

Illinois Finance Authority

November 12, 2008

11:30 AM

Board Meeting

Indiana Room

200 E. Randolph Drive, Lower Level

Chicago, Illinois



Michael W. Goetz, Vice Chairman

**ILLINOIS FINANCE AUTHORITY
BOARD MEETING
November 12, 2008
Chicago, Illinois**

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

AGENDA

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

**BOARD MEETING
11:30 a.m.
Indiana Room
200 E. Randolph Drive, Lower Level
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 Business

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Beginning Farmer Bonds						
<i>Final</i>						
1	Michael & Lindsey Urish	Morrison	\$175,000	0	0	CEM
	Matthew DeSutter	Woodhull	\$167,000	0	0	CEM
	Matthew Beeler	Raymond	\$225,000	0	0	ER
	Thomas Burnside	Kansas	\$250,000	0	0	ER
	Jonathan & Marlene Weaver	Xenia	\$160,000	0	0	ER
	Benjamin & Bryann Odom	Benton	\$81,250	0	0	ER
	Jason Tubbs	Wayne City	\$100,000	0	0	ER
Participation Loan						
<i>Final</i>						
2	David and Becki Damhoff	Chadwick	\$417,000	0	0	CEM
3	Donald B. Latherow	Carthage	\$325,000	0	0	CEM
4	Joseph Healy	Steator	\$27,000	0	0	CEM
Agri-Debt Guarantee						
<i>Final</i>						
5	John & Nancy Howard	Texico	\$276,250	0	0	ER
TOTAL AGRICULTURE PROJECTS			\$2,203,500	0	0	

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Industrial Revenue Bonds						
<i>Final</i>						
6	Fitzpatrick Brothers, Inc.	Quincy	\$10,000,000	65	50	JS
7	Regis Technologies, Inc.	Morton Grove	\$8,200,000	40	25	RF
TOTAL BUSINESS AND INDUSTRY PROJECTS			\$18,200,000	105	75	

COMMUNITIES AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Local Government Pooled Bonds						
<i>Preliminary</i>						
8	City of Benton	Benton	\$2,100,000	0	10	KC
9	City of Charleston	Charleston	\$700,000	0	5	KC
10	City of Girard	Girard	\$950,000	0	5	KC
TOTAL COMMUNITIES AND CULTURE PROJECTS			\$3,750,000	0	20	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds						
<i>Preliminary</i>						
11	Timothy Place NFP, d/b/a/ Park Place of Elmhurst	Elmhurst	\$195,000,000	129	200	PL/DS
501(c)(3) Bonds						
<i>Final</i>						
12	Northwestern Memorial Hospital	Chicago	\$240,000,000	0	0	PL/DS
13	Rockford Health System	Rockford	\$70,000,000	0	0	PL/DS
14	The Carle Foundation	Urbana	\$450,000,000	0	470	PL/DS
15	The Admiral at the Lake	Chicago	\$225,000,000	131	200	PL/DS
501(c)(3) Commercial Paper						
<i>Final</i>						
16	NorthShore University HealthSystem (F/K/A Evanston Northwestern Healthcare)	Evanston	\$75,000,000	0	0	PL/DS
TOTAL HEALTHCARE PROJECTS			\$1,255,000,000	260	870	

HIGHER EDUCATION

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds						
<i>Final</i>						
17	The University of Chicago	Chicago	\$500,000,000	50	150	RF
TOTAL HIGHER EDUCATION PROJECTS			\$500,000,000	50	150	
GRAND TOTAL			\$1,779,153,500	415	1,115	

RESOLUTIONS

Tab	Project	FM
Amendatory Resolutions / Resolutions		
18	Request to replace the underwriter, Wachovia Securities with Wells Fargo Public Finance for F&F holdings, LLC (Murphy Machine Products, Inc. Project, IFA File # I-ID-TE-CD-8095)	SCM
19	Request to substitute and/or add an underwriter: to add or substitute either Morgan Stanley and/or such underwriter as agreed to by the Borrower and the Illinois Finance Authority, (Southern Illinois Healthcare, Project Number: H-HO-TE-CD-8147)	PL/DS
20	Requested Change in Loan Terms, Requested Waiver of Late Fee and Partial Prepayment Notice of a Venture Capital Loan to Jaros Technologies (IFA Project V-TD-588)	ST

Other

Adjournment

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Illinois Finance Authority
Authorized Officers Report
November 12, 2008

To: IFA Board of Directors and Office of the Governor

From: Karen L. Walker, Authorized Officer and
Christopher B. Meister, Authorized Officer

Financial Performance

Consolidated Results: Illinois Finance Authority's financial position remains strong with total assets of \$175,679,640 consisting of equity of \$112,636,606 and liabilities of \$63,043,034. This compares favorably to the October 2007 balance sheet of \$159,067,760 in total assets comprising of \$94,992,762 in equity and \$64,074,998 in liabilities and bonds payable.

Gross Income YTD for October ended at \$3,951,312 or \$268,797 below plan. The unfavorable plan performance is primarily due to fee income, interest on loans and investment income. Total operating expenses ended at \$2,631,107 or \$690,360 below plan. This is primarily due to a reduction in the use of professional services, employee related expenses and the loan loss provision/bad debt.

Audit and Compliance

The FY 2008 audit continues to be on schedule. As of today, there have been no new findings discussed with the staff. Attached is the status of the current audit findings for your review.

Financial Services

Market Update

Despite the recent return of investor demand and drop in rates, market volatility is expected to continue through the first quarter of calendar 2009. Investor appetite for municipal bonds returned during the last two weeks of October. Retail investors led the demand which created a rally resulting in significant yield reductions. The long-term tax-exempt fixed rate index (RBI), which reached a high of 6.48% on 10/16, dropped to 6.09% on 10/30. The tax-exempt variable rate index, which reached a high of 7.95% on 9/24, fell consistently during the month and reset at 1.82% on 10/29. The ratio of tax-exempt to taxable rates also returned to normal (70%-range) levels.

Issuers nationwide, along with a number of IFA deals that had been delayed, rushed back into the market to take advantage of the rally. Borrowers quickly found the improved pricing was reserved for stronger credits (AA or better) as retail investors demanded quality. Lower rated deals were forced to reduce or further delay their financings. The national supply of new issues continued to increase. The national volume of new issues was 57% lower for October, compared to last October.

Letter of credit backed deals increased 26% in October compared to last October. However, credit enhancement remains a challenge due to the lost value of insurance and limited access to bank LOCs. Like investors, banks are looking for stronger credits. Over the near-term, we expect banks to continue to increase pricing and offer shorter terms of their credit facilities.

The Federal Open Market Committee (FOMC) lowered its target rate 50 basis points on Wednesday to 1.00 percent. The market expects another 50 basis point reduction at the next meeting (12/16). Though the stock market recovered 889 points (DJIA) on 10/28, volatility is expected to continue.

Sales, Marketing and Credit

Director of Financial Services efforts focused primarily on the economy, new business and program development. October activities included the following –

- Economic Impact – Participated in and provided economic impact report at the Governor's Office Economic Sub Cabinet meeting. Participants provided an update on expected job loss in various sectors. Funding managers have reviewing expected impact in each of the IFA sectors. Discussed impact of recession on auto industry and analyzed potential financing concepts designed to stem expected job loss. Review of LOC backed deals for reimbursement agreement language and remarketing risk.
- New Business – Participated in a series of meetings and calls to analyze and evaluate a proposed coal gasification project and use of coal moral obligation. Participated in conference calls regarding a loan guarantee request for a potential biofuels project. Discussed potential development of housing for retired professors and students. Reviewed potential solid waste projects with Governor's Office and OMB.
- Program Development – (1) New program concepts - developed next steps and priorities. (2) Local Government Moral Obligation – met with Governor's Office and OMB to finalize program changes; reviewed changes with staff and bond counsel. (3) New Tax Intercept Program – analyzed structuring alternatives with staff, financial advisor and bond counsel. (4) Local Government Direct Bond Purchase Program – adjusted timing for setting interest rate to coincide with closing – to minimize interest rate risk. (5) New Federal and State Disaster Relief program/legislation – review of legislation.
- Other Activities – Joined management group in review of market sector strategic initiatives. Joined Cory Mitchell in meeting with the Secretary General of Crédit Agricole of Morocco to share information on IFA Agriculture programs. Joined Chris Meister in follow up meeting to discuss the IDOT DBE initiative. Represented IFA at the Illinois Global Partnership meeting.

Sales Activities

Funding Managers will be presenting 17 projects totaling \$1,779,153,500 for approval in November, 2008. Agriculture projects total \$2,203,500; Business and Industry total \$18,200,000; Communities and Culture projects total \$3,750,000; Healthcare projects total \$1,255,000,000; and Higher Education projects total \$500,000,000. These projects are expected to create 415 new jobs and 1,115 construction jobs.

Agriculture

During the month of October, the Ag team continued marketing efforts with IFA partner bankers across the State. The Ag funding managers made numerous calls to various lenders, met with bank lending staff to keep them informed of IFA programs that are available to the banks and their customers. Staff continues to receive strong interest in the IFA's Beginning Farmer Bond program from lenders.

Members of the Ag team attended the annual conference for the National Council of State Agricultural Finance Programs. Representatives from 17 States attended the conference. The annual conference provided the opportunity for each State to learn what other States offer in terms of economic development programs for Agriculture, receive updates concerning legislation that affects the Beginning Farmer Bond Program, and also receive updated information from the USDA Farm Service Agency in regard to programs that are available to farmers.

Other activities attended by members of the Ag team during the month of October included the Biofuels Sustainability Conference at the University of Illinois, and a presentation made by Cory Mitchell and IFA executive management to the Moroccan Secretary General. The presentation was in collaboration with the Illinois Department of Agriculture and the Department of Commerce and Economic Opportunity's Foreign Direct Investment Department. Also, at the request of a State Representative, staff attended a meeting with a manufacturer located in central Illinois in regard to a potential plant expansion. Representatives from the Department of Commerce and Economic Opportunity also attended this meeting.

Agriculture October 2008 Closings

Closing Date	Issuance\$\$	Borrower
10/20/2008	25,000	Hardin, Justin

Healthcare

This month the Healthcare team attended several Healthcare Conferences. The 9th Annual Bond Buyer's Healthcare Conference in Las Vegas, NV, was an informative conference, concentrating on topics related to the market turmoil and the future of tax-exempt bond financing. Many representatives from Illinois Hospitals, Bond Counsels and Underwriters attended this two-day conference. Panel topics such as "What are the New Products Going to be in the Tax-Exempt Market" and "The State of Credit Enhancement" were discussed by leading market experts. Also addressed at this conference, was the topic of the financing of Proton & Carbon Ion Facilities. The

panel discussion highlighted the benefits of Proton therapy, and panel members discussed how Proton therapy, first developed in huge particle accelerator research centers, utilizes protons generated through this acceleration process in the treatment of cancer. Magnets steer the proton beam into a gantry room that allows for extremely precise targeting of the therapeutic beam from any angle to the patient. The IFA is currently in the process of financing the Northern Illinois Proton Treatment and Research Center, LLC, which will be the first proton therapy treatment center in Illinois.

The Healthcare team also attended, and sponsored a booth, at the 8th Annual Critical Access Hospital Workshop in Springfield, Illinois. This conference focused on topics such as, "Legislative and Regulatory Update for Critical Access Hospitals" and "Strategies for Critical Access Hospitals in Transformative Times". The Healthcare team had the opportunity to speak with several Critical Access Hospital CFOs about their upcoming capital plans.

Also during the month of October, the Healthcare Funding Managers were again called upon almost daily to deal with various crises in the markets and how it's affecting borrowers. The bankruptcy of Lehman Brothers, the collapse of AIG and the tightening of liquidity, which resulted in the freeze in both the variable rate and fixed rate municipal markets. Most healthcare borrowers are proceeding with their transactions and are poised to go to market when the fixed rate market opens.

Healthcare October 2008 Closings

Closing Date	Issuance\$\$	Borrower
10/8/2008	3,685,000	Greenfields of Geneva [Friendship Village of Millcreek]
10/17/2008	86,820,000	Northwest Community Hospital, Series 2008B&C

Higher Education

The abrupt economic slowdown is causing both public and independent universities and colleges to rethink their current and future operational and financial plans. The Higher Education team members have held detailed discussions with independent colleges throughout Illinois and the two umbrella organizations (the Federation of Independent Illinois Colleges and Universities, and the Associated Colleges of Illinois) of which most independent colleges are members. It is important for the Board to have a summary of these conversations as they could impact future project financings through the IFA at least in the near future:

- Many are concerned that their enrollment will decline because families don't have the cash to pay tuition and will send their college age children to community colleges for two years,
- They cannot implement tuition increases to cover increases in fixed costs,
- College endowments have plummeted, and therefore they believe it imprudent to take out the customary 5%-6% of endowment revenue and capital gains to pay for scholarships and other expenses,
- Major projects are on hold, and are delaying installing mandated sprinkler systems and other HVAC improvements.

The University of Chicago, which is well funded, is an exception. Both Loyola and DePaul Universities, which issued commercial paper with tranches to be

refinanced with long term bonds, are exceptions. The situation cries out for serious marketing efforts from the Higher Education staff. A mechanism for getting business in the near term could be marketing the IFA Participation Loan Program to be used with a local bank loan to fund immediate projects such as sprinkler installations, and later combine the loans with future projects; and fund all with traditional bonds.

Higher Education October 2008 Closings

Closing Date	Issuance\$\$	Borrower
10/16/2008	17,000,000	North Central College

Communities and Culture

The difficult economy has made many not-for-profit organizations rethink their near and mid-term project financing plans. Executive Directors and chief financial officers have shared with staff the following concerns:

- Declining endowment par values and using endowment funds to pay for current projects and internships.
- Contemplating curtailing current programs and putting new programs and facility expansions on hold at least until funding is in place.
- Anticipating a reduction in donations from their donor base.
- Anticipating much fiercer competition for federal and foundation funds from other not-for-profits.

Staff is meeting these challenges by marketing and representing the IFA at conferences and symposiums. During October:

- IFA staff hosted an exhibit table at Greentown, a conference sponsored by the Aurora Economic Development Corporation and the City of Aurora to promote building green communities throughout Illinois. Over 300 representatives from local governments, not-for-profits, and businesses attended.
- Townsend Albright represented the IFA at the Lt. Governor's 2008 Sustainable Cities Symposium held at Benedictine University. Over 270 representatives from local governments, not for profits, corporations, and service businesses attended. Speakers included representatives from DCEO, ComEd, Local School Districts, and the City of Naperville. Discussions included public-private relationships to provide incentives for building green infrastructure and facilities.

Both events provided an opportunity for IFA staff to network, broadcast the Authority's financing programs, and follow up with contacts. In summary, the IFA Higher Education and Communities and Culture funding managers are stepping up to the plate and marketing to find new business in this difficult environment.

Additionally, members of the Community and Culture team met with a potential 501(c)(3) candidate interested in acquiring, renovating and equipping a building located in the Chatham area to provide a variety of services including job training, after school programs and other community service programs. The organization is working on securing a bank commitment before the project can be presented to the IFA Board of Directors. The project size is approximately \$10 million.

Follow-up meeting with a 501(c)(3) social service agency interested in purchasing the building they are presently leasing. Senior Funding Manager, Sharnell Curtis-Martin, anticipates an application for preliminary consideration to be presented to the Board in December 2008. The project amount is approximately \$12 million.

Community & Culture October 2008 Closings

Closing Date	Issuance\$\$	Borrower
10/9/2008	5,400,000	Clearbrook

Business & Industry

Recession fears continue to constrain application and closing activity for Industrial Revenue Bonds. The owners of many companies are scaling back or deferring capital expansion projects.

Most new projects will be for companies that have a diversified customer base that manufacture components used in non-cyclical industries (e.g., medical products/diagnostic equipment), growth industries (e.g., wind energy, mining, drilling), or food manufacturing/processing.

The owners of many companies are electing to defer new building construction or acquisition projects as long as possible. The consensus of most IFA lenders is that business owners will continue to be cautious in pursuing expansion plans in 2009. Most lenders believe that the owners of small and middle market manufacturing companies will focus on equipment purchases to enhance long-term viability by (1) enabling the company to further diversify its customer base by providing complimentary service/production capacity, (2) better serve existing customers by reducing backlogged orders and increasing production capacity.

Accordingly, most upcoming IFA manufacturing projects will assure ongoing viability and employment retention focusing on (1) productivity improvements (i.e., more machines per square foot of manufacturing space, more machines under the control of each machinist), and (2) by only adding assets that will result in an immediate impact in improving sales and profitability with a minimal increase in overhead. As a result, most companies will avoid or defer real estate investments, or will pursue construction of building additions, if feasible.

Industrial Revenue Bonds:

Credit is still available to manufacturers that demonstrate the ability to attain debt service coverage based on historical operations.

Although closings for bank-purchased Industrial Revenue Bonds have not been disrupted by turmoil in the credit markets, some owners that had contemplated pursuing LOC-enhanced Variable Rate Bond issues have either (1) deferred their Variable Rate Bond issues (until variable rates settle down) or (2) have opted to proceed with bank-purchased bond issues instead.

LOC-enhanced Fixed Rate Bond Issues are not a viable option for nearly all Industrial Revenue Bond borrowers since the issuance of Fixed Rate Bonds requires borrowers to disclose their underlying financial statements to the SEC. Variable Rate Demand Bonds

are exempted from this SEC disclosure requirement provided that the interest rate is reset at least once every 270 days. This financial statement disclosure requirement makes issuance of LOC-enhanced Fixed Rate Bonds undesirable for owners of privately-held manufacturing companies (i.e., any private company that is not already subject to SEC financial reporting requirements to the market).

Accordingly, LOC-enhanced fixed rate financings are only viable for projects undertaken by publicly-traded companies (i.e., companies that are already subject to SEC-mandated financial statement disclosure).

Finally, as expected, 2008 IRB applications and closings volume will be down significantly compared to 2007. Calendar 2007 was a phenomenal year, in which the Authority successfully closed on financings for all pending applications (including a backlog of applications to May 2006, when the Internal Revenue Code was amended to increase the 6 Year Capital Expenditure Limitation applicable to IRB-financed projects from \$10 Million to \$20 Million.

Due to the current economic downturn, we anticipate 2009 IRB volume to be similar to 2008 IRB volume.

Participation Loan Update:

Effective October 23rd 2008 the Participation Loan Interest Rate formula changed to 1% below the Bank Rate which should improve the Authority's return. Additionally, this modification will reduce interest rate risk for both the Authority and the Borrower attributable to fixing IFA's upfront interest rates at the time of application. This modification in IFA's interest rate formula will also simplify execution of closing documentation and thereby expedite closings of future Participation Loans.

Business and Industry October 2008 Closings

Closing Date	Issuance\$\$	Borrower
10/20/2008	317,375.43	TG-IL, Inc.
10/29/2008	500,000	API Holdings, LLC

Energy

The IFA continues to receive inquiries for financing for a number of projects. Business development activities in October included:

- IFA has been working with the Governor's Office and the Department of Commerce and Economic Opportunity to evaluate an offer of Moral Obligation Bonds and/or Solid Waste Disposal Facilities Revenue Bonds as an incentive to locate a petcoke and coal to synthetic natural gas plant in southern Illinois.
- The Authority has been working with the Governor's Office to evaluate a request for an Agri-Industry Guarantee for a biodiesel plant in central Illinois.
- IFA has completed preliminary due diligence on an application to issue Solid Waste Disposal Facilities Revenue Bonds for a municipal solid waste to biomass derive fuels plant in the south suburbs of Chicago. The company plans to submit an application for an Air Permit to the Illinois Environmental Protection Agency and firm up its business relationships in November.

- Illinois Wind Power Supply Chain Workshop: Steve Trout spoke about the potential benefits of Industrial Revenue Bonds at a workshop for manufacturers considering retooling to serve the growing US wind power industry that was sponsored by the Jane Adams Resource Center.

Local Government

During October, IFA staff submitted and processed three participants for the Local Government Moral Obligation Pooled Bond Program to be presented at the November Board Meeting. Interest in the Local Government Moral Obligation Pooled Bond Program, and other local government programs, continues. The interest is a direct result of a mass mailing that was distributed two months ago to all units of local government. The mass mailing, along with the fact the local governments are preparing for spring infrastructure projects has contributed to over ten additional direct inquiries this month for financing. In addition to local government and fire truck financing initiatives, staff continues to pursue other market sector opportunities.

Additionally, follow-up calls were made to twelve municipalities that requested additional information from the IML presentation held in September. Presentations in cooperation with the IML for regional workshops will also take place over the next few months.

Human Resources/Operations

The following are key items completed by Stuart Boldry, Chief Operating Officer, during the month of October:

Audit: Reviewed, assembled, and provided the Auditors with materials requested for Human Resources and Venture Capital.

Human Resources: Completed fiscal year end and first quarter staff turnover reports. Submitted EEO/AA first quarter report to the Illinois Department of Human Rights.

Venture Capital: Attended board meetings for Smart Signal, Firefly, Harmonic Vision, River Glass and ZuChem. Meeting notes were prepared and distributed to involved IFA staff and members of the Venture Capital Board Committee. Reviewed documents concerning an extension of Series C financing rounds for Firefly. Evaluating a proposal received for reviewing and updating portfolio firm valuations.

IT: Held IFA's quarterly IT strategic planning meeting. Replaced malfunctioning hardware.

Facilities: Submitted the Annual Real Property Utilization report.

Risk Management: Renewed IFA's Crime and 401(a) Trustee Fiduciary Insurance Policies.

Mandates/Compliance/Other: Attended the Illinois Forestry Development Council meeting in Champaign. Attended the Illinois 2010 Census Committee meeting in Chicago. Attended a Contact Management System conference in Chicago. Set up a records retention meeting in Springfield with State Archives for November 21, 2008.

Work continues on the Information Management Project (Business Process Models; contact management system), venture capital assignments (collecting portfolio firm financial information), Green Government initiative, risk management project (Agricultural Guarantee and Participation Loan programs), and financial program research (micro-loans). Steady progress is being made in resolving challenges uncovered in the contract and procurement areas.

Marketing/Public Relations

Upcoming press events include the opening of Blackhawk Biofuel's biodiesel plant scheduled for November 19 in Danville, Illinois. Press coverage on the IFA in October included articles on the Pontiac prison closing (the IFA was part of a transition task force), the North Shore Ice Arena project, NIU's Proton Therapy Research Center project, and a groundbreaking for the New Hope Center - a facility for developmentally disabled adults in located in Crete Township.

Executive level strategic plan reviews have been conducted - the first focused on market sector plans. In November we expect to review functional area plans. There were no additional FOIA requests for the month of October. On-going projects include web updates, progress with the information management system and program marketing materials.

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

Item Number	Description	Estimated Completion Date	Action Items/ (not final)	Status	Percentage Completed
Total Number of 8					
FY 07 Material Findings					
07-01	Missing Policy on Nondiscrimination	7/31/2008	2/2		100
07-02	Failure to Report Revenue bond Information to the Illinois Office of the Comptroller		4/3		75
07-03	Bad-Debts not Referred to the Illinois Office of the Comptroller	7/31/2008	4/4		100
07-04	Noncompliance with the Illinois Procurement Code and SAMS Procedures	6/30/2008	2/2		100
07-05	Lack of Segregation of duties in Managing Property and Equipment	4/30/2008	4/4		100
07-06	No Established Rules to Administer Loan Programs	10/31/2008	2/1		50
07-07	Authority is Not a Member of the Illinois Forestry Development Council	4/30/2008	2/2		100
07-08	Failure to Administer the Exporter Award Program	10/31/2008	2/1		50

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

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

Item Number	Description	Estimated Completion Date	Status Action Items/ (not final) Action Items Completed	Percentage Completed
				10 20 30 40 50 60 70 80 90 100
Total Number of 9				
FY 07 Immaterial Findings				
IM07-01	Approval of Incomplete Travel and Marketing Reimbursement Forms	6/30/2008	5/4	████████████████████
IM07-02	Inadequate Processing and Untimely Deposit of Cash Receipts and Refunds	4/30/2008	4/4	████████████████████
IM07-03	Corrected Agency Workforce Report was not Filed Timely	4/30/2008	4/4	████████████████████
IM07-04	Use of Telecommunications Devices Not Properly Monitored	4/30/2008	3/3	████████████████████
IM07-05	Outdated Investment Report	4/30/2008	4/4	████████████████████
IM07-06	Allowance of Old Accounts Receivable Not Performed	7/31/2008	4/4	████████████████████
IM07-07	Statement of Economic Interest Report Not Filed Timely	4/30/2008	4/4	████████████████████
IM07-08	Failure to File for a Refund of Telephone Excise Tax	4/30/2008	2/2	████████████████████
IM07-09	Noncompliance with Printing Requirements	4/30/2008	2/2	████████████████████

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

ILLINOIS FINANCE AUTHORITY
FINANCIAL STATEMENTS
ANALYSIS

Balance Sheet Comparison
Actual Results October 2008 to October 2007

ASSETS

- Total Assets increased by \$16,611,880 due to:
 1. An increase in cash balance due to the payoff of loans
 2. An increase in fee revenue
 3. An increase due to a State Appropriation for the Fire truck and Ambulance Revolving Funds
 4. An increase on the loan portfolio on the Firetruck Loan Program.

LIABILITIES

- Total Liabilities decreased by \$1,031,964 due to:
 1. A reduction in the local government bond pools, because of principal payments and an offset of a new bond issue.

Statement of Activities
Year to Date Comparison
Fiscal Year 2009 to Fiscal Year 2008

REVENUE/EXPENSES

- Revenue

Gross revenue YTD for fiscal year 2009 ended at \$3,951,312 or \$60,046 below same period last fiscal year 2008. This is primarily due a decrease in investment income and fee income.
- Expenses

Expenses YTD for fiscal year 2009 ended at \$2,631,107 or \$467,936 lower than same period last fiscal year 2008 due to:

 1. A reduction in employee related expenses, due to vacancies.
 2. A reduction in loan loss reserve due to a lower outstanding loan balances

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

	Actual October 2008	Budget October 2008	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2009	Budget YTD FY 2009	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2009	% of Budget Expended
REVENUE										
INTEREST ON LOANS	310,466	310,141	325	0.10%	1,255,315	1,267,755	(12,440)	-0.98%	3,733,944	33.62%
INVESTMENT INTEREST & GAIN(LOSS)	177,828	198,816	(20,988)	-10.56%	757,045	792,360	(35,315)	-4.46%	2,399,092	31.56%
ADMINISTRATIONS & APPLICATION FEES	492,546	477,467	15,079	3.16%	1,361,613	1,916,193	(554,580)	-28.94%	5,781,179	23.55%
ANNUAL ISSUANCE & LOAN FEES	48,361	55,071	(6,710)	-12.18%	204,879	216,133	(11,254)	-5.21%	665,579	30.78%
OTHER INCOME	18,749	6,917	11,832	171.06%	372,460	27,668	344,792	1246.18%	83,004	448.73%
TOTAL REVENUE	1,047,950	1,048,412	(462)	-0.04%	3,951,312	4,220,109	(268,797)	-6.37%	12,662,798	31.20%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	226,039	268,969	(42,930)	-15.96%	921,089	1,061,596	(140,507)	-13.24%	3,206,787	28.72%
BENEFITS	21,696	23,288	(1,592)	-6.84%	89,088	91,615	(2,527)	-2.76%	281,903	31.60%
TEMPORARY HELP	7,631	3,333	4,298	128.95%	22,684	13,332	9,352	70.15%	40,000	56.71%
EDUCATION & DEVELOPMENT	370	417	(47)	0.00%	893	1,668	(775)	-46.44%	5,000	17.87%
TRAVEL & AUTO	7,458	10,250	(2,792)	-27.23%	24,071	41,000	(16,929)	-41.29%	123,000	19.57%
TOTAL EMPLOYEE RELATED EXPENSES	263,195	306,257	(43,062)	-14.06%	1,057,825	1,209,211	(151,386)	-12.52%	3,656,690	28.93%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	27,661	70,200	(42,539)	-60.60%	148,384	280,800	(132,416)	-47.16%	842,400	17.61%
LOAN EXPENSE & BANK FEE	231,619	228,907	2,712	1.18%	931,378	915,628	15,750	1.72%	2,671,824	34.86%
ACCOUNTING & AUDITING	30,952	31,975	(1,023)	-3.20%	116,334	127,900	(11,566)	-9.04%	383,700	30.32%
MARKETING GENERAL	967	8,333	(7,366)	-88.40%	11,876	33,332	(21,456)	-64.37%	100,000	11.88%
FINANCIAL ADVISORY	25,000	25,000	-	0.00%	100,000	100,000	-	0.00%	300,000	33.33%
CONFERENCE/TRAINING	(350)	1,250	(1,600)	0.00%	8,340	5,000	3,340	66.80%	15,000	55.60%
MISC. PROFESSIONAL SERVICES	3,333	4,166	(833)	0.00%	33,332	16,664	16,668	100.02%	50,000	66.66%
DATA PROCESSING	2,437	3,750	(1,313)	-35.01%	12,436	15,000	(2,564)	-17.09%	45,000	27.64%
TOTAL PROFESSIONAL SERVICES	321,619	373,581	(51,962)	-13.91%	1,362,079	1,494,324	(132,245)	-8.85%	4,407,924	30.90%

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

	Actual October 2008	Budget October 2008	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2009	Budget YTD FY 2009	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2008	% of Budget Expended
OCCUPANCY COSTS										
OFFICE RENT	19,136	25,905	(6,769)	-26.13%	94,265	103,620	(9,355)	-9.03%	310,860	30.32%
EQUIPMENT RENTAL AND PURCHASES	4,356	3,867	489	12.65%	17,597	15,468	2,129	13.76%	46,404	37.92%
TELECOMMUNICATIONS	1,921	5,420	(3,499)	-64.56%	15,966	21,680	(5,714)	-26.35%	65,040	24.53%
UTILITIES	1,486	933	553	59.27%	5,275	3,732	1,543	41.34%	11,196	47.11%
DEPRECIATION	6,527	7,355	(828)	-11.26%	26,025	29,420	(3,395)	-11.54%	88,256	29.49%
INSURANCE	1,607	1,500	107	7.14%	6,429	6,000	429	7.14%	18,000	35.71%
TOTAL OCCUPANCY COSTS	35,033	44,980	(9,947)	-22.12%	165,536	179,920	(14,384)	-7.98%	539,756	30.67%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	5,622	9,450	(3,828)	-40.51%	30,756	37,800	(7,044)	-18.63%	113,400	27.12%
BOARD MEETING - EXPENSES	3,135	2,983	152	5.08%	14,787	11,932	2,855	23.93%	35,796	41.31%
PRINTING	1,262	1,200	62	5.16%	6,664	4,800	1,864	38.84%	14,400	46.28%
POSTAGE & FREIGHT	1,149	2,300	(1,151)	-50.04%	10,040	9,200	840	9.13%	27,600	36.38%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,880	3,083	(1,203)	-39.02%	8,404	12,332	(3,928)	-31.85%	36,996	22.72%
PUBLICATIONS	575	300	275	91.58%	1,538	1,200	338	28.16%	3,600	42.72%
OFFICERS & DIRECTORS INSURANCE	14,524	14,524	0	0.00%	58,097	58,096	1	0.00%	174,292	33.33%
MISCELLANEOUS	396	42	354	0.00%	1,896	168	1,728	1028.57%	504	376.19%
TOTAL GENL & ADMIN EXPENSES	28,542	33,882	(5,340)	-15.76%	132,182	135,528	(3,346)	-2.47%	406,588	32.51%
LOAN LOSS PROVISION/BAD DEBT	-	75,000	(75,000)	-100.00%	(89,111)	300,000	(389,111)	-129.70%	900,000	-9.90%
OTHER										
INTEREST EXPENSE	644	621	23	3.69%	2,576	2,484	92	3.69%	7,447	34.59%
TOTAL OTHER	644	621	23	3.69%	2,576	2,484	92	3.69%	7,447	34.59%
TOTAL EXPENSES	649,032	834,321	(185,289)	-22.21%	2,631,107	3,321,467	(690,360)	-20.78%	9,918,405	26.53%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	398,918	214,091	184,827	86.33%	1,320,206	898,642	421,564	46.91%	2,744,393	48.11%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	(16,667)	16,667	-100.00%	(1,095)	(66,668)	65,573	-98.36%	(200,000)	0.55%
TRANSFER TO STATE OF ILLINOIS	(1,500,000)	-	(1,500,000)	0.00%	(1,500,000)	-	(1,500,000)	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	(1,101,082)	197,424	(1,298,506)	-657.72%	(180,889)	831,974	(1,012,863)	-121.74%	2,544,393	-7.11%

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

	Actual October 2008	Actual October 2007	Current Month Variance Actual vs. Actual	Current %	Actual YTD FY 2009	Actual YTD FY 2008	Year to Date Variance Actual vs. Actual	YTD %
			Variance	Variance				Variance
REVENUE								
INTEREST ON LOANS	310,466	(64,144)	374,610	-584.01%	1,255,315	909,416	345,899	38.04%
INVESTMENT INTEREST & GAIN(LOSS)	177,828	122,341	55,487	45.35%	757,045	866,373	(109,329)	-12.62%
ADMINISTRATIONS & APPLICATION FEES	492,546	636,291	(143,745)	-22.59%	1,361,613	1,961,405	(599,791)	-30.58%
ANNUAL ISSUANCE & LOAN FEES	48,361	61,967	(13,605)	-21.96%	204,879	256,608	(51,728)	-20.16%
OTHER INCOME	18,749	(13,029)	31,779	-243.90%	372,460	17,557	354,903	2021.45%
TOTAL REVENUE	1,047,950	743,425	304,525	40.96%	3,951,312	4,011,358	(60,046)	-1.50%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	226,039	384,134	(158,095)	-41.16%	921,089	1,219,404	(298,315)	-24.46%
BENEFITS	21,696	34,992	(13,296)	-38.00%	89,088	99,390	(10,302)	-10.37%
TEMPORARY HELP	7,631	9,675	(2,044)	-21.13%	22,684	34,928	(12,244)	-35.05%
EDUCATION & DEVELOPMENT	370	-	370	0.00%	893	1,056	(163)	-15.40%
TRAVEL & AUTO	7,458	17,651	(10,192)	-57.74%	24,071	59,039	(34,968)	-59.23%
TOTAL EMPLOYEE RELATED EXPENSES	263,195	446,451	(183,257)	-41.05%	1,057,825	1,413,816	(355,990)	-25.18%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	27,661	52,822	(25,160)	-47.63%	148,384	410,146	(261,762)	-63.82%
LOAN EXPENSE & BANK FEE	231,619	(220,345)	451,963	205.12%	931,378	478,814	452,564	94.52%
ACCOUNTING & AUDITING	30,952	(13,214)	44,166	-334.24%	116,334	91,928	24,406	26.55%
MARKETING GENERAL	967	2,418	(1,451)	-60.01%	11,876	21,313	(9,437)	-44.28%
FINANCIAL ADVISORY	25,000	20,031	4,969	24.81%	100,000	85,819	14,181	16.52%
CONFERENCE/TRAINING	(350)	500	(850)	-170.00%	8,340	3,320	5,020	151.20%
MISC. PROFESSIONAL SERVICES	3,333	-	3,333	0.00%	33,332	2,225	31,107	1398.07%
DATA PROCESSING	2,437	3,129	(691)	-22.10%	12,436	19,458	(7,022)	-36.09%
TOTAL PROFESSIONAL SERVICES	321,619	(154,659)	476,279	-307.95%	1,362,079	1,113,022	249,057	22.38%

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

	Actual October 2008	Actual October 2007	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2009	Actual YTD FY 2008	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	19,136	25,749	(6,613)	-25.68%	94,265	102,269	(8,003)	-7.83%
EQUIPMENT RENTAL AND PURCHASES	4,356	4,738	(382)	-8.06%	17,597	24,719	(7,122)	-28.81%
TELECOMMUNICATIONS	1,921	6,405	(4,484)	-70.01%	15,966	27,044	(11,077)	-40.96%
UTILITIES	1,486	921	565	61.29%	5,275	3,582	1,692	47.24%
DEPRECIATION	6,527	6,713	(186)	-2.77%	26,025	26,851	(826)	-3.08%
INSURANCE	1,607	2,177	(570)	-26.19%	6,429	6,355	73	1.15%
TOTAL OCCUPANCY COSTS	35,033	46,703	(11,671)	-24.99%	165,556	190,820	(25,263)	-13.24%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	5,622	11,987	(6,365)	-53.10%	30,756	33,649	(2,893)	-8.60%
BOARD MEETING - EXPENSES	3,135	3,974	(839)	-21.12%	14,787	23,872	(9,085)	-38.06%
PRINTING	1,262	1,341	(79)	-5.86%	6,664	6,646	19	0.28%
POSTAGE & FREIGHT	1,149	2,568	(1,419)	-55.25%	10,040	8,853	1,186	13.40%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,880	2,427	(547)	-22.54%	8,404	7,478	926	12.38%
PUBLICATIONS	575	224	350	156.07%	1,538	554	983	177.39%
OFFICERS & DIRECTORS INSURANCE	14,524	14,746	(222)	-1.51%	58,097	58,986	(889)	-1.51%
MISCELLANEOUS	396	-	396	0.00%	1,896	-	1,896	#DIV/0!
TOTAL GENL & ADMIN EXPENSES	28,542	37,267	(8,725)	-23.41%	132,182	140,038	(7,856)	-5.61%
LOAN LOSS PROVISION/BAD DEBT	-	33,333	(33,333)	-100.00%	(89,111)	238,586	(327,697)	-137.35%
OTHER								
INTEREST EXPENSE	644	690	(46)	-6.69%	2,576	2,760	(185)	-6.69%
TOTAL OTHER	644	690	(46)	-6.69%	2,576	2,760	(185)	-6.69%
TOTAL EXPENSES	649,032	409,786	239,247	58.38%	2,631,107	3,099,042	(467,936)	-15.10%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	398,918	333,640	65,278	19.57%	1,320,206	912,316	407,889	44.71%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	3,913	(3,913)	-100.00%	(1,095)	41,214	(42,309)	-102.66%
TRANSFER TO STATE OF ILLINOIS	(1,500,000)	-	-	0.00%	(1,500,000)	-	(2,000,000)	-100.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	-	-	-	-	-
NET INCOME/(LOSS)	(1,101,082)	337,552	(1,438,635)	-426.20%	(180,889)	2,953,530	(3,134,419)	-106.12%

**Illinois Finance Authority
Consolidated
Balance Sheet
for the Four Months Ending October 31, 2008**

	Actual October 2007	Actual October 2008	Budget October 2009	Variance to budget
ASSETS				
CASH & INVESTMENTS, UNRESTRICTED RECEIVABLES, NET	\$ 27,329,637	\$ 35,838,772	\$ 33,767,008	\$ 2,071,765
LOAN RECEIVABLE, NET	309,134	470,620	266,502	204,118
OTHER RECEIVABLES	92,544,010	89,005,204	96,224,637	(7,219,433)
PREPAID EXPENSES	413,127	961,502	1,270,446	(308,944)
	115,984	113,898.43	172,219	(58,320)
TOTAL CURRENT ASSETS	120,711,892	126,389,997	131,700,812	(5,310,815)
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	240,440	133,797	145,595	(11,799)
DEFERRED ISSUANCE COSTS	764,121	642,623	652,239	(9,616)
OTHER ASSETS				
CASH, INVESTMENTS & RESERVES	28,771,693	39,301,075	36,224,449	3,076,626
VENTURE CAPITAL INVESTMENTS	5,554,091	5,530,076	5,738,223	(208,147)
OTHER	3,025,522	3,682,072	3,682,072	-
TOTAL OTHER ASSETS	37,351,306	48,513,223	45,644,744	2,868,479
TOTAL ASSETS	\$ 159,067,760	\$ 175,679,640	\$ 178,143,390	\$ (2,463,751)
LIABILITIES				
CURRENT LIABILITIES	\$ 1,359,415	\$ 1,141,898	\$ 755,237	\$ 386,661
LONG-TERM LIABILITIES	62,715,583	61,901,136	63,738,683	(1,837,549)
TOTAL LIABILITIES	64,074,998	63,043,034	64,493,920	(1,450,888)
EQUITY				
CONTRIBUTED CAPITAL	36,061,462	35,608,692	35,608,692	-
RETAINED EARNINGS	17,921,049	24,799,651	24,799,651	-
NET INCOME / (LOSS)	2,953,529	(180,889)	831,974	(1,012,863)
RESERVED/RESTRICTED FUND BALANCE	25,491,190	39,760,982	39,760,982	-
UNRESERVED FUND BALANCE	12,565,531	12,648,171	12,648,171	-
TOTAL EQUITY	94,992,762	112,636,606	113,649,470	(1,012,863)
TOTAL LIABILITIES & EQUITY	\$ 159,067,760	\$ 175,679,640	\$ 178,143,390	\$ (2,463,751)

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

as of 10/31/2008

Loan #	Borrower Name	Due Date	Current Principal Balance	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 + Days
Participations									
10041	NEWLINE HARWOODS, INC	2/4/2008	\$171,093.38	.00	.00	.00	.00	.00	171,093.38
10049	SHULTS MACHINE	4/5/2007	\$124,342.00	.00	.00	.00	.00	.00	124,342.00
10142	THIRD PANCAKE, LLC	6/1/2008	\$5,459.44	.00	.00	.00	.00	5,459.44	.00
3			.00	.00	.00	.00	.00	5,459.44	295,435.38
3			.00	.00	.00	.00	.00	5,459.44	295,435.38

MINUTES OF THE OCTOBER 23, 2008 SPECIAL 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 October 23, 2008 at the Mid America Club, 200 E. Randolph Drive, 80th Floor, Chicago, Illinois.

Members present:

William A. Brandt, Jr., Chairman
Michael W. Goetz, Vice Chairman
Dr. William J. Barclay
Ronald E. DeNard
James J. Fuentes
Terrence M. O'Brien
Juan B. Rivera
April D. Verrett
Bradley A. Zeller

Members absent:

Dr. Roger D. Herrin
Edward H. Leonard, Sr.

Vacancies:

4

Members participating by telephone:

None

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 11:54 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests and asked Secretary, Carla Burgess Jones to call the roll. There being nine (9) members physically present, Ms. Burgess Jones declared a quorum present.

Chairman's Report

Chairman Brandt thanked fellow Board members and guests for coming. Chairman Brandt announced that projects being presented today for approval were thoroughly reviewed at the Committee of the Whole Meeting held at 8:30 a.m. today.

Acceptance of Financial Statements

Financial statements for the period ending September 30, 2008 were presented to members of the Board and accepted by the Board. Chairman Brandt stated that the Authority's financial statements were reviewed at the regularly scheduled Committee of the Whole Meeting held today at 8:30 a.m. Chairman Brandt requested a motion to approve the minutes. Motion was moved by Mr. Goetz and seconded by Dr. Barclay. The September 30, 2008 Financial Statements were unanimously approved by members of the Board.

Minutes

Chairman Brandt announced that the next order of business was to approve the minutes of the September 9, 2008 Meeting of the Board. Chairman Brandt announced that the September 9, 2008 minutes were reviewed at the regularly scheduled Committee of the Whole Meeting held today at 8:30 a.m. Chairman Brandt requested a motion to approve the minutes. Motion was moved by Mr. Rivera and seconded by Mr. Goetz. The September 9, 2008 minutes were unanimously approved by members of the Board.

Authorized Officer's Report

Ms. Walker, Authorized Officer, reported that the Authority's financial position remains strong with total assets at \$176M consisting of equity of \$113M, liabilities at \$62M, and gross year-to-date income for September ended at \$2.9M. Ms. Walker reported that at today's meeting 17 projects totaling \$1,492,607,325.67 for board approval.

Projects

Chairman Brandt asked Ms. Walker to present the following projects for consideration to the Board:

No. 1: A-FB-TE-CD-8149 – Clint Niemerg

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$236,250 to provide permanent financing to purchase approximately 66.4 acres of farmland. This project is located in Teutopolis, Illinois. **(08-10-01)**.

A-FB-TE-CD-8150 – Joel Hartman

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$149,150 to provide permanent financing to purchase approximately 52.3 acres of farmland. This project is located in Fairbury, Illinois. **(08-10-01)**.

No guests attended with respect to the two Beginning Farmer Bonds listed under Project No. 1. Chairman Brandt asked if the Board had any questions with respect to the two Beginning Farmer Bonds listed under Project No. 1. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of the two Beginning Farmer Bonds listed under Project No. 1. Leave was granted. Project No. 1 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 2: A-LL-TX-8159 – Allan and Cyndi Adams

Request for final approval of the issuance of a Participation Loan in an amount not-to-exceed \$22,500. Loan proceeds will be used to provide permanent financing for the purchase of a grain truck. This project is located in New Windsor, Illinois. **(08-10-02)**.

- No. 3:** **A-LL-TX-8155 – James and Kimberly DeSutter**
Request for final approval of the issuance of a Participation Loan in an amount not-to-exceed \$475,000. Loan proceeds will be used to provide permanent financing for the purchase of 151 acres of farmland. This project is located in Woodhull, Illinois. **(08-10-03)**.
- No. 4:** **A-DR-GT-8156 – McClure Farms**
Request for final approval for an Extension of Agri-Debt Guarantee in an amount not-to-exceed \$309,425.67. The purpose of the Agri-Debt Guarantee is to extend the original loan for a remaining term of 15 years. This project is located in Newton, Illinois. **(08-10-04)**.
- No. 5:** **I-ID-TE-CD-8151 – SBLV Investments, LLC and Jasper Meats, Inc.**
Request for preliminary approval of Industrial Revenue Bonds in an amount not-to-exceed \$3.2 million. Bond proceeds will be used to finance the acquisition of land and equipment, construction costs and to pay certain bond issuance costs. The Company is seeking \$3.2 million in 2008 IFA Volume Cap. The proposed project will be located in the Village of Bloomingdale which is a home-rule community. Bloomingdale has used \$1.9 million of its 2008 allocation and as a result they have no remaining 2008 Volume Cap to support this project. This project is expected to create 19 new jobs and 83 construction jobs. This project is located in Bloomingdale, Illinois. **(08-10-05)**.

No guests attended with respect to Project No. 5. Chairman Brandt asked if the Board had any questions with respect to Project No. 5. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 5. Leave was granted. Project No. 5 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions.

- No. 6:** **B-LL-TX-7107 – API Holdings, LLC**
Request for final approval of a Participation Loan in an amount not-to-exceed \$500,000. Loan proceeds will be used to provide permanent financing for a new building. This project is expected to create 5 new jobs and 20 construction jobs. This project is located in Granite City, Illinois. **(08-10-06)**.

No guests attended with respect to Project No. 6. Chairman Brandt asked if the Board had any questions with respect to Project No. 6. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 6. Leave was granted. Project No. 6 received final approval with 9 ayes, 0 nays, and 0 abstentions.

- No. 10:** **L-DP-TE-8061 – Village of Freeman Spur**
Request for preliminary approval of a Direct Bond Purchase in an amount not-to-exceed \$85,000. The purpose of the bond purchase is to provide

financing for water system improvements. This project is located in Freeman Spur, Illinois. (08-10-10).

No. 11: L-DP-TE-8160 – Village of West Salem

Request for preliminary approval of a Direct Bond Purchase in an amount not-to-exceed \$130,000. The purpose of the bond purchase is to provide financing for water system improvements. This project is located in West Salem, Illinois. (08-10-11).

No guests attended with respect to Project Nos. 10 and 11. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 10 and 11. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 10 and 11. Leave was granted. Project Nos. 10 and 11 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions.

Project Nos. 12, 13, 14 and 15 were withdrawn.

No. 16: H-HO-TE-CD-8157 – NorthShore University HealthSystem (F/K/A Evanston Northwestern Healthcare)

Request for preliminary approval of 501(c)3 Bonds in an amount not-to-exceed \$50 million. Bond proceeds will be used to finance the costs of discharging outstanding debt and pay issuance costs. This project is located in Evanston, Illinois. (08-10-16).

No. 17: H-HO-TE-CD-8158 – Rockford Health

Request for preliminary approval of 501(c)3 Bonds in an amount not-to-exceed \$70 million. Bond proceeds will be used to finance IHFA Series 1995 Revenue Bonds and pay issuance costs. This project is located in Rockford, Illinois. (08-10-17).

No guests attended with respect to Project Nos. 16 and 17. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 16 and 17. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 16 and 17. Leave was granted. Project Nos. 16 and 17 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions.

No. 19: H-HO-TE-CD-8051 – Silver Cross Hospital

Request for final approval of 501(c)3 Bonds in an amount not-to-exceed \$275 million. Bond proceeds will be used to finance the construction of a replacement hospital, pay for capitalized interest, fund a debt service reserve, and pay costs of issuance. This project is expected to create 637 construction jobs. This project is located in New Lenox, Illinois. (08-10-19).

No. 20: H-HO-TE-CD-8052 – Bethany North Suburban Group

Request for final approval of 501(c)3 Bonds in an amount not-to-exceed \$40 million. Bond proceeds will be used to refund IHFA Series 2002 Bonds, finance renovations, fund the conversion of a portion of Bethany's

assisted living facility. This project is expected to create 50 new jobs and 40 construction jobs. This project is located in Morton Grove, Illinois. (08-10-20).

No guests attended with respect to Project Nos. 19 and 20. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 19 and 20. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 19 and 20. Leave was granted. Project Nos. 19 and 20 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 22: Southern Illinois Healthcare Resolution. A Resolution Authorizing Amendments to the Southern Illinois Healthcare Final Bond Resolution to increase the initial maximum coupon rates.

No. 23: IFA Staff Assignments. A Resolution with respect to the assignment of staff to represent the Authority.

No. 24: OSF Healthcare System Amendatory Resolution. An Amendatory Resolution for OSF Healthcare System Series 2005 A&B IFA Bonds and Series 2007 B,C&D IFA Bonds, to amend OSF's Bond Indentures and Auction Rate Securities documents to permit OSF to purchase their bonds in the auctions and to do so without having to cancel the bonds.

No. 25: BroMenn Healthcare Resolution. A Resolution Authorizing Amendments to BroMenn Healthcare Hospitals Final Bond Resolution to increase the not-to-exceed amount from \$50 million to \$65 million, and to add the refunding of the IHFA Series 1992 Bonds.

No. 26: IFA Resolution. A Resolution to continue the successor and successor duties of the Executive Director of the Illinois Finance Authority.

No. 27: IFA Loan Programs Resolution. A Resolution to delegate the duties with respect to the Authority's loan programs.

No guests attended with respect to Resolution Nos. 22,23,24,25,26 and 27. Chairman Brandt asked if the Board had any questions with respect to Resolution Nos. 22,23,24,25,26 and 27. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolution Nos. 22,23,24,25,26 and 27. Leave was granted. Resolution Nos. 22,23,24,25,26 and 27 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 7: E-PS-TE-CD-8148 – Montessori Elementary School of South West Cook County

Request for preliminary approval of 501(c)3 Revenue Bonds in an amount not-to-exceed \$2.5 million. Bond proceeds will be used to finance construction costs, refinance an existing mortgage and to pay certain bond issuance costs. This project is expected to create 7 new jobs and 50 construction jobs. This project is located in Lemont, Illinois. (08-10-07).

No guests attended with respect to Project No. 7. Chairman Brandt asked if the Board had any questions with respect to Project No. 7. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 7. Leave was granted. Project No. 7 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions.

No. 8: N-NP-TE-CD-8145 – The Poetry Foundation

Request for final approval of 501(c)3 Revenue Bonds in an amount not-to-exceed \$25 million. Bond proceeds will be used to finance, refinance, and reimburse all or a portion of the costs of various capital improvements. This project is expected to create 8 new jobs and 25 construction jobs. This project is located in Chicago, Illinois. **(08-10-08).**

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 8. Mr. Rich Frampton, Vice President, introduced Ms. Caren Skoulas, CFO, The Poetry Foundation. Ms. Skoulas thanked members of the Board for their consideration, and gave a brief description of the project and the Foundation's history. Chairman Brandt asked if the Board had any questions for Ms. Skoulas. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 8. Leave was granted. Project No. 8 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 9: N-NP-TE-CD-8091 – The Art Institute of Chicago

Request for final approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed \$150 million. Bond proceeds will be used to finance, refinance and reimburse a portion of the costs of capital improvements. This project is expected to create 98 new jobs and 200 construction jobs. This project is located in Chicago, Illinois. **(08-10-09).**

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 9. Mr. Rich Frampton, Vice President, introduced Mr. Eric Anyah, Sr., VP for Finance. Mr. Anyah thanked the Board again for its consideration and added that The Art Institute has included two MWBE firms to its financing team. Chairman Brandt asked if the Board had any questions for Mr. Anyah. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 9. Leave was granted. Project No. 9 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 18: H-HO-TE-CD-8143 – Rush University Medical Center Obligated Group

Request for final approval of 501(c)3 Bonds in an amount not-to-exceed \$375 million. Bond proceeds will be used to provide financing to pay for costs of capital expenditures, finance or refinance the costs of terminating certain interest rate hedge agreements, refinance a line of credit, fund debt service reserve, and pay certain issuance costs. This project is expected to create 300 new jobs and 300 construction jobs. This project is located in Chicago and Aurora, Illinois. **(08-10-18).**

Chairman Brandt asked if there were any guests from Rush University Medical Center attending the meeting with respect to Project No. 18. Ms. Pamela Lenane, Vice President, introduced Ms. Catherine Jacobsen, CFO, Rush University Medical Center. Ms. Jacobsen gave an extensive description of the project, the hospital's master facilities plan and a brief history of the hospital's community involvement. Ms. Jacobsen also thanked members of the Board for their consideration. Chairman Brandt asked if the Board had any questions for Ms. Jacobsen. Mr. DeNard acknowledged Rush for including MWBE firms on its financing team. Chairman Brandt then asked if there were others wishing to address the Board concerning Rush University Medical Center. Mr. Paul McKinley, a representative from V.O.T.E., and Ms. Michelle Townes, a representative from Reach Out, stated their organizations concerns in regard to the Authority's financing of the Rush University Medical Center project. Both Mr. McKinley and Ms. Townes, asked that the Board reconsider funding this project. Chairman Brandt addressed their concerns. Chairman Brandt then asked if the Board had any questions for Mr. McKinley or Ms. Townes. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 18. Leave was granted. Project No. 18 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 21: E-PC-TE-CD-7079 – The University of Chicago

Request for preliminary approval of 501(c)3 Revenue Bonds in an amount not-to-exceed \$500 million. Bond proceeds will be used for various capital construction costs and renovations. This project is expected to create 50 to 100 new jobs within two years of the project's completion, and 150-200 construction jobs over a 12-24 month period. This project is located in Chicago, Illinois. **(08-10-21)**.

Chairman Brandt asked if there were any guests from The University of Chicago attending the meeting with respect to Project No. 21. Mr. Rich Frampton, Vice President, introduced Mr. Nim Chinniah, VP for Administration and CFO, The University of Chicago. Mr. Chinniah gave a brief description of the project, the University's strategic plans, its community involvement and contributions to economic development within the community. Mr. Chinniah also shared with the Board that the University is in discussion with a MWBE firm that is expected to be included on the financing team for this project. Chairman Brandt asked if the Board had any questions for Mr. Chinniah. Mr. DeNard, Chair of the Diversity Committee, commended The University of Chicago on its commitment to diversity, but also stated that the Authority expects a stronger commitment from the University to include more than one MWBE firm as co-manager on its financing team, particularly on a financing this large. Mr. Goetz, Vice Chair, further stated the Authority's mission concerning diversity and also added that on a financing this large the University should make diversity on its financing team a high priority. Chairman Brandt then asked if there were others wishing to address the Board concerning The University of Chicago. Mr. Paul McKinley, a representative from V.O.T.E., stated his organization's concerns in regard to the Authority's financing of the University of Chicago project. Mr. McKinley asked that the Board reconsider funding this project. Mr. Willie Fleming, a community advocate also stated his concerns. Chairman Brandt acknowledged both Mr. McKinley and Mr. Fleming. Chairman Brandt then asked if the Board had any questions for Mr. McKinley or Mr. Fleming. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor

of Project No. 21. Leave was granted. Project No. 21 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions.

Other Business

Chairman Brandt asked if there was any other business to come before the Board. There being none, Chairman Brandt requested a motion to adjourn. Upon a motion by Mr. Goetz and seconded by Mr. DeNard, the meeting adjourned at approximately 12:55 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: November 12, 2008
Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolutions for each attached project
- **Amounts:** Up to \$250,000 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$1,158,250**
- **IFA Benefits:**
 - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
 - **New Money Bonds:**
 - convey tax-exempt status
 - will use dedicated 2008 IFA Volume Cap set-aside for Beginning Farmer transactions
- **IFA Fees:**
 - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
 - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's Bank
 - The Borrower's Bank will be secured by the Borrower's assets, as on a commercial loan
 - Interest rates, terms, and collateral are negotiated between the Borrower and the Participating Bank, just as with any commercial loan
 - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd**
Stephen F. Welcome, Esq.
Three First National Plaza, Suite 4300
Chicago, IL 60602

Project Number: A-FB-TE-CD-8166
Funding Manager: Cory Mitchell
Borrower(s): Urish, Michael & Lindsey
Town: Morrison, IL
Amount: \$175,000
Use of Funds: Farmland – 40 acres w/machine shed & grain bin
Purchase Price: \$350,000 / (\$200,000 / \$5,000 per ac)
 %Borrower Equity 0%
 %Other Agency 50%
 %IFA 50%
County/Region: Carroll / Northwest
Lender/Bond Purchaser: Citizens State Bank / Joel Kempel
Legislative Districts: Congressional: 16th, Donald Manzullo
State Senate: 36th, Mike Jacobs
State House: 71st, Mike Boland

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

***Michael & Lindsey Urish:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.25% fixed for five years then adjust every 5 years thereafter for the term of the loan. The index interest rate will be tied to the 5-year US Treasury Note Plus 2.75%. **IFA Fee: \$2,625**

Project Number: A-FB-TE-CD-8172
Funding Manager: Cory Mitchell
Borrower(s): DeSutter, Matthew
Town: Woodhull, IL
Amount: \$167,000
Use of Funds: Farmland – 57.06 acres
Purchase Price: \$334,000 / (\$5,853 per ac)
 %Borrower Equity 0%
 %Other Agency 50%
 %IFA 50%
County/Region: Henry / Northwest
Lender/Bond Purchaser: Farmers State Bank of Western IL / Marvin Watters
Legislative Districts: Congressional: 17th, Phil Hare
State Senate: 37th, Dale Risinger
State House: 74th, Donald Moffitt

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin on February 1, 2010. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on February 1, 2010 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

***Matthew DeSutter:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.07% fixed for the first 5 years and then adjust every 5 years thereafter for the term of the note to 2.00% over the 5 year Treasury Constant Maturity on the date of the rate change. **IFA Fee: \$2,505**

Project Number: A-FB-TE-CD-8167
Funding Manager: Eric Reed
Borrower(s): **Beeler, Matthew**
Town: Raymond, IL
Amount: \$225,000
Use of Funds: Farmland – 76 acres
Purchase Price: \$450,000 / (\$5,921 per ac)
 %Borrower Equity 0%
 %Other Agency 50%
 %IFA 50%
County/Region: Montgomery / Central
Lender/Bond Purchaser: First National Bank of Raymond / Neil Jordan
Legislative Districts: Congressional: 19th, John Shimkus
State Senate: 49th, Deanna Demuzio
State House: 98th, Gary Hannig

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

***Matthew Beeler:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.75% fixed for five years then adjust every 5 years thereafter based on 25 basis point under National Prime as quoted in the Wall Street Journal. A ceiling of 8.00% and a floor of 4.00% are established for the life of the loan. **IFA Fee: \$3,375**

Project Number: A-FB-TE-CD-8168
Funding Manager: Eric Reed
Borrower(s): **Burnside, Thomas**
Town: Kansas, IL
Amount: \$250,000
Use of Funds: Farmland – 86.75 acres
Purchase Price: \$416,410 / (\$4,800 per ac)
 %Borrower Equity 10%
 %Other Agency 30%
 %IFA 60%
County/Region: Edgar / Southeastern
Lender/Bond Purchaser: Citizens National Bank of Paris / Renee Craig
Legislative Districts: Congressional: 15th, Timothy Johnson
State Senate: 55th, Dale Righter
State House: 109th, Roger Eddy

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

***Thomas Burnside:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.64% fixed for the first 3 years and then adjust every 3 years thereafter for the term of the note to the 3 year Federal Home Loan Bank Rate, plus 1.00 basis points. **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-8169
Funding Manager: Eric Reed
Borrower(s): Weaver, Jonathan & Marlene
Town: Xenia, IL
Amount: \$160,000
Use of Funds: Farmland – 46.2 acres w/2 barns
Purchase Price: \$160,000 / (\$83,160 / \$1,800 per ac)
%Borrower Equity: 0%
%Other Agency: 0%
%IFA: 100%
County/Region: Jefferson / Southern
Lender/Bond Purchaser: Fairfield National Bank / Rich Talbert
Legislative Districts: Congressional: 19th, John Shimkus
State Senate: 54th, John Jones
State House: 108th, David Reis

Principal shall be paid semi-annually in installments determined pursuant to Fifteen year amortization schedule, with the equal principal and interest payments in the amount of \$7,772.40 beginning one year from the date of closing and final payment of all outstanding balances due fifteen years from the date of closing.

***Jonathan & Marlene Weaver:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.25% fixed for the term of the note. IFA Fee: \$2,400

Project Number: A-FB-TE-CD-8170
Funding Manager: Eric Reed
Borrower(s): Odom, Benjamin & Bryann
Town: Benton, IL
Amount: \$81,250
Use of Funds: Farmland – 50 acres
Purchase Price: \$162,500 / (\$3,250 per ac.)
%Borrower Equity: 0%
%Other Agency: 50%
%IFA: 50%
County/Region: Franklin / Southern
Lender/Bond Purchaser: Peoples National Bank / Terry Drone
Legislative Districts: Congressional: 12th, Jerry Costello
State Senate: 59th, Gary Forby
State House: 117th, John Bradley

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

***Benjamin & Bryann Odom:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.50% fixed for the first 3 years and then adjust every 3 years thereafter for the term of the note to a rate equal to the Wall Street Journal prime, with a 2.00% cap and a floor every three years. Lender will charge .50 basis points. IFA Fee: \$1,219

Project Number:	A-FB-TE-CD-8171
Funding Manager:	Eric Reed
Borrower(s):	Tubbs, Jasen
Town:	Wayne City, IL
Amount:	\$100,000
Use of Funds:	Farmland – 80 acres w/barn and grain bins
Purchase Price:	\$200,000 / (\$190,000 / \$2,375 per ac.)
%Borrower Equity	0%
%Other Agency	50%
%IFA	50%
County/Region:	Wayne / Southern
Lender/Bond Purchaser	Fairfield National Bank / Rick Fenton
Legislative Districts:	Congressional: 19 th , John Shimkus State Senate: 54 th , John Jones State House: 108 th , David Reis

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

<p>*Jasen Tubbs: Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.25% fixed for the first 15 years and then adjust for the next 15 years to the Wall Street Journal prime plus .75%. IFA Fee: \$1,500</p>

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 12, 2008**

Project: David and Becki Damhoff

STATISTICS

Project Number:	A-LL-TX-8178	Amount:	\$417,000
Type:	Participation Loan	IFA Staff:	Cory E. Mitchell
County/Region:	Carroll/Northwest	City:	Chadwick

BOARD ACTION

Final Resolution	Staff request: Approval subject to bank conditions
IFA Funds contributed: \$417,000	Extraordinary conditions: Satisfactory appraisal on real estate demonstrating an 80% LTV or less
Staff Recommendation: Approval to purchase a loan from Wells Fargo of Morrison.	

VOTING RECORD

None

PURPOSE

Use of proceeds: Provide permanent financing for the purchase of 195.15 acres of farm land

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

N/A

JOBS

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Participation:	\$417,000	Uses: Farmland	<u>\$926,962.50</u>
Borrower Equity (cash)	\$92,962.50		
Wells Fargo	<u>\$417,000</u>		
Total	<u>\$926,962.50</u>		<u>\$926,962.50</u>

FINANCING SUMMARY/STRUCTURE

Security: This loan will be secured by a Parri Passu shared lien position on the proposed purchase of 195.15 acres of farmland and an additional 1st REM on 180 acres of farmland
Structure: 5 year term, 20 year amortization with annual payments of principal and interest.
Interest Rate: See confidential section
Interest Mode: Fixed
Credit Enhancement: None
Maturity: 20 year amortization
Estimated Closing Date: December 1, 2008

PROJECT SUMMARY

Summary: David and Becki Damhoff will be purchasing 195.15 acres located in Fairhaven Township in Carroll County, near Chadwick. Total project cost is \$926,962.50. The applicant is applying \$92,962.50(10%) of cash down on the purchase in addition to pledging additional 1st REM on 180 acres of farmland. Wells Fargo Bank, Morrison has asked IFA to participate in a 50% participation loan.

Project Rationale: The proposed financing will allow the applicants to expand their grain farming operation and increase efficiencies by spreading their current machinery inventory over more acres. This Illinois family farm is operated by the applicants and their son's.

This loan is a high quality, well secured loan that demonstrates very little risk. IFA is acting in a responsible manor in loaning these funds to high quality operations and individuals who provide opportunity and growth in Illinois Agriculture.

Timing: The proposed transaction is expected to close on December 1, 2008.

BUSINESS SUMMARY

The applicants operate a 1300 acre grain farm in Whiteside and Carroll County Illinois and reside in Morrison. Of the acres farmed, they presently own 424 acres and rent an additional 880. This proposed transaction would increase owned acres by 195.15(619.15). 70% of the acres raise #2 commercial corn and the other 30% raise soybeans. In addition to farming the applicants also operate an auctioneering business, as well as perform farm equipment appraisals.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: David and Becki Damhoff, 18367 Holly Road, Morrison, IL 61270
Project Location: Shibley Road, Chadwick, IL 61014
Borrower: David and Becki Damhoff
Ownership: Sole Proprietorship

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	None		
Accountant:	William R. Shirk	Morrison	William R. Shirk
Originating Bank:	Wells Fargo Bank	Morrison	Michael Urish
	100 West Lincoln Way	Morrison, IL 61270	
	815-772-5307	Michael.J.Urish@wellsfargo.com	
Bank Counsel:	N/A		
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott
IFA Counsel:	Dykema	Chicago	Darrell Pierce

LEGISLATIVE DISTRICTS

Congressional: 16th, Donald Manzullo
State Senate: 36th, Mike Jacobs
State House: 71st, Mike Bolland

SERVICE AREA

N/A

BACKGROUND INFORMATION

David and Becki Damhoff have been involved in agriculture their entire life in the Whiteside and Carroll county area. They have operated their own operation for over 30 years and reside in Morrison. Dave manages 100% of the day to day operations of his farming, appraisal and auctioneering business. His wife and two son's help as needed during planting and harvesting season. Becki works full time at a local optometrist's office. Corn yields have averaged 185 bushels per acre over the past three crops. Soybeans have averaged 55 bushels per acre over the same time period. Grain prices for the 2007 corn crop was near \$3/bushel and soybeans \$7/bushel. 2008 projections showed corn near \$6/bushel and soybeans at \$12/bushel. Crop insurance purchased by the borrower will guarantee actual bushels and price, 80% of the corn crop at a price of \$5.40/ bushel and 75% of his soybean crop at \$13.36/ bushel. Bushel guarantees are based on the actual production history over the past 10 years on each crop.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 12, 2008**

Project: Donald B. Latherow

STATISTICS

Project Number: A-LL-TX-8177	Amount: \$325,000
Type: Participation Loan	IFA Staff: Cory E. Mitchell
County/Region: Hancock/West Central	City: Carthage

BOARD ACTION

Final Resolution	Staff request: Approval subject to bank conditions
IFA Funds contributed: \$325,000	Extraordinary conditions: Appraisal on real estate verifying 80%LTV or less
Staff Recommendation: Approval to purchase a loan from First Bankers Trust Company in Carthage, IL.	

VOTING RECORD

None

PURPOSE

Use of proceeds: Provide permanent financing for the purchase of 268 acres of farm land.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

N/A

JOBS

Current employment: 2	Projected new jobs: 0
Jobs retained: 2	Construction jobs: 0

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Participation: \$325,000	Uses: Farmland \$650,000
First Bankers Trust Co. <u>\$325,000</u>	
Total	<u>\$650,000</u>

FINANCING SUMMARY/STRUCTURE

Security:	This loan will be secured by a Parri Passu shared 1 st lien position on the proposed farm land purchase of 268 acres. Applicant is pledging a 1 st REM on an additional 134 acres.
Structure:	20 year amortization, 5 year term, 1 st interest payment due March 1, 2009 and annual principal and interest payments due, beginning March 1, 2010.
Interest Rate:	See confidential section
Interest Mode:	Fixed
Credit Enhancement:	None
Maturity:	20 years
Estimated Closing Date:	December 1, 2008

PROJECT SUMMARY

Summary: Donald Latherow's mother is deceased leaving 402 acres to he and his two siblings. The loan request is to provide permanent financing for Donald to purchase 268 acres for \$650,000 from his two siblings and pledge his 134 acres as additional collateral. The total appraised value of the 402 acres (100 acres pasture/hay ground, 302 tillable is \$1,272,760. The farm is located in Hancock County near Carthage where it is used to raise corn, soybeans, wheat and registered Angus cattle. First Bankers Trust Company in Carthage is has asked IFA to participate in 50% of the applicant's purchase.

Project Rationale: The proposed financing will allow the applicant to maintain family ownership in this second generation Illinois family farm in which his father began two generations ago. This farm employs one farm employee in addition to the applicant. This loan is a high quality, well secured loan that demonstrates very little risk to the IFA. IFA is acting in a responsible manor in loaning these funds to a quality operation which will keep this Illinois family farm in tact.

Timing: The proposed transaction is expected to close on December 1, 2008

BUSINESS SUMMARY

Don Latherow is a second generation farmer in Hancock County. Currently his operation consists of 800 acres made up of corn, soybeans and wheat. He also maintains approximately 100 acres of hay/pasture ground for his 60 head purebred Angus cattle operation. Don's wife Peggy works off the farm as a school teacher.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Donald B. Latherow
Project Location: 2691 E. CR 1900, Carthage, IL 62321, Hancock County
Borrower: Donald B. Latherow
Ownership: Sole Proprietorship

PROFESSIONAL & FINANCIAL

Accountant:	Capps, Ancelet, Clark and Rasmussen	Carthage	
Originating Bank:	First Bankers Trust Co. 1395 Buchanan Street 217-357-3621	Carthage Carthage, IL 62321 jim.schaller@firstbankers.com	Jim Schaller
IFA Advisors:	D.A. Davidson & Co. Scott Balice Strategies	Chicago Chicago	Bill Morris Lois Scott
IFA Counsel:	Dykema	Chicago	Darrell Pierce

LEGISLATIVE DISTRICTS

Congressional: 17th, Phil Hare
State Senate: 47th, John M. Sullivan
State House: 94th, Richard P. Myers

SERVICE AREA

N/A

BACKGROUND INFORMATION

Donald and Peggy Latherow reside in Hancock County near Carthage, Illinois where they are the second generation operators of their family farming operation. Donald made his first land purchase of 175 acres in 1994. Today they are farming 800 acres and managing 800 acres of row crops and approximately 100 acres of hay/pasture ground. Don's wife Peggy maintains off-farm employment by being employed as a school teacher.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 12, 2008**

Project: Joseph Healy

STATISTICS

Project Number: A-LL-TX-8175	Amount: \$27,000
Type: Participation Loan	IFA Staff: Cory E. Mitchell
County/Region: LaSalle/Northwest	City: Streator

BOARD ACTION

Final Resolution	Staff request: Approval subject to bank conditions
IFA Funds contributed: \$27,000	Extraordinary condition: Need proof of insurance on equipment.
Staff Recommendation: Approval to purchase a loan from Flanagan State Bank in Benson.	

VOTING RECORD

None

PURPOSE

Use of proceeds: Provide permanent financing for the purchase of a corn/soybean planter

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

N/A

JOBS

Current employment: 1	Projected new jobs: N/A
Jobs retained: 1	Construction jobs: N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Participation:	\$27,000	Uses:	
Flanagan State Bank	<u>\$27,000</u>	Equipment	<u>\$54,000</u>
Total	<u>\$54,000</u>		<u>\$54,000</u>

FINANCING SUMMARY/STRUCTURE

Security:	1 st Lien on planter and 2 nd lien on all equipment now owned
Structure:	5 year term with annual payments of principal and interest
Interest Rate:	See confidential Section
Interest Mode:	Fixed
Credit Enhancement:	None
Maturity:	5 years
Estimated Closing Date:	December 31, 2008

PROJECT SUMMARY

Summary: Joseph Healy is purchasing a 2001 Kinze 12/23 3600 planter. He will utilize the planter to plant corn and soybeans.

Project Rationale: The applicant will be utilizing the proposed planter to plant both corn and soybeans. It will allow the soybeans to be planted in 15" rows and the corn in 30" rows. The planter purchase will allow the applicant to only have one planter for both crops, reducing equipment costs in having a planter for each crop.

Timing: The proposed transaction is expected to close with 30 days of approval

BUSINESS SUMMARY

Joseph and Tracy Healy, along with their 3 children, operate a family farm near Lostant, where they raise conventional corn and soybeans on 642 acres. His wife Tracy works off the farm as a dental assistant which provides the family with added cash flow and health benefits.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Joseph Healy
Project Location: 715 IL. State Route 18 E, Streator, IL. 61364
Borrower: Joseph Healy
Ownership: Sole Proprietorship

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	N/A		
Accountant:	Farm Business Farm Management	Ottawa	James McCabe
Bank	Flanagan State Bank	Benson	David Wyss
	403 State Street	Benson, IL 61516	
	309-394-2785	djwyss@flanaganstatebank.com	
IFA Advisors:	D.A. Davidson & Company	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott
IFA Counsel:	Dykema	Chicago	Darrell Pearce

LEGISLATIVE DISTRICTS

Congressional: 11th, Gerald C. Weller
State Senate: 38th, Gary G. Dahl
State House: 76th Frank J. Mautino

SERVICE AREA

N/A

BACKGROUND INFORMATION

Joseph and Tracy Healy live with their 3 children on a farmstead near Lostant, IL., in LaSalle County. Joe is 51 years of age and has farmed a major part of his life. His farms are located in LaSalle and Marshall Counties. Conventional corn and soybeans has always been a rotational crop on his farms. Today he operates 642 acres of corn and soybeans which is raised on soils with high producing capabilities.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 12, 2008**

Project: John and Nancy Howard

STATISTICS

Project Number: A-DR-GT-8176	Amount: \$276,250
Type: Agri-Debt Guarantee	IFA Staff: Eric Reed
County/Region: Jefferson/Southern	City: Texico

BOARD ACTION

Final Resolution	Staff request: Approval subject to bank conditions
State Treasurer's Reserve Funds at risk: \$276,250	Extraordinary conditions: None
Staff Recommendation: Approval to provide 85% loan guarantee in favor of Peoples National Bank.	
Additional Requirements: 1) No capital purchases > \$5,000 without prior bank and IFA approval.	
2) Assignment of life insurance for Mr. Howard equal to loan amount.	
3) Receipt of final appraisal in sufficient amount to provide LTV of 80% or less.	

VOTING RECORD

None.

PURPOSE

Use of proceeds: Refinance and restructure various existing term debts for the borrower.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

N/A

JOBS

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Guarantee:	\$276,250	Uses: Refinance Debt	<u>\$325,000</u>
Peoples National Bank	<u>\$48,750</u>		
Total	<u>\$325,000</u>		<u>\$325,000</u>

FINANCING SUMMARY/STRUCTURE

Security: 1st real estate mortgage on 224 acres of farm land and all improvements.
Structure: 30 year term with annual payments of principal and interest.
Interest Rate: See confidential section
Interest Mode: Adjustable
Credit Enhancement: IFA 85% Guarantee
Maturity: 30 years
Estimated Closing Date: December 15, 2008

PROJECT SUMMARY

Summary: John and Nancy Howard would like to refinance 3 existing loans to lengthen the amortization period of these loans.

Project Rationale: By refinancing their existing debts and obtaining an IFA Guarantee, the borrowers will be able to lengthen the amortization on their loans and reduce annual debt service, compared to a traditional bank loan. Due to the borrower's profitability and inconsistent cash flow, the lender has requested an IFA guarantee to support the loan.

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

BUSINESS SUMMARY

John and Nancy Howard have operated a grain farming operation for the past 20 years. Their operation, which is located in southern Illinois, consists of 1,100 acres of corn and soybeans. In addition to their grain farming operation, the Howard's also have a beef cattle enterprise consisting of a 40 head cow calf operation.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: John and Nancy Howard
Project Location: 16940 E. Canton Road, Texico, IL 62889
Borrower: John and Nancy Howard
Ownership: Sole Proprietorship

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	None		
Accountant:	Trenna Grabowski	Dubois	
Originating Bank:	Peoples National Bank	Mt. Vernon	Jim Flagg
Bank Counsel:	N/A		
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott
IFA Counsel:	N/A		

LEGISLATIVE DISTRICTS

Congressional: 19th, John Shimkus
State Senate: 54th, John O. Jones
State House: 107th, Kurt Granberg

SERVICE AREA

N/A

BACKGROUND INFORMATION

John and Nancy Howard have operated a grain farming operation for the past 20 years. Their operation, which is located in southern Illinois, consists of 1,100 acres of corn and soybeans. In addition to their grain farming operation, the Howard's also have a beef cattle enterprise consisting of a 40 head cow calf operation. Both John and Nancy Howard, who are in their late 40's work off the farm. Mrs. Howard is a full time special education teacher, while Mr. Howard drives a school bus.

Mr. Howard recently purchased a tract of land from his mother's estate. Mr. Howard obtained a short term loan from Peoples National Bank to finance the purchase of the land. He and the bank would now like to refinance the loan for financing the land with two of his existing loans, currently at Peoples National Bank. The Howard's will then have one real estate mortgage with one payment.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 12, 2008**

Project: Fitzpatrick Brothers, Inc.

STATISTICS

Project Number:	I-ID-TE-CD-8130	Amount:	\$10,000,000
Type:	Industrial Revenue bond	IFA Staff:	<i>Jim Senica</i>
County/Region:	Adams/West Central	City:	Quincy
Pay property taxes:	Yes		

BOARD ACTION

Final Bond Resolution	Conduit Industrial Revenue Bonds
No IFA Funds at risk	No extraordinary conditions
Staff recommends approval	<i>No material changes from prior consideration</i>

VOTING RECORD

Preliminary Bond Resolution, September 9, 2008 (\$10,000,000):

Ayes: 10 Nays: 0 Absent: 1 (Dr. Herrin) Abstentions: 0 Vacancies: 4

PURPOSE

Proceeds will be used to finance the (i) acquisition of 8 acres of land located at 309 Radio Road in Quincy, Illinois, (ii) construction of a 65,000 square foot manufacturing facility (iii) acquisition of new manufacturing machinery and equipment and (iv) payment of legal and professional issuance costs associated with the bond issuance.

The project completion will bring manufacturing to Quincy, Illinois that is currently being performed by the Spic and Span Company in a very old manufacturing facility in St Louis, Missouri. The move to Quincy near the calcium carbonate mine will provide significant volume increases to Fitzpatrick's private label operation, markedly decreased shipping costs related to raw material acquisition, and 65 new manufacturing jobs for the state of Illinois.

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 \$10 million of IFA Volume Cap. to be provided by the Governor's Office of Management and Budget. The City of Quincy ("the City") did not reserve its 2008 volume cap by 4/30/08 because "the City" was not aware at that date of any local projects (e.g. Fitzpatrick) that could use the City's 2008 allocation. Consequently, the City's entire 2008 allocation of approximately \$3,400,000 was automatically reallocated to the Governor's Office as of 5/15/2008.

This project will bring manufacturing to Illinois that is currently being performed in St. Louis, Missouri.

JOBS

Current employment:	None in current location	Projected new jobs:	65*
Jobs retained:	N/A	Construction jobs:	50

*The creation of 65 new manufacturing jobs is significant to this community of approximately 40,000 people.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds:	\$10,000,000	Uses:	Project Costs	\$11,900,000
	Harris Bank Taxable Loan	<u>2,100,000</u>		Issuance costs	<u>200,000</u>
	Total	<u>\$12,100,000</u>		Total	<u>\$12,100,000</u>

FINANCING SUMMARY/STRUCTURE

Security: Bonds will be secured with a direct-pay letter of credit to be provided by Harris Bank N.A.
Structure: Multi-mode Variable Rate Demand Notes
Interest Rate: Variable rate, with rates expected to be initially reset every 7 days. For discussion purposes, the 52-week running average of the 7-Day SIFMA Municipal Swap Index (a proxy for the Weekly Rate Mode) has averaged approximately 2.60% over the past year as of 10/29/2008. After adding customary periodic fees (e.g., ongoing Letter of Credit, Trustee, and Remarketing Agent Fees) the effective floating rate would have ranged from 3.5% to 4.0% over the past 12 months.
Maturity: Up to 25 years
Closing Date: November 25, 2008

BUSINESS SUMMARY

Description: Fitzpatrick Brothers, Inc. ("Fitzpatrick" or the "Company") is an Illinois S corporation that was founded in November, 1894, to produce America's first scouring cleanser, the Kitchen Klenzer brand. In 1968, the Company was sold to its current owner, Robert Remien of Winnetka, Illinois. The Company's corporate offices are located at 625 N Sacramento Boulevard in Chicago.

Fitzpatrick Brothers, Inc. manufactures a wide array of scouring products for both retail and wholesale operations. As such, the Company holds the distinction of being the largest private label scouring powder (cleanser) manufacturer in the United States, supplying most major grocers throughout the U.S. and Canada. Some of the major customers of its private labeling business include Wal Mart, Jewel Foods, Dominic's and Publix. In 2001, the Company recognized the need to expand its offerings beyond the powder-based products and began producing gel and cream cleansers for use both by consumers and industrial applications.

Although private label scouring powder manufacturing accounts for a significant portion of the Company's business, the Company also owns and manufactures its own products under the cleanser brand names of Old Dutch and Bab-O.

Consolidation/attrition in the industry has greatly benefited Fitzpatrick, as the departure of many competitors from the market has spurred tremendous growth in private label sales over the past 10 to 15 years. Fitzpatrick has also grown its business by co-packing product for companies that have discontinued production to outsource that activity. Recent examples include one contract to produce Ajax for Colgate Palmolive beginning in 2007 and a second contract to produce Comet for Prestige Brands beginning in 2008.

Major competitors include manufacturers of cleaning products such as Clorox, S.C. Johnson and Proctor and Gamble. The Company's major suppliers in Illinois include Huber Corporation in Quincy, Brenntag Great Lakes in Chicago, Weyerhaeuser in Rockford, Titan Steel in Chicago and Custom Graphics in Bartonville.

Project

Rationale: The proposed project will bring manufacturing to Quincy that is currently being performed by Colgate-Palmolive in an outdated manufacturing facility in St Louis, Missouri. Locating the plant near a calcium carbonate mine will dramatically reduce shipping costs for calcium carbonate (the primary input for cleanser) and provide significant volume increases to Fitzpatrick's private label operation. The Project will also bring 65 new manufacturing jobs to Illinois.

PROJECT SUMMARY

Proceeds will be used to finance the (i) acquisition of 8 acres of land located at 309 Radio Road in Quincy, Illinois, (ii) construction of a 65,000 square foot manufacturing facility (iii) acquisition of new manufacturing machinery and equipment and (iv) payment of legal and professional issuance costs associated with the bond issuance. The building construction and equipment acquisition are expected to be completed in May of 2009. The subject site is located in a Quincy business park adjacent to a calcium carbonate mine that provides the main ingredient in scouring powder, Fitzpatrick's primary product.

The Project includes the acquisition of \$500,000 in used equipment that will not be financed with tax-exempt Bond proceeds. Project costs are estimated as follows:

Land Acquisition	\$162,000
Construction	4,208,000
New Equipment	7,030,000
Used Equipment	<u>500,000</u>
Total	<u>\$11,900,000</u>

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Fitzpatrick Brothers, Inc. (Contact: Mr. Mark Mattes, Vice President, Fitzpatrick Brothers, Inc. 625 Sacramento Blvd., Chicago, Illinois 60612 Phone: (262) 9427-5000 extension 615)
Project Location: 309 Radio Road in Quincy, Illinois (Adams County)
Borrower: Fitzpatrick Brothers, Inc.
Ownership: 100% by Olds Products Co. which is 100%-owned by Remien & Kuhnert Co. which is 100%-owned by Robert Remien

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Sullivan, Hincks & Conway	Oak Brook, IL	Daniel Sullivan
Accountant:	FGMK CPAs	Bannockburn, IL	Lee Singer
Bond Counsel:	Greenberg Traurig	Chicago, IL	Matt Lewin
Issuer's Counsel:	Miller, Hall & Triggs	Peoria IL	Richard M. Joseph
L O C Bank:	Harris Bank, N.A.	Chicago, IL	Jennifer Schlott
L O C Bank & Underwriter Counsel:	Chapman & Cutler	Chicago, IL	Bill Hunter
Underwriter:	BMO Capital Markets GKST, Inc.	Chicago, IL	Nicholas Knorr
Trustee:	Bank of New York Mellon Trust	Chicago, IL	Rodney Harrington
Rating Agency:	Standard & Poors	New York, NY	Katie Curry
IFA Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 12, 2008**

Project: Regis Technologies, Inc.

STATISTICS

IFA Project:	I-ID-TE-CD-8106	Amount:	\$8,200,000 (not-to-exceed amount for Resolution)
Type:	Industrial Revenue Bonds	IFA Staff:	Rich Frampton
Location:	Morton Grove	County/Region:	Cook County/Northeast

BOARD ACTION

Final Bond Resolution Conduit Industrial Revenue Bonds Staff recommends approval	No IFA funds at risk Subject to Morton Grove allocation of Volume Cap
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Changes from Preliminary: IRB not-to-exceed bond amount reduced from \$10.0 Million to approximately \$8,200,000.

VOTING RECORD

Preliminary Bond Resolution, July, 2008 (Not-to-exceed amount of \$10.0 Million):

Ayes: 10	Nays: 0	Abstentions: 0
Absent: 3 (DeNard, Rivera, Valenti)	Vacancies: 2	

PURPOSE

Financing this project will further develop Illinois' bio-sciences pharmaceutical infrastructure.

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

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

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

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

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

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

The Village of Morton Grove will be providing its entire 2008 allocation (i.e., \$1,909,270) to support this project prior to closing. As a result, IFA will contribute \$6,290,730 of the Authority's 2008 State Agency Volume Cap to support this financing. IFA's allocation is contingent on receipt of the Village's 2008 allocation.

SOURCES AND USES OF FUNDS

Sources:	IRB First Am. Bk. Loan (Taxable) Equity Total	\$8,200,000 2,300,000 <u>2,430,000</u> <u>\$12,930,000</u>	Uses:	Project Costs Issuance Costs Total	\$12,775,000 <u>155,000</u> <u>\$12,930,000</u>
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The financial summary section of this report explains the sources of project equity (see Page 7).

JOBS

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

FINANCING SUMMARY

Direct Lender/ Bond Investor	
Security:	The Direct Lender/Investor (i.e., First American Bank) will be secured by a blanket first security interest in all accounts receivable, inventory, and equipment that will be cross-collateralized and cross-defaulted with Regis' Line of Credit, and other term debt obligations (including both the IFA Series 2005 Bonds, and the \$2,300,000 First American term loan that would finance project costs that do not qualify for IRB financing).
Structure:	As proposed, the Bonds would be purchased directly by First American Bank and held as a portfolio investment until maturity as Direct Lender/Investor.
Interest Rate:	5 Year initial rate set at an estimated 4.25%
Amortization:	30 years (Regis and the Bank initially expect to allocate Bond proceeds of \$7.875 million to real estate expenditures amortized over 30 years and \$325,000 of equipment expenditures amortized over 10 years.)
Timing:	mid-to-late November 2008
Rationale:	This project will enable Regis Technologies, Inc. to modernize its production facilities, expand its analytical testing and quality control facilities, and increase its production capacity in order to

accept new business. Regis is currently operating at full capacity at its Morton Grove facility. This project will enable Regis to further build-out a two-story, shell warehouse that it acquired to expand its existing headquarters/production facility in Morton Grove in 2002 thereby enabling the Company to remain in Morton Grove long-term.

Regis has experienced significant order backlogs recently. The new production capacity will reduce these backlogs, thereby enabling Regis to satisfy customer demand more expeditiously.

BUSINESS SUMMARY

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

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

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

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

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

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

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

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

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

This financing will also finance construction of eight (8), two-story production suites for drug manufacturing that will result in additional build-out of approximately 30,000 SF of the Regis' shell building purchased in 2002. This production space will be built according to FDA specifications and the specific requirements of the drugs and drug ingredients to be manufactured. Each suite will be dedicated to the production of a single pharmaceutical product.

Prior

Financings: Regis financed previous expansions in 1996 and 2005 with IFA (and IDFA) bond issues:

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

All payments relating to the IFA Series 2005 Bonds were current as of 10/1/2008.

Regis has also increased employment significantly since 1996:

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

PROJECT SUMMARY

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

Estimated project costs are as follows:

New Construction/Renovation (incl. Arch./Eng.)	\$7,875,000	(IRB Proceeds will be used to financed these assets, subject to final tax analysis)
New Machinery and Equipment	4,450,000	(Only \$325,000 of IRB proceeds would be used to finance M&E. This amount would be attributed to the 2008 Volume Cap from the Village of Morton Grove. The remaining machinery and equipment costs would be financed with Equity and the Taxable First American Bank Loan.)
Used Machinery and Equipment (not IRB financed)	<u>450,000</u>	Equity and/or First American Bank Loan (does not qualify for Tax-Exempt Bond Financing).
Total Project Costs (see Uses of Funds – p. 1)	<u>\$12,775,000</u>	

ECONOMIC DISCLOSURE STATEMENT

Applicant: Regis Technologies, Inc. (Contact: Mr. Louis Glunz, IV, President, Regis Technologies, Inc., 8210 Austin Ave., Morton Grove, IL 60053-3205; Ph.: 847/583-7640; Fax: 847/967-1214; e-mail: lgunziv@registech.com). (Alternate contact: Mr. Burr Martin, CFO, Ph.: 847-583-7641; e-mail: burrmartin@registech.com .)

Project name: Regis Technologies, Inc. Series 2008 Industrial Revenue Bonds

Locations: 8210 Austin Ave. and 6021 Monroe Court, Morton Grove (Cook County), IL 60053

Organization: S Corporation

State: Illinois

Ownership: All individuals with a 7.50% or greater ownership interest are listed below (7.50% is statutory IFA Board Conflict threshold):

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

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

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 12, 2008**

Project: City of Benton

STATISTICS

Number: L-GP-MO-8180	Amount:	\$2,100,000 (not to exceed)
Type: Local Government Pooled Program	Location:	Benton, Illinois
County / Region: Franklin / Southern	IFA Staff:	Kristi Conrad

BOARD ACTION

Preliminary Bond Resolution
No IFA funds contributed
Staff recommends approval

VOTING RECORD

This is the first time that this project has been presented for Board consideration

PURPOSE

Provide financing for sewer system improvements.

IFA PROGRAM AND CONTRIBUTION

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

JOBS

Current employment: 40 (full time) 30 (part time)	Projected new jobs: 0
Jobs retained: 0	Construction jobs: 10

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$2,100,000	Uses: Sewer System Improvements	\$2,000,000
			Underwriter	25,000
			Other Costs of Issue	<u>75,000</u>
	Total	<u>\$2,100,000</u>	Total	<u>\$2,100,000</u>

FINANCING SUMMARY

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

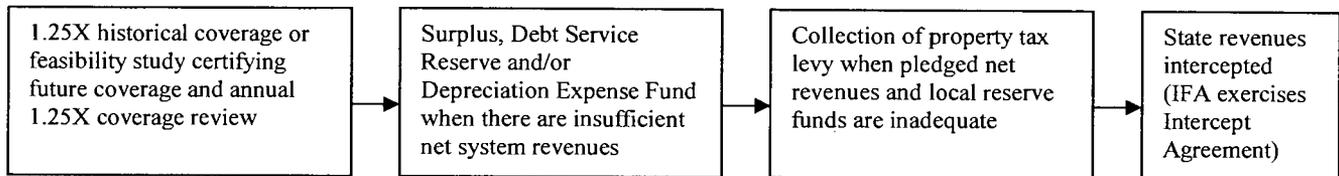
service payment, the City will pledge its interceptable state revenues (State Income Tax, State Sales Tax and State Replacement Tax).

Local Collateral: The bonds are general obligations of the City and are payable from (i) net revenues of the Water and Sewer System and (ii) ad valorem property taxes levied against all of the taxable property in the City without limitation as to rate or amount. The bonds will also be secured by the City’s interceptable State revenues. The City will pass an Ordinance that pledges City Intercept Revenues to the IFA to provide payment for delinquent or defaulted principal, premium, interest, and other fees related to the issued securities.

The City will also fund a depreciation account valued at 10% of the bonds. The City will have up to five years to fund the account. Moneys set aside in the depreciation account are to be used for financed system improvements if or when needed. In addition, depreciation expense account dollars may be used to meet debt service requirements, if the Village is unable to meet its obligations.

Additional security will be provided by an Intercept Agreement between the City and the IFA. The City will pass an Ordinance that pledges City Intercept Revenues to the IFA to provide payment for delinquent or defaulted principal, premium, interest, and other fees related to the issued securities.

Below provides a pictorial review of the local government’s flow of funds.



Structure: Principal is expected to be due on February 1, beginning in 20010 with a final maturity in 2019. Interest will be fixed rate and payable each August 1 and February 1, beginning February 1, 2010. The bonds are subject to redemption prior to maturity.

Credit Enhancement: Moral Obligation

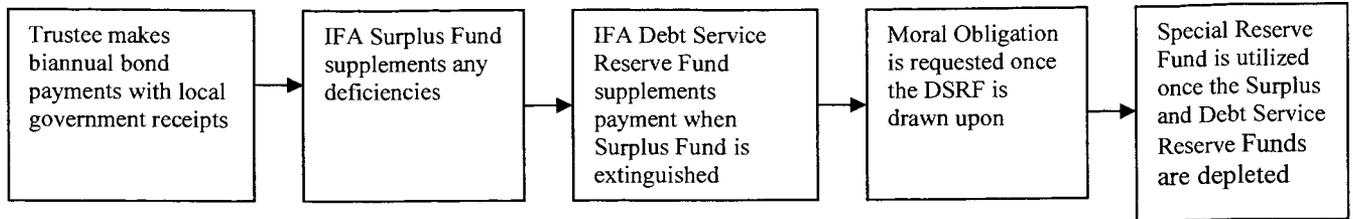
Maturity: 10 years

Estimated Closing: Spring 2009

IFA Bonds: As a conduit, the IFA Bonds will be Revenue Bonds. The Pool trustee will collect each of the underlying pool participants’ bond payments and then applies these payments to the biannual pool bond payments.

IFA Collateral: **Since the Program’s 1990 inception, there has never been a participant default and there has never been a need to draw upon the Debt Service Reserve Fund nor a request for Moral Obligation Funds.** Should the IFA not receive payment from a local government, the IFA’s Surplus Fund (totaling approximately \$900,000) makes the payment to the bondholders (so as not to incur a delinquency). Should the Surplus Fund be extinguished, the IFA will draw upon the program’s Debt Service Reserve Fund (totaling approximately \$8.8 million). Upon drawing upon the Debt Service Reserve Fund, the IFA is obligated to notify the Governor’s Office that the State’s Moral Obligation is requested. If the Debt Service Reserve Fund is entirely exhausted, the IFA may utilize its locally held Special Reserve Fund (totaling approximately \$2.5 million). Below provides a pictorial review of the IFA’s flow of funds.

IFA's Flow of Funds:



PROJECT SUMMARY

The City of Benton will use bond proceeds to repair the sewer system's interceptor. The interceptor is the plumbing that connects the sewer system to the sewer plant. It was installed in 1920 and runs under I-57. The interceptor has several cracks that are in-grown with roots that allow a great amount of ground water into the system which increases treatment costs. The interceptor is approximately one-half mile in length and at a depth of 10 feet. The interceptor must be completed before the City can begin their sewer plant replacement.

BUSINESS SUMMARY

The City of Benton, located in Franklin County, has a current population of 6,900. Benton is approximately 100 miles southeast of St. Louis.

The following chart provides a comparative analysis of economic indicators for the City and Illinois.

	Benton	Illinois
2005 Estimated Median Household Income	31,622	50,260
2004 Adjusted Gross Income	34,898	54,625
2004 Average Salary	30,945	46,811

ECONOMIC DISCLOSURE STATEMENT

Applicant: The City of Benton
 Project names: The City of Benton
 Location: P.O. Box 640 Benton, IL 62812
 Organization: Illinois City
 Mayor: Gary Kraft

PROFESSIONAL & FINANCIAL

Underwriter:	TBD		
Underwriter Counsel:	TBD		
Local Bond Counsel:	TBD		
IFA Pooled Bond Counsel	Chapman & Cutler LLP	Chicago	Chuck Jarik
Issuers Counsel:	TBD		
Trustee:	US Bank	St. Louis, MO	Brian Kabbes
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 12th – Jerry F. Costello
 State Senate: 59th – Gary Forby
 State House: 117th – John E. Bradley

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 12, 2008**

Project: City of Charleston

STATISTICS

Number: L-GP-MO-8179	Amount:	\$700,000 (not to exceed)
Type: Local Government Pooled Program	Location:	Charleston, Illinois
County / Region: Coles / Southeastern	IFA Staff:	Kristi Conrad

BOARD ACTION

Preliminary Bond Resolution
No IFA funds contributed
Staff recommends approval

VOTING RECORD

This is the first time that this project has been presented for Board consideration

PURPOSE

Provide financing for renovation of the City's waste water treatment plant.

IFA PROGRAM AND CONTRIBUTION

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

JOBS

Current employment: 137 (full time) 69 (part time)	Projected new jobs: 0
Jobs retained: 0	Construction jobs: 5

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$700,000	Uses: Waste Water System Improvements	\$670,000
			Underwriter	8,400
			Other Costs of Issue	<u>21,600</u>
	Total	<u>\$700,000</u>	Total	<u>\$700,000</u>

FINANCING SUMMARY

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

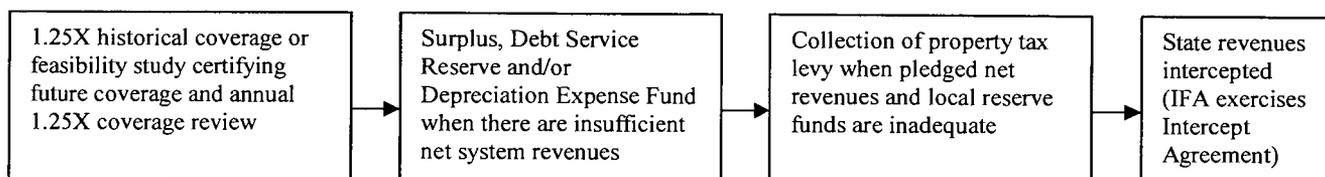
service payment, the City will pledge its interceptable state revenues (State Income Tax, State Sales Tax and State Replacement Tax).

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

The City will also fund a depreciation account valued at 10% of the bonds. The City will have up to five years to fund the account. Moneys set aside in the depreciation account are to be used for financed system improvements if or when needed. In addition, depreciation expense account dollars may be used to meet debt service requirements, if the Village is unable to meet its obligations.

Additional security will be provided by an Intercept Agreement between the City and the IFA. The City will pass an Ordinance that pledges City Intercept Revenues to the IFA to provide payment for delinquent or defaulted principal, premium, interest, and other fees related to the issued securities.

Below provides a pictorial review of the local government's flow of funds.



Structure: Principal is expected to be due on February 1, beginning in 2010 with a final maturity in 2029. Interest will be fixed rate and payable each August 1 and February 1, beginning February 1, 2010. The bonds are subject to redemption prior to maturity.

Credit Enhancement: Moral Obligation

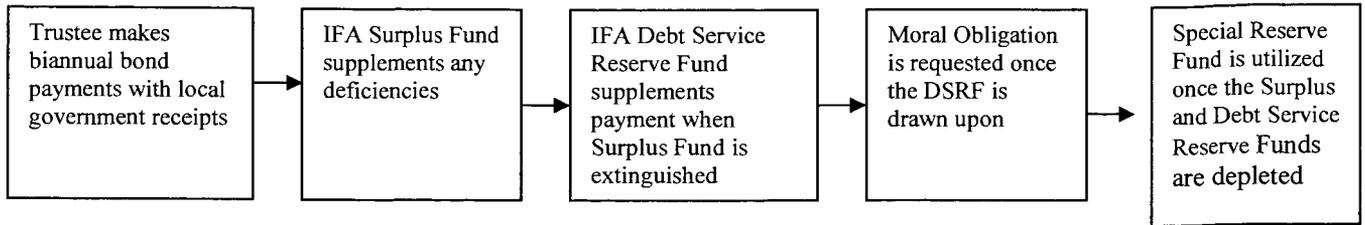
Maturity: 20 years

Estimated Closing: Spring 2009

IFA Bonds: As a conduit, the IFA Bonds will be Revenue Bonds. The Pool trustee will collect each of the underlying pool participants' bond payments and then apply these payments to the biannual pool bond payments.

IFA Collateral: **Since the Program's 1990 inception, there has never been a participant default and there has never been a need to draw upon the Debt Service Reserve Fund nor a request for Moral Obligation Funds.** Should the IFA not receive payment from a local government, the IFA's Surplus Fund (totaling approximately \$900,000) makes the payment to the bondholders (so as not to incur a delinquency). Should the Surplus Fund be extinguished, the IFA will draw upon the program's Debt Service Reserve Fund (totaling approximately \$8.8 million). Upon drawing upon the Debt Service Reserve Fund, the IFA is obligated to notify the Governor's Office that the State's Moral Obligation is requested. If the Debt Service Reserve Fund is entirely exhausted, the IFA may utilize its locally held Special Reserve Fund (totaling approximately \$2.5 million). Below provides a pictorial review of the IFA's flow of funds.

IFA's Flow of Funds:



PROJECT SUMMARY

The City of Charleston will use bond proceeds for costs related to the renovation of the waste water treatment plant. The renovation is necessary to maintain IEPA compliance. Historically, the community has incurred emergency repair expenses in order to keep the system running. It is apparent that the City must make major renovations in order to be in compliance with IEPA standards.

BUSINESS SUMMARY

The City of Charleston, located in northern Coles County, covers approximately 8.7 square miles and boasts a current population of 21,039. Girard is approximately 55 miles south of Champaign.

The chart provided below offers a comparative analysis of key income indicators between the City and Illinois.

	Charleston	Illinois
2007 Estimated Median Household Income	28,100	54,124
2004 Adjusted Gross Income	40,999	54,625
2004 Average Salary	34,944	46,811

ECONOMIC DISCLOSURE STATEMENT

Applicant: The City of Charleston
 Project names: The City of Charleston
 Location: 520 Jackson Ave
 Organization: Illinois Home Rule City
 Mayor: John Inyart
 Comptroller: Heather Kuykendall

PROFESSIONAL & FINANCIAL

Underwriter:	TBD		
Underwriter Counsel:	TBD		
Local Bond Counsel:	TBD		
IFA Pooled Bond Counsel	TBD		
Issuers Counsel:	TBD		
Trustee:	US Bank	St. Louis, MO	Brian Kabbes
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 15th – Timothy V. Johnson
 State Senate: 55th – Dale Righter
 State House: 110th Chapin Rose

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 12, 2008**

Project: City of Girard

STATISTICS

Number: L-GP-MO-8082	Amount:	\$950,000 (not to exceed)
Type: Local Government Pooled Program	Location:	Girard, Illinois
County / Region: Macoupin / Central	IFA Staff:	Kristi Conrad

BOARD ACTION

Preliminary Bond Resolution
No IFA funds contributed
Staff recommends approval

VOTING RECORD

This is the first time that this project has been presented for Board consideration

PURPOSE

Provide financing for the construction of a new water storage tank.

IFA PROGRAM AND CONTRIBUTION

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

JOBS

Current employment: 14 (full time) 29 (part time)	Projected new jobs: 0
Jobs retained: 0	Construction jobs: 5

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$950,000	Uses: Water System Improvements	\$910,000
			Underwriter	11,500
			Other Costs of Issue	<u>28,500</u>
	Total	<u>\$950,000</u>	Total	<u>\$950,000</u>

FINANCING SUMMARY

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

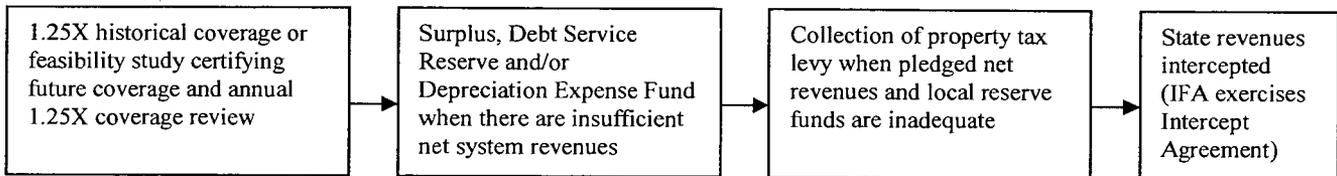
payment, the City will pledge its interceptable state revenues (State Income Tax, State Sales Tax, and State Replacement Tax).

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

The City will also fund a depreciation account valued at 10% of the bonds. The City will have up to five years to fund the account. Moneys set aside in the depreciation account are to be used for financed system improvements if or when needed. In addition, depreciation expense account dollars may be used to meet debt service requirements, if the Village is unable to meet its obligations.

Additional security will be provided by an Intercept Agreement between the City and the IFA. The City will pass an Ordinance that pledges City Intercept Revenues to the IFA to provide payment for delinquent or defaulted principal, premium, interest, and other fees related to the issued securities.

Below provides a pictorial review of the local government's flow of funds.



Structure: Principal is expected to be due on February 1, beginning in 20010 with a final maturity in 2039. Interest will be fixed rate and payable each August 1 and February 1, beginning February 1, 2010. The bonds are subject to redemption prior to maturity.

Credit Enhancement: Moral Obligation

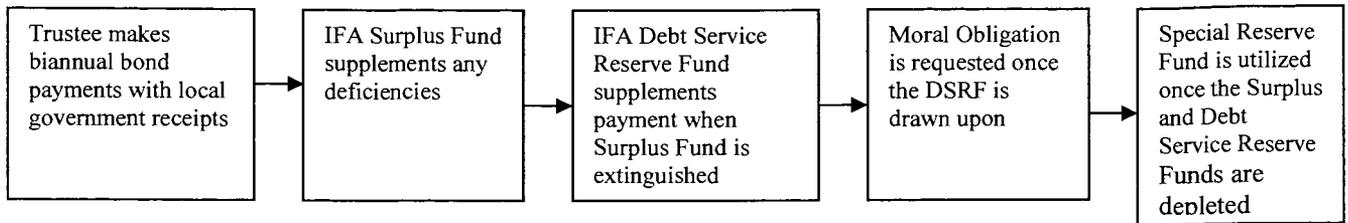
Maturity: 30 years

Estimated Closing: Spring 2009

IFA Bonds: As a conduit, the IFA Bonds will be Revenue Bonds. The Pool trustee will collect each of the underlying pool participants' bond payments and then applies these payments to the biannual pool bond payments.

IFA Collateral: **Since the Program's 1990 inception, there has never been a participant default and there has never been a need to draw upon the Debt Service Reserve Fund nor a request for Moral Obligation Funds.** Should the IFA not receive payment from a local government, the IFA's Surplus Fund (totaling approximately \$900,000) makes the payment to the bondholders (so as not to incur a delinquency). Should the Surplus Fund be extinguished, the IFA will draw upon the program's Debt Service Reserve Fund (totaling approximately \$8.8 million). Upon drawing upon the Debt Service Reserve Fund, the IFA is obligated to notify the Governor's Office that the State's Moral Obligation is requested. If the Debt Service Reserve Fund is entirely exhausted, the IFA may utilize its locally held Special Reserve Fund (totaling approximately \$2.5 million). Below provides a pictorial review of the IFA's flow of funds.

IFA's Flow of Funds:



PROJECT SUMMARY

The City of Girard will use bond proceeds to construct a new water storage tank and pay for costs associated with the issuance of the Local Government Securities and the Bonds.

BUSINESS SUMMARY

The City of Girard, located in northern Macoupin County, covers approximately 1 square mile. The City was incorporated in 1855 and boasts a current population of 2,245. Girard is approximately 25 miles southwest of Springfield and serves as a bedroom community for the city.

The chart provided below offers a comparative analysis of key income indicators between the City and Illinois.

	Girard	Illinois
2007 Estimated Median Household Income	37,000	54,124
2004 Adjusted Gross Income	38,699	54,625
2004 Average Salary	33,771	46,811

ECONOMIC DISCLOSURE STATEMENT

Applicant: The City of Girard
 Project names: The City of Girard
 Location: P.O. Box 115 Girard, IL 62640
 Organization: Illinois Municipality
 Mayor: Bruce Pitchford
 City Clerk: Larry Herron

PROFESSIONAL & FINANCIAL

Underwriter:	TBD		
Underwriter Counsel:	TBD		
Local Bond Counsel:	Hart, Southworth & Witsman	Springfield	Mike Southworth
IFA Pooled Bond Counsel:	TBD		
Issuers Counsel:	TBD		
Trustee:	US Bank	St. Louis, MO	Brian Kabbes
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 12, 2008**

Project: Timothy Place NFP, d/b/a Park Place of Elmhurst

STATISTICS

Number:	H-SL-RE-TE-CD-	Amount:	\$195,000,000 (Not-to-Exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane/ Dana Sodikoff
Location:	Elmhurst (DuPage County)	Region:	Northeast

BOARD ACTION

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

VOTING RECORD

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

PURPOSE

Proceeds will be used to (i) construct and equip a new Continuing Care Retirement Community, (ii) repay monies used to finance pre-development costs, (iii) fund one or more Debt Service Reserve Funds, (iv) fund interest expense on the bonds for a period of approximately 24 months, (v) fund certain credit enhancement costs, if applicable, and (vi) fund certain professional and bond issuance costs.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	5	Projected new jobs:	129
Jobs retained:	N/A	Construction jobs:	200

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA bonds	\$172,434,000	Uses: Project Fund	\$138,557,000
Subordinate Debt from Rest Haven	2,500,000	Debt Service Reserve Funds	14,742,000
Equity/Entrance Fees	4,557,000	Funded Interest (24 months)	22,812,000
		Cost of Issuance (incl. undwrt disc)	3,380,000
Total	\$ 179,491,000	Total	\$179,491,000

Note: The chart above represents the sources and uses pertaining to the IFA Bonds, the subordinate note held by Rest Haven as a result of foregoing reimbursement of certain project expenses at closing, and the equity contribution/resident entrance fees that will be used as part of the project. In addition, resident entrance fees will be used as a significant source of funds to provide for working capital, an Operating Reserve Fund, certain development fees and the redemption of a portion of the IFA Bonds.

FINANCING SUMMARY

Security:	The security for the bonds will include a mortgage and revenue pledge. The key bond documents will include a master indenture, bond indentures and loan agreements. Additionally, the sole corporate member of the project's sponsor, Providence Life Services fka Rest Haven Christian Services, may provide additional credit support to the project.
Structure:	The current plan of finance, subject to change, is that this issue will consist of fixed rate bonds for the permanent, long-term debt and fixed rate bonds for the temporary debt (i.e., the debt to be repaid as quickly as possible using resident entrance fees after the community opens). If circumstances in the credit markets change in the near future, it is possible that the Borrower will diversify the plan of finance to include Variable Rate Demand Bonds ("VRDBs") which are credit enhanced with a Letter of Credit. It is also possible that a series of EXTRAS (Extendable Rate Adjustable Securities) will be added to this transaction as either temporary debt or as permanent debt which will either be repaid from entrance fees or on-going operations. The Borrower and Underwriter will select the exact and ideal bond structure as the deal progresses in the future and the financial markets return to a semblance of normalcy.
Interest Rate:	To be determined. Please refer to the paragraph above.
Interest Mode:	If fixed rate bonds and EXTRAS are issued, interest will be paid semi-annually. Interest will be paid weekly for an VRDBs issued.
Credit Enhancement:	To be determined (see "Structure" paragraph above). The expected plan of finance does not include credit enhancement.
Maturity:	The permanent debt will be amortized during 2015 through 2043. Temporary debt is expected to be repaid through optional redemptions during 2013 through 2014.
Rating:	Underlying borrower is unrated. If credit enhancement is utilized then the bonds will carry the applicable rate of the credit enhancer.
Estimated Closing Date:	December, 2008 (or upon the community reaching 65% presales of the independent living units)
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, for which they qualify.
<u>Conditions for Waiver:</u>	The Borrower will secure a feasibility study* from an independent and qualified accounting or consulting firm acceptable to the Authority demonstrating the financial viability of the project.

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

PROJECT SUMMARY

Park Place of Elmhurst (the "Community") 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 162 one, two, and three bedroom independent living units, 10 catered living apartments, 46 assisted living units, 20 memory support assisted living units, 37 nursing beds, common areas, and an underground parking garage containing space for 162 cars to be located on approximately 12.5 acre site in Elmhurst, Illinois, (ii) repayment of monies used to finance pre-development costs, (iii) fund one or more Debt Service Reserve Funds, (iv) fund interest expense on the bonds for a period of approximately 24 months, (v) fund certain credit enhancement costs, if applicable, and (vi) fund certain professional and bond issuance costs.

Project Costs: Estimated to be \$179,491,000. This represents all project costs to be funded with IFA bonds and equity, other than certain late-occurring development fees to be funded with entrance fees. Entrance fees will also be used to fund items not included in the \$179.491 million. These items include the funding of a Working Capital Fund, an Operating Reserve Fund and redemption of Temporary Debt.

The Project: Park Place of Elmhurst is being developed in two phases. Phase I, which is being financed with the proceeds from the Series 2008 Bonds, will consist of 162 one, two, and three bedroom independent living units, 10 catered living apartments, 46 assisted living units, 20 memory support assisted living units, and 37 nursing beds. Phase II is anticipated to be constructed after the Community has reached stabilized occupancy (95% occupied) and is assumed to add an additional 60 to 80 independent living units to the Community. There will be an underground parking garage containing space for approximately 162 vehicles. As of October 23, 2008, 84 of the 162, or 52% of the independent living units had been reserved by applicants each making a reservation deposit equal to 10% of the required entrance fee.

The Community's common areas are planned to include:

- Dining rooms offering three meals daily
- Café/bistro
- Private dining room for special occasions
- Library/Resource Center
- Beauty salon/barber shop
- Creative arts center
- Card/game room
- Aquatic center; and a
- Fitness center.

It is anticipated that project construction will begin in January, 2009, and be completed by January, 2011. Initial occupancy for independent living units is planned to begin in September, 2010.

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

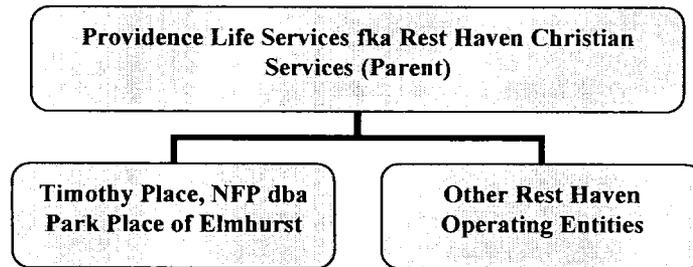
Healthcare and other licensure: Once the project is completed, Park Place of Elmhurst anticipates that it will obtain a Life Care Facilities permit, licensure as an assisted living facility under the Assisted Living and Shared Housing Act and licensure of the skilled nursing beds from the Illinois Department of Public Health. Park Place received its Certificate of Need from the Illinois Health Facilities Planning Board for the nursing units on April 8, 2008.

Sponsor: Park Place of Elmhurst is being developed by Providence Life Services fka Rest Haven Christian Services (“Rest Haven”). Rest Haven was founded in 1956 as an Illinois not for profit corporation to own and operate senior living facilities. Rest Haven currently operates 11 separate facilities accounting for over 1,500 units in Michigan and Illinois. The Community is not being financed as part of Rest Haven’s existing obligated group. Rest Haven will provide all management services to the Community. In addition, as part of the financing, Rest Haven is contemplating providing credit support as a form of additional security. The type of credit support that will be provided is still being determined.

BUSINESS SUMMARY

Background: Park Place of Elmhurst is being developed to meet the needs of the elderly population of the Elmhurst area. The Community, once constructed, will consist of 162 independent living units, 10 catered living apartments, 46 assisted living units, 20 memory support assisted living units, and 37 nursing beds. In addition, the Community will consist of numerous common areas which include dining rooms, a performing arts center, a fitness/wellness center, a library, a day spa and 162 underground parking spaces. The Community is being developed on approximately 12.5 acres that are situated next to Timothy Christian School and the newly constructed Elmhurst Christian Reform Church. The site is also located adjacent to the location of the new Elmhurst hospital. The location of the Community provides the residents easy access to the area’s cultural, religious, and recreational activities.

Corporate Structure: The Applicant’s and Sponsor’s corporate structure:



Park Place of Elmhurst will be the only member of a to-be-formed obligated group. Neither the Parent nor the other operating entities of Rest Haven will be members of the obligated group and neither of them will have any obligations with respect to the bonds, the Master Indenture, and the mortgage or the loan agreements that may be required with respect to the bonds.

Background on Developer:

Providence Live Services, f/k/a Rest Haven Christian Services is a 501(c)(3) corporation based in Tinley Park, Illinois (Will County) established in 1954 as an outgrowth of the Second Christian Reformed Church located in the Englewood community of Chicago.

Rest Haven opened its first skilled nursing home in 1960. Rest Haven offers a continuum of independent living, assisted living, skilled nursing, hospice, specialized care, and rehabilitation services at its various facilities.

Rest Haven and its Providence Management and Development affiliate currently own and manage 11 senior housing properties totaling approximately 1,364 units located in Suburban Chicago (Southern Cook County, Will County, and DuPage County), and Western Michigan (Grand Rapids

and Zeeland). Rest Haven also has two proposed senior projects under development located in Elmhurst (Park Place of Elmhurst) and Northwest Indiana (St. John). Several of these properties provide services to elderly residents who need assistance with one or more activities of daily living.

Rest Haven's seven (7) existing senior housing/senior care projects in Illinois include the following properties that collectively provide (1) 509 skilled nursing beds, (2) 182 assisted living beds, and (3) 463 independent living beds:

<u>Project</u>	<u>Illinois Location</u>	<u>Type of Project</u>	<u>Total Beds/Units</u>
Rest Haven Village Woods	Crete	Assisted Living (47 Units); Independent Living (100 Units); <i>Note: This structurally obsolete facility will be ultimately replaced by the new, affordable Oaks at Village Woods SLF facility.</i>	147
Rest Haven Central	Palos Heights	Skilled Nursing (193 beds)	193
Rest Haven Holland Home	South Holland	Assisted Living (55 Units); Independent Living (236 Units)	291
Rest Haven South.	South Holland	Skilled Nursing (171 beds)	171
Saratoga Grove	Downers Grove	Assisted Living (21 beds); Independent Living (75 Units)	96
Grand Victorian	Homer Glen	Independent Living (52 Beds)	52
Victorian Inn	Homer Glen	Assisted Living (59 Beds)	29

ECONOMIC DISCLOSURE STATEMENT

Applicant: Park Place of Elmhurst
 Project: New Facility Project
 Location: Elmhurst, DuPage County, IL
 Contact Person: Bill DeYoung, CFO, 708-342-8139
 Organization: 501(c)(3) Corporation
 State: Illinois
 Board of Trustees:
President - John De Young
Vice President - Sam Van Til
Secretary/Treasurer - Steven Vryhof
Ast. Secretary/Treasurer - Kurt Nelson
Member - Roger De Graff
Member - Kenneth Mels
Member - Rich Van Hattem

PROFESSIONAL & FINANCIAL

Counsel:	Ungaretti & Harris	Chicago, IL	Julie Seymour
Accountant:	KPMG	Chicago, IL	
Bond Counsel:	Jones Day	Chicago, IL	John F. Bibby Jr.
Underwriter:	Ziegler Capital Markets	Chicago, IL	Dan Hermann

Underwriter's Counsel:	Katten Muchin Rosenman	Chicago, IL	Steve Johnson
Issuer's Counsel:	TBD	Chicago, IL	Michael Taylor
Trustee:	Wells Fargo Bank, N.A.	Chicago, IL	Janet Hoffman
Feasibility Consultant:	Dixon Hughes PLLC	Atlanta, GA	TBD
IFA Financial Advisors:	Scott Balice Strategies, Inc.	Chicago, IL	Patricia Martirano
	D. A. Davidson & Co.	Chicago, IL	Keith Seeloff
			Lois Scott
			Bill Morris

LEGISLATIVE DISTRICTS

Congressional: 6th Peter J. Roskam
State Senate: 21th Dan Cronin
State House: 41st Robert A. "Bob" Biggins

SERVICE AREA

The primary market area ("PMA") is defined as the probable geographic area from which the developed campus will draw many of its residents, taking into account man-made, socio-economic and natural barriers. The PMA for the proposed community is defined as a six zip code area around Elmhurst, Illinois. The PMA consists of the following zip codes: 60126, 60137, 60148, 60181, 60515 and 60523. A secondary market area ("SMA"), including zip codes 60154, 60162, 60163, 60164, 60514, 60521, 60558 and 60559 is also considered as many residents are expected to originate from those areas. The combined PMA and SMA zip codes are referred to as the "Market Area."

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 12, 2008**

Project: Northwestern Memorial Hospital

STATISTICS

Project Number:	H-HO-TE-CD-8174	Amount:	\$240,000,000(Not to exceed amount)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane and Dana Sodikoff
Locations:	Chicago	Region:	Northeast
County:	Cook		

BOARD ACTION

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

VOTING RECORD

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

This project is coming for a One-time Final Resolution because of market conditions.

PURPOSE

Bond proceeds along with certain other funds will be used to (i) refund the outstanding principal amount of the Illinois Finance Authority Variable Rate Demand Revenue Bonds, FSA insured Series 2004C (Northwestern Memorial Hospital) Auction Rate Securities (the "Series 2004C Bonds"), (ii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (iii) fund a debt service reserve fund, if deemed necessary or advisable by the Authority or the Borrower; and (iv) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Series 2004C Bonds, including but not limited to fees for insurance, credit enhancement or liquidity enhancement for the Bonds and payments related to the early termination of certain qualified hedges associated with the Series 2004C Bonds if deemed necessary or advisable by the Borrower.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 6,038 FTE's	Projected new jobs: N/A
Jobs retained: N/A	Construction jobs: N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$240,000,000	Current refund Series 2004C Bonds	\$236,400,000
			Cost of Issuance	\$3,600,000
	Total Sources	\$240,000,000	Total Uses	\$240,000,000

FINANCING SUMMARY/STRUCTURE

- Security:** Payments under the loan agreements are secured by notes issued pursuant to the Master Indenture. The notes are joint and severable obligations of the Obligated Group of which NMH is the only member. The Master Indenture contains certain covenants for the benefit of all note holders.
- Structure:** The current plan of finance contemplates issuance of uninsured bonds in fixed-rate mode if market conditions are reasonable at the closing date. Based on market conditions, some or all of the bonds may be issued in term mode, variable rate mode or with put features.
- Interest Rate:** To be determined closer to pricing
- Interest Mode:** Variable and/or Fixed
- Credit Enhancement:** Moral Obligation / Guarantee and bank support if desirable based on structure
- Maturity:** No later than August 15, 2048
- Rating:** Aa2 / AA+ / NR
- Estimated Closing Date:** December 18, 2008

PROJECT SUMMARY

The proceeds of the proposed bond issuance will be primarily used to refund the outstanding principal amount of the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2004C (Northwestern Memorial Hospital) Auction Rate Securities (the "Series 2004C Bonds"). The proceeds of the Series 2004C Bonds were used to (i) pay or reimburse the Borrower for the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain health care facilities owned by the Borrower, including but not limited to the acquisition, construction and equipping of the Borrower's Prentice Women's Hospital located at 250 East Superior Street, Chicago, Illinois, and certain capital expenditures with respect to the Borrower's other health care facilities located at various addresses listed below, (ii) refinance the outstanding principal amount of the Illinois Health Facilities Authority Revenue Bonds, Series 1994A (Northwestern Memorial Hospital) (the "Series 1994 Bonds"), (iii) refinance a portion of the outstanding principal amount of the Illinois Health Facilities Authority Variable Rate Demand Revenue Bonds, Series 2002A and Series 2002B (Northwestern Memorial Hospital) (the "Series 2002 Bonds"), and (iv) pay certain expenses incurred in connection with the issuance of the Series 2004C Bonds.

BUSINESS SUMMARY

- Background:** Northwestern Memorial Hospital ("NMH" or the "Hospital") is a subsidiary of Northwestern Memorial HealthCare and is a 501(c)(3) corporation established under Illinois law.
- Description:** Although the Hospital traces its roots back over 130 years, NMH was officially founded in 1972 through the consolidation of Chicago Wesley Memorial Hospital and Passavant Memorial Hospital. In 1975, Prentice Women's Hospital and Maternity Center and the Institute of Psychiatry joined NMH. Olson Pavilion, housing NMH's critical care nursing units and the emergency department opened in 1979. NMH opened the new Northwestern Memorial Hospital, a state-of-the-art hospital facility in 1999 and opened the new Prentice Women's Hospital on October 20, 2007.

Northwestern Memorial Hospital's main campus is located in downtown Chicago's Streeterville neighborhood. As the primary teaching affiliate of Northwestern University's Feinberg School of Medicine, NMH is one of the nation's leading academic medical centers with a long tradition of leadership in patient care, education and research and a longstanding commitment to efforts that advance the quality and accessibility of healthcare service in Chicago. For 14 consecutive years,

NMH has been ranked as the “most preferred” hospital in market research by consumers in Chicago and the nine-county region. NMH was recognized in 2006 and again in 2008 by the Leapfrog Group, an organization that represents large corporate and public agency purchasers of healthcare services and aims to improve healthcare quality, safety and affordability, as one of the nation’s “top Hospitals” for implementing its Hospital Quality and Safety Practices. In addition, NMH is listed among the top 15 academic medical centers in the University HealthSystem Consortium’s Quality and Accountability Rankings. NMH is also one of approximately three percent of the nation’s hospitals to achieve Magnet status from the American Nurses Credentialing Center. NMH provides a complete range of adult inpatient and outpatient services in an educational and research environment. NMH has three subsidiaries: Northwestern Memorial Physicians Group (NMPG), Northwestern Memorial Insurance Company (NMIC), and Northwestern HealthCare Corporation (NHC). These subsidiaries are engaged in a range of activities, including the provision of primary care services, general professional and liability insurance coverage, and managed care contracting services, respectively. NMH will be the direct obligor on the subject bond issue.

NMH has 873 licensed beds. Approximately 1,570 physicians, representing virtually every specialty, are affiliated with the Hospital.

Existing Bonds:

	<u>(in thousands)</u>
Variable Rate Demand Revenue Bonds Series 2007A	\$ 214,500
Variable Rate Demand Revenue Bonds Series 2007B	150,000
Variable Rate Demand Revenue Bonds Series 2004B	86,400
Variable Rate Demand Revenue Bonds Series 2004C	205,350
Variable Rate Demand Revenue Bonds Series 2002C	33,000
Variable Rate Demand Revenue Bonds Series 1995	100,000
	<u>\$ 789,250</u>

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT

Project name: Northwestern Memorial Hospital
 Locations: 251 East Huron Street
 Chicago, IL 60611
 Applicant: Northwestern Memorial Hospital
 Organization: 501(c)(3) Not-for-Profit Corporation
 State: Illinois
 See

Northwestern Memorial Hospital Board of Directors

<i>Director</i>	<i>Business Affiliation</i>
Thomas A. Cole, Chair	Sidley Austin LLP
John A. Canning, Jr., Vice Chair	Madison Dearborn Partners LLC
Maria C. Bechily	Maria Bechily Public Relations
Carol L. Bernick	Alberto Culver Company
William J. Brodsky	Chicago Board Options Exchange
Gregory Q. Brown	Motorola, Inc
Sharon Gist Gilliam	Former CEO, The Chicago Housing Authority
Dean M. Harrison	Northwestern Memorial Hospital
J. Larry Jameson, M.D., Ph.D.	Feinberg School of Medicine, Northwestern University
Lee M. Mitchell	Thoma Cressey Bravo
Homi B. Patel	Hartmarx Corporation
William D. Perez	Former CEO, Wm. Wrigley Jr., Corporation

Arvydas D. Vanagunas, M.D.	Northwestern Memorial Hospital
Abra Prentice Wilkin	Civic Leader
Richard L. Wixson, M.D.	Northwestern Memorial Hospital

PROFESSIONAL & FINANCIAL

Borrower's Counsel: Sonnenschein Nath & Rosenthal LLP	Chicago	Mary Wilson
Bond Counsel: Jones Day	Chicago	Rich Tomei
		Amy Curran
Senior Manager: JPMorgan Chase	Chicago	Tim Wons
Senior Manager: Citi	Chicago	Ryan Freel
Co-Manager: Loop Capital Markets	Chicago	Lerry Knox
Borrower's Financial Advisor: Kaufman Hall	Chicago	Ken Kaufman
Underwriter's Counsel: Ungaretti & Harris LLP	Chicago	Julie Seymour
Bond Trustee: Wells Fargo Bank, N.A.	Chicago	Patricia Martirano
Accountant: Ernst & Young LLP	Chicago	Jo Ellen Helmer
Issuer's Counsel: TBD	Chicago	
IFA Advisors: D.A. Davidson & Co.	Chicago	Bill Morris
Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:
 State Senate:
 State House:

SERVICE AREA

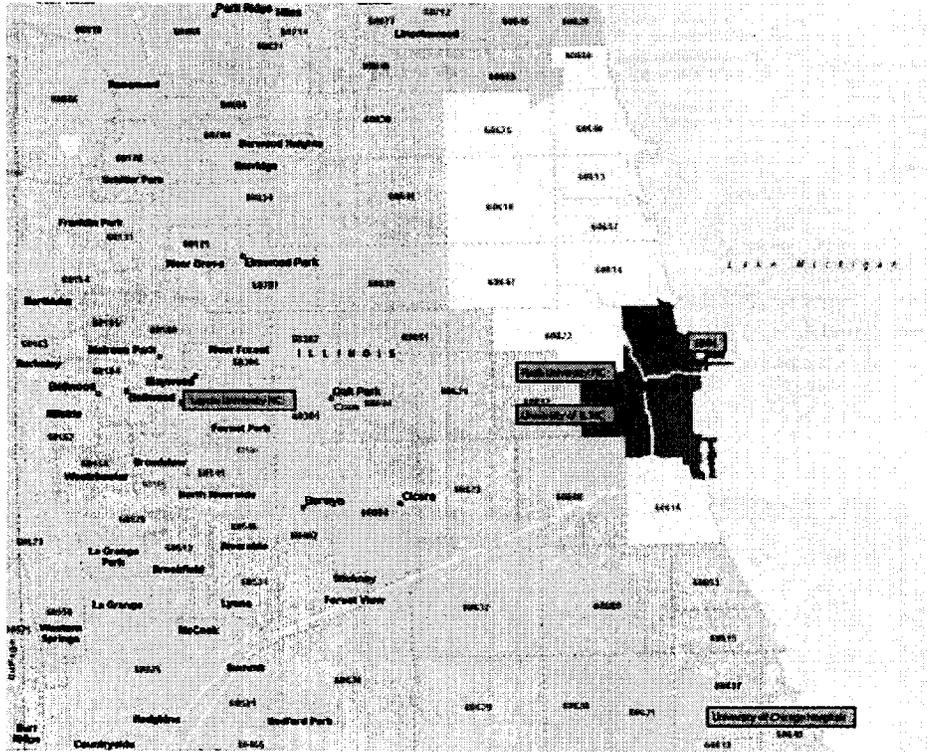
List and map if relevant

The PSA consists of the 21 ZIP codes contiguous to the Hospital and is responsible for approximately 38.6% of the Hospital's total admissions. The boundaries of the Hospital's PSA extend north of the Hospital to Devon Avenue and Ridge Road, west to Pulaski Road, south to 16th Street, and east to Lake Michigan. The PSA had a population in calendar year 2008 of 878,393 (ARC).

The Hospital's market share in the PSA has increased over the past five years, as follows:

Fiscal Year 2004	19.1%
Fiscal Year 2005	19.2%
Fiscal Year 2006	20.3%
Fiscal Year 2007	20.9%
Fiscal Year 2008*	21.4%

The Hospital is the current market share leader within the PSA. In fiscal year 2008*, Advocate Illinois Masonic was second with an 11.4% market share, and St. Elizabeth/St. Mary of Nazareth Hospital Center was third with an 11.0% market share.



Notes:

- *Market Share Statistics from partial FY08 (Sept 07 – March 08) CompData
- Admission Statistics from NMH FY08 case mix data
- 7-County population from Claritas Population Statistics
- City of Chicago and PSA population from ARC Population Statistics

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 12, 2008**

Project: Rockford Health System

STATISTICS

Project Number: H-HO-TE-CD-8158	Amount: \$70,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and Dana Sodikoff
County/Region: Winnebago/ Northern Stateline	City: Rockford

BOARD ACTION

Final Bond Resolution	Staff recommends approval
Conduit 501 (c)(3) bonds	No extraordinary conditions
No IFA funds at risk	
No Substantial Changes Since the Preliminary Bond Resolution	

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on October 23, 2008 by the following vote:

Ayes – 9	Nays – 0	Absent – 5	Vacancies – 4
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PURPOSE

Use of proceeds: Bond proceeds will be used to (1) refinance Illinois Health Facilities Authority Revenue Bonds, Series 1994, Select Auction Variable Rate Securities originally issued in the amount of \$75 million of which \$55.8 million is currently outstanding and (2) pay issuance costs associated with the refinancing (including a swap termination payment).

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 2,405 FTE's	Projected new jobs: N/A
Jobs retained: 2,405 FTE's	Construction jobs: N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$63,000,000	Uses:	Refinance Series 1994	\$55,800,000
				Swap Termination Pmnt.	6,000,000
				Issuance Costs	1,200,000
	Total	\$63,000,000	Total		\$63,000,000

FINANCING SUMMARY/STRUCTURE

Security: The bonds are expected to be secured by an obligation of Rockford Memorial Hospital, Rockford Health Physicians and Rockford Memorial Development Foundation (the "Obligated Group") under a Master Trust Indenture. Such obligation may or may not include a pledge of revenues and may or may not include a debt service reserve fund.

Structure: The plan of finance contemplates issuing weekly Variable Rate Demand Bonds ("VRDBs") supported by a direct pay letter of credit from JPMorgan Chase.

All or a portion of the variable rate bonds may be converted to a synthetic fixed rate using an interest rate swap where the Hospital or the Obligated Group pays a fixed rate and receives a variable rate.

Interest Rate: Variable.

Interest Mode: VRDBs reset weekly and paid monthly.

Credit Enhancement: Direct pay letter of credit from JPMorgan Chase.

Maturity: Up to 40 years.

Rating: Long-term and short-term ratings based upon the letter of credit provided by JPMorgan Chase. Current ratings of Aaa/AA/AA- (long-term) and P-1/A-1+/FI+ (short-term).

Estimated Closing Date: December 2008.

PROJECT SUMMARY

Refinance all of Rockford's existing Series 1994 Ambac insured auction rate bonds and pay associated issuance costs, including a swap termination payment. The auction rate bonds have a reset of 65% of the taxable commercial paper rate. While these bonds have been resetting at approximately 3%, more recently, they have reset at approximately 6%. Although this rate is not unfavorable, the Obligated Group has elected to refinance for several reasons a) uncertainty of Ambac and its rating b) uncertainty of short-term rates (used for reset) and c) the Obligated Group would like to maintain a positive reputation in the market, and failed auctions are not looked at favorably by investors.

BUSINESS SUMMARY

Description of Business: The Obligated Group is comprised of Rockford Memorial Hospital (RMH); Rockford Health Physicians (RHPH); and Rockford Memorial Development Foundation (RMDF). Our primary purpose is to improve and protect the health and welfare of the community in accordance with our mission: Superior Care Everyday. For all our patients.

Rockford Memorial Hospital is a 396-bed regional referral hospital, which includes the region's highest level of critical care services including a Level I Trauma Center, Level III Neonatal Intensive Care Unit and the community's only Pediatric Intensive Care Unit. RMH was designated as the Regional Disaster Preparedness Center and has taken the lead in training and education for community preparedness.

Rockford Health Physicians provides physicians for hospital's specialized units such as the NICU and the PICU, adult and pediatric Hospitalists, as well as neurologists, neuro and trauma surgeons who specialize in brain, spine and orthopedics and who respond 24/7 to any need in the Level I Trauma Center.

Rockford Memorial Development Foundation provides funds for enhancing activities within Rockford Health System as well as offering financial assistance to the Ronald McDonald Caremobile, which provides extended health and dental care to underinsured and uninsured children in the region.

Timing: Closing is estimated to occur early December 2008.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Rockford Memorial Hospital
Project Location: 2400 N. Rockton Avenue, Rockford, IL 61103
Borrower: Rockford Memorial Hospital

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 12, 2008**

Project: The Carle Foundation

STATISTICS

Project Number: H-HO-TE-CD-8146	Amount: \$450,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and Dana Sodikoff
County/Region: Champaign/Northeast	City: Urbana

BOARD ACTION

Final Bond Resolution	Staff recommends approval
Conduit 501 (c)(3) bonds	No extraordinary conditions
No IFA funds at risk	
No Substantial Changes since Preliminary Resolution	

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on September 9, 2008 by the following vote:

Ayes – 10	Nays – 0	Absent – 1	Vacancies – 4
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PURPOSE

Use of proceeds: The proceeds from the sale of the Series 2009 Bonds will be used to: (i) refinance a taxable loan that was used to redeem all of the tax-exempt debt of The Carle Foundation that was previously outstanding including IHFA, Series 1998A Bonds, IHFA, Series 1998B Bonds, and IHFA Series 2004A Bonds; (ii) finance the cost of the acquisition, construction, renovation, and equipping of certain health care facilities of The Carle Foundation and finance working capital related to the project (see Project Summary Section); (iii) pay a portion of the interest on the Series 2009 Bonds, if applicable; (iv) fund a debt service reserve fund, if applicable, and (v) pay certain expenses incurred in connection with the issuance of the Series 2009 Bonds.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 2,509 FTE's	Projected new jobs: 0
Jobs retained: 2,509 FTE's	Construction jobs: 470

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$450,000,000	Uses:	Project Costs / Capi	\$222,861,000
				Refinancing	224,339,000
				Costs of Issuance (est.)	1,000,000
				Underwriters Discount (est.)	1,800,000
	Total	\$450,000,000		Total	\$450,000,000

FINANCING SUMMARY/STRUCTURE

- Security:** The Bonds are expected to be secured by an obligation of The Carle Foundation Obligated Group under a Master Trust Indenture. Such obligation will include a pledge of revenues and may or may not include a debt service reserve fund or mortgages.
- Structure:** The current plan of finance contemplates the issuance of a mixture of fixed rate securities and variable rate bonds, to be determined based on market conditions.
- In conjunction with this financing transaction, The Carle Foundation hopes to integrate two currently existing interest swap agreements, which were executed in September 2004. These fixed payor swap agreements lock in desirable present value savings by fixing out the rate The Carle Foundation pays, and hedges the rate paid against the interest expenses associated with approximately \$110 million of the variable rate demand obligations. \$46,250,000 of the swap agreement is with Citi with a rate of 3.35% and a termination date of 2028. \$63,525,000 of the swap agreement is with UBS, with a rate of 3.54% and a termination date of 2035.
- Interest Rate:** To be determined at the time of pricing based upon market conditions.
- Interest Mode:** Floating rate obligations for which interest rate is established periodically and paid monthly. Fixed rate bonds on which interest is paid semiannually. Carle is considering issuance of additional variable rate alternatives.
- Credit Enhancement:** The variable rate demand bonds will be either be uninsured and backed by either a Standby Bond Purchase Agreement or Letter of Credit (bank(s) to be determined, but will carry a long-term rating of A- or better) or insured by a AAA-rated bond insurer. The fixed rate bond will carry the rating of The Carle Foundation (see below) or may either be insured by a AAA rated bond insurer depending on market conditions closer to pricing.
- Maturity:** Up to 40 years.
- Rating:** Standard & Poor's has issued a "AA-" Issuer Rating to The Carle Foundation Obligated Group. The Carle Foundation is currently seeking a second rating from another rating agency to be released in conjunction with this financing.

Est. Closing Date: January, 2009

PROJECT SUMMARY

The Corporation proposes to expand and modernize its current hospital facility by constructing a nine-story, 348,400 gross square foot ("GSF") bed tower and modernizing 50,622 gross square feet. The bed tower, which will be attached to an existing hospital tower, will house a relocated 15-bed rehabilitation unit, eight vascular procedure labs, 88 medical/surgical ("M/S") beds and 32 intensive care unit ("ICU") beds. All the new patient rooms will be private. There will be no increase in the number of beds or services as the result of this project. The basement of the new bed tower will contain a pharmacy, mechanical and electrical space, a building support area and leased medical office space. The first floor of the proposed bed tower will house admitting for the outpatient Cardiac Clinic, offices and exam rooms for cardiovascular providers, and support services. Adjacent to the new bed tower on the first floor of the North bed tower will be the Carle Digestive Health Center in modernized space that will include GI/procedures and recovery rooms, registration, offices and related support services. The second floor will house interventional radiology and the interventional cardiology departments. The budget for this project is \$235.9 million with funds not provided through the Series 2009 Bonds being provided by The Carle Foundation.

Timing (approximately): It is expected site work will begin in December 2008 and last through August 2009; construction will commence in May 2009 and last through April 2012; and start-up and IDPH inspection and certification will occur in January 2012 through September 2012.

The Carle Foundation Hospital submitted a certificate of need ("CON") application to the Illinois Health Facilities Planning Board ("Planning Board") on February 29, 2008. On August 12, 2008, the Planning Board approved the CON.

BUSINESS SUMMARY

Description of Business: The Carle Foundation Hospital ("Hospital") is a subsidiary of The Carle Foundation and is a 501(c)(3) corporation established under Illinois law.

The Carle Health Care System consists of The Carle Foundation ("Corporation"); its affiliated corporations, all of which are either controlled by or all of the outstanding stock of which is owned directly or indirectly by the Corporation; and a group of entities that are not controlled by the Corporation. The Carle Health Care System functions as a vertically integrated provider of a broad spectrum of inpatient, outpatient, and long-term health care services to a large and predominantly rural service area in east-central Illinois and west-central Indiana surrounding the cities of Champaign and Urbana, Illinois. The Carle Health Care System, through The Carle Foundation Hospital, is the primary teaching hospital of the University of Illinois at Urbana-Champaign School of Medicine. The Corporation and its controlled affiliated operate a variety of health care facilities and programs, including a 305-bed space hospital; a 231-bed skilled nursing facility (expected to be sold around January 1, 2009); a 19-county home care services agency; a certified hospice; an emergency transportation system; a 174-unit continuing care retirement community; a multi-outlet retail pharmacy; and a durable medical equipment company.

On the date of issuance of the Series 2009 Bonds, the Corporation, The Carle Foundation Hospital, Carle Healthcare Incorporated, and Carle Retirement Centers, Inc. will be the only Members of the Obligated Group. Each Member of the Obligated Group is jointly and severally liable on each obligation now or hereafter issued and outstanding under the Master Indenture, and pursuant to the Master Indenture each Member of the Obligated Group pledges its unrestricted receivables to secure payment of the Obligations. Each of the Corporation The Carle Foundation Hospital, Carle Healthcare Incorporated, and Carle Retirement Centers, Inc. is an Illinois not for profit corporation and is exempt from federal taxation.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	The Carle Foundation, Urbana, IL
Project Location:	611 W. Park St., Urbana (Champaign County), IL 61801
Borrower:	The Carle Foundation
Ownership/Board Members (501c3):	Phil Blankenberg Jane Hays Thomas E. Harrington, Jr. Malcolm C. Hill, M.D. James C. Leonard, M.D. E. Phillips Knox, Chairman J. Michael Martin Mary McGrath Cora Musial, M.D. Martin K. Smith Rick Stephens

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	McGuire Woods	Chicago	Kevin Dougherty Kevin Downes
Accountant:	McGladrey & Pullen, LLP	Champaign	Randy Ragan
Bond Counsel:	Jones Day	Chicago	David Kates, Lynn Coe
Credit Enhancer/Purchasing Bank:	TBD		
Bank Counsel:	TBD		
Co-Underwriter:	Goldman Sachs	Chicago	Rondy Jennings
Co-Underwriter	Barclays Capital	Chicago	James Kim
Co-Underwriter	TBD	TBD	TBD
Underwriter's Counsel:	Orrick Herrington	Portland	Michael Schrader
Issuer's Counsel:	Perkins Coie	Chicago	Bill Corbin

IFA Advisors:

D.A. Davidson & Co.
Scott Balice Strategies, Inc.

Chicago
Chicago

Bill Morris
Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 15 – Timothy V. Johnson
State Senate: 52 – Michael W. Frerichs
State House: 103 – Naomi D. Jakobsson

SERVICE AREA

The primary service area includes Champaign County and selected zip codes in east-central Illinois. The secondary service area includes Vermilion County and selected zip codes from 38 other counties in east-central Illinois and west-central Indiana. Based on zip code of patient origin, 42.3% of total hospital inpatient admissions in the primary service area were to Carle, while 12.1% of total hospital inpatient admissions in the combined primary and secondary service area were to Carle, both during the 2007 fiscal year.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 12, 2008**

Project: The Admiral At The Lake

STATISTICS

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

BOARD ACTION

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

This project was brought to the IFA Board for a Preliminary Bond Resolution, September 11, 2007, with a vote of:

Ayes – 10 Nays – 0 Absent – 4 Vacancies – 1 Abstentions- 0

This project was brought to the IFA Board for a Final Bond Resolution, December 11, 2007, with a vote of:

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

The structural financial information has changed substantially since the Final Bond Resolution was passed in December, 2007. This is an updated Board Summary report reflecting these changes.

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	4	Projected new jobs:	131 (135-4)
Jobs retained:	4	Construction jobs:	200 (22 months)

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds \$208,025,000 Charitable Contribution 6,500,000	Uses:	Project Fund \$159,905,537 Debt Service Reserve Funds 17,920,375 Funded Interest (28 months) 31,453,713 Cost of Issuance 2,125,000 Underwriter's Discount 3,120,375
	Total \$214,525,000		Total \$214,525,000

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

FINANCING SUMMARY

- Security:** The security for the bonds will include a mortgage and revenue pledge. The key bond documents will include a master indenture, bond indentures and loan agreements.
- Structure:** At the present time the precise bond structure has not been determined. This is due to the recent turmoil and dislocation experienced in the financial markets. The current plan, subject to change, is that this issue will consist of fixed rate bonds for the permanent, long-term debt and fixed rate bonds for the temporary debt (i.e., the debt to be repaid as quickly as possible using resident entrance fees after the community opens). If circumstances in the credit markets change in the near future, it is possible that the Borrower will diversify the plan of finance to include tax exempt and/or taxable Variable Rate Demand Bonds ("VRDBs") which are credit enhanced with a Letter of Credit. It is also possible that a series of tax-exempt and/or taxable EXTRAS (Extendable Rate Adjustable Securities) will be added to this transaction as either temporary debt or as intermediate term debt to be repaid from *turnover* entrance fees. The Borrower and Underwriter will select the exact and ideal bond structure as the deal progresses in the future and the financial markets return to a semblance of normalcy.
- Interest Rate:** To be determined. Please refer to the paragraph above.
- Interest Mode:** If fixed rate bonds and EXTRAS are issued, interest will be paid semi-annually. Interest will be paid weekly for any VRDBs issued.
- Credit Enhancement:** To be determined (see "Structure" paragraph above). The expected plan of finance does not include credit enhancement, although this is subject to change depending on market conditions.
- Maturity:** The permanent debt will be amortized during 2013 through 2043. Temporary debt is expected to be repaid through optional redemptions during 2011 through 2013. Any intermediate term debt, to be repaid with turnover entrance fees, is expected to be repaid no later than 2014.
- Rating:** Underlying borrower is unrated. If credit enhancement is utilized then the bonds will carry the applicable rating of the credit enhancer.
- Estimated Closing Date:** December 18, 2008

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.

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

PROJECT SUMMARY

The Admiral at the Lake, Inc. ("The Admiral") intends to use the net proceeds of the Authority loan to provide funds to (i) construct and equip a continuing care retirement community facility having 188 one, two, and three bedroom independent living apartments (including 12 garden town home apartments), 12 catered living 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 2.8 acre site at 909 West Foster Avenue*, Chicago, Cook County, Illinois, (ii) refinance a bank loan that was used to finance pre-construction costs, (iii) reimburse the Borrower for its funds used to finance pre-development costs, (iv) fund one or more Debt Service Reserve Funds, (v) fund interest expense on the bonds for a period of approximately 28 months, (vi) fund certain credit enhancement costs, if applicable, and (vii) fund certain professional and bond issuance costs.

Project Costs: Estimated to be \$159,513,618. This represents all project costs to be funded with IFA bonds and a charitable contribution, other than certain late-occurring development fees to be funded with entrance fees. Entrance fees will also be used to fund items not included in the \$159.5 million. These include the funding of a Working Capital Fund, an Operating Reserve Fund and redemption of Temporary Debt.

The Project: The new Admiral will consist of 188 one, two, and three bedroom independent living apartments (including 12 garden town home apartments), 12 catered living apartments, 39 assisted living units, 17 memory support assisted living units, and 36 nursing beds. There will be a parking garage containing space for approximately 290 vehicles. As of October 17, 2008, 119 of the 188 independent living units had been reserved by applicants each making a reservation deposit equal to 10.0% of the required entrance fee. An additional 12 living units have been reserved for previous residents of The Admiral now at host facilities. Entrance fees will not be received for these 12 units when the residents move into their units at The Admiral. Based on 131 units (119 units plus 12 units), **69.7% of the 188 independent living units have either been pre-sold or are not subject to an entrance fee (as of October 17, 2008).**

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

- 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 2009 and that the various levels of care will be available for occupancy in phases beginning October 2010 through April 2011. Stable occupancy of the entire campus is estimated to occur in May 2013. 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 a new permit after issuance of the bonds. The Admiral has received its Certificate of Need from the Illinois Health Facilities Planning Board under the Continuum of Care variance for the nursing beds on February 27, 2008.

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

BUSINESS SUMMARY

Background: The Admiral was founded in 1858 as The Home for the Aged and Indigent Females to care for Chicago's homeless elderly women. When founded, it was the first and only institution in Chicago dedicated to the care of the elderly. In 1874, The Admiral revised its charter, changed its name to The Old People's Home of the City of Chicago and became a non-sectarian institution for both women and men of all faiths and nationalities. In 1960, The Admiral moved to its current location at Foster Avenue and Marine Drive on Chicago's north lakefront. As described below, The Admiral's history involves operating a CCRC at this site until mid-2007, when all residents were relocated to alternate host communities. Residents will reside at these host communities while the new Admiral is constructed. The Admiral's original/prior facility, which was demolished in 2007, consisted of 77 independent living apartments, 42 assisted living apartments, and 50 intermediate care nursing beds.

In 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 no longer offered the larger apartments and amenities that today's independent seniors want. Additionally, The Admiral 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.

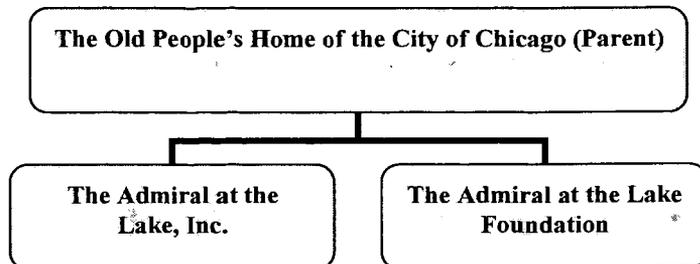
In 2004, the Admiral's Board developed and approved a Redevelopment Plan (the "Plan") which outlined strategies to develop The Admiral into a financially viable facility for the next 50 years. Their Board selected Greystone Communities, Inc. ("Greystone") as the developer of the new facility on the current 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 were relocated to host facilities and all employees were offered severance packages. Demolition of the existing facility began in August 2007, and was completed in December 2007.

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



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

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Admiral At The Lake
 Project: New Facility Project
 Location: 909 West Foster Avenue, Chicago, Cook County, IL
 (Note, upon completion the address will be 929 and 933 West Foster Avenue)
 Contact Person: Glenn Brichacek, President and CEO, 773-561-2900
 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, Ph.D.	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

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

<u>NAME</u>	<u>AFFILIATION</u>
Henry B. Betts, M.D.	Physician
Glenn Brichacek, Ph.D.	President and CEO, The Admiral at the Lake
John A. Bross	Retired Trust Officer

Robert F. Carr III	Retired Chairman and CEO, Fiduciary Management Associates
Charles F. Clarke III	Principal, Kinzie Realty Corporation
Clark Fetridge	President, Ravenswood Corporation
Lester E. Fisher, DVM	Retired Director, Lincoln Park Zoo
Frances R. Grossman	Executive Vice President, Shore Bank Corporation
Andrea Hasten	Senior Vice President, The Northern Trust Company
Ross H. Jannotta	Investment Manager, William Blair & Company
E. Baker Jenner, Jr.	Hotel Ownership/Management
Carol Stitzer	Development Officer, Lyric Opera of Chicago
Shirley Ter Molen, M.D.	Physician
David Tolliver	Managing Director, Daniels & Associates
Michael Traynor	Self-employed Business Advisor
Nan Vaile	Residential Real Estate Broker, Baird & Warner
Edward R. Weed	Retired, Leo Burnett Worldwide, Inc.
James P. Wilkin	Retired, Dettmers Company

PROFESSIONAL & FINANCIAL

Counsel:	Quarles & Brady	Chicago, IL	Thomas Chomicz
Accountant:	Crowe Horwath LLP	Chicago, IL	James Ridenour
Bond Counsel:	Jones Day	Chicago, IL	John F. Bibby Jr.
Underwriter:	Ziegler Capital Markets (lead)	Chicago, IL	Dan Hermann Steve Johnson
	William J. Blair (co-manager)	Chicago, IL	Thomas Lanctot
Underwriter's Counsel:	Katten Muchin Rosenman	Chicago, IL	Janet Hoffman
Issuer's Counsel:	Greene & Letts	Chicago, IL	Allen P. Walker
Trustee:	Wells Fargo Bank, N.A.	Chicago, IL	Patricia Martirano Gail Klewin
Borrower's Financial Advisor	Starshak Winzenburg & Co.	Chicago, IL	Joseph B. Starshak
Feasibility Consultant:	Dixon Hughes PLLC	Atlanta, GA	Keith Seeloff
IFA Financial Advisors:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott
	D. A. Davidson & Co.	Chicago, IL	Bill Morris

LEGISLATIVE DISTRICTS

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

PRIMARY MARKET AREA FOR THE PROJECT

The PMA for providers of senior living services is typically defined as the geographic area from which a majority number of prospective residents reside prior to assuming occupancy at the Project. As of October 17, 2008, Management estimated that 12 Returning Admiral Plan A&B Residents who are currently residing in Host Facilities are to move into 12 Independent Living Apartments at the Project upon opening. Of the remaining 176 Independent Living Apartments available, 118 Depositors had reserved 119 Independent Living Apartments (one Depositor has reserved two units), representing approximately 69.7 percent of the Independent Living Apartments at the Project available for non-Returning Admiral Plan A&B Residents.

Based on the zip code origin of the Depositors, discussions with existing senior living providers in the area and experience with similar communities, Management has defined the PMA to be an area surrounding the Project which spans approximately eight miles from north to south and approximately four miles from east to west. The PMA includes the seven zip codes shown in the following table.

Depositor and Returning A&B Resident Origin Data

Zip Code	Town	Number of Returning A&B Residents	Number of Depositors ⁽¹⁾	Total	Percentage of Total
60610	Chicago	-	17	17	13.1%
60660	Chicago	-	16	16	12.3%
60640 ⁽²⁾	Chicago	12	15	27	20.8%
60611	Chicago	-	15	15	11.5%
60657	Chicago	-	10	10	7.7%
60613	Chicago	-	8	8	6.2%
60614	Chicago	-	6	6	4.6%
Total from PMA Zip Codes		12	87	99	76.2%
Other Illinois areas		-	25	25	19.2%
Out of state		-	6	6	4.6%
Total		12	118⁽³⁾	130	100.0%

Source: Management

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 12, 2008**

Project: NorthShore University HealthSystem (F/K/A Evanston Northwestern Healthcare)

STATISTICS

Project Number: H-HO-TE-CD-8157	Amount: \$75,000,000 (Not-to-Exceed)
Type: 501 (c)(3) Commercial Paper Revenue Notes	IFA Staff: Pam Lenane and Dana Sodikoff
County/Region: Cook County	City: Evanston, IL

BOARD ACTION

One-time only Final Bond Resolution	Staff recommends approval
Type: Commercial Paper ("CP") Revenue Notes	No extraordinary conditions
No IFA funds at risk	

VOTING RECORD

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

*NorthShore University HealthSystem ("NorthShore") is dual-tracking, and is contemplating two structures. At the October 23, 2008 meeting, the IFA passed a preliminary bond resolution for NorthShore to issue 501(c)(3) Bonds to finance the costs of discharging the outstanding debt of Rush North Shore Medical Center in connection with the acquisition of RNS or to reimburse NorthShore University HealthSystem for certain capital expenditures and to pay costs of issuance. The vote was the following:

Ayes – 9	Nays – 0	Absent – 5	Vacancies – 4
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NorthShore is now seeking approval for an alternative structure [501(c)(3) Commercial Paper Revenue Notes], which is for the same purpose (see Purpose section below).

PURPOSE

Proceeds will be used to: (i) finance the costs of discharging the outstanding debt of Rush North Shore Medical Center ("RNS") in connection with the acquisition of RNS or reimburse NorthShore University HealthSystem for certain capital expenditures; and (ii) pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

Federal Tax-Exempt interest on Commercial Paper Revenue Notes.

VOLUME CAP

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

JOBS

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Bonds	\$75,000,000	Uses: Finance costs of the discharge of RNS	\$73,500,000
		Debt and or new money to reimburse NorthShore for capital expenditures	
		Cost of Issuance	1,500,000
Total	\$75,000,000		\$75,000,000

FINANCING SUMMARY/STRUCTURE

Security:	The Bonds will be secured by a Direct Pay Letter of Credit provided by The Northern Trust Company. The anticipated initial Bank LOC term is three years, subject to extension.
Structure:	The CP Notes will be sold at an interest rate that will mature between 1 and 270 days and will be subject to extension (i.e., "rollover") upon maturity for an additional term and interest rate to be determined by the JPMorgan Securities, Inc. (the "Dealer"). Proceeds from the sale of the CP Revenue Notes will be loaned to OSF through the purchase of OSF's promissory notes issued by OSF pursuant to a Security Agreement between OSF and the Illinois Finance Authority.
Interest Rate:	The CP Notes will mature every 1 to 270 days and will be subject to extension based on continued availability of the Direct Pay Letter of Credit securing the Notes. On June 10, 2008, for \$20,000,000 CP Notes the reset rate until November 13, 2008 was 1.70%
Interest Mode:	Commercial Paper
Credit Enhancement:	The Bonds will be secured by a Direct Pay Letter of Credit provided by The Northern Trust Company.
Maturity:	2038
Rating:	Aa2 / AA+ / NR
Estimated Closing Date:	December, 2008

PROJECT SUMMARY

NorthShore University HealthSystem ("NorthShore" or "The Corporation" will acquire Rush North Shore Medical Center ("RNS") from Rush University Medical Center ("RUMC"), pending regulatory approvals. The transaction is expected to close January 1, 2009. NorthShore will defease or otherwise discharge RNS' existing debt obligations as well as those carried at the parent level by RUMC and / or reimburse itself for certain other capital expenditures.

BUSINESS SUMMARY

Description of Business: The predecessor of NorthShore University HealthSystem was established in 1891 in Evanston, Illinois. An overview of NorthShore's three hospitals in the near northern suburbs of Chicago is included below.

- **Evanston Hospital** – presently occupies approximately 15 acres in Evanston on which are located facilities which house 350 staffed acute-care beds, ancillary and support services and a medical office building.
- **Glenbrook Hospital** – presently occupies approximately 55 acres on which are located facilities which house 130 staffed acute care beds, all ancillary and support services and two medical office buildings.
- **Highland Park Hospital** – occupies approximately 25 acres in Highland Park on which are located facilities which house 155 staffed acute-care beds, ancillary and support facilities and a medical office building.

The combined licensed acute-care beds for the three hospitals, as of March 31, 2008, were 743. As of March 31, 2008, the Corporation also owned 206,000 gross square feet of building space at 4 locations and leased certain additional space at locations in its service area which are used for physician offices and related services. The Corporation's corporate offices are located at 1301 Central Street in Evanston, Illinois.

NorthShore and the University of Chicago's Pritzker School of Medicine have agreed on an academic affiliation that will place medical students, residents and fellows from the University of Chicago Medical Center at the three NorthShore hospital locations in Evanston, Glenbrook and Highland Park for a portion of their educational experience. The Pritzker School of Medicine is one of the most selective medical schools in the United States, with a long tradition of close interaction between students and their mentors, the full-time medical school faculty.

In March 2008, the Corporation was named among the Top 100 Hospitals and Top 15 Major Teaching Hospitals in America for the 12th straight year. The annual study, conducted by Thomson Healthcare, identifies top performing hospitals based on weighted performance measures on clinical excellence, operating efficiency and responsiveness to the community.

Project Rationale: Discharge of the RNS debt is required to close the acquisition.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

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

1301 Central Street

Evanston, IL 60201

Borrower: NorthShore University Health System

Ownership/Board Members (501c3):

Duckworth, Connie K.

Mencoff, Samuel M.

Berger, Percy L.

Bloomer, William D., M.D.

Crown, A. Steven

Davis, William L.

Jones, Gregory D.

Keeler, Thomas C, M.D.

Keyser, Richard L.

Khandekar, Janardan D., M.D.

Knight, Lester B., III

Kraemer, Harry M. Jansen, Jr.

Medvin, Harvey N.

Neaman, Mark N.

Reyes, Jude M.

Sentell, Susan B.

Talamonti, Mark S., M.D., F.A.C.S.

Thomas, J. Mikesell

Wang, Sona

Ward, Jonathan P.

White, William J.

Wrigley, William Jr.

PROFESSIONAL & FINANCIAL

Borrower's Counsel: Mayer Brown

Chicago

J. Trent Anderson

Accountant: Ernst & Young

Chicago

Tadd Ingles

Bond Counsel: Chapman & Cutler

Chicago

Nancy Burke

Credit Enhancer: The Northern Trust Company

Chicago

Bank Counsel: TBD

Bond Underwriter: J.P. Morgan Securities Inc.

Chicago

Tim Wons

Meghan O'Keefe Armstrong

Seth Reagan

Trustee: The Bank of New York Mellon

Chicago

Robert Hardy

Underwriter's Counsel: TBD

IFA Advisors: D.A.Davidson & Co.
Scott Balice Strategies, Inc.
Issuer's Counsel: TBD

Chicago
Chicago

Bill Morris
Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 9- Janice D. Schakowsky
State Senate: 9- Jeffrey M. Schoenberg
State House: 18- Julie Hamos

SERVICE AREA

The Corporation's service area consists of a 51-zip code area in the suburbs bounded by the north side of the City of Chicago to the south; Mt. Prospect to the west; Long Grove and Grayslake to the northwest; Waukegan to the north; and Lake Michigan to the east. This broad service area, which is typical of a major tertiary care provider, has a population of over 1.6 million people. The Corporation's share of admissions in this service area was approximately 16% for the fiscal year ended September 30, 2007.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 12, 2008**

Project: The University of Chicago

STATISTICS

Project Number: E-PC-TE-CD-8165	Amount: \$500,000,000
Type: 501(c)(3) Revenue Bonds	IFA Staff: Rich Frampton
Location: Chicago	County/Region: Cook/Northeast

BOARD ACTION

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

Changes from Preliminary:

- Investment Banking Team identified (see p. 5). Pursuant to IFA Board of Directors request, the University of Chicago will be considering the addition of Co-Managing Underwriters.
-

VOTING RECORD

Preliminary Bond Resolution, October 23, 2008:

Ayes: 9	Nays: 0	Abstentions: 0
Absent: 2 (Herrin, Leonard)		Vacancies: 4

PURPOSE

This project will involve various capital construction and renovation projects to be financed primarily on the University of Chicago's (the "University's") Hyde Park campus, but also including nearby buildings. These capital improvements are anticipated over several years. This financing will provide permanent financing for a portion of these capital project development costs. A detailed listing of the long-term project scope is contained under the Project Summary section of this report (see p. 3).

IFA PROGRAM AND CONTRIBUTION

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

The University and its financing team are currently evaluating various fixed and variable rate structures. Final decisions regarding structure will be more specifically

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Series 2008B-C	\$500,000,000	Uses:	*New Project Cost (p.3)	\$500,000,000
	*Fundraising/Equity	<u>2,500,000</u>		Issuance Costs	<u>2,500,000</u>
	Total	<u>\$502,500,000</u>		Total	<u>\$502,500,000</u>

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- Note: This financing will finance the construction and completion of several projects that were partially financed with proceeds of IFA Series 2007 Bonds (Par amount: \$250 million). The University will evaluate prospective combinations of Fixed and Variable Rate bonds as market conditions evolve.

JOBS – Preliminary estimates, subject to change

Current employment: 9,177 (FT and PT)

Projected new jobs: 50-100 (within 2 years of completion);

Note: these are preliminary estimates of incremental jobs resulting from the new projects to be financed with the Series 2008 Bonds. The University estimated 50-300 new jobs resulting from projects financed with the Series 2007 Bonds – projects partially financed with the IFA Series 2007 Bonds will be completed with proceeds of the IFA Series 2008 Bonds.

Jobs retained: N/A

Construction jobs: 150-200 average (12-24 months)

Note: this financing largely represents a continuation of projects initially financed with proceeds of the IFA Series 2007 Bonds. Consequently, this financing will extend the overall construction period relating to the Series 2007 Bonds by an estimated 12 to 24 months.

FINANCING STRUCTURE

Structure: The University plans to sell Bonds in a combination of Fixed and Variable Rate Modes that will be determined by the University and its financing team based on market conditions. The Bonds will be secured based on the direct underlying long-term ratings of the University of Chicago for fixed rate or standard daily or weekly adjustable (variable) interest rate bonds (see Security/Collateral section immediately below).

**Security/
Collateral:** The Bonds will be secured by a general obligation of the University. The Bonds will not be secured by a mortgage or security interest on any of the University's assets, properties, or funds. The University's is currently rated Aa1/VMIG1/Stable (Moody's as of 6/7/2007); AA/A-1+/Stable (Standard and Poor's as of 6/11/2007); and AA+/F1+/Stable (Fitch as of 6/7/2007). The University anticipates the proposed bonds will be rated similarly by all three rating agencies. The University of Chicago is one of only a few IFA borrowers that has its own short-term investment grade credit ratings from all three ratings agencies, thereby enabling the sale of standard variable rate. A Liquidity Facility will be required for Bonds that bear interest in a Weekly (Adjustable Rate) Mode and obtained from a financial institution with a long-term rating of A1/A/A or better (Moody's/S&P/Fitch).

Maturity: Maximum maturity per IFA Bond Resolution: 40 years (anticipated final maturity of 30 to 40 years). The final configuration of the Bonds (i.e., the amounts of fixed and variable rate debt) will depend on prevailing market conditions at pricing.

**Estimated
Interest Rates:**

- Fixed Rate Bonds: 5.07% for 30 year bonds, based on estimates as of 9/22/2008
- Variable Rate Bonds: For discussion purposes, the 52-week running average of the 7-Day SIFMA Municipal Swap Index (a proxy for the Weekly Rate Mode) has averaged approximately 2.60% over the past year as of 10/29/2008. After adding customary periodic fees (e.g., ongoing Letter of Credit, Trustee, and Remarketing Agent Fees) the effective floating rate would have ranged from 3.22% to 3.47% over the past 12 months.

Timing: Estimated closing date: December 18, 2008 (preliminary; subject to change based on market conditions)

Prospective Swap/Qualified Hedge on Variable Rate Bonds: The University and its financial advisor will evaluate relative interest rates on fixed rate and variable rate bonds (with swaps) based on market conditions.

BUSINESS SUMMARY

Background: The University of Chicago (the "University") is a 501(c)(3) organization incorporated under Illinois law. The University is a private, non-sectarian, co-educational educational and research institution founded by John D. Rockefeller in 1890.

Description: The University's mission is to provide education in liberal and professional studies. The University campus is located on approximately 211 acres in Hyde Park, approximately eight miles south of downtown Chicago. The University's campus is located along the Midway Plaisance, a parkway designed by Frederick Law Olmstead for the City's South Park System used for the Columbian Exposition in 1893.

The University consists of an undergraduate College, and six professional schools (Business, Divinity, Law, Medicine, Public Policy Studies, and Social Service Administration). Additionally, the University also operates the Graham School of General Studies (continuing education for adults) and the Laboratory Schools (K-12 primary and secondary education). The University of Chicago Press is an academic unit of the University and is the largest academic press in the nation.

The University's extensive library resources are comprised of over 7 million print volumes and are located in several departmental libraries campus-wide.

The University estimates that it will have approximately 2,168 full-time faculty and 616 part-time faculty at the beginning of academic year 2008-2009. The University's support staff totals approximately 7,000 full-time and part-time employees, approximately 1,550 of whom are represented by collective bargaining agreements.

The University an extensive financial aid program designed to enable the most qualified student to attend the University regardless of their financial circumstances. For the 2007-2008 academic year, approximately 57% of all students received some form of financial aid. Those receiving need-based aid obtained average annual grant awards of \$22,160. Of the \$55.65 million in grant aid provided by the University to undergraduate students in 2007-2008, merit-based aid represented less than 12% of the total.

The University of Chicago has benefited from several bond financings through IFA and currently has 13 bond issues outstanding, totaling approximately \$1.13 billion as of 8/31/2008.

Beginning in 1986, The University of Chicago separated the operation of its hospital system from the University. Accordingly, The University of Chicago Hospitals was incorporated on October 1, 1986 to assume operations of the hospitals and clinics.

PROJECT SUMMARY (for IFA Bond Resolution)

Bond proceeds will be used by the University of Chicago (the "University") to finance, refinance, or be reimbursed for (i) all or a portion of the costs of the acquisition, construction, expansion, renovation, and equipping of certain of its educational facilities located at the University's Hyde Park Campus (and generally bordered on the north by 47th Street, on the east by Lake Shore Drive, on the south by 61st Street, and on the west by Cottage Grove Avenue), and also at 10910 S. Langley Ave., 11023 S. Langley Ave., 11030 S. Langley Avenue, 727 East 110th Street, and 450 N. Cityfront Plaza Drive (i.e., Gleacher Center), all in Chicago, Illinois, (ii) refinance all or a portion of the outstanding The University of Chicago Taxable Commercial Notes, Series A (the "Taxable Notes"), the proceeds of which were used by the University, from time to time, to finance, refinance, or reimburse itself for certain costs relating to the capital improvements identified herein, (iii) paying certain working capital expenditures if deemed desirable by the University, (iv) funding one or more debt service reserve funds required to be maintained in accordance with one or more Trust Indentures, and (v) and to pay costs of issuance on the Bonds, including the costs of bond insurance or other credit or liquidity enhancement, if any (and collectively, the "Project").

Key capital improvement projects associated with the Project include (also see capital project budget below):

- The planning, design, and construction of a new residence hall and dining facility;
- The planning, design, construction, expansion, and equipping of steam and chilled water utility plants;
- The renovation and rehabilitation and equipping of Chemistry laboratories;
- The renovation and repair of various residence halls;
- The planning, design, construction and equipping of the 61st Street and Drexel Office Building;
- The planning, design, construction and equipping of the Center for Biomedical Discovery;
- The planning, design, construction and equipping of a library addition;
- The planning, design, construction and equipping of the Logan Arts Center;
- The acquisition and implementation of certain computer equipment and software, systems development;
- The planning, design, construction, renovation, and expansion of The Laboratory Schools;
- The planning, design, construction, renovation, equipping, and rehabilitation of new administrative, academic, research facilities, campus safety and infrastructure, and general campus improvements, and the equipping of each of the foregoing.

The total estimated line-item cost of these various capital improvements to be financed with proceeds of the IFA Series 2008 Bonds are:

New Residence Hall and Dining Facility:	\$100,000,000
Steam and Chilled Water Utility Plant Expansion:	60,000,000
Chemistry Lab Renovations:	35,000,000
Center for Biomedical Discovery:	100,000,000
61st and Drexel office building:	15,000,000
Library addition and renovations:	45,000,000
Computer equipment and systems development:	65,000,000
Laboratory schools expansion:	15,000,000
The 6045 Kenwood Building, the Logan Arts Center, and other administrative, academic, and research projects (\$65M to be financed from Series 2008B-C Bond Proceeds):	<u>65,000,000</u>
Total	\$500,000,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: The University of Chicago, 1225 E. 60th St., Chicago, IL, 60637-2801
 Web site: www.uchicago.edu
 Contact: John Kroll, Comptroller, Ph.: 773/702-1941; E-mail: xjrk@uchicago.edu
 Project name: IFA Series 2008B-C Revenue Refunding Bonds (The University of Chicago Project)
 Project name: Series 2008-2009 Capital Construction and Renovation Projects
 Locations: The University of Chicago's Hyde Park Campus, 1225 E. 60th St., Chicago, IL 60637-2801
 Organization: Illinois 501(c)(3) Corporation
 Board Membership: *See list of Board of Trustees (p. 6).*
 Current Land Owner: The University of Chicago

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Schiff Hardin LLP	Chicago	Bruce Weisenthal
Auditor:	KPMG LLP	Chicago	
Borrower's Financial Advisor:	Prager Sealy & Co., LLC	New York, NY	Linda Fan
Bond Counsel:	Chapman and Cutler, LLP	Chicago	Nancy Burke
Senior Manager:	JPMorgan Securities, Inc.	Chicago	Lorrie DuPont
Co-Senior Manager:	Banc of America Securities, Inc.	San Francisco, CA	Rick Chisolm
Co-Managing Underwriters:	Goldman Sachs & Co.	New York, NY	Thornton Lurie
	Loop Capital Markets, LLC	Chicago	Lerry Knox
	Morgan Stanley	Chicago	Bill Mack
	William Blair & Co., LLC	Chicago	John Peterson
Underwriter's Counsel:	Mayer Brown LLP	Chicago	David Narefsky
Trustee:	Wells Fargo Bank N.A.	Chicago	Patricia Martirano
General Contractors:	Berglund Construction	Chicago	
	Bovis Lend Lease	Chicago	
	Gilbane Building Company	Chicago	
	Turner Construction	Chicago	
Architects:	Bauer Latoza	Chicago	
	Murphy Jahn	Chicago	
	Wilson Architects	Boston	
Rating Agencies:	Moody's/S&P/Fitch		
IFA Counsel:	Forthcoming		
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

	Hyde Park Campus	Gleacher Center Campus-Chicago
Congressional:	1 Bobby L. Rush	7 Danny K. Davis
State Senate:	13 Kwame Raoul	13 Kwame Raoul
State House:	25 Barbara Flynn Currie	26 Elga L. Jeffries

The University of Chicago: Board of Trustees

Trustees

Affiliation

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Vice-Chairman: Andrew M. Alper, Former President, NYC Economic Development Corporation

Vice-Chairman: Valerie B. Jarrett, Managing Director and Executive Vice President, The Habitat Company

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Robert W. Lane	Chairman & CEO, Deere & Company
Sherry L. Lansing	CEO, The Sherry Lansing Foundation
Charles A. Lewis	Lewis-Sebring Family Foundation
John C. Martin	President & CEO Gilead Sciences, Inc.
Walter E. Massey	President, Morehouse College
Peter W. May	President and COO, Triarc Companies, Inc.
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Joseph Neubauer	Chairman and CEO, ARAMARK Corporation
Emily Nicklin	Partner, Kirkland & Ellis
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Michael P. Polsky	Founder, President & CEO, Invenergy, LLC
Thomas Jay Pritzker	Chairman and CEO, Global Hyatt Corporation
George A. Ranney, Jr.	President and CEO, Chicago Metropolis 2020
John W. Rogers, Jr.	Chairman and CEO, Ariel Capital Management L.L.C., Ariel Mutual Funds
Andrew M. Rosenfield	Managing Partner, Guggenheim Partners
David M. Rubenstein	Director, The Carlyle Group
Richard P. Strubel	Vice Chairman, UNext, Inc.
Byron D. Trott	Vice Chairman, Investment Banking Division, Goldman, Sachs & Co.
Marshall Wais, Jr.	Chief Executive Officer, Marwais International L.L.C.
Gregory W. Wendt	Senior Vice President, Capital Research Company
Jon Winkelreid	President and Co-COO Goldman, Sachs & Co.
Paula Wolff	Senior Executive, Chicago Metropolis 2020
Paul G. Yovovich	President, Lake Capital
Francis T.F. Yuen	Chairman, Pacific Century Insurance Holdings Limited
Robert J. Zimmer	President, The University of Chicago

Illinois Finance Authority

Memorandum

To: IFA Board of Directors

From: Sharnell Curtis-Martin

Date: November 12, 2008

Re: Request to replace the underwriter and remarketing agent, Wachovia Securities with Wells Fargo Public Finance for F& F Holding, LLC (Murphy Machine Products, Inc. Project, IFA File # I-ID-TE-CD-8095)

The IFA Board approved a \$5 million Industrial Revenue final bond resolution for F& F Holding, LLC (Murphy Machine Products, Inc. Project) at the September 9, 2008 Board Meeting. At the time the project was initially considered, Wachovia Securities was serving as underwriter and remarketing agent.

Since the time of the IFA Boards final approval, Wachovia Securities is in process of being acquired by Wells Fargo Public Finance Group. Wachovia Securities has chosen to withdraw from this transaction at this time. As a result, the financing team has decided to replace Wachovia Securities with Wells Fargo Public Finance Group.

The underwriter and remarketing agents are the only financing team members being replaced. The transaction is presently scheduled to close on November 20, 2008.

Staff recommends approval of the request.

The voting record of this Industrial Revenue Bond approval at the September 19, 2008 Board meeting is as follows:

Ayes:	9
Nays:	0
Abstentions:	0
Absent:	2 (Herrin, Zeller)
Vacancy:	4

Illinois Finance Authority

Memorandum

To: IFA Board of Directors

From: Pam Lenane and Dana Sodikoff

Date: October 31, 2008

Re: Request to substitute and/or add an underwriter: to add or substitute either Morgan Stanley and/or such underwriter as agreed to by the Borrower and the Illinois Finance Authority, (Southern Illinois Healthcare, Project Number: H-HO-TE-CD-8147)

The IFA Board approved a \$185 million 501(c)(3) Final Bond Resolution for Southern Illinois Healthcare at the September 9, 2008 Board Meeting. At the time the project was initially considered, RBC Capital Markets was serving as underwriter.

Since the time of the IFA Boards final approval, the lead banker at RBC Capital Markets has left the firm. As a result, Southern Illinois Healthcare and the financing team would like the option to replace RBC Capital Markets with Morgan Stanley and/or another underwriting firm as agreed to by the Borrower and the Illinois Finance Authority or to include these additional underwriters as part of the underwriting syndicate for the Bonds.

The underwriter is the only financing team member affected. The transaction is presently scheduled to close in December, 2008.

Staff recommends approval of the request.

The voting record of this Final Bond Resolution for Southern Illinois Healthcare was approved at the September 9, 2008 Board meeting as follows:

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

**AMENDMENT TO
RESOLUTION NUMBER 2008-09-19**

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

WHEREAS, on September 9, 2008, the Authority passed Resolution Number 2008-09-21, as amended on October 23, 2008 (the “Original Resolution”) for the benefit of Southern Illinois Healthcare Enterprises, Inc., an Illinois not for profit corporation (the “Corporation”); and

WHEREAS, the Corporation has requested that the Authority amend the provisions of the Original Resolution in order to allow for the inclusion of Morgan Stanley & Co. Incorporated or such other investment bank as approved by the Authority and the Corporation to be included as potential purchasers of the Series 2008 Bonds and parties to each of the Purchase Contracts and Remarketing Agreements;

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

Section 1. For purposes of the Original Resolution, all references to Purchaser, Remarketing Agent and RBC Capital Markets Corporation are hereby amended to refer to: (1) RBC Capital Markets Corporation and/or Morgan Stanley & Co. Corporation and/or such other firm or firms of municipal bond underwriters approved by the Authority and the Corporation or (2) RBC Capital Markets Corporation and/or Morgan Stanley & Co. Corporation and/or such other firm or firms of remarketing agents approved by the Authority and the Corporation, as the case may be.

Section 2. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents as may be necessary to carry out and comply with the provisions of this Resolution, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved.

Section 3. This Resolution is intended to confer additional authority to act under the Original Resolution and the Original Resolution shall remain in full force and is hereby ratified, provided, that the Original Resolution is hereby amended to the extent that it is not consistent with this Resolution.

ADOPTED this 12th day of November, 2008 by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Secretary

TAB NO. 20

MEMO WILL BE DSITRIBUTED TO THE
BOARD MEMBERS AT THE COMMITTEE
OF THE WHOLE MEETING ON
WEDNESDAY,
NOVEMBER 12, 2008.