Illinois Finance Authority

July 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
July 8, 2008
Chicago, Illinois

COMMITTEE OF THE WHOLE MEETING
8:30 a.m.
Illinois Finance Authority
180 N. Stetson, Suite 2555

- Opening Remarks
- Executive Director's Report
- Financials
- Staff Reports
- Project Reports
- Personnel Matters relating to Section 2(c)(1) of the Illinois Open Meetings Act (5 ILCS 5/2) and subsequent Board action appropriate thereto, including action necessary pursuant to 20 ILCS 3501/801-15
- Adjournment

BOARD MEETING
11:30 a.m.
Mid-America Club
200 E. Randolph Street, 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

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Beginning Farmer Bonds						
1	Randy Holkenbrink	Teutopolis	$44,600	0	0	ER
	Doug Holkenbrink	Teutopolis	$50,000	0	0	ER
	Tyler Shull	Hidalgo	$125,000	0	0	ER
Young Farmer Guarantee ***Final***						
2	Sandrock Land and Cattle, LLC	Rock Falls	$455,000	0	0	CEM
Specialized Livestock Guarantee ***Final***						
3	Sandrock Land and Cattle, LLC	Rock Falls	$934,500	0	0	CEM
TOTAL AGRICULTURE PROJECTS			$1,609,100	0	0	

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Industrial Revenue Bond ***Preliminary***						
4	F&F Holding, LLC and Murphy Machine Products, Inc.	Wood Dale	$5,000,000	11	10	SCM
5	Lapham-Hickey Steel Corporation	Bedford Park	$7,400,000	8	0	ST
6	Monarch Steel Company Inc., 1031 Caton Farm Road LLC, and a LLC to be formed	Crest Hill	$7,500,000	15	0	SCM
7	Regis Technologies, Inc.	Morton Grove	$10,000,000	40	25	RF
8	Transparent Container Co., Inc. and its successors, affiliates and assignees	Addison	$10,000,000	25	25	SCM
9	Vadeal Plastics USA, LLC	Bedford Park	$4,105,000	30	0	ST
TOTAL BUSINESS AND INDUSTRY PROJECTS			$44,005,000	129	60	

COMMUNITIES AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const	FM
501(c)(3) Bonds *Preliminary*						
10	Community Counseling Centers of Chicago, Inc. and its successors, affiliates and assignees	Chicago	$7,700,000	20	15	TA
11	The Lyric Opera of Chicago	Chicago	$3,500,000	16	50	TA
501(c)(3) Bonds *Final*						
12	The Chicago Horticultural Society	Glencoe	$30,000,000	13	55	TA
13	New Hope Center Inc.	Crete	$6,500,000	34	35	SCM
TOTAL COMMUNITIES AND CULTURE PROJECTS			$47,700,000	83	155	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const	FM
501(c)(3) Bonds *Preliminary*						
14	Bethany Methodist (North Suburban Campus)	Morton Grove	$40,000,000	50	40	PL/DS
501(c)(3) Bonds *Final*						
15	KishHealth System	DeKalb	$71,500,000	0	0	PL/DS
16	Friendship Village of Mill Creek, NFP	Geneva	$3,900,000	125	250	PL/DS
17	Northwest Community Hospital	Arlington Heights	$350,000,000	246	300	PL/DS
18	Norwegian American Hospital	Chicago	$24,500,000	12	20	PL/DS
Commercial Paper Revenue Notes *Final*						
19	OSF Healthcare System	Peoria	$16,000,000	30	50	PL/DS
TOTAL HEALTHCARE PROJECTS			$505,900,000	463	660	

HIGHER EDUCATION

Tab	Project	Location	Amount	New Jobs	Const	FM
501(c)(3) Bonds *Preliminary*						
20	North Central College	Naperville	$22,000,000	19	100	TA
501(c)(3) Bonds *Final*						
21	Lake Forest College	Lake Forest	$7,000,000	0	75	TA
TOTAL HIGHER EDUCATION PROJECTS			$29,000,000	19	175	
GRAND TOTAL			$628,214,100	694	1,050	

RESOLUTIONS

Tab	Project	FM
Amendatory Resolutions / Resolutions		
22	Ratification Resolution for Northwestern Memorial Hospital's conversion of the Illinois Finance Authority's $86,400,000 Variable Rate Demand Revenue Bonds, Series 2004B and $150,000,000 Variable Rate Demand Revenue Bonds, Series 2007B and to replace the Remarketing Agents for certain outstanding bonds of the Illinois Finance Authority.	PL/DS
23	A Resolution Authorizing Amendments to Financial Covenants of the Museum of Science and Industry ("MSI" or the "Borrower") to enable the Borrower to conform covenants on credit agreements for Series 1985 Cultural Pooled Loan Program and Series 1998 Bond.	RF
24	Amendatory Resolution to amend Bond Resolution (Marwen Foundation Project) by extending Final Maturity Date by five years.	RF
25	Request for an Amendatory Resolution to Amend a Resolution Adopted January 8, 2008 to Provide Preliminary Approval for an Increase in Authority to Issue Solid Waste Disposal Facilities Revenue Bonds and IFA Volume Cap from $26,131,0000 to $51,200,000 for Prairie Power, Inc	ST
26	Resolution Adopting the Budget of the Illinois Finance Authority for Fiscal Year 2009.	CM
27	Resolution with respect to the sucessor and sucessor duties of the Executive Director.	CM

Other

Adjournment

IFA
ILLINOIS FINANCE AUTHORITY

Governor, Rod R. Blagojevich
Executive Director, Kym M. Hubbard

180 North Stetson Ave
Suite 2555
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

Illinois Finance Authority
Executive Director's Report
July 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 $173,878,363 consisting of equity of $112,443,770 and liabilities of $61,434,593. This compares favorably to the June 2007 balance sheet of $151,584,689 in total assets comprising of $92,039,232 in equity and $59,545,456 in liabilities and bonds payable.

Gross Income YTD for June ended at $14,626,381 or $851,847 over plan. The above plan performance is primarily due to fee income and interest on loans. Total operating expenses ended at $9,201,705 or $1,090,046 below plan. This is primarily due to a reduction in our professional services and employee related expenses. Net income ended at $20,404,538 including the $2,000,000 grant received in July 2007, $9,000,000 from State Appropriations for the Fire Truck Revolving Fund and $4,000,000 for the Ambulance Revolving Fund received in May, 2008.

Audit and Compliance

The fiscal year 2007 interim audit field work is complete. The auditors are expected to be back in August/September to complete the FY 2008 audit.

Attached is a status update on the resolution for the FY 07 compliance audit findings for your review.

Sales Activities

Funding Managers will be presenting 21 projects totaling $628,609,100 for approval in July, 2008. Agriculture projects total $1,609,100; Business and Industry total $44,400,000; Communities and Culture projects total $47,700,000; Healthcare projects total $505,900,000; and Higher Education projects total $29,000,000. These projects are expected to create 681 new jobs and 1,195 construction jobs.

Agriculture:

During the month of June 2007, the Agriculture team was afforded great opportunities to expand and build on relationships with lenders from community banks across the State. The Agriculture team began the month of June by attending the annual Community Bankers Ag Lending Conference in Springfield, Illinois. Approximately 75 lenders from across the State attended the two day conference. The IFA was provided space for an informational booth, which was visited by many of the lenders in attendance. A designated member of the Agriculture team was selected to moderate a four person panel to discuss risk management issues for Ag lenders.

Additionally, the Agriculture team attended the Champaign County Agribusiness Committee meeting, which promoted the Wine industry in Illinois, as well as attended an outing sponsored by Prairie Power. The month ended with members of the Agriculture team participating in the State at the Illinois Bankers Association's annual conference in Chicago. The conference provided the opportunity for members of the Agriculture team to meet with lenders from across the State of Illinois and maintain an informational booth for the Authority.

Agriculture Closings, June 2008		
Closing Date	Issuance$$	Borrower
06/20/08	$82,500	Cave, Andrew Thomas
06/20/08	$200,000	Cave, Adam
06/20/08	$90,000	Peter, Ragan
06/20/08	$30,000	Ochs, Mark J.
06/20/08	$100,000	Breeze, Michael & Peggy
06/27/08	$241,200	Klauser, Lance L.

Healthcare:

In June, the Healthcare team closed five large financing transactions that were prompted by the need to refund and/or convert auction rate bonds. Most Illinois health systems that have issued auction rate bonds have now refunded or converted their auction rate debt into another mode.

During the month of June, 2008, the Healthcare team attended the Illinois Hospital Associations' Small and Rural Hospital Constituency Conference in Springfield, Illinois. At the conference, members of the Healthcare team met and spoke with several small and rural hospitals to discuss possible upcoming bond financings and equipment financings. Additionally, members of the Healthcare team spoke with Kewanee Hospital, a Critical Access hospital in Kewanee, Illinois, that issued tax-exempt bonds in 2006 to finance their replacement hospital. The new Kewanee Hospital is now open and the management team indicated that they were very pleased with the financing transaction.

The Healthcare team is continuing to speak with investment bankers and financial advisors to generate new ideas for a program to extend the Healthcare Initiative to safety-net hospitals and that have been experiencing financial difficulties.

Lastly, Loop Capital Markets has been chosen by Northwestern Memorial Hospital as the Remarketing Agent for their Series 2004C-4 of approximately $35,000,000 weekly Variable Rate Demand Bonds, which is currently being converted from auction rate securities under the Conversion Resolution passed by the Board on March 11, 2008.

Healthcare Closings, June 2008		
Closing Date	Issuance$$	Borrower
06/04/08	$59,090,000	Delnor-Community Hospital, Series 2006 Refunding
06/05/08	$100,000,000	Resurrection Health Care
06/17/08	$42,500,000	Swedish Covenant Hospital, Series 2008B
06/17/08	$127,410,000	Hospital Sisters Services, Inc.
06/18/08	$88,030,000	Silver Cross Hospital

Higher Education

The Higher Education team continues to collect information from Illinois colleges and universities to use as the team develops a financing program that could combine short term and long term financing components for financing campus renovations.

Higher Education Closings, June 2008		
Closing Date	Issuance$$	Borrower
06/04/08	$95,000,000	Loyola University Chicago [Commercial Paper]
06/24/08	$30,410,000	Illinois Wesleyan University [Refund IEFA 2003]
06/25/08	$7,307,000	St. Augustine College
06/25/08	$25,000,000	St. Xavier University
06/25/08	$46,880,000	DePaul University, Series 2008
06/25/08	$125,000,000	Northwestern University

Communities and Culture

The Communities and Culture team met with Officers of Bank of America Securities Midwest Marketing Team to learn how and if the Bank's investment banking arm plans to pursue non profit financings. Bank of America acquired LaSalle Bank's corresponded banks, and their key investment banking personnel. Bank of America wants to pursue large and mid-sized non profit financings throughout Illinois, and hopes to work with the IFA as a conduit financier.

Community & Culture Closings, June 2008

Closing Date	Issuance$$	Borrower
06/12/08	$22,500,000	Chicagoland Laborers Training and Apprentice Fund

Business & Industry

Consistent with seasonal increases in Industrial Revenue Bond activity, application activity for Industrial Revenue Bonds are up as reflected in new applications for Industrial Revenue Bond financings on the July 2008 Board Meeting Agenda. July is likely to be the peak month for new requests this year.

Recent IFA prospects are doing well in this economy, including companies that (i) manufacture components for multi-national Original Equipment Manufacturers (OEMs), (ii) manufacture component parts used in the oil/gas drilling and mining industries, and (iii) companies in the the food service industry that manufacture products used by the food service industry. The ongoing focus on production quality is also resulting in demands for equipment modernization. Equipment-driven improvements in production efficiency and quality represent an essential part of capital budgeting for many manufacturing companies.

Participation Loan demands has also slowed, reflecting concerns regarding the overall economy. Given existing vacancy rates for available manufacturing and warehouse space (with significant space available for lease at reasonable rates, particularly Downstate), equipment upgrades remain the principal focus of many manufacturers.

Business & Industry Closings, June 2008

Closing Date	Issuance$$	Borrower
06/27/08	$49,830,000	Commonwealth Edison, Series 2008E

Energy

Construction continues to advance on the Prairie Energy Campus project, a 1,600 megawatt electric generation plant located in Washington County that will owned by a consortium of nine owners. In December 2007 and January 2008, the Authority gave its preliminary approval for the issuance of Solid Waste Disposal Facilities Revenue Bonds for three owners. One of the applicants, Prairie Power, is preparing to issue bonds for its share of the Project in late August or September, 2008. Prairie Power is seeking IFA's preliminary approval this month to increase the size of that issue of low-interest rate bonds, which, if approved, would enable Prairie Power to offer its Central Illinois clients with electricity at reduced prices.

Power Holdings and Tenaska are both awaiting the passage of new state legislation prior to advancing their projects. Power Holdings is seeking legislation that would raise the cap in rates payable by regulated natural gas utilities that enter into long-term gas purchase agreements. Tenaska is seeking legislation that permits regulated utilities to enter into long-term power contracts. That legislation may also include a provision that encourages regulated utilities to purchase power from Integrated Gasification Combined Cycle ("IGCC") power plants (of which the Erora-Tenaska project is one), which many environmentalists prefer over other power generation technologies.

Market conditions for ethanol and biodiesel plants remain difficult, primarily due to continued increase in the cost of corn and soy oil, the primary inputs, respectively, for most ethanol and biodiesel produced in the United States.

There were no Energy Closings for the month of June, 2008

Local Government

Local Government staff has participated in a few different round table seminars during the month of June, in addition to working on the necessary details to assure that the Local Government Pooled Bond Series 2008A closings will take place in July. In addition, the Local Government staff continues to meet with local governments, schools, private businesses, banks and not-for-profit organizations to further discuss lending options. The Local Government staff anticipates awarding at least 40 new zero-percent-interest fire truck revolving loans and 30 new ambulance revolving loans in fiscal year 2009 with the influx of $9 million and $4 million into the fire truck and ambulance revolving loan funds. Staff is investigating alternative local government programs that may be implemented in fiscal year 2009 that will offer new and additional financial support to Illinois school districts and local governments.

There were no Local Government Closings for the month of June, 2008

Human Resources/Operations

Human Resources: Management has completed the discrimination and harassment training. Discretionary bonus payments under the IFA Merit Compensation Plan were paid out to staff members who meet the qualifications approved under the new Merit Plan.

Venture Capital: The COO, attended Board meetings for ZuChem (Glycochemicals), Harmonic Vision (Educational Software Development and Publishing), and RiverGlass (Real-time Data Analysis Technology); and Smart Signal (Predictive Analytics) June meeting. Notes from the meetings were prepared and distributed to the Executive Director.
Legal documents regarding the sale of Protez (Pharmacueticals), one of IFA's venture capital investments, to Navartis were processed.

Facilities: Chicago office space and lease review project was completed.

Records Retention: Management and staff visited the State Record Retention Center in Springfield to review Illinois Farm Development Authority records scheduled for destruction.

Information Technology: Disaster recovery testing for IFA's accounting and e-mail systems was successfully completed.

Information Management: Work continues in three key areas: (1) documenting the business practices involved in developing and managing IFA deal flow (2) development of an Intranet for IFA, and (3) developing criteria for selecting contact management software.

Marketing/Public Relations

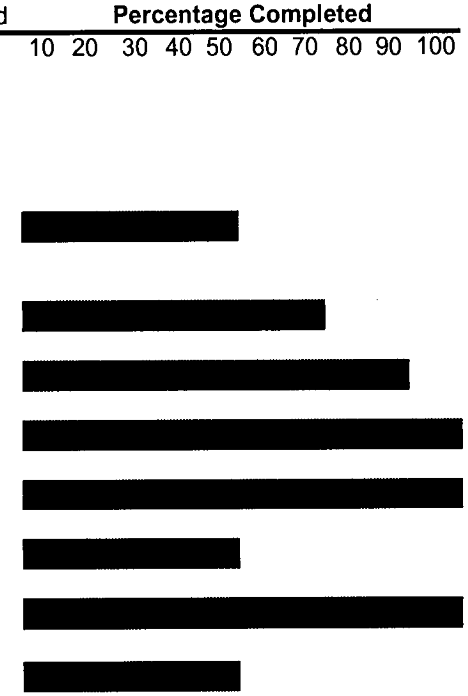
The third issue of the IFA News newsletter is scheduled to be released in July. Strategic planning continues, in June phase two meetings were completed in each market sector; functional and administrative areas will be addressed in July/Aug. The Authority's management information/data base development project continues to make excellent progress. We are defining deal-related information requirements and also beginning to develop the Authority's intranet.

FOIA requests in June:

- T. Novak, Sun-Times – Financial team information and cost of issuance for IFA bonds - Completed
- Lowenstein – Documents related to B. Obama
- Lowenstein – Documents regarding D. Shomon
- Robinson, API – Documents regarding Rezko and related companies
- Boyd - Documents regarding Rezko and related companies
- Garland - Documents regarding Rezko and related companies
- T. Novak, Sun-Times - Documents related to B. Obama
- Hernandez, SEIU – Re: 1985 Revolving Fund Pooled Financing program

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

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



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

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

Item Number	Description	Estimated Completion Date	Status Action Items/ (not final) Action Items Completed	Percentage Completed
Total Number of 9				
FY 07 Immaterial Findings				
IM07-01	Approval of Incomplete Travel and Marketing Reimbursement Forms	6/30/2008	**5/3**	
IM07-02	Inadequate Processing and Untimely Deposit of Cash Receipts and Refunds	4/30/2008	**4/4**	
IM07-03	Corrected Agency Workforce Report was not Filed Timely	4/30/2008	**4/4**	
IM07-04	Use of Telecommunications Devices Not Properly Monitored	4/30/2008	**3/3**	
IM07-05	Outdated Investment Report	4/30/2008	**4/4**	
IM07-06	Allowance of Old Accounts Receivable Not Performed	7/31/2008	**4/3**	
IM07-07	Statement of Economic Interest Report Not Filed Timely	4/30/2008	**4/4**	
IM07-08	Failure to File for a Refund of Telephone Excise Tax	4/30/2008	**2/2**	
IM07-09	Noncompliance with Printing Requirements	4/30/2008	**2/2**	

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

ILLINOIS FINANCE AUTHORITY

COMPARISON June 2008 TO June 2007
FINANCIAL STATEMENTS

ASSETS

- Total Assets increased by $22.3 M due to:

    1. An increase on our loan portfolio due to the amount of the loans made totaling $7.8M, an increase on our cash balance due to the payoff of loans of $1.6M, an increase in fee revenue and an increase due to a State Appropriation for our Fire truck and Ambulance Revolving Funds totaling $13.0M.

LIABILITIES

- Total Liabilities

1. Total liabilities increased by $1.8. M due to a bond issuance of $8.9 M for local government bond pool in fiscal year 2008 and a reduction in the pool, due to principal payments of $7.1M.

REVENUE/EXPENSES

- Revenue

Gross revenue for fiscal year 2008 ended at $14,626,381 or $338,807 below fiscal year 2007 this is primarily due a decrease in our investment interest income.

- Expenses

Expenses ended at $9,201,705 or $1,548,037 lower than fiscal year 2007 due to:

1. Professional services decreased by $1,052,674 or 19.5% due a reduction on our legal fees.
2. Employee related decreased by $189,283 or 5.2% due to the vacancies and the new incentive plan.
3. Loan loss provision decreased by $368,420 or 47.9%
4. All other expenses increased by a minimal margin, but the net effect was favorable.

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

	Actual June 2008	Budget June 2008	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2008	Budget YTD FY 2008	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2008	% of Budget Expended
REVENUE										
INTEREST ON LOANS	283,578	286,047	(2,469)	-0.86%	3,864,079	3,526,320	337,759	9.58%	3,526,320	109.58%
INVESTMENT INTEREST & GAIN(LOSS)	103,339	208,132	(104,793)	-50.35%	2,310,383	2,499,176	(188,793)	-7.55%	2,499,176	92.45%
ADMINISTRATIONS & APPLICATION FEES	797,386	1,262,863	(465,477)	-36.86%	7,245,822	6,530,805	715,017	10.95%	6,530,805	110.95%
ANNUAL ISSUANCE & LOAN FEES	63,056	82,257	(19,201)	-23.34%	957,627	1,038,859	(81,232)	-7.82%	1,038,859	92.18%
OTHER INCOME	16,204	14,947	1,257	8.41%	248,470	179,364	69,106	38.53%	179,364	138.53%
TOTAL REVENUE	1,263,564	1,854,246	(590,682)	-31.86%	14,626,381	13,774,524	851,857	6.18%	13,774,524	106.18%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	146,196	297,160	(150,964)	-50.80%	2,971,703	3,732,896	(761,193)	-20.39%	3,732,896	79.61%
BENEFITS	29,247	24,988	4,259	17.04%	279,547	310,439	(30,892)	-9.95%	310,439	90.05%
TEMPORARY HELP	3,370	2,500	870	34.81%	76,502	30,000	46,502	155.01%	30,000	255.01%
EDUCATION & DEVELOPMENT	-	500	(500)	0.00%	3,553	6,000	(2,447)	-40.78%	6,000	59.22%
TRAVEL & AUTO	7,766	12,489	(4,723)	-37.82%	117,514	150,000	(32,486)	-21.66%	150,000	78.34%
TOTAL EMPLOYEE RELATED EXPENSES	186,578	337,637	(151,059)	-44.74%	3,448,818	4,229,335	(780,517)	-18.45%	4,229,335	81.55%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	(14,991)	87,348	(102,339)	-117.16%	762,040	1,048,000	(285,960)	-27.29%	1,048,000	72.71%
LOAN EXPENSE & BANK FEE	204,835	206,257	(1,422)	-0.69%	2,737,804	2,578,138	159,666	6.19%	2,578,138	106.19%
ACCOUNTING & AUDITING	25,839	29,327	(3,488)	-11.89%	388,009	351,946	36,063	10.25%	351,946	110.25%
MARKETING GENERAL	5,012	20,837	(15,825)	-75.95%	52,932	250,000	(197,068)	-78.83%	250,000	21.17%
FINANCIAL ADVISORY	24,000	24,550	(550)	-2.24%	295,372	290,000	5,372	1.85%	290,000	101.85%
CONFERENCE/TRAINING	1,280	2,087	(807)	0.00%	6,023	25,000	(18,977)	-75.91%	25,000	24.09%
MISC. PROFESSIONAL SERVICES	-	9,167	(9,167)	0.00%	49,555	110,004	(60,449)	-54.95%	110,004	45.05%
DATA PROCESSING	5,437	2,913	2,524	86.65%	56,303	35,000	21,303	60.87%	35,000	160.87%
TOTAL PROFESSIONAL SERVICES	251,412	382,486	(131,074)	-34.27%	4,348,039	4,688,088	(340,049)	-7.25%	4,688,088	92.75%

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

	Actual June 2008	Budget June 2008	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2008	Budget YTD FY 2008	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2008	% of Budget Expended
OCCUPANCY COSTS										
OFFICE RENT	25,686	26,194	(508)	-1.94%	289,784	314,350	(24,566)	-7.81%	314,350	92.19%
EQUIPMENT RENTAL AND PURCHASES	3,919	4,420	(501)	-11.33%	63,316	49,680	13,636	27.45%	49,680	127.45%
TELECOMMUNICATIONS	4,542	7,087	(2,545)	-35.91%	71,840	85,000	(13,160)	-15.48%	85,000	84.52%
UTILITIES	773	987	(214)	-21.72%	12,584	11,800	784	6.65%	11,800	106.65%
DEPRECIATION	7,249	6,638	611	9.21%	78,428	77,194	1,234	1.60%	77,194	101.60%
INSURANCE	(593)	2,000	(2,593)	-129.64%	14,949	24,000	(9,051)	-37.71%	24,000	62.29%
TOTAL OCCUPANCY COSTS	41,576	47,326	(5,750)	-12.15%	530,901	562,024	(31,123)	-5.54%	562,024	94.46%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	5,114	8,750	(3,636)	-41.55%	88,861	105,000	(16,139)	-15.37%	105,000	84.63%
BOARD MEETING - EXPENSES	4,121	2,570	1,551	60.35%	53,726	39,000	14,726	37.76%	39,000	137.76%
PRINTING	(426)	1,200	(1,626)	-135.52%	14,048	14,400	(352)	-2.45%	14,400	97.55%
POSTAGE & FREIGHT	1,952	2,063	(111)	-5.39%	28,850	24,800	4,050	16.33%	24,800	116.33%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,655	3,337	(1,682)	-50.41%	43,743	40,000	3,743	9.36%	40,000	109.36%
PUBLICATIONS	67	300	(233)	-77.74%	2,083	3,600	(1,517)	-42.14%	3,600	57.86%
OFFICERS & DIRECTORS INSURANCE	14,524	14,750	(226)	-1.53%	176,291	177,000	(709)	-0.40%	177,000	99.60%
MISCELLANEOUS	1,822	38	1,784	0.00%	57,721	500	57,221	11444.18%	500	11544.18%
TOTAL GENL & ADMIN EXPENSES	28,829	33,008	(4,179)	-12.66%	465,323	404,300	61,023	15.09%	404,300	115.09%
LOAN LOSS PROVISION/BAD DEBT	33,333	33,337	(4)	-0.01%	400,620	400,000	620	0.15%	400,000	100.15%
OTHER										
INTEREST EXPENSE	644	644	(0)	-0.02%	8,004	8,004	(0)	0.00%	8,004	100.00%
TOTAL OTHER	644	644	(0)	-0.02%	8,004	8,004	(0)	0.00%	8,004	100.00%
TOTAL EXPENSES	542,373	834,438	(292,065)	-35.00%	9,201,705	10,291,751	(1,090,046)	-10.59%	10,291,751	89.41%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	721,191	1,019,808	(298,617)	-29.28%	5,424,675	3,482,773	1,941,902	55.76%	3,482,773	155.76%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	(1,250)	(16,663)	15,413	-92.50%	(20,138)	(200,000)	179,862	-89.93%	(200,000)	10.07%
REVENUE GRANT	-	-	-	0.00%	2,000,000	-	2,000,000	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	13,000,000	-	13,000,000	0.00%	-	-
NET INCOME/(LOSS)	719,941	1,003,145	(283,204)	-28.23%	20,404,538	3,282,773	17,121,765	521.56%	3,282,773	621.56%

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

	Actual June 2008	Actual June 2007	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2008	Actual YTD FY 2007	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	283,578	662,466	(378,889)	-57.19%	3,864,079	3,508,906	355,173	10.12%
INVESTMENT INTEREST & GAIN(LOSS)	103,339	262,846	(159,507)	-60.68%	2,310,383	2,784,136	(473,753)	-17.02%
ADMINISTRATIONS & APPLICATION FEES	797,386	884,838	(87,452)	-9.88%	7,245,822	6,915,243	330,579	4.78%
ANNUAL ISSUANCE & LOAN FEES	63,056	85,402	(22,345)	-26.17%	957,627	1,094,975	(137,349)	-12.54%
OTHER INCOME	16,204	(12,061)	28,265	-234.36%	248,470	661,928	(413,458)	-62.46%
		-						
TOTAL REVENUE	1,263,564	1,883,492	(619,928)	-32.91%	14,626,381	14,965,187	(338,807)	-2.26%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	146,196	303,339	(157,143)	-51.80%	2,971,703	3,045,619	(73,916)	-2.43%
BENEFITS	29,247	22,581	6,666	29.52%	279,547	313,846	(34,299)	-10.93%
TEMPORARY HELP	3,370	11,089	(7,719)	-69.61%	76,502	104,245	(27,743)	-26.61%
EDUCATION & DEVELOPMENT	-	-	-	0.00%	3,553	7,652	(4,100)	-53.57%
TRAVEL & AUTO	7,766	12,455	(4,689)	-37.65%	117,514	166,739	(49,225)	-29.52%
TOTAL EMPLOYEE RELATED EXPENSES	186,578	349,463	(162,885)	-46.61%	3,448,818	3,638,102	(189,283)	-5.20%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	(14,991)	212,032	(227,023)	-107.07%	762,040	1,737,676	(975,637)	-56.15%
LOAN EXPENSE & BANK FEE	204,835	633,659	(428,823)	-67.67%	2,737,804	2,776,000	(38,195)	-1.38%
ACCOUNTING & AUDITING	25,839	59,811	(33,972)	-56.80%	388,009	395,921	(7,911)	-2.00%
MARKETING GENERAL	5,012	30,042	(25,030)	-83.32%	52,932	92,105	(39,172)	-42.53%
FINANCIAL ADVISORY	24,000	(16,991)	40,991	-241.26%	295,372	236,205	59,168	25.05%
CONFERENCE/TRAINING	1,280	225	1,055	468.89%	6,023	20,262	(14,239)	-70.27%
MISC. PROFESSIONAL SERVICES	-	69,000	(69,000)	0.00%	49,555	102,728	(53,173)	-51.76%
DATA PROCESSING	5,437	7,242	(1,805)	-24.92%	56,303	39,817	16,486	41.40%
TOTAL PROFESSIONAL SERVICES	251,412	995,020	(743,608)	-74.73%	4,348,039	5,400,713	(1,052,674)	-19.49%

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

	Actual June 2008	Actual June 2007	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2008	Actual YTD FY 2007	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	25,686	25,576	110	0.43%	289,784	305,776	(15,992)	-5.23%
EQUIPMENT RENTAL AND PURCHASES	3,919	5,938	(2,019)	-34.00%	63,316	50,769	12,546	24.71%
TELECOMMUNICATIONS	4,542	6,923	(2,381)	-34.39%	71,840	81,478	(9,638)	-11.83%
UTILITIES	773	1,115	(343)	-30.73%	12,584	12,605	(21)	-0.17%
DEPRECIATION	7,249	12,194	(4,945)	-40.55%	78,428	54,739	23,689	43.28%
INSURANCE	(593)	1,881	(2,474)	-131.51%	14,949	17,289	(2,340)	-13.53%
TOTAL OCCUPANCY COSTS	41,576	53,628	(12,051)	-22.47%	530,901	522,656	8,245	1.58%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	5,114	6,583	(1,468)	-22.31%	88,861	100,719	(11,858)	-11.77%
BOARD MEETING - EXPENSES	4,121	4,761	(640)	-13.44%	53,726	45,087	8,639	19.16%
PRINTING	(426)	660	(1,086)	-164.58%	14,048	17,001	(2,953)	-17.37%
POSTAGE & FREIGHT	1,952	1,496	455	30.43%	28,850	24,852	3,998	16.09%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,655	1,757	(102)	-5.81%	43,743	41,670	2,073	4.98%
PUBLICATIONS	67	5	62	1291.04%	2,083	8,233	(6,150)	-74.70%
OFFICERS & DIRECTORS INSURANCE	14,524	14,746	(222)	-1.51%	176,291	166,208	10,082	6.07%
MISCELLANEOUS	1,822	1,500	322	0.00%	57,721	6,906	50,815	735.87%
TOTAL GENL & ADMIN EXPENSES	28,829	31,508	(2,679)	-8.50%	465,323	410,676	54,647	13.31%
LOAN LOSS PROVISION/BAD DEBT	33,333	352,109	(318,776)	-90.53%	400,620	769,040	(368,420)	-47.91%
OTHER								
INTEREST EXPENSE	644	690	(46)	-6.69%	8,004	8,555	(551)	-6.44%
TOTAL OTHER	644	690	(46)	-6.69%	8,004	8,555	(551)	-6.44%
TOTAL EXPENSES	542,373	1,782,418	(1,240,045)	-69.57%	9,201,705	10,749,742	(1,548,037)	-14.40%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	721,191	101,073	620,117	613.53%	5,424,675	4,215,446	1,209,230	28.69%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	(1,250)	(9,428)	8,178	-86.74%	(20,138)	(226,097)	205,959	-91.09%
REVENUE GRANT	-	-	-	0.00%	2,000,000	-	2,000,000	0.00%
APPROPRIATIONS FROM STATE	-	-	-		13,000,000	-	13,000,000	0.00%
NET INCOME/(LOSS)	719,941	91,645	628,295	685.57%	20,404,538	3,989,348	16,415,189	411.48%

Illinois Finance Authority
Consolidated
Balance Sheet
for the Twelve Months Ending June 30, 2008

	Actual June 2007	Actual June 2008	Budget June 2008	Variance to budget
ASSETS				
CASH & INVESTMENTS, UNRESTRICTED	$ 26,909,010	$ 33,673,779	26,291,016	7,382,763
LOAN RECEIVABLE, NET	85,263,033	88,700,484	88,157,125	543,359
ACCOUNTS RECEIVABLE	519,533	290,940	500,000	(209,060)
OTHER RECEIVABLES	1,334,103	1,219,653	1,484,000	(264,347)
PREPAID EXPENSES	170,877	173,328	190,000	(16,672)
TOTAL CURRENT ASSETS	114,196,556	124,058,184	116,622,141	7,436,043
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	260,507	157,546	290,643	(133,098)
DEFERRED ISSUANCE COSTS	800,273	691,818	749,540	(57,722)
OTHER ASSETS				
CASH, INVESTMENTS & RESERVES	27,747,740	39,550,520	28,271,864	11,278,656
VENTURE CAPITAL INVESTMENTS	5,554,091	5,738,223	7,054,090	(1,315,867)
OTHER	3,025,522	3,682,072	3,044,243	637,829
TOTAL OTHER ASSETS	36,327,353	48,970,815	38,370,197	10,600,618
TOTAL ASSETS	$ 151,584,689	$ 173,878,363	156,032,521	17,845,841
LIABILITIES				
CURRENT LIABILITIES	1,485,029	773,049	1,290,356	(517,307)
LONG-TERM LIABILITIES	58,060,427	60,661,544	59,211,345	1,450,199
TOTAL LIABILITIES	59,545,456	61,434,593	60,501,701	932,892
EQUITY				
CONTRIBUTED CAPITAL	36,061,462	36,061,462	36,061,462	0
RETAINED EARNINGS	15,015,018	17,921,049	17,982,392	(61,343)
NET INCOME / (LOSS)	3,989,349	20,404,538	3,282,773	17,121,765
RESERVED/RESTRICTED FUND BALANCE	24,279,992	25,491,190	25,510,781	(19,591)
UNRESERVED FUND BALANCE	12,693,412	12,565,531	12,693,412	(127,881)
TOTAL EQUITY	92,039,232	112,443,770	95,530,820	16,912,950
TOTAL LIABILITIES & EQUITY	$ 151,584,688	$ 173,878,363	$ 156,032,521	17,845,841

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

as of 6/30/2008

Loan #	Borrower Name	Due Date	Current Principal Balance	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 + Days
Participations									
10041	NEWLINE HARWOODS, INC	2/4/2008	$171,093.38	.00	.00	.00	171,093.38	.00	.00
10049	SHULTS MACHINE	4/5/2007	$144,288.11	.00	.00	.00	.00	.00	144,288.11
2				.00	.00	.00	171,093.38	.00	144,288.11
Municipalities									
10098	ADAMS COUNTY WATER	2/1/2008	$173,000.00	.00	.00	.00	14,587.08	.00	.00
1				.00	.00	.00	14,587.08	.00	.00
3				.00	.00	.00	185,680.46	.00	144,288.11

MINUTES OF THE JUNE 10, 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 2:30 p.m. on June 10, 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
James J. Fuentes
Edward H. Leonard, Sr.
Terrence M. O'Brien
Juan B. Rivera
Joseph P. Valenti
Bradley A. Zeller

Members absent:
Ronald E. DeNard
Dr. Roger D. Herrin
Lynn F. Talbott

Vacancies:
2

Members participating by telephone:
April D. Verrett

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 2:31 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 nine (9) members physically present, and one (1) member on the telephone Ms. Burgess Jones declared a quorum present.

Chairman's Report

Chairman Brandt thanked fellow Board members and guests for coming. Chairman Brandt stated that all projects being presented at today's meeting were reviewed by all members of the Board at the Committee of the Whole meeting held at 11:30 a.m. today.

Acceptance of Financial Statements

Financial statements for the period ending May 31, 2008 were presented to members of the Board and accepted by the Board. Chairman Brandt stated that the Authority's financial statements were reviewed at the regularly scheduled Committee of the Whole Meeting held today at 11:30 a.m. Chairman Brandt requested a motion to approve the May 31, 2008 financials. Motion was moved by Mr. O'Brien and seconded by Mr. Rivera. The financials were approved by a roll call vote with 10 ayes, 0 nays, and 0 abstentions.

Minutes

Chairman Brandt announced that the next order of business was to approve the minutes of the May 13, 2008 Meeting of the Board. Chairman Brandt announced that the May 13, 2008 minutes were approved at the regularly scheduled Committee of the Whole Meeting held today at 11:30 a.m. Chairman Brandt requested a motion to approve the minutes. Motion was moved by Mr. Goetz and seconded by Dr. Barclay. Secretary, Burgess Jones, took a roll call vote for approval of the minutes. The minutes were approved by a roll call vote with 10 ayes, 0 nays, and 0 abstentions.

Chairman Brandt announced that the next board meeting of the Illinois Finance Authority will be held on Tuesday, July 8, 2008 in Chicago, Illinois and, that all meeting dates for FY 2009 will soon be published and can also be found on the Illinois Finance Authority's web-site. Chairman Brandt then asked Director Hubbard to give the Director's Report.

Executive Director's Report

Director Hubbard welcomed and thanked all guests for coming. Director Hubbard reported that the Authority's financial position remains strong with total assets over $173 million. Director Hubbard also reported that year-to-date gross income for May, 2008 ended at over $13 million, which is $1.4 million above plan, and that net income ended at $19.7 million, which includes a $2M grant and state appropriations for the Fire Truck Revolving Loan Fund and the Ambulance Revolving Loan Fund. Director Hubbard reported that nine (9) projects were being presented today that total $412,960,000, and that projects being presented today are expected to create approximately 237 new jobs and 870 construction jobs.

Projects

Chairman Brandt asked Director Hubbard to present the following projects for consideration to the Board:

No. 1: <u>**A-FB-TE-CD-8087 – Kelby Eubank**</u>
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $160,000.00 to provide permanent financing to purchase approximately 60 acres of farmland. This project is located in Willow Hill, Illinois. **(08-06-01).**

No. 2: <u>**N-NP-TE-CD-8084 – Achievement Unlimited, Inc.**</u>
Request for final approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed $5.4 million. Bond proceeds will be used to finance the purchase of fourteen existing facilities that are currently leased by the applicant. This project is expected to create approximately 35 new jobs. This project is located in Beardstown, Danville, Galesburg, Greenville, Hardin, Havanna, Milledgeville, Quincy, Rockford and Williamsfield, Illinois. **(08-06-02)**.

No. 3: **A-N-PS-TE-CD-8085 – Northwestern University**

Request for final approval of 501(c)3 Bonds in an amount not-to-exceed $125 million. Proceeds will be used to finance the construction and rehabilitation of buildings and facilities used in the course of the University's program of instruction. This project is expected to create approximately 350 construction jobs. This project is located in Chicago and Evanston, Illinois. **(08-06-03)**.

No. 4: **N-PS-TE-CD-8068 – St. Augustine College**

Request for final approval of 501(c)3 Bonds in an amount not-to-exceed $8 million. Proceeds will be used to refinance outstanding indebtedness to significantly reduce debt service payments and improve cash flow, and to fund professional issuance costs. This project is located in Chicago, Illinois. **(08-06-04)**.

No. 5: **E-PC-TE-CD-8059 – Saint Xavier University**

Request for final approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed $26 million. Bond proceeds will be used to finance the acquisition and renovation of two off-campus buildings, the construction and equipping of a new student housing facility, and the acquisition and demolition of an existing building, and the construction of a 4-story building for student housing and retail space. This project is expected to create 15 new jobs and 50 construction jobs. This project is located in Chicago, Illinois. **(08-06-05)**.

No guests attended with respect to Project Nos. 1 through 5. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1 through 5. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1 through 5. Leave was granted. Project Nos. 1 through 5 received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 6: **N-ND-TE-CD-8092 – Jewish Federation of Metropolitan Chicago, Jewish Charities Revenue Anticipation Note Program, Series 2008-2009A, 2008-2009B**

Request for final approval of 501(c)3 Revenue Anticipation Notes in an amount not-to-exceed $40 million to provide cash management savings to the Federation to be used to expand services provided to its affiliated organizations, and to pay issuance costs. This project is located in Buffalo Grove, Chicago, Skokie, Flossmoor, Highland Park, Northbrook, Evanston, Wilmette, Glenview, Lake Zurich, and Vernon Hills, Illinois. **(08-06-06)**.

Chairman Brandt requested a motion to adjourn the meeting at approximately 2:43 p.m., to briefly discuss matters concerning Project No. 6, Jewish Federation of Metropolitan Chicago, Jewish Charities Revenue Anticipation Notes Program, Series 2008-2009A, 2008-2009B. The motion was moved by Vice Chairman Goetz and seconded by Mr. Valenti.

A brief discussion ensued concerning the Board's request for additional financials subject to the final approval of Project No. 6, Jewish Federation of Metropolitan Chicago, Jewish Charities Revenue Anticipation Notes Program, Series 2008-2009A, 2008-2009B. The meeting re-convened at approximately 2:46 p.m.

Chairman Brandt then asked if the Board had any questions concerning Project No. 6. There being none, Chairman Brandt asked Secretary Burgess Jones to take a roll call vote for final approval of Project No. 6. Project No. 6 received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 7: **H-HO-TE-CD-8090 – Advocate Health Care Network**

Request for preliminary approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed $180 million. Bond proceeds will be used to finance the cost of the acquisition of certain assets of Condell Medical Center, fund new money projects at Advocate Condell Medical Center, and pay issuance costs. This project is expected to create approximately 200 construction jobs. This project is located in Libertyville, Illinois. **(08-06-07)**.

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

No. 8: **H-SL-RE-TE-CD-8093 – Friendship Village of Mill Creek, NFP**

Request for preliminary approval of the issuance of Conduit 501(c)3 Bond Anticipation Notes in an amount not-to-exceed $3.9 million. Bond proceeds will be used to fund the pre-construction costs of the continuing care retirement community known as GreenFields of Geneva, comprised primarily of the design, development, and marketing costs of the Project, and to pay issuance costs. The project is expected to create approximately 175 new jobs, and 250-350 construction jobs. This project is located in Geneva, Illinois. **(08-06-08)**.

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 8. Ms. Pamela Lenane, Vice President, introduced Mr. Stephen A.Yenchek and Mr. Robert M. Alston. Messrs. Yenchek and Alston thanked members of the board for their consideration and support. Chairman Brandt then asked if the Board had any questions for Messrs. Yenchek and Alston. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 8. Leave was granted. Project No. 8 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

No. 9: **H-HO-TE-CD-8094 – Norwegian American Hospital**

Request for preliminary approval of the issuance of Conduit 501(c)3 Bonds in an amount not-to-exceed $24.5 million. Bond proceeds will be used to pay or reimburse Norwegian American Hospital for the cost of various construction and renovation projects including, without limitation, an Outpatient Imaging Center, a Women's Center of Excellence, required upgrades to the sprinkler and fire alarm system, and other renovations. Bonds proceeds will also be used to pay or reimburse the Borrower for the payment and cost of acquiring certain capital equipment, to refinance the Borrower's FA Series 2005B Bonds in the approximate amount of $3.5 million, and to fund a debt service reserve fund and pay certain related expenses. This project is expected to create approximately 12 new jobs and 20 construction jobs. This project is located in Chicago, Illinois. **(08-06-09)**.

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

Amendatory Resolutions

No. 10: **TG-IL, Inc.** An Amendatory Resolution to request an increase in the loan amount from $287,000 to $325,000. The original loan was requested to finance the acquisition and refurbishment of a commercial building located in Peoria, Illinois.

No. 11: **DePaul University Commercial Paper Revenue Notes.** An Amendatory Resolution to request that the Authority approve additional financing for an additional project comprised of an educational facility to be finance, refinanced or reimbursed from proceeds of the Notes.

No. 12: **First Friends Daycare.** An Amendatory Resolution to amend the Lease Installment Agreement and related matters for First Friends Daycare.

No. 13: **Local Government 2008A Pooled Bonds.** An Amendatory Resolution to reflect changes in the structure of the Local Government 2008A Pool.

Chairman Brandt asked if the Board had any questions with respect to Amendatory Resolutions Nos. 10 through 13. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Amendatory Resolutions Nos. 10 through 13. Leave was granted. Resolutions Nos. 10 through 13 received approval with 10 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 Mr. Zeller and seconded by Vice Chairman Goetz, the meeting adjourned at approximately 2:58 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: July 8, 2008

Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolutions for each attached project
- **Amounts:** Up to $250,000 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: $219,600.00**
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - convey tax-exempt status
    - will use dedicated 2008 IFA Volume Cap set-aside for Beginning Farmer transactions
- **IFA Fees**:
  - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
  - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's Bank
  - The Borrower's Bank will be secured by the Borrower's assets, as on a commercial loan
  - Interest rates, terms, and collateral are negotiated between the Borrower and the Participating Bank, just as with any commercial loan
  - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd**
  Stephen F. Welcome, Esq.
  Three First National Plaza, Suite 4300
  Chicago, IL 60602

Project Number:	**A-FB-TE-CD-8098**
Funding Manager:	Eric Reed
Borrower(s):	**Holkenbrink, Randy**
Town:	Teutopolis, IL
Amount:	$44,600
Use of Funds:	Farmland – 35 acres (1/2 interest)
Purchase Price:	$66,223.50 / ($1,892 per ac)
%Borrower Equity	33%
%Other Agency	0%
%IFA	67%
County/Region:	Jasper / Southeastern
Lender/Bond Purchaser	Teutopolis State Bank / Dirk Bohnhoff
Legislative Districts:	Congressional: 15th, Timothy Johnson
	State Senate: 55th, Dale Righter
	State House: 109th, Roger Eddy

Principal shall be paid semi annually in installments determined pursuant to a Fifteen year amortization schedule, with the first principal payment date to begin 6 months from the date of closing. Accrued interest on the unpaid balance hereof shall be paid semi annually, with the first interest payment date to be six months from the date of closing with the fifteenth and final payment of all outstanding balances due fifteen years from the date of closing.

*__Randy Holkenbrink:__ Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.00% fixed for three years and adjust every three years thereafter for the term of the note to .50% over the 3 year Treasury Bond rate with a floor of 4.00%. **IFA Fee: $669.00**

Project Number:	**A-FB-TE-CD-8099**
Funding Manager:	Eric Reed
Borrower(s):	**Holkenbrink, Doug**
Town:	Teutopolis, IL
Amount:	$50,000
Use of Funds:	Farmland – 35 acres (1/2 interest)
Purchase Price:	$66,223.50 / ($1,892 per ac)
%Borrower Equity	25%
%Other Agency	0%
%IFA	75%
County/Region:	Jasper / Southeastern
Lender/Bond Purchaser	Teutopolis State Bank / Dirk Bohnhoff
Legislative Districts:	Congressional: 19th, John Shimkus
	State Senate: 54th, John O Jones
	State House: 108th, David Reis

Principal shall be paid semi annually in installments determined pursuant to a Twenty five year amortization schedule, with the first principal payment date to begin 6 months from the date of closing. Accrued interest on the unpaid balance hereof shall be paid semi annually, with the first interest payment date to be six months from the date of closing with the twenty fifth and final payment of all outstanding balances due twenty five years from the date of closing.

*__Doug Holkenbrink:__ Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.00% fixed for three years and adjust every three years thereafter for the term of the note to .50% over the 3 year Treasury Bond rate with a floor of 4.00%. **IFA Fee: $750.00**

*** 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-8100**
Funding Manager:	Eric Reed
Borrower(s):	**Shull, Tyler**
Town:	Hidalgo, IL
Amount:	$125,000
Use of Funds:	Farmland – 10 acres ($2,500 per acre) & 2160 Hog Nursery
Purchase Price:	$250,000 (Farmland $25,000; Nursery $225,000)
%Borrower Equity	0%
%Other Agency	50%
%IFA	50%
County/Region:	Jasper / Southeastern
Lender/Bond Purchaser	Peoples State Bank / Brian Bohnhoff
Legislative Districts:	Congressional: 19th, John Shimkus
	State Senate: 54th, John O Jones
	State House: 108th, David Reis

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

*__Tyler Shull:__ Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.75% fixed for five years and adjust every five years thereafter for the term of the note to 2.00% below Wall Street Journal Prime, with a minimum rate to customer of 4.75%, and a maximum rate to customer of 12.99%.

IFA Fee: $1,875.00

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 8, 2008

Project: Sandrock Land and Cattle, LLC

STATISTICS

Project Number:	A-YF-TX-GT-8088	Amount:	$455,000
Type:	Young Farmer Guarantee	IFA Staff:	Cory E. Mitchell
County/Region:	Whiteside/Northwest	City:	Rock Falls

This project is 1 of 2 for IFA consideration and all collateral will be cross-collateralized.

BOARD ACTION

Final Resolution

Staff request: Approval of an 85% guarantee In favor of First National Bank in Amboy

IFA Funds contributed: None

Extraordinary conditions: None

State Treasurer's Reserve Funds at Risk: $386,750

Staff Recommendation: Approval subject to bank conditions

Additional Covenant's:
- *Assignment of Life Insurance on Matthew and Benjamin Sandrock(sum of the loan).
- *Copies of Matthew and Gary Sandrock's 2007 tax return when filed.
- *Verification of satisfactory appraisal of real estate and equipment per IFA adjusted guidelines (real estate 80%, equipment 65%).
- *Provide proof of Insurance on livestock and equipment before closing.

VOTING RECORD

Prior board action: None

PURPOSE

Use of proceeds: Loan proceeds will provide permanent financing for the purchase of farm equipment.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

N/A

JOBS

Current employment:	5	Projected new jobs:	0
Jobs retained:	5	Construction jobs:	0

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Guarantee	$386,750	Purchase Equipment	$455,000
First National Bank	$68,250		
Total	**$455,000**	**Total**	**$455,000**

FINANCING SUMMARY/STRUCTURE

Security:	1st lien position on livestock, 1st lien position on equipment, 2nd mortgage on Real Estate Personal Guaranty from Gary Sandrock(father), Assignment of Life Insurance Policy on Matthew Sandrock for no less than $694,750 and Benjamin Sandrock for no less than $694,750. (Term Insurance coverage for the two borrowers will equal loan amounts requested)
Structure:	5 year term 10 year amortization
Interest Rate:	See confidential section
Interest Mode:	Fixed for 5 years
Credit Enhancement:	IFA Guarantee
Maturity:	10 years
Estimated Closing Date:	July 31, 2008

PROJECT SUMMARY

Project Rationale:	With the approval of the proposed loan, SLC will be able to purchase farm and livestock equipment from their fathers operation. This will allow the borrower to continue operating the State of Illinois' largest purebred Angus herd and position themselves for another generation of successful beef production.
Timing:	The proposed loan will likely close within 30 days of IFA approval.

BUSINESS SUMMARY

Description of Business:	Mathew and Benjamin Sandrock (SLC) and their father operate the largest purebred Angus beef cattle herd in the state of Illinois. Mathew and Benjamin (SLC) are the 2nd generation to own the business directly after their father. They hold spring and fall heifer and bull sales in which the animals are purchased by other beef producers across the United States to improve their beef cattle herd. SLC also sells freezer beef; fertilized embryo's and bull semen. The other part of the LLC is a grain farming operation consisting of 2500 acres of (leased) row crop farming which raises commercial corn, seed corn, peas, lima beans and soybeans are the crops grown. Matthew is responsible for management of the grain operation while Benjamin focuses on the management of the beef cattle operation.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Sandrock Land and Cattle, LLC Mathew A. Sandrock individually and Benjamin G. Sandrock individually
Project Location:	8681 Hickory Hills Road, Rock Falls, IL 61701
Borrower:	Sandrock Land and Cattle, LLC, Mathew A. Sandrock and Benjamin G. Sandrock
Ownership:	Sandrock Land and Cattle LLC, Mathew A. Sandrock, Benjamin G. Sandrock (50/50)

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	None		
Accountant:	Blackhawk FBFM	Freeport, IL	
Bank Counsel:	None		
Originating Bank:	The First National Bank in Amboy	Amboy, IL	
Bank Contact	Greg Dempsey, Chief Loan Officer		
IFA Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	Phil Hare, 17th
State Senate:	Tim Bivins, 45th
State House:	Jerry Mitchell, 90th

SERVICE AREA

United States

BACKGROUND INFORMATION

Sauk Valley Angus, located near Rock Falls in Whiteside County, was the originating name of what is now known as Sandrock Land and Cattle, LLC (SLC). Gary Sandrock (father) started Sauk Valley Angus well over 40 years ago. The operation has always raised and sold registered Angus breeding stock to Angus beef cattle producers across the United States. The income for the operation comes from the sale of breeding stock (bulls and heifers) at a spring and fall sale, private treaty breeding stock sales, sale of fertilized embryos for transplant, bull semen and freezer beef sales. Sauk Valley Angus was the recipient of the Beef Improvement Federation's Purebred Producer of the year in 2006. This award has been presented to outstanding seedstock firms throughout the United States and Canada since 1972. Sauk Valley was the first firm to receive the award in Illinois. The other ½ of SLC is their row crop farming operation which consists of 2500 total acres which grows commercial corn, seed corn, soybeans, lima beans and peas. Gary Sandrock continues to farm 1,000 acres and will turn these acres over to SLC in 2010. Both sons Mathew and Benjamin Sandrock have graduated from the University of Illinois and are eager to take over the family business in which they have been a part of on the production side for over 20 years.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
Board Meeting Date

Project: Sandrock Land and Cattle, LLC

STATISTICS

Project Number: A-SG-TX-GT-8089
Type: Specialized Livestock Guarantee
County/Region: Whiteside/Northeast

Amount: $934,500
IFA Staff: Cory E. Mitchell
City: Rock Falls

This project is 2 of 2 for IFA consideration and all collateral will be cross-collateralized.

BOARD ACTION

Final Resolution

Staff request: Approval of an 85% guarantee
In favor of First National Bank in Amboy

IFA Funds contributed: None

Extraordinary conditions: None

State Treasurer's Reserve Funds at Risk: $794,325

Staff Recommendation: Approval subject to bank conditions

Additional Covenant's: *Assignment of Life Insurance on Matthew and Benjamin Sandrock(sum of the loan).
*Copies of Matthew and Gary Sandrock's 2007 tax return when filed.
*Verification of satisfactory appraisal of real estate and equipment per IFA adjusted guidelines (real estate 80%, equipment 65%).
*Provide proof of Insurance on livestock and equipment before closing.

VOTING RECORD

Prior board action: None

PURPOSE

Use of proceeds: Loan proceeds will be used to provide permanent financing for the purchase of breeding livestock from the states largest purebred Angus herd.

IFA PROGRAM AND CONTRIBUTION

Program description:
The Authority's Specialized Livestock Guarantee Program guarantees up to 85% of a bank's loans to Illinois farmers and agribusiness owners. The Specialized Livestock Guarantee Program is available to assist farmers within livestock operations to expand or start new operations. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are backed by an IFA reserve funded for this program and are also full faith and credit obligations of the State of Illinois.

IFA's issuance of guarantees helps borrowers obtain debt financing at reduced rates of interest and improved terms.

VOLUME CAP

N/A

JOBS

Current employment: 5
Jobs retained: 5

Projected new jobs: 0
Construction jobs: 0

ESTIMATED SOUCES AND USES OF FUNDS

Sources:		Uses:	
IFA Guarantee	$794,325	Purchase Livestock	$1,587,000
First National Bank	$140,175	Equity in Livestock	$(652,500)

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Total	**$934,500**	**Total**	**$934,500**

FINANCING SUMMARY/STRUCTURE

Security:	1st lien position on livestock, 1st lien position on equipment, 2nd mortgage on Real Estate Personal Guaranty from Gary Sandrock (father), Assignment of Life Insurance Policy on Matthew Sandrock for no less than $694,750 and Benjamin Sandrock for no less than $694,750. (Term Insurance coverage for the two borrowers will equal loan amounts requested)
Structure:	5 year term 10 year amortization
Interest Rate:	See confidential section
Interest Mode:	Fixed for 5 years
Credit Enhancement:	IFA Guarantee
Maturity:	10 years
Estimated Closing Date:	July 31, 2008

PROJECT SUMMARY

Project Rationale:	With the approval of the proposed loan, SLC will be able to purchase breeding stock from Gary Sandrock/Sauk Valley Angus. This will allow the borrower to continue operating the State of Illinois' largest purebred Angus herd and position themselves for another generation of successful beef production.
Timing:	The proposed loan will likely close within 30 days of IFA approval.

BUSINESS SUMMARY

Description of Business:	Mathew and Benjamin Sandrock (SLC) and their father operate the largest purebred Angus beef cattle herd in the state of Illinois. Mathew and Benjamin (SLC) are the 7th generation to own the business directly after their father. They hold spring and fall heifer and bull sales in which the animals are purchased by other beef producers across the United States to improve their beef cattle herd. SLC also sells freezer beef; fertilized embryo's and bull semen. The other part of the LLC is a grain farming operation consisting of 2500 acres of row crop farming which raises commercial corn, seed corn, peas, lima beans and soybeans are the crops grown. Matthew is responsible for management of the grain operation while Benjamin focuses on the management of the beef cattle operation.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Sandrock Land and Cattle, LLC Mathew A. Sandrock individually and Benjamin G. Sandrock individually
Project Location:	8681 Hickory Hills Road, Rock Falls, IL 61701
Borrower:	Sandrock Land and Cattle, LLC, Mathew A. Sandrock and Benjamin G. Sandrock
Ownership:	Sandrock Land and Cattle LLC, Mathew A. Sandrock, Benjamin G. Sandrock (50/50)

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	None		
Accountant:	Blackhawk FBFM	Freeport, IL	
Bank Counsel:	None		
Originating Bank:	The First National Bank in Amboy	Amboy, IL	
Bank Contact	Greg Dempsey, Chief Loan Officer		
IFA Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	Phil Hare, 17th
State Senate:	Tim Bivins, 45th

State House: Jerry Mitchell, 90th

SERVICE AREA

United States

BACKGROUND INFORMATION

Sauk Valley Angus, located near Rock Falls in Whiteside County, was the originating name of what is now known as Sandrock Land and Cattle, LLC (SLC). Gary Sandrock was the 6th generation of Sauk Valley Angus. The operation has always raised and sold registered Angus breeding stock to Angus beef cattle producers across the United States. The income for the operation comes from the sale of breeding stock (bulls and heifers) at a spring and fall sale, private treaty breeding stock sales, sale of fertilized embryos for transplant, bull semen and freezer beef sales. Sauk Valley Angus was the recipient of the Beef Improvement Federation's Purebred Producer of the year in 2006. This award has been presented to outstanding seed stock firms throughout the United States and Canada since 1972. Sauk Valley was the first firm to receive the award in Illinois. A key element in the management system for SLC is their Sesame Database system which is used to utilize herd information in a more efficient manner. This system is supplemented by the Angus Information Management program developed by the American Angus Association. This database system contains the entire production record for every breeding female in the herd. Not only is individual performance information secured, but it also shows every breeding date, every sire bred to, every calving date, and all the calving information for the life of the dam. Through this system they can make note of any information pertinent to the cow to help in the analysis of her performance. From this database, custom breeding, calving, health, etc. reports can be printed. This program makes it incredibly easy to get all the information and history on a particular animal in a matter of seconds. This type of technology and production method is just an example of what sets SLC apart from your typical cow/calf operator

The other ½ of SLC is their row crop farming operation which consists of 2500 total acres which grows commercial corn, seed corn, soybeans, lima beans and peas. Gary Sandrock continues to farm 1,000 acres and will turn these acres over to SLC in 2010. Both sons Mathew and Benjamin Sandrock have graduated from the University of Illinois and are eager to take over the family business in which they have been a part of on the production side for over 20 years.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 8, 2008

Project: F& F Holding, LLC and Murphy Machine Products, Inc.

STATISTICS

Project Number:	I-ID-TE-CD-8095	Amount:	$5,000,000 (not-to-exceed) See Board Action
Type:	Industrial Revenue Bonds	IFA Staff:	Sharnell Curtis Martin
County/Region:	DuPage /Northeast	City:	Wood Dale

BOARD ACTION

Preliminary Bond Resolution
No IFA Funds contributed
Initial Board consideration
Subject to Volume Cap allocation
Staff recommends preliminary allocation of $5,000,000 in IFA Volume Cap

Staff recommends approval
No Extraordinary conditions

VOTING RECORD

Preliminary Bond Resolution, no prior board action.

PURPOSE

Bond proceeds will be used to finance the acquisition of a building, renovations, machinery/equipment, and to pay certain bond issuance costs.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

The Company is seeking a $5.0 million allocation in 2008 IFA Volume Cap. The new project will be located in the Village of Wood Dale which is a Non Home Rule Community. As a result, the Village of Wood Dale does not receive an allocation of Volume Cap to support this project.

JOBS

Current employment:	59	Projected new jobs:	11
Jobs retained:	N/A	Construction jobs:	10

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$5,000,000	Uses:	Project Costs	$4,850,000
				Bond Issuance Costs	150,000
	Total Sources	$5,000,000		Total Uses	$5,000,000

FINANCING SUMMARY/STRUCTURE

Security:	The Bonds are expected to be purchased directly by one of the following banks: American Chartered Bank, Charter One Bank, First Midwest Bank, and MB Financial.
Bank Collateral:	First mortgage on subject real estate and assignment of rents and leases.
Structure:	To Be Determined
Interest Rate:	To Be Determined
Interest Mode:	To Be Determined
Maturity:	To Be Determined
Rating:	Bonds are not anticipated to bear a rating as it's expected the bonds will be purchased and held as an investment by one of the above mentioned banks.
Estimated Closing Date:	August 30, 2008

The Company is currently negotiating with American Chartered Bank, Charter One Bank, First Midwest Bank, and MB Financial to provide the financing for the proposed project. The structure of the project will be available once the commitment has been negotiated.

PROJECT SUMMARY

Bond proceeds will be used to finance the acquisition and renovation of building located at 935 Lively Blvd in Wood Dale, IL (DuPage County) the acquisition of new equipment for use therein and to pay certain bond issuance costs. Project costs are estimated as follows:

Building	$2,830,000
Machinery and Equipment	1,520,000
Renovations	500,000
Total Project Costs	$4,850,000

BUSINESS SUMMARY

Background: Murphy Machinery Products, Inc. ("Murphy" or the "Company") was founded in 1965. Murphy is a custom specialty machine shop that services business operations in the agricultural, aerospace, medical, and business equipment industries. The Company is owned and operated by Mark Florczak, Chief Executive Officer and Steve Farmer, General Manager.

F&F Holdings is a limited liability company also owned and operated Mark Florczak and Steve Farmer. The bonds will be issued on behalf of the limited liability company, the facility and equipment will be leased to the Company while owned by the LLC.

Some of Murphy's major customer's include Caterpillar and Parker Hannefin. The Company presently operates at the current Elk Grove Village facility and has since it was founded in 1965. This facility is 19,500 square feet.

Description: The new facility will double the Company's operating space for a total of 39,000 square feet. The proposed new equipment line will produce vertical machines and screw machines that the present facility could not accommodate. The new equipment line will also now allow for smaller custom production parts compared to the larger custom parts produced for operations such as Caterpillar.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	F&F Holdings, LLC and Murphy Machine Products, Inc. 935 Lively Blvd., Wood Dale, IL 60191 Steve Farmer, General Manager		
Project Location:	935 Lively Blvd., Wood Dale, IL 60191		
Borrower:	F&F Holdings, LLC and Murphy Machine Products, Inc.		
Tenant:	Murphy Machine Products, Inc.		
Ownership/Members:	F&F Holdings:	Mark Florczak	50%
		Steve Farmer	50%

Murphy Machine Products:	Mark Florczak	80%
	Steve Farmer	20%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Drost, Kivlahan &McMahon	Arlington Heights	Tom Kivlahan
Accountant:	Callero &Callero	Niles	Mike Angalini
Bond Counsel:	Ice Miller	Chicago	Jim Snyder
Purchasing Bank:	To Be Determined		
Bank Counsel:	To Be Determined		
Bond Underwriter:	To Be Determined		
Consultant:	Carroll Financial Group	Des Plaines	Allan Carroll
Underwriter's Counsel:	To Be Determined		
IFA Financial Advisor:	D. A. Davidson	Chicago	Bill Morris
	Scott Balice Strategies	Chicago	Lois Scott
Issuer's Counsel:	Burke Burns and Pinelli	Chicago	Stephen Welcome

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 8, 2008

Project: Lapham-Hickey Steel Corp.

STATISTICS

Project Number:	I-ID-TE-CD-8105	Amount:	$7,400,000 (not to exceed)
Type:	Industrial Revenue Bond	IFA Staff:	Steven Trout
Location:	Bedford Park	County/Region:	Cook / Northeast

BOARD ACTION

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

VOTING RECORD

Preliminary Bond Resolution, no prior vote.

PURPOSE

Bond proceeds, together with bank financing, will be used to (i) to acquire and install new machinery and equipment, (ii) and fund legal and professional issuance costs.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

Issuance of the Bonds is subject to a sufficient allocation of Volume Cap. The Village of Bedford Park has a 2008 allocation of approximately $48,790 in Volume Cap, based on its population of 574, according to the 2000 Census. Other 2008 request for IFA Industrial Revenue Bonds to finance projects located in Bedford Park include Superior Manufacturing ($7,850,000) and Vadeal Plastics ($4,000,000). Given the Village's limited supply, the Borrower is seeking Cap from the Authority to facilitate the Bond issue. The Project will create 8 new permanent jobs (or $906,250 per job) and enhance the competitiveness of Lapham-Hickey's Chicago facility, which has 135 full-time employees and 22 temporary employees.

JOBS

Current employment	532 full-time (178 in Illinois)	Projected new jobs:	8
Jobs retained	N/A	Construction jobs:	0

ESTIMATED SOURCES AND USES OF FUNDS

Source:	IFA Bonds	$7,250,000	Uses:	Project Costs	$7,000,000
				Legal & Professional	250,000
	Total	$7,250,000		Total	$7,250,000

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FINANCING SUMMARY/STRUCTURE

Security:	The Bonds will be purchased by GE Capital
Structure:	Fixed rate bonds paying interest at a rate of approximately 5.5%.
Collateral:	The bonds will be secured by a first security interest in the financed machinery and equipment.
Amortization:	The Bonds are expected to amortize over 120 months.
Maturity:	10 years
Credit Rating:	Not applicable, as GE Government Finance (or another GE affiliate) intends to hold the Bonds as an investment until maturity.
Closing Date:	Anticipated in August or September, 2008

PROJECT SUMMARY

Bond proceeds will be used to (i) to acquire and install new machinery and equipment at 5500 West 73rd Street, Chicago, (ii), and fund legal and professional issuance costs. Project costs are currently estimated as follows:

Steel Stretching and Leveling Machinery	$6,200,000
Cranes and other supporting fixtures & work	800,000
Total	$7,000,000

BUSINESS SUMMARY

Description: Lapham-Hickey Steel Corp. ("Lapham" or "the Borrower"), is an Illinois S-Corporation that began operations in Chicago in 1926.

Background: The Borrower is a steel service center that has maintained since 1964 its headquarters and primary production facility at its current location in Bedford Park. Lapham operates a second Illinois production facility in Madison that employs 43 full-time workers and 51 temporary workers. In addition to its Illinois locations, the Borrower operates five locations in Wisconsin, Minnesota, Ohio, Alabama and Connecticut. Lapham's primary products are strip steel, flat wire, plate, spring steel, sheet steel, stainless steel and bar and tubing. The company's primary customer base is in the durable goods, metal working and transportation industries in North America.

The Project: Consists of the acquisition and installation of steel processing equipment to process steel for various applications. The company will install the equipment at its Bedford Park facility, which is located 5500 West 73rd Street. (Lapham references Chicago in its mailing address for this facility, but it is really located in Bedford Park.) The site is located in the Bedford Park Enterprise Zone.

Lapham will be purchasing most of the equipment from Leveltek International, LLC. Leveltek manufactures non-marking stretcher leveling systems that correct the flatness in coils of stainless steel, titanium, aluminum, brass, copper, high-temperature alloys, galvanized steel, and other ferrous and non-ferrous materials, to make them acceptable for their intended use. Leveltek Processing LLC provides leveling service in its North American Processing Center, which is located in Benwood, West Virginia USA, approximately 100 km from Pittsburgh, Pennsylvania and operates another facility in Indiana.

Management estimates that the useful life of the financed equipment will be 10 to 20 years.

Rationale: The stretcher leveler will be used to cut steel coils to a specified length and then stretch it to keep it flat after cutting, notching, punching and subsequent shearing operations. Management is acquiring this equipment to meet its customers' requirements and keep Lapham-Hickey competitive from both a quality and cost perspective.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Lapham-Hickey Steel Corp.	
Project Location:	5500 West 73rd Street, Bedford Park, Illinois 60638 (Contact: Bob Piland, Chief Financial Officer, 708/496-6119)	
Land Owner:	Lapham-Hickey Steel Corporation	
Shareholder Ownership:	Mary P. Hickey	17.313%
	William M. Hickey, Jr.	8.704%
	Margaret Anne Iverson	8.562%
	Bridget Havey	3.500%
	Maureen Kevin	3.500%
	Mary Patricia Manz	7.569%
	Kathleen Stabb	3.500%
	William M Hickey Jr., as Trustee of Bill Hickey Trust	47.351%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Holland & Knight	Chicago, IL	
Accountant:	Clifton Gunderson LLP	Oak Brook, IL	Dirk Schilling
Bond Counsel:	Ice Miller LLP	Chicago, IL	Jim Snyder
Bond Purchaser:	GE Government Finance	Chicago, IL	Brian Riordan
Purchaser's Counsel:	TBD		
Issuer's Counsel:	TBD		
IFA Financial Advisors:	D.A. Davidson & Co	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	3: Daniel Lipinski
State House:	22: Michael Madigan
State Senate:	11: Louis Viverito

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 8, 2008

Project: Monarch Steel Company, Inc., 1031 Caton Farm LLC and a LLC to be formed.

STATISTICS

Project Number:	I-ID-TE-CD-8104	Amount:	$7,500,000 (not-to-exceed amount)
Type:	Industrial Revenue Bonds	IFA Staff:	Sharnell Curtis Martin
County/Region:	Will County/Northeast Region	City:	Crest Hill

BOARD ACTION

Preliminary Bond Resolution
No IFA funds at risk
Conduit Industrial Revenue Bonds
Subject to Volume Cap allocation

No extraordinary conditions
Staff recommends approval

VOTING RECORD

Initial board consideration, no previous voting record.

PURPOSE

Bond proceeds will be used to finance the acquisition of land, construction, acquisition of machinery and equipment and to pay certain bond issuance costs.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

The Applicant will be seeking $7.5 million in 2008 IFA Volume Cap. The proposed project is located in the City of Crest Hill, a non-home rule community. As a result, the City of Crest Hill does not have an allocation of Volume Cap to support this project.

JOBS

Current employment:	28	Projected new jobs:	15
Jobs retained:	N/A	Construction jobs:	TBD

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$7,500,000	Uses:	Project Costs	$9,350,000
	Equity	2,000,000		Bond Issuance Costs	150,000
Total Sources		$9,500,000		Total Uses	$9,500,000

The Applicant will be selling its existing facilities in Chicago and contributing $2 million from the sale in equity towards the new project.

FINANCING SUMMARY/STRUCTURE

Security:	The bonds will be purchased directly by MB Financial and held as an investment until maturity.
Structure:	To Be Determined
Interest Rate:	To Be Determined
Interest Mode:	To Be Determined
Bank Collateral:	Collateral will include a first mortgage on the subject property, a corporate guarantee, an assignment of rents and leases as well as a limited $1 million guarantee from Peter Wynbrandt, the Company's President and Treasurer. Debts will be cross collateralized and cross defaulted.
Maturity:	To Be Determined
Rating:	This project will not bear a rating as it is a direct purchase from MB Financial Bank
Est. Closing Date:	November 2008

PROJECT SUMMARY

Bond proceeds will be used to finance the acquisition six acres of land and construction of a 90,000 square foot headquarters and manufacturing facility in Crest Hill, IL (Will County) the acquisition of new equipment for use therein and to pay certain bond issuance costs. Projected costs are estimated as follows:

Equipment	$4,500,000
Construction	3,050,000
Land	1,800,000
Total Project Costs	**$9,350,000**

Project Rationale:	The Borrower is purchasing a new building that allows for expansion of operations. The new manufacturing facility is 60,000 square feet and will increase production capacity by more than 45% and also accommodate additional storage space and office space.
Project Completion Date:	March 2009 (estimated)

BUSINESS SUMMARY

Background: Monarch Steel Company ("Monarch" or the "Company") was founded in 1957 by Ralph Wynbrandt and is a family owned and operated business. Peter Wynbradt and Harry Wynbrandt, sons of Ralph and Dora Wynbrant, are the President and Vice President of Monarch.

1031 Caton Farm Road, LLC is a limited liability company that is also owned and operated by Dora Wynbrandt and will hold title of the subject equipment. The LLC to be formed will be owned and operated by Peter and Harry Wynbrandt and will hold title to the subject real estate. The bonds will be issued on behalf of the two limited liability companies and the assets leased back to Monarch Steel, the operating company.

The Company specializes in cold roll, hot roll and galvanized steel. Cold roll steel is utilized in cabinet and medical equipment manufacturing, hot roll steel is heavier gauge steel used in heavy machinery (i.e. tractors, construction equipment and tanks. Galvanized steel is used primarily in electronic components manufacturing. Monarch buys its steel in 11 ton coils with minimum orders between 20-40 tons. The Company offers five grades of steel in 100 various widths and sizes.

The costs of steel can fluctuate significantly from year to year based on demand. The average price per pound of steel has varied widely over the past five years from $.28 per pound in 2003 to $.40 per pound in 2007. The current price of steel per pound is $.47 per pound. The new proposed facility storage space will also help the company manage inventory controls on raw materials.

The Company has more than 100 active clients. Key clients of Monarch include Maysteel, Fabtec Technologies, Trete Trend Technologies, Flextroncis Plastics and Accuarate Fabrication.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	1031 Caton Farm LLC, Monarch Steel Company and Limited Liability Company to be formed 2464 N. Clybourn Chicago, IL 60614-1991 (Cook County) Peter Wynbrandt, President and Treasurer		
Project Location:	1031 Caton Farm Road Crest Hill, IL (Will County)		
Ownership:	Monarch Steel:	Dora Jean Wynbrandt	100%
	Caton Farm LLC:	Dora Jean Wynbrandt	100%
	Other LLC to be formed:	Peter Wynbrandt	50%
		Harry Wynbrandt	50%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Schwartz & Freeman		Stuart Duhl
Accountant:	Coleman, Epstein, Berlin & Co.	Chicago	
Bond Counsel:	To Be Determined		
Purchasing Bank:	MB Finacial	Chicago	John Sasarris
Bank Counsel:	To Be Determined		
IFA Financial Advisor:	D. A. Davidson	Chicago	Bill Morris
	Scott Balice Strategies	Chicago	Lois Scott
Issuer's Counsel:	Law Offices of Kevin Cahill	Chicago	Kevin Cahill

LEGISLATIVE DISTRICTS

Congressional:	13 – Judy Biggert
State Senate:	43 – Arthur Wilhelmi
State House:	85 – Brent Hassert

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 8, 2008

Project: Regis Technologies, Inc.

STATISTICS

IFA Project:	I-ID-TE-CD-8106	Amount:	$10,000,000 (not-to-exceed amount)*
Type:	Industrial Revenue Bonds	IFA Staff:	Rich Frampton
Location:	Morton Grove	County/ Region:	Cook County/Northeast

* see board action

BOARD ACTION

Preliminary Bond Resolution	
Conduit Industrial Revenue Bonds	No IFA funds at risk
Staff recommends approval	No extraordinary conditions
Subject to Volume Cap allocation	Staff recommends Preliminary allocation of $7,000,000 in Volume Cap

VOTING RECORD

This is the first time this project has been considered by the IFA Board.

PURPOSE

Inducement Resolution to cover development of a two-year, two-phase project that will enable Regis Technologies to continue the long-term build-out and equipping of their pharmaceutical test-run production facility in Morton Grove. Regis is currently operating at full capacity. The new project will enable the continued, staged, build-out of additional dedicated self-contained production laboratory suites in a high-cube warehouse building Regis purchased in 2002 (as a vacant, shell building) that has subsequently been connected to expand Regis' original Morton Grove production facility.

Additionally, the project will finance facility upgrades and modernization required by Regis' customers (which include the world's largest pharmaceutical manufacturers) and the US Food and Drug Administration.

Financing this project will further develop Illinois' bio-sciences pharmaceutical infrastructure. Regis provides unique support services to both biotechnology/pharmaceutical companies located in Illinois (and elsewhere throughout the United States) and internationally (including Canada, Japan, and Europe). Regis is an Illinois-based, family-owned manufacturing company that, through its value-added activities, generates wealth and taxable income (from shareholders and employees), property taxes revenues for Morton Grove (and other local taxing jurisdictions), and sales tax revenues from Regis' purchase of local supplies.

Consistent with the technical needs of the pharmaceutical industry, Regis' employees are highly educated. Approximately 25% of Regis' employees have advanced degrees (i.e., Ph.D.'s and Master's).

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

Significantly, the Village of Morton Grove has supported Regis' previous IFA (IDFA) Bond issues by ceding its Volume Cap to IFA (IDFA) in both 2005 and 1996.

Issuance of the Bonds would require an allocation of approximately $10.0 million of Volume Cap. Additionally, Regis is also discussing the possibility of obtaining Volume Cap from the Village of Morton Grove to leverage the Authority's Volume Cap as much as possible. Based on Morton Grove's current population (22,462), the Village's annual Volume Cap allocation is approximately $1,909,270 (continuing discussions in process as of 6/27/2008).

Depending on Volume Cap availability from the Village of Morton Grove (and neighboring Home Rule Units), this project could require up to $8,090,730 of IFA Volume Cap.

SOURCES AND USES OF FUNDS

Sources:	IRB (2 Phases)	$10,000,000	Uses:	Project Costs	$12,775,000
	First American Bank Loan	500,000			
	Equity	2,430,000		Issuance Costs	155,000
	Total	**$12,930,000**		**Total**	**$12,930,000**

The financial summary section of this report explains the sources of project equity (see Page 7).

JOBS

Current employment:	72	Projected new jobs:	40 (within 2 years of completion)
Jobs retained:	Not applicable	Construction jobs:	25-35 (8-12 months total; spread over 2 years)

Rationale: The proposed project will enable Regis Technologies, Inc. to modernize its production facilities, expand its analytical testing and quality control facilities, and increase its production capacity in order to accept new business. Regis is currently operating at full capacity. This project will enable Regis to further build-out a two-story, shell warehouse that it acquired adjacent to its existing headquarters/production facility in Morton Grove in 2002 to enable the Company to remain in Morton Grove long-term.

Regis has experienced significant order backlogs recently (i.e., four to six months). The new production capacity will enable Regis to satisfy customer demand more expeditiously.

Regis competes against several offshore companies whose governments offer subsidized financing. Production requirements in the pharmaceutical industry require ongoing improvements to comply with FDA requirements and increasingly stringent customer production quality requirements.

Industrial Revenue Bond financing for this project will help enable Regis undertake the largest capital improvement project in the Company's 50 year history.

FINANCING SUMMARY

Direct Lender/
Bond Investor
Security: The Direct Lender/Investor (i.e., First American Bank) 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 Regis' Line of Credit, and other term debt obligations (including both the

	IFA Series 2005 Bonds, and the proposed $500,000 First American term loan that would finance project costs that do not qualify for IRB financing).
Structure:	As proposed, the Bonds would be purchased directly by First American Bank and held as a portfolio investment until maturity as Direct Lender/Investor.
Interest Rate:	5 Year initial rate set at 80% of Prime + 1.0% (preliminary as of 6/20/2008)
Amortization:	30 years (Regis and the Bank initially expect to allocate Bond proceeds of $7.875 million to real estate expenditures amortized over 30 years and $2.125 million of equipment expenditures amortized over 10 years.)
Timing:	September 2008 or thereafter

BUSINESS SUMMARY

Description: **Regis Technologies, Inc.** ("**Regis**" or the "**Company**") was established by Dr. Louis Glunz in 1956 and is incorporated under Illinois law. Regis is organized as an S Corporation under the Internal Revenue Code.

Substantially all of Regis' stock is owned by members of the Glunz family (see Economic Disclosure Statement on p. 5). The Company's principal shareholders are Dr. Louis Glunz, III, Chairman (and founder) and Mr. Louis Glunz, IV, President.

Ultimately, certain assets related to this financing may be purchased or conveyed to related special purpose entities created by Regis' shareholders.

Background: Dr. Louis Glunz, III, established Regis Chemical Co. in Chicago in 1956. Regis was originally a small chemical laboratory performing testing work for pharmaceutical companies, government research laboratories, and universities. The Company relocated from Chicago to its present Morton Grove facility in 1972.

Regis' current focus is to (1) manufacture pharmaceutical ingredients, (2) contract manufacture clinical trial runs of new pharmaceuticals for large pharmaceutical companies that need small production runs completed promptly, and (3) contract manufacture pharmaceutical drugs (primarily cancer drugs) for small pharmaceutical companies that lack their own production facilities.

Regis' original focus was the synthesis of chemical compounds and biochemicals marketed commercially through the Company's catalog, and the production of chromatography products developed in collaboration with university research at the University of Illinois, the University of Missouri, and Purdue University.

In 1993, Regis Chemical Co. changed its name to Regis Technologies, Inc. and began to pursue the manufacture of small batch quantities of pharmaceutical drugs and chemicals. Regis has become a leader in the production of small batch quantities of test pharmaceuticals used in clinical trials by the US Food and Drug Administration (and the FDA's counterparts internationally). Additionally, the Company also produces commercial pharmaceuticals for small batch users (primarily anti-cancer drugs).

Additionally, Regis has increasingly focused on the manufacturing of bulk Active Pharmaceutical Ingredients ("API's") for sale to commercial pharmaceutical companies. In 2007, Regis completed the development and initiated manufacturing of *Bromfenac,* a drug ingredient used in ophthalmic (eye) drugs.

In 2002, Regis purchased an adjacent, vacant, approximately 48,000 SF warehouse building, located adjacent to its existing Morton Grove production/headquarters facility. This building features 40-foot high ceiling clearances, thereby accommodating a two-story build-out.

Since 2003, Regis has expanded its pharmaceutical services capabilities by hiring scientists (with Ph.D.'s and Masters degrees) dedicated to Analytical Method Development and Process Research. Regis believes this level of service will improve their competitive position, particularly against offshore manufacturers. Phase I of the proposed project will enable Regis to expand these capabilities further.

In 2009, Regis plans to build the second phase consisting of eight (8), two-story production suites for drug manufacturing that will result in the build-out of an additional 30,000 SF in Regis' shell warehouse building purchased in 2002. This production space will be built according to FDA specifications and the specific requirements of the drugs and drug ingredients to be produced in each production suite.

Prior Financings: **Regis financed previous expansions in 1996 and 2005 through proceeds of IFA (and IDFA) bond issues:**

- **In 1996, IDFA issue $2.23 million of Industrial Revenue Bonds for Regis that financed construction and equipping of an addition to the Company's Morton Grove facility. These Bonds were refinanced with the proceeds of IFA Series 2005 Bonds.**
- **In 2005, IFA issued $3.03 million ($2.1 million new money; $930,000 Refunding) of Industrial Revenue Bonds for Regis that financed the build-out and equipping of 6,000 SF of Regis' of the 48,000 SF shell warehouse building purchased in 2002. The Series 2005 B Refunding Bonds refinanced the $930,000 remaining outstanding balance of the IDFA Series 1996 Bonds.**

All payments relating to the IFA Series 2005 Bonds were current as of 6/1/2008.

Regis has also increased employment significantly since 1996:

- **Regis employed 39 at the time of its 1996 application and projected 15 new jobs as a result of the project.**
- **At the time of Regis' 2005 application, the Company employed 65 people and estimated 75 employees within two years of completion (i.e., late 2008/2009). Regis currently employs 72 and is operating at full capacity. The proposed projects will enable Regis to increase employment.**

PROJECT SUMMARY

Bond proceeds will be used by Regis Technologies, Inc. to finance a two-phase project that will include (1) the renovation, build-out, and equipping of approximately 14,700 SF of space for the production, analytical testing of pharmaceutical products, and (2) the renovation, build-out, and equipping of approximately 30,000 SF of space at Regis Technologies' production/laboratory facilities located at 8210 Austin Ave., and 6021 Monroe Court in Morton Grove, (Cook County), Illinois 60053-3205. Additionally, bond proceeds may be used to pay qualifying bond issuance costs.

Estimated project costs are as follows:

New Construction/Renovation (incl. Arch./Eng.)	$7,875,000	**(1st Priority for Bond Proceeds)**
New Machinery and Equipment	4,450,000	(Equity + 2nd Priority for Bond Proceeds)
Used Machinery and Equipment (not IRB financed)	450,000	
Total Project Costs (see Uses of Funds – p. 1)	**$12,775,000**	

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Regis Technologies, Inc. (Contact: Mr. Louis Glunz, IV, President, Regis Technologies, Inc., 8210 Austin Ave., Morton Grove, IL 60053-3205; Ph.: 847/583-7640; Fax: 847/967-1214; e-mail: lglunziv@registech.com). (Alternate contact: Mr. Burr Martin, CFO, Ph.: 847-583-7641; e-mail: burrmartin@registech.com .)
Project name:	Regis Technologies, Inc. Series 2008 Industrial Revenue Bonds
Locations:	8210 Austin Ave. and 6021 Monroe Court, Morton Grove (Cook County), IL 60053
Organization:	S Corporation
State:	Illinois
Ownership:	All individuals with a 7.50% or greater ownership interest are listed below (7.50% is statutory IFA Board Conflict threshold):

- Louis Glunz III Trust, c/o Louis Glunz III, 501 Forest Ave, Wilmette, IL 60091: 35.006%
- Louis Glunz, III, 501 Forest Ave., Wilmette, IL 60091: 25.627%
- Louis Glunz IV Trust, c/o Louis Glunz IV, 1129 W. Altgeld, Chicago, IL 60614: 10.65%
- Louis Glunz IV, 1129 W. Altgeld, Chicago, IL 60614: 8.462%
- All shareholders and beneficiaries of various Trusts are members of the Glunz family.

Seller Disclosure: Not applicable. (No new land will be purchased with bond proceeds.)

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Holland & Knight LLP	Chicago, IL	G. Gale Robertson
Auditor:	McGladrey & Pullen, LLP	Chicago, IL	Angela Joyce
Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Bond Purchaser	First American Bank	Elk Grove Village, IL	Steve Eikenberry
Bank Counsel:	First American Bank (in-house counsel)	Elk Grove Village, IL	Fred Snow
General Contractor:	Kelly Construction & Design Ltd.	Chicago, IL	
Trustee:	Not applicable (Bonds will be purchased directly and held until maturity by First American Bank, which will serve as its own Paying Agent).		
IFA Counsel:	Charity and Associates, P.C.	Chicago, IL	Alan Bell
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	9	Janice D. Shakowsky
State Senate:	8	Ira I. Silverstein
State House:	16	Louis I. Lang

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 8, 2008

Project: Transparent Container Co., Inc. and its successors, affiliates and assignees

STATISTICS

Project Number:	I-ID-TE-CD-8047	Amount:	$10,000,000 (not-to-exceed amount); See Board Action
Type:	Industrial Revenue Bonds	IFA Staff:	Sharnell Curtis Martin
County/Region:	DuPage/Northeast	City:	Addison

BOARD ACTION

Preliminary Bond Resolution
Conduit Industrial Revenue Bonds
IFA Funds contributed – Not Applicable
Subject to Volume Cap allocation
Staff Recommends preliminary allocation of $7,000,000 in IFA Volume Cap

Staff request approval
No Extraordinary conditions

VOTING RECORD

Preliminary Bond Resolution, no prior board action

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

The borrower has been communicating with the Village of Addison to acquire their 2008 Home-Rule Volume Cap (approx. $3.1 million) and transfer that Volume Cap to the IFA to support the project. The Company is anticipating a resolution will be passed transferring the allocation at the Village's July 21st meeting. The Company will be seeking the remaining Volume Cap from the IFA.

JOBS

Current employment:	350	Projected new jobs:	25
Jobs retained:	N/A	Construction jobs:	25

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Bond	$10,000,000	Uses:	Project Costs	$14,000,000
Equity	2,000,000		Working Capital	400,000
Bank Financing	2,575,000		Bond Issuance Costs	175,000
Total	14,575,000		Total	$14,575,000

The source of equity will result from the sale of the remote facilities to consolidate operations into the proposed project location.

FINANCING SUMMARY/STRUCTURE

Security:	The Bonds are expected to be secured by a Direct Pay Letter of Credit by a Bank to be determined.
Structure:	To Be Determined
Interest Rate:	To Be Determined
Interest Mode:	To Be Determined
Credit Enhancement:	To Be Determined
Maturity:	To Be Determined
Rating:	To Be Determined
Est. Closing Date:	September 30, 2008

PROJECT SUMMARY

Bond proceeds will be used to finance the acquisition of approximately 17 acres of land and a 240,000 square foot manufacturing facility located at 401 Rohlwing Road in Addison, IL (DuPage County) the acquisition of machinery and equipment and to pay certain bond issuance costs. Project costs are estimated as follows:

Building	$7,875,000
Renovation/Construction	3,500,000
Land	2,625,000
Total Project Costs	$14,000,000

Project Rationale: This financing will allow the Company to consolidate several operations into one facility and achieve significant economies of scale. Additionally, 25 new jobs are being added as a result of this project financing.

Timing: This project is expected to close September 2008.

BUSINESS SUMMARY

Background: Transparent Container Company, "Transparent" or the "Company", was established in September 1961. In 1971, Mr. Dan Greiwe joined the company as President and became the sole owner in 1999. Mr. Steve Fifer, Division Manager, manages the day-to-day operations of the Company.

Description: Transparent manufactures custom and stock thermoformed and fabricated plastic packaging for use in the food and consumer products manufacturers located in the U.S., Canada and Europe.
The Company has three facilities located in Addison, Berkeley and Bensenville, Illinois and one facility in Conyers, Georgia.

Remarks: The new facility located in Addison will consolidate the current Addison, Bensenville and, Berkeley operations. The present employees at these locations will be offered the opportunity to transfer to the new Addison location. The Berkeley facility has already been sold and contracts are pending on the current Addison and Bensenville locations.

The new facility is 240,000 square feet and is the same square footage of the current Addison, Bensenville and Berkeley locations combined. Even though the square footage will remain the same operating efficiencies will exist as a result of having consolidated operations. The Company's expansion plan will include offering contract packaging (fulfillment) services in the new facility.

Some of Transparent's key customers include: Motus Media, Sanford Corporation, Ideal Industries, Avery-Dennison and American Trade Products.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Transparent Container Co., Inc. 5744 McDermott Drive, Berkeley, IL 60163 (Cook County) Ronald Pranger, CFO
Project Location:	401 Rohlwing Road Addison, IL 60101 (DuPage County)
Borrower:	Transparent Container Co., Inc
Tenant:	Transparent Container Co., Inc
Organization:	Corporation
State:	Illinois
Ownership:	Mr. Daniel L. Greiwe – 80% Mr. Scott L. Greiwe – 20%
Land Sellers:	Information Forthcoming

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Schnell Bazos Freeman Kramer Schuster and Vanek	Elgin	Peter Bazos
Accountant:	Lipschultz, Levin & Gray	Northbrook	Bill Finestone
Bond Counsel:	Ice Miller	Chicago	Jim Snyder
LOC Bank:	To Be Determined		
LOC Bank's Counsel:	To Be Determined		
Remarketing Agent:	To Be Determined		
Underwriter:	To Be Determined		
Issuer's Counsel:	Perkins Coie	Chicago	Bill Corbin
Trustee:	To Be Determined		
IFA Financial Advisor:	D. A. Davidson	Chicago	Bill Morris
	Scott Balice Strategies	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 8, 2008

Project: **Vadeal Plastics USA, LLC**

STATISTICS

Project Number:	I-ID-TE-CD-8097	Amount:	$4,105,000 (not to exceed)
Type:	Industrial Revenue Bond	IFA Staff:	Steven Trout
Location:	Bedford Park	County/Region:	Cook / Northeast

BOARD ACTION

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

VOTING RECORD

Preliminary Bond Resolution, no prior vote.

PURPOSE

Bond proceeds, together with bank financing, will be used to (i) to acquire and install new machinery and equipment, (ii) to rehabilitate 35,000 square feet of an existing 100,000 square-foot industrial building located at 5025 West 73rd Street in Bedford Park for use as a plastic injection molding manufacturing plant, and (iii) fund legal and professional issuance costs.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

Issuance of the Bonds is subject to a sufficient allocation of Volume Cap. The Village of Bedford Park has a 2008 allocation of approximately $48,790 in Volume Cap, based on its population of 574, according to the 2000 Census. Other 2008 requests for IFA Industrial Revenue Bonds to finance projects located in Bedford Park include Superior Manufacturing ($7,850,000) and Lapham-Hickey Steel ($7,400,000). Given the Village's limited supply of Volume Cap, Vadeal Plastics is seeking Cap from the Authority to facilitate this issue. As described under the Business Summary section, Vadeal Plastics is a European company that has until now manufactured its products in Europe and imported them into North America. The Project will enable Vadeal Plastics to establish a US subsidiary in Bedford Park to manufacture and oversee the distribution of its products in North America. The project is expected to create 30 new permanent jobs, or approximately $136,833 in bonds per job.

JOBS

Current employment	0	Projected new jobs:	30
Jobs retained	N/A	Construction jobs:	0

SOURCES AND USES OF FUNDS

Source:	IFA Bonds	$4,105,000	Uses:	Project Costs	$4,000,000
	Equity	53,609		Legal & Professional	158,609
	Total	$4,158,609		Total	$4,158,609

FINANCING SUMMARY

Security: Direct Pay Letter of Credit from ING Bank

Structure: Variable rate demand notes with interest rates reset every 7 days. Interest rates for similar notes as of 6/18/08 were 1.82%.

Collateral: The bonds will be secured by a first security interest in the financed machinery and equipment. A corporate guaranty from the parent, Vadeal Plastics, BV may be required by the Letter of Credit Bank but this matter has not been decided.

Maturity: Approximately 20 years or such other terms as is permitted by federal tax law based on the useful life of the financed assets.

Credit Rating: The Bonds are expected to be rated AA/A-1+ by Standard & Poor's, based on the letter of credit provided by ING Bank.

PROJECT SUMMARY

Bond proceeds, together with bank financing, will be used to (i) to acquire and install new machinery and equipment, (ii) to rehabilitate 35,000 square feet of an existing 100,000 square-foot industrial building located at 5025 West 73rd Street in Bedford Park for use as a plastic injection molding manufacturing plant, and (iii) fund legal and professional issuance costs. Project costs are currently estimated as follows:

Building Rehabilitation and Electrical Service	$248,900
Molding Equipment Purchase and Installation	3,401,500
Other Machinery and Equipment Purchase and Installation	349,600
Total	$4,000,000

BUSINESS SUMMARY

Description: Vadeal Plastics, LLC is an Illinois Limited Liability Company formed in August 2007 to serve as Vadeal Plastics, BV's US affiliate. Vadeal Plastics, BV, is a manufacturer of injection molded plastic containers used for food packaging that is headquartered in the Netherlands. Its containers are purchased by food manufacturers and other companies in the food services industry.

Background: Vadeal Plastics, BV distributes its products in Europe and the North America. The company currently manufactures products at its European factories and distributes them in the US via a distribution agreement with Cups4You. Vadeal Plastics, BV is currently evaluating the creation of a new high-technology plastic injection molding plant in Illinois to bring production into the US. Vadeal Plastics, BV will be the majority owner and has brought on two minority owners to provide management support. Jeff Lukas, the owner and manager of Cups4You will serve as General Manager, as well as Laura Boucher, a successful sales and marketing executive, will lead Vadeal's US sales and marketing efforts.

The Project: The project will entail a capital investment of approximately $6.8 million and will lead to the creation of approximately 30 new full-time jobs. Vadeal is planning to sub-lease 35,000 square feet of an existing 100,000 square foot facility currently operated by CUPS4 YOU located at 5025 W. 73rd Street in Bedford Park, Illinois. The investment is primarily comprised of new high-technology plastic injection molding equipment to be purchased from a European manufacturer. If approved, the project is expected to being in July / August 2008 and will be completed by December 2008.

Management believes that the useful life of the projects assets is approximately 20 years.

Project Rationale: The demand for reusable food packaging is driving the US growth of plastic container manufacturing in North America. Vadeal believes that bringing production into the US will dramatically reduce distribution costs and reduce production costs, in part because of the currently favorable foreign exchange rates.

ECONOMIC DISCLOSURE STATEMENT

Applicants:	Vadeal Plastics USA, LLC	
Project Location:	5025 W. 73rd Street, Bedford Park, Illinois	
Building Lessor:	Cups4You (Jeff Lukas)	
Shareholder Ownership:	Vadeal Plastics B.V	75.0%
	Jeff Lukas	12.5%
	Laura Boucher	12.5%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Williams, Montgomery & John Ltd	Chicago, IL	Tom Ponpikis
Accountant:	Schilling & Associates	Wheaton, IL	Dirk Schilling
Bond Counsel:	DrinkerBiddle	Chicago	Steve Patterson
Bond Underwriter/ Remarketing Agent	Harris, NA	Chicago	Nick Knorr
Letter of Credit Bank	ING Bank	Chicago	
Underwriter's Counsel:	DrinkerBiddle	Chicago	Steve Patterson
LOC Bank Counsel:	TBD		
Trustee:	TBD		
Consultant	Duff & Phelps, LLC	Chicago, IL	Joe Pilewski
Issuer's Counsel:	TBD		
IFA Financial Advisors:	D.A. Davidson & Co	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	3: Daniel Lipinski,
State House:	22: Michael Madigan
State Senate:	11: Louis Viverito

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 8, 2008

Project: **Community Counseling Centers of Chicago, Inc., and its Successors and Assignees**

STATISTICS

Number:	N-PS-TE-CD-8102	Amount:	$7,700,000
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Locations:	Chicago (Cook County)	Region:	Northeast

BOARD ACTION

Preliminary Bond Resolution	Extraordinary conditions
No IFA funds contributed	a. $100,000 denominations
Staff recommends approval	b. Bonds to be purchased as a direct investment in accordance with IFA policies and procedures

VOTING RECORD

Preliminary Bond Resolution; no prior vote.

PURPOSE

The proceeds of the bond issue will be used to (i) refinance the Center's outstanding promissory notes with Bridgeview Bank, Chicago, Illinois at a tax-exempt rate; (ii) finance various capital improvement projects, and (iii) pay for cost of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current faculty employment:	259	Projected new jobs:	20
Jobs retained:	N/A	Construction jobs:	15 (9 months)

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	$7,700,000	Refund outstanding debt	$5,100,000
		Project Costs	2,460,000
		Legal and professional costs	140,000
Total	$7,700,000	Total	$7,700,000

FINANCING SUMMARY

Structure:	Fixed Rate bonds to be purchased by Bridgeview Bank, Chicago, Illinois at a 4.50% rate fixed for five years. On the sixth year, the rate will be adjusted to market conditions.
Collateral:	The bonds will be secured by a first mortgage on the financed property.
Underlying rating:	Current outstanding debt does not have an underlying rating.
Maturity:	30 years

PROJECT SUMMARY

The Center intends to use the net proceeds of the Authority loan to (i) refinance (a.) an $875,000 short term promissory note, (b.) a long-term promissory note for $2,225,000, and a $2,000,000 commercial bridge loan used to purchase a property located at 4756-58 N. Clark St., Chicago, Cook County, Illinois, (ii) fund the renovation and improvements at properties located at 4756-58 N. Clark St., 2540 W. North Ave., 4740 N. Clark St., 2525 W. Peterson, and 5710 N. Broadway, Chicago, Cook County, Illinois, and (iii) fund legal and professional costs associated with bond issuance.

Project Costs:	
Debt refinancing	$5,100,000
Renovation	2,370,000
Arch/Eng.	90,000
	$7,560,000

The three outstanding loans are with Bridgeview Bank, Chicago, Illinois.

BUSINESS SUMMARY

Background: Community Counseling Centers of Chicago, Inc. (the "Center", the "Applicant") is a behavioral health advocate and social service provider offering quality, comprehensive customer-oriented services tailored to the diversity of its consumers. It is an Illinois 501(c)(3) corporation. The Center was formerly known as the Edgewater Uptown Community Mental Health Center. The Center was established on July 1, 1972 as a grassroots organization in response to a federal policy called deinstitutionalization. This policy left communities with the task of developing services for people who were released from psychiatric hospitals (de-institutionalized) into neighborhoods ill-equipped to provide for their needs. At that time, many of these people came to the Edgewater and Uptown communities because of available low rent rooms. Concerned local residents applied for a federal grant in order to open a facility to care for these individuals and to provide services to help them adjust to their new living environments. The process became a community forum dedicated to building an effective mental health delivery system. Participants agreed unanimously on the need for family-centered services; substance abuse treatment; a flexible crisis-response system to keep mentally ill patients in the community whenever possible; programs to care for people after their hospital release; and services for the growing aged population.

The Edgewater Uptown Building Corporation ("EUBC") is a 501(c)(2) corporation that was set up to hold the real estate and associated debt for the Center. EUBC has submitted an application to change its tax status to a 501(c)(3) corporation and expects to have a determination prior to the project coming before the Board for final approval. EUBC and the Center are affiliated through common membership on their respective Boards of Directors and share senior management. EUBC leases office and program space only to the Center. Support for EUBC is primarily derived from rental income paid by the Center. The Center is governed by a 13-member board of which a list is provided in this report for IFA Board review.

Description: The Center developed programs to address a multitude of behavioral health and social problems that exist in the community—especially for those living in poverty. The Center has established a reputation in the Illinois mental health community and beyond as a top-notch provider offering cutting-edge clinical services and sensitivity in serving racially, ethnically and economically diverse communities.

ADULT SERVICES: The Center provides a wide range of behavioral health care for adults. This care includes brief psychotherapy and group services where the focus is on symptom/stress reduction and social/role functioning, intensive services for consumers at high risk of hospitalization who lack daily living skills or have social interpersonal difficulties, as well as services that emphasize the development of independent living, socialization and vocational skills.

CHILD AND ADOLESCENT SERVICES: The Center services are child-centered and family focused, with the needs of the family and child dictating the types of services provided. The services are community-based, and responsive to the cultural, racial and ethnic differences of the populations served.

SUBSTANCE ABUSE SERVICES: The Center offers the following out patient substance abuse services:

- Recovery Point: Provides comprehensive substance abuse services designed to help individuals, couples and families achieve, and then maintain, a drug-free and healthy lifestyle. Services are available in English and Spanish and include comprehensive assessment and referral services, early intervention, supportive outpatient, intensive outpatient, psychiatric evaluation and ongoing medication monitoring services, individualized treatment plans, HIV pre-and-post test counseling and testing services, case management, and referrals to Twelve-Step/self-help support groups. Special services are also designed to meet the needs of the dually diagnosed (substance abuse and mental illness) as well as consumers involved in the criminal justice system, the Department of Children and Family Services (DCFS), and Temporary Assistance for Needy Families (TANF). Harm reduction interventions are provided for clients who are not yet ready or able to maintain a drug - free life.

- Intact Family Recovery Services (IFR): Provides substance abuse assessment, referral and intensive case management services to intact families referred subsequent to the birth of a substance-exposed infant. The Center partners with Lutheran Social Services, a child welfare agency, to provide comprehensive services to these families, facilitate the establishment of a care and protection plan for the children, and support the custodial parents in successfully completing substance abuse treatment and avoiding foster care placements

SEXUAL ASSUALT AND ABUSE SERVICES: The Quetzal Center was established by THE CENTER in 1983 as a response to the community's need for specialized sexual assault services.

The Center serves a diverse clientele: 40% African-American. 27% White, 26% Hispanic, 3% Bi-racial, 2% Asian and 3% unknown. 54% are male and 46% are female. Approximately 9,000 unduplicated consumers are seen annually: 40% of these consumers receive adult mental health services, 26% child and adolescent mental health services, 14% adult substance abuse services, 8% violence prevention and education services, and 2% sexual assault and abuse treatment.

Ninety-eight percent of the Center's consumers live below the poverty line, 49% have no income, and 44% have no insurance. Sixty-two percent live with family or significant others; 18% live alone; 11% live in supportive housing, such as a nursing home, halfway houses, jails, etc.; 7% are homeless and 2% unknown.

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT//

Applicant:	Community Counseling Centers of Chicago and its Successors and Assignees
Project names:	2008 Debt Refinancing and Renovation Project
Locations:	4740 N. Clerk St., 4756-58 N. Clark St., 2540 W. North Ave., 2525 W. Peterson Ave., and 5710 N. Broadway, Chicago, Cook County, IL
Contact Person:	John Troy, Chief Administrative Officer (773) 765-0777
Organization:	501(c)(3) Corporation
State:	Illinois
Board of Directors:	

COMMUNITY COUNSELING CENTERS OF CHICAGO, INC.
Board of Directors

Lannie LeGear, Ph.D., Chairperson
Educator/Child Psychologist
5439 N. Magnolia
Chicago, IL 60640
(773) 334-6595
Officer term thru 2008; Director term thru 2010
Committees: Executive, Finance, CEO Evaluation

Anthony A. Kopera, President*
President & CEO
Community Counseling Centers of Chicago
4740 N. Clark Street
Chicago, IL 60640
(773) 765-0810

Angela Joiner-Jones, Secretary*
Executive Assistant to the President/CEO
Community Counseling Centers of Chicago
4740 N. Clark Street
Chicago, IL 60640
(773) 765-0811

Deidra Byrd, Esq.
Divisional Vice President/Employee Relations
Walgreen Co.
300 Wilmot Road, MS 3213
Deerfield, IL 60015
(847) 914-5399
Director term thru 2008
Committee: Fundraising

Deborah R. Esparza, MA, EdS.
Instruction Officer/Cluster 1/Area 2
Chicago Public Schools
6323 N. Avondale Avenue
Chicago, IL 60614
(773) 534-1100
Director term thru 2009

Sharon J. Pulliam
President/Recording Artist/Vocal Instructor
Grace Then Beauty Ministries
2043 West 111th Street
Chicago, IL 60643
(773) 238-3383
Director term thru 2010
Committee: Fundraising

Keith Scott
Community Organizer
Good News Community Kitchen
7649 N. Paulina
Chicago, IL 60626
773-262-2297 ext. 22
Director term thru 2010
Committee: Fundraising

Marlene Meisels, Ph.D., Vice Chairperson
Consulting Evaluator
Changing Worlds
329 W. 18th Street, Suite 613
Chicago, IL 60616
(773)-710-3867
(773) 281-2523
Officer term thru 2008; Director term thru 20
Committee: Executive, CEO Evaluation

John Fitzgerald, Treasurer
Principal
Market Tech Solutions, LLC
1341 W. Fullerton
Suite 232
Chicago, IL 60614
(773) 255-5680
Officer term thru 2008; Director term thru 20
Committees: Executive, Finance

Frank Alschuler
Community Volunteer
832 Junior Terrace
Chicago, IL 60613
(773) 477-6998
Director term thru 2010
Committees: Finance, CEO Evaluation

Joyce Dugan
President & CEO
Uptown United
4753 N. Broadway/Suite 822
Chicago, IL 60640
(773) 878-1064
Director term thru 2009
Committee: Fundraising

Rev. Michael Kitt, President
Kitt & Associates
523 S. Courtland
Park Ridge, IL 60068
(847) 698-9771
Director term thru 2008

Evan Freund
Consultant/Job Coach
1323 E. 50th Street
Chicago, IL 60615-2905
773-624-0333
Director term thru 2010
Committee: Finance

Nancy Sullivan
Retention Specialist
Truman College
1145 W. Wilson
Chicago, IL 60640
(773)- 907-4721
Director term thru 2010

* = Staff (not a voting member)
rev. June 2008

PROFESSIONAL & FINANCIAL

Borrower Counsel:	Sidley & Austin LLP	Chicago, IL	
Accountant:	Blackman Kallick Bartelstein LLP	Chicago, IL	
Bond Counsel:	TBD		
Financial Advisor	Grifin, Kubik, Stephens & Thompson, Inc.	Chicago, IL	Helena Burke-Bevin
Purchasing Bank:	Bridgeview bank	Chicago, IL :	Nerma Bajramovic
Issuer's Counsel:	Greenberg Traurig LLP	Chicago, IL	Matthew Lewin
Bond Trustee:	Bridgeview bank	Chicago, IL	
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

SERVICE AREA

The Center offers a full range of outpatient behavioral health services for adults, children, and families in the Chicagoland area without geographical restriction.

LEGISLATIVE DISTRICTS

	Congressional	State Senate	State House
4740 N. Clark St.	05, Rahm Emanuel	07, Heather Steans	13 Greg Harris
4756-58 N. Clark St	05, Rahm Emanuel	07, Heather Steans	13 Greg Harris
2540 W. North Ave	04, Luis V. Gutierrez	02, William Delgado	04, Cynthia Soto
5710 N. Broadway	09, Janice D. Schakowsky	07, Heather Steans	14, Harry Osterman

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 8, 2008

Project: **The Lyric Opera of Chicago**

STATISTICS

Number:	N-NP-TE-CD-8096	Amount:	$3,500,000
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Location:	Chicago (Cook County)	Region:	Northeast

BOARD ACTION

Preliminary Bond Resolution
No IFA funds contributed
Staff recommends approval

Extraordinary conditions:
a. $100,000 minimum denominations
b. Bonds to be purchased as a direct investment in accordance with IFA policies and procedures.

VOTING RECORD

Preliminary Bond Resolution; no prior vote.

PURPOSE

Proceeds will be used to (i) purchase a portion of the third floor of the Civic Opera Building, (ii) renovate and equip the third floor space and other areas of the Applicant's space, (iii) capitalize interest, and (iv) fund professional issuance costs.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	93	Projected new jobs:	16
Jobs retained:	N/A	Construction jobs:	50 (4 months)

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	$3,500,000	Project Costs	$3,380,000
		Capitalized interest	70,000
		Legal and professional costs	50,000
Total	$3,500,000	Total	$3,500,000

FINANCING SUMMARY

Security:	Debt service payments are a general obligation of the Lyric Opera of Chicago, and will paid from all available sources of revenue.
Structure:	Fixed -rate bonds to be purchased by J.P. Morgan Chase Bank, N.A., Chicago, IL at a 4.75% rate.
Collateral:	The bonds will be unsecured.
Rating:	Outstanding indebtedness was rated "A-1" by Moody's Investors Service, and reaffirmed in October, 2007. Since this is a direct purchase by the Bank for its portfolio, the Moody's rating will not be reaffirmed by the Applicant. The bonds will be held in the Bank's investment portfolio to maturity in accordance with IFA's policies and procedures.
Maturity:	10 years

PROJECT SUMMARY

The Society intends to use the net proceeds of the Authority loan to (i) purchase approximately 6,740 sq. ft. pf space at the Civic Opera Building, 20 N. Wacker Dr., Chicago, Cook County, Illinois, (ii) construct and equip a cafeteria and seating area on the third and first floors of said building, (iii) capitalize interest of the proposed bonds, and (iv) fund professional and issuance costs.

Project Costs:	
Building space	$1,836,000
Construction and renovation	1,230,000
Equip/Machinery	214,000
Arch/Engineering	100,000
Total	$3,380,000

The Lyric Opera will purchase the two spaces, on the street level and on the 3rd floor, as dining facilities and provide access from the Civic Opera of Chicago will purchase two different spaces within the Civic Opera Building comprising 6,740 sq. These spaces are contiguous to space within the building which Lyric owns. Lyric Opera will build out and equip Opera House into the two spaces. Lyric Opera intends to operate the dining facilities before, during and after Lyric Opera performances as demand dictates. The spaces will also be available to both not-for-profit and for-profit organizations who rent the facility for events of all types. The spaces will not be available to the general public, except that a portion of the 3rd floor space will be made available as a seating area for customers of the cafeteria. The cafeteria will be operated by a third party as is stipulated in the purchase agreement. The not –for-profit rentals will be subject to review by Bond Counsel to determine if the proposed rental would jeopardize the tax-exemption of the Bonds.

BUSINESS SUMMARY

Background:	The Lyric Opera of Chicago (the "Lyric"), (the "Applicant"), is an Illinois not-for-profit corporation founded in 1954 as the Lyric Theater of Chicago. It changed its name to Lyric Opera of Chicago in 1956. The Lyric's purpose is to sponsor, produce, and encourage opera and musical performances. Today the Lyric is recognized nationally and internationally as one of the world's great opera companies. The Lyric' financial solvency and subscription audience are envied throughout the classical field. The Lyric is governed by a 117-member Board which is included in this report for IFA Board review.
Description:	Lyric Opera of Chicago primarily serves residents of the City of Chicago, all the collar counties and the State of Illinois. Attendance at Lyric Opera performances for the 2007-2008 season totaled 279,327. The Lyric's operations include international grand opera, educational and community activities, other musical performances. The Ryan Opera Center for American Artists is affiliated with Lyric Opera of Chicago. The Ryan Opera Center provides training in voice, language and acting for aspiring American singers. Members of the Ryan Opera Center perform roles on the Lyric stage during the Lyric Opera season. Lyric funds a high percentage of the Ryan Opera Center activities.

The Lyric has a strong seasoned management and administrative team. The members are listed in the table below which shows their tenure with Lyric:

Name	Title	Start Date
William Mason	General Director	1/1/1974-1/12/1979; rehired 8/1/1980
Richard Dowsek	Director of Administration and Finance	2/4/1980
Susan Mathieson Mayer	Director of Communications	2/4/1988
Mary L. Selander	Director of Development	2/16/1995
Rich Regan	Director of Facilities (former director of facilities at Auditorium Theatre)	10/23/2006
Brent Fisher	Controller	3/30/1982

The project will add food and beverage service options for Lyric patrons which do not exist today. Lyric believes a significant interest exists among its patrons for such services, and that successful completion of the project will allow Lyric Opera to serve a significant percentage of its patrons.

The Capital Campaign: In 2005, the Opera's Board of Directors recognized that ticket revenues in excess of 100% of capacity were not sustainable in the long term. Additionally, long term sponsorship of Lyric's radio broadcasts had to be established. The Board therefore established and completed the pledge goal of $35 million to support radio broadcasts and operations in the form of "Campaign for Excellence" (CFE). To date, almost $9 million in pledge payments have been received. Disbursements from CFE must be approved by the Lyric Finance Committee. Upon Finance Committee approval, campaign funds can be used to pay general operating expenses.

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT

Applicant:	The Lyric Opera of Chicago
Project names:	Lyric Opera of Chicago Food Service Development Project
Location:	20 N. Wacker Dr., Chicago, Cook County, IL 60606-2898
Contact Person:	Richard Dowsek, Assistant Treasurer, (312) 827-5630
Organization:	501(c)(3) Corporation
State:	Illinois
Board of Directors:	List of Directors and Life Trustees attached for Board review.

PROFESSIONAL & FINANCIAL

General Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Janet Hoffman
Accountant:	Crowe Chiczek & Co., LLC	Chicago, IL	
Bond Counsel:	Seyfarth Shaw LLP	Chicago, IL	James Schraidt
Direct Purchaser:	J.P. Morgan Chase Bank, N.A.	Chicago, IL	Peter E. Coburn
Purchaser's Counsel:	Seyfarth Shaw LLP	Chicago, IL	James Schraidt
Issuer's Counsel:	Law Office of Kevin Cahill	Chicago, IL	Kevin Cahill
Trustee:	J.P. Morgan Trust Co., N.A.	Chicago, IL	Kevin Ryan
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

SERVICE AREA

The Lyric Opera attracts patrons and audiences nationally, and globally.

LEGISLATIVE DISTRICTS

Congressional:	07, Danny K. Davis
State Senate:	05, Rickey R. Henden
State House:	09, LaShawn K. Ford

LYRIC OPERA
BOARD OF DIRECTORS
2008/2009

	NAME		TITLE	ORGANIZATION
Dr.	Whitney	Addington	Senior Executive	Chicago Metropolis 2020
Mr.	James L.	Alexander	Owner	Alexander & Alexander
Mr.	Anthony K.	Anderson	Vice Chair & Midwest Managing Partner	Ernst & Young LLP
Mr.	Paul F.	Anderson	Senior Advisor	Booz Allen Hamilton, Inc.
Mr.	Anthony A.	Antoniou	Chairman	The Anvan Companies
Mrs.	A. Watson	Armour*		
Mrs.	Julie	Baskes		
Mr.	Philip	Bligh	Chairman	Radio London Group
Mr.	David R.	Boles	Managing Director	Goldman, Sachs & Co.
Mr.	John A.	Buck	Chairman & CEO	The John Buck Company
Mr.	Matthew	Bucksbaum	Chairman	General Growth Properties, Inc.
Mr.	Allan E.	Bulley III	President	Bulley & Andrews
Ms.	Pastora San Juan	Cafferty	Professor Emerita	School of Social Service, University of Chicago
Mr.	Paul J.	Carbone	Director, Private Equity Group	Robert W. Baird & Co.
Mr.	David W.	Carpenter	Partner	Sidley Austin LLP
Mr.	Michael P.	Cole	Managing Director	Madison Dearborn Partners, LLC
Mr.	Frank W.	Considine	Retired Chairman, President & CEO	American National Can Co.
Mr.	James W.	Cozad	Retired Chairman	Whitman Corporation
Mr.	John W.	Croghan	CEO	Rail-Splitter Capital Management
Mr.	John V.	Crowe	Chairman	Transport Service Co.
Mr.	Lester	Crown	Chairman	Henry Crown and Company
Mr.	Edgar Foster	Daniels*	President & General Director	Edgar Foster Daniels Foundation
Mr.	Charles G.	Denison	Managing Director	Deutsche Bank Securities, Inc.
Dr.	Gerald	Dorros	President	Dorros Foundation
Mr.	James D.	Ericson	Retired Chairman	Northwestern Mutual

LYRIC OPERA
BOARD OF DIRECTORS
2008/2009

Mr.	W. James	Farrell	Retired Chairman and CEO	Illinois Tool Works, Inc.
Mr.	Michael W.	Ferro, Jr.	Chairman & CEO	Merrick Ventures, LLC
Mr.	Lawrence I.	Field	President	Field Holdings, Inc.
Mr.	Russell W.	Fisher	Past Chairman	Jasper Textiles, Inc.
Mr.	Thomas P.	Flanagan	Vice Chairman	Deloitte & Touche LLP
Mrs.	Sonia	Florian	Director	NIB Foundation
Mr.	Richard J.	Franke	Chairman & CEO Emeritus	Nuveen Investments
Mr.	Jerry R.	Gerami	Regional Vice President, AT&T Business	AT&T Illinois
Mr.	Gordon P.	Getty	President and Director	Ann & Gordon Getty Foundation
Mr.	Ronald J.	Gidwitz	Partner	GCG Partners
Ms.	Ruth Ann M.	Gillis	Senior Vice President, Exelon; President, Exelon Business Services Company	Exelon Corporation
Mr.	Howard L.	Gottlieb	Retired Chairman	Glenwood Financial Group
Mr.	Avrum	Gray	Chairman and Founding Partner	G-Bar Limited Partnership
Mr.	Melvin	Gray	Chairman & CEO	Graycor, Inc.
Mr.	Judson	Green	CEO	NAVTEQ
Mr.	Dietrich M.	Gross	Chairman & CEO	Jupiter Aluminum Corp.
Mr.	Harold	Hartshorne, Jr.		
Mr.	Thomas C.	Heagy	Retired Vice Chairman	LaSalle Bank Corporation
Mr.	Ben W.	Heineman*	Retired Chairman	Northwest Industries, Inc.
Mr.	John W.	Higgins	Chairman & CEO	Higgins Development Partners
Mrs.	Carrie J.	Hightman	Executive VP and Chief Legal Officer	Nisource, Inc.
Mr.	Gary E.	Holdren	CEO & Chairman	Huron Consulting Group
Mr.	Henry W.	Howell, Jr.	Retired Consultant	J.P. Morgan & Co., Inc.
Mr.	William C.	Jackson	Senior Vice President	Booz Allen Hamilton
Mr.	Edgar D.	Jannotta	Chairman	William Blair & Co., L.L.C.
Mr.	Terry A.	Jenkins	President	Harris Private Bank
Mr.	George E.	Johnson	Retired President & CEO	Johnson Products Co., Inc.

LYRIC OPERA
BOARD OF DIRECTORS
2008/2009

Mr.	John W.	Jordan II	Chairman & CEO	Jordan Industries, Inc.
Mr.	Stephen A.	Kaplan	Retired Chairman	SK Investment Co., Inc.
Mr.	George D.	Kennedy	Managing Partner	The Berkshires Capital Investors
Mr.	Richard P.	Kiphart	Head of Corporate Finance – Principal	William Blair & Co., L.L.C.
Ms.	Nancy W.	Knowles	President	The Knowles Foundation
Mr.	Frederick A.	Krehbiel	Co-Chairman	Molex Incorporated
Mr.	Josef	Lakonishok	CEO	LSV Asset Management
Mr.	Robert W.	Lane	Chairman & CEO	Deere and Company
Mr.	Michael A.	Leppen		Hoover Management Company
Ms.	Susan R.	Lichtenstein	Corporate VP & General Counsel	Baxter International, Inc.
Mr.	James W.	Mabie	Principal	William Blair & Co., L.L.C.
Mr.	Robert H.	Malott	Retired Chairman & CEO	FMC Corporation
Mr.	Craig C.	Martin	Partner	Jenner & Block
Mr.	William	Mason	General Director	Lyric Opera of Chicago
Mr.	Oscar G.	Mayer*	Retired President & Chairman	Oscar Mayer & Co.
Ms.	Maura Ann	McBreen	Attorney at Law	Baker & McKenzie LLP
Mr.	Andrew J.	McKenna	Chairman	Schwarz Supply Source; McDonald's Corporation
Mr.	Frank B.	Modruson	Chief Information Officer	Accenture
Ms.	Patricia B.	Morrison	Executive VP & CIO	Motorola
Mr.	Robert S.	Morrison	Retired Chairman, President & CEO	The Quaker Oats Co.
Mr.	Richard M.	Morrow	Retired Chairman of the Board	Amoco Corporation
Mr.	Allan B.	Muchin	Chairman Emeritus	Katten Muchin Rosenman LLP
Mrs.	Linda K.	Myers	Partner	Kirkland & Ellis LLP
Mr.	Jeffrey C.	Neal	Partner	Horizon Capital Advisors, LLC
Mr.	John D.	Nichols	Vice Chairman	The Marmon Group, Inc.
Mr.	James J.	O'Connor	Retired Chairman & CEO	Unicom Corp.
Mr.	John W.	Oleniczak	Partner	PricewaterhouseCoopers, LLC
Mr.	William A.	Osborn	Chairman of the Board	Northern Trust Corporation

LYRIC OPERA
BOARD OF DIRECTORS
2008/2009

Mr.	Thomas M.	Patrick	Retired Chairman, President & CEO	Peoples Energy Corporation
Mr.	Peer	Pedersen	Chairman	Pedersen & Houpt
Mr.	James M.	Pierce	Division Manager - Western Division	UBS Financial Services, Inc.
Mr.	Kenneth G.	Pigott	Managing Partner	Pigott & Company
Mr.	Bruce J.	Piller	Office Managing Partner	KPMG LLP
Mr.	J. Christopher	Reyes	Chairman	Reyes Holdings, L.L.C.
Mr.	James	Reynolds, Jr.	Chairman and CEO	Loop Capital Markets
Mr.	Thomas A.	Reynolds III	Partner	Winston & Strawn
Dr.	William C.	Richardson	President & CEO	The W.K. Kellogg Foundation
Mr.	John M.	Richman	Retired Chairman & CEO	Kraft Foods
Mr.	Collin E.	Roche	Principal	GTCR, Golder Rauner, LLC
Ms.	Anna E.	Roosevelt	Vice President of Global Corporate Citizenship	Boeing Corporate Headquarters
Mr.	Ricardo	Rosenkranz	Neonatologist	
Mr.	Edward B.	Rouse	Vice President & Director	Bain & Company, Inc.
Mr.	Joseph O.	Rubinelli, Jr.	Partner	McDermott Will & Emery LLP
Mr.	David	Rudis	Illinois President	Bank of America
Dr.	Charles J.	Runner	Retired Private Practitioner	
	Shirley Welsh	Ryan	Chairman	Pathways Awareness Foundation
Mr.	John F.	Sandner	Retired Chairman of the Board	Chicago Mercantile Exchange
Mr.	Charles W.	Scharf	CEO, Retail Financial Services	JPMorganChase
Mr.	Timothy R.	Schwertfeger	Chairman	Nuveen Investments
Mr.	Gordon	Segal	CEO	Crate & Barrel
Mrs.	Richard W.	Simmons*		
Mr.	Raymond I.	Skilling	Retired Senior Advisor	Aon Corporation
Mr.	David B.	Speer	Chairman & CEO	Illinois Tool Works, Inc.
Mr.	Roger W.	Stone	Chairman & CEO	KapStone Paper & Packaging Corp.
Mr.	Howard A.	Stotler*		
Ms.	Cherryl T.	Thomas	President	Ardmore Associates

LYRIC OPERA
BOARD OF DIRECTORS
2008/2009

Mr.	Theodore D.	Tieken	President	Babson Farms, Inc.
Ms.	Mary A.	Tolan	Chief Executive Officer	Accretive Health
Mr.	Hiroshi	Uchida	Executive Vice President	Fenwal, Inc.
Mr.	William C.	Vance	Chairman of the Board	Vance Publishing Corporation
Ms.	Donna	Van Eekeren	Treasurer, Chairwoman, and Chief Executive Officer	Land O'Frost, Inc.
Mr.	Jonathan P.	Ward	Chairman, Chicago and Managing Director	Lazard Freres & Co., LLC
Mrs.	Roberta L.	Washlow	Philanthropist	
Mr.	Miles D.	White	Chairman and CEO	Abbott
Mr.	Robert E.	Wood II	Retired	Discover Card Services

* Denotes Life Member

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 8, 2008

Project: **The Chicago Horticultural Society**

STATISTICS

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

BOARD ACTION

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

VOTING RECORD

Preliminary Bond Inducement, May 13, 2008

Ayes: 11, Nays: 0, Abstentions: None, Vacancy: 1, Absent: 3 (Barclay, DeNard, O'Brien)

PURPOSE

Proceeds will be used to (i) construct and equip a new Plant Conservation Science Center, (ii) capitalize interest, and (iii) fund professional issuance costs.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	425FTEs/PTEs (1,100 Volunteers)	Projected new jobs:	13
Jobs retained:	N/A	Construction jobs:	55 (16 months)

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	$30,000,000	Project construction /equipment	$28,000,000
		Capitalized interest	1,600,000
		Legal and professional costs	400,000
Total	$30,000,000	Total	$30,000,000

FINANCING SUMMARY

Security:	Direct Pay Letter of Credit from JP Morgan Chase Bank, N.A., Chicago, Illinois. The bank's debt is rated Moody's "Aaa", Standard and Poors "AA", and Fitch "AA-". The Bank's short term ratings are "P-!", "A-1+", and "F1+", respectively, by the above rating agencies. Debt service payments are a general obligation of the Society, and will be paid from all available sources of revenue.
Structure:	Weekly multi-mode floating rate bonds. As of June 24, 2008 the interest rate for Letter of Credit enhanced bonds was 1.42%.
Collateral:	The bonds will be secured by a first mortgage on the financed property.
Underlying rating:	The Applicant's outstanding bonds do not have an underlying rating.
Maturity:	The proposed bonds will have a bullet maturity in 2038*.
Closing date:	July 17, 2008

* The bullet maturity will allow the Society to maintain level debt service payments when integrated with the debt service payments of its outstanding bonds. There will be an amortization clause in the Bond Reimbursement Agreement which allows the Society to make principal payments on the proposed bonds.

PROJECT SUMMARY

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

Project Costs:	
Construction	$27,500,000
Equipment	400,000
Arch.Eng.	100,000
Total	$28,000,000

BUSINESS SUMMARY

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

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

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

Description: From its founding, the Garden has hired leading architects, beginning with the master plan by John O. Simonds and Geoffrey Rausch. Edward Larabee Barnes designed the Education Center as the

Garden's first building in 1977. The Malott Japanese Garden, Sansho-En, was completed in 1982. Throughout its existence, the Garden has developed gardens and educational facilities with a meticulous eye toward its original mission.

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

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

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

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

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

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

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

Other Provisions. The District Agreement provides that all property purchased by the Society with funds provided by the District shall be the property of the District, subject to certain exceptions.

The District must approve any increases in the Garden's parking fees and must approve the imposition of any admission fee. The District Agreement also requires that the Society maintain public liability and property damage insurance for the Garden. **The Society is not responsible for debt service on the District's outstanding bonds.**

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

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT

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

THE CHICAGO HORTICULTURAL SOCIETY

BOARD OF DIRECTORS

NAME	AFFILIATION
William J. Hagenah, Chairman	Retired Sr. Vice President, Bank One
Alice Goltra	Civic Leader
Anne O. Scott	Civic Leader
Arthur M. Wood, Jr.	Senior Vice President, The Northern Trust Company
Barbara A. Lumpkin	Civic Leader
Barbara Whitney Carr	Retired President and CEO, Chicago Botanic Garden
Benjamin F. Lenhardt, Jr., Vice Chairman	Retired Chairman and CEO, UBS Global Asset Management – Americas
Bill Kurtis	President, Kurtis Productions
Caryn Harris	Civic Leader
Christopher A. Deveny	Managing Director, JP Morgan Private Bank
David Byron Smith	Retired, Illinois Tool Works
Donna LaPietra	Producer, Kurtis Productions
Dorothy H. Gardner	Civic Leader

Edward Hines	President, Edward Hines Lumber Company
Edward Minor	Chairman, Robinson Steel Company, Inc.
Ellis M. Goodman	Chairman, Allied District Properties Corporation
Gary P. Coughlan	Retired Chief Financial Officer, Abbott Laboratories
George A. Peinado	Managing Director, Madison Dearborn Partners
Homi B. Patel, Vice Chairman	Chairman and CEO, Hartmarx Corporation
Hon. Todd H. Stroger	President, Cook County Board of Commissioners
Howard J. Trienens	Partner, Sidley & Austin LLP
James J. Glasser, Vice Chairman	Retired Chairman and CEO, GATX Corporation
James W. DeYoung, Vice Chairman	Principal, Winston Partners Incorporated
Jane Irwin	Senior Vice President, Potash Corporation
Jane S. O'Neil	Civic Leader
Janet Meakin Poor	President, Janet Meakin Poor Landscape Design
Jay L. Owen	JPMorgan
Jeanine McNally	Civic Leader
Joan Galli	Managing Partner, Shamrock Farms Development LLC
John D. Fornengo	Eckhardt Trading Company
John Edward Porter	Attorney, Hogan & Hartson
John F. Cregan	President, Hotchkiss Associates, LLC
John H. Buehler	Senior Vice President, Element 79 Partners
John K. Greene	Retired Principal, William Blair & Company L.L.C.
John L. Howard	Senior Vice President and General Counsel, W.W. Grainger, Inc.
John V. Crowe	Chairman, Transport Service Company
Joseph A. Gregoire	President & CEO – Illinois Banking, National City
Josephine P. Louis	Chairwoman, Eximious, Inc.
Kathleen Kelly Spear	Senior Vice President and Deputy General Counsel, Kraft Foods, Inc.
Laura M. Linger	Client Development, William Blair & Company L.L.C.
Marion S. Searle	Civic Leader
Mark E. Rose	Retired Chief Executive Officer, Grubb & Ellis Co.
Mark W. Haller	Partner, PricewaterhouseCoopers LLP
Mary Ann S. MacLean	Civic Leader
Mary Boyer	Civic Leader
Mary L. McCormack	Civic Leader
Nancy Gidwitz	Civic Leader
Neville F. Bryan	Civic Leader
Nicole S. Williams	President, The Nicklin Capital Group
Pamela F. Szokol	Civic Leader

Pamela K. Hull	Civic Leader
Peter B. Foreman	President, Sirius Partners
Peter M. Ellis	Attorney, DLA Piper
Posy L. Krehbiel	Civic Leader
Richard L. Thomas	Retired Chairman and Chief Executive Officer, First Chicago Corporation
Robert F. Finke	Partner, Mayer, Brown, Rowe and Maw LLP
Robert H. Malott	Retired Chairman and CEO FMC Corporation
Steven M. Bylina, Jr.	General Superintendent, Forest Preserve District of Cook County
Sue L. Gin	Chief Executive Officer, Flying Food Group, LLC
Susan A. Willetts	Managing Director, Goldman Sachs and Company
Susan Keller Canmann	Civic Leader
Susan Regenstein	Civic Leader
Susan Steves Keiser	Executive Vice President, LaSalle Bank, N.A.
Susan Stone	Civic Leader
Suzanne S. Dixon	Civic Leader
Thomas A. Donahoe	Retired Vice Chairman, PricewaterhouseCoopers
Thomas B. Hunter III	Civic Leader
Thomas C. Freyman	Chief Financial Officer, Abbott Laboratories
Thomas E. Lanctot, Secretary	Principal, William Blair & Company, L.L.C.
Thomas F. Aichele	Vice President, American Airlines
Timothy C. Coleman	Senior Managing Director, Dresner Investment Services
Todd E. Warnock	Founding Partner, Roundtable Healthcare Partners
William E. Moeller	President and CEO, United Healthcare Illinois

THE CHICAGO HORTICULTURAL SOCIETY

LIFE TRUSTEES

NAME	AFFILIATION
Arthur G. Hailand, Jr.	Civic Leader
Dain Searle	Civic Leader
Ernest P. Waud III	Civic Leader
Florence S. Hart	Civic Leader

PROFESSIONAL & FINANCIAL

General Counsel:	Drinker Biddle & Reath LLP	Chicago, IL	Michael Csar
Accountant:	Blackman Kallick Bartelstein, LLP	Chicago, IL	
Bond Counsel:	Perkins Coie	Chicago, IL	William Corbin
Placement Agent:	William Blair and Company	Chicago, IL	Thomas E. Lanctot
Placement Agent Counsel:	Miller Canfield	Chicago, IL	Paul Durbin
LOC Bank;	JP Morgan Chase bank, N.A.	Chicago, IL	Bruce Davis
LOC Bank Counsel:	Foley & Lardner	Chicago, IL	Laura Bilas
Issuer's Counsel:	Greenberg & Traurig, LLP	Chicago, IL	Matthew Lewin
Bond Trustee:	Bank of New York Mellon Trust	Chicago, IL	Rodney Harrington
Architect:	Booth Hansen	Chicago, IL	
Project Manager:	Brown & Associates	Lincolnwood, IL	
Construction Manager:	Featherstone, Inc.	Downers Grove, IL	
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

SERVICE AREA

The Chicago Botanic Garden attracts visitors and students locally, nationally, and globally.

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 8, 2008

Project: **New Hope Center Inc.**

STATISTICS

Project Number:	N-NP-TE-CD-8046	Amount:	$6,500,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Sharnell Curtis Martin
County/Region:	Will County/ Northeast	City:	Crete

BOARD ACTION

Final Bond Resolution
Conduit 501(c)(3) Revenue Bonds
IFA Funds contributed – Not Applicable
No Extraordinary conditions
Staff recommends approval
Material changes since preliminary approval: Increase in project size from $6 million to $6.5 million

VOTING RECORD

Preliminary Bond Resolution: April 8, 2008

Ayes: 10 Nays: 0 Abstained: 0 Absent: 3 (Herrin, Talbott, Valenti) Vacancy: 1

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

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

ESTIMATED SOURCES AND USES OF FUNDS

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

The source of equity is from a combination of internal funds and capital campaign contributions.

FINANCING SUMMARY/STRUCTURE

Security: Bonds will be secured by a Direct Pay Letter of Credit provided by Charter One Bank for a 5-year term.
Structure: Bonds will be weekly variable rate demand bonds (estimated at 1.72% as of June 19, 2008)
Bank's Collateral: First Mortgage on subject real estate.
Maturity: 30 Years
Rating: The Bonds will carry the rating of the credit enhancer, Charter One Bank, AA- by S&P.
Est. Closing Date: August 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	225,000
Total Projects Costs	**$4,825,000**
Refinancing	1,130,000
Cost of Issuance	175,000
Estimated Total Project	**$6,130,000**

The project is expected to close by August 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.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant/Borrower:	New Hope Center Inc. 1624 E. 154th 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	Laveryl Brown, Vice Chair	
	Barbara Kornas, Secretary	Catherine Schafer, Treasurer	
	Estelle Bednar	Linda Blanchard	Gary Brown
	Mary Jean Dunlop	Patricia Gilbert	Kelly Kaufmann
	Deborah Kopec	Larry Kornas	Loretta Lindeman
	Susan Micheals	Barbara Nelson	Angelo Padro
	Phillip Paige	Rita Pheiffer	Theodore Schaffer
	Kathleen Zacahry		

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:	Ungaretti and Harris	Chicago	Julie Seymour
Financial Advisor:	Total Capital Solutions, Inc.	Oak Park	Tony Grant
Bond Underwriter:	NatCity Investments, Inc.	Cleveland, OH	Mary Grace Pattison
Underwriter's Counsel:	Greenberg Traurig	Chicago	Matt Lewin
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

LEGISLATIVE DISTRICTS

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

SERVICE AREA

Chicago's South and Southwestern suburbs.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 8, 2008

Project: Bethany Methodist – North Suburban Campus

STATISTICS

Project Number:	H-HO-TE-CD-8052	Amount:	$40,000,000 (Not to exceed amount)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane and Dana Sodikoff
Locations:	Morton Grove / Glenview	Region:	Northeast
County:	Cook		

BOARD ACTION

Preliminary Bond Resolution
Conduit 501(c)(3) Bonds
No IFA funds at risk

No extraordinary conditions
Staff recommends approval
Requesting a waiver of IFA Policy regarding the sale of unrated and unenhanced debt, to be based on a feasibility study by Dixon Hughes, which will be completed before the Final Bond Resolution

VOTING RECORD

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

PURPOSE

Bond proceeds will be used to: (i) Refund the Chestnut Square at the Glen IHFA Series 2002 Bonds as part of the restructuring of the Obligated Group; (ii) renovate the Bethany Terrace Nursing Centre; and (iii) to fund the conversion of a portion of Bethany Terrace to an assisted living facility called Bethany Gardens, which will include 52 private suites.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	248 FTE's	Projected new jobs:	50
Jobs retained:	248 FTE's	Construction jobs:	40 to 50

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$31,185,000	$	Uses:	Reimbursement for Prior Expenditures	
	Series 2002 DSRF	2,214,431			Routine Capital	$3,500,000
	Series 2002 DSF	202,170			Future Capital Expenditures	8,823,226
	Equity Contribution	38,043			Cost of Issuance	710,022
					Debt Service Reserve Fund	2,418,994
					Capitalized Interest	2,669,250
					Refunding Deposit	15,518,152
	Total	**$33,639,644**		**Total**		**$33,639,644**

FINANCING SUMMARY

Security/Collateral:

Security:
- Pledge of gross revenues
- First mortgage on properties
- Debt Service Reserve Fund on maximum annual aggregate debt service

Covenants:
- Minimum Debt Service Coverage Ratio
- Minimum Days Cash on Hand
- Limitations on Additional Indebtedness
- Restrictions on Encumbrance, Sale or Lease of Property
- Quarterly financial reporting required
- Standard insurance requirements

Structure: Fixed Rate. Sold in minimum denominations of $25,000.

Maturity: August 15, 2038

Credit Rating(s): Non-rated

Waiver: The bonds will be sold in denominations less than $100,000 (i.e. $1,000, $5,000). The Borrower has requested a waiver of our unrated and non-credit enhanced debt policy. They expect to meet the conditions for a waiver, which they qualify for.

Conditions for Waiver:

The Borrower expects to secure a feasibility study* from an independent and qualified accounting or consulting firm acceptable to the Authority demonstrating the financial viability of the project

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

PROJECT SUMMARY

The proceeds of the proposed bond deal will be used to:

(i) refund the Chestnut Square at the Glen Series 2002 Bonds;

(ii) reimburse Bethany Methodist – North Suburban Campus for prior expenditures used to renovate the Bethany Terrace Nursing Centre.

(iii) to fund the construction of a new assisted living conversion at Bethany Terrace called Bethany Gardens, which will include 52 private suites.

General objectives are focused upon development of the north suburban campus and Bethany Gardens in order to complete the “continuum of care” and effectively compete in the current north shore marketplace.

The new addition, Bethany Gardens, will replace two wings of Bethany Terrace with approximately 52 private suites in an integrated four story facility. This addition will occupy the space of those two wings that will be demolished for the new project. Currently, the Terrace facility has approximately 70 unoccupied beds (of 230), but after the renewal project there would be only approximately 10 unoccupied beds. There has historically been a demand for assisted living that has not been met, with the system sending assisted living patients to other assisted living facilities. The project is intended to capitalize on this demand. The balance of previously old/obsolete unoccupied units would essentially be reintroduced through the new Bethany Gardens with an assisted living unit focus.

The Bethany Terrace renovations include:

- Three (3) new/renovated wings
- Renovated lobby area
- Renovated central meeting area and offices
- Renovated snack shop
- Renewal of the physical therapy and beauty shop area
- Upgrade of one additional wing (Bendix)
- Additional parking lot space (Main Street annexation)
- Modified roof line and front entry decor

Timing: Fall 2008

BUSINESS SUMMARY

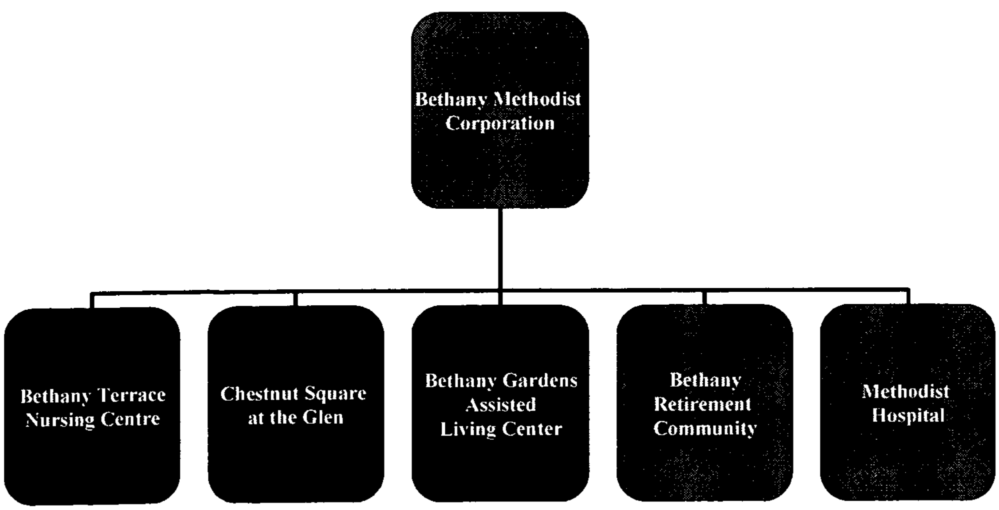
Background/Description: Bethany Methodist – North Suburban Campus will consist of Chestnut Square at the Glen ("Chestnut Square"), Bethany Terrace Nursing Centre ("Bethany Terrace") and Bethany Gardens.

Chestnut Square at the Glen is a 164-unit congregate living community located in Glenview, Illinois for seniors who choose a secure retirement lifestyle that is active, stimulating and fulfilling. Chestnut Square offers one- and two-bedroom independent living apartments with 100% refundable Entrance Fees.

Bethany Terrace Nursing Centre is a 275-bed fully licensed nursing home which is located in suburban Morton Grove, Illinois. Bethany Terrace provides a full range of nursing and rehabilitative services.

Bethany Gardens, a 52-unit assisted living facility, will be a conversion of a portion of the existing campus of Bethany Terrace in Morton Grove, Illinois.

Bethany Methodist Corporation ("BMC", the "Corporation" or the "System") is a not-for-profit healthcare corporation that has served the Chicago community for more than 115 years. BMC is currently the sole corporate member of Bethany Homes and Methodist Hospital ("BH&MH") and Chestnut Square at the Glen Association. The Corporation will not be a part of the obligated group for this financing.



The organizational chart below shows the structure of Bethany Methodist Corporation.

The Obligated Group for the deal are the entities shown in blue.

Existing Bonds: Chestnut Square at the Glen currently has approximately $15.02 million of Series 2002 Bonds outstanding. These bonds are expected to be refunded with the upcoming bond issuance.

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT

Project name:	Chestnut Square at the Glen / Bethany Terrace Nursing Center / Bethany Gardens
Locations:	Morton Grove / Glenview
Applicant:	Bethany Methodist – North Suburban Campus
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois
Board of Trustees:	Bethany Terrace currently does not have a separate Board from BMC.
	Chestnut Square at the Glen Board:
	David E. Carlson (Chairman) – Retired Executive
	Stephen Dahl (President) – President and CEO
	Charles Jackson (Director) – Senior VP – Stock Broker
	John Quick (Director) – Senior VP – Quality Assurance
	Janice Rode (Director) - Attorney

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Drinker Biddle & Reath	Chicago	Jennifer R. Breuer
Bond Counsel:	Jones Day	Chicago	David J. Kates
Underwriter:	Oppenheimer & Co. Inc.	Chicago	Branden Kelly
Underwriter's Counsel:	Mintz, Levin, Cohn, Ferris, Glovsky and Popeo	Boston	Leonard Weiser-Varon
Bond Trustee:	Chase Bank	Chicago	
Accountant:	PricewaterhouseCoopers	Chicago	
Feasibility Consultant:	Dixon Hughes	Atlanta	James Larson
Issuer's Counsel:	Schiff Hardin	Chicago	Bruce Weisenthal
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

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

SERVICE AREA

Service Area: Chestnut Square at the Glen: Glenview, Northbrook, Northfield, Wilmette, Evanston, Park Ridge

Bethany Terrace: Morton Grove, Niles, Glenview, Skokie, Evanston, Des Plaines, Park Ridge

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 8, 2008

Project: KishHealth System

STATISTICS

Project Number:H-HO-TE-CD-8108	Amount: $71,500,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and Dana Sodikoff
County/Region: DeKalb/ Northeast	City: DeKalb

BOARD ACTION

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

VOTING RECORD

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

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

PURPOSE

Use of proceeds: Proceeds will be used to (i) refund 2005 Series auction rate securities, (ii) fund a debt service reserve fund, and (iii) to pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	819 FTE's	Projected new jobs: 0
Jobs retained:	819 FTE's	Construction jobs: 0

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA bonds	$71,451,000	Uses:	Refunding of 2005 ARS	$ 63,050,000
				Debt Service Reserve Fund	7,000,000
				Cost of Issuance	1,050,750
				Underwriter's Discount	350,250
	Total	$71,451,000		Total	$71,451,000*

*There is a swap associated with the 2005 bonds. If KishHealth issues fixed rate bonds they will terminate the swap when the value approaches break-even. If Kish issues variable rate demand bonds, the intent is to keep the swap outstanding.

FINANCING SUMMARY/STRUCTURE

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

Structure:	The plan of finance contemplates the issuance of either fixed rate debt or variable rate debt. The variable rate demand bonds would be backed by a Letter of Credit (bank to be determined but will carry a long-term rating of A- or better). The fixed rate bonds will carry the rating of KishHealth System, which is A-.
Interest Rate:	To be determined the day of pricing depending on market conditions. The variable rate demand bonds to average over time approximately 3.10% (tracking closely to the historical SIFMA variable rate index). The fixed rate bonds would yield approximately 5.50%.
Interest Mode:	Variable Rate Demand Bonds and Fixed Rate Bonds
Credit Rating:	A- (S&P)
Credit Enhancement:	Letter of Credit on the variable rate demand bonds.
Maturity:	Not later than 2048
Rating:	To be determined based on bank chosen for Letter of Credit, but will not be below A-. KishHealth carries an underlying rating of A- (S&P)
Est. Closing Date:	August 2008

PROJECT SUMMARY

The 2008 Bond proceeds will be used to refund the Series 2005 Bonds, fund a debt service reserve fund, and fund costs of issuance. The refunding is expected to result in lower interest cost.

BUSINESS SUMMARY

Description of Business: KishHealth System ("KHS") is an Illinois not-for-profit corporation and is the parent company of Kishwaukee Community Hospital ("KCH"), Valley West Community Hospital ("VWCH"), Kishwaukee Health Foundation, Kishwaukee Medical Foundation, DeKalb County Hospice and Health Progress Inc., the Health System's for-profit arm. KHS began with the opening of KCH on December 27, 1975 at the location on Bethany Road in DeKalb, Illinois. KCH ceased operations at the 626 Bethany Road, DeKalb, IL location on October 2, 2007 and relocated to a new replacement hospital, located at One Kish Hospital Drive, DeKalb, IL. Licensed beds at new location are 100.

In 1998 KHS acquired the assets of the former Sandwich Community Hospital, now VWCH. KHS is headquartered in DeKalb, Illinois. KCH, also located in DeKalb, is currently licensed for 172 acute care beds. VWCH, located in Sandwich, Illinois, is licensed for 82 acute care beds and has been federally designated a Critical Access Hospital. In addition to its acute care facilities, KHS' array of services and specialties include hospice via DeKalb County Hospice, specialty eye services via the Hauser Ross Eye Institute, radiation oncology via the Illinois Regional Cancer Center (51% equity), diagnostic imaging services via DeKalb Magnetic Resonance Center (30% equity), and specialty orthopedics via the Musculoskeletal Institute (30% equity).

Project Rationale: The cost of auction rate debt has become cost prohibitive and converting / refunding current Series 2005 debt would be advantageous from a cost of debt service standpoint.

Timing: August 2008

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: KishHealth System
Borrower: KishHealth System
Board Members (501c3):
- Lesley Clements (KCH Aux)
- Michael Cullen, Chair

Terrence Duffy
Kevin Egly, MD (VWCH COS)
Erik Englehart, MD
Ronald Feldmann, MD
Karen Guilde
Cindy Kaminky (VWCH Aux)
Donald Kieso, 1st Vice Chair
Michael Larson, 2nd Vice Chair
Thomas Matya
Mary Lynn McArtor
Michael Mooney
Kevin Poorten, CEO
Bradley Waller
Dewey Yaeger
Mohammad Yasin, MD (KCH COS)
Anita Zurbrugg

PROFESSIONAL & FINANCIAL

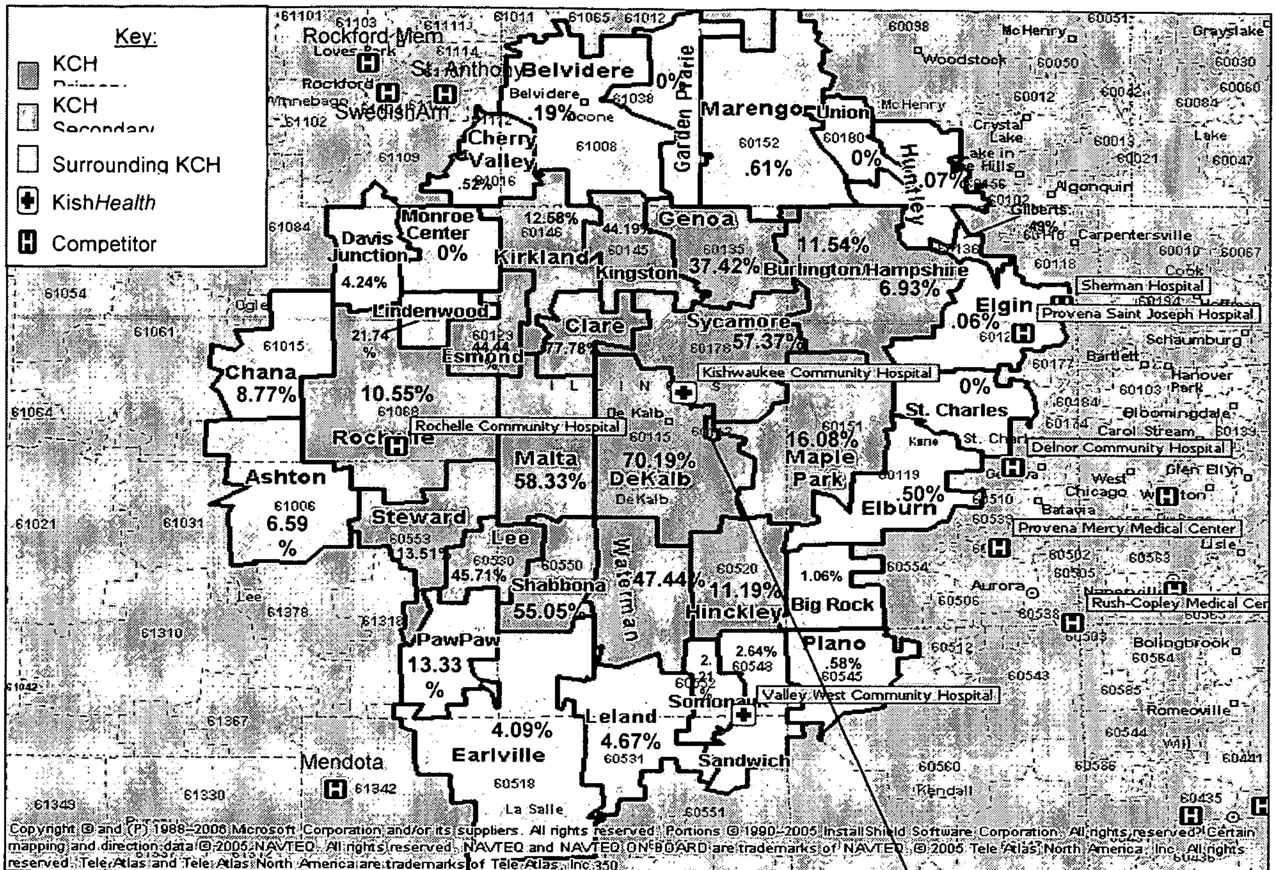
Borrower's Counsel:	Reinhart Boener Van Deuren	Chicago	Bill Flynn
Financial Advisor	Kaufman Hall	Chicago	Betty Lam
Accountant:	Clifton Gunderson	Dixon	
Bond Counsel:	Chapman & Cutler	Chicago	Chris Walrath
Bond Underwriter:	JP Morgan Chase	Chicago	Tim Wons
Underwriter's Counsel:	Ungaretti & Harris	Chicago	Ray Fricke
Issuer's Counsel:	Charity & Associates (MBE)	Chicago	Alan Bell
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 14 - Bill Foster
State Senate: 70 – Robert W. Pritchard
State House: 35 – Kevin Joyce

SERVICE AREA

KCH Service Area (and surrounding markets) 1st Half 2006 (January-June) Market Share



Zips Include: 1st Half 2006 Market Share

Cortland 47.10%

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 8, 2008

Project: Friendship Village of Mill Creek, NFP

STATISTICS

Project Number: H-SL-RE-TE-CD-8093
Type: 501(c)(3) Bond Anticipation Notes
County/Region: Kane/Northeast

Amount: $3,900,000 (Not-to-Exceed)
IFA Staff: Pam Lenane and Dana Sodikoff
City: Geneva

BOARD ACTION

Final Bond Resolution
Conduit 501 (c)(3) Bond Anticipation Notes ("BANs")
No IFA funds at risk
Changes since Preliminary: Sources and Uses have been updated

No extraordinary conditions
Staff recommends approval subject to compliance with IFA policy requirements for non-rated debt; these bonds and will be sold in $100,000 denominations to sophisticated investors.

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on June 10, 2008 by the following vote:

Ayes – 10 Nays – 0 Absent – 3 Vacancies – 2

PURPOSE

The proceeds of this financing will be used to: (i) fund the pre-construction costs of the continuing care retirement community (the "Project") known as GreenFields of Geneva, comprised primarily of the design, development, and marketing costs of the Project (the "Pre-Construction Costs"); and (ii) pay costs of issuance.

In May, 2007, Friendship Village of Mill Creek, NFP ("Borrower"), issued $5.5 million in Bond Anticipation Notes ("BANs") through the Authority for this Project (at that time the Project was called Tallgrass at Mill Creek). The Borrower is now requesting the issuance of an additional $3.9 million to fund the pre-construction costs. Borrower intends to repay the Series 2007 BANs and the Series 2008 BANs with the proceeds of a permanent financing, which will consist of taxable and tax-exempt bonds, to be issued through the IFA in June, 2009.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Note that the FTE's listed below will not be created until the permanent financing is put into place in 2009.

Current employment: 4 FTE's
Jobs retained: 4 FTE's

Projected new jobs: 125 FTE's
Construction jobs: 250-350

ESTIMATED SOUCES AND USES OF FUNDS

Sources:			Uses:		
	IFA bonds	$3,600,000		Marketing	$1,112,300
				Land and Related	245,200
				Design and Engineering	770,200
				Development & Planning	804,100
				Owner Legal & Regulatory	306,200
				Cost of Issuance & Fin. Costs	362,000
	Total	$3,600,000		Total	$3,600,000

FINANCING SUMMARY/STRUCTURE

Security: Collateral assignment of the primary development-related third party contracts (architectural contract, land purchase agreement, Greystone development contract, and any other development related contracts).

Repayment: The expected source of repayment of the principal and accrued interest is the proceeds of construction/permanent financing, which is anticipated upon the project achieving pre-sales (resident reservation deposits equal to 10% of the entrance fee related to the independent living unit reserved) with respect to approximately 60% to 70% of the project's independent living units. In the event that the permanent financing does not proceed, recourse is limited to Friendship Village at Mill Creek, NFP an entity which at that time will have limited assets.

Structure: The bonds will be non-rated, fixed rate bonds sold in $100,000 denominations to sophisticated investors. The bonds will include one series of tax-exempt bonds and one series of taxable bonds (to be issued to pay cost of issuance in excess of 2% if necessary).

Interest Rate: Fixed interest on the BANs will accrue and be payable, along with principal, in five years and prepayable at anytime at par plus the accrued interest. The interest rate is anticipated to be approximately 13%, but will be set based upon capital market conditions at the time of pricing and selling the BANs.

Interest Mode: The BANs will be issued with a stated rate of interest to be used in calculating the accreted value of the BANs. Interest will not be paid to bondholders until such time as the permanent financing is put into place and all principal plus interest (and any call premium) are paid to the bondholders. In no event will the date of such redemption be later than five years after issuance.

Credit: Enhancement The Series 2008 BANs will not be credit enhanced or subject to a guaranty.

Maturity: Five years from the date of issuance

Rating: Non-rated

Estimated Closing Date: July, 2008

PROJECT SUMMARY

Friendship Village of Mill Creek, NFP ("Borrower") is a not-for-profit corporation formed for the purpose of developing, owning and operating a Continuing Care Retirement Community ("CCRC"). The proposed community will be located in the Mill Creek neighborhood, in Geneva, IL, approximately 40 miles west of Chicago (the "Project"). Mill Creek is a master planned community, featuring single family homes and condominiums, retail, schools, parks, trails, a golf course and other recreation on one 1,500 acre site.

The CCRC will be branded and known as "GreenFields of Geneva" ("GreenFields"). GreenFields is proposed to consist of 133 independent living units, 48 assisted living units, 24 memory support assisted living units, and 40 private skilled nursing beds. The community is expected to offer a 90% refundable resident contract for independent living units. The current estimated total cost to develop the community is approximately $109 million.

As of May 1, 2008, more than 300 age and income qualified seniors have joined the GreenFields of Geneva Priority Program. The Priority Members may select an independent living unit and make a 10% entrance fee deposit when the Sales & Information Center opens in Geneva, IL in July, 2008. As of today, eighteen 10% entrance fee deposits have been collected.

Friendship Village of Mill Creek will pay local real estate taxes, as it does on its existing sister corporation's CCRC, Evangelical Retirement Homes of Greater Chicago, Inc., D/B/A Friendship Village of Schaumburg ("FVS").

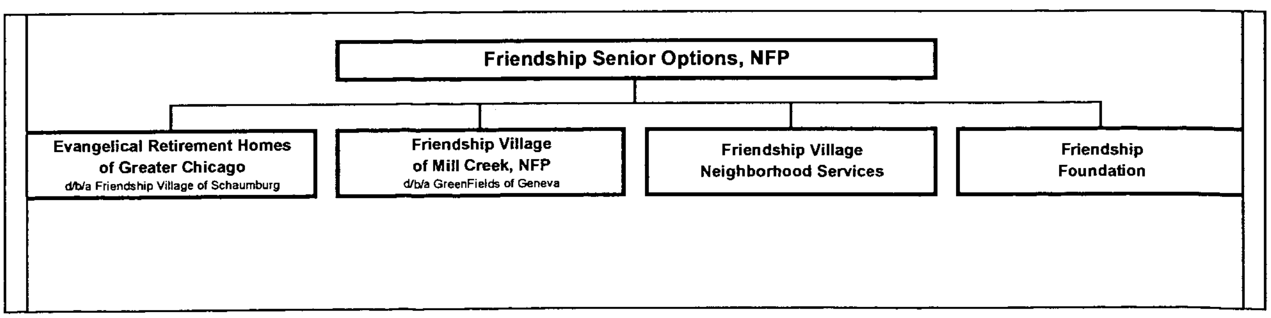
Project Rationale: The Borrower proposes to issue the additional $3.9 million of BANs to fund additional pre-Development finance costs. In November, 2007, the Borrower terminated the prior project developer, Retirement Living Services (RLS) for failing to meet Project and Sales Milestones. Greystone Development Company II LP ("Greystone") was hired to redefine the project and reintroduce it to the market under the new d/b/a GreenFields of Geneva.

Strengths of the project include: an experienced project owner, Friendship Village of Schaumburg ("FVS"), a sister corporation (located in Schaumburg); a strong management/development team in place; the successful track record of Greystone in developing and marketing similar communities (see below); the full commitment of management to the success of the community; the community is positioned to attract a higher-income resident that will sufficiently differentiate itself from its competitors; the high level of Primary Market Area ("PMA"), consisting of 10 Zip Codes, resident knowledge of the CCRC concept; and the location of the community in the Mill Creek neighborhood. There are approximately 1700 households age 75+ with incomes of $50,000 or more in the Primary Market Area. Further, as of May 1, 2008, more than 300 age and income qualified seniors had joined the GreenFields Priority Program.

Developer: The project developer, Greystone Communities, is one of the nationally recognized leaders in the development of non-profit CCRCs. With headquarters in Dallas, TX, Greystone has been successfully developing similar projects since 1982 throughout the United States. In Illinois, Greystone is the developer for the Clare at Water Tower, The Admiral, Plymouth Place, Park Place and Luther Oaks, all CCRC's financed by the Illinois Finance Authority. Greystone has completed a preliminary market study, development plan and financial analysis indicating that there is a sufficient number of age and income qualified potential residents in and around Geneva to successfully populate a new community like GreenFields. In addition, despite a number of existing and start-up communities in and near the primary market area of the project, the analysis has shown that cultural and economic barriers are significant enough to consider only a portion of those units as competitive. As a result of this survey and Greystone's marketing experience, it is reasonable to expect that unit pre-sales will meet expectations. However, as a cautionary measure to allow for an unforeseen delay, the BANs are being structured with a five year maturity. The intention, however, is to return to the IFA for permanent financing in the amount of approximately $109 million in the year 2009. At that time the BANs will be prepaid at par plus accrued interest.

BUSINESS SUMMARY

Overview of the Organization:



Since the late 1970's, Evangelical Retirement Homes of Greater Chicago, Inc. an affiliate, has successfully operated a Continuing Care Retirement Community ("CCRC") with approximately 500 independent living units, 100 assisted living & dementia units, and 250 nursing beds on a 60 acre campus known as Friendship Village of Schaumburg since the late 1970's. As part of a carefully planned growth strategy, the organization implemented a new corporate structure in conjunction with its $125,500,000 IFA financing in June, 2005. The new corporate structure included the creation of a new not-for-profit Parent Corporation known as Friendship Senior Options ("FSO") and provided for the development of a second campus through a subsidiary not-for-profit corporation known as Friendship Village of Mill Creek d/b/a GreenFields of Geneva.

Friendship Village of Mill Creek, NFP is the Borrower of the Bond Anticipation Notes.

IRS 501(c)(3) determination letters have been received from the IRS, for both entities. The new Parent Corporation, FSO, is the Sole Corporate Member of both CCRC campuses – Friendship Village of Schaumburg ("FVS") and Friendship Village of Mill Creek. This new corporate structure is illustrated below:

Friendship Senior Options, Evangelical Retirement Homes of Greater Chicago, Inc., d/b/a Friendship Village of Schaumburg, Friendship Village Neighborhood Services, and Friendship Foundation are not obligated to any liability or obligation of Friendship Village of Mill Creek, NFP including the principal and interest on the BANs.

The sponsor, Friendship Senior Options has agreed, however, to provide up to $1,000,000 of indemnification to the Authority as part of language included in the Bond Purchase Agreement and the Loan Agreement to be secured by a letter of credit (see Indemnification below).

Past Borrowings of Related Entities:
While the Project before the Board is new, its parent corporation, Evangelical Retirement Homes of Greater Chicago, Inc., d/b/a Friendship Village of Schaumburg, has been in existence since the late 1970's and has successfully financed and developed at least three similar financings in Illinois, and financed them through the IFA and its predecessor authority. Those bond issues, in the original principal amount of approximately $173 million, include the financing of its IHFA Series 1994 ($16,695,000), 1997 ($30,770,000), and IFA Series 2005 ($125,500,000) bonds. These bonds are current as to payment of principal and interest, and the projects funded with these bonds have been successful. Further, a review of Friendship Senior Options' Balance Sheet as of March 31, 2007 shows total unrestricted net assets at approximately $7.5 million. However, Friendship Senior Options, Evangelical Retirement Homes of Greater Chicago, Inc., d/b/a Friendship Village of Schaumburg, Friendship Village Neighborhood Services, and Friendship Foundation are not obligated to any liability or obligation of Friendship Village of Mill Creek, NFP including the principal and interest on the BANs.

Timing: Close financing in July, 2008. Permanent Financing to close in June, 2009; construction to commence thereafter. Project to open for occupancy in January, 2011

INDEMNIFICATION SUMMARY AND PROJECT MONITOR

Indemnification: Friendship Senior Options, the sponsor of Mill Creek, will provide up to $1,000,000 of indemnification to the Authority as part of the indemnification language included in the Loan Agreement and in the Bond Purchase Agreement. Further, Friendship Senior Options will agree to secure and maintain a letter of credit, in an amount equal to or in excess of the $1,000,000 as long as the bonds are outstanding. The letter of credit that the Authority currently has for the Series 2007 BANs may be used for this Project also, subject to the approval of the Authority's Issuer's Counsel.

Project Monitor: The Loan Agreement between the Authority, the Borrower, and Friendship Senior Options shall require that a project monitor acceptable to the Authority (the "Project Monitor") be engaged, at the Borrower's expense, prior to the closing on the BAN's until the BAN's are repaid in full. The Borrower will also submit to the Authority prior to the closing a construction and development schedule with dates and requirements for the disbursements from the project fund, the form and substance of such schedule to be approved by the Authority.

The Loan Agreement shall provide that the Project Monitor shall have certain rights and obligations relating to the Project, including, but not limited to, the following rights and obligations: (i) to monitor and inspect the presales and sales relating to the Project; (ii) to monitor and inspect the construction of the Project; (iii) to receive copies of the project budget and related back-up documentation and any subsequent amendments to such documentation; (iv) to receive copies of any sales or development plans and any subsequent amendments to such documentation; (v) to receive notice of any plans to delay or abandon the Project; (vi) to receive notice of any change in law that may negative impact the Project; (vii) the right to approve all disbursement from any project fund held by a bond trustee for the Project; (viii) to review and approve the presales and sales milestones for the Project; (ix) to receive notice of any project cost overruns and proposed remedies for such condition; (x) to receive copies of the monthly sales and marketing reports for the Project; (xi) to receive copies of the monthly and year-to-date statements of income and development expenses; (xii) to receive copies of the annual audited financial statements of the Borrower; (xiii) to receive copies of a monthly narrative and statistical assessment of the progress of the Project in achieving sales and project milestones; and (xiv) any other right or obligation reasonably required by the Authority. The Loan Agreement will provide for regular reporting to the Authority.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Friendship Village of Mill Creek, NFP	
Project Location:	Geneva, IL	
Borrower:	Friendship Village of Mill Creek, NFP	
Board Members (501c3):		
	Charles Cassell, Chair	Ronald Ahlman, Treasurer
	Thomas Castronovo	Bruce Dopke
	Thomas Johnson	Kathy Rivera, Secretary
	Cathrine Tardy	

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Smith, Hemmesch, Burke Brannigan & Guerin	Chicago	Don Hemmesch
Accountant:	KPMG	Chicago	Jim Stark
Bond Counsel:	Peck, Shaffer & Williams	Chicago	George Buzard, Bruce Agin
Bond Underwriter:	Ziegler Capital Markets	Chicago	Dan Hermann, Steve Johnson, Tom Ross, Jennifer Lavelle
Underwriter's Counsel:	Katten, Muchin, Rosenman, LLP	Chicago	Janet Hoffman
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott
Issuer's Counsel:	Charity & Associates (MBE)	Chicago	Alan Bell

LEGISLATIVE DISTRICTS

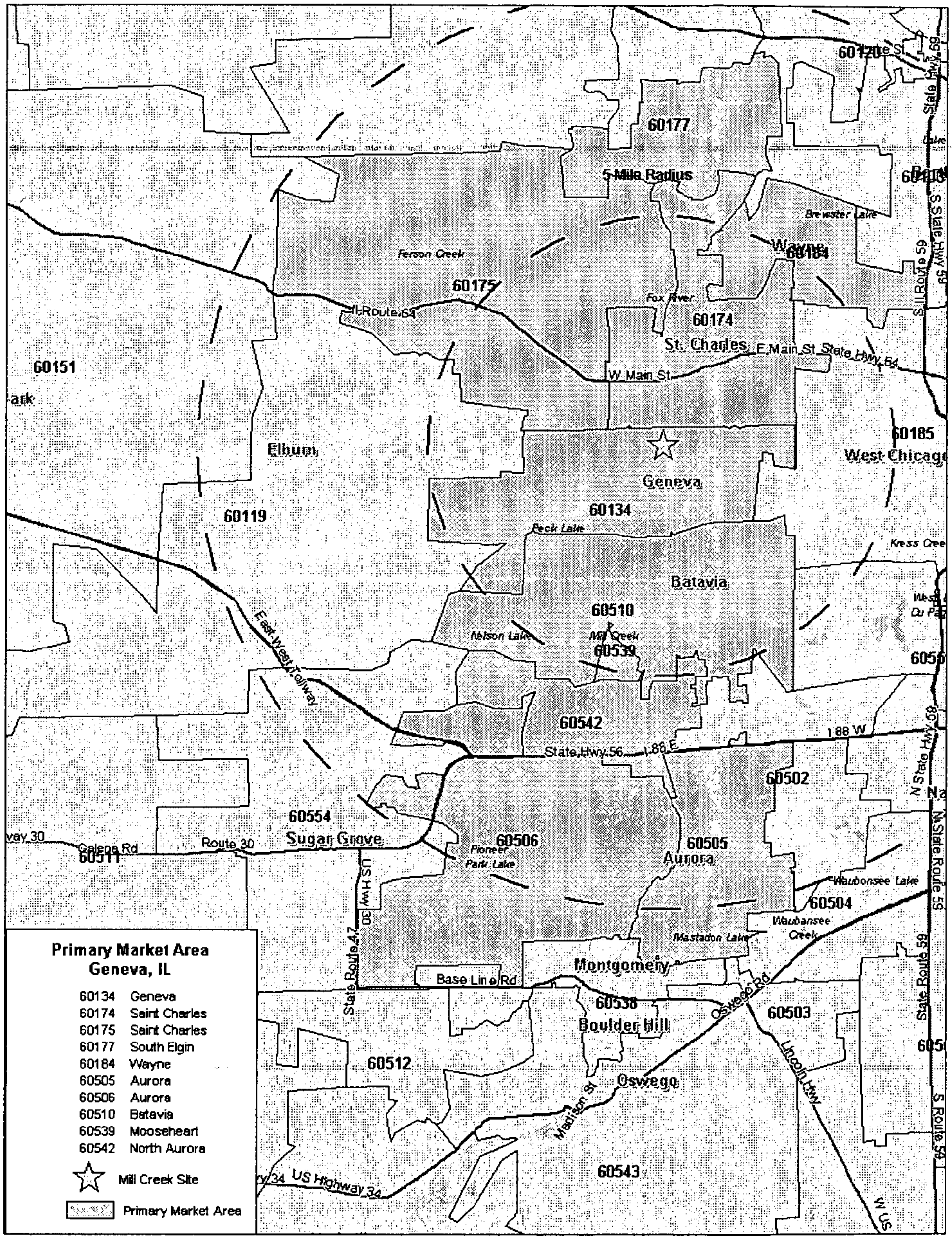
Friendship Senior Options
Congressional: 8- Melissa Bean
State Senate: 27- Matt Murphy
State House: 53- Sidney H. Mathias

Friendship Village of Mill Creek, NFP
Congressional: 14- Bill Foster
State Senate: 25- Chris Lauzen
State House: 50- Patricia Reid Lindner

SERVICE AREA

Primary Market Area

The likely primary market area for the proposed Community is defined as a ten zip code area in Kane County. The PMA covers 149 square miles encompassing Geneva and the surrounding Chicago suburbs of St. Charles, South Elgin, Wayne, Batavia, and Aurora. Approximately 70% of the Community's residents are expected to originate from this PMA. The PMA includes the following zip codes within Kane County: 60134, 60174, 60175, 60177, 60184, 60505, 60506, 60510, 60539, and 60542. Shown below is a map of the PMA.



ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 8, 2008

Project: Northwest Community Hospital

STATISTICS

Project Number: H-HO-TE-CD-8025		Amount:	$350,000,000 (not to exceed)
Type: 501(c)(3) Bonds		IFA Staff:	Pam Lenane and Dana Sodikoff
County/Region: Cook/Northeast		City:	Arlington Heights, IL

BOARD ACTION

Final Bond Resolution
Conduit 501 (c)(3) bonds
No IFA funds at risk
Change since Preliminary: Sources and Uses have been updated;
Additional refunding of 2002B Variable Rate Bonds

Staff recommends approval
No extraordinary conditions

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

PURPOSE

Bond proceeds will be used to: 1) finance the construction of NCH's master facility plan featuring a patient tower, parking garage, relocations and equipment; 2) pay for interest during the construction period; 3) pay for routine capital expenditures at the Hospital; 4) pay for the Debt Service Reserve Fund related to the financing, if necessary; 5) refinance a taxable line of credit which is used to current refund the Series 2002A auction rate bonds; 6) refinance the Series 2002B Variable Rate Demand Bonds and 7) pay for costs of issuance (including insurance, if necessary).

Construction has commenced on certain aspects of the facility plan and is expected be complete in 2011. The total project cost is estimated at $250 million. $126 million of bond proceeds will be used for the project, the balance of the project costs will be funded with cash reserves and philanthropy.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 2,879 FTE's	Projected new jobs: 246
Jobs retained: 2,879 FTE's	Construction jobs: approximately 300

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$322,535,000	Uses:	Project Fund:	$140,000,000
	Original Issue Discount	(2,740,065)		Capitalized Interest	8,652,002
				Debt Service Reserve	15,569,908
				Taxable Line of Credit Ref.	90,025,000

		Series 2002B Refunding	56,900,000
		Est. Cost of Issuance (est. 1%)	3,225,350
		Insurance Premium	5,422,675
Total	$319,794,935	Total	$319,794,935

FINANCING SUMMARY/STRUCTURE

Security: The Bonds are expected to be secured by an Obligation of the Northwest Community Hospital Obligated Group under a Master Trust Indenture. Collateral is expected to include a pledge of unrestricted receivables.

Structure: The plan of finance contemplates the issuance of a combination of fixed rate and variable rate debt. The variable rate demand bonds will be backed by a Letter of Credit (bank to be determined, but will carry a long-term rating of A- or better) and the Fixed Rate bonds may be credit enhanced by either FSA or Assured Guarantee, both AAA-rated Bond insurers, depending on market conditions closer to pricing.

Interest Rate: 5.00% (est. combined issue)

Interest Mode: Approximately 60% Fixed Rate Bonds and approximately 40% Variable Rate Demand Bonds

Credit Enhancement: The Fixed Rate Bonds are contemplating the use of credit enhancement depending on market conditions closer to pricing. The Variable Rate Demand Bonds will carry a Letter of Credit, the provider of the Letter of Credit will be determined at a later date.

Maturity: Not later than 2048

Credit Ratings: Underlying rating of Aa3/AA (Moody's/S&P)

Est. Closing Date: August 2008

PROJECT SUMMARY

The construction of NCH's master facility plan features a patient tower, parking garage, emergency department expansion, surgery expansion, relocations and equipment purchases. Construction has commenced on certain aspects of the facility plan and is expected to be completed in 2011. The total project cost is estimated at $250 million.

Project Rationale: This project will modernize the hospital, increase the percentage of private rooms to approximately 80%, improve patient flow patterns, allow for service consolidation, create backups for key services and provide adequate space for additional ICU beds, other bed services, Emergency Department, surgery and sterile processing. This project will provide for expansion, renovation and equipment upgrades.

Project Timing: Construction began in second quarter of 2007. Completion is expected in third quarter of 2011.

BUSINESS SUMMARY

Description of Business: Northwest Community Hospital, an Illinois not-for-profit corporation, owns and operates a patient care facility located in Arlington Heights, IL. The facility is approximately 978,000 square feet and licensed to operate 488 acute care beds, 431 of which are currently in operation. The Hospital began operations in 1959 and is located on approximately 35 acres of land. The Hospital also owns a 50,000 square foot office building three miles from the main campus. This facility provides office space for various administrative departments of the Hospital.

Service Lines: In addition to providing general acute care services and mental health services, NCH has distinguished itself in the following specialties: Cardiology, Gastroenterology, Women's and Children's Services and Orthopedics. Emergency Services are the source of the majority of NCH's admissions.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Northwest Community Hospital
Project Location: 800 West Central Road
Arlington Heights, IL 60005
Borrower: Northwest Community Hospital
Ownership/Board Members (501c3):

Name	**Business or Affiliation**	**Board Member Since**	**Term Expires**
M. Shan Atkins	Managing Director Chetrum Capital, LLC	2002	2010
James H. Bishop	Vice Chairman of the Board Barrington Bank & Trust Co.	1986	2009
Max Brittain, Jr.	Attorney - Schiff, Hardin & Waite (Vice Chairperson, Corporation & Hospital Boards)	1990	2008
Craig E. Christell	Investment Representative Edward Jones Investments	2003	2008
Bruce K. Crowther	President & CEO Northwest Community Healthcare (Secretary, Corporation & Hospital Boards)	1989	Ex-officio
Daniel P. DiCaro	Operating Director/Advisory Board Member City Capital Advisors, LLC (Chairperson, Corporation & Hospital Boards)	2000	2010
Dale J. Garber	Retired Executive	1991	2009
Louis A. Gatta, Ph.D.	President, ECRA Group, Inc. Professor, Loyola University	1991	2009
Charles A. Hempfling	President C.A. Hempfling & Associates, Inc.	1986	2009
Diane G. Hill	Retired Professor Northwestern University	2005	2010
Thomas P. MacCarthy	President & CEO Cornerstone National Bank & Trust Company	2005	2008
Allan S. Malmed, MD	Physician/NWCH Radiology Assoc, SC Secretary/Treasurer NCH Medical Staff	2008	Ex Officio 2011
Arnold P. Robin, MD	Physician/General Surgery Immediate Past President, NCH	2005	Ex Officio 2008

Name	**Business or Affiliation**	**Board Member Since**	**Term Expires**
	Medical Staff		
Ali N. Shariatzadeh, MD	Physician/Cardiovascular Surgery Vice President, NCH Medical Staff	2007	Ex Officio 2010
James J. Smith, MD	Physician/Obstetrics & Gynecology	1996	2008
Donald D. Torisky	Partner – Century Solutios, LLC	1978	2010
Cynthia M. Valukas, MD	Physician/Anesthesiologist President, NCH Medical Staff	2006	Ex Officio 2009

PROFESSIONAL & FINANCIAL

Financial Advisor:	Kaufman Hall	Chicago	Andy Majka
Borrower's Counsel:	Ungaretti & Harris LLP	Chicago	Thomas Fahey
Accountant:	Ernst & Young	Chicago	Tadd Ingles
Bond Counsel:	Jones Day	Chicago	Lynn Coe
Credit Enhancer/Purchasing Bank: TBD			
Bond Underwriter:	Goldman, Sachs & Co.	Chicago	Jay Sterns
Underwriter's Counsel:	Foley & Lardner LLP	Chicago	Bob Zimmerman
Issuer's Counsel:	Perkins Coie	Chicago	Bill Corbin
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 10th - Mark Kirk
State Senate: 33rd – Dan Kotowsk
State House: 66th – Carolyn Krause

SERVICE AREA

NCH's primary service area includes the communities of Arlington Heights, Mount Prospect, Palatine and Rolling Meadows. Illinois. The secondary service area includes the communities of Barrington, Buffalo Grove, Des Plaines, Elk Grove Village, Hoffman Estates, Lake Zurich, Prospect Heights, Schaumburg and Wheeling.

BACKGROUND INFORMATION

Northwest Community Hospital (NCH) is modernizing a substantial portion of its patient rooms and expanding needed services at its existing hospital location. The existing hospital consists of approximately 15 buildings built between 1958 and 2004. The current inpatient bed towers were built in 1960, 1965 and 1972.

NCH is constructing a 289,000 square foot patient care addition on the former site of a one –story building on the hospital's campus, which was demolished in 2007. Services previously provided in that building (32 acute mental health inpatient beds) were relocated to another building on campus that was modernized in 2007 as part of the Project.

The patient care addition consists of eight floors and a basement, housing: 136 medical-surgical inpatient beds in single bed rooms; 24 bed intensive care unit; an expanded emergency department consisting of 45 treatment bays; OB-GYN services including C-section and LDR rooms and 44 post-partum rooms; and related mechanical space.

Modernization of existing space includes: three additional operating rooms; expansion of sterile processing department, and modernization of existing north and south bed towers. A 770 car parking garage will also be constructed.
Certificate of Need approval was received in April 2006 for the Project.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 8, 2008

Project: Norwegian American Hospital

STATISTICS

Project Number: H-HO-TE-CD-8094
Type: 501(c)(3) Bonds
County/Region: Cook/Northeast

Amount: $24,500,000 (Not-to-Exceed)
IFA Staff: Pam Lenane and Dana Sodikoff
City: Chicago

BOARD ACTION

Final Bond Resolution
Conduit 501 (c)(3) bonds
No IFA funds at risk
Changes since preliminary:
Sources and Uses have been updated and Forecasted Financials were prepared by Hospital Management rather than the placement agent

Staff recommends approval
No extraordinary conditions
IFA policy requirements for non-rated debt; these bonds will be sold in $100,000 denominations to sophisticated investors.

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on June 10, 2008 by the following vote:

Ayes – 10	Nays – 0	Absent – 3	Vacancies – 2

PURPOSE

Bond proceeds will be used to (i) pay, or reimburse Norwegian American Hospital (the "Borrower" or "Norwegian") for the payment of, the cost of various construction and renovation projects including, without limitation, an Outpatient Imaging Center ("OIC"), a Women's Center of Excellence ("WCOE"), required upgrades to the sprinkler and fire alarm systems and any other renovations required by the Illinois Department of Public Health and the Joint Commission on Accreditation on Healthcare Organizations, and other minor renovations (ii) pay, or reimburse the Borrower for the payment of and the cost of acquiring certain capital equipment, (iii) refinance the Borrower's Illinois Finance Authority Series 2005B Bonds in the approximate amount of $3,500,000, (iv) fund a debt service reserve fund, and (v) pay certain related expenses.

IFA PROGRAM AND CONTRIBUTION

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

This financing falls under the 2006 Healthcare Initiative- Private Placement Program, created to provide access to capital for small and mid-sized urban and rural hospitals.

VOLUME CAP

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

JOBS

Current employment:	750 FTE's		Projected new jobs:	12
Jobs retained:	750 FTE's		Construction jobs:	20

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA bonds	$24,300,000	Uses:	Construction/Renovations	$10,000,000
	Equity Contribution	125,000		Capital Equipment	9,000,000
				Refinance Series 2005B	3,525,000

		Debt Service Reserve Fund	1,300,000
		Cost of Issuance	600,000
Total	$24,425,000	Total	$24,425,000

FINANCING SUMMARY/STRUCTURE

Security:	First lien on all gross revenues, first priority security interest in equipment to be financed with loan proceeds and first mortgage on primary hospital facility and physician office building.
Structure:	The current plan of finance contemplates a private placement
Interest Rate:	TBD at fixed spreads over 7-year LIBOR Swap Rate and MMD at closing.
Interest Mode:	Fixed
Credit Enhancement:	None
Maturity:	Final Maturity of 2038 with several intermediary term bonds.
Rating:	Not Rated
Estimated Closing Date:	September 2008

PROJECT SUMMARY

PROJECT	Projected Cost	Projected Completion
Women's Center of Excellence	$4,151,765	10/2008
Outpatient Imaging Center (Capital Equipment)	4,700,000	3/2009
Illinois Dept. of Public Health – KTAGS	4,821,280	3/2009
Capital Equipment / IT / Technology Upgrades	4,011,396	7/2011
Refinance of Series 2005B Bond	3,525,000	7/2008
Minor Renovations & Upgrades	1,315,559	7/2011
	$22,500,000	

BUSINESS SUMMARY

Description of Business:

Norwegian American Hospital ("Norwegian") is an Illinois not-for-profit corporation, exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. It was incorporated in 1894 under the laws of Illinois. Norwegian is the parent company of two subsidiaries, Norwegian American Hospital Foundation (the "Foundation") and Centennial Medical Management Corporation, Inc. ("Centennial").

Norwegian operates a 200-bed acute care safety-net hospital that serves the residents of the Northwest Chicago area. Norwegian's medical staff is comprised of 300 physicians that provide care in obstetrics, gynecology, pediatrics, internal medicine, surgery and outpatient services.

Adjacent to the main hospital building is a professional office building that includes The Physician Specialty Center. This center offers the community a wide variety of medical specialists: Pediatric Cardiology, Podiatry, Endocrinology, Skin and Hair specialist, Otolaryngology, Neurology, Gastroenterology, Oculoplastic/ Reconstructive Surgery, Hematology, Oncology, Pulmonolgy, Orthopedics, Rheumatology, Audiology, Asthma and Allergy care.

The Foundation solicits contributions to support healthcare and other related activities of Norwegian. Centennial operates the outpatient pharmacy located in the hospital.

Norwegian is also a 50% owner of Century PHO, Inc., whose primary purpose is to obtain and manage contracts with health maintenance organizations, preferred provider organizations, and other health care payors, and is a 20% owner of Family Health Network, Inc., which was established to be a provider of health cares services for the indigent under contract with the Illinois Department of Public Aid.

Project Rationale:

Women's Center of Excellence:

Norwegian American Hospital has a history as one of the largest providers of childbirth services in the State of Illinois. A Center of Excellence is an area of focus for the Hospital. Both the Women's Center and the Imaging Center are areas that the Hospital is working to create as one of the best service areas of the Hospital. However, Norwegian American Hospital has experienced attrition in its delivery rate for the past 8 years. In the time period between 1999 and 2006 Norwegian American Hospital experienced an attrition rate of 26.5%. Since women make the majority of family healthcare decisions, it is important for Norwegian American Hospital's long term growth to have women in the child bearing years (15-44 years) identify Norwegian American Hospital as their provider of choice for them and their families.

Exhibiting a strong performance in women's health services will facilitate Norwegian American Hospital's ability to grow other service lines, such as medicine services for pregnant women with diabetes, pediatrics for children, mammography, urogynecology, and surgical services. Childbirth services are a gateway to healthcare systems for young adult women as most adult women access the healthcare system infrequently. As such, creating programs that improve women's first contact with a healthcare system typically during pregnancy is extremely important as their experience will shape subsequent decisions.

The Hospital proposes developing a Women's Health Center of Excellence in Maternal Newborn services at Norwegian American Hospital. The initial scope of this project includes not only stopping the attrition, but also increasing the number of deliveries by 250 cases in the first year and by 7% each subsequent year. This increase in volume will be achieved through adding 2 OB'S to the Tart physician practice thus increasing market share, developing relationships with physician groups and community health center practices which currently provide primary health care in NAH's primary and secondary market service areas but are not utilizing NAH as a delivering hospital for their delivery needs.

The new center will include hardwood floors, new wall coverings, new window treatments, flat screen or plasma televisions and new room equipment and furniture. It is anticipated the Hospital will payback its investment within three years of operation.

Outpatient Imaging Center:

This project envisions a full service outpatient diagnostic center conveniently located on Norwegian's campus. This center of excellence would be dedicated to serving the patients and physicians in a timely, professional and patient centered manner. It will consist of MRI, CT, Mammography, Ultrasound and general radiology film capabilities.

The advantages of this new center would be:

- Creates a second entry point
- Attracts previous non-users of hospital services
- Supports a growing Orthopedic Service line
- Increases sophistication and capabilities of Cardiac, Neurology and Specialty Surgical Services
- Strong tie in to Women's Health initiative
- Enhances overall physicians recruiting Capabilities
- Profitable in year one with a project payback in year five

Illinois Department of Public Health (IDPH) KTAGS:

IDPH follows life safety code provisions. "K Tags" is a classification system that numbers these different codes that range from fire doors to smoke barriers to fire sprinkler systems to emergency lighting. Norwegian American Hospital has to primarily update their fire sprinkler system, fire alarm system, and vertical shaft renovations (part of the HVAC system) in order to be in compliance with this code. These renovations will be approximately $3.7 million.

Capital Equipment / IT / Technology Upgrades:

The major components of this category include $755,000 in new Omnicell supply and pharmacy towers, $816,060 in new laboratory equipment, $1,092,161 in new computers, software and network upgrades and another $859,287 in miscellaneous medical equipment.

Other Minor Renovations & Upgrades:

These renovations primarily consist of approximately $260,000 for upgrading several elevators.

Timing: September 2008

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Norwegian American Hospital, Inc.
Project Location:	1044 N. Francisco Avenue; Chicago, IL
Borrower:	Norwegian American Hospital, Inc.
Ownership/Board Members (501c3):	Judge Perry J. Gulbrandsen- Chairman
	Patrick T. Driscoll- Vice-Chairman
	Henry S. Munez- Secretary
	Myrna E. Pedersen- Treasurer
	Adalberto Campo, M.D.
	Marta Cerda, J.D.
	Eduardo J. Ladlad, M.D.
	Enrique Lipezker, M.D.
	Ibrahim A. Majzoub, M.D.
	Manuel B. Martinez
	Ezequiel "Zeke" Montes
	Javier A. Nunez
	Michael J. O'Grady, Jr., President and CEO NAH
	Marco A. Reategui
	Raul Saavedra, M.D.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Hinshaw & Culbertson, LLP	Chicago	Tom Ging Steve Malato
Accountant:	McGladrey & Pullen	Chicago	Robert Wright Lauren Gustafson
Bond Counsel:	Jones Day	Chicago	Mike Mitchell
Placement Agent:	Raymond James & Associates, Inc.	Chicago	Richard Bratton Natalie Wabich
Placement Agent's Counsel:	Foley & Lardner	Chicago	Heidi Jeffrey
Bond Trustee:	Wells Fargo Bank	Chicago	Patricia Martirano
Issuer's Counsel:	Sanchez & Daniels (MBE)	Chicago	John Cummins
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	4' Luis V. Gutierrez
State Senate:	2' William Delgado
State House:	4' Cynthia Soto

SERVICE AREA

Norwegian's primary market definition includes the diversified and gentrified communities of Bucktown, Humboldt Park, West Town, Wicker Park, Logan Square and Austin.

The following details Norwegian's primary competitors and respective market shares for 2003 – 2007, indicating a significant increase from 8.3% in 2003 to 11.9% in 2007.

Norwegian competes directly with four area hospitals as indicated below with St. Mary of Nazareth and St. Elizabeth Hospital primary competitors in the same zip code.

In September 2003, St. Mary of Nazareth Hospital and St. Elizabeth Hospital, both members of Resurrection Health System, combined operations under a new name, Saints Mary and Elizabeth Hospital, with NAH gaining market share as a result.

Hospital/Market Share	2003	2004	2005	2006	2007
Norwegian-American Hospital	***8.3%***	***13.9%***	***13.4%***	***12.0%***	***11.9%***
St Elizabeth Hospital	18.3%	16.2%	15.1%	10.6%	8.7%
St Mary of Nazareth Hospital	17.3%	17.2%	17.8%	20.7%	21.3%
Northwestern Memorial Hospital	13.8%	13.1%	13.5%	14.8%	16.3%
Advocate Illinois Masonic Medical	14.4%	13.7%	13.1%	13.6%	12.6%
Other (6)	27.9%	25.9%	27.1%	28.3%	29.2%

This chart is compiled by COMPData, a service provided by the Illinois Hospital Association. These numbers are based on discharges.

/ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 8, 2008

Project: OSF Healthcare System

STATISTICS

Project Number: H-HO-TE-CD-8109
Type: Commercial Paper ("CP") Revenue Notes
County/Region: Peoria/North Central

Amount: $16,000,000
IFA Staff: Pam Lenane and Dana Sodikoff
City: Peoria

BOARD ACTION

Final CP Revenue Note Resolution
No IFA Funds contributed
Conduit 501(c)(3) Commercial Paper Revenue Notes

Staff Recommends approval
No Extraordinary conditions

VOTING RECORD

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

PURPOSE

Bond proceeds will be used to: (i) finance construction of a medical office building; (ii) fund capitalized interest; (iii) pay the costs of issuance including bond insurance.

IFA PROGRAM AND CONTRIBUTION

Federal Tax-Exempt interest on Commercial Paper Revenue Notes.

VOLUME CAP

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

JOBS

Current employment: 9,693
Jobs retained: 9,693

Projected new jobs: 30
Construction jobs: 50

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA Commercial Paper	$16,000,000	Uses:	Capital Project	$15,675,000
	Cash	170,000		Capitalized Interest	325,000
				Costs of Issuance	130,000
				Underwriters's Discount	40,000
	Total	$16,170,000		Total	$16,170,000

FINANCING SUMMARY/STRUCTURE

Security: The Bonds will be secured by a Direct Pay Letter of Credit provided by The Northern Trust Company. The anticipated initial Bank LOC term is three years, subject to extension.

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 the JPMorgan Securities, Inc. (the "Dealer"). Proceeds from the sale of the CP Revenue Notes will by loaned to OSF through the purchase of OSF's promissory notes issued by OSF pursuant to a Security Agreement between OSF and the Illinois Finance Authority.

Interest Rate:	The CP Notes will mature every 1 to 270 days and will be subject to extension based on continued availability of the Direct Pay Letter of Credit securing the Notes. On June 10, 2008, for $20,000,000 CP Notes the reset rate until November 13, 2008 was 1.70%
Interest Mode:	Commercial Paper
Credit Enhancement:	The Bonds will be secured by a Direct Pay Letter of Credit provided by The Northern Trust Company.
Maturity:	2038
Rating:	A-1+ (Standard & Poor's)
Est. Closing Date:	August, 2008

PROJECT SUMMARY

OSF Healthcare System d/b/a/ Saint Francis Medical Center plans to construct a medical office building at Glen Avenue Corporate Park in Peoria. Office space in the building will be used for OSF employed physicians, as well as ambulatory diagnostic services. The 50,872 sq. ft. structure will consist of two stories plus a basement. It will provide needed additional accommodations for OSF Saint Francis Medical Center primary care and internal medicine physicians. The accompanying ancillary services include general diagnostic/radiography, MRI, CT and laboratory. There will also be a breast center and an Urgent Care Outpatient Center in the building. Surface parking will be available. The project is expected to be completed in June, 2009.

BUSINESS SUMMARY

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

Description: OSF is headquartered in Peoria. Six of the Corporation's facilities (five hospitals and one continuing care and nursing home center) are located in Illinois. One hospital is located in Michigan. OSF has 1,316 licensed acute care beds and 155 licensed long term care beds. The Corporation's largest hospital, St. Francis Medical Center in Peoria, is a 616-licensed bed tertiary care teaching center providing numerous specialty services and extensive residency programs for physicians. The array of health services provided by OSF also includes 27 hospital-based outpatient facilities, approximately 82 physician office facilities of employed physicians, seven home health agencies and five hospices. Multi-institutional membership status has been conferred on the Corporation by the Illinois Hospital Association and the American Hospital Association. Similar membership status exists with the Catholic Health Association of the United States and the Illinois Catholic Health Association.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

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

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

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Corporate Counsel	Peoria	Vance C. Parkhurst, Esq.
	Hinshaw & Culbertson, LLP	Chicago	Leslie Richards-Yellen
Accountant:	KPMG LLP	Chicago	Charles Klescewski
Financial Advisor to OSF:	Anne M. Donahoe	Chicago	Anne M. Donahoe
Bond Counsel:	Chapman and Cutler	Chicago	Nancy Burke
Credit Enhancer:	The Northern Trust Company	Chicago	Hollis Merritt
Bank Counsel:	Winston & Strawn LLP	Chicago	Ellen Duff
Bond Underwriter:	JPMorgan Chase	Chicago	Suzanne Beitel
Underwriter's Counsel:	Ungaretti & Harris	Chicago	Julie Seymour
Issuer's Counsel:	Law Offices of Kevin Cahill	Chicago	Kevin Cahill
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 18- Ray LaHood, 15-Timothy V. Johnson, 16- Donald A. Manzullo, 17- Phil Hare
State Senate: 46- David Koehler, 37- Dale E. Risinger, 53- Dan Rutherford, 44- Bill Brady, 47- John M. Sullivan
State House: 92- Aaron Schock, 73- David R. Leitch, 106- Keith P. Sommer, 69-Ronald A. Wait, 74- Donald L. Moffitt, 88-Dan Brady, 94- Richard P. Myers

SERVICE AREA

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 8 2008

Project: **North Central College**

STATISTICS

Number:	N-PS-TE-CD-8101	Amount:	$22,000,000
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Location:	Naperville (DuPage County)	Region:	Northeast

BOARD ACTION

Preliminary Resolution
Conduit not for profit Bonds
No IFA funds at risk

No Extraordinary conditions
Staff recommends approval

VOTING RECORD

Preliminary Bond Resolution; no prior vote.

PURPOSE

Proceeds will be used to finance (i) the construction and equipping of a new campus residence/recreation center, (ii) capitalize interest, and (iii) fund legal, professional, and bond issuance costs.

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.

VOLUME CAP

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

JOBS

Current employment:	150	Projected new jobs:	19
Jobs retained:	N/A	Construction jobs:	100 (16 months)

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$22,000,000	Uses:	Project costs	$21,260,950
	Equity	186,950*		Legal and professional	284,000
				Capitalized interest	642,000
	Total	$22,186,950	Total		$22,186,950

* Equity consists of Illinois Clean Energy grants.

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FINANCING SUMMARY

Security:	(i) Direct Pay Letter of Credit from a rated bank to be determined, and (ii) first mortgage on the subject property.
Structure:	Multi-mode Variable Demand Rate Bonds.
Underlying rating:	The Applicant's outstanding bonds do not have an underlying rating.
Maturity:	30 years
Closing Date:	TBD

PROJECT SUMMARY

The University intends to finance (i) the construction and equipping of an approximately 200,000 sq. ft. residence hall on campus land which will have the capacity to house 216 students, (ii) finance the construction and equipping of a recreation center within the building which will be located on existing campus land which is located at 30 North Brainard Street, Naperville, DuPage County, Illinois, (iii) capitalize interest, and (iv) fund legal and professional costs.

Project Costs:

Construction	$17,736,950
Machinery/Equipment	2,754,000
Arch/Eng.	770,000
Total	$20,490,950

The project will provide additional housing for the College's growing resident student population. The College currently leases two off-campus housing facilities to accommodate the resident student overflow. The residence hall will initially accommodate approximately 80 additional resident students. The 4th floor of the residence area will be unfinished initially, but when it is finished, it will house another 136 students. In addition, the recreation center will provide a state of the art exercise facility for students, faculty and staff, and enhance the College's current wellness program. It will also provide a 200-meter indoor track for the College's nationally ranked track team.

The facility will have a Silver LEEDS certification, supporting the College's sustainability initiatives.

BUSINESS SUMMARY

Background: North Central College (the "College", the "Applicant") is an independent, private, four-year comprehensive college of the liberal arts and sciences affiliated with the United Methodist Church, founded in 1861 and incorporated in 1865. The College has been in continuous operations since that time. The 59-acre campus is located in the Historic District of Naperville, IL. The College offers study programs in Costa Rica, London, China, and Japan. The College is governed by a 38-member Board. A list of members is provided in the report for IFA Board review.

Description: The College offers Bachelor of Arts and Bachelor of Science degrees which are awarded in 58 majors. The College offers six graduate programs: a Master of Business Administration (MBA), Master of Arts (MA) degrees in Liberal Studies and Education, a Master of Leadership Studies degree, and Master of Science (MS) degrees in Computer Science and Management Information Systems. Pre-professional programs are offered in engineering, law, medicine and nursing. Total enrollment is 2,550 students, including 2,020 full-time undergraduates (1,060 live in residence halls) and 525 part-time undergraduate and graduate students. Students come from 28 states and 32 foreign countries; 58 percent women, 42 percent men. The proposed res/rec center will provide a much needed state of the art recreation center for student, faculty and staff use.

The College employs 125 full-time faculty of which 87.0% have a doctorate or terminal degree. The College is accredited by the (i) Higher Learning Commission of the North Central Associations of and Schools, (ii) the Council for Higher Education Accreditation, (iii) the Commission on Accreditation of Athletic Training Education, and (iv) a charter member of the

Associated New American Colleges. of Engineering, American Academy of Arts and Sciences, and American Council of Learned Societies.

Financial Aid: The College assists its students in financing their education by making available student aid plans that combine direct grant assistance, loans, and employment opportunities supported by federally assisted work-study programs. College students can take advantage of the Federally guaranteed Perkins loan program, Pell grants, Stafford loans, and the College's own Roller loan program. The interest-free Roller loan program was initially founded by a donor contribution. In 2006-07, approximately 60 percent of the undergraduate students received some sort of aid.

The table provides the sources and dollar amounts of federal and state grants the College received during their fiscal 2007 year.

Funding Agency	Funding Type	Total Amount Provided (Annually)
Title IV Grants	Educational Grants (scholarship/pass through)	$12,100,000
Coleman Foundation	Private Foundation (program specific)	200,000+
Associated Colleges of IL	Federal and State Pass-through Grants	150,000+

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT

Applicant:	North Central College
Project names:	Campus Residence Hall/Recreation Center Project, Series 2008.
Location:	30 North Brainard Street, Naperville, DuPage County, Illinois, 60540
Contact Person:	Ms. Elizabeth A. Laken, Assistant Vice President for Finance, (630)-637-5680
Organization:	501(c)(3) Corporation
State:	Illinois
Board:	List attached for IFA Board review.

Board of Trustees

Board of Trustee Associates

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Dommermuth, Brestal, Combine & West, Ltd.	Chicago, IL	Kathleen C. West
Accountant:	Grant Thornton LLP	Chicago, IL	Frank Jakosz
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Chris Walrath
Issuer's Counsel	Ice Miller LLP	Chicago, IL	James Snyder
Underwriter:	Banc of America Securities, LLC	Chicago, IL	Michelle Salomon
Underwriter's Counsel:	TBD		
Trustee:	The Bank of New York Mellon Trust Company, N.A.	Chicago, IL	Rodney Harrington
LOC Provider:	Bank of America, N.A.	Chicago, IL	Peter Coburn
LOC Provider Counsel:	TBD		
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	13, Judy Biggert
State Senate:	24, Kirk W. Dillard
State House:	48, James H. Meyer

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 8, 2008

Project: **Lake Forest College**

STATISTICS

Number:	N-PS-TE-CD-8073	Amount:	$7,000,000 (not to exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Locations:	Lake Forest (Lake County)	Region:	Northeast

BOARD ACTION

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

VOTING RECORD

Preliminary Bond Inducement, May 13, 2008

Ayes: 11, Nays: 0, Abstentions: None, Vacancy: 1, Absent: 3 (Barclay, DeNard, O'Brien)

PURPOSE

Proceeds will be used to (i) construct an addition to the College's existing sports facility, and (ii) fund professional issuance costs.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	$ 7,000,000	Addition project	$16,200,000
Equity*	9,300,000	Legal and professional costs	100,000
Total	$16,300,000	Total	$16,300,000

* Equity consists of funds released from restricted assets and internally generated funds.

FINANCING SUMMARY

Security:	Direct Pay Letter of Credit from The Northern Trust Company, Chicago, Illinois. The Northern Trust Company is rated Moody's Investors Service "A-1", Standard and Poors "AA-", and Fitch "AA-". The Bank's short term debt is rated "P-1", "A-1+", and F1+, respectively, by the above rating agencies. The proposed bonds will be a general obligation of the College.
Structure:	Weekly multi-mode floating rate bonds. The weekly rate for Letter of Credit enhanced bonds as of June 24, 2008 was 1.42%.
Collateral:	The bonds will be secured by a first mortgage on the financed property.
Underlying rating:	The Applicant's outstanding bonds do not carry their own rating.
Maturity:	The proposed bonds will have a bullet maturity in 2038.*
Closing date:	July 17, 2008

* The bullet maturity will allow the College to maintain level debt service payments when integrated with the debt service payments of the College's outstanding 1998 Series Bonds. There will be an amortization clause in the Bond Reimbursement Agreement which allows the College to make principal payments on the proposed bonds.

PROJECT SUMMARY

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

Project Costs:	
Construction	$14,600,000
Mach/Equip.	1,500,000
Arch.Eng.	100,000
Total	$16,200,000

BUSINESS SUMMARY

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

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

ENROLLMENT AND ADMISSIONS

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

Full-Time Fall Enrollment

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

TUITION

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

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

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

FINANCIAL AID

In 2007-2008, 68% of the College's students received some degree of need-based financial aid, and 20% of the students received no-need merit scholarships. The average financial aid package was $24,400 of which the average grant from all sources including state and federal governments was $18,200. The difference of approximately $6,200 is funded by a need-based grant from the College. The average need-based grant from the College was $20,000. The average no-need merit scholarship from the College was $11,600.

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT

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

PROFESSIONAL & FINANCIAL

General Counsel:	Sonnenschein, Nath & Rosenthal	Chicago, IL	Steven B. Kite
Accountant:	Grant Thornton L.L.P.	Milwaukee, WI	
Bond Counsel:	Chapman and Cutler, L.L.P.	Chicago, IL	Nancy A. Burke
Underwriter:	William Blair & Company, L.L.C.	Chicago, IL	Christine N. Evans
Placement Agent:			Kelly
Underwriter's Counsel:	Perkins Coie	Chicago, IL	Bruce Bonjour
LOC Bank:	The Northern Trust Company	Chicago, IL	Arthur M. Wood, Jr.
LOC Bank Counsel:	Fischel & Kahn, LTD	Chicago, Il	Edward F. Dobbins
Issuer's Counsel:	Mayer Brown, Rowe & Maw LLP	Chicago, IL	David Narefsky
Bond Trustee:	The Bank of New York Mellon Trust Company, N.A.	Chicago, IL	Rodney Harrington
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

SERVICE AREA

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

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

MEMO TO: IFA Board of Directors

FROM: Pam Lenane and Dana Sodikoff

DATE: June 8, 2008

RE: Ratification Resolution for Northwestern Memorial Hospital's conversion of the Illinois Finance Authority's $86,400,000 Variable Rate Demand Revenue Bonds, Series 2004B and $150,000,000 Variable Rate Demand Revenue Bonds, Series 2007B and to replace the Remarketing Agents for certain outstanding bonds of the Illinois Finance Authority.

Northwestern Memorial Hospital ("Northwestern") issued $86,400,000 in Variable Rate Demand Revenue Bonds, Series 2004B ("the Series 2004B Bonds") and $150,000,000 in Variable Rate Demand Revenue Bonds, Series 2007B ("the Series 2007B Bonds") through the Illinois Finance Authority. Both series of bonds have the benefit of a bank liquidity facility. In the case of the 2004B-2 Bonds, the Bank is UBS AG and in the case of the Series 2007B-1 Bonds, the bank is The Bank of Nova Scotia.

In order to bring Northwestern's interest rate costs down and to reconfigure their daily/weekly rate exposure, Northwestern is seeking ratification of the authorization to convert their interest rate modes for the Subseries 2004B-2 of the Series 2004B Bonds and for Subseries 2007B-1 of the Series 2007B bonds from the Daily Rate Period to a Weekly Rate Period. The liquidity providers will stay the same.

Northwestern also issued $214,500,000 in Variable Rate Demand Revenue Bonds, Series 2007A ("the Series 2007A Bonds"). The remarketing agent for the following described bonds is UBS Securities LLC ("UBS"). Since UBS is leaving the municipal bond business, Northwestern is seeking ratification of the authorization to replace the remarketing agent from UBS to Citigroup Global Markets Inc., for the Subseries 2004B-2 of the Series 2004B Bonds, for Subseries 2007A-1 and Subseries 2007A-3 of the Series 2007A Bonds and for Subseries 2007B-1 of the Series 2007B Bonds.

NOTE: Under the Conversion Resolution passed by the Board on March 11, 2008, Northwestern is also converting their Series 2004C-4 auction rate securities in the amount of approximately $35,000,000 to weekly Variable Rate Demand Bonds with Loop Capital Markets as the Remarketing Agent.

RESOLUTION NUMBER 2008-07-22

RESOLUTION authorizing and ratifying the conversion of the Illinois Finance Authority's $86,400,00 Variable Rate Demand Revenue Bonds, Series 2004B (Northwestern Memorial Hospital) and $150,000,000 Variable Rate Demand Revenue Bonds, Series 2007B (Northwestern Memorial Hospital); approving and ratifying the replacement of Remarketing Agents for certain outstanding bonds of the Illinois Finance Authority; and authorizing, approving and ratifying certain other matters.

WHEREAS, the **ILLINOIS FINANCE AUTHORITY** (the "Authority") has been created by the Illinois Finance Authority Act, as amended (the "Act"); and

WHEREAS, the Illinois Finance Authority issued (i) $86,400,00 in aggregate principal amount of its Variable Rate Demand Revenue Bonds, Series 2004B (Northwestern Memorial Hospital) (the "Series 2004B Bonds"), which are secured by a Bond Trust Indenture dated as of May 1, 2004 (the "Series 2004B Bond Indenture"), between the Authority and Wells Fargo Bank, N.A., as successor bond trustee, (ii) $214,500,000 in aggregate principal amount of its Variable Rate Demand Revenue Bonds, Series 2007A (Northwestern Memorial Hospital) (the "Series 2007A Bonds") , which are secured by a Bond Trust Indenture dated as of December 1, 2007 (the "Series 2007A Bond Indenture"), between the Authority and Wells Fargo Bank, N.A., as bond trustee, and (iii) $150,000,000 in aggregate principal amount of its Variable Rate Demand Revenue Bonds, Series 2007B (Northwestern Memorial Hospital) (the "Series 2007B Bonds" and, together with the Series 2004B Bonds and the Series 2007A Bonds, the "Bonds"), which are secured by a Bond Trust Indenture dated as of December 1, 2007 (the "Series 2007B Bond Indenture" and, together with the Series 2004B Bond Indenture and the Series 2007A Bond Indenture, the "Bond Indentures"), between the Authority and Wells Fargo Bank, N.A., as bond trustee, and loaned the proceeds of the Bonds to Northwestern Memorial Hospital, a not for profit healthcare institution ("NMH");

WHEREAS, NMH has requested that the Authority approve the conversion of the interest rate modes for Subseries 2004B-2 of the Series 2004B Bonds and for Subseries 2007B-1 of the Series 2007B Bonds from the Daily Rate Period to a Weekly Rate Periods (the "Mode Conversions") in accordance with the provisions of the Bond Indentures;

WHEREAS, NMH has also requested that the Authority consent to the replacement of UBS Securities LLC ("UBS") by Citigroup Global Markets Inc. ("Citi"), as the remarketing agent for Subseries 2004B-2 of the Series 2004B Bonds, for Subseries 2007A-1 and Subseries 2007A-3 of the Series 2007A Bonds and for Subseries 2007B-1 of the Series 2007B Bonds; and

WHEREAS, the Authority wishes to authorize, approve and ratify all actions of the officers and employees of the Authority undertaken in connection with the Mode Conversions and the replacement of the remarketing agents, as described above;

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

Section 1.01 Authorization and Ratification of Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including, without limitation all documents necessary to implement the Mode Conversions and the replacement of the remarketing agents described herein) 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.

Section 1.02 Continued Effectiveness of Resolution 2004-7. This resolution shall be and is intended to be in all cases a ratification of the authority granted under Resolution 2004-7 of the Authority ("2004 Resolution"). Notwithstanding anything set forth herein, the 2004 Resolution shall remain in full force and effect and shall remain full and complete authorization for the members and/or officers of the Authority to execute and deliver any and all certificates, agreements and other instruments in connection with a interest rate mode conversion or replacement of remarketing agent.

ADOPTED this 8th day of July, 2008.

ILLINOIS FINANCE AUTHORITY

By: ______________________________________
Executive Director

ATTEST:

By: ____________________________________
Secretary

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

TO: IFA Board of Directors

FROM: Rich Frampton

DATE: July 8, 2008

RE: A Resolution Authorizing Amendments to Financial Covenants of the Museum of Science and Industry ("MSI" or the "Borrower") to enable the Borrower to conform covenants on credit agreements with various lenders
IFA Project: N-NP-TE-CD-620

AMENDATORY RESOLUTION OBJECTIVES:

- **Objective 1:** *Enable the Museum of Science and Industry to conform Financial Covenants on its various borrowings, including two IEFA Cultural Pool Loans originated from IEFA Series 1985 Cultural Pool Bond Proceeds in 2002 and 2005 (the "Pool Loans") and IEFA Series 1998 Revenue Bonds (the "Series 1998 Bonds") that were purchased by Bank of America N.A. ("BofA").*
- **Objective 2:** *Provide for a Delegated Approval Process relating to Changes in Financial Covenants contained in any documents relating to MSI's Pool Loans and the Series 1998 Bonds.*

BACKGROUND:

The Museum of Science and Industry ("MSI" or the "Borrower"), a 501(c)(3) corporation established under Illinois law, is requesting consideration of an Amendatory Resolution that would delegate any future consents or approval of the IFA to amend certain financial covenants relating to (a) the Pool Loans, which are secured by JPMorgan Chase ("JPMorgan") and (b) changes in the Financial Covenants relating to the Pool Loans and the Series 1998 Bonds to IFA's Executive Director.

Consent to Amend MSI's Financial Covenants on IEFA Series 1985 Bonds and IEFA Series 1992Bonds:

In addition to the Pool Loans and the Series 1998 Bonds, MSI is also conforming financial covenants on its other debt obligations, including: (1) $7,000,000 IEFA Series 1985 Bonds (outstanding balance as of 6/30/2007: $3.9 million), and (2) $15,000,000 IEFA Series 1992 Bonds (outstanding balance of $15,000,000 as of 6/30/2007). Consistent with current IFA Bond Handbook provisions on conduit bond issues, the bond documents relating to the IEFA Series 1985 and 1992 Bonds (Museum of Science and Industry Projects) do not require consent of the IEFA (IFA) Board to amend financial covenants or other terms of Reimbursement Agreements between Borrowers and their LOC Bank/Bond Purchaser.

Future Consent Provision on IEFA Pool Loans and Series 1998 Bonds:

With respect to the Pool Loans, JPMorgan Chase provides credit and liquidity support, and as credit and liquidity provider sets forth the requirements for the financial covenants that need to be observed by MSI. Because the IEFA Cultural Pool was originally established in 1985 pursuant to program documents and new bank agreements (on bond documents) are not entered into when an institution borrows under the IEFA Cultural Pool, the financial covenants required by JPMorgan Chase are set forth in the original 1985 Security Agreements between MSI and IEFA (IFA). As such, changing the financial covenants in the Security Agreements is similar to other transactions where the financial covenants in bank agreements are changed. The IFA does not typically consent to changes in financial covenants contained in bank agreements.

With respect to the Series 1998 Bonds, BofA was the sole purchaser of the 1998 Bonds. Accordingly, requirements for the financial covenants to be observed by MSI were set forth in a Loan Agreement between MSI and the IEFA (IFA) (i.e., there was no separate Bank Agreement relating to the Series 1998 Bonds). Again, changing the financial covenants contained in the Loan Agreement for the Series 1998 Bonds is similar to other transactions where the financial covenants in bank agreements are changed. The Authority does not typically consent to changes in financial covenants contained in bank agreements.

For the foregoing reasons, the Resolution will delegate any future consents or approvals of the IFA to amend the financial covenants contained (1) in the Security Agreements for the Pool Loans and (2) the Loan Agreement for the Series 1998 Bonds to the IFA Executive Director (or any other authorized signatory).

Significantly, approval of this Resolution would align IFA's policies on the IEFA Series 1985 Cultural Pool Bonds and Series 1998 Bonds with current IFA Bond Program Handbook practices (i.e., in cases where IFA is serving as a conduit issuer).

RECOMMENDATION:

Staff recommends approval of the accompanying Amendatory Resolution to accomplish the objectives set forth in this memorandum.

IFA VOTING RECORD

Cultural Pool Resolution, July 12, 2005 (approving $6.7 million Cultural Pool Loan):
Ayes: 8 (via telephone: Goetz) Nays: 0 Abstentions: 1 (*Fuentes)
Absent: 3 (O'Brien, Rice, Valenti) Vacancies: 4

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The Museum of Science and Industry, 57th Street and Lake Shore Drive, Chicago (Cook County), Illinois 60637-2093
Borrower Contacts:	Joel M. Asprooth, VP – Finance and Administration, (T): 773-947-3747; (F) 773-684-2200; joel.asprooth@msichicago.org
Project name:	Cultural Pool Revolving Loan Fund
Organization:	501(c)(3) not-for-profit corporation
State:	Illinois
Board of Trustees:	See attached listing for 2007-2008 Board of Trustees and Life Trustees (p. 2-3).

PROFESSIONAL AND FINANCIAL

Borrower's Counsel:	McDermott Will & Emery	Chicago	Heidi Steele
Accountant:	KPMG, LLP	Chicago	
Bond Counsel:	Chapman and Cutler, LLP	Chicago	Nancy Burke
LOC Bank:	JPMorgan Chase Bank	Chicago, IL	Fred Ash
Trustee:	US Bank	Chicago, IL	Grace Gorka
Issuer's Counsel:	Kevin Cahill	Chicago	Kevin Cahill

MUSEUM OF SCIENCE AND INDUSTRY BOARD OF TRUSTEES

2007-08 Board of Trustees

Life Trustees

ATTACHMENT:

- IFA Resolution 08-07-__: Resolution authorizing certain Amendments to existing Security Agreements and an existing Loan Agreement relating to Loans made to, or Bonds issued for the benefit of The Museum of Science and Industry and certain related matters

IFA RESOLUTION 08-07-23

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN AMENDMENTS TO EXISTING SECURITY AGREEMENTS AND AN EXISTING LOAN AGREEMENT RELATING TO LOANS MADE TO, OR BONDS ISSUED FOR THE BENEFIT OF, THE MUSEUM OF SCIENCE AND INDUSTRY; AUTHORIZING AND APPROVING THE DELEGATION OF CERTAIN FUTURE APPROVALS AND CONSENTS RELATING TO SUCH LOANS AND BONDS; AND AUTHORIZING AND APPROVING CERTAIN RELATED MATTERS.

WHEREAS, the Illinois Educational Facilities Authority (the "IEFA"), a predecessor of the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "Authority"), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq*, as supplemented and amended (the "Act"), has heretofore issued $20,000,000 in original aggregate principal amount of Illinois Educational Facilities Authority Adjustable Rate Demand Revenue Bonds (Cultural Pooled financing Program), Series 1985 (the "Series 1985 Pool Bonds") pursuant to that certain Trust Indenture dated as of December 1, 1985, as supplemented and amended, between the Authority, as successor to the IEFA, and U.S. Bank National Association, as successor trustee; and

WHEREAS, payment of principal of, interest on and purchase price for the Series 1985 Pool Bonds is secured by credit and liquidity facilities issued by JP Morgan Chase Bank, N.A., as successor credit and liquidity provider ("JPMorgan"); and

WHEREAS, proceeds from the sale of the Series 1985 Pool Bonds are loaned from time to time to "private institutions of higher education" and "cultural institutions" as such terms are defined in the Act; and

WHEREAS, the Museum of Science and Industry, an Illinois not for profit corporation ("MSI"), has borrowed proceeds from the sale of the Series 1985 Pool Bonds pursuant to (i) the Security Agreement dated as of June 1, 2002 (the "2002 Pool Security Agreement") between the Authority, as successor to the IEFA, and MSI, and (ii) the Security Agreement dated as of February 1, 2006 (the "2006 Pool Security Agreement") between the Authority, as successor to the IEFA, and MSI; and

WHEREAS, the IEFA has heretofore issued $13,000,000 in original aggregate principal amount of Illinois Educational Facilities Authority Revenue Bonds, Museum of Science and Industry, Series 1998 (the "Series 1998 Bonds"), for the benefit of MSI, pursuant to the Trust Indenture dated as of May 1, 1998 between the Authority, as successor to the IEFA, and Seaway Bank and Trust Company (formerly known as Seaway National Bank of Chicago), as trustee; and

WHEREAS, the Series 1998 Bonds were privately placed with Bank of America, N.A., as successor to Bank of America National Trust and Savings Association ("B of A"), and the proceeds from the sale thereof were loaned to MSI pursuant to the Loan Agreement dated as of May 1, 1998, as supplemented and amended by the First Supplemental Loan Agreement dated as of May 1, 2003 (as so supplemented and amended, the "Series 1998 Loan Agreement"), each between the Authority, as successor to the IEFA, and MSI; and

WHEREAS, the 2002 Pool Security Agreement and the 2006 Pool Security Agreement contain certain financial covenants that were required by JPMorgan as a condition to the borrowings by MSI of certain proceeds of the Series 1985 Pool Bonds; and

WHEREAS, the Series 1998 Loan Agreement contains certain financial covenants that were required by B of A in connection with its purchase of the Series 1998 Bonds; and

WHEREAS, in connection with incurring certain indebtedness, MSI desires to amend the financial covenants contained in the 2002 Pool Security Agreement, the 2006 Pool Security Agreement and the Series 1998 Loan Agreement to conform such covenants to those required to be observed with respect to such indebtedness; and

WHEREAS, JPMorgan and B of A have consented to such changes in the financial covenants; and

WHEREAS, MSI has requested that the Authority authorize and approve the execution and delivery of amendments to the 2002 Pool Security Agreement, the 2006 Pool Security Agreement and the Series 1998 Loan Agreement to effect such changes in financial covenants; and

WHEREAS, MSI has also requested that the Authority delegate to its Chairperson, the Vice Chairperson, the Treasurer or the Executive Director (or for purposes of this Resolution any person duly appointed to such office on an interim basis) the authority to consent to or approve any future amendments to the financial covenants contained in the 2002 Pool Security Agreement, the 2006 Pool Security Agreement and the Series 1998 Loan Agreement; and

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

WHEREAS, the Authority desires to approve such amendments to the 2002 Pool Security Agreement, the 2006 Pool Security Agreement and the Series 1998 Loan Agreement, delegate to Chairperson, the Vice Chairperson, the Treasurer or the Executive Director (or for purposes of this Resolution any person duly appointed to such office on an interim basis) the authority to consent to or approve any such future amendments and authorize and approve the execution and delivery of any necessary or appropriate documentation to effect the foregoing;

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

Section 1. Amendments. That the amendment of the financial covenants contained in the 2002 Pool Security Agreement, the 2006 Pool Security Agreement and the Series 1998 Loan Agreement is hereby authorized and approved.

Section 2. Delegation of Future Approvals. That the Chairperson, the Vice Chairperson, the Treasurer or the Executive Director (or for purposes of this Resolution any person duly appointed to such office on an interim basis) of the Authority is hereby authorized to consent to or approve, on behalf of the Authority, any future changes to the financial covenants contained in the 2002 Pool Security Agreement, the 2006 Pool Security Agreement or the Series 1998 Loan Agreement.

Section 3. 2002 Supplemental Security Agreement. That the Authority is hereby authorized to enter into a First Supplemental Security Agreement (the "2002 Supplemental Security Agreement") with MSI, supplementing and amending the 2002 Pool Security Agreement, to accomplish the purposes described in this Resolution, such 2002 Supplemental Security Agreement to be in substantially the same form now before the Authority; that the form, terms and provisions of the 2002 Supplemental Security Agreement be, and they hereby are, in all respects approved; that the Chairperson, the Vice Chairperson, the Treasurer or the Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim basis) of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the 2002 Supplemental Security Agreement in the name, for and on behalf of the Authority, and thereupon to cause the 2002 Supplemental Security Agreement to be delivered to MSI; the 2002 Supplemental Security Agreement to be in substantially the same form as is now before the Authority or with such changes therein as the Chairperson, the Vice Chairperson, the Treasurer or the Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim basis) shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of any and all changes or revisions therein from the form of the 2002 Supplemental Security Agreement now before the Authority; that when the 2002 Supplemental Security Agreement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such 2002 Supplemental Security Agreement will be binding on the Authority; that from and after the execution and delivery of the 2002 Supplemental Security Agreement the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the 2002 Supplemental Security Agreement as executed; and that the 2002 Supplemental Security Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the 2002 Supplemental Security Agreement shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 4. 2006 Supplemental Security Agreement. That the Authority is hereby authorized to enter into a First Supplemental Security Agreement (the "2006 Supplemental Security Agreement") with MSI, supplementing and amending the 2006 Pool Security Agreement, to accomplish the purposes described in this Resolution, such 2006 Supplemental Security Agreement to be in substantially the same form now before the Authority; that the form, terms and provisions of the 2006 Supplemental Security Agreement be, and they hereby are, in all respects approved; that the Chairperson, the Vice Chairperson, the Treasurer or the Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim basis) of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the 2006 Supplemental Security Agreement in the name, for and on behalf of the Authority, and thereupon to cause the 2006 Supplemental Security Agreement to be delivered to MSI; the 2006 Supplemental Security Agreement to be in substantially the same form as is now before the Authority or with such changes therein as the Chairperson, the Vice Chairperson, the Treasurer or the Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim basis) shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of any and all changes or revisions therein from the form of the 2006 Supplemental Security Agreement now before the Authority; that when the 2006 Supplemental Security Agreement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such 2006 Supplemental Security Agreement will be binding on the Authority; that from and after the execution and delivery of the 2006 Supplemental Security Agreement the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the 2006 Supplemental Security Agreement as executed; and that the 2006 Supplemental Security Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the 2006 Supplemental Security Agreement shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 5. 1998 Supplemental Loan Agreement. That the Authority is hereby authorized to enter into a Second Supplemental Loan Agreement (the "1998 Supplemental Loan Agreement") with MSI, supplementing and amending the Series 1998 Loan Agreement, to accomplish the purposes described in this Resolution, such 1998 Supplemental Loan Agreement to be in substantially the same form now before the Authority; that the form, terms and provisions of the 1998 Supplemental Loan Agreement be, and they hereby are, in all respects approved; that the Chairperson, the Vice Chairperson, the Treasurer or the Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim basis) of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the 1998 Supplemental Loan Agreement in the name, for and on behalf of the Authority, and thereupon to cause the 1998 Supplemental Loan Agreement to be delivered to MSI; the 1998 Supplemental Loan Agreement to be in substantially the same form as is now before the Authority or with such changes therein as the Chairperson, the Vice Chairperson, the Treasurer or the Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim basis) shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of any and all changes or revisions therein from the form of the 1998 Supplemental Loan Agreement now before the Authority; that when the 1998 Supplemental Loan Agreement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such 1998 Supplemental Loan Agreement will be binding on the Authority; that from and after the execution and delivery of the 1998 Supplemental Loan Agreement the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the 1998 Supplemental Loan Agreement as executed; and that the 1998 Supplemental Loan Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the 1998 Supplemental Loan Agreement shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 6. Other Necessary Documents. That the Chairman, the Vice Chairman, the Treasurer, the Executive Director, the Secretary, any Assistant Secretary and any other officer of the Authority (and for purposes of this Resolution, any person duly appointed to any such office on an interim basis) be, and each of them hereby is, authorized to execute and deliver such documents, certificates and undertakings of the Authority, and to take such actions as may be required in connection with the execution, delivery and performance of the 2002 Supplemental Security Agreement, the 2006 Supplemental Security Agreement and the 1998 Supplemental Loan Agreement, all as authorized by this Resolution.

Section 7. Future Consents or Approvals. That the Chairperson, the Vice Chairperson, the Treasurer or the Executive Director (and for purposes of this Resolution, any person duly appointed to any such office on an interim basis) hereby is authorized to execute and deliver such documents, certificates and undertakings of the Authority, and to take such actions as may be required in connection with any consents to or approvals of any future changes to the financial covenants contained in the 2002 Pool Security Agreement, the 2006 Pool Security Agreement or the Series 1998 Loan Agreement.

Section 8. Ratification of Actions. That all acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 9. Separable Provisions. That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 10. Conflicting Resolutions. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 11. Effectiveness. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

TO: IFA Board of Directors

FROM: Rich Frampton

DATE: July 8, 2008

RE: A Resolution Authorizing Amendments to Financial Covenants of the Museum of Science and Industry ("MSI" or the "Borrower") to enable the Borrower to conform covenants on credit agreements with various lenders
IFA Project: N-NP-TE-CD-620

AMENDATORY RESOLUTION OBJECTIVES:

- **Objective 1:** *Enable the Museum of Science and Industry to conform Financial Covenants on its various borrowings, including two IEFA Cultural Pool Loans originated from IEFA Series 1985 Cultural Pool Bond Proceeds in 2002 and 2005 (the "Pool Loans") and IEFA Series 1998 Revenue Bonds (the "Series 1998 Bonds") that were purchased by Bank of America N.A. ("BofA").*
- **Objective 2:** *Provide for a Delegated Approval Process relating to Changes in Financial Covenants contained in any documents relating to MSI's Pool Loans and the Series 1998 Bonds.*

BACKGROUND:

The Museum of Science and Industry ("MSI" or the "Borrower"), a 501(c)(3) corporation established under Illinois law, is requesting consideration of an Amendatory Resolution that would delegate any future consents or approval of the IFA to amend certain financial covenants relating to (a) the Pool Loans, which are secured by JPMorgan Chase ("JPMorgan") and (b) changes in the Financial Covenants relating to the Pool Loans and the Series 1998 Bonds to IFA's Executive Director.

Consent to Amend MSI's Financial Covenants on IEFA Series 1985 Bonds and IEFA Series 1992Bonds:

In addition to the Pool Loans and the Series 1998 Bonds, MSI is also conforming financial covenants on its other debt obligations, including: (1) $7,000,000 IEFA Series 1985 Bonds (outstanding balance as of 6/30/2007: $3.9 million), and (2) $15,000,000 IEFA Series 1992 Bonds (outstanding balance of $15,000,000 as of 6/30/2007). Consistent with current IFA Bond Handbook provisions on conduit bond issues, the bond documents relating to the IEFA Series 1985 and 1992 Bonds (Museum of Science and Industry Projects) do not require consent of the IEFA (IFA) Board to amend financial covenants or other terms of Reimbursement Agreements between Borrowers and their LOC Bank/Bond Purchaser.

Future Consent Provision on IEFA Pool Loans and Series 1998 Bonds:

With respect to the Pool Loans, JPMorgan Chase provides credit and liquidity support, and as credit and liquidity provider sets forth the requirements for the financial covenants that need to be observed by MSI. Because the IEFA Cultural Pool was originally established in 1985 pursuant to program documents and new bank agreements (on bond documents) are not entered into when an institution borrows under the IEFA Cultural Pool, the financial covenants required by JPMorgan Chase are set forth in the original 1985 Security Agreements between MSI and IEFA (IFA). As such, changing the financial covenants in the Security Agreements is similar to other transactions where the financial covenants in bank agreements are changed. The IFA does not typically consent to changes in financial covenants contained in bank agreements.

With respect to the Series 1998 Bonds, BofA was the sole purchaser of the 1998 Bonds. Accordingly, requirements for the financial covenants to be observed by MSI were set forth in a Loan Agreement between MSI and the IEFA (IFA) (i.e., there was no separate Bank Agreement relating to the Series 1998 Bonds). Again, changing the financial covenants contained in the Loan Agreement for the Series 1998 Bonds is similar to other transactions where the financial covenants in bank agreements are changed. The Authority does not typically consent to changes in financial covenants contained in bank agreements.

For the foregoing reasons, the Resolution will delegate any future consents or approvals of the IFA to amend the financial covenants contained (1) in the Security Agreements for the Pool Loans and (2) the Loan Agreement for the Series 1998 Bonds to the IFA Executive Director (or any other authorized signatory).

Significantly, approval of this Resolution would align IFA's policies on the IEFA Series 1985 Cultural Pool Bonds and Series 1998 Bonds with current IFA Bond Program Handbook practices (i.e., in cases where IFA is serving as a conduit issuer).

RECOMMENDATION:

Staff recommends approval of the accompanying Amendatory Resolution to accomplish the objectives set forth in this memorandum.

IFA VOTING RECORD

Cultural Pool Resolution, July 12, 2005 (approving $6.7 million Cultural Pool Loan):

Ayes: 8 (via telephone: Goetz)	Nays: 0	Abstentions: 1 (*Fuentes)
Absent: 3 (O'Brien, Rice, Valenti)		Vacancies: 4

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The Museum of Science and Industry, 57th Street and Lake Shore Drive, Chicago (Cook County), Illinois 60637-2093
Borrower Contacts:	Joel M. Asprooth, VP – Finance and Administration, (T): 773-947-3747; (F) 773-684-2200; joel.asprooth@msichicago.org
Project name:	Cultural Pool Revolving Loan Fund
Organization:	501(c)(3) not-for-profit corporation
State:	Illinois
Board of Trustees:	See attached listing for 2007-2008 Board of Trustees and Life Trustees (p. 2-3).

PROFESSIONAL AND FINANCIAL

Borrower's Counsel:	McDermott Will & Emery	Chicago	Heidi Steele
Accountant:	KPMG, LLP	Chicago	
Bond Counsel:	Chapman and Cutler, LLP	Chicago	Nancy Burke
LOC Bank:	JPMorgan Chase Bank	Chicago, IL	Fred Ash
Trustee:	US Bank	Chicago, IL	Grace Gorka
Issuer's Counsel:	Kevin Cahill	Chicago	Kevin Cahill

MUSEUM OF SCIENCE AND INDUSTRY BOARD OF TRUSTEES

ATTACHMENT:

- IFA Resolution 08-07-__: Resolution authorizing certain Amendments to existing Security Agreements and an existing Loan Agreement relating to Loans made to, or Bonds issued for the benefit of The Museum of Science and Industry and certain related matters

DRAFT

IFA RESOLUTION 08-07-23

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN AMENDMENTS TO EXISTING SECURITY AGREEMENTS AND AN EXISTING LOAN AGREEMENT RELATING TO LOANS MADE TO, OR BONDS ISSUED FOR THE BENEFIT OF, THE MUSEUM OF SCIENCE AND INDUSTRY; AUTHORIZING AND APPROVING THE DELEGATION OF CERTAIN FUTURE APPROVALS AND CONSENTS RELATING TO SUCH LOANS AND BONDS; AND AUTHORIZING AND APPROVING CERTAIN RELATED MATTERS.

WHEREAS, the Illinois Educational Facilities Authority (the "IEFA"), a predecessor of the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "Authority"), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq*, as supplemented and amended (the "Act"), has heretofore issued $20,000,000 in original aggregate principal amount of Illinois Educational Facilities Authority Adjustable Rate Demand Revenue Bonds (Cultural Pooled Financing Program), Series 1985 (the "Series 1985 Pool Bonds") pursuant to that certain Trust Indenture dated as of December 1, 1985, as supplemented and amended, between the Authority, as successor to the IEFA, and U.S. Bank National Association, as successor trustee; and

WHEREAS, payment of principal of, interest on and purchase price for the Series 1985 Pool Bonds is secured by credit and liquidity facilities issued by JPMorgan Chase Bank, N.A., as successor credit and liquidity provider ("JPMorgan"); and

WHEREAS, proceeds from the sale of the Series 1985 Pool Bonds are loaned from time to time to "private institutions of higher education" and "cultural institutions" as such terms are defined in the Act; and

WHEREAS, the Museum of Science and Industry, an Illinois not for profit corporation ("MSI"), has borrowed proceeds from the sale of the Series 1985 Pool Bonds pursuant to (i) the Security Agreement dated as of June 1, 2002 (the "2002 Pool Security Agreement") between the Authority, as successor to the IEFA, and MSI, and (ii) the Security Agreement dated as of February 1, 2006 (the "2006 Pool Security Agreement") between the Authority, as successor to the IEFA, and MSI; and

WHEREAS, the IEFA has heretofore issued $13,000,000 in original aggregate principal amount of Illinois Educational Facilities Authority Revenue Bonds, Museum of Science and Industry, Series 1998 (the "Series 1998 Bonds"), for the benefit of MSI, pursuant to the Trust Indenture dated as of May 1, 1998 between the Authority, as successor to the IEFA, and Seaway Bank and Trust Company (formerly known as Seaway National Bank of Chicago), as trustee; and

WHEREAS, the Series 1998 Bonds were privately placed with Bank of America, N.A., as successor to Bank of America National Trust and Savings Association ("B of A"), and the proceeds from the sale thereof were loaned to MSI pursuant to the Loan Agreement dated as of May 1, 1998, as supplemented and amended by the First Supplemental Loan Agreement dated as of May 1, 2003 (as so supplemented and amended, the "Series 1998 Loan Agreement"), each between the Authority, as successor to the IEFA, and MSI; and

WHEREAS, the 2002 Pool Security Agreement and the 2006 Pool Security Agreement contain certain financial covenants that were required by JPMorgan as a condition to the borrowings by MSI of certain proceeds of the Series 1985 Pool Bonds; and

WHEREAS, the Series 1998 Loan Agreement contains certain financial covenants that were required by B of A in connection with its purchase of the Series 1998 Bonds; and

WHEREAS, in connection with incurring certain indebtedness, MSI desires to amend the financial covenants contained in the 2002 Pool Security Agreement, the 2006 Pool Security Agreement and the Series 1998 Loan Agreement to conform such covenants to those required to be observed with respect to such indebtedness; and

WHEREAS, JPMorgan and B of A have consented to such changes in the financial covenants; and

WHEREAS, MSI has requested that the Authority authorize and approve the execution and delivery of amendments to the 2002 Pool Security Agreement, the 2006 Pool Security Agreement and the Series 1998 Loan Agreement to effect such changes in financial covenants; and

WHEREAS, MSI has also requested that the Authority delegate to its Chairperson, the Vice Chairperson, the Treasurer or the Executive Director (or for purposes of this Resolution any person duly appointed to such office on an interim basis) the authority to consent to or approve any future amendments to the financial covenants contained in the 2002 Pool Security Agreement, the 2006 Pool Security Agreement and the Series 1998 Loan Agreement; and

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

WHEREAS, the Authority desires to approve such amendments to the 2002 Pool Security Agreement, the 2006 Pool Security Agreement and the Series 1998 Loan Agreement, delegate to Chairperson, the Vice Chairperson, the Treasurer or the Executive Director (or for purposes of this Resolution any person duly appointed to such office on an interim basis) the authority to consent to or approve any such future amendments and authorize and approve the execution and delivery of any necessary or appropriate documentation to effect the foregoing;

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

Section 1. Amendments. That the amendment of the financial covenants contained in the 2002 Pool Security Agreement, the 2006 Pool Security Agreement and the Series 1998 Loan Agreement is hereby authorized and approved.

Section 2. Delegation of Future Approvals. That the Chairperson, the Vice Chairperson, the Treasurer or the Executive Director (or for purposes of this Resolution any person duly appointed to such office on an interim basis) of the Authority is hereby authorized to consent to or approve, on behalf of the Authority, any future changes to the financial covenants contained in the 2002 Pool Security Agreement, the 2006 Pool Security Agreement or the Series 1998 Loan Agreement.

Section 3. 2002 Supplemental Security Agreement. That the Authority is hereby authorized to enter into a First Supplemental Security Agreement (the "2002 Supplemental Security Agreement") with MSI, supplementing and amending the 2002 Pool Security Agreement, to accomplish the purposes described in this Resolution, such 2002 Supplemental Security Agreement to be in substantially the same form now before the Authority; that the form, terms and provisions of the 2002 Supplemental Security Agreement be, and they hereby are, in all respects approved; that the Chairperson, the Vice Chairperson, the Treasurer or the Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim basis) of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the 2002 Supplemental Security Agreement in the name, for and on behalf of the Authority, and thereupon to cause the 2002 Supplemental Security Agreement to be delivered to MSI; the 2002 Supplemental Security Agreement to be in substantially the same form as is now before the Authority or with such changes therein as the Chairperson, the Vice Chairperson, the Treasurer or the Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim basis) shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of any and all changes or revisions therein from the form of the 2002 Supplemental Security Agreement now before the Authority; that when the 2002 Supplemental Security Agreement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such 2002 Supplemental Security Agreement will be binding on the Authority; that from and after the execution and delivery of the 2002 Supplemental Security Agreement the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the 2002 Supplemental Security Agreement as executed; and that the 2002 Supplemental Security Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the 2002 Supplemental Security Agreement shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 4. 2006 Supplemental Security Agreement. That the Authority is hereby authorized to enter into a First Supplemental Security Agreement (the "2006 Supplemental Security Agreement") with MSI, supplementing and amending the 2006 Pool Security Agreement, to accomplish the purposes described in this Resolution, such 2006 Supplemental Security Agreement to be in substantially the same form now before the Authority; that the form, terms and provisions of the 2006 Supplemental Security Agreement be, and they hereby are, in all respects approved; that the Chairperson, the Vice Chairperson, the Treasurer or the Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim basis) of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the 2006 Supplemental Security Agreement in the name, for and on behalf of the Authority, and thereupon to cause the 2006 Supplemental Security Agreement to be delivered to MSI; the 2006 Supplemental Security Agreement to be in substantially the same form as is now before the Authority or with such changes therein as the Chairperson, the Vice Chairperson, the Treasurer or the Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim basis) shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of any and all changes or revisions therein from the form of the 2006 Supplemental Security Agreement now before the Authority; that when the 2006 Supplemental Security Agreement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such 2006 Supplemental Security Agreement will be binding on the Authority; that from and after the execution and delivery of the 2006 Supplemental Security Agreement the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the 2006 Supplemental Security Agreement as executed; and that the 2006 Supplemental Security Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the 2006 Supplemental Security Agreement shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 5. 1998 Supplemental Loan Agreement. That the Authority is hereby authorized to enter into a Second Supplemental Loan Agreement (the "1998 Supplemental Loan Agreement") with MSI, supplementing and amending the Series 1998 Loan Agreement, to accomplish the purposes described in this Resolution, such 1998 Supplemental Loan Agreement to be in substantially the same form now before the Authority; that the form, terms and provisions of the 1998 Supplemental Loan Agreement be, and they hereby are, in all respects approved; that the Chairperson, the Vice Chairperson, the Treasurer or the Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim basis) of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the 1998 Supplemental Loan Agreement in the name, for and on behalf of the Authority, and thereupon to cause the 1998 Supplemental Loan Agreement to be delivered to MSI; the 1998 Supplemental Loan Agreement to be in substantially the same form as is now before the Authority or with such changes therein as the Chairperson, the Vice Chairperson, the Treasurer or the Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim basis) shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of any and all changes or revisions therein from the form of the 1998 Supplemental Loan Agreement now before the Authority; that when the 1998 Supplemental Loan Agreement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such 1998 Supplemental Loan Agreement will be binding on the Authority; that from and after the execution and delivery of the 1998 Supplemental Loan Agreement the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the 1998 Supplemental Loan Agreement as executed; and that the 1998 Supplemental Loan Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the 1998 Supplemental Loan Agreement shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 6. Other Necessary Documents. That the Chairman, the Vice Chairman, the Treasurer, the Executive Director, the Secretary, any Assistant Secretary and any other officer of the Authority (and for purposes of this Resolution, any person duly appointed to any such office on an interim basis) be, and each of them hereby is, authorized to execute and deliver such documents, certificates and undertakings of the Authority, and to take such actions as may be required in connection with the execution, delivery and performance of the 2002 Supplemental Security Agreement, the 2006 Supplemental Security Agreement and the 1998 Supplemental Loan Agreement, all as authorized by this Resolution.

Section 7. Future Consents or Approvals. That the Chairperson, the Vice Chairperson, the Treasurer or the Executive Director (and for purposes of this Resolution, any person duly appointed to any such office on an interim basis) hereby is authorized to execute and deliver such documents, certificates and undertakings of the Authority, and to take such actions as may be required in connection with any consents to or approvals of any future changes to the financial covenants contained in the 2002 Pool Security Agreement, the 2006 Pool Security Agreement or the Series 1998 Loan Agreement.

Section 8. *Ratification of Actions.* That all acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 9. *Separable Provisions.* That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 10. *Conflicting Resolutions.* That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 11. *Effectiveness.* That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

TO: IFA Board of Directors

FROM: Rich Frampton

DATE: July 8, 2008

RE: A Resolution Authorizing Amendments to the Final Bond Resolution to Extend the Maximum Maturity Date from 30 Years to 35 Years
(Marwen Foundation, Inc. Project)
IFA Project: N-NP-TE-CD-8048

BACKGROUND:

The IFA Board of Directors approved a Final Bond Resolution to issue Conduit 501(c)(3) Revenue Bonds for the Marwen Foundation, Inc., ("Marwen") in an amount not-to-exceed $6.0 million at the May 13, 2008 Board Meeting.

Proceeds of the Bonds are intended to finance the acquisition and renovation of two floors of condominium space that Marwen Foundation does not currently own, thereby enabling the Marwen Foundation to remain at its current location long-term.

REQUEST:

After further discussions with Marwen Foundation and their financing team, Marwen is requesting that the IFA Board approve an extenstion of the final maturity date on the proposed IFA Series 2008 Bonds (Marwen Foundation, Inc. Project) from 30 years to 35 years.

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

RECOMMENDATION:

Staff recommends approval of the accompanying Amendatory Resolution to accomplish the objectives of extending the final maturity date on the proposed bonds from 30 years to 35 years, as requested.

Because the IFA Series 2008 Bonds (Marwen Foundation, Inc. Project) will be secured by a Direct Pay Letter of Credit from Bank of America, and will be sold as 7-Day Variable Rate Demand Bonds (i.e., Bonds will be sold to institutional money market funds), the proposed extension of final maturity date will not materially effect prospective bondholders.

IFA VOTING RECORD

Final Bond Resolution, May 13, 2008:
Ayes: 11 (2 via telephone: Leonard, Zeller) Nays: 0 Abstentions: 0
Absent: 3 (Barclay, DeNard, O'Brien) Vacancies: 1

Preliminary Bond Resolution, April 8, 2008:
Ayes: 10 Nays: 0 Abstentions: 0
Absent: 4 (Fuentes, Herrin, Talbott, Valenti) Vacancies: 1

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Marwen Foundation, Inc., 833 N. Orleans St., Chicago, IL 60610-3171; Ph.: 312-944-2418; Fax: 312-944-6696
Web site:	www.marwen.org
Contact:	Ms. Darlene Dies, Director – Finance and Administration, 833 North Orleans St., Chicago, IL 60610-3171; Ph.: 312-944-2418 (ext. 253); Email: dgdies@marwen.org
Project name:	IFA Series 2008 Bonds (Marwen Foundation, Inc. Project)
Location:	833 N. Orleans St., Chicago, IL 60610
Organization:	Illinois 501(c)(3) Corporation
Board Membership:	*See list of Board of Directors (p. 3).*
Current Land Owner:	Crilly Court Trust, Aldine Trust, and Schenectady Trust c/o Alan Levy, The Belgravia Group, Ltd. 833 N. Orleans St., Suite 400 Chicago, IL 60610 Ph.: 312-751-2777

PROFESSIONAL & FINANCIAL

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

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
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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

ATTACHMENT:

- IFA Resolution 08-07-__: Resolution Extension of Final Maturity Date on IFA Bond Resolution 08-05-XX, on behalf of Marwen Foundation, Inc., from approximately 30 Years to 35 Years

IFA RESOLUTION 2008-07-24

RESOLUTION AMENDING A PRIOR RESOLUTION OF THE ILLINOIS FINANCE AUTHORITY (THE "AUTHORITY") ADOPTED ON MAY 13, 2008 (THE "ORIGINAL RESOLUTION"), WHICH AUTHORIZED THE ISSUANCE OF NOT-TO-EXCEED $6,000,000 AGGREGATE PRINICIPAL AMOUNT OF ILLINOIS FINANCE AUTHORITY VARIABLE RATE DEMAND REVENUE BONDS, SERIES 2008 (MARWEN FOUNDATION PROJECT) (THE "BONDS); THE LENDING OF THE PROCEEDS OF SAID BONDS TO MARWEN FOUNDATION (THE "CORPORATION") AND THE EXECUTION OF A LOAN AGREEMENT BY AND BETWEEN THE AUTHORITY AND THE CORPORATION AND A TRUST INDENTURE BY AND BETWEEN THE AUTHORITY AND AMALGAMATED BANK OF CHICAGO, AS TRUSTEE THEREUNDER; APPROVING THE SALE OF THE BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO, ALL AS PERMITTED BY THE ILLINOIS FINANCE AUTHORITY ACT, AS AMENDED (THE "ACT"); TO APPROVE AN AMENDMENT TO EXTEND THE FINAL MATURITY DATE FROM MAY 1, 2038 TO MAY 1, 2043, AND AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF ANY ADDITIONAL DOCUMENTATION REQUIRED TO EFFECT THE FOREGOING; AND AUTHORIZING AND APPROVING CERTAIN RELATED MATTERS.

WHEREAS, the Authority, a body politic and corporate, is empowered by the provisions of the Illinois Finance Authority Act, 20 Illinois Compiled Statutes 3501, as amended (the "Act"), to issue its bonds, notes or other evidence of indebtedness to finance, refinance and reimburse the cost of "industrial projects," as such term is defined in the Act, owned and operated by a not for profit institution; and

WHEREAS, the Authority duly adopted a resolution on May 13, 2008 (the "Original Resolution"), authorizing and approving, among other things, the issuance of Illinois Finance Authority Variable Rate Demand Revenue Bonds Series 2008A (Marwen Foundation Project) (the "Bonds"), in an aggregate principal amount not to exceed $6,000,000, for the benefit of Marwen Foundation, Inc., an Illinois not-for-profit corporation (the "Corporation"); and

WHEREAS, the Original Resolution authorized and approved the use by the Corporation of the proceeds of the Bonds received by it from the Authority to finance, refinance or be reimbursed for all or a portion of the costs of certain projects comprising "industrial projects" (as defined in the Act), owned and operated by a not-for-profit institution; and

WHEREAS, the Corporation has determined that it is in its best interest to request that the Authority approve an amendment to the final maturity date on the Bonds as set forth in the Original Resolution from May 1, 2038 to May 1, 2043 and authorize and approve the execution and delivery of all documentation necessary or appropriate to effect such amendment, including without limitation; and

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

Section 1. That an amendment to the Original Resolution to permit the Bonds to mature no later than May 1, 2043 is hereby authorized and approved.

Section 2. That the Authority is hereby authorized to enter into such other amendments and supplements to the legal documentation, and such other documents, if any, as are deemed necessary or appropriate to accomplish the matters set forth in this Resolution, such amendments, supplements and documents to be in the forms to be approved by bond counsel, counsel for the Authority and counsel for the Corporation; that the Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority (and for purposes of this Resolution, any person duly appointed to any such office on an interim basis) be, and each of them hereby is, authorized, empowered and directed to execute and deliver such amendments, supplements and documents in the form so approved; that when such amendments, supplements and documents are executed and delivered on behalf of the Authority as hereinabove provided, such amendments, supplements and documents will be binding on the Authority; and that from and after the execution and delivery of such amendments, supplements and documents, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such amendments, supplements and documents as executed.

Section 3. That all acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 4. That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 5. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict. The Original Resolution as amended is hereby ratified and confirmed.

Section 6. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

To: Members of the IFA Board of Directors

From: Steven Trout

Date: June 30, 2008

Re: **Request for an Amendatory Resolution to Amend a Resolution Adopted January 8, 2008 to Provide Preliminary Approval for an Increase in Authority to Issue Solid Waste Disposal Facilities Revenue Bonds and IFA Volume Cap from $26,131,000 to $51,200,000 for Prairie Power, Inc.**

Background

Prairie Power, Inc. ("Prairie Power" or "PPI") is a member-owned, not-for-profit electric generation and transmission cooperative that produces and supplies electricity for 11 member distribution cooperatives that serve residents, governments, commercial and other organizations located throughout central Illinois.

In October 2007, PPI applied for $61,400,000 in Solid Waste Disposal Facilities Revenue Bonds to finance Prairie Power's share of qualifying costs to participate in the Prairie State Energy Campus Project ("Prairie State" or "the Project"). Prairie State is a 1,600 megawatt mine-mouth, Illinois coal-fired pulverized coal electric generation plant located in Washington County near Marissa.

Voting Record

On December 11, 2007, the Authority gave its preliminary approval for the issuance of $13,333,334 in Solid Waste Disposal Facilities Revenue Bonds for this project. *(Attached for your review is the original project summary that supported that request. The following narrative provides an update on key Project developments since then.)* The Authority subsequently approved an Amendatory Resolution granting preliminary approval for the issuance of up $26,131,000 in Bonds for Prairie Power.

At that time, the Board also granted preliminary approval for the issuance $25,115,000 in Solid Waste Bonds for Southern Illinois Power Cooperative ("SIPCO") and $18,756,000 in Bonds for Lively Grove Energy Partners. These actions, together with the approval for PPI, provided preliminary approval for the issuance of $70,000,000 in Solid Waste Bonds for the three participants in the Prairie State Project (together, "the Prairie State Applicants). Summarized below are the applicants' requests and the Board's approvals.

Action/Request	Date	***This Request Prairie Power***	*Other Requests* Lively Grove	*Other Requests* SIPCO	Total for Prairie State
Application	10/2007	$61,400,000	$41,491,000	$56,811,650	$159,702,650
Preliminary IFA Approval	12/18/2007	$13,333,333	$13,333,334	$13,333,333	$40,000,000
1st Amendatory Resolution	1/8/2007	$26,131,000	$18,756,000	$25,113,000	$70,000,000
2nd Amendatory Resolution	7/8/2008	***$51,200,000***			
Expected Future Request	Fall 2008		$25,000,000	$0 (withdrew)	$76,200,000

Volume Cap Concerns and Current Demand for Cap

The Authority granted preliminary approval for the issuance of only part of the Prairie State Applicants' request to provide time for staff within IFA and the Governor's Office to evaluate the demand and supply for Carry-Forward Volume Cap, a prerequisite to the issuance of these bonds. Since then, developers for all ethanol projects that the Authority had approved for Solid Waste Bonds announced that they would defer development until market conditions improve. SIPCO officials recently notified the Authority that they would not pursue the issuance of Bonds for their share of the Project. Lively Grove officials also confirmed their intent to wait until 2009 to issue Bonds for this Project.

Importance of Tax-Exempt Financing

Prairie Power elected to participate in the Project after conducting an extensive evaluation of its existing supply of power and projected demand for power. PPI determined that Prairie State represented the best option for obtaining plentiful power with relatively low emissions using technology that is proven. *Any savings resulting from the use of tax-exempt bonds will be passed in the form of reduced electricity rates, resulting in lower costs and enhanced quality of life for residents, governments, businesses and other organizations service by PPI's member cooperatives.*

PPI's Recent Actions and Request to IFA

Prairie Power has assembled a financing team and begun to draft financing documents to facilitate the issuance of Bonds in September 2007 pursuant to the Authority's request for closing on Bonds that will use Carry-Forward Cap that expires on December 31, 2008. Prairie Power has asked the Authority to allocate an additional $25,069,000,000 in bonding authority and Volume Cap, which would enable PPI to finance essentially all qualifying project costs with reduced interest-rate municipal bonds. PPI notes that this amount is less than the $25,113,000 in bonding authority and 2008 Carry-Forward Volume Cap that IFA had unofficially allocated in January to SIPCO.

Professional and Financial

The Financing Team now includes:

Bond Underwriter	Lehman Brothers	Boston	Steve Peters
Underwriter's Counsel	Dewey LeBouef, LLP	New York	Bud Bills
Bond Counsel	Chapman and Cutler	Chicago	Bob Ollis
Guarantor:	CFC	Herndon, VA	John List
Borrower's Counsel	Rommelkamp Bradney	Jacksonville, IL	Forrest Keaton
Issuer's Counsel	Kevin Cahill Law Office	Chicago	Kevin Cahill

Financing Summary

The Bonds are expected to be structured as follows:

Amount:	Up to $52,000,000
The Bonds:	Tax-Exempt Solid Waste Facilities Revenue Bonds structured as Variable Rate Demand Notes or Fixed Rate Bonds
Guarantor:	National Rural Utilities Cooperative Financing Cooperation ("CFC")
Credit Rating:	To be determined after evaluation by the ratings agencies. Bonds secured by CFC's Guarantee are usually rated "A", if rated.
Maturity:	Not to exceed the greater of 34 years or he remaining length of wholesale power contracts between PPC and its member cooperative.
Amortization:	Interest only until 2012, followed thereafter by level debt service payments
Capitalized Interest:	An amount equal to estimated interest on the Bonds during construction may be included in the bond sizing to pay interest on the Bonds during construction.

Debt Reserve: An amount equal to 5% of the Bonds will be deposited into a Debt Service Reserve Fund, funded from the issuance at closing.

Timing Considerations
PPI expects to seek the Authority's final approval for the issuance of Bonds at the August 12 Board meeting. An updated, detailed project summary will accompany that request. PPI anticipates that the projections and estimate of debt service coverage that will be presented to the Board at that time will be similar to the projections and estimate of debt service coverage that were presented to the Board on December 11, 2007.

Construction Update
Construction remains on schedule for plant operations to begin July 1, 2011 as originally anticipated. Essentially all material costs are now contractually set, with costs slightly above plan but well within budgeted levels.

Prairie Power's Commitment to Renewable Energy and Energy Conservation
Prairie Power's Board adopted on March 12, 2008 a Renewable Generation and Energy Policy that states that "PPI will seek to include in its generation portfolio Renewable Energy...to the extent that such Renewable Energy may be reliably and economically generated or purchased and delivered to the Cooperative's Member Cooperatives." Renewable Energy was defined to include biomass energy, hydropower, geothermal energy, wind energy, solar energy and other sources as designated by the Board.

Prairie Power is now installing 15 megawatts of wind energy and plans to purchase the turbines later in 2008. PPI expects to develop an additional 15 megawatts wind energy capacity in the future. Prairie Power has applied to the Federal Energy Regulatory Commission (FERC) for a preliminary permit to develop an 8 megawatt hydroelectric generating facility at the Lake Shelbyville Dam in Illinois. PPI is also evaluating the development of a 17 megawatt hydroelectric facility on the Mississippi River.

Prairie Power's Member Cooperatives have for many years encouraged energy conservation through the promotion of such initiatives as 1) rebates and special electrical rates to encourage geothermal and air-source heating and cooling; 2) seminars, radio and television shows and consulting to encourage controlled heating and cooling and energy efficient home construction and appliance use; and 3) giveaways and price subsidies to encourage use of Compact Fluorescent Lighting ("CFLs").

Environmental Concerns
Verena Owen and Becki Clayborn from the Sierra Club appeared at the February 12, 2008 IFA Board meeting and asked the Board not to approve the issuance of bonds for the Prairie State project primarily because of concerns over the project's projected emissions of carbon dioxide, which many believe is major contributor to global warming.

Prairie Power and other Project advocates note that Prairie State has been awarded a Final Air Permit from the Illinois Environmental Protection Agency. The awarding of the Air Permit was appealed by the Sierra Club and other environmental groups ("the objectors") on the basis of twenty issues to the Environmental Appeals Board who ruled against the objectors on all twenty issues. This decision was appealed to the United States Seventh Circuit Court which upheld the ruling of the Environmental Appeals Board on all twenty issues. The objectors decided not to appeal the Seventh Circuit Court's decision to the United States Supreme Court.

The developers believe that Prairie State will be among the nation's cleanest coal-fueled plants, with as little as one-fifth the regulated emission rates of existing U.S. power plants. They believe that its advanced scrubbing systems will provide the highest removal rate of any permitted plant, and note that Prairie State will be equipped with three particulate removal systems, versus one in most plants. By developing Prairie State as a supercritical plant rather than as a traditional subcritical plant, the Project's carbon dioxide emission rate would be approximately 15 percent lower than the typical U.S. coal plant. The site has reserved space to install additional equipment to curb carbon emissions should cost-effective technologies emerge. In addition, because Prairie State is a mine-mouth power plant, the emissions normally resulting from coal transportation to the plant will be eliminated

IFA Bond proceeds will be used to finance a significant share of Prairie Power's portion of costs for Prairie State's emissions control systems, which include:.

Low NOx burners
Activated Carbon Mercury control
Selective catalytic reduction
Dry electrostatic precipitators
Flue gas desulphurization
Wet electrostatic precipitators (new technology for the US and a first in Illinois).

Prairie State will utilize four major solid waste disposal systems: fly ash handling system, bottom ash handling system, FGD waste handling system, and FGD waste water treatment system. The systems are comprised of conveyors, hoppers, bins, and other equipment used to dispose of solid waste. In addition, 621 acres of land will be dedicated to contain solid waste.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 11, 2007

Project: **Prairie Power, Inc.** ***(Original Summary as Presented to the Board on December 11, 2007)***

STATISTICS

Project Number:	P-SW-TE-CD-7245	IFA Staff:	Steven Trout
Type:	Solid Waste Disposal Facilities Bond	Amount:	$13,333,334 (not to exceed)
Location:	Lively Grove Township	Region:	Washington County, Southwestern Region
SIC Code:	22112: Fossil Fuel Electric Power Generation		

BOARD ACTION

Preliminary Bond Resolution ***(Original Summary as Presented 12/11/07)***
Conduit Tax-Exempt Solid Waste Disposal Facilities Revenue Bonds
No IFA or State funds at risk
Staff recommends approval

PURPOSE

Bond proceeds, together with other debt and equity, will be used to finance and reimburse Prairie Power, Inc. for its share of costs to: 1) acquire a 2,971 acre site located at the intersection of Marigold and County Line Road 12 in Lively Grove Township, 2) construct a 1,600 megawatt power generation facility, 3) acquire and install machinery and equipment, and 4) capitalize a debt service reserve fund and 5) pay associated legal and professional costs.

IFA PROGRAM AND CONTRIBUTION

Solid Waste Disposal Facilities Revenue Bonds ("SWDBs") are municipal bonds that finance qualifying, privately-owned facilities that are used in whole or in part to collect, store, treat, transport, utilize, process or provide for the final disposal of solid waste. Interest earned on these bonds is exempt from federal income tax liability.

VOLUME CAP

Issuance of the Bonds is subject to an allocation of Volume Cap.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS (SUBJECT TO CHANGE)

Sources:	Solid Waste Bonds	$61,400,000	Uses:	Project Costs	$301,457,000
	Other Debt	269,642,000		Debt Service Reserve	3,000,000
	Equity	39,000,000		Interest During Construction	64,000,000
				Debt Issuance Costs:	1,154,000
				Professional and Legal	431,000
	Total	$370,042,000		Total	$370,042,000

The amount of Bonds available for this Project may be increased or decreased from the not-to-exceed amount stated above. The amount of Bonds stated in the Sources and Uses of Funds reflects the applicant's request and differs from the not to exceed amount stated above. The Project is being presented for consideration by the Board now to permit the Applicant to use Bond proceeds to reimburse itself for Project costs incurred to

date. The members contributed $39,000,000 in cash in September 2007 which Prairie Power has used to partially fund its share of Project costs incurred to date.

JOBS

Current employment:	59	Projected new jobs *:	180
Jobs retained:	0	Construction jobs *:	833

* Based on one-third of the total estimated new mining and plant jobs and construction jobs for the Prairie State Energy Campus. The job estimates for the Project are allocated between three IFA financing applicants (Prairie Power, Lively Grove and Southern Illinois Power Cooperative) to avoid double-counting.

BUSINESS SUMMARY

Description: Prairie Power, Inc. ("Prairie Power" or "PPI"): Prairie Power is a member-owned, not-for-profit electric generation and transmission cooperative, which produces and supplies electricity for 11 member distribution cooperatives located throughout central Illinois. PPI is one of more than 60 generation and transmission cooperatives that supply wholesale electric power to rural utilities in the United States. Until July 2007, Prairie Power operated as Soyland Power Cooperative, Inc.

Background: PPI is a not-for-proft organization engaged in the generation and transmission of wholesale electric service to its eleven members located throughout Illinois. Prairie Power has entered into wholesale power agreements with each of its member which require the members to buy and receive from PPI a portion of their power and energy requirements and require PPI to sell and deliver power and energy in satisfaction of such requirements. The wholesale power agreements with members extend through the year 2038.

Prairie Power has formal buyout policy under which a member who seeks to buy out of the wholesale power agreement is required to reimburse PPI for all liabilites, including any related to PPI's power supply and transmission agreemnts, incurred in connection with such buyout, in accordance with a predeterminted formula.

PPI wholesale power rate charged to members is established by the Board of Directors. Such wholesale power rate charged to members is determined based on annual cash requirements, including debt service requirements. Previously, the formula for determining the rate was subject to the approval of the Federal Energy Power Act (FPA), 16 U.S.C. 824 (f) in the Energy Policy Act of 2005, as amended, it was determined that PPI is not a public utility as defined by the FPA. Accodingly, PPI's rate schedules are no longer subject to the jurisdiction of Federal Energy Regulatory Commission (FERC). Additionally, PPI is not subject to the regulatory authority of the Illinois Commerce Commission.

Operations: PPI's distribution cooperatives provide retail electric service to 78,349 residential and commercial consumers within their local service territories. PPI owns and operates approximately 583 miles of transmission lines at 138 kV, 69 kV, and 34.5 kV; 22 MW of coal-fired base load generation; 154 MW of oil and gas-fired peaking units; and nearly 100 distribution and transmission substations to serve its members. A 22-megawatt, coal-fired baseload power plant located in Pike County, IL, along the Illinois River, Pearl Station – owned and operated by Prairie Power- first went on-line in 1968. In fiscal 2006, Pearl produced 162.100 megawatt-hours of electricity.

Owned by PPI and operated by PPI staff, the Alsey Generating Station is a five-unit, natural gas-fired peaking complex located in Scott County, IL, near the Village of Alsey. The facility entered service in July 1999 and has a nameplate rating of 125 megawatts. (The units can also operate on fuel oil, if necessary.) The Alsey Station operates in conjunction with a private power company when it is more *cost-effective* to run the combustion turbines than purchase power from other providers. It is designed to run during periods of peak electric use. Since air permits for the facility limit emissions to no more than 250 tons of nitrogen oxide annually, operation is capped at 937 hours per year. Alsey generated 4,842 megawatt-hours during 2006. During times of peak electricity demand and system emergencies, PPI can call on a 20-megawatt oil-fired combustion turbine based at Pearl Station and 9 megawatts from five diesel units located at Pittsfield in Pike County, Ill. Typically, both facilities run less than 200 hours per year.

The Project: The Prairie State Energy Campus will be a $3.7 billion, 1,600 megawatt supercritical power plant that will be fueled by a new 5.9 Mt/y underground coal mine next to the project site. The developers believe that the Project represents the next generation of clean electricity from coal, delivering low-cost energy to more than 1.7 million families and fueling business growth in the Midwest.

Emissions Controls: The developers believe that the plant will be among the nation's cleanest coal-fueled plants, with as little as one-fifth the regulated emission rates of existing U.S.power plants. They anticipate that Prairie State will be the cleanest coal plant in Illinois and among the cleanest in the United States. They believe that its advanced scrubbing systems will provide the highest removal rate of any permitted plant, and note that Prairie State will be equipped with three particulate removal systems, versus one in most plants. The developers anticipate that the use of 21st century technologies will enable Prairie State to achieve emissions that are one-fifth the regulated emission rates of U.S. coal plants. They expect that the plant's carbon dioxide emission rate would be approximately 15 percent lower than the typical U.S. coal plant. Major emissions control systems include:

Low NOx burners
Activated Carbon Mercury control
Selective catalytic reduction
Dry electrostatic precipitators
Flue gas desulfurization
Wet electrostatic precipitators (new for the US and a first in Illinois).

Prairie State will utilize four major solid waste disposal systems: fly ash handling system, bottom ash handling system, FGD waste handling system, and FGD waste water treatment system. The systems are comprised of conveyors, hoppers, bins, and other equipment used to dispose of solid waste. In addition, 621 acres of land will be dedicated to contain solid waste.

Community Support: Prairie Power has been active in promoting the Project and its benefits for many years. PPI officials believe that Prairie State enjoys widespread community support in central Illinois, based on the Project's ability to generate low-cost electricity, create economic progress and protect the environment.

Ownership: Prairie State will be a hometown energy supplier to hundreds of rural communities from Missouri to Virginia that are served by its equity partners. The Project is fully subscribed by equity partners, all of which have issued corporate guarantees for their individual shares of the Project. The Prairie State Generating Company's ownership structure is as follows:

American Municipal Power-Ohio	23.26%
Illinois Municipal Electric Agency	15.17%
Indiana Municipal Power Agency	12.64%
Missouri Joint Municipal Electric Utility Commission	12.33%
Prairie Power, Inc.	*8.22%*
Southern Illinois Power Cooperative	*7.90%*
Kentucky Municipal Power Agency	7.82%
Northern Illinois Municipal Power Agency	7.60%
Lively Grove Energy Partners, LLC (Peabody Energy)	*5.06%*

Each partner will be required to contribute its prorata share of project costs. Lively Grove, Prairie Power, Inc., and Southern Illinois Power Cooperative each hope to finance a portion of their respective shares of the Project through the Authority's issuance of Solid Waste Disposal Bonds.

American Municipal Power-Ohio ("AMP-OHIO") is an Ohio nonprofit corporation that was established in 1971 to own and operate electric facilities or otherwise provide for the generation, transmission and distribution of electric power and energy to its members. In 1988, AMP-Ohio purchased a 70 percent interest in a steam plant owned by Elkem Metals Company, located along the Ohio River near Marietta. The plant was originally constructed in the 1950s. In 1999, AMP-Ohio purchased the remaining interests in the plant, which now has a nameplate capacity of 213 megawatts. Over the years, the organization has invested in control technologies, including a continuous emissions monitoring system to reduce plant emissions. The plant's output helps meet a portion of the energy needs for 48 participating member municipal electric systems.

Illinois Municipal Electric Agency ("IMEA") is a joint municipal electric power agency acting on behalf of 31 member municipalities located in Illinois. IMEA's primary function is to provide wholesale electricity to its members which they resell on the retail market. Of its 31 members, 29 members purchase wholesales from the Agency. IMEA's goal is to power prices low and insulate members from high prices which are are increasingly prevalent in today's short-term market. IMEA is partnering with IMPA to build the Trimble County Unit 2 (TC2) (see description below).

Indiana Municipal Power Agency ("IMPA") is a a joint municipal electric power agency acting on behalf of 51 member municipalities located in Indiana. IMPA was created by group of munipally owned electric utilities to share power and provide electricity more economically to their customers. As a not-for-profit agency owned by its members, IMPA seeks to provide power that is low-cost, reliable and environmentally responsible. IMPA and its members own 811 MW of generation and reached a peak demand of 1135 MW in 2006. The Agency is currently participating in the development and construction of an additional 300 MW of coal-fired generation through two major projects: Trimble County Station Unit #2 and the Prairie State Energy Campus. Trimble County Unit 2 (TC2) is a 750 MW coal-fired unit under construction in northern Kentucky at the site of the current Trimble County Station, which is jointly owned by IMPA, Louisville Gas & Electric and Illinois Municipal Power Agency. Bechtel is the EPC contractor for this state-of-the-art, supercritical pulverized coal-fired unit. The new unit will have lower permitted levels of sulfur dioxide and nitrogen oxides than any other existing or planned conventional coal unit in Kentucky. The new unit is expected to cost $1.1 billion and has a projected in-service date of mid 2010. The planned expansion will increase IMPA's baseload capacity by approximately 100 MW. With over 150 MW of coal-fired capacity, IMPA brings to the table a substantial amount of experience. In addition, IMPA is an owner in the following facilities:

Gibson Station, 3157 MW
Trimble County, 515 MW
Combustion Turbine facilities *(seven* total), 400 MW
Richmond Power & Light, 101 MW - coal-fired
Crawfordsville Electric Light & Power, 23 MW - coal-fired
Peru Utilities, 34 MW- coal-fired
Rensselaer Municipal Electric Department, 21 MW - duel-fueled and natural gas

Missouri Joint Municipal Electric Utility Commission ("MJMEUC"): MJMEUC is a joint action agency acting on behalf of *seven* participating municipalities, each of whom *have* entered into long-term purchase power agreements with MJMEUC to procure power from the plant to serve their respective power load requirements. MJMEUC has a 22% ownership interest in Plum Point, a new 665-megawatt electric generating station using a single pulverized coal fired boiler located in northeastern Arkansas.

Southern Illinois Power Cooperative ("SIPC"): SIPC is located at the Lake of Egypt, just south of Marion and is the Project site's regional wholesale power supplier. In 1963, Southern Illinois Power Cooperative (SIPC) began producing electricity for three distribution cooperative members at its Marion plant, which then had a plant capacity was 99 megawatts (MW), far in excess of its members' requirements. The plant consisted of three 33 MW turbines, each powered by a cyclone boiler. A surge in demand in the 1970's threatened to exceed SIPC's plant capacity. To address this situation, SIPC began construction of a fourth generating unit, which came online in 1978 and provides 173 MW of generating capacity. Growth in membership has since enabled SIPC to completely refurbish the old units. The three old boilers were replaced with one circulating fluidized bed boiler, which is environmentally friendly and burns mostly carbon. When that boiler was under construction, SIPC also added additional pollution control equipment to Unit 4. These improvements allow SIPC to meet environmental standards and insure that the plant will continue to operate well into the future. Both units burn local coal and carbon.

In the past, SIPC relied on neighboring utilities to meet demand for electricity when it exceeded capacity. To reduce exposure to market fluctuations, SIPC built two natural gas-fired combustion turbines, which are used when market prices are high or incoming transmission lines are too congested to import power. SIPC repowered the existing coal-fired boiler Marion power plant, replacing three outdated and inefficient cyclone boilers with a single state-of-the-art boiler system. SIPC has a long-standing commitment to burn Illinois-mined coal, which comes from mines located within 50 miles of its plant site. The Cooperative operates one of just a handful of sulfur dioxide scrubbers in the state. The Marion Plant generally uses 805,000 tons of Illinois coal per year, and the project will boost SIPC's consumption of Illinois coal by 40 to 50 percent.

Schedule: The Project's equity partners have given Bechtel Power Corporation, the Project's Engineering, Procurement Construction and Management Contractor (EPCM) notice to proceed to full-scale construction. Full-scale construction ramped up in October 2007 and will employ more than 2,000 workers at peak construction in the second half of 2009. The Project will also inject more than $660 million into the regional economy and $1.5 billion into the state economy during development. Units One and Two of the power plant are expected to come on line in August 2011 and May 2012. To adhere to this schedule, the partners submitted orders for equipment, including pollution control equipment. Prairie Power officials would like to finance its share of qualifying Project costs with the Bonds, which it hopes to close in 2008.

Development Team: *Bechtel Power Corporation* has been selected as the Engineering Procurement, Construction and Management Contractor (EPCM) and is overseeing site work. Bechtel is a global engineering, construction and project management company, that is privately owned, headquartered in San Francisco. Bechtel maintains 40 offices around the world and nearly 40,000 employees and generated revenues of $20.5 billion in 2006. EPCM services include: providing equipment and materials required in connection with the engineering, design, procurement, construction, construction management, testing and commissioning of the power plant.

As part of the EPCM contract, Prairie State has signed purchase orders for state-of-the-art technologies *with Babcock & Wilcox Co. for the boiler system; Toshiba International Corp. for the condensing steam turbines; and Siemens Power Generation, Inc. for emission controls.* Supercritical technology will allow Prairie State to achieve high efficiencies and generate additional power while achieving emissions far superior to America's current generating fleet.

The Babcock & Wilcox Company (B&W) has been supplying innovative solutions to meet the world's growing energy needs for over 140 years. B&W produces boilers and related equipment used by utilities and industries to generate steam and power for lighting, heating, and for process and industrial uses.

Toshiba has been supplying steam and gas turbines for its many customers around the world since 1928. These turbines continue to provide safe, reliable and efficient source of electrical energy to the many nations they serve. Toshiba provides a vast range of turbine products - from several megawatts back pressure turbines to over 1,000MW supercritical turbines.

Siemens Power Generation is one of the premier companies in the international power generation sector providing leading-edge power and energy solutions. Siemens (Wheelabrator) designs and supplies the proven air pollution control technologies today's industrial and power generating processes demand. Since 1913, Siemens (Wheelabrator) has been innovating air pollution control devices.

Labor: Working with local contractors to develop the plant is also a priority and part of Prairie State's good neighbor policy. Bechtel has an agreement in place with the Southwestern Illinois Building and Construction Trades Council for plant construction and commenced preliminary foundation work at the site in late May. Initial craft hiring will begin this summer, with full civil work under way in the fall. Bechtel also is implementing a "Helmets to Hardhats" program to recruit, train and place skilled former military personnel in construction jobs.

Educational Center: Prairie State also will feature an interactive educational center that will demonstrate how clean electricity from coal contributes to economic prosperity and a better quality of life. The center will provide information for students, teachers and community members, along with training opportunities for skilled tradesmen.

Economic Benefits: The developers engaged Professor Andrew Isserman, Ph.D. Department of Urban & Regional Planning at the University of Illinois at Urbana-Champaign to prepare a report estimating the Project's economic impact on Illinois and the Prairie State region. The study estimated Prairie State's impact over a 30 year period. The study defines the Prairie State region to include the counties of Washington, Perry, Randolph, St. Clair, Clinton and Monroe, as these areas are assumed to be the "commuting shed" or labor market for the project. The study was prepared in 2003 and updated in 2007. A summary has been provided to IFA. Excerpts are provided below.

"According to the Energy Information Administration, coal used for electricity is expected to increase more than 50 percent by 2030. Coal underlies 37,000 square miles of Illinois, approximately 65% of the state's surface. Currently recoverable coal reserves in the state amount to more than 38 billion tons containing more BTUs than the combined oil reserves of Saudi Arabia and Kuwait.

With an estimated engineering, procurement, construction management contract of $2.9 billion, Prairie State is the most significant economic development project in the history of the region.

The study recognizes that industries generate employment, employment generates income, income generates consumer expenditures for goods and services and the subsequent "ripple" effect that results from those jobs, income and spending. The economic assessments were largely based on the Impact Analysis for Planning (IMPLAN), an economic modeling system that enables the user to build economic models to estimate the impacts of economic change in states, counties or communities.

The study concludes that Prairie State will have significant economic impact on the State and region, including:

- Injecting more than $600 million in labor income into the regional economy during development
- Creating more than 2,300 jobs at the peak of a five-year construction period
- Stimulating nearly $2.9 billion in economic activity in the region during the construction period

- Injecting more than $125 million annually in economic benefits to Illinois, totaling over $3.75 billion over 30 years.
- Injecting more than $74 million annually in economic benefits to the region, totaling over $2.2 billion over 30 years
- Creating approximately 540 permanent mine and power plant jobs

Prairie State represents a significant investment with sizeable economic benefits retained by local and state economies. Equally important, this bold initiative, made possible by the Prairie State equity partners, will help meet America's growing energy needs, while driving down energy costs, accelerating economic progress and ensuring environmental protection."

Infrastructure Improvements: The Project's owners will invest $7.9 milion to improve roads throughout Washington County. Marigold Road is being rerouted through the plant site. The new 4.6 mile road will extend east from IL Highway 14 in St. Clair County to Highway 12 in Washington County. Highway 12 is being upgraded with the intersection of County Highway 10 and asphalt paving on Highway 12 with grading of shoulders and ditches. New asphalt is being applied to Highway 57. This work is in process and is largely completed.

Coal Supply: The Project will be fueled by a new coal mine located adjacent to the site. The site for the mine is located over substantial reserves in the Illinois Herrin #6 Coal Seam. A block of 210 million tons of recoverable coal has been allocated to the Project, which is expected to be sufficient for its projected 30 years of operation. The equity partners purchased the site from Peabody Energy Corporation on September 28, 2007. The partners have obtained the land for the Plant and the initial portal for the mine. The mine and Plant have been permitted as a mine-mouth operation.

The permits require that the coal be delivered to the Plant primarily by conveyer and limit the partners' ability to obtain deliveries of coal by rail or truck. The partners are now planning to develop a second portal to access the Northern portion of the mine and provide a backup source of coal in the event of interruption of access via the initial portal. The partners expect to close in December on land for the second portal and start the permitting process in the first quarter of 2008. The partners will engage a third party to develop and operate the mine, which may be Peabody Energy.

FINANCING SUMMARY

Obligor: Prairie Power, Inc

Payment Source: Primary: Cashflows generated by the Project
Secondary: Payment under the guarantee to be obtained from the National Rural Utilities Cooperative Finance Corporation ("CFC").

The Bonds: Solid Waste Disposal Facilities Revenue Bonds.

Collateral for the Guarantee: Primary: PPI's share in the project
Secondary: PPI's pledge of its full faith and credit

The Guarantor: CFC is a non-bank financial institution that serves rural electric, service and telecommunication utilities. CFC was organized in 1969 by rural electric cooperatives as a not-for-profit, tax-exempt organization to provide an economical alternative to federal subsidized funds from the USDA's Rural Utilities Service ("RUS").

Credit Rating: The Bonds are expected to carry the rating of the guarantor. CFC's debt obligations are currently rated A!/Stable by Moody's Investors Service, A/Stable by Standard & Poor's Corporation and A/positive by Fitch Ratings.

Maturity: Expected to be 20 to 30 years

Interim Financing: Prairie Power is financing its share of Projects costs with interim loans from CFC for $141.3 million and CoBank for $209.7 million, which at PPI's discretion, can be conversted to permanent

30 year loans. Prairie Power is seeking a commitment for a loan from USDA's Rural Utility Service which would replace all or a part of the interim financing provided by CoBank and CFC.

PROJECT SUMMARY

Bond proceeds, together with other debt and equity, will be used to finance and reimburse Prairie Power, Inc., for its share of costs to (1) acquire a 2,971 acre site located at the intersection of Marigold and County Line Road 12 in Lively Grove Township, (2) construct a 1,600 megawatt power generation facility, (3) acquire and install machinery and equipment, and (4) capitalize a debt service reserve and 5) pay associated legal and professional costs. The Borrower has committed to contribute capital sufficient to fund its share (8.22%) of total project costs.

The Borrower is applying to the Authority to issue Bonds to finance its share of project costs that qualify for financing with Solid Waste Disposal Bonds. The estimate of qualifying project costs has been prepared by the Borrower after consulting with Chapman and Cutler as Bond Counsel regarding this application, as well as for similar applications submitted by Prairie Power, Inc. and Southern Illinois Power Cooperative. The Borrower expects to finance costs that can not be financed with Bond proceeds with equity contributed by its parent. A summary of estimated project costs (in $000s) is as follows:

	Total		Prarie Power's Share	
Cost	Project Costs	Costs Qualified for SWDBs	Total Project Costs (8.22% of Total)	Bondable Costs
EPC System Cost	1,702,176	244,377	139,919	20,088
EPC Plant & Shared Facilities Cost	493,224	70,811	40,543	5,821
EPC Indirect Costs	704,600	101,157	57,918	8,315
Owner Costs (included land)	705,600	101,301	58,000	8,327
Auxiliary Power	61,759	61,759	5,077	5,077
Total	3,667,359	579,405	301,457	47,627
Interest During Construction			64,000	9,188
Issuance Costs			1,154	1,154
Professional and Legal Costs			431	431
Debt Service Reserve			3,000	3,000
Total			370,042	61,400

The Borrower is applying for issuance of Bonds to fund its entire share of project costs that qualify for Bond financing (see the far right column in the table immediately above). Staff is recommending preliminary approval for a portion of that request now to permit the Applicant to reimburse itself for bondable costs incurred since October

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Prairie Power, Inc PO Box 610, 2103 South Main Street Jacksonville, IL, 62651. Contact: Lyndon Gabbert Vice President Finace and Accounting 217/243.1615
Project Location:	The intersection of Marigold and County Line Road 12 in Lively Grove Township (Washington County)
Land Owner:	The site is currently owned by the owners of the Project in the following percentages:

American Municipal Power-Ohio	23.26%
Illinois Municipal Electric Agency	15.17%
Indiana Municipal Power Agency	12.64%
Missouri Joint Municipal Electric Utility Commission	12.33%
Prairie Power, Inc.	*8.22%*
Southern Illinois Power Cooperative	*7.90%*
Kentucky Municipal Power Agency	7.82%
Northern Illinois Municipal Power Agency	7.60%
Lively Grove Energy Partners, LLC (Peabody Energy)	*5.06%*

The Borrower:	Prairie Power, Inc. is a not for profit generation and transmission.

Ownership: Each of the mebers owns an equal share (one eleventh or approximately 9.0909%) of PPI:

Adams Electric Coop
Coles-Moultrie Electric Coop
Eastern Illini Electric
Farmers Mutual Electric Co.
Illinois Rural Electric Coop
McDonough Power Coop
Menard Electric Coop
Rural Electric Convenience Coop
Shelby Electric
Spoon River Electric Coop
Western Illinois Electric Coop

PROFESSIONAL & FINANCIAL

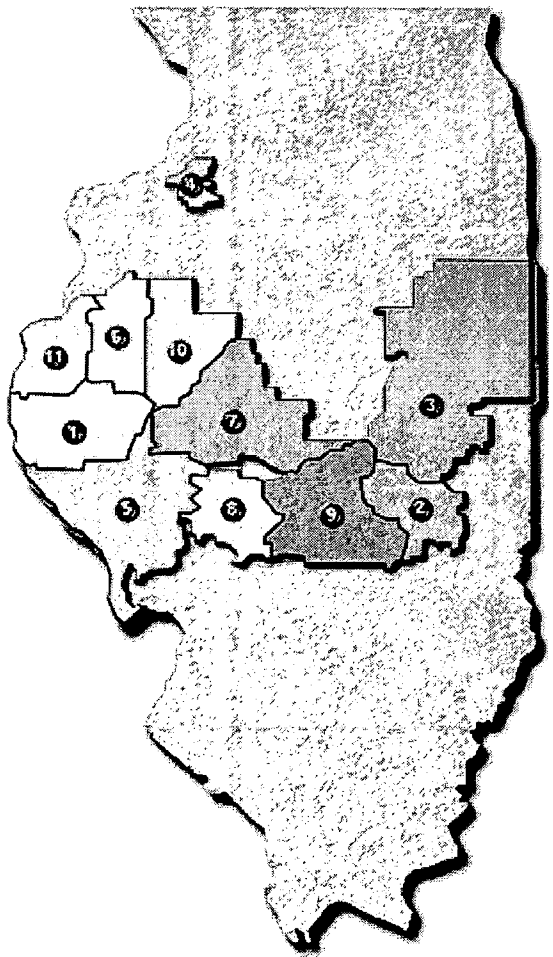
Borrower's Counsel:	Rammelkamp Bradney, PC	Jacksonville	Forrest Keaton
Accountant:	BKD LLP	Decatur	Troy Swinford
Bond Counsel:	Chapman and Cutler	Chicago	Bob Ollis
Bond Underwriter:	To be determind		
Underwriter's Counsel:	To be determined		
IFA Advisor:	DA Davidson	Chicago	Bill Morris
	Scott Balice	Chicago	Lois Scott
Issuer's Counsel:	The Law Office of Kevin Cahill	Chicago	Kevin Cahill

LEGISLATIVE DISTRICTS

Congressional:	19 US Representative John Shimkus
State Senate:	58 Senator David Luechtefeld
State House:	116 Representative Dan Reitz

SERVICE AREA

1. Adams Electric Cooperative
2. Coles-Moultrie Electric Cooperative
3. Eastern Illini Electric Cooperative
4. Farmers Mutual Electric Company
5. Illinois Rural Electric Cooperative
6. McDonough Power Cooperative
7. Menard Electric Cooperative
8. Rural Electric Convenience Cooperative
9. Shelby Electric Cooperative
10. Spoon River Electric Cooperative, Inc.
11. Western Illinois Electrical Cooperative



Resolution Number 2008-07-26

Resolution Adopting the Budget of the Illinois Finance Authority for the 2009 Fiscal Year

WHEREAS, the Illinois Finance Authority (the "Authority") is empowered by Section 801-30(e) of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq.* (the "Act"), to "adopt all needful ordinances, resolutions, by-laws, rules and regulations for the conduct of its business and affairs and for the management and use of the projects developed, constructed, acquired and improved in furtherance of its purposes"; and

WHEREAS, Section 845-20 of the Act directs and empowers the Authority to adopt a budget and appropriate funds to defray the expenses of the Authority; and

WHEREAS, the Executive Director and staff of the Authority have undertaken a review and analysis to determine the budgetary needs of the Authority for Fiscal Year 2009 required for the Authority to pursue its various purposes as set forth in the Act during said Fiscal Year; and

WHEREAS, the Board of the Authority has the power to adopt this Resolution pursuant to Section 801-25 of the Act, and it has found that the adoption of the budget set forth herein for Fiscal Year 2009 is in the best interest of the Authority; and

NOW, THEREFORE, BE IT RESOLVED BY THE ILLINOIS FINANCE AUTHORITY, AS FOLLOWS:

Section 1. Recitals. The recitals set forth above are hereby found to be true and correct and are incorporated into this Resolution as if fully set forth herein.

Section 2. Adoption of Budget. The budget attached to this Resolution as Exhibit A is hereby adopted as the "Budget" of the Authority for the fiscal year commencing on July 1, 2008 and ending June 30, 2009.

Section 3. Appropriations. The revenues and other available funds set forth in the Budget for the fiscal year commencing on July 1, 2008 and ending June 30, 2009 are hereby appropriated to meet the respective items of expenditure set forth in said Budget, and the Executive Director, Interim Treasurer (or others duly authorized by the Board to act in these roles on an interim basis) and other authorized officers of the Authority are hereby authorized to expend funds during said fiscal year in accordance with said Budget.

Section 4. Enactment. This Resolution shall take effect immediately. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

This Resolution 2008-07-26 is adopted this 8th day of July 2008 by roll vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

____

Chairman

Attested to:

____

Secretary

ILLINOIS FINANCE AUTHORITY

FISCAL YEAR 2009

BUDGET

Illinois Finance Authority
CONSOLIDATED - BUDGET SUMMARY
BUDGET FY 2009

	Actual FY 2008	Budget FY 2009	$ Change	% Change
REVENUE				
INTEREST ON LOANS	3,864,079	3,640,526	(223,553)	-6.14%
INVESTMENT INTEREST & GAIN(LOSS)	2,310,383	2,492,514	182,131	7.31%
ADMINISTRATIONS & APPLICATION FEES	7,245,822	5,781,179	(1,464,643)	-25.33%
ANNUAL ISSUANCE & LOAN FEES	957,627	665,575	(292,052)	-43.88%
OTHER INCOME	248,470	83,004	(165,466)	-199.35%
TOTAL REVENUE	14,626,381	12,662,798	(1,963,583)	-15.51%
EXPENSES				
EMPLOYEE RELATED EXPENSES				
COMPENSATION & TAXES	2,971,703	3,206,787	235,084	7.33%
BENEFITS	279,547	281,903	2,356	0.84%
TEMPORARY HELP	76,502	40,000	(36,502)	-91.25%
EDUCATION & DEVELOPMENT	3,553	5,000	1,447	28.94%
TRAVEL & AUTO	117,514	123,000	5,486	4.46%
TOTAL EMPLOYEE RELATED EXPENSES	3,448,818	3,656,690	207,872	5.68%
PROFESSIONAL SERVICES				
CONSULTING, LEGAL & ADMIN	762,040	842,400	80,360	9.54%
LOAN EXPENSE & BANK FEE	2,737,804	2,693,820	(43,984)	-1.63%
ACCOUNTING & AUDITING	388,009	361,708	(26,301)	-7.27%
MARKETING GENERAL	52,932	99,996	47,064	47.07%
FINANCIAL ADVISORY	295,372	300,000	4,628	1.54%
CONFERENCE/TRAINING	6,023	15,000	8,977	59.85%
MISCELLANEOUS PROFESSIONAL SERVICES	49,555	50,000	445	0.89%
DATA PROCESSING	56,303	45,000	(11,303)	-25.12%
TOTAL PROFESSIONAL SERVICES	4,348,039	4,407,924	59,885	1.36%
OCCUPANCY COSTS				
OFFICE RENT	289,784	310,856	21,072	6.78%
EQUIPMENT RENTAL AND PURCHASES	63,316	46,400	(16,916)	-36.46%
TELECOMMUNICATIONS	71,840	65,040	(6,800)	-10.45%
UTILITIES	12,584	11,200	(1,384)	-12.36%
DEPRECIATION	78,428	88,260	9,832	11.14%
INSURANCE	14,949	18,000	3,051	16.95%
TOTAL OCCUPANCY COSTS	530,901	539,756	8,855	1.64%
GENERAL & ADMINISTRATION				
OFFICE SUPPLIES	88,861	113,400	24,539	21.64%
BOARD MEETING - EXPENSES	53,726	35,800	(17,926)	-50.07%
PRINTING	14,048	14,400	352	2.45%
POSTAGE & FREIGHT	28,850	27,600	(1,250)	-4.53%
MEMBERSHIP, DUES & CONTRIBUTIONS	43,743	37,000	(6,743)	-18.23%
PUBLICATIONS	2,083	3,600	1,517	42.14%
OFFICERS & DIRECTORS INSURANCE	176,291	174,288	(2,003)	-1.15%
MISCELLANEOUS	57,721	500	(57,221)	-11444.18%
TOTAL GENERAL & ADMINISTRATION EXPENSES	465,323	406,588	(58,735)	-14.45%
LOAN LOSS PROVISION/BAD DEBT	400,620	900,000	499,380	55.49%
OTHER				
INTEREST EXPENSE	8,004	7,447	(557)	-7.47%
TOTAL OTHER	8,004	7,447	(557)	-7.47%
TOTAL EXPENSES	9,201,705	9,918,405	716,700	7.23%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	5,424,675	2,744,393	(2,680,282)	-97.66%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	(20,138)	(200,000)	(179,862)	89.93%
REVENUE GRANT	2,000,000	-	(2,000,000)	0.00%
APPROPRIATIONS FROM STATE	13,000,000	-	(13,000,000)	0.00%
NET INCOME/(LOSS)	20,404,538	2,544,393	(17,860,145)	-701.94%

Illinois Finance Authority
Consolidated
Balance Sheet
FY 2009 Budget

	Actual June 2007	Actual June 2008	Budget June 2009	- Variance to budget
ASSETS				
CASH & INVESTMENTS, UNRESTRICTED	$ 26,909,010	$ 33,673,779	$ 33,381,201	$ 292,578
RECEIVABLES, NET	$ 519,533	$ 290,940	$ 300,000	(9,060)
LOAN RECEIVABLE, NET	85,263,033	$ 88,700,484	$ 110,700,484	(22,000,000)
OTHER RECEIVABLES	1,334,103	$ 1,219,653	$ 1,119,653	100,000
PREPAID EXPENSES	170,877	$ 173,328	$ 170,000	3,328
TOTAL CURRENT ASSETS	114,196,556	124,058,184	145,671,338	(21,613,154)
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	260,507	157,546	118,786	38,760
DEFERRED ISSUANCE COSTS	800,273	691,818	607,818	84,000
OTHER ASSETS				
CASH, INVESTMENTS & RESERVES	27,747,740	39,550,520	29,550,520	10,000,000
VENTURE CAPITAL INVESTMENTS	5,554,091	5,738,223	5,738,223	1
OTHER	3,025,522	3,682,072	3,682,072	-
TOTAL OTHER ASSETS	36,327,353	48,970,815	38,970,815	10,000,001
TOTAL ASSETS	$ 151,584,688	$ 173,878,363	$ 185,368,757	$ (11,490,393)
LIABILITIES				
CURRENT LIABILITIES	$ 1,485,029	$ 773,049	$ 719,049	$ 54,000
LONG-TERM LIABILITIES	58,060,427	60,661,544	$ 69,661,544	(9,000,002)
TOTAL LIABILITIES	59,545,456	61,434,593	70,380,593	(8,946,002)
EQUITY				
CONTRIBUTED CAPITAL	36,061,462	36,061,462	36,061,462	-
RETAINED EARNINGS	15,015,018	17,921,049	38,325,587	(20,404,538)
NET INCOME / (LOSS)	3,989,349	20,404,538	2,544,393	17,860,145
RESERVED/RESTRICTED FUND BALANCE	24,279,992	25,491,190	25,491,190	-
UNRESERVED FUND BALANCE	12,693,412	12,565,531	12,565,531	-
TOTAL EQUITY	92,039,232	112,443,770	114,988,164	(2,544,393)
TOTAL LIABILITIES & EQUITY	$ 151,584,688	$ 173,878,363	$ 185,368,757	$ (11,490,393)

RESOLUTION TO BE PROVIDED AT

THE COMMITTEE OF THE WHOLE

MEETING