Underwriter:	Griffin, Kubik, Stephens & Thompson, Inc.	Chicago, IL	Michael Boisvert
Placement Agent:			Holly Barstow Wiemken
Underwriter's Counsel:	TBD		
Purchasing Bank:	Bridgeview bank	Chicago, IL :	Nerma Eajramovic
Issuer's Counsel:	Sanchez and Daniels	Chicago, IL	John Cummins
Bond Trustee:	TBD		
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

SERVICE AREA

The College draws students from Chicagoland and throughout Illinois.

LEGISLATIVE DISTRICTS

Main campus	Congressional 09, Janice Schakowsky	State Senate 17, Donne Trotter	State House, 34, Constance A. Howard
West campus	05, Rahm Emanuel	02, William Delgado	03, Luis Arroyo
South campus	04, Luis Gutierrez	01, Antonio Munoz	02, Edward J. Acevedo

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 13, 2008

Project: Saint Xavier University

STATISTICS

Project Number:	E-PC-TE-CD-8059	Amount:	\$25,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton
County/Region:	Cook County/Northeast	Location:	Chicago

BOARD ACTION

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

VOTING RECORD

None. This is the first time this financing has been presented to the IFA Board.

PURPOSE

Bond proceeds will be used by Saint Xavier University to finance (1) the acquisition and renovation of two (off-campus) buildings located near Saint Xavier's existing campus for use as academic buildings, (2) the construction and equipping of a new, approximately 106-bed student housing facility to be located on Saint Xavier's campus, (3) the acquisition and demolition of an existing building, and the construction of a 4-story building that will provide student housing on floors 2-4 and retail space on the first floor (all retail space will be financed from equity). Saint Xavier University's campus is located in the Mt. Greenwood neighborhood at 3700 W. 103rd Street in Chicago (Cook County), IL 60655. (See Project Summary for IFA Preliminary Bond Resolution on Page 2 for comprehensive project description).

IFA CONTRIBUTION AND PROGRAM

501(c)(3) Bonds are municipal bonds authorized under the Internal Revenue Code that enable 501(c)(3) corporations to finance capital projects at municipal bond interest rates. 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

None. This is the first time this financing has been presented to the IFA Board.

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$25,000,000	Uses:	Building Acquisitions	\$27,500,000
	Equity (Non-Qual. Expend.)	<u>2,800,000</u>		Costs of Issuance	<u>300,000</u>
	Total	<u>\$27,800,000</u>		Total	<u>\$27,800,000</u>

JOBS

Current employment:	1,000 (includes adjunct faculty)	Projected new jobs:	15
Jobs retained:	Not applicable	Construction jobs:	50-75 (over 24 months)

FINANCING SUMMARY

Security/Rating: The Bonds will be secured by a Direct Pay Letter of Credit from LaSalle Bank (Bank of America, N.A.). Bank of America, N.A. is currently rated Aa1/AA+/AA long-term and MIG-1/A-1 +/F1+ short-term by Moody's/S&P/Fitch. Saint Xavier University has not requested ratings from the credit rating agencies, nor does the University expect to do so in connection with the subject bond issue.

Structure: The Bonds are expected to be sold initially as 7-day Variable Rate Demand Bonds by Banc of America Securities, LLC.

Interest Rate: 7-day Variable Rate Demand Bonds. The SIFMA weekly municipal swap rate was 2.10% as of 4/16/2008 (excludes ongoing fees pursuant to new IFA presentation requirements).

Maturity: 30 Years (anticipated maturity: 25 years)

Underlying Ratings: Saint Xavier University has not requested ratings from the credit rating agencies, nor does the University expect to do so in connection with the subject bond issue.

Closing Date: Late June or July 2008

Rationale: The proposed project will enable Saint Xavier University to expand its student housing facilities and to also purchase and renovate a building for use as an on-campus art gallery (Mt. Greenwood United Methodist Church building) and as a music performance hall (Parkwood Baptist Church). Saint Xavier will convert these former churches into buildings that will be used strictly for non-religious, academic, uses.

PROJECT SUMMARY FOR PRELIMINARY BOND RESOLUTION

Bond Proceeds will be used by the University to finance or refinance all or a portion of the costs of the following projects, each of which are expected to be undertaken in phases: (i) constructing and equipping an approximately 37,000 (gross) SF, 106-bed residence hall directly north of the McCarthy Hall student housing facility located on the University's campus, and to also finance site work involved with expanding Lake Marion to meet City of Chicago water detention requirements and located on the University's campus at 3700 W. 103rd Street in Chicago (Cook County), IL; (ii) purchase and demolish an existing building located at 10333-10343 S. Pulaski (and relocate classrooms) and construct and equip a four-story mixed-use facility that would be comprised of 1st floor retail, and approximately 76 beds of student housing on floors 2-4 (ground floor retail operations will be financed by the University), apartment-style student housing (76 beds), and to purchase, renovate, and equip a building located at 10435 S. Spaulding, Chicago, IL 60655 (and currently known as the Parkwood Baptist Church building) for non-religious, academic and general university support and administration uses; (iii) purchase, renovate, and equip a building located at 11000 S. St. Louis Ave. (and currently known as the Mt. Greenwood United Methodist Church) for non-religious, academic and general university support and administration uses, and (iv) to finance costs of issuance, capitalized interest, and the funding of any reserve funds necessary to issue the proposed bonds and as authorized under the Illinois Finance Authority Act (the "Project").

Preliminary Summary of project costs:

Construct and equip of 106-bed Res. Hall:	\$10,680,000
Water Retention/Site Improvements – Lake Marion:	320,000
Purchase and demolish 10333-10343 S. Pulaski:	500,000
Construct and equip 4-story mixed-use bldg. @ 10333-10343 S. Pulaski site (1 st Floor Retail; Floors 2-4 Student Apt.'s):	12,000,000
Purchase, Renovate and Equip 10435 S. Spaulding (former Parkwood Baptist Church):	2,250,000
Purchase, Renovate and Equip 11000 S. St. Louis (former Mt. Greenwood United Methodist Church):	750,000
Contingency/Additional Equipment/Fixed Assets:	<u>2,500,000</u>

Total: **\$27,500,000**

BUSINESS SUMMARY

Background: Saint Xavier University (“Saint Xavier” or the “University”) is an Illinois 501(c)(3) organization originally established in 1846 and incorporated in 1847.

The University has a two-tiered governance structure:

1. The Sisters of Mercy sponsor Saint Xavier University and appoint the five (5) Members of the Corporation of Saint Xavier University. The Members of the Corporation are responsible for approving the University’s mission statement, articles of incorporation, and for also approving major capital projects and related long-term borrowing.
2. The Members of the Corporation have delegated decisions relating to day-to-day governing powers to a 28-member Board of Trustees who oversee day-to-day management of the University. (See Economic Disclosure Statement section on page 4 for the list of Trustees.)

Day to day operations are managed by (1) Dr. Judith A. Dwyer, President, and (2) Ms. Susan L. Piros, Treasurer/VP for Business and Finance.

Saint Xavier University’s 501(c)(3) tax status is attributable to its inclusion in a Group Ruling associated with its listing in the *Official Catholic Directory* (“OCD”). The 2005 Group Ruling was the latest in a series of IRS rulings that began with an original IRS Letter of Determination dated March 25, 1946, which exempted all Catholic institutions listed in the OCD beginning that year. Subsequently, the IRS has extended the original 1946 ruling, by separate letter, to cover institutions listed in subsequent editions of the OCD through 2005.

Description: Saint Xavier University operates two campuses that are located at (1) 3700 W. 103rd Street in Chicago (Mt. Greenwood neighborhood), and at 18230 Orland Parkway in Orland Park (near the I-80/U.S. 45 – LaGrange Road interchange). Saint Xavier offers 35 undergraduate and 30 graduate programs through its Schools of Arts and Sciences, Education, Nursing, and its Graham School of Management. Additionally, the University’s School for Continuing and Professional Studies features programs and services directed to adult learners.

For academic 2007-2008, Saint Xavier University has approximately 5,700 students at its campuses in Chicago and Orland Park, comprised of 3,182 undergraduates and 2,523 graduate students. Saint Xavier graduated 1,732 students in academic 2006-2007. The average age of the University’s student body is xx for undergraduate students and 33.3 for graduate students. Approximately 75% of Saint Xavier’s undergraduates (i.e., approximately 2,400 out of 3,182) were full-time students.

The University has 183 full-time and 245 adjunct faculty. Over 85% of the University’s faculty have attained the terminal or highest degree conferred in their field.

The Chicago Campus is located on a 74 acre site in a residential neighborhood and has a 2007-2008 enrollment of 4,874. The Chicago Campus presently includes five residence halls with 723 beds. The Chicago Campus has 45 on-campus student organizations available for extracurricular participation.

The Orland Park Campus was established in 2004 and is surrounded by 35 acres of wetlands, near the I-80/US 45 (LaGrange Rd.) interchange in Orland Park (Cook County). The Orland Park campus focuses primarily on adult and professional education.

Key milestones in Saint Xavier University’s history include:

- 1946: Saint Xavier University was originally established in Chicago
- 1912: Saint Xavier College for Women received state certification, becoming the first Catholic women’s college in Chicago.
- 1955: Saint Xavier College for Women became Saint Xavier College
- 1956: Saint Xavier relocated its former campus at 49th Street and Cottage Grove to its present location at 3700 West 103rd Street in Chicago (between Kedzie Ave. and Pulaski Rd.).
- 1969: Saint Xavier became coeducational
- 1985: Saint Xavier established its Graham School of Management
- 1992: Saint Xavier College became Saint Xavier University
- 1997: Saint Xavier opened its South Campus in leased space in Tinley Park, Illinois
- 2001-2002: Saint Xavier completed construction of two new on-campus residence halls (McCarthy Hall and Morris Hall) which added 215 new student housing beds to its existing 290 beds
- 2004: Saint Xavier opened its new South Campus facilities in Orland Park, located near the I-80/US 45 (LaGrange Road) interchange, and relocated from leased space in Tinley Park

Enrollment

Trends: Total Saint Xavier University Enrollment for recent Fall semesters was as follows:

<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>
<u>4,939</u>	<u>5,281</u>	<u>5,581</u>	<u>5,722</u>	<u>5,705</u>

IFA issued \$10.0 million of 501(c)(3) Bonds for SXU in May 2006 that enabled the University to expand its on-campus housing by adding 118 beds of student housing to its existing 605 beds. This project will also finance construction of an estimated –units of apartment-style student housing to accommodate an estimate 75-85 additional students consistent with objectives of the University’s strategic plan

The University’s expansion of on-campus housing is integral to the University’s objectives as it continues to evolve from a commuter campus to a full-time residential campus with 1,000 units of on-campus student housing by 2009. As of Fall 2007, the University’s 723 (i.e., 705 net rentable units after excluding Resident Assistants) on-campus student housing beds were approximately 99% occupied. Of the 723 units, approximately 18 are allocated to Resident Assistants and are non-revenue producing.

The University is currently leasing apartments for 140 students in several off-campus sites, some more than one mile from campus. Saint Xavier anticipates leasing apartments fro 250 students in Fall 2008. Accordingly, the proposed housing projects will represent replacement housing for the University on a permanent basis as warranted by demand/backlog as evidenced by these leases. The University has determined that 76 to 85 units of additional apartment-style, student housing is also necessary given waiting lists for graduate students and married students.

The University believes on-campus housing is essential for providing its students with a comprehensive full-time, college experience enabling integration of educational and extracurricular activities as articulated in the University’s Strategic Plan.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Saint Xavier University, 3700 W. 103rd Street, Chicago, IL 60655-3105
 Web site: www.sxu.edu
 Contact: Ms. Susan L. Piros, Vice President for Business and Finance; (T) (773) 298-3031;
 (F) (773) 298-3222; e-mail: piros@sxu.edu;
 Project name: Saint Xavier University Series 2008 Bonds
 Locations: (1) Saint Xavier University, 3700 W. 103rd Street, Chicago, IL 60655-3105, (2) 11000 S. St. Louis Ave., Chicago, IL 60655-3322; (3) 10435 S. Spaulding Ave., Chicago, IL 60655-2426; and (4) 10333-10343 S. Pulaski Ave., Chicago, IL 60655 (no 9-digit zip assigned as of 4/18/2008)
 Organization: Illinois 501(c)(3) corporation
 Board of Trustees: *See attached list of Board of Trustees on Pages 6-7 of this report.*
 Current Land Owners:

1. The proposed site of the new, 106-bed student housing facility (traditional dormitory) is located on the Saint Xavier University campus and is already owned by the University.
2. 11000 S. St. Louis Ave, Chicago, IL 60655 is currently owned by the United Methodist Church (Mt. Greenwood United Methodist Church), 773-238-7097.
3. 10435 S. Spaulding Avenue, Chicago, IL 60655 is currently owned by Parkwood Baptist Church (773-238-4475).
4. The Pulaski Center building, 10333-10343 S. Pulaski Avenue, Chicago, IL 60655 is currently owned by Dennis Haywood (Contact: Mr. Dennis Haywood, c/o Ms. Sharon A. Zoga, Esq., 10020 S. Western Avenue, Chicago, IL 60643-1926).

PROFESSIONAL AND FINANCIAL

Borrower's Counsel:	DLA Piper US LLP	Chicago, IL	John Cusack
Auditor:	Crowe Chizek and Company LLC	Oak Brook, IL	
Bond Counsel:	Chapman and Cutler, LLP	Chicago, IL	Nancy Burke
Bank LOC:	LaSalle Bank (Bank of America)	Chicago, IL	Paul Corrison
Bank Counsel:			
Underwriter:	Banc of America Securities, LLC	Chicago, IL	Michelle Salomon Jason Bormann
Underwriter's Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Trustee:	Wells Fargo Corporate Trust Services	Chicago, IL	Gail Klewin
Development Consultants:	Dober, Lidsky, Craig and Assoc., Inc.	Belmont, MA	
Rating Agency:	To be determined		
General Contractor:	Henry Bros., Co.	Hickory Hills, IL	George Ferrell
Architects:	Solomon Cordwell Buenz & Assoc. Newman Architecture	Chicago, IL Naperville, IL	Jim Curtin Matthew Hichens
Issuer's Counsel:	Sanchez Daniels & Hoffman, LLP (MBE)	Chicago, IL	John Cummins
IFA Financial Advisors:	D.A. Davidson & Co. Scott Balice Strategies, Inc.	Chicago, IL Chicago, IL	Bill Morris Lois Scott

LEGISLATIVE DISTRICTS BY PROJECT SITE

	St. Xavier Campus & 10333-10343 S. Pulaski Rd.	11000 S. St. Louis & 10435 S. Spaulding
Congressional:	3 Daniel Lipinski	3 Daniel Lipinski
State Senate:	18 Edward D. Maloney	18 Edward D. Maloney
State House:	36 James D. Brosnahan	35 Kevin Joyce

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Chicago, Illinois

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 13, 2008**

Project: DePaul University

STATISTICS

Project Number:	E-PC-TE-CD-8049	Amount:	\$55,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton
County/Region:	Cook County/Northeast	Location:	Chicago

BOARD ACTION

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

Changes since Preliminary: Addition of Bond Trustee; engagement of Co-Managers, refinement of Project Summary (p.2).

VOTING RECORD

Preliminary Bond Resolution, April 8, 2008:

Ayes: 10	Nays: 0	Abstentions: 0
Absent: 4 (Fuentes, Herrin, Talbott, Valenti)	Vacancies: 1	

PURPOSE

Bond proceeds will be used to purchase student housing facilities from MJH Educational Assistance Illinois III LLC, an independent 501(c)(3) supporting entity that is not directly affiliated with DePaul. The proposed acquisition will enable DePaul to exercise a purchase option to both own and operate these student housing facilities (and will also bring these projects "on balance sheet").

IFA CONTRIBUTION AND PROGRAM

501(c)(3) Bonds are municipal bonds authorized under the Internal Revenue Code that enable 501(c)(3) corporations to finance capital projects at municipal bond interest rates. 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.

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$52,000,000	Uses:	Building Acquisitions	\$52,000,000
	Equity	<u>1,000,000</u>		Costs of Issuance	<u>1,000,000</u>
	Total	<u>\$53,000,000</u>		Total	<u>\$53,000,000</u>

JOBS

Current employment: 2,208 (FT); 1,378 (PT)	Projected new jobs:	N/A
Jobs retained: Not applicable	Construction jobs:	Not applicable

FINANCING SUMMARY

- Security:** The Bonds will be sold based solely on the underlying ratings of DePaul University.
- Structure:** The Bonds are expected to be sold at a fixed interest rate by Lehman Brothers.
- Interest Rate:** Fixed Rate Bonds. The estimated rate based on market conditions as of 4/16/2008 was 4.75%.
- Maturity:** 20 Years
- Existing Ratings:** DePaul's long-term debt rating was upgraded by Moody's Investors Service from Baa1 to A3/Stable as of 10/26/2007. The IFA Series 2008 Bonds will be rated by Moody's, S&P (for the first time), and Fitch. DePaul is rated "A-" long-term by Fitch. DePaul's underlying short-term ratings were recently affirmed at P-1/F-1+ by Moody's/Fitch in connection with the \$75,000,000 IFA Series 2008 Commercial Paper Revenue Notes (DePaul University) that closed on 1/9/2008.
- Requested Ratings:** The IFA Series 2008 Bonds will be rated by Moody's, Standard & Poor's (S&P), and Fitch. DePaul has scheduled meetings and site visits with S&P and will request assignment of a long-term rating from S&P for the first time. DePaul and Lehman Brothers anticipate that S&P's ratings will be comparable to Moody's current ratings (i.e., A-/A-1 + from S&P). DePaul anticipates the rating will be finalized in early May.
- Closing Date:** June 3, 2008 through September 1, 2008 – will depend on pricing conditions during this period. (If market conditions are unfavorable for financing this acquisition, this financing will not proceed.)
- Rationale:** The proposed project will enable DePaul to purchase a building containing 34 student housing units and several other dormitory facilities (see Project Description section below) that it currently leases near its Lincoln Park campus from MJH Educational Assistance Foundation and affiliates on land owned by the University. DePaul and MJH have an ongoing collaborative relationship under which MJH develops and manages the properties for DePaul under a land lease. Upon payment (i.e., retirement) of the debt associated with the underlying leases, MJH donates the facilities to DePaul.
- The terms of the respective indentures would permit redemption on or after June 3, 2008 (i.e., 90 days in advance of 9/1/2008 call date).
- Based on the current market for fixed rate bonds (i.e., as of 4/16/2008), DePaul and its Underwriter (Lehman Brothers) have determined that current fixed rates for tax-exempt bond debt suggest that timing remains favorable to exercise the University's purchase option of the MJH facilities. As a result of the proposed financing, the proposed debt will become "on balance sheet" (and will no longer be an off balance sheet obligation of DePaul University).

PROJECT SUMMARY FOR FINAL BOND RESOLUTION

DePaul University will use the proceeds of the Bonds, together with certain other funds, to (i) finance and reimburse the University for certain of the costs of the acquisition (including related land costs), of certain residential facilities that are currently leased to house the University's students, faculty, and administration including Munroe Hall, a housing and community center located at 2312 N. Clifton; a 3-story apartment building located at 1014 W. Belden (5 units; 12 beds); a 3-story apartment building located at 1016 W. Belden (5 units; 12 beds); a 3-story apartment building located at 1020 W. Belden (4 units; 14 beds); a 3-story apartment building located at 1022 W. Belden (3 units; 11 beds); a 3-story apartment building located at 2315 N. Kenmore (3 units; 12 beds); a 3-story apartment building located at 2323 N. Kenmore (4 units; 14 beds); a 3-story apartment building located at 2308 N. Sheffield (3 units; 12 beds); a 3-story apartment building located at 2345 N. Kenmore (62 units; 230 beds); a two-story, single family home located at 2331 N. Racine; a two-story, single family home located at 2333 N. Racine; a nine-bed student housing facility located at 2343 N. Racine; a 10-bed student housing facility located at 2347 N. Racine; a 34-unit apartment building located at 2318-2326 N. Sheffield; and a single family home located at 2327 N. Racine; and (ii) to fund a debt service reserve fund for the benefit of the Bonds, if requested by the University, and (iii) to pay costs of issuance and fund any reserves funds necessary to issue the proposed bonds (the "Project").

(Additionally, because the IFA Series 2008 that will fund this acquisition will, coincidentally, result in the redemption of IEFA (IFA) Bonds Series 1998C-1998D and Series 2003A-2003B and Series 2003C-2003D issued on behalf of the current owner of these properties [i.e., MJH Education Assistance Illinois I LLC and MJH Education Assistance Illinois II LLC], the proposed IFA Series 2008 Bonds that will fund the acquisition of these properties will also be considered current refunding bonds for tax purposes. The combined Par amount of these Bonds was approximately \$50,035,000 as of 12/31/2007.)

BUSINESS SUMMARY

Background: DePaul University is a 501(c)(3) organization incorporated under Illinois law. DePaul's original predecessor was founded in 1898 by the Congregation of the Mission and was known as St. Vincent's College.

The University is governed by a two-tiered governance committee consisting of (1) The Members of the University, a self-perpetuating body of 14 individuals, representing the Congregation of the Mission (C.M.), the religious community that sponsors the University. The Members are empowered to elect (2) the Board of Trustees, whose responsibility is to direct and manage the affairs of the University and other officers. Currently, there are 35 trustees elected to serve staggered 3-year terms. A List of the University's current Board of Trustees is on page 5.

Description: The University's mission is to provide education in liberal and professional studies. DePaul has evolved into a major urban institution, serving metropolitan Chicago. The University is the largest Catholic university in the nation and has over 23,000 students (including 19,035 full time students) enrolled for the Fall 2007 semester. Since 1998, DePaul has ranked as the largest Catholic university in the United States and is the ninth largest private university in the United States. During academic year 2006-2007, approximately 84% of DePaul's students were from the State of Illinois.

The University comprises six campuses, including two core campuses in Chicago, and four in suburban Chicago. DePaul's Lincoln Park Campus and Loop Campus in Chicago form the core of the University's academic and administrative activities. The Lincoln Park Campus is a residential campus located on approximately 34 acres and is located approximately 3 miles north of downtown Chicago. The Lincoln Park Campus now consists of more than 45 buildings comprising approximately 2.3 million SF. The Loop Campus, located in the Chicago Central Business District at the corner of Wabash Avenue and Jackson Blvd, consists of 3 interconnected and 2 adjacent buildings of over 1.3 million SF and provides facilities for the College of Law, Graduate Programs, and undergraduate programs.

DePaul's four suburban campus locations have expanded over the last 20 years to satisfy growing demand for higher education and graduate education in suburban Chicago. DePaul's conducts classes at four suburban facilities including: (1) The DePaul O'Hare Campus in Des Plaines, Illinois, (2) South Suburban Community College in South Holland, Illinois, (3) Naperville, Illinois (located on a portion of the BP (Amoco) Research Center along I-88), and (4) Rolling Meadows, Illinois (near Schaumburg).

The University offers 200 over academic and professional graduate degree programs, including seven programs offered by the College of Law.

ECONOMIC DISCLOSURE STATEMENT

Applicant/ DePaul University, 55 East Jackson Boulevard, Chicago, Illinois 60604-4101; www.depaul.edu
Contacts: (1) Doug Stanford, Director of Treasury Operations, Ph.: 312/ 362-6714; dstanford@depaul.edu
(2) Elizabeth Honold, Senior Financial Analyst, Ph.: 312/362-8868; ehonold@depaul.edu
Project name: IFA Series 2008A Bonds (DePaul University Project)
Locations: DePaul's Lincoln Park Campus, 2550 N. Sheffield Ave., Chicago, IL 60614-3298 (including facilities located at 2312 N. Clifton, 1014-1016-1020-1022 W. Belden; 2315-2319-2323 N.

Kenmore; 2308 N. Sheffield; 2345 N. Kenmore; 2331 N. Racine; 2333 N. Racine; 2343-2347 N. Racine; Sheffield Square at 2318-2326 N. Sheffield, and 2327 N. Racine in Chicago, IL 60614).

Organization: Illinois 501(c)(3) organization
 Board
 Membership: *See list of Board of Trustees (p. 5)*

Current Land
 Owners: MJH Educational Assistance Illinois I LLC and
 MJH Educational Assistance Illinois II LLC
 c/o Civic Finance Associates
 603 Great Springs Road
 Bryn Mawr, PA 19010-1701
 Attn: Benjamin L. Noble
 610-525-8185

PROFESSIONAL AND FINANCIAL

Borrower's Counsel:	O'Keefe Lyons & Hynes, LLC	Chicago, IL	Daniel Coyne
Auditor:	KPMG, LLP	Chicago, IL	
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Jim Luebchow
Senior Manager/ Underwriter:	Lehman Brothers	New York, NY	Jim Costello
Co-Managers:	Rice Financial Products Company (MBE)	Chicago, IL	Adrienne Archia
	Samuel A. Ramirez and Company (MBE)	Chicago, IL	Fernando Grillo
Underwriter's Counsel:	Foley & Lardner LLP	Chicago, IL	Chris Knight
Trustee and Paying Agent:	US Bank Corporate Trust	Chicago, IL	Grace Gorka
Rating Agencies:	Moody's Investors Service	New York, NY	
	Standard & Poor's	New York, NY	
	Fitch Ratings	New York, NY	
IFA Counsel:	Burke Burns & Pinelli Ltd. (WBE)	Chicago, IL	Steve Welcome
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	5	Rahm Emanuel
State Senate:	6	John J. Cullerton
State House:	11	John A. Fritchey

DEPAUL UNIVERSITY BOARD OF TRUSTEES
(Revised as of 11/8/2007)

***Denotes Members of the Board of Trustees Executive Committee**

Name/Professional Affiliation:

William L. Bax	Managing Partner, PricewaterhouseCoopers, LLP (Retired)
*William E. Bennett	
Martin R. Castro	VP for External Affairs, Aetna, Inc.
*Gery J. Chico	Chico & Nunes, LLP
Frank M. Clark	Chairman & CEO, ComEd
James W. Compton	Former President and CEO, Chicago Urban League
*Curtis J. Crawford	President and CEO, XCEO Inc.
Douglas Crocker, II	Chairman and CIO, Transwestern Multifamily Partners, LLC
Connie R. Curran	President, Curran Associates
James L. Czech	President, The James L. Czech Company LLC
*Mary A. Dempsey	Commissioner, Chicago Public Library
Sue L. Gin	Chairman, Flying Food Group Inc.
Rev. Paul L. Golden, C.M.	Director, Vincentian Canonical Services
*Jack M. Greenberg	Retired Chairman & CEO, McDonald's Corporation
*William E. Hay	President, William E. Hay & Co.
*Rev. Dennis H. Holtschneider, C.M.	President, DePaul University
*James M. Jenness	Chairman and CEO, Kellogg Company
Jeffrey J. Kroll	Partner, Law Offices of Jeffrey J. Kroll
Fay Levin	Senior Consultant, Res Publica Group
*Arthur E. Levine	President, Woodrow Wilson Foundation
Rev. Robert P. Maloney, C.M.	Coordinator, Project DREAM
Carla Michelotti	Executive VP/General Counsel, Leo Burnett Co., LLC
Patricia J. Parson	President, CEO, and Chairman of the Board, AmerInd, Inc.
Peter Pesce	VP of Human Resources, A.T. Kearney, Inc.
Roger L. Plummer	President, Plummer & Associates Consulting
Rev. Prudencio Rodriguez, C.M.	Director of Hispanic Ministry, Vincentian Priests & Brothers
George Ruff	Senior Principal, Trinity Hotel Investors LLC
Lawrence C. Russell	Managing Director, The Director's Firm (Retired)
Jim Ryan	President, COO & Director, W.W. Grainger, Inc.
Bertram L. Scott	EVP of Strategy, Implementation, and Policy, TIAA-CREF
*John B. Simon	Partner, Jenner & Block
*John C. Staley	Managing Partner, Ernst & Young LLP (Retired)
Harrison I. Steans	Chairman of the Executive Committee, Financial Investments Corporation
Errol L. Stone	Partner, Sonnenschein, Nath & Rosenthal
Rev. James E. Swift, C.M.	Provincial Superior, Midwest Province Congregation of the Mission
Richard E. Terry	Chairman and CEO, Peoples Energy Corporation (Retired)
Daniel C. Ustian	Chairman, President & CEO, Navistar International Corporation
*Joanne Velasquez	EVP, Azteca Foods, Inc.
John J. Vitanovec	EVP, Tribune Broadcasting

FINANCING SUMMARY/STRUCTURE

Bondholder Security:	Bondholders will be secured by a Direct Pay Letter of Credit from the Northern Trust Bank: underlying Senior Debt Rating of A1/AA-/AA1, Short-Term VMIG-1/A-1+/F1+ (Moody's/S&P/Fitch)
Bank Security:	General obligation pledge of the University that will <i>not</i> be secured by a mortgage or security interest on any of the University's assets, properties or funds. Bond insurance covenants on outstanding debt of the University include a negative pledge of assets, restricting the University's ability to mortgage its facilities.
Structure:	The Bonds will be sold initially as 7-day Variable Rate Demand Bonds with a final maturity of September 1, 2023. The most recent SIFMA 7-day municipal swap index rate was 2.10% as of 4/16/08. At the time of the issuance of the 2003 Bonds, the University entered into an interest rate exchange agreement ("swap") with JP Morgan. The University intends to continue this swap until its maturity date of September 1, 2011. The University does not intend to enter into a new swap as part of this financing. Under the terms of the existing swap, the University pays JP Morgan 3.358% and receives 74% of LIBOR.
Underlying Rating:	Illinois Wesleyan University has a direct underlying long-term rating of A3/A- (Moody's/S&P).
Timing:	Estimated Closing Date: June 2008
Rationale:	Refunding of the University's Series 2003 Bonds will eliminate the University's exposure to the highly volatile auction rate securities market and allow the University to budget more effectively for its debt service payments. Stability in the budget allows the University to operate more efficiently in its education of the students in the community.

PROJECT SUMMARY

The proceeds of the Bonds will be used to current refund the University's outstanding Illinois Educational Facilities Authority, Revenue Refunding Bonds, Illinois Wesleyan University, Series 2003, currently in the Auction Rate Mode, and pay costs associated with the issuance of the Bonds.

The 2003 Bonds were issued on August 20, 2003 in the auction rate mode with a 35-day interest rate reset. Insurance for the 2003 Bonds was provided by Financial Guaranty Insurance Company (FGIC). **Due to the downgrade of FGIC's credit rating in February by Moody's and Standard & Poor's, the University intends to refund these Bonds with variable rate demand bonds with a direct pay letter of credit.**

BUSINESS SUMMARY

Background: Illinois Wesleyan University ("IWU" or the "University") is a 501(c) (3) organization established in 1850 and incorporated under Illinois law. A list of the University's current Board of Trustees is presented on pp. 4-5 of this report.

Day to day operations are managed by President Richard F. Wilson, who has served since April 2004. The President serves as IWU's chief executive officer.

Description: The University is a private, coeducational, undergraduate institution located on an approximately 80.5 acre site adjacent to Bloomington's north side residential district.

The University's principal educational program consists of a curriculum in the liberal arts and sciences. The primary focus is on instruction, with an additional commitment to research and public service. Approximately 80% of the University's students pursue majors within the College of Liberal Arts and Sciences. Although approximately 84% of IWU's student body is drawn from Illinois, 38 other states and 19 foreign countries were represented in the student body in fiscal 2005.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
MAY 13, 2008**

Project: Illinois Wesleyan University

STATISTICS

Project Number:	E-PC-TE-CD-8069	Amount:	\$30,500,000 (not-to-exceed amount)
Type:	501(c) (3) Bonds	IFA Staff:	Rich Frampton & Jim Senica
County/Region:	McLean/North Central	City:	Bloomington

BOARD ACTION

Final Bond Resolution – Streamlined process due to market conditions
Staff recommends approval
Conduit Tax-exempt 501 (c) (3) Revenue Refunding Bonds
No IFA Funds at risk
No extraordinary conditions

VOTING RECORD

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

PURPOSE

The proceeds of the Bonds will be used to (i) current refund the University's outstanding IFA (IEFA), Series 2003 auction rate securities (the "2003 Bonds") and (ii) to pay costs associated with the issuance of the Bonds. **The bonds are being refunded solely to replace insured bonds (FGIC) with bonds backed by a direct-pay letter of credit.**

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

No volume cap is required for 501 (c) (3) bond financing.

JOBS

Current employment:	280 (FT); 300PT	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS (subject to change)

Sources: IFA Current Ref. Bonds	<u>\$30,500,000</u>	Uses:	Deposit to Escrow:	\$29,995,000
			Issuance Costs	<u>505,000</u>
	Total		Total	<u>\$30,500,000</u>

In recent years, IWU has been recognized for the strength and quality of its instruction by several independent publications, including *Best American Colleges*, *The Fiske Guide to Colleges*, *The Princeton Review's The Best 331 Colleges*, *The Wall Street Journal*, which in 2002 identified IWU as one of 16 institutions featured in an article entitled "Colleges for a New Era" [other institutions identified included Carleton College (MN), William & Mary, Dartmouth, Middlebury, Occidental, Rice University, and Washington University (MO)].

Successful recruiting efforts and the University's enhanced reputation have increased applications from approximately 1,000 in the late 1970's to 3,468 in 2007-2008. Approximately 57% of applicants for the 2007-2008 academic year were accepted. IWU's total enrollment has increased from 2,056 in 2000-2001 to 2,087 for the 2007-2008 academic year.

Approximately 80 percent of IWU's student body occupies University-approved residential housing with an occupancy rate that has averaged 98% over the last 3 academic years. The University's residential facilities include 14 residence halls; and 12 national fraternities and sororities.

The University is fully accredited by the North Central Association of Colleges and Schools. In 2002-3, NCACS completed its most recent 10-year evaluation at which time the University was awarded a full, 10-year accreditation with neither monitoring visits nor interim reports.

The College of Nursing is accredited by The Commission on Collegiate Nursing Education.

The University addresses renewal and replacement projects on an ongoing, systematic basis and typically incurs capital expenditures of \$1 million or more annually to upgrade and refurbish residence halls and academic buildings, and to provide general infrastructure improvements.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant/ Contact:	Illinois Wesleyan University, 1312 North Park, P.O. Box 2900 Bloomington, IL 61701 Mr. Daniel P. Klotzbach, Vice President for Business and Finance, (T) 309/556-3021; (F): (309)/556-3411; e-mail: dklotzba@iwu.edu
Project Name:	Illinois Wesleyan University Series 2003 Bonds – Refunding
Location:	Illinois Wesleyan University, Bloomington, Illinois 61701
Organization:	Illinois 501 (c) (3) organization
Board Membership:	See list of Board of Director on pp. 4-5

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Dunn, Willard, Arkell & Bugg	Bloomington, IL	Mark T. Dunn
Borrower's Consultant:	Starshak Welnhofers & Co.	Chicago, IL	Joseph P. Starchak
Accountant:	KPMG LLP	Chicago, IL	
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	James E. Luebchow
Credit Enhancer:	Northern Trust Bank	Chicago, IL	
Bank Counsel:	Forthcoming		
Remarketing Agent:	Morgan Stanley	New York, NY	
Bond Underwriter:	Griffin, Kubik, Stephens & Thompson, Inc.	Chicago, IL	Jamie Rachlin Holly Barstow Weimken
Rating Agencies:	Forthcoming		
Underwriter's Counsel:	Ungaretti & Harris, LLP	Chicago, IL	Raymond C. Fricke
Issuer's Counsel:	Shiff Hardin, LLP	Chicago, IL	Bruce Weisenthal
IFA Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	11 – Jerry Weller
State Senate:	44 – Bill Brady
State House:	88 – Dan Brady

Board of Trustees

George A. Vinyard '71 (d) (e) (f) President, Board of Trustees Chair, Executive Committee	Partner, Sachnoff & Weaver Ltd. Chicago, Illinois
Gilbert L. Dorsey '62 (c) (e) First Vice President, Board of Trustees	Retired Vice-Chairman, The Eureka Company Bloomington, Illinois
Herbert A. Getz '77 (b) (e) Second Vice President, Board of Trustees	President, Aspen Creek Partners LLC Naperville, Illinois
Susan D. Waring (a) (e) Secretary, Board of Trustees	Sr. Vice President & Chief Administrative Officer State Farm Life Insurance, Bloomington, Illinois
Robert E. Field II '67 (b) (e) Treasurer, Board of Trustees Chair, Business Affairs Committee	Quinlan & Carroll Attorneys at Law Chicago, Illinois
Richard S. Ames (b)	President, Command Plastic Corporation Tallmadge, Ohio
Patricia M. Armstrong '70 (c)	Sr. Vice President & Director of Human Resources Wells Fargo & Co., San Francisco, California
Victor E. Armstrong, Jr. '64 (d) Chair, Development Committee	President, Armstrong Builders Bloomington, Illinois
Jean S. Baird, '80 (d)	Vice President of Operations, State Farm Insurance Companies Ex Officio Bloomington, Illinois
Phyllis Barker, '73 (a) (f)	Manager of Agency Wide Volunteer Services, SAFER Foundation Chicago, Illinois
Henry Bird (a)	Vice President, Midwest Division of Community News, Inc. Muncie, Indiana
Thomas L. Brown, '79 (d)	Partner, PriceWaterhouseCoopers LLP Chicago, Illinois
Willie G. Brown (d) (e) Chair, Development Committee Ex Officio	Senior Vice President, State Farm Mutual Automobile Ins. Co. Bloomington, Illinois
Cathy T. Carswell '65 (c) (e) (f) Chair, Campus Life Committee	President, Kappa Kappa Gamma Scarsdale, New York
Sharon Brown Christopher (c) (e) Ex Officio	Resident Bishop of the United Methodist Church Illinois Area Springfield, Illinois
Michael A. Clark '76 (a)	Partner, Sidley & Austin LLP Chicago, Illinois
Judith E. FaveII, M.D. '66 (a)	CEO, AdvoServ., Inc. Mount Dora, Florida
Todd M. French '93 (d)	President, StringWorks Appleton, Wisconsin

A year listed following a member's name indicates that the University awarded the member a degree in that year. Where an "H" precedes the year, the degree awarded was honorary. Letters in parentheses following a member's name indicate committee membership as follows: Academic Affairs (a), Business Affairs (b), Campus Life (c), Development (d), Executive (e), and Nominating (f).

David W. Gaffron (a)	Retired Pastor, Wesley United Methodist Church Bloomington, Illinois
Thomas O. Hansen '82 (c)	Founder and Chairman, Tom O. Hansen Sales Associates Orlando, Florida
Craig C. Hart (b)	Retired President, Champion Federal Savings & Loan Hudson, Illinois
John S. Horton, '82	Investor/Advisor/Venture Capitalist Paradis Valley, Arizona
Roger S. Joslin (a)	Retired Vice Chairman and Treasurer Sate Farm Mutual Automobile Insurance Bloomington, Illinois
Garry D. Kinder '55 (d)	Chairman of the Board, Kinder Brothers Associates Dallas, Texas
Rebie R. Kingston H'96 (c)	Former Director, Office of Guidance, Detroit Public Schools Detroit, Michigan
Wonmi Kwon (c)	President, Power Enterprises Fullerton, California
Kathleen Larey Lewton '70 (b)	Public Relations Counselor Stamford, Connecticut
Thomas C. McKinney, Jr., M.D. '76 (a) (f)	Pediatrician, St. Louis Pediatric Association Chesterfield, Missouri
Thomas J. Neis, '70 (d)	Owner, Neis Insurance Agency Crystal Lake, Illinois
Robert E. Page, '58; H'86, LL.D., (b)	Chairman and CEO REP Publishing Inc. & Page Ranch Resources Inc. Rancho Santa Fe, California
John W. Remo, M.D. '58 (c)	Diagnostic Radiologist West Lafayette, Indiana
J. William Roberts, '64	Managing Partner, Hinshaw & Culbertson LLP Springfield, Illinois
Ronald L. Ruecker, M.D., '66 (d)	Senior Physician, Internal Medicine Decatur, Illinois
Edward B. Rust, Jr. '72; H'94, LL.D. Chair, Nominating Committee, (b) (f)	Chairman and Chief Executive Officer, State Farm Insurance Bloomington, Illinois
James A. Shirk (b)	President, Beer Nuts, Inc. Bloomington, Illinois
Carlina Tapia-Ruano, '77 (d)	Attorney, Tapia-Ruano & Gunn P.C. Chicago, Illinois
Michael L. Tipsord, '81 (b)	Senior VP, Treasurer & CFO, State Farm Insurance Companies Bloomington, Illinois
Steven J. Wannemacher '73 (b)	President, Heritage Enterprises, Inc. Bloomington, Illinois
David G. Wilkins, '74	Assistant General Counsel The Dow Chemical Company Freeland, Michigan
Richard F. Wilson, Ph.D. (e) Ex Officio	President, Illinois Wesleyan University Bloomington, Illinois

Illinois Finance Authority

Memorandum

To: IFA Board of Directors

From: Sharnell Curtis-Martin

Date: May 13, 2008

Re: Request to amend the Bond and Loan Agreement to revise the interest rate to reduce the interest rate from 5.40% to 5.04% per annum for Cornerstone Services, Inc. (IFA File # N-NP-TE-CD-7126)

The IFA Board approved a \$14 million 501(c)(3) final bond resolution for Cornerstone Services Inc. at the September 11, 2007 IFA Board Meeting.

The IFA actually issued \$2.95 million of 501(c)(3) bonds on September 27, 2007. The remaining \$10 million bonds were issued bank qualified by the Village of Rockdale.

The Applicant requests to amend the bond and loan agreement to revise the interest rate from 5.40% to 5.04% per annum. The proposed rate term on all the bonds have been negotiated by Cornerstone and the purchaser of the bonds, First Midwest Bank. The interest rate is the only term being renegotiated, not the amortization, maturity or project size. All fees associated with the re-issuance will be paid by the borrower.

A copy of the project summary which approved a final bond resolution presented on September 11, 2007 is attached to this memorandum to provide a complete overview of the project.

Staff recommends approval of the request.

The voting record of this 501(c)(3) Bond approval at the September 11, 2007 Board meeting is as follows:

Ayes:	10
Nays:	0
Abstentions:	0
Absent:	4 (Boyles, Herrin, Leonard, Valenti)
Vacancy:	1

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007**

Project: Cornerstone Services, Inc.

STATISTICS

Deal Number:	N-NP-TE-CD-7126	Amount:	\$14,000,000
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Sharnell Curtis Martin
Location:	Joliet	SIC Code:	8322 – Individual and Family Social Services

BOARD ACTION

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

PURPOSE

Bond proceeds will be used to refund existing IFA (IDFA) 1998 and 2002 Bond issues, refinance existing conventional debt, and pay for certain bond issuance costs.

IFA CONTRIBUTION

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

VOTING RECORD

Preliminary Bond Resolution: June 12, 2007

Ayes: 10	Nays: 0	Abstentions: 0	Vacancy: 1 (Giannoulas)
Absent: 4	(DeNard, Fuentes, O'Brien, Talbott)		

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$14,000,000	Uses:	Refunding Bonds	\$15,350,000
	Equity	2,200,000		Refinancing	1,000,000
	Bank Loan	<u>500,000</u>		Bond Issuance Costs	<u>350,000</u>
	Total Sources	<u>\$16,700,000</u>		Total Uses	<u>\$16,700,000</u>

The sources of equity are from the proceeds from a real estate transaction and reserve funds from the previous bond issues.

JOBS

Current employment:	375	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

Background: Cornerstone Services, Inc. was organized as a 501(c)(3) organization in 1969. The organization is a provider of services to persons with mental retardation and other developmental disabilities.

Description: Cornerstone provides services at 41 locations, primarily in Chicago's Southwest Suburbs. The organization's clients reside in Chicago and various Chicago's Southern and Southwestern suburbs. Cornerstone employs approximately 350 trained professionals including psychiatrists, nurses, social workers, therapists, counselors, teachers and paraprofessionals.

Cornerstone provides residential assisted living facilities for individuals with developmental disabilities. Additional existing programs Cornerstone provides include Case Management, Psychosocial Rehabilitation, Developmental Training and Client/Family Support.

FINANCING SUMMARY

Security: The bonds will be purchased and held as an investment by First Midwest Bank.

Structure: The Bonds will bear a fixed interest rate of approximately 5.25%.

Maturity: 25 Years

Bank Collateral: First Mortgage on subject real estate, blanket lien on subject machinery and equipment

Credit Rating: First Midwest Bank, the purchaser of the bonds is an unrated bank and therefore does not have a credit rating.

Remarks: Tax-exempt savings will reduce the cost of financing by approximately 2.25% relative to a taxable financing. This will translate to approximately \$2.7 million in gross debt service payments throughout the refinancing period as a result of refunding the previous bond issues.

PROJECT SUMMARY

Bond proceeds will be used to refund a 1998 and 2002 bond issues. Refinance six bank loans presently held at First Midwest Bank and pay for certain bond issuance costs. Project costs are estimated at \$16,700,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Cornerstone Services, Inc.

777 Joyce Road

Joliet, IL 60436 (Will County)

Mr. Ben Stortz, Vice President/Chief Administration Officer

Project name: Cornerstone Services Refinancing Project

Location: 777 Joyce Road, Joliet, IL 60436 (Will County)

Organization: 501(c)(3) Corporation

State: Illinois

Board of Directors: Judith A. Block

Vincent A. Benigni

Jean A. Hansen

Alex Ledesma

J. D. Ross

John A. Sheridan

Robert A. Rogina

Stanley Adams

Daniel W. Hecht

Priscilla Lynch

Betsy Ruettiger

Gregory M. Wernert

John R. Rogers

James B. Harvey

Stephen M. Klafter

Ruth A. Meriz

LeRoy Shepherd

Land Sellers: Not Applicable

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	McKeown Law Firm	Joliet	Dave Ruttle
Accountant:	Senesac & Lennon, Ltd.	Joliet	
Bond Counsel:	Chapman and Cutler	Chicago	Nancy Burke
Bank:	First Midwest Bank	Joliet	Dave Schutter
Bank's Counsel:	Greenberg Traurig, LLP	Chicago	Matthew Lewin
Financial Advisor:	Griffin Kubik Stephens & Thompson	Chicago	Helena Burke-Bevan
Issuer's Counsel:	Law Offices of Kevin Cahill	Chicago	Kevin Cahill
IFA Financial Advisor:	D. A. Davidson	Chicago	Bill Morris
	Scott Balice Strategies	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	18 – Ray LaHood
State Senate:	43 – A. J. Wilhelmi
State House:	86 – Jack McGuire

RESOLUTION 2008-05-25

RESOLUTION PROVIDING FOR CERTAIN AMENDMENTS OF THE FINANCING DOCUMENTS RELATING TO THE ILLINOIS FINANCE AUTHORITY REVENUE BOND (CORNERSTONE SERVICES, INC. PROJECT), SERIES 2007; AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDMENT TO THE BOND AND LOAN AGREEMENT, A TAX EXEMPTION CERTIFICATE AND AGREEMENT, AND RELATED DOCUMENTS; AND AUTHORIZING AND APPROVING RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "Authority"), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq.*, as supplemented and amended (the "Act"), is authorized by the laws of the State of Illinois, including without limitation, the Act, to issue its revenue bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to defray, among other things, the costs of the acquisition, construction, refurbishment, installation and equipping of "health facilities," as defined in the Act, and to provide for the refunding or advance refunding of any bonds deemed necessary in connection with any purpose of the Authority; and

WHEREAS, the Authority has heretofore issued its Illinois Finance Authority Revenue Bonds (Cornerstone Services, Inc, Project), Series 2007 in the original aggregate principal amount of \$2,951,650 (the "Series 2007 Bonds"); and

WHEREAS, the proceeds from the sale of the Series 2007 Bonds were loaned to Cornerstone Services, Inc., an Illinois not for profit corporation (the "Corporation"), and used by the Corporation to (i) finance and refinance certain outstanding taxable indebtedness of the Corporation, (ii) advance refund a portion of the Illinois Development Finance Authority Community Rehabilitation Providers Facilities Acquisition Program Revenue Bonds, Series 1998A (the "Series 1998A Bonds"), (iii) finance or reimburse the Corporation for certain costs relating to the acquisition, construction, renovation and improvement of certain capital projects, including capitalized interest, if any, and (iv) finance certain costs relating to the issuance of the Series 2007 Bonds and the advance refunding of such portion of the Series 1998A Bonds; and

WHEREAS, the Series 2007 Bonds were issued and privately placed with First Midwest Bank, an Illinois banking corporation (the "Purchaser"), pursuant to the terms of the Bond and Loan Agreement dated as of September 1, 2007 (the "Bond and Loan Agreement") among the Authority, the Corporation and the Purchaser; and

WHEREAS, the Series 2007 Bonds currently bear interest at an initial rate of 5.40% per annum for the initial interest period ending on September 30, 2017 (the "Initial Interest Period"); and

WHEREAS, the Purchaser has agreed to accept a lower interest rate on the Series 2007 Bonds; and

WHEREAS, the Corporation desires to amend the Bond and Loan Agreement and any other related documents and/or to enter into such other documents as may be necessary to revise the interest rate borne by the Series 2007 Bonds to a rate lower than 5.40% per annum; and

WHEREAS, such decrease in the interest rate on the Series 2007 Bonds will result in the Series 2007 Bonds being reissued for purposes of federal tax law; and

WHEREAS, the Authority desires to authorize and approve the decrease of the interest rate borne by the Series 2007 Bonds as described above and the execution and delivery of such amendments and new documents as may be necessary to accomplish the same;

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

Section 1. The Authority hereby authorizes and approves the lowering of the interest rate on the Series 2007 Bonds to below 5.40% per annum, which new rate shall be effective for the Initial Interest Period or such other period as is agreed to by the Corporation and the Purchaser.

Section 2. That the Authority is hereby authorized to enter into such amendments and documents as may be necessary to effectuate the decrease in the interest rate borne by the Series 2007 Bonds as contemplated by this Resolution, including, without limitation, the execution and delivery of an amendment to the Bond and Loan Agreement, a Tax Exemption Certificate and Agreement (the "Tax Agreement") and an IRS Form 8038 ("Form 8038") and the issuance of a new Series 2007 Bond to reflect such new interest rate, such amendments, documents and new Series 2007 Bond shall be in the forms as shall be approved by bond counsel, counsel to the Corporation and counsel to the Authority; that the Chairman, the Vice Chairman, the Treasurer or the Executive Director (and for purposes of this Resolution any person duly appointed to serve such office on an interim basis) of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and the Secretary or any Assistant Secretary of the Authority be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, such amendments, documents and new Series 2007 Bond in the name, for and on behalf of the Authority, in the form so approved; that when such amendments, documents and new Series 2007 Bond are executed and delivered on behalf of the Authority as hereinabove provided, such amendments, documents and new Series 2007 Bond will be binding on the Authority; that from and after the execution and delivery of such amendments, documents and new Series 2007 Bond, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such amendments, documents and new Series 2007 Bond as executed.

Section 3. That the Chairman, the Vice Chairman, the Treasurer, the Executive Director, the Secretary and any Assistant Secretary (and for purposes of this Resolution any

person duly appointed to serve such office on an interim basis) be, and each of them hereby is, authorized to execute and deliver such other documents, certificates, and undertakings of the Authority, and to take such other actions as may be required in connection with effecting the decrease in the interest rate on the Series 2007 Bonds during the Initial Interest Period or such other period as is agreed to by the Corporation and the Purchaser, all as authorized and contemplated by this Resolution.

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

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

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

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

DRAFT

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

MEMO TO: IFA Board of Directors

FROM: Pam Lenane and Dana Sodikoff

DATE: May 13, 2008

RE: Amendatory Resolution for Southern Illinois Healthcare Enterprises, Inc. Series 1998B IHFA/IFA Bonds and Series 2005 IFA Reset Auction Mode Securities

In view of existing conditions in the auction rate securities market, Southern Illinois Healthcare Enterprises, Inc. ("SIH") has requested that the IFA approve the amendment to the existing Bond Indentures for the MBIA insured Variable Rate Demand Revenue Refunding Bonds Series 1998B IHFA/IFA (\$21,475,000) (the "Series 1998B Bonds") and the FSA insured IFA Revenue Bonds, Series 2005 Reset Auction Mode Securities (Southern Illinois Healthcare Enterprises, Inc.) (\$69,000,000) (the "Series 2005 Bonds") to remove the prohibition on SIH from submitting orders in auctions of their own securities, so that they can participate in the auctions for their own securities.

SIH has made this request because they have been experiencing high interest rate spikes for both the Series 1998B Bonds and the Series 2005 Bonds. They want, therefore, to be in a position to submit an order for their own bonds, after proper notice to bondholders, after the next auction. Whether or not SIH actually exercises this option to participate in upcoming auctions, their current plan is to either convert the bonds to another interest rate mode or refund the bonds as part of a new money and refunding transaction that was previously planned for later this year.

SIH has stated in a request letter to the IFA, dated April 17, 2008, that they would not participate in any auction until the requirements set forth by the Securities and Exchange Commission ("SEC") relating to the participation of borrowers in their own auctions have been met. The SEC requires that SIH give reasonable prior notice to the market (a minimum of 2 days prior written notice) of their intent to participate in future auctions. SIH is also required to post information about their bids on their website as well as the broker dealer's website.

In connection with these proposed changes, SIH is seeking IFA Board approval to:

- (1) Amend the existing Bond Indentures for the Series 1998 Bonds and Series 2005 Bonds in order to remove the prohibition on SIH submitting orders in the auctions for their own bonds; and

- (2) Authorize the Executive Director or any other authorized officer to execute and deliver all documents necessary to amend the Bond Indentures as described in the resolution.

Resolution number 2008-05-26

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

WHEREAS, on May 27, 1998, the Illinois Health Facilities Authority issued its \$35,200,000 Variable Rate Demand Revenue Refunding Bonds, Series 1998B (Southern Illinois Healthcare Enterprises, Inc.) (the “Series 1998B Bonds”) and loaned the proceeds thereof to Southern Illinois Healthcare Enterprises, Inc. (the “Borrower”), a not for profit corporation incorporated under the laws of the State of Illinois, to assist the Borrower in providing the funds necessary to (i) advance refund the outstanding principal amount of the Illinois Health Facilities Authority Revenue Bonds, Series 1994 (Southern Illinois Hospital Services) (the “Series 1994 Bonds”) and (ii) pay certain expenses incurred in connection with the issuance of the Series 1998B Bonds and the refunding of the Series 1994 Bonds, including the premium for the financial guaranty insurance policy of MBIA Insurance Corporation, all as permitted by the Act; and

WHEREAS, the Series 1998B Bonds were issued pursuant to a Bond Trust Indenture dated as of May 15, 1998, as amended and supplemented by the First Supplemental Bond Trust Indenture dated as of October 1, 2003 (collectively, the “Series 1998B Bond Indenture”), between the Authority and Wells Fargo Bank, N.A. (as successor to Bank One, National Association, successor to The First National Bank of Chicago), as successor bond trustee (the “Series 1998B Bond Trustee”); and

WHEREAS, on October 16, 2003, the Series 1998B Bonds were converted from a Weekly Mode to an Auction Rate Mode; and

WHEREAS, the Authority succeeded to all the rights and obligations of the Illinois Health Facilities Authority as of January 1, 2004; and

WHEREAS, the Series 1998B Bonds currently bear interest at an Auction Rate determined in accordance with the Auction Procedures set forth in the Series 1998B Bond Indenture; and

WHEREAS, Section 205 of the Series 1998B Bond Indenture prohibits the Authority or the Borrower from submitting orders in any of the auctions for the Series 1998B Bonds; and

WHEREAS, the Borrower has requested that the Authority and the Series 1998B Bond Trustee amend the provisions of the Series 1998B Bond Indenture in order to remove the restriction on the Borrower from submitting orders in any of the auctions for the Series 1998B Bonds; and

WHEREAS, on January 27, 2005, the Authority issued \$69,000,000 in aggregate principal amount of its Revenue Bonds, Series 2005 (Southern Illinois Healthcare Enterprises, Inc.) Reset Auction Mode SecuritiesSM (RAMS) (the “Series 2005 Bonds”), pursuant to a Bond Trust Indenture dated as of January 1, 2005 (the “Series 2005 Bond Indenture”) between the Authority and Wells Fargo Bank, National Association, as bond trustee (the “Series 2005 Bond Trustee”), in order to (i) current refund the outstanding principal amount of the Illinois Health Facilities Authority Variable Rate Demand Revenue Bonds, Series 2001 (Southern Illinois Healthcare Enterprises, Inc.), (ii) finance the cost of the acquisition, construction, renovation and equipping of certain health facilities of the Corporation and SIHS (as defined in the Series 2005 Bond

Indenture), and (iii) pay certain expenses incurred in connection with the issuance of the Series 2005 Bonds, including the premium for a municipal bond insurance policy issued by Financial Security Assurance Inc.; and

WHEREAS, the Series 2005 Bonds currently bear interest at an Auction Rate determined in accordance with the Auction Procedures set forth in the Series 2005 Bond Indenture; and

WHEREAS, Section 2.02 of Exhibit B of the Series 2005 Bond Indenture prohibits the Authority or the Borrower from submitting orders in any of the auctions for the Series 2005 Bonds; and

WHEREAS, the Borrower has requested that the Authority and the Series 2005 Bond Trustee amend the provisions of the Series 2005 Bond Indenture in order to remove the restriction on the Borrower from submitting orders in any of the auctions for the Series 2005 Bonds; and

WHEREAS, it is necessary and advisable to amend the Series 1998B Bond Indenture and the Series 2005 Bond Indenture; and

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

(a) Second Supplemental Bond Trust Indenture (the “Series 1998B Supplemental Bond Indenture”) between the Authority and the Series 1998B Bond Trustee, providing for the removal of the restriction on the Borrower from submitting orders in the auctions for the Series 1998B Bonds; and

(b) First Supplemental Bond Trust Indenture (the “Series 2005 Supplemental Bond Indenture”) between the Authority and the Series 2005 Bond Trustee, providing for the removal of the restriction on the Borrower from submitting orders in the auctions for the Series 2005 Bonds.

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 Executive Director (each an “Authorized Officer”) and the delivery and use of the Authority Documents. The Authority Documents shall be substantially in the forms presented to 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 such forms of the Authority Documents, and to constitute conclusive evidence of such person’s approval and the Authority’s approval thereof.

Section 2. 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 (including without limitation the execution and delivery of a document setting forth the agreements and certifications of the parties thereto relating to certain federal tax matters), provide related consents and waive any other requirements as may be necessary to carry out and comply with the provisions of these resolutions, the Authority 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 the Executive Director or the Treasurer of the Authority, or in the event of the unavailability, inability or refusal of the Executive Director and the Treasurer to act, any two Members of the Authority, each of whom is hereby authorized, empowered, 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 applicable Authority Documents and the existing documents relating to the Series 1998B Bonds and the Series 2005 Bonds.

ADOPTED this 13th day of May, 2008 by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Chairman

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Watson

Date: May 13, 2008

Re: **Resolution to Amend the amount that Village of Cooksville is borrowing as a participant in the Local Government Pooled Program**
IFA Project L-GP-7026

The Request

The Village of Cooksville wishes to increase the amount borrowed as a participant in the Local Government Pooled Bond Program. The request is to increase the not-to-exceed amount borrowed from \$295,000 to \$350,000 (or by \$55,000).

The IFA Board approved the Central Village of Cooksville project on March 11, 2008. Since that time, the Village Board and its engineers determined the project costs will exceed original expectations.

Staff Analysis

The additional \$55,000 debt to be amortized over 30 years will have minimal impact on debt service coverage. The analysis of the additional debt is reflected below.

CONFIDENTIAL INFORMATION

Original (March 2008) Debt Service Coverage Analysis

	2005	2006	2007		2008	2009	2010
Income Available for Debt Service	(3,500)	(18,662)	(59,427)		(5,595)	24,614	25,546
Current Debt Service						-	
New Max Annual Debt Service	-	-				19,000	19,000
Total Debt Service	-	-	-		-	19,000	19,000
Debt Service Coverage						1.30	1.34

The March 2008 board summary indicated that borrowing \$295,000 for 30 years would yield maximum annual debt of \$19,000. The summary further states that in order for Cooksville to meet its maximum annual debt service requirements that "the Village must increase rates by at least 150%" (assuming that operating expenses increase by 2% annually). It is further stated that the Village is aware of the 1.25X debt service coverage requirement.

May 2008 Ammended Debt Service Coverage Analysis

	2005	2006	2007		2008	2009	2010
Income Available for Debt Service	(3,500)	(18,662)	(59,427)		(5,595)	32,829	32,816
Current Debt Service						-	
New Max Annual Debt Service	-	-				26,000	26,000
Total Debt Service	-	-	-		-	26,000	26,000
Debt Service Coverage						1.26	1.26

Increasing the amount borrowed by \$55,000 to \$350,000 would increase the maximum annual debt service (MADS) by \$7,000 to \$26,000. Increasing the MADS by \$7,000 would force the Village to increase its rates by 190% in FY 2009 and by 1% in FY 2010 (as opposed to the originally projected 150% increase in FY 2009 and 3% increase in FY 2010). Assuming operating expenses continue to increase at a rate of 2% annually, the Village will have to have total revenues equal to \$61,757 in FY 2009 (compared to the originally stated \$53,543 in March's board summary) in order to meet 1.25X debt service coverage. The rate increase will be a condition of closing.

DRAFT

IFA AMENDATORY RESOLUTION NO. 2008-05-27

**A RESOLUTION TO AMEND IFA RESOLUTION NO. 2008-03-XX TO
REQUEST AN INCREASE IN THE NOT-TO-EXCEED AMOUNT OF
ILLINOIS FINANCE AUTHORITY REVENUE BONDS ON BEHALF OF
VILLAGE OF COOKSVILLE FOR THE PURPOSES SET FORTH HEREIN
FROM AN AGGREGATE PRINCIPAL AMOUNT PREVIOUSLY NOT-TO-
EXCEED \$295,000 TO \$350,000
IFA NO. L-GP-7026**

WHEREAS, The Board of Directors of the Illinois Finance Authority, a body politic and corporate of the State of Illinois (the "Authority"), approved IFA Resolution No. 2008-03-XX on behalf of Village of Cooksville, an Illinois Local Government, (the "Borrower"), relating to an application for the issuance of Bond Bank Revenue Bonds by the Authority for the benefit of the Borrower in an amount not-to-exceed Two Hundred Ninety Five Thousand and No/100 Dollars (\$295,000) (the "Bonds"); and

WHEREAS, there has now been presented to the Illinois Finance Authority, a body politic and corporate of the State of Illinois (the "Authority"), by the Village of Cooksville, an Illinois Local Government, (the "Borrower"), a request to amend the application for the issuance of Bond Bank Revenue Bonds by the Authority for the benefit of the Borrower from Two Hundred Ninety-Five Thousand and no/100 Dollars (\$295,000) to an amount now estimated not-to-exceed Three Hundred Fifty Thousand and No/100 Dollars (\$350,000) (the "Bonds"); and

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under the laws of the State of Illinois (the "Issuer"), has established its Pooled Bond Program (the "Program"), pursuant to *20 Illinois Compiled Statutes 2004, 3501/801-1 et seq.*, and particularly *820-1 et seq.*, supplemented and amended (the "Act"); and

WHEREAS, the Units have expressed interest in having the Issuer purchase the securities of such Units (the "*Local Governmental Securities*"), pursuant to the Program; and

WHEREAS, the Issuer has reviewed the Applications; and

WHEREAS, pursuant to the Act and the Program, the Issuer intends to issue its bond bank revenue bonds (the "*Bonds*") to accomplish the purposes of the Program, as set forth in the Act;

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

Section 1. *Declaration of Findings.* That, in reviewing the Applications, the Issuer has found that the purchase of the Local Governmental Securities and the financings represented thereby satisfy the requirements and serve the public purposes of the Act.

Section 2. *Acceptance of Application.* That, based upon its review and findings as set forth in Section 1 of this Resolution, the Issuer hereby accepts the Applications of the Units for participation in the Program, and, subject to the issuance, sale and delivery of the Bonds,

approves the purchase of the Local Governmental Securities, such Local Governmental Securities to have such terms and provisions as shall be later confirmed by the Issuer.

Section 3. *Authorization to Advance Program.* That, the Chairman, the Executive Director, the Secretary, the Treasurer and all officers, employees and agents of the Issuer are hereby authorized and empowered to execute such documents, certificates and instruments and to take such further actions to effect and carry out the Program and the Intent and purposes of this Resolution.

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

Section 5. *Severability.* That the provisions of this Resolution are declared to be separable and if any section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect the remaining sections, paragraphs, clauses or provisions of this Resolution.

Section 6. *Conflicting Proceedings Superseded; Effective Date.* That all resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby superseded. This Resolution shall be in full force and effect upon its adoption.

Adopted and affective this 13th day of May, 2008 as follows by roll call vote:

Ayes:

Nays:

Abstain:

Absent:

ATTEST:

Illinois Finance Authority

Secretary

Chairman

[SEAL]

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

TO: IFA Board of Directors

FROM: Rich Frampton

DATE: May 13, 2008

RE: A Resolution Authorizing Amendments to the Trust Indenture Relating to the IFA Senior Series 2004A and IFA Subordinate Series 2004B Multifamily Housing Revenue Bonds on behalf of Hinsdale Mirabel Limited Partnership (Hinsdale Lake Terrace Apartments Project), a Delaware Limited Partnership, or an affiliate thereof, and the Termination of the Credit Enhancement Facility on the Senior Series 2004A Bonds, and related matters

REQUEST:

Background. Hinsdale Mirabel Limited Partnership (the “Borrower”), a Delaware limited partnership, is requesting approval of an Amendatory Resolution that would amend certain Trust Indenture provisions and other terms for IFA Senior Series 2004A (AMBAC-insured) and IFA Subordinate Series 2004B Bonds. The primary purpose of the indenture amendments is to permit the conversion of the auction rate securities to fixed rate and to remove the AMBAC insurance.

The IFA Senior Series 2004A Bonds (the “Senior Bonds”) are currently bearing interest in Auction Rate Mode. The IFA Subordinate Series 2004B Bonds (the “Subordinate Bonds”) are currently institutionally-held by a single investor and currently bear interest at a fixed rate of 7.0%. The Senior Bonds and Subordinate Bonds will collectively be referred to as the “Bonds”.

The Hinsdale Lake Terrace Apartments project is the only IFA Multifamily Housing Bond issue for which a series of Bonds is currently priced in Auction Rate Mode. Additionally, the Hinsdale Lake Terrace Apartments project is the only outstanding Multifamily Housing Revenue Bond project that is credit enhanced with municipal bond insurance. (Only the IFA Senior Series 2004A Bonds are currently insured and bearing interest in the Auction Rate Mode. The IFA Subordinate Series 2004B Bonds are non-rated, unenhanced and sold to a single institutional investor.)

Amendments to the Indenture. This Amendatory Resolution will authorize execution of both a First Supplemental Trust Indenture and Second Supplemental Trust Indenture to the Bonds that will (a) enable the Senior Bonds to be purchased in the market in lieu of redemption, (b) eliminate the provisions in the Indenture relating to the auction of the Senior Bonds and to the resetting of the interest rate on the Senior Bonds (c) eliminate the AMBAC Assurance Credit Enhancement Facility on the Senior Bonds, (d) establish a fixed rate of interest on the Bonds, (e) modify the mandatory sinking fund redemption schedules for the Bonds, (f) release the AIG Retirement Services Construction Phase Credit Facility, and (g) and related changes.

Effects of the Amendments. This conversion will be structured so that the new amortization schedules on the IFA Senior Series 2004A and Series 2004B Bonds will be established without extending the average life or final maturity date on the Series 2004A and Series 2004B Bonds. Accordingly, this conversion will not require a TEFRA public hearing (nor will it be considered a Refunding issue).

MECHANICS OF MODE CONVERSION ENABLED BY THE SUPPLEMENTAL TRUST INDENTURES:

The current majority holder (i.e., > 51%) of the IFA Series 2004 A Auction Rate Mode Bonds is Harris Bank (the Broker-Dealer).

AIG Retirement Services, Inc. (an affiliate of the Limited Partner of the Project) will be purchasing the IFA Series 2004A Bonds pursuant to a Redemption Notice to call the Series 2004A Senior Auction Rate Bonds for redemption

in late May. *AIG Retirement Services will be purchasing the Series 2004A Auction Rate Mode Bonds pursuant to this Redemption Notice/Call.*

AIG Retirement Services has also negotiated for the purchase of the Subordinate Bonds from the current bondholder (Harris Bank) in the secondary market.

Simultaneous with AIG's purchase of the Bonds, both the Senior Bonds and Subordinate Bonds will be purchased and transferred to the Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac") for deposit into Freddie Mac's Tax Exempt Bond Securitization Program. *Freddie Mac will become the sole registered bondholder of both the IFA Senior Series 2004A Bonds and IFA Subordinate 2004B Bonds until maturity.*

According to the Borrower, Freddie Mac has credit-approved the purchase of the Hinsdale Lake Project Bonds and will become the sole lender/investor for the Project. The Borrower and Freddie Mac have negotiated a 5.585% fixed interest rate on the Series 2004A and Series 2004B Bonds upon conversion. The Hinsdale Lake Apartments Property is currently 98.44% occupied as of 5/1/2008. Pursuant to the Amendatory Resolution, the Bonds shall mature no later than 12/1/2034.

The current outstanding principal amounts of the IFA Senior Series 2004A Bonds and Subordinate Series 2004B Bonds were \$31.4 million and \$7.86 million, respectively (i.e., \$39.26 million combined), as of 5/1/2008. The Borrower has been current with all scheduled payments. (The first principal payment of \$200,000 was due on the IFA Series 2004A Bonds on 5/1/2008 and of \$40,000 on the IFA Series 2004B Bonds was paid on 5/1/2008.)

ORIGINAL PROJECT:

Proceeds of the IFA Series 2004A-B Bonds were used by the Borrower to finance the acquisition and substantial renovation of **Hinsdale Lake Terrace Apartments (the "Project")**, a 562-unit affordable rental housing project located in unincorporated DuPage County, located west of Illinois Hwy. 83, approximately 1.2 miles south of the I-55/Illinois 83 interchange (and just south of the SW corner 91st Street and Illinois Hwy. 83), near the Village of Willowbrook, Illinois.

The original aggregate principal amounts of the IFA Series 2004A and IFA Subordinate Series 2004B Bonds were \$31.6 million and \$7.9 million, respectively (i.e., \$39,500,000 combined).

PRIOR VOTING RECORDS:

Final Bond Resolution, July 13, 2004:

Ayes: 10 Nays: 0 Abstentions: 0
Absent: 2 (Goetz, Ozark) Vacancies: 3

Preliminary Bond Resolution, June 22, 2004:

Ayes: 10 Nays: 0 Abstentions: 0
Absent: 2 (Nesbitt, O'Brien) Vacancies: 3

ECONOMIC DISCLOSURE STATEMENT:

Borrower: Hinsdale Mirabel Limited Partnership, c/o The Laramar Group, LLC, 222 South Riverside Plaza, Suite 1450, Chicago, IL 60606
Web Site: www.laramargroup.com
Contact: Mr. Bennett Neuman, Vice President, (T) 312-879-7536; (F) 312-669-1300; E-mail: bneumann@laramargroup.com
Organization: Limited Partnership
State: Delaware
Ownership: **Hinsdale Mirabel Limited Partnership, a Delaware Limited Partnership is owned by:**

- **General Partner: Laramar Holdings, LLC [c/o The Laramar Group, LLC, 222 S. Riverside Plaza, Suite 1450, Chicago, IL 60606],** an Illinois limited liability company, is general partner (1.0% beneficial interest). (As general partner, Laramar Holdings is responsible for all management decisions relating to the Property and for day-to-day management of the Borrower.)
 - Mr. Jeff Elowe (President of the Laramar Group) is Manager of Laramar Holdings, LLC. Mr. Elowe is the only individual who owns a 7.5% (or greater ownership) interest in Laramar Holdings, LLC (which results in only a 0.075% (or greater) ownership interest in the Project and Borrower). No further ownership disclosure is required pursuant to IFA Board policy.
- **Limited Partner: AIG Retirement Services (formerly SunAmerica) Affordable Housing Partners, Inc., 1 SunAmerica Center, Century Center, Los Angeles, CA 90067.** Contact: Ms. Jill Brooks-Garnett, 310-772-6032; jbgarnett@sunamerica.com. AIGRS Affordable Housing Partners, Inc. is the Tax Credit Investor and Limited Partner (i.e., 99.0% beneficial interest with no day-to-day management responsibility) on this project. AIGRS Affordable Housing Partners, Inc. is ultimately owned by American International Group, Inc. ("AIG"), a publicly-traded company.

The only shareholders that own 5.0% (SEC Ownership disclosure threshold) or more of AIG's common stock as of 12/31/2007 were:

- **Starr International Co., Inc. and affiliates, 101 Baarerstrasse, Zug, Switzerland, is privately owned by an Irish charitable trust (13.6% ownership of AIG).** Mr. Maurice R. Greenberg is Chairman of Starr International Company, Inc. (and was the former Chairman of AIG). Because Starr International is a foreign-owned company, no further ownership disclosure information is required pursuant to longstanding IFA Board Policy.
- **Affiliates of Fidelity Management & Research Company ("Fidelity"), 82 Devonshire Street, Boston, MA, 02109 (owns 5.714% of AIG),** a wholly-owned subsidiary of FMR LLC is an investment adviser (and institutional investor) registered under Section 203 of the Investment Advisers Act of 1940, and is the beneficial owner of Common Stock of AIG as a result of acting as investment adviser to various investment companies (e.g., mutual funds) registered under Section 8 of the Investment Company Act of 1940.
- *No further ownership disclosure is required pursuant to IFA Board Policy.*

PROFESSIONAL AND FINANCIAL:

Borrowers Counsel:	DLA Piper US LLP	Chicago, IL	Mark Yura
Auditor:	RSM McGladrey	Chicago, IL	
Bond Counsel:	Sidley Austin LLP	Washington, DC	Peter Canzano
Initial Post-Conversion Series 2004A-B Bondholders:	AIG Retirement Services, Inc.	Los Angeles, CA	
Ultimate Post-Conversion Series 2004A Bond Purchaser:	Federal Home Loan Mortgage Corp.	Washington, DC	
Ultimate Post-Conversion Series 2004B Bond Purchaser:	Federal Home Loan Mortgage Corp.	Washington, DC	
Bond Purchaser's Counsel:	Ballard Spahr Andrews & Ingersoll, LLP	Washington, DC	Margo Stern
Trustee:	Amalgamated Bank	Chicago, IL	Gail Klewin
Management Agent:	Laramar Communities LLC	Chicago, IL	Dave Woodward
Tax Credit Investor (Limited Partner):	AIG Retirement Services (formerly SunAmerica) Affordable Housing Partners, Inc.	Los Angeles, CA	Dana Mayo
Counsel to Tax Credit Investor/L.P.	Ballard Spahr Andrews & Ingersoll, LLP	Salt Lake City, UT	Fred Olsen
Bond Insurance:	To be cancelled upon execution of purchase in lieu of redemption as authorized under the First Supplemental Trust Indenture		
Rating Agencies:	Not applicable upon mode conversion for IFA Senior Series 2004A		
IFA Counsel:	Sanchez Daniels & Hoffman LLP	Chicago, IL	John Cummins
IFA Financial Advisor:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott, Jill Mason-Terzakis

CONFIDENTIAL

SUPPLEMENTAL INFORMATIONAL DISCLOSURES ON (I) CURRENT OCCUPANCY RATES AND (II) ON IMPACT ON CURRENT OCCUPANCY RATE AND OPERATING RESULTS:

Because this Interest Rate Mode conversion will not result in a Refunding of the Series 2004A-B Bonds, the following information is presented as an informational disclosure.

The rationale for providing this supplemental information is that unlike any prior Auction Rate Mode conversion, the proposed bonds will no longer be credit enhanced subsequent to the Mode Conversion (although 100% of the Bonds will be institutionally-owned by Triple-A Rated Freddie Mac). Additionally, unlike the previous Auction Rate Mode Conversions, the underlying Borrower (which is a Special Purpose Entity formed to own this Project) does not have its own underlying rating from the credit rating agencies.

I. Current Occupancy Rate:

The current occupancy rate at Hinsdale Lake Terrace Apartments was 98.44% as of 5/1/2008 (i.e., 1.56% vacancy rate).

II. Impact of Change in Interest Rate Mode from Auction Rate to 5.585% Fixed on Debt Service Coverage:

Upon execution of the proposed change in interest rate mode, the proposed IFA Senior Series 2004A and IFA Subordinate Series Bonds will bear interest at a fixed interest rate of 5.585% (i.e., Freddie Mac is now underwriting as a single, senior loan – the existing subordination provisions will become irrelevant).

According to the Borrower, the new interest rate of 5.585% will only be approximately 0.11% higher than the existing combined all-in interest rate payments on the Series 2004 A-B Bonds (which also reflected a Fixed Payer Swap).

This interest rate mode conversion will eliminate payments in June 2008 and provide for reduced payments in July 2008 (negotiated to compensate for conversion-related legal and professional expenses). Thereafter, the monthly payment will average \$225,000 until maturity in 2034.

As a result, of this proposed interest rate mode conversion, the Borrower's scheduled annual interest payments will increase by approximately \$44,000 per annum, to \$2.7 million.

The Project's 2007 actual debt service coverage based on market Auction Rate Mode Rates was 1.25 times (on combined payments for the IFA Senior Series 2004A Bonds and the IFA Subordinate Series 2004B Bonds).

Now that the Project has stabilized with a 1.56% vacancy rate in 2008, projected NOI is expected to be sufficient to provide combined debt service coverage on both the IFA Senior Series 2004A Bonds and IFA Subordinate Series 2004B Bonds by multiples of 1.27 times or better beginning in 2009.

Significantly, upon execution of the First Supplemental Trust Indenture, the Bonds will be purchased in their entirety by Freddie Mac, an Accredited Investor, consistent with IFA Bond Program Handbook requirements for (i) non-rated, unenhanced Bonds. Freddie Mac will become the registered owner of both the IFA Series 2004A Bonds and Series 2004B Bonds (and sole bondholder).

DRAFT

IFA RESOLUTION 08-05-28

A RESOLUTION AUTHORIZING AMENDMENTS TO THE TRUST INDENTURE RELATING TO THE MULTIFAMILY HOUSING REVENUE SENIOR BONDS ISSUED ON BEHALF OF HINSDALE MIRABEL LIMITED PARTNERSHIP, A DELAWARE LIMITED PARTNERSHIP, OR AN AFFILIATE THEREOF (HINSDALE LAKE TERRACE APARTMENTS PROJECT), 2004 SERIES A, AND MULTIFAMILY HOUSING REVENUE SUBORDINATE BONDS ISSUED ON BEHALF OF HINSDALE MIRABEL LIMITED PARTNERSHIP, A DELAWARE LIMITED PARTNERSHIP, OR AN AFFILIATE THEREOF (HINSDALE LAKE TERRACE APARTMENTS PROJECT), 2004 SERIES B THE TERMINATION OF THE CREDIT ENHANCEMENT FACILITY RELATING TO THE SENIOR BONDS; AND RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a political subdivision and a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "Issuer"), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1, *et seq.*, as supplemented and amended (the "Act"), is authorized by the laws of the State of Illinois, including without limitation the Act, to issue its revenue bonds in order to finance costs of acquiring "housing projects" including but not limited to the financing of multifamily residential rental dwelling accommodations; and

WHEREAS, the Issuer has previously indicated its intention to issue its revenue bonds for the purposes of financing all or a portion of the costs of the acquisition of land, buildings, improvements, furnishings, equipment and related property, the construction of improvements thereto and the acquisition of furnishings, equipment and related property to be installed therein (the "Project"), all to be owned and operated by the Borrower (or by a related entity under a long term ground or capital lease) identified herein as a multifamily facility; and

WHEREAS, pursuant to and in accordance with the provisions of the constitution and the laws of the State of Illinois, and particularly the Act, the Issuer issued and sold its Multifamily Housing Revenue Senior Bonds (Hinsdale Lake Terrace Apartments Project) 2004 Series A (the "Senior Bonds"), and Multifamily Housing Revenue Subordinate Bonds (Hinsdale Lake Terrace Apartments Project), 2004 Series B (the "Subordinate Bonds" and, collectively with the Senior Bonds, the "Bonds") in the aggregate principal amount of \$39,500,000 to obtain funds to finance a portion of the cost of the acquisition, rehabilitation and equipping of the Project, by making a mortgage loan (the "Mortgage Loan") to Hinsdale Mirabel Limited Partnership, a Delaware limited partnership, or an affiliate thereof (the "Borrower"), all under and in accordance with the Constitution and the laws of the State of Illinois; and

WHEREAS, the Senior Bonds are supported by a credit enhancement facility (the "Credit Enhancement Facility") issued by Ambac Assurance Corporation, supporting payment of the principal of and interest on the Senior Bonds until expiration or termination of the Credit

Enhancement Facility in accordance with its terms, and the Subordinate Bonds were delivered without credit enhancement to an accredited investor; and

WHEREAS, the Bonds were issued pursuant to the Trust Indenture, dated as of September 1, 2004 (the "Indenture"), between the Issuer and the predecessor in trust to The Bank of New York Trust Company, as trustee (the "Trustee"); and

WHEREAS, the Borrowers and the owners of 100% of the Outstanding principal amount of the Bonds wish to (i) establish a fixed rate of interest on the bonds, (ii) eliminate the provisions in the Indenture relating to the auction of the Bonds and to the resetting of the interest rate on the Bonds and to terminate the Credit Enhancement Facility with respect to the Senior Bonds and (iii) amend the Indenture to allow the purchase of Senior Bonds in lieu of optional redemption; and

WHEREAS, it is now necessary, desirable and in the best interests of the Issuer to authorize the execution and delivery of (i) a First Supplement to Trust Indenture (the "First Supplemental Indenture"), by and between the Issuer and the Trustee, (ii) a Second Supplement to Trust Indenture (the "Second Supplemental Indenture" and, collectively with the First Supplemental Indenture, the "Supplemental Indentures"), by and between the Issuer and the Trustee and (iii) revised Bonds in substantially the form set forth in the Second Supplemental Indenture (the "Revised Bonds"); and

WHEREAS, the Issuer has caused to be prepared for and presented (collectively, the "Issuer's Documents") forms of the following documents which the Issuer proposes to approve the terms of or enter into:

1. the First Supplemental Indenture;
2. the Second Supplemental Indenture; and
3. the Revised Bonds.

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

Section 1. The Issuer hereby finds that all of the recitals contained in the preambles to this Resolution are full, true and correct, and incorporates them into this Resolution by this reference.

Section 2. Pursuant to the Act, the Issuer hereby authorizes and approves modification of the terms of financing for the Project in accordance with the terms of the Supplemental Indentures, and hereby determines that such modifications are in furtherance of the Issuer's public purposes.

Section 3. The Issuer is hereby authorized to enter into the First Supplemental Indenture with the Trustee in substantially the same form now before the members of the Issuer, and the form, terms and provisions of the First Supplemental Indenture are, in all respects, approved. The Chairman, the Vice Chairman, the Executive Director and the Secretary of the Issuer are each authorized, empowered and directed to execute, and, if required, the Secretary or any Assistant Secretary are authorized, empowered and directed to attest and to affix the official seal

of the Issuer to, the First Supplemental Indenture in the name, for and on behalf of the Issuer, and thereupon to cause the First Supplemental Indenture to be delivered to the Trustee, such First Supplemental Indenture to be in substantially the form now before the members of the Issuer or with such changes and revisions therein as the officer executing the First Supplemental Indenture on behalf of the Issuer shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the form of First Supplemental Indenture now before the members of the Issuer. From and after the execution and delivery of the First Supplemental Indenture, the officers, employees and agents of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the First Supplemental Indenture. The First Supplemental Indenture shall constitute, and hereby is made, a part of this Resolution, and a copy of the First Supplemental Indenture shall be placed in the official records of the Issuer, and shall be available for public inspection at the office of the Issuer.

Section 4. The Issuer is hereby authorized to enter into the Second Supplemental Indenture with the Trustee in substantially the same form now before the members of the Issuer, and the form, terms and provisions of the Second Supplemental Indenture are, in all respects, approved. The Chairman, the Vice Chairman, the Executive Director and the Secretary of the Issuer are each authorized, empowered and directed to execute, and, if required, the Secretary or any Assistant Secretary are authorized, empowered and directed to attest and to affix the official seal of the Issuer to, the Second Supplemental Indenture in the name, for and on behalf of the Issuer, and thereupon to cause the Second Supplemental Indenture to be delivered to the Trustee, such Second Supplemental Indenture to be in substantially the form now before the members of the Issuer or with such changes and revisions therein as the officer executing the Second Supplemental Indenture on behalf of the Issuer shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the form of Second Supplemental Indenture now before the members of the Issuer. From and after the execution and delivery of the Second Supplemental Indenture, the officers, employees and agents of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Second Supplemental Indenture. The Second Supplemental Indenture shall constitute, and hereby is made, a part of this Resolution, and a copy of the Second Supplemental Indenture shall be placed in the official records of the Issuer, and shall be available for public inspection at the office of the Issuer.

Section 5. The form of the Revised Bonds now before the members of the Issuer, subject to appropriate insertions and revisions in order to comply with the provisions of the Second Supplemental Indenture (as executed and delivered) is hereby approved. The Revised Bonds shall be executed in the name, for and on behalf of the Issuer with the manual or facsimile signature of its Chairman, Vice Chairman or Executive Director and attested with the manual or facsimile signature of its Secretary or Assistant Secretary and the official seal of the Issuer shall be impressed or imprinted thereon. The Chairman, Vice Chairman or Executive Director of the Issuer or the Secretary of the Issuer shall cause the Revised Bonds, as so executed and attested, to be delivered to the Trustee for authentication; and when the Revised Bonds shall be executed on behalf of the Issuer in the manner contemplated by the Second Supplemental Indenture and this Resolution in an aggregate principal amount not to exceed the amount of Bonds outstanding on

the date of such execution, they shall represent the approved form of Revised Bonds of the Issuer; *provided*, that the Revised Bonds shall mature in such amount or amounts payable on such date or dates not later than December 1, 2034; the Bonds shall initially bear interest at such rate or rates not to exceed 7% per annum, payable on such date or dates; and the Revised Bonds shall be subject to redemption prior to maturity, as set forth in the Indenture. The members of the Issuer deem it proper to delegate to the Chairman, Vice Chairman or Executive Director of the Issuer the power to approve any and all changes to the Second Supplemental Indenture and the Revised Bonds as the Chairman, Vice Chairman or Executive Director of the Issuer shall, on behalf of the Issuer, determine, subject to the preceding proviso; that any such determinations shall be conclusive, shall be evidenced by the execution and delivery by the Chairman, Vice Chairman or Executive Director of the Issuer of such documents, and shall be authorized by this Resolution; and the Supplemental Indenture and the Revised Bonds, as executed, shall be binding on the Issuer notwithstanding anything else in this Resolution to the contrary.

Section 6. The Chairman, Vice Chairman, Executive Director, Secretary and any Assistant Secretary and any other officer, employee or agent of the Issuer are each authorized and directed to execute, attest, seal and deliver any and all documents and certificates, including without limitation a tax certificate and agreement between the Issuer and the Borrower, to do any and all things deemed necessary to effect the modification of the Bonds and the execution and delivery of the Supplemental Indentures and such other instruments (including financing statements), and to perform the obligations and duties of the Issuer hereunder and thereunder, all as shall be necessary and desirable to carry out the intent and purposes of this Resolution, including the preambles to this Resolution.

Section 7. All acts of the Issuer and the members, officers, agents and employees of the Issuer that are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, be, and the same are hereby, in all respects, ratified, confirmed and approved.

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

Section 9. All ordinances, resolutions, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflicts; and this Resolution shall be in full force and effect immediately and forthwith upon its passage, as by law provided.

(+ Certification, Date & Signature Block)

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Cory E. Mitchell

Date: May 13, 2008

Re: **Resolution to amend the loan guarantee amount for Roanoke Milling Co., Inc.**
IFA Project A-AI-TX-GT-7164

The Illinois Finance Authority Board of Directors approved a loan guarantee in the amount of \$425,000 in August 2007 for the expansion of its current feed mill in Roanoke Illinois (Woodford County, North Central Region.)

Roanoke Milling Co., Inc. is requesting an increased loan guarantee in the amount of \$650,250 (\$225,250 increase of original approval). Staff is asking for IFA board approval in the amount of \$650,250 (IFA portion \$650,250, Morton Community Bank portion \$114,750).

The increase in guarantee amount is being requested due to: 1.) The rise in price of construction materials compared to original plans 2.) Additional grain legs added during construction (increase in feed sales). Please see detailed information in confidential section.

Hog production has been increasing in the Roanoke area due to abundant feed supplies (corn) and proximity to several swine processing facilities. Roanoke Milling Co., Inc. is the only full service grind and mix feed mill within a 50 mile radius of Roanoke. The mill also supplies all custom grinding and mixing of feed products for the only other feed-mill in the area.

Construction is scheduled to be completed on this project by May 15, 2008, weather permitting.

CONFIDENTIAL SECTION

Construction overruns due to increased feed sales during construction (expansion)

	<u>Original Proposed Cost</u>	<u>Cost due to increased sales</u>
Mixer	\$45,316	\$53,588
Leg/Spouting/Gear Box	\$34,802	\$105,086
Surge Hopper	\$23,328	\$28,819
Crane Rental	\$5,000	\$6,500
Labor	\$28,800	\$92,550
Concrete Work	\$35,000	\$55,500
Electrical	\$51,870	\$116,870
Tax	\$12,367	\$21,503
Totals	\$295,770	\$560,249

Please note: items listed above were needed to increase product handling due to increased feed sales.

5 new hog feeding sites have approached Roanoke Milling (during the construction phase) to custom grind and mix feed. These customers will be on a net 10 day payment schedule. The original building plans would have serviced a portion of these clients, but additional grain legs/equipment would be needed.

The 5 new sites would increase feed sales by 44,775 tons annually. This expansion will calculate into increased annual gross sales of \$786,000. Debt service on the requested increase of \$225,250 will be annual obligations of P&I totaling \$33,569, calculated debt coverage ratio would be 1.91x. Due to having 2/29/08 financials annualized, pro-forma estimates will mirror the annualized estimates.

Appraisal performed after modifications were made is \$287,011 greater than original appraisal. Update of appraisal was sent to the lender on 4/16/08 which updates value of the mill with changes made.

****Please note, BOLD financial information was collected by IFA staff after original board approval**

	Roanoke Milling Co., Inc. (000's)				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Feb 29 2008 (annualized)</u>
Income Statement					
Sales	1248	1045	1283	2235	2518
Cost of Sales	<u>988</u>	<u>758</u>	<u>954</u>	<u>1801</u>	<u>2083</u>
Gross Profit	260	287	329	434	435
Operating Expenses	218	233	284	355	360
Interest Expense	3	3	6	14	26
Depreciation	<u>8</u>	<u>16</u>	<u>12</u>	<u>14</u>	<u>14</u>
Net Income	<u>31</u>	<u>35</u>	<u>27</u>	<u>51</u>	<u>45</u>
Balance sheet					
Current assets	129	127	155	306	308
Other assets	<u>316</u>	<u>395</u>	<u>394</u>	<u>608</u>	<u>933</u>
Total assets	<u>445</u>	<u>522</u>	<u>549</u>	<u>914</u>	<u>1241</u>
Current Liabilities	24	35	47	149	143
Total Debt	41	91	105	455	771
Net Worth	<u>380</u>	<u>396</u>	<u>397</u>	<u>459</u>	<u>470</u>
Ratios					
Working Capital	105	92	108	157	165
Current Ratio	5.38	3.63	3.3	2.05	2.15
Debt/Equity	.11	.23	.26	.99	1.64

CONFIDENTIAL SECTION

COLLATERAL ANALYSIS			
Collateral Description	Value	Advance	Adj. Value
1 st REM(Mill)	\$1,075,000	.80	\$860,000
Blanket on equipment and titled vehicles	\$143,375	.65	\$93,193
TOTAL COLLATERAL:	\$1,218,375		\$953,193
TOTAL LOANS OUTSTANDING:		\$765,000	
RAW LTV:		63%	
ADJUSTED LTV:		78%	
Excess Collateral(adjusted)		\$188,193	

LOAN STRUCTURE

- Interest:** The proposed interest rate will be 8% fixed for 5 years on a 10 year amortization. Monthly payments of P&I.
- Ownership:** Arthur L. and Carolyn L. Wilkey and daughter own 98% of Roanoke Milling Co., Inc. while Nathan J. Fehr owns 2% and will be purchasing up to 49% over the coming years. Arthur's daughters currently handle the book-keeping role and Nathan J. Fehr handles the management role.
 In the event that Arthur L. Wilkey is deceased, the corporation will continue to run as is.
- Repayment:** Primary: sale of feeds
 Secondary: liquidation of collateral
- Maturity:** 5 year loan 10 year term
- Collateral:** 1st REM on current mill (**1,075,000**), blanket security agreement, titled vehicles (143,375), personal guarantee from Arthur L. and Carolyn L. Wilkey, personal guarantee from Nathan J. Fehr for owned percentage of Roanoke Milling Co., Inc. and an assignment of life insurance on Nathan J. Fehr for **\$765,000**.

*Personal financial information for Arthur and Carolyn Wilkey and Nathan Fehr hasn't changed since application, but is provided below in the original board summary.

JOBS

Current employment:	6	Projected new jobs:	6
Jobs retained:	6	Construction jobs:	12

BUSINESS SUMMARY

Background: Roanoke Milling Co. Inc. is a 42 year old custom feed milling business located in Roanoke, Illinois. The business structure operates as a Sub-chapter S corporation in which Arthur L. and Carolyn Wilkey and 4 daughters own the majority of the business with Nathan J. Fehr (day-to-day manager for the past 15 years)owning the minority share of the business.(see confidential section for specific ownership percentages.) Art Wilkey still works every day during the summer months and lives in Florida the remainder of the year. The feed mill has and continues to offer custom feed mixing services to livestock producers in a large area around Roanoke. Roanoke Milling Co., Inc. also furnishes feed and management services to 6 confinement hog finishing buildings.

Project Rationale: Roanoke Milling Co., has found a niche in the local feed business by supplying feed to local investor hog confinement operations. This large-scale niche market of supplying hog feed has forced Roanoke Milling Co., Inc. to increase its capacity for daily production and additional equipment and upgrades are needed to remain a successful and profitable business. The borrowers will need to add additional scales, grinder/mixer, hopper, conveyer, bins and grain leg. A small portion of the loan will be used to re-finance the current building loan. The borrowers LOC for 2007 has been approved at Morton Community Bank.

Transaction: Morton Community Bank will originate a 5 year fixed 10 year amortized loan secured by a 1st REM, a blanket security agreement, titled vehicles, personal guarantee by Arthur L. and Carolyn Wilkey, personal guarantee by Nathan J. Fehr for owned percentage of Roanoke Milling Co., Inc. and an assignment of life insurance policy on manager Nathan J. Fehr.

FINANCING SUMMARY

Borrower: Roanoke Milling Co. Inc.
Arthur L. Wiley and Carolyn L. Wilkey

Security: 1st REM, blanket security agreement, titled vehicles, personal guarantee by Arthur L. and Carolyn Wilkey, personal guarantee by Nathan J. Fehr for owned percentage of Roanoke Milling Co., Inc. and an assignment of life insurance policy on manager Nathan J. Fehr in the amount of \$500,000.

Structure: 5 year term, 10 year amortization

PROJECT SUMMARY

Provide permanent financing for the expansion of Roanoke Milling Co., Inc. Morton Community Bank will initiate a 5 year term loan on a 10 year amortization in the amount of \$500,000. The loan will be secured by a 1st REM, blanket security agreement, titled vehicles, personal guarantee from Arthur L. and Carolyn L. Wilkey, personal guarantee from Nathan J. Fehr for owned percentage of Roanoke Milling Co., Inc. and an assignment of life insurance policy on Nathan J. Fehr.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Roanoke Milling Co., Inc.
Arthur L. Wilkey
Carolyn L. Wilkey

Location: 211 W. Husseman Street County: Woodford
Roanoke, IL 61561

Organization: Sub Chapter S Corporation

State: Illinois

Ownership: Arthur L. and Carolyn L. Wilkey and family and Nathan J. Fehr

PROFESSIONAL & FINANCIAL

Accountant: Gustafson and Associates, La Salle, IL 61301
Attorney: N/A
Bank: Morton Community Bank, Robert Knepp, Senior Vice President

LEGISLATIVE DISTRICTS

Congressional:
18th, Ray LaHood

State Senate:
37th, Dale E. Risinger

State House:
73rd, David R. Leitch

CONFIDENTIAL INFORMATION

Est. fee: \$3,750

LOAN STRUCTURE

Interest: The proposed interest rate will be 8% fixed for 5 years on a 10 year amortization. Monthly payments of P&I.

Ownership: Arthur L. and Carolyn L Wilkey and daughter own 98% of Roanoke Milling Co., Inc. while Nathan J Fehr owns 2% and will be purchasing up to 49% over the coming years. Arthur's daughters currently handle the book-keeping role and Nathan J. Fehr handles the management roll. In the event that Arthur L. Wilkey is deceased, the corporation will continue to run as is.

Repayment: Primary: sale of feeds
Secondary: liquidation of collateral

Maturity: 5 year loan 10 year term

Collateral: 1st REM on current mill(\$289,979) and new mill(\$500,000), blanket security agreement, titled vehicles(143,375), personal guarantee from Arthur L. and Carolyn L. Wilkey, personal guarantee from Nathan J. Fehr for owned percentage of Roanoke Milling Co., Inc. and an assignment of life insurance on Nathan J. Fehr for \$500,000.

FINANCIAL SUMMARY

Discussion: Financial statements were prepared by Gustafson and Associates, then verified and submitted by Morton Community Bank.

Net Income and expense has remained constant from 2004-2006. Feed costs have varied and the borrower has begun to forward price corn and other feed additives to lock in his fixed costs and return a larger profit back to the business.

Working capital has remained constant over the three years reported. Current position has dropped, but still remains acceptable.

Borrower is leveraging himself by showing a .97 debt/equity ratio. The borrower has the opportunity to expand from currently offering feed and management services on 6 hog finishing facilities (producing 25,000 pigs/year) to 8 this fall, increasing feed sales/tons to an additional 10,000 head. An additional 3 new building sites are being planned in the immediate area which would increase finished hog numbers by another 15,000 by late 2008.

Net Worth has remained constant due to the increased debt load being proportionate to the increasing asset base.

Individual financial data on the borrower shows \$34,710 of overall debt, that being on real estate.

The only income the borrower draws from the corporation on a monthly basis is \$2,500 to pay real estate taxes. Dividends are paid to the borrower in a profitable year.

	2004	2005	2006	Proforma
	(Dollars in 000's)			
Income Statement				
Sales	1248	1045	1283	1735
Cost of Sales	<u>988</u>	<u>758</u>	<u>954</u>	<u>1200</u>
Gross Profit	260	287	329	535
Operating Expenses	218	233	284	420
Interest Expense	3	3	6	45
Depreciation	<u>8</u>	<u>16</u>	<u>12</u>	<u>40</u>
Net Income	<u>31</u>	<u>35</u>	<u>27</u>	<u>30</u>
Balance sheet				
Current assets	129	127	155	180
PP&E				
Other assets	<u>316</u>	<u>395</u>	<u>394</u>	<u>894</u>
Total assets	<u>445</u>	<u>522</u>	<u>549</u>	<u>1074</u>
Current Liabilities	24	35	47	60
Debt	41	91	105	470
Net Worth	<u>380</u>	<u>396</u>	<u>397</u>	<u>544</u>
Ratios				
Working Capital	105	92	108	100
Current Ratio	5.38	3.63	3.3	3.0
Debt/Equity	.11	.23	.26	.97

Personal Financial Statements			
for Arthur and Carolyn Wilkey:			
2007			
Current Assets: \$45,000		Current Liabilities	\$0
Real Estate: \$296,000		Long Term Liab.	\$34,710
Other Assets: \$93,000			
Total Assets	\$434,000	Total Liab	\$34,710
Net Worth	\$399,290		
Tax Return Information			
For Arthur L. and Carolyn L. Wilkey			
	2004	2005	2006
Social Security	7,864	11,975	7,232
S. Corporations	32,412 35,542	27,016	
Other Income	988	2845	4747
TOTAL	41,264	49,862	38,995
Personal Financial Statements			
for Nathan J. Fehr:			
2007			
Current Assets: \$24,628		Current Liabilities	\$0
Real Estate: \$110,000		Long Term Liab.	\$108,005
Other Assets: \$32,000			

Total Assets	\$156,628	Total Liab	\$108,005
	Net Worth	\$48,623	
Tax Return Information			
For Nathan J. Fehr			
	2004	2005	2006
Wages		42,703	51,413
S. Corporations	7,200	11,011	1,086
Other Income		2,561	888
TOTAL		52,470	59,845

COLLATERAL ANALYSIS			
Collateral Description	Value	Advance	Adj. Value
1 st REM(current mill)	\$289,979	.80	\$231,983
1 st REM(new mill)	\$500,000	.80	\$400,000
Blanket on equipment and titled vehicles	\$143,375	.65	\$93,193
TOTAL COLLATERAL:	\$933,354		\$671,176
TOTAL LOANS OUTSTANDING:		\$565,766	
RAW LTV:		72%	
ADJUSTED LTV:		84%	
Excess Collateral		\$105,410	