

Illinois Finance Authority

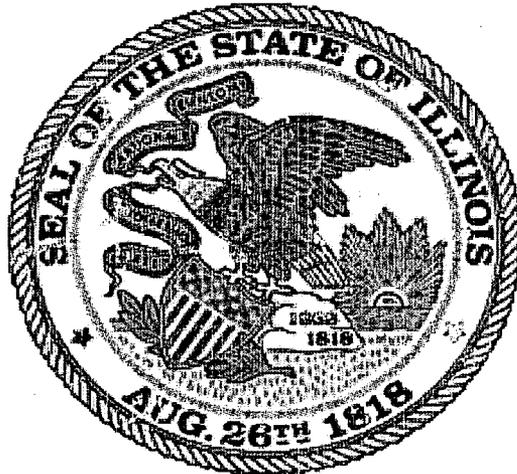
February 7, 2006

11:30 AM

Board Meeting

Plaza Club

130 E. Randolph, 40th Floor
Chicago, Illinois



Jose Garcia

**ILLINOIS FINANCE AUTHORITY
BOARD MEETING
February 7, 2006
Chicago, Illinois**

**EXECUTIVE SESSION
8:30 a.m.
Illinois Finance Authority
180 N. Stetson, Suite 2555**

- Opening Remarks
- Executive Director's Report
- Financial Reports
- Staff Reports
- Project Reports
- Adjournment

**BOARD MEETING
11:30 a.m.
One Prudential Plaza
130 E. Randolph, Plaza Club,
40th Floor**

AGENDA

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

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Specialized Livestock Guarantee						
1	Robert and Phyllis Fleming	Ipava	\$ 62,500	0	0	ER
TOTAL AGRICULTURE PROJECTS			\$ 62,500	0	0	

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Industrial Revenue Bonds <i>Final</i>						
2	590 Tower Boulevard, L.L.C. (MAAC Machinery Company, Inc.)	Carol Stream	\$ 2,050,000	N/A	N/A	RKF/SCM
3	HODA, L.L.C. (Diamond Cellophane Products, Inc. and Spring-fill Industries, Inc.)	Northbrook	3,200,000	N/A	N/A	RKF/SCM
Participation Loans						
4	James Beard Jr. and Justin Beard	LaSalle	80,000	3	N/A	JS
5	Jay and Colleen Baxter	Oglesby	102,500	1	N/A	JS
6	Midwest Fabrication and Repair, Inc.	Harrisburg	701,000	5	0	RP
7	RDF, Inc.	Eldorado	444,725	3	3	RP
TOTAL BUSINESS AND INDUSTRY PROJECTS			\$ 6,563,500	12	3	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds <i>Preliminary</i>						
8	Luther Oaks	Bloomington	\$ 35,000,000	95	125	DS
9	Delnor-Community Hospital	Geneva	60,000,000	100	200	PL/DS
10	Beloit Memorial Hospital	Beloit	54,000,000	95	155	PL/DS
TOTAL HEALTHCARE PROJECTS			\$ 145,000,000	290	480	

COMMUNITIES AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds Preliminary						
11	Illinois Institute of Technology	Chicago	✓ \$160,000,000	25	50	TARKF
501(c)(3) Bonds Preliminary						
12	Plum Creek of Rolling Meadows, LP	Rolling Meadows	✓ 12,000,000	50	100	TA
Housing Bonds Preliminary						
13	Heritage Woods of South Elgin Limited Partnership, and its successors and assigns, an Illinois limited partnership to be formed	South Elgin	✓ 13,000,000	38	30	RKF
TOTAL COMMUNITIES AND CULTURE PROJECTS			\$ 185,000,000	113	180	

GRAND TOTAL	\$ 336,626,000	415	663	
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Project Revisions/Amendatory Resolutions

Tab Amendatory Resolutions

14	Request to extend until July 1, 2006 a commitment for a Participation Loan to Vee Properties South, LLC and Vee Pak, Inc.	SCM
15	Request to amend Collateral description for a Participation Loan to Ex-Tech Plastics, Inc.	SCM

Other

Adjournment



**Illinois Finance Authority
Executive Director's Report
February 7, 2006**

To: IFA Board of Directors and Office of the Governor

From: Jill Rendleman, Interim Executive Director

I. Financial Performance

The Illinois Finance Authority financial performance for the period ending January 31, 2006 is both above performance targets and exceeding 2005 year to date returns. Gross revenues of \$4.99M exceed 2005 levels by \$572k, with year to date net income of \$1.77M exceeding 2005 levels by \$268k. Year to date expenses are \$571 below budget with positive variances in total employee related expenses and in required loan loss provisions. Fiscal year 2005 continues per plan to be a year of investment in the infrastructure necessary to insure proper risk management and compliance with state and federal laws and regulations and generally accepted government accounting practices, as well as other critical investments in operating and management concerns including developing policies and procedures, creating strategic plans, and engaging independent marketing and other professionals.

Illinois Finance Authority's overall financial position continues to improve with total equity of \$57.6M, comprised of assets of \$60.6M and liabilities of \$3.0M. This compares favorably to the January 31, 2005 balance sheet with total equity of \$55.5M, comprised of assets of \$58.6M and liabilities of \$3.1M.

II. Sales Activities

A continued upward trend in project approvals compliments the increase in gross revenues as an indication that calling efforts are bringing results. Since inception, IFA has approved over **300 transactions** totaling nearly **\$7 Billion**. Funding managers will be presenting **13 projects** totaling approximately **\$336.6M** for approval in February. The projects continue to cover a diversity of regions, economies, and market segments throughout the state. Funding managers are now tracking the number and types of calling efforts made on a weekly basis for discussion with the Director of Financial Services.

Health Care: The Illinois Finance Authority closed on the Illinois Medical District project to provide funding for capital improvements. IFA will be working with Sam Pruet, Executive Director of the District to sponsor Bio 2006, a national summit of biotech and venture capital firms to be held in Chicago in April. IFA continues to seek opportunities for other partnerships with this "sister" state agency and its affiliates located within the district. IFA became a member of

the Illinois Rural Hospital Association and will be a sponsor and present at its next annual meeting. IFA has been working closely with financial advisory firm, PFM, to create and launch the Illinois Finance Authority Investment Management and Arbitrage Rebate Program providing a yield improving option for 501(c)3 bond proceeds prior to full utilization. This new program represents another value added solution IFA has to offer its health care and higher education partners.

Higher Education: The Illinois Finance Authority is working with staff and financial advisory firms to research market options for serving the needs of private not for profit colleges including pooled options. IFA will be conducting a market survey and informal and formal research to develop capital funding options for these institutions. The Higher Education Strategic Plan is in draft form and ready for review by staff and members of the board for input and direction.

Agriculture: The agricultural staff continues to see increased activity for approvals for farm bonds and participation loans. The small number of February projects will be augmented by a large number in March. A marketing program for wind energy is being developed and will be presented to bankers and farmers during the first quarter of 2006. Funding manager, Bart Bittner, has returned to the family farm and will be working part time for the Illinois Farm Bureau as a lobbyist where he will continue to be an important support for IFA in the agricultural sector. A professional search is in place for an agricultural funding manager.

Communities and Culture: The legislation supporting broadband deployment in underserved areas will be brought before the legislators in Springfield. IFA continues to develop funding initiatives to provide financing options which will fill the gap or "digital divide" which smaller rural communities and urban neighborhoods experience as they attempt to connect residents with broadband services placed along major corridors throughout the state. IFA staff is reviewing opportunities to provide a short term borrowing program for equipment purchases as well as long term construction financing program with Harris Bank and the law offices of Mayer Brown Rowe & Maw. Twenty two local governments participated in the \$12M refunding pool closed in January. The Fire Truck Loan Program has been fully extended and the monies coming back through loan repayments are being used to fund new purchases for other communities. IFA met with leaders of the Hispanic Chamber of Commerce in Chicago to review their financing needs for relocation. Funding managers and the director of financial services continue to develop the next tax anticipation warrant program for both school districts and for local governments.

Industry and Commerce: Funding managers have made numerous calls on businesses and manufacturers as well as economic development councils and financial institutions. Director of financial services continues to work with the Department of Commerce and Economic Opportunity to develop a program to address funding needs of businesses investing in homeland security projects. IFA staff has been working on numerous calls with alternative energy groups including FutureGen, Prairie State Energy, Sexton Companies, and others. IFA staff met with members of the Nexus Project, a theme park convention resort that may be cited in the metro-east area of Illinois.

III. Marketing and Public Relations

Marketing efforts this month resulted in a significant positive press in downstate Illinois including Spring Green Lodge and St. Anthony's Hospital. . IFA ran a full page ad in the Illinois Business Journal's Economic Development Issue. The Homeland Security Group and the Broadband Deployment Council have both received positive press coverage this month including IFA participation. The home mortgage program is scheduled to launch in Decatur on February 16, 2006 with similar rollouts in Rock Island as well as Chicago. Other major marketing initiatives include a professional review of all health care products and services including a Healthcare Market Survey. The design format for the IFA Annual Report for Fiscal Year 2005 is also currently under development with concurrence from IFA general counsel. Key media coverage and management included Central Cities Studio, Wind Energy Program, as well as a feature story in the publication of the Illinois Arts Council entitled, "The Fine Art of Financing the Arts."

V. Human Resources and Operations

The Illinois Finance Authority has focused in January on designing the program for Incentive Compensation. Job descriptions for all positions have been developed and performance reviews have been completed for all sales staff and are underway for all support staff. There is a recruitment effort underway for an agricultural funding manager as well as a compliance and risk management officer. The restructuring of the community and culture and agricultural support staff is underway. IFA is reviewing employee benefits structure for compliance and competitiveness in the market place. A project has begun to review all IT and telephone systems for increased efficiency and greater return on IT investments. Management has determined that there is a need for a loan accounting system as well as a project filing system and will be taking steps to initiate alternative solutions to both issues.

V. **Legal and Legislative Issues**

The legislature is in session and Legislative and Intergovernmental Affairs Consultant, Howard Kenner is lobbying for a request to increase IFA bonding authority through House Bill 1625. Several other bills which impact IFA have been posted for presentation. House Bill 5000 sponsored by Attorney General Lisa Madigan proposes changes to the IFA Act which would require bond counsel to interpret a 501(c)3 hospitals compliance with various labor provisions. The global intent of the bill is to encourage not-for-profits hospitals to comply, monitor, and report on provisions for the amount of charity care provided by the hospital. House Bill 4965 is an extension of the Fire Truck Bill to include emergency service vehicles also at 0% interest to local communities. House Bill 4817 proposed changes in the IFA Act to include guaranteed loans for manure processing and management on Illinois farms. House Bill 5361, an outcome of IFA's representation on the Governor's Broadband Council, proposes changes in the IFA Act which would provide for capital funding options which could support broadband deployment in underserved areas of the state.

VI. **Audit and Compliance**

The financial portion of the Fiscal Year 2005 Audit will be available in February. The time frame was again extended as the Auditor General determined that confirmations had not been made by McGladry & Pullen. The executive director had asked for a "Special Release" of our financial audit in January so that our results are available to the state, industry peers, rating agencies, and clients. The finalization of the Compliance Audit is now scheduled for release in May, not in March or April as reported last month. In May, the 2005 audit of IFA will begin. Currently, all fiscal year 2004 audit findings are either complete or substantially complete.

27.7
5.4

33.1

CASH / Invest
VC

16%

VC / TOTAL

37.6

Illinois Finance Authority
Balance Sheet
for the Seven Months Ending January 31, 2006

	December 2005	January 2006
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	\$ 21,417,146	\$ 27,704,397
LOAN RECEIVABLE, NET	17,513,448	11,653,955
ACCOUNTS RECEIVABLE	760,402	822,813
OTHER RECEIVABLES	25,489	112,119
PREPAID EXPENSES	37,813	26,727
	39,754,298	40,320,011
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	108,064	108,395
DEFERRED ISSUANCE COSTS	885,273	875,682
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES	9,896,593	9,894,470
VENTURE CAPITAL INVESTMENTS	5,661,491	5,437,487
OTHER	4,000,000	4,000,000
	19,558,084	19,331,957
TOTAL ASSETS	\$ 60,305,719	\$ 60,636,045
LIABILITIES		
CURRENT LIABILITIES	\$ 932,231	\$ 985,305
LONG-TERM LIABILITIES	1,935,845	2,027,408
	2,868,077	3,012,713
EQUITY		
CONTRIBUTED CAPITAL	23,828,249	23,828,249
RETAINED EARNINGS	13,062,404	13,062,404
NET INCOME / (LOSS)	1,592,260	1,777,950
RESERVED/RESTRICTED FUND BALANCE	6,268,199	6,268,199
UNRESERVED FUND BALANCE	12,686,528	12,686,528
	57,437,642	57,623,331
TOTAL EQUITY	57,437,642	57,623,331
TOTAL LIABILITIES & EQUITY	\$ 60,305,719	\$ 60,636,045

331

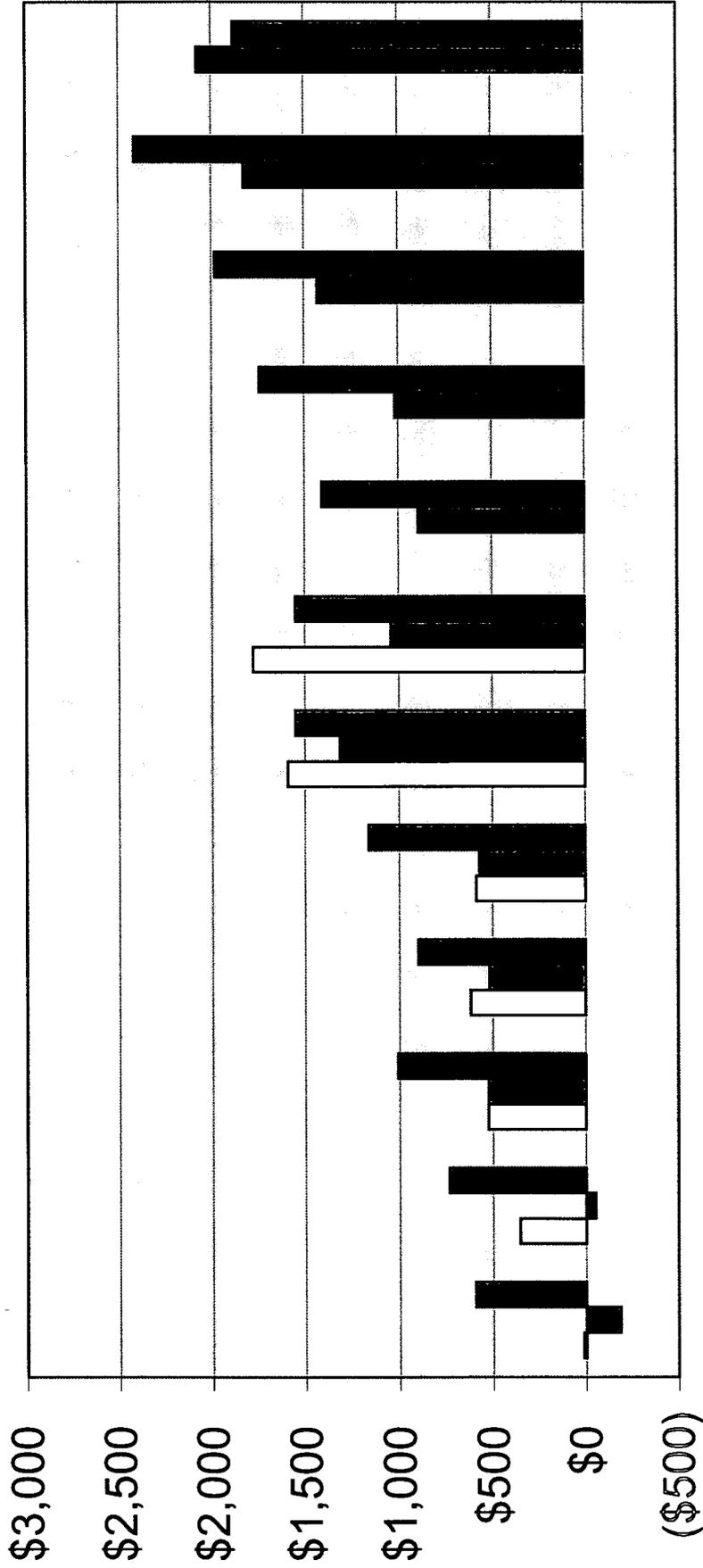
Statement of Activities
for Period Ending January 31, 2006

	Actual January 2006	Budget January 2006	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2006	Budget YTD FY 2006	Year to Date Variance Actual vs. Budget	YTD % Variance	Explanations
REVENUE									
INTEREST ON LOANS	156,427	30,000	128,427	421.4%	486,124	210,000	276,124	131.5%	
INVESTMENT INTEREST & GAIN(LOSS)	40,315	70,000	40,315	57.6%	637,603	490,000	147,603	30.1%	Interest income is due to Thornton Township
ADMINISTRATIONS & APPLICATION FEES	168,706	30,000	138,706	462.4%	2,950,695	3,180,000	(229,305)	(7.2%)	Investment interest accrual
ANNUAL ISSUANCE & LOAN FEES	89,156	135,000	(45,844)	(34.0%)	655,270	945,000	(289,730)	(30.7%)	
OTHER INCOME	183,545	-	183,545	0.0%	284,716	-	284,716	0.0%	Realized gain on investment
TOTAL REVENUE	508,149	285,000	443,149	187.2%	4,894,408	4,825,000	169,408	3.5%	
EXPENSES									
EMPLOYEE RELATED EXPENSES	233,622	255,000	(21,378)	(8.4%)	1,481,599	1,785,000	(303,401)	(17.0%)	
COMPENSATION & TAXES	23,781	19,510	4,271	21.9%	148,911	139,070	9,841	7.1%	
BENEFITS	7,380	2,500	4,880	195.2%	46,737	17,500	29,237	167.1%	
TEMPORARY HELP	-	540	(540)	(100.0%)	10,849	7,069	3,780	53.8%	Receptionist & File Clerk Temporary Help
EDUCATION & DEVELOPMENT	9,632	10,410	(778)	(7.5%)	87,638	72,870	14,768	20.3%	
TRAVEL & AUTO	274,415	287,960	(13,545)	(4.7%)	1,775,733	2,018,220	(242,487)	(12.0%)	
TOTAL EMPLOYEE RELATED EXPENSES	508,149	545,420	(37,271)	(6.8%)	3,184,408	3,906,390	(721,982)	(18.5%)	
PROFESSIONAL SERVICES	87,679	34,333	63,243	184.2%	500,748	240,333	260,415	108.4%	Accrual for Legal fees
CONSULTING, LEGAL & ADMIN	1,527	2,070	(543)	(26.2%)	9,387	14,490	(5,103)	(35.2%)	
LOAN EXPENSE & BANK FEE	33,291	29,000	4,291	14.8%	246,004	203,000	43,004	21.2%	Audit expense accrual
ACCOUNTING & AUDITING	24,916	25,000	(84)	(0.3%)	87,823	175,000	(107,177)	(61.2%)	
MARKETING GENERAL	8,155	8,000	155	1.9%	56,365	56,000	365	0.7%	
FINANCIAL ADVISORY	2,945	980	1,965	331.3%	7,841	4,130	3,711	89.8%	
CONFERENCE/TRAINING	6,663	10,833	(4,170)	(38.5%)	9,513	75,833	(66,320)	(87.5%)	
MISCELLANEOUS PROFESSIONAL SERVICES	3,701	3,750	(49)	(1.3%)	16,848	26,250	(9,402)	(35.8%)	
DATA PROCESSING	178,374	113,577	64,797	57.1%	914,530	795,037	119,493	15.0%	
TOTAL PROFESSIONAL SERVICES	274,415	157,577	116,838	74.5%	1,481,599	642,333	839,266	129.1%	
OCCUPANCY COSTS	12,454	15,745	(3,291)	(20.9%)	108,619	110,215	(1,596)	(1.4%)	
OFFICE RENT	1,394	2,585	(1,191)	(46.1%)	10,099	18,095	(7,996)	(44.2%)	
EQUIPMENT RENTAL AND PURCHASES	5,656	4,583	1,073	23.4%	41,354	32,083	9,270	28.9%	
TELECOMMUNICATIONS	773	1,065	(292)	(27.4%)	4,866	7,455	(2,589)	(34.7%)	
UTILITIES	3,805	3,000	805	26.8%	15,590	21,000	(5,410)	(25.6%)	
DEPRECIATION	630	1,300	(670)	(51.5%)	4,515	9,100	(4,585)	(50.4%)	
INSURANCE	24,712	28,278	(3,566)	(12.6%)	185,042	197,948	(12,906)	(6.5%)	
TOTAL OCCUPANCY COSTS	24,712	28,278	(3,566)	(12.6%)	185,042	197,948	(12,906)	(6.5%)	
GENERAL & ADMINISTRATION	3,262	8,167	(5,905)	(64.4%)	36,469	64,167	(27,698)	(43.2%)	
OFFICE SUPPLIES	2,296	1,400	896	64.0%	22,470	9,800	12,670	128.3%	
BOARD MEETING - EXPENSES	42	900	(858)	(95.4%)	2,936	6,300	(3,364)	(53.4%)	
PRINTING	2,529	2,900	(371)	(12.8%)	17,565	20,300	(2,735)	(13.5%)	
POSTAGE & FREIGHT	469	1,700	(1,231)	(72.4%)	15,944	11,900	4,044	34.0%	
MEMBERSHIP, DUES & CONTRIBUTIONS	427	200	227	113.3%	1,009	1,400	(391)	(27.9%)	
PUBLICATIONS	8,689	10,000	(1,301)	(13.0%)	60,692	70,000	(9,108)	(13.0%)	
OFFICERS & DIRECTORS INSURANCE	1,500	450	1,050	233.3%	2,735	3,150	(415)	(13.2%)	
MISCELLANEOUS	19,223	26,717	(7,494)	(28.0%)	160,020	187,017	(26,998)	(14.4%)	
TOTAL GENERAL & ADMINISTRATION EXPENSES	25,000	25,000	-	0.0%	40,075	175,000	(134,925)	(77.1%)	
LOAN LOSS PROVISION	736	800	(64)	(8.0%)	5,422	5,800	(378)	(6.5%)	
OTHER	522,460	482,332	40,128	8.3%	3,080,822	3,378,822	(298,000)	(8.8%)	
INTEREST EXPENSE	736	800	(64)	(8.0%)	5,422	5,800	(378)	(6.5%)	
TOTAL OTHER	522,460	482,332	40,128	8.3%	3,080,822	3,378,822	(298,000)	(8.8%)	
TOTAL EXPENSES	165,689	(217,332)	403,021	(185.4%)	1,913,586	1,448,178	467,407	32.3%	
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	342,460	502,332	(160,872)	(32.0%)	(1,913,586)	(1,448,178)	467,407	32.3%	
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	85,689	(58,333)	56,333	(100.0%)	(135,636)	(408,333)	272,697	(66.8%)	
NET INCOME/(LOSS)	428,149	444,000	(16,851)	(3.8%)	(1,777,950)	(1,037,845)	740,105	71.3%	

**IFA Aging Report - DL-PL-PL/MPF -
January 31, 2006**

Client#	Client Name	Date of Closing	P.A	Payment 1/31/2006	Original Loan Amt	1 - 30 days	31 - 60 days	61 - 90 days	Past Due 91-180 days	181-days - 1 Year	Over 1 Year	Loan Balance 1/31/2006
PARTICIPATION LOANS												
9580-pl	Act Bending & Steel Company, Inc.	4/3/2001		Past Due	300,000							
9879-pl	Alexis Fire Equipment	3/4/2004	Senica	Yes	247,611						143,236	143,236
	American Allied Freight Car Co. Inc.	3/23/2005	Senica	Yes	246,766							145,227
9830-PL	Arnold, Michael & Sandy	7/15/2003	Senica	Yes	147,407							225,609
9677-PL	Berry, Todd (Precision Laser)	11/5/2001	Senica	Yes	188,613							134,415
2110-PL	Bob Brady Dodge, Inc. (J & C Investment)	1/4/2000	Senica	Yes	300,000							146,597
9757-PL	Brahler, Richard W.	4/30/2002	Senica	Yes	297,592							219,456
	Bramm, Karen	3/22/2005	Reed	Yes/annual pymnt	847,739							266,015
1943-PL	Bushert, Forrest D.	8/10/1998	Senica	Yes	240,000							835,251
1881-PL	Caywood's Youth Center, Inc.	6/16/1998	Pigg	Yes	237,500							171,975
9792-PL	Chapman, Marc (Quality Water Sev. Inc)	10/25/2002	Senica	Yes	227,387							178,199
9817-PL	Centurion Investments	11/4/2003	Pigg	Yes	300,000							152,973
9588-PL	Cushing, Steve & Ed	5/21/2001	Pigg	Yes	149,238							282,740
	Deli Star Corporation	1/10/2005	Pigg	Yes	150,000							87,436
	Earl & Sue Hesterberg	10/25/2005	Bittner	New Loan	103,500							32,209
9835-PL	Eagle Theater Corporation	9/8/2003	Trout/Albright	Yes	295,071							100,000
	Excel Crusher Technologies	4/19/2005	Senica	Yes	1,000,000							262,303
9793-PL	Excel Foundry	3/27/2003	Senica	Yes	237,112							875,546
	Excel Foundry	5/24/2005	Senica	Yes	762,562							177,243
	Jeffrey J. Gutzwiller	12/8/2005	Senica	New Loan	135,168							693,627
	Jeffrey Stark & Michael Haag	1/25/2006	Reed	New Loan	222,915							134,853
	Ray and Loretta Aden	12/29/2005	Reed	New Loan	150,000							222,915
1904-PL	Hagel & Leong (2nd loan)	2/8/2002	Senica	No	100,817	1,800						150,000
1844-PL	Hawkeye Food Machinery, Inc.	1/17/1997	Senica	Paid off 11/10/05	250,000							25,099
9726-PL	Kevin Krosse	2/15/2002	Senica	Yes	114,084	990						
9783-PL	Keyser, David (Klean Wash, Inc.)	8/13/2002	Senica	Yes	100,000							90,817
	Kenneth & Virginia Lasater	9/14/2005	Reed	Annual Pymnt	443,594							66,620
	Kophamer Grain	11/14/2005	Bittner	Annual Pymnt	241,000							443,594
1907-PL	Lincoln Tool Company	6/12/1997	Senica	Yes	150,000							241,000
	Martin & Rebecca Koster	7/27/2005	Reed	Annual Pymnt	200,000						104,427	104,427
1927-PL	Moerchen, William J.	6/12/1997	Pigg	Yes	300,000							200,000
	Newline Harwoods, Inc	11/4/2004	Senica	Yes	294,601							73,701
	Octochem	12/31/2003	Pigg	Yes, Interest only	281,538							251,803
	P & P Press	1/24/2006	Senica	New Loan	642,008							263,090
	Perkins & Perkins Ltd. Partnership	8/23/2005	Senica	Yes	165,191							642,008
	Roesch, Inc	9/23/2004	Pigg	Yes	294,368							151,800
9781-PL	S & B Investments	2/18/2003	Pigg/Trout	No	197,889	1,400	1,400					264,033
9699-PL	Shuffs Machine	11/26/2002	Pigg	Yes	234,693							171,428
9579-PL	Siebenberger, Douglas & Robt. Ewen	5/17/2002	Pigg	Yes	235,699							169,823
9225-PL	Siracusa, Charles & Sharon	3/23/2000	Frampton	Yes	300,000							204,425
1869-PL	Specialty Machine & Tool, Inc.	4/2/1997	Cochran	Past due	87,173							249,778
	Spaulding Composites, Inc	3/23/2005	Curtis-Martin	Yes	622,508						71,943	71,943
9671-PL	Upchurch Oil & Ready Mix Concrete	5/4/2001	Pigg	Prepaid in Dec. for Jan	300,000							602,528
	Uresil	12/1/2004	Curtis-Martin	Yes	300,000							183,106
9631-PL	The Weisiger Family Trust	4/6/2001	Senica	Yes	250,000							260,980
2164-PL	Wiegand, Beth A.	6/10/1999	Senica	Yes	183,484							219,101
	Roy Wiegand	1/5/2006	Reed	New Loan	172,800							140,028
												167,800
9782-PL	Wilson, Michael L. Sr.	12/6/2002	Senica	Made a principal pymnt	296,032					275,211		275,211
	WorkSaver Inc	12/31/2003	Pigg	Yes	112,500							71,029
9672-PL	Young, Clinton (Precision Pattern)	8/1/2001	Senica	Yes	149,601	900						138,027
PL-Motion Picture Financing												
9733-PL/MPF	Big Picture Chicago,LLC	2/20/2002			82,500							16,432
9739-PL/MPF	SMS Productions	7/29/2002	Trout		49,270							16,432
	TOTAL				14,880,724	5,090	1,400	-	-	275,211	336,037	11,397,453
<i>PL/MPF Late amounts are estimates.</i>												
DL Loans												
98	Roe Machine Co.	12/31/1980	Pigg	Yes	45,000							1,062
1470	T.K.G. Inc.	8/26/1994	Pigg	Past due	179,000						107,808	107,808
	TOTAL				224,000	-	-	-	-	-	107,808	108,870
FMHA Loans												
9627	Grayson Hill Energy, LLC	1/31/2001	Pigg	Yes	130,000							73,952
1589	Ray's Body, Inc.	1/17/1995	Pigg	Loan Paid off	100,000							-
1952	Sublette Developers, Inc.	1/15/1998	Albright	Yes	150,000							106,347
9643	Ultra Play Systems, Inc.	5/3/2001	Pigg	Yes	90,000	1,314						36,603
	Derefs BBQ	12/1/2005	Pigg	New Loan	108,688							108,688
1789	Walters Trucking	6/25/1996	Senica	Loan paid off 11/03/05	100,000							-
	TOTAL				678,688	1,314	-	-	-	-	-	325,590
Municipalities												
	City of Metropolis	2/10/2005	Watson	Loan Paid off 12/6/05	3,000,000							-
	Austin Township	3/1/2005	Myers	No pymnt due	85,000							76,500
	Thorton Township School Dist.	9/29/2005	Myers	Loan Paid off 1/27/06	6,777,000							-
	TOTAL				-	-	-	-	-	-	-	76,500
	Illinois Facilities Fund	2/10/2000		No pymnt due	1,000,000							-
	TOTAL				1,000,000	-	-	-	-	-	-	1,000,000
	GRAND TOTAL				6,404	1,400	-	-	-	275,211	443,845	12,908,413

Cumulative Net Income



(In thousands)

Illinois Finance Authority

Status of

FY 04 Audit Findings

Update as of January 31, 2006

Total Number of 14

Item Number	Description	Status		Percentage Completed
		Action Items Completed	Action Items/	
04-01	Lack of Comprehensive Accounting System and Procedures	16/17		
04-02	Inadequate Segregation of Duties	Complete		
04-03	Failure to Monitor Bond Compliance	5/8		
04-04	Inadequate Internal Control Review of Bond trustees	4/6		
04-05	Non Compliance with Illinois Procurement Code and SAMS	2/3		
04-06	Inadequate Invoice processing	Complete		
04-07	Non-Submission of Credit Enhancement Development Report	Complete		
04-08	Inadequate Maintenance of Personnel Files	Complete		
04-09	Inadequate Cash receipts processing	Complete		
04-10	Inaccurate Completion of Agency Fee Imposition	Complete		
04-11	Lack of Adequate Time reporting Documentation	Complete		
04-12	Untimely Review of Monthly Reconciliations	90% reviewed		
04-13	Unreported Assignments of State Vehicles	Complete		
04-14	Incomplete accounting for Capital Assets	Year-end inventory		

Notes:

50% = Partially Completed

60% = Substantially Completed

100% = Completed

0

6

8



MINUTES OF THE REGULARLY SCHEDULED 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 its regularly scheduled meeting at 11:30 a.m., on January 10, 2006 at the Plaza Club, One Prudential Plaza, 130 E. Randolph Street, 40th floor, Chicago, Illinois.

Members Present:

Magda M. Boyles
Demetris A. Giannoulis ✓
David C. Gustman ✓
Edward H. Leonard, Sr. ✓
Terrence M. O'Brien
Andrew W. Rice ✓
Juan B. Rivera ✓
Lynn F. Talbott ✓ *Phone*
Joseph P. Valenti ✓
Bradley A. Zeller ✓

Members Absent:

Ronald E. DeNard
James J. Fuentes —
Michael W. Goetz —
Dr. Roger D. Herrin
Martin H. Nesbitt

GENERAL BUSINESS

Call to order

Chairman Gustman called the meeting to order at 11:41 a.m. with the above members present.

Chairman's Welcome

On behalf of the Board, Chairman Gustman welcomed everyone and acknowledged the Authority's second anniversary since Governor Blagojevich consolidated predecessor agencies to form the Illinois Finance Authority. Since inception 337 transactions have been approved totaling nearly \$7 billion and, an expected 7,000 new jobs and 16,000 construction jobs throughout the State of Illinois.

Roll Call

Chairman Gustman asked Secretary Burgess Jones to call the roll. There being ten members present, a quorum was declared.

Interim Executive Director's Report

Interim Executive Director Rendleman reported that the Authority has exceeded performance forecasts thanks to a dedicated staff, particularly IFA funding managers who have over 20 years of experience in the field of municipals bonds. At today's board meeting 16 projects will be presented totaling over \$223 million.

Acceptance of Financials

Financials for period ending December 31, 2005 were accepted by all board members present.

Minutes

Upon a motion by Ms. Talbott and seconded by Mr. Rivera, Chairman Gustman requested a roll call vote to approve the December 6, 2005 Minutes. The motion was approved with 10 ayes, 0 nays, and 0 abstentions.

Projects

Interim Executive Director Rendleman presented the following projects for Board approval:

No. 1: **A-LL-TX-726 – Darrell Runge**
Requests approval of a Participation Loan to purchase 160 acres of farmland in an amount not-to-exceed \$236,000.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-01)

No. 2: **A-YF-TX-CD-723 – Mark Kaufman**
Requests approval of a Young Farmers Guarantee to purchase ½ interest in 160 acres of farmland in an amount not-to-exceed \$274,000.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-02)

No. 3: **A-SG-TX-GT-724 – Steve and Laurie Eickmeyer, Sonshine Dairy, LLC**

Requests approval of a Specialized Livestock Guarantee to refinance existing debt and complete the purchase of 100% ownership by the Eickmeyers in amount not-to-exceed \$250,000.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-03)

No. 4: **A-FB-TE-CD-6000 – Kent Darnell**

Requests approval of a Beginning Farmer Bond in an amount not-to-exceed \$150,000.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-04)

A-FB-TE-CD-6001 – Aaron Wallace

Requests approval of a Beginning Farmer Bond in an amount not-to-exceed \$107,000.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-04)

A-FB-TE-CD-6002 – Duston & Karon Traylor

Requests approval of a Beginning Farmer Bond in an amount not-to-exceed \$227,000.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-04)

A-FB-TE-CD-6003 – Wayne & Deborah Corzatt

Requests approval of a Beginning Farmer Bond in an amount not-to-exceed \$80,000.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-04)

A-FB-TE-CD-6004 – Nathan King

Requests approval of a Beginning Farmer Bond in an amount not-to-exceed \$140,000.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-04)

A-FB-TE-CD-6005 – Corey Hilmes

Requests approval of a Beginning Farmer Bond in an amount not-to-exceed \$250,000.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-04)

No. 5

B-LL-TX-705 – Waugh Foods, Inc.

Requests approval of a Participation Loan to finance the acquisition of dry goods dock equipment in an amount not-to-exceed \$70,000. This project is expected to create 14 new jobs and 5 construction jobs.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-05)

No. 6

B-LL-TX-722 – Network Innovations, Inc.

Requests approval of a Participation Loan to finance the acquisition of a building in an amount not-to-exceed \$520,000. This project is expected to create 25 new jobs.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-06)

No. 7

E-PC-TE-CD-6007 – Dominican University

Requests preliminary approval of a 501(c) 3 Bond to finance demolition and replacement of an existing academic building, construct a new parking garage and refinance Series 2000 IFA (IEFA) bonds in an amount not-to-exceed \$31,000,000. This project is expected to create 25 new jobs and 50-65 construction jobs.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-07)

No. 8

E-PC-TE-CD-6010 – Benedictine University

Requests final approval of a 501(c) 3 Bond to finance and refinance all or a portion of rehab costs and improvements to the University's athletic facilities and other capital improvements in an amount not-to-exceed \$6,500,000. This project is expected to create 5 new jobs.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-08)

No. 9

E-PC-TE-CD-713 – Chicago Historical Society

Requests final approval of 501(c) 3 Bonds to finance gallery renovations, public spaces and refund existing IFA (IEFA) Series 1985/Series 1989/Series 1998 tax-exempt bonds in an amount not-to-exceed \$53,000,000. This project is expected to create 6 new jobs and 12-32 construction jobs.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-09)

No. 10

N-NP-TE-CD-717 – Lutheran Social Services of Illinois and Vesper Management Corporation

Requests final approval of a 501(c) 3 Bond to refund outstanding IHFA Series 1993 Bonds, reimburse and finance certain new capital costs, capitalize debt service reserve and pay costs of issuance in an amount not-to-exceed \$22,000,000. This project is expected to create 209 new jobs.

Ms. Boyles announced that she would abstain from voting on this project. Stating that her firm provides legal representation to Lutheran Social Services of Illinois. Chairman Gustman requested a roll call vote. The motion was approved with 9 ayes, 0 nays, and 1 abstention. (06-01-10)

No. 11 **LG-GR-TE-CD-592 – Illinois Medical District Commission (Chicago Technology Park Acquisition & Expansion Project)**

Requests final approval of Public Purpose Bonds for acquisition purposes, construction and renovations within the boundaries of the Illinois Medical District Commission's Chicago Technology Park in an amount not-to-exceed \$40,000,000. This project is expected to create 2,910 permanent jobs and 1,500 construction jobs.

Mr. O'Brien announced that he would abstain from voting on this project. Stating that his firm provides services to the Illinois Medical District Commission. Chairman Gustman requested a roll call vote. The project was approved with 9 ayes, 0 nays, and 1 abstention. (06-01-11)

No. 12 **L-PW-TE-CD-6009 – Pooled Tax Anticipation Warrant Program for Illinois School Districts**

Requests final approval of Local Government Bonds to provide funds to school districts with projected cash flow deficits in an amount not-to-exceed \$29,950,000.

Chairman Gustman requested a roll call vote. The project was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-12)

No. 13 **M-MH-TE-CD-718 – DuPage Covered Bridges, LP an Illinois Limited Partnership to be formed (to be owned initially by Globetrotters International, Inc. and affiliates), and its successors and assigns (Covered Bridges Apartments)**

Requests preliminary approval of Housing Bonds to purchase and renovate an existing multifamily unit in an amount not-to-exceed \$19,500,000. This project is expected to use approximately \$18.2 million of Home Rule Volume Cap, including a minimum of \$13.2 million of prior year Carryforward Volume Cap obtained from Home Rule Units. This project is expected to create 18 construction jobs.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-13)

No. 14

H-CP-TE-CD-645 – Center for Residential Management

Requests final approval of Conduit 501(c) 3 Bonds to refinance 1992 and 1998 IFA Bonds, loan consolidation, and facilities acquisition in an amount not-to-exceed \$15,000,000. This project is expected to create 4 new jobs.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-14)

No. 15

H-HO-TE-CD-721 - BroMenn Healthcare

Requests final approval of Conduit 501(c)3 Bonds to pay or reimburse certain capital equipment costs, refinance taxable loan and pay certain related expenses in an amount not-to-exceed \$4,000,000. This project is expected to create 2 new jobs.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-15)

Amendments / Resolutions

Thompson Pearl Valley Cheese. Amendatory Resolution. Requests to defer for six months principal payments for loans to Thompson Pearl Valley Eggs that are secured by IFA agricultural guarantees.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-16)

Hendrick W. and Gasiena Hijink. Amendatory Resolution. Requests to defer six months principal payments for loans to Hendrick W. and Gasiena Hijink that are secured by IFA agricultural guarantees.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-17)

Valley Custom Woodwork, Inc. Amendatory Resolution. Requests to reset interest rate and amortization for remainder of term of Participation Loan to Charles & Sharon D. Siracusa (Valley Custom Woodwork, Inc.).

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-18)

P&P Press. Amendatory Resolution. Requests to reset interest rate and release collateral for a Participation Loan for P&P Press.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-19)

Fowler Properties. Amendatory Resolution. Requests to increase the commitment and a change in collateral and terms for a Participation Loan for Fowler Properties, LLC.

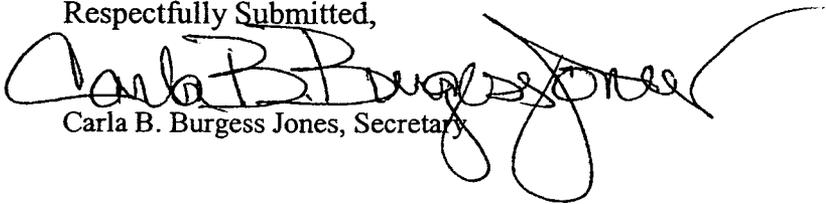
Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-20)

Illinois Wesleyan University. Resolution. Requests for IFA to consent to Proposed Amendment of Series 1997 Bond Indenture to allow Guaranteed Investment Contract in Escrow for Illinois Wesleyan University.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions. (06-01-21)

Chairman Gustman asked if there was any other business to come before the Board. There being no further business Chairman Gustman requested a motion to adjourn. Upon a motion by Mr. Rivera and seconded by Ms. Talbott the meeting adjourned at approximately 12:15 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Carla B. Burgess Jones', with a large, sweeping flourish extending to the right.

Carla B. Burgess Jones, Secretary

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 7, 2006**

Project: Robert and Phyllis Fleming

STATISTICS

Project Number:	A-LL-TX-6025	Amount:	\$62,500
Type:	Participation Loan	IFA Staff:	Eric Reed
Location:	Ipava, IL	SIC Code:	0191-Grain Farming

BOARD ACTION

Approval to purchase a 50% participation loan from Ipava State Bank, Ipava, IL
\$62,500 of IFA funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

- Receipt of satisfactory appraisal verifying a loan to value ratio of 80% or less.

PURPOSE

The proposed loan facility will provide permanent financing for the purchase of 40 acres of farmland.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA	\$62,500	Uses:	Purchase Land	<u>\$125,000</u>
	Ipava State Bank	<u>\$62,500</u>			
	Total	<u>\$125,000</u>		Total	<u>\$125,000</u>

JOBS

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

BUSINESS SUMMARY

Background: Robert and Phyllis Fleming own and operate a 544 acre grain farming operation located near Ipava, IL. The Flemings have been farming for over 30 years. In addition to operating the grain farm, Robert serves on the Board of Directors for the Ipava State Bank.

Project Rationale: Robert has been given the opportunity to purchase 40 acres from the family farming operation. The Flemings wish to purchase and continue farming the property to avoid having it taken out of agricultural production.

Transaction: Loan proceeds will provide permanent financing for the purchase of 40 acres of farmland. The borrower will pledge an additional 17 acres to provide equity in the transaction.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 7, 2006

Project: 590 Tower Boulevard, L.L.C.
(MAAC Machinery Company, Inc.)

STATISTICS

Deal Number:	I-ID-TE-CD-6023	Amount:	\$2,050,000 (not-to-exceed amount)
Type:	Industrial Revenue Bonds	IFA Staff:	Rich Frampton and Sharnell Curtis Martin
Location:	Carol Stream	SIC Code:	3551

BOARD ACTION

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

PURPOSE

To refinance a previous bond issue. (Original bonds issued by the Village of Carol Stream)

IFA CONTRIBUTION

Convey Federal Tax-Exempt status on the bonds. No Volume Cap is required for IRB refundings.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$2,050,000	Uses:	Project Costs	\$2,050,000
	Equity	<u>46,000</u>		Costs of Issuance	<u>46,000</u>
	Total Sources	<u>\$2,096,000</u>		Total Uses	<u>\$2,096,000</u>

The source of equity is from internally generated funds.

JOBS

Current employment:	61	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

Background: MAAC Machinery Company, Inc. ("MAAC" and or "The Company"), was established in 1982 by Mr. Paul Alongi, CEO and sole stockholder and is incorporated under Illinois law. MAAC is a "C" Corporation. Mr. James Alongi, the founder's brother serves as MAAC's President.

Description: MAAC is the world's largest machinery manufacturer focusing exclusively on sheet-fed thermoforming equipment. The Company provides custom engineering services to build plastic sheet fed thermoforming machines designed to achieve individual customer specifications. MAAC has the ability to provide custom engineering according to specifications or custom design a machine to the customer's requirements. Application Engineers can work with each customer to design an optimal solution for each customer's needs.

Although most of MAAC's sales are in North America, the Company also sells and services products worldwide through a network of international representatives.

Since its founding, MAAC has expanded via acquisitions. MAAC completed development, financing, and construction of its new Carol Stream manufacturing facility in 1999, in order to consolidate its operations at a single location and provide room for future growth.

Remarks: MAAC's thermoforming machines are used by a diversified customer base representing a variety of industries. MAAC has worked with customers to design thermoforming machines to product the following products: tubs/spas; advertising point of purchase displays; automotive parts including dashboards, door interiors, bumpers, grills, and emblems; household appliances parts, including interior refrigerators panels and enclosures; industrial packaging and material handling including pallets and containers; and boat hulls.

FINANCING SUMMARY

Security: The Bonds will be purchased directly by First Midwest Bank (Schaumburg) and held as an investment until maturity.

Structure: Fixed interest rate bonds with a 5-year reset, estimated initial 5-year rate of 4.45% (as of 1/23/2006)

Maturity: April 1, 2024

PROJECT SUMMARY

Bond proceeds will be used to refinance the entire outstanding principal balance of the Village of Carol Stream's Series 1999 Bonds. The original Series 1999 bond proceeds were used to acquire approximately 3.05 acres of land and to construct and equip a 45,000 square foot manufacturing facility located at 590 Tower Boulevard in Carol Stream, Illinois (DuPage County). Project costs are estimated as follows:

Refinance Series 1999 Bonds	<u>\$2,050,000</u>
Total Project Costs	<u>\$2,050,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: 590 Tower Boulevard, L.L.C. (Contact: Mr. James Alongi, President, MAAC Machinery Company, Inc., 590 Tower Blvd., Carol Stream (DuPage County), IL 60188-9426; (T) 630-665-1700; (F) 630-655-7799; jalongi@maacmachinery.com)

Project name: MAAC Machinery Company, Inc. (Series 2006 Refunding Bonds)

Location: 590 Tower Blvd., Carol Stream (DuPage County), IL 60188-9426

	<u>Applicant</u>	<u>Tenant</u>
Entity:	590 Tower Boulevard, L.L.C.	MAAC Machinery Company, Inc.
Organization:	Limited Liability Company	Corporation
State:	Illinois	Illinois

Ownership: Paul V. Alongi, CEO -- 100%
Land Sellers: The Applicant already owns the subject property.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Meltzer, Purtil & Stelle	Schaumburg	Randy Kulat
Accountant:	Hofner & Hofner, LLC	Wheaton	
Bond Counsel:	Ice Miller, LLP	Chicago	Tom Smith
Bond Purchaser:	First Midwest Bank	Schaumburg	Andy Kelpsa
Bank's Counsel:	Much Shelist	Chicago	Julie Hanusa
Issuer's Counsel:	Hart Southworth & Witsman	Springfield	Sam Witsman

LEGISLATIVE DISTRICTS

Congressional: 6 - Henry Hyde
State Senate: 23 - Carole Pankau
State House: 45 - Roger Jenisch

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 7, 2006**

**Project: HODA, L.L.C.
(Diamond Cellophane Products, Inc. and Spring-fill Industries, Inc.)**

STATISTICS

Project Number: I-ID-TE-CD-6015	Amount: \$3,200,000 (not-to-exceed amount)
Type: Industrial Revenue Bonds	IFA Staff: Rich Frampton and Sharnell Curtis-Martin
Location: Northbrook	

BOARD ACTION

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

PURPOSE

Proceeds will be used to current refund 100% of outstanding principal of IFA (IDFA) Series 2000 Industrial Revenue Bonds.

IFA CONTRIBUTION

IFA will convey tax-exempt status on the Refunding Bonds. No Volume Cap is required for IRB Refundings.

VOTING RECORD

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

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Refunding Bonds	\$3,200,000	Uses:	Refund Series 2000 Bd.	\$3,200,000
	Equity/Bank Line	<u>56,140</u>		Costs of Issuance	<u>56,140</u>
	Total	<u>\$3,256,140</u>		Total	<u>\$3,256,140</u>

JOBS

Current employment: 53	Projected new jobs: N/A
Jobs retained: N/A	Construction jobs: N/A

BUSINESS SUMMARY

Background: HODA, L.L.C. ("HODA" or the "Borrower") an Illinois limited liability company formed in 1999 by the principals of Spring-fill Industries, Inc. (and affiliated companies) to purchase, renovate, and equip a manufacturing facility to be used by **Diamond Cellophane Products, Inc. and Spring-fill Industries, Inc.** (jointly, the "Operating Companies" or the "Tenants").

HODA and the Operating Companies are principally owned by Mr. Howard Diamond of Northbrook and Mr. David Klein of Deerfield. The Economic Disclosure Statement section of this report provides additional ownership information (see Page 3).

Diamond Cellophane Products, Inc. was established and incorporated under Illinois law in 1944 and is in its third generation of Diamond family ownership.

Spring-fill Industries, Inc. was established and incorporated under Illinois law in 1992.

Background: **Diamond Cellophane Products, Inc. ("Diamond")** was established in 1944 and is a manufacturer of custom plastic and cellophane bags, designed and printed to customer specifications. Diamond is capable of manufacturing both printed roll stock, six-color, re-sealable bags and stand-up pouches used in food product and snack packaging.

Diamond works collaboratively with its customers to determine what materials (i.e., substrates), printing techniques, and finishing options (e.g., artwork) will serve the customer's product. Diamond's customers include food manufacturers, specialty advertising, and retail applications.

Spring-fill Industries, Inc. ("Spring-fill") was established in 1992 as a separate business by the principals of Diamond Cellophane with the purchase of its first machine to shred paper roll stock. Later, Spring-fill added capabilities to use shred foil paper and light plastics. Because this shredded stock could be manufactured in a variety of colors, Spring-fill sold this product for use in product display, decorative packaging, and gift packaging applications. Spring-fill's products are sold through wholesale distributors to retail stores and catalog retailers.

The Operating Companies pursued development of this project in 1999 and 2000 in order to increase production capacity, improve operating efficiencies, and provide opportunities for future growth.

The proposed refunding bonds will enable HODA, L.L.C. and the operating companies to reduce interest rate risk by fixing the Company's interest rate for the next five years (the Company's existing bonds are secured by a Bank LOC and are currently in 7-day floating rate mode).

FINANCING SUMMARY

Bondholder Security: Bonds will be purchased directly by First Midwest Bank (Chicago) and held as an investment to maturity.

Structure: Fixed Rate for an initial 5-year term, extendable to the final maturity date (12/1/2020). Initial fixed rate will be 4.45% for an initial 5-year term (i.e., until March 2011). The interest rate will be reset according to market conditions at that time.

Maturity: 12/1/2020

PROJECT DESCRIPTION FOR IFA BOND RESOLUTION

Bond proceeds will be used to current refund 100% of the outstanding principal of IFA (IDFA) Series 2000 Bonds (HODA, L.L.C. Project). The original Series 2000 Bond Proceeds were used to finance the acquisition of approximately 5.12 acres of land, the purchase, renovation, and equipping of an approximately 80,180 SF building located thereon at 1855 Shermer Road, Northbrook (Cook County), Illinois 60062-5317. Additionally, the Series 2000 Bonds were used to pay capitalized interest and bond issuance costs.

Refinance Series 2000 Bonds	<u>\$3,200,000</u>
Total Project Costs	<u>\$3,200,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant/Contacts: HODA, L.L.C. (*Signatory Contact:* Mr. Howard Diamond, President, Diamond Flexible Packaging, 1855 Shermer Road, Northbrook (Cook County), IL 60062-5317. (T) 847-418-3020; (F) 847-418-3010; email: howard@dbpco.com)

Project Name: HODA, L.L.C. Project (Series 2006 Refunding Bonds)
Project Location: 1855 Shermer Road, Northbrook (Cook County), IL 60062-5317.
Land Owner: The subject property is already owned by HODA, L.L.C.

Entity:	<u>Applicant</u> HODA, L.L.C.	<u>Tenant #1:</u> Diamond Cellophane Products, Inc.	<u>Tenant #2:</u> Spring-fill Industries, Inc.
Organization:	Limited Liability Company	Corporation	Corporation
State:	Illinois	Illinois	Illinois

7.5% or Greater
Ownership: **For HODA, L.L.C., Diamond Cellophane, Inc. and Spring-fill Industries, Inc.:**

- Howard Diamond, 1526 Country Lane, Deerfield, IL 60015: 50%
- David Klein, 4049 Lindenwood, Northbrook, IL 60062: 50%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Brandwein & Brandwein LLC	Chicago, IL	Dick Brandwein
Accountant:	Louis Estes Gantz, P.C.	Northbrook, IL	Louis Gantz
Bond Counsel:	Ice Miller LLP	Chicago, IL	Tom Smith, Patra Geroulis
Bank/ Bond Purchaser:	First Midwest Bank	Chicago, IL	Thomas Maxwell
Counsel to Bank:	Much Shelist LLP	Chicago, IL	Julie Hanusa
Trustee:	Not applicable (Bank Direct Purchase)		
Issuer's Counsel:	Hart Southworth & Witsman	Springfield, IL	Sam Witsman

LEGISLATIVE DISTRICTS

Congressional:	10	Mark Steven Kirk
State Senate:	29	Susan Garrett
State House:	57	Elaine Nekritz

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 7, 2006**

Project: James Beard Jr. and Justin Beard

STATISTICS

Project Number:	B-LL-TX-6016	Amount:	\$80,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	LaSalle		

BOARD ACTION

Purchase of Participation Loan from Citizens First National Bank & Trust – Peru, IL
\$80,000 IFA funds at risk
Staff recommends approval

PURPOSE

Finance the acquisition of a city lot and a commercial building located at 1612 Fourth Street, Peru, Illinois.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	\$80,000	Uses:	Land	\$ 30,000
	Citizens First Nt'l Bank:	80,000		Building	<u>220,000</u>
	Peru CDAP Loan*	50,000		Total	<u>\$250,000</u>
	Equity**	40,000			
	Total	<u>\$250,000</u>			

* The Peru CDAP loan will be subordinated to IFA and the Bank's loan.

**Equity will be comprised of cash contributions from the applicants.

JOBS

Current employment:	2	Projected new jobs:	3
Jobs retained:	NA	Construction jobs:	N/A

BUSINESS SUMMARY

Background: James O. Beard and Justin Beard are the owners of Flawless Automotive, Inc., an Illinois S Corporation started in 2002 to engage in the automotive detailing business.

Operations: Flawless Automotive, Inc was founded in 2002 by James O. Beard and Steven Beach. Initially, they concentrated on car detailing, interior repairs and paintless dent removal. In late 2003, Beard and Beach disagreed on what services to offer and at that time, Justin Beard, James' brother, bought out Beaches interest in the company. Currently, the company's main lines of business include much of the same services as well as truck bed lining. Flawless Automotive provides their services to area new and used auto dealers, car collectors and the general public. Flawless recently expanded into the lucrative car collector and enthusiast market because of the reputation for outstanding work they have developed.

Flawless Automotive, Inc. is the only facility within an approximate 100-mile radius of the LaSalle-Peru area that provides Perma-Tech spray-on bed liners. The company has several customers from Indiana and the Chicago suburbs as well as local dealers that use this service.

The Project: The project presented in this report entails financing the acquisition of a city lot and a commercial building located thereon at 1612 Fourth Street in Peru, Illinois. The building once housed Peru Motors, a GM franchised Chevrolet new and used car dealer, and will allow the applicants to significantly expand their business. Their current location, located at 910 3rd Street in LaSalle, is not large enough to accommodate the demand for their services, as there is room for only two vehicles to be in the shop at any one time. The building in Peru will allow them to work on up to eight vehicles in the building as well as lease out space to another individual for mechanical work, which will generate \$1,000 in additional income each month. Additionally, the new building will provide them with a showroom to display their projects and specialty vehicles.

FINANCING SUMMARY

Obligors: James O. Beard & Justin R. Beard

Guarantor: Flawless Automotive, Inc.

Repayment: In the event of a liquidation of our collateral (real estate) proceeds will be applied first to repay the subject loan before paying any other credit facility.

ECONOMIC DISCLOSURE STATEMENT

Applicants: James O. Beard & Justin R. Beard
Organization: Illinois S Corporation
Ownership: James O. Beard & Justin R. Beard

PROFESSIONAL & FINANCIAL

Accountant: Jay Baxter & Associates, CPA
Banker: Citizen's First National Bank

Oglesby
Peru

Jay Baxter
Tom Atkinson

LEGISLATIVE DISTRICTS

Congressional: 11 – Jerry Weller
State Senate: 38 – Gary Dahl
State House: 76 – Frank J. Mautino

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 7, 2006**

Project: Jay and Colleen Baxter

STATISTICS

Project Number:	B-LL-TX-6017	Amount:	\$102,500
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Oglesby		

BOARD ACTION

Purchase of Participation Loan from Citizens First National Bank & Trust – Peru, IL
\$102,500 IFA funds at risk
Staff recommends approval

PURPOSE

Finance the acquisition of a city lot and a commercial building located at 755 West Walnut Street Oglesby, Illinois.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	\$102,500	Uses:	Land	\$ 30,000
	Citizens First National Bank:	<u>102,500</u>		Building	<u>175,000</u>
	Total	<u>\$205,000</u>		Total	<u>\$205,000</u>

JOBS

Current employment:	5	Projected new jobs:	1
Jobs retained:	NA	Construction jobs:	N/A

BUSINESS SUMMARY

Background: Jay and Colleen Baxter will be the joint owners of the commercial building in which Jay has operated his CPA practice since the late eighties. Jay is a sole proprietor operating as Jay Baxter & Associates, CPA, and has been a Certified Public Accountant his entire adult life.

Operations: Jay Baxter & Associates, CPA is a full-service accounting firm providing complete bookkeeping compilation, review, and audit services to a wide array of individual and business clients. The firm also provides tax preparation and planning for individuals, corporations and partnerships as well as estate planning. Additionally, the CPA firm provides complete consulting services such as new business startups and business feasibility studies.

Jay is a driving force for economic development in the region, working extensively with the Small Business Development Center at Illinois Valley Community College in Oglesby and other development organizations such as local chambers of commerce. Many area bankers consult Jay when analyzing financing for new ventures that may be locating in the area.

The Project: The subject project consists of financing the acquisition of land and a commercial building located at 755 West Walnut Street in Oglesby. Jay has been leasing the facility since the late eighties and has been interested in purchasing the building for some time; only recently has the owner offered to sell it to him. The building is approximately 40 years old and in excellent condition and is located in a highly visible, high-traffic area near an I-39 interchange that represents a prime area for Oglesby's growth and economic development. The \$205,000 purchase price, \$10,000 higher than the recently appraised value, clearly reflects the expected increase in value of this property.

FINANCING SUMMARY

Obligor: Jay and Colleen Baxter

Guarantors: Not applicable, loan directly to individuals

Repayment: In the event of a liquidation of our collateral (real estate and Certificates of Deposit), proceeds will be applied first to repay the subject loan before paying any other credit facility.

ECONOMIC DISCLOSURE STATEMENT

Applicants: Jay and Colleen Baxter
Organization: Sole proprietorship

PROFESSIONAL & FINANCIAL

Accountant:	Jay Baxter & Associates, CPA	Oglesby	Jay Baxter
Banker:	Citizen's First National Bank	Peru	Jeff Ellis

LEGISLATIVE DISTRICTS

Congressional: 11 – Jerry Weller
State Senate: 38 – Gary Dahl
State House: 76 – Frank J. Mautino

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 7, 2006**

Project: Midwest Fabrication & Repair, Inc

STATISTICS

Project Number:	B-LL-TX-6020	Amount:	\$701,000
Type:	Participation Loan	IFA Staff:	Rick Pigg
Location:	Harrisburg, IL	SIC Code:	3599

BOARD ACTION

Participation loan
IFA funds at risk
IFA staff recommends approval

PURPOSE

Finance the purchase of new equipment and the acquisition and improvement of a 43,000 square-foot industrial building to be used to manufacture 3-point agricultural implements and refinance existing indebtedness.

VOTING RECORD

No voting record. This is the first time that this project has been presented to the IFA Board.

EXPECTED SOURCES AND USES OF FUNDS

Sources:		Uses:	
Banterra Real Estate Loan	\$380,000	Refinance Banterra Equipment Loan	\$137,000
Banterra Equipment Loan	321,000	Refinance Banterra Real Estate Loan	322,000
IFA Participation	701,000	Refinance Banterra Line of Credit	758,000
City of Harrisburg Loan	150,000	Refinance City of Harrisburg Loan	185,000
DCEO Loan	<u>630,000</u>	Project Costs	<u>780,000</u>
Total	<u>\$2,182,000</u>	Total	<u>\$2,182,000</u>

The loans provided by the City of Harrisburg and DCEO will be subordinate to the Banterra Bank/IFA loans.

JOBS

Current employment:	26	Projected new jobs:	5
Jobs retained:	NA	Construction jobs:	0

BUSINESS SUMMARY

Description: Midwest Fabrication and Repair, Inc. (MWF) is a diversified metal fabricator located in Harrisburg, IL that was founded by James and Mary Ozee in 1991. Midwest Fabrication and Repair, Inc. was established as an Illinois S-Corporation in 1995.

Background: The firm operated from 1991 to 1997 as a small repair/fabrication company. IN 1998 the company began diversifying into larger automotive and power plant projects. Today, MWF's primary focus is farm implement manufacturing. MWF manufactures a growing line of three point farm implements for the compact and sub-compact tractor market. These products are currently manufactured and private labeled for manufacturers such as Bush Hog and Kioti Tractors and implement distributors such as Rankin Equipment Company, Ford Distributing and

Courhier Implements. MWF also distributes agricultural implements under its own label, Midwest Equipment, to tractor dealers in 15 states.

The company has in-house engineering and automated equipment which allows MWF to produce products for a variety of industries. With the addition of the in-house machine shop in October of 2004, the capabilities again expanded.

The Project: The Ozee's are acquiring a 43,000 square foot industrial building 2 blocks from MWF's existing operation to expand capacity and consolidate manufacturing, warehousing and distribution facilities for the agricultural implement segment into a single building. MWF currently operates in 4 older buildings that capacity to simultaneously operate its agricultural, automotive and power plant segments, which complicates work scheduling and requires excessive material handling. The owners are planning to install a trolley system and robotic welding equipment to reduce labor expense for production and warehousing.

PROJECT SUMMARY

The proposed project consists of purchasing and improving a 43,000 square foot industrial building, acquiring and installing new equipment and refinancing existing debt. Project costs are estimated below:

Building Acquisition	\$230,000
3 CNC Welding Robots	150,000
CNC Plasma Cutter	75,000
90 Ton Iron Worker	24,000
CNC Machining Center	49,000
Powder Oven	30,000
Vibratory Tumbler	12,000
Miscellaneous Small Equipment	38,000
New Trolley system and real estate improvements	<u>172,000</u>
Total	<u>\$780,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Midwest Fabrication and Repair, Inc.
Organization: Illinois S Corporation
Ownership: Mary Ozee - 51%, James Ozee - 49%

PROFESSIONAL & FINANCIAL

Bank: Banterra Bank
Accountant: Ron Emery Accounting 409 E. Poplar St. Ridgeway
Harrisburg

LEGISLATIVE DISTRICTS

Congressional: 19th
State Senate: 59th
State House: 118th

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 7, 2006**

Project: RDF, Inc.

STATISTICS

Project Number: B-LL-TX-6021	Amount: \$444,725
Type: Participation Loan	IFA Staff: Rick Pigg
Location: Eldorado, IL	SIC Code: 3069

BOARD ACTION

Participation loan
IFA funds at risk
IFA staff recommends approval

PURPOSE

To finance the construction cost of a new building, purchase equipment and payoff debt with US Bank.

VOTING RECORD

No voting record. This is the first time the board has seen this project.

SOURCES AND USES OF FUNDS

Sources: IFA Participation	\$444,725	Uses: Building Construction	\$375,000
Banterra Loan	<u>444,725</u>	Purchase Equipment	214,450
		Refinance debt	<u>300,000</u>
Total	<u>\$889,450</u>	Total	<u>\$889,450</u>

JOBS

Current employment:	0	Projected new jobs:	3
Jobs retained:	NA	Construction jobs:	3

BUSINESS SUMMARY

Description: RDF, Inc., is a rubber recycler and manufacturer and an Illinois C-Corporation that was incorporated on September 16, 1992. A group of individuals living in the Eldorado area founded RDF and sold it in 2004 to North West Rubber. North West Rubber is a rubber manufacturer that was founded in 1968 that is headquartered in Abbotsford, British Columbia, Canada. The firm currently has maintains US operations in Colorado, Oklahoma and Illinois (RDF, Inc.).

Background: RDF, Inc. is a national and international collector and processor of SBR (Styrene Butadiene Rubber) rubber buffings (a by-product of tire retreading) and color EFDM (a synthetic elastomer commonly used in radiator hoses, freezer gaskets, low-temperature seals, steam hoses and rubber roof membranes). They further process the material into a form suitable for a variety of different end uses, such as flooring products; artificial turf and playground rubber fill (Playfill). The firm's operations have been based in Eldorado since its founding in 1992. RDF serves customers in the following states: Alabama, Arkansas, Illinois, Indiana, Iowa, Kentucky, Mississippi, Missouri, Tennessee and Wisconsin.

Products/
Services:

Buffings - RDF, Inc. uses SBR rubber collected from some of the industry's top retreading chains. Each shipment is sieved and analyzed multiple times to ensure that each customer receives the highest possible quality rubber buffings. Rubber buffings are sold in all sizes and quantities.

Collection Equipment – RDF, Inc. sells many products that help their customers to collect their own buffings.

Collection Services – RDF, Inc. helps customers to manage their rubber collection processed by offering various services, such as a fleet of 28-48-foot van trailers; emission test reports; supervision and assistance at the collections site and technical and engineering services.

Color EPDM – RDF, Inc. sells colored EPDM granules in a variety of colors and sizes.

Toll Grinding – RDF, Inc. offers rubber suppliers a toll grinding service that can improve the quality of rejected material and SBR rubber so it meets their customers' specifications.

Playground Fill – Playfill is a loose fill used on playgrounds which offers a cushioned surface

The Project: RDF is acquiring the subject property and equipment to enable the company to expand production and grow to \$4,000,000 in annual sales by 2008.

PROJECT SUMMARY

The proposed project consists of the construction and equipping of a 20,000 square foot building to be located just south of RDF's existing building. Project costs are estimated below:

Lindner MS 1500 Shredder	155,500
10 Ton Temptek Chiller	9,280
Rotex or Midwesterner	19,000
Conveyer Belts	4,000
Blowers and Piping	6,000
Panel and Disconnects	3,500
Conduit and Wire	5,500
Magnets	2,000
Miscellaneous	2,500
Labor	4,800
Freight	<u>2,370</u>
Total	<u>\$214,450</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: RDF, Inc.
Organization: Illinois Corporation
Ownership: RDF, Inc., is wholly owned by North West Rubber, USA, which is wholly owned by North West Rubber International, the international holding company for North West Rubber. North West Rubber Mats, Ltd is North West Rubber's Canadian corporation. North West Rubber, USA, North West Rubber, International and North West Rubber, Ltd., are owned by the following individuals:

Aarnot Melisson	51.0%
Roy Dehaan	19.6%
Wade Aishi	19.6%
Robert MacKinney	10.8%

PROFESSIONAL & FINANCIAL

Bank:	Banterra	Ridgeway
Accountant:	Botsch and Associates, CPA's, LLC	Carmi

LEGISLATIVE DISTRICTS

Congressional:	15th
State Senate:	59th
State House:	118 th

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 7, 2006**

Project: Luther Oaks

STATISTICS

Project Number: H-SL-RE-TE-CD-6011	Amount:	\$35,000,000 (Not to exceed amount)
Type: Not-for-Profit Bond	IFA Staff:	Dana Sodikoff
Locations: Bloomington		

BOARD ACTION

Preliminary Bond Resolution Conduit 501(c)(3) Bonds No IFA funds at risk	Staff recommends approval, subject to compliance with IFA policy requirements for non-rated debt, including a financial feasibility study by BDO Siedman
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PURPOSE

Proceeds will be used to: 1) pay for development, marketing, construction and other related costs associated with the redevelopment project, 2) fund a portion of the interest payment, including letter of credit and remarketing fees, on the Series 2006 bonds for approximately 22 months, 3) capitalize Debt Service Reserve Funds for the Series 2006 bonds, and 4) pay costs of issuance of associated with the Series 2006 Bonds.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

TOTAL SOURCES OF FUNDS		TOTAL USES OF FUNDS	
Bond Proceeds		Project Draws (per Greystone)	
Series 2006C - Temporary Tax-Exempt VRDBs	\$8,000,000	Land & Related	\$60,000
Series 2006B2 - Temporary Tax-Exempt EXTRAS SM	750,000	Design & Engineering	\$1,188,393
Series 2006B1 - Permanent Tax-Exempt EXTRAS SM	4,250,000	Direct Construction	\$18,945,335
Series 2006A - Unrated Fixed Rate Bonds	18,070,000	Indirect Construction	\$1,016,683
Original Issue Discount	(609,140)	Development	\$2,292,529
Accrued Interest	0	Marketing	\$2,730,000
	\$30,460,860	Other & Contingency	\$923,921
			\$27,156,861
Other Sources of Funds		Other Fund Deposits	
Equity	2,150,000	Accrued Interest	\$0
	\$2,150,000	Funded Interest for 22 Months	\$1,893,406
		Funded LOC Fees & Expenses for 22 Months	\$221,406
		Series 2006A/B-1 DSRF - Permanent	1,655,313
		Series 2006B-2 DSRF - Temporary EXTRAS	37,500
		Series 2006C DSRF - Temporary VRDBs	400,000
			\$4,207,625
		Delivery Date Expenses	
		Cost of Issuance	\$1,246,374
Total Sources of Funds:	\$32,610,860	Total Uses of Funds:	\$32,610,860

JOBS

Current employment: 3	Projected new jobs: 95
Jobs retained: NA	Construction jobs: 125

BUSINESS SUMMARY

Lutheran Senior Living of Illinois, Inc, an Illinois not-for-profit corporation has entered into an agreement with Greystone Development Company ("Greystone") to develop the Luther Oaks campus ("Luther Oaks" or the "Community"), a Lutheran-based Continuing Care Retirement Community ("CCRC"), in the Bloomington-Normal area of Illinois. The Bloomington-Normal area is located approximately 130 miles southwest of Chicago off of Interstate 55. The Bloomington-Normal area is home to Illinois State University and has a population of approximately 118,000 people.

PROJECT SUMMARY

The Community will be developed on approximately 12 acres of land owned by Trinity Lutheran Church. Trinity Lutheran Church owns 48 acres, of which 12 will be used for the development of the Community. Lutheran Senior Living of Illinois will enter into a land lease for the 12 acre site and will be granted the first right of refusal on the remaining 36 acres. Lutheran Senior Living of Illinois may in the future decide to build additional independent living cottages on the additional acreage as driven by demand and market need. The proposed CCRC will be developed to include the following:

- 90 independent living apartments,
- 40 assisted living units,
- 18 memory support units, and
- Many common areas including a formal restaurant style dining room, private dining rooms, recreation/meeting rooms, lounges, fitness areas, beauty parlor/barber shop, arts and crafts room, library, etc.

It is anticipated that construction on the Community will begin in April 2006 and be completed in November 2007. Occupancy of the independent living units is anticipated to begin August 2007 and reach stabilized occupancy by October 2009. In the future, Luther Oaks may develop Phase II which will include additional independent living cottages and a skilled nursing health center.

Luther Oaks will be sponsored by the Lutheran Senior Living of Illinois, a not-for-profit affiliate of Lutheran Home and Services of Arlington Heights, Illinois. Luther Oaks will offer residents a lifestyle and personal services strategically designed to appeal to seniors seeking an active social environment, high quality maintenance-free housing and supportive services in a faith based environment.

Services provided to independent living residents will include one meal daily, housekeeping, utilities, unit maintenance, scheduled transportation, security monitoring, 24-hour emergency response and a full array of educational, recreational, cultural, spiritual and social programs designed to enhance independence. Assisted living and memory support residents will receive the same services as independent living residents plus two additional meals per day, personal laundry service, and assistance with activities of daily living including assistance with dressing, eating, bathing, toileting, and ambulating. Prior to the completion of the health center in Phase II, residents who require nursing care will receive a full refund of their entrance fee upon permanent transfer to a nursing facility of their choice. Upon the opening of the health center in Phase II, nursing residents will receive the same basic services as assisted living and memory support as well as 24-hour medical assistance and a full complement of physical, social and recreational services consistent with their needs.

OVERVIEW OF AFFILIATED ORGANIZATION

Lutheran Home and Services of Arlington Heights ("Lutheran Home") is an Illinois not-for-profit located in Arlington Heights, Illinois. Lutheran Home was originally established by a Lutheran Pastor that wanted to create a place to care for older adults. The original building was opened in 1892 with sixty residents. In the 1920's additional property was acquired for future growth resulting in the current 84 acre campus. Lutheran Home operates

a full service long-term care facility licensed for 479 beds, with a current capacity of 369 beds, and a 100 unit independent living facility.

Lutheran Home is part of an Obligated Group which is comprised of Lutheran Home, Lutheran Community Services for the Aged, and the Lutheran Foundation for the Aged. Lutheran Home is also the sponsor of Wittenberg Lutheran Village and Wittenberg Lutheran Village Endowment Corporation. Wittenberg Lutheran Village operates a full service long term care facility of 191 beds in Crown Point, IN. Wittenberg Lutheran Village Endowment Corporation operates 36 assisted living and 72 independent living units in Crown Point, IN. Neither Wittenberg Lutheran Village nor Wittenberg Lutheran Village Endowment Corporation are part of the Obligated Group. Luther Oaks will be financed on a stand-alone basis and will not be apart of the Obligated Group. Lutheran Home is contemplating potential credit support to the project in addition to the Pre-Finance capital and equity contribution already given to the Project.

FINANCING SUMMARY

Structure: The Series 2005A bonds will be non-rated fixed rate serial and term bonds. The Series 2005B bonds will be adjustable rate securities, Ziegler EXTRASSM. The Series 2005C bonds will be tax-exempt variable rate demand bonds that will be secured by a direct pay letter of credit from a to be determined letter of credit bank(s).

Bank and bond Security: Gross revenue pledge, mortgage and master notes under a master indenture. Covenants and other legal provisions are expected to be consistent with those in use for similar financings

Maturity: 32 years (Not to exceed 32 years)

ECONOMIC DISCLOSURE STATEMENT

Project name: Luther Oaks
Address: 205 N. Williamsburg Drive
Bloomington, IL 61704
Applicant: Luther Oaks
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois
Board of Directors: Luther Oaks (LSLI)
Roger W. Paulsberg, Chairman
Yvonne R. Deevey, Secretary
Victor C. Peper, Treasurer
Herb Sieg
John W. Kibler
Lutheran Life Communities (LSLI)
Bill Cormack, Chairman
Michael Renetzky, Director
Pr. David Abrahamson, Director
John Walz, Director
Roger Paulsberg, Director

PROFESSIONAL & FINANCIAL

Borrower's Counsel: Katten Muchin Zavis & Rosenman	Chicago	Elizabeth Weber
Accountant: BDO Seidman	Atlanta, GA	Brian Schiff, James Larson
Bond Counsel: Jones Day	Chicago	John Bibby, Mary M. Kimura
Underwriter: Ziegler Capital Markets Group	Chicago	Dan Hermann, Steve Johnson, William Claus
Developer: Greystone Communities	Irving, TX	Susan Uhrik,

Underwriter's Counsel: Ungaretti & Harris

Chicago

Brad Straub
John Durso,
Julie Seymour,
Angela Williams-Walker
Kim Barker Lee

Issuer's Counsel: Pugh, Jones, Johnson & Quandt P.C.

Chicago

LEGISLATIVE DISTRICTS

Congressional: 15- Timothy V. Johnson
State Senate: 44- Bill Brady
State House: 88- Dan Brady

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 7, 2006**

Project: Delnor-Community Hospital

STATISTICS

Project Number:	H-HO-TE-CD-6013	Amount:	\$60,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pamela Lenane and Dana Sodikoff
Locations:	Geneva		

BOARD ACTION

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

PURPOSE

Proceeds will be used to: 1) fund new money projects, 2) potentially fund capitalized interest during the construction period, and 3) pay costs of issuance.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	<u>\$60,000,000</u>	Uses:	New Money	\$57,824,700
				Issuance Costs	500,000
				Underwriter's Discount	262,200
				Bond Insurance	<u>1,413,100</u>
	Total	<u>\$60,000,000</u>		Total	<u>\$60,000,000</u>

JOBS

Current employment: 1,146 FTE's (Hospital only)	Projected new jobs: 100
Jobs retained: N/A	Construction jobs: 200

BUSINESS SUMMARY

Background: Delnor-Community Hospital (the "Hospital") is an Illinois not for profit 501(c)(3) corporation based in Geneva, Illinois, about 40 miles west of Chicago.

The Hospital has as its sole corporate member Delnor-Community Health System (the "Parent Corporation"), which is also an Illinois not for profit 501(c)(3) corporation. In addition to being the sole member of the Hospital, the Parent Corporation is the sole corporate member of Delnor-Community Health Care Foundation (the "Foundation"), Delnor-Community Residential Living, Inc. ("Residential Living"), and Living Well Cancer Resource Center ("Living Well"), which are

all Illinois not for profit 501(c)(3) corporations, and is the sole shareholder of DelCom Corporation ("DelCom"), an Illinois for-profit corporation. The Hospital is the only member of the Obligated Group with respect to the Series 2006 Bonds.

Description: The Hospital operates 128 licensed and staffed acute care beds in a modern facility constructed in 1991. The licensed and staffed acute-care bed complement consists of 85 medical-surgical beds, 20 intensive care, 18 obstetric and 5 pediatrics beds. The Hospital provides a broad range of medical, surgical, obstetrics/gynecology, pediatric and ancillary and support services, including but not limited to the following: cardiology, orthopedics, thoracic/vascular surgery, diagnostics radiology, oncology, physical and occupational health, emergency medicine and trauma services, neonatology, infectious disease, pulmonary medicine, gastroenterology, internal medicine, neurology and neurosurgery and urology. The Hospital is designated as a Level II Trauma Center and a Level II+ Nursery by the State of Illinois. The Hospital is a member of the Illinois Hospital Association, the American Hospital Association, the Voluntary Hospitals of America, and Metropolitan Chicago Healthcare Council.

Service Area: The Hospital draws patients primarily from the Fox River Valley in the far western suburbs of Chicago (Kane County). The primary service area ("PSA"), including the communities of Geneva, St. Charles, Batavia, Elburn, Wasco, LaFox and Kaneville, accounts for about 64% of total Hospital admissions. The PSA grew 19.7% from 2000 to 2005, and it is expected to continue growing at a compound annual growth rate of 2.9% through 2010. Consequently, the Hospital has experienced consistently increasing demand for services.

Major employers in the area include Fermilab, the Hospital, Community Unit School District #303, System Sensor Corporation, Burgess Norton Corporation and Dukane Corporation. The unemployment rate in Kane County was 4.7% in December 2005, slightly below the state average of 4.9%.

PROJECT SUMMARY

The West Addition project is a 3-story addition to the main Hospital campus. The top two floors will constitute two nursing units of 26 licensed beds each (and six observation rooms each). Each nursing unit floor will be staffed by two nurse stations. The nurse stations are connected via a center support area that is designed for staff support and collaborative teaming. The first floor will provide for a new and expanded central storage area and the basement will be designed to house mechanical space. The addition of the two patient bed floors allows the Hospital to re-designate existing semi-private rooms as private rooms, while adding 31 net additional licensed medical surgical beds.

In addition to the above, the Series 2006 Bond financing will provide reimbursement for previously expended routine capital expenditures and future facility/infrastructure capital expenditures.

FINANCING SUMMARY

The 2006 Series will be structured similarly to the Series 2002 and 2003 Bonds, with the following key features:

Security: The 2006 Bonds will be issued pursuant to a Bond Indenture, which is secured under an existing Master Trust Indenture. The sole member of the Obligated Group is Delnor-Community Hospital. Key security provisions include a security interest in the Unrestricted Receivables, a "springing" debt service reserve fund in the event certain ratios fall below predetermined thresholds, and a "springing" mortgage also in the event certain ratios fall below predetermined thresholds.

Structure: The bonds are anticipated to be issued as Auction Rate Certificates supported by an anticipated "AAA" bond insurance policy from FGIC. The entire Series 2006 variable rate debt issue will be synthetically converted to a fixed rate by means of a % of LIBOR fixed payor swap, which has already been executed.

Maturity: The final maturity is expected to be 2036.

ECONOMIC DISCLOSURE STATEMENT

Project name: Delnor-Community Hospital
Location: Geneva, Illinois (Kane County)
Applicant: Delnor-Community Hospital
Organization: 501(c)(3) Not-for-Profit Corporation
State:
Illinois Board of
Directors

Mr. William P. Flesch, Chairman
Mr. Roger Harris, Vice Chairman
Mr. Bob M. White, Treasurer
Mr. Walter Alexander
Mrs. Lynne Bishop
Mrs. Kay Clancy
Mrs. Melissa L. Coleman
Mr. Steve Deppe
Katherine Fackler-Chapman, M.D.
Mr. Craig A. Frank

Mrs. Joanne B. Hansen
Mrs. Kay Harbaugh
Mr. Lucas E. Harriss
Todd S. Hewell, III, M.D.
Mr. Craig A. Livermore, Ex-Officio
Mr. Bentley Myer
Mr. Gregory J. Pacelli
William P. Towne, M.D.
Mr. William A. Wolford
Mr. Wayne G. Woltman

PROFESSIONAL & FINANCIAL

<u>Role</u>	<u>Firm</u>	<u>Location</u>	<u>Key Contact</u>
Borrower's Counsel	Sonnenschein, Nath & Rosenthal LLP	Chicago	Steve Kite
Bond Counsel	Jones Day	Chicago	Rich Tomei
Underwriter	UBS	New York/Chicago	Jerry Berg
Underwriter's Counsel	Seyfarth Shaw	Chicago	Al Kruse
Financial Advisor	Kaufman Hall	Northfield	Andy Majka
Bond Trustee	JP Morgan	Chicago	Chris Koenig
Accountant	KPMG	Chicago	John Depa
Issuer's Counsel	Sanchez Daniels & Hoffman, LLP	Chicago	John Cummins

LEGISLATIVE DISTRICTS

Congressional: 14- J. Dennis Hastert
State Senate: 25- Chris Lauzen
State House: 50- Patricia Reid Lindner

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 7, 2006**

Project: Beloit Memorial Hospital

STATISTICS

Project Number: H-HO-TE-CD-6022	Amount:	\$54,000,000 (Not to exceed amount)
Type: Not-for-Profit Bond	IFA Staff:	Pamela Lenane and Dana Sodikoff
Locations: Roscoe		

BOARD ACTION

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

PURPOSE

Proceeds will be used to: 1) fund new money projects, 2) reimburse for prior capital expenditures, 3) refinance certain outstanding debt, 4) fund a debt service reserve fund, 5) fund capitalized interest, and 6) pay costs of issuance.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$53,000,000	Uses:	New Money	\$47,500,000
	Hospital Contribution	<u>\$5,525,000</u>		Refunding	\$2,400,000
				Reimbursement	\$2,690,000
				Reserve Fund	\$2,800,000
				Issuance Costs	\$350,000
				Underwriter's Discount	\$385,000
				Bond Insurance	<u>\$2,400,000</u>
	Total	<u>\$58,525,000</u>		Total	<u>\$58,525,000</u>

JOBS

Current employment: 820 FTEs	Projected new jobs: 95 FTEs
Jobs retained: 820 FTEs	Construction jobs: 155 FTEs

BUSINESS SUMMARY

Background: Beloit Memorial Hospital, Inc. (the "Corporation") is a Wisconsin not for profit corporation and is the sole member of the "Obligated Group."

Description: The Corporation owns and operates Beloit Memorial Hospital, a 124-bed (staffed) acute care hospital located in Beloit, Wisconsin. In addition, the Corporation owns and operates Riverside Terrace, a 45-unit assisted living facility, as well as numerous clinics in outlying areas, including Roscoe, Illinois. The Beloit Memorial Hospital Foundation is an affiliate of the Corporation and the Corporation is its sole corporate member.

Service Area: Beloit Memorial Hospital is located in Beloit, Wisconsin, which is approximately 25 miles north of Rockford, IL. The Hospital's primary service area includes the following communities in Wisconsin: Beloit, Shopiere, Tiffany, and Clinton, as well as South Beloit, Illinois. The surrounding Illinois communities of Rockton, Roscoe, Machesney Park, Caledonia, Capron, and Poplar Grove, together with the surrounding Wisconsin communities of Darien, Delevan, Fontana, Lake Geneva, Walworth, Williams Bay, Avalon, Sharon and the southern portion of Janesville comprise its secondary service area.

The Obligated Group has facilities in the following locations: A) Beloit, WI: Beloit Memorial Hospital, Westside Medical Center, Occupational Health & Sports Center, Riverside Terrace; B) Darien, WI: Darien Medical Center; C) Roscoe, IL: Roscoe/Rockton Medical Center; D) Janesville, WI: Janesville Family Health Center.

PROJECT SUMMARY

The Hospital intends to issue bonds to pay for the costs of constructing a Health and Wellness campus in Roscoe, IL which will include the following:

1. Medical office building for 5-10 physicians;
2. Immediate Care Center;
3. Aquatic Center;
4. Rehab and Fitness Center;
5. Diagnostics;
6. Home Health;
7. Occupational Health;
8. Assisted living with 24 units;
9. Hospital functions such as patient records and financial services; and
10. Retail space.

In addition, the Hospital may refinance its Series 1993 Bonds (currently outstanding in the amount of \$2.375 million) and reimburse itself for prior capital expenditures.

FINANCING SUMMARY

Security: The bonds are expected to be secured by a pledge of gross revenues of the Obligated Group. Depending on the outcome of meetings with bond insurers and a final determination of the bond structure, the bonds may also be secured by bond insurance and/or a debt service reserve fund.

Structure: The organization is currently weighing its financing options and will make a determination once the outcome of meetings with potential bond insurers is determined.

Maturity: Final maturity is expected to be December 31, 2036.

ECONOMIC DISCLOSURE STATEMENT

Project name: Northern Illinois Health & Wellness Campus
Location: Roscoe, IL 61073
Applicant: Beloit Memorial Hospital
Organization: 501(c)(3) Not-for-Profit Corporation
State: Wisconsin
Board of Directors:

Lansbery, G. Curtis <i>Chairperson</i>	North American Tool Corp. President & CEO	Hendricks, Diane	ABC Supply Company Executive Vice President
Britton, Gregory K. <i>Vice Chairperson</i>	Beloit Memorial Hospital President & CEO	Lans, Bruce	Self-employed
Barney, Richard, M.D.	Beloit Memorial Hospital Physician, Emergency Dept.	Packard, James L.	Regal-Beloit Corporation Chairman & CEO
Eldred, Steven	First National Bank & Trust President	Warner, Jack	Kerry Ingredients Consultant
Fisher, James	Fairbanks Morse President	Wetter, Bonnie	Marshall & Ilsley Trust Co. Vice President
Gilbank, Thomas	Gilbank Construction, Inc. President		

PROFESSIONAL & FINANCIAL

Borrower's Counsel: Quarles & Brady	Milwaukee Patrick Walsh
Bond Counsel: Jones Day	Chicago Dan Bacastow
Underwriter: Piper Jaffray & Co.	Chicago Nesy Shems
Underwriter's Counsel: Foley & Lardner	Milwaukee Elizabeth Blutstein
Bond Trustee: TBD	Chicago
Accountant: Wipfli	Milwaukee
Issuer's Counsel: TBD	Chicago

LEGISLATIVE DISTRICTS

Congressional: 16- Donald A. Manzullo
State Senate: 34- Dave Syverson
State House: 68- Ron Wait

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 7, 2006**

Project: Illinois Institute of Technology

STATISTICS

Project Number:	E-PC-TE-CD-6018	Amount:	\$160,000,000 (not-to-exceed amount)
Type:	501(c)(3) Bonds	FMs:	Townsend Albright and Rich Frampton
Location:	Chicago	SIC Code:	8221

BOARD ACTION

Preliminary Bond Resolution
Staff recommends approval
Conduit Tax-Exempt 501(c)(3) Revenue Bonds (New Money and Advance Refunding)
No IFA funds at risk
No extraordinary conditions

PURPOSE

Proceeds will be used to (i) refund outstanding indebtedness, (ii) renovate and equip existing facilities, and (iii) fund bond issuance costs.

IFA CONTRIBUTION

Conveys Federal tax-exempt status on bond interest.

VOTING RECORD

Preliminary Bond Resolution, no prior Board vote

SOURCES AND USES OF FUNDS

Sources:	IDFA bonds	<u>\$160,000,000</u>	Uses:	Project cost	\$ 49,900,000
				Debt refinancing	109,000,000
				Bond issuance costs	<u>1,100,000</u>
	Total	<u>\$160,000,000</u>		Total	<u>\$160,000,000</u>

JOBS

Current employment:	980	Projected new jobs:	25
Jobs retained:	N/A	Construction jobs:	50

BUSINESS SUMMARY

Background: The Illinois Institute of Technology (the "IIT", the "University") is a private co-educational, non-sectarian institute of higher learning located in Chicago. The University was established in 1940 through the merger of the Armour Institute of Technology and the Lewis Institute. The Institute of Design, founded in 1937, joined the University in 1949. The Chicago-Kent College of Law merged with the University in 1969. The University's main campus is located approximately three miles south of downtown Chicago and consists of a 128-acre complex of approximately 50 buildings based on a master plan developed by the late Ludwig Mies van der Rohe. In 1991, the University opened its Daniel F. and Ada L. Rice Campus in Wheaton, Illinois. At the Rice Campus the University offers engineering, computer science and business courses, primarily at the upper division and graduate levels, during the late afternoon and evenings. In 1992, the University opened its downtown Chicago campus to house the Chicago-Kent College of Law and the Stuart Graduate School of Business. The University's Moffat Campus is located in Summit-Argo, Illinois. A Master of Science degree and certification program in food safety and technology are offered at the Moffat Campus.

The University is accredited by the North Central Association of Colleges and Schools. Specific professional programs are accredited or approved by the Accreditation Board of Engineering and Technology, the National Architectural Accrediting Board, the National Association of Schools of Art, the American Chemical Society, the Council on Rehabilitation Education, and the American Bar Association. The University has a current enrollment of approximately 6,475 students, comprised of (i) 2,220 undergraduate students, and (ii) 4,255 graduate students. The University is a 501(c)(3) Corporation and is governed by a Board of Directors. A list of Board members is provided for IFA Board review.

Description: The proposed financing provides the opportunity for the University to (i) refinance its entire existing finance structure, (ii) and to borrow up to \$40-million in new funds. The proceeds will refund the University's Series 1999 and Series 2000 bonds which were issued through the Illinois Education Finance Authority, and the Series 2004 bonds which were issued through the Illinois Finance Authority.

Remarks: Bond proceeds will allow the University to restructure all of its existing debt. Restructuring will streamline and conform financing covenants from outstanding bond issues thereby increasing financial flexibility going forward. The proceeds also provide the University with capital to upgrade facilities in order to maintain the University's state-of-the-art university campus.

The proposed financing is structured to reset the amortization of existing debt such that IIT will pay interest only for the first ten years of the life of the bonds. Including the approximately 39-million in new money, total debt service paid by the University will increase by less than \$1-million annually until after 2016. Additionally, the bonds will be issued on their stand alone Moody's Investors Service rating of Baa-1. This eliminates the cost of credit enhancement from banks or insurance companies. The proposed financing makes it possible for the University to continue to maintain its stature as a world-class institution of higher education.

FINANCING SUMMARY

Security: The Bonds will be a general obligation of the University. The bonds will be rated Baa-1 by Moody's Investors Service, based upon IIT's underlying rating.

Structure: Fixed-Rate bonds

Maturity: 2036

Note: A portion of the funds will be used to (i) renovate Wishnick Hall, Crown Hall, and the IITRI Hall, (ii) renovate various campus laboratories, (iii) install new campus HVAC systems and building sprinklers, (iv) fund dormitory upgrades, and (v) fund general campus improvements.

PROJECT SUMMARY

Proceeds will be used to: (i) refund the University's outstanding debt, (ii) renovate and equip existing University facilities which are located at the University 10 West 33rd Street, Chicago, Cook County, Illinois, and (iii) fund bond issuance costs.

New Project Costs:	Renovation/HVAC	<u>\$49,900,000</u>
	Total	<u>\$49,900,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Illinois Institute of Technology
Project names: Current refunding and Renovation
Location: 10 West 33rd Street, Chicago, Cook County, Illinois 60616
Organization: 501(c)3 Corporation
State: Illinois
Board: List attached for IFA Board review.

PROFESSIONAL & FINANCIAL

Counsel:	In House	Chicago, IL	Mary Anne Smith
Accountants:	KPMG LLP.	Chicago, IL	
Bond Counsel:	Chapman and Cutler, LLP	Chicago, IL	James E. Luebchow
Issuer's Counsel	Mayer, Brown, Rowe & Maw LLP	Chicago, IL	David Narefsky
Underwriter/:	Lehman Brothers	New York, NY	Jim Costello
Placement Agent:			John Stevenson
Underwriter's Counsel:	TBD		
Trustee:	TBD		
General Contractor:	Various		

LEGISLATIVE DISTRICTS

Congressional: 1, Bobby L. Rush
State Senate: 3, Mattie Hunter
State House: 5, Kenneth Dunkin

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 7, 2006**

Project: Plum Creek of Rolling Meadows LP

STATISTICS

Number:	M-MH-TE-CD-556	Amount:	\$12,000,000 (not to exceed)
Type:	501(c)(3) bonds	IFA Staff:	Townsend S. Albright
Locations:	Rolling Meadows	SIC Code:	8059

BOARD ACTION

Final Bond Resolution
No IFA funds at risk
Staff recommends approval, subject to the Bonds being sold in minimum \$100,000 denominations.

PURPOSE

Proceeds will be used (i) to refinance construction loans used to construct a 102-unit (127 resident) Supportive Living Facility by a for-profit owner, (ii) capitalized interest, (iii) fund Debt Service Reserve and Lease-up and Operating Reserve accounts, and (iv) pay bond issuance costs.

IFA CONTRIBUTION

IFA will convey tax-exempt bond status on this financing that will make this project eligible for 4.0% Low Income Housing Tax Credits, which will generate equity to finance this project. The Project Owner will use approximately \$11,600,000 of prior year IFA volume Cap.

VOTING RECORD

Voting record from IFA Preliminary Bond Resolution on November 8, 2005:

Ayes: 10 Nays: 0 Abstentions: 0 Absent: 5, (Boyles, DeNard, Herrin, O'Brien, Zeller)
Vacancies: 0

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$11,600,000	Uses:	Project cost	\$10,215,000
	LIHTC*	<u>2,611,000</u>		Lease up and Operating Reserve	1,565,000
				Debt Service Reserve	986,000
				Bond Issuance Costs	492,000**
				Volume Cap Acq.	116,500
				Deferred Developer Fee	<u>836,500</u>
	Total	<u>\$14,211,000</u>		Total	<u>\$14,211,000</u>

*4% Low Income Housing Tax Credits.

** Bond issuance costs exceeding the 2.0% allowed maximum (\$230,600) will be paid from General Partner equity and/or tax credit equity.

JOBS

Current employment:	5	Projected new jobs:	50
Jobs retained:	N/A	Construction jobs:	100 (8 months)

BUSINESS SUMMARY

Background: Plum Creek of Rolling Meadows LP (“the Applicant”, “the Project”) was formed as an Illinois Limited Liability Corporation in August, 2003 for the purpose of owning, developing and operating a facility under the Illinois Supportive Living Program (the “SLF Program”). The Applicant purchased the subject property in May, 2005. The property was originally a Comfort Inn which was constructed in 1986. On December 7, 2004 the Board of the Illinois housing Development Authority (“IHDA”) passed an Intent Resolution to finance the project. Regulations prohibit the IHDA from financing non-rated projects. The Applicant has requested the IFA to induce the project.

The Applicant’s General Partner is Rolling Meadows Supportive Care LLC of which Thomas Leontios is the sole managing partner. Thomas Leontios is the managing member/developer of the facility. Mr. Leontios has a background in real estate development, retail, and the hospitality industries. He is President of International Development Equity Associates, Inc., and has overseen 15 projects in the retail/hospitality industry. He has served as General Manager of a 100-room hotel in Highwood. Developments include: (i) Burr Oak Circle, a 38-unit multi-family facility in Northbrook (1996), (ii) 72 E. Randolph, Chicago, a 12-unit rehab (1996), and (iii) Glenwood School, a 400-room student living facility, St. Charles, (2002).

The Illinois Supportive Living Program was designed to reduce the State’s Medicaid subsidies to support low income elderly and help pay the costs of necessary services including medication supervision, laundry, and personal care. The Illinois General Assembly initiated a pilot program in the year 2000 and passed legislation originating the Program in 2001. All residents in a Supportive Living Facility (“SLF”) must be able to pay for their own room and board.

Description: The proposed project is a 102-unit SLF designed for 127 senior residents. The complex will consist of 77 single occupancy and 25 double occupancy apartments. The Project will provide a comprehensive array of housing, personal, and health-related services to its senior residents. Three meals will be prepared and served on site daily. The Project will have laundry services and social programming. The average age of residents is expected to be between 78 and 85 years. The project will have (i) three stories, (ii) two elevators, and (iii) be ADA compliant. The Project is anticipated to open approximately December 15, 2005. There is currently a list of 82 prospective tenants. The Developer expects to reach a stabilized occupancy rate of 95.0% within the first twelve months of operation. Note: as of January 17, 2006, the Illinois Department of Public Aid has approved 50 residents for the supportive living facility.

A key feature of the Project is that it will be affordable. The Project is one of a select group of assisted living facilities in Illinois to have received approval from the Illinois Department of Public Aid as a recognized Supportive Living Facility. With a SLF certification, the State will provide an ongoing stream of Medicaid-related funding to the Project to pay the service costs for Medicaid-eligible residents. The current Medicaid reimbursement rate is \$2,682/month for a single occupancy apartment and \$4,908/month for a double-occupancy apartment. Medicaid residents will pay as little as \$462/month, depending on their financial situation. Medicaid will cover the balance. **The underlying philosophy of a SLF is that certain public aid nursing home residents for which the State is currently (2005) paying \$4,500/month could be better taken care of in an SLF at \$2,220/month (2005).**

There are presently two SLF's in the Applicant's marketing area. Asbury Court, located in Des Plaines, is a new 99-unit SLF located within a 230-bed independent living community. Pathway Senior Living is constructing a 104-unit SLF at Alexian Village, located in Elk Grove. It is estimated that approximately 40.0% of Alexian Village SLF units will be utilizing Medicaid waivers. SLF's do not compete with skilled care nursing homes or private-pay independent senior living facilities.

Management

Agent:

The project will be managed by Providence Management and Development Co, Inc., of Tinley Park, Illinois, a for-profit subsidiary of Resthaven Christian Services (see www.provinet.com and www.resthaven.com), an institutional quality manager of assisted living and nursing facilities projects in three states serving over 1,800 residents in 15 facilities. Providence and Resthaven also manage 13 senior housing facilities. Provident was founded in 1991. Resthaven Christian Services, founded over 85 years ago, separately owns and manages senior housing and assisted living facilities serving over 3,500 residents in Illinois and Michigan

Accessibility:

The project will be 100% handicapped accessible and fully comply with the Americans with Disabilities Act ("ADA").

FINANCING SUMMARY

Security:

(i) First mortgage on facility, (ii) assignment of Gross Revenues, and (iii) assignment of all State Revenues under the Supportive Living Facility program.

Structure:

Fixed Rate Demand Bonds

Maturity:

25 years

PROJECT SUMMARY

Proceeds will be used to repay the existing construction development loan from Suburban Bank, Hinsdale, Illinois, and its mezzanine lender. The borrowed funds were used to (i) purchase approximately 1.5 acres of land located at 2801 Algonquin Road, Rolling Meadows, Cook County, Illinois, (ii) renovate an existing approximately 58,489 sq. ft., three-story building having approximately 37,350 sq. ft. of net rentable space and construct 102 living units therein, (ii) construct a kitchen, a communal social area, and create 77 parking spaces and landscaping and (iii) purchase furniture, fixtures, and equipment. (iv) capitalize interest, (v) fund Debt Service Reserve and Lease up and Operating Reserve accounts, and (vi) fund bond issuance costs.

Project Costs:	Land/Building	\$ 1,034,000
	Construction/ Renovation	7,248,000
	Arch/Eng	<u>1,433,000</u>
	Total	<u>\$10,215,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant:

Plum Creek of Rolling Meadows LP

Project names:

Plum Creek of Rolling Meadows Supportive Living Community

Location:

2801 Algonquin Road, Rolling Meadows, Cook County, Illinois 60008

Organization:

Limited Partnership

State:

Illinois

Principals:

General Partner: Rolling Meadows Supportive Care, LLC (Thomas Leontios, Manager)

Limited Partner: Enterprise Social Investment Corp, Columbia, MD

PROFESSIONAL & FINANCIAL

General Partner	Rolling Meadows Supportive Care LLC	Rolling Meadows, IL	Thomas Leontios
Developer's Counsel:	Burke, Burns & Pinelli, LTD	Chicago, IL	Stephen Welcome
Accountant:	Webber and Associates	Aurora, IL	Tom Webber
Bond Counsel:	Foley & Lardner LLP	Chicago, IL	Christopher Knight
Issuer's Counsel	Sanchez & Daniels	Chicago, IL	John D. Cummins
Underwriter:	William Blair & Company, LLC.	Chicago, IL	Charles Freeburg
Placement Agent			
Underwriter's Counsel:	Ice Miller	Chicago, IL	Thomas Smith
Financial Advisor:	LaSalle Street Capital	Chicago, IL	Dennis Nyren
Trustee:	Amalgamated Bank of Chicago	Chicago, IL	Gail Klewin
Tax Credit Investor:	National City Bank.	Cleveland, OH	
Tax Credit Advisor:	City Securities Corporation	Indianapolis, IN	
(Investor)			
Tax Credit Advisor:			
(Developer)	Pusateri Development Company	Chicago, IL	Larry Pusateri
General Contractor:	Idea International, Inc.	Rolling Meadows, IL	Tom Leontios
Architect:	Gleason Architects	Sugar Grove, IL	Thad Gleason
Project Administrator/ Management Agent:	Providence Management and Development Company	Tinley Park, IL	Ray Hempill
Marketing Consultant:	Cambridge Marketing Services, Inc.	Palatine, IL	Jim Limparis
Project Manager:	Pepper Path Homes	Rolling Meadows, IL	Patrick Smythe

LEGISLATIVE DISTRICTS

Congressional:	8	Melissa Bean
State Senate:	27	Wendell E. Jones
State House:	54	Suzanne Bassi

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**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 7, 2006**

Project: **Heritage Woods of South Elgin Limited Partnership, and its successors and assigns, an Illinois Limited Partnership to be formed (Heritage Woods of South Elgin SLF)**

STATISTICS

IFA Project #:	M-MH-TE-CD-6019	Amount:	\$13,000,000 (not-to-exceed amount)
Type:	Housing Bonds	FM:	Rich Frampton
Location:	South Elgin		

BOARD ACTION

Preliminary Bond Resolution
Conduit Tax-Exempt Affordable Rental Housing Bonds
No IFA Funds at risk
Staff recommends approval subject to the following extraordinary condition:

1. If any non-rated, unenhanced bonds are issued to finance project costs, these Subordinate Series B Bonds must be sold in minimum denominations of \$100,000 (i.e., thereby assuring distribution to Accredited Institutional Investors).
-

PURPOSE

Construction of a new, 99-unit, two-story, affordable Supportive Living Facility (senior living facility) in South Elgin.

IFA CONTRIBUTION

IFA will convey tax-exempt bond status on this financing.

The Developer will use up approximately \$10.6 million of prior year IFA Carryforward Volume Cap.

VOTING RECORD

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

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources: Senior Bonds (Series 2006A) FHA 232 /GNMA Enhanced	\$10,600,000	Uses: Project costs	\$11,361,466
Subordinate Debt (subject to change)	0	Legal & Professional/Tax Credit Costs	109,761
LIH Tax Credits	2,483,687	Capitalized Interest/Reserves	357,680
General Partner Equity	<u>100</u>	Bond Issuance Costs	287,000
Total	\$13,083,787	Operating Reserve & DSRF Deferred Developer Fee	444,323
			<u>523,557</u>
		Total	\$13,083,787

*Note: The Developer's Fee will be deferred and paid over time subject to the Partnership Agreement to be executed between the Developer and the Tax Credit Investor. Payment of these fees will be contingent on project performance. Typical performance hurdles include: satisfying certain benchmark debt service coverage, occupancy rates, and other negotiated covenants.

JOBS

Current employment:	0	Projected new jobs:	38 (FTE's)
Jobs retained:	N/A	Construction jobs (12 mo's.):	30 (average)

BUSINESS SUMMARY

Organization: **Heritage Woods of South Elgin Limited Partnership and its successors and assigns** (the "Applicant"), is an Illinois limited partnership to be formed. The Applicant is a real estate holding entity established for the express purpose of constructing, owning, and operating the Heritage Woods of South Elgin Supportive Living Facility, a new, 99-unit senior living facility to be located in South Elgin (Kane County), Illinois.

The General Partner, and 0.01% owner of the Applicant, will be **Heritage Woods of Elgin, LLC** and its successors and assigns. The members of which will be (1) Michael Raymond Custom Homes, LLC, c/o Mr. Michael Deal Chroneyko, Managing Member, St. Charles, IL, and (2) Mr. Blair Minton, BMA Management, Ltd., Bourbonnais, IL (whose firm has successful SLF facility development and operating experience and are described further on Page 3 of this report).

The Limited Partner and 99.99% owner of the will be a Low Income Housing Tax Credit ("LIHTC") Syndicator to be determined. The project will generate equity through the syndication of 4% Low Income Housing Tax Credits to corporations. The Applicant will be seeking a commitment from various tax credit syndicators/investors as soon as it receives a firm credit enhancement commitment from a HUD/FHA lender or a Bank Direct Pay LOC Provider.

Background: The proposed Heritage Woods of South Elgin Supportive Living Facility will be a new, 99-unit affordable assisted living project to be located in South Elgin (Kane County), Illinois. South Elgin is located between St. Charles and Elgin in northeastern Kane County. The subject facility would be the first Supportive Living Facility to principally serve the Elgin/South Elgin/St. Charles submarket.

The SLF will be a 3-story, 73,244 SF building that will consist of forty-nine (49) studio units, forty-four (44) 1 BR units, and six (6) 2 BR units and include over 20,000 SF of common/clubhouse areas and recreational facilities. Of the 99 units, 69 will be designated Low Income and 30 will be market rental.

The property's common facilities will include 68 parking spaces (including 4 handicapped spaces), and 2 elevators, and an outdoor walking path.

**Background on
Developer/
Property Mgr.:**

The proposed Property Manager is **BMA Management, Ltd.** of Bourbonnais, Illinois. BMA Management, Ltd. is an affiliate of Blair Minton & Associates, Inc. BMA was established in 1999 to manage assisted living and supportive living projects in Illinois. BMA currently manages senior assisted living and supportive living projects comprising over 875 units, with an additional 200 under construction. BMA currently manages properties ranging in size from 52 to 103 units.

BMA undertakes projects as joint ventures with hospitals, 501(c)(3) not-for-profit corporations, and private companies with multifamily construction/management experience. BMA provides comprehensive services from pre-development, financing, pre-opening organization, to staffing, training, management development, and food service.

BMA has 10 key corporate staff members with expertise in hospital, home health care, nursing home administration, operations, and marketing.

BMA currently has 11 Supportive Living Facilities under management including:

- Heritage Woods of Flora (52 units opened in May 2000)
- Heritage Woods of Ottawa (84 units opened in November 2000)
- Eagle Ridge of Decatur (76 units opened in July 2003)
- Heritage Woods of Batavia (93 units opened in September 2003)
- Cambridge House – O'Fallon (103 units opened in November 2003)
- Heritage Woods of Watseka (65 units opened in June 2004)
- Heritage Woods of Benton (100 units opened in August 2004)
- Churchview Supportive Living of Chicago (86 units opened in September 2004)
- Prairie Living of Chautaugua in Carbondale (75 units in November 2004)
- Heritage Woods of Manteno (66 units opened in March 2005), and Bowman Woods (76 units opened in Spring 2005). Additionally, BMA will open Pioneer Gardens of Chicago in Spring 2006 (120 units).

Select Supportive Living Facility projects under development and to be managed by BMA include (all three of these projects were induced by the IFA Board of Directors in December 2005):

- Heritage Woods of Freeport
- Pine View of DeKalb
- Prairie Winds of Urbana

The proposed Heritage Woods SLF property, however, will be a stand-alone facility located approximately 1.9 miles south of the U.S 20/McLean Blvd. interchange in South Elgin (Kane County), Illinois.

About HUD 232: The purpose of the HUD Section 232 Program is to provide long term, fixed rate construction and permanent mortgage financing for (1) construction of new nursing home and assisted living facilities, and (2) major renovations of existing nursing home facilities. Both for-profit and not-

for-profit entities are eligible under the FHA-Insured Section 232 Program. FHA 232/GNMA mortgage-backed securities or a Direct Pay Bank Letter of Credit will credit enhance the proposed bonds.

**About Illinois'
SLF Program:**

The Developer and the Illinois Department of Public Aid executed a Contract for Furnishing Services (the "Contract") under the Supportive Living Program in August 2005. Pursuant to this Contract, the Owner must begin operations by September 2007 (subject to time extensions). This Contract provides for the reimbursement of Covered Services to Eligible Residents under the Medical Assistance Program.

The Supportive Living Program was designed to reduce Medicaid subsidies to support low income elderly and help pay the costs necessary services including medication supervision, laundry, and personal care. All residents in a Supported Living Facility must be able to pay for their own room and board. Medicaid service reimbursement rates in Illinois are set at 60% of the regional nursing home per diem rate.

The Medicaid resident's maximum "room and board" payment is set by state regulation, and as of October 1, 2005, was \$489/month. SLFs can be certified as eligible food stamp vendors and receive these benefits for eligible residents. If a Medicaid resident's income is above \$579/month, then the amount over this threshold is applied as a Medicaid co-payment toward service expenses.

The objective of the SLF Program is to reduce the State's Medicaid expenditures. SLF Facilities can reduce daily Medicaid reimbursement rates from \$100/day to \$60.23/day in certain regions. Approximately 32% of current SLF residents moved there from a nursing home. Illinois currently has 49 open and operating SLF's, with 70 approved in 2005 as of 10/1/2005.

Accessibility:

As a new construction project, the subject facility will be subject to the Americans with Disabilities Act ("ADA"). Accordingly, all public areas of the facility will comply with ADA.

Additionally, because the facility will cater to seniors, 100% of the units will be designed to be handicapped adaptable and will feature:

- Doorways wide enough to accommodate wheelchairs and walkers
- Door handles throughout will be equipped with levers, rather than doorknobs
- Bathrooms sufficiently wide to allow a wheelchair to turn 360 degrees
- Bathrooms will feature grab bars,
- Bathrooms will be readily convertible from handicapped adaptable to handicapped accessible replacing the bathroom vanity with a sink that features a knee cavity
- Initially, 20% of the units (i.e., 20 out of 99) will be equipped with the handicapped accessible sink. The other 79 units will all be handicapped adaptable.

FINANCING SUMMARY

Security:

The Series 2006A Bonds to be secured by either (1) Aaa/AAA/AAA-rated credit enhancement from FHA 232/GNMA modified pass-through mortgage backed securities or (2) a Direct Pay Letter of Credit.

Structure:

Bonds will be sold as fixed rate bonds with a 37-year final maturity (current estimated rate of 6.24% as of 1/11/2006).

Maturity:

Series 2006A Bonds: 37 years (with level principal amortization over the last 35 years; provides for 1 year of construction and 1 year of lease-up/stabilization)

PROJECT DESCRIPTION FOR IFA BOND RESOLUTION

Bond proceeds will be used to finance the construction and equipping of a new, one building, three-story, 99-unit senior rental property to be known as Heritage Woods of South Elgin located on an approximately 2.55 acre site near the SW corner of N. McLean Blvd. and Bowes Road, South Elgin (Kane County), IL 60177.

Additionally, bond proceeds will be used to pay costs of issuance, capitalized interest, and will also capitalized certain debt service and operating reserve funds.

Preliminary estimated project costs are as follows:

Land/Site Development	\$725,000
Construction & Fin. Costs:	9,484,610
Equipment:	495,000
Arch./Eng./Prof.:	321,000
Project Contingency	<u>335,856</u>
Total:	\$11,361,466

ECONOMIC DISCLOSURE STATEMENT

Applicant: Heritage Woods of South Elgin Limited Partnership, an Illinois Limited Partnership to be formed and Heritage Woods of South Elgin, LLC, c/o Mr. Michael Deal Chorneyko, Member, 2000 W. Main St., Suite E, St. Charles, IL 60174; Ph.: 630-659-0133; Fax: 630-659-0110; mchorneyko@aol.com

Alternate Contact: Mr. Rod Burkett, BMA Management, Ltd., 755 Almar Parkway, Suite C, Bourbonnais, IL 60914; Ph.: 815-935-1992 or 877-882-1495; Fax: 815-935-1992; web site: www.bma-mgmt.com

Project name: Heritage Woods of South Elgin

Location: Near the SW corner of N. McLean Blvd. and Bowes Road, South Elgin (Kane County), IL 60177

Organization: Limited Partnership (to be formed)

State: Illinois

Ownership of Applicant: Heritage Woods of South Elgin Limited Partnership, an Illinois Limited Partnership to be formed

- **Heritage Woods of South Elgin, LLC (General Partner), an Illinois LLC to be formed: 1.00%**
 - Michael Raymond Custom Homes, LLC, c/o Mr. Michael Deal Chorneyko, Managing Member, St. Charles, IL: 51%
 - Mr. Blair Minton, BMA Management, Ltd., Bourbonnais, IL: 49%
- **Limited Partner: A tax credit syndicator/investor to be determined: 99.00%**

Current Property Owner: Forthcoming

PROFESSIONAL & FINANCIAL

Counsel:	Schiff Hardin, LLP	Chicago, IL	Jeff Kuta, Bruce Weisenthal Bruce Schiff
Accountant:	Reznick Group	Chicago, IL	
Bond Counsel:	To be determined		
Underwriter:	To be determined		
Underwriter's Coun.:	To be determined		
Credit Enhancement:	A HUD/FHA Lender to be determined or Direct Pay LOC Bank		
Counsel to Credit Enhancer:	To be determined		
Tax Credit Investor:	To be determined		
Tax Credit Investor's Counsel:	To be determined		
Trustee:	To be determined		
Architect:	Gleason Architects, P.C.	Sugar Grove, IL	Thad Gleason
General Contractor:	To be determined		
Project Consultant:	The Laubacher Company	Chicago, IL	Mark Laubacher
Management Agent:	BMA Management, Ltd.	Bourbonnais, IL	Rod Burkett
Issuer's Counsel:	Requested		

LEGISLATIVE DISTRICTS

Congressional:	14	J. Dennis Hastert
State Senate:	25	Chris Lauzen
State House:	49	Timothy L. Schmitz

Illinois Finance Authority

Memorandum

To: IFA Board of Directors

From: Sharnell Curtis-Martin

Date: February 7, 2006

Re: **Request to Extend until July 1, 2006 a commitment for a Participation Loan for Vee Properties South, LLC and VeePak, Inc. (IFA File #B-LL-TX-607)**

MB Financial and Vee Properties South LLC and Vee Pak, Inc. have requested that IFA approve a 6-month extension to July 1, 2006 on IFA's commitment to its Participation Loan.

Vee Pak is a contract packager that mixes and packages various products including: shampoos, conditioners, hair styling products, foot products, antiperspirant/deodorant, lotions, soaps, antibacterial products, tanning products, and facial products.

The proposed loan will finance the purchase, development and construction of a new headquarters for Vee Pak Inc. Vee Properties South, LLC will purchase approximately 11 acres of vacant land and construct a 300,000 square foot facility which will house the company's office personnel and also serve as a warehouse and distribution center.

Staff has re-reviewed the financial condition of the applicant with the lender and concluded that the financial condition of the operating company has not materially adversely changed since July 12, 2005, when the loan was originally presented to the IFA Board. The new facility is 60% complete according to the construction reports provided by the bank and the Company has achieved 100% of its 2005 sales goals and 98% of its 2005 net income projection.

A copy of the original project summary presented for Board approval is included with this memorandum to provide a complete overview of the project.

Staff recommends approval of the request.

The voting record of this Participation Loan approval at the July 12, 2006, Board meeting is as follows:

Ayes: 8	Absent: 3 (O'Brien, Rice, Valenti)
Nays: 0	Abstentions: 0

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

Project: Vee Properties South LLC and Vee Pak Inc.

STATISTICS

Deal Number:	B-LL-TX-607	Amount:	\$1,000,000
Type:	Participation Loan	IFA Staff:	Sharnell Curtis Martin
Location:	Hodgkins		

BOARD ACTION

Purchase of Participation from MB Financial
\$1,000,000 IFA funds at risk
Collateral is parri passu first position with MB Financial
Staff recommends approval subject to the following conditions: Assignment of rents and leases
Evidence of Insurance
As if Completed Appraisal

PURPOSE

Land acquisition and construction of a 300,000 square foot warehouse and distribution facility in Hodgkins.

VOTING RECORD

Initial board consideration, no previous voting record.

SOURCES AND USES OF FUNDS

Sources:	MB Financial	\$6,820,000	Uses:	Project Costs	<u>\$12,100,000</u>
	SBA 504 Loan	3,070,000			
	Equity	1,210,000			
	IFA	<u>1,000,000</u>			
Total Sources:		<u>\$12,100,000</u>	Total Uses:		<u>\$12,100,000</u>

The SBA 504 Loan is subordinate to the participation loan. Additionally, the source of equity is funds contributed by Mr. Vennetti.

JOBS

Current employment:	150	Projected new jobs:	25
Jobs retained:	N/A	Construction jobs:	150

BUSINESS SUMMARY

Background: Vee Pak, Inc. was founded in 1990 by Ralph Vennetti, the Company's President and CEO. Mr. Vennetti is also the sole principal of Vee Properties South LLC.

Vee Pak is a contract packager that mixes and packages various products including: shampoos, conditioners, hair styling products, foot products, antiperspirant/deodorant, lotions, soaps, antibacterial products, tanning products, and facial products. The processing takes place in many 7,000 gallon steel storage tanks mixing approximately 5,000 gallons of product to be mixed, cooled and/or heated and placed into tubes, bottles, jars and hot fill sticks (deodorant). Finally the products are labeled, sealed and packaged for their respective product lines.

FINANCING SUMMARY

Security: Collateral will consist of a pro-rata first position "pari passu" with MB Financial on the facility to be located at the intersection of River Road and 67th Street in Hodgkins, IL (Cook County). A first mortgage, assignment of rents and leases, and UCC financing statement on all subject property located at the Hodgkins facility. Additionally, will have the corporate guarantee of Vee Pak, Inc. and personal guarantee of Ralph Vennetti.

The SBA's loan of \$3,075,000 will be secured by a second mortgage on the subject property with a 20 year term and fixed rate of 6.10%

Structure: Based on the guidelines of the Participation Loan Program, IFA's interest will be 200 basis points below the banks stated rate of LIBOR plus 175 basis points, presently 5.3% or prevailing five year swap adjusted treasury plus 175 fixed. The bank will retain 50 basis points for servicing.

Maturity: The loan will be set on a 10 year term with a 25 year amortization with a balloon at maturity.

Covenants: Executed lease agreement between Vee Properties South LLC and Vee Pak, Inc.
As if completed appraisal
Evidence of insurance on collateral
Prior to opening construction loan, copy of commitment letter from SBA loan of \$3,075,000 secured by a second mortgage on subject property.
Annual Audited Financial Statements

PROJECT SUMMARY

Loan proceeds will be used to finance the construction of a 300,000 square foot warehouse and distribution facility and the acquisition of 11 acres of land located at the intersection of River Road and 67th Street in Hodgkins, IL 60525 (Cook County). Project costs are estimated as follows:

Construction	\$8,075,000
Land	3,100,000
Contingency	525,000
Interest Reserve	<u>400,000</u>
Total Project Costs	<u>\$12,100,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Vee Properties South LLC and Vee Pak Inc.
Project name: Vee Pak New Hodgkins Facility
Location: Intersection of River Road and 67th Street in Hodgkins, IL 60525 (Cook County)
Organization: Limited Liability Company and Corporation
State: Illinois
Ownership: Ralph Vennetti – 100%
Land Sellers: John T. O'Connell

PROFESSIONAL & FINANCIAL

Bank:	MB Financial	Chicago	Ross Weigand/Bridgit Wilson
Accountant:	Mulcahy, Pauritsch, Salvador & Co.		
IFA Counsel:	Dykema Gossett	Chicago	Darryl Pierce

LEGISLATIVE DISTRICTS

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

Illinois Finance Authority

Interoffice Memorandum

To: IFA Board of Directors

From: Sharnell Curtis Martin

Date: February 7, 2006

Re: Request to amend collateral description of Ex-Tech Plastics, Inc.
(IFA Project # B-LL-TX-708)

TCF Bank approved Ex-Tech Plastics, Inc. and ETI, LLC, a related entity, for two financings: a term loan for the acquisition of PVC equipment and for a revolving line of credit. TCF requested the Authority to participate in the term loan for the equipment acquisition of \$2 million.

This request was approved by the IFA Board of Directors at the December 6, 2005 meeting. The board summary listed as collateral a PMSI in the PVC equipment, a personal guarantee of Mr. John Pichon, Chairman and majority stockholder of Ex-Tech Plastics, Inc., a first mortgage on the facility located at 11453 Burlington in Richmond, IL and an assignment of rents and leases on the subject property.

The above listed collateral was to serve as collateral on both financings and the collateral available to the term loan should only consist of the PMSI (first purchase money security interest) in the PVC equipment and the personal guarantee of Mr. John Pichon, Chairman and majority stockholder of Ex-Tech Plastics, Inc. The first mortgage and assignment of rents and leases is to secure the revolving line of credit through TCF Bank. A copy of the original project summary presented to the Board approval is included with this memorandum to provide a complete overview of the project.

Staff recommends approval of the request.

The voting record of this Participation Loan approval at the December 6, 2005 Board meeting is as follows:

Ayes: 14	Absent:	1 (Joe Valenti)
Nays: 0	Abstentions/Vacancies:	0

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

Project: Ex-Tech Plastics, Inc.

STATISTICS

Deal Number:	B-LL-TX-708	Amount:	\$900,000
Type:	Participation Loan	IFA Staff:	Sharnell Curtis Martin
Location:	Richmond		

BOARD ACTION

Purchase of Participation from TCF Bank
\$900,000 of IFA funds at risk
Collateral is pari passu first position with the bank
Exception: This loan does not meet the Board's loan to value standard but is supported by the majority owner's personal guarantee.
Staff recommends approval

PURPOSE

Acquisition of equipment for use in the 11413 Burlington manufacturing facility located in Burlington, Illinois.

VOTING RECORD

Initial board consideration, no previous voting record.

SOURCES AND USES OF FUNDS

Sources:	TCF Bank	\$900,000	Uses:	Project Costs	<u>\$2,000,000</u>
	IFA	900,000			
	Equity	<u>200,000</u>			
	Total Sources	<u>\$2,000,000</u>	Total Uses		<u>\$2,000,000</u>

Equity will be contributed from the Company's internally generated funds.

JOBS

Current employment:	125	Projected new jobs:	15
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

Description: Ex-Tech Plastics, Inc. ("Ex-Tech" or the "Company") was established in 1982 and is a manufacturer of extruded polypropylene ("PVC") sheets and polyethylene terephthalate ("PET") sheets that are sold primarily to thermos formers for use in other manufacturing and food service companies. Ex-Tech's products are the raw material that are commonly used by thermo formers to mold plastic packaging that is often used to on batteries and fast food salad containers.

Ex-Tech has issued \$3 million in Industrial Revenue Bonds through the Illinois Development Finance Authority in 1993. The bonds were paid off in 2003.

FINANCING SUMMARY

Security: Collateral will consist of a pro-rata first position "pari passu" with TCF Bank on the equipment to be located at 11413 Burlington Road, McHenry (McHenry County), Illinois; as well as the personal guaranty of John M. Pinchon.

Structure: Based on the guidelines of the Participation Loan Program, IFA's interest will be 200 basis points below the Bank's stated rate for the first five years.

Maturity: The loan will be set on a 10-year term with a 10-year amortization

Covenants: Personal guaranty of John Pichon (Chairman of the Board and majority stockholder)
Evidence of insurance on the subject property located at 11413 Burlington Road in Richmond, IL

PROJECT SUMMARY

Loan proceeds will be used to finance the acquisition of PET Equipment to be located at 11413 Burlington Road, McHenry (McHenry County), Illinois. Project costs are estimated at \$2,000,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Ex-Tech Plastics, Inc.
Project name: Ex-Tech Plastics, Inc. New PET Equipment
Location: 11413 Burlington Road, McHenry (McHenry County), Illinois 60073
Organization: Corporation
State: Illinois
Ownership: John M. Pinchon, Chairman 35%
Laura Pinchon 15%
Emily Pichon, Secretary 15%
John Wolfe 26%
Jeff Fideler, President 2%
Roger Bord, CFO 2%
Roger Reischbach, VP Sales 2%
Pat Ward, COO 3%

Land Sellers: Not Applicable

PROFESSIONAL & FINANCIAL

Bank:	TCF Bank	Chicago	Ken Matheny
Accountant:	Fleming & Co., P.C.	McHenry	
IFA Counsel:	Dykema Gosett	Chicago	Darryl Pierce

LEGISLATIVE DISTRICTS

Congressional:	16 – Donald Manzullo
State Senate:	32 – Pamela Althoff
State House:	63 – Jack D. Franks