Illinois Finance Authority

September 9, 2008
11:30 AM
Board Meeting
Mid America Club
200 E. Randolph Drive, 80th Floor
Chicago, Illinois

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ILLINOIS FINANCE AUTHORITY
BOARD MEETING
September 9, 2008
Chicago, Illinois

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

AGENDA

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

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

- 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	Kasten, Allen	Hillsboro	$190,000	0	0	ER
	Gehrig, Rex	Dunlap	$160,000	0	0	CEM
	Hardin, Justin	Coal Valley	$250,000	0	0	CEM
	Calvert, C Steven & Rhonda	Sciota	$250,000	0	0	CEM
Industrial Revenue Bonds ***Preliminary***						
2	Yargus Manufacturing	Marshall	$1,600,000	10	10	ER
TOTAL AGRICULTURE PROJECTS			$2,450,000	10	10	

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Industrial Revenue Bonds ***Preliminary***						
3	Anderson Shumaker Company	Chicago	$10,000,000	18	60	SCM
4	Fitzpatrick Brothers, Inc.	Quincy	$10,000,000	65	50	JS
5	Hartzler Properties LLC and Express Packaging of Arizona	West Chicago	$6,500,000	95	50	TA
Industrial Revenue Bonds ***Final***						
6	F& F Holding, LLC (Murphy Machine Products, Inc. Project)	Wood Dale	$5,000,000	11	10	SCM
7	Monarch Holdings LLC and Monarch Services LLC (Monarch Steel Company, Inc. Project)	Crest Hill	$7,500,000	15	100	SCM
Participation Loans ***Final***						
8	Kellner LLC	Springfield	$500,000	20	65	NM/KC
9	Steve and Edward Cushing	Bloomington	$160,000	2	0	JS
10	TCI Manufacturing and Equipment Sales, Inc.	Walnut	$500,000	5	50	JS
TOTAL BUSINESS AND INDUSTRY PROJECTS			$40,160,000	231	385	

COMMUNITIES AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds *Preliminary*						
11	Chicago Mission AAA Hockey Club	Woodridge, Addison	$50,000,000	20	0	TA
12	The Art Institute of Chicago	Chicago	$150,000,000	98	200	RF
501(c)(3) Bonds *Final*						
13	Beverly Arts Center	Chicago	$7,400,000	2	100	TA
14	Clearbrook	Multiple	$5,400,000	0	0	TA
15	Prairie Crossing Charter School	Grayslake	$10,500,000	0	20	TA
Local Government Bonds *Final*						
16	East Richland Community Unit School District No. 1	Olney	$20,000,000	0	25	NM/KC
TOTAL COMMUNITIES AND CULTURE PROJECTS			$243,300,000	120	345	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds *Preliminary*						
17	Rush University Medical Center Obligated Group	Multiple	$375,000,000	300	300	PL/DS
18	Silver Cross Hospital	New Lenox	$275,000,000	0	637	PL/DS
19	The Carle Foundation	Urbana	$450,000,000	0	470	PL/DS
20	SwedishAmerican Hospital*	Rockford	$30,000,000	0	0	PL/DS
501(c)(3) Bonds *Final*						
21	Southern Illinois Healthcare	Carbondale	$185,000,000	0	60	PL/DS
22	Advocate Health Care Network	Libertyville	$180,000,000	0	200	PL/DS
23	BroMenn Healthcare Hospitals	Bloomington - Normal	$50,000,000	0	0	PL/DS
24	The University of Chicago Medical Center	Chicago	$185,000,000	0	0	PL/DS
TOTAL HEALTHCARE PROJECTS			$1,730,000,000	300	1,667	
GRAND TOTAL			$2,015,910,000	661	2,407	

*Board Summary to follow

RESOLUTIONS

Tab	Project	FM
	Amendatory Resolutions / Resolutions	
25	Request to Amend the Loan Agreement and Related Matters for IFA Bonds, Series 2007 (Zoll Real Estate LLC Project) to Authorize a Change in Interest Payable	ST
26	Request to Amend Bond Documents for IDFA Bonds, Series (Jonchris LLC Project) to Authorize a New Bank Purchaser, Substitute a New Amortization Schedule and the Trustee and Amend the Optional Prepayment Provisions	ST
27	Resolution Revising the Fee Schedule of the Illinois Finance Authority	KW/CEM

Other

Adjournment

IFA
ILLINOIS FINANCE AUTHORITY

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

Governor, Rod R. Blagojevich
Authorized Officers, Karen Walker and Christopher Meister

Illinois Finance Authority
Authorized Officers Report
September 9, 2008

To: IFA Board of Directors and Office of the Governor

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

Financial Performance

Consolidated Results: Illinois Finance Authority's financial position remains strong with total assets of $175,852,544 consisting of equity of $3,084,195 and liabilities of $62,768,349. This compares favorably to the August 2007 balance sheet of $158,970,987 in total assets comprising of $94,775,994 in equity and $64,194,993 in liabilities and bonds payable.

Gross Income YTD for August ended at $1,692,398 or $431,691 below plan. The unfavorable plan performance is primarily due to fee income and investment income. Total operating expenses ended at $1,424,603 or $228,222 below plan. This is primarily due to a reduction in professional services and employee related expenses and the loan loss provision/bad debt.

Audit and Compliance

The FY 2008 audit will begin on September 8, 2008, and is scheduled to be completed by December 31, 2008. Attached is the status of the current audit findings for your review.

Sales Activities

Funding Managers will be presenting 23 projects totaling $1,985,910,000 for approval in September, 2008. Agriculture projects total $2,450,000; Business and Industry total $40,160,000; Communities and Culture projects total

$243,300,000; and Healthcare projects total $1,700,000,000. These projects are expected to create 661 new jobs and 2,407 construction jobs.

Agriculture

The Ag team continues calling efforts to various commercial banks across the State of Illinois as part of their regular business development plan. Lender interest in IFA programs continue to vary from Beginning Farmer Bonds, Loan Guarantees, and Participation Loans. Many lenders continue to inquire about increased bonding capacity under the Beginning Farmer Bond program as the agriculture sector enters the busy season for land sales.

During the month of August, 2008, the Ag team attended the Annual Ag Day luncheon at the Illinois State Fair. The IFA had the opportunity to present its annual outstanding Ag Lender Award to Mr. Brian Bonhoff from Peoples State Bank in Newton. Peoples State Bank and Mr. Bonhoff are longtime supporters of the IFA.

Additionally, members of the Ag team also attended the Illinois Bankers Association's Annual Ag Lenders Conference in Springfield. Approximately 50 lenders from across the State were in attendance. The two day conference provided valuable updates to staff on trends in the market, as well as networking opportunities with lenders. Staff anticipates that as many as six new projects may come to IFA as a result of their participation in the conference.

Other opportunities for the Ag team to promote IFA programs included speaking engagements at the New Farm Beginnings Group of Northern Illinois, and an economic development seminar hosted by the Illinois State Treasurer's Office held at Rend Lake Resort.

Agriculture Closings, August 2008		
Closing Date	Issuance$$	Borrower
8/15/2008	$160,000.00	Kelby Eubank
8/22/2008	$125,000.00	Tyler W. Shull
8/22/2008	$100,000.00	Cory Dovenmuehle
8/272008	$44,600.00	Randy Holkenbrink
8/27/2008	$50,000.00	Doug Holkenbrink

Healthcare

During the month of August, 2008, the Healthcare Team closed a financing for their first safety-net hospital this year. After working on this financing for almost a year, the financing for Norwegian American Hospital in Chicago for $24.5 million closed on August 28, 2008. Further, the Healthcare Team have been working on organizing a Healthcare Committee Meeting on September 9th to discuss how the IFA may be able to assist safety net hospitals with their financing needs. The Healthcare Team have also been preparing for the Illinois Critical Access Hospital Network Conference in Springfield in September, 2008. This year the conference focus is the Information Technology needs of the critical access hospital and other small rural hospitals. The IFA will be sponsoring the conference, and members of the healthcare team will speak on possible financing alternatives for information technology needs. During the month of August, 2008, the healthcare team closed another conversion financing, Silver Cross Hospital, as well as prepared seven financings to be presented at the September, 2008 Board Meeting.

Healthcare Closings, August 2008		
Closing Date	Issuance$$	Borrower
8/22/2008	$63,685,000.00	Kish Health System
8/28/2008	$23,950,000.00	Norwegian American
8/14/2008	$20,525,000.00	Silver Cross (Conversion)

Higher Education

Members of the Higher Education Team continues to discuss with Illinois private colleges and universities concerning financing the State mandated facilities sprinkler installation program which requires all college residence halls and other specific facilities to be equipped with sprinkler systems by 2013. College CFO's have expressed keen interest in the combination of commercial paper and takeout with conventional bonds as were used for DePaul and Loyola Universities to fund infrastructure and possible new facilities projects. Lake Forest Village closed its $6 million bond issue during the month of August, 2008, bond proceeds were used to renovate campus facilities.

Higher Education Closings, August 2008		
Closing Date	Issuance$$	Borrower
8/21/2008	$6,000,000.00	Lake Forest College

Communities and Culture

Members of the Communities and Culture Team and the Director of Financial Services participated as exhibitors at the Hispanic Exposition sponsored by the Illinois Hispanic Chamber of Commerce at Navy Pier. Over 1,000 people attended the event. Townsend Albright spoke about IFA 's financial programs at the Illinois Black Chamber of Commerce annual conference which was also held in Chicago. The conference was well attended.

Conference contacts led to scheduling a meeting with the Executive Director of the Aurora Economic Development Corporation to discuss IFA programs with its staff and select clients in September, 2008.

Community & Culture Closings, August 2008

Closing Date	Issuance$$	Borrower
8/7/2008	$5,080,000.00	Marwen Foundation, Series 2008
8/18/2008	$3,500,000.00	Lyric Opera of Chicago
8/20/2008	$2,500,000.00	Greater Peoria Family YMCA

Business & Industry

Staff Member Rich Frampton has continued to work with the Federal Home Loan Bank of Chicago, and other regional Federal Home Loan Banks that have members banks located in Illinois (i.e., Des Moines, Indianapolis) to implement their new Letter of Credit Program with local economic development practitioners

The Federal Home Loan Bank Letter of Credit will provide both manufacturing companies and small, 501(c)(3)'s better access to credit enhancement from local banks. Later this Fall, the IFA will participate in seminars hosted by the FHLB Chicago for investment banking firms, commercial banks, and attorneys.

Additionally, staff member Rich Frampton spoke at the Chicago/West Side HUD Business Expo sponsored by the Lawndale Business Development Corporation held at Malcolm X College.

Business & Industry Closings, August 2008

Closing Date	Issuance$$	Borrower
8/28/2008	$5,600,000.00	Kenall Manufacturing Co.

Energy

Prairie Power's financing remains on track to close during the second half of September, 2008. Prairie Power has engaged Loop Capital Markets to serve as a co-manager on this financing.

There were no Energy Closings in August, 2008

Local Government

During the month of August, 2008, members of the Local Government team explored furthering local government and school district marketing opportunities via a direct mailing. This effort has been successful in past years. In conjunction with this effort, staff and IFA administration are focusing efforts on solidifying pooled and stand-alone programmatic standards and procedures. IFA staff made great strides during the month of August, 2008 in exploring making a non-moral obligation pool as well as stand-alone bond issues even more financially attractive to prospective local governments and school districts. Existing local government program(s) yielded one project that will be presented at the September, 2008 board meeting.

Additionally, members of the Local Government team continue to reach out to other market sectors, particularly business and not-for-profit. Due to those efforts, the team will be presenting a participation loan to the Board at the September, 2008 board meting.

There were no Local Government Closings in August, 2008

Financial Services

During the month of August, the Financial Services area focused on new business opportunities and new program/product development.

FY09 Planning: FY09 revenue targets for each of the funding managers and market sectors have been finalized. The Director of Financial Services has reviewed draft strategic plans for each of the market sectors. Each of the market sectors will meet quarterly to follow up on strategic plans. The first quarterly follow up planning session was held with the Springfield office to discuss the local government/school district sector as well as new business development for business and higher education prospects.

Sales, Marketing & Credit: Director of Financial Services activities include the following: (1) participated in a marketing call with GreatPoint Energy - a potential $700MM coal gasification or petroleum coke project; (2) discussed a potential $22MM state guarantee request for BioFuels Manufacturers of IL; (3) met with two MBE/WBE firms; (4) participated in ongoing discussions regarding non-rated un-enhanced sports facility financings; (5) met with City of Chicago representatives regarding the transfer of City volume cap for IFA deals; (6) followed up on SIU analysis of the benefits of double tax exemption; (7) finalized proposed fee schedule changes; and (8) attended the Hispanic Business Expo.

Governor's Office Initiatives: The Director of Financial Services and General Counsel continued to follow up on the IDOT/Amtrak proposal to improve rail service. We also discussed a potential jobs penalty for volume cap users.

Market Activity: The municipal market yields rose slightly in the intermediate and long-term range and fell slightly in the short-term. The expected volume of financings nationwide is down roughly 40% from the prior month. On September 2, Moody's announced plans to recalibrate its municipal bond ratings. The expected result is an average two-notch upgrade for state and local general obligation bonds and a one-notch upgrade for various enterprise sector bonds.

Human Resources/Operations

Stuart Boldry, Chief Operations Officer, attended board meetings for two of the IFA's venture capital investments and distributed meeting write-ups accordingly, for the ZuChem and Harmonic Vision investments. Mr. Boldry also represented the IFA at an event sponsored by the Chicago Botanic Garden.

The IFA received approval from the Illinois Department of Human Rights for its FY 2009 EEO/AA Plan.

Marketing/Public Relations

Strategic Planning efforts continue and work on the next IFA newsletter is underway. During the month of August, 2008 there have been various public relation projects, including presentations for the Illinois Hispanic Business Exposition, the Illinois Black Chamber of Commerce, the Illinois Real Estate Development & Finance Conference, and the Energy Education Council.

Development of the IFA's intranet continues, and project team meetings focused on selection of the intranet software platform, site structure, navigation requirements and content loading and retrieval. Next steps with the intranet include a beta site and employee feedback.

FOIA activity/requests during the month of August, 2008:

- James Edwards, Medill – IFA projects located in south suburban cook county.
- Tim Novak, Sun-Times – University of Chicago and University of Chicago Medical Center project documents.
- K. Boyd - documents regarding: Buena Vista Apartments Project-2004; Hispanic Housing Development Corp Project-2004; Mercy Alliance, Inc.

Obligated Group-2005; Commonwealth Edison-2005; Oak Park Residence Corp-2001; HODA, LLC-2000

- C. Canary and D. Morrison, IL Campaign for Political Reform -- contracts, invoices, payment records for IFA lobbyists- FY2008.

- D. Lawler, Bell, Boyd & Lloyd -- Northern IL Proton Therapy Research Center application.

- T. Scrivner, Michael Best & Friedrich -- documentation of prevailing wage for 501(c)(3) projects in the last 5 years.

- R. Eyres (Brotherhood of Carpenter's Union) -- TEFRA hearing documents for Christian Homes project.

- L. Fay -- Prairie Crossing Charter School documents.

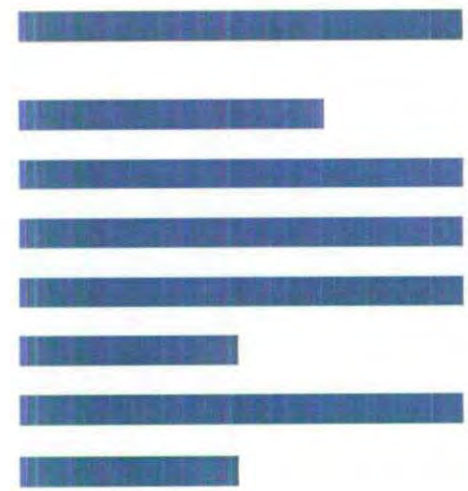
Legal/Legislative

On August 21, 2008, Governor Rod R. Blagojevich approved Public Act 95-0879 (SB 2883) which increases the IFA's general statutory bond authorization from $26,650,000,000 to $28,150,000,000.

A special thanks to our sponsors in both chambers, Senators Schoenberg, Martinez, Hunter, Trotter, Forby and Sullivan and Representatives Hanning, Turner and Black.

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

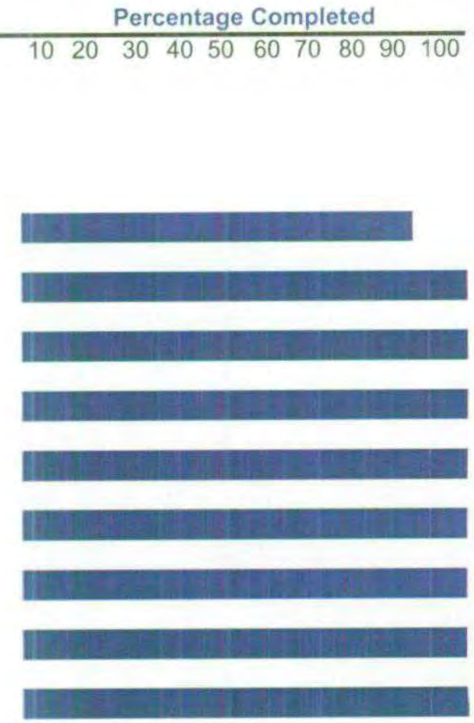
Item Number	Description	Estimated Completion Date	Status Action Items/ (not final) Action Items Completed	Percentage Completed 10 20 30 40 50 60 70 80 90 100
Total Number of 8				
FY 07 Material Findings				
07-01	Missing Policy on Nondiscrimination	7/31/2008	2/2	
07-02	Failure to Report Revenue bond Information to the Illinois Office of the Comptroller		4/3	
07-03	Bad-Debts not Referred to the Illinois Office of the Comptroller	7/31/2008	4/4	
07-04	Noncompliance with the Illinois Procurement Code and SAMS Procedures	6/30/2008	2/2	
07-05	Lack of Segregation of duties in Managing Property and Equipment	4/30/2008	**4/4**	
07-06	No Established Rules to Administer Loan Programs	7/31/2008	**2/1**	
07-07	Authority is Not a Member of the Illinois Forestry Development Council	4/30/2008	**2/2**	
07-08	Failure to Administer the Exporter Award Program	7/31/2008	**2/1**	



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

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

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



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

ILLINOIS FINANCE AUTHORITY

COMPARISON August 2008 TO August 2007 FINANCIAL STATEMENTS

ASSETS

- Total Assets increased by $16.9 M due to:

    1. An increase on our cash balance due to the payoff of loans of $2.7 M, an increase in fee revenue and an increase due to a State Appropriation for our Fire truck and Ambulance Revolving Funds totaling $13.0 M An increase on our loan portfolio on our Firetruck Loan Program of $1.2M

LIABILITIES

- Total Liabilities

    1. Total liabilities decreased by $1.4 due to a reduction in the pool, due to principal payments of $2.7 M and an increase of $1.3M due to interest payable for the local government bond pools.

REVENUE/EXPENSES

- Revenue

Gross revenue for fiscal year 2009 ended at $1,692,398 or $858,390 below fiscal year 2008 this is primarily due a decrease in our interest on loans and our fee income.

- Expenses

Expenses ended at $1,424,603 or $415,510 lower than fiscal year 2008 due to:

1. a reduction on our employee related expenses, due to vacancies.
2. a reduction our professional services, primarily on our legal fees and a reduction on our interest expense due the principal payments on our local government bond pools.

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

	Actual August 2008	Budget August 2008	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2009	Budget YTD FY 2009	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2009	% of Budget Expended
REVENUE										
INTEREST ON LOANS	312,613	324,870	(12,257)	-3.77%	628,906	645,465	(16,559)	-2.57%	3,733,944	16.84%
INVESTMENT INTEREST & GAIN(LOSS)	220,794	197,848	22,946	11.60%	401,877	395,214	6,663	1.69%	2,399,092	16.75%
ADMINISTRATIONS & APPLICATION FEES	371,849	477,942	(106,094)	-22.20%	512,550	959,659	(447,109)	-46.59%	5,781,179	8.87%
ANNUAL ISSUANCE & LOAN FEES	50,153	54,784	(4,631)	-8.45%	106,636	109,917	(3,282)	-2.99%	665,579	16.02%
OTHER INCOME	21,946	6,917	15,029	217.28%	42,430	13,834	28,596	206.71%	83,004	51.12%
TOTAL REVENUE	977,354	1,062,361	(85,007)	-8.00%	1,692,398	2,124,089	(431,691)	-20.32%	12,662,798	13.37%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	227,833	264,905	(37,072)	-13.99%	467,250	523,658	(56,408)	-10.77%	3,206,787	14.57%
BENEFITS	25,584	22,721	2,863	12.60%	53,847	45,039	8,808	19.56%	281,903	19.10%
TEMPORARY HELP	3,659	3,333	326	9.78%	8,405	6,666	1,739	26.09%	40,000	21.01%
EDUCATION & DEVELOPMENT	-	417	(417)	0.00%	448	834	(386)	-46.24%	5,000	8.97%
TRAVEL & AUTO	6,552	10,250	(3,698)	-36.08%	11,165	20,500	(9,335)	-45.54%	123,000	9.08%
TOTAL EMPLOYEE RELATED EXPENSES	263,628	301,626	(37,998)	-12.60%	541,115	596,697	(55,582)	-9.31%	3,656,690	14.80%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	35,278	70,200	(34,922)	-49.75%	70,829	140,400	(69,571)	-49.55%	842,400	8.41%
LOAN EXPENSE & BANK FEE	227,593	228,907	(1,314)	-0.57%	455,918	457,814	(1,896)	-0.41%	2,671,824	17.06%
ACCOUNTING & AUDITING	31,448	31,975	(527)	-1.65%	60,924	63,950	(3,026)	-4.73%	383,700	15.88%
MARKETING GENERAL	2,594	8,333	(5,739)	-68.87%	6,849	16,666	(9,817)	-58.90%	100,000	6.85%
FINANCIAL ADVISORY	25,000	25,000	-	0.00%	50,000	50,000	-	0.00%	300,000	16.67%
CONFERENCE/TRAINING	3,990	1,250	2,740	0.00%	4,340	2,500	1,840	73.60%	15,000	28.93%
MISC. PROFESSIONAL SERVICES	3,333	4,166	(833)	0.00%	6,666	8,332	(1,666)	-20.00%	50,000	13.33%
DATA PROCESSING	3,512	3,750	(238)	-6.34%	6,994	7,500	(506)	-6.74%	45,000	15.54%
TOTAL PROFESSIONAL SERVICES	332,748	373,581	(40,833)	-10.93%	662,521	747,162	(84,641)	-11.33%	4,407,924	15.03%

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

	Actual August 2008	Budget August 2008	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2009	Budget YTD FY 2009	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2009	% of Budget Expended
OCCUPANCY COSTS										
OFFICE RENT	24,716	25,905	(1,189)	-4.59%	49,433	51,810	(2,377)	-4.59%	310,860	15.90%
EQUIPMENT RENTAL AND PURCHASES	4,072	3,867	205	5.29%	7,830	7,734	96	1.24%	46,404	16.87%
TELECOMMUNICATIONS	4,806	5,420	(614)	-11.32%	9,217	10,840	(1,623)	-14.98%	65,040	14.17%
UTILITIES	829	933	(104)	-11.12%	2,205	1,866	339	18.19%	11,196	19.70%
DEPRECIATION	6,486	7,355	(869)	-11.82%	12,971	14,710	(1,739)	-11.82%	88,256	14.70%
INSURANCE	1,607	1,500	107	7.14%	3,214	3,000	214	7.14%	18,000	17.86%
TOTAL OCCUPANCY COSTS	42,516	44,980	(2,464)	-5.48%	84,870	89,960	(5,090)	-5.66%	539,756	15.72%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	5,192	9,450	(4,258)	-45.05%	15,058	18,900	(3,842)	-20.33%	113,400	13.28%
BOARD MEETING - EXPENSES	3,571	2,983	588	19.72%	9,469	5,966	3,503	58.71%	35,796	26.45%
PRINTING	1,556	1,200	356	29.67%	3,969	2,400	1,569	65.36%	14,400	27.56%
POSTAGE & FREIGHT	1,678	2,300	(622)	-27.06%	4,341	4,600	(259)	-5.63%	27,600	15.73%
MEMBERSHIP, DUES & CONTRIBUTIONS	955	3,083	(2,128)	-69.02%	5,336	6,166	(830)	-13.45%	36,996	14.42%
PUBLICATIONS	229	300	(71)	-23.59%	922	600	322	53.72%	3,600	25.62%
OFFICERS & DIRECTORS INSURANCE	14,524	14,524	0	0.00%	29,048	29,048	0	0.00%	174,292	16.67%
MISCELLANEOUS	-	42	(42)	0.00%	-	84	(84)	-100.00%	504	0.00%
TOTAL GENL & ADMIN EXPENSES	27,706	33,882	(6,176)	-18.23%	68,143	67,764	379	0.56%	406,588	16.76%
LOAN LOSS PROVISION/BAD DEBT	33,333	75,000	(41,667)	-55.56%	66,666	150,000	(83,334)	-55.56%	900,000	7.41%
OTHER										
INTEREST EXPENSE	644	621	23	3.69%	1,288	1,242	46	3.69%	7,447	17.29%
TOTAL OTHER	644	621	23	3.69%	1,288	1,242	46	3.69%	7,447	17.29%
TOTAL EXPENSES	700,576	829,690	(129,114)	-15.56%	1,424,603	1,652,825	(228,222)	-13.81%	9,918,405	14.36%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	276,778	232,671	44,107	18.96%	267,795	471,264	(203,469)	-43.18%	2,744,393	9.76%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	(1,095)	(16,667)	15,572	-93.43%	(1,095)	(33,334)	32,239	-96.72%	(200,000)	0.55%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	275,683	216,004	59,679	27.63%	266,700	437,930	(171,230)	-39.10%	2,544,393	10.48%

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

	Actual August 2008	Actual August 2007	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2009	Actual YTD FY 2008	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	312,613	341,887	(29,275)	-8.56%	628,906	819,012	(190,106)	-23.21%
INVESTMENT INTEREST & GAIN(LOSS)	220,794	278,263	(57,470)	-20.65%	401,877	458,060	(56,183)	-12.27%
ADMINISTRATIONS & APPLICATION FEES	371,849	661,667	(289,819)	-43.80%	512,550	1,119,593	(607,042)	-54.22%
ANNUAL ISSUANCE & LOAN FEES	50,153	70,204	(20,051)	-28.56%	106,636	133,259	(26,624)	-19.98%
OTHER INCOME	21,946	9,767	12,179	124.69%	42,430	20,864	21,565	103.36%
		-				-		
TOTAL REVENUE	977,354	1,361,790	(384,435)	-28.23%	1,692,398	2,550,788	(858,390)	-33.65%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	227,833	286,336	(58,503)	-20.43%	467,250	548,968	(81,718)	-14.89%
BENEFITS	25,584	20,578	5,006	24.33%	53,847	41,845	12,002	28.68%
TEMPORARY HELP	3,659	10,202	(6,543)	-64.13%	8,405	22,432	(14,027)	-62.53%
EDUCATION & DEVELOPMENT	-	300	(300)	0.00%	448	300	148	49.47%
TRAVEL & AUTO	6,552	13,983	(7,431)	-53.15%	11,165	26,135	(14,970)	-57.28%
TOTAL EMPLOYEE RELATED EXPENSES	263,628	331,399	(67,771)	-20.45%	541,115	639,680	(98,565)	-15.41%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	35,278	136,835	(101,557)	-74.22%	70,829	237,074	(166,245)	-70.12%
LOAN EXPENSE & BANK FEE	227,593	1,470,266	(1,242,673)	-84.52%	455,918	657,896	(201,978)	-30.70%
ACCOUNTING & AUDITING	31,448	(15,330)	46,778	-305.14%	60,924	12,970	47,954	369.74%
MARKETING GENERAL	2,594	2,676	(81)	-3.04%	6,849	11,597	(4,748)	-40.94%
FINANCIAL ADVISORY	25,000	20,400	4,600	22.55%	50,000	45,788	4,212	9.20%
CONFERENCE/TRAINING	3,990	600	3,390	565.00%	4,340	300	4,040	1346.67%
MISC. PROFESSIONAL SERVICES	3,333	2,225	1,108	0.00%	6,666	2,225	4,441	199.60%
DATA PROCESSING	3,512	3,658	(146)	-3.98%	6,994	6,195	800	12.91%
TOTAL PROFESSIONAL SERVICES	332,748	1,621,329	(1,288,581)	-79.48%	662,521	974,044	(311,523)	-31.98%

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

	Actual August 2008	Actual August 2007	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2009	Actual YTD FY 2008	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	24,716	25,386	(669)	-2.64%	49,433	50,771	(1,338)	-2.64%
EQUIPMENT RENTAL AND PURCHASES	4,072	6,293	(2,221)	-35.29%	7,830	13,979	(6,150)	-43.99%
TELECOMMUNICATIONS	4,806	6,921	(2,115)	-30.55%	9,217	15,370	(6,154)	-40.04%
UTILITIES	829	1,036	(207)	-19.96%	2,205	1,859	347	18.66%
DEPRECIATION	6,486	5,560	926	16.65%	12,971	11,120	1,851	16.65%
INSURANCE	1,607	1,881	(274)	-14.57%	3,214	3,674	(460)	-12.52%
TOTAL OCCUPANCY COSTS	42,516	47,076	(4,560)	-9.69%	84,870	96,774	(11,904)	-12.30%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	5,192	7,429	(2,237)	-30.11%	15,058	14,809	249	1.68%
BOARD MEETING - EXPENSES	3,571	3,093	478	15.46%	9,469	4,437	5,032	113.42%
PRINTING	1,556	1,732	(176)	-10.17%	3,969	3,222	746	23.15%
POSTAGE & FREIGHT	1,678	3,070	(1,392)	-45.35%	4,341	5,587	(1,246)	-22.29%
MEMBERSHIP, DUES & CONTRIBUTIONS	955	1,337	(382)	-28.57%	5,336	3,920	1,417	36.15%
PUBLICATIONS	229	72	157	219.50%	922	101	821	810.58%
OFFICERS & DIRECTORS INSURANCE	14,524	14,746	(222)	-1.51%	29,048	29,493	(445)	-1.51%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	#DIV/0!
TOTAL GENL & ADMIN EXPENSES	27,706	31,480	(3,774)	-11.99%	68,143	61,569	6,575	10.68%
LOAN LOSS PROVISION/BAD DEBT	33,333	33,333	(0)	0.00%	66,666	66,666	(0)	0.00%
OTHER								
INTEREST EXPENSE	644	690	(46)	-6.69%	1,288	1,380	(92)	-6.69%
TOTAL OTHER	644	690	(46)	-6.69%	1,288	1,380	(92)	-6.69%
TOTAL EXPENSES	700,576	2,065,308	(1,364,732)	-66.08%	1,424,603	1,840,113	(415,510)	-22.58%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	276,778	(703,519)	980,297	-139.34%	267,795	710,675	(442,880)	-62.32%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	(1,095)	26,087	(27,182)	0.00%	(1,095)	26,087	(27,182)	0.00%
REVENUE GRANT	-		-	0.00%	-	2,000,000	(2,000,000)	-100.00%
APPROPRIATIONS FROM STATE	-	-	-		-	-	-	0.00%
NET INCOME/(LOSS)	275,683	(677,432)	953,115	-140.70%	266,700	2,736,762	(2,470,062)	-90.25%

Illinois Finance Authority
Consolidated
Balance Sheet
for the Two Months Ending August 31, 2008

	Actual August 2007	Actual August 2008	Budget August 2009	Variance to budget
ASSETS				
CASH & INVESTMENTS, UNRESTRICTED	$ 27,265,203	$ 35,037,084	$ 33,804,089	$ 1,232,994
RECEIVABLES, NET	464,029	352,326	258,128	94,198
LOAN RECEIVABLE, NET	92,799,329	88,331,354	92,605,676	(4,274,322)
OTHER RECEIVABLES	604,335	1,826,540	1,308,144	518,396
PREPAID EXPENSES	146,765	143,821.06	172,773	(28,952)
TOTAL CURRENT ASSETS	121,279,661	125,691,125	128,148,810	(2,457,686)
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	250,219	146,850	152,298	(5,448)
DEFERRED ISSUANCE COSTS	785,773	661,853	663,344	(1,491)
OTHER ASSETS				
CASH, INVESTMENTS & RESERVES	28,075,720	39,971,828	37,892,931	2,078,897
VENTURE CAPITAL INVESTMENTS	5,554,091	5,698,817	5,738,223	(39,406)
OTHER	3,025,522	3,682,072	3,682,072	-
TOTAL OTHER ASSETS	36,655,334	49,352,717	47,313,226	2,039,490
TOTAL ASSETS	$ 158,970,987	$ 175,852,544	$ 176,277,679	$ (425,134)
LIABILITIES				
CURRENT LIABILITIES	$ 1,254,444	$ 1,576,684	$ 764,284	$ 812,400
LONG-TERM LIABILITIES	62,940,549	61,191,666	62,257,968	(1,066,305)
TOTAL LIABILITIES	64,194,993	62,768,349	63,022,252	(253,905)
EQUITY				
CONTRIBUTED CAPITAL	36,061,462	35,608,692	35,608,692	-
RETAINED EARNINGS	17,921,049	24,799,651	24,799,651	-
NET INCOME / (LOSS)	2,736,762	266,700	437,930	(171,230)
RESERVED/RESTRICTED FUND BALANCE	25,491,190	39,760,982	39,760,982	-
UNRESERVED FUND BALANCE	12,565,531	12,648,171	12,648,171	-
TOTAL EQUITY	94,775,994	113,084,195	113,255,426	(171,230)
TOTAL LIABILITIES & EQUITY	$ 158,970,987	$ 175,852,545	$ 176,277,678	$ (425,133)

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

as of 8/31/2008

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

MINUTES OF THE AUGUST 12, 2008 MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held a Board Meeting at 3:00 p.m. on August 12, 2008, at the Illinois State Library, 300 S. Second Street, Room 403/404, Springfield, Illinois.

Members present:	Members absent:	Members participating by telephone:
Michael W. Goetz, Vice Chair	William A. Brandt, Jr.	Joseph P. Valenti
Dr. William J. Barclay	Terrence M. O'Brien	
James J. Fuentes	Juan B. Rivera	
Dr. Roger D. Herrin		
Edward H. Leonard, Sr.	**Vacancies:**	
Lynn F. Talbott	3	
April D. Verrett		
Bradley A. Zeller		

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Vice Chairman Goetz called the meeting to order at 3:00 p.m. with the above members present. Vice Chairman Goetz welcomed members of the Board and all guests and asked Secretary, Carla Burgess Jones to call the roll. There being eight (8) members physically present, and one (1) member on the telephone Ms. Burgess Jones declared a quorum present.

Chairman's Report

Vice Chairman Goetz thanked fellow Board members and guests for coming. Vice Chairman Goetz announced that projects being presented today for approval were thoroughly reviewed at the Committee of the Whole Meeting held at 12:00 noon today.

Acceptance of Financial Statements

Financial statements for the period ending July 31, 2008 were presented to members of the Board and accepted by the Board. Vice Chairman Goetz stated that the Authority's financial statements were reviewed at the regularly scheduled Committee of the Whole Meeting held today at 12:00 noon. Vice Chairman Goetz requested a motion to approve the minutes. Motion was moved by Dr. Barclay and seconded by Ms. Talbott. The July 31, 2008 Financial Statements were unanimously approved by members of the board.

Minutes

Vice Chairman Goetz announced that the next order of business was to approve the minutes of the July 8, 2008 Meeting of the Board. Vice Chairman Goetz announced that the July 8, 2008 minutes were approved at the regularly scheduled Committee of the Whole Meeting held today at 12:00 noon. Vice Chairman Goetz requested a motion to approve the minutes. Motion was moved by Ms. Talbott and seconded by Mr. Leonard. The July 8, 2008 minutes were unanimously approved by members of the board.

Authorized Officer's Report

Karen Walker, Authorized Officer, reported that the Authority's financial position remains strong. Gross income year-to-date for July ended at $715,044, and total operating expenses ended at $724,027. Ms. Walker also reported that funding managers will present 19 projects to the board for approval and that projects being presented today are expected to create 511 new jobs and 2,885 construction jobs.

Projects

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

No. 1: **A-DR-GT-8124 – Jeffrey and Dee Dee Seabaugh**

Request for final approval of the issuance of an Agri-Debt Guarantee in an amount not-to-exceed $425,000 to provide permanent financing to refinance and restructure various existing term debts for the borrower in order to improve cash flow. This project is located in Walshville, Illinois. This projected is expected to create approximately 3 new jobs. **(08-08-01).**

No. 2: **A-FB-TE-CD-8110 – Allan and Kathleen Milner**

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $90,200.00to provide permanent financing to purchase approximately 31.11 acres of farmland. This project is located in Tonica, Illinois. **(08-08-02).**

A-FB-TE-CD-8111 – Nathan Webster

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $100,000.00 to provide permanent financing to purchase approximately 20 acres of farmland. This project is located in Sparland, Illinois. **(08-08-02).**

A-FB-TE-CD-8112 – Clint Steidinger

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $161,850.00 to provide permanent financing to purchase approximately 93 acres of farmland. This project is located in Strawn, Illinois. **(08-08-02).**

A-FB-TE-CD-8113 – Colin Steidinger
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $161,850.00 to provide permanent financing to purchase approximately 93 acres of farmland. This project is located in Strawn, Illinois. **(08-08-02).**

A-FB-TE-CD-8116 – Jason and Joline Worsfold
Request for final approval of a Beginning Farmer Bond in an amount not-to-exceed $119,000.00 to provide permanent financing to purchase approximately 60 acres of farmland. This project is located in Trivoli, Illinois. **(08-08-02)**.

A-FB-TE-CD-8114 – Will A. Wood
Request for final approval of a Beginning Farmer Bond in an amount not-to-exceed $190,000.00 to provide permanent financing to purchase approximately 39.5 acres of farmland. This project is located in Brocton, Illinois. **(08-08-02)**.

A-FB-TE-CD-8114 – Jared M. Halloran
Request for final approval of a Beginning Farmer Bond in an amount not-to-exceed $250,000.00 to provide permanent financing to purchase approximately 80 acres of farmland. This project is located in Paris, Illinois. **(08-08-02)**.

No guests attended with respect to Project Nos. 1 through 2. Vice Chairman Goetz asked if the Board had any questions with respect to Project Nos. 1 through 2. There being none, Vice Chairman Goetz requested leave to apply the last unanimous vote in favor of Project Nos. 1 through 2. Leave was granted. Project Nos. 1 through 2 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 3: **A-LL-TX-8123 – F. Randall Borkgren and Teresa M. Borkgren**
Request for final approval of the issuance of a Participation Loan in an amount not-to-exceed $87,500.00. Loan proceeds will be used to provide permanent financing for the 50% purchase of a grain bin with drying floor and fans. This project is located in Woodhull, Illinois. **(08-08-03)**.

No. 4: **A-LL-TX-8122 – Rick A. Borkgren and Martha A. Borkgren**
Request for final approval of the issuance of a Participation Loan in an amount not-to-exceed $87,500.00. Loan proceeds will be used to provide permanent financing for the 50% purchase of a grain bin with drying floor and fans. This project is located in Woodhull, Illinois. **(08-08-04)**.

No guests attended with respect to Project Nos. 3 and 4. Vice Chairman Goetz asked if the Board had any questions with respect to Project Nos. 3 and 4. There being none, Vice Chairman Goetz requested leave to apply the last unanimous vote in favor of

Project Nos. 3 and 4. Leave was granted. Project Nos. 3 and 4 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 5: **M-MH-TE-CD-8106 – The Oaks at Village Wood SLF, LP and its affiliates, successors, and assigns**

Request for preliminary approval of Affordable Rental Housing Bonds in an amount not-to-exceed $16 million. Bond proceeds will be used to finance the acquisition of land, and the construction and equipping of a new 125 unit Supportive Living Facility. 100% of the Volume Cap for this project will be provided from prior year Home Rule Carryforward, primarily from the South Suburban Mayors and Managers Association. The anticipated issuance amount is $15,650,000. This project is expected to create an estimated 85 construction jobs over a 12-month period. This project is located in Unincorporated Will County, Illinois, near Crete. **(08-08-05)**.

Vice Chairman Goetz asked if there were any guests attending the meeting with respect to Project No. 5. Mr. Rich Frampton, Vice President, introduced Mr. Bill DeYoung, Chief Financial Officer and Mr. Ray Hemphill, Executive Vice President. Mr. DeYoung gave a brief description of the project and thanked members of the board for its consideration. Vice Chairman Goetz then asked if the Board had any questions for Messrs. DeYoung and Hemphill. There being none, Vice Chairman Goetz requested leave to apply the last unanimous vote in favor of Project No. 5. Leave was granted. Project No. 5 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions.

No. 6: **ID-TE-CD-8125 – HydroAire Service, Incorporated**

Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed $3.3 million. Proceeds will be used to finance the acquisition and rehabilitation of a facility that will house HydroAire's pump repair and pump testing operations, the acquisition of machinery and equipment and costs of issuance. The IFA will seek Volume Cap from the City of Chicago. The IFA will commit to the remaining portion of 2008 Volume Cap (up to $3.3 million) that is not attained from the City. This project is expected to create approximately 11 new jobs over the next five years, and 10 construction jobs. This project is located in Chicago, Illinois. **(08-08-06)**.

No. 7: **I-ID-TE-CD-8021 – Kenall Manufacturing Company**

Request for final approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed $5.6 million. Proceeds will be used to construct and equip an addition to the Applicant's existing manufacturing facility, purchase fixtures and equipment and fund legal and professional issuance costs. Issuance of the Bonds is subject to an allocation of Volume Cap. An amount of $1.4 million of the required $5.6 million 2008 Volume Cap is being provided by Gurnee, and other home rule units in Lake County in conjunction with Lake County Partners. This project is expected to create approximately 30 new jobs and 15 construction jobs over a five month period. This project is located in Gurnee and Mundelein, Illinois. **(08-08-07)**.

No. 8: **<u>I-ID-TE-CD-7247 – Superior Manufacturing Group, Inc., and/or its Affiliates, Successors, and Assigns</u>**

Request for final approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed $8 million. Bond proceeds will be used to reimburse the costs to acquire land and an industrial building, building renovations, purchase and install machinery and equipment, and pay legal and professional costs. Issuance of the Industrial Revenue Bonds is subject to a sufficient allocation of Volume Cap. The Village of Bedford Park has a 2008 allocation of approximately $48,790 in Volume Cap, based on its population of 574, according to the 2000 Census. Other 2008 requests for IFA Industrial Revenue Bonds to finance projects located in Bedford Park include Lapham-Hickey Steel ($7.4 million) and Vadeal Plastics ($4.0 million). The Village Board will consider a request in August to transfer its Cap to IFA to support projects located in Bedford Park. Given Bedford Park's limited supply, the Borrower is seeking $6.9 million in Volume Cap from the IFA to facilitate issuance of the IRB's. This project is expected to create approximately 22 new jobs within two years. This project is located in Bedford Park, Illinois. **(08-08-08)**.

No. 9: **<u>B-LL-TX-8126 – Automotive Robotics Engineering Labs Real Estate, LLC (to be formed)</u>**

Request for final approval of a Participation Loan in an amount not-to-exceed $500,000.00. Proceeds will be used to acquire an industrial building. This project is expected to create approximately 6 new jobs. This project is located in East Peoria, Illinois. **(08-08-09)**.

No guests attended with respect to Project Nos. 6 through 9. Vice Chairman Goetz asked if the Board had any questions with respect to Project Nos. 6 through 9. There being none, Vice Chairman Goetz requested a motion to approve Project Nos. 6 through 9. Motion was moved by Dr. Barclay and seconded by Dr. Herrin. Project No. 6 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions. Project Nos. 7 through 9 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 10: **<u>P-SW-TE-CD-7245 – Prairie Power, Inc.</u>**

Request for final approval of the issuance of Solid Waste Disposal Facilities Bonds in an amount not-to-exceed $51.2 million. Bond proceeds, together with other debt and equity, will be used to finance and reimburse Prairie Power for its share of the costs to acquire a 2,971 acre site, construct a 1,600 megawatt power generation facility, acquire and install machinery and equipment, capitalize a debt service reserve fund and pay associated legal and professions costs. This project is expected to create approximately 270 new jobs and 1,200 construction jobs, based on one-third of the total estimated new mining and plant jobs and construction jobs for Prairie State Energy Campus. The job estimates for the project are allocated between two active IFA financing applications -

Prairie Power and Lively Grove. This project is located in Lively Grove Township, Illinois. **(08-08-10)**.

Vice Chairman Goetz asked if there were any guests attending the meeting with respect to Project No. 10. Mr. Steven Trout, Chief Credit Officer, introduced Mr. Greg Neiman from Prairie Power, Inc. Mr. Neiman gave a brief description of the project and thanked members of the board for their consideration and support. Vice Chairman Goetz then asked if there were others wishing to address the board concerning Prairie Power, Inc. Mr. Will Reynolds, Sierra Club Volunteer, expressed his organization's concerns in regard to the Authority's financing of the Prairie Power, Inc. project. Mr. Reynolds asked that the State reconsider funding this project. Vice Chairman Goetz addressed Mr. Reynolds concerns. Vice Chairman Goetz then asked if the Board had any questions for Messrs. Neiman and Reynolds. There being none, Vice Chairman Goetz requested a motion to approve Project No. 10. Motion was moved by Dr. Herrin and seconded by Mr. Valenti. Vice Chairman Goetz requested a roll call vote on Project No. 10. Project No. 10 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 11: **N-NP-TE-CD-8118 – Beverly Arts Center**

Request for preliminary approval of 501c3 Bonds in an amount not-to-exceed $7.3 million. Bond proceeds will be used to refinance the Applicant's outstanding series 2003 Bonds, finance the construction of a new courtyard pavilion building, expand the existing training theatre, capitalize interest, and fund legal and professional costs. This project is expected to create approximately 2 new jobs and 100 construction jobs over a twelve month period. This project is located in Chicago, Illinois. **(08-08-11)**.

No. 12: **N-NP-TE-CD-8117 – Clearbrook**

Request for preliminary approval of the issuance of 501c3 Bonds in an amount not-to-exceed $5.4 million. Bond proceeds will be used to refinance Clearbrook's outstanding taxable mortgages on its resident group homes and a work center at a tax-exempt rate, finance the purchase of equipment and fixtures and pay costs of issuance. This project is located in Arlington Heights, Hoffman Estates, Palatine and Rolling Meadows, Illinois. **(08-08-12)**

No. 13: **N-NP-TE-8121 – Kane County Senior Living**

Request for preliminary approval of the issuance of 501c3 Bonds in an amount not-to-exceed $8 million. Bond proceeds together with bank financing will be used to finance the development of the second phase of a senior living community, fund certain organizational costs, fund interest during construction, and pay costs of issuance. This project is expected to create approximately 11 new jobs over a two year period and 100 construction jobs over a six month period. This project is located in Geneva, Illinois. **(08-08-13)**.

No. 14: **N-NP-TE-CD-7082 – Greater Peoria Young Men's Christian Association**

Request for final approval of the issuance of 501c3 Bonds in an amount not-to-exceed $3 million. Bond proceeds will be used to finance the construction of a building. This project is expected to create approximately 1 new job and 25 construction jobs over a six month period. This project is located in Peoria, Illinois. **(08-08-14)**.

No. 15: **WITHDRAWN**

No. 16: **N-NP-TE-CD-8096 – The Lyric Opera of Chicago**

Request for final approval of the issuance of 501c3 Bonds in an amount not-to-exceed $3.5 million. Proceeds will be used to purchase a portion of the third floor of the Civic Opera Building, renovations and equipment, capitalize interest, and to fund professional issuance costs. This project is expected to create approximately 16 new jobs and 50 construction jobs over a four month period. This project is located in Chicago, Illinois. **(08-08-16)**.

No guests attended with respect to Project Nos. 11 through 16. Vice Chairman Goetz asked if the Board had any questions with respect to Project Nos. 11 through 16. There being none, Vice Chairman Goetz requested a motion to approve Project Nos. 11 through 16. Motion was moved by Ms. Talbott and seconded by Mr. Zeller. Project Nos. 11 through 13 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions. Project Nos. 14 and 16 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 17: **H-HO-TE-CD-8119 – Central DuPage Health**

Request for preliminary approval of the issuance of 501c3 Bonds in an amount not-to-exceed $190 million. Proceeds will be used to refinance Clearbrook's outstanding taxable mortgages on its resident group homes and a work center at a tax-exempt rate, finance the purchase of equipment and fixtures and pay costs of issuance. This project is expected to create approximately 400 construction jobs. This project is located in Winfield, Illinois. **(08-08-17)**.

No. 18: **H-HO-TE-CD-8120 – Northern Illinois Proton Treatment and Research Center, LLC**

Request for preliminary approval of the issuance of 501c3 Bonds in an amount not-to-exceed $200 million. Proceeds will be used to refund construction of a building, purchase equipment, fully fund a reserve fund, pay for capitalized interest during construction, and repay third party interim financing providers, and pay costs of issuance and other financing costs. This project is expected to create approximately 120 new jobs and 800 construction jobs. This project is located in West Chicago, Illinois. **(08-08-18)**.

No. 19: **H-HO-TE-CD-8118 – The University of Chicago Medical Center**
Request for preliminary approval of the issuance of 501c3 Bonds in an amount not-to-exceed $170 million. Proceeds will be used to current refund the IHFA MIA insurance Variable Rate Demand Bonds Series 1994 and Series 1998 Bonds and pay costs of issuance. This project is located in Chicago, Illinois. **(08-08-19)**.

No guests attended with respect to Project Nos. 17 through 19. Vice Chairman Goetz asked if the Board had any questions with respect to Project Nos. 17 through 19. There being none, Vice Chairman Goetz requested a motion to approve Project Nos. 17 through 19. Motion was moved by Dr. Herrin and seconded by Ms. Talbott. Project Nos. 17 through 19 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions.

No. 20: **N-PS-TE-CD-8101 – North Central College**
Request for final approval of the issuance of 501c3 Bonds in an amount not-to-exceed $22 million. Bond proceeds will be used to finance the construction and equipping of a new campus residence/recreation center, capitalize interest, and fund legal, professional, and bond issuance costs. This project is expected to create approximately 19 new jobs and 100 construction jobs over a 16 month period. This project is located in Naperville, Illinois. **(08-07-20)**.

No guests attended with respect to Project No. 20. Vice Chairman Goetz asked if the Board had any questions with respect to Project No. 20. There being none, Vice Chairman Goetz requested a motion to approve Project No. 20. Motion was moved by Ms. Talbott and seconded by Ms. Verrett. Project No. 20 received final approval with 9 ayes, 0 nays, and 0 abstentions.

Resolutions

No. 21: **Norwegian American Hospital:** An Amendatory Resolution authorizing amendments to the final bond resolution to increase the maximum coupon rate from 8.25% to 8.75%.

No. 22: **Single Family Housing Volume Cap**: Resolution with respect to use of Single Family Housing Volume Cap and authorize a partnership with the Illinois Housing Development Authority and the City of Decatur for a Mortgage Credit Certificate Program to assist Veterans and Actively Serving Military Personnel in Illinois.

Vice Chairman Goetz asked if the Board had any questions with respect to Amendatory Resolution No. 21 or Resolution No. 22. There being none, Vice Chairman Goetz requested a motion to approve Amendatory Resolution No. 21 and Resolution No. 22. Motion was moved by Ms. Talbott and seconded by Mr. Fuentes. Amendatory Resolution No. 21 and Resolution No. 22 received final approval with 9 ayes, 0 nays, and 0 abstentions.

Other Business

Vice Chairman Goetz asked if there was any other business to come before the Board. There being none, Vice Chairman Goetz requested a motion to adjourn. Upon a motion by Dr. Herrin and seconded by Ms. Verrett, the meeting adjourned at approximately 3:42 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: September 9, 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: $850,000**
- **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-8138**
Funding Manager:	Eric Reed
Borrower(s):	**Kasten, Allen**
Town:	Hillsboro, IL
Amount:	$190,000
Use of Funds:	Farmland – 76 acres
Purchase Price:	$380,000 / ($5,000 per ac)
%Borrower Equity	0%
%Other Agency	50%
%IFA	50%
County/Region:	Montgomery / Central
Lender/Bond Purchaser	Carlinville National Bank / Scott Niehaus
Legislative Districts:	Congressional: 17th, Phil Hare
	State Senate: 49th, Deanna Demuzio
	State House: 98th, Gary Hannig

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

*__Allen Kasten:__ Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.50% fixed for five years and adjust every five years thereafter for the term of the note to .50% below prime as stated in the Wall Street Journal. Lender will charge .25% points. **IFA Fee: $2,850.00**

Project Number:	**A-FB-TE-CD-8139**
Funding Manager:	Cory Mitchell
Borrower(s):	**Gehrig, Rex**
Town:	Dunlap, IL
Amount:	$160,000
Use of Funds:	Farmland – 73.5 acres
Purchase Price:	$272,098 / ($3,702 per ac)
%Borrower Equity	42%
%Other Agency	0%
%IFA	58%
County/Region:	Peoria / North Central
Lender/Bond Purchaser	State Bank of Speer / Steve Leuthold
Legislative Districts:	Congressional: 18th, Ray LaHood
	State Senate: 37th, Dale Risinger
	State House: 73rd, David Leitch

Principal shall be paid annually in twenty installments, with the first ten installments to be equal payments of $13,612.00 each. The first principal payment date shall be due one year from the date of closing, and successive principal payment dates shall be at one year intervals thereafter, with the tenth and final balloon payment of all principal then outstanding due ten years from the date of closing. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be due one year from the date of closing, and successive interest payment dates to be at annually thereafter, with the tenth and final payment of all interest then outstanding due ten years from the date of closing.

*__Rex Gehrig:__ Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.70% fixed for ten years.. **IFA Fee: $2,400.00**

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

Project Number:	**A-FB-TE-CD-8140**
Funding Manager:	Cory Mitchell
Borrower(s):	**Hardin, Justin**
Town:	Coal Valley, IL
Amount:	$250,000
Use of Funds:	Farmland – 75 acres
Purchase Price:	$250,000 / ($3,333 per ac)
%Borrower Equity	0%
%Other Agency	0%
%IFA	100%
County/Region:	Henry / Northwest
Lender/Bond Purchaser	Central Bank Illinois / Mark Mosbarger
Legislative Districts:	Congressional: 17th, Phil Hare
	State Senate: 36th, Mike Jacobs
	State House: 72nd, Patrick Verschoore

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

*__Justin Hardin:__ Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.25% fixed for the first 5 years and then adjust every 5 years thereafter for the term of the note to 2.75% over Weekly Average Yield on the 5 year Treasury Securities. **IFA Fee: $3,750.00**

Project Number:	**A-FB-TE-CD-8141**
Funding Manager:	Cory Mitchell
Borrower(s):	**Calvert, C Steven & Rhonda**
Town:	Sciota, IL
Amount:	$250,000
Use of Funds:	Farmland – 106 acres w/bldgs.
Purchase Price:	$390,000 / ($300,000 / $2,803 per ac)
%Borrower Equity	36%
%Other Agency	0%
%IFA	64%
County/Region:	McDonough / West Central
Lender/Bond Purchaser	Citizens National Bank / Ray Bunch
Legislative Districts:	Congressional: 17th, Phil Hare
	State Senate: 47th, John Sulivan
	State House: 94th, Richard Myers

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

*__C Steven & Rhonda Calvert:__ Note shall bear simple interest at the expressed rate, calculated on a 365/360 basis. The expressed rate shall be determined on the date of closing and will remain in effect for the first five years and then adjust every three years thereafter for the term of the note to the National Prime Rate per the Wall Street Journal, subject to a floor rate of 5%, no ceiling rate. Lender will charge .50% points. **IFA Fee: $3,750.00**

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2008

Project: Yargus Manufacturing Inc.

STATISTICS

Project Number:	A-ID-TE-CD-8144	Amount:	Not to Exceed $1,600,000
Type:	Industrial Revenue Bonds	IFA Staff:	Eric Reed
Location:	Marshall	County/ Region:	Clark/Southeastern

BOARD ACTION

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

No extraordinary conditions
Staff recommends approval

VOTING RECORD

No Prior voting record. This is the first time the project has been presented to the IFA board of directors.

PURPOSE

To finance or reimburse costs incurred: **1)** Construct a new 33,000 sq. foot industrial building **2)** Acquire specific machinery and equipment related to the borrower's manufacturing process, and **3)** Pay legal and other professional costs.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

$1,600,000 of IFA 2009 volume cap will be required. The company is located outside the city limits of Marshall, which is a non home rule community. Due to the company's proximity to Indiana, and the fact that the City of Terre Haute has approached the company about relocation, State volume cap is important to this project.

JOBS

Current employment:	63	Projected new jobs:	10 in the next 2 years
Jobs retained:	12	Construction jobs:	10 over 4 months

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IRBs	$1,500,270	Uses:	Project Costs	$1,490,270
				Issuance & Other Costs	$10,000
	Total	**$1,500,270**		**Total**	**$1,500,270**

FINANCING SUMMARY/STRUCTURE

Security: 1) First mortgage in the subject real estate, 2) Perfected first security interest in the machinery and equipment financed, 3) Personal guarantee from Larry Yargus

Structure: Tax exempt Industrial Revenue Bonds will be directly purchased by Casey State Bank. Casey State Bank will provide the interim financing in the form of a construction loan.

Interest Rate: The interest rate will be negotiated between the lender and borrower. (See confidential section)

Credit Rating: N/A. The bonds will not be enhanced and will be directly purchased by the lender to be held in their portfolio.

Maturity: Anticipated to be 20 years

Closing: Estimated early 2009.

PROJECT SUMMARY

Bond proceeds will be used to finance or reimburse costs incurred: **1)** Construct a new 33,000 sq. foot industrial building 2) Acquire specific machinery and equipment related to the borrower's manufacturing process, and **3)** Pay legal and other professional costs. Project costs are estimated as follows:

Land and Building	$931,070
Building Rehabilitation	$ 76,000
Equipment	$534,700
Professional & Legal	$ 34,500
Total	$1,500,270

BUSINESS SUMMARY

Description: Yargus Manufacturing, Inc. is an Illinois S-Corporation headquartered in Marshall. Yargus Manufacturing manufactures, distributes, and installs the LAYCO Brand of fertilizer blenders and conveyor systems. Specifically, the company's product line consists of rotary and vertical fertilizer blenders, portable conveyors, in-plant conveyors, bucket elevator legs, tower blenders, and chain paddle conveyor systems. The company maintains a network of 12 distributors in the United States and 10 international distributors.

Background: Yargus Manufacturing was incorporated in 1992 by Larry Yargus. LAYCO Manufacturing was started by Mr. Yargus' father 40years ago and subsequently sold to an investor group. Larry Yargus purchased the company back in 1992. Overall, Mr. Yargus has 37 years of experience in the fertilizer industry. In 1980 Mr. Yargus led LAYCO Manufacturing from a single state supplier to a national network of 12 distributors, becoming the largest distributor of commercial conveyor equipment. After purchasing LAYCO Manufacturing, Yargus Manufacturing Inc. has maintained the LAYCO brand for its product line in order to maintain name recognition.

Mr. Yargus continues to provide leadership in the fertilizer industry, serving in the past on the board of directors of the Illinois Fertilizer and Chemical Association, the National Fertilizer Solutions Association, and the National Agricultural Retailer Association.

Given the proximity of Marshall to Indiana, the company has been courted by the city of Terre Haute, to relocate there. However, because the company has its history in Illinois and with the support of the State's volume cap, the company would prefer to remain in Illinois.

Project Rationale: Yargus Manufacturing has experienced significant sales growth over the past two years. Total employees have increased over that period, however the company has now reached maximum capacity for production. Management is seeking to expand the company's production facilities to meet demand, which will further expand the company's work force.

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT

Applicant: Yargus Manufacturing Inc.
Contact: Doug Nave, Book keeper

Location: 12285 E. Main Street
Marshall, IL 62441

The Borrower: Yargus Manufacturing Inc.

Ownership: Larry Yargus-100%

PROFESSIONAL & FINANCIAL

General Counsel:	Webber & Thies, P.C.	Urbana	Carl Webber
Accountant:	Doehring, Winders & Co.	Mattoon	Charles Winders
Bond Counsel:	Hart, Southworth, & Witsman	Springfield	Sam Witsman
Purchasing Bank:	Casey State Bank	Casey	Sean Wheeler
Bank Counsel	Lefevre, Oldfield, Meyers, Apke, and Payne Law Group	Vandalia	Richard Meyers
IFA Counsel:	Requested		
IFA Financial Advisor:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

US Congress	Timothy Johnson, 15th
IL Senate	Dale Righter, 55th
IL House	Roger Eddy, 105th

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2008

Project: Fitzpatrick Brothers, Inc.

STATISTICS

Project Number:	I-ID-TE-CD-8130	Amount:	$10,000,000
Type:	Industrial Revenue bond	IFA Staff:	Jim Senica
County/Region:	Adams/West Central	City:	Quincy

BOARD ACTION

Preliminary Resolution
No IFA Funds at risk
Staff recommends approval

Conduit Industrial Revenue Bonds
No extraordinary conditions

VOTING RECORD

Preliminary Bond Resolution, no prior vote.

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

Issuance of the bonds will require an allocation of IFA Volume Cap. However, home-rule volume cap in an amount to be determined will be requested prior to year end to be ceded from the City of Quincy for use in the project financing. ***It is important to note that this project will bring manufacturing activity into Illinois that is currently being performed in St. Louis, Missouri.***

The project site is located in Quincy, Illinois, a home rule community that will receive approximately$3,400,000 in home-rule volume cap in 2009.

JOBS

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

*The creation of 65 new manufacturing jobs in Quincy, Illinois is significant in this community with approximately 40,000 residents.

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA Bonds:	$10,000,000	Uses:	Land Acquisition	$162,000
	Harris Bank N.A.	2,100,000		Building Construction	4,208,000
	Total	$12,100,000		New Equipment	7,030,000
				Used Equipment	500,000
				Issuance costs	200,000
				Total	$12,100,000

FINANCING SUMMARY/STRUCTURE

Security:	Bonds will be secured with a direct-pay letter of credit to be provided by Harris Bank N.A.
Structure:	Bonds will be placed through BMO Capital Markets GKST, Inc.
Interest Rate:	Rate of interest will be negotiated
Maturity:	Bond term will be negotiated
Estimated Closing Date:	December 15, 2008

PROJECT SUMMARY

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

The estimated cost of the land acquisition is $162,000, building construction is $4,208,000, new equipment acquisition is $7,030,000 and used equipment (*not qualifying for tax-exempt financing*) is $500,000.
The building construction and equipment acquisition are expected to be completed in May of 2009.

The land being acquired is located in a Quincy business park adjacent to the calcium carbonate mine which provides the main ingredient in Fitzpatrick's product, scouring powder.

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

BUSINESS SUMMARY

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

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

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

Consolidation/attrition in the industry has greatly benefited Fitzpatrick as competitors have left the market allowing private label sales to grow tremendously in the past 10 to 15 years. Fitzpatrick has also grown its business by co-packing product for companies that have abandoned their own production in favor of outsourcing such production.

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

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Fitzpatrick Brothers, Inc.
Project Location:	309 Radio Road in Quincy, Illinois (Adams County)
Borrower:	Fitzpatrick Brothers, Inc.
Ownership:	100% by Olds Products Co. which is 100%-owned by Remien & Kuhnert Co. which is 100%-owned by Robert Remien

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Sullivan, Hincks & Conway	Oak Brook, Il	Daniel Sullivan
Accountant:	FGMK CPAs	Bannockburn, IL	Lee Singer
Bond Counsel:	Borrower is currently engaged in discussion with several bond attorneys		
Issuer's Counsel:	Request for issuer's council has been made		
L O C Bank:	Harris Bank, N.A.	Chicago, IL	
L O C Bank Counsel:	To be determined		
Underwriter's	BMO Capital Markets GKST, Inc.	Chicago, IL	Nicholas Knorr
IFA Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2008

Project: **Hartzler Properties LLC and Express Packaging of Arizona**

STATISTICS

Project Number:	I-ID-TE-CD-8137	Amount:	$6,500,000 (not to exceed)
Type:	Industrial Revenue Bond	IFA Staff:	Townsend Albright
Location:	West Chicago (DuPage County)	Region:	Northeast

BOARD ACTION

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

VOTING RECORD

Preliminary Bond Resolution, no prior vote.

PURPOSE

Proceeds will be used to (i) to purchase land, (ii) renovate an existing manufacturing facility on said property, (iii) purchase fixtures and equipment, and (iv) fund legal and professional issuance costs.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

Issuance of the Bonds is subject to an allocation of Volume Cap. The Applicant is seeking Volume Cap from the City of West Chicago and from other sources to combine with IFA Volume Cap for this project.

JOBS

Current employment:	111	Projected new jobs:	95
Jobs retained:	111	Construction jobs:	50 (6 months)

SOURCES AND USES OF FUNDS

Source:	IFA Bonds	$6,500,000	Uses:	Project Costs	$6,380,000
				Costs of Issuance	120,000
	Total	$6,500,000	Total		$6,500,000

FINANCING SUMMARY

Security: Either (i) Direct Pay Letter of Credit from First Merit Bank, Columbus, Ohio, with a wrapped letter of credit from a rated bank or (ii) a direct purchase by First Merit Bank N.A. for investment in accordance with IFA policies and procedures.

Structure: Either weekly multi-mode floating rate bonds or fixed-rate bonds. There could possibly be a taxable portion of the proposed financing if Bond Counsel determines there will be a significant amount of warehousing of Applicant products.

Collateral:	The bonds will be secured by (i) a first mortgage on the financed property, and (ii) a first lien on fixtures and equipment.
Guarantors:	Express Packaging and its parent, Express Packaging of Ohio will be guarantors of the bonds.
Maturity:	30 years
Closing Date:	November 2008

PROJECT SUMMARY

Proceeds will be used to (i) purchase approximately 9.8 acres of land and an existing 119,000 sq. ft. manufacturing facility located at 430 Industrial Drive, West Chicago, DuPage County, Illinois, (ii) renovate building on said property, (iii) purchase new equipment, and (iv) fund legal and professional costs.

Project Costs:	Land	$1,900,000
	Building	3,400,000
	Building Renovation	730,000
	Machinery/Equipment	350,000
	Total	$6,380,000

BUSINESS SUMMARY

Background: Hartzler Properties LLC and Express Packaging of Arizona (the "Co-Applicants", (the "Applicant"), ("Express") are an Ohio Limited Liability Corporation, and an Arizona S Corporation, respectively. Express Packaging of Arizona is a subsidiary of Express Packaging of Ohio, which is an Ohio S Corporation. The Applicant is a commercial packager for major foodstuff, beverage, and other manufacturers which includes the re-packaging of bulk products into saleable units. In 1998 Fred Hartzler purchased Express Packaging, Inc. which was a prepared food packager located in New Philadelphia, OH with gross sales of $5.0 million. Mr. Hartzler grew the company's sales revenues and in 1999 and 2000 opened a Phoenix, AZ, and Columbus, OH facility, respectively. In 2002 Express Packaging purchased Flexpak Corporation which had manufacturing facilities located in Winchester, VA, Batavia. IL and Phoenix, AZ. Today the Applicant is a major packager and shrink wrapper of prepared foods and drinks in the United States with 2007 net sales of more than $33 million. Major clients include Cheeseborough Pond, Coca Cola, Colgate-Palmolive, Ralston Foods, Hershey's, Kraft Foods, Nabisco, Preston, and Welch's. Shareholder names and share holdings in the LLC and the two S Corporations are listed in another section of this report for Board review.

Description: Proceeds of the proposed financing will be used to purchase 9.8 acres of land and an 119,000 sq. ft. manufacturing facility located thereon, and renovate and equip the facility. Express has out grown its current leased Batavia, Il facility. Increased operational and rental costs have made it prohibitive for Express to continue operations at the Batavia facility. The Applicant's Batavia facility lacks adequate climate control and HVAC equipment, and lacks necessary production space. The proposed West Chicago facility provides the space for installation of state-of-the-art equipment, and allows the necessary expansion to enable Express to continue its path of sustained growth. If the Applicant cannot obtain appropriate financing for the purchase of the West Chicago facility the Applicant will vacate its Batavia facility when the lease expires on August 31, 2008, and relocate to Ohio. This is a job retention project.

Remarks: The construction and equipping of the new state of the art production facility will enable Express to diversify into primary packaging of perishable food items. The new building will have state-of-the-art inventory and racking systems necessary for just-in-time shipping required by its clients. The larger space will enable Express to continue its growth mode and remain competitive in its industry. Additionally, tax-exempt financing will lower the Applicant's cost of capital for the proposed project.

ECONOMIC DISCLOSURE STATEMENT

Applicants:	Hartzler Properties LLC and Express Packaging of Arizona	
Project Name:	West Chicago Facility Project	
Project Location:	430 Industrial Drive, West Chicago, DuPage County, Illinois 60185	
Land Owner:	Hartzler Properties LLC	
Shareholder Ownership:	Fred Hartzler	50.0%
	Pam Hartzler	50.0%
	Express packaging of Arizona	
	Fred Hartzler	45.0%
	Pam Hartzler	55.0%
	Express packaging of Ohio	
	Fred Hartzler	45.0%
	Pam Hartzler	55.0%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Law Offices of James Potter	Barrington, IL	James Potter
Accountant:	Business Management Accountants	New Philadelphia, OH	Mark Fearon
Bond Counsel:	Ice Miller	Chicago, IL	James Snyder
Underwriter/ Purchasing Bank:	TBD.		
Counsel to Bank:	TBD		
LOC Bank:	TBD		
LOC Bank Counsel:	TBD		
Trustee:	TBD		
Issuer's Counsel:	Requested		
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	06 Peter Roskam
State Senate:	48, Randall M. Hultgren
State House:	95, Mike Fortner

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2008

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

STATISTICS

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

BOARD ACTION

Final Bond Resolution
No IFA Funds at risk
Subject to Volume Cap allocation
Staff recommends allocation of $5,000,000 in IFA Volume Cap

Staff recommends approval
No Extraordinary conditions

VOTING RECORD

Preliminary Bond Resolution: July 8, 2008

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

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

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

*The Company has existing contracts with various manufacturers. The new project will enable the Company to provide a larger product selection to their existing customer base. This expanded capacity improves Murphy's status as a preferred supplier.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$5,000,000	Uses:	Project Costs	$4,850,000

		Bond Issuance Costs	150,000
Total Sources	$5,000,000	Total Uses	$5,000,000

FINANCING SUMMARY/STRUCTURE

Security:	The Bonds will be secured by a five year Direct Pay Letter of Credit provided by Bank of America.
Bank Collateral:	First mortgage on subject real estate, assignment of rents and leases, unlimited cross-guarantees from F&F and Murphy Machine Products and unlimited guarantee of Mark Florczak and Stephen Farmer.
Structure:	Variable Rate Demand Bonds
Maturity:	25 Year
Rating:	The transaction will bear the credit rating of the credit enhancement provider, Bank of America. Bank of America's long-term ratings are AA by S&P, Aa2 by Moody's and A+ by Fitch.
Estimated Closing Date:	September 30, 2008

PROJECT SUMMARY

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

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

BUSINESS SUMMARY

Background: F&F Holdings is a limited liability company owned and operated Mark Florczak and Steve Farmer. Murphy Machinery Products, Inc. ("Murphy" or the "Company") is also owned by Mark Florczak and Steve Farmer.

Established in 1965, Murphy is a custom specialty machine shop that services business operations in the agricultural, aerospace, medical, and business equipment industries. Mr. Florczak, Chief Executive Officer and Mr. Farmer, General Manager oversee the Company's day to day management

The bonds will be issued on behalf of the limited liability company and the facility and equipment will be leased to the Company while owned by the LLC.

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

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

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: F&F Holdings, LLC

Operating Company: Murphy Machine Products, Inc.
935 Lively Blvd., Wood Dale, IL 60191
Steve Farmer, General Manager

Project Location:	935 Lively Blvd., Wood Dale, IL 60191		
Borrower:	F&F Holdings, LLC and Murphy Machine Products, Inc.		
Tenant:	Murphy Machine Products, Inc.		
Ownership/Members:	F&F Holdings:	Mark Florczak	50%
		Steve Farmer	50%
	Murphy Machine Products:	Mark Florczak	80%
		Steve Farmer	20%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Drost, Kivlahan &McMahon	Arlington Heights	Tom Kivlahan
Accountant:	Callero &Callero	Niles	Mike Angalini
Bond Counsel:	Ice Miller	Chicago	Jim Snyder
LOC Bank:	Bank of America	Arlington Heights	Edward Brennan
Bank Counsel:	Ice Miller	Lisle	David Hight
Bond Underwriter:	Wachovia Securities	Holland, MI	William Ockerlund
Consultant:	Carroll Financial Group	Des Plaines	Stanley Schwartz
Underwriter's Counsel:	Butzel Long Attorneys and Counselors	Bloomfield, MI	Robert Schwartz
IFA Financial Advisor:	D. A. Davidson	Chicago	Bill Morris
	Scott Balice Strategies	Chicago	Lois Scott
Issuer's Counsel:	Burke Burns and Pinelli	Chicago	Stephen Welcome

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2008

Project: Monarch Holdings LLC and Monarch Services LLC (Monarch Steel Company, Inc. Project)

STATISTICS

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

BOARD ACTION

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

No extraordinary conditions
Staff recommends approval

VOTING RECORD

Preliminary Bond Resolution: July 8, 2008

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

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

The Applicant operates its existing operations in an antiquated building that is landlocked in the present location. In order to increase the existing production capacity and accommodate future growth; the Company will relocate to the proposed Crest Hill location. The additional capacity will also allow Monarch to continue to serve its existing clients while attracting new clients with its expanded product lines.

JOBS

Current employment:	28	Projected new jobs:	15
Jobs retained:	N/A	Construction jobs:	100

ESTIMATED SOURCES AND USES OF FUNDS

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

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

FINANCING SUMMARY/STRUCTURE

Security:	The bonds will be purchased directly by MB Financial and held as an investment until maturity.
Structure:	Fixed Rate of 5.5% with a five year reset.
Bank Collateral:	Collateral will include a first mortgage on the subject property, a corporate guarantee, an assignment of rents and leases as well as a limited $1 million guarantee from Peter Wynbrandt, the Company's President and Treasurer. Debts will be cross collateralized and cross defaulted.
Maturity:	11 year term with a 25 Year amortization.
Rating:	This project will not bear a rating as it is a direct purchase from MB Financial Bank
Est. Closing Date:	November 2008

PROJECT SUMMARY

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

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

Project Rationale: The Borrower is purchasing a new building that allows for expansion of operations. The new manufacturing facility is 60,000 square feet and will increase production capacity by more than 45% and also accommodate additional storage space and office space. The equity contribution will be attributed to the equipment acquisition. The useful life of the equipment being financed is 20 years.

Project Completion Date: March 2009 (estimated)

BUSINESS SUMMARY

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

Dora Wynbrandt is the sole stockholder of Monarch and sole member of 1061 Caton Farm LLC. Monarch Holdings LLC and Monarch Services LLC are Limited Liability Comapanies owned and operated by Peter Wynbrandt and Harry Wynbrandt.

1061 Caton Farm Road, LLC will lease the land to Monarch Holdings LLC and Monarch Holdings LLC will lease the building to Monarch Steel Company. Monarch Services LLC will also lease the equipment to Monarch. The bonds will be issued on behalf of the two limited liability companies and the assets leased back to Monarch Steel, the operating company. All of the entities are closely related family entities. All debt will be cross collateralized.

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

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

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

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Monarch Holdings LLC and Monarch Services LLC 2464 N. Clybourn Chicago, IL 60614-1991 (Cook County) Peter Wynbrandt, President and Treasurer		
Tenant :	Monarch Steel Company		
Project Location:	1051 Caton Farm Road Crest Hill, IL (Will County)		
Ownership:	Monarch Steel:	Dora Jean Wynbrandt	100%
	Caton Farm LLC:	Dora Jean Wynbrandt	100%
	Monarch Holdings LLC:	Peter Wynbrandt	50%
		Harry Wynbrandt	50%
	Monarch Services LLC:	Peter Wynbrandt	50%
		Harry Wynbrandt	50%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Schwartz & Freeman		Stuart Duhl
Accountant:	Coleman, Epstein, Berlin & Co.	Chicago	
Bond Counsel:	Greenberg Traurig	Chicago	Matt Lewin
Purchasing Bank:	MB Finacial	Chicago	John Sasarris
Bank Counsel:	Stahl Cohen Cramley and Addis	Chicago	Kevin Crantz
IFA Financial Advisor:	D. A. Davidson	Chicago	Bill Morris
	Scott Balice Strategies	Chicago	Lois Scott
Issuer's Counsel:	Law Offices of Kevin Cahill	Chicago	Kevin Cahill

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2008

Project: **Kellner LLC**

STATISTICS

Project Number:	B-LL-TX-8131	Amount:	$500,000
Type:	Participation Loan	IFA Staff:	Nona Myers & Kristi Conrad
County/Region:	Sangamon/Central	City:	Springfield

BOARD ACTION

Final Resolution
Purchase of Participation Loan from United Community Bank in Springfield (one-time approval).
$500,000 IFA funds at risk
Staff recommends approval subject to compliance with all of the Bank's terms and conditions.

VOTING RECORD

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

PURPOSE

Use of Proceeds: To finance the real estate portion of a new facility located at 5700 International Parkway, Springfield, Illinois 62707.

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:	46	Projected new jobs:	20
Jobs retained:	46	Construction jobs	65

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	$ 500,000	Uses:	Land Acquisition	$ 600,000
	United Community Bank:	5,827,000		Building	7,643,000
	* SBA 504 Loan	1,953,000		New Equipment	669,000
	Equity	920,000		Other Costs	288,000
	Total	$ 9,200,000		Total	$9,200,000

* Will have a subordinate position on the real estate portion of the loan.

FINANCING SUMMARY/STRUCTURE

Security: Pro rata first mortgage ***parri passu*** on the project real estate located at 5700 International Parkway in Springfield, Illinois with an as-if-completed appraised value of $8,243,000 providing the Bank and IFA collateral coverage on this loan of 1.31 times (76% LTV). IFA and the Bank will also share in the unlimited personal guaranties William L. Kellner and the assignment of rents and the guarantee of M.J. Kellner Co, Inc. The SBA has approved this project for the SBA 504 Loan Program. The SBA will have a "second" position on the real estate portion of the project.

Collateral Value: Pro-rata first mortgage on subject real estate, aggregate LTV not to exceed 80% of assets:

Assets:	Value		Discounted
Real Estate	$8,243,000	* 80%	$6,594,400

Guarantor: William L. Kellner will personally guaranty the proposed loan. In addition M. J. Kellner Co., Inc. will provide a corporate guarantee.

Amortization Period: Bank Loan - 30 years, SBA Loan – 20 years

Bank Interest Rate: The loan will have a ten-year term, amortized over 30 years. The rate will be based on the 10-year Treasuries plus 250 basis points determined at the time of closing.

IFA Interest Rate: 3-month LIBOR (2.81%) plus 100 basis points (or 3.81%). The IFA will provide a ten-year loan, with a fixed rate for the first five years to be readjusted at the end of five years.

Estimated Closing Date: September 2008

PROJECT SUMMARY

The Authority's Participation Loan proceeds ($500,000) will be combined with United Community Bank of Springfield's (UCB) loan ($5,799,000) and the SBA' s loan ($1,944,000) to finance a food distribution operation located at 5700 International Parkway in Springfield, Illinois in the City's west side Business Park at I-72 and Wabash Avenue. The IFA and UCB will share a pro rata first mortgage ***parri passu*** on the project real estate. The SBA's $1,944,000 portion of the loan will be junior to UCB and the IFA. UCB and the borrower's equity will finance the remaining portion of project costs (i.e. new equipment and other costs).

The project as presented constitutes permanent financing for the construction of a 90,000 square foot warehouse/office facility (75,000 square feet for the warehouse plus 15,000 square feet for the office area). The cost of the new facility is:

Land Acquisition	$ 600,000
Building	7,643,000
New Equipment	669,000
Other Costs	288,000
Total Costs	$ 9,200,000

BUSINESS SUMMARY

Background: Kellner LLC is a real estate holding company that leases its facilities to M.J. Kellner Co., Inc. for M.J. Kellner Company's operations. M.J. Kellner Co., Inc. is the actual operating company that performs the daily core business operations. While Kellner LLC is the borrower for real-estate portion of this project with M.J. Kellner Co. being the corporate guarantor. M. J. Kellner Co, Inc. has a sister company, Supreme Foods Resource, Inc., is an institutional food distributor in Maryville, Ohio. The relationship M. J. Kellner Co., Inc., maintains with Supreme Food Resource, Inc., was established in 2006 in order to conduct business in the state of Ohio. M. J. Kellner Co., Inc. was started in 1916 by the grandfather of the current owner. The ownership of both companies is identical and the financial statements are consolidated. William L. Kellner, age 55 claims 100% ownership of the operating company. He graduated from the University of Illinois in 1973 with a BA in Political Science. After graduation, he worked for two years in Washington, D.C. and St. Louis, Mo., in research and sales. He then joined the family business in 1975, working his way through the sales, purchasing, and executive departments. Mr. William L. Kellner has been president of the company since 1992. Customers of the company consist primarily of the state departments of corrections and mental health in the contract division while local restaurants, hotels, nursing homes, hospitals, and schools are the main customers in the food service division. The company has contracts in 10 states, including Illinois and Ohio.

Description: Over the last eight decades, M. J. Kellner has evolved into a successful multi-dimensional full-line foodservice distributorship and continues to experience growth under the leadership of William (Bill) Kellner, the third generation owner. He is preceded by his father, H.J. (Hack) Kellner and grandfather, Maurice J. Kellner, the founder of the company.

M. J. Kellner is committed to providing customers with excellent service, top quality products and competitive pricing. To assure they accomplish their goals, they partner with suppliers that are known and trusted throughout the industry and employ a sales force with experience in the foodservice industry.

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT

Applicant:	Kellner LLC
Project Location:	5700 International Parkway, Springfield, Illinois 62707
Organization:	Limited Liability Company
Ownership:	William L. Kellner, 100% Owner

PROFESSIONAL & FINANCIAL

Banker:	United Community Bank	Springfield	Steve Otten
Accountant:	Kerber, Eck & Braeckel, LLP	Springfield	
IFA Counsel:	TBD		
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	18 – Ray LaHood
State Senate:	50 – Larry Bomke
State House:	100 – Rich Brauer

SERVICE AREA

As the only locally family-owned foodservice distributor in the Springfield area, M. J. Kellner Co. Inc., is focused on expanding to meet the needs of their customers. Their service area begins in Springfield and radiates out more than 100 miles in every direction. To better serve this extensive foodservice distributorship, M. J. Kellner is expanding its facilities and relocating to a more accessible site in Springfield, Illinois.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2008

Project: Steve and Edward Cushing

STATISTICS

Project Number:	B-LL-TX-8133	Amount:	$160,000
Project Type:	Participation Loan	IFA Staff:	*Jim Senica*
County/Region:	McLean/North central	City:	Bloomington

BOARD ACTION

Approval of Participation Loan purchase from Busey Bank Peoria (one-time approval)
$160,000 IFA Funds at risk
No extraordinary conditions
Staff recommends approval subject to compliance with all of the Bank's terms and conditions

VOTING RECORD

No voting record. This is the first time the IFA Board of Directors has reviewed *this* project, however, the applicants are repeat borrowers of IFA having had a $150,000 Participation Loan approved by the IDFA Board at the April 19, 2001 Board meeting. This loan has been paid down to a principal balance of $32,827 as of 8/25/08.

PURPOSE

Proceeds will be used to acquire an industrial building located at 13955 Carole Drive in Bloomington, Illinois.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

This project does not require the use of volume cap.

JOBS

Current employment:	6	Projected new jobs:	2
Jobs retained:	6	Construction jobs:	N/A

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA Participation Loan	$160,000	Uses:	Real Estate Acquisition	$400,000
	Busey Bank Peoria loan	160,000		Total fund uses	$400,000
	Equity*	80,000			
	Total fund sources	$400,000			

*Equity will be from resources to be contributed by the owners of Bobcat of Peoria.

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FINANCING SUMMARY/STRUCTURE

Security: Pro rata first mortgage ***parri passu*** on the project real estate to be located at 13955 Carole Drive in Bloomington, Illinois with a fair market appraisal dated 7/10/08 (performed by Sweez, Inc. Certified Appraisers) of $400,000 providing the Bank and IFA collateral coverage on this loan of at least 1.25 times (80% LTV). IFA and the Bank will also share in the in the assignment of rents and leases.

NOTE: IFA's debt obligation will be repaid by the applicants with monies received from rent payments from cash flows of Bobcat of Peoria, Inc. for use of the project real estate to be owned by the applicants and leased to the Company; ***the project collateral represents a secondary source of repayment in the event of default.***

Collateral Value: First mortgage on subject real estate, aggregate LTV –80% of assets:

Assets:	Appraised Value
Real Estate	$400,000

Structure: Bank portion – 10-year loan fully amortized over the term of the loan; IFA portion – 10-year loan fully amortized over the term of the loan

Amortization Period: 10 years

Maturity: Bank portion – 10 years from date of closing; IFA portion 10 years from date of closing

Interest Rates: Bank – 6.5% fixed for 5 years then adjusting to 275 basis points over the 5-year treasury rate in effect at the end of the first 5 years; IFA - 3-month LIBOR + 100 basis points – (3.87%) for first 5 years, then reset at the end of 5 years to 3-month LIBOR + 100 basis points in effect at the end of the first 5-year period.

Estimated Closing Date: October 15, 2008

PROJECT SUMMARY

The Authority's $160,000 Participation Loan proceeds will be combined with Busey Bank Peoria's loan in the amount of $160,000 and owner equity of $80,000 to finance the acquisition of an industrial building located at 13955 Carole Drive in Bloomington, Illinois. The building is being acquired to accommodate the applicants' construction equipment supply and rental business. Bobcat of Peoria, Inc. had been leasing a facility since 2002 in Bloomington for its Bloomington-Normal operation; it has outgrown this building due to its increasing business.

BUSINESS SUMMARY

Background: Steve Cushing and Ed Cushing are the sole owners of Bobcat of Peoria, Inc., an Illinois S corporation established on June 23, 2000 immediately after the applicants were awarded an exclusive Bobcat franchise for Peoria and Bloomington-Normal. The Peoria/Bloomington-Normal Bobcat franchise had previously been held by Aggregate Equipment & Supply Company in East Peoria, formerly a Midwestern chain of construction/industrial equipment rental and supply centers. After this company was sold to Sunbelt Industries and lost a significant number of its employees, Bobcat pulled the franchise from the new Sunbelt facility in East Peoria and awarded it to the applicants. Ed Cushing had nearly 25 years experience as a Bobcat dealer with Aggregate Equipment & Supply Company; Steve Cushing is a certified public accountant with the Peoria CPA firm, Retzer, Gerber & Associates, Ltd.

Bobcat of Peoria, Inc. sells, services, rents or leases various types of Bobcat construction/industrial equipment to construction and industrial companies throughout Central

Illinois. Bobcat of Peoria offers a wide array of equipment including such items as forklift trucks, small bulldozers, small earth movers/excavating equipment, industrial trailers, skid-steer loaders and various types of commercial tools. The business serves as a key Central Illinois supplier to the building trades industry.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Steve and Edward Cushing

Project Location: 13955 Carole Drive in Bloomington, Illinois (Mclean County)

Ownership: Steve Cushing –50% & Edward Cushing –50%

PROFESSIONAL & FINANCIAL

Bank:	Busey Bank Peoria	Peoria, IL	Michael Swearingen
Accountant:	Retzer, Gerber & Associates, Ltd.	Peoria, IL	Steve Cushing
IFA Advisors:	D.A. Davidson & Co. Scott Balice Strategies, Inc.	Chicago, IL Chicago, IL	Bill Morris Lois Scott
IFA Counsel:	To be determined		
Appraiser:	Sweez, Inc.	Bloomington, IL	Jayson Sweeney

LEGISLATIVE DISTRICTS

Congressional: 11 – Jerry Weller

State Senate: 44 – Bill Brady

State House: 88 – Dan Brady

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2008

Project: TCI Manufacturing and Equipment Sales, Inc.

STATISTICS

Project Number:	B-LL-TX-8134	Amount:	$500,000
Project Type:	Participation Loan	IFA Staff:	*Jim Senica*
County/Region:	Bureau/Northwest	City:	Walnut

BOARD ACTION

Approval of Participation Loan purchase from Citizen's First National Bank (one-time approval)
$500,000 IFA Funds at risk
No extraordinary conditions
Staff recommends approval subject to compliance with all of the Bank's terms and conditions

VOTING RECORD

This project was initially approved by the IFA Board at the April 11, 2006 Board meeting. Construction delays along with changes relating to increased manufacturing activity have delayed the start of the construction project. The April 11, 2006 financing request has been withdrawn and thus the information presented in this report constitutes a new request for project financing. The voting record for the original April 11, 2006 request is as follows:

Ayes: 9 Nays: 0 Abstentions: 0
Absent: 6 (Boyles, DeNard, Goetz, Herrin, Nesbitt, Valenti)

PURPOSE

Proceeds will be used to finance the construction of new 80' x 250' manufacturing building to be located at 28524 1250 E. Street in Walnut, Illinois.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

This project does not require the use of volume cap.

JOBS

Current employment:	25	Projected new jobs:	5
Jobs retained:	N/A	Construction jobs:	(50/6 months)

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA Participation Loan	$500,000	Uses:	Building Construction	$1,625,000
	Citizens 1st Nt'l Bank	800,000		Total fund uses	$1,625,000
	Equity*	325,000			
	Total fund sources	$1,625,000			

*Equity will be contributed from resources of the borrower.

FINANCING SUMMARY/STRUCTURE

Security: Pro rata first mortgage ***parri passu*** on the project real estate located at 28524 1250 E. Street in Walnut, Illinois, with an "as if completed "appraised value dated 1/15/07 (to be updated by the appraiser prior to closing) of $1,625,000, providing the Bank and IFA collateral coverage on this loan of 1.25 times (80% LTV). In the event the appraised value is less than $1,625,000, *IFA's and the Bank's loan will not exceed 80% of that value*. IFA and the Bank will also share in the personal guaranties of Richard Nelson, Steve Nelson and Michael Maynard.

NOTE: IFA's debt obligation will be repaid by cash flows of the applicant; ***the project collateral represents a secondary source of repayment in the event of default.***

Collateral Value: First mortgage on the following real estate and first position on the project equipment - aggregate LTV –80.0% of assets:

Assets:	Appraised Value	Discounted value
Real Estate –Walnut, Illinois	$1,625,000	$1,300,000 (80%)

Guarantors: Richard Nelson, Steve Nelson & Michael Maynard

Structure: Bank portion – 10-year loan amortized over 20 years with a balloon payment due at end of loan term

IFA portion – 10-year loan amortized over 20 years with a balloon payment due at end of loan term

Amortization Period: 20 years

Maturity: Bank portion – 10 years from date of closing; IFA portion 10 years from date of closing

Interest Rates: Bank – 5-year Treasury rate + 325 basis points fixed for 5 years the reset for the remaining 5 years using the same index in effect at that time plus 325 basis points
IFA - 3-month LIBOR + 100 basis points – (3.87%) fixed for 5 years then reset at the 3-month LIBOR rate in effect at the end of the initial 5-year period +100 basis points

Estimated Closing Date: January 15, 2009

PROJECT SUMMARY

The Authority's $500,000 Participation Loan proceeds will be combined with Citizen's First National Bank's loan in the amount of $800,000 to finance the construction of an 80'x 250' foot building over their existing 40' x 80' building, thereby not losing any significant production time. The expansion will enable the Company to increase manufacturing capabilities, mainly conveyors and screens and will allow them to expand their inventory to accommodate increasing immediate sales opportunities. Total cost of the project is expected to approximate $1,625,000.

BUSINESS SUMMARY

Background

TCI Manufacturing and Equipment Sales, Inc. is an Illinois C corporation established in 2000 in Walnut, Illinois (approximately 40 miles east of the Quad Cities and 18 miles north of Princeton) to engage in the manufacture of aggregate processing equipment. TCI is owned by Richard Nelson, 30%, Steve Nelson, 30%, Mike Maynard 10%, and 4 others with an aggregate interest totaling 30%. Maynard is the VP and General Manager of the Company.

TCI Manufacturing and Equipment Sales, Inc. primarily focuses on manufacturing a line of high frequency screens (used for troublesome fines removal in the mining and aggregate business), portable and stationary screening plants and conveyors. The Company also specializes in custom fabrication, such as portable and stationary structures, vibratory feeders, feed bins, numerous replacement parts and also in the layout, flow design and manufacturing of complete aggregate plants.

Although TCI performs many large jobs, the Company prides itself in quick turn-around time on the delivery of single items, such as the high frequency screens, feed bins, vibrating feeders, stacking conveyors, transfer conveyors, crushing stations as well as many custom fabrication requirements for equipment and replacement parts that are requested by their customers.

Conveyors account for 60% of their sales, while screens account for 12% of revenues.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: TCI Manufacturing and Equipment Sales, Inc.

Project Location: 28524 1250 E. Street in Walnut, Illinois (Bureau County)

Ownership: Richard Nelson – 30%, Steve Nelson – 30%, Mike Maynard – 10%, others – 30%

PROFESSIONAL & FINANCIAL

Bank:	Citizen's First National Bank	Princeton, IL	Jeff Ellis
Accountant:	Clifton Gunderson	Peoria, IL	
IFA Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott
IFA Counsel:	To be determined		
Appraiser:	Michael R. Crowley, Sr., SRA	Spring Valley, IL	

LEGISLATIVE DISTRICTS

Congressional: 11 – Jerry Weller

State Senate: 37 – Dale E. Risinger

State House: 74 – Donald L. Moffitt

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

MEMO TO: IFA Board of Directors

FROM: Townsend S. Albright

DATE: September 9, 2008

RE: Overview Memo for Chicago Mission AAA Hockey Club
N-NP-TE-CD-8086

Amount: $50,000,000

Use of Proceeds: Bond proceeds will be used to (i) finance the acquisition the Seven Bridges Ice Arena located in Woodridge, and Addison Ice Arena, located in Addison, including their associated real estate, furniture, fixtures, and equipment, (ii) fund debt service reserve accounts for the Series 2008A and the Series 2008B Bonds, and (iii) pay legal and professional costs of issuance.

Proposed Bond Structure: Project will be financed with three series of bonds, all of which are expected to be unrated and sold without credit enhancement. The bonds will be sold in accordance with IFA policies and procedures. The three Series will be comprised of:

1. $40,545,000 Series A Tax-Exempt 2008 Bonds,
2. $835,000 Series 2008 B Taxable Bonds, and
3. $6,580,000 Taxable 2008 Series C Bonds. **The Series C Bonds will be fully subordinate to the Series A and Series B Bonds**

Security: The Bonds will be secured by:
First security interest and mortgage on the Project, including the land, building and personal property associated with the Project in the real estate financed, and first lien in machinery and equipment and assignment of all rents and leases.

1. First security interest in the Net Operating Income of the Project.
2. The Debt Service Reserve accounts.
3. Assignment of any and all leases, licenses and permits related to the facility that may be assignable under Illinois law.

Background: The Chicago Mission AAA Hockey Club was formed as an Illinois 501 (c)(3) not-for-profit corporation in 2001 to promote amateur youth hockey in Illinois, across North America, and internationally. The Mission currently owns and operates a hockey rink in Holland, Michigan where it hosts youth teams and tournaments. The Mission leases ice and turf time under twenty-year contracts at Seven Bridges and Addison Ice Arenas. The Holland arena and associated income and expenses are separate and not a part of the proposed financing.

The Mission, a Tier 1 AAA hockey club, is regarded as an "open organization" for participating players. An open organization means that the Mission can draw its players from anywhere in Illinois, and outside of Illinois. The Mission's regular season teams are fielded during the fall youth hockey season which lasts from August through April. The Mission fields spring teams at each age level from March through May. During the summer months, the Mission conducts developmental clinics for players to hone skills.

The Mission hosts international youth hockey tournaments including the Nike Bauer International Invite ("Invite"). Invite is the largest Tier 1 youth hockey tournament in the world, and includes teams from the US, Canada, and Europe. The 2008 Invite will host 282 teams bringing approximately 6,000 families into Illinois. For fiscal 2009, the Club has 352 teams signed for this event which the Club hosts from late October through early November, 2008. The Club currently has a waiting list of over 100 youth hockey teams who wish to participate in the Invite. The Mission plans to expand the tournament to 500 teams.

Appraisal and Feasibility Study: Excerpts from both are included in the confidential section of the Board report.

Assessment: Any type of sports complex financing presents risk. The IFA has acted as conduit financier for a number of hockey arena and sports facility financings involving new developments, not the sale of existing established facilities. Most have been financed with no equity injection from the Borrowers. This project has no equity injection. However; the seller is contractually obligated to purchase the non-interest bearing subordinated Series C Bonds. The flow of funds will pay Debt Service Reserve Account on the Series A and Series B Bonds, and the Repair and Replacement Fund, with any remaining funds being split 50/50 going to the Sinking Fund for retirement of the Series A and B Bonds, and to pay down the Series C Bonds. Additionally, the Seller will have no further involvement in the management of the arenas.

Staff believes there are positive factors which bode well for this project to remain viable for the long term. They are:

1. The borrower, an established hockey club, is purchasing two arenas which have a history of generating good net operating revenue. In contrast, the recent sports facilities conduit financings through the IFA have been start-ups, or tend to benefit a single umbrella organization such as the North Shore Hockey League.
2. Both arenas are represented to be in excellent repair, and need no new construction or renovation.
3. A seasoned management team is in place.
4. Long term licensing agreements with escalator clauses are in place.
5. Conservative financial analysis performed by IFA Financial Advisors shows adequate debt service coverage.
6. A long waiting list from youth hockey teams wanting to participate in tournaments.
7. The Seller has made substantial investments in the physical plants of both arenas, and has used his marketing, management, and organization skills to develop a viable contract base of established youth hockey leagues, teams, and secured the prestigious Nike Invite to his arenas.
8. The Applicant fulfills its mission of mentoring inner-city youth by offering hockey scholarships and encouraging and mentoring young men and women to continue their advanced education.

The Mission believes the combination of its marketing and event planning capabilities combined with management expertise will increase efficiencies, and increase the sale of ice time and other sporting events at the facilities. Additionally, the Applicant believes it can reduce operating costs and achieve purchasing discounts through economies of scale.

Staff recommends consideration of this project for IFA Board preliminary approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2008

Project: **Chicago Mission AAA Hockey Club**

STATISTICS

Number:	N-NP-TE-CD-8086	Amount:	$50,000,000 (not-to-exceed amount)
Type:	501(c)(3) and Taxable Bonds	IFA Staff:	Townsend Albright
Location:	Woodridge, Addison	County/Region:	DuPage/Northeast

BOARD ACTION

Preliminary Bond Resolution	Extraordinary conditions:
Conduit 501(c)(3) Bonds	Issuance of Unrated and Unenhanced Bonds to be
No IFA funds contributed	sold consistent with IFA Policy for such bonds
Staff recommends approval	Bonds to be sold in minimum denominations of $100,000

PURPOSE

Bond proceeds will be used to (a) finance the acquisition the Seven Bridges Ice Arena and Addison Ice Arena including their associated real estate, furniture, fixtures, and equipment, (ii) fund debt service reserve accounts for the Series 2008A and the Series 2008B Bonds, and (iii) pay legal and professional 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 exemption on interest income earned on the Bonds and thereby reduce the borrower's interest expense.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds:		Uses:	Project Costs	$42,895,000
	Series A Tax-Exempt*	$40,545,000		Debt Service Reserve	3,361700
	Series B Taxable*	835,000		Costs of Issuance	570,000
	Subordinated Taxable Series C Bonds	6,580,000		Underwriter's Discount	1,133,200
	Total	$47,960,000		Total	$47,960,000

* The Series A and Series B Bonds are parity bonds.

JOBS

Current employment:	4 (Applicant)	Projected new jobs:	20
Management Group:	20		
Jobs retained:	N/A	Construction jobs:	N/A

FINANCING SUMMARY

The Bonds: The Bond Underwriter contemplates the Project will financed with three series of bonds, all of which are expected to unrated and sold without credit enhancement. The three Series will be comprised of:

1. $40,545,000 Series A Tax-Exempt 2008 Bonds,
2. $835,000 Series 2008 B Taxable Bonds, and
3. $6,580,000 Taxable 2008 Series C Bonds. **The Series C Bonds will be fully subordinate to the Series A and Series B Bonds**

$40,545,000 Tax-Exempt Series A Bonds are anticipated to be sold at a fixed interest rate at a 6.50% tax-exempt yield, with amortization beginning in year 2, and a final maturity of 30 years.

$835,000 Taxable 2008 Series B Bonds are expected to be sold at a fixed interest rate at a taxable yield of 10.0%, with a 5-year amortization beginning in year 2, and a final maturity of 5 years. There will be a Debt Service Reserve for the Series A and Series B Bonds.

The Series C Bonds: $6,580,000 Taxable Series C Bonds will be taken back by the Seller of the facility. The Series C Bonds will not bear interest. They will not amortize. There will be no Debt Service Reserve Account for the Series C bonds, The Bonds will have a 30-year term.

The flow of funds will pay Debt Service Reserve Account on the Series A and Series B Bonds, and the Repair and Replacement Fund, with any remaining funds being split 50/50 going to the Sinking Fund for retirement of the Series A and B Bonds, and to pay down the Series C Bonds.

Borrower: Chicago Mission AAA Hockey Club.

Guarantor: Chicago Mission AAA Hockey Club

Payment: The Bonds will be paid from all income generated by the Project, including but not limited to leases, fees and charges and interest earned on reserves and surplus funds.

Security: The Bonds will be secured by:

- First security interest and mortgage on the Project, including the land, building and personal property associated with the Project in the real estate financed, and first lien in machinery and equipment and assignment of all rents and leases.
- First security interest in the Net Operating Income of the Project.
- The Debt Service Reserve accounts as described below.
- Assignment of any and all leases, licenses and permits related to the facility that may be assignable under Illinois law.

Debt Service Reserve Fund: Bonds proceeds will be used to fund a reserve for the Series A and Series B Bonds to be held by the Trustee in an amount equal to the lesser of maximum annual debt service on the respective Bonds, 125.0% of the annual adjusted on the Bonds, or 10.0% of the par amount of the Bonds. There will be no reserve fund for the 2008 Series C Bonds.

Repair and Replacement Fund: A Repair and Replacement Fund (the "Fund") shall be held by the Trustee for the benefit of the Borrower to fund routine repair, replacement, repair and capital expenditures for the facility. It may also be used to make debt service payments on the Series A and Series B Bonds if net operating income is insufficient to do so. It shall be funded from Project cash flows at a rate of $166,668 per year until $500,000 is reached. The Fund will be fully funded, and remain fully funded prior to any pay downs on the Subordinate Series C Bonds.

Credit Rating: The Financing Team contemplates that no rating will be sought on the Bonds. The Bond Underwriter anticipates that the Bonds will be sold in compliance with IFA policy regarding issuance on unrated and unenhanced bonds, including sale of bonds in minimum denominations of $100,000 to Accredited Investors. Accordingly, no exception to IFA policy will be sought.

BUSINESS SUMMARY

Description: The Chicago Mission AAA Hockey Club (the "Mission", the "Applicant") was formed as an Illinois 501 (c)(3) not-for-profit corporation in 2001 to promote amateur youth hockey in Illinois, across North America, and internationally. The Mission currently owns and operates a hockey rink in Holland, Michigan where it host youth teams and tournaments, and leases ice and turf time under twenty-year contracts at Seven Bridges and Addison Ice Arenas. The Holland arena and associated income and expenses are separate and not a part of the proposed financing. The Mission is governed by a 3-member Board whose names are included in this report for IFA Board review.

Background: The Mission, a Tier 1 AAA hockey club, is regarded as an "open organization" for participating players. An open organization means that the Mission can draw its players from anywhere in Illinois, and outside of Illinois. The Mission's regular season teams are fielded during the fall youth hockey season which lasts from August through April. The Mission fields spring teams at each age level from March through May. During the summer months, the Mission conducts developmental clinics for players to hone skills. The Mission hosts international youth hockey tournaments including the Nike Bauer International Invite ("Invite"). Invite is the largest Tier 1 youth hockey tournament in the world, and includes teams from the US, Canada, and Europe. The 2008 Invite will host 282 teams bringing approximately 6,000 families into Illinois. For fiscal 2009, the Club has 352 teams signed for this event which the Club hosts from late October through early November, 2008. The Invite has expanded to include four tiers of girl's hockey (under 12, under 14, under 16, and under 19) and one tier for boys under 18. The Club currently has a waiting list of over 100 youth hockey teams who wish to participate in the Invite. The Mission plans to expand the tournament to 500 teams.

The Illinois Bureau of Tourism has awarded grants to the Mission for years 2006-2007 for the positive economic impact this event has had on the Illinois' economy.

AAA hockey costs between $8,000 and $12,000 per year per player. The Mission strives to provide the opportunity to participate in AAA hockey for the children of families who have financial hardship. The Mission uses fund raising, sponsorships, and its own income to provide financial aid. Additionally, the Mission has made it a priority to not only monitor player's hockey skills, but also their educational advancement through the Chicago Mission Player Placement Program. The Program has helped more than 150 youth players to go on to play college hockey and receive their degrees. Some have advanced to the professional level. Recently Mission alums Robbie Andergregg and Matt Gates were taken in the National Amateur Hockey League draft. Anderegg was taken by the North Iowa Outlaws and Gates was taken by the Albert Lea (MN) Thunder.

Management: Director-Co-president: Ms. Andrea Hahn: Andrea Hahn became President of the Mission in 2005. Ms. Hahn oversees operations of the club, negotiates all ice contracts, creates budgets, creates ice schedules for girls and boys programs, and organizes all try-out camps. Prior to becoming President Ms. Hahn was the chairperson of the Nike Bauer International Invite. Prior to joining the Mission, Ms. Hahn was the General Manager of the Chicago Steel Hockey Club, Bensenville, Illinois.

Director-Co-President: Michael A. McPartlin: Mr. McPartlin is the Founder and In-House Legal Counsel for the Mission. He also has been the Head Coach for the Mission's youth hockey teams since 2001. He serves as Legal Counsel and member of the AHAI Player Development Committee. Additionally, he is the USAH National Select Camp Coach.

Management staff consists of The Mission has two employees who perform administrative functions. The Mission has 28 employees that work out of the Mission's Holland, Michigan arena.

Programs: The Mission plays in the Mid-West Elite Hockey League (MWEHL), and the Northern Illinois Hockey League ("NIHL"), which is a league that is organized within the Amateur Hockey Association of Illinois ("AHAI"). Both NIHL and AHAI fall under the umbrella of USA Hockey. The Mission fields a total of eleven fall-season teams comprised of seven boys teams and four girls teams, which is the maximum number of teams allowed in each category by USA Hockey and the Amateur Hockey Association of Illinois. With a maximum of twenty players on each fall team and a maximum of 36 players on each spring team, this provides an opportunity for up to 616 to take part in the programs. The Mission also operates youth hockey tournaments. In 2008, 405 teams and as many as 8,000 players will take part in a Mission-sponsored tournament in the Chicago area. The Mission offers programs for Tier 2 youth hockey organizations and high school hockey programs.

The Project: Bond proceeds will be used to purchase the Seven Bridges Ice Arena ("SBIA"), which is located in Woodridge; and the Addison Ice Arena (AIA"), which is located in Addison. The SBIA and the AIA both have two-pad ice rinks. In 2007, the SBIA underwent a major renovation which included the construction of a multi-purpose field, new locker rooms, and a state-of-the-art off-ice workout facility. The field is used for soccer, lacrosse, and baseball. The AIA was thoroughly renovated in 2003. Both ice arenas are in excellent operational condition. No construction work is contemplated for either facility.

The Mission is currently the primary user of SBIA, having signed a twenty-year lease in August, 2007. Prior to signing this lease, the Mission was, for seven years, the primary user of AIA, and still contracts for a limited number of ice slots at AIA through a twenty-year agreements also signed in August, 2007. The Mission believes it can lever its ice and sports time it licenses at both arenas to substantially increase revenues for the two arenas, and continue to deliver on is own mission statement.

Contractual Agreements: Both facilities are fully utilized as a result of long term user contracts. Each Ice Area Usage License is has a five to twenty -year term, with an escalator clause (please see confidential section of this report). Each licensee is required to maintain public liability insurance.

AIA licensees include:

1. The Flames Hockey Club
2. The Chicago Mission AAA Hockey Club (20-year term)
3. The Grizzles hockey Club
4. The Elmhurst Chiefs Hockey Club
5. Advanced Arenas Tournament Company
6. Illinois Suburban Hockey League
7. York Hockey Club, and
8. Complete Hockey

Additionally there are licenses with AIA and the pro shop and concession providers.

SBIA licensees include:

1. The Flames Hockey Club
2. Complete Hockey Advanced Arenas Tournament Company
3. Downers Grove HS
4. Wheaton-Warrenville HS
5. United States Hockey League
6. Mission Locker Rooms Lease, and
7. Licenses with concessionaries, a pro shop lease, and for Advanced Arenas Tournament Company Lobby Space

Management: Both facilities are currently managed by Advanced Arenas, Inc. ("AAI") the largest ice arena and multi-sport facility management company in North America. The Mission will continue to have AAI manage both facilities pursuant to a thirty-year management agreement. Based in Chicago, AAI has developed, owned or managed over fifty ice facilities in seven states and continues to provide consulting, developing and management services to a wide array of clients including municipalities, park districts, not-for-profit organizations and privately held ownership. AA was formed in 1992. AAI's clients in the Chicago area include:

Arena	Location	Relationship
Seven Bridges Ice Arena	Woodridge	Currently managed, and will continue to manage after purchase by the Applicant
Addison Ice	Addison	Currently managed, and will continue to manage after purchase by the Applicant
Edge Ice Arena	Bensenville	Developed and Managed
Oak Orthopedic Arena	Kankakee	Developed and Managed
Jonny's Ice House	Chicago	Developed and Managed
The Glacier	Vernon Hills	Developed and Managed
Saddle & Cycle	Chicago	Managed
Barrington Ice Arena	Barrington	Managed

AAI coordinates all aspect of ice rink management in behalf of ownership delivering a turnkey operational facility and all programming required for full service to the user. As necessary, AAI negotiates and manages on behalf of the ownership any and all third party vendors that may provide service to the facility, including, but not limited to, food service, pro shop and off-ice training.

PROJECT SUMMARY

Bond proceeds will be used to (a) finance the acquisition the Seven Bridges Ice Arena located at 6690 S. Rte 53, Woodridge, DuPage County, Illinois; and Addison Ice Arena located at 475 Grace Street, Addison, DuPage County, Illinois, including their associated real estate, furniture, fixtures, and equipment, (ii) fund debt service reserve accounts for the Series A and Series B Bonds, and (iii) pay legal and professional costs of issuance.
Project costs are currently estimated as follows:

Acquisitions of:	
Seven Bridges Ice Arena	$24,925,000
Addison Ice Arena	17,970,000
Total	$42,895,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Chicago Mission AAA Hockey Club (Contact: Ms. Andrea Hahn, President, Phone 630/204-2804
Project Locations:	(SBIA) 6690 S. Rte. 53, Woodridge, DuPage County, Illinois 60517; (AIA) 475 Grace Street, Addison, DuPage County, Illinois 60101
Facility Sellers:	(SBIA) SB Arena LLC, an Illinois LLC, Leon A. Lakai, Managing Member (AIA) Addison Ice, LLC, a Michigan LLC, Leon A. Lakai, Managing Member
Borrower:	Chicago Mission AAA Hockey Club
Guarantor:	Chicago Mission AAA Hockey Club
Board Members:	Andrea Hahn, Co-President and Director Michael MCPartlin, Co-President and Director Thomas Adrahtas, Director

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Gordon & Rappold	Chicago	Gerald Tenner
Bond Counsel:	Barnes & Thornburg	South Bend, IN	Alan Feldbaum
Accountant:	Ronald B. Bosak, P.C.	Mount Prospect, IL	Ronald B. Bosak
Underwriter:	Oppenheimer & Co., Inc.	Minneapolis, MN	Bryan Nelson

Underwriter's Counsel:	McGuireWoods, LP	Chicago	Tyler Hoch Darren Collier
Feasibility Consultant:	NSC Consulting	Blaine, Minnesota	Stephen L. Olson
IFA Counsel:	Requested		
Trustee:	TBD		
Trustee's Counsel:	TBD		
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

	AIA	SBIA
Congressional:	6th, Peter J. Roskam;	13th Judy Biggert
State Senate:	23rd, Carole Pankau;	24th Kirk W. Dillard
State House:	46th, David Koehler;	47th John M. Sullivan

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2008

Project: **The Art Institute of Chicago**

STATISTICS

Project Number:	N-NP-TE-CD-8091	Amount:	$150,000,000
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton
County/Region:	Cook/Northeast	Location:	Chicago

BOARD ACTION

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

VOTING RECORD

None. This is the first time this project has been presented to the IFA Board of Directors.

PURPOSE

The IFA Series 2008 Bond proceeds will be used to enable **The Art Institute of Chicago** (the **"Institute"** or the **"Borrower"**) to finance, refinance, and reimburse a portion of the costs of capital improvements relating to (1) the acquisition, construction, and equipping of the Institute's new Modern Art Wing, a three-story, approximately 264,000 SF addition to its existing cultural/educational facility that is currently under construction and scheduled to open to the public in 2009, and (2) the acquisition, construction, renovation, improvement and equipping of the Institute's existing facilities, including Gunsaulus Hall located at 111 S. Michigan Ave. in Chicago, and (3) various renovations and gallery reinstallation projects at the Art Institute's facilities described above (the **"Project"**). This Project will increase the museum's gallery, education, art storage space, other public areas, and enable Art Institute to display most of its modern art collection for the first time.

The Board of Trustees of the Institute previously approved its own Reimbursement Resolution for this project as allowed under the Internal Revenue Code. This prior Reimbursement Resolution will enable the Institute to reimburse certain expenditures incurred more than 60 days prior to adoption of this Preliminary Bond Resolution under consideration by the IFA Board of Directors.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 896 (FT); 42 (PT) Projected new jobs: 98 (FT)
Jobs retained: Not applicable
Construction jobs: The Art Institute estimates that an average of 200 workers per day will be involved between now and completion in 2009. The Art Institute of Chicago also reports that their General Contractor (Turner Construction) estimates that approximately 2,200 construction workers have participated in construction to date (groundbreaking: May 2005; construction initiated: August 2005)

ESTIMATED SOURCES AND USES OF FUNDS (PRELIMINARY, SUBJECT TO CHANGE)

Sources:	IFA Fixed Rate Bonds (Series 2008A)	$60,000,000	Uses:	Project Costs	$297,400,000
	IFA Variable Rate Bonds (Series 2008B)	90,000,000			
	Fundraising/Donations	148,400,000		Issuance Costs	1,000,000
	Total	**$298,400,000**		**Total**	**$298,400,000**

FINANCING SUMMARY

The IFA Series 2008 Bonds will be sold in both a Fixed Rate Mode and Variable Rate (Multi Modal) Mode as described below:

Fixed Rate Series 2008A Bonds:

Structure/ Security: The IFA Series 2008A Bonds will be sold in Fixed Rate Mode and will be sold without credit enhancement based on the underlying long-term ratings of The Art Institute of Chicago (see Underlying Ratings section immediately below). Bondholders will be secured solely by a General Pledge of the Institute and will not be secured by a pledge of any real assets of the Institute, nor secured by a lien or security interest in the Institute's collection. *The IFA Tax-Exempt Series 2008A Bonds will not be secured by the Direct Pay Letter of Credit that will be securing the IFA Tax-Exempt Series 2008B Bonds.*

Underlying Ratings: The Art Institute currently has long-term ratings of A1/A+ (Moody's/S&P) with a positive outlook (Moody's Outlook: upgraded to Positive as of 12/20/2006; S&P affirmed prior long-term ratings as of 12/11/2007). The Institute will be applying for updated Issuer Ratings from both Moody's and S&P in connection with these proposed Series 2008A Fixed Rate Bonds.

Maturity: 30 years (preliminary, subject to change)

Estimated Interest Rates: **J.P. Morgan Securities, Inc.** (the **"Underwriter"**) is currently evaluating prospective structures, including a combination of Serial and Term Bonds, with the Institute. More specific information concerning the final structure will be available when this project returns to the IFA Board for consideration of a Final Bond Resolution (anticipated at the October 2008 Board Meeting). The 30-year fixed rate was estimated at approximately 5.25% as of 8/15/2008.

IFA Multi-Modal (Variable Rate) Series 2008B Bonds:

Structure/ Security: The IFA Series 2008B Bonds will be sold as Multi-Modal Bonds that will enable The Art Institute of Chicago to select a variable interest rate mode (e.g., Daily, Weekly, Monthly, Semi-Annual, or Annual reset). The Initial Mode will be determined based on market conditions at the time of pricing. These Multi-Modal Bonds will be secured and rated solely based on a Direct Pay Letter of Credit from a Bank to be determined.

Bond/ LOC

Bank Ratings: According to the Underwriter, the Institute is reviewing proposals from several institutions with short-term ratings of VMIG-1/A-1+ (Moody's/S&P). Bondholders of the Multi-Modal Series 2008B Bonds will be secured solely by the Bank Direct Pay LOC. (The short-term ratings will be the pertinent ratings for the Series 2008B Bonds sold in variable rate mode.)

The Art Institute of Chicago is currently negotiating with Bank of America, Fifth Third Bank, JPMorgan Chase Bank, The Northern Trust Company, Wells Fargo Bank, and US Bank.

Underlying Ratings: As noted above under the description of the Series 2008A Bonds, The Art Institute currently has long-term ratings of A1/A+ (Moody's/S&P) with a positive outlook (Moody's Outlook: upgraded to Positive as of 12/20/2006; S&P affirmed prior long-term ratings as of 12/11/2007). The Institute will be requesting updated Issuer Ratings from both Moody's and S&P in connection with these proposed Series 2008A Fixed Rate Bonds. The variable ratings (i.e., provided by the Structured Finance Groups) may not be affirmed until after this financing is presented to the IFA Board for a Final Bond Resolution due to backlogs at the Structured Finance Groups for both agencies.

Maturity: 30 years (preliminary, subject to change)

Estimated Interest Rates: Although the bond documents will permit multiple modes, JPMorgan expects to sell the Bonds initially in Weekly Rate Mode based on market conditions as of 8/21/2008 (subject to change).

- Tax-Exempt Weekly Rate Mode: For discussion purposes, the 52-week running average of the 7-Day SIFMA municipal swap rate (a proxy for the Weekly Rate Mode) averaged 2.68% for the 52-week period ended 8/6/2008. Ongoing Letter of Credit, Trustee, and Remarketing Agent Fees typically add 0.65% to 1.15% to the effective borrowing costs for most borrowers. Accordingly, the effective interest rate would have ranged from approximately 3.33% to 3.83% over the past year for most Borrowers, depending on pricing on the Direct Pay LOC.

Timing: Estimated closing date: Late October 2008 or November 2008.

Rationale: The Series 2008 Bonds will enable the Institute to permanently finance construction and equipping of its new three-story, 264,000 SF, Modern Art Wing that will house much of the Institute's 20th Century collection. According to The Art Institute, its modern and contemporary art collection is considered by art scholars to be among the finest collections of modern art outside of New York. This project will also renovate other major portions of the Institute's facilities.

Additionally, the proposed Bonds will enable The Art Institute of Chicago to optimize its capital structure and enable the Institute to finance approximately 50.3% of the cost of constructing these improvements on a long-term basis. This financing will also enable the Institute to balance its capital structure with a combination of Fixed and Variable Rate debt.

PROJECT SUMMARY (for IFA Bond Resolution)

Tax-Exempt Bond proceeds will be used by The Art Institute of Chicago, together with other funds of the Borrower, to finance, refinance, and reimburse a portion of the costs of various capital improvements relating to (1) the construction and commissioning of The Art Institute's new Modern Wing, a three-story, approximately 264,000 SF addition located at the northeast corner of the site of The Art Institute's existing facility (at the SW corner of Monroe Street and Columbus Drive), including construction of a pedestrian bridge attached to the Modern Wing across Monroe Street to Millennium Park; (2) the renovation, including replacing exterior cladding, and re-commissioning a two-story structure known as Gunsaulus Hall located at 111 S. Michigan Avenue, Chicago, Illinois, (3) the renovation and reinstallation of several gallery projects at the Art Institute's facilities described above, (4) to pay capitalized interest and (5) to pay a portion of bond issuance costs and related expenses (the "Project").

Estimated project costs are comprised of:

Modern Wing Construction, Equipping:	$284,200,000

Gunsaulus Hall, and General Museum Building Renovation, Equipping:	13,200,000
Total	**$297,400,000**

BUSINESS SUMMARY

Background: The Art Institute of Chicago (the "Institute" or the "Borrower") was incorporated as an Illinois not-for-profit corporation in 1879. The Institute originally received its original 501(c)(3) Determination Letter from the IRS in August 1925. The Institute is governed by an independent Board of Trustees (see p. 7 for listing).

Description: The mission of The Art Institute of Chicago is to provide appreciation and education in visual fine arts and design. The Institute fulfills this mission through:

- Its museum programs ("Museum") collect, conserve, research, publish, exhibit, and interpret an internationally significant permanent collection of objects of art and present temporary exhibitions of international importance, including loaned objects from other collections.
  - The Museum's permanent collection is comprised of approximately 260,000 works of art, including paintings, sculpture, prints, drawings, photographs, decorative arts, and textiles.
  - The Institute believes it has one of the finest collections of French Impressionism outside of Paris, one of the best collections of 19th Century prints and drawings, and a leading collection of Chinese bronzes and jades.
  - The Museum is located at 111 S. Michigan Ave. in Chicago.
- Its academic programs ("School") offer comprehensive undergraduate and graduate curricula through the School of the Art Institute that prepare visual artists, teachers of art, designers, and others in areas that include written, spoken, and media formats.
  - The School is a degree-granting institution that is fully accredited with the North Central Association of Colleges and Schools, and with the National Association of Schools of Art and Design.
  - The Institute believes that the School is one of the most prestigious and comprehensive professional art schools in the world.
  - In the Fall Term of 2007, the School had approximately 2,739 degree-seeking students. The School also had approximately 34 non-degree students enrolled. The School also offers 715 permanent beds of student housing at several nearby locations.
  - In the Fall Term of 2007, the School and a faculty of 134 full time tenured members, 565 part-time faculty members, and 11 visiting guest faculty.
- Operation of the Ryerson and Burnham Libraries (the "Libraries"), which are located in the main building of the Institute at 111 South Michigan Avenue in Chicago. These Libraries provide an important reference resource to School students, Museum Members, staff, and art scholars internationally.

A five-year summary of Museum attendance and membership follows in the table below:

Table 1: Summary of Museum Attendance and Membership:

FYE June 30	Attendance	Membership
2003	1,339,162	108,059
2004	1,602,464	104,632
2005	1,388,207	92,711
2006	1,441,010	89,208
2007	1,330,611	86,671
2008 (estimate)	1,434,263	89,288

Significantly, both attendance and membership are significantly influenced by special exhibition activity. The Museum's special exhibitions are often separately ticketed shows that generate supplemental revenues for the Institute.

The Art Institute of Chicago currently has seven (7) IFA Bond issues outstanding comprised of three (3) Variable Rate Bond issues and four (4) Fixed Rate Bond issues. All payments relating to the seven prior IFA Bonds (the "Prior Bonds") were current as of 8/1/2008. Details regarding the Prior Bonds follow below:

- The Art Institute currently has three series of Variable Rate Bond issues outstanding totaling $68.0 million as of 6/30/2008. All three Variable Rate Bond issues are secured by Direct Pay Bank Letters of Credit. The final maturity dates of all three series are 3/1/2027 and were originally issued by the Illinois Educational Facilities Authority ("IEFA") in 1992 (Series 1992: $18.0 million); 1995 (Series 1995: $18.3 million); and, 1996 (Series 1996: $31.7 million).

- The Art Institute has four series of Intermediate Term and Long Term Bonds outstanding totaling approximately $127.8 million as of 6/30/2008. All four Intermediate/Fixed Rate series were sold without credit enhancement based on the direct, underlying investment ratings of The Art Institute of Chicago and were originally issued by IEFA in 1998, 2000, and 2003 (Series 1998A: $29.9 million maturing 3/1/2030; Series 1998B: $3.855 million, maturing 3/1/2034; Series 2000: $78.5 million, maturing 3/1/2034; and, Series 2003: $15.5 million, maturing 3/1/2023).

All bondholder payments relating to the seven Prior IFA (IEFA) Bond Issues were current as of 8/1/2008.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The Art Institute of Chicago, 111 S. Michigan Ave., Chicago, IL 60603-6488
Web site:	www.artic.edu/aic
Web cam on addition:	http://www.artic.edu/aic/aboutus/newbuilding/index.html
Contact:	Eric Anyah, Senior VP for Finance, (T): 312-499-4263; (F) 312-499-4267; E-mail: eanyah@artic.edu
Project name:	IFA Revenue Bonds, Series 2008 (The Art Institute of Chicago Project)
Location:	111 S. Michigan Ave., and SW Corner of Columbus Ave. and E. Monroe St., Chicago (Cook County), IL 60604
Organization:	Illinois 501(c)(3) Corporation
Board Membership:	*See attached list of Board of Trustees (see p. 7).*
Current Land Owner:	Legal title to the Institute's buildings in Grant Park and the land on which they are situated is vested in the Chicago Park District, but the Institute is vested with the sole and permanent right to the use and occupancy of the lands, buildings, and improvements at no cost to the Institute provided the facilities are used to support the Institute's mission.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Foley & Lardner LLP	Chicago, IL	Janet Zeigler, Mike Bailey
Borrower's Financial Advisor:	Robert W. Baird & Co.	Traverse City, MI	Wayne Workman
Auditor:	Deloitte & Touche LLP	Chicago, IL	
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP	New York, NY	Richard Chirls
LOC Bank:	Negotiating with Bank of America, Fifth Third Bank, Harris Bank, JPMorgan Chase Bank, The Northern Trust Company, Wells Fargo Bank, and US Bank.		
LOC Bank Counsel:	To be selected by the LOC Banks		
Underwriter/Senior Manager:	J. P. Morgan Securities, Inc.	Chicago, IL	Lorrie DuPont
Underwriter's Counsel:	Ungaretti & Harris LLP	Chicago, IL	Julie Seymour
Trustee:	To be determined		
Trustee's Counsel:	To be determined		
General Contractor:	Turner Construction Company	Chicago, IL	
Architects:	Interactive Design Eight Architects	Chicago, IL	
	Renzo Piano Building Workshop	Genoa, Italy	
Rating Agencies:	Moody's Investors Service	New York, NY	
	Standard & Poor's Ratings Services	New York, NY	
IFA Counsel:	Assignment Requested		
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

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

The Art Institute of Chicago: Board of Trustees as of 7/21/2008

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2008

Project: **Beverly Arts Center**

STATISTICS

Number:	N-NP-TE-CD-8118	Amount:	$7,400,000 (not to exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Locations:	Chicago (Cook County)	Region:	Northeast

BOARD ACTION

Final Bond Resolution
Conduit
No IFA funds at risk
Staff recommends approval
No material changes.

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

VOTING RECORD

Preliminary Bond Resolution, August 12, 2008:
Ayes: 9 (Valenti by phone) Nays: 0 Abstentions: 0
Absent: 3 (Brandt, O'Brien, Rivera) Vacancies: 3

PURPOSE

Proceeds will be used to (i) refinance the Applicant's outstanding Series 2003 Bonds, (ii) finance the construction of a new courtyard pavilion building, (iii) to expand the current Training Theater space to accommodate additional programming and multi-formatted film programming, (iv) capitalize interest, and (v) fund professional and bond issuance costs, including the costs, if any, of terminating an interest rate swap agreement with Fifth Third Bank.

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:	38	Projected new jobs:	2
Jobs retained:	N/A	Construction jobs:	100 (12 months)

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	$ 7,300,000	Project Costs	$ 2,050,000
		Refunding	4,900,000
		Capitalized interest	30,000
		Swap termination	1,000
		Bond issuance costs	319,000*
Total	$7,300,000	Total	$7,300,000

* Bond issuance costs are estimated to be $120,000. Additional costs include (a) Letter of Credit costs, and (b) expenses involved in refunding outstanding debt.

FINANCING SUMMARY

Security: Debt service payments are a general obligation of the Arts Center, and will paid from all available sources of revenue.

Structure: Fixed-rate bonds to be purchased by Amcore Bank N.A., Schaumburg, Illinois. The applicant is deciding between a three-year and a five-year adjustable rate. The three-year rate is estimated to be approximately 5.20%, and the five-year rate at 5.50%.

(a) Principal amortization beginning in March 2010.

(b) Capitalized interest for the first 18 months on the new money portion of the issue.

(c) Bonds to be purchased as a direct investment in accordance with IFA policies and procedures.

Underlying rating: Outstanding bonds are secured by a Direct Pay Letter of Credit from Fifth/Third Bank, Chicago, Illinois. The bonds themselves do not have an underlying rating.

Collateral: The bonds will be secured by a first mortgage on the Arts Center's building.

Maturity: 30 years

PROJECT SUMMARY

The Arts Center intends to use the net proceeds of the Authority loan to provide funds to (i) refund approximately $4.9 million outstanding Series 2003 Bonds issued through the Illinois Educational Facilities Authority, (ii) finance the construction of a new courtyard pavilion building and to expand the current Training Theater space to accommodate additional programming and multi-formatted film programming located at 2407 W. 111th St., Chicago, Cook County, Illinois, (iii) fund capitalize interest, and (iv) fund professional and bond issuance costs.

Project Costs:		
Refunding	$4,900,000	
New Construction and Renovation	2,050,000	
Total		$6,950,000

BUSINESS SUMMARY

Background: Beverly Arts Center (the "Arts Center", the "BAC") is a 41-year-old community arts organization located in the Beverly neighborhood in Chicago. The Arts Center is an Illinois 501(c)(3) corporation as designated by the Internal Revenue Code. From its modest beginnings in 1967 the Arts Center has grown to serve over 195,000 patrons annually and has become the only independent multi-disciplinary, cultural and educational institution serving the City's South Side.

In 1967, the Beverly Arts Center began as one part of a cooperative venture with Morgan Park Academy and the Vanderpoel Art Association. In the ensuing 40 years, the Beverly Arts Center leased space from the Morgan Park Academy. In that time, the Arts Center grew from a fledgling Arts organization to the only independent multi-disciplinary cultural and educational institution serving the City's South Side. While the Arts Center shared its facility, it was not a part of Morgan Park Academy nor formally affiliated with the Art Association.

The space constraints of the shared facility led the Arts Center Board to conduct a strategic planning process which recommended construction of a new building. In September of 2002, the Arts Center completed its new 40,000 square foot facility. As built, it is approximately 2 1/2 times the size of the old Arts Center building.

Currently, Beverly Arts Center services include the following general areas:

- **The School of Arts** provides over 125 non-credit instructional classes per semester in the visual arts, music, drama and dance. In 2007, over 1,200 students a semester enrolled in

School of the Arts classes. The School of Arts year is comprised of four semesters plus a four week "sneak peak" session between Thanksgiving and Christmas.

- **Performing Arts programming** brings diverse entertainment to the Center, ranging from the one man shows of Garrison Keillor to performances by Dicky Betts. The main stage has also hosted performances by Notre Dame, the University of Illinois, Urbana/Champaign, St. Xavier University and Chicago State University, as well as student performances throughout the year.

- **Film programming** at the Arts Center is comprised of the weekly BACinema Program, the quarterly Family Movie Day program and the Chicago Irish Film Festival. The Arts Center is also a venue for the International Polish Film Festival, the Chicago Documentary Film Festival, the First People's Film Festival along with special cinema events and private screenings.

- **Exhibitions** of visual art concentrating on the works of Illinois artists and including each year the Plaza Art Competition, one of Chicago's oldest juried competitions awarding significant prizes. Other recurring exhibits include Artists Who Teach, the Chicago Municipal Art League and the Chicago Artists Coalition as well as monthly exhibits by established Chicago artists and Arts Center students.

- **Educational Outreach**, through which BAC faculty offer arts education and training to students in public and private classrooms in over 32 schools.

In 2007-08, an estimated 195,000 people will attend performances, exhibits and events at the Arts Center and in its Outreach program.

Project Description: The Academy intends to use the net proceeds of the proposed financing to provide funds to refund $4.865 million remaining Series 2003 Bonds issued through the Illinois Educational Facilities Authority (a predecessor authority merged into the IFA) and to finance the construction of a new courtyard pavilion building and to expand the current Training Theater space to accommodate additional programming and multi-formatted film programming.

The new Pavilion will be located on a portion of the existing west courtyard and will be a contemporary, spacious and flexible space that will offer diverse possibilities for performances, lectures, meetings, social gatherings or special events. The Pavilion will allow the Arts Center to further broaden its multidisciplinary arts programs with other arts institutions and communities while offering state-of-the-art facilities to corporations, associations and other nonprofit arts organizations. Currently the proximity of the Atrium reception area to the Main Stage Theater and the East Gallery on the 2nd floor makes self contained programming difficult. The Pavilion would allow for separation of programming, allowing for increased programming over all.

The Training Theater, located on the first floor of the BAC, will become known as the Screening Room once the renovations are complete. The space will become an intimate space with 125 angled seats, state-of-the-art projection and audio (including all region and live feed satellite) equipment, portable masking system and a stage. The Screening Room will be used for lectures, presentations, music recitals, readings and small theatricals as well as an expansion of the current BACinema program. The Screening Room will be attached to the Pavilion with an enclosed walkway that will allow for seamless integration of the two spaces.

Memberships & Attendance: Arts Center membership has ranged from 1,200 to 1,300 members since 2004, with the membership budgeted at 1,264 for FY 2008. Membership fee rates are currently $50 for a family.

Attendance at the Arts Center's performances, educational outreach engagements and enrollment in the Arts Center School of the Arts has grown considerably. The table below charts its progress over the past 6 years.

	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08
School of Arts Enrollment	2,594	2,427	3,162	3,615	3,962	4,673
Performance Attendees	11,216	10,034	11,458	12,834	16,044	35,263
Outreach – People Served		48,843	39,816	113,040	154,181	155,640
TOTAL	13,810	61,304	54,436	129,489	174,187	195,576

Remarks: The refinancing will produce net present value savings of approximately $126,525 over the life of the bonds based upon an estimated interest rate of 4.50%. The restructuring of outstanding debt will reduce future annual debt service payments by extending maturities. Additionally, tax-exempt financing will allow the Arts Center to borrow at a lower cost and over a longer period of time than a taxable borrowing thereby decreasing debt service, and allowing these savings to be diverted to the provision of arts programming.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Beverly Arts Center
Project names: Construction and Renovation Project
Locations: 2407 W. 111th St., Chicago, Illinois 60655
Contact Person: Michael Nix, Executive Director, 773-445-3838
Website: http://www.beverlyartcenter.org
Organization: 501(c)(3) Corporation
State: Illinois

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Sugar, & Felsenthal LLP	Chicago, IL	Etahn M. Cohen
Accountant:	Mulcahy, Pauritsch, Salvador & Co. LTD	Orland Park, IL	
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke
Placement Agent and FA:	BMO Capital Markets GKST Inc.	Chicago, IL Ann Koch	Michael Boisvert
Purchasing Bank:	Amcore Bank N. A.	Schaumburg, IL	Robert King
Purchasing Bank Counsel:	Meltzer, Purtill & Stelle, LLC	Chicago, IL	Randall S. Kulat
Issuer's Counsel:	Requested		
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	3rd	Daniel William Lipinski
State Senate:	18th	Edward D. Maloney
State House:	35th	Kevin Joyce

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2008

Project: **Clearbrook**

STATISTICS

Number:	N-NP-TE-CD-8117	Amount:	$5,400,000
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Locations:	Arlington Heights (Cook County) Hoffman Estates Palatine Rolling Meadows	Region:	Northeast

BOARD ACTION

Final Bond Resolution	Extraordinary conditions
No IFA funds contributed	Staff recommends approval
No material changes	Pays Property Tax: No

VOTING RECORD

Preliminary Bond Resolution, August 12, 2008:
Ayes: 9 (Valenti by phone) Nays: 0 Abstentions: 0
Absent: 3 (Brandt, O'Brien, Rivera) Vacancies: 3

PURPOSE

The proceeds of the bond issue will be used to (i) refinance Clearbrook's outstanding Series 2003 Bonds issued through the Illinois Development Finance Authority, and various taxable mortgages on its resident group homes and a work center, at a tax-exempt rate; (ii) finance the purchase of equipment and fixtures, and (iii) pay for cost of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current faculty employment:	259	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	$5,400,000	Refinance outstanding tax-exempt debt	$3,700,000
		Refinance taxable mortgages	1,500,000
		Project Costs	100,000
		Legal and professional costs	100,000
Total	$5,400,000	Total	$5,400,000

FINANCING SUMMARY

Structure:	Multi-mode Variable Rate bonds secured by a Direct pay Letter of Credit from Harris Bank, NA Chicago, Illinois. The Bank's ratings are Moody's "Aa3", and Standard & Poors "A+". For discussion purposes, the 52-week running average of the 7-day SIFMA municipal swap (a proxy for the Weekly Rate Mode) averaged 2.68% for the 52-week period ending August 25, 2008. Ongoing Letter of Credit, Remarketing Agent, and trustee typically add 0.65% to 1.15% to the effective borrowing costs for most borrowers. Accordingly, the effective interest rate would have ranged from approximately 3.33% to 3.83% over the past year for most Borrowers, depending on pricing on the Direct Pay Letter of Credit.
Collateral:	The bonds will be secured by first mortgages on the financed properties.
Underlying rating:	Current outstanding debt does not have an underlying rating.
Maturity:	25 years

PROJECT SUMMARY

Clearbrook iintends to use the net proceeds of the Authority loan to (i) refinance $3,700,000 original principal amount of its Series 2003 Bonds issued through the Illinois Development Finance Authority, and refinance various existing taxable mortgages at the following properties listed below, (ii) purchase fixtures and equipment for use at said properties, and (iii) fund legal and professional costs associated with bond issuance.

Project Costs:	
Debt refinancing	$5,200,000
Renovation	100,000
	$5,300,000

1) 3201 Campbell, Rolling Meadows, IL 60008
2) 746 Vermont, Palatine, IL 60074
3) 3215 Brookmeade Dr., Rolling Meadows, IL
4) 220 S. Helena, Arlington.Hts., Il 60005
5) 2506 Freemont, Rolling Meadows, IL 60008
6) 214 N Dwyer, Arlington Hts., Il 60004
7) 1025 Hassell Rd, Hoffman Estates, IL 60194
8) 713 Whitcomb, Palatine, IL 60074
9) 2800 Owl Lane, Rolling Meadows, Il 60008
10) 4155 O'Hare Drive, Hoffman Estates, Il 60195
11) 235 S. Kennicott, Arlington Hts., IL 60004

BUSINESS SUMMARY

Background: Clearbrook (the "Applicant") provides a variety of functional skills, training, employment and clinical services, as well as an array of residential services to children and their families, and adults with developmental disabilities. Services to young children with developmental delays and their families include early intervention, clinical services, play therapy, technology assisted learning programs, and in-home respite. Clearbrook is an Illinois 501(c)(3) corporation. Clearbrook was formed in Rolling Meadows in 1956 as the Rolling Meadows Community School for Retarded Children. Clearbrook affiliates include two HUD projects titled: Augustana Group Homes for the Handicapped, Inc. ("Augustana"), and CRH, Inc. Both are Illinois 501(c)(3) corporations. The combined entities are related through common members of their boards of directors. A for profit entity titled Creating Opportunities, Inc. was created to manage the Applicant's low income housing for developmentally disabled residents in the community. The mortgages to be refinanced are an obligation of Augustana. The Applicant serves approximately 3,000 individuals and families. Clearbrook operates 23 group homes for independent adults, a 92-bed intermediate care facility. The Applicant is governed by a 20-member board of which a list is provided in this report for IFA Board review.

Description: Clearbrook developed programs to address the needs of this special cohort. Programs include:

ADULT DAY SERVICES: Developmental training provides adults with learning experiences designed to enhance their level of functioning with emphasis on independent living skills, social development, motor skills, and general well being. The Seniors Program offers aging adults the opportunity to maintain their general mental and physical well-being, and enhance their awareness of and interactions with others and the community. The Technology Assisted for a Lifetime Program utilizes computers and adaptive devices to facilitate the acquiring of various mental skills.

CHILD SERVICES: The program offers family-focused, small group learning experiences for families with children ages birth to three. Take a Break Respite pairs trained volunteers with families of very young children as they are first identified with special needs. The Child and Family Connections grant program provides a single point of intake and service coordination for families living in the North and Northwest Cook County communities.

CLINICAL SERVICES: These programs provide speech, physical and occupational therapies, social work, behavioral and nursing services to assist persons in achieving an optimal level of self-sufficiency.

RESIDENTIAL SERVICES: These programs provide intermediate care facilities for persons with developmental disabilities that require 24-hour supervision to persons able to live in Community Integrated Living Arrangements with the help of support staff. Supported Living Arrangements are provided to enable persons to live with a high degree of independence through support on a regular basis. In-Home Services are available to children and adults and their families in order to support the family home as the residence of choice.

Remarks: Tax-exempt financing will reduce the cost of capital for the Applicant so the Applicant can continue to pursue its mission to serve its client base.

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT

Applicant: Clearbrook
Project names: 2008 Mortgage Refinancing and Renovation Projects
Locations:

1) 3201 Campbell, Rolling Meadows, IL 60008
2) 746 Vermont, Palatine, IL 60074
3) 3215 Brookmeade Dr., Rolling Meadows, IL
4) 220 S. Helena, Arlington Hts., Il 60005
5) 2506 Freemont, Rolling Meadows, IL 60008
6) 214 N Dwyer, Arlington Hts., Il 60004
7) 1025 Hassell Rd, Hoffman Estates, IL 60194
8) 713 Whitcomb, Palatine, IL 60074
9) 2800 Owl Lane, Rolling Meadows, Il 60008
10) 4155 O'Hare Drive, Hoffman Estates, Il 60195
11) 235 S. Kennicott, Arlington Hts., IL 60004

Contact Person: Joan Kearney, VP Finance, 1835 West Central Road, Arlington, Heights, Cook County, Illinois (847) 385-5065
Organization: 501(c)(3) Corporation
State: Illinois
Board of Directors:

Name:	**Position**	**Occupation**
Michael P. Scholl	Chairman	Passionists
Frank J.M. ten Brink	Vice Chairman	Stericycle, Inc.
Mr. Barry M. Masek	Treasurer	Virchow, Krasue & Company, LLP
Michael J. Romano III	Secretary	
Gerry Fitzgerald		Cornerstone National Bank
Michael J. Graft, Jr.	Chair Facilities	Michael J. Graft Home Builder, Inc.
Gary N. Meyers, M.D.	Chair Medical Resource	Affinity Healthcare
Paul N. Nigro		Brookdale Senior Living, Inc
Joy O'Connell		
Tom Pirelli	Chair IT	Arial Foundation
David P. Riley		
Brian N. Rubin		Brian Rubin & Associates
Mr. Edwin F. Schmitt		
Directors (Term 2009)		
Carl M. La Mell	President	
Bernie Andersen	Assistant Secretary	
Joe ' O Brien		
Julie Stoltzner		
Jennifer Gott		
Elizabeth Racette		
Mark Weston		

PROFESSIONAL & FINANCIAL

Borrower Counsel:	McDermott, Will & Emery	Chicago, IL	Charles Levin
Accountant:	Blackman Kallick Bartelstein LLP	Chicago, IL	Clifford Shapiro
Bond Counsel:	Ice Miller	Chicago, IL	James Snyder
Underwriter:	BMO Capital markets GKST, Inc.	Chicago, IL	Nick Knorr
Underwriter's Counsel:	Chapman and Cutler LLP	Chicago, IL	William Hunter
LOC Bank:	Harris Bank NA	Chicago, IL	Stan Rosenthal
LOC Bank Counsel:	Chapman and Cutler LLP	Chicago, IL	Carol Thompson
Issuer's Counsel:	Requested		
Bond Trustee:	Bank of New York Mellon Trust Company, N.A.	Chicago, IL	Rodney Harrington
Trustee Counsel:	In house		John Prindeville
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

SERVICE AREA

The service area extends throughout the Northern section of Illinois. Clearbrook provides services to families and individuals in Cook, Will, Lake, DuPage, McHenry, and Grundy counties.

LEGISLATIVE DISTRICTS

Address	Congressional		State Senate		State House	
3201 Campbell, Rolling Meadows	8th	Melissa Bean	27th	Matt Murphy	54th	Suzanne "Suzie" Bassi
746 Vermont, Palatine	8th	Melissa Bean	27th	Matt Murphy	54th	Suzanne "Suzie" Bassi
3215 Brookmeade Dr., Rolling Meadows	6th	Peter J. Roskam	33rd	Dan Kotowski	66th	Carolyn H. Krause
220 S. Helena, Arlington Hts.	10th	Mark Steven Kirk	33rd	Dan Kotowski	66th	Carolyn H. Krause
2506 Freemont, Rolling Meadows	8th	Melissa Bean	27th	Matt Murphy	54th	Suzanne "Suzie" Bassi
214 N Dwyer, Arlington Hts.	10th	Mark Steven Kirk	33rd	Dan Kotowski	66th	Carolyn H. Krause
1025 Hassell Rd, Hoffman Estates	8th	Melissa Bean	22nd	Michael Noland	44th	Fred Crespo
713 Whitcomb, Palatine	8th	Melissa Bean	27th	Matt Murphy	54th	Suzanne "Suzie" Bassi
2800 Owl Lane, Rolling Meadows	8th	Melissa Bean	27th	Matt Murphy	54th	Suzanne "Suzie" Bassi
4155 O'Hare Drive, Hoffman	10th	Mark Steven Kirk	27th	Matt Murphy	54th	Suzanne "Suzie" Bassi
235 S. Kennicott, Arlington Hts.	10th	Mark Steven Kirk	33rd	Dan Kotowski	66th	Carolyn H. Krause

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2008

Project: **Prairie Crossing Charter School**

STATISTICS

Number:	N-PS-TE-CD-8067	Amount:	$10,500,000 (Not to exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Location:	Grayslake (Lake County)	Region:	Northeast

BOARD ACTION

Final Bond Resolution
No IFA funds contributed
Material changes: None

No Extraordinary conditions
Staff recommends approval

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 an outstanding construction loan, (ii) refinance an outstanding Foundation loan, finance infrastructure improvements, and (iii) fund professional issuance costs.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	63	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	20 (six months)

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	$10,500,000	Refinance construction loan	$ 9,225,800
		Refinance Foundation loan	200,000
		Infrastructure improvements	874,000
		Legal and professional costs	200,200
Total	$10,500,000	Total	$10,500,000

FINANCING SUMMARY

Security:	Direct Pay Letter of Credit from Marshall & Ilsley Bank, Milwaukee, Wisconsin (the credit facility). Marshall & Ilsley Bank is rated "AA-1" by Moody's, "A+" by Standard & Poor's and :A+" by Fitch. Short term ratings are "VMIG-1", A-! and "F-1", respectively. The M&I Letter of Credit is, in turn, supported by a 100% commitment from Lake Forest National Bank (the credit provider) under the Lake Forest Reimbursement Agreement.
Structure:	Weekly multi-mode floating rate bonds. For discussion purposes, the 52-week running average of the 7-day SIFMA municipal swap (a proxy for the Weekly Rate Mode) averaged 2.68% for the 52-week period ending August 25, 2008. Ongoing Letter of Credit, Remarketing Agent, and trustee typically add 0.65% to 1.15% to the effective borrowing costs for most borrowers. Accordingly, the effective interest rate would have ranged from approximately 3.33% to 3.83% over the past year for most borrowers, depending on pricing on the Direct Pay Letter of Credit.
Collateral:	The bonds will be secured by a first mortgage on the financed property. The property was gifted to the Applicant by the developer of the Prairie Crossing housing complex with the stipulation that the Applicant remains a charter school. The property currently carries no mortgage (other than to secure the Letter of Credit Banks supporting the Bonds), and has an approximate market value of $12-$15 million.
Maturity:	30 years

PROJECT SUMMARY

The School intends to use the net proceeds of the Authority loan to refinance outstanding taxable loans at a tax exempt rate, and fund capital improvements.

Refinancings	$ 9,425,800
Campus improvements	874,000
Total	$10,299,800

BUSINESS SUMMARY

Background: Prairie Crossing Charter School (the "School", the "Applicant"), is a not-for-profit Illinois Corporation. Founded in 1999 and chartered by the Illinois State Board of Education ("ISBE"), the School provides an academic curriculum centered on the environment, teaching students in grades K through 8 through daily experiences in the Grayslake community's environment of prairies, wetlands, lakes, and woodlands, or at the School's organic farm. The initial charter was renewed in 2004 for a second term lasting until 2009. PCCS Holdings LLC (the "LLC") is an Illinois limited liability company, with the School as a single member. The LLC was formed in June, 2004 to own and develop the School's property and lease it to the School. The School is governed by a nine-member Board whose names are provided in this report.

Description: The School has grown from an initial size of 60 students to a current enrollment of 358 students. Starting with two kindergartens and one multi-age 1st/2nd grade, the School has added two additional kindergarten classes each year to reach K through 8. The School draws its students from two Lake County school districts, Woodland District #50 and Fremont District #79, that have a combined population of over 10,000 students. In addition to the Woodland and Fremont communities, the School serves a number of other neighboring areas including, Wauconda, Gurnee, Grayslake, Mundelein, Libertyville, Wildwood, Third Lake, Waukegan and Park City. Student admission is determined by a public, non-discriminatory lottery process. In an effort to keep class sizes small, the School's capacity is 360 students, of which there are 358 students for the 2007-2008 academic year. The School expects to fully enrolled for the 2008-2009 academic year.

George Ranney, the developer of the Prairie Crossing housing development, and his family donated the land on which the School is located. The stipulation is that the School remains a viable charter school. The land has an approximate market value of $12-$15 million.

The School's charter is scheduled for renewal in 2009. The School currently rates in the 97.0 percentile of all schools tested in the State for academic standards. The schools tested include public, charter, and private schools. Additionally, the school is operating at capacity. There is an approximately 100-student waiting list. The School has a solid financial position. The School will need to submit a charter renewal application to IBSE, which IBSE staff will review at that time in accordance with statutory requirements (e.g. the charter school must have met generally accepted standards of fiscal management); however, ISBE staff has indicated that despite certain programmatic concerns related to, among other things, special education, they currently see insurmountable obstacles to the charter being renewed. Prairie Crossing Charter School is the only charter school in the State of Illinois chartered directly by the State Board of Education ("ISBE") rather than through the local school district. It is anticipated that an ISBE representative will attend either or both of the Committee of the Whole or the Regular Board meeting on September 9, 2008.

A five-year history of the School's enrollment is provided in the chart below. The increase from 2004-05 to 2005-06 resulted from the addition of Grade 8.

	Total Enrollment
2004-05	301
2005-06	342
2006-07	343
2007-08	358
2008-09	360

The School prides itself on its curriculum, one that has a unique focus on environmental topics. Following a constructivist approach to teaching, the staff works to integrate science and social science to teach skills through concept development. Much of this is done through hands-on learning which provides authentic knowledge and understanding.

The School's campus currently includes five buildings. The historic Wright Schoolhouse was moved to the site in 1996 and renovated to serve as the original classroom space. As the School needed additional space, classroom trailers were utilized from 2002 to 2004._The Kenicott Building, built in 2000-01 for a cost of $2.5 million, houses several classrooms and the School's administrative offices. The Comstock Building was constructed in 2005 to address the need for additional classroom space. In 2006, the School constructed another new classroom building and a gymnasium. Expansion of the School's facilities has followed the growth of the student body.

The Project: Proceeds of the proposed financing will refund an approximate $9.3 million construction loan , which proceeds were used to construct several school facilities on the School's campus, and pay off a $200 thousand loan from a family foundation. The project goals are:

- Lowering the rate on its debt.
- Lowering annual payments on existing debt, both through a reduction in rate and through use of a 30-year amortization structure.
- Providing $874,000 of new money for a variety of capital improvement projects.
- Obtaining satisfactory financial covenants and prepayment options.

The financing is expected to save over $151,000 in annual debt service relative to its current debt service payments on the taxable loan. These savings will provide greater cash flow flexibility for the School's operations.

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT

Applicant:	Prairie Crossing Charter School
Project names:	Refinancing and Capital Improvement Project
Location:	1531 Jones Point Road, Grayslake, Lake County, IL 60030
Contact Person:	Elizabeth Jung, Business Manager, (847)543-0752
Organization:	501(c)(3) Corporation
State:	Illinois

Board of Directors:

Name	Role	Occupation	Term
Dennis Munk	President	College Professor / Parent	2007-2008
Steve Barg	Vice President	Professional Consultant; Environmental Expert / Parent	2007-2010
Wendy Richter	Secretary	IT Systems Manager / Parent	2007-2010
Geoffrey Deigan	Treasurer	Ecological Consulting Business Owner / Parent	2007-2010
Bob Bentz	Member	Paramedic / Parent	2006-2009
Robert Creviston	Member	Human Resource Professional	2006-2009
Cheryl Pytlarz	Member	Agricultural Specialist & Educator / Parent	2006-2009
Kim VanderYacht	Member	Retail Sales Manager / Parent	2005-2008
Linda Wiens	Member	Administrator / Consultant	2005-2008

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Kevin Cahill, LLP	Chicago, IL	Kevin Cahill
Accountant:	Wolf & Company LLP	Oak Brook, IL	David Seihoff
Bond/Disclosure Counsel:	Ice Miller LLP	Chicago, IL	James Snyder
Underwriter:	Grifin, Kubik, Stephens & Thompson, Inc.	Chicago, IL	Helena Burke-Bevin
LOC Banks:	Lake Forest Bank & Trust Co.	Lake Forest, IL	Stephen L. Madden
	Marshall & Illsley Bank	Milwaukee, WI	Mark E. Selsar
LOC Bank Counsels:			
Lake Forest Bank & Trust Co.	Dykema Gossett	Chicago, IL	Michael D. Rothstein
Marshall & Illsley Bank	Reinhardt, Boerner	Milwaukee, WI	Bill Flynn
Issuer's Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke
Bond Trustee:	Deutsche Bank National Trust Co.	Chicago, IL	Kathy Cokic
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

SERVICE AREA

The School draws students from local and adjacent school districts.

LEGISLATIVE DISTRICTS

Congressional:	08, Melissa Bean
State Senate:	31, Michael Bond
State House:	62, Sandy Cole

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2008

Project: East Richland Community Unit School District No. 1

STATISTICS

Project Number:	L-SD-TE-CD-8129	Amount: $20,000,000 (Not to exceed)
Type:	School District	IFA Staff: Nona Myers & Kristi Conrad
County/Region:	Richland/Southeast	Location: Olney

BOARD ACTION

Final Bond Resolution
Staff recommends approval
Conduit: Double Tax-Exemption

No IFA funds at risk
No extraordinary conditions

VOTING RECORD

No prior board action.

PURPOSE

Bond proceeds will be used to renovate East Richland Middle School in accordance with health/life safety requirements and to refinance existing debt.

IFA PROGRAM AND CONTRIBUTION

IFA's Local Government Bond Program assists units of local government and school districts in financing capital improvement projects. The IFA issues tax-exempt securities in the municipal market and uses the proceeds of this sale to purchase securities issued by a local government or school district. The program provides local governments and school districts with the opportunity to achieve interest cost savings via double tax exempt securities and to structure flexible loan repayment terms.

VOLUME CAP

No Volume Cap is required for local government financings.

JOBS

Current employment:	297	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs:	25-30 (5 -10 months)

PRELIMINARY SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$ 20,000,000	Uses:	Refunding Bonds	$ 10,540,000
				New Health Life Safety Bonds	8,950,000
				Underwriter	370,000
				Professional & Legal Fees	140,000
Total		$ 20,000,000		Total	$ 20,000,000

FINANCING SUMMARY

Bonds:	The bonds will be G. O. Bonds
Structure:	Fixed interest rate bonds at a rate to be determined.
Insurance:	The bonds will be uninsured.
Maturity:	20 years
Bond Rating:	It is anticipated that the S&P will assign the rating of "A" to the Bonds

PROJECT SUMMARY

Bond proceeds will be used by East Richland Community Unit School District No. 1 to (i) renovate the existing middle school and other project-related costs, (ii) to refinance outstanding debt, and (iii) to pay costs of issuance on the Bonds, including the cost of credit or liquidity enhancement (and collectively, the "Project").

BUSINESS SUMMARY

Background:

East Richland School District is located in Olney, Illinois, an incorporated town located in Richland County. Olney has a population of 8,631 with 4,283 housing units and a land area land area of 5.76 sq. miles.

The East Richland School District provides an educational program for grades Pre-K through 12. Current enrollment is 2,105 students with housing in three separate facilities:

East Richland Elementary School: Grades Pre-K to 5
1001 North Holly Road, Olney
(Enrollment: 997)

East Richland Middle School: Grades 6 to 8
1099 N. Van Street, Olney
(Enrollment: 438)

East Richland High School: Grades 9 to 12
1200 East Laurel, Olney
(Enrollment: 670)

Description:

East Richland Middle School was built in 1975 as an open learning/open concept building. Since that time, there have been numerous alterations to the building to create a more traditional learning environment which included temporary walls that would provide individual areas for classrooms and multipurpose activities. The purpose of this project is to retrofit the building with permanent classroom walls, efficient heating and cooling and updated fire exit/sprinkler units to meet existing code requirements. The middle school currently houses 438 students. Renovations to the building will make the building much more conducive to learning, improve the air quality for students and teachers, and expand the life of the building for several years.

The District is located in southeastern Illinois and provides Pre-K through 12th grade educational programs to students living within a 5.76 square mile area in Richland County. The students are educated in three centrally located attendance centers in the town of Olney. The students are assigned to attendance centers according to grade placement. Grades Pre-K-5 are self-contained; grades 6-12 are departmentalized. The curriculum in grades Pre-K-8 is traditional with an emphasis on the basics. The curriculum in grades 9-12 is strong academically and vocationally. The instructional techniques are traditional. There is a growing use of technology by teachers and students. The District has a reputation for providing outstanding academic programs and strong co-curricular and extra-curricular activities for students.

East Richland Community Unit School District No. 1 has met all local, regional and state requirements for approval of this financing. This includes receipt of approval under the Health/Life Safety Code for Public Schools (23 Illinois Administrative Code 180) from the local school board, from the Regional Office of Education and from the Illinois State Board of Education.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	East Richland Community Unit School District No. 1 (Richland County)
Contact:	Ms. Marilyn Holt, Superintendent
School Board Membership:	See attached list of Board Members
Project name:	East Richland CUSD No. 1 project
Location:	East Richland Middle School, 1099 N. Van Street, Olney, IL
Organization:	School District
Current Land Owner:	East Richland CUSD No. 1

PROFESSIONAL & FINANCIAL

Issuer's Counsel: Kevin Cahill, Chicago, IL
Underwriter: Edward D. Jones & Co., LP, St. Louis, MO--Mr. Chris Collier
Underwriter's Counsel: Chapman & Cutler, LLP, Chicago, IL – Mr. Kelly Kost
Borrower's Bond Counsel: Chapman & Cutler, LLP, Chicago, IL
Paying Agent/Escrow Agent: TBD
Rating Agency: S & P

LEGISLATIVE DISTRICTS

Congressional:	John M. Shimkus, 19th District
State Senate:	John O. Jones, 54th District
State House:	David B. Reis, 108th District

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2008

Project: Rush University Medical Center Obligated Group

STATISTICS

Project Number: H-HO-TE-CD-8143
Type: 501(c)(3) Bonds
County/Region: Cook County and Kane County/Northeast

Amount:$375,000,000(Not-to-Exceed)
IFA Staff: Pam Lenane and Dana Sodikoff
City: Chicago (Rush University Medical Center), Skokie (Rush North Shore Medical Center) and Aurora (Copley Memorial Hospital, Inc. and affiliates)

BOARD ACTION

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

Staff recommends approval
No extraordinary conditions

VOTING RECORD

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

PURPOSE

Proceeds will be used for some or all of the following purposes: 1) provide financing to pay costs of capital expenditures for the acquisition, construction, and equipping of various health facilities for Rush University Medical Center and Copley Memorial Hospital; 2) finance or refinance the cost of terminating certain interest rate hedge agreements entered into in connection with the Series 2006B bonds, and the cost of terminating a portion of certain interest rate hedge agreements entered into in connection with the Series 2006A bonds, including repayment of related amounts under a line of credit with Harris Bank; 3) to refinance all amounts currently outstanding, including accrued interest, under a line of credit with JP Morgan Chase Bank, related to the redemption of the Series 2006A bonds; 4) to provide for the funding of one or more debt service reserve funds; 5) to pay certain expenses incurred in connection with the issuance of the bonds, including credit and liquidity enhancement fees; and 6) for other such purposes including working capital and capitalized interest.

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 (FTEs):

RUMC	7,727 FTEs
Copley	1,200 FTEs
RNS	1,209 FTEs
Total OG	10,136 FTEs

Projected new jobs: 300
Construction jobs: 300

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$375,000,000	Uses:	Project Fund/Cap I Fund	$241,776,335
				Debt Service Reserve Fund	27,886,165
				Refinancing of Line Credit/ (used to refinance Ser.2006A)	96,750,000

		Cost of Issuance	4,687,500
		Swap termination	3,900,000
Total	$375,000,000	Total	$375,000,000

FINANCING SUMMARY/STRUCTURE

Security: Gross revenue pledge; mortgage on primary health facilities at Rush University Medical Center Rush North Shore Medical Center and Copley Memorial Hospital; and debt service reserve fund(s)

Structure: Debt structure to be determined prior to final IFA resolution

Interest Rate: The current plan of finance contemplates the issuance of fixed rate, uninsured long-term bonds, with a maximum of $50 million to be possibly issued as variable rate bonds with a letter of credit.

Interest Mode: Fixed Bonds and Variable Rate Bonds

Credit Enhancement: The fixed rate bonds will carry the rating of Rush University Medical Center Obligated Group (see below). The Variable Rate Demand Bonds (approximately $50,000,000) will be backed by a Letter of Credit (bank to be determined), but will carry a long-term rating of A- or better.

Maturity: No later than 40 years from their dated date

Rating: A-/A-/A3 (S&P/Fitch/Moody's)

Estimated Closing Date: November, 2008

PROJECT SUMMARY

RUMC has a significant Capital Transformation Project from FY2007-FY2015. This project will optimize the patient and family experience and allow RUMC to move patients out of 100+ year buildings. There are four phases of the Project totaling $944 million, and include 1) Phase I (2009 completion) for a parking structure, power plant, orthopedics ambulatory building and supply chain/loading dock 2) Phase II (2012 completion) for the new East Tower to include a new Emergency Room and interventional platform. These two phases have received CON approval. Phases III and IV include renovation and demolition. RUMC expects to finance a portion of Phase I and Phase II.

Rush-Copley also has a significant Campus Project totaling $200M from FY08-FY14. These projects include a new atrium, expansion of med/surgical capacity, parking, and an ICU addition.

The Obligated Group's long term financial plan envisions an issuance of approximately $360M debt to partially fund these projects, exclusive of debt being incurred to refinance outstanding debt. The primary source of funds is cash flow from operations. Other sources of funding include philanthropy, private funding, and government funding.

BUSINESS SUMMARY

Description of Business: The Members of the Obligated Group include:

- Rush University Medical Center ("RUMC");
- Rush North Shore Medical Center ("RNS");
- Rush-Copley Medical Center, Inc. ("Rush-Copley");
- Copley Memorial Hospital, Inc. ("Copley")
- Rush-Copley Foundation ("Copley Foundation");
- Copley Ventures, Inc. ("Copley Ventures"); and
- Rush-Copley Medical Group, NFP ("Medical Group")

Rush University Medical Center ("RUMC")

Rush University Medical Center is an academic medical center in Chicago, Illinois. The mission of Rush University Medical Center is to provide the very best care for its patients. Its education and research programs, community programs, and relationships with other hospitals are dedicated to enhancing excellence in patient care for the diverse communities of the Chicago area now and in the future.

The clinical and academic facilities are primarily located in the northeast portion of the Illinois Medical Center District. RUMC's clinical operations include 825-licensed bed Rush University Hospital, 296-licensed bed Rush Oak Park Hospital, Rush University, a health sciences university that educates students in health related fields and Rush University Medical Group, a faculty practice plan that currently employs 359 physicians.

RUMC provides care through a multidisciplinary approach that brings together a combination of teaching, research, and patient care. In 2007, RUMC was named a "top performing hospital" by University Health Systems Consortium, an alliance of 83 academic medical centers. It was the third consecutive year RUMC was ranked among the best in the study, and RUMC received a perfect score in the category "equity of care", indicating Rush's safety and quality of care does not vary regardless of the patient's gender, race or socioeconomic status.

In addition, the nursing program was awarded Magnet Designation in 2002, the highest honor a hospital can receive for outstanding achievement in nursing services. In *U.S. News & World Report's* July 2007 issue, RUMC ranked in seven of sixteen categories, and ranked higher than any other Illinois hospital in orthopedics (#10 in the country). The rankings of other RUMC programs are neurology and neurosurgery, geriatrics, kidney disease, urology, gastroenterology, and heart and heart surgery.

Finally, the U.S. Department of Labor has presented RUMC with its prestigious 2007 Exemplary Voluntary Efforts (EVE) award. The award recognizes federal contractors for exceptional efforts to increase employment opportunities for minorities, women, individuals with disabilities, and veterans. RUMC was one of only three organizations to receive this year's EVE award.

Service area: Rush University Medical Center is located in the City of Chicago. Due to its specialty and subspecialty programs, its patients are primarily from the contiguous 8-county service area, and other areas of Illinois and the Midwest.

Rush North Shore Medical Center ("RNS")

Rush North Medical Center is a 226-staffed bed hospital in Skokie, Illinois. The hospital was founded in 1955 and commenced operations under the name Skokie Valley Community Hospital. Rush North Shore Medical Center became affiliated with RUMC in 1987 and joined the Obligated Group in 1989. RNS provides comprehensive primary and secondary health care services to its community. RNS also provides select tertiary subspecialty services and provides a link to the complete range of tertiary services through its affiliation with RUMC. RNS's programs in digestive disorders and cardiac care have received national recognition by *U.S. News & World Report.*

RNS has signed a Definitive Merger Agreement with Evanston Northwestern Healthcare Corporation, to further its strategic plans. These plans would include the withdrawal of RNS from the Obligated Group and the repayment of all Rush North Shore debt secured under the RUMC Obligated Group Master Indenture. RNS is awaiting certain regulatory approvals and expects a closing in late CY2008/early CY2009. The withdrawal of RNS from the Obligated Group is not expected to materially adversely affect the financial condition of the Obligated Group. No proceeds of this bond issue will be loaned to RNS.

Service area: RNS defines its primary service area (PSA) to include Skokie, Glenview, Morton Grove, Wilmette, Lincolnwood, Niles, Evanston and the northern parts of Chicago. During FY2007, 62.4% of inpatient discharges originated from the PSA.

Rush-Copley, Copley, Copley Foundation, Copley Ventures, and Medical Group (collectively referred to as the Copley Members")

The Copley Members include:

- Rush-Copley, the parent holding corporation;
- Copley, a 179-staffed bed hospital in Aurora, Illinois;
- Copley Foundation, organized exclusively to engage in charitable fundraising activities which promote the interest of Copley;
- Copley Ventures, organized to establish and operate real estate properties for rental purposes; and
- Medical Group, organized to operate and manage the activities of physician practice health and medical services.

Copley has served the community health needs of the greater Aurora community since 1886, when it began operations as the Aurora City Hospital. Copley provides a range of inpatient and outpatient health care programs and services, with particular strengths in cardiac, obstetrical, and cancer care. Copley has been recognized as one of the *100 Top Hospitals* by Thomson Healthcare (2007). It has also been named a *Distinguished Hospital* by J.D. Power and Associates for three consecutive years (2005-2007).

Service area: Copley defines its Primary Service Area (PSA) to include the cities of Aurora, Yorkville, Oswego, Montgomery, Bristol, Plan, Newark, Sandwich, Eola, Somonauk, and North Plainfield, Illinois. During FY2007, 79.1% of Rush-Copley Medical Center's total inpatient discharges originated from the PSA.

Project Rationale: Financing of capital expenditures for both RUMC and Copley. Both institutions have embarked on Campus Transformation Projects to provide the best patient care experience.
Timing: Both RUMC and Copley projects are underway.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Rush University Medical Center Obligated Group
1653 West Congress Parkway
Chicago, IL 60612

Project Location: Rush University Medical Center campus, Chicago, IL, and Copley Memorial Hospital campus, Aurora, IL

Borrower: Rush University Medical Center and Copley Memorial Hospital

Ownership/Board Members (501c3): See attached attachment A.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Sonnenschein Nath & Rosenthal	Chicago	Steve Kite/Mary Wilson
Accountant:	Deloitte	Chicago	Don O'Callaghan
Bond Counsel:	Chapman and Cutler	Chicago	James Luebchow/Chris Walrath
Credit Enhancer/Purchasing Bank:	TBD		
Bank Counsel:	TBD		
Senior Underwriter:	Morgan Stanley	Chicago	Bruce Gurley
Co-Manager:	MBE to come	Chicago	
Underwriter's Counsel:	Jones Day	Chicago	John Bibby/David Kates
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott
Issuer's Counsel:	TBD		

LEGISLATIVE DISTRICTS

RUMC:
Congressional: 7 – Danny K. Davis
State Senate: 5 - Rickey R. Hendon
State House: 9- Arthur L. Turner

Rush North Shore:
Congressional: 9 - Jan Schakowsky
State Senate: 9 - Jeff Schoenberg
State House: 17 – Beth Coulson

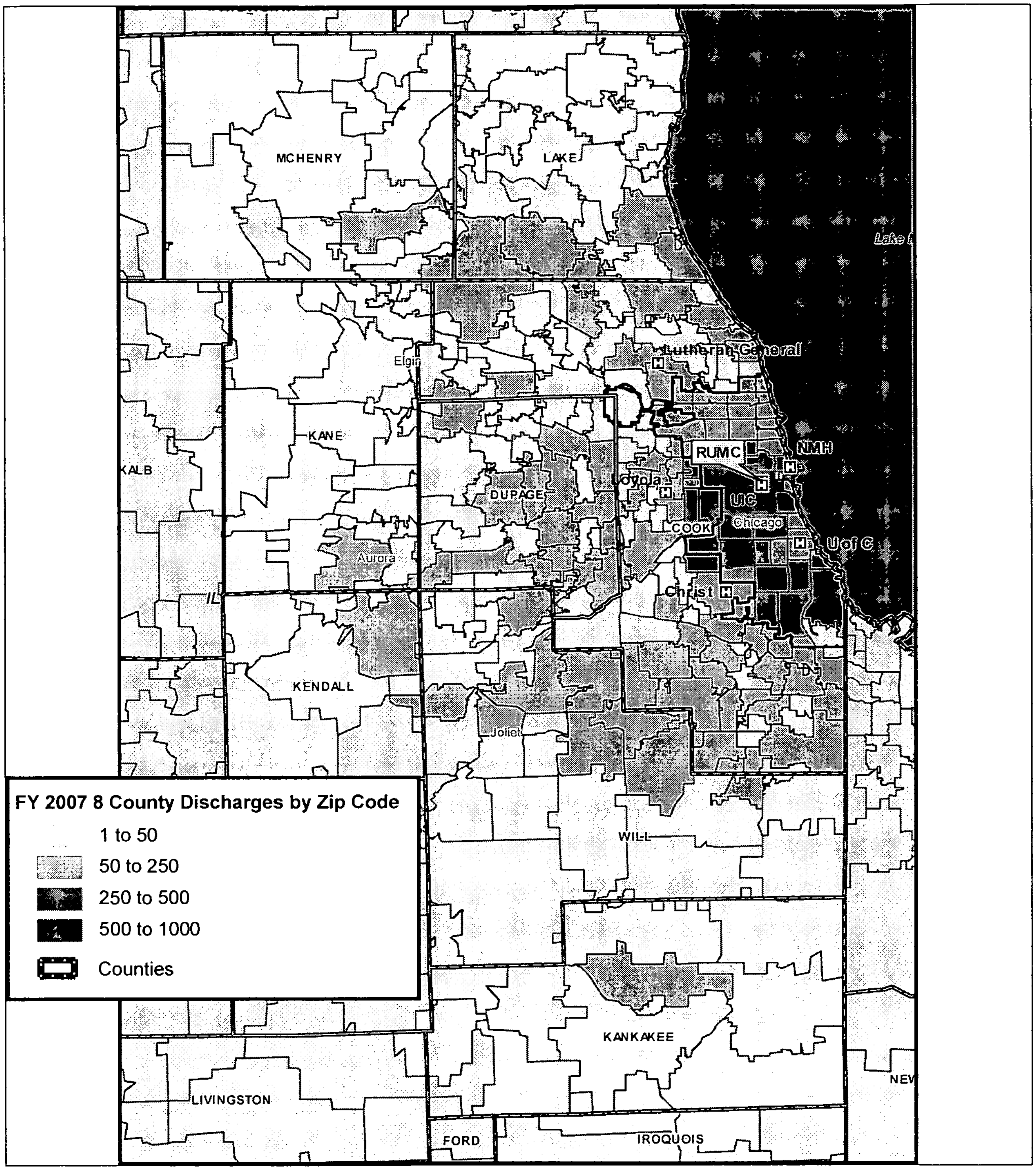
Copley Memorial Hospital, Inc.
Congressional: 14 - Bill Foster

State Senate: 42- Linda Holmes
State House: 83 – Linda Chapa LaVia

SERVICE AREA

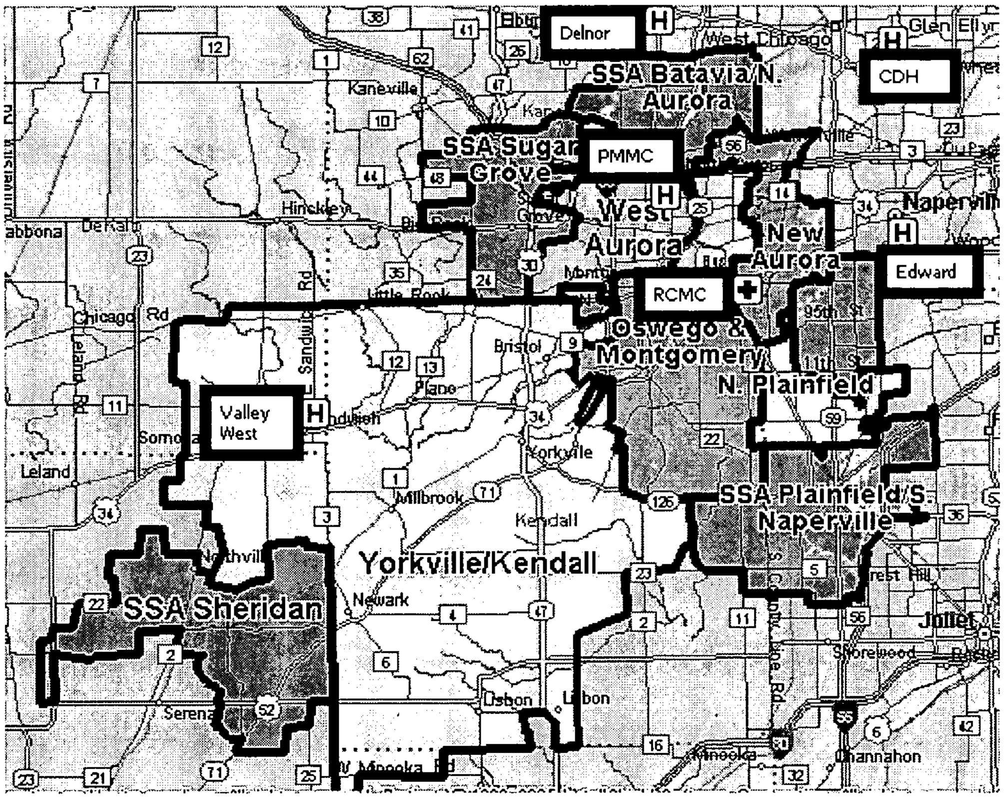
The following map shows the surrounding eight county metropolitan area and RUMC's inpatient discharges in fiscal year 2007 for that area:

Rush University Medical Center
8-County Market with Primary Service Area


MCHENRY
LAKE
Lutheran General
Elgin
KANE
RUMC
NMH
KALB
Loyola
DUPAGE
UIC
Chicago
COOK
U of C
Aurora
Christ
KENDALL
Joliet
WILL
KANKAKEE
LIVINGSTON
FORD
IROQUOIS
FY 2007 8 County Discharges by Zip Code
1 to 50
50 to 250
250 to 500
500 to 1000
Counties

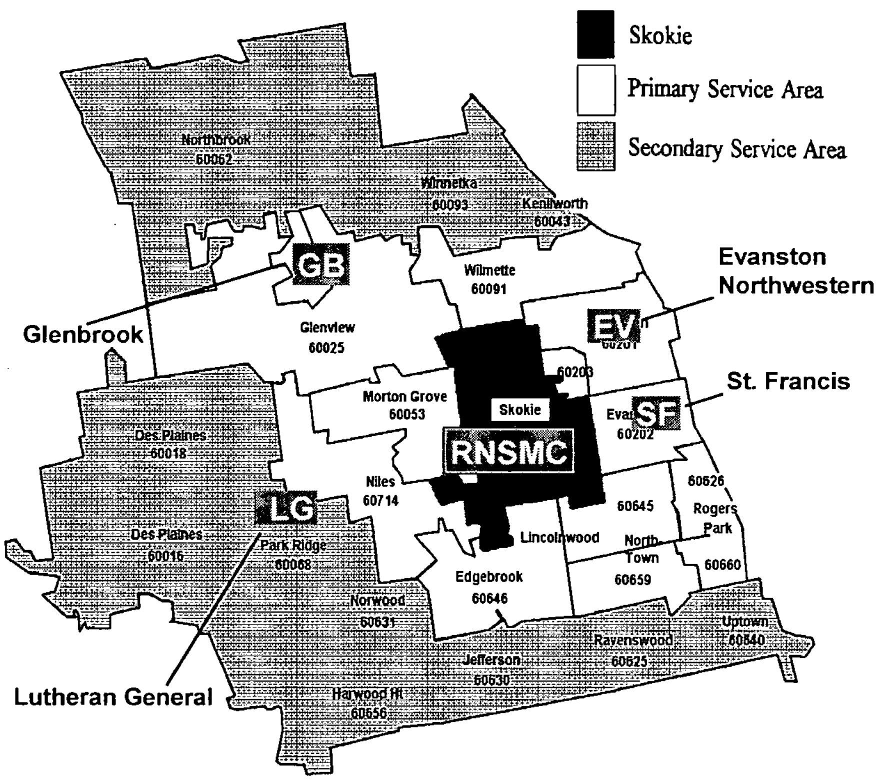
The following map shows Rush-Copley Medical Center's primary and secondary service areas:

Rush-Copley Medical Center
Primary and Secondary Service Areas



The following map shows Rush North Shore Medical Center's primary and secondary service areas:

Rush North Shore Medical Center
Primary and Secondary Service Areas



ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2008

Project: Silver Cross Hospital

STATISTICS

Project Number:H-HO-TE-CD-8051
Type: 501(c)(3) Bonds
County/Region: Will/Northeast

Amount: $275,000,000 (Not-to-Exceed)
IFA Staff: Pam Lenane and Dana Sodikoff
City: New Lenox

BOARD ACTION

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

Staff recommends approval
No extraordinary conditions

VOTING RECORD

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

PURPOSE

Proceeds will be used to 1) finance the construction of a replacement hospital in New Lenox; 2) pay for capitalized interest; 3) fund a debt service reserve fund; 4) 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: 1,374 FTE's
Jobs retained: 1,374 FTE's

Projected new jobs: 0
Construction jobs: 637

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$268,600,000	Uses:	Project Fund/CAPI	$239,000,000
				Debt Service Reserve Fund	26,850,000
				Est. Costs of Issuance	1,100,000
				Est. Underwriter's Discount	1,650,000
	Total	$268,600,000		Total	$268,600,000

FINANCING SUMMARY/STRUCTURE

Security: The bonds are expected to be secured by an Obligation of Silver Cross Hospital under a Master Trust Indenture. Collateral is expected to include a pledge of unrestricted receivables, a mortgage, and a debt service reserve fund

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

Interest Rate: To be determined the day of pricing depending on market conditions. The all-in cost is estimated to be in the 6% to 7% range

Interest Mode:	Fixed rate bonds
Credit Enhancement:	These bonds will carry the rating of Silver Cross Hospital, which is currently A/A (S&P/Fitch), and is expected to be in the 'BBB' category when the additional debt is taken into account
Maturity:	Up to 40 years
Ratings:	Silver Cross Hospital currently maintains ratings with S&P and Fitch. Current ratings are as follows: A/A (S&P/Fitch). It is anticipated the existing ratings will be downgraded as a result of the additional debt.
Estimated Closing Date:	November 2008

PROJECT SUMMARY

Project Rationale:

Silver Cross Health System undertook a facility study beginning in early 2007 as part of their continuing strategic evaluation. Many portions of the existing facility are in need of renovation in terms of proper sizing and enhancement of modern delivery of care, with certain portions of the hospital built as long as 89 years ago. Leadership engaged a consultant and looked at four options:

- Replacement facility at current location
- Major renovations to existing hospital at current campus
- Minor renovations of existing hospital at current campus and construction of satellite facility at a more desirable location 3.5 miles away
- Replacement facility at the new site 3.5 miles away

After a rigorous review, leadership chose to construct a replacement facility at a new greenfield site 3.5 miles away from the existing campus. The new site is located on a parcel of land owned by Silver Cross adjacent to a ramp off of a newly constructed 18-mile extension of I-355 that shortens the trip to Chicago from Will County by about 20 minutes. The new location repositions Silver Cross more central in its existing primary service area, and closer to the fast-growing communities of Will County. Applications to build new hospitals further east in Silver Cross' service area by large health care systems have been turned down in recent years, and by building its replacement facility in this location, Silver Cross would be protecting its market position against new entrants.

Silver Cross chose not to pursue the other options because:

- The existing campus is not well-positioned to capture the benefits of the growing communities in the eastern portion of Will County. In additional, a replacement facility on the existing campus would be costly and very disruptive to patients and the delivery of care
- Major renovations to the existing facility would be disruptive to patient flow but would not produce an optimal physical plant for today's delivery of care and would be inferior to a major competitor's new 7-story patient tower that is expected to open in 2009
- Renovating the existing facility and building a smaller satellite facility would produce duplication of services, which would be less economically efficient

The Replacement Hospital:

The Hospital submitted a certificate of need ("CON") application to the Illinois Health Facilities Planning Board (the "Planning Board") to establish a replacement hospital (the "Replacement Hospital Facility"). On July 1, 2008, the Planning Board approved the CON. The Replacement Hospital Facility will be constructed on a parcel of land owned by the Hospital located approximately 3.5 miles from the existing Hospital Facility on Route 6 in New Lenox, IL, adjacent to an interchange of the recently completed I-355 expansion. The Replacement Hospital Facility will be located in the center of the Hospital's existing primary service area, and falls outside the primary service area of nearby competing hospitals.

The Replacement Hospital Facility will occupy approximately 553,867 square feet and will have 289 licensed and staffed beds, which is a reduction of 15 licensed beds compared to the existing Hospital Facility, but an increase of 44 staffed beds. The following chart compares licensed beds at the existing Hospital Facility with the proposed licensed bed complement at the Replacement Hospital Facility:

	Existing Hospital Facility	Replacement Hospital Facility
Medical/Surgical	184	194
Pediatric	39	8
Obstetric	26	30
Behavioral	20	20
Inpatient Rehab	17	15
ICU	18	22
TOTAL	304	289

Upon completion of construction of the Replacement Hospital Facility and the commencement of operations, it is currently anticipated that the existing Hospital campus will house a health center with primary and urgent care services. Management has hired a real estate consultant to assist in determining the best use of the existing Hospital campus, and has also sought input from the community.

Timing: November 2008

BUSINESS SUMMARY

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

Description: Silver Cross is a 304-bed hospital located in Joliet, Illinois, approximately 35 miles southwest of Chicago. SCH was recently recognized by Solucient as one of the 100 Top Hospitals in the United States and has a good reputation of providing a broad range of healthcare services, with substantial resources. Silver Cross has consistently gained market share and is the market share leader in its primary service area. Silver Cross is located in Will County, one of the most rapidly growing counties in the country. The county has experienced explosive growth over the past 15 years and projections suggest that strong growth will continue for the next 25 years.

Silver Cross's market share has increased from 29.2% to 31.6% (2003-2007) in its Primary Service Area ("PSA")and is now the leading market share in its PSA. Inpatient admissions have increased 13% since 2004 and 46% since 2001, including an increase in ER visits of 25% since 2004 and 40% since 2001. Also, Surgeries have increased 19% since 2004 and 32% since 2001, and Cardiology procedures have increased 67% since 2004 and over 300% since 2001.

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT

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

Applicant: Silver Cross Hospital

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

State: Illinois

Board Members (501c3):

Carlstrom, Jack M.	Retired Businessman
Curran, Connie	C-Change, Executive Director
Gutierrez, Daniel, M.D.	Retired Physician
Hutchison, Douglas, Jr.	Inspire Staffing Group
Mahoney, George F., III	Mahoney, Silverman & Cross, LTD
McCowan, Al	Senior Vice President, Habitat Co.
Morrissette, Steve	First Community Bank of Joliet
Pawlak, Paul	Silver Cross Hospital, President/CEO
Rinella, Salvador M.D.	Silver Cross Hospital
Roolf, James	President, First Midwest Bank
Sehring, Louis	Retired Bank President
Sharma, Umesh, M.D.	Chief of Medical Staff, Physician/Surgeon
Slinkard, Russ	Joliet Region Chamber of Commerce & Ind.,
Stofan, Mark	Stofan Agazzi & Company, Inc.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Foley & Lardner	Chicago	Bob Zimmerman
Bond Counsel:	Jones Day	Chicago	Rich Tomei
Co-Underwriter:	Lehman Brothers	New York	Craig Kornett
Co-Underwriter:	Goldman Sachs	New York	Rondy Jennings
Underwriter's Counsel:	Sonnenschein & Nath	Chicago	Mary Wilson
Bond Trustee:	Wells Fargo	Chicago	Patricia Martirano
Accountant	KPMG	Chicago	Jason Stark
Issuer's Counsel:	Requested	Chicago	Requested
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

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

SERVICE AREA

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2008

Project: The Carle Foundation

STATISTICS

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

BOARD ACTION

Preliminary Bond 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 presented to the Board.

PURPOSE

Use of proceeds: The proceeds from the sale of the Series 2008 Bonds will be used to: (i) refinance a taxable loan that was used to redeem all of the tax-exempt debt of The Carle Foundation that was previously outstanding including IHFA, Series 1998A Bonds, IHFA, Series 1998B Bonds, and IHFA Series 2004A Bonds; (ii) finance the cost of the acquisition, construction, renovation, and equipping of certain health care facilities of The Carle Foundation and finance working capital related to the project (see Project Summary Section); (iii) pay a portion of the interest on the Series 2008 Bonds, if applicable; (iv) fund a debt service reserve fund, if applicable, and (v) pay certain expenses incurred in connection with the issuance of the Series 2008 Bonds.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

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

ESTIMATED SOUCES AND USES OF FUNDS

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

FINANCING SUMMARY/STRUCTURE

Security: The Bonds are expected to be secured by an obligation of The Carle Foundation Obligated Group under a Master Trust Indenture. Such obligation will include a pledge of revenues and may or may not include a debt service reserve fund or mortgages.

Structure: The current plan of finance contemplates the issuance of a mixture of fixed rate securities and floating rate bonds, consisting of approximately $290,000,000 of Variable Rate Demand Obligations and other variable rate securities and approximately $160,000,000 of Fixed Rate Bonds and other fixed rate term securities

In conjunction with this financing transaction, The Carle Foundation hopes to integrate two currently existing interest swap agreements, which were executed in September 2004. These fixed payor swap agreements lock in desirable present value savings by fixing out the rate The Carle Foundation pays, and hedges the rate paid against the interest expenses associated with approximately $110 million of the variable rate demand obligations. $46,250,000 of the swap agreement is with Citi with a rate of 3.35% and a termination date of 2028. $63,525,000 of the swap agreement is with UBS, with a rate of 3.54% and a termination date of 2035.

Interest Rate: To be determined at the time of pricing based upon market conditions. The all-in cost of the variable rate debt is estimated to be in the SIFMA + 0.50% to SIFMA + 1.00% range. The all-in cost of the fixed rate debt is estimated to be in the range of 5.50% to 6.50%.

Interest Mode: Floating rate obligations for which interest rate is established periodically and paid monthly. Fixed rate bonds on which interest is paid semiannually. Carle is considering issuance of additional variable rate alternatives.

Credit Enhancement: The 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). The fixed rate bond will carry the rating of The Carle Foundation (see below).

Maturity: Up to 40 years.

Rating: Standard & Poor's has issued a "AA-" Issuer Rating to The Carle Foundation Obligated Group. The Carle Foundation is currently seeking a second rating from another rating agency to be released in conjunction with this financing.

Est. Closing Date:November, 2008

PROJECT SUMMARY

The Corporation proposes to expand and modernize its current hospital facility by constructing a nine-story, 348,400 gross square foot ("GSF") bed tower and modernizing 50,622 gross square feet. The bed tower, which will be attached to an existing hospital tower, will house a relocated 15-bed rehabilitation unit, eight vascular procedure labs, 88 medical/surgical ("M/S") beds and 32 intensive care unit ("ICU") beds. All the new patient rooms will be private. There will be no increase in the number of beds or services as the result of this project. The basement of the new bed tower will contain a pharmacy, mechanical and electrical space, a building support area and leased medical office space. The first floor of the proposed bed tower will house admitting for the outpatient Cardiac Clinic, offices and exam rooms for cardiovascular providers, and support services. Adjacent to the new bed tower on the first floor of the North bed tower will be the Carle Digestive Heath Center in modernized space that will include GI/procedures and recovery rooms, registration, offices and related support services. The second floor will house interventional radiology and the interventional cardiology departments. The budget for this project is $235.9 million with funds not provided through the Series 2008 Bonds being provided by The Carle Foundation.

Timing (approximately): It is expected site work will begin in September 2008 and last through December 2008; construction will commence in January 2009 and last through July 2011; and start-up and IDPH inspection and certification will occur in July through September 2011.

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

BUSINESS SUMMARY

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

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

On the date of issuance of the Series 2008 Bonds, the Corporation, The Carle Foundation Hospital, Carle Healthcare Incorporated, and Carle Retirement Centers, Inc. will be the only Members of the Obligated Group. Each Member of the Obligated Group is jointly and severally liable on each obligation now or hereafter issued and outstanding under the Master Indenture, and pursuant to the Master Indenture each Member of the Obligated Group pledges its unrestricted receivables to secure payment of the Obligations. Each of the Corporation The Carle Foundation Hospital, Carle Healthcare Incorporated, and Carle Retirement Centers, Inc. is an Illinois not for profit corporation and is exempt from federal taxation.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

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

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	McGuire Woods	Chicago	Kevin Dougherty Kevin Downes
Accountant:	McGladrey & Pullen, LLP	Springfield	Randy Ragen
Bond Counsel:	Jones Day	Chicago	David Kates, Lynn Coe
Credit Enhancer/Purchasing Bank:	TBD		
Bank Counsel:	TBD		
Co-Underwriter:	TBD	Chicago	
Co-Underwriter	TBD	Chicago	
Underwriter's Counsel:	TBD		
Issuer's Counsel:	TBD	Chicago	TBD
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 15 – Timothy V. Johnson
State Senate: 52 – Michael W. Frerichs

State House: 103 – Naomi D. Jakobsson

SERVICE AREA

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

TAB NO. 20

THE SWEDISH AMERICAN HOSPITAL SUMMARY WILL BE DISTRIBUTED TO THE BOARD MEMBERS AT THE COMMITTEE OF THE WHOLE MEETING ON TUESDAY, SEPTEMBER 9, 2008.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2008

Project: Southern Illinois Healthcare

STATISTICS

Project Number: H-HO-TE-CD-8147
Type: 501(c)(3) Bonds
County/Region: Jackson County / Southern Illinois

Amount: $185,000,000 (Not-to-Exceed)
IFA Staff: Pam Lenane and Dana Sodikoff
City: Carbondale

BOARD ACTION

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

Staff recommends approval
No extraordinary conditions

VOTING RECORD

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

This project is coming for a one time Final Resolution because of conditions in the market.

PURPOSE

The proceeds of the Bonds will be loaned to Southern Illinois Healthcare Enterprises, Inc., an Illinois not for profit corporation (the "Parent"), to be used, together with certain other funds, (i)

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 2,150.13 FTE's
Jobs retained: FTE's All

Projected new jobs: 0
Construction jobs: 60

ESTIMATED SOUCES AND USES OF FUNDS*

Sources:	IFA bonds	$152,995,000	Uses:	Conversion 2005	$69,000,000
				Project Fund	$53,587,211
				Series 1998B Escrow	$25,153,206
				Debt Service Reserve Fund	$2,623,181
				Costs of Issuance	$2,631,402
	Total	$152,995,000		Total	$152,995,000

** Preliminary, subject to change.*

FINANCING SUMMARY/STRUCTURE

Security: The Bonds are expected to be secured by an Obligation of Southern Illinois Healthcare under a Master Trust Indenture. Collateral is expected to be a General Obligation to pay with a gross revenue pledge of the Obligated Group.

Structure:	The plan of finance contemplates the issuance of traditional fixed rate bonds and/or variable rate debt/and or a Floating Rate Note. The variable rate demand bonds will be backed by a direct-pay Letter of Credit (bank to be determined, but will carry a long-term rating of AA- or better) and the Fixed Rate bonds would either be insured by a bond insurer or will carry the rating of Southern Illinois Healthcare.
Interest Rate:	To be determined the day of pricing.
Interest Mode:	Fixed Rate Bonds or weekly/annual/multi-annual Variable Rate Bonds
Credit Enhancement:	Fixed rate bonds will have the rating of Southern Illinois Healthcare. If uninsured variable rate demand bonds are issued, they will be backed by a Letter of Credit (bank(s) to be determined, but will carry a long-term rating of A- or better).
Maturity:	2048
Rating:	A+ (S&P)
Est. Closing Date:	October, 2008

PROJECT SUMMARY

Project Description:

Proceeds of the tax-exempt bonds, Series 2008B (approximately $20 million), will be used for the following projects:

-The expansion of the emergency department and the renovation of inpatient facilities at Herrin Hospital.

-The acquisition of equipment for Memorial Hospital of Carbondale, St Joseph Memorial Hospital and Herrin Hospital.

Proceeds of the taxable bonds, Series 2008C (approximately $35 million), will be used for the following projects:

-Retire the taxable bridge loan to RBC issued in November 2007, which was used for the acquisition, renovation, and equipping of the Center for Medical Arts and the construction of a medical office building on the campus of Memorial Hospital of Carbondale (approximately $15 million).

-Acquisition, renovation construction, and equipping of various medical office buildings in the communities in the SIH service area (approximately $20 million).

BUSINESS SUMMARY

SIHE was incorporated in July 1983 as 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 (the "Code"). SIHE owns and operates several medical office building facilities in Carbondale, Illinois and nearby communities, and is the sole member of Southern Illinois Hospital Services ("SIHS"). SIHE elects the members of the Board of Trustees of SIHS. Trustees of SIHE and SIHS are the same persons.

SIHS was incorporated in April 1946 as an Illinois not-for-profit corporation, exempt from federal income tax under Section 501(c)(3) of the Code. SIHS owns and operates three acute-care hospital facilities: Memorial Hospital of Carbondale ("Memorial") located in Carbondale, Illinois; Herrin Hospital ("Herrin") located in Herrin, Illinois; and St. Joseph Memorial Hospital ("St. Joseph") located in Murphysboro, Illinois. The corporate offices of SIHE and SIHS are located at 1239 East Main, Carbondale, Illinois..

SIHE and SIHS are mission and values driven organizations. "We are dedicated to improving the health and well being of all of the people in the communities we serve" is the mission of the organization. The values are: Respect, Integrity, Compassion, Collaboration, Stewardship and Quality. All patients in need are cared for regardless of their ability to pay.

Memorial is a 140-licensed bed acute care hospital located in Carbondale, Illinois. Memorial opened in 1950 as a 33-bed hospital and has expanded over the years. In 2005 the obstetrical unit was expanded to improve its ability to accommodate the approximately 2,000 babies that are delivered at the facility annually. In 1999 Memorial opened a permanent cardiac catheterization lab, and established an open-heart surgery program at the facility. In 2004 Memorial opened its second cardiac catheterization lab, and has now added a third lab.

Herrin is a 104-licensed bed acute care hospital facility located in Herrin, Illinois. Herrin opened in 1913 as a 33-bed acute-care facility. SIHS purchased the facility in 1946. Herrin also currently operates 29 rehabilitation beds through a joint venture with the Rehabilitation Institute of Chicago. Herrin also furnishes certain ancillary services at Miners Memorial Health Center, an outpatient center located in West Frankfort, Illinois which is owned by SIHS.

St. Joseph is a 49-licensed bed acute care hospital facility located in Murphysboro, Illinois. St. Joseph opened on October 1, 1960 as a 62-bed hospital and was acquired by SIHS in 1995. The facility was converted to a Critical Access Hospital ("CAH") in May of 2004, which allows St. Joseph to receive cost-based reimbursement for Medicare patients. Due to its CAH status, St. Joseph currently operates 25 of its 49-licensed beds.

Project Rationale: Current emergency department space does not meet the needs of patients and staff based on current volumes. Patient rooms need to be refurbished to bring them up to modern hospital standards. Equipment needs are based on necessary replacements and new technology demands.

Timing: All projects are estimated to be complete within 2 years of bond closing, which is projected to be in October of 2008.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Southern Illinois Healthcare Enterprises ("SIHE")
Project Location: Carbondale, Illinois
Borrower: SIHE
Board Members (501c3):

- Russel Brown, DO, Chair
- Harold Bardo
- Eugene W. Basanta
- Thomas J. Firestone, MD
- Kathleen Fralish
- Morton Levine
- Phil Nordstrom, D. Min
- George O'Neil, Vice Chair
- Jeffrey Parks, MD, Secretary
- Marsha Ryan, MD
- Steven Sabens
- Anad Salem, MD
- Marlene Simpson

PROFESSIONAL & FINANCIAL

Borrower's Counsel: Armstrong Teasdale, LLP	St. Louis	Kirby Colson
Accountant: McGladrey and Pullen	Springfield	Randy Ragan
Bond Counsel: Jones Day	Chicago	Rich Tomei
LOC Provider: Bank of Nova Scotia	New York	Bill Collins
Bank Counsel: Chapman and Cutler, LLP	Chicago	Richard Cosgrove
Bond Underwriter: RBC Capital Markets	Minneapolis	Tom Laird
		Molly Green
Financial Advisor: Shattuck Hammond	Chicago	Victoria Poindexter
Underwriter's Counsel: Sonnenschein Nath & Rosenthal	Chicago	Steve Kite
		Katie Ashton
IFA Advisors: D.A. Davidson & Co.	Chicago	Bill Morris
Scott Balice Strategies, Inc.	Chicago	Lois Scott
Issuer's Counsel: Requested	Chicago	Requested

LEGISLATIVE DISTRICTS

Congressional: 12- Jerry. F. Costello
State Senate: 58- David Luechtefeld, 59- Gary Forby
State House: 115- Mike Bost, 117- John E. Bradley

SERVICE AREA

In fiscal year 2008, Memorial, Herrin and St. Joseph drew 92% of their inpatients from a forty mile, seven county area surrounding the Hospitals (the "Conventional Market Area"). The Conventional Market Area is made up of Jackson, Williamson, Franklin, Saline, Union, Perry and Johnson counties in Illinois.

BACKGROUND INFORMATION

A general functional description, and the location of the facilities to be financed or refinanced with the proceeds of the Bonds, are listed below.

1. Memorial Hospital of Carbondale, a 140 licensed bed acute care hospital located at the following addresses: 306 West Main Street, Carbondale, Illinois, 404 West Main Street, Carbondale, Illinois, 405 West Jackson Street, Carbondale, Illinois, and 1325 Cedar Court, Carbondale, Illinois;

2. Herrin Hospital, a 104 licensed bed acute care hospital located at the following address: 201 South 14th Street, Herrin, Illinois;

3. St. Josephs Memorial Hospital, a 49 licensed bed acute care hospital located at the following addresses: 2 South Hospital Drive, Murphysboro, Illinois, 6 East Shawnee Drive, Murphysboro, Illinois, 800 North Second Street, Murphysboro, Illinois;

4. Miners Memorial Health Center, an urgent care center located at the following address: 2553 Ken Gray Boulevard, West Frankfort, Illinois;

5. Center for Medical Arts, a multi-disciplinary health care facility located at the following address: 2601 West Main Street, Carbondale, Illinois;

6. Rehabilitation facilities of the Parent and the Corporation located at the following addresses: 305 West Jackson Street, Carbondale, Illinois, 100 South Park Avenue, Herrin, Illinois, 301 South Park Avenue, Herrin, Illinois, 6 East Shawnee Drive, Murphysboro, Illinois, 800 North Second Street, Murphysboro, Illinois, 411½ North Court Street, Marion, Illinois, 517 North Main Street, Anna, Illinois, and 201 Bailey Lane, Benton, Illinois; and

7. Southern Illinois Healthcare, the corporate offices providing administrative and financial services to the Parent and the Corporation at the following addresses: 1239 East Main Street and 1385 East Main Street, Carbondale, Illinois.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2008

Project: Advocate Health Care Network

STATISTICS

Project Number: H-HO-TE-CD-8090
Type: 501(c)(3) Bonds
County/Region: Lake/Northeast

Amount: $180,000,000 (Not-to-Exceed)
IFA Staff: Pam Lenane and Dana Sodikoff
City: Libertyville

BOARD ACTION

Final Resolution
Conduit 501 (c)(3) bonds
No IFA funds at risk

Staff recommends approval
No extraordinary conditions

Changes since Preliminary: MBE co-managers have been added to the transaction

VOTING RECORD

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

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

PURPOSE

Bond proceeds 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, 3) fund a debt service reserve fund, if deemed necessary or advisable; and 4) 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) 1,800 FTE's (Condell)	Projected new jobs: 0
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	$180,000,000	Uses:	Acquisition financing and new money projects*	$178,200,000
				Est. underwriters' discount	1,100,000
				Est. costs of issuance	700,000
	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 closing 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 that will acquire substantially all of the assets of Condell Health Network.
Structure:	The current plan of finance is to issue Fixed Rate Bonds. However, if market conditions raise fixed interest rates to unacceptable levels, variable rate or term bonds may be used.
Interest Rate:	To be determined the day of pricing.
Interest Mode:	Fixed Rate Bonds or weekly/annual/multi-annual uninsured Variable Rate Bonds
Credit Enhancement:	Fixed Rate Bonds will have the rating of Advocate Health Care Network. If uninsured variable rate demand bonds are issued, they 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 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.

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.

This transaction requires the approval of the Illinois Health Facilities Planning Board ("IHFPB") for a change of ownership. This approval was granted at the IHFPB's August 12, 2008 meeting.

This plan of finance will allow Advocate Condell Medical Center to finance or refinance the costs of purchasing substantially all the assets of Condell Medical Center and the costs of constructing and equipping a new patient tower for Advocate Condell Medical Center. Condell Medical Center will use the money from the asset purchase to pay-off IFA tax-exempt bonds.

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*
David Anderson
Alejandro Aparicio, M.D.
Jon E. Christofersen, M.D.
Bruce E. Creger
Rev. Dr. Donald M. Hallberg
Mark Harris
Rev. Phil Hart
Abe Tomas Hughes II
Rev. Wayne N. Miller
Clarence Nixon, Jr. Ph.D.
Pankaj H. Patel, M.D.
Julie P. Schlueter
Joan Fowler Shaver, Ph.D., R.N., F.A.A.N.
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
Senior Underwriter:	Citi	Chicago	James Blake Amy Yang
Co-Manager:	Loop Capital Markets, LLC	Chicago	Albert R. Grace, Jr
Co-Manager:	Cabrera Capital Markets, LLC	Chicago	Martin Cabrera
Underwriter's Counsel:	Sonnenschein Nath & Rosenthal	Chicago	Steven Kite Katie Ashton
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
September 9, 2008

Project: BroMenn Healthcare Hospitals

STATISTICS

Project Number:	H-HO-TE-CD-8142	Amount:	$50,000,000 (Not-to-Exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane and Dana Sodikoff
Locations:	Bloomington-Normal, IL	Region:	North Central
County:	McLean		

BOARD ACTION

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

VOTING RECORD

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

This project is coming for a one time Final Resolution because of conditions in the market.

PURPOSE

Bond proceeds will be used to (i) current refund the IFA Series 2004 FSA insured auction rate Bonds (ii) fund a debt service reserve fund and; (iii) pay certain related expenses.

IFA 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.

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA bonds	$50,000,000	Uses: Refunding	$46,200,000
		Debt Service Reserve Fund	3,000,000
		Costs of Issuance	800,000
Total	$50,000,000	Total	$50,000,000

JOBS

Current employment:	1300 FTE's	Projected new jobs:	0
Jobs retained:	1300 FTE's	Construction jobs:	0

BUSINESS SUMMARY

Background:
BroMenn Healthcare Hospitals ("BroMenn"), previously known as BroMenn Healthcare until 2006, was founded in 1984 through the consolidation of Brokaw Hospital (founded in 1896), Mennonite Hospital (founded in 1919) and Eureka Hospital (founded in 1901). BroMenn Healthcare System, a not-for-profit holding company, is the sole member of BroMenn.

The main operational facilities of BroMenn are BroMenn Regional Medical Center ("BRMC") and Eureka Community Hospital ("Eureka"). BRMC is located in Normal, IL, and has a licensed capacity of 224 beds with 206 staffed. Eureka is a 25-bed general acute care hospital located about 25 miles northwest of BRMC.

Service Area:
The primary service area of BroMenn can be defined as the immediate Bloomington / Normal geographic area, specifically, zip codes 61701, 61702, 61704 and 61761. The secondary service area consists of outlying areas running northeast to southwest along Interstate Route 55.

The only competitor in BroMenn's primary service area is 167-bed OSF St. Joseph Medical Center located in Bloomington, IL. Competitors in the secondary service area would be providers in Peoria (40 miles northwest) and Champaign (40 miles southeast).

FINANCING SUMMARY

Security: The bonds are expected to be secured by an Obligation of BroMenn Healthcare Hospitals under a Master Trust Indenture. Collateral is expected to include a pledge of gross revenues and funded debt service reserve fund.

Structure: The current plan of finance contemplates the issuance of fixed rate, uninsured bonds, which will carry the rating of the hospital and is expected to be "BBB+" or higher

Interest Rate: To be determined the day of pricing.

Interest Mode: Fixed Rate Bonds

Credit Enhancement: These bonds will carry the rating of BroMenn Healthcare Hospitals, which is expected to be BBB+ or higher.

Maturity: On or before August 15, 2032

Ratings: BroMenn Healthcare Hospitals does not currently have a rating, but is in the process of meeting with the rating agencies and expects to receive a rating of BBB+ or better.

Estimated Closing Date: October, 2008

ECONOMIC DISCLOSURE STATEMENT

Project name:	BroMenn Healthcare Hospitals
Applicant:	1304 Franklin Normal, IL 61761
Organization:	501(c)(3) Not-for-Profit Corporation
State:	BroMenn Healthcare Hospitals are located in Illinois.
Board of Directors:	John Freese, Chair James Swanson, M.D., Vice Chair Johnene Adams Kurt Bock Dan Brady Mary Caisley

Cathy Covertson-Anderson
Steve Denault
Ron Hodel
Beth Kimmerling
David Koh, M.D.
Merlin Lehman
Scott Morgan, M.D.
Carol Struck
James Thompson
Roger Hunt, *ex officio*
Shane Fogo, M.D., *ex officio*
Alan Ginzburg, M.D., *ex officio*

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Sonnenschein Nath & Rosenthal	Chicago	Steve Kite
Accountant:	Ernst & Young	Chicago	Tadd Ingles
Bond Counsel:	Jones Day	Chicago	Mike Mitchell
Underwriter:	Piper Jaffray	Chicago	Nessy Shems
Underwriter's Counsel	Katten Muchin Rosenman	Chicago	Renee Friedman
Issuer's Counsel	Burke, Burns & Pinelli, Ltd.	Chicago	Mary Ann Murray
Escrow Agent:	Bank of New York	Chicago	Daryl Pomykala
IFA Advisor:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 11- Gerald C. "Jerry" Weller
State Senate: 44- Bill Brady
State House: 88- Dan Brady

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2008

Project: The University of Chicago Medical Center

STATISTICS

Project Number: H-HO-TE-CD-8118	Amount: $185,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and Dana Sodikoff
County/Region: Cook/Northeast	City: Chicago

BOARD ACTION

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

Changes Since Preliminary: Sources and Uses have been updated, not-to-exceed amount has increased

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on August 12, 2008 by the following vote:

Ayes – 9 Nays – 0 Absent – 3 Vacancies – 3

PURPOSE

The proceeds will be used to (i) current refund the IHFA MBIA insured Variable Rate Demand Bonds Series 1994 and Series1998 bonds and (ii) 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:	6,221 FTE's	Projected new jobs: N/A
Jobs retained:	6,221 FTE's	Construction jobs: N/A

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA bonds	$173,360,000	Uses: Current refund (Series 1994& 1998)	$ 165,000,000
	Bond Premium	$4,050,00	Debt Service Reserve Fund:	$10,240,000
			Est. Costs of Issuance	$2,170,000
			Est. Costs of Issuance	$ 2,170,000
	Total	$177,410,000	Total	$177,410,000

FINANCING SUMMARY/STRUCTURE

Security: The Bonds are expected to be secured by an Obligation of The University of Chicago Medical Center under a Master Trust Indenture. Collateral is expected to include a gross pledge of unrestricted receivables. Additional security could include a debt service reserve fund.

Structure:	The plan of finance contemplates the issuance of fixed rate and/or variable rate debt. The variable rate demand bonds will be backed by a Letter of Credit (bank to be determined, but will carry a long-term rating of AA- or better) and the Fixed Rate bonds would carry the rating of The University of Chicago Medical Center.
Interest Rate:	To be determined the day of pricing.
Interest Mode:	The Variable Rate Demand Bonds would be issued in a Daily, Weekly or CP mode.
Credit Enhancement:	The Fixed Rate Bonds would be uninsured and would carry the rating of The University of Chicago Medical Center. The Variable Rate Demand Bonds would carry a Letter of Credit from Wells Fargo Bank, N.P. which carries a long term rating of AAA/AAA/AA and a short term rating of VMIG-1/F1+.
Maturity:	No later than 2026
Rating:	The University of Chicago Medical Center is rated AA- / Aa3 (S&P/Moody's)
Est.Closing Date:	October 2008

PROJECT SUMMARY

The bond proceeds will be used to current refund UCMC's current MBIA Insured VRDBs

BUSINESS SUMMARY

Description of Business: UCMC operates three hospitals and a state-of-the-art ambulatory-care facility located in 20 interconnected buildings on the main campus of the University as well as certain outlying facilities and activities. The three hospitals operated by the Corporation consist of the main adult patient care facility, a maternity and women's hospital and a children's hospital. The Corporation opened a new children's hospital, the University of Chicago Comer Children's Hospital ("Comer") in February 2005, which replaced the existing children's hospital that had been in service since 1967.

Project Rationale: Currently, the interest rate on the IHFA Series 1994 and IHFA Series 1998 bonds are resetting at a rate higher than normal. A current refunding will allow UCMC to drop its exposure to MBIA and reduce interest costs.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Lawrence Furnstahl, Chief Financial and Strategy Officer and Treasurer
Borrower: University of Chicago Medical Center

Ownership/Board Members (501c3): Valerie B. Jarrett, Paul F. Anderson, Robert H. Bergman, Edward McC. Blair, Jr., Ellen Block, Otis W. Brawley, M.D., Kevin J. Brown, John Bucksbaum, Frank M. Clark, Stephanie Comer, James S. Crown (ex officio), Craig J. Duchossois, James S. Frank, Stanford J. Goldblatt, Rodney L. Goldstein, Linda H. Heagy, William J. Hunckler III, Jeffrey D. Jacobs, Kenneth Lehman, Carol Levy, Barry L. MacLean, James L. Madara, M.D. (ex officio), Cheryl Mayberry-McKissack, Dane A. Miller, Ralph G. Moore, Christopher J. Murphy III, Emily Nicklin, Brien M. O'Brien, Timothy K. Ozark, Nicholas K. Pontikes, James Reynolds, Jr., Thomas A. Reynolds III, Thomas F. Rosenbaum (ex officio), Benjamin Shapiro, Jeffrey T. Sheffield, Jorge A. Solis, Michael Tang, Christina M. Tchen, J. Richard Thistlethwaite, M.D. (ex officio), Marrgwen Townsend, James C. Tyree, Terry L. Van Der Aa, Kelly R. Welsh, Bruce W. White, Paula Wolff, Robert J. Zimmer (ex officio)

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Katten Muchin Rosenman LLP	Chicago	Elizabeth Weber
Accountant:	PriceWaterhouseCoopers	Chicago	Robert Valletta
Bond Counsel:	Jones Day	Chicago	John Bibby
LOC Provider:	Wells Fargo Bank, N.A.	Indianapolis	Stacy Wells
LOC Provider Counsel:	Ungaretti & Harris	Chicago	Julie Seymour
Senior Bond Underwriter:	J.P. Morgan Securities Inc.	Chicago	Suzanne Beitel

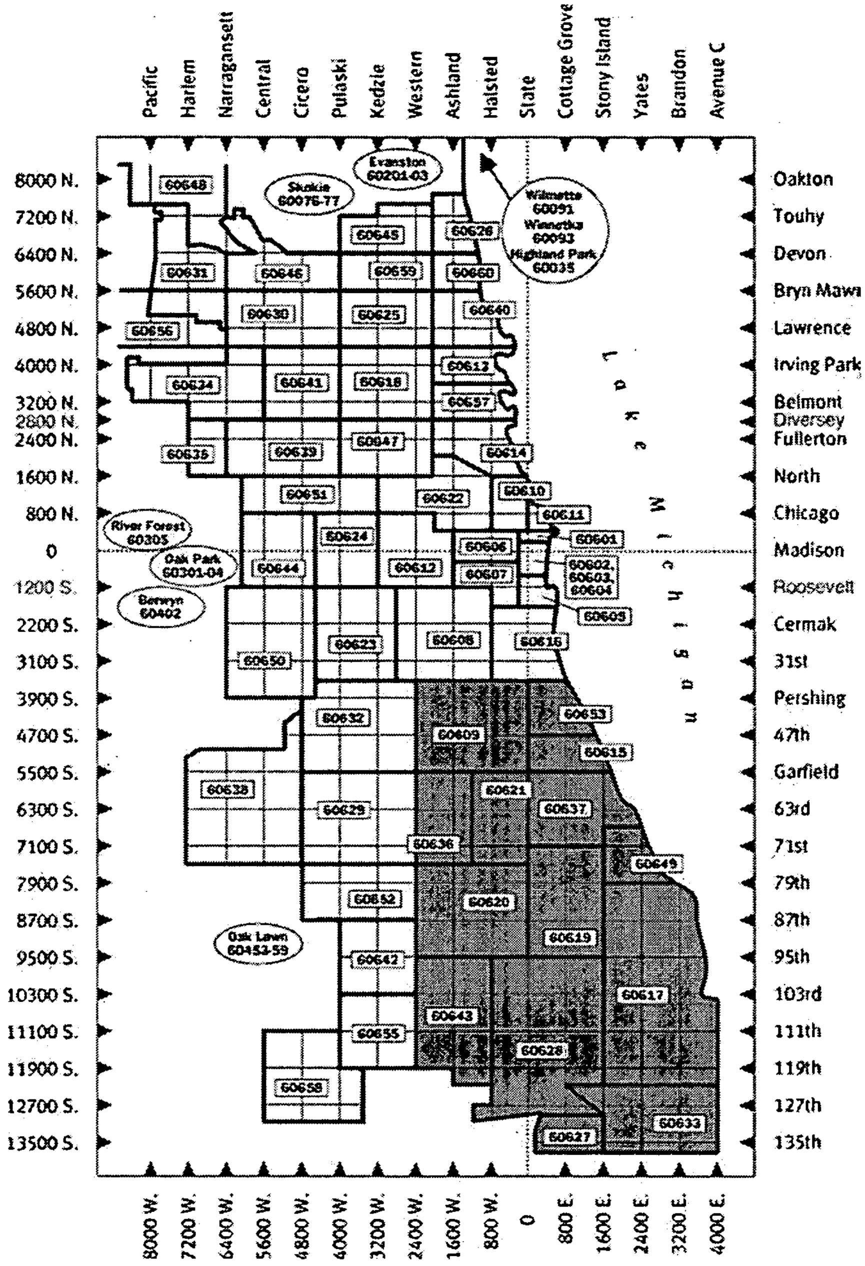
Co-Manager	MBE to Come	Chicago	
Underwriter's Counsel:	Foley & Lardner	Chicago	Janet Zeigler
Issuer's Counsel:	Charity & Associates	Chicago	Alan Bell
Issuer's Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 1- Bobby L. Rush
State Senate: 13- Kwame Raoul
State House: 25- Barbara Flynn Currie

SERVICE AREA

UCMC's primary service area covers much of the south side of the City of Chicago. The primary service area is bounded by 36th Street to the north, Lake Michigan and the Indiana border to the east, 130th Street to the south and Western Avenue to the west. The primary service area is eight miles long, four miles wide at the northern boundary and eight miles wide at the southern boundary. Travel time from the Corporation's facilities to the most distant parts of the primary service area is 25 to 30 minutes.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Skokie 60076-77
Wilmette 60091
Winnetka 60093
Highland Park 60035
River Forest 60305
Oak Park 60301-04
Berwyn 60402
Oak Lawn 60453-59
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MEMORANDUM

TO: Members of the Illinois Finance Authority Board

FROM: Steven Trout

DATE: September 9, 2008

RE: **Request to Amend the Loan Agreement and Related Matters for IFA Bonds, Series 2007 (Zoll Real Estate LLC Project) to Authorize a Change in Mode for Interest**

The Illinois Finance Authority ("the Authority") issued its Industrial Development Revenue Bonds (Zoll Real Estate, LLCProject) Series 2007 (the "Bonds") in the original principal amount of $10,000,000 on October 25, 2007. The Borrower and Bond Purchaser (GE Government Finance) have requested authorization to amend certain provisions of the Loan Agreement to permit the Borrower to convert from a variable rate to fixed rate mode of interest. To implement the Amendment, the Borrower has asked the Authority to file an amended Form 8038 with the IRS in addition to adopting an Amendatory Resolution. A copy of the draft Resolution is attached.

DRAFT

RESOLUTION 2008-09-25

A RESOLUTION PROVIDING FOR THE APPROVAL BY THE ILLINOIS FINANCE AUTHORITY (THE "ISSUER") OF AN AMENDMENT TO LOAN AGREEMENT 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 Finance Authority on October 9, 2007 adopted a resolution authorizing a Loan Agreement dated as of October 1, 2007 (the "Loan Agreement") with Zoll Real Estate LLC, an Illinois limited liability company (the "Borrower") and GE Government Finance, Inc., a Delaware corporation (the "Collateral Agent");

WHEREAS, the Borrower and the Collateral Agent have requested to amend certain provisions of the Loan Agreement in order to provide for changes relating to interest payable thereunder but not the principal amortization thereunder; and

WHEREAS, it is necessary and proper for the interests and convenience of the Issuer to authorize such amendments to the Loan Agreement; and

WHEREAS, the Issuer has caused to be prepared and presented to this meeting the Amendment to Loan Agreement dated as of July 1, 2008 between the Issuer and the Collateral Agent (the "Amendment"), which the Issuer proposes to enter into; and

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

<u>Section 1.</u> That the form, terms and provisions of the proposed Amendment 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 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.

<u>Section 2.</u> That from and after the execution and delivery of the Amendment, 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 and to discharge all of the obligations of the Issuer thereunder.

Section 3. 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 4. 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 5. 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 6. This Resolution shall be in full force and effect from and after its passage and approval, in accordance with law.

APPROVED this 9th day of September, 2008.

By: ______________________________
Its: Chairman (or Vice Chairman)

ATTEST:

By: ______________________________
Its: Secretary (or Assistant Secretary)

C/69571.2

MEMORANDUM

TO: Members of the Illinois Finance Authority Board

FROM: Steven Trout

DATE: September 9, 2008

RE: **Request to Amend Bond Documents for IDFA Bonds, Series (Jonchris LLC Project) to Authorize a New Bank Purchaser, Substitute a New Amortization Schedule and the Trustee and Amend the Optional Prepayment Provisions**

The Illinois Development Finance Authority ("IDFA"), a legal predecessor to the Illinois Finance Authority (the "Authority") issued its Industrial Development Revenue Bonds (Jonchris, LLC Project) Series 2003 (the "Bonds") in the original principal amount of $2,500,000 on September 25, 2003. The Bonds were issued pursuant to an Indenture of Trust dated as of September 1, 2003 (the "Original Indenture") between the IDFA and First American Bank (the "Original Trustee") and their proceeds were loaned to Jonchris, LLC (the "Borrower") pursuant to a Loan Agreement dated as of September 1, 2003 (the "Loan Agreement") between the Borrower and the IDFA.

The Bonds were originally purchased in their entirety and held by First American Bank for an initial interest rate period ending September 30, 2008. Pursuant to the terms of the Original Indenture, the Bonds will be tendered for purchase at the end of such interest rate period. The Bonds will then be purchased by Midwest Bank and Trust Company ("Midwest") for a new five-year interest rate period starting on October 1, 2008. Pursuant to the tender and purchase, the parties will be replacing First American Bank as trustee for the Bonds with U.S. Bank National Association (the "Successor Trustee").

Pursuant to the terms of the Original Indenture, the Borrower and Midwest will adopt a new amortization schedule detailing the payments of debt service on the Bonds during the new interest rate period. In addition, the Borrower and Midwest have entered into an agreement regarding the prepayment premiums the Borrower would pay during the new interest period that will differ from the optional redemption premiums for the Bonds contained in the Original Indenture. The Borrower and Midwest would like to amend the Original Indenture to substitute the new amortization schedule for the existing schedule contained in the document, and to amend the optional redemption premiums for the Bonds to conform to the agreement regarding prepayment premiums between the Borrower and Midwest.

The change to the optional redemption premiums contained in the Original Indenture would constitute a "reissuance" of the Bonds for purposes of the federal tax code. Because the outstanding principal amount and the average maturity date of the Bonds are not changing, the reissuance will not require additional volume cap for the Bonds or the holding of a new "TEFRA" hearing. To implement the Amendment, the Borrower has asked to the Authority to file a new Form 8038 with the Internal Revenue Service and Bond Counsel will require the Authority, the Borrower and the Successor Trustee to enter into a Supplemental Tax Exemption Certificate and Agreement as condition to rendering a tax opinion on this transaction.

The accompanying draft resolution would authorize the execution of a supplemental indenture amending the Original Indenture as described herein, the execution of a Supplemental Tax Exemption Certificate and Agreement, and other actions necessary in order to effect the transactions described herein.

DRAFT

RESOLUTION 2008-09-26

RESOLUTION RATIFYING CERTAIN AMENDMENTS WITH RESPECT TO $___________ AGGREGATE PRINCIPAL AMOUNT OF INDUSTRIAL DEVELOPMENT REVENUE BONDS (JONCHRIS, LLC PROJECT) SERIES 2003; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL TO INDENTURE OF TRUST, A SUPPLEMENTAL TAX EXEMPTION CERTIFICATE AND AGREEMENT AND RELATED DOCUMENTS; APPROVING THE APPOINTMENT OF A SUBSTITUTE TRUSTEE; AND AUTHORIZING AND APPROVING RELATED MATTERS.

WHEREAS, the Illinois Development Finance Authority, a political subdivision and body politic and corporate duly organized under the laws of the State of Illinois (the "IDFA"), pursuant to the laws of the State of Illinois has heretofore issued its Industrial Development Revenue Bonds (Jonchris, LLC Project) Series 2003 (the "Bonds") pursuant to the provisions of that certain Indenture of Trust dated as of September 1, 2003 (the "Original Indenture") between the IDFA and First American Bank, as trustee (the "Original Trustee"), in the aggregate principal amount of $2,500,000, and such Bonds are presently outstanding in the aggregate principal amount of $___________; and

WHEREAS, the proceeds of the Bonds were loaned to Jonchris, LLC, an Illinois limited liability company (the "Borrower") pursuant to a Loan Agreement dated as of September 1, 2003 between the Borrower and the IDFA; and

WHEREAS, the Borrower desires (i) to substitute U.S. Bank National Association (the "Successor Trustee") as trustee for the Bonds in replacement of the Original Trustee and (ii) to amend certain terms and provisions of the Original Indenture as described in the hereinafter defined First Supplement; and

WHEREAS, the effect of the amendments to be made to the Original Indenture by the First Supplement is to cause the Bonds to be deemed "reissued" for purposes of the Internal Revenue Code of 1986, as amended (the "Code"); and

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"), as legal successor to the IDFA, desires to approve the substitution of the Successor Trustee for the Original Trustee, the amendments to be made to the Original Indenture by the First Supplement and the reissuance of the Bonds and to take all other action necessary or appropriate in connection therewith, including authorizing the execution and delivery of a First Supplemental Indenture of Trust dated as of October 1, 2008 (the "First Supplement") between the Authority and the Successor Trustee, a Supplemental Tax Exemption Certificate and Agreement to be dated the date of such reissuance (the "Tax Agreement") among the Authority, the Borrower and the Successor Trustee, 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 Authority is hereby authorized to enter into the First Supplement Indenture with the Trustee in substantially the same form as is now before the Authority; that the form, terms and provisions of the First Supplement be, and they hereby are, in all respects approved; that the Chairperson, the Vice Chairperson, the Treasurer, the Executive Director, any Assistant Executive Director, the General Counsel or the Director of Financial Services (and for purposes of this Resolution, any person duly appointed to any such office on an interim or acting basis) of the Authority 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 First Supplement in the name, for and on behalf of the Authority, and thereupon to cause the First Supplement to be executed, acknowledged and delivered to the Successor Trustee, in substantially the form now before the Authority or with such changes therein as the Chairperson, the Vice Chairperson, the Treasurer, the Executive Director, any Assistant Executive Director, the General Counsel or the Director of Financial Services (and for purposes of this Resolution, any person duly appointed to any such office on an interim or acting basis) shall approve, his/her execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the form of the First Supplement now before the Authority; that when the First Supplement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such First Supplement shall be binding on the Authority; that from and after the execution and delivery of the First Supplement, 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 First Supplement as executed; and that the First Supplement shall constitute, and hereby is made, a part of this Resolution, and a copy of the First Supplement shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 2. That the Authority is hereby authorized to enter into the Tax Agreement with the Borrower and the Successor Trustee in the form to be approved by bond counsel, by counsel for the Authority and by counsel for the Borrower; that the Chairperson, the Vice Chairperson, the Treasurer, the Executive Director, any Assistant Executive Director, the General Counsel or the Director of Financial Services (and for purposes of this Resolution, any person duly appointed to any such office on an interim or acting basis) of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver the Tax Agreement in the form so approved; that when the Tax Agreement is executed and delivered on behalf of the Authority as hereinabove provided, such Tax Agreement will be binding on the Authority; and that from and after the execution and delivery of the Tax 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 Tax Agreement as executed.

Section 3. That the form of the Bonds now before the Authority, subject to appropriate insertions and revisions in order to comply with the provisions of the First Supplement (as executed and delivered) be, and the same hereby is, approved; that the Bonds shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its Chairperson or Vice Chairperson and attested with the manual or facsimile signature of its Secretary or any Assistant Secretary and the seal of the Authority shall be impressed or imprinted thereon; that the Chairperson, the Vice Chairperson or any other officer of the Authority shall cause the Bonds, as so executed and attested, to be delivered to the Successor Trustee for authentication; and when the Bonds shall be executed on behalf of the Authority in the manner contemplated by the Original Indenture, the First Supplement and this Resolution, they shall represent the approved form of Bonds of the Authority.

Section 4. That the Chairperson, the Vice Chairperson, the Treasurer, the Executive Director, any Assistant Executive Director, the General Counsel or the Director of Financial Services (and for purposes of this Resolution, any person duly appointed to any such office on an interim or acting basis) of the Authority, the Secretary, any Assistant Secretary and any other officer of the Authority be, and each of them hereby is, authorized to execute and deliver such documents, certificates, and undertakings of the Authority and to take such other actions as may be required in connection with carrying out and complying with this Resolution, or with the execution, delivery and performance of the First Supplement and the Tax Agreement, all as authorized by this Resolution.

Section 5. 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 6. 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 7. That all resolutions and orders, or parts thereof, in conflict herewith, are hereby superseded to the extent of such conflict.

Section 8. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

ILLINOIS DEVELOPMENT FINANCE AUTHORITY
BOARD SUMMARY

Project: Jonchris, LLC (Chicago Paper Tube & Can Company, Inc.) Development Project

STATISTICS

Project Number:	9876-IRB	Amount:	$3,000,000 (not-to-exceed amount)
Type:	Industrial Development Bond	PA:	Steven Trout
Location:	Chicago	Tax ID:	36-3805634
SIC Code:	2655-Fiber Cans, Tubes & Similar Products	Est. fee:	$19,250

BOARD ACTION

Final Bond Resolution
Conduit Industrial Development Bonds
No extraordinary conditions

No IDFA funds at risk.
Staff recommends approval.

PURPOSE

Proceeds will be used to pay costs of issuance and acquire and improve a 3.5-acre industrial site in Chicago and construct a 60,000 square-foot manufacturing plant

VOLUME CAP

Up to $3.0 million of IDFA volume cap will be required for this issue.

VOTING RECORD

On August 18, 2003, the IDFA Board gave its initial approval for this project by the following vote:

Aye: 11 Absent: 5 (Filan, Hynes, Kaplan, O'Brien, Rendleman)

SOURCES AND USES OF FUNDS

Sources:	IDFA Bonds	$2,500,000	Uses:	Project Costs	$3,180,000
	Equity	730,000		Costs of Issuance	50,000
	Total	**$3,230,000**		**Total**	**$3,230,000**

JOBS

Current employment:	25	Projected new jobs:	1
Jobs retained:	25	Construction jobs:	25 (6 months)

BUSINESS SUMMARY

Background: Chicago Paper Tube & Can Company ("Chicago Paper Tube") is an Illinois S-Corporation and is a highly flexible, broad line manufacturer of quality paper tube packaging. Chicago Paper Tube was established in 1898 and is the nation's oldest manufacturer of paper tubes and round paperboard containers. The Company is an Illinois Corporation and has been family owned since its inception.

Jonchris, LLC is an Illinois Limited Liability Company established in May, 2003 as a real estate holding entity that will own and lease the subject property to Chicago Paper Tube.

Company: Since its founding, Chicago Paper Tube has been developing tooling and expertise to produce a wide variety of products in virtually any size. The company's broad array of equipment acquired around the world provides Chicago Paper and Tube with unusual and unique production capabilities. Products can be slit, punched, die cut or labeled and available in a variety of colors, exterior and interior finishes. Almost all products can be made in a limitless combination of diameters, lengths and wall thickness, with dimensional tolerances down to thousands of an inch. Many different closure options are available as design options.

The company produces goods in three major lines: industrial, designer and specialty. Industrial products include custom paper tubes, cores, and composite cans for shipping, mailing, rewinding or industrial packaging. Key industries include paper converting, automotive, steel, advertising and printing. Designer products include custom, creative packages for cosmetics, fragrances, health and beauty products, gourmet foods and other luxury applications. Specialty products include display poles and pole assemblies, promotional tubes and cans, port tubes, baffle tubes, collection cans, coin banks, slit, die-cut and waxed paper tubes.

The company markets its products through two in-house representatives, packaging brokers and distributors, trade journal advertising and trade show exhibits. Chicago Paper Tube has over 300 active customers, including Elemental Container, The Caldrea, Co., Flexcel, Drake Container, Franklin Graphics, and Long Grove Confectionery as major clients. Company containers hold products of Godiva, H2O Plus, Estee Lauder, Clinique, Crabtree & Evelyn, Nordstrom, Saks, Chopard, Calvin Klein, Bath & Body Works, William Sonoma, Potterybarn, and Eddie Bauer.

Key competitors in the designer segment are Robinson Packaging (Toronto) and Custom Paper Tube (Cleveland). Top competitors in the industrial segment include: Chicago Mailing Tube, Ambrust (Chicago), Hayes Manufacturing (Neenah, WI), Midwest Paper Tube (New Berlin, WI), Callenor (Belloit, WI) and others. Major suppliers include Rock-Tenn Paperboard, Green Bay Paperboard, Roosevelt Paperboard, Precision Die Cutting, Wisdom Adhesives, Castle Printing, MVS Molding, and The Irving Press.

Over the past ten years, the Company has increased sales by 80% while retaining employment between 25 and 27. In 1994, Chicago Paper Tube began to pursue high end Designer applications to improve profitability. Sales to this segment have grown from $0 to over $1 million per year. During this period, the company has built a reputation for its customer focus, high quality production and innovative design.

As Chicago Paper Tube seeks greater penetration of the designer segment, its image becomes increasingly important. The present, 90-year old plant does not position the company as would a modern facility. The existing plant is antiquated and the present location in the West Loop (925 West Jackson) is becoming increasingly residential as condominiums are built and converted. The company was planning to relocate to Wisconsin prior to intervention by Congressman Emanuel.

Financials: Summary of financial statements for 2000 through 2002. Forecast using management's income estimates and staff's balance sheet estimates for 2003 though 2005. (Dollars in 000s.)

	Year Ended December 31			Year Ending December 31		
	2000	2001	2002	2003	2004	2005
Income statement:						
Sales	$2,389	$2,676	$2,352	$2,479	$2,653	$2,838
Net income	350	426	210	278	132	280

Balance sheet:						
Current Assets	840	853	548	876	782	799
PP&E-Net	206	132	78	3,562	3,643	3,709
Other Assets	0	36	0	0	0	0
Total	1,046	1,021	626	4,438	4,425	4,508
Current Liabilities	64	41	73	128	136	145
Long Term Debt	0	0	0	2,750	2,697	2,641
Other Non-Cur. Liabilities	0	0	0	0	0	0
Equity	982	980	553	1,560	1,592	1,722
Total	1,046	1,021	626	4,438	4,425	4,508
Ratios:						
Debt service coverage (x)	11.15	7.41	3.23	1.37	1.11	2.08
Current ratio (x)	13.13	20.80	7.51	6.84	5.75	5.51
LT Debt to Equity (x)	0.00	0.00	0.00	1.76	1.69	1.53

Discussion: The summary shown above presents Chicago Paper Tube's historical income statement and balance sheet for 2000, 2001 and 2002. The company has remained profitable, despite a decline in sales in 2002. The company is highly liquid and currently has no long-term debt. The owner took a $640,000 distribution from the company in 2002 and a $429,400 distribution in 2001.

The forecast presents management's estimate for operations for 2003, 2004 and 2005. The balance sheet was developed by staff and presents the combined balance sheets of Chicago Paper Tube and Jonchris. The balance sheet assumes that the bonds are sold on October 1 and the project is begun shortly thereafter. Debt service coverage is estimated assuming a 6.25% rate of interest and amortization over 25 years.

FINANCING SUMMARY

Security: First lien pledge of all lease payments made by Chicago Paper Tube & Can, as tenant, first mortgage in all property financed and corporate guarantee from the tenant.

Structure: First American will purchase the Bonds. The initial rate will be 3.6% for the first 5 years. Principal will amortize over 25 years.

Maturity: August 31, 2028

PROJECT SUMMARY

Bond proceeds will be used to pay costs of issuance, acquire and improve a 3.5 acre site at 4201 North Normandy in Chicago (Cook County), and construct a new 60,000 square-foot plant. Equipment will be transferred from the existing plant. The owner is expected to contribute $730,000 in equity to the project from his own funds. Project costs are estimated below:

Land Acquisition:	$310,000
Land Improvements	140,000
Moving Costs	150,000
Construction	2,580,000
Total:	**$3,180,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Chicago Paper Tube & Can Company, Inc. (Contact: Mr. John Dudlak, President, 925 West Jackson, Chicago, IL 60607; Phone: (312) 666-1404)
Project name:	Jonchris, LLC (Chicago Paper Tube & Can Company, Inc.) Development Project
Location:	4201 North Normandy, Chicago (Cook), Illinois 60634-1402
Land Owner:	Illinois Department of Commerce and Economic Opportunity (former Reed Dunning Hospital site)
Organization:	Illinois Limited Liability Company
Ownership:	The borrower is owned by John Dudlak (50%) and Molly Dudlak (50%) The tenant, Chicago Paper & Tube, is owned by John Dudlak (50%) and Molly Dudlak (50%)

PROFESSIONAL & FINANCIAL

Corporate Counsel	Sheksky & Froelich, Inc	Chicago, IL	Jack Guthman
Accountant:	Edwin C. Sigel, Ltd.	Northbrook, IL	Nancy Geary, CPA
Financial Advisor:	Total Capital Solutions, Inc.	Oak Park, IL	Tony Grant
Bond Counsel:	Chapman and Cutler	Chicago, IL	Matthew Lewin
Bank Purchaser:	First American Bank	St. Charles, IL	David Lahl
Trustee	First American Bank	West Dundee, IL	Rachel Brewer
Bank Counsel:	Chapman and Cutler	Chicago, IL	Fred Snow
Issuer's Counsel:	Burk, Burns & Pinelli, Ltd.	Chicago, IL	Stephen Welcome

LEGISLATIVE DISTRICTS

Congressional:	5	Rahm Emanuel
State Senate:	10	James Deleo
State House:	19	Joseph Lyons

TAB NO. 27

THE FEE SCHEDULE RESOLUTION

WILL BE DISTRIBUTED TO

THE BOARD MEMBERS AT THE

COMMITTEE OF THE WHOLE

MEETING ON TUESDAY, SEPTEMBER 9,

2008.