

# Illinois Finance Authority

April 8, 2008

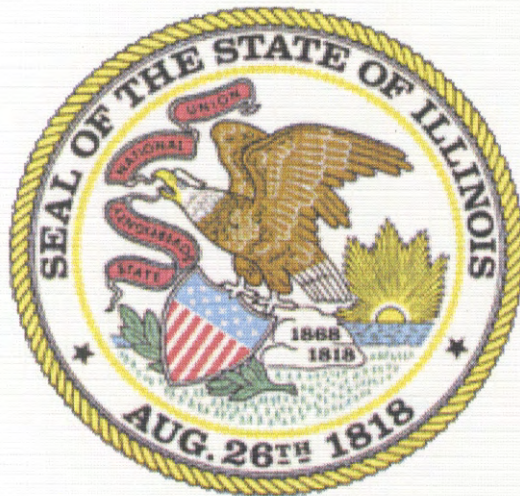
11:30 AM

## **Board Meeting**

Mid America Club

200 E. Randolph Drive, 80th Floor

Chicago, Illinois



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**ILLINOIS FINANCE AUTHORITY  
BOARD MEETING  
April 8, 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
<b>Beginning Farmer Bonds</b>						
1	Kristopher & Jodi Reynolds	Nokomis	\$93,000	0	0	ER
	Lance L. Klauser	Liberty	\$241,200	0	0	CEM
	Abraham I. Huls	Carthage	\$90,210	0	0	CEM
	Andrew Thomas Cave	Grand Ridge	\$82,500	0	0	CEM
	Adam Cave	Grand Ridge	\$200,000	0	0	CEM
	Ryan & April Bauer	Smithboro	\$200,000	0	0	ER
	Jeremy Snider	Oblong	\$129,000	0	0	ER
	Bradley Michael Handy	Ashland	\$115,000	0	0	CEM
<b>Farm Purchase Guarantee</b>						
<i>Final</i>						
2	Everett and Diana Lemke	Dahlgren	\$500,000	0	0	ER
<b>Agri-Debt Guarantee</b>						
<i>Final</i>						
3	Everett and Diana Lemke	Dahlgren	\$125,000	0	0	ER
<b>TOTAL AGRICULTURE PROJECTS</b>			<b>\$1,775,910</b>	<b>0</b>	<b>0</b>	

**BUSINESS AND INDUSTRY**

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
<b>Participation Loans</b>						
4	TG-IL, Inc.	Peoria	\$287,000	4	20	JS
<b>TOTAL BUSINESS AND INDUSTRY PROJECTS</b>			<b>\$287,000</b>	<b>4</b>	<b>20</b>	

### COMMUNITIES AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
<b>Affordable Rental Housing Bonds</b>						
<i>Final</i>						
5	Anna Marion Supportive Living, L.P.	Anna Marion	\$11,800,000	16	40	RF
<b>501(c)(3) Bonds</b>						
<i>Preliminary</i>						
6	UNO Charter School Network	Chicago	\$80,000,000	101	300	SCM
7	Marwen Foundation, Inc.	Chicago	\$6,000,000	6	5	RF
8	Chicago Symphony Orchestra	Chicago	\$85,000,000	0	0	RF
9	New Hope Center Inc.	Crete	\$6,000,000	34	35	SCM
<b>501(c)(3) Bonds</b>						
<i>Final</i>						
10	Gift of Hope Organ and Tissue Donor Network	Itasca	\$16,000,000	22	25	RF
<b>Local Government Pooled Bonds</b>						
<i>Preliminary</i>						
11	WITHDRAWN					
<b>Local Government Pooled Bonds</b>						
<i>Final</i>						
12	City of Bunker Hill	Bunker Hill	\$450,000	0	0	EW/KC
13	WITHDRAWN					
<b>TOTAL COMMUNITIES AND CULTURAL PROJECTS</b>			<b>\$205,250,000</b>	<b>179</b>	<b>405</b>	

### HEALTHCARE

<b>501(c)(3) Bonds</b>						
<i>Final</i>						
14	Provena Health	Mokena	\$660,000,000	0	0	PL/DS
15	Elmhurst Memorial Healthcare	Elmhurst	\$540,000,000	0	250	PL/DS
<b>501(c)(3) Refunding Bonds</b>						
<i>Final</i>						
16	Silver Cross Hospital	Joliet	\$120,000,000	0	0	PL/DS
<b>TOTAL HEALTHCARE PROJECTS</b>			<b>\$1,320,000,000</b>	<b>0</b>	<b>250</b>	

**HIGHER EDUCATION**

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
<b>501(c)(3) Bonds</b>						
<i>Preliminary</i>						
17	DePaul University	Chicago	\$55,000,000	0	0	RF
<b>501(c)(3) Commercial Paper Revenue Notes</b>						
<i>Final</i>						
18	Loyola University Chicago	Chicago	\$242,150,000	0	250	TA
<b>TOTAL HIGHER EDUCATION PROJECTS</b>			\$297,150,000	0	250	
<b>GRAND TOTAL</b>			\$1,824,462,910	183	925	

**RESOLUTIONS**

Tab	Project	FM
<b>Resolutions</b>		
19	Amendatory Resolution for OSF Healthcare System Series 2005A&B IFA Bonds and Series 2007 B,C&D IFA Bonds to convert the length of the Auction Rate Period	PL/DS
20	Amendatory Resolution to Increase Not-to-Exceed Amount of Inducement Resolution for Overton Gear & Tool, Inc. from \$7.0 million to \$10.0 million	RF
21	Amendatory Resolution for Delnor-Community Hospital Revenue Refunding Bonds, Series 2008 authorizing the issuance of Variable Rate Bonds	PL/DS
22	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 L-GP-7018	KC

**Other**

**Adjournment**



**Illinois Finance Authority  
Executive Director's Report  
April 8, 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 \$162,091,026 consisting of Equity of \$96,724,988 and Liabilities of \$65,366,038. This compares favorably to the March 2007 balance sheet of \$149,923,742 in total assets comprising of \$91,082,873 in Equity and \$58,840,869 in Liabilities and Bonds Payable.

Gross Income YTD for March ended at \$9,750,789 or \$440,573 over plan. The above plan performance is primarily due to fee income and interest on loans. Total operating expenses ended at \$7,125,558 or \$661,816 below plan. This is primarily due to a reduction of professional services and employee related expenses. Net income ended at \$4,656,165 includes the \$2,000,000 grant received in July 2007 from the Illinois Clean Energy Foundation.

**Sales Activities**

Funding Managers will be presenting 16 projects totaling \$1,824,462,910 for approval in April, 2008. Agriculture projects total \$1,775,910; Business and Industry projects total \$287,000; Communities and Culture projects total \$205,250,000; Healthcare projects total \$1,320,000,000; and Higher Education projects total \$297,150,000. These projects are expected to create 183 new jobs and 925 construction jobs.

**Agriculture:** The month of March provided a variety of opportunities for the Agricultural staff to promote IFA programs. Staff attended and participated in the annual Illinois Ag Legislative Day held in Springfield, which is sponsored by the Illinois Farm Bureau. As part of the activities, members of the Ag team visited a total of twenty-two legislative offices, nineteen of which are part of the members of the State's Agriculture Committee. This opportunity also enabled members of the Ag team to present current IFA marketing materials to legislative staff members.

The Ag team continues to develop marketing efforts to reach lenders across the State. Staff delivered approximately seventy "Approved Ag Lender" plaques to banks and, staff

continues to receive strong interest from lenders for the IFA's Beginning Farmer Bond and Participation Loan programs.

The month was further highlighted by members of the Ag team attending and speaking at the Community Bankers Association's Career Development Division's Annual Spring Conference, which was also held in Springfield. Ag funding managers were asked to speak to a group of young bankers to provide insight on financial analysis and sales calling techniques for those interested in agricultural lending.

**Healthcare:** The majority of the Healthcare team's focus during the month of March was on organizational matters, status and pricing calls for the over \$3.5 billion dollars of healthcare projects that are currently in the pipeline. Four refundings, which were the result of the auction rate securities crisis and one new money financing, are set to close in the month of April, 2008. Additionally, during the month of April, the Healthcare team attended the Illinois Critical Access Hospital Network (ICAHN) Facilities Workshop in Springfield. The workshop was co-sponsored by the IFA. The workshop's focus and title was "Certifying, Building and Marketing Your Facility's Project", which featured presentations on the Certificate of Needs process, financial planning for a replacement hospital, and design standards. The Illinois Critical Access Hospital Network (ICAHN) workshop was co-sponsored by the IFA.

Additionally, the Healthcare team met with representatives from Abraham Lincoln Memorial Hospital, Community Memorial Hospital located in Staunton, Phoenix Foundation of Southern, Illinois and, the Jersey Community Hospital and several other critical access hospitals, all of which have capital projects in process for 2009.

*There were no Healthcare Closings in March, 2008.*

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**Higher Education:** Members of the Higher Education team with the Director of The Federation of Independent Colleges and Universities in Springfield. The purpose of the meeting was to discuss with staff members the College RAN Program and, the possibility of the IFA assisting the Federation in creating a commercial paper or note issue as an efficient financial program for member colleges to borrow funds to help finance sprinkler, HVAC, and other infrastructure improvements at a tax-exempt rate.

Members of the Healthcare team continue to diligently make follow-up calls to independent colleges and universities throughout the state to secure more participants for the RAN program.



Closing Date	Issuance\$\$	Borrower
03/25/08	63,775,000	Bradley University

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**Communities and Culture:** Members of the Communities and Culture team managed and hosted an exhibit booth at Malcolm X College's Business Symposium. Approximately 300 future entrepreneurs were in attendance. Speakers at the Symposium included representatives from major Chicago banks, the Department of Commerce and Economic Opportunity, State Legislators and officials from the department of Housing and Urban Development. HUD plans to host similar symposiums throughout Illinois for the remainder of 2008 and during 2009. IFA anticipates further participation in these Symposiums.

Communities & Culture March Closings

Closing Date	Issuance\$\$	Borrower
03/20/08	3,625,000	Community Action Partnership of Lake County

**Business & Industry:** IFA was a co-sponsor of the U.S. Department of Housing and Urban Development's Inaugural Regional Business Incentives Expo held at Malcolm X College. Members of the Business & Industry, Rich Frampton, Vice President and Townsend Albright, Senior Funding Manager, along with Karen Walker, Director of Financial Services, represented the IFA. Ms. Walker also participated as a panel member. The team presented and discussed the IFA's Industrial Revenue Bonds and Participation Loan Programs in a breakout session on industrial project financing.

There were over 300 representatives at the Expo, which included business advisors from the Illinois Chamber of Commerce. Additionally, sponsors and participants included the Illinois Department of Commerce and Economic Opportunity, the City of Chicago's Department of Planning and Development, the FDIC, HUD, New Markets Tax Credit Allocatees, and several private sector sponsors, including Harris Bank.

IFA staff member, Rich Frampton, continues to actively participate on HUD's Business Expo Task Force which is planning similar educational conferences approximately every 90 days. Subsequent HUD Business Expos will be held in Chicago's North Lawndale community, at Chicago State University (Chicago), Mount Vernon, Illinois, and the Metro East Area (Collinsville or Belleville/Fairview Heights).

*There were no Business & Industry Closings in March, 2008.*

**Energy:** In March, the Board approved a request to issue a \$15 million Agri-Industry Guarantee to Fifth Third to support a loan to Blackhawk Biofuels, LLC to facilitate their purchase of a Danville biodiesel plant that is owned by Biofuels Company of America ("BCA"). The Guarantee request will replace a similar Guarantee that IFA had issued in

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2006 to Fifth Third to facilitate, in conjunction with other State assistance, BCA's construction of the plant with a project labor agreement.

In the week following the March board meeting, the Governor's Office worked very closely with the IFA, Blackhawk Biofuels, Fifth Third, the seller, BCA, and their respective financing teams to approve, subject to conditions, the Authority's issuance of a \$15 million Agri-Industry Guarantee in time to meet a March 14 deadline to commit \$25 million in equity to fund the purchase. This capital will be invested in equipment that will enable Blackhawk to utilize cheaper feedstocks and gain other efficiencies to enhance the plant's viability in a challenging operating environment.

*There were no Energy closings in March, 2008.*

**Local Government:** During the month of March, we continued to prepare for a 2008A pool that will include up to twelve participants for an amount not to exceed \$10 million. It is still anticipated that the 2008A pool will close no later than June, 2008. We are promoting another pool in the fall of 2008 with three participants currently submitting applications. Three participants in the Fire Truck Revolving Loan Program were submitted for loan payments totaling \$595,000. Staff also visited with several banks in the Springfield area regarding local government financing tools. Over ten units of local governments were visited or spoken to regarding IFA programs.

*There were no Local Government closings in March, 2008.*

### **Compliance/Audit Report**

A draft of the final compliance audit findings were received from the Office of the Auditor General. There were eight material and nine immaterial findings. A summary of the findings are attached for your review. Steps are currently taking place to finalize the action items for the material and immaterial findings. IFA's responses to the audit findings are due to the Auditor General no later than April 11, 2008.

The exit conference for the FY 2007 audit was held on April 1, 2008. The purpose of the meeting was to discuss the draft of the final compliance audit findings and address any concerns or questions. The IFA was commended for correcting past years findings.

The FY 2007 Financial Report has been completed. Copies have been distributed to IFA board members and executive staff.

### **Human Resources/Operations Report**

**Human Resources:** Management completed job description updates, prepared maternity leave benefit explanation for final approval and, met with the Illinois Department of Human Rights to review and approve first quarter reports.

**Venture Capital:** The IFA's Chief Operations Officer attended the board meetings for two of the IFA's venture capital investment companies – Smart Signal and ZuChem, as well as completed due diligence reports for Mobitrac, Protez and Firefly, which are also venture capital investment companies.

**Administrative:** Management completed Risk Management due diligence, recommended and received approval for insurance proposals for Public Officials Liability Policy and an enhanced Crime Policy.

Additionally, management closed the Carbondale Office. Management also presented updated and revised telecommunications and equipment policies for final approval; presented a recap of the Authority's records retention matters; presented a proposal for new discounts on car rental company for review and feedback and, formed a Green Committee and submitted required action items.

### **Marketing/Public Relations Report**

March public relations included press releases for Children's Memorial Hospital and the Blackhawk Biofuels project. IFA provided background on a number of inquiries regarding the auction rate securities market and related Board action in March, and its impact on healthcare, education and cultural entities.

We are in the process of developing an IFA management information system (MIS) which would integrate and expand the capabilities of our current IT systems and databases. Members of the IT and Development Staff have conducted two management meetings to propose a broad concept as well as its initial implementation phases.

FOIA requests in March:

- H. Krig/SEIU – request for employee and contract information
- T. Dukes – request for employee salary information

**Illinois Finance Authority  
 Audit Findings Material and Immaterial  
 Update as of March 31, 2008**

Item Number	Description	Status Action Items/ (not final) Action Items Completed	Percentage Completed
Total Number of 8			
<b>FY 07 Material Findings</b>			
07-01	Missing Policy on Nondiscrimination	2/1	100
07-02	Failure to Report Revenue bond Information to the Illinois Office of the Comptroller		100
07-03	Bad-Debits not Referred to the Illinois Office of the Comptroller	4/1	100
07-04	Noncompliance with the Illinois Procurement Code and SAMS Procedures	2/1	100
07-05	Lack of Segregation of duties in Managing Property and Equipment	4/2	100
07-06	No Established Rules to Administer Loan Programs	2/1	100
07-07	Authority is Not a Member of the Illinois Forestry Development Council	2	0
07-08	Failure to Administer the Exporter Award Program	2/1	100

**Illinois Finance Authority  
Audit Findings Material and Immaterial  
Update as of March 31, 2008**

Item Number	Description	Status Action Items/ (not final) Action Items Completed	Percentage Completed
Total Number of 9			
<b>FY 07 Immaterial Findings</b>			
IM07-01	Approval of Incomplete Travel and Marketing Reimbursement Forms	5/3	67%
IM07-02	Inadequate Processing and Untimely Deposit of Cash Receipts and Refunds	4/4	100%
IM07-03	Corrected Agency Workforce Report was not Filed Timely	4/3	93%
IM07-04	Use of Telecommunications Devices Not Properly Monitored	3/1	56%
IM07-05	Outdated Investment Report	4/4	100%
IM07-06	Allowance of Old Accounts Receivable Not Performed	4/2	50%
IM07-07	Statement of Economic Interest Report Not Filed Timely	4/2	100%
IM07-08	Failure to File for a Refund of Telephone Excise Tax	2/1	50%
IM07-09	Noncompliance with Printing Requirements	2/1	100%

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

**Illinois Finance Authority**  
**Consolidated - Actual to Budget**  
**Statement of Activities**  
**for Period Ending March 31, 2008**

	Actual March 2008	Budget March 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
<b>REVENUE</b>										
INTEREST ON LOANS	305,164	287,010	18,154	6.33%	2,914,679	2,676,220	238,459	8.91%	3,526,320	82.65%
INVESTMENT INTEREST & GAIN(LOSS)	91,403	210,063	(118,660)	-56.49%	1,903,179	1,869,106	34,073	1.82%	2,499,176	76.15%
ADMINISTRATIONS & APPLICATION FEES	251,640	370,667	(119,027)	-32.11%	4,133,211	3,857,208	276,003	7.16%	6,530,805	63.29%
ANNUAL ISSUANCE & LOAN FEES	64,639	91,812	(27,173)	-29.60%	657,802	773,159	(115,357)	-14.92%	1,038,859	63.32%
OTHER INCOME	15,528	14,947	581	3.89%	141,918	134,523	7,395	5.50%	179,364	79.12%
<b>TOTAL REVENUE</b>	<b>728,375</b>	<b>974,498</b>	<b>(246,124)</b>	<b>-25.26%</b>	<b>9,750,789</b>	<b>9,310,216</b>	<b>440,573</b>	<b>4.73%</b>	<b>13,774,524</b>	<b>70.79%</b>
<b>EXPENSES</b>										
EMPLOYEE RELATED EXPENSES	223,382	301,420	(78,038)	-25.89%	2,370,168	2,839,467	(469,299)	-16.53%	3,732,896	63.49%
COMPENSATION & TAXES	22,729	24,985	(2,256)	-9.03%	207,407	235,481	(28,074)	-11.92%	310,439	66.81%
BENEFITS	2,729	2,500	229	9.15%	65,471	22,500	42,971	190.98%	30,000	218.24%
TEMPORARY HELP	5,979	500	(6,522)	-128.44%	3,553	4,500	(947)	-21.05%	6,000	59.22%
EDUCATION & DEVELOPMENT		12,501			95,306	112,509	(17,203)	-15.29%	150,000	63.54%
TRAVEL & AUTO										
<b>TOTAL EMPLOYEE RELATED EXPENSES</b>	<b>254,819</b>	<b>341,906</b>	<b>(87,087)</b>	<b>-25.47%</b>	<b>2,741,904</b>	<b>3,214,457</b>	<b>(472,553)</b>	<b>-14.70%</b>	<b>4,229,335</b>	<b>64.83%</b>
PROFESSIONAL SERVICES	51,426	87,332	(35,906)	-41.11%	698,854	785,988	(87,135)	-11.09%	1,048,000	66.68%
CONSULTING, LEGAL & ADMIN	204,616	206,257	(1,641)	-0.80%	2,052,981	1,959,367	93,614	4.78%	2,578,138	79.63%
LOAN EXPENSE & BANK FEE	38,781	29,329	9,452	32.23%	292,626	263,961	28,665	10.86%	351,946	83.15%
ACCOUNTING & AUDITING	2,566	20,833	(18,267)	-87.68%	40,149	187,497	(147,348)	-78.59%	250,000	16.06%
MARKETING GENERAL	24,000	24,545	(545)	-2.22%	216,559	216,360	199	0.09%	290,000	74.68%
FINANCIAL ADVISORY	905	2,083	(1,178)	-56.55%	5,093	18,747	(13,654)	-72.83%	25,000	20.37%
CONFERENCE/TRAINING		9,167	(9,167)	-100.00%	12,055	82,503	(70,448)	-85.39%	110,004	10.96%
MISC. PROFESSIONAL SERVICES	7,499	2,917	4,582	157.09%	41,007	26,253	14,754	56.20%	35,000	117.16%
DATA PROCESSING										
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>329,793</b>	<b>382,463</b>	<b>(52,670)</b>	<b>-13.77%</b>	<b>3,359,324</b>	<b>3,540,676</b>	<b>(181,352)</b>	<b>-5.12%</b>	<b>4,688,088</b>	<b>71.66%</b>

**Illinois Finance Authority**  
**Consolidated - Actual to Budget**  
**Statement of Activities**  
**for Period Ending March 31, 2008**

	Actual March 2008	Budget March 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
<b>OCCUPANCY COSTS</b>										
OFFICE RENT	26,040	26,196	(156)	-0.59%	212,879	235,764	(22,885)	-9.71%	314,350	67.72%
EQUIPMENT RENTAL AND PURCHASES	4,377	4,420	(43)	-0.98%	52,092	37,260	14,832	39.81%	49,680	104.86%
TELECOMMUNICATIONS	8,004	7,083	921	13.01%	57,443	63,747	(6,304)	-9.89%	85,000	67.58%
UTILITIES	2,022	983	1,039	105.71%	9,537	8,847	690	7.80%	11,800	80.82%
DEPRECIATION	(1,206)	6,637	(7,843)	-118.17%	36,681	57,282	(601)	-1.05%	77,194	73.43%
INSURANCE	1,100	2,000	(900)	-45.00%	12,133	18,000	(5,867)	-32.60%	24,000	50.55%
<b>TOTAL OCCUPANCY COSTS</b>	<b>40,337</b>	<b>47,319</b>	<b>(6,982)</b>	<b>-14.75%</b>	<b>400,765</b>	<b>420,900</b>	<b>(20,135)</b>	<b>-4.78%</b>	<b>562,024</b>	<b>71.31%</b>
<b>GENERAL &amp; ADMINISTRATION</b>										
OFFICE SUPPLIES	6,525	8,750	(2,225)	-25.43%	69,174	78,750	(9,576)	-12.16%	105,000	65.88%
BOARD MEETING - EXPENSES	5,277	10,750	(5,473)	-50.92%	44,983	31,294	13,689	43.74%	39,000	115.34%
PRINTING	1,331	1,200	131	10.89%	12,231	10,800	1,431	13.25%	14,400	84.94%
POSTAGE & FREIGHT	3,235	2,067	1,168	56.49%	21,497	18,603	2,894	15.56%	24,800	86.68%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,570	3,333	(1,763)	-52.90%	33,065	29,997	3,068	10.23%	40,000	82.66%
PUBLICATIONS	352	300	52	17.33%	1,856	2,700	(844)	-31.27%	3,600	51.54%
OFFICERS & DIRECTORS INSURANCE	14,746	14,750	(4)	-0.02%	132,718	132,750	(32)	-0.02%	177,000	74.98%
MISCELLANEOUS	500	42	458	1090.48%	1,348	378	970	256.72%	500	269.68%
<b>TOTAL GENL &amp; ADMIN EXPENSES</b>	<b>33,535</b>	<b>41,192</b>	<b>(7,657)</b>	<b>-18.59%</b>	<b>316,873</b>	<b>305,272</b>	<b>11,601</b>	<b>3.80%</b>	<b>404,300</b>	<b>78.38%</b>
LOAN LOSS PROVISION/BAD DEBT	43,631	33,333	10,298	30.89%	300,621	299,997	624	0.21%	400,000	75.16%
<b>OTHER</b>										
INTEREST EXPENSE	644	644	(0)	-0.02%	6,072	6,072	(0)	0.00%	8,004	75.86%
<b>TOTAL OTHER</b>	<b>644</b>	<b>644</b>	<b>(0)</b>	<b>-0.02%</b>	<b>6,072</b>	<b>6,072</b>	<b>(0)</b>	<b>0.00%</b>	<b>8,004</b>	<b>75.86%</b>
<b>TOTAL EXPENSES</b>	<b>702,758</b>	<b>846,857</b>	<b>(144,099)</b>	<b>-17.02%</b>	<b>7,125,558</b>	<b>7,787,374</b>	<b>(661,816)</b>	<b>-8.50%</b>	<b>10,291,751</b>	<b>69.24%</b>
<b>NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)</b>	<b>25,617</b>	<b>127,641</b>	<b>(102,024)</b>	<b>-79.93%</b>	<b>2,625,231</b>	<b>1,522,842</b>	<b>1,102,389</b>	<b>72.39%</b>	<b>3,482,773</b>	<b>75.38%</b>
<b>NET UNREALIZED GAIN/(LOSS) ON INVESTMENT</b>	<b>3,973</b>	<b>(16,667)</b>	<b>20,640</b>	<b>-123.84%</b>	<b>60,524</b>	<b>(150,003)</b>	<b>210,527</b>	<b>-140.35%</b>	<b>(200,000)</b>	<b>-30.26%</b>
REVENUE GRANT	-	-	-	0.00%	2,000,000	-	2,000,000	0.00%	-	0.00%
<b>NET INCOME/(LOSS)</b>	<b>29,590</b>	<b>110,974</b>	<b>(81,384)</b>	<b>-73.34%</b>	<b>4,685,755</b>	<b>1,372,839</b>	<b>3,312,916</b>	<b>241.32%</b>	<b>3,282,773</b>	<b>142.74%</b>

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

	Actual March 2008	Actual March 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
<b>REVENUE</b>								
INTEREST ON LOANS	305,164	73,058	232,107	317.70%	2,914,679	2,611,152	303,527	11.62%
INVESTMENT INTEREST & GAIN(LOSS)	91,403	281,749	(190,345)	-67.56%	1,903,179	2,193,265	(290,086)	-13.23%
ADMINISTRATIONS & APPLICATION FEES	251,640	959,738	(708,098)	-73.78%	4,133,211	5,017,149	(883,938)	-17.62%
ANNUAL ISSUANCE & LOAN FEES	64,639	91,692	(27,053)	-29.50%	657,802	833,232	(175,430)	-21.05%
OTHER INCOME	15,528	17,689	(2,160)	-12.21%	141,918	248,026	(106,108)	-42.78%
<b>TOTAL REVENUE</b>	<b>728,375</b>	<b>1,423,925</b>	<b>(695,550)</b>	<b>-48.85%</b>	<b>9,750,789</b>	<b>10,902,823</b>	<b>(1,152,034)</b>	<b>-10.57%</b>
<b>EXPENSES</b>								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	223,382	239,017	(15,635)	-6.54%	2,370,168	2,259,438	110,730	4.90%
BENEFITS	22,729	23,395	(667)	-2.85%	207,407	245,099	(37,693)	-15.38%
TEMPORARY HELP	2,729	10,169	(7,441)	-73.17%	65,471	66,069	(599)	-0.91%
EDUCATION & DEVELOPMENT				0.00%	3,553	5,457	(1,905)	-34.90%
TRAVEL & AUTO	5,979	13,661	(7,682)	-56.23%	95,306	118,113	(22,807)	-19.31%
<b>TOTAL EMPLOYEE RELATED EXPENSES</b>	<b>254,819</b>	<b>286,243</b>	<b>(31,424)</b>	<b>-10.98%</b>	<b>2,741,904</b>	<b>2,694,177</b>	<b>47,727</b>	<b>1.77%</b>
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	51,426	184,684	(133,258)	-72.15%	698,854	1,182,262	(483,409)	-40.89%
LOAN EXPENSE & BANK FEE	204,616	(1,525)	206,141	-13516.53%	2,052,981	2,115,093	(62,112)	-2.94%
ACCOUNTING & AUDITING	38,781	34,581	4,200	12.14%	292,626	274,867	17,760	6.46%
MARKETING GENERAL	2,566	3,187	(621)	-19.49%	40,149	46,502	(6,353)	-13.66%
FINANCIAL ADVISORY	24,000	(20,600)	44,600	-216.50%	216,559	213,508	3,051	1.43%
CONFERENCE/TRAINING	905		905	0.00%	5,093	13,446	(8,353)	-62.12%
MISC. PROFESSIONAL SERVICES				0.00%	12,055	33,728	(21,673)	-64.26%
DATA PROCESSING	7,499	(1,635)	9,134	-558.82%	41,007	24,970	16,037	64.23%
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>329,793</b>	<b>198,694</b>	<b>131,100</b>	<b>65.98%</b>	<b>3,359,324</b>	<b>3,904,375</b>	<b>(545,051)</b>	<b>-13.96%</b>



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

	Actual March 2008	Actual March 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
<b>OCCUPANCY COSTS</b>								
OFFICE RENT	26,040	22,025	4,015	18.23%	212,879	228,903	(16,024)	-7.00%
EQUIPMENT RENTAL AND PURCHASES	4,377	4,249	127	3.00%	52,092	36,828	15,264	41.45%
TELECOMMUNICATIONS	8,004	14,487	(6,483)	-44.75%	57,443	60,991	(3,548)	-5.82%
UTILITIES	2,022	1,087	935	86.06%	9,537	8,805	732	8.32%
DEPRECIATION	(1,206)	3,897	(5,103)	-130.95%	56,681	34,199	22,482	65.74%
INSURANCE	1,100	1,192	(92)	-7.75%	12,133	11,645	488	4.19%
<b>TOTAL OCCUPANCY COSTS</b>	<b>40,337</b>	<b>46,938</b>	<b>(6,601)</b>	<b>-14.06%</b>	<b>400,765</b>	<b>381,371</b>	<b>19,394</b>	<b>5.09%</b>
<b>GENERAL &amp; ADMINISTRATION</b>								
OFFICE SUPPLIES	6,525	7,053	(528)	-7.49%	69,174	75,747	(6,573)	-8.68%
BOARD MEETING - EXPENSES	5,277	13,253	(7,976)	-60.18%	44,983	33,797	11,185	33.10%
PRINTING	1,331	1,034	297	28.73%	12,231	12,009	222	1.85%
POSTAGE & FREIGHT	3,235	2,851	384	13.47%	21,497	18,670	2,828	15.15%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,570	5,565	(3,995)	-71.79%	33,065	37,306	(4,240)	-11.37%
PUBLICATIONS	352	908	(556)	-61.24%	1,856	7,646	(5,790)	-75.73%
OFFICERS & DIRECTORS INSURANCE	14,746	13,500	1,246	9.23%	132,718	121,500	11,218	9.23%
MISCELLANEOUS	500	-	500	0.00%	1,348	5,406	(4,057)	-75.05%
<b>TOTAL GENL &amp; ADMIN EXPENSES</b>	<b>33,535</b>	<b>44,163</b>	<b>(10,628)</b>	<b>-24.07%</b>	<b>316,873</b>	<b>312,080</b>	<b>4,793</b>	<b>1.54%</b>
<b>LOAN LOSS PROVISION/BAD DEBT</b>	<b>43,631</b>	<b>58,424</b>	<b>(14,793)</b>	<b>-25.32%</b>	<b>300,621</b>	<b>366,931</b>	<b>(66,310)</b>	<b>-18.07%</b>
<b>OTHER</b>	<b>644</b>	<b>690</b>	<b>(46)</b>	<b>-6.69%</b>	<b>6,072</b>	<b>6,485</b>	<b>(413)</b>	<b>-6.36%</b>
<b>TOTAL OTHER</b>	<b>644</b>	<b>690</b>	<b>(46)</b>	<b>-6.69%</b>	<b>6,072</b>	<b>6,485</b>	<b>(413)</b>	<b>-6.36%</b>
<b>TOTAL EXPENSES</b>	<b>702,758</b>	<b>635,151</b>	<b>67,608</b>	<b>10.64%</b>	<b>7,125,558</b>	<b>7,665,418</b>	<b>(539,860)</b>	<b>-7.04%</b>
<b>NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)</b>	<b>25,617</b>	<b>788,775</b>	<b>(763,158)</b>	<b>-96.75%</b>	<b>2,625,231</b>	<b>3,237,404</b>	<b>(612,173)</b>	<b>-18.91%</b>
<b>NET UNREALIZED GAIN/(LOSS) ON INVESTMENT</b>	<b>3,973</b>	<b>10,824</b>	<b>(6,850)</b>	<b>-63.29%</b>	<b>60,524</b>	<b>(204,415)</b>	<b>264,939</b>	<b>-129.61%</b>
<b>REVENUE GRANT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>2,000,000</b>	<b>-</b>	<b>2,000,000</b>	<b>0.00%</b>
<b>NET INCOME/(LOSS)</b>	<b>29,590</b>	<b>799,598</b>	<b>(770,008)</b>	<b>-96.30%</b>	<b>4,685,755</b>	<b>3,032,990</b>	<b>1,652,766</b>	<b>54.49%</b>

**Illinois Finance Authority**  
**Consolidated**  
**Balance Sheet**  
**for the Nine Months Ending March 31, 2008**

	Actual March 2007	Actual March 2008	Budget March 2008	Variance to budget
<b>ASSETS</b>				
CASH & INVESTMENTS, UNRESTRICTED		\$ 28,143,014	25,137,552	3,005,462
LOAN RECEIVABLE, NET	78,821,940	93,541,881	87,417,066	6,124,815
ACCOUNTS RECEIVABLE	618,197	440,548	583,530	(142,982)
OTHER RECEIVABLES	617,538	1,937,870	1,446,526	491,344
PREPAID EXPENSES	229,083	68,096	185,219	(117,123)
<b>TOTAL CURRENT ASSETS</b>	<b>112,958,437</b>	<b>124,131,409</b>	<b>114,769,893</b>	<b>9,361,516</b>
<b>FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION</b>	<b>150,201</b>	<b>210,610</b>	<b>283,109</b>	<b>(72,499)</b>
<b>DEFERRED ISSUANCE COSTS</b>	<b>844,403</b>	<b>720,720</b>	<b>762,223</b>	<b>(41,503)</b>
<b>OTHER ASSETS</b>				
CASH, INVESTMENTS & RESERVES	27,231,087	27,510,961	28,140,833	(629,872)
VENTURE CAPITAL INVESTMENTS	5,714,091	5,835,254	6,679,090	(843,836)
OTHER	3,025,522	3,682,072	3,039,563	642,509
<b>TOTAL OTHER ASSETS</b>	<b>35,970,701</b>	<b>37,028,287</b>	<b>37,859,486</b>	<b>(831,199)</b>
<b>TOTAL ASSETS</b>	<b>\$ 149,923,742</b>	<b>\$ 162,091,026</b>	<b>\$ 153,674,711</b>	<b>\$ 8,416,314</b>
<b>LIABILITIES</b>				
CURRENT LIABILITIES	1,526,773	1,244,691	1,339,024	(94,333)
LONG-TERM LIABILITIES	57,314,097	64,121,347	58,923,615	5,197,732
<b>TOTAL LIABILITIES</b>	<b>58,840,869</b>	<b>65,366,038</b>	<b>60,262,640</b>	<b>5,103,399</b>
<b>EQUITY</b>				
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)	3,032,990	4,685,755	1,372,839	3,312,916
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
<b>TOTAL EQUITY</b>	<b>91,082,873</b>	<b>96,724,988</b>	<b>93,412,071</b>	<b>3,312,916</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 149,923,742</b>	<b>\$ 162,091,026</b>	<b>\$ 153,674,711</b>	<b>\$ 8,416,314</b>

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

as of 3/31/2008

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
<b>Participations</b>									
10009	CAYWOOD'S YOUTH CENTE	3/27/2008	\$1,702.71	.00	.00	.00	.00	.00	.00
10010	CHAPMAN, MARC (QUALIT	3/30/2008	\$1,452.42	.00	.00	.00	.00	.00	.00
10018	EAGLE THEATER CORPORA	3/18/2008	\$2,303.96	.00	.00	.00	.00	.00	.00
10025	FREEMPORT AREA ECONOMI	3/28/2008	\$1,340.00	.00	.00	.00	.00	.00	.00
10037	LEFLER, MARK & SARA	3/25/2008	\$1,377.92	.00	.00	.00	.00	.00	.00
10041	NEWLINE HARWOODS, INC	2/4/2008	\$0.00	8,861.88	.00	.00	.00	.00	.00
10049	SHULTS MACHINE	4/5/2007	\$0.00	.00	.00	.00	.00	.00	144,288.11
10068	MACON METAL PRODUCTS	3/14/2008	\$1,500.00	.00	.00	.00	.00	.00	.00
10073	BAXTER, JAY & COLLEEN	3/29/2008	\$565.00	.00	.00	.00	.00	.00	.00
10118	SLOAN BIOTECH LAB	3/30/2008	\$5,030.85	.00	.00	.00	.00	.00	.00
10127	GFY MANAGEMENT	3/30/2008	\$670.56	.00	.00	.00	.00	.00	.00
10128	GFY MANAGEMENT	3/30/2008	\$2,215.92	.00	.00	.00	.00	.00	.00
10132	EX TECH PLASTICS	3/27/2008	\$7,732.26	.00	.00	.00	.00	.00	.00
10142	THIRD PANCAKE, LLC	3/1/2008	\$10,606.55	.00	.00	.00	.00	.00	.00
14			\$56,498.15	8,861.88	.00	.00	.00	.00	144,288.11
<b>FMHA</b>									
10064	GRAYSON HILL ENERGY, LLC	3/1/2008	\$1,443.27	.00	.00	.00	.00	.00	.00
1			\$1,443.27	.00	.00	.00	.00	.00	.00

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

as of **3/31/2008**

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
<b>Municipalities</b>									
10098	ADAMS COUNTY WATER	2/1/2008	\$0.00	14,587.08	.00	.00	.00	.00	.00
1			\$0.00	14,587.08	.00	.00	.00	.00	.00
16			\$38,417.42	23,448.96	.00	.00	.00	.00	144,288.11

**MINUTES OF THE MARCH 11, 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 3:00 p.m. on March 11, 2008 at the Illinois State Library, 300 S. Second Street, Room 403/404, Springfield, Illinois:

**Members present:**

William A. Brandt, Jr., Chair  
Michael W. Goetz, Vice Chair  
Dr. William J. Barclay  
Magda M. Boyles  
Dr. Roger D. Herrin  
Edward H. Leonard, Sr.  
Juan B. Rivera  
Bradley A. Zeller

**Members absent:**

Terrence M. O'Brien  
Andrew W. Rice  
Joseph P. Valenti  
April D. Verrett

**Vacancies:**

None

**Members participating by  
telephone:**

Ronald E. DeNard  
James J. Fuentes  
Lynn F. Talbott

**GENERAL BUSINESS**

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

Chairman Brandt called the meeting to order at 3:13 p.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests and asked Secretary, Carla Burgess Jones to call the roll. There being eight (8) members physically present, and three (3) members 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 12:00 noon today.

**Acceptance of Financial Statements**

Financial statements for the period ending February 29, 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 12:00 noon. 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 11 ayes, 0 nays, and 0 abstentions.

## **Minutes**

Chairman Brandt announced that the next order of business was to approve the minutes of the February 12, 2008 Meeting of the Board. Chairman Brandt announced that the February 12, 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 Dr. Barclay and seconded by Mr. Goetz. Secretary, Burgess Jones, took a roll call vote for approval of the minutes. The minutes were approved by a roll call vote with 11 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 today the largest amount of financings in the history of the Illinois Finance Authority will be presented to the board for approval. Director Hubbard reported that the twenty-nine (29) projects being presented today total over \$4 billion and, are expected to create 788 new jobs and 4,645 construction jobs. Director Hubbard reported that the largest number of financings being presented today will be for the healthcare sector, those projects total over \$3 billion.

## **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 \$847,000.00 to the Board for approval. Project no. 1 includes four (4) individual Beginning Farmer projects:

**No. 1:      A-FB-TE-CD-8017 – Donald & Jolene Robinson**

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$234,500 to provide permanent financing to purchase approximately 101 acres of farmland. This project is located in Marseilles, Illinois. (08-03-01).

**A-FB-TE-CD-8018 – Heath & Jamie Houck**

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$182,500 to provide permanent financing to purchase approximately 58 acres of farmland. This project is located in Nokomis, Illinois. (08-03-01).

**A-FB-TE-CD-8019 – Wallace Ray Williams, III**

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$250,000 to provide permanent financing to purchase approximately 79 acres of farmland. This project is located in Nashville, Illinois. (08-03-01).

**A-FB-TE-CD-8020 – Thomas & Bonnie Harrison**

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$180,000 to provide permanent financing to purchase approximately 51 acres of farmland. This project is located in Paxton, Illinois. (08-03-01).

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 four (4) individual Beginning Farmer Bonds. Leave was granted. Project No. 1 which includes four (4) individual Beginning Farmer Bonds received final approval with 11 ayes, 0 nays, and 0 abstentions.

**No. 2: B-LL-TX-8024 – Sulberg USA, Inc.**

Request for final approval of the issuance of a Title IX Loan in an amount not-to-exceed \$127,904 to provide permanent financing to acquire new manufacturing equipment. This project is expected to create 11 new jobs. This project is located in Havana, Illinois. (08-03-02).

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. Mr. Senica, IFA Senior Funding Manager, introduced Mr. Anthony Rolando, Senior Account Manager, DCEO, North Central Region. Mr. Rolando made no comments. Chairman Brandt then asked if the Board had any questions with respect to Project no. 2. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 2. Leave was granted. Project No. 2 received preliminary approval with 11 ayes, 0 nays, and 0 abstentions.

**No. 3: I-ID-TE-CD-8021 – Kenall Manufacturing Company**

Request for preliminary approval of the issuance of an Industrial Revenue Bond in an amount not-to-exceed \$5.6 million to construct an addition to the existing facility, purchase fixtures and equipment, and fund legal and professional issuance costs. This project is expected to create approximately 30 new jobs and 15 construction jobs. This project is located in Gurnee, Illinois. (08-03-03).

No guests attended with respect to Project no. 3. 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. 3. Leave was granted. Project No. 3 received preliminary approval with 11 ayes, 0 nays and 0 abstentions.

**No. 4: P-PO-TE-CD-8022 (Series A-F) – Commonwealth Edison Company**

Request for final approval of the issuance of Pollution Control Revenue Refunding Bonds in a combined par amount for 6 series of bonds issued pursuant to 3 Bond Resolutions, in an amount not-to-exceed \$343,175,000 million for the purpose of removal of bond insurance and current refunding from Auction Rate Mode to Fixed Rate Mode for six outstanding ComEd Bond issues. Refunding Bonds will be issued under the Illinois Environmental Facilities Financing Act and will not use any of the available \$26.5 billion debt limit currently authorized

under the IFA Act. This project is a Refunding Issue, no Volume Cap is required. The original issues corresponding to these Bonds, all of which were Refunds, occurred prior to 1984; Volume Cap was never required to support these Bond issues. This project is located in multiple locations throughout Illinois. (08-03-04).

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 asked Secretary Burgess Jones to take a roll call vote for approval of Project no. 4. Project No. 4 was approved by roll call vote with 10 ayes, 0 nays and 1 abstention. Mr. DeNard abstained from voting because he is employed by a company that is a subsidiary of Commonwealth Edison Company.

**No. 5: N-NP-TE-CD-7180 – Construction & General Laborers District of Chicago and Vicinity Joint Training and Apprentice Fund a/k/a Chicagoland Laborers Training and Apprentice Fund**

Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$27 million to construct and equip a training facility, capitalize interest and fund professional and bond issuance costs. This project is expected to create 9 new jobs and 50 construction jobs. This project is located in Chicago, Illinois. (08-03-05).

**No. 6: E-PF-TE-CD-8016 – Gift of Hope Organ and Tissue Donor Network**

Request for preliminary approval of 501(c)3 Bonds in an amount not-to-exceed \$16 million to acquire and renovate an existing building to be used as an educational and training facility. This project is expected to create 22 new jobs and 25 construction jobs. This project is located in Itasca, Illinois. (08-03-06).

**No. 7: N-NP-TE-CD-8014 – Armitage Commons Preservation, NFP**

Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$5 million to refinance an existing first mortgage, capitalize a tax and insurance escrow and pay certain legal, professional and closing costs. This project is located in Chicago, Illinois. (08-03-07).

**No. 8: N-NP-TE-CD-8003 – Center on Deafness**

Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$1,825,000 to refinance outstanding mortgage debt. This project is located in Northbrook, Illinois. (08-03-08).

**No. 9: N-NP-TE-CD-8009 – O’Fallon Preservation, NFP**

Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$3 million to refinance a first mortgage and pay legal, professional and closing costs. This project is located in O’Fallon, Illinois. (08-03-09).

No guests attended with respect to Project Nos. 5 through 9. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 5 through 9. There being none, Chairman Brandt asked Secretary Burgess Jones to take a roll call vote for approval of Project Nos. 5 through 9. Project Nos. 5 through 9 were approved by roll call vote with 11 ayes, 0 nays and 0 abstentions.



- No. 10:**        **L-GP-7018 – Central Macoupin County Rural Water District**  
 Request for final approval of the issuance of Local Government Pooled Bonds in an amount not-to-exceed \$225,000 to provide financing to complete the third phase of the District’s water distribution system expansion project. This project is located in Macoupin County, Illinois. **(08-03-10).**
- No. 11:**        **L-GP-7026 – Village of Cooksville**  
 Request for final approval of the issuance of Local Government Pooled Bonds in an amount not-to-exceed \$295,000 to provide financing to replace the Village of Cooksville’s water treatment plant and to make improvements to its water system. This project is expected to create 30 construction jobs. This project is located in Cooksville, Illinois. **(08-03-11).**
- No. 12:**        **L-GP-8034 – Village of Coulterville**  
 Request for final approval of the issuance of Local Government Bonds in an amount not-to-exceed \$1,075,000 million to provide financing for the Village’s water system updates, refund Illinois Rural Bond Bank’s alternate revenue bonds and USDA revenue bonds. This project is located in Coulterville, Illinois. **(08-03-12).**
- No. 13:**        **L-GP-7027 – Village of Kingston Mines**  
 Request for final approval of the issuance of Local Government Bonds in an amount not-to-exceed \$235,000 to provide financing for the Village’s water system updates. This project is located in Peoria, Illinois. **(08-03-13).**

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

- No. 14:**        **H-HO-TE-CD-8026 – Elmhurst Memorial Healthcare**  
 Request for preliminary approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$40 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. **(08-03-14).**
- No. 15:**        **H-HO-TE-CD-8025 – Northwest Community Hospital**  
 Request for preliminary approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$300 million to provide financing for the construction of Northwest Community Hospital’s master facility plan, equipment relocation, fund debt service reserve, refinance a taxable line of credit and pay costs of issuance. This project is expected to create 246 new jobs and 300 construction jobs. This project is located in Arlington Heights, Illinois. **(08-03-15).**

**No. 16:**        **H-HO-TE-CD-8027 – Provena Health**  
Request for preliminary approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$666,905,000 to provide financing to refund all or a portion of Provena’s outstanding MBIA insured Series 1998A Fixed Rate Bonds, reimburse all or a portion of Series 1998 Taxable Commercial Paper and Series 2005A Taxable Term Loan, convert or refund all or a portion of Provena’s MBIA insured 1998B, 1998D and 1998D-R Auction Rate Securities and the MBIA insurance series 1998C Variable Rate Demand Bonds and pay costs of issuance. This project is located in Mokena, Illinois. **(08-03-16)**.

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. Ms. Pamela Lenane, Vice President, introduced Mr. Tony Filer, Senior VP and CFO, Provena. Mr. Filer thanked members of the board for their consideration and stated that Provena will be celebrating its 10<sup>th</sup> Anniversary and thanked the Illinois Finance Authority for its support. Chairman Brandt then asked if the Board had any questions for Mr. Filer. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 14 through 16. Leave was granted. Project Nos. 14 through 16 received preliminary approval with 11 ayes, 0 nays, and 0 abstentions.

**No. 17:**        **H-HO-CD-TE-8013 – Alexian Brothers Health System**  
Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$55 million to provide financing to pay or reimburse the Corporation for costs of acquiring, constructing, renovating, remodeling and equipping certain healthcare facilities, fund debt service reserve and pay certain expenses in connection with the issuance of the Series 2008 Bonds. This project is expected to create 20 new jobs and 1,000 construction jobs. This project is located in Elk Grove Village and Hoffman Estates, Illinois. **(08-03-17)**.

**No. 18:**        **H-HO-TE-CD-7233 – The Children’s Memorial Hospital**  
Request for final approval of the issuance of 501(c)3 Refunding Bonds in an amount not-to-exceed \$650 million in financing. Proceeds will be used to assist Children’s in refunding all or a portion of existing Series 1999B, Series 2003A/B and Series 2004 Ambac Insured Auction Rate Securities and Series 1993 and Series 1999A Fixed Rate Bonds, pay or reimburse the borrower for, or refinance outstanding indebtedness, fund a debt service reserve fund, pay a portion of the interest on the bonds, provide working capital, and pay certain issuance costs. This project is expected to create 450 new jobs and 3,000 construction jobs. This project is located in Chicago, Illinois. **(08-03-18)**.

**No. 19:**        **H-HO-TE-CD-8030 – Delnor-Community Hospital**  
Request for final approval of the issuance of 501(c)3 Refunding Bonds in an amount not-to-exceed \$165 million to provide financing to convert Series 2002 and Series 2003 Financial Security Assurance Insured Auction Rate Bonds, refund Series 2006 Financial Guaranty Insurance Company Insured Auction Rate Bonds, pay termination fees and pay costs of issuance. This project is located in Geneva, Illinois. **(08-03-19)**.

- No. 20:**        **H-HO-TE-CD-8031 – Edward Hospital**  
Request for final approval of the issuance of 501(c)3 Refunding Bonds in an amount not-to-exceed \$250 million to provide financing to convert all or a portion of certain existing Ambac insured IFA Series 2007A-1 and 2007A-2 Auction Rate Bonds, refund the Ambac insured IFA Series 2007B and Series 2007C Variable Rate Bonds and pay issuance costs. This project is located in Naperville, Illinois. **(08-03-20).**
- No. 21:**        **H-HO-TE-CD-8033 – Advocate Health Care Network**  
Request for final approval of the issuance of 501(c)3 Refunding Bonds in an amount not-to-exceed \$650 million to provide financing. Bond proceeds will be used to refund all or a portion of certain existing Ambac insured Series 2005 Bonds and Series 2007 Auction Rate Bonds, and pay costs of issuance. This project is located in multiple areas throughout Illinois. **(08-03-21).**
- No. 22:**        **H-HO-TE-CD-8032 – Little Company of Mary Hospital**  
Request for final approval of the issuance of 501(c)3 Refunding Bonds in an amount not-to-exceed \$150 million to provide financing. The 2008 Bond proceeds will be used to refund all or a portion of certain existing MBIA insured IFA Series 2007 Auction Rate Bonds and Illinois Health Facility Authority Series 1997B Auction Rate Bonds and pay costs of issuance. This project is located in multiple areas throughout Illinois. **(08-03-22).**
- No. 23:**        **H-HO-TE-CD-8028 – Swedish Covenant Hospital**  
Request for final approval of the issuance of 501(c)3 Refunding Bonds in an amount not-to-exceed \$115 million to provide financing to refund all or a portion of outstanding Series 1995 Variable Rate Demand Bonds, Series 1998A Auction Rate Bonds, pay termination fees for interest rate swaps with AMBAC Financial Services, establish a debt service reserve fund and pay issuance costs. This project is located in Chicago, Illinois. **(08-03-23).**

No guests attended with respect to Project Nos. 17 through 23. Chairman Brandt asked if the Board had any questions regarding Project Nos. 17 through 23. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 17 through 23. Leave was granted. Project Nos. 17 through 23 received final approval with 11 ayes, 0 nays, and 0 abstentions.

- No. 24:**        **E-PC-TE-CD-8023 – Bradley University**  
Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$67 million to provide financing to refund all of the University's outstanding Series 2002 bonds. Bonds are being refunded for the sole purpose of replacing insurance bonds with bonds backed by a direct pay Letter of Credit. This project is located in Peoria, Illinois. **(08-03-24).**

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. Mr. Jim Senica, Senior Funding Manager, introduced Ms. Patina Gandhi, Office of Business Affairs, Bradley University. Ms. Gandhi thanked members of the board and the Illinois Finance Authority for its consideration and for supporting the University's financing needs now

and in the past. Chairman Brandt then asked if the Board had any questions for Ms. Gandhi. There were no questions.

- No. 25:**        **E-PC-TE-CD-8002 – The University of Chicago**  
Request for final approval of the issuance of 501(c)3 Revenue Refunding Bonds in an amount not-to-exceed \$125 million to provide financing for current refunding of IFA (IEFA) Series 1998A Bonds with IFA Series 2008 Variable Rate Revenue Bonds. This project is located in Chicago, Illinois. **(08-03-25)**.

No guests attended with respect to Project No. 25. Chairman Brandt asked if the Board had any questions regarding Project No. 25. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 24 and 25. Leave was granted. Project Nos. 24 and 25 received final approval with 11 ayes, 0 nays, and 0 abstentions.

**Resolutions/Amendatory Resolutions**

- No. 26:**        **Certain Hospital Bond Issues.** Resolution of the Illinois Finance Authority relating to authorization of certain actions in connection with interest rate mode conversions for certain hospital bond issues.
- No. 27:**        **Interest Rate Mode Conversions for Certain Cultural Institutions.** Resolution of the Illinois Finance Authority relating to the authorization of certain actions in connection with interest rate mode conversions for certain cultural institution bond issues.
- No. 28:**        **Resolution No. 2008-03-28 – Blackhawk Biofuels.** Resolution authorizing the transfer and re-issuance by the Illinois Finance Authority of a State Guarantee to Fifth Third Bank; authorizing the execution and delivery of related State Guarantee documentation; and authorizing and approving certain related matters. adopting merit compensation plan for employees of the Illinois Finance Authority.

Chairman Brandt asked if the Board had any questions with respect to Resolution Nos. 26 through 28. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolution Nos. 26 through 28. Leave was granted. Resolution Nos. 26 through 28 were approved with 11 ayes, 0 nays, and 0 abstentions.

Chairman Brandt asked if there was any other business to come before the Board. There being none, Chairman Brandt requested a motion to adjourn. Upon a motion by Dr. Herrin and seconded by Mr. Zeller, the meeting adjourned at approximately 4:13 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: April 8, 2008  
Re: Overview Memo for Beginning Farmer Bonds

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- **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: \$1,150,910**
- **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-8036  
**Funding Manager:** Eric Reed  
**Borrower(s):** Reynolds, Kristopher & Jodi  
**Town:** Nokomis, IL  
**Amount:** \$93,000  
**Use of Funds:** Farmland – 31 acres  
**Purchase Price:** \$93,000 / (\$3,000 per ac)  
**%Borrower Equity:** 0%  
**%Other Agency:** 0%  
**%IFA:** 100%  
**County/Region:** Montgomery / Central  
**Lender/Bond Purchaser:** Bank & Trust Company / Larry Halleman  
**Legislative Districts:** Congressional: 19<sup>th</sup>, John Shimkus  
State Senate: 49<sup>th</sup>, Deanna Demuzio  
State House: 98<sup>th</sup>, Gary Hannig

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.

**\*Kris & Jodi Reynolds:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.50% fixed for the first sixty months and then adjust every 60 months thereafter for the term of the note to 75% of Prime per the Wall Street Journal. Maximum change per 60 months + or – 1.5% with a floor of 3% and a ceiling of 8%. **IFA Fee: \$1,395**

**Project Number:** A-FB-TE-CD-8038  
**Funding Manager:** Cory Mitchell  
**Borrower(s):** Klauser, Lance L.  
**Town:** Liberty, IL  
**Amount:** \$241,200  
**Use of Funds:** Farmland – 40 acres  
**Purchase Price:** \$268,000 / (\$6,700 per ac)  
**%Borrower Equity:** 10%  
**%Other Agency:** 0%  
**%IFA:** 90%  
**County/Region:** Adams / West Central  
**Lender/Bond Purchaser:** Marine Bank & Trust / Lynn Fisher  
**Legislative Districts:** Congressional: 18<sup>th</sup>, Ray LaHood  
State Senate: 47<sup>th</sup>, John Sullivan  
State House: 93<sup>rd</sup>, Jil Tracy

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to beginning on April 1, 2009. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be on April 1, 2009 with the thirtieth and final payment of all outstanding balances due thirty years from April 1, 2009.

**\*Lance Klauser:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.625% fixed for the first five years and then adjust every 5 years thereafter to the weekly average yield on US Treasury Securities adjusted to a constant maturity of one year + 2.50%. **IFA Fee: \$3,618**

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

**Project Number:** A-FB-TE-CD-8039  
**Funding Manager:** Cory Mitchell  
**Borrower(s):** Huls, Abraham I.  
**Town:** Carthage, IL  
**Amount:** \$90,210  
**Use of Funds:** Farmland – 58.2 acres  
**Purchase Price:** \$180,420 / (\$3,100 per ac)  
**%Borrower Equity:** 0%  
**%Other Agency:** 50%  
**%IFA:** 50%  
**County/Region:** Hancock / West Central  
**Lender/Bond Purchaser:** Marine Bank & Trust / Lynn Fisher  
**Legislative Districts:** Congressional: 17<sup>th</sup>, Phil Hare  
State Senate: 47<sup>th</sup>, John Sullivan  
State House: 94<sup>th</sup>, Richard Myers

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to beginning on April 1, 2009. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be on April 1, 2009 with the thirtieth and final payment of all outstanding balances due thirty years from April 1, 2009.

**\*Abraham I. Huls:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.625% fixed for the first five years and then adjust every 5 years thereafter to the weekly average yield on US Treasury Securities adjusted to a constant maturity of one year + 2.50%. IFA Fee: \$1,353

**Project Number:** A-FB-TE-CD-8040  
**Funding Manager:** Cory Mitchell  
**Borrower(s):** Cave, Andrew Thomas  
**Town:** Grand Ridge, IL  
**Amount:** \$82,500  
**Use of Funds:** Farmland – 25 acres  
**Purchase Price:** \$165,000 / (\$6,600 per ac)  
**%Borrower Equity:** 0%  
**%Other Agency:** 50%  
**%IFA:** 50%  
**County/Region:** LaSalle / Northwest  
**Lender/Bond Purchaser:** First State Bank / Thomas Walsh  
**Legislative Districts:** Congressional: 11<sup>th</sup>, Gerald Weller  
State Senate: 38<sup>th</sup>, Gary Dahl  
State House: 76<sup>th</sup>, Frank Mautino

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.

**\*Andrew Cave:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 6.30% fixed for the first sixty months and then adjust every 60 months thereafter for the term of the note to prime rate per the Wall Street Journal plus 30 basis points. IFA Fee: \$1,237.50

<b>Project Number:</b>	<b>A-FB-TE-CD-8041</b>
Funding Manager:	Cory Mitchell
<b>Borrower(s):</b>	<b>Cave, Adam</b>
Town:	Grand Ridge, IL
Amount:	\$200,000
Use of Funds:	Farmland – 80 acres
Purchase Price:	\$528,000 / (\$6,600 per ac)
%Borrower Equity	6%
%Other Agency	57%
%IFA	37%
County/Region:	LaSalle / Northwest
Lender/Bond Purchaser	First State Bank / Thomas Walsh
<b>Legislative Districts:</b>	Congressional: 11 <sup>th</sup> , Gerald Weller State Senate: 38 <sup>th</sup> , Gary Dahl State House: 76 <sup>th</sup> , Frank Mautino

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.

**\*Adam Cave:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 6.30% fixed for the first sixty months and then adjust every 60 months thereafter for the term of the note to prime rate per the Wall Street Journal plus 30 basis points. **IFA Fee: \$3,000**

<b>Project Number:</b>	<b>A-FB-TE-CD-8042</b>
Funding Manager:	Eric Reed
<b>Borrower(s):</b>	<b>Bauer, Ryan &amp; April</b>
Town:	Smithboro, IL
Amount:	\$200,000
Use of Funds:	Farmland – 80 acres
Purchase Price:	\$395,000 / (\$4,938 per ac)
%Borrower Equity	0%
%Other Agency	49%
%IFA	51%
County/Region:	Bond / Southwestern
Lender/Bond Purchaser	Bradford National Bank / Robert Tompkins
<b>Legislative Districts:</b>	Congressional: 19 <sup>th</sup> , John Shimkus State Senate: 51 <sup>st</sup> , Frank Watson State House: 102 <sup>nd</sup> , Ron Stephens

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

**\*Ryan & April Bauer:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.5% fixed for ten years and adjust annually thereafter to 75% of the prime rate as published in the Wall Street Journal, rounded up to the nearest .25 of one percent. The rate on this loan will not drop below 4.5% and will not raise more than 6% to provide a ceiling of 10.5%. **IFA Fee: \$3,000**

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



**Project Number:** A-FB-TE-CD-8043  
**Funding Manager:** Eric Reed  
**Borrower(s):** Snider, Jeremy  
**Town:** Oblong, IL  
**Amount:** \$129,000  
**Use of Funds:** Farmland – 39.38 acres  
**Purchase Price:** \$160,710 / (\$4,120 per ac)  
**%Borrower Equity:** 20%  
**%Other Agency:** 0%  
**%IFA:** 80%  
**County/Region:** Jasper / Southeastern  
**Lender/Bond Purchaser:** First National Bank / Richard Kocher  
**Legislative Districts:** Congressional: 15<sup>th</sup>, Timothy Johnson  
State Senate: 55<sup>th</sup>, Dale Righter  
State House: 109<sup>th</sup>, Roger Eddy

Principal shall be paid annually in installments determined pursuant to a Twenty 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.

**\*Jeremy Snider:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.30% fixed for the first five years and then adjust every 5 years thereafter to -1.7% below prime rate per the Wall Street Journal. **IFA Fee: \$1,935**

**Project Number:** A-FB-TE-CD-8044  
**Funding Manager:** Cory Mitchell  
**Borrower(s):** Handy, Bradley Michael  
**Town:** Ashland, IL  
**Amount:** \$115,000  
**Use of Funds:** Farmland – 52.5 acres  
**Purchase Price:** \$161,200 / (\$3,070 per ac)  
**%Borrower Equity:** 29%  
**%Other Agency:** 0%  
**%IFA:** 71%  
**County/Region:** Cass / Central  
**Lender/Bond Purchaser:** Petefish, Skiles & Co. Bank / Paul Reynolds  
**Legislative Districts:** Congressional: 18<sup>th</sup>, Ray LaHood  
State Senate: 47<sup>th</sup>, John Sullivan  
State House: 93<sup>rd</sup>, Jil Tracy

Principal shall be paid annually in installments determined pursuant to a Fifteen year amortization schedule, with the first principal payment date to beginning on March 30, 2009. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be on March 30, 2009 with the fifteenth and final payment of all outstanding balances due fifteen years from March 30, 2009.

**\*Bradley Michael Handy:** Note shall bear simple interest at the expressed rate. The expressed rate shall be tied to the Wall Street Journal Prime rate fixed on the date of closing for the first five years and then adjust every 3 years thereafter equal to the Wall Street Journal prime rate. **IFA Fee: \$1,725**

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**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
April 8, 2008**

**Project: Everett and Diana Lemke**

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**STATISTICS**

Project Number: A-FP-GT-8055	Amount: \$500,000
Type: Farm Purchase Guarantee	IFA Staff: Eric Reed
County/Region: Hamilton/Southern	City: Dahlgren

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**BOARD ACTION**

Final Resolution	Staff request: Approval of an 85% guarantee in favor of Peoples National Bank
<b>Additional Covenant:</b> 1) No capital purchases in excess of \$5,000 without IFA/Lender approval.	
2) Annual financial statements submitted to IFA.	
IFA Funds contributed: None	Extraordinary conditions: None
State Treasurer's Reserve Funds at Risk: \$425,000	Staff Recommendation: Approval subject to bank conditions

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**VOTING RECORD**

None

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**PURPOSE**

Use of proceeds: The borrowers will purchase 541 acres, all of which they currently lease and farm. This project is 1 of 2 for IFA consideration.

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**IFA PROGRAM AND CONTRIBUTION**

The Authority's Agriculture Guarantee Program guarantees up to 85% of a bank's loans to Illinois farmers and agribusiness owners. The Farm Purchase Guarantee Program is designed to enhance credit availability for farmers and agribusiness to purchase farmland. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are backed by an IFA reserve funded for this program and are also full faith and credit obligations of the State of Illinois. IFA's issuance of guarantees helps borrowers obtain debt financing at reduced rates of interest and improved terms.

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**VOLUME CAP**

N/A

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**JOBS**

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

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**ESTIMATED SOURCES AND USES OF FUNDS**

Sources: IFA Guarantee	\$425,000	Uses: New Loan	\$446,952
Peoples National Bank	<u>\$75,000</u>	Refinance Debt	<u>\$53,048</u>
<b>Total</b>	<b><u>\$500,000</u></b>	<b>Total</b>	<b><u>\$500,000</u></b>

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**FINANCING SUMMARY/STRUCTURE**

Security: 1<sup>st</sup> mortgage on 541 acres of farmland in Jefferson and Wayne Counties  
Structure: 15 year term with 30 year amortization  
Interest Rate: See Confidential section  
Interest Mode: Fixed  
Credit Enhancement: Illinois Finance Authority  
Maturity: 15 years  
Estimated Closing Date: May 30, 2008

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**PROJECT SUMMARY**

**Project Rationale:** The borrower is purchasing 541 acres, which are currently part of their operation. The purchase of these acres will secure future production, as well as add significant equity to the borrower's balance sheet.

**Timing:** The transaction is expected to close within 45 days of IFA approval.

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**BUSINESS SUMMARY**

**Description of Business:** The borrowers operate a cash grain operation consisting of 3,200 full-share acres. Everett and Diana farm with their son Josh and his wife Stephanie. Diana is a retired school teacher.

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**OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT**

**Applicant:** Everett and Diana Lemke  
**Project Location:** RR1 Box 81, Dahlgren, IL 62828  
**Borrower:** Everett and Diana Lemke  
**Ownership:** Everett and Diana Lemke

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**PROFESSIONAL & FINANCIAL**

<b>Borrower's Counsel:</b>	None		
<b>Accountant:</b>	Russell Monroe	McLeansboro	
<b>Originating Bank:</b>	Peoples National Bank	McLeansboro	Terry Drone, VP
<b>Bank Counsel:</b>	None		
<b>IFA Advisors:</b>	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

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**LEGISLATIVE DISTRICTS**

**Congressional:** John Shimkus, 19<sup>th</sup> District  
**State Senate:** John O. Jones, 54<sup>th</sup> District  
**State House:** David Reis, 108<sup>th</sup> District

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**SERVICE AREA**

N/A

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**BACKGROUND INFORMATION**

Everett and Diana Lemke own and operate a large grain farming operation headquartered in Hamilton County. The Lemkes, who have been farming for approximately 30 years, now farm in partnership with their son Josh and his spouse. Both Josh and his wife graduated from Southern Illinois University. Josh independently rents and operates his own acres, which provide revenue for his portion of the total operation. Everett and Diana's production total approximately 3,200 acres.

Mr. Lemke has farmed the subject property for many years, which is owned by a longtime family friend, who is a retired doctor. The doctor, who is now 75 years of age, would like to sell the farm to the Lemkes as part of his estate planning. The two previously agreed on an option price for Mr. Lemke to purchase the property, which compared today's market is below market value.

Peoples National Bank has financed the Lemke's operation for the past 15 years. The bank is in favor of the purchase, however due to the total borrowing relationship and inconsistent cash flow, the bank has requested and IFA guarantee for this loan. The loan officer states that the Lemkes are honest people, who have paid all bank loans as agreed.

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
April 8, 2008**

**Project: Everett and Diana Lemke**

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**STATISTICS**

Project Number: A-AD-GT-8054	Amount: \$125,000
Type: Agri-Debt Guarantee	IFA Staff: Eric Reed
County/Region: Hamilton/Southern	City: Dahlgren

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**BOARD ACTION**

Final Resolution	Staff request: Approval of an 85% guarantee in favor of Peoples National Bank
<b>Additional Covenants:</b> No capital purchases in of \$5,000 without IFA/lender approval.	
2) Annual financial statements submitted to IFA.	
IFA Funds contributed: None	Extraordinary conditions: None
State Treasurer's Reserve Funds at Risk: \$106,250	Staff Recommendation: Approval subject to bank conditions

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**VOTING RECORD**

None.

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**PURPOSE**

Use of proceeds: Restructure a portion of the borrower's short term debt. This project is 2 of 2 for IFA consideration.

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**IFA PROGRAM AND CONTRIBUTION**

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

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**VOLUME CAP**

N/A

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**JOBS**

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

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**ESTIMATED SOURCES AND USES OF FUNDS**

Sources:	IFA Guarantee	\$106,250	Uses: Refinance Debt	\$125,000
	Peoples National Bank	<u>\$18,750</u>		
	<b>Total</b>	<b><u>\$125,000</u></b>	<b>Total</b>	<b><u>\$125,000</u></b>

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**FINANCING SUMMARY/STRUCTURE**

Security: 2<sup>nd</sup> mortgage on 541 acres of farmland in Jefferson and Wayne Counties  
Structure: 30 year term and 30 year amortization  
Interest Rate: See Confidential section  
Interest Mode: Fixed  
Credit Enhancement: Illinois Finance Authority  
Maturity: 30 years  
Estimated Closing Date: May 30, 2008

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**PROJECT SUMMARY.**

**Project Rationale:** With the approval of the proposed loan, the borrowers will be able to refinance their shortfall in repaying their operating debt. By restructuring their operating debt, the borrowers will be able to position themselves to complete a land purchase.

**Timing:** The proposed loan will likely close within 45 days of IFA approval.

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**BUSINESS SUMMARY**

**Description of Business:** The borrowers operate a cash grain operation consisting of 3,200 full-share acres. Everett and Diana farm with their son Josh and his wife Stephanie. Diana is a retired school teacher.

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**OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT**

**Applicant:** Everett and Diana Lemke  
**Project Location:** RR1 Box 81, Dahlgren, IL 62828  
**Borrower:** Everett and Diana Lemke  
**Ownership:** Everett and Diana Lemke

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**PROFESSIONAL & FINANCIAL**

<b>Borrower's Counsel:</b>	None		
<b>Accountant:</b>	Russell Monroe	McLeansboro	
<b>Originating Bank:</b>	Peoples National Bank	McLeansboro	Terry Drone, VP
<b>Bank Counsel:</b>	None		
<b>IFA Advisors:</b>	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

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**LEGISLATIVE DISTRICTS**

**Congressional:** John Shimkus, 19<sup>th</sup> District  
**State Senate:** John O. Jones, 54<sup>th</sup> District  
**State House:** David Reis, 108<sup>th</sup> District

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**SERVICE AREA**

N/A

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**BACKGROUND INFORMATION**

Everett and Diana Lemke own and operate a large grain farming operation headquartered in Hamilton County. The Lemkes, who have been farming for approximately 30 years, now farm in partnership with their son Josh and his spouse. Both Josh and his wife graduated from Southern Illinois University. Josh independently rents and operates his own acres, which provide revenue for his portion of the total operation. Everett and Diana's production total approximately 3,200 acres.

The Lemkes need to restructure a portion of their short term debt in order to improve their liquidity. The bank is willing provide financing, however due to their other relationships with the borrowers, they are requesting an IFA guarantee to provide credit enhancement.

Peoples National Bank has financed the Lemke's operation for the past 15 years. The loan officer states that the Lemkes are honest people, who have paid all bank loans as agreed.

**ILLINOIS FINANCE AUTHORITY**  
**BOARD SUMMARY**  
April 11, 2008

**Project: TG-IL, Inc.**

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**STATISTICS**

Project Number: B-LL-TX-8045	Amount: \$287,000
Project Type: Participation Loan	IFA Staff: Jim Senica
County/Region: Peoria /North central	City: Peoria

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**BOARD ACTION**

Approval of Participation Loan purchase from Heartland Bank & Trust Company (one-time approval)  
\$287,000 IFA Funds at risk  
No extraordinary conditions  
Staff recommends approval

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**VOTING RECORD**

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

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**PURPOSE**

Proceeds will be used to acquire and refurbish a commercial building located at 606 NE Jefferson in Peoria.

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**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.

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**VOLUME CAP**

This project does not require the use of volume cap.

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**JOBS**

Current employment: 8	Projected new jobs: 4
Jobs retained: 8	Construction jobs: 20

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**ESTIMATED SOUCES AND USES OF FUNDS**

Sources:	IFA Participation Loan	\$287,000	Uses:	Building Acquisition	\$528,078
	Heartland Bank loan	287,000		Building Refurbishment	<u>291,922</u>
	Equity*	<u>246,000</u>		Total fund uses	<u>\$820,000</u>
	Total fund sources	<u>\$820,000</u>			

\*Required equity needs will be funded with the borrower's cash resources prior to closing.

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### FINANCING SUMMARY/STRUCTURE

Security: Pro rata first mortgage *parri passu* on the project real estate located at 606 NE Jefferson in Peoria, Illinois with an as-if-completed appraised value of \$820,000 (performed by James W. Klopfenstein & Associates, Inc. as of February 28, 2008) providing the Bank and IFA collateral coverage on this loan of 1.43 times (70% LTV). IFA and the Bank will also share in the unlimited personal guaranties of E. Lee Hofmann & Gary Pollard.

Collateral Value: First mortgage on subject real estate, aggregate LTV - 70% of assets:

<u>Assets:</u>	<u>As-if-Completed Appraised Value</u>
Real Estate	\$820,000

Guarantors: E. Lee Hofmann & Gary Pollard

Structure: 5-year fixed-rate loan with balloon payment due at end of loan term

Amortization Period: 15 years

Maturity: 5 years from date of closing

Bank Interest Rate: 6%

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

Estimated Closing Date: May 15, 2008

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### PROJECT SUMMARY

The Authority's \$287,000 Participation Loan proceeds will be combined with Heartland Bank & Trust Company's loan in the amount of \$287,000 and owner equity of \$246,000 to finance the acquisition and refurbishment of a 5,000 square foot commercial building located at 606 NE Jefferson in Peoria, Illinois near the City's downtown commercial business district. The brick building constructed in 1967 will be used by the borrowers to house their data security and management operation.

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### BUSINESS SUMMARY

Background: TG-IL, Inc. was established as a limited liability company in 1993 to provide bundled technology applications for financial, governmental and medical operations located in Central Illinois. While the ownership has remained virtually the same over the years, the Company has changed its form of entity from a limited liability company to a corporation in 2007.

In 2003, TG-IL, Inc. became associated with the Trivalent Group of Grandville, Michigan (*which maintains a 17% ownership interest in the Company*) to share technology resources. Trivalent LAN Systems was established in 1991 to assist companies with data and network issues and as that Company grew, its clients increasingly demanded more sophisticated and multifaceted network consulting services. Meanwhile, another IT consulting firm, Remex, established in 1971, was seeking a way to improve its expertise, training, products and customer service in order to continue fulfilling a growing list of clients' business requirements. In 2003, the two companies merged under the name Trivalent Group, establishing operations in Grandville, Michigan and it was at this time that Peoria-based TG-IL, Inc. established its association with the Trivalent Group.

Description: TG-IL, Inc. is a tier one technology firm providing bundled technology services throughout the Midwest. Services provided include but are not limited to internet services, application services, circuitry (including WAN, LAN, etc.), co-location services, data security, data management, monitoring, help desk, disaster recovery, data archiving, assessment services, data storage, data replication, redundant data centers and product procurement.

The Company's primary focus is on the financial, governmental and medical markets and thus centers its applications for those market needs.

The Company competes with numerous firms in the myriad of services it provides in the technology arena including AT & T and Verizon in the world of circuitry and Heart Technologies in the ISP space. What differentiates this Company, however, is its ability to provide "bundled" solutions for any technology requirement needed by its clients. An increasing trend in the industry is for technology users to seek out the services of companies that offer combined technological offerings.

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**OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT**

Applicant: TG-IL, Inc.  
Project Location: 606 NE Jefferson Peoria, IL 61602 (Peoria County)  
Ownership: E. Lee Hofmann – 61.75%,  
Trivalent Group – 17.00%  
Gary L. Pollard – 10.00%,  
Eric W. Fisher – 5.75%  
Paul Boyd – 2.50%  
Tom Bingley – 1.50%  
Rob Judd – 1.50%

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**PROFESSIONAL & FINANCIAL**

Bank:	Heartland Bank & Trust Company	Peoria, IL	Don Shafer
Counsel:	Westervelt, Johnson, Nicoli, Keller	Peoria, IL	Charles Couri
Accountant:	Gordan, Stockman & Waugh P.C.	Peoria, IL	Matt Waugh
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

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**LEGISLATIVE DISTRICTS**

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



**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
April 8, 2008**

**Obligor: Anna Marion Supportive Living, L.P.  
(River to River Anna SLF and River to River Marion SLF Projects)**

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**STATISTICS**

Project Number: M-MH-TE-CD-7261	Amount:	\$11,800,000 (not-to-exceed amount; both projects will be financed in a single bond issue)
Type: Affordable Rental Housing Bonds	IFA Staff:	Rich Frampton
Counties/Region: Union County & Williamson County/Southern Region	Locations:	Anna and Marion

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**BOARD ACTION**

**Final Bond Resolution**

Conduit Tax-Exempt Affordable Rental Housing Bonds	No IFA Funds contributed
Staff recommends approval	No extraordinary conditions

**Material Change from Preliminary:**

1. Variable Rate Bonds (US Bank, as the Direct Pay LOC Bank) will reserve the right to require the Borrower to purchase an interest rate cap periodically over the life of the bond issue. Originally, the Borrower had contemplated a Fixed Rate Bond issue.

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**VOTING RECORD**

Preliminary Bond Resolution, January 15, 2008:

Ayes: 10	Nays: 0	Abstentions: 0
Absent: 5 (Boyles, Herrin, Rice, Valenti, Verrett)	Vacancies: 0	

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**PURPOSE**

The proposed Bonds will finance the acquisition of land, and the construction and equipping of two new 50-unit Supportive Living Facilities located in Anna and Marion, respectively. This financing will facilitate construction and development of these properties under the State of Illinois' Supportive Living Facility program. This project will facilitate development of these properties to provide affordable assisted living facilities in Southern Illinois. The Developer plans to allocate 45 of the 50 units in each property to qualified low- and moderate income seniors. The General Partner of the Borrower is an affiliate of a 501(c)(3) corporation that develops and manages senior housing/senior care facilities in Southern Illinois.

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**IFA CONTRIBUTION AND PROGRAM**

Conduit Tax-Exempt Affordable Rental Housing Bonds. (Because more than 50% of project's tax basis will be financed with Tax-Exempt Bonds, this project will also be eligible for 4% Low Income Housing Tax Credits ("LIHTCs"), which will generate upfront cash equity equivalent to approximately 30% of total project cost.)

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**VOLUME CAP**

IFA received \$11.8 million of 2007 Carryforward Volume Cap from the Governor's Office of Management and Budget specifically for these projects.

**JOBS**

Current employment (both facilities): 0      Projected new jobs: 16.5 (FTE)  
 Jobs retained: Not applicable      Construction jobs : 40-139 (range over 12 months)

This project will provide 50 units of affordable Assisted Living in Anna and an additional 50 units in Marion.

**ESTIMATED SOURCES AND USES OF FUNDS – PRELIMINARY, SUBJECT TO CHANGE**

	<u>Total</u>	<u>Anna SLF</u>	<u>Marion SLF</u>
<b>Sources:</b> IFA Bonds	<b>\$11,800,000</b>	5,900,000	5,900,000
FHLB Chicago (Subordinate)	500,000	250,000	250,000
4% LIH Tax Credits	4,799,662	2,376,040	2,423,622
General Partner Equity	480	238	242
*Deferred Developer Fee (paid over time from cash flow)	<u>954,817</u>	<u>467,356</u>	<u>487,461</u>
<b>Total</b>	<b>\$18,054,959</b>	<b>\$8,993,634</b>	<b>\$9,061,325</b>
<b>Uses:</b> Project costs	<b>\$14,123,438</b>	\$7,021,895	\$7,101,543
Tax Credit/Lender Fees/Professional	198,049	98,608	99,441
Constr., Lease-up, Operating and Replacement Reserves	1,602,472	824,236	778,236
Bond Issuance Costs	360,000	180,000	180,000
*Deferred Developer Fee (paid over time from cash flow)	954,817	467,356	487,461
*Deferred Developer Fee (released at attainment of benchmark hurdles)	<u>816,183</u>	<u>401,539</u>	<u>414,644</u>
<b>Total</b>	<b>\$18,054,959</b>	<b>\$8,993,634</b>	<b>\$9,061,325</b>

\*Note: The Deferred Developer's Fee will be deferred and paid over time to the General Partner of the Borrower (i.e., River to River of Anna & Marion LLC, an affiliate of River to River Development Corporation, a Herrin-based 501(c)(3) corporation and the Developer of the subject projects).

Because of rental rate restrictions on Tax Credit-financed units and a related 15-year prohibition on the resale of any Tax Credit-financed property financed with Low Income Housing Tax Credit equity, Deferred Developer Fees provide the Developer/General Partner with financial incentive for the property to perform during the 15 year Tax Credit Compliance period.

Deferred Developer Fees are permitted as deferred compensation on projects financed with Low Income Housing Tax Credits under the Internal Revenue Code and provide contingent performance-related compensation for the General Partner. This Developer Fee is negotiated as part of the Limited Partnership Agreement between the General Partner and the Tax Credit Investor/Syndicator (i.e., the entity purchasing the 4% Low Income Housing Tax Credits and a related Limited Partnership Ownership interest in the subject properties). Typically, the Developer Fee can equal up to 15% of total project development costs (i.e., development cost basis excluding any Developer Fees). Additionally, US Bank (the proposed Direct Pay Letter of Credit Provider securing the IFA Bonds) will also consent to these proposed Developer Fees prior to closing.

As proposed, the Deferred Developer Fee would be paid based on attainment of the following benchmarks:

- \$200,000 would be paid in cash at the time of closing of the financing (including execution of the Limited Partnership Agreement with the Tax Credit Investor).
- \$200,000 would be paid at 50% completion, as determined by the Construction Loan Servicer to be engaged by US Bank.
- \$200,000 would be paid at substantial completion (i.e., delivery of Certificate of Occupancy), with \$100,000 initially used to fund a supplemental Debt Service Reserve Account (i.e., release of this \$100,000 would be deferred until sufficient operating cash flow is available).
- Approximately \$216,183 would be deferred until (i) stabilization (i.e., 1.15 times debt service coverage) and (ii) sufficient operating cash flow is available).
- The remaining \$954,817 will be paid out of cash flow over the 15-year Tax Credit Compliance Period pursuant to the 15 Year Partnership Agreement negotiated between the General Partner (i.e., River to River of Anna & Marion, LLC) and the Limited Partner (Stratford Capital Group LLC, the proposed 4% LIHTC Tax Credit Investor).

The terms regarding the Deferred Developer Fee are currently proposed and will be subject to final negotiation and execution of the Limited Partnership Agreement.

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#### FINANCING SUMMARY/STRUCTURE

Security/Structure:	Bondholders will be secured by a US Bank, N.A., Direct Pay Letter of Credit.
Interest Rate:	Bonds will be sold initially as 7-Day Variable Rate Demand Bonds secured by US Bank's Direct Pay Letter of Credit.
Interest Mode:	Although the bond documents will permit multiple modes (including a Fixed Rate Mode), Stifel Nicolaus & Company, Inc. (the "Underwriter") expects to sell the Bonds initially as 7-Day Variable Rate Demand Bonds ("7-Day VRDN's"). The SIFMA 7-Day municipal swap index was 2.70% as of 3/12/2008.
Maturity:	35 Year Maturity
Rating:	Bonds will be rated based on US Bank, N.A.'s underlying ratings. US Bank N.A.'s long-term debt is currently rated Aa1 (Stable)/AA+ (Stable)/AA- (Positive) and short-term debt is current rated VMIG1/A-1+/F1+ as of 2/27/2008 by Moody's/S&P/Fitch.
Estimated Closing Date:	April or May 2008
Rationale:	This financing will result in construction of two new (50-units each) Supportive Living Facilities in Anna (Union County) and Marion (Williamson County) that will meet the needs of an expanding, underserved low-income elderly population in Union and Williamson Counties. These projects will each provide 45 units of new, affordable low-income senior housing that will be reserved for households earning less than 60% of adjusted median income for the County. Additionally, these units will also be available to special needs residents (i.e., non-seniors) with physical disabilities.

Availability of Tax-Exempt Bond financing (and Volume Cap) sufficient to finance 50% or more of eligible cost basis for each project will provide access to 4% Low Income Housing Tax Credits that will generate cash equity (i.e., approximately 3.44% of eligible basis or 2.7% of total project development cost) for both projects.

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**PROJECT SUMMARY (FOR IFA BOND RESOLUTION)**

Bond proceeds will be used by Anna Marion Supportive Living, L.P. (the “Borrower”) to finance or refinance the acquisition, construction, and equipping of (i) the costs of the acquisition of land and construction of two multifamily residential housing properties described further below, and (ii) to pay the costs of issuance, capitalized interest, and various reserve funds for the Bonds, all as allowed under the Illinois Finance Authority Act (and, collectively, the “Project”).

The facilities to be financed with Bond Proceeds are described below along with the estimated maximum amount of bonds to be issued are listed below:

1. River to River of Anna Supportive Living, a one-story, 50-unit affordable multifamily housing facility located on a site located at 151 Denny Drive, Anna (Union County), Illinois (not to exceed amount is \$5,900,000); and,
2. River to River of Marion Supportive Living, a one-story 50-unit affordable multifamily housing facility located on a site located at 1515 East DeYoung Street, Marion (Williamson County), Illinois (not to exceed amount is \$5,900,000).

Preliminary estimated project costs are as follows (subject to change):

	<u><b>Total</b></u>	<u><i>Anna</i></u>	<u><i>Marion</i></u>
Land/Site Development:	<b>\$360,000</b>	\$160,000	\$200,000
Building Construction:	<b>10,798,243</b>	5,356,633	5,441,610
Equipment:	<b>898,428</b>	452,147	446,281
Arch./Eng./Org. Fees:	<b>1,239,904</b>	622,970	616,934
Capitalized Interest:	<b>513,792</b>	270,417	243,375
Carrying Charges:	<b>313,071</b>	159,728	153,343
<b>Total:</b>	<b>\$14,123,438</b>	\$7,021,895	\$7,101,543

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**BUSINESS SUMMARY**

Description of Borrower:

**Anna Marion Supportive Living, L.P.** (the “Applicant” or “Borrower”) was formed as a special purpose entity in 2007 by **River to River Residential Corporation** (“River to River”), a Herrin, Illinois-based 501(c)(3) owner and manager of senior rental housing/assisting living facilities in Southern Illinois

The ownership of the Borrower will be structured in a manner consistent with projects financed with a combination of Tax-Exempt Bond financing (debt) and 4% Low Income Housing Tax Credits (equity).

**Accordingly, the ownership structure of the Borrower is as follows:**

1. **General Partner: River to River of Anna & Marion, LLC will own a 0.01% beneficial interest in the Borrower**
  - o The General Partner will be a special purpose Illinois Limited Liability Company formed by River to River Residential Corp., which will be the Manager/Sole Member of the LLC. River to River Residential Corp. is a 501(c)(3) corporation – see Economic Disclosure Statement section on pages 6-7 for information on Board Members.
2. **Limited Partner: 99.99% beneficial interest in the Borrower:**
  - o The Limited Partner and 99.99% owner of the project will be affiliates of **Stratford Capital Group LLC**, a Peabody, MA-based tax credit syndicator. The shareholders

of Stratford Capital are disclosed on p. 7 under the Economic Disclosure Statement section of this report. The project will generate equity through the syndication of 4% Low Income Housing Tax Credits to corporations. The principals of Stratford Capital have a 12-year track record in the syndication and development of affordable rental housing properties. During this time, the principals of Stratford Capital have raised approximately \$350 million in equity for Tax Credit Transactions for more than 60 corporate and institutional clients, including Morgan Stanley, SunTrust, and American Express. (See [www.stratfordcapitalgroup.com](http://www.stratfordcapitalgroup.com) for additional information.)

Background on  
 Developer:

**River to River Residential Development Corporation** is a 501(c)(3) corporation based in Herrin, Illinois (Williamson County) established in 1996. River to River has developed five senior housing project totaling 166 units. All of the projects serve elderly residents in need of assistance with one or more activities of daily living (as required for eligibility under the State of Illinois' Supportive Living Facility Program).

Three of River to River's previous five new construction projects were filled within 45 days of completion. Additionally, three of River to River's projects were financed with 9% Low Income Housing Tax Credits through the Illinois Housing Development Authority. According to the Developer, all five projects are currently complying with all financing covenants.

River to River's five senior housing/senior care projects include:

<b>Project</b>	<b>Location</b>	<b>Type of Project</b>	<b># of Units</b>
Cache Valley Apartments	Ullin, IL	Elderly (9% LIHTC - IHDA)	40
Big Muddy River Apts.	Murphysboro, IL	Elderly (9% LIHTC - IHDA)	50
Hurricane Creek Apts.	Herrin, IL	Elderly (9% LIHTC - IHDA)	24
Big Muddy River Apts. West	Murphysboro, IL	Elderly	24
Hurricane Creek Market Apts.	Herrin, IL	Elderly	28

Management  
 Agent:

**River to River Residential Development Corporation** will also serve as Management Agent for both the Anna SLF and the Marion SLF properties. River to River currently manages all five senior housing projects under its ownership.

River to River Residential Development Corporation has over 80 employees and has more than 10 years experience managing senior living projects including Cache Valley Apartments in Ullin (Pulaski County), its first project.

Terms of River to River's compensation as Management Agent will be periodically reviewed by the LOC Bank (US Bank) and by the Tax Credit Investor (i.e., Stratford Capital Group, LLC of Peabody, MA pursuant to the Limited Partnership Agreement between River to River and Stratford Capital Group).

Background on  
Projects:

Both projects will provide 50 new units of senior housing in two new Illinois Department of Healthcare & Human Services licensed facilities located in (1) Anna (Union County) approximately 20 miles south of Carbondale and 5 miles west of I-57 on Illinois Hwy. 146, and (2) Marion (Williamson County) near Illinois Hwy. 13, approximately 3.5 miles east of I-57 (and 18.5 miles east of Carbondale).

The unit mix for each property will consist of 45 affordable units (i.e., 8 affordable studios and 37 affordable 1 BR units) and 5 market-rate 2 BR units. The affordable units must be leased to qualified seniors (and other qualified adults with disabilities) earning less than 60% of AMI (Adjusted Median Income) for the county in which the project is located.

Unit amenities will include kitchenettes, private bathrooms, an emergency call system, and cable/internet access.

The designs of the Anna and Marion SLF buildings and site plans will be nearly identical. Common facilities will include management offices, a computer room, a beauty salon/barber shop, a resident-managed convenience store, exercise room, dining room, sunroom, and two parlors. Overall, approximately 3,200 SF of each building will be allocated for common areas (the residential units will comprise 27,932 SF). Outdoor amenities on both properties will include a rose garden, walking path, and enclosed courtyards.

Both properties will be located near local hospitals and senior citizen centers located in Anna and Marion, respectively. River to River will offer group transportation to parks and other recreational opportunities.

The Anna and Marion facilities will also provide off-street parking for approximately 35 and 52 cars, respectively.

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**OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT**

Applicant: **Anna Marion Supportive Living, L.P.**, c/o Ms. Kathy Blue, CFO and Acting Executive Director, River to River Residential Development Corporation, 400 B Lou Ann Drive, Herrin, IL 62948; Ph.: 618-942-4531; e-mail: [shamlin7@verizon.net](mailto:shamlin7@verizon.net)

Project names: (1) River to River Anna SLF and (2) River to River Marion SLF

Locations: (1) 151 Denny Drive, Anna (Union County), Illinois, 62906 and (2) 1515 East DeYoung Street, Marion (Williamson County), Illinois 62959

Organization: Limited Partnership

State: Illinois

Ownership of Applicant: **Anna Marion Supportive Living, L.P., an Illinois Limited Partnership**

- **General Partner (0.01%): River to River of Anna & Marion, LLC**, c/o River to River Residential Corporation, 400B Lou Ann Drive, Herrin, IL 62948.
  - River to River Residential Corp., Manager (and Sole Member); Contact: Ms. Kathy Blue, CPA, Chief Financial Officer and Acting Executive Director. The current Board of Directors of River to River Residential Corporation are listed below:

Ms. Toby J. Saken  
Chairman  
Cobden, IL

Vice Chairman  
Carbondale, IL

Dr. Raymond C.  
Lenzi

Jerry Hickam  
Treasurer  
Murphysboro, IL

Betty Gaffney  
 Secretary  
 Makanda, IL

Jerry P. Fiorina  
 Herrin, IL

Vennie Anderson  
 Carbondale, Illinois

Carole Goodman  
 Cobden, IL

Rex Budde  
 Herrin, IL

Perry H. Patterson  
 Carbondale, IL

Don W. Denny  
 Anna, IL

Helen Porter  
 Carbondale, IL

- **Limited Partner (99.99%): Stratford Capital Group LLC (Limited Partner), Peabody, MA.**
  - Stratford Capital Group is a tax credit investor/syndicator that will ultimately sell beneficial limited partnership interests to large corporations (primarily publicly owned companies), subsequent to closing. Stratford Capital Group is privately owned and is headquartered at 100 Corporate Place, Suite 104, Peabody, MA, 01960; Contact: Richard Hayden, EVP, Ph.: 978-535-5600 (x14). (See [www.stratfordcapitalgroup.com](http://www.stratfordcapitalgroup.com) for additional information.)
    - Stratford Capital’s principals include: John M. Nelson, IV (Chairman/Principal); Benjamin D. Mottola (President/Principal); Richard A. Hayden (EVP/Principal), Kyle F. Wolff (SVP/Principal); and Stephen P. Wilson, (President – McLean, Virginia office).

Current Property  
 Owners/Sellers:

- Anna site: The Anna property at 151 Denny Drive in Anna is currently owned by Tri-D Development, an Illinois Land Trust. Contact information:
  - Mr. Tim Denny  
 Tri-D Development  
 425 Denny Drive  
 Anna, IL 62906  
 Ph.: 618-529-3000
- Marion site: The Marion site at 1515 E. DeYoung in Marion is already owned by River to River Development Corporation.

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**PROFESSIONAL & FINANCIAL**

Borrower’s Counsel:	Wolf & McCahan	St. Louis, MO	Tim Wolf
Auditor:	Sherbert Associates, P.C.	Charlotte, NC	Tara Sherbert
Borrower’s Consultants:	ND Consulting Group	St. Louis, MO	Ken Nuernberger
	Endswell	St. Louis, MO	Patrick Connolly
Credit Enhancement:	US Bank, N.A.	St. Louis, MO	William Ulm
LOC Bank Counsel:	Thompson Coburn, LLP	St. Louis, MO	Steve Mitchell
Bond Counsel:	Ice Miller LLP	Chicago, IL	Patra Geroulis
		Indianapolis, IN	Phil Genetos
Underwriter:	Stifel Nicolaus & Company, Inc.	St. Louis, MO	Peter Czajkowski
Underwriter’s Coun.:	Lewis Rice & Fingersh L.C.	St. Louis, MO	David Brown
Tax Credit Investor:	Stratford Capital Group LLC	Peabody, MA	Richard Hayden
Tax Credit Investor’s Counsel:	DLA Piper	Chicago, IL	Greg Dahlgren
Trustee:	Bank of New York Trust Company, N.A.	St. Louis, MO	Kent Schroeder

General Contractor:	Fager-McGee Commercial Construction	Murphysboro, IL	Steven McGee
Architect:	The Lawrence Group	St. Louis, MO	Dan Rosenthal
Management Agent:	River to River Residential Corp.	Herrin, IL	Sherry Hamlin
Appraisal/Market Study:	Development Strategies, Inc.	St. Louis, MO	Brad Beggs, MAI
Issuer's Counsel:	Hart, Southworth & Witsman	Springfield, IL	Sam Witsman
IFA Financial Advisors:	D.A. Davidson & Co. Scott Balice Strategies, Inc.	Chicago Chicago	Bill Morris Lois Scott

**LEGISLATIVE DISTRICTS**

	<u>Anna</u>	<u>Marion</u>
Congressional:	12 Jerry F. Costello	12 Jerry F. Costello
State Senate:	58 David Luchtefeld	59 Gary Forby
State House:	115 Mike Bost	117 John E. Bradley

**BACKGROUND/SUPPLEMENTAL INFORMATION**

Illinois'

SLF Program: The Developer and the Illinois Department of Healthcare and Family Services executed a Contract for Furnishing Services (the "Contract") under the Supportive Living Program in August 2005. Pursuant to this Contract, the Owner must begin operations by August 2008 (subject to time extensions if project is under construction by August 2008). This Contract provides for the reimbursement of Covered Services to Eligible Residents under the Medical Assistance Program.

The Supportive Living Program was designed to reduce Medicaid subsidies to support low income elderly and persons with disabilities (22 and over) and help pay the costs of necessary services including medication supervision, laundry, and personal care. All residents in a Supported Living Facility must be able to pay for their own room and board. Medicaid service reimbursement rates in Illinois are set at approximately 60% of the regional nursing home per diem rate. Maximum income for single tenants is approximately \$22,020 for the subject projects.

The Medicaid resident's maximum "room and board" payment is set by state regulation, and as of October 1, 2007, was increased to \$533/month from \$513/month. SLFs can also be certified as eligible food stamp vendors and receive these benefits for eligible residents. If a Medicaid resident's income is above \$623/month, then the amount over this threshold is applied as a Medicaid co-payment toward service expenses.

Under current Illinois law, with a Supportive Living Facility certification, the State of Illinois will provide an ongoing stream of Medicaid-related funding to these Projects to pay the costs for Medicaid-eligible residents.

The objective of the SLF Program is to reduce the State's Medicaid expenditures. SLF Facilities can reduce daily Medicaid reimbursement rates from \$100/day to \$60.23/day in certain regions. Approximately 32% of current SLF residents have relocated from a nursing home. Illinois has 89 open and operating SLF's (providing over 6,000 apartments), with approximately 58 additional facilities approved according to the State's SLF website (as of 12/27/2007; see [www.slfillinois.com](http://www.slfillinois.com)).

Accessibility: As new construction projects, both the Anna and Marion SLFs must comply with the Americans with Disabilities Act ("ADA"). Accordingly, all public areas of the facility will comply with ADA. Additionally, because the facility will cater to seniors, each 50-unit property will feature three (3) fully handicapped accessible units and the remaining 47 units will be handicapped adaptable. Additional features:

- Doorways wide enough to accommodate wheelchairs and walkers.
- Door handles throughout equipped with levers, rather than doorknobs.



- Bathrooms sufficiently wide to allow a wheelchair to turn 360 degrees.
- Bathrooms will feature grab bars and be readily convertible from handicapped adaptable to handicapped accessible by replacing the bathroom vanity with a sink that features a knee cavity.

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
April 8, 2008**

**Project: UNO Charter School Network**

**STATISTICS**

Project Number:	N-NP-TE-CD-8050	Amount:	\$80,000,000
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Sharnell Curtis Martin
County/Region:	Cook/Northeast	City:	Chicago

**BOARD ACTION**

Preliminary Bond Resolution	Staff request
Conduit 501(c)(3) Revenue Bonds	Extraordinary conditions: Bonds are unrated and
IFA Funds contributed -- Not Applicable	unenanced; per IFA policy, will be sold in minimum
Staff Recommends Approval	\$100,000 denominations

**VOTING RECORD**

Preliminary Bond Resolution, no prior board action.

**PURPOSE**

Bond proceeds will be used to finance the acquisition of land , construction/renovations, refinancing conventional debt, refunding outstanding bonds and to pay certain 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 and thereby reduce the borrower's interest expense.

UNO participates in the Illinois Charter Capital Program (ICCP) sponsored by the IFF, formerly the Illinois Facilities Fund. The ICCP is a program that utilizes a U.S. Department of Education Grant for credit enhancement for Charter Schools that uses bond financing for capital improvement projects. This project is the third bond transaction that UNO will utilize to finance three new campuses expansions.

The IFA issued \$6 million in tax-exempt bonds on behalf of UNO in 2006 and \$13 million in 2007 under the ICCP program. The bond proceeds were used to finance the opening of three Chicago campuses located at 1641 W. 16<sup>th</sup> Street, 2845 W. Barry and 2916 W. 47<sup>th</sup> Street in Chicago.

**VOLUME CAP**

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

**JOBS**

Current employment:	180	Projected new jobs:	101
Jobs retained:	N/A	Construction jobs:	300

**ESTIMATED SOUCES AND USES OF FUNDS**

Sources:	IFA Bonds	\$80,000,000	Uses: Project Costs	\$50,000,000
	IFF Grant	<u>8,000,000</u>	Refinancing	21,600,000
			Debt Service Reserve	8,000,000
			Common Debt Ser. Res.	8,000,000
			Cost of Issuance	<u>400,000</u>
Total Sources		<u>\$88,000,000</u>	Total Uses	<u>\$88,000,000</u>

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### FINANCING SUMMARY/STRUCTURE

Security: Bonds will be secured by a pledge of revenues from Chicago Public School contract and cross-collateralized first mortgages on all school properties.  
Structure: Fixed Rate bonds at a rate to be determined. Bonds will be sold in minimum \$100,000 denominations.  
Maturity: 30 Years  
Credit Enhancement: None, Bonds will be sold unenhanced to accredited investors pursuant to IFA Bond Handbook policy.  
Rating: None, Bonds will be sold unrated to accredited investors pursuant to IFA Bond Handbook policy.  
Est. Closing Date: June 2008

**Note: As a result of the rating downgrade of ACA Insurance, the 2006 and 2007 UNO bond transactions will be refunded into this bond transaction.**

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### PROJECT SUMMARY

Bond proceeds will be used to acquire a facility located at 4248 W. 47<sup>th</sup> Street in Chicago (Cook County), construction and renovation, to fund a debt service reserve, and to pay certain bond issuance costs. Project costs are estimated as follows:

Land/Building	\$ 1,700,000
Construction/Renovation	<u>48,300,000</u>
Total Project Costs	<u>\$50,000,000</u>
Refinancing	21,600,000
Debt Service Reserve	8,000,000
Common Debt Ser. Res.	8,000,000
Cost of Issuance	<u>400,000</u>
Estimated Total Project	<u>\$88,000,000</u>

The project is expected to close by June 2008 and the projected completion date of both project sites is Fall 2009.

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### BUSINESS SUMMARY

Background: The UNO Charter School Network (“UCSN” or the “Applicant”) was founded in 1998 and is a co-educational, public charter school that provides a comprehensive K-8 program serving approximately 2,350 students at five campus locations in Chicago.

The UNO Charter School Network is managed by the United Neighborhood Organization (“UNO”), a nonprofit community based organization dedicated to revitalizing and improving Chicago’s immigrant neighborhoods.

UCSN’s strategic plan consists of expanding its charter network in Hispanic area of Chicago to assist the overcrowding in the Chicago Public School system while providing school choices to area parents. All UCSN campuses follow the Structured English Immersion program which requires that all instruction be conducted in English.

Description: The proposed facility will house two new K-8 elementary schools and a new high school will be located at shared campus at 4248 W. 47<sup>th</sup> Street in Chicago. The new campus building will accommodate between 800 to 1,300 students and will employ 101 new full-time permanent positions once the campus is operating at full capacity. The three story, 175,000 square foot building will be divided to provide separated space for each of the three campuses.

UCNS participates in the Illinois Charter Capital Program (ICCP) sponsored by the Illinois Facilities Fund. The ICCP is a program that utilizes a U.S. Department of Education Grant for

credit enhancement for Charter Schools that use bond financing for capital improvement projects. This project is the third bond transaction that UCNS will utilize to finance a new campus expansion project; this will house three schools on one shared campus.

The IFA has issued \$6 million in tax-exempt bonds on behalf of UCNS in 2006 under the ICCP program and \$13 million in 2007. The bond proceeds were used to finance the opening of two Chicago campuses located at 1641 W. 16<sup>th</sup> Street , 2845 W. Barry and 2916 W. 47<sup>th</sup> Street in Chicago.

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**OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT**

**Applicant:** UNO Charter School Network  
954 W. Washington Blvd., 3<sup>rd</sup> Floor, Chicago, IL 60607  
Telephone: (312) 432-6301 Fax: (312) 432-0077  
Mr. Andrew Alt, Director, Charter School Operations

**Project name:** Misericordia Campus

**Location:** 2916 W. 47th Street  
Chicago, IL 60632

**Organization:** 501(c)(3) Corporation

**State:** Illinois

**Board of Directors:** Juan Rangel, President  
Guadalupe Gallo-Brinkman, Vice-President  
Timothy Fidler, Treasurer  
Dan Sichelski, Secretary  
Father George Schopp  
Veronica Alanis  
Fred d'Escoto  
Mary Jane Castro Solis

**Land Sellers:** National Equipment Corporation

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**PROFESSIONAL & FINANCIAL**

<b>Sponsor:</b>	Illinois Facilities Fund	Chicago	Jill Levine
<b>Sponsor's Counsel</b>	Sidley Austin LLP	Washington, DC	Peter Canzano
<b>Borrower's Counsel:</b>	Burke Burns & Pinelli, Ltd	Chicago	Stephen Welcome
<b>Accountant:</b>	Ostrow, Reisin, Berk & Adams, Ltd	Chicago	Jim Quaid
<b>Bond Counsel:</b>	Greenberg Traurig LLP	Chicago	Matt Lewin
<b>Underwriter:</b>	RBC Capital Markets	Chicago	James Pass
<b>Underwriter's Counsel:</b>	Katten Muchin Rosenman LLP	Chicago	Janet Hoffman
<b>Issuer's Counsel:</b>	Ice Miller LLP	Chicago	Jim Snyder
<b>Trustee:</b>	Cole Taylor Bank	Chicago	Gloria Parish
<b>IFA Financial Advisor:</b>	D. A. Davidson	Chicago	Bill Morris
	Scott Balice Strategies	Chicago	Lois Scott

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**LEGISLATIVE DISTRICTS**

**Congressional:** 4 –Luis Gutierrez  
**State Senate:** 1 – Antonio Munoz  
**State House:** 1 – Susan Mendoza

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**SERVICE AREA**

Chicago's southwest neighborhoods.

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
April 8, 2008**

**Project: Marwen Foundation, Inc.**

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**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

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**BOARD ACTION**

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

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**VOTING RECORD**

None. This is the first time this project has been considered by the IFA Board.

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**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 closing of the subject Bonds, Marwen Foundation would own 100% of the subject building. Bond proceeds will also be used to renovate space throughout the building and also equip 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 in 7-Day Adjustable e Rate Mode

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**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.

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**VOLUME CAP**

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

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**JOBS**

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

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**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	90,000		Issuance Costs	130,000
	<b>Total</b>	<b><u>\$5,215,000</u></b>		<b>Total</b>	<b><u>\$5,215,000</u></b>

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### 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 rates "VMIG1/A-1+/F1+" by Moody's/S&P/Fitch as of 3/21/2008.
- 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 (preliminary, subject to change)
- 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 2.75% as of 3/12/2008.
- Timing:** Estimated closing date: May 15, 2008 (due to real estate closing)
- Rationale:** Acquisition of remaining condominium space not already owned by Marwen will enable Marwen to expand its Teacher Education Program (Visual Arts) for classroom teachers in Chicago. The acquisition, renovation, and equipping this space will enable Marwen to expand its program offerings, consistent with its strategic planning objectives. Additionally, this financing will also enable Marwen to remain at its current location long-term.

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### PROJECT SUMMARY (for IFA Preliminary 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 3<sup>rd</sup> Floor and 4<sup>th</sup> 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 1<sup>st</sup> Floor and 2<sup>nd</sup> 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 <sup>rd</sup> & 4 <sup>th</sup> 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>
<b>Total:</b>	<b>\$2,885,000</b>

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## 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 1989, Marwen’s programs had outgrown its original single studio space and a \$2.9 million capital campaign was launched to purchase and renovate three buildings 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’s is managed by its Executive Director (Ms. Antonia Contro has served since 1993) and its administrative affairs are managed by its Director of Finance and Administration (Ms. Darlene Dies, 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 was recognized with a “Coming up Taller Award” from the President’s Committee on the Arts & Humanities.

The proposed expansion would enable Marwen to expand its existing educational programs that train public school teachers and teaching artists and further 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 Cultural Pooled Financing Program. Marwen borrowed \$2.2 million of proceeds that it 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.

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### 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](http://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](mailto: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

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### 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 or Standard & Poor's (To be determined by Banc of America Securities, LLC)		
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

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### 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

**Directors**

Catherine Calhoun  
Marcy Carlin  
Rodrigo Del Cant  
Andrew Dembitz  
James Hill  
Lester D. Holt  
Vicki Hood  
Andrea K. Kaufman  
H.M. Kurzman  
Scott H. Lang  
Carol N. Levy  
Gail F. Marks  
Carlos Martinez  
James E. Pass  
James J. Pelts  
Gerald M. Penner

Deborah Quazzo  
Elliot Rawls  
Adrienne Rosenberg  
Amy M. Rule  
David W. Ruttenberg  
Katherine K. Scott  
Carlos L. Signoret  
William S. Singer  
Sheri Spielman  
John A. Svoboda  
Kimberly Taylor-Smith  
Andrew Weimer  
David Weinberg  
Jim Wicks  
Hilary Wolfe  
Karen Zelden

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
April 8, 2008**

**Project: Chicago Symphony Orchestra**

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**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

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**BOARD ACTION**

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

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**VOTING RECORD**

**No prior vote. This the first time this financing has been presented to the IFA Board of Directors.**

*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	

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**PURPOSE**

The 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 the Royal Bank of Scotland PLC and will be priced initially as 7-Day Variable Rate Demand Bonds.

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**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.

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**VOLUME CAP**

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



**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 117<sup>th</sup> 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 completed 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.

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### ECONOMIC DISCLOSURE STATEMENT

**Applicant:** Chicago Symphony Orchestra, 220 S. Michigan Ave., Chicago, IL 60604  
**Web site:** [www.cso.org](http://www.cso.org)  
**Contact:** Isabelle C. Goossen, Vice President for Finance and Administration, Ph.: 312-294-3301; e-mail: [GoossenI@cso.org](mailto: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.

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### PROFESSIONAL & FINANCIAL

<b>Borrower's Counsel:</b>	Mayer Brown LLP	Chicago, IL	Johanna Horsnail
<b>Auditor:</b>	McGladrey & Pullen, LLP	Chicago, IL	Beverly Tomasiewicz
<b>Bond Counsel:</b>	Chapman and Cutler LLP	Chicago, IL	Nancy Burke
<b>Financial Advisor:</b>	Prager Sealy & Co., LLC	New York, NY	Kinda Fan
<b>LOC Bank:</b>	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

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**LEGISLATIVE DISTRICTS**

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

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Mrs. Howard J. Trienens  
James Weiss  
Mrs. William Wood Prince

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
April 8, 2008**

**Project: New Hope Center Inc.**

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**STATISTICS**

Project Number:	N-NP-TE-CD-8046	Amount:	\$6,000,000
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Sharnell Curtis Martin
County/Region:	Will County/ Northeast	City:	Crete

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**BOARD ACTION**

Preliminary Bond Resolution	Staff request approval
Conduit 501(c)(3) Revenue Bonds	No Extraordinary conditions
IFA Funds contributed – Not Applicable	Staff Recommends Approval

---

**VOTING RECORD**

Preliminary Bond Resolution, no prior board action.

---

**PURPOSE**

Bond proceeds will be used to finance acquisition of building and land, renovation/construction, refinance existing debt and to pay certain bond issuance costs.

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**IFA PROGRAM AND CONTRIBUTION**

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

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**VOLUME CAP**

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

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**JOBS**

Current employment:	23	Projected new jobs:	34
Jobs retained:	N/A	Construction jobs:	35

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**ESTIMATED SOUCES AND USES OF FUNDS**

Sources:	IFA Bonds	\$6,000,000	Uses:	Project Costs	\$4,825,000
	Equity	<u>130,000</u>		Refinancing	1,130,000
				Cost of Issuance	<u>175,000</u>
	Total Sources	<u>\$6,130,000</u>		Total Sources	<u>\$6,130,000</u>

The source of equity is from a combination of internal funds and capital campaign contributions. Refinancing of existing debt will generated net present value savings of approximately \$140,000 annually.

---

**FINANCING SUMMARY/STRUCTURE**

Security: Bonds will be secured by a Direct Pay Letter of Credit provided by Charter One Bank.  
Structure: Bonds will be variable rate demand bonds  
Maturity: 30 Years  
Rating: The Bonds will carry the rating of the credit enhancer, Charter One Bank, AA- by S&P.  
Est. Closing Date: June 2008

---

**PROJECT SUMMARY**

Bond proceeds will be used to finance the construction of a 35,000 square foot facility located at 25860 W. Monee Road in Crete (Will County), Illinois, reimbursement for acquisition of 15 acres of land, refinance existing debt and to pay certain professional and bond issuance costs. Project costs are estimated as follows:

Construction/Renovation	\$4,600,000
Land	<u>225,000</u>
<b>Total Projects Costs</b>	<b>\$4,825,000</b>
Refinancing	1,120,000
Cost of Issuance	190,000
<b>Estimated Total Project</b>	<b><u>\$6,130,000</u></b>

The project is expected to close by June 2008 and the projected completion date is April 2009.

---

**BUSINESS SUMMARY**

Background: New Hope Center, Inc. ("New Hope" or the "Applicant") is an Illinois not-for-profit social service agency incorporated in 1960. Over the last 48 years, New Hope has provided an array of services and programs for individuals with developmental disabilities. The Applicant now serves 575 individuals each year through its various programs.

The organization's program services include developmental training, group homes, supported employment, integrated day care for children, family support services, respite care and therapeutic recreation services

Employment services include work skills readiness, pre-vocational/vocational training and employment services. New Hope also provides respite services to children and therapeutic services to all clients.

Residential group homes are located in the communities of South Holland, Steger and Crete, Illinois. Developmental training is presently located in South Holland and Dolton, Illinois.

The executive management of New Hope have been with the organization for more than 10 years and consists of: Tim Knapp, Executive Director; Dennis Kolecenski, Chief Financial Officer; and Mary Watkins, Director of Program Services.

Description: New Hope's proposed project is to construct a 35,000 square foot building that will house the organization's adult habilitative services and employment training services programs. The facility is expected to accommodate approximately 250 new clients over the next three years.

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**OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT**

Applicant/Borrower: New Hope Center Inc.  
1624 E. 154<sup>th</sup> Street, Dolton, IL 60419 (Cook County)  
Tim Knapp, Executive Director

Project Location: 25860 W. Monee Road, Crete, IL 60417 (Will County)

Tenant: New Hope Center, Inc.

Board Members: Ned Horney, Chairman  
Barbara Kornas, Secretary  
Estelle Bednar  
Mary Jean Dunlop  
Deborah Kopec  
Susan Micheals  
Phillip Paige  
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Rita Pheiffer

Gary Brown  
Kelly Kaufmann  
Loretta Lindeman  
Angelo Padro  
Theodore Schaffer

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Drinker Biddle & Reath	Chicago	Quin Frazer
Accountant:	Hower Wilson & Company, Ltd.	Munster, IN	Ray Svorania
Bond Counsel:	Greenberg Traurig	Chicago	Matt Lewin
Credit Enhancer Bank:	Charter One Bank	Chicago	Lovetta Spencer
Bank Counsel:	To Be Determined		
Financial Advisor:	Total Capital Solutions, Inc.	Oak Park	Tony Grant
Bond Underwriter:	NatCity Investments, Inc.	Cleveland, OH	Mary Grace Patterson
Underwriter's Counsel:	To Be Determined		
IFA Advisors:	D. A. Davidson	Chicago	Bill Morris
	Scott Balice Strategies	Chicago	Lois Scott
Trustee:	Bank of New York	Chicago	Rodney Harrington
Issuer's Counsel:	Charity and Associates	Chicago	Allan Bell

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**LEGISLATIVE DISTRICTS**

Congressional: 11 – Gerald “Jerry” Weller  
State Senate: 40 – Debbie DeFrancesco Halvorson  
State House: 80 – George Scully, Jr.

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**SERVICE AREA**

Chicago's South and Southwestern suburbs.

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
April 8, 2008**

**Project: Gift of Hope Organ and Tissue Donor Network**

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**STATISTICS**

Project Number:	E-PF-TE-CD-8016	Amount:	\$16,000,000
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton
County/Region:	DuPage/Northeast	Location:	Itasca

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**BOARD ACTION**

Final Bond Resolution Conduit 501(c)(3) Revenue Refunding Bonds No IFA funds at risk	Staff recommends approval No extraordinary conditions
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Material Change(s) from Preliminary: None

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**VOTING RECORD**

Preliminary Bond Resolution, March 11, 2008:

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

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**PURPOSE**

Acquisition and renovation of an existing 75,000 SF office building to be used as an educational/training and headquarters facility that will enable Gift of Hope Organ and Tissue Donor Network ("Gift of Hope") to expand and relocate from its current 32,500 SF facility in Elmhurst. This project will expand Gift of Hope's training facilities and accommodate increased space requirements for its administrative staff and will enable Gift of Hope to better serve the 183 hospitals located in its Northern Illinois and Northwest Indiana service area.

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**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.

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**VOLUME CAP**

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

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**JOBS**

Current employment:	183	Projected new jobs:	22
Jobs retained:	Not applicable	Construction jobs:	25-50 (12-18 months)

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**PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS**

Sources:	IFA Bonds	\$16,000,000	Uses:	Project Costs	\$18,060,000
	Fundraising/Cash	<u>2,250,000</u>		Issuance Costs	<u>190,000</u>
	<b>Total</b>	<b><u>\$18,250,000</u></b>		<b>Total</b>	<b><u>\$18,250,000</u></b>

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**FINANCING SUMMARY**

**Structure:** 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 JPMorgan Chase Bank, N.A. (the "Bank"). Gift of Hope has yet to request assignment of its own underlying credit ratings (and does not anticipate doing so for the subject bond issue). The Bank's Senior Unsecured Long-Term Debt was rated "Aaa/AA/AA-" and short-term debt was rates "VMIG1/A-1+/F1+" by Moody's/S&P/Fitch as of 3/20/2008. The subject Bonds will not be rated by Moody's/S&P/Fitch, however.

**Security/  
Collateral:** Bondholders will be secured by a Direct Pay Letter of Credit from JPMorgan Chase Bank. 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.

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

**Estimated  
Interest Rates:/  
Modes** Although the bond documents will permit multiple modes, JPMorgan Securities, Inc. 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 2.75% as of 3/12/2008.

**Timing:** Estimated closing date: April or May 2008 (anticipated)

**Rationale:** The proposed project will enable Gift of Hope to increase its space requirements to accommodate existing and future demand for training services and for related administration. The project will also accommodate future growth. As a result of this financing, Gift of Hope will relocate from its existing 32,500 SF facility in Elmhurst to the proposed 75,000 SF facility in Itasca.

---

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

Bond proceeds will be used by the Gift of Hope Organ & Tissue Donor Network (the "Borrower"), together with other funds of the Borrower (i) to finance or refinance the acquisition, renovation, and equipping of an existing, approximately 75,000 SF building located on an approximately 7.2 acre site at 425 Spring Lake Drive, Itasca (DuPage County), IL 60143-2076 and other project-related soft costs, (ii) to pay capitalized interest, and (iii) to pay costs of issuance on the Bonds, including the cost of credit or liquidity enhancement (and collectively, the "Project").

Estimated project costs include:

Land Acquisition	\$1,750,000
Building Acquisition	7,000,000
Renovations/Rehab.	7,750,000
Equipment	910,000
Architectural/Engineering	<u>650,000</u>
<b>Total:</b>	<b>\$18,060,000</b>

---

**BUSINESS SUMMARY**

**Background:** Gift of Hope Organ & Tissue Donor Network ("Gift of Hope", the "Borrower", or the "Organization") is a 501(c)(3) organization incorporated under Illinois law on July 7, 1986 that commenced operations on June 1, 1987. Gift of Hope was previously known as the "Regional Organ Bank of Illinois".

Description: Gift of Hope's principal operations and administrative offices have been located in Elmhurst since approximately 2000. Gift of Hope is one of 58 organ procurement organizations ("OPO's") in the nation's organ donation system and serves as the federally designated not-for-profit organ and tissue procurement agency under the National Organ Transplant Act of 1984. Gift of Hope coordinates organ and tissue donation across 183 hospitals and supports families of donors throughout its service area. Gift of Hope's service area includes the northern two-thirds of Illinois and Northwest Indiana (Lake and Porter Counties). Gift of Hope also operates a Central Illinois office in Springfield and satellite offices located in Champaign, Normal, Peoria, and Rockford.

According to Gift of Hope's management, Gift of Hope has coordinated donations that have saved the lives of over 14,000 organ transplant recipients and helped hundreds of thousands of other patients receive necessary tissue transplants since its inception in 1987.

Gift of Hope's staff is comprised of healthcare administrators, trained clinicians and community educators and is responsible for:

- Evaluating potential donors for medical suitability;
- Discussing donation with family member of potential donors;
- Coordinating the organ and tissue donation process;
- Providing support and follow-up information to families of organ and tissue donors;
- Educating the 11.7 million residents in its service area about organ donation and how to register as donors;
- Educating healthcare professionals about their roles in donation;
- Assisting hospitals with the development of policies and procedures that facilitate the donation process for hospital staff and families.

Gift of Hope works closely with Illinois' nine organ transplant centers to manage the recovery, care, and transportation of donated organs to transplant patients including:

- Advocate Christ Medical Center, Oak Lawn
- Children's Memorial Hospital, Chicago
- Loyola University Medical Center, Maywood
- Memorial Medical Center, Springfield
- Northwestern Memorial Hospital, Chicago
- Rush University Medical Center, Chicago
- OSF Saint Francis Medical Center, Peoria
- The University of Chicago Medical Center, Chicago
- The University of Illinois Medical Center at Chicago, Chicago

Finally, Gift of Hope also works with other transplant centers and OPO's through the United Network for Organ Sharing ("UNOS") to provide lifesaving organs for patients.

In 2006, Gift of Hope coordinated a record number of organs and tissues for transplant, working with 305 donors and their families in Illinois and Northwest Indiana.

IFA (IDFA) previously issued \$5,000,000 of IDFA 501(c)(3) Revenue Bonds in December, 2000 (the "Prior Bonds") for Gift of Hope (i.e., formerly Regional Organ Bank of Illinois) secured by a Direct Pay LOC from JPMorgan Chase (formerly Bank One). Proceeds of the Prior Bonds were used to purchase, renovate, and equip Gift of Hope's current facility in Elmhurst. Gift of Hope had approximately \$3,250,000 outstanding on the Series 2000 Bonds as of 12/31/2007. All scheduled payments on the IFA (IDFA) Series 2000 Bonds were current as of 3/1/2008.

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**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Gift of Hope Organ & Tissue Donor Network, 660 N. Industrial Dr., Elmhurst, IL 60126  
Web site: [www.giftofhope.org](http://www.giftofhope.org)  
Contact: Ross Raspopovich, CFO, Ph.: 630-758-2611; e-mail: [rraspopovich@giftofhope.org](mailto:rraspopovich@giftofhope.org)  
Project name: IFA Series 2008 Bonds (Gift of Hope Project)  
Location: 425 Spring Lake Drive, Itasca (DuPage County), IL 60143-2076  
Organization: Illinois 501(c)(3) Corporation  
Board Membership: *See attached list of Board of Directors (p. 5).*  
Current Land Owner: 425 Spring Owner Corp.  
c/o Ms. Rima D. Ports, Esq.  
Ports Law Group Ltd.  
150 North Michigan Avenue, Suite 2700  
Chicago, IL 60601  
Ph.: 312-782-6000

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Gary Fox
Auditor:	McGladrey & Pullen, LLP	Rockford, IL	Robert Wright
Bond Counsel:	Kutak Rock LLP	Chicago, IL	Jerry Wallack
Underwriter:	JPMorgan Securities, Inc.	Chicago, IL	Shelley Phillips Luke Kowal
Underwriter's Counsel:	Sonnenschein Nath & Rosenthal LLP	Chicago, IL	Steve Gray
Trustee:	The Bank of New York Trust Co., N.A.	Chicago, IL	Rodney Harrington
General Contractor:	To be determined		
Architect:	Stromsland & DeYoung	Joliet, IL	Ken Stromsland
Rating Agency:	Not applicable. Although credit enhanced by JPMorgan Chase Bank, the Bonds will not be rated.		
IFA Counsel:	Hart Southworth & Witsman	Springfield, IL	Sam Witsman
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

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**LEGISLATIVE DISTRICTS**

Congressional: 6 Peter J. Roskam  
State Senate: 23 Carole Pankau  
State House: 46 Dennis Reboletti

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**Gift of Hope Organ & Tissue Donor Network: Board of Directors**

**Chairman of the Board of Directors:** Pamela K. Meyer-Davis, President/CEO, Edward Hospital, Naperville

**Directors**

Jarold A. Anderson  
David Ashback, MD  
Enrico Benedetti, M.D.  
John Brems, M.D.  
Paul Crawford, M.D.  
Forrest Dodson, M.D.  
Steven Gitelis, M.D.  
Mr. Jeff Harris  
Dixon Kaufman, M.D.  
Ms. Gail Mathews  
J. Michael Millis, M.D.  
Martin Mozes, M.D.  
John Robinson, M.D.  
Mr. Benjamin S. Schwarm  
Mr. Rory Dean Smith  
Mark D. Zarnke, M.D.

**Affiliation**

President/CEO, Gift of Hope Organ & Tissue Donor Network  
The Methodist Hospitals, Inc., Gary, IN  
University of Illinois, Dept. of Surgery, Chicago, IL  
Loyola University Medical Center, Maywood, IL  
Associates in Nephrology, Evergreen Park, IL  
Rush Presbyterian St. Luke's Hospital, Chicago, IL  
Rush Medical College, Chicago, IL  
Figliulo & Silverman, PC, Chicago, IL  
Northwestern Memorial Hospital, Chicago, IL  
Scanlon & Mathews, LLP, Chicago, IL  
University of Chicago Hospital, Dept. of Surgery, Chicago, IL  
Medical Director, Gift of Hope Organ & Tissue Donor Network, Elmhurst, IL  
Loyola University Medical Center, Maywood, IL  
Illinois Association of School Boards, Springfield, IL  
Associate Dean, John Marshall Law School, Chicago, IL  
Rockford Memorial Hospital, Rockford, IL

**PROJECT WITHDRAWN.**

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
April 8, 2008**

**Project:** City of Bunker Hill

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**STATISTICS**

Number:	L-GP-7042	Amount:	\$450,000 (not to exceed)
Type:	Local Government Pooled Program	IFA Staff:	Eric Watson / Kristi Conrad
Region / County:	Central / Macoupin	Location:	Bunker Hill, Illinois

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**BOARD ACTION**

Final Bond Resolution  
No IFA funds contributed  
Staff recommends approval

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**VOTING RECORD**

Preliminary approval February 13, 2007  
10 ayes, 0 nays, 0 abstentions

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**PURPOSE**

Provide financing for the City of Bunker Hill's water system updates.

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**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 preliminary approval was provided in February 2007. The preliminary approval was successfully utilized to secure CDAP funding in a competitive application process. The City was notified of the CDAP award in October, 2007 and now wishes to finance the remaining portion of the project.

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**JOBS**

Current employment: 12 (part-time), 7 (full-time)	Projected new jobs: 0
Jobs retained: 0	Construction jobs: 0



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**SOURCES AND USES OF FUNDS**

Sources:	IFA Bonds CDAP Grant	\$450,000 <u>325,000</u>	Uses:	Water System Updates Local Bond Counsel Underwriter Fee IFA Fee Other Fees	\$755,000 5,000 7,650 1,125 <u>6,225</u>
	Total	<u>\$775,000</u>		Total	<u>\$ 775,000</u>

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**FINANCING SUMMARY**

**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 City has committed to collect ad valorem property taxes levied to pay debt service on the bonds. The City 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 City 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 City 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 2010 with a final maturity in 2029. 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:** 20 years

**Estimated Closing:** Spring / Summer 2008

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**PROJECT SUMMARY**

The City of Bunker Hill will use the proceeds of the bonds to construct a 150,000 gallon elevated water storage tank, install two new water wells and pay certain costs associated with the issuance of the Local Government Securities and the Bonds.

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**BUSINESS SUMMARY**

**Background:** The City of Bunker Hill, located in Macoupin County, covers a geographical area of 1.2 square miles. The community is approximately 42 miles north of St. Louis and has a population of 1,801 (as of the 2000 census).

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**OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT**

**Applicant:** The City of Bunker Hill  
**Location:** 801 S. Franklin St., Bunker Hill, 62014  
**Organization:** Illinois Municipality  
**Village President:** Ray Chapman

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**PROFESSIONAL & FINANCIAL**

Underwriter:	Wachovia (formerly AG Edwards)	St Louis, MO	Anne Noble
	Ramirez and Company	Chicago, IL	
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.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

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**LEGISLATIVE DISTRICTS**

Congressional: 17<sup>th</sup> – Phil Hare  
State Senate: 49<sup>th</sup> – Deanna Demuzio  
State House: 98<sup>th</sup>— Gary Hannig

PROJECT WITHDRAWN.

**ILLINOIS FINANCE AUTHORITY**  
**BOARD SUMMARY**  
**April 8, 2008**

**Project: Provena Health**

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**STATISTICS**

Project Number: H-HO-TE-CD-8027	Amount: \$660,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and Dana Sodikoff
County/Region: Will/ Northeast	City: Mokena, IL (System Headquarters)

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**BOARD ACTION**

Final Resolution	Staff recommends approval
Conduit 501 (c)(3) bonds	No extraordinary conditions
No IFA funds at risk	
Change since Preliminary: Sources and Uses have been updated	

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**VOTING RECORD**

The IFA gave its approval for a Preliminary Bond Resolution on March 11, 2008 by the following vote:

Ayes –11	Nays – 0	Absent – 4	Vacancies – 0
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**PURPOSE**

Proceeds will be used to: 1) refund all or a portion of Provena Health's outstanding MBIA insured Series 1998A fixed rate bonds, 2) reimburse all or a portion of the Series 1998 Taxable Commercial Paper and Series 2005A Taxable Term Loan and other cash expenditures, which were used for improvements, renovations, and other capital projects including but not limited to the construction of an eight-story patient tower at Provena Saint Joseph Medical Center and an expansion at Provena Saint Joseph Hospital, 3) convert or refund all or a portion of Provena's MBIA insured 1998B, 1998D and 1998D-R Auction Rate Securities and the MBIA insured Series 1998C Variable Rate Demand Bonds, 4) pay costs of issuance.

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**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.

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**VOLUME CAP**

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

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**JOBS**

Current employment: 10,915 FTE's	Projected new jobs: N/A
Jobs retained: 10,915 FTE's	Construction jobs: N/A

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**ESTIMATED SOURCES AND USES OF FUNDS**

Sources: IFA bonds	\$658,988,962	Uses: Deposit to Refund Series 1998A Bonds	\$134,305,000
		Deposit to Refund Series 1998 Taxable CP	60,000,000
		Deposit to Refund Series 2005A Taxable Term Loan	170,000,000
		Deposit to Refund Series 1998B Bonds	72,300,000
		Deposit to Refund Series 1998C Bonds	47,300,000
		Deposit to Refund Series 1998D Bonds	17,750,000
		Deposit to Refund Series 1998D-R Bonds	112,250,000
		Estimate for Reserve Funds	31,000,000
		Estimate for Bond Insurance	2,750,000
		Estimate for Cost of Issuance (1.75%)	11,333,962

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Total	\$658,988,962	Total	\$658,988,962
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### FINANCING SUMMARY/STRUCTURE

**Security:** The Bonds are expected to be secured by an Obligation of Provena Health under a Master Trust Indenture. Collateral is expected to include a pledge of gross revenue and debt service reserve funds (for fixed rate bonds).

**Structure:** The plan of finance contemplates the issuance of fixed rate bonds and variable rate bonds. The refunding of the approximately \$134.3 million of Series 1998A Bonds will be either fixed rate bonds or variable rate demand bonds with insurance from MBIA, a AAA-rated bond insurer. Approximately \$524.7 million of debt may be variable rate demand bonds with a Letter of Credit from a syndicate of banks, including JPMorganChase, all of which carry short-term ratings of VMIG-1/A-1+/F1+ (Moody's/S&P/Fitch). A portion of the bonds may also be fixed, uninsured bonds and will carry the rating of Provena Health. The Series 1998 A/B/D bonds each have underlying swaps, but these swaps will be left in place when the bonds are refunded, so there will not be a termination fee.

**Interest Rate:** To be determined the day of pricing depending on market conditions. The fixed rate portion of the refunding is estimated to be in the 5.5% to 6.5% range, and the variable rate demand bonds to average over time approximately 3% (tracking closely to the SIFMA variable rate index).

**Interest Mode:** Fixed Rate and Variable Rate Demand Bonds

**Credit Enhancement:** The Fixed Rate Bonds are contemplating the use of insurance by MBIA, AAA-rated bond insurer. The Variable Rate Demand Bonds are contemplating the use of a Letter of Credit from JPMorganChase and a syndicate of banks, all of which carry short-term ratings of VMIG-1/A-1+/F1+ (Moody's/S&P/Fitch). The use of credit enhancement will depend on market conditions closer to pricing

**Maturity:** 2038

**Rating:** Underlying Rating of A3/A- (Moody's/S&P)

**Estimated Closing Date:** May 2008

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### PROJECT SUMMARY

The objectives of the financing are to:

1. Refund at least \$134.3 million of Provena Health's outstanding Series 1998A fixed rate bonds
2. Convert or refund all or a portion of Provena's insured Auction Rate Securities ("ARS") and insured Variable Rate Demand Bonds ("VRDBs"), including the following outstanding bond series:
  - a. \$ 72,300,000 Series 1998B Bonds (ARS Insured by MBIA)
  - b. \$ 47,300,000 Series 1998C Bonds (VRDB's Insured by MBIA)
  - c. \$ 17,750,000 Series 1998D Bonds (ARS Insured by MBIA)
  - d. \$112,250,000 Series 1998D-R Bonds (ARS Insured by MBIA)
3. Restructure both the \$60 million taxable commercial paper program and \$170 million taxable term loan by reimbursing Provena Health for monies spent on capital expenditures for improvements, renovations, and other projects, including but not limited to the following two projects:
  - a. Provena Saint Joseph Medical Center is currently constructing a new eight-story patient tower with all private patient rooms, as well as many special amenities that will create an environment expressly designed to promote family-centered care and enhance clinical outcomes; the cost of this project is approximately \$144.6 million. Critical care units are being constructed with specially designed ceiling-mounted technology to improve safety and quality of care. The Medical Center's existing facilities will be updated and upgraded. A covered parking structure with more than 700

parking spaces will also be added to the campus. It is anticipated that construction will be completed by April 2008.

Provena Saint Joseph Hospital plans to open its expansion in April 2008. The expansion is part of a \$97mm project to expand and modernize the facility.

The centerpiece of the project is a new four-story bed tower featuring 99 private rooms and the modernization of existing patient care areas to create a total of 139 private rooms. The hospital will also gain a new cardiac center, new and expanded ICU, expanded and modernized imaging equipment, three new ORs, and various other updates throughout the facility. It is anticipated that construction will be completed by April 2009.

Provena Health was granted a Certificate of Need from the Illinois Health Facilities Planning Board for the above mentioned projects.

**Project Rationale:** The purpose of this financing is to restructure the existing taxable debt, restructure the existing tax-exempt ARS and VRDB's insured by MBIA, and refinance the Series 1998A Bonds for savings (actual savings will vary based on the underlying structure and market conditions, but will be determined prior to issuance of a Preliminary Offering Statement).

**Timing:** May 2008

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**BUSINESS SUMMARY**

**Description of Business:** Provena Health is a Catholic health system that includes six hospitals, 16 long-term care and senior residential facilities, 28 clinics, five home health agencies and other health-related activities operating in Illinois and Indiana. Provena Health ministries are sponsored by the Franciscan Sisters of the Sacred Heart, the Servants of the Holy Heart of Mary and the Sisters of Mercy of the Americas.

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**OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT**

**Applicant:** Provena Health  
**Project Location:** N/A  
**Borrower:** Provena Health  
**Ownership/Board Members (501c3):**

As of January 1, 2008, the members of the Board were as follows:

<u>Name</u>	<u>Professional Affiliation</u>	<u>Term Ends December 31,</u>
William M. Barron, MD	Executive Medical Director Center for Clinical Effectiveness Loyola University Medical Center	2008
William Berry, PhD	Associate Chancellor; Associate Professor University of Illinois	2008
Robert Biedron Chairperson	President, Voyaguer's Landing Development Corp.	2009
Bryan Foy, MD	Cardiac Surgery Associates Executive Committee Secretary	2010
Aida Giachello, PhD	Associate Professor and Director Midwest Latino Health Research, Training and Policy Center	2009

Sister Lois Graver, RSM Secretary	Treasurer Sisters of Mercy of the Americas Regional Community of Chicago	2008
Steven Hunter	President and Chief Executive Officer Provena Health	
Bettina Johnson Treasurer	Vice President, Retired (2007) J.P. Morgan Chase	2010
Marsha Ladenburger	Quality Management Consultant L&A Healthcare	2010
Bethann McGregor	The Luvian Group	2009
Daniel Russell Vice Chairperson	President-Emeritus Catholic Health East	2008
Sister Mary Shinnick, OSF	Treasurer Franciscan Sisters of the Sacred Heart	2008
Sister Evelyn Varboncoeur, sscm	Directress of Formation Servants of the Holy Heart of Mary	2008
Guy Wiebking Retired	Vice President Major Health Care Systems Abbott Laboratories	2008
Darrell Williams	Vice President Manufacturing Operations	2008

**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Ungaretti & Harris	Chicago	Tom Fahey
Borrower's Financial Advisor:	KaufmanHall	Chicago	Ken Kaufman
Accountant:	KPMG		
Bond Counsel:	Jones Day	Chicago	Mike Mitchell David Kates
Credit Enhancer/Purchasing Bank:	TBD		
Bank Counsel:	TBD		
Bond Underwriter:	JPMorgan Securities, Inc.	Chicago	Tim Wons
Underwriter's Counsel:	Sonnenschein Nath & Rosenthal LLP	Chicago	Steve kite
Issuer's Counsel:	Charity & Associates PC	Chicago	Alan Bell
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

**LEGISLATIVE DISTRICTS**

<u>Congressional</u>		<u>State Senate</u>		<u>State House</u>	
6 <sup>th</sup> District	Peter Roskam	21 <sup>st</sup> District	Dan Cronin	41 <sup>st</sup> District	Christine Radogno
				41 <sup>st</sup> District	Bob Biggins
				55 <sup>th</sup> District	Harry R. Ramey Jr.

11 <sup>th</sup> District	Jerry Weller	23 <sup>rd</sup> District	Carole Pankau	42 <sup>nd</sup> District	Linda Holmes	42 <sup>nd</sup> District	Sandra M. Pihos	56 <sup>th</sup> District	Paul D. Froehlich
13 <sup>th</sup> District	Judy Biggert	24 <sup>th</sup> District	Kirk W. Dillard	43 <sup>rd</sup> District	A.J. Wilhelmi	45 <sup>th</sup> District	Franco Coladipietro	75 <sup>th</sup> District	Careen M. Gordon
14 <sup>th</sup> District	Vacant	25 <sup>th</sup> District	Chris Lauzen	48 <sup>th</sup> District	Randall M. Hultgren	46 <sup>th</sup> District	Dennis M. Reboletti	79 <sup>th</sup> District	Lisa M. Dugan
15 <sup>th</sup> District	Timothy Johnson	28 <sup>th</sup> District	John J. Millner	52 <sup>nd</sup> District	Michael W. Frerichs	47 <sup>th</sup> District	Patricia R. Bellock	80 <sup>th</sup> District	George Scully Jr.
		38 <sup>th</sup> District	Gary G. Dahl	53 <sup>rd</sup> District	Dan Rutherford	48 <sup>th</sup> District	James H. Meyer	81 <sup>st</sup> District	Renee Kosel
		40 <sup>th</sup> District	Debbie DeFrancesco Halvorson	55 <sup>th</sup> District	Dale A. Righter	49 <sup>th</sup> District	Timothy L. Schmitz	82 <sup>nd</sup> District	Jim Durkin
						96 <sup>th</sup> District	Joe Dunn	83 <sup>rd</sup> District	Linda Chapa LaVia
						103 <sup>rd</sup> District	Naomi D. Jakobsson	84 <sup>th</sup> District	Tom Cross
						104 <sup>th</sup> District	William B. Black	85 <sup>th</sup> District	Brent Hassert
						105 <sup>th</sup> District	Shane Cultra	86 <sup>th</sup> District	Jack McGuire
						110 <sup>th</sup> District	Chapin Rose	95 <sup>th</sup> District	Mike Fortner

Note: Completed based on Provena Health service areas





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## BACKGROUND INFORMATION

### System Overview

Provena Health (the "Corporation") was formed as an Illinois not for profit corporation on November 30, 1997 and is the parent corporation of a regionally focused health care system which concentrates on providing ongoing quality health care, long-term care and home health services to communities primarily located in central and northern Illinois and northern Indiana (the "System"). The System consists of the Corporation and various wholly-owned controlled subsidiaries, including: Provena Hospitals ("Provena Hospitals"), Provena Senior Services ("Provena Senior Services"), Provena Home Health ("Provena Home Health"), Provena Care at Home ("Provena Care at Home"), Provena Health Assurance SPC ("Provena Health Assurance SPC") and Provena Ventures, Inc. ("Provena Ventures").

### Sponsorship

The System was jointly formed by the Franciscan Sisters of the Sacred Heart (the "Franciscan Sisters"), the Servants of the Holy Heart of Mary, Holy Family Province, U.S.A. (the "Servants of the Holy Heart") and the Sisters of Mercy of the Americas, Regional Community of Chicago (the "Sisters of Mercy"), collectively the "Sponsors," to consolidate their respective facilities and operations in order to offer a full range of health care services to a broader community.

All three sponsoring congregations have a long history of service to the sick and needy. The Franciscan Sisters of the Sacred Heart was formed in Germany in 1866 and came to the United States in 1876. They have operated hospitals and long-term care facilities in Illinois and Indiana since the 1880s. They were among the earlier organizations to create a multi-hospital health care system, with the incorporation of Franciscan Sisters Health Care Corporation as an Illinois not-for-profit corporation in 1977.

The Servants of the Holy Heart was formed in France in 1860, and came to the United States in 1889. They have been providing hospital and other health care services in Illinois since the late 1890s. They organized ServantCor, an Illinois not-for-profit corporation, to function as their system holding company in December of 1982.

The Sisters of Mercy was established in Ireland in 1831 and came to the United States to continue to serve the needy in 1843. They have been operating in the Aurora, Illinois community since 1911, when Mercy Health Corporation was incorporated as an Illinois not-for-profit corporation.

### Corporate Organization

Each of the Corporations, Provena Health, Provena Hospitals, Provena Senior Services, Provena Home Health and Provena Care at Home is an Illinois not for profit corporation, exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as an organization described in Section 501(c)(3) of the Code, and is not a private foundation as defined in Section 509(a) of the Code. Provena Ventures, whose sole shareholder is the Corporation, is an Illinois business corporation which is nonexempt. As a Catholic health care system, the Corporation and its controlled subsidiaries act in accordance with Roman Catholic tradition in all matters of operation and in the discharge of governance, and abide by the "Ethical and Religious Directives for Catholic Health Care Services." The name Provena Health was adapted from the word "providence," which means "divine guidance or care," and Health to reflect the broad spectrum of health care services to be offered. It was chosen by the Sponsors to communicate their mission as an integrated Catholic health care system.

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
April 8, 2008**

**Project: Elmhurst Memorial Healthcare**

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**STATISTICS**

Project Number: H-HO-TE-CD-8026	Amount: \$540,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and Dana Sodikoff
County/Region: DuPage/Northeast	City: Elmhurst

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**BOARD ACTION**

Final Resolution	Staff recommends approval
Conduit 501 (c)(3) bonds	No extraordinary conditions
No IFA funds at risk	
Changes since preliminary: Sources and Uses have been revised to reflect decrease in par amount	

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**VOTING RECORD**

The IFA gave its approval for a Preliminary Bond Resolution on March 11, 2008 by the following vote:

Ayes –11	Nays – 0	Absent – 4	Vacancies – 0
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**PURPOSE**

Use of proceeds: 1) construction and equipping of a replacement hospital building; 2) refinance existing 2006E Variable Rate Demand Bonds; 3) pay for a debt service reserve fund; 4) pay for capitalized interest; and 5) pay cost of issuance and financing costs.

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**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.

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**VOLUME CAP**

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

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**JOBS**

Current employment: 2,504 FTE's	Projected new jobs: N/A
Jobs retained: 2,504 FTE's	Construction jobs: 250 FTEs for three years

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**ESTIMATED SOURCES AND USES OF FUNDS**

Sources:	IFA bonds	\$391,000,000	Uses:	New Hospital Project Fund	\$287,873,000
				Refunding Escrow	49,447,000
				Debt Service Reserve Fund	12,845,000
				Capitalized Interest	37,159,000
				Est. Costs of Issuance	3,676,000
	Total	\$391,000,000	Total		\$391,000,000

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### FINANCING SUMMARY/STRUCTURE

- Security:** The Bonds are expected to be secured by a Master Note of the Elmhurst Memorial Healthcare Obligated Group under a Master Trust Indenture. Collateral is expected to include a pledge of unrestricted revenues and a Debt Service Reserve Fund.
- Structure:** The plan of finance contemplates the issuance of a combination of approximately \$141 million fixed rate debt and approximately \$250 million variable rate debt. The variable rate demand bonds are contemplating the use of credit enhancement in the form of a letter of credit (a syndicate of banks to be determined, but they will carry a long-term rating of A- or better) and the fixed rate bonds will carry the rating of Elmhurst Memorial Healthcare.
- Interest Rate:** To be determined the day of pricing depending on market conditions. The fixed rate portion of the refunding is estimated to be in the 5.5% to 6.5% range, and the variable rate demand bonds to average over time approximately 3% (tracking closely to the SIFMA variable rate index).
- Interest Mode:** Variable and fixed rate
- Credit Enhancement:** The fixed rate component of the bonds will carry the rating of Elmhurst Memorial Healthcare. The variable rate demand bonds plan to include the use of a Letter of Credit (a club of banks to be determined, but they will carry a long-term rating of A- or better).
- Maturity:** 40 years
- Credit Rating (s):** Underlying ratings for Elmhurst Memorial Healthcare are A stable from Fitch and A2 negative from Moody's.
- Estimated Closing Date:** April 2008

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### PROJECT SUMMARY

Proceeds will be used to pay or reimburse the Borrower or one or more of its corporate affiliates for the payment of the costs of acquiring, constructing, renovating, remodeling and equipping its new hospital facility located at 1200 S. York St in Elmhurst, Illinois. In addition to the approximately \$312 million of bond proceeds that will be used for the replacement hospital, Elmhurst Memorial Hospital will also contribute approximately \$160 million of its own proceeds towards the replacement hospital.

**Project Rationale:** The hospital needs significant infrastructure upgrading and replacement. This project will enable Elmhurst Memorial Hospital to have a hospital facility that meets contemporary standards including private patient rooms, adequately sized surgical suites, an appropriately sized and configured emergency department and ancillary service departments that are designed to accommodate contemporary equipment.

**Timing:** Approval was granted from the Illinois Health Facilities Planning Board ("IHFPB") on February 26. It is anticipated that the project will begin early in the spring of 2008. Construction is estimated to take three years, making occupancy of the building possible in the latter half of 2011.

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### BUSINESS SUMMARY

**Background / Description:** Founded in 1926 as the first hospital in DuPage County, Illinois, Elmhurst Memorial Hospital strives to enhance the health of the communities and customers it serves. With 427 licensed beds, Elmhurst Memorial Hospital and its staff of more than 2,700 employees and 700 physicians are committed to excellence in medical and surgical care, cardiology, oncology, orthopedics, pediatrics, maternity and emergency care.

Existing Bonds: Series 2002 D tax-exempt secured revenue refunding bonds totaling \$136,128,928, Series 2004A tax-exempt variable demand bonds totaling \$6,428,000, IFA Series 1985C & D Revolving Pool Loan Program tax-exempt variable rate bonds totaling \$23,734,000, and Series 2006E tax-exempt variable rate demand bonds totaling \$47,000,000.

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### ECONOMIC DISCLOSURE STATEMENT

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Project name: Elmhurst Memorial Hospital / Elmhurst Memorial Healthcare ("Parent")  
Locations: 200 Berteau Ave, 1200 S. York, 855 N Church Ct. Elmhurst, IL  
130 S. Main St. Lombard, IL  
Applicant: Elmhurst Memorial Hospital / Elmhurst Memorial Healthcare  
Organization: 501(c)(3) Not-for-Profit Corporation  
State: Illinois

#### Boards of Trustees:

Name/Affiliation	Board	Office
Robert E. Soukup Chairman of the Board of Trustees, Elmhurst Memorial Healthcare Owner, Soukup Appliances & Hardware Stores	Parent Board Hospital Board	Chairman
David L. Atchison President, Ponder & Co. Chairman, Finance Committee of Elmhurst Memorial Healthcare	Parent Board Hospital Board	Vice Chairman
Leo F. Fronza President & Chief Executive Officer Elmhurst Memorial Healthcare	Parent Board Hospital Board	President President
Robert J. Platt GE Mostardi Platt	Parent Board	
Robert G. Robertson Chairman, Strategic Planning Committee of Elmhurst Memorial Healthcare Retired	Parent Board Hospital Board	Treasurer
Richard Inskip Attorney	Parent Board	Secretary
Louis McKeever Physician, Member of Medical Staff Elmhurst Memorial Hospital	Parent Board	
David V. Brueggen Sr. Vice President Finance/Anson Industries	Parent Board	Assistant Treasurer
Honorable Lee A. Daniels Attorney / Former Minority Leader, Illinois State House of Representatives	Parent Board	
Balbino B. Fernandez, M.D. Physician, Member of Medical Staff Elmhurst Memorial Hospital	Parent Board	
Marilyn A. Graber Owner/Bloomingtondale Travel	Parent Board	
Brian J. Grant Operations Manager, The Worldwide Company	Parent Board	
Joel G. Herter Chairman, Elmhurst Memorial Hospital Board of Trustees Senior Partner, Wolf & Company, L.L.P.	Parent Board Hospital Board	Chairman

<b>Name/Affiliation</b>	<b>Board</b>	<b>Office</b>
Don M. Hoffman, M.D. Chief Executive of Elmhurst Clinic, L.L.C. Physician, Member of Medical Staff Elmhurst Memorial Hospital	Parent Board Hospital Board	
George Kouba Director PGA Foundation Janice Vanek Compensation and Benefits Consultant, Resources Connection	Parent Board Hospital Board Hospital Board	Assistant Secretary
Tom Kloet Chief Operating Officer, Americas at Newedge Group	Parent Board	
Patricia Merwick, M.D. Representative of ELMCARE, L.L.C. Physician, Member of Medical Staff Elmhurst Memorial Hospital	Parent Board	
James J. Migala, M.D. Physician, Inactive Member of Medical Staff Elmhurst Memorial Hospital	Parent Board	Assistant Secretary
Lawrence Barr, M.D. Physician, President of Medical Staff	Parent Board Hospital Board	
Darrell L. Whistler Chairman, Board of Governors Vice President, Community Bank of Elmhurst	Parent Board Hospital Board	
Robert M. Magnuson Retired	Parent Board	Honorary Trustee
Jack E. Mensching President, Itasca Bank & Trust	Parent Board	Honorary Trustee
John L. Picchietti, M.D. Physician, Member of Medical Staff Elmhurst Memorial Hospital	Hospital Board	Honorary
Ronald Cheff, M.D. Physician, Member of Medical Staff Elmhurst Memorial Hospital	Hospital Board	Secretary
Dean R. Milos, M.D. Physician, Member of Medical Staff Elmhurst Memorial Hospital	Hospital Board	Assistant Treasurer
Honorable William J. Bauer Judge, U.S. Court of Appeals, 7 <sup>th</sup> Circuit	Hospital Board	
Suzanne Durburg, R.N. Executive Director, Illinois Organization of Nurse Leaders	Parent Board	
Patty Spencer Guild Council Chairman	Hospital Board	
Kenneth Wegner Chairman of the Board, Elmhurst Memorial Hospital Foundation President, The Jel Sert Company	Hospital Board	
Michael Martirano Physician, Member of Medical Staff Elmhurst Memorial Hospital	Hospital Board	
Fred Jacobs, M.D. Physician, Member of Medical Staff Elmhurst Memorial Hospital	Hospital Board	



**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
April 8, 2008**

**Project: Silver Cross Hospital**

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**STATISTICS**

Project Number: H-HO-TE-CD-8051	Amount: \$120,000,000 (not-to-exceed amount)
Type: 501 (c)(3) Bonds	IFA Staff: Pam Lenane and Dana Sodikoff
County/Region: Will/Northeast	City: Joliet

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**BOARD ACTION**

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

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**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 the volatile conditions in the Auction Rate Securities Market.

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**PURPOSE**

Proceeds will be used to: 1) Refund the CIFG insured IFA Series 2005B/C/D auction rate securities; 2) Pay costs of issuance

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**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.

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**VOLUME CAP**

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

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**JOBS**

Current employment: 1190 FTE's	Projected new jobs: N/A
Jobs retained: 1190 FTE's	Construction jobs: N/A

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**ESTIMATED SOURCES AND USES OF FUNDS**

Sources: IFA bonds	\$111,839,000	Uses: Series 2005 B/C/D Escrow	\$101,500,000
Existing Debt Service	6,881,000	Debt Service Reserve Fund	11,200,000
		Est. Underwriter's Discount	720,000
		Est. Cost of Issuance	300,000
		Est. Swap Termination Fee	5,000,000
Total	<u>\$118,720,000</u>	Total	<u>\$ 118,720,000</u>

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**FINANCING SUMMARY/STRUCTURE**

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



**Structure:** The current plan of finance contemplates the issuance of 100% fixed rate bonds, which will carry the rating of the Hospital.

**Interest Rate:** To be determined the day of pricing depending on market conditions. The fixed rate portion of the refunding is estimated to be in the 5.5% to 6.5% range

**Interest Mode:** Fixed Rate bonds

**Credit Enhancement:** These bonds will carry the rating of Silver Cross Hospital, which is currently A/A (S&P/Fitch)

**Maturity:** Up to 30 years

**Ratings:** Silver Cross Hospital currently maintains ratings with S&P and Fitch. Current ratings are as follows: A/A (S&P/Fitch). It is anticipated the rating agencies will attach a Ratings Watch Evolving status to the rating pending the approval of a CON application for new projects that will incorporate additional debt.

**Estimated Closing Date:** May 2008

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#### PROJECT SUMMARY

Refunding of all or a portion of certain existing CIFG insured Series 2005 B/D auction rate securities and pay costs of issuance.

**Project Rationale:** The cost of auction rate debt has become cost prohibitive. This refunding will restructure an unfavorable debt product. Additionally, in order to lower interest costs immediately, Silver Cross Hospital is requesting in the resolution that the Board also authorize the extension to the Series 2005 B/C/D bonds, as Auction Periods of any length permitted under the Bond Indentures, including but not limited to Auction Periods of up to 270 days.

**Timing:** May 2008

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#### BUSINESS SUMMARY

**Background:** Silver Cross Hospital ("SCH") is a 501(c)(3) corporation established under Illinois law.

**Description:** Silver Cross is a 300-bed hospital located in Joliet, Illinois, approximately 35 miles southwest of Chicago. SCH was recently recognized by Solucient as one of the 100 Top Hospitals in the United States and has a good reputation of providing a broad range of healthcare services, with substantial resources. Silver Cross has consistently gained market share and is the number two hospital in Will County, one of the most rapidly growing counties in the country. The county has experienced explosive growth over the past 15 years and projections suggest that strong growth will continue for the next 25 years.

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#### OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

**Project name:** Silver Cross Hospital  
1200 Maple Road  
Joliet, IL 60432

**Applicant:** Silver Cross Hospital

**Organization:** 501(c)(3) Not-for-Profit Corporation

**State:** Illinois

**Ownership/Board Members (501c3):**  
Carlstrom, Jack M.  
Curran, Connie

Gutierrez, Daniel, M.D.  
Hutchison, Douglas, Jr.  
Mahoney, George F., III  
McCowan, Al  
Morrissette, Steve  
Pawlak, Paul  
Rinella, Salvador M.D.  
Roof, James  
Sehring, Louis J.  
Sharma, Umesh, M.D.  
Slinkard, Russ  
Stofan, Mark

Inspire Staffing Group  
Mahoney, Silverman & Cross, LTD  
Senior Vice President, Habitat Co.  
First Community Bank of Joliet  
Silver Cross Hospital, President/CEO  
Silver Cross Hospital  
President, First Midwest Bank

Joliet Region Chamber of Commerce & Ind.,  
Stofan Agazzi & Company, Inc.

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	TBD	Chicago	
Bond Counsel:	Jones Day	Chicago	Rich Tomei
Co-Underwriter:	Lehman Brothers	New York	Craig Kornett
Co-Underwriter:	UBS Securities LLC	New York	Rondy Jennings
Underwriter's Counsel:	Sonnenschein & Nath	Chicago	Mary Wilson
Bond Trustee:	Wells Fargo	Chicago	Patricia Martirano
Accountant	KPMG	Chicago	
Issuer's Counsel:	Chapman & Cutler	Chicago	Chuck Jarik
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

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**LEGISLATIVE DISTRICTS**

Congressional: 11-Gerald C. "Jerry" Weller  
State Senate: 43 – Arthur J. (A.J.) Wilhelmi  
State House: 86 – Jack McGuire

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**SERVICE AREA**

Silver Cross Hospital is located near Highway 6 in Joliet, Illinois, approximately 37 miles southwest of the City of Chicago. The primary service area of the Hospital provided approximately 71% of its admissions during calendar year 2004, and includes the surrounding Will County communities of Joliet, Elwood, Lockport, Homer Glen, Manhattan and New Lenox (the "Primary Service Area"). The secondary service area extends about 20 miles beyond the Primary Service Area, and consists of the communities of Bolingbrook, Braidwood, Channahon, Coal City, Frankfort, Lemont, Minooka, Mokena, Monee, Morris, Orland Park, Plainfield, Romeoville, Tinley Park and Wilmington (the "Secondary Service Area").

**ILLINOIS FINANCE AUTHORITY**  
**BOARD SUMMARY**  
**April 8, 2008**

**Project: DePaul University**

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**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

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**BOARD ACTION**

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

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**VOTING RECORD**

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

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**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").

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**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.

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**VOTING RECORD**

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

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**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>

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**JOBS**

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

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### 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 current rate based on market conditions as of 3/18/2008 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. DePaul will be meeting with S&P during the week of 3/31 and will be requesting both short-term and long-term ratings. The IFA Series 2008 Bonds will be rated by Moody's and S&P. 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 and Standard & Poor's (S&P). DePaul will be meeting with S&P during the week of 3/31 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).
- Closing Date:** June 3, 2008 through August 31, 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.
- Based on the current market for fixed rate bonds (i.e., as of 3/20/2008), DePaul and its Underwriter (Lehman Brothers) have determined that current fixed rates for tax-exempt bond debt suggest that timing is 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).

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### PROJECT SUMMARY FOR PRELIMINARY 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 to pay costs of issuance and fund any reserves necessary to issue the proposed bonds (collectively referred to as the "Project").

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**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 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 attached (see p. 6).

**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 and Loop Campuses 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 were established and have expanded to satisfy a growing demand for higher 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 former 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.

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**ECONOMIC DISCLOSURE STATEMENT**

**Applicant/** DePaul University, 55 East Jackson Boulevard, Chicago, Illinois 60604-4101; [www.depaul.edu](http://www.depaul.edu)  
**Contacts:** (1) Doug Stanford, Director of Treasury Operations, Ph.: 312/ 362-6714; [dstanford@depaul.edu](mailto:dstanford@depaul.edu)  
(2) Elizabeth Honold, Senior Financial Analyst, Ph.: 312/362-8868; [ehanold@depaul.edu](mailto:ehanold@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 attached list of Board of Trustees (see p. 5)*

Current Land

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

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**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 (Tentative):	Rice Financial Products Company Samuel A. Ramirez and Company	Chicago, IL Chicago, IL	Adrienne Archia Fernando Grillo
Underwriter's Counsel:	Foley & Lardner LLP	Chicago, IL	Chris Knight
Trustee and Paying Agent:	To be determined	Chicago, IL	
Rating Agencies:	Moody's Investors Service Standard & Poor's	New York, NY New York, NY	
IFA Counsel: IFA Financial Advisors:	Burke Burns & Pinelli Ltd. D.A. Davidson & Co. Scott Balice Strategies, Inc.	Chicago, IL Chicago, IL Chicago, IL	Steve Welcome Bill Morris Lois Scott

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**LEGISLATIVE DISTRICTS**

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

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**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

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
April 8, 2008**

**Project: Loyola University Chicago  
Commercial Paper Revenue Notes**

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**STATISTICS**

Number:	E-PC-TE-CD-8044	Amount:	\$242,150,000 (not to exceed) aggregate total with no more than \$95,000,000 outstanding at any one time as described in the Board Action section of this report.
Type:	501(c)(3) Commercial Paper Notes	IFA Staff:	Townsend S. Albright
Location:	Chicago (Cook County)	Region:	Northeast

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**BOARD ACTION**

Final Resolution	No Extraordinary conditions
Conduit not for profit Commercial paper Notes	Staff recommends approval
No IFA funds at risk	

Although a the aggregate amount of IFA Commercial Paper Revenue Notes (the "Notes") that may be outstanding at any one time cannot exceed \$95,000,000, this Resolution will authorize an aggregate principal amount not to exceed \$242,150,000 that may be issued from time to time as part of an ongoing Tax-Exempt Commercial Paper Revenue Notes financing program undertaken by Loyola University Chicago through the Illinois Finance Authority to finance discrete projects identified herein. A list of projects is included in the Project Summary section of this report.

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**VOTING RECORD**

Loyola University Chicago has requested to come before the IFA Board for one-time final approval because the University is refunding auction-rate bonds in addition to new project money.

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**PURPOSE**

Proceeds will be used to refund (i) \$34,800,000 IFA Revenue Bonds, Series 2004B, (ii) fund all or a portion of the capital projects located within its Lake Shore and Watertower campuses.

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**IFA PROGRAM AND CONTRIBUTION**

501(c)(3) Bonds are a form of tax-exempt 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.

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**VOLUME CAP**

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

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**JOBS**

Current employment:	2430 FTEs, 1012 PTEs	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	250 (24 months)

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**ESTIMATED SOURCES AND USES OF FUNDS**

Sources:	IFA Commercial Paper	\$95,000,000	Uses:	Project costs	\$60,200,000
				Refunding	<u>34,800,000</u>
Total		<u>\$95,000,000</u>	Total		<u>\$95,000,000</u>



**FINANCING SUMMARY**

**Security:** Direct Pay Letter of Credit from JP Morgan Chase Bank, N.A., Chicago, IL. The Bank's ratings are Moody's "Aaa", and Standard & Poors "AA". The short term rates are VMIG-1, and S & P A-1

**Structure:** The CP Notes will be sold at an interest rate that will mature between 1 and 270 days and will be subject to extension (i.e., "rollover") upon maturity for an additional term and interest rate to be determined by Banc of America Securities LLC (the "CP Dealer").

**Collateral:** The bonds will be secured by a general obligation pledge of the University. The University's outstanding bond issues are rated "A-" by Standard & Poor's.

**Maturity:** The CP Revenue Notes will mature every 1 to 270 days and will be subject to extension based on renewal of the one-year Direct Pay Letter of Credit securing the Notes. IFA's Bond Resolution will authorize ongoing rollover of the Notes for a period of up to five years from the date of the initial closing.

**Interest Rate** The interest rate and maturities on the CP Notes will bear an interest rate determined by the maturity (i.e., between 1 and 270 days) set by the CP Dealer. Interest will be paid at the end of each maturity based on the par amount outstanding. 30-Day Tax-Exempt Commercial Paper was priced at approximately 2.20% to 3.00% as of 03/19/08. (See above ratings.)

Loyola intends to periodically refinance outstanding balances of its CP Revenue Notes with rated (or credit enhanced) long-term IFA bond issues. These bond issues would be presented to the IFA Board on a stand-alone basis and issued as standard, IFA, long-term conduit bond issues conforming in structure and documentation to existing long-term IFA conduit bond issues originated on behalf of Loyola University.

**PROJECT SUMMARY**

Proceeds will be used to refund the University's outstanding 2004-B Auction Rate Bonds issued through the Illinois Finance Authority, and to fund, with certain other funds, various campus projects located throughout the University's Lake Shore and Water Tower campuses. Only portions of some mix of the capital projects will be funded with the commercial paper proceeds. The proposed list of capital projects is as follows:

<b>Projects</b>	<b>Total Cost</b>	<b>Maximum Bond/Lease Amount</b>	<b>Other Sources</b>
Clare build-out	\$5,200,000	\$4,000,000	\$1,200,000
Santa Clara	\$13,300,000	\$10,000,000	\$3,300,000
Mundelein Center	\$63,200,000	\$40,000,000	\$23,200,000
Gentile Center	\$12,200,000	\$10,000,000	\$2,200,000
Information Commons	\$32,000,000	\$25,600,000	\$6,400,000
Cudahy Lounge	\$3,000,000	\$2,500,000	\$500,000
North Campus Playfield	\$3,000,000	\$2,000,000	\$1,000,000
Quinlan 4th Floor build-out	\$3,000,000	\$2,500,000	\$500,000
6241 N Winthrop	\$4,500,000	\$3,420,000	\$1,080,000
6308 N Winthrop & 6246 N Kenmore	\$8,000,000	\$7,880,000	\$120,000
YMCA lot & adjacent properties	\$55,000,000	\$35,000,000	\$20,000,000
Chicago Ave Development	\$12,000,000	\$10,000,000	\$2,000,000
Coffey Hall	\$4,500,000	\$4,500,000	\$0
Law School Renovations	\$12,700,000	\$10,000,000	\$2,700,000
Granada Center Office Renovations	\$2,400,000	\$2,000,000	\$400,000
1120-1122 W. Loyola	2,400,000	\$1,500,000	\$900,000
6229 N. Winthrop	5,750,000	\$4,000,000	\$1,750,000
<b>Total</b>	<b>\$242,150,000</b>	<b>\$174,900</b>	<b>\$67,250</b>

The purpose of the refunding portion of the proposed financing is to convert the Auction Rate bonds to commercial paper with a bank letter of credit. Although there could be some cash flow reduction by extending maturities of that portion of the proposed financing, combining the refunding with new money will achieve bond issuance cost savings.

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### BUSINESS SUMMARY

- Background:** Loyola University Chicago (the "Applicant", "Loyola") is a private, co-educational not-for-profit institution of higher education, research, and healthcare founded in 1870 by the Society of Jesus (Jesuits) as St. Ignatius College. The University is the third largest independent institution of higher education in Illinois on the basis of its total enrollment of approximately 15,500 full time and part time students, of whom approximately 60.0% are from Illinois and approximately 40.0% who are from other states and foreign countries on four campuses, including three in Chicago and one in Rome, Italy.
- Description:** The University is a coeducational institution offering undergraduate, graduate, and professional degree-granting programs. The University's controlled affiliate, Loyola University Health System (Health System), is an Illinois not for profit corporation which controls various health-related entities including Loyola University Medical Center, an Illinois not for profit corporation (LUMC), which was created in 1995 and owns and operates the Foster G. McGraw facility on the Medical Center campus. Through agreements with the University, LUMC provides clinical and teaching facilities for the University's health sciences education programs. In addition to the Health Systems, the University controls Loyola Management Company, which holds certain real estate, and Mundelein College, which is largely inactive, but also holds certain real estate. Loyola University Health System (LUHS) has a wholly-owned subsidiary, Loyola University of Chicago Insurance Company (LUCIC), which is a for-profit insurance company domiciled in the Cayman Islands which is not exempt from federal income taxes. LUCIC provides medical malpractice insurance for LUHS, which is a wholly-owned subsidiary of the University. The University is governed by a 38-member Board. A list of members is included for IFA Board review.

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### OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT

- Applicant:** Loyola University Chicago  
**Project names:** Refunding and New Money Financing Projects, Series 2008.  
**Locations:** 820 N. Michigan Avenue, and 1050 W. Sheridan Road, Chicago, Cook County, Illinois  
**Contact Person:** Susan Bodin, Director, Strategic Financing & Risk Management, 312-915-7454  
**Organization:** 501(c)(3) Corporation  
**State:** Illinois  
**Board:** List attached for IFA Board review.

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### PROFESSIONAL & FINANCIAL

- |                                      |                               |             |                    |
|--------------------------------------|-------------------------------|-------------|--------------------|
| <b>Counsel:</b>                      | In House                      | Chicago     | Ellen Kane Munro   |
| <b>Borrower's Counsel:</b>           | Jones Day                     | Chicago     | William J. Harmon  |
| <b>Accountants:</b>                  | Deloitte & Touche LLP         | Chicago     | Chris Terhark      |
| <b>Bond Counsel:</b>                 | Chapman and Cutler            | Chicago     | Nancy Burke        |
| <b>Issuer's Counsel</b>              | Pugh, Jones, Johnson & Quandt | Chicago     | Scott Bremer       |
| <b>CP Dealer/:</b>                   | Bank of America               | Chicago     | Michelle Salomon   |
| <b>Placement Agent</b>               | Securities LLC                |             |                    |
| <b>CP Dealer's Counsel:</b>          | Peck, Shaffer & Williams, LLP | Chicago     | George Buzzard     |
| <b>LOC Bank:</b>                     | JPMorgan Chase Bank, N.A.     | Chicago, IL | Peter Coburn       |
| <b>Trustee:</b>                      | US Bank                       | Chicago     | Grace Gorka        |
| <b>University Financial Advisor:</b> | Office of Kenneth A. Kerzner  | Chicago     | Kenneth A. Kerzner |
| <b>IFA Financial Advisors:</b>       | D.A. Davidson & Co.           | Chicago     | Bill Morris        |
|                                      | Scott Balice Strategies, Inc. | Chicago     | Lois Scott         |

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**LEGISLATIVE DISTRICTS**

Lake Shore Campus:

Congressional: 09, Janice Schakowsky  
State Senate: 07, Carol Ronen  
State House: 14, Harry Osterman

Water Tower Campus:

Congressional: 07, Danny K. Davis  
State Senate: 03, Mattie Hunter; 13, Kwame Raoul  
State House: 05, Kenneth Duncan; 26, Elga L. Jefferies

Loyola University Chicago  
Board of Trustees

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<b>Mrs. Rhonda D. Cartwright</b> Vice President of Business and Finance Loyola University New Orleans	<b>Mrs. Ruthellyn Musil</b> Sr. Vice President, Corporate Relations Tribune Company	<b>Mr. John W. Higgins</b> Chairman and CEO  Higgins Development Partners	<b>Mr. Raymond F. Simon</b> Chairman  Helen Brach Foundation
<b>Mr. Anthony L. Chirchirillo</b> CEO Chirch Global, LLC	<b>Mr. Terry E. Newman</b> Partner Katten Muchin Rosenman,	<b>Mr. Frank Hogan, III</b> President Emeritus The Latin School of Chicago	<b>Mr. Michael D. Sullivan</b> Chairman M.S. Wilett, Inc.
<b>Sr. Margaret Mary Cosgrove, B.V.M.</b> Treasurer  Sisters of Charity of the Blessed Virgin Mary	<b>Mr. Allan J. Norville</b> President  Financial Associates Inc.	<b>Mrs. Christina M. Johnson- Wolff</b> President  Christina Johnson & Associates	<b>Mrs. Terese Terry</b> Business Information Specialist Lippincott Library- Wharton School,
<b>Mrs. Rosemary Croghan</b> Civic Volunteer	<b>Mr. Robert L. Parkinson,</b> Chairman & CEO, Baxter International	<b>Mr. Richard J. Klarchek</b> President and CEO, Capital First Realty, Inc	<b>Ms. Cheryl T. Thomas</b> President, Ardmore Associates
<b>Mr. John F. Cuneo, Jr.</b> President, The Cuneo Foundation - Milwaukee Golf Corporation	<b>Mr. Joseph A. Power, Jr.</b> Partner, Power Rogers Smith, P.C.	<b>Mr. William C. Kunkler, III</b> Executive Vice President, CC Industries Inc.	<b>Rev. Michael V. Tueth, S.J.</b> Associate Chair & Associate Prof., Dept of Communication and Media Studies Fordham University
<b>Mr. William M. Daley</b> Chairman, Midwest Region, JPMorgan Chase	<b>Mr. Michael R. Quinlan</b> (Chairman), Former Chairman and CEO, McDonald's Corporation	<b>Mr. Gregory A. LeVert</b> Chairman, Concentrix Corporation	<b>Mr. Edward Wanandi</b> Chairman, Trailmobile Corporation
<b>Mr. Ronald E. Daly,</b> Retired CEO	<b>Rev. Michael J. Garanzini,</b> S.J., President, Loyola University Chicago	<b>Mr. John E. Rooney,</b> President and CEO, U.S. Cellular Corporation	<b>Rev. Kevin W. Wildes, S.J.,</b> President, Loyola University New Orleans
<b>Rev. Daniel L. Flaherty,</b> S.J., Assistant for Business and Finance, Chicago Province of the Society of Jesus			

# ILLINOIS FINANCE AUTHORITY

## MEMORANDUM

**MEMO TO:** IFA Board of Directors

**FROM:** Pam Lenane and Dana Sodikoff

**DATE:** April 8, 2008

**RE:** Amendatory Resolution for OSF Healthcare System Series 2005A&B IFA Bonds and Series 2007 B,C&D IFA Bonds

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On February 12, 2008, the Authority passed a resolution approving the conversion by OSF Healthcare System of the Auction Rate periods for their Series 2005A&B Bonds and Series 2007C&D Bonds from 28-day Auction Periods to 7-day Auction Periods and to change the Auction Dates in order to lower interest costs. (OSF's bond counsel had indicated that IFA Board approval was required under the bond documents for this conversion.)

The Series 2005A&B Bonds and the 2007C&D Bonds have now each been converted to 7-day Auction Periods. The Series 2007B were issued as Auction Rate Securities with 7-day Auction Periods.

In order to lower interest costs further, OSF is now requesting approval to amend the February 12, 2008 resolution to authorize the conversion of the above bonds, as well as the Series 2007B bonds to Auction Periods of any length permitted under the Bond Indentures, including but not limited to Auction Periods of up to 270 days, which is currently being contemplated by OSF Healthcare System.

In connection with these proposed changes, OSF is seeking IFA Board approval to:

- (1) Convert the Auction Rate period for the Series 2005A&B Bonds and Series 2007 B, C&D Bonds from 7-day Auction Periods to Auction Rate Periods of any length permitted under the Bond Indentures, including but not limited to Auction Periods of up to 270 days, in accordance with the procedures set forth in the Bond Indentures; and
- (2) Authorize the Executive Director to execute and deliver all documents necessary to change the auction periods as described in the resolution.

**IFA AMENDATORY RESOLUTION NO. 2008-04-19**

**A RESOLUTION TO AMEND IFA NO. 08-02-14 TO REQUEST TO CONVERT THE LENGTH OF THE AUCTION RATE PERIOD OF SERIES 2005A&B IFA BONDS AND SERIES 2007 B, C&D IFA BONDS**

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

**WHEREAS**, on February 12, 2008, the Authority passed resolution Number 2008-02-14 (the “Original Resolution”) regarding the conversion of the interest rates on certain bonds issued for the benefit of OSF Healthcare System, an Illinois not for profit corporation (the “Borrower”); and

**WHEREAS**, on September 20, 2005, the Authority issued (i) \$53,925,000 in aggregate principal amount of its Revenue Refunding Bonds, Series 2005A (OSF Healthcare System) (the “Series 2005A Bonds”) and (ii) \$53,825,000 in aggregate principal amount of its Revenue Refunding Bonds, Series 2005B (OSF Healthcare System) (the “Series 2005B Bonds” and, together with the Series 2005A Bonds, the “Series 2005 Bonds”), pursuant to a Bond Trust Indenture dated as of September 15, 2005 (the “Series 2005 Bond Indenture”) between the Authority and Wells Fargo Bank, N.A., as bond trustee, in order to (i) advance refund a portion of the outstanding Illinois Health Facilities Authority Revenue Bonds, Series 1999 (OSF Healthcare System), (ii) fund a debt service reserve fund and (iii) pay certain expenses incurred in connection with the issuance of the Series 2005 Bonds, including the premium for municipal bond insurance policies issued by Financial Security Assurance (“FSA”); and

**WHEREAS**, on August 29, 2007, the Authority issued (i) \$40,000,000 in aggregate principal amount of its Revenue Bonds, Series 2007B (OSF Healthcare System) (Auction Rate Securities) (the “Series 2007B Bonds”), (ii) \$65,000,000 in aggregate principal amount of its Revenue Bonds, Series 2007C (OSF Healthcare System) (Auction Rate Securities) (the “Series 2007C Bonds”), and (iii) \$65,000,000 in aggregate principal amount of its Revenue Bonds, Series 2007D (OSF Healthcare System) (Auction Rate Securities) (the “Series 2007D Bonds” and, together with the Series 2007B Bonds and the Series 2007C Bonds, the “Series 2007 Bonds”) pursuant to a Bond Trust Indenture dated as of August 1, 2007 (the “Series 2007 Bond Indenture”) between the Authority and Wells Fargo Bank, N.A., as bond trustee, in order to (i) pay or reimburse the Borrower for, or refinance outstanding indebtedness the proceeds of which were used for, the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Borrower, (ii) fund a debt service reserve fund, (iii) pay a portion of the interest on the Series 2007 Bonds, (iv) refinance certain taxable indebtedness of the Borrower, the proceeds of which were used for the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Borrower, (v) current refund all of the outstanding principal amount of the Illinois Health Facilities Authority Variable Rate Demand Revenue Bonds, Series 2002 (OSF Healthcare System), and (vi) pay certain expenses incurred in connection with the issuance of the Series 2007 Bonds, including the premium for a municipal bond insurance policy from FSA; and

**WHEREAS**, the Original Resolution approved, among other things, the change in the length of the Auction Periods (as defined in the Series 2005 Bond Indenture and the Series 2007 Bond

Indenture) for the Series 2005 Bonds, the Series 2007C Bonds and the Series 2007D Bonds in response to current adverse market conditions for auction rate securities such as the Series 2005 Bonds and the Series 2007 Bonds; and

**WHEREAS**, the Series 2007B Bonds were issued as auction rate securities with 7-day Auction Periods; and

**WHEREAS**, the Series 2005 Bonds, the Series 2007C Bonds and the Series 2007D Bonds were issued as auction rate securities with 28-day Auction Periods and have each been converted to 7-day Auction Periods; and

**WHEREAS**, the Borrower has requested that the Authority amend the provisions of the Original Resolution in order to authorize the conversion of the Series 2005 Bonds and the Series 2007 Bonds to Auction Periods of any length permitted under the Series 2005 Bond Indenture and the Series 2007 Bond Indenture, respectively, including but not limited to Auction Periods of up to 270 days as is currently contemplated by the Borrower; and

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

1. Based solely on the request and direction of the Borrower, the Authority authorizes and approves the conversion of the Series 2005 Bonds and the Series 2007 Bonds from 7-day Auction Periods to Auction Periods of any length that are permitted under the terms of the Series 2005 Bond Indenture and the Series 2007 Bonds Indenture, respectively, provided that all such conversions are permitted under the terms of the Series 2005 Bond Indenture and the Series 2007 Bond Indenture and such conversions are implemented in accordance with the terms and conditions of the Series 2005 Bond Indenture and the Series 2007 Bond Indenture.
2. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents as may be necessary to carry out and comply with the provisions of these resolutions, 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 Series 2005 Bond Indenture or the Series 2007 Bond Indenture 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 2005 Bonds and the Series 2007 Bonds.
3. This resolution is intended to confer additional authority to act under the Original Resolution and the Original Resolution shall remain in full force and is hereby ratified, provided, that the Original Resolution is hereby amended to the extent that it is not consistent with this resolution.

**ADOPTED** this 8<sup>th</sup> day of April, 2008 by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Illinois Finance Authority

ATTEST:

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Secretary

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Executive Director

[SEAL]



# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Richard K. Frampton

Date: April 8, 2008

Re: Amendatory Resolution to Increase Not-to-Exceed Amount of Inducement Resolution for Overton Gear & Tool, Inc. from \$7.0 million to \$10.0 million

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The Illinois Finance Authority's Board of Directors approved a Preliminary Bond Resolution for Overton Gear & Tool, Inc. for an amount not-to-exceed \$7.0 million at the February 2008 Board Meeting.

After discussing further with Bond Counsel (Ice Miller LLP) and their Lender/Bond Purchaser (GE Capital Government Finance, Inc.), Overton is increasing the amount of their request from an amount not-to-exceed \$7.0 million to \$10.0 million. This would enable Overton to remain eligible for reimbursement for up to \$10 million of capital expenditures pursuant to the Internal Revenue Code.

The Village of Addison is expected to transfer 100% of the Village's 2008 allocation (i.e., \$3,147,975) to support this financing. Additionally, the Village is also working with neighboring Home Rule Units to aggregate additional Volume Cap for this financing.

Like many small, leveraged, capital intensive manufacturing companies that are attempting to survive against worldwide competition, Overton is attempting to (i) modernize its equipment, (ii) increase production capacity, (iii) supplement its existing production capabilities, and (iv) control its other overhead expenses. This project will help Overton remain competitive long-term.

Staff recommends approval of this increase in the not-to-exceed amount subject to standard conditions as noted in the attached Amendatory Bond Resolution including: (1) by approving the Preliminary Bond Resolution in February and Amendatory Bond Resolution in April the Illinois Finance Authority is under no obligation to provide any Volume Cap for the Project, and (3) Overton has the option to obtain Volume Cap from Home Rule Units as needed, to finance this project with Bonds (and that it may be necessary to issue the subject Bonds in more than one series).

### **Changes from February Preliminary Bond Resolution:**

1. Increase in the not-to-exceed amount of Overton Gear & Tool's Preliminary Bond Resolution from \$7.0 million to \$10.0 million to allow Overton to prospectively finance additional equipment.
2. Overton has selected GE Capital Public Finance as Direct Lender/Investor for the proposed financing.

### **Attachments:**

1. Copy of Amendatory Bond Resolution and Memorandum of Understanding (review by Bond Counsel pending).
2. Copy of Revised IFA Board Report.

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
April 8, 2008**

**Project: Overton Gear & Tool Corporation**

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**STATISTICS**

IFA Project:	I-ID-TE-CD-8008	Amount:	\$10,000,000 (not-to-exceed amount)
Type:	Industrial Revenue Bonds	IFA Staff:	Rich Frampton
County/		Location:	Addison
Region:	DuPage County/Northeast		

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**BOARD ACTION**

Amendatory Bond Resolution  
Conduit Industrial Revenue Bonds  
Staff recommends approval

No IFA funds at risk  
No extraordinary conditions

Material Changes from Preliminary:

- Not-to-exceed amount increased from \$7.0 million to \$10.0 million to accommodate additional equipment acquisition (may necessitate issuance in more than one Series and additional 2008 and/or 2009 transferred Home Rule Volume Cap)
- The IFA Resolution provides that any financing will be subject to Volume Cap availability but that the Borrower retains the right to obtain and transfer Home Rule Volume Cap to the Authority to support this Project. This Resolution, as true with all IFA Preliminary Bond Resolutions, does not obligate the Authority to obtain or provide Volume Cap allocation for this financing. (Also see revised Volume Cap section – pp. 1-2.)
- All equipment has an estimated 10-year life
- See revised Sources and Uses Budget (p. 1).
- See revised Financial Summary (pp 6-7).

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**VOTING RECORD**

Preliminary Bond Resolution, February 12, 2008:

Ayes: 10 (via telephone: Leonard)

Nays: 0

Abstentions: 0

Absent: 5 (Boyles, DeNard, Fuentes, Herrin, Valenti)

Vacancies: 0

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**PURPOSE**

Acquisition of equipment to modernize and expand Overton Gear's production capacity. The Company has been turning away business due to a lack of production capacity. This project will improve the capacity and productivity of the Company's existing facility without increasing real estate overhead.

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**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.

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**VOLUME CAP**

Issuance of the Bonds would require an allocation of approximately \$10.0 million of Volume Cap. Both Overton and another prospective Addison IRB project are discussing the prospective transfer of Village's entire 2008 allocation (i.e., \$3,147,975) to IFA for these projects. Because of the prospective size of this financing is large, the Borrower understands that they may need to finance this project in one or more tranches as Volume Cap becomes available (including reallocations from Home Rule Units to IFA specifically for this project).

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**SOURCES AND USES OF FUNDS**

Sources:	IRB	\$10,000,000	Uses:	Project Cost	\$10,000,000
	Equity	<u>160,000</u>		Issuance Costs	<u>160,000</u>
	<b>Total</b>	<b><u>\$10,160,000</u></b>		<b>Total</b>	<b><u>\$10,160,000</u></b>

The financial summary section of this report explains the sources of project equity (see Page 6).

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**JOBS**

Current employment:	141	Projected new jobs:	20 (within 2 years)
Jobs retained:	141	Construction jobs:	Not applicable

Rationale: The proposed project will enable Overton Gear to increase its production capacity significantly, thereby reducing the Company's longstanding sales backlog. As a result of order backlogs, Overton has been turning away business. Furthermore, the upgraded equipment will help assure that Overton can manufacture products within specified tolerances and remain technologically competitive. The Company will be adding skilled and semi-skilled workers who will have an opportunity to ultimately own stock in the Company through the Overton Gear ESOP Trust (which owns 100% of the company's outstanding stock). Overton is a 100% employee-owned company.

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**FINANCING SUMMARY**

Direct Lender/  
 Bond Investor Security: The Direct Lender/Investor (i.e., GE Capital Government Finance, Inc.) will be secured by a blanket first security interest in all accounts receivable, inventory, and equipment that will be cross-collateralized and cross-defaulted with Overton's Line of Credit.

Structure: As proposed, the Bonds would be purchased directly by GE Government Finance, Inc. and held as a portfolio investment until maturity as Direct Lender/Investor.

Interest Rate: Fixed Rate Bonds to maturity (estimated interest rate of 4.25% based on current market conditions as of 3/24/2008)

Amortization: 10 Years

Timing: First tranche: prospectively in June 2008 – August 2008 (subject to availability of Volume Cap)

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**BUSINESS SUMMARY**

Description: **Overton Gear & Tool Corporation**, ("Overton" or the "Company") is an Illinois S Corporation originally established in 1955. The Company's founders established an ESOP Trust in 1985 to own 49% of the Company. In 2006, the Overton Gear ESOP Trust purchased the remaining 51% of the company's outstanding stock to become a 100% employee-owned company.

The Officers of the Company and the ESOP Trust are (1) Mr. Louis Ertel, President and CEO, (2) Mr. Kevin Walsh, VP-Operations, and (3) Mr. Peter LaMontagna, VP-Finance. All Overton employees receive annual beneficial stock ownership interest transfers in the ESOP Trust as a retirement benefit after completing one year of service.

Background: Overton Gear & Tool Corporation manufactures custom spur, helical, and bevel gears according to customer specifications. Overton's machinery cuts, grinds, and heat tempers its gears. *The Company specializes in custom gears for the marine, off-shore, locomotive, mining, wind energy, transportation, and construction industries, as well as various Original Equipment Manufacturers (OEMs).*

In recent years, Overton has diversified its product lines significantly (away from its original focus on locomotive gears) adding helical/spherical gears for wind energy turbines. Additionally, in 2005, Overton acquired the Illinois Gear Corp. division of Regal Beloit Corporation thereby adding bevel (i.e., right angle gears) to Overton's product mix. Overton also relocated Illinois Gear's bevel gear manufacturing machines to its Addison manufacturing facility, thereby adding bevel gears (i.e., right angle gears) to its product mix.

Following its 2005 acquisition of Illinois Gear, Overton has added gears designed for marine applications (e.g., thruster drive gears for cargo ships) and mining (e.g., gears used in stone crushers) to its product mix, thereby diversifying its sales base across new industries. These bevel gears are typically 85" to 100" in diameter.

Overton previously received \$3.1 million of IRB financing from IFA (IDFA) in 1994 that financed the acquisition of new manufacturing equipment and building improvements. Overton's remaining outstanding balance was approximately \$200,000 as of 12/31/2007 – all payments have been made as scheduled.

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### PROJECT SUMMARY

Bond proceeds will be used to finance (1) the acquisition and installation of various manufacturing equipment and fixtures (including but not limited to a new pit furnace, gear grinding machines, and other machinery and equipment) for use at the Overton Gear & Tool Corporation's existing approximately 130,000 SF manufacturing facility located at 530 Westgate Drive, Addison (DuPage County), IL 60101-4525, and to also pay bond issuance costs.

Estimated project costs are as follows (fixtures and equipment):

Pit Furnace	\$840,000
Gear Grinding Machines	4,400,000
Gear Generating Machines	3,615,000
Gear Hobber	<u>1,145,000</u>
<b>Total</b>	<b><u>\$10,000,000</u></b>

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### ECONOMIC DISCLOSURE STATEMENT

**Applicant:** Overton Gear & Tool Corporation (Contact: Mr. Pete LaMontagna, Vice President – Finance, 530 Westgate Drive, Addison, IL 60101-4525; Ph.: 630-543-9570, x263; Fax: 630-543-7440; e-mail: [petel@overtongear.com](mailto:petel@overtongear.com))  
**Web site:** [www.overtongear.com](http://www.overtongear.com)  
**Project name:** Overton Gear & Tool  
**Location:** 530 Westgate Drive, Addison, IL 60101-4525  
**Borrower:** **Overton Gear & Tool Corporation**  
**Organization:** Illinois S Corporation  
**Ownership:** **Overton Gear ESOP Trust: 100%;**

**ESOP Trustee:** Ms. Kjersti Cory, **First Bankers Trust**, 2321 Kochs Lane, Quincy, IL 62305; Ph.: 217-228-8060. (First Bankers Trust is based in Quincy and specializes in personal and other corporate trust serves, including ESOP's trusteeships. First Bankers Trust also has offices in Chicago, Philadelphia, and Phoenix. Web Site: [www.fbtsservices.com](http://www.fbtsservices.com))

There are no shareholders with a 7.5% or greater ownership interest in the Overton ESOP Trust (all individual participants in the ESOP Trust own beneficial ownership interest of less than 2.0% in the Overton Gear ESOP Trust).

**Management of Overton includes:**

Louis Ertel, President & CEO (and Board Member appointed by First Bankers Trust))  
Kevin Walsh, VP-Manufacturing (and Board Member appointed by First Bankers Trust)  
Peter LaMontagna, VP-Finance

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**PROFESSIONAL & FINANCIAL**

General Counsel:	McDermott, Will, and Emery	Chicago, IL	Mark Costa
Auditor:	Crowe Chizek	Oak Brook, IL	Alex Wodka
Bond Counsel:	Ice Miller LLP	Chicago, IL	Jim Snyder
Direct Lender/ Bond Purchaser:	GE Capital Government Finance, Inc.	Oak Brook, IL	
Lender's Counsel:	To be determined		
General Contractor:	Not applicable		
Paying Agent:	To be determined by GE Capital Government Finance, Inc.		
IFA Counsel:	Cahill Law	Chicago, IL	Kevin Cahill
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

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**LEGISLATIVE DISTRICTS**

Congressional:	6 Peter J. Roskam
State Senate:	23 Carole Pankau
State House:	46 Dennis Reboletti

**IFA AMENDATORY RESOLUTION NO. 2008-04-20**

**A RESOLUTION TO AMEND IFA RESOLUTION NO. 2008-02-12 TO  
REQUEST AN INCREASE IN THE NOT-TO-EXCEED AMOUNT OF  
ILLINOIS FINANCE AUTHORITY REVENUE BONDS ON BEHALF OF  
OVERTON GEAR AND TOOL CORPORATION FOR THE PURPOSES SET  
FORTH HEREIN FROM AN AGGREGATE PRINCIPAL AMOUNT  
PREVIOUSLY NOT-TO-EXCEED \$7,000,000 TO \$10,000,000  
IFA NO. I-ID-TE-CD-8008**

**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. 08-02-xx on behalf of Overton Gear and Tool Corporation, an Illinois corporation, (the "Borrower"), relating to an application for the issuance of Revenue Bonds by the Authority for the benefit of the Borrower in an amount not-to-exceed Seven Million and No/100 Thousand Dollars (\$7,000,000) (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 Overton Gear and Tool Corporation, an Illinois corporation, (the "Borrower"), a request to amend the application for the issuance of Revenue Bonds by the Authority for the benefit of the Borrower from Seven Million and no/100 Dollars (\$7,000,000) to an amount now estimated not-to-exceed Ten Million and No/100 Dollars (\$10,000,000) (the "Bonds"); and

**WHEREAS**, the Borrower's application has been amended in writing with respect to a "project" within the meaning of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as supplemented and amended (the "Act"), for the purpose of providing the Borrower with all or a portion of the funds for the purpose of financing or refinancing the costs of (i) the acquisition and installation of manufacturing equipment, (ii) the installation of fixtures and related renovation to the Borrower's existing approximately 130,000 SF manufacturing facility located at 530 Westgate Drive, Addison (DuPage County), IL 60101-4525, and (iii) to pay capitalized interest, costs of issuance, and other qualified professional fees, all as permitted by the Act (and, collectively, comprising the "Project"); and

**WHEREAS**, it is anticipated that all elements of this Project will be owned, operated or managed by Borrower to manufacture industrial gears; and

**WHEREAS**, it is anticipated that all elements of this Project will be owned, operated or managed by Borrower to manufacture industrial gears; and

**WHEREAS**, no expenditures relating to the Project for which the Borrower may seek reimbursement from the proceeds of the Bonds (the "Expenditures") have been made more than sixty (60) days prior to the adoption of this Preliminary Bond Resolution, and any further Expenditures will be made on or after the date that this Preliminary Bond Resolution is adopted; and

**WHEREAS**, a determination has been made by the Authority that its issuance of the Bonds for the Project will be consistent and in accord with the provisions and purposes of the Act; and

**WHEREAS**, each of the Members of the Authority present is familiar with the form of this Preliminary Bond Resolution; and

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

**Section 1. Approval.** The application of the Borrower is approved.

**Section 2. Adoption of Resolution.** The Chairman, the Vice Chairman, the Treasurer, any other Member, and the Executive Director of the Authority is authorized and directed to execute, and the Secretary or Assistant Secretary of the Authority (and for purposes of this Resolution, any person duly appointed to such offices on an interim basis) is authorized to seal and attest to the adoption of this Preliminary Bond Resolution and to do any and all things necessary or desirable in order to carry out the intention of the parties expressed herein.

**Section 3. Issuance of Bonds.** Upon final determination of the details of the financing and provided that, on or before February 28, 2011, the Authority and the Borrower shall have agreed to mutually acceptable terms for the Bonds and the contracts, agreements and proceedings related thereto, including, but not limited to a bond purchase agreement for the sale of the Bonds, and subject to the availability of Private Activity Volume Cap for the project, the Authority will use all reasonable efforts to take the further steps necessary, including, but not limited to, execution of said bond purchase agreement, to issue its Bonds on behalf of the Borrower to finance all or a portion of the Project in an amount now estimated not-to-exceed Ten Million and No/100 Dollars (\$10,000,000). The Borrower may also acquire available Volume Cap from Home Rule Units in one or more series over time.

**Section 4. Expenditure Reimbursement.** The Authority, on behalf of the Borrowers, reasonably expects to reimburse all or a portion of any Expenditures that may have been incurred with the proceeds of the Bonds.

**Section 5. Notice and Hearing.** The Executive Director of the Authority, or his or her designee, is hereby authorized, empowered and directed to cause notice to the public of a public hearing on the plan of financing for the Project to be published, such notice to be published at a time and in a manner determined by him to be appropriate and at least fourteen (14) days prior to the date on which such public hearing is to be held, and the Executive Director (or any officer, employee or agent of the Authority designated by the Executive Director) is further authorized, empowered and directed to hold the public hearing referred to in said notice.

**Section 6. Official Intent.** The Authority intends this Preliminary Bond Resolution to satisfy the requirements of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (the "Code"), and specifically Treasury Reg. §1.150-2(d), regarding the declaration by the Authority of its official intent to issue its revenue bonds for the purpose of reimbursing original expenditures (as that term is defined in Treasury Reg. §1.150-2(c)) incurred with respect to the Project within 60 days preceding the adoption of this Preliminary Bond Resolution.

Approved and effective this 8<sup>th</sup> day of April, 2008.

# ILLINOIS FINANCE AUTHORITY

## MEMORANDUM

**MEMO TO:** IFA Board of Directors

**FROM:** Pam Lenane and Dana Sodikoff

**DATE:** April 8, 2008

**RE:** Amendatory Resolution for Delnor-Community Hospital Revenue Refunding Bonds, Series 2008 authorizing the issuance of variable rate bonds

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On March 11, 2008, the Authority passed a final resolution approving the refunding by Delnor-Community Hospital of their Series 2002 and Series 2003 FSA insured auction rate bonds and Series 2006 FGIC insured auction rate bonds. This resolution authorized the refunding to fixed rate bonds.

The March 11, 2008 Board Summary report for Delnor-Community Hospital, which was reviewed by the Healthcare Committee and the Board provided for the refunding of the above-mentioned bonds either as fixed rate or variable rate demand bonds. The formal resolution that was presented to the Board, however, did not include authorization for variable rate bonds.

This Amendatory Resolution for Delnor-Community Hospital will conform to the March 11, 2008 Board Summary report and allow for the refunding to include variable rate bonds.



**IFA AMENDATORY RESOLUTION NO. 2008-04-21**

**A RESOLUTION TO AMEND IFA RESOLUTION NUMBER 2008-03-19 TO REQUEST  
THE AUTHORIZATION TO ISSUE VARIABLE RATE BONDS**

**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 March 11, 2008, the Authority passed Resolution Number 2008-03-19 (the “Original Resolution”) for the benefit of Delnor-Community Hospital, an Illinois not for profit corporation (the “Corporation”); and

**WHEREAS**, the Original Resolution authorized, among other things, the issuance of not to exceed \$165,000,000 in aggregate principal amount of Revenue Refunding Bonds, Series 2008 (Delnor-Community Hospital) (the “Series 2008 Bonds”) of the Authority and the execution and delivery of certain Authority Documents described therein; and

**WHEREAS**, Section 2 of the Original Resolution authorized certain terms and conditions applicable to Series 2008 Bonds bearing interest at fixed rates; and

**WHEREAS**, the Corporation has requested that the Authority amend the provisions of the Original Resolution in order to authorize the issuance of Series 2008 Bonds bearing interest at variable rates and the execution and delivery of the Variable Rate Bond Indenture and the Variable Rate Loan Agreement (as such terms are defined below); and

**WHEREAS**, drafts of (i) a Bond Trust Indenture (the “Variable Rate Bond Indenture”) between the Authority and The Bank of New York Trust Company, N.A., as bond trustee (the “Bond Trustee”), providing for the issuance thereunder of the Series 2008 Bonds and setting forth the terms and provisions applicable to the Series 2008 Bonds bearing interest at variable rates and (ii) a Loan Agreement (the “Variable Rate Loan Agreement”) between the Authority and the Corporation, under which the Authority will loan the proceeds of the Series 2008 Bonds to the Corporation, all as more fully described in the Loan Agreement, have been provided to and are on file with the Authority; and

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

1. All references in the Original Resolution to “Authority Documents” are hereby amended to include the Variable Rate Bond Indenture and the Variable Rate Loan Agreement.

2. Section 2 of the Original Resolution is hereby amended to include the following:

The Series 2008 Bonds, if bearing interest at variable rates, shall mature not later than 40 years from the date of their issuance, and shall have maturities or mandatory bond sinking fund redemption commencing no later than May 15, 2009. The Series 2008 Bonds, if bearing interest at variable rates, shall bear interest at rates not to exceed the maximum interest rate set forth in the Variable Rate Bond Indenture, and initially at a rate not to exceed 9.0% per annum, and shall be subject to purchase and tender and to optional, extraordinary and mandatory bond sinking fund redemption and be payable all as provided in the Variable Rate Bond Indenture.

3. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents as may be

necessary to carry out and comply with the provisions of this Resolution, 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 this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved.

4. This Resolution is intended to confer additional authority to act under the Original Resolution and the Original Resolution shall remain in full force and is hereby ratified, provided, that the Original Resolution is hereby amended to the extent that it is not consistent with this Resolution.

ADOPTED this 8<sup>th</sup> day of April, 2008 by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Illinois Finance Authority

ATTEST:

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Secretary

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Executive Director

[SEAL]

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Kristi Conrad

Date: April 8, 2008

Re: **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 L-GP-7018**

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### **The Request**

Central Macoupin County Rural Water District 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 \$225,000 to \$280,000 (or by \$55,000).

**The IFA Board approved the Central Macoupin County Rural Water District project on March 11, 2008.** Since that time, the District's Board determined that they would like to make additional water system improvements that were not originally anticipated. The improvements are related to additional piping that is needed for the District.

### **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.

It is also worth noting again: Central Macoupin County Rural 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. The escrow agreement was deemed necessary, due to the fact that the District does not have intercept state revenues to pledge.

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
April 8, 2008**

**Project: Macoupin County Health Department**

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**STATISTICS**

Project Number:	Amount: \$1,060,000 (not to exceed)
Type: Local Government Pooled Bond Program	IFA Staff: Eric Watson
County/Region: Macoupin / Central	City: Carlinville, Illinois

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**BOARD ACTION**

Final Bond Resolution  
No IFA Funds contributed  
Staff recommends approval

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**VOTING RECORD**

No prior voting record.

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**PURPOSE**

Funds will be utilized towards the purchase, renovation and supplying a school building in Gillespie for the purpose of providing medical, dental, and psychiatric care for Macoupin County residents.

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**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.

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**JOBS**

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

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**ESTIMATED SOURCES AND USES OF FUNDS**

Sources:	IFA Bonds	\$1,060,000	Uses: Building	\$ 1,025,000
			Underwriter Fee	18,020
			IFA Fee	2,650
			Local Bond Counsel	5,000
			Other	<u>9,330</u>
Total		<u>\$1,060,000</u>	Total	<u>\$1,060,000</u>

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**FINANCING SUMMARY/STRUCTURE**

The Bonds: The bonds will be Alternate Revenue Bonds, with the net revenues from the County Health Department pledged as the primary revenue source. In the event that the net revenues are insufficient to pay principal and interest on the bonds, the County has committed to collect ad valorem property taxes levied to pay debt service on the bonds. The County 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 County 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 County 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 County and are payable from (i) net revenues of the Health Department and (ii) ad valorem property taxes levied against all of the taxable property in the County without limitation as to rate or amount. The bonds will also be secured by the County's interceptable State revenues.

**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 August 1, 2008. The bonds are subject to redemption prior to maturity.

**Credit Enhancement:** Moral Obligation

**Maturity:** 20 years

**Estimated Closing:** Spring/Summer 2008

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#### PROJECT SUMMARY

Macoupin County (Health Department) is requesting funds for the purchase of an elementary school building located in Gillespie, Illinois. Financed funds will also be used for renovation, construction, and supplying the building for public health services. Services that will be offered out of the new site include: medical care, dental care and psychiatric care.

The new Gillespie site is a large part of the Macoupin County Public Health Department Community Health Initiative. The Initiative will bring comprehensive interdisciplinary prevention and primary health care services to all of the communities of Macoupin County. These services will be available to persons of all ages, who do not now have access. The services provided will include preventive screenings, mental health and dental health screenings, physical checkups and follow-ups, child and adult immunizations, chronic disease control including diabetes, asthma, cardiovascular disease and depressions, pharmacy assistance, dental care and psychiatric care. Uninsured adults and school age children will be the primary targets, but anyone wanting service will be served.

All public health services will be provided as well, including the WIC Program, Family Case Management Services, the Healthy Families Program and Teen Parent Services, Environmental Health Services, the Health Education. A Medical Transportation Program will also be provided for access to the Community Health Initiative Clinic and to referral sites as needed.

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#### BUSINESS SUMMARY

The Gillespie site is located in Macoupin County. The health department serves the entire 49,019 population of Macoupin County.

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#### OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

**Applicant:** Macoupin County  
**Project Location:** c/o Public Health Department 805 North Broad Street, Carlinville 62626-1075  
**Borrower:** Illinois Municipality  
**Public Health Director:** Kent Tarro

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#### PROFESSIONAL & FINANCIAL

**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	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

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**LEGISLATIVE DISTRICTS**

Congressional:  
State Senate:  
State House:

**IFA AMENDATORY RESOLUTION NO. 2008-04-22**

**A RESOLUTION TO AMEND IFA RESOLUTION NO. 2008-03-10 TO  
REQUEST AN INCREASE IN THE NOT-TO-EXCEED AMOUNT OF  
ILLINOIS FINANCE AUTHORITY REVENUE BONDS ON BEHALF OF  
CENTRAL MACOUPIN COUNTY RURAL WATER DISTRICT FOR THE  
PURPOSES SET FORTH HEREIN FROM AN AGGREGATE PRINCIPAL  
AMOUNT PREVIOUSLY NOT-TO-EXCEED \$225,000 TO \$280,000  
IFA NO. L-GP-7018**

**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. 08-03-10 on behalf of Central Macoupin County Rural Water District, an Illinois Rural Water District, (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 Twenty Five Thousand and No/100 Dollars (\$225,000) (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 Central Macoupin County Rural Water District, an Illinois Rural Water District, (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 Twenty-Five Thousand and no/100 Dollars (\$225,000) to an amount now estimated not-to-exceed Two Hundred Eighty Thousand and No/100 Dollars (\$280,000) (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.

**Approved and affective this 8<sup>th</sup> day of April, 2008.**

**ILLINOIS FINANCE AUTHORITY**

**AYES:**

**NAYS:**