

Illinois Finance Authority

June 10, 2008

2:30 PM

Board Meeting

Illinois State Library

300 S. Second Street, Room 403/404

Springfield, Illinois



William Morris

ILLINOIS FINANCE AUTHORITY

BOARD MEETING

June 10, 2008

Springfield, Illinois

COMMITTEE OF THE WHOLE

11:30 a.m.

Illinois State Library

300 S. Second Street, 1st Floor, Authors' Room

AGENDA

Revised Friday, June 6, 2008 at 4:32 p.m.

- Chairman's Remarks
- Executive Director's Report
- Financials Report
- Executive Staff Reports
- Committee Reports
- Project Reports
- Personnel Matters relating to Section 2(c)(1) of the Illinois Open Meetings Act (5 ILCS 5/2) and subsequent Board action appropriate thereto
- Other Business
- Adjournment

BOARD MEETING

2:30 p.m.

Illinois State Library

300 S. Second Street, Room 403/404

Springfield, Illinois

AGENDA

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

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Beginning Farmer Bonds						
1	Kelby Eubank	Willow Hill	\$160,000	0	0	ER
TOTAL AGRICULTURE PROJECTS			\$160,000	0	0	

COMMUNITIES AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds						
<i>Final</i>						
2	Achievement Unlimited, inc.	Multiple	\$5,400,000	35	0	KC
TOTAL COMMUNITIES AND CULTURE PROJECTS			\$5,400,000	35	0	

HIGHER EDUCATION

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds						
<i>Final</i>						
3	Northwestern University	Evanston	\$125,000,000	0	350	TA
4	St. Augustine College	Chicago	\$8,000,000	0	0	TA
5	Saint Xavier University	Chicago	\$26,000,000	15	50	RF
501(c)(3) Revenue Anticipation Notes						
<i>Final</i>						
6	Jewish Federation of Metropolitan Chicago (Jewish Charities Revenue Anticipation Note Program)	Multiple	\$40,000,000	0	0	TA
TOTAL HIGHER EDUCATION PROJECTS			\$199,000,000	15	400	

HEALTHCARE

501(c)(3) Bonds						
<i>Preliminary</i>						
7	Advocate Health Care Network	Libertyville	\$180,000,000	0	200	PL/DS
8	Friendship Village of Mill Creek, NFP	Geneva	\$3,900,000	175	250	PL/DS
9	Norwegian American Hospital	Chicago	\$24,500,000	12	20	PL/DS
TOTAL HEALTHCARE PROJECTS			\$208,400,000	187	470	
GRAND TOTAL			\$412,960,000	237	870	

RESOLUTIONS

Tab	Project	FM
Amendatory Resolutions / Resolutions		
10	Request for additional loan amount for TG-IL, Inc. Project No. B-LL-TX-8045	JS
11	Amendatory Resolution for DePaul University Commercial Paper Revenue Notes (the "Notes") to Approve an Additional Project Site to be Financed, Refinanced, and Reimbursed with Proceeds of the Notes and to Authorize the Execution and Delivery of any Required Documentation and Certain Related Matters	RF
12	Request to amend the Lease Installment Agreement to extend the maturity and reduce the interest rate for First Friends Daycare (IFA File # 9681-NP)	SCM
13	Amendatory Resolution to reflect changes in the structure to the Local Government 2008A Pool.	

Other

Adjournment



**Illinois Finance Authority
Executive Director's Report
June 10, 2008**

To: IFA Board of Directors and Office of the Governor

From: Kym M. Hubbard, Executive Director

Financial Performance

Consolidated Results: Illinois Finance Authority's financial position remains strong with total assets of \$173,372,775 consisting of Equity of \$111,723,829 and Liabilities of \$61,648,946. This compares favorably to the May 2007 balance sheet of \$150,568,484 in total assets comprising of \$91,947,587 in Equity and \$58,620,897 in Liabilities and Bonds Payable.

Gross Income YTD for May ended at \$13,362,817 or \$1,442,539 over plan. The above plan performance is primarily due to fee income and interest on loans. Total operating expenses ended at \$8,659,332 or \$797,981 below plan. This is primarily due to a reduction of professional services and employee related expenses. Net income ended at \$19,684,597 which includes the \$2,000,000 grant received in July 2007 from the Illinois Clean Energy Foundation, \$9,000,000 from State Appropriations for the Fire Truck Revolving Loan Fund, and \$4,000,000 for the Ambulance Revolving Fund received in May, 2008.

Audit and Compliance

The Fiscal Year 2008 audit process began on May 27, 2008 and, the auditors are currently gathering data in preparation for the official audit process which is scheduled to begin the month of August, 2008. We anticipate that all field work will be completed by the end of calendar year 2008.

Additionally, the FY 2008 audit process is expected to include new Risk Assessment Standards that will be a part of the external financial audit that will be performed by the Office of the Auditor General. The new Risk Assessment Standards will also require the auditors to perform additional testing in various aspects of the Authority's responsibilities.

Sales Activities

Funding Managers will be presenting 9 projects totaling \$412,960,000 for approval in June, 2008. Agriculture projects total \$160,000; Communities and Culture projects total \$5.4 million; Healthcare projects total \$208.4 million; and Higher Education projects total \$199 million. These projects are expected to create 237 new jobs and 870 construction jobs.

Agriculture:

The Ag team continues to receive strong interest in the Participation Loan Program and the Beginning Farmer Bond Program. While the overall strength of the farm economy has reduced the requests for loan guarantees, staff is starting to receive inquiries for potential guaranteed loan projects in the coming months. Additionally, the Ag team continues to make contact with agricultural bankers, and during the month of May they met with key staff from the United States Department of Agriculture to discuss partnership opportunities.

Beginning Farmer Bond Closings – May, 2008

Closing Date	Issuance\$\$	Borrower
5/13/2008	200,500.00	Jeremiah Schlipf
5/13/2008	250,000.00	Leah Stoller
5/15/2008	129,000.00	Jeremy Snider

Healthcare:

May was another very busy month for the Healthcare Team. Closings for transactions that were prompted to refund and convert because of the auction rate market crisis continued through this month. In healthcare, more than ten hospitals have been working with the IFA to convert or refund their auction rate debt into another mode. Additionally, Children's Memorial Hospital and Elmhurst Memorial Healthcare have both closed on the financings for their new replacement hospitals. The bonds issued for Children's Memorial Hospital will be used to fund construction of a new 288-bed replacement hospital and refund certain debt. Children's Memorial owns and operates the only freestanding acute-care pediatric hospital in the state of Illinois. The new hospital is anticipated to be completed by spring of 2012. The bonds issued for Elmhurst Memorial Healthcare will be used to finance the construction of a new 259-bed replacement facility in Elmhurst, IL. This new, acute care integrated healthcare campus will be ready for occupancy in 2011.

Also this month, the Healthcare Team met with Raymond James to discuss developing a program for safety-net hospitals and distressed healthcare institutions. Since the IFA developed the small hospital program several years ago, only about two hospitals a year have been eligible for this program. Other safety-net hospitals have not been able to take advantage of this small hospital program because they do not have the cash flow to service the debt. They would need additional credit enhancement to be able to issue debt in the capital markets. The Healthcare Team continues to work with underwriters and private placement agents who cover this market.

Health Care Closings – May, 2008		
Closing Date	Issuance\$\$	Borrower
05/15/08	553,490,000	Children's Memorial Hospital, Series 2008A-D
05/22/08	374,820,000	Elmhurst Memorial Healthcare, Series 2008A-E

Higher Education

The Higher Education team attended the Standard and Poor's Higher Education Seminar held in Chicago. The focus of the seminar was to address enrollment and financial trends for small and mid-sized colleges, and large public universities for the next five years.

The Higher Education team submitted a proposal for a Sprinkler Financing Program for higher education private colleges to the Federation of Illinois Independent Colleges and Universities by Piper Jaffrey. A meeting with the financial partners is expected to take place over the next few weeks to discuss the proposal.

There were no Higher Education closings for the month of May, 2008

Communities and Culture

Members of the Communities and Culture team met with the board and staff members from the Evanston Historical Society to discuss future financing of renovations to the Society's location at the Charles Dawes mansion in Evanston, Illinois. The site is listed as a historical site with the National Historic Register.

Staff continues to make calls to faith-based schools located in Springfield, Illinois and the surrounding area, to schedule meetings to present the IFA's financing options for not-for-profit organizations. Sacred Heart Griffin School located in Springfield, Illinois, is planning a renovation/expansion project and, the IFA is working with the school and the United Community Bank of Chatham to finance this project which is expected to cost about \$8 million dollars.

Additionally, staff members are also in discussion stages with Edward Jones and PFM about the possibility and feasibility of co-hosting a seminar in Springfield, Illinois in July or August, 2008, to discuss financing for projects planned by K-12 Public Schools under the One Per Cent Sales Tax legislation.

Community & Culture Closings – May, 2008

Closing Date	Issuance\$\$	Borrower
05/16/08	5,000,000	Armitage Commons Preservation, NFP
05/16/08	2,800,000	O'Fallon Preservation, NFP
05/29/08	83,015,000	Chicago Symphony Orchestra

Business & Industry

Downstate staff members are working on two Participation Loans in Jacksonville in conjunction with the Department of Commerce & Economic Opportunity and the Economic Development Corporation located in Jacksonville, Illinois. Preliminary discussions are underway with the borrowers and banks that will be involved. A third Participation Loan is in the final planning stages with the United Community Bank and the M.J. Kellner Corporation located in Springfield, Illinois. Staff anticipates presenting this loan to the board of directors in August or September, 2008.

Recession fears seem to be continuing to constrict Industrial Revenue Bond ("IRB") Application volume as expected, consistent with sentiment among commercial lenders that owners of manufacturing companies are being cautious -- and in many cases deferring significant expansion/capital investment projects.

These concerns have also been evident in discussions with local economic development practitioners.

Business & Industry Closings – May, 2008

Closing Date	Issuance\$\$	Borrower
05/09/08	141,000,000	Commonwealth Edison, Series 2008D&F
05/22/08	4,600,000	Genesis, Inc. Project [Requires Volume Cap]
05/28/08	4,200,000	DD Leasing - RDD Leasing Project [Requires Volume Cap]

Energy

Continued high prices for corn and soy beans have significantly squeezed profit margins for ethanol and biodiesel plants. Lenders and prospective investors have placed most plans for developing traditional corn-fueled ethanol and soy oil fueled biodiesel plants on hold until profit margins improve. The outlook for continued high oil prices, however, continues to spur interest in new technology for producing energy.

During the month of May, 2008, members of the energy staff met with a developer seeking to generate electricity from corn stover (stalks, leaves and husks) and a second developer seeking to develop diesel and jet fuel from coal. Illinois remains attractive for the development of new energy projects because of its ample supply of corn, soybeans and low-cost coal, an excellent transportation network, skilled workforce, research and managerial talent, and the Chicago region's demand for electricity, transportation fuels and specialty chemicals.

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

Local Government

Staff members in the Springfield Office are receiving a high volume of requests from units of local government concerning the Authority's Local Government Pooled Bonds program. Presentations were made in Logan County in partnership with the Department of Commerce & Economic Opportunity, as well as directly to several communities throughout the State of Illinois, in order to promote the Local Government Pooled Bonds program. Also, a great deal of change has taken place in the Local Government Pooled Bond Program. The underwriter that is responsible for the administration of the program has recently resigned. However, staff members have maintained contact with other underwriting staff members to insure a smooth transition.

Additionally, staff members continue efforts to provide financing opportunities in the not-for-profit market sector to downstate not-for-profit businesses and community organizations.

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

Human Resources/Operations

Human Resources: The Diversity and Harrassment Training for staff members is complete. This training is held every two years and for new staff soon after they are hired. Evidence of completing the sessions is collected and maintained on file.

The IFA Employee Handbook has been updated and distributed. Revisions included a new telephone use policy, an explanation of maternity leave, and numerous other items which needed corrected and/or updated.

A preliminary draft of an investment policy is nearly completed for the Authority's 401(a) plan.

Venture Capital: The Chief Operations Officer met with the Executive Director of the Illinois Venture Capital Association, to discuss issues that pertain to IFA's venture capital program. Issues covered included the need for seed capital in Illinois and other metrics for evaluating the positive impact of venture capital. In addition, the COO attended the ZuChem board meeting and prepared and distributed meeting notes.

Additionally, research has been completed concerning issues related to venture capital investments. Results were documented and forwarded to the Executive Director.

Information Management: The Chief Operations Officer has researched requirements regarding the State's record retention system, which included a review of the relevant statute and administrative rules. Also, an assessment and documentation of the IFA's records retention system was prepared and recommendations have been given to the Executive Director for review.

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

Plans are in the process of being updated for the IT Disaster Recovery Program.

Facilities Management: A meeting is scheduled to finalize next steps leading to completion of the lease for the Chicago Office. A review of the Authority's car rental arrangements was completed and a program for staff use has been selected. The program should be implemented in June, 2008.

Marketing/Public Relations

Public Relations: The third issue of the IFA News newsletter is being developed. Strategic planning within the market sectors continues. We are progressing with our management information/data base development project. Work this month focused on defining deal-related project flow and evaluating intranets. Budgets and other administrative end-of-year items received attention. The IFA's "green" plan, submitted to the Green Government Coordinating Council in April, was selected as a model reference for small agencies in the State of Illinois.

Freedom Of Information Act requests for the month of May, 2008:

- B. Adams - Correspondence related to B. Obama - Completed
- SEIU – Healthcare bond board summaries - Completed
- R. Gibson, Chicago Tribune - Lease information for Peroia office space - Completed
- T. Novak, Sun-Times – Financial team information and cost of issuance for IFA bonds

ILLINOIS FINANCE AUTHORITY
COMPARISON MAY 2008 TO MAY 2007
FINANCIAL STATEMENTS

ASSETS

- Total Assets increased by \$22.8 M due to:
 1. An increase on our loan portfolio due to the amount of the loans made totaling \$7.8M, an increase on our cash balance due to the payoff of loans of \$1.6M, an increase in fee revenue and an increase due to a State Appropriation for our Firetruck and Ambulance Revolving Funds totaling \$13.0M.

LIABILITIES

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

REVENUE/EXPENSES

- Revenue

Gross revenue for fiscal year 2008 ended at \$13,362,817 or \$281,121 above fiscal year 2007 this is primarily due an increase in our fee income.

- Expenses

Expenses ended at \$8,659,332 or \$307,991 lower than fiscal year 2007 due to:

1. Professional services decreased by \$309,066 or 7% due a reduction on our legal fees.
2. All other expenses increased by a minimal margin, but the net effect was favorable.

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

	Actual May 2008	Budget May 2008	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2008	Budget YTD FY 2008	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2008	% of Budget Expended
REVENUE										
INTEREST ON LOANS	301,944	284,983	16,961	5.95%	3,580,501	3,240,273	340,228	10.50%	3,526,320	101.54%
INVESTMENT INTEREST & GAIN(LOSS)	56,111	211,271	(155,160)	-73.44%	2,207,044	2,291,044	(84,000)	-3.67%	2,499,176	88.31%
ADMINISTRATIONS & APPLICATION FEES	1,822,163	810,167	1,011,996	124.91%	6,448,436	5,267,942	1,180,494	22.41%	6,530,805	98.74%
ANNUAL ISSUANCE & LOAN FEES	168,958	90,608	78,350	86.47%	894,570	956,602	(62,032)	-6.48%	1,038,859	86.11%
OTHER INCOME	15,442	14,947	495	3.31%	232,266	164,417	67,849	41.27%	179,364	129.49%
TOTAL REVENUE	2,364,619	1,411,976	952,643	67.47%	13,362,817	11,920,278	1,442,539	12.10%	13,774,524	97.01%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	227,939	297,895	(69,956)	-23.48%	2,825,507	3,435,736	(610,229)	-17.76%	3,732,896	75.69%
BENEFITS	21,232	24,985	(3,754)	-15.02%	250,301	285,451	(35,151)	-12.31%	310,439	80.63%
TEMPORARY HELP	3,569	2,500	1,069	42.76%	73,131	27,500	45,631	165.93%	30,000	243.77%
EDUCATION & DEVELOPMENT	-	500	(500)	0.00%	3,553	5,500	(1,947)	-35.40%	6,000	59.22%
TRAVEL & AUTO	6,259	12,501	(6,242)	-49.93%	109,748	137,511	(27,763)	-20.19%	150,000	73.17%
TOTAL EMPLOYEE RELATED EXPENSES	258,998	338,381	(79,383)	-23.46%	3,262,240	3,891,698	(629,458)	-16.17%	4,229,335	77.13%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	44,389	87,332	(42,943)	-49.17%	777,031	960,652	(183,621)	-19.11%	1,048,000	74.14%
LOAN EXPENSE & BANK FEE	205,355	206,257	(902)	-0.44%	2,532,969	2,371,881	161,088	6.79%	2,578,138	98.25%
ACCOUNTING & AUDITING	34,979	29,329	5,650	19.26%	362,170	322,619	39,551	12.26%	351,946	102.91%
MARKETING GENERAL	351	20,833	(20,482)	-98.32%	47,920	229,163	(181,243)	-79.09%	250,000	19.17%
FINANCIAL ADVISORY	30,813	24,545	6,268	25.54%	271,372	265,450	5,922	2.23%	290,000	93.58%
CONFERENCE/TRAINING	(1,100)	2,083	(3,183)	0.00%	4,743	22,913	(18,170)	-79.30%	25,000	18.97%
MISC. PROFESSIONAL SERVICES	-	9,167	(9,167)	0.00%	49,555	100,837	(51,282)	-50.86%	110,004	45.05%
DATA PROCESSING	3,080	2,917	163	5.57%	50,866	32,087	18,779	58.52%	35,000	145.33%
TOTAL PROFESSIONAL SERVICES	317,866	382,463	(64,597)	-16.89%	4,096,627	4,305,602	(208,975)	-4.85%	4,688,088	87.38%

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

	Actual May 2008	Budget May 2008	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2008	Budget YTD FY 2008	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2008	% of Budget Expended
OCCUPANCY COSTS										
OFFICE RENT	25,548	26,196	(648)	-2.47%	264,098	288,156	(24,058)	-8.35%	314,350	84.01%
EQUIPMENT RENTAL AND PURCHASES	3,796	4,000	(204)	-5.10%	59,397	45,260	14,137	31.23%	49,680	119.56%
TELECOMMUNICATIONS	4,656	7,083	(2,427)	-34.26%	67,298	77,913	(10,615)	-13.62%	85,000	79.17%
UTILITIES	1,417	983	434	44.18%	11,812	10,813	999	9.24%	11,800	100.10%
DEPRECIATION	7,249	6,637	612	9.22%	71,179	70,556	623	0.88%	77,194	92.21%
INSURANCE	1,607	2,000	(393)	-19.64%	15,542	22,000	(6,458)	-29.36%	24,000	64.76%
TOTAL OCCUPANCY COSTS	44,274	46,899	(2,625)	-5.60%	489,325	514,698	(25,373)	-4.93%	562,024	87.06%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	5,199	8,750	(3,551)	-40.59%	83,747	96,250	(12,503)	-12.99%	105,000	79.76%
BOARD MEETING - EXPENSES	3,775	2,568	1,207	47.01%	49,605	36,430	13,175	36.17%	39,000	127.19%
PRINTING	1,236	1,200	36	3.02%	14,474	13,200	1,274	9.65%	14,400	100.51%
POSTAGE & FREIGHT	2,788	2,067	721	34.88%	26,898	22,737	4,161	18.30%	24,800	108.46%
MEMBERSHIP, DUES & CONTRIBUTIONS	2,927	3,333	(406)	-12.19%	42,088	36,663	5,425	14.80%	40,000	105.22%
PUBLICATIONS	18	300	(282)	-93.93%	2,016	3,300	(1,284)	-38.90%	3,600	56.01%
OFFICERS & DIRECTORS INSURANCE	14,524	14,750	(226)	-1.53%	161,766	162,250	(484)	-0.30%	177,000	91.39%
MISCELLANEOUS	54,550	42	54,508	0.00%	55,898	462	55,436	11999.24%	500	11179.70%
TOTAL GENL. & ADMIN EXPENSES	85,017	33,010	52,007	157.55%	436,494	371,292	65,202	17.56%	404,300	107.96%
LOAN LOSS PROVISION/BAD DEBT	33,333	33,333	-	0.00%	367,287	366,663	624	0.17%	400,000	91.82%
OTHER										
INTEREST EXPENSE	644	644	(0)	-0.02%	7,360	7,360	(0)	0.00%	8,004	91.95%
TOTAL OTHER	644	644	(0)	-0.02%	7,360	7,360	(0)	0.00%	8,004	91.95%
TOTAL EXPENSES	740,132	834,730	(94,598)	-11.33%	8,659,332	9,457,313	(797,981)	-8.44%	10,291,751	84.14%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	1,624,486	577,246	1,047,240	181.42%	4,703,485	2,462,965	2,240,520	90.97%	3,482,773	135.05%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	(1,090)	(16,667)	15,577	-93.46%	(18,888)	(183,337)	164,449	-89.70%	(200,000)	9.44%
REVENUE GRANT	-	-	-	0.00%	2,000,000	-	2,000,000	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	13,000,000	-	13,000,000	0.00%	13,000,000	-	13,000,000	0.00%	-	-
NET INCOME/(LOSS)	14,623,396	560,579	14,062,817	2508.62%	19,684,597	2,279,628	17,404,969	763.50%	3,282,773	599.63%

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

	Actual May 2008	Actual May 2007	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2008	Actual YTD FY 2007	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	301,944	303,756	(1,812)	-0.60%	3,580,501	2,846,439	734,062	25.79%
INVESTMENT INTEREST & GAIN (LOSS)	56,111	201,958	(145,847)	-72.22%	2,207,044	2,521,290	(314,246)	-12.46%
ADMINISTRATIONS & APPLICATION FEES	1,822,163	544,757	1,277,407	234.49%	6,448,436	6,030,405	418,031	6.93%
ANNUAL ISSUANCE & LOAN FEES	168,958	89,987	78,971	87.76%	894,570	1,009,574	(115,003)	-11.39%
OTHER INCOME	15,442	414,780	(399,338)	-96.28%	232,266	673,988	(441,722)	-65.54%
TOTAL REVENUE	2,364,619	1,555,237	809,382	52.04%	13,362,817	13,081,696	281,121	2.15%
EXPENSES								
EMPLOYEE RELATED EXPENSES	227,939	244,710	(16,771)	-6.85%	2,825,507	2,742,280	83,227	3.03%
COMPENSATION & TAXES	21,232	23,107	(1,875)	-8.12%	250,301	291,266	(40,965)	-14.06%
BENEFITS	3,569	13,397	(9,828)	-73.36%	73,131	93,156	(20,024)	-21.50%
TEMPORARY HELP	-	-	-	0.00%	3,553	7,652	(4,100)	-53.57%
EDUCATION & DEVELOPMENT	6,259	17,286	(11,027)	-63.79%	109,748	154,284	(44,536)	-28.87%
TRAVEL & AUTO	-	-	-	-	-	-	-	-
TOTAL EMPLOYEE RELATED EXPENSES	258,998	298,500	(39,502)	-13.23%	3,262,240	3,288,639	(26,399)	-0.80%
PROFESSIONAL SERVICES	44,389	195,405	(151,016)	-77.28%	777,031	1,525,644	(748,613)	-49.07%
CONSULTING, LEGAL & ADMIN	205,355	221,384	(16,029)	-7.24%	2,532,969	2,142,341	390,628	18.23%
LOAN EXPENSE & BANK FEE	34,979	28,892	6,087	21.07%	362,170	336,110	26,061	7.75%
ACCOUNTING & AUDITING	351	3,956	(3,605)	-91.13%	47,920	62,063	(14,142)	-22.79%
MARKETING GENERAL	30,813	19,687	11,126	56.51%	271,372	253,195	18,177	7.18%
FINANCIAL ADVISORY	(1,100)	5,821	(6,921)	-118.90%	4,743	20,037	(15,294)	-76.33%
CONFERENCE/TRAINING	-	-	-	0.00%	49,555	33,728	15,828	46.93%
MISC. PROFESSIONAL SERVICES	3,080	3,236	(156)	-4.83%	50,866	32,575	18,291	56.15%
DATA PROCESSING	-	-	-	-	-	-	-	-
TOTAL PROFESSIONAL SERVICES	317,866	478,380	(160,514)	-33.55%	4,096,627	4,405,693	(309,066)	-7.02%

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

	Actual May 2008	Actual May 2007	Current Month Variance Actual vs. Actual	Current %	Actual YTD FY 2008	Actual YTD FY 2007	Year to Date Variance Actual vs. Actual	YTD %
				Variance				Variance
OCCUPANCY COSTS								
OFFICE RENT	25,548	25,733	(185)	-0.72%	264,098	280,201	(16,103)	-5.75%
EQUIPMENT RENTAL AND PURCHASES	3,796	3,617	179	4.96%	59,397	44,831	14,566	32.49%
TELECOMMUNICATIONS	4,656	6,908	(2,252)	-32.60%	67,298	74,555	(7,257)	-9.73%
UTILITIES	1,417	987	430	43.53%	11,812	11,490	322	2.80%
DEPRECIATION	7,249	4,521	2,728	60.33%	71,179	42,545	28,634	67.30%
INSURANCE	1,607	1,881	(274)	-14.57%	15,542	15,407	134	0.87%
TOTAL OCCUPANCY COSTS	44,274	43,647	627	1.44%	489,325	469,029	20,296	4.33%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	5,199	11,006	(5,808)	-52.77%	83,747	94,137	(10,390)	-11.04%
BOARD MEETING - EXPENSES	3,775	2,946	829	28.15%	49,605	40,326	9,279	23.01%
PRINTING	1,236	2,771	(1,535)	-55.39%	14,474	16,341	(1,867)	-11.42%
POSTAGE & FREIGHT	2,788	1,637	1,151	70.29%	26,898	23,355	3,542	15.17%
MEMBERSHIP, DUES & CONTRIBUTIONS	2,927	1,713	1,214	70.83%	42,088	39,913	2,175	5.45%
PUBLICATIONS	18	253	(235)	-92.81%	2,016	8,228	(6,212)	-75.50%
OFFICERS & DIRECTORS INSURANCE	14,524	15,215	(691)	-4.54%	161,766	151,462	10,304	6.80%
MISCELLANEOUS	54,550	-	54,550	0.00%	55,898	5,406	50,493	934.10%
TOTAL GENL & ADMIN EXPENSES	85,017	35,542	49,475	139.20%	436,494	379,168	57,326	15.12%
LOAN LOSS PROVISION/BAD DEBT	33,333	25,000	8,333	33.33%	367,287	416,931	(49,644)	-11.91%
OTHER	644	690	(46)	-6.69%	7,360	7,865	(505)	-6.42%
TOTAL OTHER	644	690	(46)	-6.69%	7,360	7,865	(505)	-6.42%
TOTAL EXPENSES	740,132	881,760	(141,628)	-16.06%	8,659,332	8,967,323	(307,991)	-3.43%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	1,624,486	673,477	951,009	141.21%	4,703,485	4,114,372	589,112	14.32%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	(1,090)	(10,597)	9,507	-89.71%	(18,888)	(216,669)	197,781	-91.28%
REVENUE GRANT	-	-	-	0.00%	2,000,000	-	2,000,000	0.00%
APPROPRIATIONS FROM STATE	13,000,000	-	-	0.00%	13,000,000	-	13,000,000	0.00%
NET INCOME/(LOSS)	14,623,396	662,880	13,960,516	2106.04%	19,684,597	3,897,703	15,786,893	405.03%

Illinois Finance Authority
Consolidated
Balance Sheet
for the Eleven Months Ending May 31, 2008

	Actual May 2007	Actual May 2008	Budget May 2008	Variance to budget
ASSETS				
CASH & INVESTMENTS, UNRESTRICTED	\$ 28,803,633	\$ 32,046,660	25,330,851	6,715,809
LOAN RECEIVABLE, NET	83,388,930	89,521,449	87,910,439	1,611,011
ACCOUNTS RECEIVABLE	418,272	374,388	597,810	(223,422)
OTHER RECEIVABLES	570,714	1,006,816	1,471,509	(464,692)
PREPAID EXPENSES	192,683	191,326	188,406	2,919
TOTAL CURRENT ASSETS	113,374,232	123,140,639	115,499,014	7,641,625
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	176,140	196,112	288,132	(92,020)
DEFERRED ISSUANCE COSTS	828,020	699,068	753,768	(54,700)
OTHER ASSETS				
CASH, INVESTMENTS & RESERVES	27,610,479	39,916,661	28,228,187	11,688,474
VENTURE CAPITAL INVESTMENTS	5,554,091	5,738,223	6,929,090	(1,190,867)
OTHER	3,025,522	3,682,072	3,042,683	639,389
TOTAL OTHER ASSETS	36,190,093	49,336,956	38,199,960	11,136,996
TOTAL ASSETS	\$ 150,568,484	\$ 173,372,775	\$ 154,740,874	\$ 18,631,900
LIABILITIES				
CURRENT LIABILITIES	1,327,583	1,170,662	1,306,579	(135,917)
LONG-TERM LIABILITIES	57,293,314	60,478,284	59,115,435	1,362,849
TOTAL LIABILITIES	58,620,897	61,648,946	60,422,014	1,226,933
EQUITY				
CONTRIBUTED CAPITAL	36,061,462	36,061,462	36,061,462	0
RETAINED EARNINGS	15,015,018	17,921,049	17,921,049	0
NET INCOME / (LOSS)	3,897,703	19,684,597	2,279,628	17,404,969
RESERVED/RESTRICTED FUND BALANCE	24,279,992	25,491,190	25,491,190	0
UNRESERVED FUND BALANCE	12,693,412	12,565,531	12,565,531	0
TOTAL EQUITY	91,947,587	111,723,829	94,318,860	17,404,969
TOTAL LIABILITIES & EQUITY	\$ 150,568,484	\$ 173,372,775	\$ 154,740,874	\$ 18,631,900

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

as of 5/30/2008

Loan #	Borrower Name	Due Date	Current Principal Balance	as of 5/30/2008					
				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	171,093.38	.00	.00	.00
10049	SHULTS MACHINE	4/5/2007	\$144,288.11	.00	.00	.00	.00	.00	144,288.11
2				.00	.00	171,093.38	.00	.00	144,288.11
Municipalities									
10098	ADAMS COUNTY WATER	2/1/2008	\$173,000.00	.00	.00	14,587.08	.00	.00	.00
1				.00	.00	14,587.08	.00	.00	.00
3				.00	.00	185,680.46	.00	.00	144,288.11

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

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

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

**Illinois Finance Authority
Audit Findings Material and Immaterial
Update as of May 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	5/3	
IM07-02	Inadequate Processing and Untimely Deposit of Cash Receipts and Refunds	4/30/2008	4/4	
IM07-03	Corrected Agency Workforce Report was not Filed Timely	4/30/2008	4/4	
IM07-04	Use of Telecommunications Devices Not Properly Monitored	4/30/2008	3/3	
IM07-05	Outdated Investment Report	4/30/2008	4/4	
IM07-06	Allowance of Old Accounts Receivable Not Performed	6/30/2008	4/3	
IM07-07	Statement of Economic Interest Report Not Filed Timely	4/30/2008	4/4	
IM07-08	Failure to File for a Refund of Telephone Excise Tax	4/30/2008	2/2	
IM07-09	Noncompliance with Printing Requirements	4/30/2008	2/2	

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

**MINUTES OF THE MAY 13, 2008 MEETING OF THE BOARD OF DIRECTORS OF
THE ILLINOIS FINANCE AUTHORITY**

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held a Board Meeting at 11:30 a.m. on May 13, 2008, at the Mid America Club, 200 E. Randolph Street, 80th floor, Chicago, Illinois.

Members present:

William A. Brandt, Jr., Chair
Michael W. Goetz, Vice Chair
Magda M. Boyles
James J. Fuentes
Dr. Roger D. Herrin
Juan B. Rivera
Lynn F. Talbott
Joseph P. Valenti
April D. Verrett

Members absent:

Dr. William J. Barclay
Ronald E. DeNard
Terrence M. O'Brien

Vacancies:

1

**Members participating by
telephone:**

Edward H. Leonard, Sr.
Bradley A. Zeller

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 11:50 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, and two (2) members on the telephone Ms. Burgess Jones declared a quorum present.

Chairman's Report

Chairman Brandt thanked fellow Board members and guests for coming. Chairman Brandt stated that all projects being presented at today's meeting were reviewed by all members of the Board at the Committee of the Whole meeting held at 8:30 a.m. today. Chairman Brandt also reported that year-to-date the Authority is operating over budget, and that the June, 2008 meeting will be held in Springfield, Illinois.

Acceptance of Financial Statements

Financial statements for the period ending April 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 April 30, 2008 financials. Motion was moved by Mr. Valenti and seconded by Mr. Rivera. The financials were approved by a roll call vote with 11 ayes, 0 nays, and 0 abstentions.

Minutes

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

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

Executive Director's Report

Director Hubbard welcomed and thanked all guests for coming. Director Hubbard reported that year-to-date net income is \$5M over budget, which includes a \$2M grant. Director Hubbard reported that twenty-three (23) projects were being presented today that total \$557,355,000 and, that projects being presented today are expected to create approximately 148 new jobs and 545 construction jobs.

Projects

Chairman Brandt asked Executive Director Hubbard to present the projects for consideration to the Board. Director Hubbard presented agricultural projects in a total approximate amount of \$660,000 to the Board for approval. Project no. 1 includes four (4) individual Beginning Farmer Bond projects:

No. 1:

A-FB-TE-CD-8063 – Kevin Dean Woods

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$195,000 to provide permanent financing to purchase approximately 100 acres of farmland. This project is located in Newton, Illinois. (08-05-01).

A-FB-TE-CD-8064 – Mark J. Ochs

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$30,000 to provide permanent financing to purchase approximately 19 acres of farmland. This project is located in West Liberty, Illinois. (08-05-01).

A-FB-TE-CD-8065 – Michael and Peggy Breeze

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$100,000 to provide permanent financing to purchase pasture land, a used building and 140 acres of farmland. This project is located in Ashley, Illinois. (08-05-01).

A-FB-TE-CD-8066 – Peter Ragan

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$90,000 to provide permanent financing to purchase approximately 49.56 acres of farmland. This project is located in Mendon, Illinois. (08-05-01).

No guests attended with respect to Project No. 1. Chairman Brandt asked if the Board had any questions with respect to the Beginning Farmer Bonds presented. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 1 which includes four (4) individual Beginning Farmer Bonds. Leave was granted. Project No. 1 which includes four (4) individual Beginning Farmer Bonds received final approval with 11 ayes, 0 nays, and 0 abstentions.

No. 2: A-LL-TX-8076 – Kevin and Tracy Niemann

Request for final approval of the issuance of a Participation Loan in an amount not-to-exceed \$145,000 to provide permanent financing for the purchase of 90 acres of farmland. This project is located in Litchfield, Illinois. (08-05-02).

No. 3: A-FP-GT-8077 – Niemann Grain Farms, Inc.

Request for final approval of the issuance of a Participation Loan in an amount not-to-exceed \$100,000 to provide permanent financing for the purchase of 40 acres of farmland. This project is located in Litchfield, Illinois. (08-05-03).

No guests attended with respect to Project Nos. 2 and 3. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 2 and 3. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 2 and 3. Leave was granted. Project Nos. 2 and 3 received approval subject to receipt and review of additional documentation with respect to the land sale contract and the insertion of a cross-default feature in the respective notes, with 11 ayes, 0 nays, and 0 abstentions.

No. 4: WITHDRAWN

No. 5: B-LL-TX-8080 - Russ Erlinger Crane Service, Inc.

Request for final approval of a Participation Loan in an amount not-to-exceed \$500,000 to purchase a 115 ton portable crane. This project is expected to create approximately 2 new jobs. This project is located in Anna Marion, Illinois. (08-05-05).

No. 6: I-EZ-TE-CD-8075 – Western Fulton Holding Company, LLC and Universal Scrap Metals, Inc.

Request for preliminary approval of the issuance of Federal Empowerment zone Bonds in an amount not-to-exceed \$9 million. Proceeds will be used to purchase and renovate two existing buildings and fund legal and professional issuance costs. Issuance of bonds is subject to an allocation of Federal Empowerment Zone Volume Cap. The City of Chicago has entered into an Intergovernmental Agreement with the IFA under which the City will cede its Empowerment Zone Bonding Authority to IFA in order for IFA to issue the Bonds. No IFA Volume Cap would be used, and no IFA funds would be pledged to the financing. This

project is expected to create 5 new jobs and 50 construction jobs. This project is located in Chicago, Illinois. (08-05-06).

No. 7: **I-ID-TE-CD-8071 – C&L Tiling, Inc.**
Request for preliminary approval of Industrial Revenue Bonds in an amount not-to-exceed \$4 million. Proceeds will be used to finance construction of an addition, acquisition of new machinery and equipment, and to fund legal and professional issuance costs. Issuance of the bonds will require an allocation of \$4.0 million of Volume Cap to come from IFA's 2008 Volume Cap allocation. The project is located in a rural area of Western Illinois in Timewell, a non-Home Rule community located approximately 30 miles east of Quincy on U.S. Highway 24. This project is expected to create 24 new jobs and 50 construction jobs. This project is located in Timewell, Illinois. (08-05-07).

No. 8: **I-ID-TE-7258 – DD Leasing, LLC and RDD Leasing, LLC**
Request for final approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$4.5 million to finance the acquisition and installation of an asphalt plant, two cold milling machines, and to pay for professional and legal services. The Village of Bartlett has committed \$1.2 million in Volume Cap to the Project, which matches the co-borrower's investment in Bartlett. Neither Franklin Park nor Huntley are contributing Volume Cap, as they are non-Home Rule municipalities. The IFA is prepared to commit \$3 million in Volume Cap to this project. Issuance of the Bonds is subject to a sufficient allocation of Volume Cap from the IFA and other sources. This project is expected to create approximately 30 new jobs. This project is located in Franklin Park, Bartlett and Huntley, Illinois. (08-05-08).

No. 9: **I-ID-TE-CD-7246 – Genesis, Inc. and Shamrock Hill Farms Western Properties, LLC**
Request for final approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$5 million. Bond proceeds will be used to finance the acquisition of land, construction, machinery and equipment and to pay certain bond issuance costs. Taxable bond proceeds will be used to cover land costs that are not eligible for tax-exempt financing due to the original land acquisition date which was prior to 60-days before the preliminary bond resolution date. Taxable bond proceeds may also be used to cover any additional bond issuance costs that exceed the 2% limit that can be financed under tax-exempt financing guidelines. The Company (Genesis, Inc. and Shamrock Hill Farms Western Properties, LLC) will be awarded \$4.6 million in 2008 IFA Volume Cap. The project is located in the Village of Roselle which is a non-Home Rule community. As a result, the Village of Roselle does not receive an allocation of Volume Cap to support this project. This project is expected to create approximately 29 new jobs and 85 construction jobs. This project is located in Roselle, Illinois. (08-05-09).

No guests attended with respect to Project Nos. 5 through 9. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 5 through 9. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 5 through 9.

Leave was granted. Project Nos. 5 through 9 received approval with 11 ayes, 0 nays, and 0 abstentions.

No. 10: N-NP-TE-CD-8040 – El Valor Corporation

Request for preliminary approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed \$4 million. Bond proceeds will be used by El Valor to refinance existing interim loans, mortgage debt, building renovations, and costs of issuance. Savings attributable to the refinancing will be used to finance various renovations/additional build-out at four El Valor facilities. This project is expected to create approximately 31 new jobs over a two-year period and 10-12 construction jobs during renovations. This project is located in Chicago, Illinois. (08-05-10).

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. Mr. Rich Frampton, Vice President, introduced Mr. Saul Robles, Treasurer & Vice Chair, El Valor Corporation. Mr. Robles thanked members of the board for their consideration and support, and provided a brief description of the project. Chairman Brandt then asked if the Board had any questions for Mr. Robles. There being none, Chairman Brandt asked Secretary Burgess Jones to take a roll call vote. Project No. 10 received preliminary approval with 10 ayes, 0 nays, and 1 abstention. Mr. Fuentes abstained from voting on Project No. 10 because a family member serves on the board of El Valor.

No. 11: N-PS-TE-CD-8067 – Prairie Crossing Charter School

Request for preliminary approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed \$10.5 million. Proceeds will be used to refinance an outstanding construction loan, refinance an outstanding Foundation loan, finance infrastructure improvements, and fund professional issuance costs. This project is expected to create approximately 20 construction jobs over a six-month period. This project is located in Grayslake, Illinois. (08-05-11).

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 11. Steven Trout, Chief Credit Officer, introduced Mr. Geoff Deigan, Chairman, Finance Committee, Prairie Crossing Charter School. Mr. Deigan thanked members of the board for their consideration and support, and provided a brief description of the project. Chairman Brandt then asked if the Board had any questions for Mr. Deigan. There being none, Chairman Brandt asked Secretary Burgess Jones to take a roll call vote. Project No. 11 received preliminary approval with 11 ayes, 0 nays, and 0 abstentions.

No. 12: N-NP-TE-CD-8074 – The Chicago Horticultural Society

Request for preliminary approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$30 million. Proceeds will be used to construct and equip a new Plant Conservation Science Center, capitalize interest, and fund professional issuance costs. This project is expected to create 200 construction jobs over a 16-month period. This project is located in Glencoe, Illinois. (08-05-12).

No. 13: N-NP-TE-CD-8029 – Chicago Symphony Orchestra

Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$85 million. The IFA Series 2008 Bond proceeds will be used to enable

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

The new IFA Series 2008 Bonds will refund the Northern Trust Bank Line of Credit. The IFA Series 2008 Bonds will be secured by a Direct Pay Letter of Credit from RBS Citizens, N.A. (The Royal Bank of Scotland PLC) and will be priced initially at 7-Day Variable Rate Demand Bonds. This project is located in Chicago, Illinois. (08-05-13).

- No. 14:** **N-NP-TE-CD-8048 – Marwen Foundation, Inc.**
Request for final approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed \$6 million for the purpose of the acquisition of two additional floors of condominium space and, proportional common elements including basement and parking space, where Marwen is located, thereby enabling Marwen to remain at its current location long-term. Upon issuance of the subject Bonds, Marwen Foundation would own 100% of the subject building. Bonds proceeds will also be used to renovate and equip space throughout the building located at 833 N. Orleans in Chicago, and proceeds will also be used to restructure Marwen’s existing \$2.2M IFA (IEFA) Series 1999 Bonds to extend the final maturity date from 2019 to 2038. The Refunding Bonds will continue bearing interest in 7-Day Variable Rate Mode. This project is expected to create approximately 6 new jobs and 5-10 construction jobs over a 1-2 month period. This project is located in Chicago, Illinois. (08-05-14).
- No. 15:** **L-GP-MO-8078 – Village of Harmon**
Request for final approval of the issuance of Local Government Pooled Bonds in an amount not-to-exceed \$315,000. Funds will be used to purchase a water tower and refund a bank loan for water infrastructure purposes. This project is located in Harmon, Illinois. (08-05-15).
- No. 16:** **L-GP-6242 – Adams County Water District**
Request for final approval of the issuance of Local Government Pooled Bonds in an amount not-to-exceed \$205,000 to provide long-term funding of the IFA interim financing that was used to purchase land for a new Regional Sanitary Sewer System. This project is located in multiple areas throughout Adams County, Illinois. (08-05-16).

No. 17: L-G- MO-8081 – Local Government 2008A Pool

Request for final approval of the issuance of Local Government Pooled Bonds in an amount not-to-exceed \$4.2 million to allow local governments to realize savings by sharing fixed costs and to achieve economies of scale. This project is located in the Villages of Bunker Hill, Central Macoupin County, Cooksville, Coulterville, Harmon, Kane, Kingston Mines, Thompsonville and the Adams County Rural Water District. (08-05-17).

No guests attended with respect to Project Nos. 12 through 17. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 12 through 17. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 12 through 17. Leave was granted. Project No. 12 received preliminary approval with 11 ayes, 0 nays, and 0 abstentions; Project Nos. 13, 14 and 15 received final approval with 11 ayes, 0 nays, and 0 abstentions; Project No. 16 received approval subject to additional information and the Executive Director's approval; Project No. 17 received final approval with 11 ayes, 0 nays, and 0 abstentions.

No. 18: H-HO-CD-TE-8060 – Hospital Sisters Services, Inc.

Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$130 million. Proceeds will be used to refund approximately \$124.8 million of IHFA Series 1998 MBIA insured Fixed Rate Bonds to Variable Rate Demand Bonds; and pay costs of issuance for the IHFA Series 1998 Fixed Rate Bond refunding and the IHFA Series 2003A and IFA Series 2007C conversion. This project is located in Springfield, Illinois. (08-05-18).

No. 19: H-HO-CD-TE-8061 – Resurrection Health Care

Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$105 million. Proceeds will be used to refund \$100 million of IHFA Series 1999C FSA Insured Auction Rate Securities, and pay cost of issuance for the IHFA Series 1999C refunding and potentially the IHFA Series 1999A and IHFA Series 1999B conversion. This project is located in Chicago, Des Plaines, Elk Grove Village, Oak Park, Evanston, Melrose Park, Glenview, Park Ridge, Niles, Northlake, LaGrange Park, Morton Grove and Broadview, Illinois. (08-05-19).

No guests attended with respect to Project Nos. 18 and 19. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 18 and 19. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 18 and 19. Leave was granted. Project Nos. 18 and 19 received final approval with 11 ayes, 0 nays, and 0 abstentions.

No. 20: N-PS-TE-CD-8073 – Lake Forest College

Request for preliminary approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$40 million. Proceeds will be used to current refund outstanding indebtedness, construct an addition to the College's existing sports facility, and fund professional issuance costs. This project is expected to create approximately 75 construction jobs over a 10-month period. This project is located in Lake Forest, Illinois. (08-05-20).

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. Mr. Steven Trout, Chief Credit Officer, introduced Ms. Leslie Chapman, VP, Business Affairs and Treasurer, Lake Forest College. Ms. Chapman thanked the board for their consideration and provided a brief overview of the project. Chairman Brandt then asked if the Board had any questions for Ms. Chapman. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 20. Leave was granted. Project No. 20 received preliminary approval with 11 ayes, 0 nays, and 0 abstentions.

No. 21: **N-PS-TE-CD-8068 – St. Augustine College**
Request for preliminary approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$7,475,000. Proceeds will be used to refinance outstanding indebtedness, significantly reduce debt service payments, and fund professional issuance costs. This project is located in Chicago, Illinois. (08-05-21).

No guests attended with respect to Project No. 21. Chairman Brandt asked if the Board had any questions with respect to Project No. 21. 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 11 ayes, 0 nays, and 0 abstentions.

No. 22: **E-PC-TE-CD-8059 – Saint Xavier University**
Request for preliminary approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$25 million. Bond proceeds will be used by Saint Xavier University to finance the acquisition and renovation of two off campus buildings, construct and equip a new student housing facility, acquisition and demolition of an existing building, and the construction of a new building to provide student housing. This project is expected to create approximately 15 new jobs and 50-75 construction jobs over a 24-month period. This project is located in Chicago, Illinois. (08-05-22).

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. Mr. Rich Frampton, Vice President, introduced Mr. Paul Matthews, Assistant Vice President of Facilities, Saint Xavier University. Mr. Matthews thanked the board for their consideration and provided a brief overview of the project. Chairman Brandt then asked if the Board had any questions for Mr. Matthews. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 22. Leave was granted. Project No. 22 received preliminary approval with 11 ayes, 0 nays, and 0 abstentions.

No. 23: **E-PC-TE-CD-8049 – DePaul University**
Request for final approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed \$55 million. Bond proceeds will be used to purchase student housing facilities from MJH Education Assistance Illinois III, LLC, an independent 501(c)3 supporting entity that is not directly affiliated with DePaul. The proposed acquisition will enable DePaul to exercise a purchase option to both own and operate these student housing facilities. This project is located in Chicago, Illinois. (08-05-23).

No. 24: E-PC-TE-CD-8069 – Illinois Wesleyan University

Request for final approval of the issuance of Conduit Tax-Exempt 501(c)3 Revenue Refunding Bonds in an amount not-to-exceed \$30.5 million. Proceeds will be used to current refund the University's outstanding IFA (IEFA), Series 2003 Auction Rate Securities (the "2003 Bonds") and to pay costs associated with the issuance of the Bonds. The bonds are being refunded solely to replace the insured bonds (FGIC) with bonds backed by a direct-pay letter of credit. This project is located in Bloomington, Illinois. (08-05-24).

No guests attended with respect to Project Nos. 23 and 24. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 23 and 24. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 23 and 24. Leave was granted. Project Nos. 23 and 24 received final approval with 11 ayes, 0 nays, and 0 abstentions.

Resolutions/Amendatory Resolutions

No. 25: Cornerstone Services. Amendatory Resolution to request to amend the Bond and Loan Agreement to reduce the interest rate from 5.40% to 5.04% per annum.

No. 26: Southern Illinois Healthcare. Amendatory Resolution for Southern Illinois Healthcare Enterprises, Inc. Series 1998B IHFA/IFA Bonds and Series 2005 IFA Reset Auction Mode Securities. Southern Illinois Healthcare has requested that the IFA approve the amendment to the existing Bond Indentures for the MBIA insured Variable Rate Demand Revenue Refunding Bonds Series 1998B IHFA/IFA Bonds and the FSA insured IFA Revenue Bonds, Series 2005 Reset Auction Mode Securities.

No. 27: Village of Cooksville. Resolution to amend the amount that the Village of Cooksville is borrowing as a participant in the Local Government Pooled Program.

No. 28: Hinsdale Mirabel Limited Partnership. Resolution Authorizing Amendments to the Trust Indenture Relating to the IFA Senior Series 2004A and IFA Subordinate Series 2004B Multi-family Housing Revenue Bonds on behalf of Hinsdale Mirabel Limited Partnership (Hinsdale Lake Terrace Apartments project), a Delaware Limited Partnership, or an affiliate thereof, and the Termination of the Credit Enhancement Facility on the Senior Series 2004A Bonds, and related matters.

Chairman Brandt asked if the Board had any questions with respect to Resolutions/Amendatory Resolutions Nos. 25 through 28. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolutions/Amendatory Resolutions No. 25 through 28. Leave was granted. Resolution Nos. 25 through 28 received approval with 11 ayes, 0 nays, and 0 abstentions.

No. 29: Roanoke Milling Company. Resolution to amend the loan guarantee amount.

Chairman Brandt asked if the Board had any questions with respect to Amendatory Resolution No. 29. There being none, Chairman Brandt requested a roll call vote to approve Amendatory Resolution No. 29. Amendatory Resolution No. 29 was approved with 10 ayes, 0 nays, and 1 abstention. Vice Chairman Goetz abstained from voting on Amendatory Resolution No. 29.

Chairman Brandt asked if there was any other business to come before the Board. There being none, Chairman Brandt requested a motion to adjourn. Upon a motion by Dr. Herrin and seconded by Vice Chairman Goetz, the meeting adjourned at approximately 12:17 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: June 10, 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:** \$160,000.00
- **IFA Benefits:**
 - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
 - **New Money Bonds:**
 - convey tax-exempt status
 - will use dedicated 2008 IFA Volume Cap set-aside for Beginning Farmer transactions
- **IFA Fees:**
 - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
 - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's Bank
 - The Borrower's Bank will be secured by the Borrower's assets, as on a commercial loan
 - Interest rates, terms, and collateral are negotiated between the Borrower and the Participating Bank, just as with any commercial loan
 - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd**
Stephen F. Welcome, Esq.
Three First National Plaza, Suite 4300
Chicago, IL 60602

Project Number:	A-FB-TE-CD-8087
Funding Manager:	Eric Reed
Borrower(s):	Eubank, Kelby
Town:	Willow Hill, IL
Amount:	\$160,000.00
Use of Funds:	Farmland – 60 acres
Purchase Price:	\$185,000 / (\$3,083 per ac)
%Borrower Equity	14%
%Other Agency	0%
%IFA	86%
County/Region:	Crawford / Southeastern
Lender/Bond Purchaser	First National Bank in Olney / Todd Musgrave
Legislative Districts:	Congressional: 15 th , Timothy Johnson State Senate: 53 rd , Dan Rutherford State House: 109 th , Roger L. Eddy

Principal shall be paid annually in installments determined pursuant to a Twenty year amortization schedule, with the first principal payment date to beginning on March 15, 2009. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be on March 15, 2009 with the twentieth and final payment of all outstanding balances due twenty years from March 15, 2009.

<p>*Kelby Eubank: Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.25% fixed for five years and adjust every five years thereafter for the term of the note to 1.0% below the Wall Street Journal prime. Lender will charge .0025 points. IFA Fee: \$2,400.00</p>

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 10, 2008**

Project: Achievement Unlimited, Inc.

STATISTICS

Project Number:N-NP-TE-CD-8084	Amount: \$5,400,000 (not to exceed)
Type: 501 (c) (3) Revenue Bonds	IFA Staff: Kristi Conrad
County/Region: Multiple	City: Multiple

BOARD ACTION

Final Bond Resolution	Staff recommends approval
No IFA Funds contributed – Direct Purchase by Peoples National Bank	No extraordinary conditions

VOTING RECORD

No prior board action. The borrower has requested one time only consideration due to the fact that bond proceeds are needed as soon as possible.

PURPOSE

Bond proceeds will be used to finance the purchase of fourteen existing facilities that are currently leased by the applicant.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 128	Projected new jobs: 22 (after one year) and an additional 13 (after two years)
Jobs retained:	Construction jobs:

ESTIMATED SOUCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	\$ 5,400,000	Buildings / Facilities	\$ 6,457,500
Equity Contribution	<u>1,147,500</u>	Costs of Issue	<u>90,000</u>
Total	<u>\$6,547,500</u>	Total	<u>\$6,547,500</u>

FINANCING SUMMARY/STRUCTURE

Bonds:	Bonds will be purchased by Peoples National Bank of Mt. Vernon
Collateral:	First mortgage in the real estate
Interest Rate:	4.99% for the first five years, then adjusting for two additional five-year terms to 85% of prime, having a floor of 4.25% and a ceiling of 7.25% over the balance of the two terms.
Maturity:	15 years
Rating:	The Bonds will not be rated, as Peoples National Bank intends to hold the Bonds until maturity
Estimated Closing Date:	July 2008

PROJECT SUMMARY

Achievement Unlimited, Inc., a provider of residential services to adults with developmental disabilities wishes to finance the purchase (in fee simple) of its properties (provided below) that it currently leases. The facilities that are currently leased are in use as community integrated living arrangements (CILA) -licensed operations. The lessors of these facilities are a variety of entities or organizations not related to the Applicant. The contemplated acquisitions will be in fee simple and all personal property being leased will be transferred simultaneously. The financing of these facilities will increase the level of operating funds available for programmatic services. The projected acquisitions conform to and follow the mission and purposes of Achievement Unlimited, Inc.

BUSINESS SUMMARY

Achievement Unlimited, Inc. was organized on May 20, 1996, pursuant to the Illinois General Not-For-Profit Corporation Act. Achievement was organized to own and operate residential facilities for persons with geriatric or developmental disabilities and other like conditions of persons afflicted, infirmed or disabled.

The CILA program is the most advanced program for providing residential training and vocational services for residents with qualifying developmental disabilities in the State of Illinois. The CILA program diverts residents from institutions and integrates these persons into community settings in the least restrictive environment. Thus, the residents' quality of life is improved; employment opportunities are fostered; and local workforces are trained to provide appropriate oversight to the residents.

Each of the facilities described below, are constructed in conformity to the rules of Community Integrated Living Arrangements (CILA). The CILA program is a "Medicaid Waiver" program administered by and through the Illinois Department of Human Services. The current occupancy of all the facilities exceeds 93%. The clients served are qualified by the Illinois Department of Human Services as being eligible for and in need of the services provided by CILA.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant & Borrower: Achievement Unlimited, Inc.
Project Location:

Name	Address	City	County	DCEO Region
Bridgeview Court	1101 Grand Avenue	Beardstown	Cass County	Central
Eileen Court	1312 Jackson ST	Beardstown	Cass County	Central
Blue Ridge CILA	901 Blue Ridge Drive	Danville	Vermillion County	East Central
Ryan Court	432 North Whitesboro	Galesburg	Knox County	West Central
Woodlawn Court	902 South Clarence	Greenville	Bond County	Southwestern
Calhoun Court	2 Aderton Rd.	Hardin	Calhoun County	Southwestern
Emma Place	422 East Oren	Havanna	Mason	North Central
Nicholas Court	697 East Oren	Havanna	Mason	North Central
Parkview CILA	602 South High Street	Havanna	Mason	North Central
Southtown Terrace	125 West Third Street	Milledgeville	Carroll	Northwest
Briarwood Court	4005 Maine Street	Quincy	Adams	West Central
Garden Grove Court	619 Chestnut	Quincy	Adams	West Central
Robert Webb Terrace	3016 Alida	Rockford	Winnebago	Northern Stateline
Williamsfield CILA	21 Gale Street	Williamsfield	Knox	West Central

Ownership/Board Members (501c3):

Bill Willis, Director / President 2409A 16th Ave, Sterling, IL 61081
 Joy Bledsoe, Director / Secretary 1135 Court Street, Galesburg, IL 61401
 Carol Lowe - 1330 Hickory Trace, Dunlap, IL 61525
 Duane Satterwhite 9656 Francis Ferry Road, Rock Island, TN 38581

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	William P. Crain	Crain, Miller & Wernsman, Ltd	Centralia IL
Accountant:	Tom Steil	McGladrey & Pullen	Galesburg, IL
Bond Counsel:	Kurt Froehlich	Evans, Froehlich, Beth & Chamley	Champaign IL
Purchasing Bank:	Bo Baer	Peoples National Bank	Centralia, IL
IFA Advisors:	Bill Morris	D.A. Davidson & Co	Chicago, IL
	Lois Scott	Scott Balice Strategies, Inc.	Chicago, IL
Issuer's Counsel:	Kevin Cahill	Law Offices of Kevin Cahill	Chicago, IL

LEGISLATIVE DISTRICTS

Name	U.S. District	IL House	IL Senate
Bridgeview Court	18 th - Ray LaHood	93 rd - Jill Tracy	47 th - John M. Sullivan
Eileen Court	18 th - Ray LaHood	93 rd - Jill Tracy	47 th - John M. Sullivan
Blue Ridge CILA	15 th - Timothy Johnson	104 th - William B. Black	52 nd - Michael Frerichs
Ryan Court CILA	17 th - Phil Hare	74 th - Donald L. Moffitt	37 th - Dale Risinger
Woodlawn Court	19 th - John M. Shimkus	102nd - Ron Stephens	51 st - Frank Watson
Calhoun Court	17 th - Phil Hare	97 th - Jim Watson	49 th - Deanna DeMuzio
Emma Place	18 th - Ray LaHood	94 th - Richard P. Meyers	47 th - John M. Sullivan
Nicholas Court	18 th - Ray LaHood	94 th - Richard P. Meyers	47 th - John M. Sullivan
Parkview CILA	18 th - Ray LaHood	94 th - Richard P. Meyers	47 th - John M. Sullivan
Southtown Terrace	16 th - Donald A. Manzullo	71 st - Mike Boland	36 th - Mike Jacobs
Briarwood Court	18 th - Ray LaHood	93 rd - Jill Tracy	47 th - John M. Sullivan
Garden Grove Court	18 th - Ray LaHood	93 rd - Jill Tracy	47 th - John M. Sullivan
Robert Webb Terrace	16 th - Donald A. Manzullo	67 th - Charles E. Jefferson	45 th - Todd Sieben
Williamsfield CILA	17 th - Phil Hare	74 th - Donald L. Moffitt	37 th - Dale Risinger

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 10 2008**

Project: **Northwestern University**

STATISTICS

Number:	N-PS-TE-CD-8085	Amount:	\$125,000,000
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Locations:	Evanston, Chicago (Cook County)	Region:	Northeast

BOARD ACTION

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

VOTING RECORD

Northwestern University has requested to come before the IFA Board for one-time final approval. The University made the request because it wants to use the bond proceeds to fund campus renovation projects immediately after the spring academic semester ends. The University also wants to take advantage of the favorable current interest rate environment.

PURPOSE

Proceeds will be used to finance construction and rehabilitation of buildings and facilities used in the course of the University's program of instruction. All of these facilities are incidental to the University's research and educational mission at both the Evanston and Chicago campuses.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	3,500 FTEs	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	350 (36 months)

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$125,000,000	Uses:	Project costs	<u>\$976,000,000</u>
	Equity	<u>\$51,000,000*</u>			
Total		<u>\$976,000,000</u>	Total		<u>\$976,000,000</u>

* Equity consists of cash and unrestricted grant funds. Costs of issuance to be paid from equity.

FINANCING SUMMARY

Security:	General obligation of the University.
Structure:	Multi-mode Variable Demand Rate Bonds.
Underlying Rating:	The University's outstanding rating by Moody Investors Service "AAA", Standard and Poors "AA+", and Fitch" AAA".

Short Term Ratings: It is anticipated the bonds will carry short term ratings of VMIG-1, A-1+, A-1+, and F-1+ respectively. Weekly floating rates for VMIG-1, A-1+ Rated: bonds averaged 1.63% for the week ending May 21, 2008.

Maturity: 30 years
Closing Date: June 25, 2008

PROJECT SUMMARY

The University intends to finance construction and rehabilitation of buildings and facilities used in the course of the University's program of instruction. All of these facilities are incidental to the University's research and educational mission.

Northwestern University
2008 - 2011 Capital Project List

Silverman	\$100,000,000
Medical Research (Tower II)	200,000,000
Music	90,000,000
Student Housing Renovation	100,000,000
Kellogg (New Building & Ancillary Construction)	255,000,000
Clean Room Renovations	10,000,000
Analytical Chemistry Laboratory	50,000,000
Humanities Building Addition	6,000,000
Chicago Campus Garage (Children's Hosp)	50,000,000
Harris Hall Historic Renovations	15,000,000
Chicago Campus Renovations (Misc.)	50,000,000
Evanston Campus Renovations (Misc.)	<u>50,000,000</u>
	\$976,000,000

BUSINESS SUMMARY

Background: Northwestern University (the "University" the "Applicant") was founded in 1851 to serve a geographic area that now includes the states of Illinois, Indiana, and Ohio. In 1853 the founders purchased a 379-acre tract of land on the shore of Lake Michigan 12 miles north of Chicago. They established a campus and developed the land around it, and named the surrounding town Evanston in honor of one of the University's founders, John Evans. The University is an Illinois not-for-profit corporation. The University has two campuses; a 240-acre campus in Evanston and a 25-acre campus in Chicago. A list of the University's Board of Trustees is provided for IFA Board review.

Description: Northwestern is recognized both nationally and internationally for the quality of its educational programs at all levels. In its most recent assessment of doctoral programs, the National Research Council ranked five Northwestern programs in the top 10 percent nationally. In August 2007, *U.S. News & World Report* ranked Northwestern University fourteenth among top national universities, and has consistently ranked the University's undergraduate programs among the best in the country. In April 2008, *U.S. News & World Report* ranked the J. L. Kellogg School of Management fourth (tying with the Massachusetts Institute of Technology and the University of Chicago) in its annual survey of the best graduate schools of business in the nation; Kellogg's Executive MBA program was ranked first. In addition, Northwestern's School of Law was ranked ninth in legal programs nationally (tying with the University of Michigan and the University of Virginia) and the Feinberg School of Medicine was ranked twentieth among medical programs.

The University employs approximately 3,000 full-time faculty. Faculty members include Nobel and Pulitzer Prize winners, MacArthur Fellowship recipients, and members of honorary and professional societies, including the National Academy of Sciences, National Academy of Engineering, American Academy of Arts and Sciences, and American Council of Learned Societies.

Financial Aid: Northwestern assists its students in financing their education by making available student aid plans that combine direct grant assistance, loans, and employment opportunities supported by federally assisted work-study and research programs. In 2006-07, approximately 60 percent of the undergraduate students received some sort of aid, and over 40 percent received University-funded aid.

In fiscal year 2006-07, the University spent \$171.6 million for student aid. The principal source of student aid was appropriated University funds of \$137.6 million or 80.0 percent of the total sources. The remaining sources of aid were federal and non-federal grants, endowed funds, and gifts. These sources totaled \$34

million or 20.0 percent of the total sources. In 2006-07, the University disbursed (i) student aid received from the State of Illinois for grants to Illinois residents attending Northwestern, (ii) grant aid funds under the Pell Grant program, (iii) funds from the Supplemental Educational Opportunity Grant program of the U.S. Department of Education, and (iv) aid under the College Work-Study program.

The University offers several loan options to assist students in financing their education. Federal and state programs are supplemented with programs capitalized by institutional borrowing and loan agreements with quasi-governmental agencies. Included among the federal government loan programs administered by the University are those under the Health Professions Act (“HPSL”), and the Perkins Loan Program, formerly the National Direct Student Loan Program (“NDSL”) and its predecessor. Under the Perkins program, the federal government advances capital and the University provides a 25 percent matching contribution. The University’s share is not insured by a government agency under the programs.

At August 31, 2007, the University had the following loans receivable outstanding under the HPSL and Perkins programs:

	<u>Total Value</u>	Value of Northwestern’s <u>Matching Contribution</u>
Perkins	\$43,023,023	\$4,398,788
HPSL	<u>803,053</u>	<u>575,690</u>
Total	<u>\$43,826,076</u>	<u>\$4,974,478</u>

The University is an authorized lender under the Federal Family Education Loan Program (“FFELP”). These loans include subsidized and unsubsidized Stafford Loans, formerly Guaranteed Student Loans. Under these programs, the University uses its own capital to make loans to students. The loans under the FFELP program are insured by the Illinois Student Assistance Commission (“ISAC”). Qualified subsidized and unsubsidized Stafford Loans are sold to the Student Loan Marketing Association (“Sallie Mae”). The proceeds of these sales are used by the University to make additional loans to students. On August 31, 2007, the University had \$30,167,501 in subsidized and unsubsidized Stafford loan receivables outstanding.

All of these projects will be integrated into the University’s education and research programs, which will serve a diverse student body. The following are full-time enrollment and matriculation for the school year beginning in September 2007. Graduation rate is 93 percent within six years.

	<u>2007</u>
<u>Opening Fall Enrollment (full-time students):</u>	
Undergraduate	8,100
Graduate and Professional	6,903
Total opening fall enrollment	15,003

Freshmen	<u>2007</u>
Applications	21,930
Acceptances	5,872
Selectivity ratio	27.00%
Matriculation	1,981
Matriculation ratio	34.00%
Median SAT score	1421

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT

Applicant: Northwestern University
Project names: Campus Renovation Projects, Series 2008.
Locations: 619 Clark Street, Room 117, Evanston, Cook County, Illinois; 303 East Superior, Chicago, Cook County, Illinois
Contact Person: Ms. Ingrid Stafford, Associate Vice President for Finance, and Treasurer, (847)-491-7350
Organization: 501(c)(3) Corporation
State: Illinois
Board: List attached for IFA Board review.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Schiff Hardin LLP	Chicago	Paul Marengo
Accountant:	Deloitte & Touche LLP	Chicago	Kristine Simon
Bond Counsel:	Chapman and Cutler LLP	Chicago	Nancy Burke
Issuer's Counsel	KMZ Rosenman LLP	Chicago, IL	Lewis Greenbaum
Underwriter:	Morgan Stanley & Co. Inc.	New York, NY	Sallie Bednar
Co-Managers:	J.P. Morgan Securities, Inc.	Chicago, IL	Lori DuPont
	Lehman Brothers	New York, NY	Christoph Muelbert
	Jackson Securities LLC	Dallas, TX	Riley Simmons
	Loop Capital Markets LLC	Chicago, IL	Larry Knox
Underwriter's Counsel:	Jones Day	Chicago, IL	Daniel J. Bacastow
Trustee:	Wells Fargo Corporate Trust	Chicago	Patricia Martirano
University Financial Advisor:	William Blair & Company	Chicago	John Peterson
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Evanston Campus:
Congressional: 09, Janice Schakowsky
State Senate: 09, Jeffrey M. Schoenberg
State House: 18, Julie Hamos

Chicago Campus:
Congressional: 07, Danny K. Davis
State Senate: 07, Heather Steans
State House: 05, Kenneth Duncan

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Northwestern University
2007-2008**

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Leo F. Mullin
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Northwestern University

501(c)(3) Bonds

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Bryan S. Reid, Jr.
Jerry M. Reinsdorf
Don H. Reuben
John M. Richman

John W. Rowe
John S. Runnells II
James P. Schadt
Charles E. Schroeder
John B. Schwemm
Arthur R. Seder, Jr.
Harold B. Smith
William D. Smithburg
Judith A. Sprieser
Edward F. Swift
Thomas C. Theobald
Richard L. Thomas
Howard J. Trienens
Betty A. Van Gorkom
John R. Walter
Lawrence A. Weinbach
Judd A. Weinberg
William J. White
Stephen M. Wolf
Blaine J. Yarrington

** 07-08 New Trustees

Final Resolution
June 10, 2008
FM: Townsend Albright

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 10, 2008**

Project: St. Augustine College

STATISTICS

Number:	N-PS-TE-CD-8068	Amount:	\$8,000,000 (not to exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Locations:	Chicago (Cook County)	Region:	Northeast

BOARD ACTION

Final Bond Resolution	No Extraordinary conditions
No IFA funds contributed	Staff recommends approval
Changes from Preliminary:	
a.) 2008 academic year enrollment,	
b.) Explanation of rise in expenses for the 2007-2008 academic year,	
c.) Projected debt service coverage figures, and	
d.) Expected closing date of June 25,2008.	

VOTING RECORD

Preliminary Bond Resolution, May 13, 2008:
 Ayes: 11 (Leonard and Zeller by phone) Nays: 0 Abstentions: 0
 Absent: 3 (Barclay, DeNard, O'Brien) Vacancy: 1

PURPOSE

Proceeds will be used to (i) refinance outstanding indebtedness to significantly reduce debt service payments and smooth cash flow, (ii) and fund professional issuance costs. The proposed financing will significantly reduce debt service payments and smooth cash flow for the Applicant.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	<u>\$7,750,000</u>	Refund outstanding debt	\$7,140,000
		Swap payoff	275,000
		Legal and professional costs	<u>335,000*</u>
Total	<u>\$7,750,000</u>	Total	<u>\$7,750,000</u>

* Bond issuance costs are approximately \$140,000. Legal and professional costs connected with obtaining a \$2,000,000 line of credit for the College (if approved by tax counsel), financial advisory work, and costs connected with the refunding process make up the balance of the total.

FINANCING SUMMARY

Structure: Fixed Rate bonds to be purchased by Bridgeview Bank, Chicago, Illinois at a 4.45% rate fixed for five years. On the sixth year, the rate will be adjusted to market conditions. Bonds will be purchased as an investment by the bank in accordance with IFA policies. There will be an extension of maturity.

Collateral: The bonds will be secured by a first mortgage on the financed property, and a general obligation pledge of the College.

Maturity: 30 years

Closing Date: June 25, 2008

PROJECT SUMMARY

The College intends to use the net proceeds of the Authority loan to payoff approximately \$4,945,000 of its outstanding IDFA VRD Series 2002 Bonds, (ii) and to refund a US Department of Education note which was used to redeem the IDFA Series 1995B bonds.

Project Costs:	
Refunding	\$7,140,000
Pay off swap	<u>275,000</u>
	<u>\$7,415,000</u>

BUSINESS SUMMARY

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

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

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

Academic Programs

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

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

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

Full-Time Equivalent Enrollment

	<u>Total</u>	<u>Full-Time Equivalent Total</u>
2005	1,541	1,370
2006	1,219	1,114
2007	1,224	1,129
2008	1,245	1,150

Unlike other colleges, St. Augustine College enrolls students throughout the year.

From 2005 to 2006, St. Augustine’s enrollment fell significantly from a headcount of 1,541 to 1,219. This was due in large part to a regulatory change in the State’s MAP grant program, which curtailed the usage of these grants for students matriculating in the Spring semester. A significant percentage of St. Augustine’s potential students both relied on these grants and tended to matriculate in Spring, resulting in a significant enrollment loss. At the same time, St. Augustine also had turnover in its Admissions Office. The result was a delayed start in some key recruitment activities and less contact between the College and its core constituencies than the College would have liked. In the 2007-08 fiscal year, the College began to take both short-term and long-term steps to increase enrollment. Steps included (i) restructuring of the Admissions Office procedures, and (ii) restructuring of the College’s financial aid policies and practices.

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

Student Aid and Fees

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

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

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

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

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

The Project: The proceeds of the Bonds will be used to (i) refund the College's outstanding Illinois Development Finance Authority, Variable Rate Demand Revenue Bonds, Series 2002, St. Augustine College Project (the "2002 Bonds"), (ii) refund a US Department of Education note which was used to redeem the IDFA Series 1995B bonds, and (iii) pay costs associated with the issuance of the Bonds.

In addition to seeking a long-term refinancing of its existing debt, St. Augustine requested banks to bid on providing a \$2.0 million line of credit for working capital purposes. The College expects the line to be cross-collateralized with the long-term financing.

The 2002 Series Bonds* and the U.S. Department of Education loan which paid off the 1995B Series of bonds have interest rates of 5.70% and 5.50%, respectively. The rate on the proposed bond issue is estimated to produce a net present value cash flow savings of approximately \$385,320 over the life of the bonds. As mentioned earlier in this report, there is an extension of maturity.

* The 2002 Series of Bonds was swapped to fixed rate.

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT

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

Board of Directors:		
<u>Name</u>	<u>Occupation</u>	<u>Term</u>
Rev. Victor Scantlebury	Assistant Bishop Episcopal Diocese of Chicago	2008
Jenny Aguirre, MBA	Special Asst. For Hispanic Affairs and Refugee Health Coordinator, IL Dept. of Public Health	2010
Miguel Alba, MBA	Public Affairs Director, Jewel-Osco	2008
Celso Bejarano, MBA, MCE	Innovations Director, Sabritas-formerly with Kraft Foods	2008
Rev. Sandra Castillo	Church of the Advent Nuestra Senora de las Americas	2009
John Gonzales	Vice-President of Plaza Bank	2010
Antonio J. Herrera, MBA	Managing Director Information Technology Rock Valley College, Rockford IL	2010

Pedro Lopez, M. Div.	Rector, Episcopal Church of the Redeemer Elgin, IL	2009
Elena Mulcahy, Ed.D.	Co-Director of the Human Capital Initiative at the Illinois Resource Center	2008
Damian J. Ortiz, JD	Clinical Professor of Law, John Marshall Law School	2010
Dr. Jay Price	Professor of Accounting University of Utah	2010
Rory Dean Smith	Associate Dean for Advancement and Planning, John Marshall Law School	2009
Milady Velazquez	Assistant VP/Finance and Controller, St. Xavier University	2009
Rafaela E. Weffer, Ph.D.	Associate VP for Academic Affairs, DePaul Univ.	2009
Rev. Robert O Wyatt, Ph.D.	Rector of St. Helena's Episcopal Church	2010
Marcelo Zwierzynski, MA	Principal for the Aleph Consulting Group; Pres. and CEO of Quercus Woodworking Corporation	2010

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Law offices of Kevin Cahill	Chicago, IL	Kevin Cahill
Accountant:	McGladrey & Pullen, LLP	Chicago, IL	
Bond Counsel:	Katen Muchin Rosenman LLP	Chicago, IL	Elizabeth Weber
Financial Advisor:	Griffin, Kubik, Stephens & Thompson, Inc.	Chicago, IL	Michael Boisvert Holly Barstow Wiemken
Placement Agent	Griffin, Kubik, Stephens & Thompson, Inc.	Chicago, IL	Michael Boisvert Holly Barstow Wiemken
Purchasing Bank:	Bridgeview bank	Chicago, IL	Nerma Bajramovic
Bank Counsel:	Vedder, Price, Kaufman & Kammholz, P.C.	Chicago, IL	Matthew O'Conner
Issuer's Counsel:	Sanchez, Daniels & Hoffman LLP	Chicago, IL	John Cummins
Bond Registrar:	BridgeviewBank	Chicago, IL	
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

SERVICE AREA

The College draws students from Chicagoland and throughout Illinois.

LEGISLATIVE DISTRICTS

Main campus	Congressional 09, Janice Schakowsky	State Senate 07, Heather Steans	State House, 13, Gregory Harris
West campus	05, Rahm Emanuel	02, William Delgado	03, Luis Arroyo
South campus	04, Luis Gutierrez	01, Antonio Munoz	02, Edward J. Acevedo

CONFIDENTIAL

4. If the proposed financing is completed by June 30, 2008, the FY 2008 proforma is estimated to be 2.60x, with payment of interest only. No principal payments are due until December, 2009. If the proposed financing is not completed by June 30, 2008, debt service coverage would be approximately 0.80x.
5. The College is attempting to raise funds for scholarships through its annual "El Puente" (the Bridge) dinner. The dinners have netted approximately \$60,000 annually for the past four years.
6. The College did not use its \$1,500,000 line of credit with Chase Bank NA during fiscal 2007. Upon closing of the bonds, the College's line of credit will be increased to \$2.0 million with Bridgeview Bank.
7. Closing is expected by June 25, 2008.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 10, 2008**

Project: Saint Xavier University

STATISTICS

Project Number:	E-PC-TE-CD-8059	Amount:	\$26,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton
County/Region:	Cook County/Northeast	Location:	Chicago

BOARD ACTION

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

Changes from Preliminary: Increase in not-to-exceed amount for Resolution from \$25.0 million to \$26.0 million. Refinement of Project Summary for Final Bond Resolution (p. 2). Supplemental information regarding LEED Certification for the proposed student housing facilities.

VOTING RECORD

Preliminary Bond Resolution, May 13, 2008:
Ayes: 11 (Leonard and Zeller by phone) Nays: 0 Abstentions: 0
Absent: 3 (Barclay, DeNard, O'Brien) Vacancies: 1

PURPOSE

Bond proceeds will be used by Saint Xavier University to finance (1) the acquisition and renovation of two (off-campus) buildings located near Saint Xavier's existing campus for use as academic buildings, (2) the construction and equipping of a new, approximately 106-bed student housing facility to be located on Saint Xavier's campus, (3) the acquisition and demolition of an existing building, and the construction of a 4-story building that will provide an estimated 76 to 85 beds of student housing on floors 2-4 and retail space on the first floor (all retail space will be financed from equity). Saint Xavier University's campus is located in the Mt. Greenwood neighborhood at 3700 W. 103rd Street in Chicago (Cook County), IL 60655. (See Project Summary for IFA Final Bond Resolution on Page 2 for comprehensive project description.)

IFA CONTRIBUTION AND PROGRAM

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

SOURCES AND USES OF FUNDS

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

JOBS

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

FINANCING SUMMARY

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

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

Interest Rate: 7-day Variable Rate Demand Bonds. The SIFMA weekly municipal swap rate was 1.70% as of 5/21/2008 (excludes ongoing fees pursuant to new IFA board summary presentation standards; Note: 52-week running average for SIFMA Index of 3.13%).

Maturity: 30 Years (not-to-exceed)

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

Closing Date: Late June or July 2008

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

PROJECT SUMMARY FOR FINAL BOND RESOLUTION

Bond Proceeds will be used by the University to finance or refinance all or a portion of the costs of the following projects, each of which are expected to be undertaken in phases: (i) constructing and equipping an approximately 37,000 (gross) SF, 106-bed residence hall directly north of the McCarthy Hall student housing facility located on the University's campus, and to also finance site work involved with expanding Lake Marion to meet City of Chicago water detention requirements and located on the University's campus at 3700 W. 103rd Street in Chicago (Cook County), IL; (ii) purchase and demolish an existing building located at 10333-10343 S. Pulaski (and relocate classrooms) and construct and equip a four-story mixed-use facility that would be comprised of 1st floor retail, and approximately 76 beds of student housing on floors 2-4 (ground floor retail operations will be financed by the University), apartment-style student housing (estimated at 76 to 85 beds), (iii) purchase, renovate, and equip a building located at 10435 S. Spaulding, Chicago, IL 60655 (and currently known as the Parkwood Baptist Church building) for non-religious, academic and general university support and administration uses; (iv) purchase, renovate, and equip a building located at 11000 S. St. Louis Ave. (and currently known as the Mt. Greenwood United Methodist Church) for non-religious, academic and general university support and administration uses, and (v) to finance costs of issuance, capitalized interest, and the funding of any reserve funds necessary to issue the proposed bonds and as authorized under the Illinois Finance Authority Act (the "Project").

Preliminary Summary of project costs:

Construct and equip of 106-bed Res. Hall:	\$10,680,000
Water Retention/Site Improvements – Lake Marion:	320,000
Purchase and demolish 10333-10343 S. Pulaski:	500,000
Construct and equip 4-story mixed-use bldg. @ 10333-10343 S. Pulaski site (1 st Floor Retail; Floors 2-4 Student Apt.'s):	12,000,000
Purchase, Renovate and Equip 10435 S.	

Spaulding (former Parkwood Baptist Church):	2,250,000
Purchase, Renovate and Equip 11000	
S. St. Louis (former Mt. Greenwood	
United Methodist Church):	750,000
Contingency/Additional Equipment/Fixed	
Assets:	<u>2,500,000</u>
Total:	\$27,500,000

BUSINESS SUMMARY

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

The University has a two-tiered governance structure:

1. The Sisters of Mercy sponsor Saint Xavier University and appoint the five (5) Members of the Corporation of Saint Xavier University. The Members of the Corporation are responsible for approving the University's mission statement, articles of incorporation, and for also approving major capital projects and related long-term borrowing.
2. The Members of the Corporation have delegated decisions relating to day-to-day governing powers to a 28-member Board of Trustees who oversee day-to-day management of the University. (See Economic Disclosure Statement section on pages 6-7 for the list of Trustees.)

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

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

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

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

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

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

The Orland Park Campus was established in 2004 and is surrounded by 35 acres of wetlands, near the I-80/US 45 (LaGrange Rd.) interchange in Orland Park (Cook County). The Orland Park campus focuses primarily on adult and professional education and had 834 students enrolled in Fall 2007.

Key milestones in Saint Xavier University’s history include:

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

Enrollment

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

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

IFA issued \$10.0 million of 501(c)(3) Bonds for SXU in May 2006 that enabled the University to expand its on-campus housing by adding 118 beds of student housing to its existing 605 beds. This project will also finance construction of an estimated –units of apartment-style student housing to accommodate an estimate 76-85 additional students consistent with objectives of the University’s strategic plan

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

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

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

LEED-Certified
Student Housing

Facilities: The U.S. Green Building Council designated Saint Xavier's 118-bed Rubloff Hall Student Housing Project financed by IFA's Series 2006 Bonds (and opened in Fall 2007) as the first university building in Illinois to attain its Leadership in Energy And Environmental Design ("LEED") Gold designation for "green", environmentally-friendly building design..

Saint Xavier also plans for the (1) proposed 106-bed student housing property to open in 2009 and (2) the four-story, mixed use property (with 76-85 beds of student housing) will be LEED Certified by the U.S. Green Building Council. Environmentally-friendly design features of new 106-bed student residence hall scheduled to open in August 2008 will include: (1) passive solar energy for solar thermal water heating, (2) natural and mechanical ventilation, and (3) a rooftop "rain garden" to collect roof water run-off.

ECONOMIC DISCLOSURE STATEMENT

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

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

PROFESSIONAL AND FINANCIAL

Borrower's Counsel:	DLA Piper US LLP	Chicago, IL	John Cusack
Auditor:	Crowe Chizek and Company LLC	Oak Brook, IL	
Bond Counsel:	Chapman and Cutler, LLP	Chicago, IL	Nancy Burke, Glenn Weinstein
Bank LOC:	LaSalle Bank (Bank of America)	Chicago, IL	Paul Corrison
Bank Counsel:			
Underwriter:	Banc of America Securities, LLC	Chicago, IL	Michelle Salomon, Jason Bormann
Underwriter's Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Trustee:	Wells Fargo Corporate Trust Services	Chicago, IL	Gail Klewin
Development Consultants:	Dober, Lidsky, Craig and Assoc., Inc.	Belmont, MA	
Rating Agency:	Moody's Investors Service	New York, NY	Lawrence Bellinger

General Contractor:	Henry Bros., Co.	Hickory Hills, IL	George Ferrell
Architects:	Solomon Cordwell Buenz & Assoc. Newman Architecture	Chicago, IL Naperville, IL	Jim Curtin Matthew Hichens
Issuer's Counsel:	Sanchez Daniels & Hoffman, LLP (MBE)	Chicago, IL	John Cummins
IFA Financial Advisors:	D.A. Davidson & Co. Scott Balice Strategies, Inc.	Chicago, IL Chicago, IL	Bill Morris Lois Scott

LEGISLATIVE DISTRICTS BY PROJECT SITE

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

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**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

June 10, 2008

**Project: Jewish Federation of Metropolitan Chicago
Jewish Charities Revenue Anticipation Note Program,
Series 2008-2009A, 2008-2009B**

STATISTICS

Project Number:	N-ND-TE-CD-8092	Amount:	\$40,000,000 (not-to-exceed amount)
Type:	501(c)(3) RANs	IFA Staff:	Townsend Albright
Locations:	Multiple	Region:	Northeast

BOARD ACTION

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

VOTING RECORD

Final IFA Bond Resolution: (FY 07-08)
Voting Date: June 12, 2007

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

Note: This is an ongoing program, which requires the Board's annual approval. The IFA Board has been granting approval for this Program since the Agency's inception in 2004. The Board of the Illinois Development Finance Authority, a predecessor authority, granted approval for the Program since 1990.

PURPOSE

To provide cash management savings to the Federation to be used to expand services provided to its affiliated organizations, and to pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Revenue Anticipation Notes are a form of tax-exempt instruments that 501(c)(3) corporations can use to provide working capital for use in their daily operations. IFA's issuance will convey tax exempt status on interest earned on the RANs and thereby reduce the borrower's interest expense.

VOLUME CAP

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

JOBS

Current employment:	1,100	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

ESTIMATED SOURCES AND USES OF FUNDS

Source:	IFA RANS	<u>\$40,000,000</u>	Use:	Working Capital	\$39,877,400
				Costs of Issuance	<u>122,600</u>
Total		<u>\$40,000,000</u>	Total		<u>\$40,000,000</u>

FINANCING SUMMARY

Security: Direct Pay Letter of Credit from Harris NA, Chicago, Illinois. Harris NA is rated "AA-3" by Moody's Investors Service, and "A-1" by Standard & Poors. Short term ratings are VMIG-1 and A-1, respectively.

Structure: 7-day Variable Rate Demand Notes. Weekly floating rates for Letter of Credit backed notes and bonds averaged 1.63% for the week ending May 21, 2008. It is anticipated that the proposed series of notes will be rolled over into a new series upon maturity on July 1, 2009 as is customary with the Program.

Collateral: Harris Bank NA letter of credit secured by a general obligation pledge of the Federation.

Maturities: \$20,000,000 due 01-01-09, \$20,000,000 due 07-01-09

Closing Date: July 1, 2008 (both Series)

PROJECT SUMMARY

Proceeds will be used to fund seasonal cash flow deficits. This is the fifth annual request for Revenue Anticipation Note financing through the IFA under the terms of an ongoing semi-annual loan program designed to produce cash management savings to the Federation. The savings, which are approximately \$100,000, are used to expand the services provided by the Borrowers. The savings result from the lower cost of tax-exempt financing over using short term taxable bank lines of credit. The 2008-2009 Series will refinance approximately \$32,460,000 outstanding Series 2007-2008 notes. Authorized borrowing amounts are:

Jewish Vocational Services and Employment Center	\$ 4,000,000
Jewish Community Centers	10,000,000
Council for Jewish Elderly	14,000,000
Jewish Children's Bureau of Chicago	<u>12,000,000</u>
Total	<u>\$40,000,000</u>

BUSINESS SUMMARY

Background: The Jewish United Fund/Jewish Federation of Metropolitan Chicago ("JUF/Federation") is the largest not-for-profit social welfare institution in Illinois. JUF/Federation provides critical assistance that brings food, refuge, healthcare, education, and emergency assistance to approximately 300,000 Chicagoans of all faiths, and to more than two million persons around the world. JUF/Federation funds a network of approximately 70 agencies and programs that care for people at every stage of life, regardless of the ability to pay. Since 1900, JUF/Federation has worked to give voice to the community, and to assure that necessities are provided for its most vulnerable members - children, immigrants, the poor, the elderly, and the disabled. The Jewish Federation of Metropolitan Chicago is an Illinois 501(c)(3) Corporation. A list of its Board members is provided for IFA Board review in this report.

Description: The Jewish Federation of Metropolitan Chicago serves as the fund raising entity for its affiliated organizations. The four borrowing organizations are affiliated with JUF/Federation, and are all Illinois not-for-profit corporations that provide community services to the Chicago metropolitan area. The organizations are: (i) Jewish Vocational Service and Employment Center, (ii) Jewish Community Centers, (iii) Council for Jewish Elderly, and (iv) Jewish Children's Bureau of Chicago.

The favorable interest rates provided by tax-exempt financing make it possible for the JUF/Federation to continue its charitable work to assist the most vulnerable individuals.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Jewish Federation of Metropolitan Chicago of behalf of (i) Jewish Vocational Service and Employment Center, (ii) Jewish Community Centers, (iii) Council for Jewish Elderly, and (iv) Jewish Children's Bureau of Chicago

Project name: Jewish Charities Revenue Anticipation Note Program

Locations: Buffalo Grove, Chicago, Skokie, Flossmoor, Highland Park (Lake, Co.), Northbrook, Evanston, Wilmette, Glenview, Lake Zurich (Lake Co.), and Vernon Hills, Cook and Lake Counties, Illinois.

Organization: 501(c)(3) Corporation
State: Illinois
Board: List of Applicant Board members is attached.

PROFESSIONAL & FINANCIAL

Counsel:	Seyfarth Shaw LLP	Chicago, IL	Richard Cutshall
Accountant:	McGladrey & Pullen LLP	Chicago, IL	
Bond Counsel:	KMZ Rosenman LLP	Chicago, IL	Christopher Torem
LOC Bank:	Harris N.A.	Chicago, IL	Gregory Bins
Placement Agent:	Harris N.A.	Chicago, IL	Nicholas Knorr
Placement Counsel:	Chapman and Cutler LLP	Chicago, IL	R. William Hunter
Issuer's Counsel:	Pugh, Jones, Johnson & Quandt	Chicago, IL	Scott Bremer
Trustee:	U.S. Bank	Chicago, IL	
IFA Financial	D.A. Davidson & Co.	Chicago, IL	Bill Morris
Advisors:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

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	7 th	Danny K. Davis
	8 th	Melissa Bean
	9 th	Janice Schakowsky
	10 th	Mark S. Kirk
State Senate:	6 th	John J. Cullerton
	7 th	Heather Steans
	8 th	Ira R. Silverstein
	9 th	Jeffrey M. Schoenberg;
	19 th	M. Maggie Crotty
	26 th	William E. Peterson
	28 th	John Millner
	29 th	Susan Garrett
	30 th	Terry Link
	31 st	Michael Bond
State House:	40 th	Debbie DeFrancesco Halvorson
	11 th	John A. Fritchey
	13 th	Greg Harris
	16 th	Louis I. Lang
	18 th	Julie Hamos
	37 th	Kevin McCarthy
	51 st	Ed Sullivan, Jr.
	59 th	Kathleen A. Ryg
	60 th	Eddie Washington
	61 st	JoAnn Osmond
80 th	George F. Scully Jr.	

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Senior Vice President, Endowments
Beth Cherner
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Allocations/Board Operations
Pamela Seubert
Vice President, Planning &
Allocations/CSGGR
Jay Tcath
Vice President/Director, JCRC
Richard G. Katz
Executive Director,
JFMC Facilities Corp.

* Members of Executive Committee

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 10, 2008**

Project: Advocate Health Care Network

STATISTICS

Project Number: H-HO-TE-CD-8090	Amount: \$180,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and Dana Sodikoff
County/Region: Lake/Northeast	City: Libertyville

BOARD ACTION

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

VOTING RECORD

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

PURPOSE

Bond proceeds which will be used to 1) finance the cost of the acquisition of certain assets of Condell Medical Center; 2) fund new money projects at Advocate Condell Medical Center; and 3) pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 20,900 FTE's (Advocate)	Projected new jobs: 0
1,800 FTE's (Condell)	
Jobs retained: 1,800 FTE's (Condell)	Construction jobs: 200
Advocate's acquisition of Condell will retain FTE's at Condell Medical Center	

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	<u>\$180,000,000</u>	Uses: Acquisition financing and new money projects*	\$178,200,000
			Estimated underwriters' discount	1,100,000
			Estimated costs of issuance	<u>700,000</u>
	Total	\$180,000,000	Total	\$180,000,000

* Allocation of uses between acquisition financing and the cost of new money projects has not been finalized but will be determined before the final resolution depending upon the tax analysis of the tax-exempt uses and useful lives of the assets being acquired.

FINANCING SUMMARY/STRUCTURE

Security/Collateral: General, unsecured obligations of the Members of the Obligated Group (Current members of the obligated group are: Advocate Health Care Network, Advocate Health and Hospital Corporation, Advocate Northside Health System) and any future Members of the Obligated Group, including Advocate Condell Medical Center, a new member (to be formed) that will acquire substantially all of the assets of Condell Health Network.

Structure:	The plan of finance contemplates the issuance of a combination of variable rate debt and/or fixed rate debt.
Interest Rate:	To be determined the day of pricing.
Interest Mode:	Weekly or annual and/or multi-annual uninsured Variable Rate Put Bonds and/or Fixed Rate Bonds
Credit Enhancement:	Weekly uninsured variable rate demand bonds will be 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). Annual and/or multi-annual uninsured variable rate demand bonds in a long-term mode and fixed rate bonds, if any, would have the rating of Advocate Health Care Network.
Credit Rating:	Underlying ratings of Aa3/AA/AA (Moody's/Standard and Poor's/Fitch)
Maturity:	Not later than 2048
Estimated Closing Date:	October 2008

PROJECT SUMMARY

Condell Health Network has been experiencing significant financial challenges over the past several years that threaten (1) its ability to continue with its mission of providing exemplary health care to the individuals, families and communities of central Lake County, Illinois and (2) its ability to meet the obligations of a balloon payment of approximately \$31 million on the IFA 1985 Revolving Fund Pooled Financing Program that comes due in December 2008.

Recently Advocate Health Care Network and Condell Health Network have agreed upon an asset purchase agreement by which an affiliate of Advocate Health Care Network will acquire substantially all assets and assume substantially all liabilities of Condell Health Network. This agreement allows Advocate Health and Hospitals Corporation, primarily through its wholly controlled subsidiary Advocate Condell Medical Center, to continue to carry on the mission of Condell Health Network. As part of this agreement, Advocate has committed to complete the construction of a new bed tower and complete the activation of Level I trauma designation (which would be the only level one trauma center in Lake County). Condell currently has a certificate of need approval for the bed tower construction.

The transaction requires the approval of the Health Facilities Planning Board for a change of ownership.

This plan of finance 1) permits Advocate Health Care Network to refund the existing Condell Health Network tax exempt debt and replace it with tax exempt debt that aligns with the existing covenants of Advocate Health Care Network's other existing tax exempt debt and 2) provides resources to complete the bed tower on the campus of Condell Medical Center.

BUSINESS SUMMARY

Description of Business: Advocate Health Care Network, a not for profit corporation ("Advocate Network Corporation") is the sole member of the not for profit Advocate Health and Hospitals Corporation ("Hospitals Corporation"). Advocate Network Corporation and the Hospitals Corporation are, in turn, the sole members of various not-for-profit corporations, including Advocate Condell Medical Center, the primary activities of which are the delivery of health care services or the provision of goods and services ancillary thereto. Such controlled corporations along with Advocate Network Corporation and the Hospitals Corporation constitute the Advocate Health Care Network (the "System"). The System was created in January 1995 through the consolidation of two health systems, Evangelical Health System and Lutheran General Health System. As the parent of the System, Advocate Network Corporation currently has no material operations or activities of its own, apart from its ability to control subsidiaries.

As a faith-based health care organization, sponsored by the United Church of Christ and Evangelical Lutheran Church in America, the mission, values and philosophy of the System form the foundation for its strategic priorities. The System's mission is to serve the health care needs of individuals, families and communities through a holistic philosophy rooted in the fundamental understanding of human beings as created in the image of God.

The System provides a continuum of care through its seven short term acute care hospitals with two integrated children's hospitals and a specialty long term acute care hospital, with approximately 3,500 licensed beds, primary and specialty physician services, outpatient centers, physician office buildings, home health and hospice care throughout the metropolitan Chicago area. Through a long-term academic and teaching affiliation with the University of Illinois at Chicago Health Sciences Center, Advocate trains more resident physicians than any non-university teaching hospital in Illinois. In addition to owning and operating hospitals and other health care facilities, Advocate is affiliated with several large physician groups.

Condell Health Network, a not for profit corporation ("Condell Network") is the sole member of the not for profit Condell Medical Center ("Condell Hospital"). Condell Network is also the sole members of various not-for-profit corporations the primary activities of which are the delivery of health care services or the provision of goods and services ancillary thereto. Such controlled corporations along with Condell Network and Condell Hospitals constitute the Condell Health Care Network (the "Condell System"). The Condell System provides a continuum of care through its short-term acute care hospital with approximately 280 licensed beds, outpatient centers and home health and hospice care programs, and has been serving Libertyville, IL and the surrounding communities since 1928.

The acquisition of the assets from the Condell System by Advocate Condell Medical Center will permit 1) an uninterrupted continuum of care and, 2) completion/development of new services including level one trauma services to the communities currently served by the Condell System by allowing access to the resources (medical, technological and financial) of the Advocate System.

Timing: estimate: October 2008

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Advocate Health Care Network*
Project Location: Libertyville, Illinois
Borrower: Advocate Health Care Network
2025 Windsor Drive
Oak Brook, IL 60521

Ownership/Board Members (Advocate Health Care Network)

John F. Timmer, *Chairperson*
Lynn Crump-Caine, *Vice Chairperson*
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Thomas Shirey
James Skogsbergh, President and Chief Executive Officer, Advocate Health Care Network
Carolyn Hope Smeltzer
Rev. Ozzie Smith, Jr.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Foley & Lardner LLP	Chicago	Robert Zimmerman Janet Zeigler
Bond Counsel:	Chapman & Cutler LLP	Chicago	Jim Luebchow Nancy Burke
Underwriter:	Citi, and others TBD	Chicago	Jim Blake Amy Yang
Underwriter's Counsel:	Sonnenschein Nath & Rosenthal	Chicago	Steven Kite
Bond Trustee:	The Bank of New York	Chicago	Joan Blume
Accountant:	Ernst & Young	Chicago	Tadd Ingles
Issuer's Counsel:	Schiff Hardin	Chicago	Bruce Weisenthal
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Advocate Condell Medical Center, Libertyville, IL
Congressional: 10- Mark Kirk;
State Senate: 26- William Peterson,
State House: 51- Edward Sullivan Jr.

SERVICE AREA

Advocate Condell Medical Center is located in Libertyville, Illinois

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 10, 2008**

Project: Friendship Village of Mill Creek, NFP

STATISTICS

Project Number: H-SL-RE-TE-CD-8093	Amount: \$3,900,000 million (Not-to-Exceed)
Type: 501(c)(3) Bond Anticipation Notes	IFA Staff: Pam Lenane and Dana Sodikoff
County/Region: Kane/Northeast	City: Geneva

BOARD ACTION

Preliminary Bond Resolution	No extraordinary conditions
Conduit 501 (c)(3) Bond Anticipation Notes ("BANs")	Staff recommends approval subject to compliance with IFA policy requirements for non-rated debt; these bonds will be sold in \$100,000 denominations to sophisticated investors.
No IFA funds at risk	

VOTING RECORD

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

PURPOSE

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

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

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

Current employment: 4 FTE's	Projected new jobs: 175 FTE's
Jobs retained: 4 FTE's	Construction jobs: 250-350

ESTIMATED SOUCES AND USES OF FUNDS

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

FINANCING SUMMARY/STRUCTURE

- Security:** Collateral assignment of the primary development-related third party contracts (architectural contract, land purchase agreement, Greystone development contract, and any other development related contracts).
- Repayment:** The expected source of repayment of the principal and accrued interest is the proceeds of construction/permanent financing, which is anticipated upon the project achieving pre-sales (resident reservation deposits equal to 10% of the entrance fee related to the independent living unit reserved) with respect to approximately 60% to 70% of the project's independent living units. In the event that the permanent financing does not proceed, recourse is limited to Friendship Village at Mill Creek, NFP an entity which at that time will have limited assets.
- Structure:** The bonds will be non-rated, fixed rate bonds sold in \$100,000 denominations to sophisticated investors. The bonds will include one series of tax-exempt bonds and one series of taxable bonds (to be issued to pay cost of issuance in excess of 2% if necessary).
- Interest Rate:** Fixed interest on the BANs will accrue and be payable, along with principal, in five years and prepayable at anytime at par plus the accrued interest. The interest rate is anticipated to be approximately 13%, but will be set based upon capital market conditions at the time of pricing and selling the BANs.
- Interest Mode:** The BANs will be issued with a stated rate of interest to be used in calculating the accreted value of the BANs. Interest will not be paid to bondholders until such time as the permanent financing is put into place and all principal plus interest (and any call premium) are paid to the bondholders. In no event will the date of such redemption be later than five years after issuance.
- Credit:**
- Enhancement** The Series 2008 BANs will not be credit enhanced or subject to a guaranty.
- Maturity:** Five years from the date of issuance
- Rating:** Non-rated

Estimated Closing Date: July, 2008

PROJECT SUMMARY

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

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

As of May 1, 2008, more than 300 age and income qualified seniors have joined the GreenFields of Geneva Priority Program. The Priority Members pay a \$100 deposit, which entitles them to select an independent living unit and make a 10% entrance fee deposit when the Sales & Information Center opens in Geneva, IL in July, 2008. As of today, eighteen 10% entrance fee deposits have been collected.

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

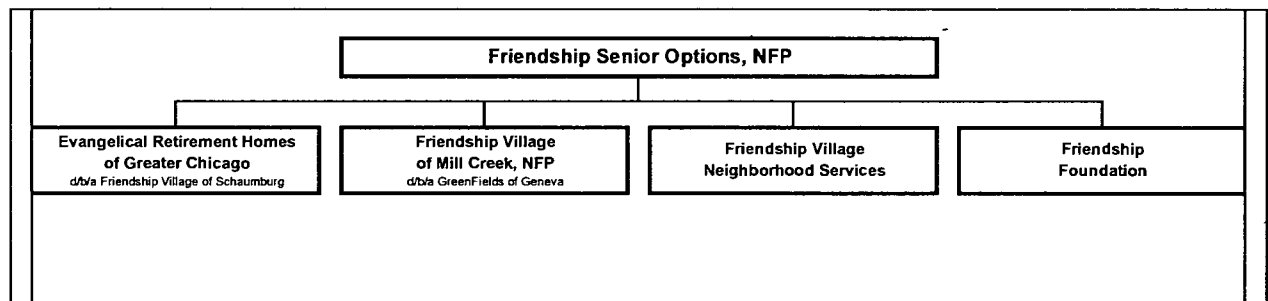
Project Rationale: The Borrower proposes to issue the additional \$3.9 million of BANs to fund additional pre-Development finance costs. In November, 2007, the Borrower terminated the prior project developer, Retirement Living Services (RLS) for failing to meet Project and Sales Milestones. Greystone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

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

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

BUSINESS SUMMARY

Overview of the Organization:



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

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

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

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

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

Past Borrowings of Related Entities:

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

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

INDEMNIFICATION SUMMARY AND PROJECT MONITOR

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

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

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

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

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

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

Friendship Senior Options

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

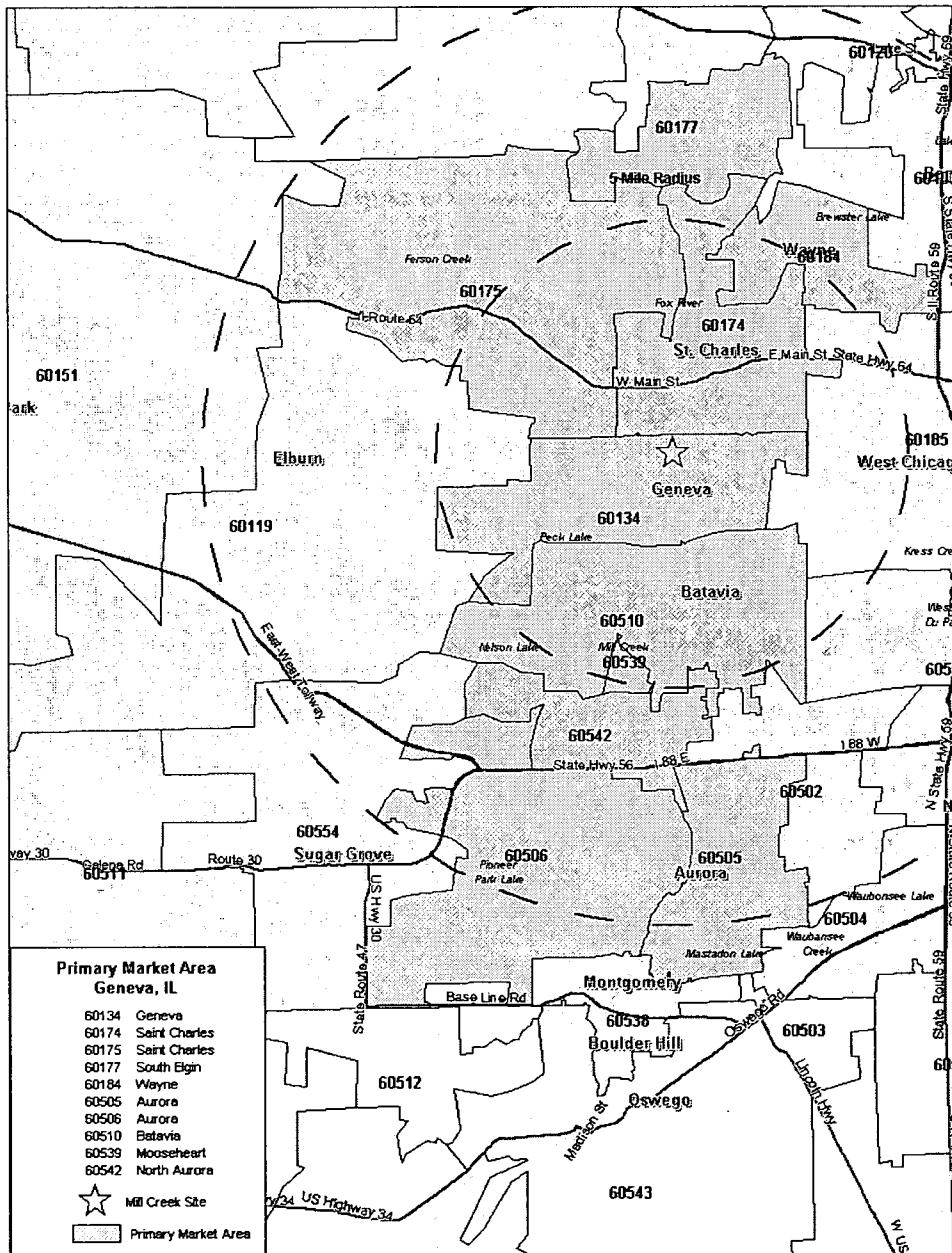
Friendship Village of Mill Creek, NFP

Congressional: 14- Bill Foster
State Senate: 25- Chris Lauzen
State House: 50- Patricia Reid Lindner

SERVICE AREA

Primary Market Area

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



**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 10, 2008**

Project: Norwegian American Hospital

STATISTICS

Project Number: H-HO-TE-CD-8094	Amount: \$24,500,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and Dana Sodikoff
County/Region: Cook/Northeast	City: Chicago

BOARD ACTION

Preliminary Bond Resolution	Staff recommends approval
Conduit 501 (c)(3) bonds	No extraordinary conditions
No IFA funds at risk	IFA policy requirements for non-rated debt; these bonds will be sold in \$100,000 denominations to sophisticated investors.

VOTING RECORD

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

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

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

VOLUME CAP

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

JOBS

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$24,300,000	Uses:	Construction/Renovations	\$10,000,000
	Equity Contribution	125,000		Capital Equipment	9,000,000
				Refinance Series 2005B	3,525,000
				Debt Service Reserve Fund	1,300,000
				Cost of Issuance	<u>600,000</u>
	Total	\$24,425,000		Total	\$24,425,000

FINANCING SUMMARY/STRUCTURE

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

PROJECT SUMMARY

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

BUSINESS SUMMARY

Description of Business:

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

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

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

Norwegian's Community Health Center is a primary care clinic staffed by Family Practice Physicians. Patients of all ages are treated for acute care, wellness, and chronic illnesses such as asthma, diabetes, and hypertension.

The Foundation solicits contributions to support healthcare and other related activities of Norwegian. The Community Trust provides scholarships and other assistance to the indigent, homeless and underprivileged in the community by soliciting and maintaining grants and contributions. Centennial operates the outpatient pharmacy located in the hospital.

Norwegian is also a 50% owner of Century PHO, Inc., whose primary purpose is to obtain and manage contracts with health maintenance organizations, preferred provider organizations, and other health care payors, and is a 20%

owner of Family Health Network, Inc., which was established to be a provider of health care services for the indigent under contract with the Illinois Department of Public Aid.

Project Rationale:

Women's Center of Excellence:

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

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

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

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

Outpatient Imaging Center:

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

The advantages of this new center would be:

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

IDPH KTAGS:

The IDPH K Tag Renovations amount is mainly comprised of \$3.7 million in additional sprinkler requirements with the balance split between a new fire alarm system and vertical shaft renovations to improve potential fire containments.

Capital Equipment / IT / Technology Upgrades:

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

Other Minor Renovations & Upgrades:

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

Timing: September 2008

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

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

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

SERVICE AREA

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

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

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

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

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

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

MEMORANDUM

TO: IFA Board of Directors
FROM: Jim Senica
DATE: June 10, 2008
RE: Request for additional loan amount for TG-IL, Inc.
Project No. B-LL-TX-8045

TG-IL, Inc. is a limited liability company established in 1993 to provide bundled technology applications for financial, governmental and medical operations located in Central Illinois.

Heartland Bank and Trust Company and TG-IL, Inc. have asked IFA to approve an increase in the amount of its loan commitment to \$325,000. The IFA Board approved on April 11, 2008, a \$287,000 participation in a loan originated by the bank by the following vote:

Ayes: 10 Nays: 0 Absent: 3 (Herrin, Talbott, Valenti) Abstentions: 0

The original loan amount was requested to finance the acquisition and refurbishment of a commercial building located at 606 NE Jefferson in Peoria. The borrower is seeking the additional \$38,000 from IFA and a similar \$38,000 from the Bank to cover an increase in building material costs associated with the building refurbishment. With the increased loan amount, the LTV on the loan will now be 79.26% versus 70.00% as originally presented based on the as-if-completed appraised value of \$820,000. All other terms of the loan remain exactly the same as presented in the "FINANCING SUMMARY/STRUCTURE" section of the attached project write-up.

This new loan-to-value of 79.26% conforms to the maximum 80% loan-to-value guidelines for real estate transactions under the participation loan program

The IFA Board approved the original participation based on historical financial results for years 2005 through 2007 and projected financial information for years 2008 through 2010. (A copy of the project summary that was originally presented for Board consideration is attached to this memorandum.) The actual results for years 2005 through 2007 as originally presented as well as revised projected information for years 2008 through 2010 are presented on the following page:

<u>Year ended December 31</u> (All dollars shown in Thousands)	<u>Actual</u>			<u>Projected</u>		
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Income Statement						
Net Sales	\$1,688	\$1,675	\$2,165	\$2,489	\$2,975	\$3,610
Cost of Goods Sold	<u>784</u>	<u>722</u>	<u>1,106</u>	<u>1,244</u>	<u>1,488</u>	<u>1,805</u>
Gross Profit	\$904	\$953	\$1,059	\$1,245	\$1,487	\$1,805
Operating Expense	<u>1,176</u>	<u>1,214</u>	<u>926</u>	<u>908</u>	<u>1,062</u>	<u>1,208</u>
Net Income	<u>\$(272)</u>	<u>\$(261)</u>	<u>\$133</u>	<u>\$337</u>	<u>\$425</u>	<u>\$597</u>
Earnings Before Interest, Taxes, Depreciation & Amortization	\$130	\$175	\$312	\$457	\$606	\$774
Balance Sheet						
Current Assets	\$151	\$198	\$957	\$1,000	\$1,200	\$1,250
Net Property, Plant and Equipment	574	275	186	998	874	754
Other Assets	<u>157</u>	<u>357</u>	<u>1,167</u>	<u>1,000</u>	<u>909</u>	<u>901</u>
Total Assets	<u>\$882</u>	<u>\$830</u>	<u>\$2,310</u>	<u>\$2,998</u>	<u>\$2,983</u>	<u>\$2,905</u>
Current Liabilities	\$253	\$197	\$1,121	\$949	\$1,057	\$1,107
Long-term Debt	203	180	104	719	668	616
Other Liabilities	-0-	80	966	873	376	93
Stockholder's Equity	<u>426</u>	<u>373</u>	<u>119</u>	<u>457</u>	<u>882</u>	<u>1,089</u>
Total Liabilities and Stockholder's Equity	<u>\$882</u>	<u>\$830</u>	<u>\$2,310</u>	<u>\$2,998</u>	<u>\$2,983</u>	<u>\$2,905</u>
Debt Service Coverage Ratio	1.24x	1.22x	1.65x	4.82x	5.83x	7.66x
Current Ratio	0.60	1.01	0.85	1.05	1.14	1.13
Long-term Debt to Equity Ratio	0.52	0.51	1.51	1.64	0.81	0.61

Interest expense in years 2005 through 2007 includes amounts related to a \$1.5 million line-of-credit that is no longer in effect.

Increases in both current and other liabilities in 2007 are due to a change in accounting for revenues in which the Company is now recording pre-billings as deferred revenues, properly recognizing them in the period in which they are actually earned.

Based on the updated projected financial information presented above and on a change in the computation of debt service coverage in years 2005 through 2007 to reflect rent payments made, debt service coverage decreases from 6.31x and 8.15 in years 2009 and 2010 respectively as originally presented to 5.83x and 7.66x as revised.

Staff recommends approval of the applicant's request.

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

Project: TG-IL, Inc.

STATISTICS

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

BOARD ACTION

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

VOTING RECORD

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

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

This project does not require the use of volume cap.

JOBS

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

ESTIMATED SOUCES AND USES OF FUNDS

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

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

FINANCING SUMMARY/STRUCTURE

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

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

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

Guarantors: E. Lee Hofmann & Gary Pollard

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

Amortization Period: 15 years

Maturity: 5 years from date of closing

Bank Interest Rate: 6%

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

Estimated Closing Date: May 15, 2008

PROJECT SUMMARY

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

BUSINESS SUMMARY

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

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

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

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

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

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

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

PROFESSIONAL & FINANCIAL

Bank:	Heartland Bank & Trust Company Peoria, IL	Don Shafer
Counsel:	Westervelt, Johnson, Nicoli, Keller Peoria, IL	Charles Couri
Accountant:	Gordan, Stockman & Waugh P.C. Peoria, IL	Matt Waugh
IFA Advisors:	D.A. Davidson & Co. Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc. Chicago, IL	Lois Scott
IFA Counsel:	Dykema Gossett PLLC Chicago, IL	Darrell Pierce

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: June 10, 2008

Re: Amendatory Resolution for DePaul University Commercial Paper Revenue Notes (the "Notes") to Approve an Additional Project Site to be Financed, Refinanced, and Reimbursed with Proceeds of the Notes and to Authorize the Execution and Delivery of any Required Documentation and Certain Related Matters

IFA Project E-PC-TE-CP-7234 (DePaul University Commercial Paper Revenue Notes)

Background: On December 18, 2007, the IFA Board of Directors approved a Resolution authorizing the issuance of Commercial Paper Revenue Notes (the "CP Revenue Note" or the "Notes") by the Authority to finance, refinance, or reimburse specified projects identified by DePaul University ("DePaul" or the "University") that totaled \$150 million (\$150,000,000).

The Commercial Paper Revenue Notes are secured by a Direct Pay Letter of Credit from U.S. Bank National Association. The DePaul CP Revenue Notes are currently rated P-1/F1+ by Moody's/Fitch based on U.S. Bank National Association's underlying short-term ratings.

Pursuant to terms of the Trust Indenture and DePaul's Reimbursement Agreement with U.S. Bank, the aggregate principal amount of Notes outstanding at any time cannot exceed \$75 million (\$75,000,000).

On January 9, 2008, DePaul closed on an initial issuance of Notes in an aggregate principal amount of \$20 million (thereby leaving DePaul with \$55 million of unused CP Revenue Notes borrowing capacity available currently).

The DePaul Commercial Paper Revenue Notes initiative enables DePaul University to obtain interim, tax-exempt financing (based on short-term rates) prior to the University aggregating sufficient issuance volume to justify a traditional bond issue.

**Request/
Description of
Additional
Project Site:**

DePaul University is requesting that the Authority approve an amendment to the original list of Projects as set forth in the Final Commercial Paper Revenue Notes Resolution approved 12/18/2007 to add an 18-story office building comprising approximately 280,000 SF and located on land to be purchased and owned by the University located at 14 East Jackson Boulevard, Chicago, Illinois 60604-2259, to be used by the University for academic space and administrative office space (the "New Project"). This Amendatory Resolution will authorize and approve the execution and delivery of all documentation necessary to add the New Project to the list of projects eligible for financing under DePaul's Commercial Paper Revenue Notes initiative.

At the time of the December 18th Resolution, DePaul University was negotiating to purchase the subject property at 14 East Jackson Blvd. Because the IFA Bond Resolution

and DePaul's TEFRA Hearing Notice are public documents, the University did not wish to disclose its intention to purchase the property in a public forum, thereby compromising the University's negotiating position with the prospective seller. Accordingly, DePaul advised the Authority in November 2007, that the University would defer adding the New Project until negotiations with the prospective seller were completed.

Recommendation:

Staff recommends approval of the attached Resolution as presented to enable DePaul University to qualify the New Project for financing under the Commercial Paper Revenue Notes Program.

Disclosure on Current Owner of Subject Property:

DePaul is scheduled to close on the purchase of the subject property on Wednesday June 4th. (Informational disclosure: The Seller is Brijus Properties, 14 E. Jackson Blvd., Suite 1323, Chicago, IL 60604. Contact: Steven Levin: 312-739-3333, ext. 223.)

Attachment:

1. **IFA Resolution 2008-05-__**: Copy of Amendatory Resolution to add the New Project to the list of approved locations for the DePaul University Commercial Paper Revenue Notes initiative.

VOTING RECORDS

Final Commercial Paper Revenue Notes Resolution, December 18, 2007:

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

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

Ayes: 10 (via telephone: Goetz) Nays: 0 Abstentions: 0
Absent: 5 (Fuentes, O'Brien, Rice, Talbott, Verrett) Vacancies: 0

PROFESSIONAL AND FINANCIAL

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

IFA RESOLUTION 2008-06-11

RESOLUTION AMENDING A PRIOR RESOLUTION OF THE ILLINOIS FINANCE AUTHORITY (THE "AUTHORITY") ADOPTED ON DECEMBER 18, 2007, WHICH AUTHORIZED THE ISSUANCE FROM TIME TO TIME OF NOT IN EXCESS OF \$75,000,000 IN AGGREGATE PRINCIPAL AMOUNT AT ANY ONE TIME OUTSTANDING OF COMMERCIAL PAPER REVENUE NOTES (DEPAUL UNIVERSITY FINANCING PROGRAM) (THE "NOTES"), TO FINANCE, REFINANCE OR REIMBURSE UP TO \$150,000,000 OF THE COSTS OF CERTAIN PROJECTS FOR DEPAUL UNIVERSITY, AND AUTHORIZING THE SALE THEREOF, ALL AS PERMITTED BY THE ILLINOIS FINANCE AUTHORITY ACT, AS AMENDED (THE "ACT"); APPROVING AN ADDITIONAL PROJECT COMPRISING AN "EDUCATIONAL FACILITY" (AS DEFINED IN THE ACT) TO BE FINANCED, REFINANCED OR REIMBURSED FROM PROCEEDS OF THE NOTES; AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL LOAN AGREEMENT, SUPPLEMENTING AND AMENDING THE LOAN AGREEMENT DATED AS OF JANUARY 1, 2008, BETWEEN THE AUTHORITY AND DEPAUL UNIVERSITY; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF ANY ADDITIONAL DOCUMENTATION REQUIRED TO EFFECT THE FOREGOING; AND AUTHORIZING AND APPROVING CERTAIN RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "Authority"), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq.*, as supplemented and amended (the "Act"), is authorized by the laws of the State of Illinois, including without limitation, the Act, to issue its revenue bonds or notes for the purpose of financing and refinancing the costs of "educational facilities" (as defined in the Act), including the refunding of any bonds or notes previously issued for such purpose; and

WHEREAS, the Authority duly adopted a resolution on December 18, 2007 (the "Original Resolution"), authorizing and approving, among other things, the issuance of Illinois Finance Authority Commercial Paper Revenue Notes (DePaul University Financing Program) (the "Notes"), in an aggregate principal amount not to exceed \$75,000,000 at any one time

outstanding, for the benefit of DePaul University, an Illinois not-for-profit corporation (the “University”); and

WHEREAS, the Original Resolution authorized and approved the use by the University of the proceeds of the Notes received by it from the Authority to finance, refinance or be reimbursed for all or a portion of the costs of certain projects comprising “educational facilities” (as defined in the Act), as more fully described in *Appendix A* to the Original Resolution (the “Original Projects”); and

WHEREAS, initial Notes in an aggregate principal amount of \$20,000,000 were issued on January 9, 2008, and the proceeds from the sale thereof loaned to the University pursuant to the terms of the Loan Agreement dated as of January 1, 2008 (the “Original Loan Agreement”) between the Authority and the University; and

WHEREAS, the University has determined that it is in its best interest to request that the Authority approve an amendment to the list of Original Projects set forth in the Original Resolution and also described in *Exhibit B* to the Original Loan Agreement to add to such list the 18-story office building comprised of approximately 280,000 square feet and located on land to be purchased and owned by the University at 14 East Jackson Boulevard, Chicago, Illinois, to be used by the University for academic space and administrative office space (the “New Project”), and authorize and approve the execution and delivery of all documentation necessary or appropriate to effect such amendment, including without limitation, a supplement to the Original Loan Agreement; and

WHEREAS, the Authority desires to approve such amendment and authorize and approve the execution and delivery of a supplement to the Original Loan Agreement and any other necessary or appropriate documentation to effect the foregoing;

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

Section 1. That the amendment of the list of Original Projects to add thereto the New Project is hereby approved, and the use of proceeds of the Notes to finance, refinance and reimburse all or a portion of the costs of the New Project is hereby authorized and approved.

Section 2. That an amendment to the Original Resolution to amend the list of Original Projects described in *Appendix A* to the Original Resolution to include the New Project is hereby authorized and approved.

Section 3. That the form, terms and provisions of a First Supplemental Loan Agreement, supplementing and amending the Original Loan Agreement (the “Supplemental Loan Agreement”), be, and they hereby are, in all respects approved; that the Authority is hereby authorized to enter into the Supplemental Loan Agreement with the University in substantially the form now before the Authority or with such changes as the officer of the Authority executing the same on behalf of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the form of the Supplemental Loan Agreement now before the Authority; that the Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority (and for purposes of this Resolution, any person duly appointed to any such office on an interim basis) be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the Supplemental Loan Agreement in the name, for and on behalf of the Authority and thereupon to cause the Supplemental Loan Agreement to be delivered to the University, and the Supplemental Loan Agreement shall amend the list of Original Projects included in *Exhibit B* to the Original Loan

Agreement to add thereto the New Project and make such other revisions to the Original Loan Agreement as may be necessary to accomplish the purposes described in this Resolution; that when the Supplemental Loan Agreement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such Supplemental Loan Agreement shall be binding on the Authority; that from and after the execution and delivery of the Supplemental Loan Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Supplemental Loan Agreement as executed; and that the Supplemental Loan Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the Supplemental Loan Agreement shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 4. That the Authority is hereby authorized to enter into such other amendments and supplements to the legal documentation, and such other documents, if any, as are deemed necessary or appropriate to accomplish the matters set forth in this Resolution, such amendments, supplements and documents to be in the forms to be approved by bond counsel, counsel for the Authority and counsel for the University; that the Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority (and for purposes of this Resolution, any person duly appointed to any such office on an interim basis) be, and each of them hereby is, authorized, empowered and directed to execute and deliver such amendments, supplements and documents in the form so approved; that when such amendments, supplements and documents are executed and delivered on behalf of the Authority as hereinabove provided, such amendments, supplements and documents will be binding on the Authority; and that from and after the execution and delivery of such amendments, supplements and documents, the officers,

employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such amendments, supplements and documents as executed.

Section 5. That the Chairman, the Vice Chairman, the Treasurer, the Executive Director, the Secretary, any Assistant Secretary and any other officer of the Authority (and for purposes of this Resolution, any person duly appointed to any such office on an interim basis) be, and each of them hereby is, authorized to execute and deliver such documents, certificates and undertakings of the Authority, and to take such actions as may be required in connection with the execution, delivery and performance of the Supplemental Loan Agreement, all as authorized by this Resolution.

Section 6. That all acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 7. That the publication on behalf of the Authority of the notices of public hearing relating to the conduct of the public hearing by the Executive Director of the Authority or her designee with respect to the New Project is hereby ratified, approved and confirmed.

Section 8. That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 9. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 10. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

DRAFT

RESOLUTION 2008-06-12

A RESOLUTION PROVIDING FOR THE APPROVAL BY THE ILLINOIS FINANCE AUTHORITY (SUCCESSOR IN INTEREST TO THE ILLINOIS DEVELOPMENT FINANCE AUTHORITY) (THE "ISSUER") OF AN AMENDMENT TO LEASE/PURCHASE AGREEMENT AND SUBLEASE/PURCHASE AGREEMENT IN AN AMOUNT OF \$647,630; AND RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate (the "Issuer") is authorized and empowered by the provisions of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as from time to time supplemented and amended (the "Act") to issue its revenue bonds or leases to finance or refinance the costs of any project in order to promote the health, safety, morals and general welfare of the people of the State of Illinois (the "State"), to increase job opportunities and retain existing jobs in the State; and

WHEREAS, the Illinois Development Finance Authority (predecessor in interest to the Issuer) on December 12, 2002 adopted a resolution authorizing a Lease/Purchase Agreement dated as of December 1, 2002 (the "Lease/Purchase Agreement") with The National Bank & Trust Company, a national banking association (the "Lessor") and a Sublease/Purchase Agreement dated as of December 1, 2002 (the "Sublease/Purchase Agreement") with First Friends Day Care, an Illinois not for-profit corporation (the "Borrower");

WHEREAS, the Borrower and the Lessor have requested to amend certain provisions of the Lease/Purchase Agreement and the Sublease/Purchase Agreement, in order to provide for changes relating to principal and interest payable thereunder; and

WHEREAS, it is necessary and proper for the interests and convenience of the Issuer to authorize such amendments to the Lease/Purchase Agreement and the Sublease/Purchase Agreement; and

WHEREAS, the Issuer has caused to be prepared and presented to this meeting the Amendment to Lease/Purchase Agreement dated as of June 1, 2008 between the Issuer and the Lessor (the "Amendment to Lease"), which the Issuer proposes to enter into; and

WHEREAS, the Issuer has caused to be prepared and presented to this meeting the Amendment to Sublease/Purchase Agreement dated as of June 1, 2008 between the Issuer and the Borrower (the "Amendment to Sublease"), which the Issuer proposes to enter into; and

WHEREAS, pursuant to the provisions of Section 147(f) of the Internal Revenue Code of 1986, as amended, due to the changes in the payment structure of the Lease/Purchase Agreement which will effectively extend the weighted average maturity of the Lease/Purchase Agreement, a public hearing will be held by the Executive Director of the Issuer, or his designee, prior to the approval by the Governor of the State of Illinois, pursuant to notice to be published at the direction of the Issuer at least fourteen (14) days prior to the public hearing in The State Journal-Register, a newspaper qualified by law to publish legal notices of the State of Illinois and in the Daily Chronicle, a newspaper of general circulation in the City of Genoa;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ILLINOIS FINANCE AUTHORITY, AS FOLLOWS:

Section 1. That the form, terms and provisions of the proposed Amendment to Lease and Amendment to Sublease be, and they hereby are, in all respects approved, and that the Chairman, Vice Chairman, Treasurer or Executive Director and the Secretary or Assistant Secretary be, and they are hereby authorized, empowered and directed to execute and deliver such instruments in the name and the behalf of the Issuer and that the Amendment to Lease and Amendment to Sublease is to be in substantially the respective forms thereof submitted to this meeting and hereby approved, with such changes therein as shall be approved by the officials of

the Issuer executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from and after the execution and delivery of such instrument, the officials, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such instruments as executed.

Section 2. That from and after the execution and delivery of the Amendment to Lease and the Amendment to Sublease, the proper officials, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed and to further the purposes and intent of this Resolution, including the preamble hereto. The Chairman, Vice Chairman, Treasurer or Executive Director and the Secretary or the Assistant Secretary be, and they are hereby, further authorized and directed for and on behalf of the Issuer, to execute all papers, documents, certificates and other instruments that may be required for the carrying out of the authority conferred by this Resolution or to evidence said authority, including without limitation the signing of IRS Form 8038 and the filing thereof as therein required and the certifications relating to Section 148 of the Code and the regulations promulgated thereunder and changes in the documents approved hereby as approved by the officials of the Issuer executing the same, and to exercise and otherwise take all necessary action to the full realization of the rights, accomplishments and purposes of the Issuer under the Amendment to Lease and the Amendment to Sublease and to discharge all of the obligations of the Issuer thereunder.

Section 3. That the Issuer hereby acknowledges that a Public Hearing will be held and hereby approves the plan of financing and the extension of the weighted average maturity of

the Lease/Purchase Agreement pursuant to Section 147(f) of the Code and directs that this issue be submitted to the Governor of the State of Illinois for approval of the elected representative.

Section 4. That all acts and doings of the officials of the Issuer which are in conformity with the purposes and intent of this Resolution are, in all respects, approved and confirmed.

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

Section 6. That all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby superseded.

Section 7. This Resolution shall be in full force and effect from and after its passage and approval, in accordance with law.

APPROVED this 10th day of June, 2008.

Chairman (or Vice Chairman)

ATTEST:

Secretary (or Assistant Secretary)

C/66466.1