Illinois Finance Authority

December 11, 2007
11:30 AM
Board Meeting
The Mid America Club
200 E. Randolph Drive, 80th floor
Chicago, Illinois

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ILLINOIS FINANCE AUTHORITY
BOARD MEETING
December 11, 2007
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
- Other Business
    Consideration and Appointment of Corporate Officers
- Adjournment

BOARD MEETING
11:30 a.m.
Mid-America Club
200 E. Randolph Street, 80th Floor
Chicago, Illinois

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

AGRICULTURE

Tab	Project	Location	Estimated Amount	Estimated New Jobs	Estimated Const Jobs	FM
Beginning Farmer Bonds						
1	Chad & Kelly Peterson	Kingston	$250,000	0	0	CM
	Dustin Rosenthal	Morrisonville	$250,000	0	0	ER
	Chad Lucas	Morton	$228,000	0	0	CM
	Duane & Gena Dewald	Sutter	$222,481	0	0	CM
TOTAL AGRICULTURE PROJECTS			$950,481	0	0	

HEALTHCARE

501(c)(3) Bonds *Final*						
2	Hoosier Care, Inc and Hoosier Care II, Inc	Champaign, Loves Park, Sterling	$22,500,000	5	5	PL/DS
3	Fairview Obligated Group	Downers Grove, Rockford	$60,000,000	0	0	PL/DS
TOTAL HEALTHCARE PROJECTS			$82,500,000	5	5	

COMMUNITIES AND CULTURE

501(c)(3) Bonds *Final*						
4	The Admiral at the Lake	Chicago	$200,000,000	200	200	TA
5	Community Action Partnership of Lake County	Waukegan, Antioch, North Chicago, Round Lake Beach	$4,000,000	0	0	TA
TOTAL COMMUNITIES AND CULTURAL PROJECTS			$204,000,000	200	200	

BUSINESS AND INDUSTRY

Tab	Project	Location	Estimated Amount	Estimated New Jobs	Estimated Const Jobs	FM
Participation Loans						
6	The Jackson Family Limited Partnership	Decatur	$420,000	19	40	JS
Industrial Revenue Bonds ***Preliminary***						
7	AVB Development, LLC	Franklin Park	$8,550,000	52	20	ST
8	Labriola, Inc. d/b/a Labriola Baking Company and an LLC to be formed	Alsip	$10,000,000	25	80	SCM
9	Genesis Inc, and Shamrock Hill Farms Western Properties LLC	Roselle	$4,600,000	29	85	SCM
Industrial Revenue Bonds ***Final***						
10	Crown Metal Manufacturing Co., Inc.,	Elmhurst	$3,500,000	12	45	TA
11	Chicago Gear - D.O. James Corporation	Chicago	$5,300,000	15	25	RF
12	Jel Sert	West Chicago	$10,000,000	300	0	ST
Soild Waste Disposal Facilities Bonds ***Preliminary***						
13	Lively Grove Energy Partners	Lively Grove	13,333,333	180	833	ST
14	Prairie Power, Inc.	Lively Grove	13,333,334	180	833	ST
15	Southern Illinois Power Cooperative	Lively Grove	13,333,333	180	833	ST
TOTAL BUSINESS AND INDUSTRY PROJECTS			$82,370,000	992	2794	

HIGHER EDUCATION

Tab	Project	Location	Estimated Amount	Estimated New Jobs	Estimated Const Jobs	FM
501(c)(3) Commercial Paper Revenue Notes ***Final***						
16	DePaul University	Chicago	$75,000,000	N/A	300	RF
TOTAL HIGHER EDUCATION PROJECTS			$75,000,000	0	300	

GRAND TOTAL	$444,820,481	1,197	3,299	

RESOLUTIONS

Tab	Project	FM
Amendatory Resolutions		
17	Resolution authorizing the execution and delivery of an amended and restated bond trust indenture and an amended and restated loan agreement related to the Authority's Series 2004 Bonds and Series 2006A and B Bonds (Riverside Health System) to permit the addition of a letter of credit to supplement the Radian Assurance bond insurance policy.	PL / DS
18	Resolution authorizing Newline Hardwoods Inc, loan term execution	JS
19	Amendatory Resolution to Authorize the Election of Mortgage Certificates to Utilize 2004 Carryfoward Volume Cap would otherwise expire December 31, 207 for a Joint Issuance of a Mortgage Credit Certificate Program with the City of Decatur.	TA

Other

20	Consideration and appointment of corporate officers	

Adjournment

Illinois Finance Authority
Executive Director's Report
December 11, 2007

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 $160,143,494 consisting of Equity of $95,276,107 and Liabilities of $64,867,387. This compares favorable to the November 2006 balance sheet of $155,354,067 in total assets comprising of $89,508,393 in Equity and $65,845,674 in Liabilities and Bonds Payable.

Gross Income YTD for November ended at $5,540,549 or $645,379 over plan. The above plan performance is primarily due to fee income. Investment Income has been effected by the recent rate decline over the last month, the rate has come down by 1.3%. We will continue to have an unfavorable variance in investment income due to the rate decline. Total operating expenses ended at $4,346,231 or $15,128 below plan. Net income ended at $3,236,875 which includes the $2,000,000 grant received in July 2007.

Sales Activities

Funding Managers will be presenting 16 projects totaling $444,820,481 for approval in December, 2007. Agriculture projects total $950,481; Healthcare projects total $82,500,000; Communities and Culture projects total $204,000,000; Business and Industry projects total $83,370,000; and Higher Education projects total $75,000,000. These projects are expected to create 1,197new jobs and 3,299 construction jobs.

Healthcare: During the month of November, the Healthcare Group attended several conferences and seminars regarding the state of the economy and financial markets. Wells Capital Management hosted a seminar featuring James Paulsen, Chief Financial Strategist for Wells Capital, in which he discussed his views on the economy and more specifically the subprime mortgage crisis. S&P hosted a Roundtable discussion which featured market overviews on For-Profit Hospitals, Human Service Providers and Not-for-Profit Hospitals and the ratios and trends for these sectors. Also, IMN held its Sixth Annual Great Lakes Public Finance Conference, which featured panels on the Subprime Mortgage Meltdown, Understanding How Bonds are Sold and Public Private Partnerships. Also during the month, the Healthcare Group met with Chase Bank, the LOC Provider for the 1985 Revolving Fund Pooled Financing Program, to discuss the extension of the maturity on the Letter of Credit for the 1985 Pool and the status of the prospective potential pool borrowers. Further, the Healthcare Team continued to work on several transactions which are scheduled to close in December, including Holy Cross Hospital, Northwestern Memorial Hospital, BroMenn Healthcare Hospitals, Fairview Obligated Group and Monarch Landing.

There were no Healthcare Closings in November

Higher Education: The Board gave its initial approval for a $75 million Commercial Paper Revenue Note issue for DePaul University which will provide interim financing for several infrastructure projects at its Lincoln Park and Chicago campuses. The Board also gave its final approval for $32.5 million bonds for the Erikson Institute, the proceeds of which will be used to relocate their campus to Chicago's River North area. The Board also approved a $30 million refunding, campus improvement, and new construction bonds for Robert Morris College. Total Higher Education bonds approved at the November meeting totaled $137.5 million.

IFA staff attended a reception in Chicago hosted by the Federation of Independent Colleges and Universities for its 57-member roster. The event was well attended and staff had the opportunity to network with many of the Presidents and Business Officers of the Federation's member colleges and universities.

There were no Higher Education Closings in November

Communities and Culture: The Board gave its final approved for two projects at the November meeting. Search, Inc. for $12 million, which will be used to refinance existing debt. The second approval was for $10 million new money to finance a new ice skating facility for the North Shore Ice Arena, LLC which is located in Northbrook.

IFA staff attended the well-attended Great Lakes Public Finance Conference which is held annually in Chicago. IFA staff member Townsend Albright spoke about Investor Relations which concerns borrower disclosure. For an authority to maintain its reputation in the financial markets as an exemplary conduit financier it must have (1) a competent Compliance Officer who makes sure the borrower is in compliance with SEC regulations and financial disclosure and with Trust departments to maintain data in a timely fashion; and (2) a General Counsel. The IFA has both.

IFA Staff partnered with DCEO and the Illinois Municipal League to sponsor a third regional seminar on "Financing Community Projects". This successful Roundtable session was held on November 29, 2007 in Winchester, Illinois (west of Jacksonville) and was attended by over 100 community representatives in the central and west-central part of the State. IFA Board Member, Bradley Zeller, was also in attendance. IFA assisted in organizing presenters and working with the Jacksonville Regional Economic Development Council who served as host for the meeting. Several communities expressed an interest in working with IFA in the future to finance various projects in their communities.

There were 2 communities that participated in the Tax Anticipation Program that was approved at the October 2007 Board meeting for Cook County cities, towns, villages and school districts. Although the program was developed with IFA facilitating this short-term solution to meet a unique financing situation in Cook County, the experience proved to be valuable on two fronts. IFA gained marketing presence in the State's largest county with the local government sector and staff are now poised for planning a long-term program to help bridge borrowing needs for operating expenses that many communities experience throughout the year in all counties of the state.

The Springfield Office closed the first local government bond purchase utilizing rural development funds. The bond purchase supports a rural community that required updates to main street infrastructure in order to maintain current business and attract new businesses. In addition, the 2007 B local government pool (totaling $2.7 million) has been structured and will close once moral obligation is approved. The pool supports two rural Illinois communities that must fund water infrastructure improvements. In addition to the above projects, the Springfield Office helped organize and participated in two DCEO / IML/ and IFA cooperative regional planning events. The workshops were held in Decatur and Winchester and had a combination of 150 in attendance. IFA also spoke at the 100th Annual Township Officials Conference, highlighting financing options for Illinois Townships. Additionally, the staff has been busy working with more than 15 units of local government requesting funding assistance and information regarding IFA programs.

Local Government and Not For Profit Closings in November

Closing Date	*Issuance$$*	*Borrower*
11/7/07	$6,135,000	Lake County Family YMCA Project
11/15/07	$78,000,000	Village of Pleasant Plains
11/20/07	$6,596,195	Association House of Chicago (Refunding)
11/28/07	$11,460,000	Search, Inc. (Search Development Center)
11/29/07	$2,000,000	Village of Evergreen Park
11/30/07	$270,000	Village of Stone Park

Business & Industry: The Business and Industry Group continues to focus on closing Industrial Development Bond projects in advance of year-end to help minimize the project backlog in 2008. This is consistent with efforts to maximize the number of projects financed. Additionally, ongoing efforts to encourage Borrowers and their financing teams to obtain Volume Cap from Home Rule Units to mutually leverage available Volume Cap continue. These efforts support IFA's objective in this segment to maximize the number of projects financed with available resources.

B&I Closings during November

Closing Date	Issuance$$	Borrower
11/28/07	$3,000,000	John Hofmeister & Son, Inc.
11/28/07	$7,500,000	Stromberg Allen & Company

Agriculture: The month of November was a very busy month for the Ag staff, who were invited to attend various meetings with other State agencies across the State. At the beginning of November, staff attended a new committee formed by the State Treasurer's office. IFA was invited to participate on the newly formed council known as the Southern IL Economic Advisory Committee, which includes approximately 30 economic and business leaders from across Southern, Illinois. The committee will focus on the economic issues and needs of communities in Southern, Illinois, and provide feedback to State Treasurer Alexi Giannoulias. Staff also spoke at the annual Illinois Township Officials meeting in Springfield, to discuss IFA programs for financing communities and small businesses.

Staff participated in two separate meetings with DCEO. The Outreach meeting in Streator, and the Peer Exchange meeting in Fairview Heights, which IFA staff talked about the Authority's energy programs. Additionally, staff also attended the annual Peoria Farm Show and the Illinois Commodity Conference in Bloomington, both of which provided opportunities to visit with various producers, lenders, agri-businesses, and producer organizations from across Illinois

Downstate staff are working to complete a joint project with the Illinois Milk Producer's Association, which will highlight the use of three (3) IFA programs to finance a new dairy operation in Whiteside County.

The Ag Staff continues to receive strong interest in the Beginning Farmer Bond program, and efforts continue to close all outstanding bonds by year end.

Energy: Construction on Biofuels Company of America's 45 million-gallon biodiesel plant in Danville is continuing on schedule and on budget. Commercial operation is expected in February following several weeks of testing. The IFA provides FifthThird with a $15 million agricultural industry guarantee on the term loan for this project.

The Authority was recently notified that Heartland Ethanol is seeking to sell its assets, including those of Western Illinois Ethanol Project, LLC and Illinois Ethanol Project, LLC, due to concern over current and projected market conditions for ethanol.

Compliance/Audit Report

The FY07 audit fieldwork was completed on November 16. Prior to the end of the fieldwork a meeting was held to discuss preliminary audit findings. We expect a final report in the next few weeks.

The IFA will appear before the Legislative Audit Commission on December 13, 2007 to review the Authority's FY 2006 Audit.

Human Resources/Operations Report

This month's activities largely revolved around human resources and information technology. The hiring process was completed for the Illinois Finance Authority's new Director of Financial Services. Karen Walker started with the IFA on November 19th. An updated version of IFA's Employee Handbook was also distributed and became effective as of November 10th.

The implementation of IFA's new telephone system in the Chicago office is largely completed. Work continues at our satellite offices in preparation for implementing the system downstate. IFA staff received a twice yearly communication regarding IFA's requirements for complying with the Personal Information Act.

Marketing/Public Relations Report

Our electronic newsletter, IFA News, was launched and e-mailed to over 2,000 recipients. We are very pleased with response and look forward to continuing this media. Other projects include marketing materials and web support for the Cook County Tax Anticipation Program, a number of updates and additions to the website, promotion materials and support for presentations at the following: Opportunities Returns Round Table co-sponsored with DCEO and IML, 6th Annual Great Lakes Public Finance Conference, Illinois Commodity Conference, and the Tax Exempt Financing Conference that was co-sponsored with Ziegler.

Articles: Agri-News, Nov. 12 - Perspectives article by E. Reed, Illinois Business Journal, Nov.-interview with Kym Hubbard. Releases: John Hofmeister & Sons (ham processing plant expansion); Search, Inc. (new day training facility for developmentally disabled), Theory & Computing Sciences Center (Argonne), Holy Cross Hospital (support for safety-net hospital). A large number of closings and releases are scheduled for December.

FOIA Requests

- IL Campaign for Political Reform - fees paid to lobbyists in FY2007 - Completed

Legislative Report

In advance of the Spring 2008 session of the General Assembly, IFA is working with the Governor's Office on legislative proposals that will seek:

1. An increase the IFA's general bond authorization above the $26.65 billion recently approved in Public Act 95-697 (SB 1327);

2. Multi-State bonding authority while incorporating the concerns articulated in connection with the Governor's amendatory veto of SB 1317; and

3. An increase in IFA moral obligation authority for certain alternative energy projects.

There has been no further movement on SB 775, House Amendment 1, which, if enacted, would provide funding for both the IFA Fire Truck Revolving Loan Fund and the yet to be funded Ambulance Revolving Loan Fund.

Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
for Period Ending November 30, 2007

	Actual November 2007	Budget November 2007	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	321,336	298,227	23,109	7.75%	1,615,229	1,481,514	133,715	9.03%	3,526,320	45.80%
INVESTMENT INTEREST & GAIN(LOSS)	174,029	207,670	(33,641)	-16.20%	1,123,067	1,032,452	90,615	8.78%	2,499,176	44.94%
ADMINISTRATIONS & APPLICATION FEES	497,806	474,517	23,289	4.91%	2,459,210	1,884,625	574,585	30.49%	6,530,805	37.66%
ANNUAL ISSUANCE & LOAN FEES	58,555	83,424	(24,869)	-29.81%	315,163	421,844	(106,681)	-25.29%	1,038,859	30.34%
OTHER INCOME	10,390	14,947	(4,557)	-30.49%	27,879	74,735	(46,856)	-62.70%	179,364	15.54%
TOTAL REVENUE	1,062,116	1,078,785	(16,669)	-1.55%	5,540,549	4,895,170	645,379	13.18%	13,774,524	40.22%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	259,816	322,743	(62,927)	-19.50%	1,479,220	1,607,029	(127,809)	-7.95%	3,732,896	39.63%
BENEFITS	22,017	25,710	(3,693)	-14.36%	121,407	127,816	(6,409)	-5.01%	310,439	39.11%
TEMPORARY HELP	8,316	2,500	5,816	232.64%	43,244	12,500	30,744	245.95%	30,000	144.15%
EDUCATION & DEVELOPMENT	-	500	(500)	-100.00%	1,056	2,500	(1,444)	-57.76%	6,000	17.60%
TRAVEL & AUTO	10,479	12,501	(2,022)	-16.18%	69,517	62,505	7,012	11.22%	150,000	46.34%
TOTAL EMPLOYEE RELATED EXPENSES	300,628	363,954	(63,326)	-17.40%	1,714,444	1,812,350	(97,906)	-5.40%	4,229,335	40.54%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	82,598	87,332	(4,734)	-5.42%	492,744	436,660	56,084	12.84%	1,048,000	47.02%
LOAN EXPENSE & BANK FEE	220,131	220,979	(848)	-0.38%	1,140,532	1,104,895	35,637	3.23%	2,578,138	44.24%
ACCOUNTING & AUDITING	28,995	29,329	(334)	-1.14%	171,007	146,645	24,362	16.61%	351,946	48.59%
MARKETING GENERAL	93	20,833	(20,741)	-99.56%	21,406	104,165	(82,759)	-79.45%	250,000	8.56%
FINANCIAL ADVISORY	21,519	24,545	(3,026)	-12.33%	107,338	118,180	(10,842)	-9.17%	290,000	37.01%
CONFERENCE/TRAINING	145	2,083	(1,938)	-93.04%	3,465	10,415	(6,950)	-66.73%	25,000	13.86%
MISCELLANEOUS PROFESSIONAL SERVICES	-	9,167	(9,167)	-100.00%	2,225	45,835	(43,610)	-95.15%	110,004	2.02%
DATA PROCESSING	2,574	2,917	(343)	-11.77%	22,032	14,585	7,447	51.06%	35,000	62.95%
TOTAL PROFESSIONAL SERVICES	356,054	397,185	(41,131)	-10.36%	1,960,748	1,981,380	(20,632)	-1.04%	4,688,088	41.82%
OCCUPANCY COSTS										
OFFICE RENT	6,579	26,196	(19,617)	-74.89%	108,847	130,980	(22,133)	-16.90%	314,350	34.63%
EQUIPMENT RENTAL AND PURCHASES	4,444	4,000	444	11.09%	29,162	20,420	8,742	42.81%	49,680	58.70%
TELECOMMUNICATIONS	7,857	7,083	774	10.93%	34,901	35,415	(514)	-1.45%	85,000	41.06%
UTILITIES	985	983	2	0.24%	4,568	4,915	(347)	-7.07%	11,800	38.71%
DEPRECIATION	7,973	6,637	1,336	20.13%	34,824	30,734	4,090	13.31%	77,194	45.11%
INSURANCE	1,192	2,000	(808)	-40.38%	7,548	10,000	(2,452)	-24.52%	24,000	31.45%
TOTAL OCCUPANCY COSTS	29,030	46,899	(17,869)	-38.10%	219,850	232,464	(12,614)	-5.43%	562,024	39.12%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	9,385	8,750	635	7.25%	43,034	43,750	(716)	-1.64%	105,000	40.98%
BOARD MEETING - EXPENSES	5,987	2,568	3,419	133.13%	29,859	12,840	17,019	132.55%	39,000	76.56%
PRINTING	1,205	1,200	5	0.42%	7,851	6,000	1,851	30.85%	14,400	54.52%
POSTAGE & FREIGHT	2,028	2,067	(39)	-1.90%	10,881	10,335	546	5.28%	24,800	43.88%
MEMBERSHIP, DUES & CONTRIBUTIONS	2,055	3,333	(1,278)	-38.35%	9,533	16,665	(7,132)	-42.80%	40,000	23.83%
PUBLICATIONS	236	300	(64)	-21.27%	791	1,500	(709)	-47.29%	3,600	21.96%
OFFICERS & DIRECTORS INSURANCE	14,746	14,750	(4)	-0.02%	73,732	73,750	(18)	-0.02%	177,000	41.66%
MISCELLANEOUS	140	42	98	233.33%	140	210	(70)	-33.33%	500	28.00%
TOTAL GENERAL & ADMINISTRATION EXPENSES	35,782	33,010	2,772	8.40%	175,820	165,050	10,770	6.53%	404,300	43.49%
LOAN LOSS PROVISION/BAD DEBT	33,333	33,333	-	0.00%	271,919	166,665	105,254	63.15%	400,000	67.98%
OTHER										
INTEREST EXPENSE	690	690	0	0.01%	3,450	3,450	0	0.01%	8,004	43.11%
TOTAL OTHER	690	690	0	0.01%	3,450	3,450	0	0.01%	8,004	43.11%
TOTAL EXPENSES	755,518	875,071	(119,553)	-13.66%	4,346,231	4,361,359	(15,128)	-0.35%	10,291,751	42.23%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	306,598	203,714	102,884	50.50%	1,194,318	533,811	660,507	123.73%	3,482,773	34.29%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	1,343	(16,667)	18,010	-108.06%	42,557	(83,335)	125,892	-151.07%	(200,000)	-21.28%
REVENUE GRANT	-	-	-	0.00%	2,000,000	-	2,000,000	0.00%	-	0.00%
NET INCOME/(LOSS)	307,942	187,047	120,895	64.63%	3,236,875	450,476	2,786,399	618.55%	3,282,773	98.60%

Illinois Finance Authority
Consolidated
Statement of Activities
Comparison
for November 2007 and November 2006

	Actual November 2007	Actual November 2006	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	321,336	286,463	34,874	12.17%	1,615,229	1,025,114	590,115	57.57%
INVESTMENT INTEREST & GAIN(LOSS)	174,029	219,274	(45,244)	-20.63%	1,123,067	1,063,589	59,478	5.59%
ADMINISTRATIONS & APPLICATION FEES	497,806	386,626	111,179	28.76%	2,459,210	2,558,453	(99,243)	-3.88%
ANNUAL ISSUANCE & LOAN FEES	58,555	78,802	(20,247)	-25.69%	315,163	469,652	(154,489)	-32.89%
OTHER INCOME	10,390	22,000	(11,610)	-52.77%	27,879	93,395	(65,515)	-70.15%
TOTAL REVENUE	1,062,116	993,164	68,952	6.94%	5,540,549	5,210,203	330,346	6.34%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	259,816	256,566	3,250	1.27%	1,479,220	1,278,970	200,250	15.66%
BENEFITS	22,017	26,310	(4,293)	-16.32%	121,407	134,891	(13,484)	-10.00%
TEMPORARY HELP	8,316	11,184	(2,868)	-25.64%	43,244	25,459	17,785	69.86%
EDUCATION & DEVELOPMENT	-	-	-	#DIV/0!	1,056	5,457	(4,401)	-80.65%
TRAVEL & AUTO	10,479	13,643	(3,165)	-23.20%	69,517	63,961	5,556	8.69%
TOTAL EMPLOYEE RELATED EXPENSES	300,628	307,703	(7,075)	-2.30%	1,714,444	1,508,738	205,706	13.63%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	82,598	153,203	(70,605)	-46.09%	492,744	676,567	(183,823)	-27.17%
LOAN EXPENSE & BANK FEE	220,131	226,206	(6,075)	-2.69%	1,140,532	685,264	455,267	66.44%
ACCOUNTING & AUDITING	28,995	32,757	(3,762)	-11.48%	171,007	146,916	24,091	16.40%
MARKETING GENERAL	93	2,556	(2,463)	-96.38%	21,406	27,619	(6,213)	-22.50%
FINANCIAL ADVISORY	21,519	29,366	(7,847)	-26.72%	107,338	148,890	(41,552)	-27.91%
CONFERENCE/TRAINING	145	2,670	(2,525)	-94.57%	3,465	8,114	(4,649)	-57.30%
MISCELLANEOUS PROFESSIONAL SERVICES	-	-	-	#DIV/0!	2,225	13,728	(11,503)	-83.79%
DATA PROCESSING	2,574	1,761	813	46.19%	22,032	9,341	12,691	135.87%
TOTAL PROFESSIONAL SERVICES	356,054	448,519	(92,465)	-20.62%	1,960,748	1,716,438	244,309	14.23%
OCCUPANCY COSTS								
OFFICE RENT	6,579	25,663	(19,084)	-74.37%	108,847	129,988	(21,141)	-16.26%
EQUIPMENT RENTAL AND PURCHASES	4,444	3,270	1,173	35.88%	29,162	20,492	8,670	42.31%
TELECOMMUNICATIONS	7,857	4,936	2,921	59.17%	34,901	26,435	8,466	32.03%
UTILITIES	985	851	135	15.83%	4,568	4,589	(21)	-0.46%
DEPRECIATION	7,973	3,788	4,185	110.46%	34,824	18,937	15,887	83.90%
INSURANCE	1,192	1,151	41	3.58%	7,548	5,756	1,792	31.13%
TOTAL OCCUPANCY COSTS	29,030	39,660	(10,629)	-26.80%	219,850	206,196	13,654	6.62%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	9,385	7,793	1,592	20.43%	43,034	35,871	7,162	19.97%
BOARD MEETING - EXPENSES	5,987	992	4,995	503.59%	29,859	11,786	18,073	153.34%
PRINTING	1,205	1,030	176	17.05%	7,851	4,936	2,915	59.06%
POSTAGE & FREIGHT	2,028	2,102	(74)	-3.54%	10,881	10,800	82	0.75%
MEMBERSHIP, DUES & CONTRIBUTIONS	2,055	1,794	261	14.53%	9,533	10,068	(535)	-5.31%
PUBLICATIONS	236	299	(63)	-21.03%	791	6,057	(5,266)	-86.95%
OFFICERS & DIRECTORS INSURANCE	14,746	13,500	1,246	9.23%	73,732	67,500	6,232	9.23%
MISCELLANEOUS	140	-	140	0.00%	140	2,016	(1,876)	-93.06%
TOTAL GENERAL & ADMINISTRATION EXPENSES	35,782	27,509	8,273	30.07%	175,820	149,033	26,787	17.97%
LOAN LOSS PROVISION/BAD DEBT	33,333	25,000	8,333	33.33%	271,919	206,209	65,710	31.87%
OTHER								
INTEREST EXPENSE	690	736	(46)	-6.21%	3,450	3,679	(229)	-6.21%
TOTAL OTHER	690	736	(46)	-6.21%	3,450	3,679	(229)	-6.21%
TOTAL EXPENSES	755,518	849,127	(93,609)	-11.02%	4,346,231	3,790,294	555,937	14.67%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	306,598	144,037	162,562	112.86%	1,194,318	1,419,909	(225,591)	-15.89%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	1,343	1,410	(67)	-4.74%	42,557	38,600	3,957	10.25%
REVENUE GRANT	-	-	-	0.00%	2,000,000	-	2,000,000	0.00%
NET INCOME/(LOSS)	307,942	145,447	162,495	111.72%	3,236,875	1,458,510	1,778,365	121.93%

Illinois Finance Authority
Consolidated
Balance Sheet
for the Five Months Ending November 30, 2007

	Actual November 2006	Actual November 2007	Budget November 2008	Variance to budget
ASSETS				
CASH & INVESTMENTS, UNRESTRICTED	$ 33,119,503	$ 27,328,486	$ 25,642,169	1,686,317
LOAN RECEIVABLE, NET	83,139,778	92,720,296	86,430,320	6,289,976
ACCOUNTS RECEIVABLE	536,565	587,103	554,971	32,133
OTHER RECEIVABLES	649,065	1,055,937	1,396,560	(340,623)
PREPAID EXPENSES	62,566	100,236	178,845	(78,609)
TOTAL CURRENT ASSETS	117,507,477	121,792,058	114,202,864	7,589,194
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	131,188	232,467	273,064	(40,597)
DEFERRED ISSUANCE COSTS	892,549	756,872	779,134	(22,263)
OTHER ASSETS				
CASH, INVESTMENTS & RESERVES	27,070,313	28,801,322	27,966,125	835,197
VENTURE CAPITAL INVESTMENTS	5,679,735	5,535,254	6,179,091	(643,837)
OTHER	4,072,806	3,025,522	3,033,322	(7,800)
TOTAL OTHER ASSETS	36,822,853	37,362,098	37,178,538	183,560
TOTAL ASSETS	$ 155,354,067	$ 160,143,494	$ 152,433,600	7,709,894
LIABILITIES				
CURRENT LIABILITIES	1,746,014	1,512,236	1,403,916	108,320
LONG-TERM LIABILITIES	64,099,660	63,355,151	58,539,976	4,815,176
TOTAL LIABILITIES	65,845,674	64,867,387	59,943,891	4,923,496
EQUITY				
CONTRIBUTED CAPITAL	36,061,462	36,061,462	36,061,462	0
RETAINED EARNINGS	15,015,018	17,921,049	17,921,049	0
NET INCOME / (LOSS)	1,458,510	3,236,875	450,476	2,786,399
RESERVED/RESTRICTED FUND BALANCE	24,279,992	25,491,190	25,491,190	0
UNRESERVED FUND BALANCE	12,693,412	12,565,531	12,565,531	0
TOTAL EQUITY	89,508,393	95,276,107	92,489,708	2,786,399
TOTAL LIABILITIES & EQUITY	$ 155,354,067	$ 160,143,494	$ 152,433,600	7,709,895

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

as of 11/30/2007

Loan #	Borrower Name	Due Date	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 + Days
Participations									
:0018	EAGLE THEATER CORPORA	11/18/2007	$2,303.96	.00	.00	.00	.00	.00	.00
:0049	SHULTS MACHINE	4/5/2007	$0.00	.00	.00	.00	.00	.00	144,288.11
.0061	YOUNG, CLINTON (PRECISIO	11/24/2007	$1,683.32	.00	.00	.00	.00	.00	.00
:0073	BAXTER, JAY & COLLEEN	11/29/2007	$565.00	.00	.00	.00	.00	.00	.00
4			$4,552.28	.00	.00	.00	.00	.00	144,288.11
FMHA									
10064	GRAYSON HILL ENERGY, LLC	11/1/2007	$1,443.27	.00	.00	.00	.00	.00	.00
.0066	UTLRA PLAY SYSTEMS, INC	11/1/2007	$1,314.77	.00	.00	.00	.00	.00	.00
2			$2,758.04	.00	.00	.00	.00	.00	.00
6			$7,549.32	.00	.00	.00	.00	.00	144,288.11

MINUTES OF THE NOVEMBER 13, 2007 MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held a Board Meeting at 11:30 a.m., on November 13, 2007 at the Mid-America Club, 200 E. Randolph, Chicago, Illinois:

Members present:
David C. Gustman, Chair
Dr. William J. Barclay
Magda M. Boyles
Ronald E. DeNard
Dr. Roger D. Herrin
Edward H. Leonard, Sr.
Juan B. Rivera
Joseph P. Valenti
Bradley A. Zeller

Members absent:
James J. Fuentes
Terrence M. O'Brien
Andrew W. Rice
Lynn F. Talbott
April D. Verrett

Vacancies:
None

Members participating by telephone:
Michael W. Goetz

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Gustman called the meeting to order at 11:36 a.m. with the above members present. Chairman Gustman 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 participating via telephone, Ms. Burgess Jones declared a quorum present.

Executive Director's Report

Director Hubbard welcomed and thanked all guests for coming. Director Hubbard reported that the Illinois Finance Authority's financial performance remains strong and above budget. Director Hubbard reported that staff would present 24 projects totaling over $1.3 billion and, projects presented today are expected to create approximately 2,000 new jobs and 8,000 construction jobs.

Acceptance of Financial Statements

Financial statements for the period ending October 31, 2007 were presented to and accepted by the Board. Chairman Gustman stated that the Authority's financial statements were reviewed at the Committee of the Whole Meeting held at 8:30 a.m.

Minutes

Chairman Gustman announced that the next order of business was to approve the minutes of the October 9, 2007 Meeting of the Board. Chairman Gustman asked for a motion to approve the minutes. Motion was moved by Mr. Zeller and seconded by Dr. Barclay. Secretary, Carla

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.

Projects

Chairman Gustman asked Executive Director Hubbard to present the projects for consideration to the Board. Chairman Gustman announced that the Board considered each of the projects to be presented in detail at the 8:30 a.m. meeting of the Committee of the Whole. Director Hubbard presented agricultural projects in a total approximate amount of $722,000 to the Board for approval. Project 1 includes five (5) individual Beginning Farmer projects:

No. 1: **A-FB-TE-CD-7227 – Daniel and Sharon Brown**
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $250,000 to provide permanent financing to purchase approximately 78 acres of farmland. This project is located in Flanagan, Illinois. **(07-11-01).**

A-FB-TE-CD-7228 – Bruce Kettelkamp
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $250,000 to provide permanent financing to purchase approximately 188 acres of farmland. This project is located in Taylorville, Illinois. **(07-11-01).**

A-FB-TE-CD-7229 – Eric Will
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $100,000 to provide permanent financing to purchase approximately 40 acres of farmland. This project is located in Teutopolis, Illinois. **(07-11-01).**

A-FB-TE-CD-7230 – Craig Steidinger
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $122,000 to provide permanent financing to purchase approximately 40 acres of farmland. This project is located in Fairbury, Illinois. **(07-11-01).**

A-FB-TE-CD-7231 – Craig Draper
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $40,000 to provide permanent financing to purchase approximately 40 acres of farmland. This project is located in McLeansboro, Illinois. **(07-11-01).**

No guests attended with respect to Project no. 1.Chairman Gustman asked if the Board had any questions with respect to the Beginning Farmer Bonds presented. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no.1 which includes five (5) individual Beginning Farmer Bonds. Leave was granted. Project no. 1 which includes five (5) individual Beginning Farmer Bonds received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 2: **<u>H-HO-TE-CD-7233 – The Children's Memorial Hospital</u>**

Request for preliminary approval of the issuance of 501(c) 3 Bonds in an amount not-to-exceed $430 million to provide permanent financing to pay or reimburse the Borrower for refinancing outstanding indebtedness and pay certain cost of issuance. If deemed necessary, to also fund a debt service reserve fund; pay a portion of the interest on the Bonds; and provide working capital. This project is expected to create approximately 450 new jobs by the year 2012, and 3,000 construction jobs. This project is located in Chicago, Illinois. **(07-11-02).**

Chairman Gustman asked if the Board had any questions with respect to Project no. 2. Funding Manager, Pam Lenane, noted that the bond proceeds would be used primarily for the construction of a replacement hospital to be located near the Northwestern Memorial Hospital on Chicago's near northside. There being no other comments, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 2. Leave was granted. Project no. 2 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

No. 3: **<u>H-HO-TE-CD-7232 – BroMenn Healthcare Hospitals</u>**

Request for final approval of the issuance of Conduit 501(c) 3 Bonds in an amount not-to-exceed $4.1 million to pay or reimburse the Borrower for the cost of acquiring certain capital equipment and paying certain related expenses. This project is located in Bloomington-Normal, Illinois. **(07-11-03).**

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

No. 4: **<u>H-HO-TE-CD-7176 – Holy Cross Hospital</u>**

Request for final approval of the issuance of Conduit 501(c)3 Bonds in an amount not-to-exceed $16 million to refinance existing IHFA debt through a current refunding of the Series 1994 Holy Cross Hospital bond issue for cost savings and pay cost of issuance. This project is located in Chicago, Illinois. **(07-11-04).**

No guests attended with respect to Project no. 4. Chairman Gustman asked if the Board had any questions with respect to Project no. 4. There being none, Chairman Gustman requested a motion for a roll call vote in favor of Project no. 4. Motion moved by Mr. Rivera and seconded by Mr. DeNard. Ms. Boyles recused from voting on Project no. 4 because Holy Cross Hospital is a client of the law firm where Ms. Boyles is an attorney. Project no. 4 received final approval with 9 ayes, 0 nays, and 1 abstention (Ms. Boyles).

No. 5: **<u>H-HO-TE-CD-7216 – Northwestern Memorial Hospital</u>**

Request for final approval of the issuance of Conduit 501(c)3 Bonds in an amount not-to-exceed $400 million to pay or reimburse the hospital for construction, equipment and certain other capital expenditures incurred with the new Prentice Women's Hospital, refinance all or a portion of IFA Series 2004A bonds and pay certain related expenses. This project is expected to create approximately 600 new jobs and 3,500 construction jobs. This project is located in Chicago, Illinois. **(07-11-05)**.

No guests attended with respect to Project no. 5.Chairman Gustman asked if the Board had any questions with respect to Project no. 5. There being none, Chairman Gustman requested a motion for a roll call vote in favor of Project no. 5. Motion moved by Mr. Rivera and seconded by Dr. Herrin. Project no. 5 received final approval with 10 ayes, 0 nays, and 0 abstentions.

No.6: **<u>H-HO-TE-CD-7218 – Monarch Landing</u>**

Request for final approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed $185 million. Proceeds will be used to: (1) finance purchase deposit for the option to purchase Monarch Landing, (2) fund a debt service reserve fund, and (3) pay issuance costs. This project is expected to create approximately 593 new jobs and 1,125 construction jobs. This project is located in Naperville, Illinois. **(07-11-06)**.

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

No. 7: **<u>N-NP-TE-CD-7224 – Search, Inc.</u>**

Request for first and final approval of the issuance of 501(c)(3) Revenue Bonds and Refunding Bonds in an amount not-to-exceed $12 million to refinance existing conventional debt, refund a previous bond issue and pay certain bond issuance costs. This project is expected to create approximately 7 new jobs and 40 construction jobs. This project has locations in Mt. Prospect, Morton Grove and Skokie, Illinois. **(07-11-07)**.

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 7. Funding Manager, Sharnell Curtis-Martin, introduced John Lipscomb, Executive Director, Search, Inc., who gave a brief overview of the project and Search's mission to create opportunities for persons with disabilities and their families. Dr. Herrin asked Mr. Lipscomb about how many are served at the facility. Responding to the question, Mr. Lipscomb indicated that approximately 430 are served daily. Mr. Lipscomb indicated in response to a question from Dr. Herrin that each Search group home had 4, 6, but no more than 8, residents. Mr. Lipscomb further stated that Search provided support services to the families of its clients with disabilities. Mr. Lipscomb thanked the Board for its consideration. Chairman Gustman stated that Search had a great mission and requested leave to apply the last unanimous vote in favor of Project no.7. Leave was granted. Project no. 7 received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 8: **<u>N-NP-TE-CD-7039 – North Shore Ice Arena, LLC</u>**

Request for final approval of the issuance of 501(c)(3) Bonds in an amount not-to-exceed $10 million to finance the construction and equipping of an ice skating facility. This project is expected to create approximately 6 new jobs and 50 construction jobs. This project is located in Northbrook, Illinois. **(07-11-08)**.

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 8. Steven Trout introduced Charles Smith, President, Wilmette Hockey Association. Mr. Smith thanked the Board for its consideration of the project. Chairman Gustman asked if the Board had any questions with respect to Project no. 8. There being none, Chairman Gustman requested a motion for a roll call vote in favor of Project no. 8. Motion moved by Dr. Herrin and seconded by Dr. Barclay. Chairman Gustman abstained from voting on Project no. 8 because of the family's association with North Shore Ice Arena. Project no. 8 received final approval with 9 ayes, 0 nays, and 1 abstention (Chairman Gustman).

No. 9: **E-PC-TE-CD-7199 – Erikson Institute**

Request for final approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed $32.5 million to provide financing to acquire commercial space, equipment, equipment installation, capitalize interest and fund legal and professional costs. This project is located in Chicago, Illinois. This project is expected to create approximately 27 new jobs over a two year period and 100 construction jobs. **(07-11-09)**.

Chairman Gustman asked if the Board had any questions with respect to Project no. 9. There being none, Chairman Gustman requested a motion for a roll call vote in favor of Project no. 9. Motion moved by Mr. Zeller and seconded by Mr. Valenti. Project no. 9 received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 10: **M-MH-TE-CD-7226 – Hidden Glen Apartments LP (Hidden Glen Apartments)**

Request for final approval of the issuance of Affordable Rental Housing Bonds in amount not-to-exceed $7.5 million for the acquisition and renovation of an existing affordable housing rental property. This project will enable this property to remain affordable for a minimum of fifteen (15) additional years. This project is expected to create approximately 15-20 constructions jobs over a 12 month period. This project is located in Bourbonnais, Illinois. Additionally, the Developer will use approximately $7.5 million of 2004 Carryforward Volume Cap obtained by the Underwriter and evidenced by Resolutions from the respective Home Rule Units to IFA for conditional use by the Underwriter. 2004 Carryforward Volume Cap will expire if unused as of January 1, 2008. **(07-11-10)**.

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 10. Funding Manager, Rich Frampton, introduced Mr. Jeff Rappin, General Partner and Manager, Hidden Glenn. Mr. Rappin gave a brief presentation and thanked the Board and the IFA for their consideration of the project. Mr. Rappin stated that the transaction would allow the borrower to retain approximately 120 much needed affordable housing units in Kankakee County. Chairman Gustman asked if the Board had any questions with respect to Project no. 10. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 10. Leave was granted. Project no. 10 received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 11: **<u>L-GO-LL-TX-7326 – Illinois Finance Authority (Short Term Tax Anticipation Program for Cook County)</u>**

Request for final approval of the issuance of a Line of Credit in an amount not-to-exceed $100 million to provide funding to Cook County school districts and municipalities with operating cash flow deficits resulting from the delay of property tax collections and distributions. This request is for school districts and municipalities throughout Cook County. **(07-11-11)**.

Director Hubbard acknowledged the partnership between key Illinois Finance Authority staff, KeyBank and Ungaretti & Harris for their assistance in working together to bring this project to fruition. No guests attended with respect to Project no. 11. Chairman Gustman asked if the Board had any questions with respect to Project no. 11. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 11. Leave was granted. Project no. 11 received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 12: **<u>L-G-MO-7235 – Local Government 2007B Pool</u>**

Request for final approval of a Local Government 2007B Bond in the not-to-exceed amount of $2,760,000 to combine the needs of more than one unit of local government into a pooled bond issue, with the IFA serving as the financing conduit. This request will assist the Village of Waynesville and City of Aledo. **(07-11-12)**.

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

No. 13: **<u>B-LL-TX-7237 – CJA Management, LLC</u>**

Request for the approval of the issuance of a Participation Loan in an amount not-to-exceed $234,360 to finance the acquisition of commercial real estate and make certain improvements thereon. This project is located in Peru, Illinois. This project is expected to create approximately 2 new jobs and 75 construction jobs over a 7 month period. **(07-11-13).**

No guests attended with respect to Project no. 13. Chairman Gustman asked if the Board had any questions with respect to Project no. 13. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 13. Leave was granted. Project no. 12 received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 14: **<u>PU-WD-TE-CD-7202 – Aqua Illinois, Inc.</u>**

Request for final approval of the issuance of Water Furnishing Facilities Revenue Bonds in an amount not-to-exceed $17 million to finance drinking water systems, including but not limited to mains, meters, pumping stations and treatment plants. These improvements will focus on Aqua Illinois service areas located in portions of Champaign, Cook, Kankakee, Lake, Vermilion and Will Counties. This project is expected to create approximately 265 construction jobs over a 1 to 15 month period. Additionally, 100% of the Volume Cap for this project will be derived from 2004 Carryforward Volume Cap allocated specifically for Water Furnishing Facilities Revenue Bonds. These Bonds will not require any 2007 Volume Cap. Bonds must be issued on or before the December 31, 2007, expiration date of the subject 2004 Carryforward Volume Cap. **(07-11-14)**.

No guests attended with respect to Project no. 14. Chairman Gustman asked if the Board had any questions with respect to Project no. 14. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 14. Leave was granted. Project no. 14 received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 15: **I-ID-TE-CD-7223 – Crown Metal Manufacturing Co., Inc., an Illinois Corporation, and (ii) Chicago Title Land Trust Company, known as Trustee under the provisions of that certain Trust Agreement dated January 4, 1991 and known as Trust Number CT01008499**

Request for preliminary approval of an Industrial Revenue Bond in an amount not-to-exceed $3.5 million to finance construction and equipping of an addition to the Borrower's existing manufacturing facility and fund legal and professional costs. This project is located in Elmhurst, Illinois. This project is expected to create approximately 12 new jobs and 45 construction jobs over a 5 month period. Additionally, issuance of the bonds is subject to an allocation of 2007 or 2008 Volume Cap. **(07-11-15)**.

Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 15. Leave was granted. Project no. 15 received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 16: **I-ID-TE-CD-7148 – Centa Corporation**

Request for final approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed $3.5 million to finance the acquisition, renovation, and equipping of an existing manufacturing facility in Aurora that will enable Centa Corporation to initiate manufacturing in the U.S. This project is expected to create approximately 11 new jobs and 5 construction jobs over 1 to 2 months. Additionally, the City of Aurora transferred $3.5 million of its unused 2007 Home Rule Volume Cap to IFA to support this project. **(07-11-16)**.

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 16. Funding Manager, Rich Frampton, introduced Mr. Allan Carroll, President, Carroll Financial Group (the Borrower's financial advisor). Mr. Carroll gave a brief presentation and thanked the Board and the IFA for their consideration of the project. Mr. Carroll also mentioned that approval of this project will help bring jobs back to the State of Illinois from Germany. Mr. Frampton thanked the cooperation of the City of Aurora. Chairman Gustman asked if the Board had any questions with respect to Project no. 16. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 16. Leave was granted. Project no. 16 received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 17: **I-ID-TE-CD-7097 – INX International Ink Co.**

Request for final approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed $10 million to finance the acquisition, renovation, and equipping of a vacant, existing manufacturing facility. This project is located in Homewood, Illinois. This project is expected to enable the company to rehire approximately 9 employees within a two (2) year period of facility consolidation and 20 construction jobs over an 8-10 month period. Additionally, $4.54 million of Home Rule Volume Cap has been transferred to the IFA by South Suburban Mayors and Managers Association (SSMA) Home Rule member communities for this project. IFA plans to provide the remaining Volume Cap from the Governor's Office of Management and Budget to support this financing. **(07-11-17)**.

No. 18: **WITHDRAWN**

No. 19: **I-ID-TE-CD-7141 – Versatile Card Technology, Inc.**

Request for final approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed $7.6 million to finance the renovation and expansion of two manufacturing plants as well as the acquisition and installation of equipment in Downers Grove, Illinois. This project is expected to create approximately 15 new jobs within two years, and 15 construction jobs. Additionally, the Council of the Village of Downers Grove adopted on July 17, 2007 a resolution to issue $4,172,990 of Industrial Revenue Bonds to finance or reimburse Versatile Card Technology, Inc., for qualifying project costs. The amount corresponds to the Village's 2007 Volume Cap allocation. It's been confirmed that the Cap remains available for this project. Versatile Card Technology's request to transfer this Cap to the Village Council will take place at the next Council meeting scheduled for November 20, 2007. Issuance of the Bonds is subject to an allocation of Volume Cap from the IFA and other sources. **(07-11-19)**.

No guest attended in respect to Project nos. 17 and 19. Chairman Gustman asked if the Board had any questions with respect to Project nos. 17 and 19. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 17 and 19. Leave was granted. Project nos. 17 and 19 received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 20: **E-PC-TE-CP-7234 – DePaul University**

Request for preliminary approval of the issuance of Commercial Paper in an amount not-to-exceed $75 million to provide interim financing for a series of capital expenditures in Chicago, Illinois. **(07-11-20)**.

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 20. Funding Manager, Rich Frampton, introduced Mr. Doug Stanford, Director of Treasury Operations, DePaul University. Mr. Stanford provided details of the project and thanked the Board and the IFA for supporting and considering the project. Mr. Sanford stated that portions of the proceeds would be allocated to the Science II building, life safety improvements, such as sprinklers, in various DePaul facilities, and working capital. Chairman Gustman asked if the

Board had any questions with respect to Project no. 20. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 20. Leave was granted. Project no. 20 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

No. 21: **<u>E-PC-TE-CP-7183 – Robert Morris College</u>**
Request for final approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed $30 million to refund outstanding indebtedness, expand and renovate the Chicago campus, design and construct a new medical and science wing, construct and equip new classrooms, plan and design a new suburban graduate school, and fund legal and professional costs. This project has locations in Aurora, Chicago and Schaumburg, Illinois. This project is expected to create approximately 62 new jobs over two (2) years and 150 construction jobs. **(07-11-21)**.

No guest attended with respect to Project no. 21. Chairman Gustman asked if the Board had any questions with respect to Project no. 21. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 21. Leave was granted. Project no. 21 received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 22: **Amendatory Resolution to Revise the Loan Agreement and Trust Indenture and related documents (Stromberg Allen & Company/SACO Real Estate LLC Project). IFA Project No. I-ID-CD-TE-6217.**

No. 23: **Amendatory Resolution to Add Project Sites and Increase the Not-to-Exceed Amount from $68 Million to $82 Million (Roosevelt University Project). IFA Project No. E-PC-TE-CD 6265.**

No. 24: **Amendatory Resolution to Authorize the Joint Issuance of a Mortgage Credit Certificate Program with the Illinois Housing Development Authority and the City of Decatur.**

No. 25: **Resolution Appointing Successor Trustees of the IFA 401(a) Contribution Plan and Appointing an Interim Treasurer.**

Chairman Gustman asked if the Board had any questions with respect to the Resolutions. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Amendatory Resolutions nos. 22 through 24 and Resolution no. 25. Leave was granted. Amendatory Resolution nos. 22 through. 24 and Resolution no. 25 were approved with 10 ayes, 0 nays, and 0 abstentions.

Chairman Gustman asked if there was any other business to come before the Board. There being no further business, Chairman Gustman requested a motion to adjourn. Upon a motion by Dr. Herrin and seconded by Mr. Zeller, the meeting adjourned at approximately 12:09 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: December 11, 2007

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 Amount Requested:** $950,481
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - convey tax-exempt status
    - will use dedicated 2007 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-7238**
Funding Manager:	Cory Mitchell
Borrower(s):	**Peterson, Chad & Kelly**
Town:	Kingston, IL
Amount:	$250,000
Use of Funds:	Farmland – 80 acres
Purchase Price:	$600,000 / ($7,500 per ac)
%Borrower Equity	20%
%Other Agency	40%
%IFA	40%
County/Region:	DeKalb / Northeast
Lender/Bond Purchaser	Belvidere National Bank & Trust / Carl Dumoulin
Legislative Districts:	Congressional: 16th, Donal Manzullo
	State Senate: 35th, J. Bradley Burzynski
	State House: 69th, Ronald Wait

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

*__Chad & Kelly Peterson:__ Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.90% fixed for the first 5 years and adjust every 5 years thereafter to 80 basis points above the prevailing 5-year Treasury Bond Rate. Lender will charge .25 points to the borrower. **IFA Fee: $3,750**

Project Number:	**A-FB-TE-CD-7239**
Funding Manager:	Eric Reed
Borrower(s):	**Rosenthal, Dustin**
Town:	Morrisonville, IL
Amount:	$250,000
Use of Funds:	Farmland – 60 acres
Purchase Price:	$250,000 / ($4,167 per ac)
%Borrower Equity	0%
%Other Agency	0%
%IFA	100%
County/Region:	Montgomery / Central
Lender/Bond Purchaser	First National Bank / Steve Mundhenke
Legislative Districts:	Congressional: 19th, John Shimkus
	State Senate: 49th, Deanna Demuzio
	State House: 98th, Gary Hannig

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

*__Dustin Rosenthal:__ Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.25% fixed for the first 3 years and adjust every 3 years thereafter to 2.25% below National prime as quoted in the Wall Street Journal on January 1, 2011 and every 3rd year thereafter. The rate shall never be lower than 4% or higher than 8% for the entire term of the loan. ***Subject to a non-contested Public Hearing Meeting.***
IFA Fee: $3,750

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

Project Number:	**A-FB-TE-CD-7240**
Funding Manager:	Cory Mitchell
Borrower(s):	**Lucas, Chad**
Town:	Morton, IL
Amount:	$228,000
Use of Funds:	Farmland – 80 acres
Purchase Price:	$240,000 / ($3,000 per ac)
%Borrower Equity	10%
%Other Agency	0%
%IFA	90%
County/Region:	Tazewell / North Central
Lender/Bond Purchaser	First National Bank in Tremont / Joe Conroy
Legislative Districts:	Congressional: 18th, Ray LaHood
	State Senate: 53rd, Dan Rutherford
	State House: 106th, Keith Sommer

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

*__Chad Lucas:__ Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.25% fixed for the first 5 years and adjust every 5 years thereafter to 2.00% above the 5 year Constant Maturity Treasury Index. The lender will charge .50% points to the borrower. **IFA Fee: $3,420**

Project Number:	**A-FB-TE-CD-7241**
Funding Manager:	Cory Mitchell
Borrower(s):	**Dewald, Duane & Gena**
Town:	Sutter, IL
Amount:	$222,481
Use of Funds:	Farmland – 124 acres
Purchase Price:	$292,481 / ($2,359 per ac)
%Borrower Equity	10%
%Other Agency	0%
%IFA	90%
County/Region:	Hancock / West Central
Lender/Bond Purchaser	First Community Bank / Gary Beeler
Legislative Districts:	Congressional: 17th, Phil Hare
	State Senate: 47th, John Sullivan
	State House: 94th, Richard Myers

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

*__Duane & Gena Dewald:__ Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.60% fixed for the first 10 years and adjust every 5 years thereafter to 1.75% below prime per the Wall Street Journal. **IFA Fee: $3,337**

*** 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
December 11, 2007

Project: Hoosier Care, Inc. and Hoosier Care II, Inc.

STATISTICS

Project Number: H-HO-TE-CD-7162
Type: 501(c)(3) Bonds
Locations: Champaign (Champaign County, East Central),
Loves Park (Winnebago County, Northern Stateline)
Sterling (Whiteside County, Northwest)

Amount: $22,500,000 (Not-to-Exceed)
IFA Staff: Pam Lenane and Dana Sodikoff

BOARD ACTION

Final Bond Resolution
Conduit 501(c)(3) Bonds
No IFA Funds at Risk
Staff Recommends Approval

Requesting a waiver of IFA Policy regarding the sale of unrated and unenhanced debt, based on a feasibility study by Crowe Chizek which has been completed.

PURPOSE

Bond proceeds will be used to: (i) advance refund certain tax exempt bonds issued in 1999 by the Illinois Development Finance Authority, the City of Loves Park, Illinois and the City of Sterling, Illinois for debt service savings; (ii) reimburse for projects at the facility in Loves Park, Illinois; (iii) fund debt service reserve funds and (iv) 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.

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on August 7, 2007 by the following vote:

Ayes: 10 Nays: 0 Abstentions: 0 Absent: 4 Vacancies: 1

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$22,150,000	Uses:	
			Tax-Exempt Bonds	
			IL Advance Refunding	$17,000,000
			Reimbursement for Prior Expenditures*	$3,650,000
			Costs of Issuance	$400,000
			Debt Service Reserve Fund**	$100,000
			Taxable Bonds	
			Costs of Issuance***	$850,000
			Debt Service Reserve Fund	$150,000
	Total	$22,150,000	Total	$22,150,000

*reimbursement for expenditures for Walter Lawson's Children's Home in Loves Park, Illinois; reimbursement resolution adopted on February 13, 2007. These funds will be used to pay off a loan from Hoosier Care Investments, LLC; the members of which are the Borrower and other affiliates of Hoosier Care, Inc. After repayment, the funds of Hoosier Care Investments, LLC will be available to the Borrower's facilities and other affiliates of Hoosier Care, Inc. based on need determined by the Board of Hoosier Care Investments, LLC (The Boards of Hoosier Care Investments, LLC and the Borrower are identical).

**contemplates that $1,185,000 from the debt service reserve funds for the 1999 bonds will also be used to fund the debt service reserve fund for the tax exempt piece

*** additional costs of issuance over the 2% will be financed through the taxable portion of the transaction. Issuance Costs in this financing have increased subsequent to the preliminary resolution as a result of i) additional transactional and counsel costs because of the use of a lock-box for accounts receivable in connection with their line of credit loan; and ii) Hoosier Care initially attempted to structure the transaction as a single issuer financing using the IFA multi-state but when the IFA did not secure multi-state, there was substantial amount of additional legal work, etc. to finance the Indiana facilities through the Indiana issuers.

JOBS

Current employment:	691 FTE's	Projected new jobs:	5
Jobs retained:	691 FTE's	Construction jobs:	5

BUSINESS SUMMARY

Background/Description: Hoosier Care, Inc. ("Hoosier") and Hoosier Care II, Inc. ("Hoosier II") are 501(c)(3) corporations and Indiana nonprofit corporations and both are members of the Obligated Group and are joint and severally liable for any debt. Hoosier Care acquired four homes for the long term care of profoundly retarded children in August, 1989: Swann Special Care Center in Champaign, Illinois, Walter Lawson Children's Home in Loves Park, Illinois, Exceptional Care and Training Center in Sterling, Illinois, and Vernon Manor Children's Home in Wabash, Indiana. In 1990, Hoosier II acquired three nursing homes: Clay County Health Care Center in Brazil, Indiana, Hanover Nursing Center in Hanover, Indiana, and Randolph Nursing Home in Winchester, Indiana. Hoosier II acquired Richland-Bean Blossom nursing home in Ellettsville, Indiana in 2004. Hoosier II sold the Hanover Nursing Center in 2006.

Management: All facilities involved in the financing are managed by Medical Rehabilitation Centers, Inc. The Management Agreement complies with Revenue Procedure 97-13. Medical Rehabilitation Centers, Inc. ("MRC"), a Kentucky corporation, was formed in May 1992 as a successor for affiliated companies that commenced business operations in 1989. The company is located in Lexington, Kentucky and manages and/or leases 15 long-term care facilities located in Indiana (seven buildings), Illinois (three buildings) and Wisconsin (five buildings) controlled by four different owners, three of whom are not-for-profit entities. MRC currently manages four pediatric skilled nursing buildings for Hoosier Care, Inc. (three in Illinois and one in Indiana) and three geriatric skilled nursing facilities in Indiana for Hoosier Care II, Inc. (both Hoosier entities collectively referred to as "Hoosier Care"). The relationship between MRC and Hoosier Care is arm's length, as there is no personal or corporate affiliation between the entities.

Service Area: Champaign, Loves Park and Sterling, Illinois

Existing Bonds: Indiana Health Facility Financing Authority $22,575,000 Revenue Bonds, Series 1999A (Hoosier Care Project) and $1,030,000 Taxable Revenue Bonds, Series 1999B (Hoosier Care Project); Illinois Development Finance Authority $5,710,000 Revenue Bonds, Series 1999A (Hoosier Care Project) and $260,000 Taxable Revenue Bonds, Series 1999B (Hoosier Care Project); City of Loves Park, Illinois $5,500,000 Revenue Bonds, Series 1999A (Hoosier Care Project) and $250,000 Taxable Revenue Bonds, Series 1999B (Hoosier Care Project); and City of Sterling, Illinois $4,775,000 Revenue Bonds, Series 1999A (Hoosier Care Project) and $220,000 Taxable Revenue Bonds, Series 1999B (Hoosier Care Project).

Feasibility Study: A financial feasibility study has been prepared by Crowe Chizek & Company, LLP. Crowe Chizek is one of the top 10 public accounting and consulting firms in the United States and serves clients worldwide. For this financial feasibility report, Crowe Chizek has examined, in accordance with standards established by the American Institute of Certified Public Accountants, from information management provides, the forecasted balance sheet and related statements of operations and net assets, cash flows and summaries of significant assumptions and accounting policies of Hoosier Care.

PROJECT SUMMARY

The proceeds of the proposed bond deal will be used to: (i) advance refund certain tax exempt bonds issued in 1999 by the Illinois Development Finance Authority, the City of Loves Park, Illinois, and the City of Sterling, Illinois for debt service savings. Current interest rates on tax-exempt debt such as the Series A 2008 Bonds are projected to be between 6% and 6.25%, which is substantially below the 7.125% on the 1999 Bonds. Present projections show a debt service savings of approximately $104,000 per year over the debt service under the 1999 Bonds (if there was no new bond issue) in each of the first ten years of the new bond issue; (ii) reimburse for projects at the Borrower's facility located in Loves Park, Illinois; (iii) fund a debt service reserve fund and (iv) pay costs of issuance (see below).

Issuance Costs in this financing have increased subsequent to the preliminary resolution as a result of i) additional transactional and counsel costs because of the use of a lock-box for accounts receivable in connection with their line of credit loan; and ii) Hoosier Care initially attempted to structure the transaction as a single issuer financing using the IFA multi-state but when the IFA did not secure multi-state, there was substantial amount of additional legal work, etc. to finance the Indiana facilities through the Indiana issuers.

FINANCING SUMMARY

Security/Collateral: Master Notes issued under Master Trust Indenture dated as of June 1, 1999, Mortgages on Real Property, Debt Service Reserve Fund

Structure: Fixed rate, semiannual principal and interest, serial and term bonds

Maturity: December 1, 2037

Credit Rating(s): The Bonds will not be rated (Feasibility Study by Crowe Chizek & Co.).

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

<u>Conditions for Waiver:</u> The Borrower has secured a feasibility study from an independent and qualified accounting or consulting firm acceptable to the Authority demonstrating the financial viability of the project.

The financial feasibility study has been prepared by Crowe Chizek & Company, LLP. Crowe Chizek is one of the top 10 public accounting and consulting firms in the United States and serves clients worldwide. For this feasibility report, Crowe Chizek has examined, in accordance with standards established by the American Institute of Certified Public Accountants, from information management provides, the forecasted balance sheet and related statements of operations and net assets, cash flows and summaries of significant assumptions and accounting policies of Hoosier Care.

ECONOMIC DISCLOSURE STATEMENT

Project name: Hoosier Care Project
Locations: Champaign, Loves Park and Sterling, Illinois
Applicant: Hoosier Care, Inc. and Hoosier Care II, Inc.
Organization: 501(c)(3) Not-for-Profit Corporation

State: Illinois
Board: Bruce P. Hutson, M.D., Stephen F. Wood, John G. Foos and John E. Gillmor

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Boult Cummings Conners & Berry, PLC	Nashville, TN	Andrea Barach
Bond Counsel:	Ice Miller LLP	Indianapolis, IN	Amy Corsaro
Underwriter:	Bergen Capital, a division of Scott & Stringfellow, Inc.	Alpharetta, GA	Jim Clayton
Underwriter's Counsel:	Peck Shaffer & Williams	Atlanta, GA	Jerry Peterson
Bond Trustee:	The Bank of New York Trust Comp.	Louisville, KY	Sharon Long
Feasibility Consultant:	Crowe Chizek & Co., LLP	South Bend, IN	James Ridenour
Manager:	Medical Rehabilitation Centers, Inc.	Lexington, KY	Wayne Tush
Financial Advisor:	Capital Health Group, LLC	Media, PA	Kenneth Assiran
Issuer's Counsel:	Office of Kevin Cahill	Chicago, IL	Kevin Cahill
IFA Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Louis Scott

LEGISLATIVE DISTRICTS

ILLINOIS

FACILITY NAME AND ADDRESS	COUNTY	FEDERAL CONGRESSIONAL DISTRICT	STATE SENATE	STATE HOUSE
Exceptional Care & Training Center 2601 Woodlawn Road Sterling, IL 61081	Whiteside	16	36	71
Swann Special Care Center 109 Kenwood Champaign, IL 61821	Champaign	15	52	103
Walter Lawson Children's Home 1820 Walter Lawson Loves Park, IL 61111	Winnebago	16	34	68

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 11, 2007

Project: Fairview Obligated Group

(Note: See descriptions of "Borrower", "Corporation" and "Obligated Group" under BUSINESS SUMMARY below).

STATISTICS

Project Number:	H-HO-TE-CD-7193	Amount:	$60,000,000 (Not to exceed amount)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane and Dana Sodikoff
Locations:	Downers Grove (DuPage County, Northeast Region)) Rockford (Winnebago County, Northern Stateline Region)		

BOARD ACTION

Final 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 financial feasibility study prepared by LarsonAllen LLP which has been completed.

PURPOSE

Bond proceeds will be used to: (i) current and advance refund approximately $45.2 million of Series 2004 Bonds issued through a predecessor to the Illinois Finance Authority to allow Fairview Obligated Group to restructure its debt portfolio (details of restructuring in project summary section on page 3); (ii) fund approximately $12.7 million of new money projects at the Downers Grove campus; (iii.) fund one or more Debt Service Reserve Funds; and (iv) fund financing 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 paid to bondholders and thereby reducing the borrower's interest expense.

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on September 11, 2007 by the following vote:

Ayes: 10 Nays: 0 Abstentions: 0 Absent: 4 Vacancies: 1

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		**Uses:**	
IFA Bonds	$60,000,000	Refunding of 2004 Bonds	$45,951,000
Series 2004 Trustee-Held Funds	1,915,000	New Money Projects	12,738,000
		Debt Service Reserve Fund	1,926,000
		Costs of Issuance	1,300,000*
Total	$61,915,000	Total	$61,915,000

*Note – the Series 2007 Bonds will consist of both tax-exempt and taxable bonds. If the total cost of issuance exceeds 2.0% of the tax-exempt par amount, taxable bond proceeds will be used to pay such issuance costs.

JOBS

Current employment:	285 FTE's	Projected new jobs: 0	
Jobs retained:	285 FTE's	Construction jobs**: 0	

**Note: An insignificant number of construction jobs are expected to be created on a temporary basis as a result of the various new money projects at the Downers Grove campus. These projects are relatively small and will have various construction periods. If advantageous to the Borrower, a portion of the new money amount shown above may be used to reimburse the Borrower for prior capital expenditures (and therefore such funds would not create any future construction jobs).

BUSINESS SUMMARY

Background/Description: The Borrower for this financing will be Fairview Ministries, Inc. (the "Corporation" and the "Borrower"). However, Fairview Obligated Group ("FOG") will be responsible for the debt. FOG consists of the following entities:

- Fairview Ministries, Inc.,
- Fairview Baptist Home (the "Home"),
- Fairview Village (the "Village"), and
- Fairview Residence of Rockford ("FRR")

All of these entities are Illinois not-for-profit corporations organized under Section 501(c)(3) of the Internal Revenue Code. Fairview Ministries, Inc. is the sole corporate member of the Home, the Village, FRR and certain other affiliated corporations that are outside the Fairview Obligated Group.

Together, the Home and the Village are known as Fairview Village, a continuing care retirement community ("CCRC") located in Downers Grove, Illinois, approximately twenty-five miles west of downtown Chicago. The Village consists of approximately 218 independent living apartments, 56 town/garden homes, 142 skilled nursing beds and 56 assisted living beds. The Home was founded in 1902 as the Fridhem Home of Rest in the Morgan Park neighborhood of Chicago and moved to its current location in 1942. Additional phases were developed in the 1990's.

FRR is a 54,000 square-foot residential building with 73 assisted-living units, which opened in the autumn of 1999. The campus is designed to accommodate the physical, spiritual, emotional, recreational and other similar needs of aged persons in a Christian setting. FRR is located on a 3.2-acre campus in Rockford, Illinois, approximately 80 miles northwest of the Fairview Village campus.

FOG supports the charitable, educational, religious and other activities of its controlled affiliates, none of whom are part of the FOG or responsible for the Series 2007 Bonds. These affiliates include Fairview Foundation, Fairview Elder Enterprises, NFP, Fairview Management & Development Services, Inc. and Fairview Ministries NorthWest.

Fairview Ministries is responsible for providing management and oversight to the members of FOG and its affiliates. Fairview Ministries' additional responsibilities with respect to FOG relate to development/expansion plans, strategic planning, budgeting and financial reporting, personnel decisions, board of directors activities, capital planning, and other matters.

FOG is endorsed by the Baptist General Conference, an international denomination with 913 member churches in the United States.

Service Area: Both Fairview Village and FRR draw the majority of their residents from the primary market areas in which they reside. The primary market areas generally consist of the Chicago suburbs to the west, northwest and southwest of Chicago.

Existing Bonds: The existing bonds for FOG are listed below (actual par amounts currently outstanding are listed).

$45,210,000
Illinois Finance Authority
Revenue Refunding Bonds
(Fairview Obligated Group)

Consisting of:
$10,295,000, Series 2004A Fixed Rate Bonds
$4,290,000, Series 2004B-1 Extendable Rate Adjustable Securities (EXTRAS)
$4,250,000, Series 2004B-2 Extendable Rate Adjustable Securities (EXTRAS)
$25,275,000, Series 2004C Variable Rate Demand Bonds
$1,100,000, Series 2004D Taxable Variable Rate Demand Bonds

PROJECT SUMMARY

The proceeds of the proposed Series 2007 financing will primarily be used to refinance FOG's existing Series 2004 Debt, which makes up the majority of FOG's long-term capital structure. The refinancing will allow FOG to restructure its debt portfolio in the following ways:

1.) The final maturity date will be extended to 8/15/2042 (from 8/15/2034).
2.) Principal payments on the Series 2007 Bonds will be deferred until 8/15/2014. This will allow FOG to be in an interest-only mode for the first five years following the bond issuance. Under the existing Series 2004 financing, principal is being paid each year on a level debt service basis.
3.) FOG will increase the amount of Variable Rate Demand Bonds ("VRDBs") from approximately $26.4 million to an amount of $30 million or greater. In connection with this increase, the number of participant banks will be revisited. LaSalle Bank (Bank of America) is the existing LOC Bank. The terms of the Letter of Credit, including pricing and covenants, will be renegotiated.

Series 2007 Bond proceeds will also be used to fund various tax-exempt and taxable new money projects, currently estimated to be $12.7 million. It is intended that the new money will be used for two purposes: to fund various future capital projects at the Downers Grove campus and to reimburse FOG for the prior expenditure of funds on eligible capital projects at the Downers Grove campus. Borrowing funds for new money purposes will enhance FOG's liquidity position and put it in a better position to grow in the future either within or outside of the Obligated Group.

The preliminary official statement will describe FOG's plan to begin construction in 2008 of a replacement nursing home for the Downers Grove campus. Once constructed, residents will be moved into the new building and the existing building will be demolished. In addition, in several years FOG will embark on a "master plan" for its Downers Grove campus, which involves major expansion and renovation projects across the campus. This will be accomplished with a bond issue in the future through the IFA.

FINANCING SUMMARY

Security/Collateral: The Series 2007 Bonds will be issued under a Master Trust Indenture. The Corporation will issue direct note obligations for each series of debt. The Obligated Group will be responsible for all obligations issued pursuant to the Master Indenture; including the debt service payments (refer to background/description section on page 2 for members of the Obligated Group). A mortgage will be granted. The VRDBs will be further secured by a Direct-Pay Letter of Credit from LaSalle Bank, N.A. (now a subsidiary of Bank of America). Covenants and other legal provisions will be similar to those in use for comparable senior living borrowers (and similar to those contained in FOG's Series 2004 financing).

Structure: The Series 2007 Bonds are expected to consist of approximately $26 million tax-exempt fixed rate bonds, approximately $22 million tax-exempt VRDBs and approximately $10 million taxable VRDBs. Each series will be amortized on a pro-rata basis during 2014 through 2042. Depending on market conditions at the time of pricing, it may be beneficial for the Borrower to add a series of EXTRAS (Extendable Rate Adjustable Securities) to the structure, which would reduce the amount of fixed rate bonds being issued.

Maturity: 35 years (8/15/2042)

Credit Rating(s): The Fixed Rate bonds will not be rated. The Variable Rate Demand Bonds will carry the rating of LaSalle Bank, N.A., which is rated by S&P as AA+/A-1+ (long-term/short-term).

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

Conditions for Waiver: The Borrower has secured a feasibility study** from an independent and qualified accounting or consulting firm acceptable to the Authority demonstrating the financial viability of the project

**The Borrower has engaged LarsonAllen LLP to prepare a financial forecast to show the impact of the Series 2007 financing. LarsonAllen LLP has been serving health care organizations as external auditor, outsourced internal auditor, tax advisor, or financial consultant for more than 50 years. Approximately 150 people, including more than 30 principals, exclusively service over 3,000 health care providers throughout the United States.

ECONOMIC DISCLOSURE STATEMENT

Project name: Fairview Obligated Group
Locations: Downers Grove, Rockford
Applicant: Fairview Obligated Group
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois
Board of Trustees: *Fairview Ministries, Inc.*, Board of Directors
Rodney C. Dahlin, Chairperson
Bruce V. Erickson, Vice Chairperson
Carol Schaub, Secretary
James T. Whitman, Treasurer
Robert Carlson
James G. Erickson
Timothy S. Hultgren
Warren N. Jensen
Robert L. Smyth
Richard S. Walker
Douglas Walton
John Westra

Fairview Baptist Home, Board of Directors
Richard S. Walker, Chairperson
Timothy S. Hultgren, Vice-Chairperson
Warren N. Jensen
Donald E. Zimmerman

Fairview Village, Board of Directors
Warren N. Jensen, Chairperson
Timothy S. Hultgren, Secretary/Treasurer
Richard S. Walker

Donald E. Zimmerman

Fairview Residence of Rockford, Board of Directors
John Westra, Chairperson
Richard S. Walker, Vice-Chairperson
Bruce V. Erickson, Secretary/Treasurer
Mila G. Carlson
Robert Carlson
Carol E. Middleton
David Schleicher

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Katten Muchin Rosenman	Chicago	Elizabeth Weber
Bond Counsel:	Jones Day	Chicago	John Bibby Mary Kimura
Underwriter:	Ziegler Capital Markets	Chicago	Dan Hermann Steve Johnson Jennifer Lavelle
Underwriter's Counsel:	Ungaretti & Harris	Chicago	Julie Seymour
Letter of Credit Bank:	LaSalle Bank	Chicago	Jody Staszesky Feena Ward
LOC Bank Counsel:	Sonnenschein, Nath & Rosenthal	Chicago	Steve Kite Katie Ashton
Bond Trustee:	Wells Fargo	Chicago	Patricia Martirano Christopher Duncan
Accountant:	Wolf & Company LLP	Oak Brook, IL	Norbert Misiora Keith Friedlein
Issuer's Counsel:	Peck Schaffer	Chicago	George Buzard
Feasibility Consultant:	LarsonAllen	Atlanta	Ron Tinsley
IFA Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	13- Judy Biggert 16- Donald A. Manzullo
State Senate:	24- Kirk W. Dillard 35- J. Bradley Burzynski
State House:	47- Patricia R. "Patti" Bellock 69- Ronald A. Wait

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 11, 2007

Project: **The Admiral At The Lake**

STATISTICS

Number:	H-HO-TE-CD-7182	Amount:	$200,000,000 (not to exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Location:	Chicago (Cook County)	Region:	Northeast

BOARD ACTION

Final Bond Resolution
Conduit
No IFA funds at risk

No Extraordinary conditions
Staff recommends approval

PURPOSE

Proceeds will be used to (i) construct and equip a new Continuing Care Retirement Community, (ii) finance a bank loan that was used to finance pre-development costs, (iii) fund a Debt Service Reserve Fund, (iv) capitalize interest, and (v) fund professional and bond issuance costs.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest paid to bondholders thereby reducing the borrower's interest rate. **501(c)(3) bond issues do not require Volume Cap.**

VOTING RECORD

Preliminary Bond Resolution, September 11, 2007;

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

SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	$172,105,000*	Project Costs	$159,513,618
Resident Deposits for Start-up Deficits	8,346,455	Capitalized interest	11,733,145
		Debt Service Reserve Fund	8,605,250
Resident Deposits for Development fee	3,396,193	Letter of Credit/Remarketing fees	7,674,585
		Legal and professional costs*	3,121,050
Charitable Contribution	6,500,000		
Total	$190,647,648	Total	$190,647,648

* No Volume Cap is required for these bonds.

JOBS

Current employment:	4	Projected new jobs:	200*
Jobs retained:	N/A	Construction jobs:	200 (22 months)

* Included in new jobs are rehires from the former facility.

BUSINESS SUMMARY

Background: The Admiral (the "Admiral", the "Applicant") was founded in 1858 as The Home for the Aged and Indigent Females to care for Chicago's homeless elderly women. When founded, it was the first and only institution in Chicago dedicated to the care of the elderly. In 1874, the Applicant revised its charter, changed its name to The Old People's Home of the City of Chicago and became a non-sectarian institution for both women and men of all faiths and nationalities. In 1960, the Applicant moved to its current location at Foster Avenue and Marine Drive on Chicago's north lakefront. The Admiral's current facility, which is in the process of being demolished had 78 independent living apartments, 40 assisted living apartments, and 50 intermediate nursing beds.

In recent years, The Admiral has experienced increasing challenges with occupancy, which has fluctuated between 75.0% and 82.0%, with a peak of 82.0%. Though recently updated and well maintained, the aging physical plant on longer offered the larger apartments and amenities that today's independent seniors want. Additionally, The Admiral has experienced increased pressure on financial performance as a result of operational inefficiencies due to its small scale. The Admiral has been dependent upon an annual draw from its endowment fund and cash reserves to cover operating deficits and fund capital improvements. The Admiral is governed by an 8-member Board, and the parent organization, The Old Peoples Home of the City of Chicago, is governed by a 16-member Board. Lists of Board members for each entity are attached to this report for IFA Board review.

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

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

As of July 1, 2007, all of the residents of The Admiral have been relocated to host facilities and all employees were offered severance packages. Adjustment began on the existing independent and assisted living residents in May, 2007. Demolition of the existing facility began in August, 2007, and is expected to be completed in December, 2007. The former facility offered 79 independent living apartments, 40 assisted living apartments, and 50 intermediate care nursing beds.

The Project: The new Admiral will consist of 200 one, two, and three bedroom independent living apartments, including 12 garden town home apartments, 39 assisted living units, and 17 memory support assisted living units, and 36 nursing beds. There will be a parking garage containing space for approximately 290 vehicles. As of November 27, 2007, 87 of the 200 independent living units had been reserved by applicants each making a reservation deposit equal to 10.0% of the required entrance fee. An additional 14 living units have been reserved for previous residents of The Admiral now at host facilities.

Independent living apartments are planned to range in size from 750 sq. ft. to 1,550 sq. ft. Independent garden town home apartments are planned to range from 1,025 sq. ft. to 1,350 sq. ft. Common areas are planned to include:

- Large club room
- Dining room offering three meals daily
- Café/bistro

- Private dining room for special occasions
- Library/Resource Center
- Salon/barber shop
- Creative arts center
- Wellness center
- Fitness center, and a
- Swimming pool.

It is anticipated that project construction will begin in January, 2008, and be completed by February, 2010. Initial occupancy for independent living units is planned to begin in December, 2009.

Admission to The Admiral generally will be open to persons at least 62 years of age who are able to live independently, and have assets and income that are sufficient to meet ordinary and customary living expenses after assuming occupancy.

Healthcare and other licensure: The Admiral is currently licensed as a life-care continuing care retirement community. Once the project is completed, The Admiral anticipates that it will obtain licensure as an assisted living facility under the Assisted Living and Shared Housing Act. The Admiral will be required to obtain licensure of the assisted living units from the Department of Health upon completion of construction. The Admiral currently holds a Life Care Facilities permit, and will apply for an amendment to its permit after issuance of the bonds. The application for the Certificate of Need ("CON") was submitted to the Illinois Health Facilities Planning Board in May, 2007, and was deemed complete as of June 1, 2007. A necessary change in the CON application was made in order to clarify that the application was made under the Contusing Care variance , not the replacement bed provision. The Admiral expects to receive approval in February, 2008 from the Illinois Health Facilities planning Board ("IHFPB") for this change. The Admiral plans to escrow that portion of the bond proceeds that apply to the continuing care portion of the facility until it receives the necessary approval. The IFA will be notified when the Admiral receives approval from the IHFPB for the change in the CON.

Remarks: Tax exempt financing provides the lowest cost of funds, allowing the Fund to maximize the opportunities it can bring to the community. The redevelopment of the new Admiral with its proximity to restaurants, shops and parks in Chicago's Uptown neighborhood will restore the community and will redefine senior housing on the north side of Chicago.

FINANCING SUMMARY

Security: Direct Pay Letter of Credit from Fifth/Third Bank, Chicago, Illinois. The Bank's ratings are Moody's "Aa2", Standard and Poors " AA-"

Structure: Multi-mode variable rate bonds.

Maturity: 30 years

Note: The proposed financing will close after The Admiral has received a minimum of 65.0% of the required deposits from independent living unit residents. It is expected that the percentage will be achieved by mid-December, 2007. As of November 27, 2007 a total of 101 persons had made deposits on the independent living units. The 65.0% bogie is 130.

PROJECT SUMMARY

The Fund intends to use the net proceeds of the Authority loan to provide funds to (i) construct and equip a continuing care retirement community facility having 200 one, two, and three bedroom independent living apartments, including 12 garden town home apartments; 39 assisted living units, 17 memory support assisted living units, 36 nursing beds; common areas, and a parking garage containing space for 290 cars to be located on a 2.5 acre site at 909 West Foster Avenue, Chicago, Cook County, Illinois, (ii) finance a bank loan that was used to finance pre-development costs, (iii) capitalize interest, (iv) fund a debt service reserve fund, and (v) fund professional and bond issuance costs.

Project Costs: <u>$159,513,618</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The Admiral At The Lake
Project:	New Facility Project
Location:	99 West Foster Avenue, Chicago, Cook County, IL
Contact Person:	Glenn Brichacek, President and CEO, 773-561-2900
Organization:	501(c)(3) Corporation
State:	Illinois
Board of Trustees:	

THE ADMIRAL AT THE LAKE
BOARD OF TRUSTEES

<u>Name</u>	<u>Affiliation</u>
Glenn Brichacek	President and CEO, The Admiral at the Lake
John A. Bross	Retired Trust Officer
Charles F. Clarke III	Principal, Kinzie Realty Corporation
Clark Fetridge	President, Ravenswood Corporation
Andrea Hasten	Senior Vice President, The Northern Trust Company
Carol Stitzer	Development Officer, Lyric Opera of Chicago
David Tolliver	Managing Director, Daniels & Associates
Michael Traynor	Self-employed Business Advisor

PROFESSIONAL & FINANCIAL

Counsel:	Quarles & Brady	Chicago, IL	Thomas Chomicz
Accountant:	Crowe Chizek & Company LLC	Chicago, IL	
Bond Counsel:	Jones Day	Chicago, IL	John F. Bibby Jr.
Underwriter:	William Blair & Company	Chicago, IL	Thomas Lanctot
Placement Agent:			
Underwriter's Counsel:	Katten Muchin Rosenman	Chicago, IL	Lewis Greenbaum
LOC Bank Counsel:	Chapman and Cutler LLP	Chicago, IL	Richard A. Cosgrove
Issuer's Counsel:	Greene & Letts	Chicago, IL	Allen P. Walker
Trustee:	Wells Fargo Bank, N.A.	Chicago, IL	Patricia Martirano
Borrower's Financial Advisor	Starshak, Wizenberg & Company	Chicago, IL	Joseph B. Starshak
Feasibility Consultant:	Dixon Hughs PLLC	Atlanta, GA	Keith Seeloff
IFA Financial Advisors:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott
	D. A. Davidson & Co.	Chicago, IL	Bill Morris

LEGISLATIVE DISTRICTS

Congressional:	9th	Janice Schakowsky
State Senate:	7th	Carl Ronen
State House:	13th	Greg Harris

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 11, 2007

Project: **Community Action Partnership of Lake County**

STATISTICS

Number:	N-NP-TE-CD-7032	Amount:	$4,000,000 (not to exceed)
Type:	501(c)(3) Bonds	PA:	Townsend Albright
Locations:	Waukegan, Antioch North Chicago, Round Lake Beach Lake County/Northeast Region)	SIC:	8351

BOARD ACTION

Final Bond Resolution
Conduit Not for Profit Bonds
No IFA funds at risk

No Extraordinary conditions
Staff recommends approval

PURPOSE

Proceeds will be used to (i) refinance the Applicant's outstanding mortgage notes and bank loans, (ii) provide working capital, and (iii) pay 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 earned on the Bonds and thereby reduce the borrower's interest expense. 501(c)(3) bonds do not use Volume Cap.

VOTING RECORD

Preliminary Bond Resolution, February 13, 2007
Ayes: 11, Nays: 0, Abstentions: 0, Absent: 3 (R. Herrin, M.H.Nesbitt, J.P. Valenti) Members Resigned: 1

SOURCES AND USES OF FUNDS

Sources:	IDFA bonds	$4,000,000	Uses:	Project	$3,840,000
				Legal/Professional	160,000
	Total	$4,000,000		Total	$4,000,000

JOBS

Current employment:	137	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

Background: An Act of Congress passed in 1966 declared a war on poverty and created not-for-profit community action agencies. Community Action Partnership of Lake County (the "Applicant", "CAP") is one of those agencies and was incorporated in 1965 as an Illinois 501(c)(3) corporation. CAP's mission is to alleviate poverty and its causes and consequences by linking its services with all available resources for the purpose of coordinating and delivering comprehensive human services that lead to individual and family self-sufficiency. On March 1, 2004 the Applicant borrowed $6,250,000 through a conduit bond financing with the IFA to finance the construction of a 30,000 sq. ft. administration center to house its Head Start activities in Waukegan. The facility provides classrooms, playgrounds, offices, community event space, meeting rooms. and a commercial kitchen that produces 1,200 meals per day. This facility is the first of two phases: the second of which has completed architectural and engineering drawings and completed foundation work for the time when future expansion is required. The Applicant is governed by a nine-member Board of Directors. A list is attached for IFA Board review.

Description: The completion of the new facility enabled CAP to consolidate its Waukegan Head Start activities in one location. This, in turn, permitted CAP to vacate all leased and donated premises as well as to free up a 14,000 sq. ft. building that it owns. In the course of the facility development, CAP financed working capital and equity injections through its local banks to purchase and refurbish properties in the Lake County area to rent to low income residents, and now proposes a consolidation of the various loans and mortgage notes CAP has outstanding. CAP proposes to use its 12 affordable housing complexes having 52 units, and its former Head Start building as collateral for the proposed bonds. CAP pledges to rent only to "income-qualified" tenants in its housing units, and to rent/lease only to not-for-profit entities in its former Head Start building.

Remarks: The outstanding loans and notes carry market or above market rates. Tax-exempt financing will make it possible for CAP to significantly lower its cost of capital and smooth it debt service payments as the proposed bonds will carry level debt service for 30 years. This is a debt restructuring and taxable working capital injection which will produce no NPV savings. This financing will enable CAP to continue to support its non-profit mission.

FINANCING SUMMARY

Security: Direct Pay Letter of Credit from Harris Bank & Trust Company, Chicago, Illinois
Structure: Multi-mode weekly floating rate bonds consisting of $3,105,000 tax-exempt Series 2007-A Bonds, and $895,000 taxable 2007 Series-B Bonds.
Maturity 30 years

PROJECT SUMMARY

Proceeds will be used to Proceeds will be used to (i) refinance the Applicant's outstanding mortgage notes and loans on properties listed on this page of the report, (ii) provide working capital, and (iii) pay bond issuance costs.

Project Costs:	Refinance notes/loans	$3,746,850
	Working Capital	93,150
	Total	$3,840,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: Community Action Partnership of Lake County
Project: Financial Restructuring Initiative
Location: 1200 Glen Flora, Waukegan, Lake County, Illinois
Property locations: 1413, 1417, 1427, 1440, 1444, 1444, 1501, 1505, and 1509 Hervey, North Chicago, Lake County, IL
587 Main, Antioch, Lake County, IL
574 McAlister, Waukegan, Lake County, IL
321 Woodland, Round Lake Beach, Lake County, IL
420 Fairlawn, Round Lake Beach, Lake County, IL
931 Morningside, Round Lake Beach, Lake County, IL
Organization: 501(c)(3) Corporation
State: Illinois
Board: List attached for IFA Board review
Collateral: List of real estate property to be used as collateral for the proposed bond financing:

PROFESSIONAL & FINANCIAL

Accountants:	R.W. Hickman, P.C., CPA (2006)	Springfield, IL	
	Diehl, Banwart, Bolton, Jarred & Bledsoe, Chartered, CPAs (2004-2005)	Chanute, KS	Philip A. Jarred, CPA
Bond Counsel:	IceMiller	Chicago, IL	James Snyder
Issuer's Counsel:	Sanchez & Daniels	Chicago, IL	John Cummins
Underwriter/ Placement Agent:	William Blair & Company.	Chicago, IL	John Peterson
LOC Bank:	Harris Bank & Trust Company	Chicago, IL	
Financial Advisor:	E. L. Barnes & Company	Afton, VA	Ellen Barnes
Trustee:	US Bank	Milwaukee, WI	Peter Brennan
IFA Financial	D.A. Davidson & Co	Chicago, IL	Bill Morris
Advisors:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Location	Congressional	Senate	House
1413 - 1509 Hervey Ave	10th Mark Kirk	30th Terry Link	60th Eddie Washington
931 Morning Side	8th Melissa Bean	31st Michael Bond	62nd Sandy Cole
420 Fairlawn	8th Melissa Bean	31st Michael Bond	62nd Sandy Cole
321 Woodland	8th Melissa Bean	31st Michael Bond	62nd Sandy Cole
574 McAlister	10th Mark Kirk	30th Terry Link	60th Eddie Washington
587 Main	8th Melissa Bean	31st Michael Bond	61st JoAnn Osmond

Community Action Partnership of Lake County
Board of Directors Membership
February 1, 2006

Updated: October 2006

Number of Vacancies: 0 Name	Address & Phone Number	Office Address & Phone Number	In Which Sector: Represents	CR	PS	PO	Appointed
Bill McNeely, President-Active	2410 Washington Street Waukegan, IL 60085	847 625-1525 847 625-1767 fax	Patti Cake Early Childhood (Partners In Business Assn)			X	September 1997
Deborah Lewis, Vice President-Active		2534 Elim Avenue Zion, IL 60099 847 746-8435 847 746-1744 fax	Sheridan Health Care RSVP Advisory Council			X	March 2001
Stephanie Smith, Secretary-Active	824 Kirkwood Drive Winthrop Harbor, IL 60096			X			July 2000
Beverly Hood	2211 N Yeoman P.O. Box 524 Waukegan, IL 60079 847 456-0249 (C)	1850 Lewis Avenue North Chicago, IL 60064 847 596-8610 847 596-8619 fax	Weston House	X			November 2005
Cynthia Hawkins, Director	1316 N Berwick Blvd, Wkgn IL	3235 Belvedere Rd, Wkgn IL	Department of Human Services	X			
Sheriff Gary Del Re, Director	25 S. Utica Street, Waukegan, IL 60085 847-377-4210		Lake County Sheriff Department		X		March 1974
Phillip Carrigan, Director – Active	1944 Ash Waukegan, IL 60085	847-625-0381		X			March 1998
Willard Helander County Clerk Active		18 N. County Street Waukegan, IL 60085 Ph: 847-377-2400 Fax: 847-360-3608 email: cuytclk@co.lake.il.us	Lake County Clerk		X		May 2004
Mayor Leon Rockingham, Director -Active		1850 Lewis Ave. North Chicago, IL 60064 ph: 847-596-8610 Fax: 847-596-8619	Mayor City of North Chicago		X		February 1998
Beverly Ann Mull, Director, Active		2808 Gilead Avenue Zion, IL 60099 Ph: 847-938-3173	Abbott Industries Head Start Policy Council		X		January 2005
Commissioner Mary Cunningham, active	405 McKinley Avenue Waukegan, IL 60085 Ph: 847-244-4314 Fax: 847-599-8852	Email: mcunningham@co.lake.il.us	Lake County Board District #9		X		May 2004
Honorary Member:							
Senator Adeline Geo-Karis	P.O. Box 33 Zion, IL 60099	847-872-7500	Public				
Alternates:							
Anthony Ward, Alternate, Active Treasurer	643 West John-Manville Waukegan, IL 60085	847-244-5630	Sheriff Del Re				
Transitional Housing Advisory Board:							
Beverly Hood- Chair							
Syvia Vasquez-Chacon		1807 Grand Ave. Waukegan, IL 60085 847-775-1818	American Family Life			X	
Arlene Martin		2612 Sheridan Road Zion, IL 60099 (847) 746-2901	National City Bank of the Midwest			X	
Rich Diesterhelf		16680 Apple wood Court Gurnee, IL 60031 847-223-8082	North West News Group of the Greater Chicago			X	
Brittani McCafferty	6533 – 126th PL Pleasant Prairie, WI 53158		Sheridan Health & Rehab	X			

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 11, 2007

Project: The Jackson Family Limited Partnership

STATISTICS

Project Number:	B-LL-TX-7243	Amount:	$420,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Decatur	Region:	Central
County:	Macon		

BOARD ACTION

Purchase of Participation Loan from The John Warner Bank in Clinton
$420,000 IFA funds at risk
Staff recommends approval subject to compliance with all of the Bank's terms and conditions.

PURPOSE

To finance the acquisition of two commercial lots and the construction of a new 24,000 square foot distribution facility for B-1 Logistics in Decatur, Illinois.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

This project does not require the use of volume cap.

VOTING RECORD

There is no voting record on the project as this is the first time it is being presented to the Board for approval.

SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	$420,000	Uses:	Purchase of land	$150,000
	The John Warner Bank:	420,000		Building Construction	900,000
	Equity	210,000		Total	$1,050,000
	Total	$1,050,000			

JOBS

Current employment:	23	Projected new jobs:	19
Jobs retained:	23	Construction jobs	40 (average over 7 months)

BUSINESS SUMMARY

Background: The Jackson Family Limited Partnership is an Illinois limited partnership established to own and maintain selected business assets of Mark and Mathew Jackson. Mark and Mathew Jackson and their related holding companies own two automobile dealerships (a Ford dealership in Decatur and a Chevrolet-Cadillac dealership in Sullivan), numerous rental properties, two real estate & cattle operations in Colorado, a large motorcycle/all terrain vehicle dealership in Decatur called World of Powersports and a new recently-formed parts logistics company known as B1 Logistics for which this project financing is being requested..

Description: World of Powersports is a stand-alone franchised dealer for Honda, Kawasaki, Yamaha, Suzuki, Triumph, Polaris, Bombardier, Sea-Doo, Tigershark, Artic Cat and Ski Doo. The Company markets and services motorcycles, ATVs, Jet Skis and snowmobiles to powersports customers throughout the Midwest. Most importantly, World of Powersports is the largest genuine OEM parts dealer in the country for Kawaski, Polaris, Yamaha, Suzuki, Sea-Doo and Honda and has developed an international network of over 3,500 dealers to which it provides OEM parts, shipping hundreds of orders each day.

To better handle this extensive parts distribution activity, B1Logistics, which had been the parts distribution component within World of Powersports, was established as a separate entity in early 2007 to address the specific need of manufacturers and distributors in the powersports industry (*motorcycles, ATVs, utility vehicles, personal watercraft and snowmobiles*). World of Powersports management diligently searched for a logistics model that served the needs of powersports equipment dealers and when finding none that met their high requirements, management put forth significant time and research into the development of what has become recognized as a model logistics operation in the U.S. In addition to servicing the needs of World of Powersports, B1 logistics provides OEM parts logistics services to numerous overseas and U.S. manufacturers, importers and distribution of powersports equipment. The Company has access to over 8,000 powersports dealers and repair shops.

B1 Logistics provides a vast array of services including inventory warehousing, parts and whole goods order fulfillment, call center operations and supply channel management consulting. The Company can manage an entire inventory, both units and parts, from one warehouse with state of the art inventory management system that provides 24/7 access to inventory levels. The warehouse management software allows B1 Logistics to fill orders within minutes of being placed and provides the user with real-time feedback on back-orders, high demand parts and customer order volume. All B1 Logistics' call center personnel are thoroughly trained in mechanical operations of motorcycles, all terrain vehicles and personal watercraft to properly assist customers with all of their needs while completely eliminating the need for foreign operators to have a representative in the United States. The Company currently has access to over 10,000 powersport dealers and retailers throughout the U.S.

It is important to note that B1 Logistics has a contract with the U.S. government to provide product support for all of the all terrain vehicles being used in the Iraq war.

The Project: The project as presented constitutes permanent financing for the acquisition of two commercial lots and the construction a 24,000 square foot commercial distribution building to be used for B1 Logistics in Decatur, Illinois. The B1 Logistics distribution facility will be equipped with a sophisticated inventory management system utilizing state-of-the-art barcode and wireless technology to ensure accuracy and efficiency as well as dedicated bin locations allocated specifically to each vendor's products. All support personnel will be highly trained in their specific fields including technical and mechanical operations, internet support and product information. Cost of the two commercial lots is estimated at $150,000 and cost of the building construction is estimated at $900,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The Jackson Family Limited Family Partnership
Location:	2120 E. Pythian Avenue Decatur, Illinois 62526 (Macon County)
Organization:	Illinois Limited Partnership
Ownership:	Mathew Jackson – 50%, Mark Jackson – 50%

PROFESSIONAL & FINANCIAL

Banker:	The John Warner Bank	Clinton	Lance White
Accountant:	Doehring, Winders & Co. LLP	Mattoon	
IFA Counsel:	Dykema Gossett PLLC	Chicago	Darrell Pierce
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	17 – Phil Hare
State Senate:	44 – Bill Brady
State House:	87 – Bill Mitchell

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 11, 2007

Project: **AVB Development, LLC**

STATISTICS

Project Number:	I-ID-TE-CD-7244	Amount:	$8,550,000 (not-to-exceed)
Type:	Industrial Revenue Bond	IFA Staff:	Steve Trout
Location:	Franklin Park	County:	Cook
SIC Code:	311821 Commercial Bakery	Region:	Northeast

BOARD ACTION

Preliminary Bond Resolution
Conduit Industrial Revenue Bonds
Staff recommends approval

No IFA funds at risk
No extraordinary conditions

PURPOSE

Bond proceeds, together with equity contributed by the Members, will be used to finance or reimburse costs incurred for: 1) the acquisition and renovation a 47,000 square-foot industrial building located at 11359 Franklin Ave in Franklin Park, 2) the acquisition and installation of machinery and equipment to produce donuts and other baked goods, and 3) legal and other professional 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

Subject to an allocation of 2008 Volume Cap. The Village of Franklin Park is not a Home Rule municipal so it has no Volume Cap to contribute to this project.

VOTING RECORD

Initial board consideration, no previous voting record.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IRB	$8,550,000	Uses:	Project Costs	$9,175,000
	Equity	1,000,000		Legal and Professional	$375,000
	Total	**$9,550,000**		**Total**	**$9,500,000**

Equity will be contributed by the Members.

JOBS

Current employment:	3	Projected new jobs:	52 (within 2 years)
Jobs retained:	3	Construction jobs:	20

BUSINESS SUMMARY

Description: MFM, Inc., ("MFM" "the Tenant" or "the Company") is an Illinois S-Corporation created in November 2006 to produce donuts and other baked goods. AVB Development, LLC ("AVB" or "the Borrower" is an Illinois limited liability corporation established to own and finance the real estate to be leased to MFM.

Background: MFM is a startup company founded by three successful owners and operators of Dunkin Donuts franchises to produce donuts and other baked goods for distribution to Dunkin Donut franchisees and other bakery retailers located in the Chicago metropolitan area. The experience of each founding member (collectively "the Members") is summarized below:

Amrit Patel – Mr. Patel is a pioneer in the Dunkin Donuts Franchisee system as the oldest Dunkin Donuts franchisee in the Chicago market. Since opening his first store in 1974, Mr. Patel's operations have expanded to over 25 Dunkin Donuts and Baskin Robbins combo facilities owned and operated. In addition, Mr. Patel is the Chairman of the board of Midwest Dunkin Donuts Distribution which currently has over 600 members and has an annual 10% growth.

Barkat Gillani – Mr. Gillani has been a franchisee in the Dunkin Donuts system for nearly 20 years. He runs some of the most profitable stores in the market and is a leader in the Dunkin Donuts Franchise system. He is on many local and national committees representing the Franchisees for the brand. Mr. Gillani is also a board member on the Midwest Dunkin Center, as well as, the Senior Vice President of the Midwest Donuts Distribution. He also holds the position of the Secretary of the National Distribution Center.

Vishal Shah – Mr. Shah joined the Dunkin Donuts Franchisee system in 1991. However, his involvement in the business is over 20 year span. He is the first of the second generation franchisee which allows him to bring in the fresh initiatives, as well as relying on his experience. Mr. Shah has held and currently holds positions on local and national committees. Like his two partners at MFM, Mr. Shah is also a Board member of the Midwest Dunkin Donuts Center.; In addition, he is a Board member of the National Distribution Center.

MFM's product offerings are expected to include: donuts, munchkins, muffins, fancies (cinnamon rolls, Bounties, apple fritters, etc.), bagels, cinnamon buns, cinnamon sticks and cookies.

Project Rationale: Dunkin Donuts has invested significantly in advertising, product line extensions and new locations to increase market share. This investment has attracted a number of new owner/operators and encouraged successful franchisees to build new facilities and acquire and upgrade existing ones.

Currently most franchisees produce their own donuts on site during the non-peak hours. The owners believe that by more fully automating and expanding the scale of production they will be able to offer Dunkin Donuts franchises baked goods at a much lower cost than a smaller operator can typically produce. They anticipate that a number of franchisees will be interested in purchasing baked goods from MFM to cut costs and streamline operations.

Timing: The Members are seeking the Authority's preliminary approval in December because they are seeking to retain the ability to reimburse themselves for project costs that have recently been incurred. Charter One has issued a commitment for its letter of credit. The Remarketing Agent and Developer, however, have not yet been selected. The Bonds are expected to be issued during the first quarter of 2008 or as soon as Volume Cap is available for the Project.

FINANCING SUMMARY

The Bonds: Industrial Revenue Bonds to be enhanced with a direct-pay letter of credit issued by Charter One.

Interest Rate: The Financial Advisor expects that the Bonds will be structured as Variable Rate Demand Notes (VRDNs) with interest reset every 7 days.

Swap: The Members have expressed an interest in obtaining a swap to fix their interest payment obligation. The Borrower recently received an offer for a swap to fix the "all-in" interest rates (including letter of credit and remarketing fees, etc.) of 5.2% for 10 years.

Amortization:	Approximately 25 years
Collateral:	1) A first mortgage in the subject real estate, 2) a perfected first security interest in the machinery and equipment financed, 3) an assignment of rents and leases, 4) MFM's corporate guarantee and 5) the Members' personal guarantees.
Rating:	The Financial Advisor does not expect to have the Bonds rated unless the Remarketing Agent requires a rating. The Bonds, if rated, would carry the rating for letters of credit issued by Charter One (RBS Citizens), which is currently rated AA-/A-1+ from Standard and Poor's.

PROJECT SUMMARY

Bond proceeds, together with equity contributed by the Members, will be used to finance or reimburse costs incurred for: 1) the acquisition and renovation a 47,000 square-foot industrial building located at 11359 Franklin in Franklin Park, 2) the acquisition and installation of machinery and equipment to produce donuts and other baked goods, and 3) legal and other professional costs. Project costs are estimated as follows:

Land and Building Acquisition	$1,450,000
Building Rehabilitation	4,000,000
Acquisition and Installation of Equipment:	
Donut Line	2,450,000
Cake Equipment	450,000
Sorting Line	425,000
Bakery Line	200,000
Donut Finishing	100,000
Warehousing and Storage	87,000
Utility	13,000
Total	$9,175,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	AVB Development, LLC, 6901 N. Lincoln - Lincolnwood, IL 60712 Contact: Vishal Shah 773/545-5563
Project Location:	11359 Franklin Ave– Franklin Park, (Cook County) IL 60131
The Borrower:	Illinois Limited Liability Corporation
The Tenant:	Illinois S-Corporation
Ownership:	Borrower and the Tenant:

Vishal Shah	Glenview	33%
Barkat Gillani	Riverwood	33%
Amrit Patel	Northbrook	33%

PROFESSIONAL & FINANCIAL

General Counsel:	Marcus, Boxerman & Chatman	Chicago	Ira Marcus
Financial Advisor:	Total Capital Solutions	Oak Park	Tony Grant
LOC Provider:	Charter One Bank	Chicago	Nancy Spencer
Bond Counsel:	Greenberg Traurig	Chicago	Matt Lewin
Bond Underwriter	To Be Determined		
Accountant:	Pradip Patel Co. Ltd	Schaumburg	Pradip Patel
Issuer Counsel:	Charity and Associates	Chicago	Elvin E. Charity
IFA Financial Advisor:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

US Congress	5th Rahm Emanuel
IL Senate	39th Don Harmon
IL House	77th Angelo "Skip" Saviano

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 11, 2007

Project: **Labriola, Inc., d/b/a Labriola Baking Company and an LLC to be formed**

STATISTICS

Deal Number:	I-ID-TE-CD-7242	Amount:	$10,000,000
Type:	Industrial Revenue Bonds	IFA Staff:	Sharnell Curtis Martin
Location:	Alsip	SIC Code:	2051 (Commercial Bakeries)
State Region:	Northeast	County:	Cook

BOARD ACTION

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

PURPOSE

Bond proceeds will be used to finance the acquisition of land, construction, acquisition of 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 borrower is communicating with the Village of Alsip to acquire their 2008 Home-Rule Volume Cap and transfer that Volume Cap to the IFA to support the project. The Company will be seeking the remaining Volume Cap from the IFA.

The IFA reserves the right to withdraw any preliminary resolution approved and any proposed volume cap allocation subject to the acceptance of a satisfactory financing commitment from an eligible financial institution. All material financing terms will be fully disclosed prior to the approval of any IFA final bond resolution and the allocation of any volume cap from the State of Illinois.

VOTING RECORD

Initial board consideration, no previous voting record.

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$10,000,000	Uses:	Project Costs	$13,500,000
	Glaucon Capital Partners	3,500,000		Bond Issuance Costs	300,000
	Equity	300,000			
	Total Sources	$13,800,000		Total Uses	$13,800,000

The source of equity is from internally generated funds. Glaucon Capital Partners is providing mezzanine financing subordinated to the bond issue.

JOBS

Current employment:	248	Projected new jobs:	25
Jobs retained:	248	Construction jobs:	80

BUSINESS SUMMARY

Background: Labriola Inc. ("Labriola" or the "Company") d/b/a Labriola Baking Company and a Limited Liability Company to be formed was established in 1993 Richard Labriola. Mr. Labriola manages the day-to-day operations of the Company. The bonds will be issued on behalf of a limited liability company to be formed and the facility and equipment will be leased to the Company while owned by the LLC.

Description: The Company produces a variety of artisan breads and pastries that are sold to consumers and wholesalers in the greater Chicagoland area and Northwest Indiana. Consumer customers can purchase a variety of bread products in more than 50 retail grocers. Wholesalers can purchase breads including ciabatta, raisin sunflower, potato rosemary, county olive, brioche, pretzel and french baguettes. Pastries include a variety of cookies, muffins, cakes, coffee cakes, danish, tea breads and donuts.

Labriola's major customers include: Trader Joes, Vermont Bread, Lettuce Entertain You Group, Whole Foods and Levy Restaurant Group.

Remarks: The borrower has been leasing its present facility since 1998. This 65,000 square foot facility does not accommodate the planned expansion of the Company. The new facility will be owned by Labriola, Inc and an LLC to be formed. In addition to the current product offerings, Labriola will begin producing par-baked frozen bread products to be sold in the Midwest. Also, the Company will open a retail café/catering operation in April 2008; the Labriola Café will be located in Oak Brook and be similar to a Panera Bread operation.

The new Alsip project consists of the acquisition of approximately 8.5 acres of land located in the vicinity of 127th Street and Pulaski Road in Alsip, Illinois, the construction of a 100,000 square foot manufacturing facility, the acquisition of new machinery and equipment for use therein and to pay certain bond issuance costs.

This project is being considered a retention project as a result of an incentive proposal for real estate being offered by the Village of Hobart in Indiana.

FINANCING SUMMARY

Security: To Be Determined
Structure: To Be Determined
Maturity: To Be Determined
Bank Collateral: First Mortgage on subject real estate, blanket lien on subject machinery and equipment.
Credit Rating: Once the structure has been determined the information regarding the security provider will be made available.

Labriola has had preliminary conversations with First Midwest Bank to purchase the bonds to be held as an investment. No financing commitment has been finalized to date.

PROJECT SUMMARY

Bond proceeds will be used to acquire approximately 8.5 acres of land at or near the intersection of 127th Street and Pulaski Road in Alsip, Illinois (Cook County), the construction of a 100,000 square foot manufacturing facility, the acquisition of new machinery and equipment for use therein and to pay certain bond issuance costs. Project costs are estimated as follows:

Land	$1,000,000
Construction	5,000,000
Machinery and Equipment	7,500,000
Total Project Costs	$13,500,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Labriola, Inc. d/b/a Labriola Baking Company and an LLC to be formed 5324 W. 123rd Place Alsip, IL 60803 Terry Dempsey, Vice President of Finance
Project name:	Labriola Baking Company New Facility
Location:	At or Near 127th Street and Pulaski Road
Organization:	Corporation and an LLC to be formed
State:	Illinois
Ownership:	Richard Labriola - 100%
Land Sellers:	To Be Determined

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Fox Heffner Swibel Lern & Carroll	Chicago	Michael Fox
Accountant:	Mulcahy Pauritsch & Salvador & Co.	Orland Park	Phil Salvador
Bond Counsel:	Ice Miller	Chicago	James Snyder
LOC Bank:	To Be Determined		
Underwriter:	To Be Determined		
Underwriter's Counsel:	To Be Determined		
Financial Advisor:	Total Capital Solutions	Oak Park	Tony Grant
Issuer's Counsel:	Pugh Jones Johnson and Quandt	Chicago	Scott Bremer
Trustee:	To Be Determined		
IFA Financial Advisor:	D. A. Davidson	Chicago	Bill Morris
	Scott Balice Strategies	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	Information Forthcoming
State Senate:	Information Forthcoming
State House:	Information Forthcoming

The proposed location has not been assigned a street address by the Village of Alsip. Once an address has been assigned; legislative district information will be identified.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 11, 2007

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

STATISTICS

Deal Number:	I-ID-TE-CD-7246	Amount:	$4,600,000
Type:	Industrial Revenue Bonds	IFA Staff:	Sharnell Curtis Martin
Location:	Roselle	SIC Code:	3310 (Metal Fabricating)
State Region:	Northeast	County:	DuPage

BOARD ACTION

Preliminary Bond Resolution
Conduit Industrial Revenue Bonds
No IFA Funds at risk

Staff recommends approval
No extraordinary conditions

PURPOSE

Bond proceeds will be used to finance 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 Company will be seeking $4.6 million in 2008 IFA Volume Cap. The Village of Roselle is a Non Home Rule Community, and as a result, does not receive an allocation of Volume Cap.

The IFA reserves the right to withdraw any preliminary resolution approved and any proposed volume cap allocation subject to the acceptance of a satisfactory financing commitment from an eligible financial institution. All material financing terms will be fully disclosed prior to the approval of any IFA final bond resolution and the allocation of any volume cap from the State of Illinois.

VOTING RECORD

Initial board consideration, no previous voting record.

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$4,600,000	Uses:	Project Costs	$4,500,000
				Bond Issuance Costs	100,000
	Total Sources	$4,600,000		Total Uses	$4,600,000

JOBS

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

BUSINESS SUMMARY

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

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

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

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

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

FINANCING SUMMARY

Security: To Be Determined
Structure: To Be Determined
Maturity: To Be Determined
Credit Rating: The transaction will bear the credit rating of the credit enhancement provider to be determined.

The Company is currently negotiating with GE Capital, 5/3 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 of 2.75 acres of land and construction of a 16,500 square foot manufacturing facility located at 325 W. Central in Roselle, IL (DuPage County) the acquisition of new equipment for use therein and to pay certain bond issuance costs. Project costs are estimated as follows:

Construction	$2,000,000
Machinery and Equipment	2,000,000
Land	500,000
Total Project Costs	$4,500,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: Genesis, Inc. And Shamrock Hill Farms Western Properties, LLC
301 W. Central Avenue, Roselle, IL 60172 (DuPage County)
Mr. William Stringfellow, Chief Executive Officer
Project name: Genesis Inc. Expansion
Location: 325 W. Central Avenue
Roselle, IL 60172 (DuPage County)
Organization: Corporation and Limited Liability Corporation
State: Illinois

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

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

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

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Clingen Callow Wolfe & McClean	Wheaton	Mary Callow
Accountant:	Baerson, Witonski, Patel, Ruben	Northbrook	Charles Baerson
Bond Counsel:	To Be Determined		
LOC Bank:	To Be Determined		
Underwriter:	To Be Determined		
Underwriter's Counsel:	To Be Determined		
Issuer's Counsel:	Charity and Associates	Chicago	Alan Bell
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:	21 – Dan Cronin
State House:	42 – Sandra Pihos

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 11, 2007

Project: **Crown Metal Manufacturing Co., Inc., an Illinois Corporation, and (ii) Chicago Title Land Trust Company, known as Trustee under the provisions of that certain Trust Agreement dated January 4, 1991 and known as Trust Number CT01008499 for the benefit of Varon 2002, LLC**

STATISTICS

Project Number:	I-ID-TE-CD-7223	Amount:	$3,500,000 (not to exceed)
Type:	Industrial Revenue Bond	IFA Staff:	Townsend Albright
Location:	Elmhurst (DuPage County)	Region:	Northeast

BOARD ACTION

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

PURPOSE

Proceeds will be used to (i) to construct and equip an addition to the Applicant's existing manufacturing facility, (ii) purchase fixtures and equipment, 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 an allocation of Volume Cap. The City of Elmhurst was approached as to contributing Volume Cap for this project, but has no remaining 2007 Volume Cap available to support this project.

VOTING RECORD

Preliminary Bond Resolution, November 13, 2007;

Ayes: 10, Nays: 0 Abstentions: 0 Absent: 5 (Fuentes, O'Brien, Rice, Talbott, Verrett) Vacancy: 0

SOURCES AND USES OF FUNDS

Source:	IFA Bonds	$3,425,00*	Uses:	Project Costs	$3,275,000
				Legal and professional costs	150,000
	Total	$3,425,000	Total		$3,425,000

* Up to a maximum of $3,500,000 IFA 2004 Volume Cap will be used for this project.

JOBS

Current employment:	90	Projected new jobs:	12
Jobs retained:	N/A	Construction jobs:	45 (5 months)

BUSINESS SUMMARY

Background: Crown Metal Manufacturing Co., Inc., an Illinois Corporation, and (ii) Chicago Title Land Trust Company, known as Trustee under the provisions of that certain Trust Agreement dated January 4, 1991 and known as Trust Number CT01008499 are the Co-Applicants. Crown Metal Manufacturing Company ("Crown") is an Illinois C corporation that was formed in 1948 as a tool and die company. Crown established a product line of store fixtures including racks, displays and customized hardware for store fixtures and began to sell directly to the pioneer discounters in the retail industry. As Crown expanded, it developed a broad line of store fixtures and custom work, and a job shop for fixture systems, and now sells to a complete cross-section of retailers nationwide and abroad. In house manufacturing capabilities include stamping, roll forming, laser cutting, riveting and assembling, and custom packaging. Major accounts include Sears, Kmart, the GAP, Talbot's, The Limited, and Kohls. Crown has a 10,000 sq. ft. west coast warehousing facility located in Rancho Cucamonga, California.

The current dollar volume of the store fixture market is estimated at approximately $500 million annually. Crown estimates it currently has approximately a 3.0% share of that market. Varon 2002, LLC is the sole land trust beneficiary. Elsie Varon is the 100.0% shareholder of Crown.

Description: Proceeds of the proposed financing will be used to construct and equip an approximately 35,000 sq. ft. facility which will include office space, and short-term storage and manufacturing areas, as an expansion of Crown's 134,000 sq. ft. existing facility which is located in Elmhurst, Illinois. Bond proceeds will also be used to fund professional and bond issuance costs. The Trust already owns the land.

Remarks: The construction and equipping of the new state of the art facility will keep Crown competitive in the retrial store fixture industry, and be able to take advantage of industry trends. One such trend is the demand for much larger store fixtures for mega-retail stores such as Target and Wallmart. The expanded space will allow Crown to cease outsourcing manufacturing processes due to lack of adequate space. Additionally, tax-exempt financing will lower the cost of capital for Crown.

FINANCING SUMMARY

Structure:	Fixed rate bonds to be held to maturity as an investment by MB Financial bank, Rosemont, Illinois in accordance with IFA policies.
Collateral:	First Mortgage on the property, and corporate guarantee of the Applicants.
Rating:	Non-rated
Maturity:	25 years

PROJECT SUMMARY

Proceeds will be used to (i) construct an approximately 35,000 sq.ft. addition to the Applicant's existing 134,000 sq. ft. facility which is located at 765 South Route 83, Elmhurst, DuPage County, Illinois, (ii) renovate the Applicant's existing facility, (iii) purchase racking and lift equipment, and (iv) fund legal and professional costs.

Project Costs:	Building/renovation	$2,500,000
	Equipment/fixtures	700,000
	Arch/Eng	75,000
	Total	$3,275,000

ECONOMIC DISCLOSURE STATEMENT

Applicants:	Crown Metal Manufacturing Co., Inc., an Illinois Corporation, and (ii) Chicago Title Land Trust Company, known as Trustee under the provisions of that certain Trust Agreement dated January 4, 1991 and known as Trust Number CT01008499 for the benefit of Varon 2002, LLC
Project Name:	Facility expansion and Renovation Projects
Project Location:	765 South Route 83, Elmhurst, DuPage County, Illinois
Land Owner:	Varon 2002, LLC
Shareholder Ownership:	Elsie Varon 100.0%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Levenfeld Pearlstein	Chicago, IL	Don Glassberg
Project Counsel:	Law Offices of Kevin Cahill	Chicago, IL	Kevin Cahill
Accountant:	M. J. Goldman & Associates, Ltd.	Glenview, IL	Martin Goldman
Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Matthew Lewin
Underwriter/ Purchasing Bank:	MB Financial bank.	Rosemont, IL	Mark Heckler
Counsel to Bank:	Burke, Burns & Pinelli, LTD.	Chicago, IL	Mary Ann Murray
Trustee:	MB Financial bank.	Rosemont, IL	
Issuer's Counsel:	Greene and Letts	Chicago, IL	Allen P. Walker
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	06	Peter J. Roskam
State Senate:	21	Dan Cronin
State House:	41	Robert A. "Bob" Biggins

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 11, 2007

Project: **Chicago Gear – D. O. James Corporation**

STATISTICS

IFA Project:	I-ID-TE-CD-7109	Amount:	$5,300,000 (not-to-exceed amount)
Type:	Industrial Revenue Bond	IFA Staff:	Rich Frampton
Location:	Chicago	County/ Region:	Cook County/Northeast

BOARD ACTION

Final Bond Resolution
Conduit Industrial Revenue Bonds
Staff recommends approval

No IFA funds at risk
No extraordinary conditions

PURPOSE

Acquisition of land, renovation of existing facilities, and construction of a building addition, and the purchase of machinery and equipment to expand the operations of Chicago Gear, which has been designing and manufacturing industrial gears and gearboxes at the same location since approximately 1920.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

Issuance of the Bonds will require an allocation of $5.3 million of Volume Cap to be provided by the Governor's Office of Management and Budget.

The project site is located in the following designated development districts: (1) the City of Chicago's Kinzie Industrial Corridor, (2) the City of Chicago's West Side Empowerment Zone, and (3) City of Chicago Enterprise Zone #4.

VOTING RECORD

Preliminary Bond Resolution - May 8, 2007:

Ayes: 11 Nays: 0 Abstentions: 0 Absent: 3 (DeNard, Fuentes, Zeller)

Vacancies: 1

SOURCES AND USES OF FUNDS

Sources:	IRB	$5,300,000	Uses:	Project Cost	$5,256,000
	Equity	96,000		Issuance Costs	140,000
	Total	**$5,396,000**		**Total**	**$5,396,000**

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

JOBS

Current employment:	110	Projected new jobs:	15 (within 2 years)
Jobs retained:	110	Construction jobs:	25 (average over 7 months)

BUSINESS SUMMARY

Description: Chicago Gear – D. O. James Corporation, ("Chicago Gear" or the "Company") is an Illinois S Corporation that was formed in 1985 pursuant to a management buyout by Mr. Wayne Wellman, CEO, and Mr. Frank Romans, President. Prior to 1985, Chicago Gear was an operating subsidiary of the Ex-Cell-O Corporation. Predecessors of Chicago Gear date to 1888.

The Economic Disclosure Section of this report provides a listing of all shareholders with a 7.5% or greater ownership interest in Chicago Gear (see p. 3).

Background: Chicago Gear is a full service gear and gearbox manufacturer. Chicago Gear is a custom engineering and design shop that works with customers to develop solutions. Additionally, Chicago gear also provides job site service calls and gearbox rebuilding/upgrading.

As a job shop, Chicago Gear serves a variety of industries including energy, defense, and replacement parts for industrial machinery and equipment. Chicago Gear also designs and assembles gearboxes used in heavy duty applications, including drawbridges and locks and dams. The Company's gearboxes are used as components in the Panama Canal. Chicago Gear also has developed offshore production relationships with companies in South Korea and Taiwan for fabrication and assembly of certain gears and gearboxes.

Since its spin-off as an independent company, Chicago Gear has acquired several competitors with complimentary product lines. These acquisitions have increasingly diversified the Company's customer base.

Chicago Gear has a diversified customer base with 350 active accounts in a variety of industries including the gas and oil drilling/production; mining, defense; and aerospace. In addition to producing parts for OEM's, Chicago Gear has become a primary source of replacement gears and parts for a variety of heavy machinery manufacturers including John Deere & Company. The Company's ability to fabricate small orders economically and assure quick delivery enables Chicago Gear to make higher margin sales than large commodity-based runs of new production parts (which have been displaced by offshore manufacturers).

The proposed project will enable Chicago Gear to expand its operations, upgrade its high tolerance milling and machining equipment, and provide room for additional expansion. The project will also demolish a blighted adjacent property. *This project will enable Chicago Gear to remain in the same location where it has operated since approximately 1920.*

FINANCING SUMMARY

Bondholder Security: Bonds will be secured by a Direct Pay Letter of Credit from Fifth Third Bank (Ohio). Fifth Third's long-term debt is currently rated Aa2 (Stable at 7/10/2006)/AA- (Stable at 6/21/1996)/AA- (Stable at 5/7/2007) by Moody's/S&P/Fitch. Fifth Third's short-term ratings are VMIG-1/A-1+/F1+ from Moody's/S&P/Fitch (as of 11/26/2007).

Structure: Bonds will be underwritten by Fifth Third Securities, Inc., and sold as 7-day variable rate demand bonds.

Interest Rate: 7-day variable rate demand bonds. The most current average weekly interest rate on 7-day variable rate demand bonds was approximately 3.70% (excluding the Bank LOC Fee and other ongoing fees) as of 11/21/2007.

Amortization: 25 Years on real estate; 10 years on equipment (estimated)

LOC Bank Security:	Fifth Third Bank will be secured by a blanket first mortgage on the subject property. Additionally, Fifth Third Bank has a blanket first security interest in all accounts receivable, inventory, and equipment that is cross-collateralized with the Bank's Line of Credit. Fifth Third cross-collateralizes all of Chicago Gear's long-term and short-term loans and credit facilities.

PROJECT SUMMARY

Bond proceeds will be used to finance (1) the construction of a 10,000 SF addition to, and the renovation and equipping of, Chicago Gear – D.O. James Corporation's existing manufacturing facility located at 2823 W. Fulton Street, Chicago, Illinois 60612 and the improvement of its adjacent properties located at 2841 and 2843 W. Fulton Street and 2842-2900 W. Walnut Street, and the acquisition and improvement of the properties located at 2855 W. Fulton Street and 255 and 259 N. Francisco (all to be used as surface parking lots for the manufacturing facility) and all located in Chicago, Illinois; and (2) to pay all or a portion of the costs of issuance (collectively, these capital expenditures and costs will comprise the "Project"). The Project will be used by Chicago Gear – D. O. James Corporation to manufacture industrial gears and to assemble industrial gearboxes.

Estimated project costs are as follows:

Land Acquisition, Demolition/New Construction/ Renovation/Parking Lot/Site Improvements	$950,000
Renovations	46,000
Equipment	4,260,000
Total	**$5,256,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Chicago Gear – D. O. James Corporation (Contact: Mr. Danny Lyons, Vice President – Finance, 2823 W. Fulton St., Chicago, IL 60612-1705; Ph.: 773-638-0508 (x37); Fax: 773-638-7161; e-mail: dlyons@cgdoj.com)
Web site:	www.chicagogear-dojames.com
Project name:	Chicago Gear – D. O. James Corporation.
Locations:	2823 W. Fulton St., 2841 W. Fulton St., 2843 W. Fulton St., 2855 W. Fulton Street and 255 and 259 N. Francisco St., Chicago, IL
Organization:	**Chicago Gear – D. O. James Corporation.** Illinois S Corporation
Ownership:	Shareholders with a 7.5% or greater ownership interest in Chicago Gear – D. O. James Corporation include the following: Wayne Wellman, CEO, Naperville, IL: 59.7% Frank Romans, President, Clarendon Hills, IL: 14.5% Chris Wellman, 8.2% Jeff Wellman, 8.2%

PROFESSIONAL & FINANCIAL

General Counsel:	Kelly, Olson, Michod, DeHaan & Richter	Chicago, IL	Mark Costa
Auditor:	DiGiovanni, McLaren & Associates, P.C.	Worth, IL	
Bond Counsel:	Dykema Gossett PLLC	Chicago, IL	Walter Deitch
LOC Bank:	Fifth Third Bank	Aurora, IL Cincinnati, OH	Doug Brashler Peter Mack
LOC Bank Counsel:	Ice Miller, LLP	Lisle, IL	David Hight
Special Counsel to LOC Provider:	Graydon Head & Ritches LLP	Cincinnati, OH	Jeffrey Rohr
Underwriter/ Remarketing Agent:	Fifth Third Securities, Inc.	Chicago, IL	Doug DeAngelis, Johanna Schisler

Underwriter's Counsel:	Dykema Gossett PLLC	Chicago, IL	Walter Deitch
General Contractor:	American Building of Chicago	Chicago, IL	William O'Donnell
Trustee/Fiscal Agent:	The Bank of New York	Chicago, IL	Mietka Collins
Trustee's Counsel:	The Bank of New York	Chicago, IL	John Prendiville
Architect:	2MB Design Studio	Des Plaines, IL	Voightec Bialy
IFA Counsel:	Greenburg Traurig LLP	Chicago, IL	Mark McCombs
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	7	Danny K. Davis
State Senate:	5	Ricky R. Hendon
State House:	10	Annazette R. Collins

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 11, 2007

Project: **The Jel Sert Company**

STATISTICS

Project Number:	I-ID-TE-CD-7151	Amount:	$10,000,000 (not-to-exceed)
Type:	Industrial Revenue Bond	IFA Staff:	Steve Trout
Location:	West Chicago	Region/ County:	DuPage County-Northeast

BOARD ACTION

Final Bond Resolution	No IFA funds at risk
Conduit Industrial Revenue Bonds	No extraordinary conditions
Staff recommends approval	SIC Code:

PURPOSE

To finance new manufacturing equipment to be installed at the company's manufacturing plant in West Chicago.

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.

IFA PROGRAM AND CONTRIBUTION

The Village of West Chicago has no remaining 2007 Volume Cap available to support the Project. Issuance of the Bonds is subject to an allocation of Volume Cap.

VOTING RECORD

The IFA Board gave adopted a preliminary resolution for this project on July 9, 2007 by the following vote:

Ayes: 11 Nays: 0 Abstentions: 0 Absent: 3 (DeNard; Fuentes; Zeller) Vacancies: 1

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IRB	$10,000,000	Uses:	Project Costs	$10,000,000
	Equity	115,000		Legal & Professional	115,000
	Total	**$10,115,000**		**Total**	**$10,115,000**

JOBS

Current employment:	1,000	Projected new jobs:	300
Jobs retained:	1,000	Construction jobs:	0

BUSINESS SUMMARY

Description:	Jel Sert was founded in 1926 and has been under the control of the Wegner family since its inception. Jel Sert is a manufacturer of gelatin desserts, powdered drink mixes, flavored ices, fruit drinks, pudding mixes, baking powder/products, and healthcare products. Brand names include: Wyler's, Flavor Ice, Otter Pops, Royal (gelatin and pudding), Mondo, Royal, Davis, and Flavor Ade. Jel Sert's healthcare products include Pedialyte freezer pops manufactured for Abbot Labs. The company has grown internally and through acquisition. The company acquired the Wyler's brand from Lipton in 1994 and the leading Jello brand. Jel Sert is the world's leading producer of freezer pops under its Otter Pops, Pop Ice and Flavor Ice brands. Jel Sert is second to Kraft in the pudding, gelatin and juice drinks lines. Jel Sert sells its products to grocery chains and discount stores.
Project Rationale:	Jel Sert's investment in additional equipment lines is necessitated by increased customer demand, and its current lack of available capacity. The company's current customer base, which includes retail chains, such as Wal-mart and Walgreens, have indicated their intent to purchase more of Jel Sert's products.

FINANCING SUMMARY

The Bonds:	Industrial Revenue Bonds to be purchased by GE Capital
Interest Rate:	4.8% fixed
Amortization:	84 months (7 years)
Collateral:	A perfected first security interest in the equipment financed.
Rating:	No credit rating will be sought, as GE Capital intends to hold these bonds as investments until maturity.

PROJECT SUMMARY

Bond proceeds will be used for the (1) eight Unistraw lines for a new product line, and (2) 4 stick pack filler lines for their Wyler's Single Serve lines. Project costs are estimated at $10,000,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The Jel Sert Company, Highway 59 and Conde Street, PO Box 261, West Chicago, IL 60186-0261
Project Location:	Highway 59 and Conde Street, West Chicago, IL 60186-0261
Organization:	Corporation

PROFESSIONAL & FINANCIAL

Bond Counsel:	Jones Day	Chicago	Rich Tomei, Bob Capizzi
General Counsel:			Marshall Eisenberg
Bond Purchaser:	GE Capital Public Finance	Oak Brook	Brian Riordan
IFA Counsel:	Greenberg Traurig	Chicago	Mark McComb
Accountant:	McGladrey & Pullen	Chicago	Pete Mulvey
IFA Financial Advisor:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

US Congress	14th J. Dennis Hastert
IL House	95th Mike Fortner
IL Senate	48th Randall M. Hultgren

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 11, 2007

Project: **Lively Grove Energy Partners, LLC**

STATISTICS

Project Number:	P-SW-TE-CD-7222	IFA Staff:	Steven Trout
Type:	Solid Waste Disposal Facilities Bond	Amount:	$13,333,333 (not to exceed)
Location:	Lively Grove Township (Washington County, Southwestern Region)		
SIC Code:	22112: Fossil Fuel Electric Power Generation		

BOARD ACTION

Preliminary Bond Resolution
Conduit Tax-Exempt Solid Waste Disposal Facilities Revenue Bonds
No IFA or State funds at risk
Staff recommends approval

PURPOSE

Bond proceeds, together with equity contributed by the Borrower's parent, will be used to finance and reimburse Lively Grove Energy Partners, LLC 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	$41,491,000	Uses:	Project Costs	$185,568,000
	Equity	205,067,000		Debt Service Reserve	2,850,000
				Interest During Construction	57,000,000
				Bond Issuance Costs:	1,140,000
	Total	$246,558,000		Total	$246,558,000

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 Borrower's parent, Peabody Energy Corporation plans to contribute equity to finance the balance of Lively Grove's share of project costs. The contribution will be made from cash on hand and, if required, from Peabody's revolving credit facilities.

JOBS

Current employment:	0	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 (Lively Grove, and two rural electric power cooperatives, Prairie Power, Inc. and Southern Illinois Power Cooperative) to avoid double-counting.

BUSINESS SUMMARY

Description: Lively Grove Energy Partners, LLC ("Lively Grove") is Delaware Limited Liability Company that was established in May 2007 to own a portion of the Prairie State Energy Campus Project ("Prairie State", "the Plant" or "the Project"). Lively Grove is 100% owned by Peabody Electricity, LLC, a Limited Liability Company that was established to develop the Project. Peabody Electricity, LLC is 100% owned by Peabody Energy Corporation, a Delaware corporation that is headquartered in St. Louis and is listed on the New York Stock Exchange (ticker: btu). Management noted that in the Corporation's Form 10-K filing with the SEC that Peabody Energy is the world's largest private sector coal company, with 2006 sales of $5.3 billion and 247.6 million tons of coal to over 400 electricity generating and industrial plants in 20 countries.

Parent Support: Peabody Energy Corporation is planning to guarantee payment on the Bonds as well as contribute equity to fund the balance of Lively Grove Energy Partners, LLC's share of costs for the Project. Peabody Energy Corporation currently had ratings of BB/Stable from Standard & Poor's Corporation and BB+/Stable from Fitch IBCA.

Management: *Colin Kelly*, President, Lively Grove Energy Partners, LLC, has many years of power plant development experience. From 1998 to 2001, he served as Vice President, Business Development for ExxonMobil Corporation, where he was responsible for the development of co-generation and independent public power projects in Europe, and central Asia. In addition, Colin negotiated a joint development agreement between Enel and ExxonMobil. He also served as VP of Engineering/Construction for two co-gen/desalination projects in Saudi Arabia totaling over $4 billion. Prior to that position, Colin was a Director in Business Development from 1996-1998, where he was responsible for co-gen and IPP business development in Europe and Central Asia. Prior to ExxonMobil, Mr. Kelly worked in various positions at Edison Mission Energy. From 1995-1996, Colin was an Executive Director. His primary responsibility was managing the operations of a coal waste project. He also served as a Project Manager from 1992-1995, where he managed a 1200 MW coal project, a 360MW coal project, 240MW CCGT, 160MW IGCC and an 80MW coal waste project. Colin also was a Project Engineer for the latter 80 MW coal waste project from 1990-1992.

Rick Bowen, President of Peabody Energy's Generation and BTU Conversion group and Vice President of Lively Grove Energy Partners, LLC, has extensive senior management experience in the energy and power industries. Prior to joining Peabody Energy, Rick worked for Dynegy Inc., and its predecessor, Destec Energy in a number of Vice President and Senior Vice President positions. His responsibilities included the development of 9 new gas power facilities ranging in size from 300 to 900 MW (totaling 4,000 MW with a budget over $1.5 billion), the acquisition of 6 gas fired power facilities totaling over 1,800 MW worth $470 million, and the acquisition of 3,000 MW of coal and fuel oil fired plants worth approximately $900 million.

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 million tons per year (MTY) 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: Peabody Energy has been active in promoting the Project and its benefits for many years. Peabody Energy officials believe that Prairie State enjoys widespread community support in Southern Illinois, based on the Project's ability to generate low-cost electricity, create economic progress and protect the environment. They site surveys conducted that indicate more than 80 percent of local residents who consider themselves environmentalists support the project.

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.

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 in Illinois. PPI's distribution cooperatives provide retail electric service to 78,349 consumers within their local service territories. PPI is one of more than 60 generation and transmission (G&T) cooperatives that supply wholesale electric power to rural utilities in the United States. 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.

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 1,200,000 tons of Illinois coal per year. The project will boost SIPC's consumption of Illinois coal by 30 to 40 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 2,300 workers at peak construction in the second half of 2009. The Project will also inject more than $2.2 billion into the regional economy and $3.75 billion into the state economy during development and operations. 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. Lively Grove would like to finance its share of qualifying Project costs with the Bonds, which it hopes to close during the first half of 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 1,000 MW 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 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 million to improve road throughout Washington County. Marigold Road is being rerouted around 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 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: Lively Grove Energy Partners, LLC

Payment Source: Primary: Cashflows generated by the Project
Secondary: Payment under the guarantee offered by Peabody Energy Corporation.

The Bonds: Solid Waste Disposal Facilities Revenue Bonds. Depending market conditions, the Bonds may be enhanced with a Direct-Pay Letter of Credit from a commercial bank or insured by a municipal bond insurer.

Collateral: Lively Grove's share in the Project and a corporate guarantee from the Borrower's parent, Peabody Energy Corporation.

Credit Rating: Neither Lively Grove Energy Partners nor its owner, Peabody Energy, LLC, has a credit rating. The guarantor, Peabody Energy Corporation has a credit rating of BB/Stable from Standard & Poor's Corporation and BB+/Stable from Fitch/IBCA.

Maturity: Expected to be 20 to 30 years

PROJECT SUMMARY

Bond proceeds, together with equity contributed by the Borrower's parent, will be used to finance and reimburse Lively Grove Energy Partners, LLC 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 (currently estimated at 5.06%) 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		Lively Grove's Share	
Cost	Project Costs	Costs Qualified for SWDBs	Total Project Costs (5.06% of Total)	Bondable Costs
EPC System Cost	1,702,176	244,377	86,130	12,365
EPC Plant & Shared Facilities Cost	493,224	70,811	24,957	3,583
EPC Indirect Costs	704,600	101,157	35,653	5,119
Owner Costs (included land)	705,600	101,301	35,703	5,126
Auxiliary Power	61,759	61,759	3,125	3,125
Total	3,667,359	579,405	185,568	29,318
Interest During Construction			57,000	8,183
Issuance Costs			1,140	1,140
Debt Service Reserve			2,850	2,850
Total			246,558	41,491

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: Lively Grove Energy Partners, LLC, 701 Market Street, St. Louis MO, 63101-1826. Contact: Walter Hawkins, Vice President and Treasurer, (314) 342-7510.

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: Lively Grove Energy Partners, a Delaware Limited Liability Company. Lively Grove is 100% owned by Peabody Energy, LLC, another Delaware Limited Liability Company. Peabody Energy, LLC, is 100% owned by Peabody Energy Corporation.

The Guarantor: Peabody Energy Corporation, a Delaware corporation, the shares of which are traded on the New York Stock Exchange.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Peabody Energy Corporation	St. Louis, MO	Jeff Klinger
Accountant:	Ernst & Young	St. Louis, MO	
Bond Counsel:	Chapman and Cutler	Chicago	Bob Ollis
Bond Underwriter:	Lehman Brothers	Chicago	
Underwriter's Counsel:	To be determined		
IFA Advisor:	DA Davidson	Chicago	Bill Morris
	Scott BaliceChicago	Chicago	Lois Scott
Issuer's Counsel:	The Office of Cahill	Chicago	Kevin Cahill

LEGISLATIVE DISTRICTS

Congressional:	19 US Representative John Shimkus
State Senate:	58 Senator David Luechtefeld
State House:	116 Representative Dan Reitz

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 11, 2007

Project: **Prairie Power, Inc.**

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
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, III. 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:

Cost	Total Project Costs	Costs Qualified for SWDBs	Prarie Power's Share 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

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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

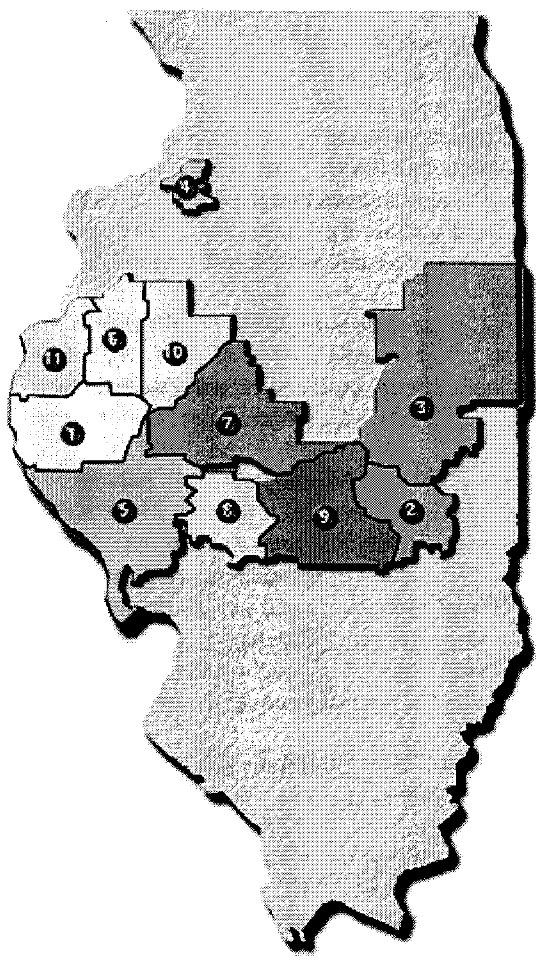
Borrower's Counsel:	Rammelkamp Bradney, PC	Jacksonville	Forrest Keaton
Accountant:	BKD LLP	Decatur	Troy Swinford
Bond Counsel:	Chapman and Cutler	Chicago	Bob Ollis
Bond Underwriter:	To be determind		
Underwriter's Counsel:	To be determined		
IFA Advisor:	DA Davidson	Chicago	Bill Morris
	Scott Balice	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



ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 11, 2007

Project: **Southern Illinois Power Cooperative**

STATISTICS

Project Number:	P-SW-TE-CD-7225	IFA Staff:	Steven Trout
Type:	Solid Waste Disposal Facilities Bond	Amount:	$13,333,333 (not to exceed)
Location:	Lively Grove Township (Washington County, Southwestern Region)		
SIC Code:	22112: Fossil Fuel Electric Power Generation		

BOARD ACTION

Preliminary Bond Resolution
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 proceeds, will be used to finance and reimburse Southern Illinois Power Cooperative 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, 4) capitalize a debt service reserve fund and 5) pay associated 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	$56,811,650	Uses:	Project Costs	$289,721,000
	Other Debt	287,626,000		Debt Service Reserve	2,654,750
				Interest During Construction	51,000,000
				Bond Issuance Costs:	1,061,900
	Total	$344,437,650		Total	$344,437,650

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.

JOBS

Current employment:	0	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 (Southern Illinois Power Cooperative, Lively Grove, an affiliate of Peabody Energy and two rural electric power cooperatives, and Prairie Power, Inc.) to avoid double-counting.

BUSINESS SUMMARY

Description: **Southern Illinois Power Cooperative** ("SIPC") is an electric power generation and transmission cooperative that serves member distribution cooperatives and several municipalities in Southern Illinois. It is owned by its 6 member cooperatives: Clinton County Cooperative, Egyptian Electric Cooperative, Monroe County Electric Cooperative, Southeastern Illinois Electric Cooperative, Southern Illinois Electric Cooperative and Tri-County Electric Cooperative. Its members serve approximately 80,000 customers consisting of businesses, other institutions and residences in the following counties: Madison, Clinton, St. Clair, Washington, Jefferson, Randolph, Perry, Jackson, Williamson, Saline, Gallatin, Hardin, Pope, Johnson, Union, Alexander, Pulaski and Massac. SIPC is headquartered near Lake of Egypt, just south of Marion and is the Project's regional wholesale power supplier.

Background: SIPC has entered into wholesale power agreements with each of its members which require them to buy and receive all of their power and energy requirements and require SIPC to sell and deliver power and energy in satisfaction of such requirements. The wholesale power agreements with members extend through the year 2033.

SIPC's 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. SIPC's power rates are not subject to review and approval by the Federal Energy Regulatory Commission or the Illinois Commerce Commission.

Operations: 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 of 99 megawatts (MW), far in excess of its members' requirements. The plant consisted of three 33 MW turbines, each powered by a cyclone boiler. To address surging demand in the 1970's, SIPC constructed a fourth generating unit that 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 better environmentally 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 the 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 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 1,200,000 tons of Illinois coal and carbon per year, and the project will boost SIPC's consumption of Illinois coal by 30 to 40 percent.

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: SIPC has been active in promoting the Project and its benefits for many years. SIPC officials believe that Prairie State enjoys widespread community support in Southern Illinois, based on the Project's ability to generate low-cost electricity, create economic progress and protect the environment. They site surveys conducted that indicate more than 80 percent of local residents who consider themselves environmentalists support the project.

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 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 joint municipal electric power agency acting on behalf of 51 member municipalities located in Indiana. IMPA was created by group of municipally 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.

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 in Illinois. PPI's distribution cooperatives provide retail electric service to 78,349 consumers within their local service territories. PPI is one of more than 60 generation and transmission (G&T) cooperatives that supply wholesale electric power to rural utilities in the United States. 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.

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. The Borrower would like to finance its share of qualifying Project costs with the Bonds, which it hopes to close during 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 1,000 MW 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 million to improve roads throughout Washington County. Marigold Road is being rerouted around 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 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: Southern Illinois Power Cooperative

Payment Source: Primary: Cashflows generated by the Project
Secondary: Payment under a guarantee to be obtained from the National Rural Utilities Cooperative Finance Corporation ("CFC').

The Bonds: Solid Waste Disposal Facilities Revenue Bonds.

Bond Collateral: Guarantee from CFC

Collateral for the Guarantee: Primary: An interest in the mortgage on all of SIPC's major assets
Secondary: SIPC'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 A1/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: SIPC has a $375 million revolving credit agreement with CFC to finance its share of the Project until permanent financing is secured.

PROJECT SUMMARY

Bond proceeds, together with other debt, will be used to finance and reimburse Southern Illinois Power Cooperative 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 (7.90%) of total Project costs.

The Borrower is applying to IFA 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 Lively Grove Energy Partners, LLC. The Borrower expects to finance costs that can not be financed with Bond proceeds with loans provided by CFC and/or RUS. Presented below are SIPC's estimated share of Project costs and the portion of those costs that may be bondable. Dollars are in thousands.

Cost	Total Project Costs	Total Costs Qualified for SWDBs	SIPC's Share Total Project Costs (7.90% of Total)	SIPC's Share Bondable Costs
EPC System Cost	1,702,176	244,377	134,472	19,306
EPC Plant & Shared Facilities Cost	493,224	70,811	38,965	5,594
EPC Indirect Costs	704,600	101,157	55,663	7,991
Owner Costs (includes land)	705,600	101,301	55,742	8,003
Auxiliary Power	61,759	61,759	4,879	4,879
Total	3,667,359	579,405	289,721	45,773
Interest During Construction			51,000	7,322
Issuance Costs			1,062	1,062
Debt Service Reserve			2,655	2,655
Total			344,438	56,812

SIPC is applying for issuance of Bonds to fund its entire share of Project costs that may 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: Southern Illinois Power Cooperative, 11543 Lake of Egypt Road, Marion IL, 62959. Contact: Stephanie Oxford, Manager- Administration and Finance, 618/964.1448 ext 230.

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: Southern Illinois Power Cooperative, a rural electric generation and transmission cooperative

Ownership of SIPC:

Clinton County Cooperative	16.67%
Egyptian Electric Cooperative	16.67%
Monroe County Electric Cooperative	16.67%
SouthEastern Illinois Electric Cooperative	16.67%
Southern Illinois Electric Cooperative	16.67%
Tri-County Electric Cooperative	16.67%

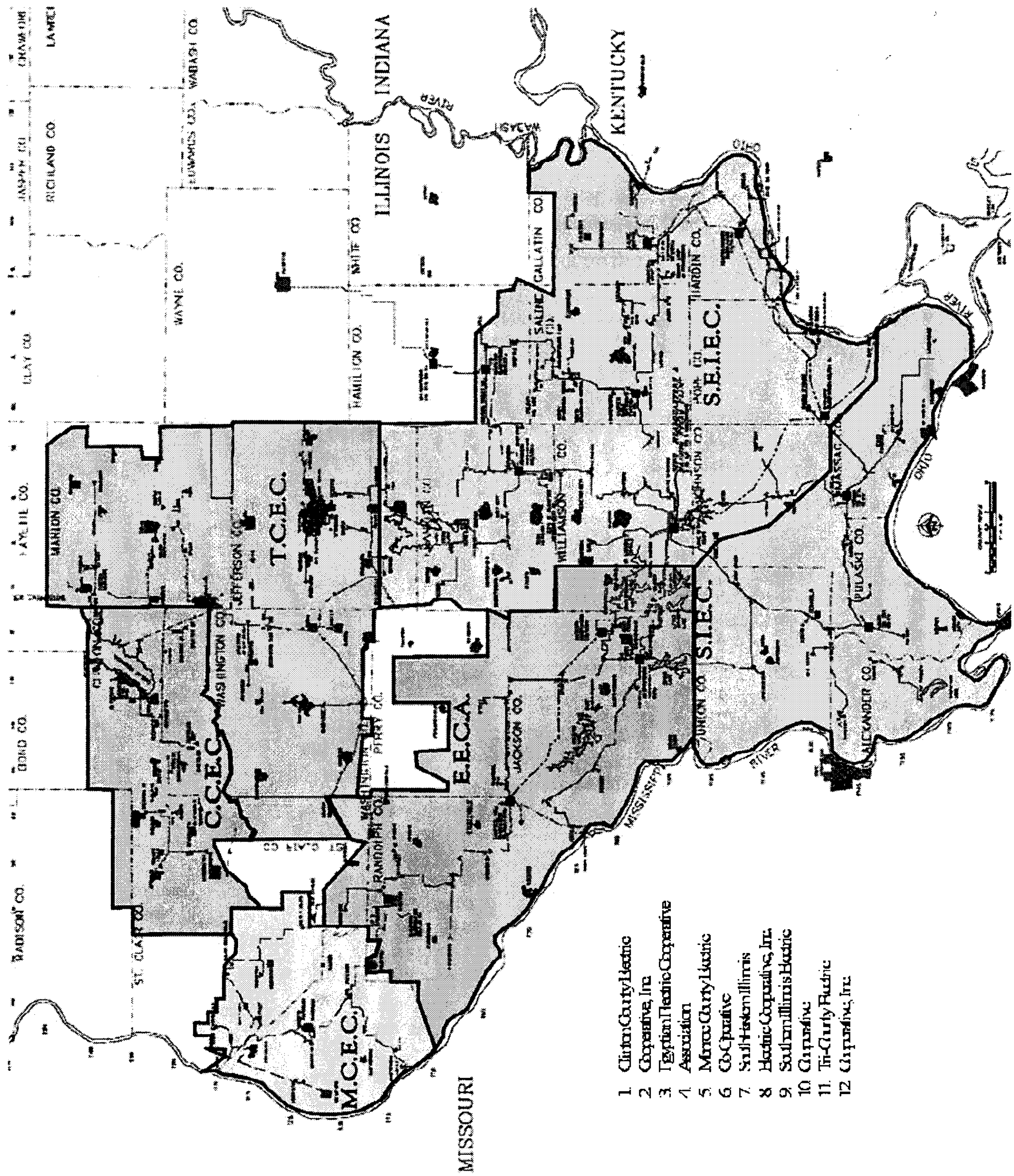
PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Winters, Brewseter, Crosby & Schafer	Marion	John Brewster
Accountant:	Kerber, Eck & Braeckel	Carbondale	David Schnake
Bond Counsel:	Chapman and Cutler	Chicago	Bob Ollis
Bond Underwriter:	To be determined		
Underwriter's Counsel:	To be determined		
IFA Advisor:	DA Davidson	Chicago	Bill Morris
	Scott BaliceChicago	Lois Scott	
Issuer's Counsel:	The Office of 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



ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 11, 2007

Project:	**DePaul University (Commercial Paper Revenue Notes)**

STATISTICS

Project Number: E-PC-TE-CP-7234

Amount: **Not to exceed $75,000,000 at any one time.** *(Also see "Purpose" section below.)*

Although the aggregate principal amount of IFA Commercial Paper Revenue Notes that may be outstanding at any one time cannot exceed $75,000,000, this Resolution will authorize an aggregate principal amount not-to-exceed $150,000,000 that may be issued from time to time as part of an ongoing Tax-Exempt Commercial Paper Revenue Notes financing program undertaken by DePaul University through the Illinois Finance Authority to finance discrete projects identified herein *(please see p. 4 – "Project Summary from IFA Resolution" -- for the comprehensive list of projects).*

Type:	Commercial Paper ("CP") Revenue Notes	IFA Staff:	Rich Frampton
Location:	Chicago	County/ Region:	Cook County/Northeast

BOARD ACTION

Final CP Revenue Notes Resolution
Conduit 501(c)(3) Commercial Paper Revenue Bonds/ Notes (the "CP Revenue Notes")
Staff recommends approval

No IFA funds at risk
No extraordinary conditions

PURPOSE

Although the Resolution will authorize that an amount not-to-exceed $75.0 million of IFA Commercial Paper Revenue Notes (DePaul University) may be outstanding at any one time, the Resolution will allow and identify up to $150 million of discrete capital projects at DePaul's Lincoln Park and Loop campuses that may be undertaken initially pursuant to the Resolution approved in connection with this project (see section entitled "Project Summary from IFA Bond Resolution" on p. 4). DePaul presently contemplates that these projects and the related financings will be undertaken over approximately the next 18 to 24 months.

Key facts:

- The CP Revenue Notes will be secured by a Direct Pay Letter of Credit from US Bank.
- Pursuant to terms of the Reimbursement Agreement (pending execution) between DePaul University and US Bank, DePaul would be permitted to have a maximum of $75 million of CP Revenue Notes outstanding at any one time.
- DePaul intends to periodically refinance outstanding balances of its CP Revenue Notes with rated (or credit enhanced) long-term IFA bond issues. (These bond issues would be presented to the IFA Board on a stand-alone basis and issued as standard, IFA, long-term conduit bond issues conforming in structure and documentation to existing long-term IFA conduit bond issues originated on behalf of DePaul University.
- At any time that DePaul University has less than $75.0 million of Commercial Paper Revenue Notes outstanding, the University would be eligible to make additional draws on the US Bank Direct Pay LOC to provide interim tax-exempt financing for projects identified in the Commercial Paper Revenue Notes Resolution (as identified in the "Project Summary for IFA Resolution" section of this report – see p. 4).

- Additionally, DePaul may also return from time to time to amend the IFA Final CP Revenue Notes Resolution to be considered today in order to add discrete projects (and related project costs) not contemplated in the accompanying "Project Summary for IFA Resolution" described on p. 4.

As presently contemplated, the majority of proceeds of the initial series of CP Revenue Notes will finance (1) life safety improvements (e.g., fire alarm/sprinkler system and security system replacements at buildings located at both DePaul's Lincoln Park and Loop campuses), (2) possible acquisitions of real estate adjacent to both its Lincoln Park and Loop campuses (to be identified at a later time, and added to the financing through an Amendatory Resolution), (3) a portion of the build-out of the Science II Building at its Lincoln Park campus, and (4) various renovations and the buildout of campus buildings located both at its Lincoln Park and Loop campuses.

Again, at no time will DePaul's outstanding CP Revenue Notes exceed $75.0 million.

IFA CONTRIBUTION AND PROGRAM

IFA will convey federal Tax-Exempt status on interest paid to investors in these proposed IFA Commercial Paper Revenue Notes thereby resulting in a lower interest rate on the proposed Commercial Paper Revenue Notes (which will bear interest over periods ranging from 1 to 270 days).

This Program will replicate many aspects of a similar cooperative Commercial Paper Program initiated by the University of Chicago and Northwestern University (and other participants) in 1995 through IFA ("IEFA").

VOTING RECORD

Preliminary Commercial Paper Revenue Notes Resolution, November 13, 2007:

Ayes: 10 (including via telephone (1): Goetz) Nays: 0 Abstentions: 0

Absent: 5 (Fuentes, O'Brien, Rice, Talbott, Verrett) Vacancies: 0

SOURCES AND USES OF FUNDS

Sources:	IFA Commercial Paper	$75,000,000	Uses:	Capital Projects	$75,000,000
	Equity	201,000		Costs of Issuance	201,000
	Total	$75,201,000		Total	$75,201,000

JOBS

Current employment:	2,208 (FT); 1,378 (PT)	Projected new jobs:	N/A (will be estimated when DePaul returns for permanent financing)
Jobs retained:	Not applicable	Construction jobs:	Preliminary estimated range from 300 to 630 between May 2007 and June 2008

BUSINESS SUMMARY

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

The University is governed by a two-tiered governance committee consisting of (1) The Members of the University, a self-perpetuating body of 14 individuals, representing the Congregation of the

Mission (C.M.), the religious community that sponsors the University. The Members are empowered to elect the Board of Trustees, whose responsibility is to direct and manage the affairs of the University and other officers. Currently, there are 35 trustees elected to serve staggered 3-year terms. A List of the University's current Board of Trustees is attached (see p. 6).

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

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

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

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

FINANCING SUMMARY

Security: The Bonds will be secured by a Direct Pay Letter of Credit provided by US Bank. The anticipated initial Bank LOC term will be approximately one year (i.e., 364 days) subject to renewal or 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 Goldman Sachs & Company (the "CP Dealer").

Interest Rate: The interest rate and maturities on the CP Notes will bear an interest rate determined by the maturity (i.e., between 1 and 270 days) set by the CP Dealer. Interest will be paid at the end of each maturity based on the Par amount outstanding. 30-Day "P-1/F1+" rated Tax-Exempt Commercial Paper was priced at approximately 3.50% to 3.60% as of 11/28/2007.

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

CP Ratings/ (US Bank): The CP Revenue Notes will be rated based on the short-term/commercial paper ratings of US Bank National Association. As of 11/28/2007, US Bank's short-term/commercial paper ratings were P-1/F1+ from Moody's/Fitch. (US Bank's long-term ratings were Aa1 (Stable)/AA- (Positive) from Moody's/ Fitch.)

Underlying Ratings: DePaul's long-term debt rating was upgraded by Moody's Investors Service from Baa1 to A3/Stable as of Friday 10/26/2007. Fitch Ratings rates DePaul "A-" long-term. DePaul currently plans to close an initial tranche of CP Revenue Notes in January 2008.

PROJECT SUMMARY FROM BOND RESOLUTION

DePaul University will use the proceeds of the Commercial Paper Revenue Notes (the "CP Revenue Notes"), together with certain other funds, to (i) finance, refinance, and reimburse the University for certain of the costs of the acquisition (including related land costs), improvement, construction and equipping (including, but not limited to, computer equipment, office equipment and general building equipment and fixtures) of certain educational facilities owned or to be owned by the University comprising "educational facilities" as defined pursuant to the Illinois Finance Authority Act (the "Act") at the locations more specifically identified below, (ii) fund a debt service reserve fund for the benefit of the Notes, if deemed desirable by the University, and (iv) pay interest on the CP Revenue Notes and the credit enhancement thereof, if any, all as permitted under the Act. Finally, proceeds from the sale of the Notes will also be used to refund at maturity other then-outstanding Notes.

The educational facilities being financed, refinanced, or reimbursed with the proceeds of the Notes are located on land owned or to be owned, leased, or operated by DePaul University at the following locations:

(i) the University's Lincoln Park Campus in Chicago, Illinois, bordered generally by N. Halsted Street on the east, N. Racine Avenue on the west, Dickens Avenue on the south, and Montana Street on the north, including the following addresses: 800, 802, 804, 900, 910, 1036, and 1110 West Belden Avenue; 2325, 2345, and 2350 North Clifton Avenue; 2324 North Fremont Street; 935, 959, 990 1050, and 1150 West Fullerton Avenue; 2135. 2219, 2233, 2310, 2312, 2320, 2347, and 2350 North Kenmore Avenue; 2327, 2331, 2333, 2343, and 2347 North Racine Avenue; and 2250, 2310, 2316, 2318, 2320, 2322, 2323, 2324, 2326. 2345, 2358, and 2425 North Sheffield Avenue *(with not more than $63,450,000 of the proceeds of the Notes to be used, directly or indirectly for assets to be located at the Lincoln Park Campus – excluding);* and

(ii) the University's Loop Campus at the following addresses in Chicago, Illinois: 243, 312, 316 and 332 S. Wabash Ave., 1 W. Jackson Blvd., 25 W. Jackson Blvd., 55 E. Jackson Blvd., and 60 E. Balbo Drive *(with not more than $41,250,000 of the proceeds of the Notes to be used, directly or indirectly for assets to be located at the Loop Campus).*

The educational facilities being financed, refinanced, or reimbursed at the University's Lincoln Park Campus consist of various acquisition, construction, renovation, and equipping projects including, without limitation, the acquisition and installation of new life safety (i.e., fire alarm and sprinkler systems) and security systems; the construction and equipping of a new science building; various capital improvements to existing classroom buildings, offices, residence halls and the student center; and, general capital projects throughout the Lincoln Park Campus.

Projects also include the installation of security systems, a security card reader system upgrade, and routine capital projects at either the Lincoln Park Campus or the Loop Campus (with estimated aggregate capital expenditures of $45,300,000 for these projects at the two campuses). These contemplated expenditures are in addition to the $63,450,000, for the Lincoln Park Campus referenced in (i) above, and the $41,250,000 identified for the Loop Campus referenced in (ii) above.

<u>Although the aggregate principal amount of Notes that may be outstanding at any one time cannot exceed $75,000,000, an aggregate principal amount not-to-exceed $150,000,000 may be issued from time to time as part of this ongoing Tax-Exempt Commercial Paper Revenue Notes financing program undertaken by DePaul University through the Illinois Finance Authority to finance the projects identified herein (and subject to amendment or modification at a later time subject to IFA Board approval and any required public hearing notices).</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant/ Contacts:	DePaul University, 55 East Jackson Boulevard, Chicago, Illinois 60604-4101; www.depaul.edu (1) David Dabney, Treasurer, Ph.: 312/362-6715; ddabney@depaul.edu (2) Doug Stanford, Director of Treasury Operations, Ph.: 312/ 362-6714; dstanford@depaul.edu (3) Elizabeth Honold, Senior Financial Analyst, Ph.: 312/362-8868; ehanold@depaul.edu
Project name:	DePaul Commercial Paper Revenue Notes
Locations:	DePaul's Lincoln Park Campus, 2550 N. Sheffield Ave., Chicago, IL 60614-3298 and DePaul's Loop Campus, 55 East Jackson Blvd., Chicago, IL 60604
Organization:	Illinois 501(c)(3) organization
Board Membership:	*See attached list of Board of Trustees (see p. 6)*
Current Land Owners:	Prospective Buildings to be purchased have not been determined as of 11/2/2007.

PROFESSIONAL AND FINANCIAL

Borrower's Counsel:	O'Keefe Lyons & Hynes, LLC	Chicago, IL	Daniel Coyne
Auditor:	KPMG, LLP	Chicago, IL	
Note (Bond) Counsel:	Chapman and Cutler, LLP	Chicago, IL	Jim Luebchow, Nancy Burke
Bank LOC:	US Bank, N.A.	Chicago, IL	Craig Collinson
Bank Counsel:	Reed Smith	Chicago, IL	Joel Schaider
Commercial Paper Dealer:	Goldman Sachs & Co.	Chicago, IL	Rich Bellis
CP Dealer's Counsel:	Miller Canfield	Detroit, MI	Jerry Rupley
Trustee and Issuing/Paying Agent:	Deutsche Bank	Chicago, IL	George Kubin
Rating Agencies:	Moody's Investors Service	New York, NY	
	Fitch Ratings	New York, NY	
IFA Counsel:	Burke Burns & Pinelli Ltd.	Chicago, IL	Steve Welcome
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

	Loop Campus		Lincoln Park Campus	
Congressional:	1	Bobby L. Rush	5	Rahm Emanuel
State Senate:	13	Kwame Raoul	6	John J. Cullerton
State House:	26	Elga Jeffries	11	John A. Fritchey

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

MEMO TO: IFA Board of Directors

FROM: Pam Lenane and Dana Sodikoff

DATE: December 5, 2007

RE: Amendatory Resolution Riverside Health System Project; 2004 and 2006 IFA Bonds

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Background: In 2004 and 2006, Riverside Health System issued bonds through the Illinois Finance Authority which were insured by Radian Asset Assurance, Inc. ('Radian').

Radian's credit rating was subsequently reduced form "AA" to "A+" which then resulted in increased interest costs to the Borrower.

In order to attempt to make the interest costs consistent with the original bonds, the Borrower is now seeking a Letter of Credit ("LOC") from J.P. Morgan Chase to further insure the bonds. The Borrower is also seeking to convert the interest rate mode of the bonds from an auction rate to a weekly rate.

In connection with these proposed changes, in the attached resolution, the Borrower is seeking IFA Board approval to:

(1) Add the LOC;
(2) Change the interest rate mode; and
(3) Amend the relevant bond documents as necessary to reflect these changes.

RESOLUTION NUMBER 2007-12-01

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

WHEREAS, on June 8, 2004 the Authority issued its $46,450,000 Variable Rate Demand Revenue Bonds, Series 2004 (Riverside Health System) Periodic Auction Reset Securities (PARS^{SM}) (the "2004 Bonds") and loaned the proceeds thereof to Riverside Medical Center (the "Medical Center"), Riverside Senior Living Center ("Senior Living") and Oakside Corporation (collectively the "Borrowers"), each a not for profit corporation incorporated under the laws of the State of Illinois, to assist the Borrowers in providing the funds necessary to (i) advance refund a portion of the outstanding principal of the Illinois Industrial Development Finance Authority $10,000,000 Industrial Development Revenue Bonds, Series 1998 (Riverside Health Fitness Center Project) and a portion of the Illinois Health Facilities Authority $14,000,000 Revenue Bonds, Series 2000 (Riverside Health System), (ii) establish a debt service reserve fund and (iii) pay certain related expenses, including the premium for the financial guaranty insurance policy of Radian Asset Assurance, Inc. ("Radian") (collectively the "Financing Purposes"), all as permitted by the Act;

WHEREAS, the Authority succeeded to all the rights and obligations of the Illinois Industrial Development Authority and the Illinois Health Facilities Authority as of January 1, 2004; and

WHEREAS, on November 9, 2006 the Authority issued its $15,575,000 Revenue Bonds, Series 2006A Periodic Auction Reset Securities (PARS^{SM}) (Riverside Health Systems) (the "2006A Bonds") and its $17,425,000 Revenue Bonds, Series 2006B Periodic Auction Reset Securities (PARS^{SM}) (Riverside Health System) (the "2006B Bonds," together with the 2006A Bonds, the "2006 Bonds" and together with the 2006A Bonds and the 2004 Bonds, the "Bonds") and loaned the proceeds thereof to the Medical Center and Senior Living to assist the Medical Center and Senior Living in providing the funds necessary to (i) currently refund the outstanding principal amount of the Illinois Health Facilities Authority $24,810,000 Revenue Refunding Bonds, Series 1996A (Riverside Health System), (ii) pay or reimburse the Medical Center for the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Medical Center, (iii) fund a debt service reserve fund, and (iv) pay certain related expenses including the premium for the financial guaranty insurance policy of Radian Asset Assurance, Inc. ("Radian") (collectively the "Financing Purposes"), all as permitted by the Act;

WHEREAS, the credit assigned by Fitch Investors Service to Radian has been reduced from "AA" to "A+", resulting in an increased interest cost to the Borrowers; and

WHEREAS, the Borrowers expect to deliver to the Bond Trustee (as hereinafter defined) irrevocable direct pay letters of credit (the "Letter of Credits") provided by JPMorgan Chase Bank, N.A. (the "Bank") to further secure each series of the Bonds; and

WHEREAS, in connection with the delivery of the Letter of Credits by the Bank, the Borrowers intend to effect a conversion of the 2004 Bonds from the 28 day Auction Rate Period to the Weekly Rate Period and a conversion of the 2006 Bonds from the 7 day Auction Rate Period to the Weekly Rate Period (all as defined in the hereinafter referred to Bond Indentures); and

WHEREAS, in connection with the delivery of the Letter of Credits it is necessary and advisable to amend and restate the Bond Trust Indenture dated as of May 1, 2004 (the "2004 Original Bond Indenture") and the Bond Trust Indenture dated as of October 1, 2006 (the "2006 Original Bond Indenture") between the Authority and The Bank of New York Trust Company, National Association, as bond trustee (the "Bond Trustee") and each Loan Agreement dated as of May 1, 2004 (the "2004 Original Loan Agreements") between the Authority and the Borrowers and each Loan Agreement dated as of October 1, 2006 (the "2006 Original Loan Agreements") between the Authority and the Medical Center and the Authority and Senior Living; and

WHEREAS, drafts of the following documents are hereby presented to the Authority at this meeting and attached to this Resolution (collectively, the "Authority Documents"):

(a) Amended and Restated Bond Trust Indenture (the "2004 Amended Bond Indenture") between the Authority and the Bond Trustee, amending and restating the 2004 Original Bond Indenture, a form of which is attached hereto as Exhibit A;

(b) Amended and Restated Bond Trust Indenture (the "2006 Amended Bond Indenture") between the Authority and the Bond Trustee, amending and restating the 2006 Original Bond Indenture, a form of which is attached hereto as Exhibit B;

(c) Amended and Restated Loan Agreement (the "2004 Medical Center Amended Loan Agreement") between the Authority and the Medical Center, amending and restating the 2004 Original Loan Agreement, a form of which is attached hereto as Exhibit C;

(d) Amended and Restated Loan Agreement (the "2004 Senior Living Amended Loan Agreement") between the Authority and Senior Living, amending and restating the 2004 Original Loan Agreement, a form of which is attached hereto as Exhibit D;

(e) Amended and Restated Loan Agreement (the "2004 Oakside Corporation Amended Loan Agreement") between the Authority and Oakside Corporation, amending and restating the 2004 Original Loan Agreement, a form of which is attached hereto as Exhibit E;

(f) Amended and Restated Loan Agreement (the "2006 Medical Center Amended Loan Agreement") between the Authority and the Medical Center amending and restating the 2006 Original Loan Agreement, a form of which is attached hereto as Exhibit F;

(g) Amended and Restated Loan Agreement (the "2006 Senior Living Amended Loan Agreement") between the Authority and Senior Living, amending and restating the 2006 Original Loan Agreement, a form of which is attached hereto as Exhibit G;

WHEREAS, in connection with the issuance of the Bonds, the following additional documents will be executed and delivered by parties other than the Authority (collectively, the "Additional Transaction Documents"):

(a) a reoffering circular supplementing the Official Statement originally used to offer the Bonds (the "Supplement"), a form of which is attached hereto as Exhibit H, describing the terms of the Bonds during a Weekly Rate Period and the terms of the delivery of the Letter of Credits, with such changes as approved by an Authorized Officer (as hereinafter defined) prior to the delivery thereof; and

(b) Fifteenth Supplemental Master Trust Indenture supplementing and amending the Amended and Restated Master Trust Indenture dated as of December 15, 1989 (the "Master Indenture") among the Borrowers, Riverside Health System (the "Corporation") and The Bank of New York Trust Company, National Association, as master trustee (the "Master Trustee"), a form of which is attached as Exhibit I hereto, providing for, among other things, the issuance thereunder of the Series 2007 Obligations to the Bank; and

(c) Direct Note Obligations, Series 2007-1 (JPMorgan Chase Bank, N.A.) of the Borrowers and Direct Note Obligation, Series 2007-2 (JPMorgan Chase Bank, N.A.) of the Medical Center and Senior Living (the "Series 2007 Obligations").

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

Section 1. Authority Documents. The Authority does hereby authorize and approve the execution by its Chairperson, Vice Chairperson, any of its other Members, Executive Director, Treasurer or any officer or employee designated by the Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim basis) (each an "Authorized Officer") and the delivery and use of the Authority Documents. The Authority Documents shall be substantially in the forms attached hereto and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such person's approval and the Authority's approval of any changes or revisions therein from the forms of such Authority Documents attached hereto, and to constitute conclusive evidence of such person's approval and the Authority's approval of the terms of the Bonds and the purchase thereof.

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

Section 3. Approval of Conversion. Based solely upon the request and direction of the Borrower, the Authority approves the conversion of the Bonds from the Auction Rate Periods to the Weekly Rate Periods.

Section 4. Authorization and Ratification of Subsequent Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including without limitation the execution and delivery of a document setting forth the agreements and certifications of the parties thereto relating to certain federal tax matters) as may be necessary to carry out and comply with the provisions of these resolutions, the Authority Documents and the Additional Transaction Documents, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Authority Documents or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by the Executive Director or the Treasurer of the Authority, or in the event of the unavailability, inability or refusal of the Executive Director and the Treasurer to act, any two Members of the Authority, each of whom is hereby authorized, empowered, delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the applicable Authority Document.

ADOPTED this 11th day of December, 2007 by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

____

Secretary

MEMORANDUM

To: IFA Board of Directors

From: Jim Senica

Date: December 11, 2007

Re: Newline Hardwoods, Inc.
Project No. B-LL-TX-410

Applicant Background

Newline Hardwoods, Inc. is an Illinois C corporation that acquired the equipment of the former Rich Lumber Company in Beardstown, Illinois with the intent of operating the former lumber company as a dry kiln lumberyard. (Rich lumber Company was in the process of closing when acquired by Newline Hardwoods and had planned to terminate all of its 12 employees now employed with Newline). Newline Hardwoods is still operating the facility as a dry kiln lumberyard but is refocusing on the source of the lumber being dried at the facility. Essentially, the Company has gone from buying its own inventory, drying it and then selling it at market prices 60 to 90 days later to custom drying other businesses' inventory for a fee.

Request

To accommodate the need of the Company to reorganize its financial situation, The First National Bank of Lacon and Newline Hardwoods, Inc. are requesting that IFA extend the maturity of its loan two additional years and re-amortize the current loan balance of approximately $181,700 over the extended loan period. The current loan would mature in November 2011 with this request extending the maturity date to November 2013. IFA's original participation loan of $294,600 was approved at the September 14, 2004 Board meeting with a term of 7 years at a rate of 6.00%, 150 basis points below the Bank's rate of 7.5%. Extending the current IFA participation loan balance an additional two years at a slightly increased rate of 6.06% (3-month LIBOR, 5.06%, + 100 basis points) and the Bank's portion at its same interest rate of 7.5% will save the Company approximately $3,350 in monthly payments. DCEO has agreed to receiving interest only on its CDAP loan for a specified period as has the local Beardstown revolving loan fund.

Performance

Since originating this loan relationship, 34 payments have been consistently made on a timely basis and IFA's balance has been reduced by $112,900 from $294,600 to $181,700. The IFA and Bank loans are secured with a shared first position on the project equipment. Collateral is computed on an appraised fair market value of $678,215 based on an appraisal dated February 26, 2004 and performed by Winternitz Inc. of Northbrook, Illinois. Collateral coverage on project debt to IFA and the Bank on this participation loan is 1.13 times (88% LTV). IFA also share's with the Bank in the corporate guaranty of Illini Hardwood Lumber Co., Inc. and in the personal guaranty of Derrick Newnam.

Since Newline Hardwoods, Inc. acquired the equipment of Rich Lumber, the Company has been unable to attain their proforma projections for a variety of reasons including excessive cost of acquiring drying inventory, bankrupt customers and inefficient plant operations that have since been rectified. By concentrating its operations on drying lumber owned by others, conducting business with financially stronger customers and by further improving plant efficiencies, management believes that the operation can be successfully returned to profitability. The Company's financial statements for the year ended December 31, 2006 show a net operating loss of $682,000 on sales of $3.2 million. Significantly, the cost of acquiring lumber to be dried was $2.3 million, thus the need to shift to drying lumber of other businesses that do not have the kiln drying equipment. Per discussion with First National Bank of Lacon president, Norm Nelson, the drying capacity of Newline Hardwood's equipment is more than adequate to generate a strong positive cash flow based on current drying fees.

Recommendation

Staff recommends approval of this request for this loan based on:

The applicant's consistent and timely repayment of $112,900 of IFA's original loan during a period of operating difficulty

Retention of nearly 20 jobs in an area of the state experiencing high unemployment

Management's restructuring of the organization to operate profitably

Voting Record

The voting record from the preliminary approval of this loan at the September 14, 2004 IFA Board meeting is as follows

Ayes: 9 Nays: 0 Abstentions: 0 Absent: 3 (Delgado, Leonard & O'Brien))

A copy of the original project write-up is included for a complete review of the project.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 14, 2004

Deal: **Newline Hardwoods, Inc.**

STATISTICS

Deal Number:	B-LL-TX-410	Amount	$300,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Beardstown	Est fee:	$7,500

BOARD ACTION

Purchase of Participation Loan from The First National Bank of Lacon
$300,000 IFA funds at risk.
Collateral is ***pari passu*** first position with the bank.
Staff recommends approval of a resolution subject to the Bank covenants noted on page 4 of this report.

PURPOSE

Acquisition of various equipment used in the applicant's lumber operation.

VOTING RECORD

This is the first time this project is being presented to the IFA Board.

SOURCES AND USES OF FUNDS

Sources: IFA	$300,000	Uses: Project Costs	$650,000
First National Bank	300,000	Total	$650,000
Equity*	50,000		
Total	$650,000		

*Equity is comprised of a capital contribution by Michael New, Newline's Operation and Sales Manager.

JOBS

Current employment:	12	Projected new jobs:	38
Jobs retained:	10	Construction jobs:	N/A

BUSINESS SUMMARY

Background: Newline Hardwoods, Inc. is a recently-formed C corporation that will own the equipment of and operate the former Rich Lumber Company as a dry kiln lumber production facility in Beardstown, Illinois. Newline Hardwoods, Inc. owner, Derrick Newnam, is in the process of purchasing the former lumber company which would indeed close and terminate the remaining employees if not acquired. (It is important to note that Derrick Newnam purchased the formerly closed, bankrupt Illini Hardwoods Lumber Company Co., Inc. of Lacon, Illinois in 1998. That company currently employs 44 and has been very successful as evidenced by the financial statements on page 3.)

Rich Lumber Company's business was concentrated solely in the overseas sales of custom finished lumber products such as moldings and trim pieces and has been decimated by Chinese producers entering the market several years ago. Conversation with the banker indicated that Rich's management had neither the contacts needed nor the experience required to operate the business strictly as a finished lumber production facility.

Description: Newline Hardwoods, Inc. will operate primarily as a dry kiln lumberyard on 23 acres in Central Illinois. The new Company will substantially reduce the dimension operation conducted by Rich Lumber Company and will focus on providing premium grade hardwood lumber to meet the increasing demand for quality hardwoods in the domestic market. The Company's initial product offerings will consist of various grades and thicknesses of white oak, hard maple, hickory and ash. These varieties are in highest demand and coincidentally dry the quickest in kilns, providing better cash flow during initial startup months.

Remarks: Newline Hardwoods, Inc's. success will be primarily based in the relationships with suppliers and customers and very importantly, management's extensive knowledge of the hardwood industry. Derrick M. Newnam, Newline's President and CEO, currently functions as President of Illini Hardwood Lumber Co., Inc., one of the largest sawmills in Illinois. Derrick brings with him an established supply base. Michael New, Newline's Operation and Sales Manager, has over 27 years in the hardwood concentration business. Starting as an inspector, he had ascended to the position of President in a company producing over 80,000,000 board feet of hardwood lumber per year.
The new Company has also retained the services of an experienced lumber buyer.

Along with an exceptional management team, the Company plans to fill critical positions of the lumberyard with Rich Lumber Company's current employees. These workers provide valuable knowledge of the physical plant that will be advantageous in diminishing the high learning curve often associated with most start-up operations.

Market Analysis: Industry sources confirm that hardwood consumption is at a thirty year high. Hardwood floors continue to replace linoleum and carpet, painted cabinets continue to be replaced by natural finishes, oak comprises over two thirds of the country's furniture manufacture, and other than pine, hardwood moldings are the most used moldings in new home construction. Independent market research indicates that there are 12 hardwood manufacturers to one softwood manufacturer. In retrospect, thirty years ago, softwood manufacturers outnumbered hardwood manufacturers 4 to 1.

Newline Hardwoods, Inc. will fill a significant void, as there is no other yard of its type within a 200 mile radius of its Beardstown radius. This will enable Newline to utilize the hardwood lumber production of small to sizeable sawmills within this region. This operation affords these sawmills a market large enough to further their own development.

FINANCING SUMMARY

Borrower:	Newline Hardwoods, Inc.
Security:	Pro-rata first position "*pari passu*" with The First National Bank of Lacon on the project equipment. Collateral is based on an appraised fair market value of $678,215 based on an appraisal dated February 26, 2004 and performed by Winternitz Inc. of Northbrook, Illinois. Collateral coverage on project debt to IFA and the Bank on this participation loan is 1.13 times (88% LTV). IFA will also share with the Bank in the corporate guaranty of Illini Hardwood Lumber Co., Inc. and in the personal guaranty of Derrick Newnam whose net worth approximates $710,000. Staff recognizes that in the event of default with respect to this loan, standard wording in IFA's participation agreement states that the IFA/Bank loan will be paid prior to any other loan, including any future line-of-credit loan, that the borrower may establish with the Bank.
Structure:	Based on the guidelines of the Participation Lending Program, IFA's interest rate will be 150 basis points below what the Bank is charging the customer. The Bank's interest rate will be fixed at 7.5% for the 7-year term of the loan.
Maturity:	The loan will be set on a 7-year amortization with 84 payments of principal and interest.

PROJECT SUMMARY

The proposed project involves the acquisition of equipment for use in the applicant's hardwood lumber operation. Project costs are estimated as follows:

Equipment acquisition	$650,000
Total	$650,000

The proposed project will provide the applicant with the equipment needed to operate a state-of-art lumber production facility retaining 10 jobs and creating 38 new jobs in an area of the state that has been economically challenged.

Although this project involves the equipment acquisition portion of the former Rich Lumber Company purchase, the building acquisition (current appraisal value of $2,500,000) and operating capital needs are being financed as follows:

Building:	First State Bank of Beardstown	$ 575,000	Working Capital:	FNB – Lacon Term Loan	$500,000
	Heritage Bank – Peoria	575,000		DCEO Subordinated Loan	500,000
	Equity (Derrick Newnam)	100,000		Equity (Lee Hoffman)	600,000
	Total	$1,250,000		Total	$1,600,000

ECONOMIC DISCLOSURE STATEMENT

Project name:	Newline Hardwoods, Inc. Equipment Acquisition
Location:	Beardstown, Illinois (Cass County)
Applicant:	Newline Hardwoods, Inc.
Organization:	Illinois C corporation
Ownership:	Derrick Newnam

FINANCIAL

Bank:	The First National Bank of Lacon	Lacon, Illinois	Norman L. Nelson, President

LEGISLATIVE DISTRICTS

Congressional:	18 – Ray LaHood
State Senate:	47 – John M. Sullivan
State House:	93 – Art Tenhouse

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

MEMO TO: IFA Board of Directors

FROM: Townsend S. Albright

DATE: December 11, 2007

RE: Amendatory Resolution to Authorize the Election of Mortgage Certificates to Utilize 2004 Carryforward Volume Cap would otherwise expire December 31, 2007 for a Joint Issuance of a Mortgage Credit Certificate Program with the City of Decatur.

Background: In October of 2005, the Illinois Finance Authority (IFA) and the City of Decatur jointly authorized the issuance of up to $37,387,360 of Tax exempt single family mortgage revenue bonds under a pilot program (the "Program") to make low interest mortgage loans to qualifying first time homebuyers. The bond issuance utilized an allocation of Volume Cap from both issuers. Decatur contributed $6,387,360 of its 2004 volume cap and IFA contributed $6,000,000 of its 2004 volume cap. The IFA also contributed $25.0 million of 2005 volume cap it received from the Governor's Office for the Program. The 2004 carryforward volume cap expires on December 31, 2007. To date, approximately $2.55 million of mortgages have been originated.

The proposal for a joint issuance of mortgage credit certificates with the Illinois Housing Development Authority brought before the Board during the November Board meeting was not accepted by the Illinois Housing Development Authority. The proposed election would allow the IFA to make use of the approximately $9.5 million in remaining 2004 volume cap before it expires at year end and permit IFA staff to design a pilot program during the first quarter of 2008.

Purpose: To recycle available unused 2004 carryforward volume cap from a 2005 forward bond issue for an IFA single family mortgage pilot program. The new issue will be in partnership with the City of Decatur. The Program will combine $4.75 IFA volume cap with $5.12 million volume cap from the City of Decatur which was previously carried forward for the single family mortgage revenue program, and which remains available.

The proceeds will be utilized to issue mortgage credit certificates in connection with a yet to be developed IFA mortgage credit certificate program. The program will provide a tax credit between 20% and 50% of the interest paid on mortgage loans to first-time home buyers of low to moderate income families across the state. Additional board action will be required for approval of program details.

Board Action: To authorize the election of mortgage credit certificates

- to utilize 2004 carryforward volume cap would otherwise expire December 31, 2007 for a joint issuance of a Mortgage Credit Certificate Program with the City of Decatur.
- to amend the Fixed Rate Single Family Revenue 2005 Bond documents, limiting the number of bonds to be issued to $2.6 million;
- to close out the origination of mortgages under the Fresh Rate Program; and
- to make such amendments to the bond documents required to effect such changes.

IFA Contribution: IFA's contribution is solely the allocation of $4.75 million in remaining tax exempt volume cap which has been previously carried forward and is required, under federal law, to be used in connection with single family mortgage bond issuances or for the election of a mortgage credit certificate program by December 31, 2007. However, costs of issuance and additional fees are being negotiated. Payment of additional fees will require Board approval.

The Mortgage Certificate Program: The Mortgage Credit Program ("MCC") is a federal income tax credit program which allows qualifying homeowners to claim annual tax credits on interest paid on mortgage loans used to purchase their primary residence. Since the MCCs represent a tax credit, not a tax deduction, this program provides homeownersa dollar-for-dollar benefit of up to $2,000.00 annually every year for the life of the loan. Homeowners may continue to claim the credit if they refinance their debt. In order to be eligible for the MCCs, borrowers must be first-time homebuyers.* In addition, the issuance of MCCs is governed by the same income and purchase price limitations that apply to single family mortgage revenue bond programs. Generally the following income and purchase price limitations would apply:

NON-TARGETED AREAS INCOME & PURCHASE PRICE LIMITS

Revised: Effective 4/20/2007

MRB AND MCC ATTACHMENT	Maximum Household Income Limits		Maximum Purchase Price Limits Existing Construction				
County where Residence is Located	Household of 1 or 2	Household of 3 or More	New Construction 1 Unit	1 Unit	2 Units	3 Units	4 Units
Cook, Du Page, Kane, Lake, McHenry, Will	$72,400	$83,260	$325,890	$325,890	$367,060	$445,960	$514,570
DeKalb	$69,400	$79,810	$325,890	$325,890	$367,060	$445,960	$514,570
Grundy	$72,800	$83,720	$325,890	$325,890	$367,060	$445,960	$514,570
Kendall	$83,900	$96,485	$325,890	$325,890	$367,060	$445,960	$514,570
McLean	$73,500	$84,525	$237,030	$237,030	$303,450	$366,800	$455,840
St. Clair, Clinton, Jersey, Madison, Monroe	$66,600	$76,590	$253,120	$253,120	$303,450	$366,800	$455,840
Bond, Calhoun, Macoupin	$66,600	$76,590	$253,120	$253,120	$303,450	$366,800	$455,840
All Other Counties	$66,600	$76,590	$237,030	$237,030	$303,450	$366,800	$455,840

Some of these limits have been determined by a Private Letter Ruling issued by the IRS to the Authority.
These limits may be used only in connection with Authority Programs.
Use of these limits in connection with other Bond Programs is prohibited.

Once the mortgage certificate program is elected, mortgages may be originated over a24-month period. The amount of mortgage debt can exceed the amount of volume cap contributed because the federal tax code permits mortgage indebtedness in an amount equal to 25.0% of volume cap divided by the mortgage credit certificate rate, which in the case of IHDA's existing program is 20.0% of the interest cost on the mortgage loans. MCCs may be used in lieu of single family mortgage revenue bonds programs. For example, with a 20.0% credit rate, volume cap in an amount of $9.5 million would permit mortgage loans of up to $12.3 million.

SOURCES AND USES OF FUNDS

Sources:	IFA Tax Exempt Volume Cap	$4,750,000	Uses:	Issuance of Tax Credits	$9,870,000
	City of Decatur Tax Exempt Volume Cap	5,120,000		Costs of Issuance	TBD
	Cost Contribution	TBD			
	Total	<u>$9,870,000</u>		**Total**	<u>$9,920,000</u>

* As defined by the federal tax code.

Financing Team:

• Counsel:	Greenberg Traurig, LLP	Chicago, IL	Matthew Lewin
• Bond Counsel	Chapman & Cutler	Chicago, IL	Chuck Jarik Tony Rosso
• IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott Jill Mason Terzakis

Security/Collateral: The program involves issuance of tax credits in lieu of the issuance of bonds; therefore, no general or other obligation on the part of IFA, or the City of Decatur.

Maturity: Unlike single family mortgage revenue bonds which are often redeemed upon a loan prepayment, MCCs run with the homeowner and may last up to 30 years.

Ratings: Not applicable. The program involves the issuance of tax credits for homeowners in lieu of issuance of bonds.

Board Action: Staff recommends Board approval of an election of Mortgage Credit Certificates for a joint issuance with the City of Decatur.