

# Illinois Finance Authority

March 7, 2006

11:30 AM

## Board Meeting

Illinois State Library

300 S. Second Street, Room 403/404

Springfield, Illinois



Jose Garcia



**ILLINOIS FINANCE AUTHORITY  
BOARD MEETING  
March 7, 2006  
11:30 a.m.  
Illinois State Library  
300 S. Second Street, Room 403/404  
Springfield, Illinois**

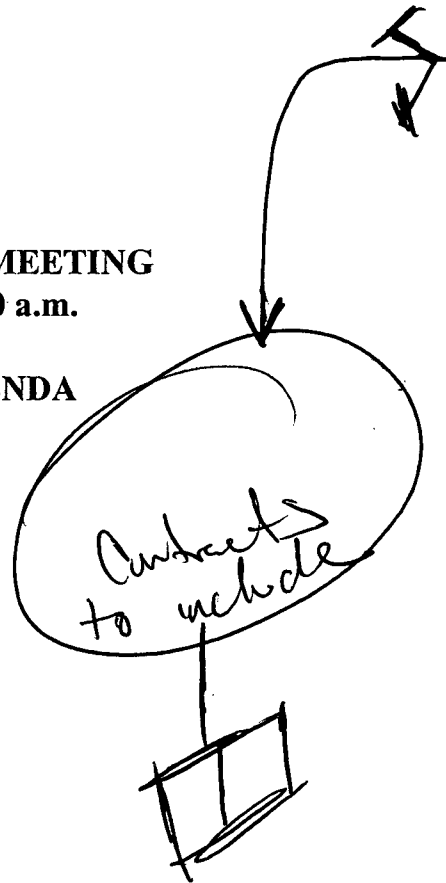
**EXECUTIVE SESSION  
8:30 a.m.  
Illinois State Library  
Authors Room, 1<sup>st</sup> Floor**

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

**BOARD MEETING  
11:30 a.m.**

**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
<b>Participation Loan</b>						
1	Adam and Jacqueline Anderson	Butler	\$ 128,250	0	0	ER
<b>Agri-Debt Guarantee</b>						
2	Ettner Farms	Marengo	460,000	0	0	ER
3	Jerome Lindgren	Wenona	81,000	0	0	ER
4	Kenneth R. and Carla J. Nelson	Wenona	635,000	0	0	ER
5	Philip and Linda Hartzler	Minonk	138,000	0	0	ER
6	Charles and Donna Baker	Oblong	256,000	0	0	ER
<b>Beginning Farmer Bonds</b>						
7	Richard Rubenacher	Dahlgren	250,000	0	0	ER
	Daniel Cahpplear	Hillsboro	153,000	0	0	ER
	Jeff & Mary Heepke	Edwardsville	250,000	0	0	ER
	Mark Heun	Erie	250,000	0	0	ER
	Cody Bauman	Eureka	250,000	0	0	ER
	Patrick Thompson	Little York	108,500	0	0	ER
	Christopher & Connie Smith	Oblong	250,000	0	0	ER
<b>TOTAL AGRICULTURE PROJECTS</b>			<b>\$ 3,209,750</b>	<b>0</b>	<b>0</b>	

**HEALTHCARE**

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
<b>501(c)(3) Bonds Preliminary</b>						
8	Victory Lakes	Lindenhurst	\$ 30,000,000	0	0	PL/DS
9	Rush University Medical Center Obligated Group	Chicago	250,000,000	0	0	PL/DS
<b>501(c)(3) Bonds Final</b>						
10	Luther Oaks	Bloomington	40,000,000	95	125	DS
<b>TOTAL HEALTHCARE PROJECTS</b>			<b>\$ 320,000,000</b>	<b>95</b>	<b>125</b>	

**COMMUNITIES AND CULTURE**

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
<b>TEA Interim Loan Program for Illinois School Districts</b>						
11	Beach Park CCSD #3	Beach Park	\$ 1,500,000	n/a	n/a	NM
<b>Housing Bonds Preliminary</b>						
12	Concordia Place Apartments, L.P., an Illinois limited partnership (Concordia Place Apartments)	Chicago <i>W/D</i>	800,000	0	0	RKF
<b>Housing Bonds Final</b>						
13	Thornwood – Chicago Heights, L.P., an Illinois limited partnership (Thornwood Apartments)	Chicago Heights	11,000,000	0	20	RKF
<b>501(c)(3) Final</b>						
14	Illinois Facilities Fund (Illinois Charter Capital Program)	Statewide				SCM
A	UNO Charter School	Chicago	6,000,000	60	50	SCM
B	Aspira, Inc. of Illinois	Chicago	12,000,000	36	50	SCM
C	Noble Network	Chicago	14,500,000	80	35	SCM
<b>TOTAL COMMUNITIES AND CULTURE PROJECTS</b>			<b>\$ 45,800,000</b>	<b>176</b>	<b>145</b>	

**BUSINESS AND INDUSTRY**

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
<b>Participation Loans</b>						
15	K K Stevens Publishing Company	Astoria	\$ 600,000	3	0	JS
<b>TOTAL BUSINESS AND INDUSTRY PROJECTS</b>			<b>\$ 600,000</b>	<b>3</b>	<b>0</b>	

**HIGHER EDUCATION**

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
<b>501(c)(3) Bonds Final</b>						
16	Illinois Institute of Technology	Chicago	\$ 160,000,000	25	50	TARKF
17	Dominican University	River Forest	30,000,000	25	50-65	RKF
<b>TOTAL HIGHER EDUCATION PROJECTS</b>			<b>\$ 190,000,000</b>	<b>50</b>	<b>100-115</b>	

<b>GRAND TOTAL</b>	<b>\$ 559,609,750</b>	<b>324</b>	<b>370/435</b>
--------------------	-----------------------	------------	----------------

Resolutions/Project Revisions/Amendatory Resolutions

**Tab**                      Amendatory Resolutions

18	Resolution No. 2006-19 ratifying previous action relating to Adas Yeshurun Project.	TA
19	Request to extend an IFA Agri-Debt Guarantee for one year and defer principal payment for one year on a loan to Jeffrey and Joanne Becker	ER
20	Request to extend for three years the term of a Participation Loan to Michael and Sandy Arnold	JS
21	Request to extend for two months a commitment for a Participation Loan to Homeway Homes	JS
22	Request to extend for two months a commitment for a Participation Loan to Community Memorial Hospital Association	JS
23	Request to release collateral for a Participation Loan for Soylutions, Inc.	RP
24	Resolution No. 2006-20 authorizing amendments to the Loan Agreement and other related documents in connection with the transfer of assets from Rest Haven Illiana Christian Convalescent Home to Christian Living Campus, NFP	PL
25	Request for substitution of collateral for Participation loan to Ray and Loretta Aden.	ER
26	Resolution to approve Supplemental Trust Indenture for technical changes Trim-Rite Food Corporation Project	RKF

Other

Adjournment



**Illinois Finance Authority  
Executive Director's Report  
March 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's financial performance for the period ending February 28, 2006 is both above performance targets and exceeding 2005 year-to-date returns. Gross revenues of \$5.6M exceed 2005 levels by \$924k, with year-to-date net income of \$1.9M exceeding 2005 levels by \$517k. Year to date expenses are \$641k below budget with positive variances in unrealized losses on venture capital, total employee related expenses, and in required loan loss provisions. A real threat to gross revenues is becoming reality with the upset in the health care capital markets arising from issues surrounding the proposed Charity Care Act HB5000. 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 \$57.8M, comprised of assets of \$60.8M and liabilities of \$3.0M. This compares favorably to the February 28, 2005 balance sheet with total equity of \$55.5M, comprised of assets of \$58.7M and liabilities of \$3.2M.

**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 **17 projects** totaling approximately **\$559,609,750** for approval in March, 2006. This month the largest number of projects in a market sector is in Agriculture with 13 projects totaling over \$3.2M. The largest dollar volume in projects comes from Healthcare with projects totaling \$320M. The projects continue to cover a diversity of regions, economies, and market segments throughout the state.

**Health Care:** The Illinois Finance Authority has engaged Public Financial Management Inc., a financial advisory firm with offices in Chicago, to assist management and staff in evaluating IFA's products and services in the Health Care market. The first informational meeting was held this month to identify opportunities to align products and services and associated fee schedules to market needs. The proposed Charity Care Act has impacted several hospital transactions as bond insurers have dropped commitments to financings due to the uncertainty in the Illinois market place. Delnor Hospital is the first transaction to formally withdraw from the IFA project list, with at least 3 other transactions indicating a strong potential to withdraw.

**Higher Education:** In the Higher Education market IFA has issued a Request for Qualifications for underwriters to research market options and develop programs for serving the needs of private not-for-profit colleges including pooled options. IFA will be conducting a market survey as well as informal and formal research to develop capital funding options for these institutions. IFA has conducted staff training and is ready to 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. Management will be providing an overview for board members of this new program which represents another value added solution IFA has to offer its health care and higher education partners.

**Agriculture:** The agricultural staff continues to see increased activity for approval of farm bonds and participation loans. Management and staff are working on a presentation for financing alternative energy programs for the Community Bankers Association Annual Meeting as well as the Illinois Bankers Association Annual Meeting. A marketing program for wind energy will be presented to bankers and farmers during the first and second quarters of 2006. IFA has engaged the consulting services of Stern Brothers, an investment banking and financial advisory firm with offices in Chicago and St. Louis, to develop a market for IFA products and services analysis of the alternative energy market segment including ethanol, bio-diesel, bio-mass, and wind energy financing alternatives. Funding Manager, Eric Reed has been active in communicating IFA's Wind Energy Program to rural cooperatives and lenders throughout the State of Illinois. A final selection of an Agricultural Funding Manager will take place in early March, 2006.

**Communities and Culture:** The Illinois Finance Authority will be presenting in partnership with the Illinois Facilities Fund, the first group of charter schools to participate in the United States Department of Education Charter Schools Program, after development of the credit enhanced program approved earlier this year. Charter schools represent a critical option to Illinois' students specifically in neighborhoods with at risk populations. The IFA Single Family Mortgage program was launched to lenders and economic development agencies in Decatur and Rock Island in February, 2006. Only one mortgage loan has closed in this program, with 5 more expected to close in the next 60 days, for a total of approximately \$1M in housing loans. A full report on the plan to explain and improve this result can be expected by the board in the April meeting. Law offices of Wildman Harold held an "Entrepreneurship in Local Government" seminar this month inviting city managers and attorneys, units of local

governments, and professionals in the public finance market. IFA, Interim Executive Director, was a participant in a panel highlighting the Benedictine University transaction as well as other IFA alternatives for community financing projects.

**Industry and Commerce:** Funding managers have made almost 50 in person business development calls on business and industry clients. Presentations have been developed and made by Chief Credit Officer, Steven Trout, Marketing Director, Diane Hamburger, and the Interim Executive Director, for several alternative energy projects in February including a land fill gas project and an Illinois bio diesel project operated by Bungee Corporation competing with Missouri and Indiana for location. Funding Manager Rich Frampton has been directed to work on efforts to accelerate the effective date of the antiquated \$20M Capital Expenditure Limitation in the IRS Industrial Revenue Bonds Tax Law from September 30, 2009 to December 31, 2006.

### III. Marketing and Public Relations

Marketing efforts this month focused on a large number of presentation developments and program roll-outs including Sexton Energy, Bunge Bio Diesel, Energy Solutions, Home Mortgage Program, the Investment Management & Arbitrage Rebate Program, and others. Additionally, the Director of Marketing has been involved in several newly launched market assessments including those for school districts, health care, higher education, and renewable energy.

### V. Human Resources and Operations

Chief Operating Officer and Human Resources Director, Stuart Boldry, has been active in reviewing employee benefits structure for compliance and competitiveness in the market place. As a recent addition to the 2005 Fiscal Year Ending June 30, 2005 Compliance Audit, John Fox of the Auditor Generals office has opened a new investigation into one section of employee benefits program which has taken considerable management resources to review and provide documentation. Additional resources have been devoted to payroll accounting issues resulting from an error in reporting from payroll processing firm, ADP. Additionally, IFA has been researching more efficient methods of time accounting to replace manual time accounting.

### 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. The IFA is engaged in dialogue concerning HB5000 with the Attorney General's Office, industry associations, union representatives, and market

+5B Bond  
+ 100k mo



professionals in an attempt to reach a positive outcome for IFA, the Healthcare Industry, and Illinois' Citizens.

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 Lt. 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 within the State of Illinois.

**VI. Audit and Compliance**

The financial portion of the Fiscal Year 2005 Audit is now available to staff, board members, and the public. The Compliance Audit time frame is being extended by additional investigations by the Auditor General's Office, sighting inadequate coverage and documentation by McGladrey & Pullen. IFA's Interim Executive Director, Chief Financial Officer, Chief Operating Officer, and Network Administrator, met with the Auditor General and Joe Evans for an exit review of the Information Technology Compliance Audit. There were no material findings in this audit and staff received favorable commentary from those conducting the audit. The 2005 Compliance Audit is now scheduled for release in May 2006, approximately one year after end of Fiscal Year 2005, and not in March or April as reported last month. In May, the 2005 audit of IFA will begin. Currently, the status of Fiscal Year 2004 audit findings are 10 complete, and 4 substantially complete.

**Illinois Finance Authority  
Balance Sheet  
for the Eight Months Ending February 28, 2006**

	January 2006	February 2006
<b>ASSETS</b>		
CASH & INVESTMENTS, UNRESTRICTED	\$ 27,704,397	\$ 27,252,422
LOAN RECEIVABLE, NET	11,653,955	12,586,502
ACCOUNTS RECEIVABLE	822,813	730,108
OTHER RECEIVABLES	112,119	107,637
PREPAID EXPENSES	26,727	21,539
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	40,320,011	40,698,208
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	108,395	100,758
DEFERRED ISSUANCE COSTS	875,682	866,092
<b>OTHER ASSETS</b>		
CASH, INVESTMENTS & RESERVES	9,894,470	9,922,141
VENTURE CAPITAL INVESTMENTS	5,437,487	5,164,735
OTHER	4,000,000	4,000,000
	<hr/>	<hr/>
TOTAL OTHER ASSETS	19,331,957	19,086,876
TOTAL ASSETS	<u>\$ 60,636,045</u>	<u>\$ 60,751,933</u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES	\$ 985,305	\$ 951,234
LONG-TERM LIABILITIES	2,027,408	2,015,426
	<hr/>	<hr/>
TOTAL LIABILITIES	3,012,713	2,966,660
<b>EQUITY</b>		
CONTRIBUTED CAPITAL	23,828,249	23,828,249
RETAINED EARNINGS	13,062,404	13,062,404
NET INCOME / (LOSS)	1,777,950	1,939,891
RESERVED/RESTRICTED FUND BALANCE	6,268,199	6,268,199
UNRESERVED FUND BALANCE	12,686,528	12,686,528
	<hr/>	<hr/>
TOTAL EQUITY	57,623,331	57,785,272
TOTAL LIABILITIES & EQUITY	<u>\$ 60,636,045</u>	<u>\$ 60,751,933</u>

*10/2/06*

③

②

①

**Illinois Finance Authority  
Statement of Activities  
for Period Ending February 28, 2006**

	Actual February 2006		Budget February 2006		Current Month Actual vs. Budget		Current %		Actual YTD FY 2006		Budget YTD FY 2006		Year-to-Date Actual vs. Budget		YTD %		Explanations	
REVENUE																		
INTEREST ON LOANS	34,546	30,000	4,546	15.2%	520,670	240,000	280,670	116.9%	280,670	240,000	40,670	116.9%						
INVESTMENT INTEREST & GAIN/(LOSS)	141,395	70,000	71,395	102.0%	778,988	560,000	218,988	39.1%	778,988	560,000	218,988	39.1%						
ADMINISTRATIONS & APPLICATION FEES	280,043	160,000	120,043	75.0%	3,230,738	3,340,000	(109,262)	(3.3%)	3,230,738	3,340,000	(109,262)	(3.3%)						
ANNUAL ISSUANCE & LOAN FEES	91,156	130,000	(43,844)	(32.5%)	746,428	1,060,000	(313,572)	(30.9%)	746,428	1,060,000	(313,572)	(30.9%)						
OTHER INCOME	85,579	-	85,579	0.0%	-	-	-	0.0%	350,295	-	350,295	0.0%						
<b>TOTAL REVENUE</b>	<b>632,719</b>	<b>395,000</b>	<b>237,719</b>	<b>60.2%</b>	<b>5,627,127</b>	<b>5,220,000</b>	<b>407,127</b>	<b>7.8%</b>	<b>5,627,127</b>	<b>5,220,000</b>	<b>407,127</b>	<b>7.8%</b>						
EXPENSES																		
EMPLOYEE RELATED EXPENSES																		
COMPENSATION & TAXES	211,513	255,000	(43,487)	(17.1%)	1,693,112	2,040,000	(346,888)	(17.0%)	1,693,112	2,040,000	(346,888)	(17.0%)						
BENEFITS	21,163	19,510	1,653	8.5%	170,074	159,580	10,494	7.2%	170,074	159,580	10,494	7.2%						
TEMPORARY HELP	315	2,500	(2,185)	(87.4%)	47,052	20,000	27,052	135.3%	47,052	20,000	27,052	135.3%						
EDUCATION & DEVELOPMENT	44	540	(496)	(91.9%)	10,883	4,320	6,563	152.1%	10,883	4,320	6,563	152.1%						
TRAVEL & AUTO	7,624	10,410	(2,786)	(24.8%)	95,460	83,290	12,170	14.6%	95,460	83,290	12,170	14.6%						
<b>TOTAL EMPLOYEE RELATED EXPENSES</b>	<b>240,859</b>	<b>287,960</b>	<b>(47,101)</b>	<b>(16.4%)</b>	<b>2,016,592</b>	<b>2,306,180</b>	<b>(289,588)</b>	<b>(12.6%)</b>	<b>2,016,592</b>	<b>2,306,180</b>	<b>(289,588)</b>	<b>(12.6%)</b>						
PROFESSIONAL SERVICES																		
CONSULTING, LEGAL & ADMIN	74,119	34,333	39,785	115.9%	574,866	274,667	300,200	109.3%	574,866	274,667	300,200	109.3%						
LOAN EXPENSE & BANK FEE	1,327	2,070	(743)	(35.9%)	10,713	16,580	(5,867)	(35.3%)	10,713	16,580	(5,867)	(35.3%)						
ACCOUNTING & AUDITING	30,976	29,000	1,976	6.8%	276,981	232,000	44,981	19.4%	276,981	232,000	44,981	19.4%						
MARKETING GENERAL	6,409	25,000	(18,591)	(74.4%)	74,232	200,000	(125,768)	(62.9%)	74,232	200,000	(125,768)	(62.9%)						
FINANCIAL ADVISORY	8,125	8,000	125	1.6%	64,490	64,000	490	0.8%	64,490	64,000	490	0.8%						
CONFERENCE/TRAINING	5,875	590	5,285	861.9%	13,516	4,720	8,796	166.3%	13,516	4,720	8,796	166.3%						
MISCELLANEOUS PROFESSIONAL SERVICES	6,667	10,833	(4,166)	(38.5%)	16,180	86,667	(70,487)	(81.3%)	16,180	86,667	(70,487)	(81.3%)						
DATA PROCESSING	1,150	3,750	(2,600)	(69.3%)	17,999	30,000	(12,001)	(40.0%)	17,999	30,000	(12,001)	(40.0%)						
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>134,448</b>	<b>113,577</b>	<b>20,871</b>	<b>18.4%</b>	<b>1,048,978</b>	<b>908,613</b>	<b>140,365</b>	<b>15.4%</b>	<b>1,048,978</b>	<b>908,613</b>	<b>140,365</b>	<b>15.4%</b>						
OCCUPANCY COSTS																		
OFFICE RENT	16,388	15,745	643	4.1%	125,007	125,960	(953)	(0.8%)	125,007	125,960	(953)	(0.8%)						
EQUIPMENT RENTAL AND PURCHASES	1,224	2,585	(1,361)	(52.6%)	11,323	20,680	(9,357)	(45.2%)	11,323	20,680	(9,357)	(45.2%)						
TELECOMMUNICATIONS	4,740	4,583	157	3.4%	46,084	36,667	9,417	25.7%	46,084	36,667	9,417	25.7%						
UTILITIES	638	1,065	(427)	(40.0%)	5,504	6,520	(1,016)	(15.6%)	5,504	6,520	(1,016)	(15.6%)						
DEPRECIATION	3,657	3,000	657	21.9%	19,247	24,000	(4,753)	(19.8%)	19,247	24,000	(4,753)	(19.8%)						
INSURANCE	1,653	1,300	353	27.2%	6,166	10,400	(4,232)	(40.7%)	6,166	10,400	(4,232)	(40.7%)						
<b>TOTAL OCCUPANCY COSTS</b>	<b>28,301</b>	<b>28,278</b>	<b>23</b>	<b>0.1%</b>	<b>213,343</b>	<b>226,227</b>	<b>(12,883)</b>	<b>(5.7%)</b>	<b>213,343</b>	<b>226,227</b>	<b>(12,883)</b>	<b>(5.7%)</b>						
GENERAL & ADMINISTRATION																		
OFFICE SUPPLIES	10,168	9,187	1,001	10.9%	46,637	73,333	(26,697)	(36.4%)	46,637	73,333	(26,697)	(36.4%)						
BOARD MEETING - EXPENSES	1,974	1,400	574	41.0%	24,444	11,200	13,244	118.2%	24,444	11,200	13,244	118.2%						
PRINTING	4,126	900	3,226	358.5%	7,063	7,200	(137)	(1.9%)	7,063	7,200	(137)	(1.9%)						
POSTAGE & FREIGHT	3,037	2,900	137	4.7%	20,602	23,200	(2,598)	(11.2%)	20,602	23,200	(2,598)	(11.2%)						
MEMBERSHIP, DUES & CONTRIBUTIONS	10,321	1,700	8,621	507.1%	26,265	13,600	12,665	93.1%	26,265	13,600	12,665	93.1%						
PUBLICATIONS	186	200	(14)	(7.0%)	1,195	1,600	(405)	(25.3%)	1,195	1,600	(405)	(25.3%)						
OFFICERS & DIRECTORS INSURANCE	9,349	10,000	(651)	(6.5%)	70,241	80,000	(9,759)	(12.2%)	70,241	80,000	(9,759)	(12.2%)						
MISCELLANEOUS	450	450	(450)	(100.0%)	2,735	3,600	(865)	(24.0%)	2,735	3,600	(865)	(24.0%)						
<b>TOTAL GENERAL &amp; ADMINISTRATION EXPENSES</b>	<b>39,161</b>	<b>26,717</b>	<b>12,444</b>	<b>46.6%</b>	<b>189,181</b>	<b>213,733</b>	<b>(24,552)</b>	<b>(11.5%)</b>	<b>189,181</b>	<b>213,733</b>	<b>(24,552)</b>	<b>(11.5%)</b>						
LOAN LOSS PROVISION	25,000	25,000	-	0.0%	85,075	200,000	(114,925)	(57.5%)	85,075	200,000	(114,925)	(57.5%)						
OTHER																		
INTEREST EXPENSE	736	800	(64)	(8.0%)	6,158	6,400	(242)	(3.8%)	6,158	6,400	(242)	(3.8%)						
<b>TOTAL OTHER</b>	<b>736</b>	<b>800</b>	<b>(64)</b>	<b>(8.0%)</b>	<b>6,158</b>	<b>6,400</b>	<b>(242)</b>	<b>(3.8%)</b>	<b>6,158</b>	<b>6,400</b>	<b>(242)</b>	<b>(3.8%)</b>						
<b>TOTAL EXPENSES</b>	<b>468,505</b>	<b>482,332</b>	<b>(13,827)</b>	<b>(2.9%)</b>	<b>3,549,327</b>	<b>3,881,153</b>	<b>(331,826)</b>	<b>(8.1%)</b>	<b>3,549,327</b>	<b>3,881,153</b>	<b>(331,826)</b>	<b>(8.1%)</b>						
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	164,214	(87,332)	251,546	(288.0%)	2,077,800	1,358,847	718,953	52.9%	2,077,800	1,358,847	718,953	52.9%						
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	(2,273)	(58,333)	56,061	(96.1%)	(137,909)	(466,667)	328,758	(70.4%)	(137,909)	(466,667)	328,758	(70.4%)						
<b>NET INCOME/(LOSS)</b>	<b>(1,614)</b>	<b>(145,665)</b>	<b>307,605</b>	<b>(211.2%)</b>	<b>1,939,891</b>	<b>892,180</b>	<b>1,047,711</b>	<b>117.4%</b>	<b>1,939,891</b>	<b>892,180</b>	<b>1,047,711</b>	<b>117.4%</b>						

IFA Aging Report - DL-PL-PL/MPF - February 28, 2006

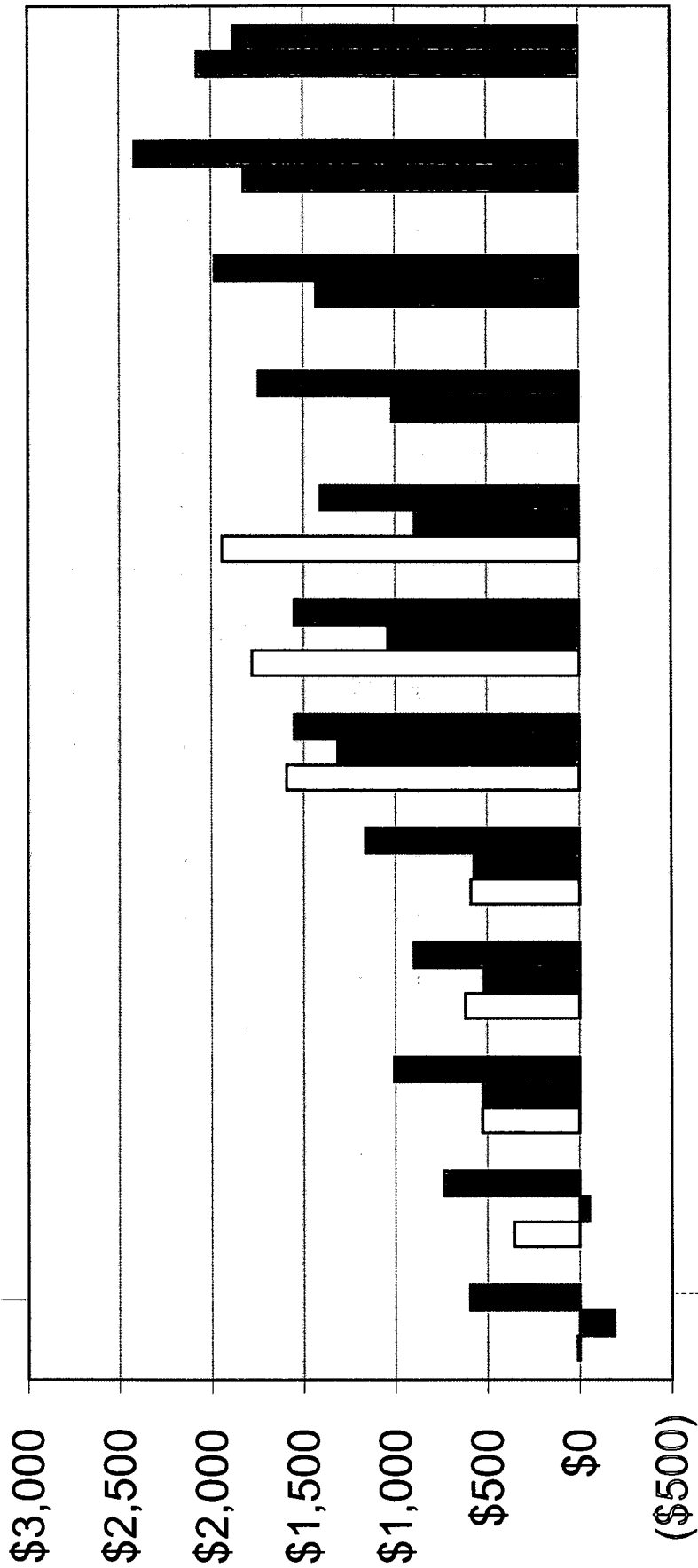
Client#	Client Name	Date of Closing	P.A	Payment 2/28/2006	Original Loan Amt	1 - 30 days	31 - 60 days	61 - 90 days	Past Due 91-180 days	181-days - 1 Year	Over 1 Year	Loan Balance 2/28/2006
<b>PARTICIPATION LOANS</b>												
9580-pl	Act Bending & Steel Company, Inc.	4/3/2001		Past Due	300,000						143,236	143,236
9879-pl	Alexis Fire Equipment	3/4/2004	Senica	Yes	247,611							140,665
	American Allied Freight Car Co. Inc.	3/23/2005	Senica	No	246,766	2,900						225,609
9830-PL	Arnold, Michael & Sandy	7/15/2003	Senica	No	147,407	975						134,415
9677-PL	Berry, Todd (Precision Laser)	11/5/2001	Senica	Yes, Interest only	188,613							146,597
2110-PL	Bob Brady Dodge, Inc. (J & C Investment)	1/4/2000	Senica	Yes	300,000							217,983
9757-PL	Brahler, Richard W.	4/30/2002	Senica	Yes	297,592							265,265
	Bramm, Karen	3/22/2005	Reed	annual pymnt	847,739							835,251
1943-PL	Bushert, Forrest D.	8/10/1998	Senica	Yes	240,000							170,922
1881-PL	Caywood's Youth Center, Inc.	6/16/1998	Pigg	Yes	237,500							177,304
9792-PL	Chapman, Marc (Quality Water Sev. Inc)	10/25/2002	Senica	Yes	227,387							152,208
9817-PL	Centurion Investments	11/4/2003	Pigg	Yes	300,000							282,055
9588-PL	Cushing, Steve & Ed	5/21/2001	Pigg	Yes	149,238							86,136
	Dell Star Corporation	1/10/2005	Pigg	Yes	150,000							31,572
	Earl & Sue Hesterberg	10/25/2005	Bitner	annual pymnt	103,500							100,000
9835-PL	Eagle Theater Corporation	9/8/2003	Trout/Albright	Yes, but not Posted	295,071							263,339
	Excel Crusher Technologies	4/19/2005	Senica	Yes	1,000,000							861,514
9793-PL	Excel Foundry	3/27/2003	Senica	Yes	237,112							175,445
	Excel Foundry	5/24/2005	Senica	Yes	762,562							684,900
	Jeffrey J. Gutzwiller	12/8/2005	Senica	New Loan	135,168							134,853
	Jeffrey Stark & Michael Haag	1/25/2006	Reed	annual pymnt	222,915							222,915
	Ray and Loretta Aden	12/29/2005	Reed	annual pymnt	150,000							150,000
1904-PL	Hagel & Leong (2nd loan)	2/8/2002	Senica	Yes	100,817							21,642
1844-PL	Hawkeye Food Machinery, Inc.	1/17/1997	Senica	Paid off 11/10/05	250,000							-
9726-PL	Kevin Krosse	2/15/2002	Senica	Yes	114,084	990						90,246
9783-PL	Keyser, David (Klean Wash, Inc.)	8/13/2002	Senica	Yes	100,000							65,804
	Kenneth & Virginia Lasater	9/14/2005	Reed	Annual Pymnt	443,594							443,594
	Kophamer Grain	11/14/2005	Bitner	Annual Pymnt	241,000							241,000
1907-PL	Lincoln Tool Company	6/12/1997	Senica	Yes	150,000						103,539	103,539
	Madonna L. Morell	2/15/2006	Reed	New Loan	200,000							200,000
	Martin & Rebecca Koster	7/27/2005	Reed	Annual Pymnt	200,000							200,000
1927-PL	Moerdhen, William J.	6/12/1997	Pigg	Yes	300,000							71,731
	Network Innovations, Inc.	2/17/2005	Curtis-Martin	New Loan	520,000							520,000
	Newline Harwoods, Inc.	11/4/2004	Senica	Yes, but not Posted	294,601							248,657
	Octochem	12/31/2003	Pigg	Yes, Interest only	281,538							264,565
	P & P Press	1/24/2006	Senica	Yes	642,008							637,722
	Perkins & Perkins Ltd. Partnership	8/23/2005	Senica	Yes	165,191							149,032
	Roesch, Inc	9/23/2004	Pigg	Yes	294,368							262,076
	Rutger, Alan & Kimberly	2/10/2006	Reed	New Loan	322,000							322,000
9781-PL	S & B Investments	2/18/2003	Pigg/Trout	No	197,889	1,400	1,400	1,400				171,428
9699-PL	Shults Machine	11/26/2002	Pigg	Yes	234,693							168,551
9579-PL	Siebenberger, Douglas & Robt. Ewen	5/17/2002	Pigg	Yes	235,699							190,473
9225-PL	Siracusa, Charles & Sharon	3/23/2000	Frampton	Yes	300,000							248,892
1869-PL	Specialty Machine & Tool, Inc.	4/2/1997	Cochran	Past due	87,173						71,943	71,943
	Spaulding Composites, Inc	3/23/2005	Curtis-Martin	Yes	622,508							600,509
9671-PL	Upchurch Oil & Ready Mix Concrete	5/4/2001	Pigg	No	300,000	3,189						183,106
	Uresil	12/1/2004	Curtis-Martin	Yes	300,000							256,017
9631-PL	The Weisiger Family Trust	4/6/2001	Senica	Yes	250,000							218,498
2164-PL	Wiegand, Beth A.	6/10/1999	Senica	Yes	183,484							139,425
	Roy Wiegand	1/5/2006	Reed	annual pymnt	172,800							166,761
9782-PL	Wilson, Michael L. Sr.	12/6/2002	Senica	Past Due	296,032						275,211	275,211
	WorkSaver Inc	12/31/2003	Pigg	Yes	112,500							69,210
9672-PL	Young, Clinton (Precision Pattern)	8/1/2001	Senica	Paid interest only	149,601							138,027
<b>PL-Motion Picture Financing</b>												
9733-PL/MPF	Big Picture Chicago, LLC	2/20/2002			82,500						16,432	16,432
9739-PL/MPF	SMS Productions	7/29/2002	Trout		49,270							-
	<b>TOTAL</b>				<b>15,922,724</b>	<b>9,454</b>	<b>1,400</b>	<b>1,400</b>			<b>610,360</b>	<b>12,358,273</b>
<i>PL/MPF Late amounts are estimates.</i>												
<b>DL Loans</b>												
98	Roe Machine Co.	12/31/1980	Pigg	Yes	45,000							559
1470	T.K.G. Inc.	8/26/1994	Pigg	Past due	179,000						107,808	107,808
	<b>TOTAL</b>				<b>224,000</b>						<b>107,808</b>	<b>108,366</b>
<b>FMHA Loans</b>												
9627	Grayson Hill Energy, LLC	1/31/2001	Pigg	Yes	130,000							72,887
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							105,769
9643	Ultra Play Systems, Inc.	5/3/2001	Pigg	Yes	90,000	1,314						35,477
	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							-
	<b>TOTAL</b>				<b>678,688</b>	<b>1,314</b>						<b>322,820</b>
<b>Municipalities</b>												
	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							-
	<b>TOTAL</b>											<b>76,500</b>
	Illinois Facilities Fund	2/10/2000		No pymnt due	1,000,000							1,000,000
	<b>TOTAL</b>				<b>1,000,000</b>							<b>1,000,000</b>
	<b>GRAND TOTAL</b>					<b>10,768</b>	<b>1,400</b>	<b>1,400</b>			<b>718,168</b>	<b>13,865,960</b>

1.5M  
Purse

Illinois Finance Authority  
Statement of Activities  
Comparison  
Fiscal Year 2006 and Fiscal Year 2005

	Actual February 2006	Actual February 2005	Current Month Variance	Current % Variance	Actual YTD FY 2006	Actual YTD FY 2005	Year to Date Variance	YTD % Variance
REVENUE								
INTEREST ON LOANS	34,546	27,662	6,884	24.9%	520,670	215,781	304,889	141.3%
INVESTMENT INTEREST & GAIN/(LOSS)	141,395	63,622	77,573	121.5%	778,998	493,109	285,889	56.0%
ADMINISTRATIONS & APPLICATION FEES	280,043	86,043	194,000	225.5%	3,147,974	3,147,974		2.6%
ANNUAL ISSUANCE & LOAN FEES	91,156	116,342	(25,186)	(21.6%)	746,426	861,611	(115,184)	(13.4%)
OTHER INCOME	85,579	-	85,579	0.0%	350,295	6,955	343,340	4936.5%
TOTAL REVENUE	632,719	293,669	339,050	115.3%	5,627,127	4,725,430	901,697	19.1%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	211,513	251,950	(40,437)	(19.0%)	1,693,112	1,672,399	20,713	1.2%
BENEFITS	21,163	15,548	5,615	36.1%	170,074	135,103	34,971	25.9%
TEMPORARY HELP	315	-	315	0.0%	47,052	27,401	19,652	71.7%
EDUCATION & DEVELOPMENT	44	260	(216)	(83.2%)	10,893	2,334	8,559	366.7%
TRAVEL & AUTO	7,824	15,198	(7,373)	(48.5%)	95,460	78,347	17,113	21.8%
TOTAL EMPLOYEE RELATED EXPENSES	240,859	282,955	(42,096)	(14.9%)	2,016,592	1,915,584	101,007	5.3%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	74,119	15,919	58,200	365.6%	574,866	240,948	333,919	136.6%
LOAN EXPENSE & BANK FEE	1,327	1,487	(160)	(10.8%)	10,713	23,709	(12,995)	(54.8%)
ACCOUNTING & AUDITING	30,976	56,809	(25,833)	(45.5%)	276,981	163,450	113,531	69.5%
MARKETING GENERAL	6,409	10,503	(4,093)	(39.0%)	74,232	97,078	(22,846)	(23.5%)
FINANCIAL ADVISORY	8,125	12,000	(3,875)	(32.3%)	64,490	64,225	265	0.4%
CONFERENCE/TRAINING	5,675	2,357	3,318	140.8%	13,518	4,312	9,204	213.4%
MISCELLANEOUS PROFESSIONAL SERVICES	6,667	-	6,667	0.0%	16,180	34,830	(18,650)	(53.5%)
DATA PROCESSING	1,150	3,612	(2,462)	(68.2%)	17,989	29,483	(11,494)	(39.0%)
TOTAL PROFESSIONAL SERVICES	134,448	102,686	31,762	30.9%	1,048,978	656,033	392,945	59.4%
OCCUPANCY COSTS								
OFFICE RENT	16,388	9,616	6,772	70.4%	125,007	178,869	(53,862)	(30.1%)
EQUIPMENT RENTAL AND PURCHASES	1,224	1,996	(772)	(38.7%)	11,323	23,892	(12,569)	(52.6%)
TELECOMMUNICATIONS	4,740	3,483	1,257	36.1%	46,094	15,794	30,300	52.1%
UTILITIES	638	965	(327)	(33.8%)	5,504	7,938	(2,433)	(30.7%)
DEPRECIATION	3,657	1,537	2,120	138.0%	19,247	11,252	7,995	71.1%
INSURANCE	1,653	51	1,602	3139.1%	6,168	9,259	(3,091)	(33.4%)
TOTAL OCCUPANCY COSTS	29,301	17,648	10,653	60.4%	213,343	261,509	(48,166)	(18.4%)
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	10,168	3,659	6,509	177.8%	46,637	69,710	(23,073)	(33.1%)
BOARD MEETING - EXPENSES	1,974	227	1,747	770.0%	24,444	7,433	17,010	228.8%
PRINTING	3,037	1,004	3,122	311.0%	7,063	4,347	2,716	62.5%
POSTAGE & FREIGHT	10,321	4,170	(1,132)	(27.2%)	20,602	23,593	(2,991)	(12.7%)
MEMBERSHIP, DUES & CONTRIBUTIONS	186	281	(95)	(33.8%)	26,265	13,248	13,017	98.3%
PUBLICATIONS	9,349	9,178	172	1.9%	70,241	1,567	(68,674)	(23.7%)
OFFICERS & DIRECTORS INSURANCE	-	912	(912)	(100.0%)	2,735	3,427	(692)	(20.2%)
MISCELLANEOUS	-	-	-	-	-	-	-	-
TOTAL GENERAL & ADMINISTRATION EXPENSES	39,161	20,726	18,435	88.9%	199,181	201,428	(2,247)	(1.1%)
LOAN LOSS PROVISION	25,000	-	25,000	0.0%	65,075	(20,562)	85,637	(416.5%)
OTHER								
INTEREST EXPENSE	736	781	(45)	(5.8%)	6,158	5,980	177	3.0%
TOTAL OTHER	736	781	(45)	(5.8%)	6,158	5,980	177	3.0%
TOTAL EXPENSES	469,505	424,796	43,709	10.3%	3,549,327	3,021,973	527,354	17.5%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	164,214	(130,927)	295,141	(225.4%)	2,077,800	1,703,457	374,343	22.0%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	(2,273)	(12,046)	9,773	(81.1%)	(137,909)	(295,836)	157,927	(53.4%)
NET INCOME/(LOSS)	161,941	(142,973)	304,914	(213.3%)	1,939,891	1,407,621	532,270	37.8%

# Cumulative Net Income



(In thousands)

	July	Aug	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun
□ FY 2006 Actual	\$12	\$356	\$524	\$618	\$586	\$1,592	\$1,778	\$1,940				
■ FY 2006 Plan	(\$186)	(\$51)	\$523	\$517	\$569	\$1,314	\$1,038	\$892	\$1,015	\$1,429	\$1,823	\$2,078
■ Actual FY05	\$594	\$734	\$1,007	\$898	\$1,162	\$1,551	\$1,551	\$1,408	\$1,742	\$1,982	\$2,416	\$1,880

Illinois Finance Authority  
 Status of

FY 04 Audit Findings  
 Update as of February 28, 2006

Total Number of 14

Item Number	Description	Status		Percentage Completed
		Action Items/	Action Items Completed	
04-01	Lack of Comprehensive Accounting System and Procedures	16/17		100
04-02	Inadequate Segregation of Duties	Complete		100
04-03	→ Failure to Monitor Bond Compliance ✓	5/8		63
04-04	Inadequate Internal Control Review of Bond trustees	4/6		67
→ 04-05	→ Non Compliance with Illinois Procurement Code and SAMS	2/3		67
04-06	Inadequate Invoice processing	Complete		100
04-07	Non-Submission of Credit Enhancement Development Report	Complete		100
04-08	Inadequate Maintenance of Personnel Files	Complete		100
04-09	Inadequate Cash receipts processing	Complete		100
04-10	Inaccurate Completion of Agency Fee Imposition	Complete		100
04-11	Lack of Adequate Time reporting Documentation	Complete		100
04-12	Untimely Review of Monthly Reconciliations	Complete		100
04-13	Unreported Assignments of State Vehicles	Complete		100
04-14	Incomplete accounting for Capital Assets	Complete		100

Notes:

- 0 = Partially Completed
- 4 = Substantially Completed
- 10 = Completed



## **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 February 7, 2006 at the Plaza Club, One Prudential Plaza, 130 E. Randolph Street, 40<sup>th</sup> floor, Chicago, Illinois.

### **Members Present:**

Ronald E. DeNard  
James J. Fuentes  
Demetris A. Giannoulis  
Michael W. Goetz  
David C. Gustman, Chairman  
Edward H. Leonard, Sr.  
Andrew W. Rice  
Juan B. Rivera  
Joseph P. Valenti

### **Members Absent:**

Magda M. Boyles  
Dr. Roger D. Herrin  
Martin H. Nesbitt  
Terrence M. O'Brien  
Lynn F. Talbott  
Bradley A. Zeller

## **GENERAL BUSINESS**

### **Call to order**

Chairman Gustman called the meeting to order at 11:33 a.m. with the above members present.

### **Chairman's Welcome**

On behalf of the Board, Chairman Gustman welcomed everyone and stated that the Authority's board members thoroughly reviewed each transaction on the agenda during the morning's meeting of the board..

### **Roll Call**

Chairman Gustman asked Secretary Burgess Jones to call the roll. Ms. Jones called roll and declared a quorum.



### **Interim Executive Director's Report**

Interim Executive Director Rendleman reported that transactions are exceeding projected income levels for period ending January, 2006. Funds are being reinvested to enable the Authority's funding managers to continue to build on efforts to assist individuals and businesses in the various markets sectors served by the Illinois Finance Authority.

Director Rendleman also reported that the Authority is one of the major participants, working with the Lieutenant Governor's Office, to bring broadband capabilities to underserved areas within the State of Illinois, in addition to working with businesses in the area of alternative energy projects as well as higher education.

Director Rendleman reported that at today's meeting thirteen projects will be presented totaling approximately \$336,626,000. These projects are expected to create 113 new jobs and 663 construction jobs.

### **Acceptance of Financials**

Financial statements for the period ending January 31, 2006 were accepted by all board members present.

### **Minutes**

Upon a motion by Mr. Valenti and seconded by Mr. Leonard, Chairman Gustman requested a roll call vote to approve the January 10, 2006 Minutes. The motion was approved with 9 ayes, 0 nays, and 0 abstentions.

### **Projects**

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

- No. 1:            **A-LL-TX-6025 – Robert and Phyllis Fleming**  
Requests final approval of a Participation Loan to purchase 40 acres of farmland in an amount not-to-exceed \$62,500.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays, and 0 abstentions. (06-02-01)

No. 2: **I-ID-TE-CD-6023 – 590 Tower Boulevard, LLC (MAAC Machinery Company, Inc.)**

Requests final approval of Industrial Revenue Bonds to refinance the entire outstanding principal balance of the Village of Carol Stream's Series 1999 Bonds in an amount not-to-exceed \$2,050,000.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays, and 0 abstentions. (06-02-02)

No. 3: **I-ID-TE-CD-6015 – HODA, LLC (Diamond Cellophane Products, Inc. and Spring-fill Industries, Inc.)**

Requests final approval of Industrial Revenue Bonds to refund 100% of outstanding principal amount of IFA (IDFA) Series 2000 IRB's in an amount not-to-exceed \$3,200,000.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays, and 0 abstentions. (06-02-03)

No. 4: **B-LL-TX-6016 – James Beard Jr. and Justin Beard**

Requests final approval of a Participation Loan to finance the acquisition of a city lot and commercial building in Peru, Illinois, in an amount not-to-exceed \$80,000. This project is expected to create 3 new jobs.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays, and 0 abstentions. (06-02-04)

No. 5: **B-LL-TX-6017 – Jay and Colleen Baxter**

Requests final approval of a Participation Loan to finance the acquisition of a city lot and commercial building in Oglesby, Illinois, in an amount not-to-exceed \$102,500. This project is expected to create 1 new job.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays, and 0 abstentions. (06-02-05)

No. 6: **B-LL-TX-6020 – Midwest Fabrication & Repair, Inc.**  
Requests final approval of a Participation Loan to finance the purchase of new equipment, and the acquisition and improvement of an industrial building in an amount not-to-exceed \$701,000. 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 9 ayes, 0 nays, and 0 abstentions. (06-02-06)

No. 7: **B-LL-TX-6021 – RDF, Inc.**  
Requests final approval of a Participation Loan to finance the construction of a new building, purchase equipment and payoff debt in an amount not-to-exceed \$444,725. This project is expected to create 3 new jobs and 3 construction jobs.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays, and 0 abstentions. (06-02-07)

No. 8: **H-SL-RE-TE-CD-6011 – Luther Oaks**  
Requests preliminary approval of Conduit 501(c)3 Bonds to pay for development, marketing, construction and related costs, fund interest payments, capitalize debt service reserve funds and pay issuance costs in an amount not-to-exceed \$35,000,000. This project is expected to create 95 new jobs and 125 construction jobs.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays, and 0 abstentions. (06-02-08)

No. 9 **H-HO-TE-CD-6013 – Delnor Community Hospital**  
Requests preliminary approval of Conduit 501(c)3 Bonds to fund new money projects, fund capitalized interest and pay issuance costs in an amount not-to-exceed \$60,000,000. This project is expected to create 100 new jobs and 200 construction jobs.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays, and 0 abstentions. (06-02-09)

- No. 10      **H-HO-TE-CD-6022 – Beloit Memorial Hospital**  
Requests preliminary approval of Conduit 501(c)3 Bonds to fund new money projects, reimburse capital expenditures, refinance outstanding debt, fund debt service reserve, fund capitalized interest and pay issuance costs in an amount not-to-exceed \$54,000,000. This project is expected to create 95 new jobs and 155 construction jobs.
- Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays, and 0 abstentions. (06-02-10)
- No. 11      **E-PC-TE-CD-6018 – Illinois Institute of Technology**  
Requests preliminary approval of Conduit 501(c)3 Bonds to refund outstanding debt, renovate and equip facilities and fund issuance costs in an amount not-to-exceed \$160,000,000. This project is expected to create 25 new jobs and 50 construction jobs.
- Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays, and 0 abstentions. (06-02-11)
- No. 12      **M-MH-TE-CD-556 – Plum Creek of Rolling Meadows, LP**  
Requests final approval of 501(c)3 Bonds to finance construction loans, capitalized interest, fund debt service reserve and pay issuance costs in an amount not-to-exceed \$12,000,000. This project is expected to create 50 new jobs and 100 construction jobs.
- Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays, and 0 abstentions. (06-02-12)
- No. 13      **M-MH-TE-CD-6019 – Heritage Woods of South Elgin, LP and its successors and assigns, an Illinois Limited Partnership to be formed (Heritage Woods of South Elgin, SLF)**  
Requests preliminary approval of Housing Bonds to finance construction of a new 99-unit, two-story Supportive Living Facility for seniors located in South Elgin in an amount not-to-exceed \$13,000,000. This project is expected to create 38 new jobs and 30 construction jobs.
- Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays, and 0 abstentions. (06-02-13)

**Amendments / Resolutions**

**Vee Properties South, LLC and VeePak, Inc.**

Requests approval of a 6-month extension to July 1, 2006 on IFA's commitment to its Participation Loan.

Mr. Valenti announced that he would abstain from voting on this project. Stating that his financial institution provides services to Vee Properties South, LLC and VeePak, Inc. Chairman Gustman requested a roll call vote. The motion was approved with 8 ayes, 0 nays, and 1 abstention. (06-02-14)

**Ex-Tech Plastics, Inc.**

Requests approval to amend collateral description of Ex-Tech Plastics, Inc.

Chairman Gustman requested a roll call vote. The project was approved with 9 ayes, 0 nays, and 0 abstentions. (06-02-15)

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. DeNard and seconded by Mr. Goetz, the meeting adjourned at approximately 12:14 p.m.

Respectfully Submitted,

Carla B. Burgess Jones, Secretary

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

**Project: Adam and Jacqueline Anderson**

---

**STATISTICS**

Project Number: A-LL-TX-6034	Amount: \$128,250 (not to exceed)
Type: Participation Loan	IFA Staff: Eric Reed
Location: Butler, IL	SIC Code: 0191-Grain Farming

---

**BOARD ACTION**

Approval to purchase a 50% participation loan from First National Bank, Litchfield, IL \$128,250 of IFA funds at risk  
Staff recommends approval, subject to satisfying all conditions of the bank loan.

- Receipt of satisfactory appraisal confirming loan to value ratio of 80% or less

---

**PURPOSE**

The proposed loan facility will provide permanent financing for the purchase of 92 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	\$128,250	Uses:	Purchase Land	<u>\$300,000</u>
	FNB-Litchfield	\$128,250			
	Borrower Equity	<u>\$43,500</u>			
	<b>Total</b>	<b><u>\$300,000</u></b>		<b>Total</b>	<b><u>\$300,000</u></b>

---

**JOBS**

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

---

**BUSINESS SUMMARY**

**Background:** Adam and Jacqueline Anderson operate a small grain farm, consisting of 427 acres, located new Hillsboro, IL. Adam shares machinery and labor with his father and his farming operation. The Andersons wish to purchase another 97-acre farm with improvements. The farm includes a residence, which the Andersons will utilize. They will survey the house and 5 acres separately in order to finance the property on a separate saleable mortgage at FNB in Litchfield.

In addition to their farming operation, both the Andersons are employed off the farm, which provides significant off farm income. Adam is the District Sales Manager for Pfister Corn Hybrids, while Jacqueline works at Memorial Medical Center. The Andersons also own and operate 13 rental properties in the area.

Project

Rationale: By purchasing the 97-acre farm, the borrowers will be able to expand their farming operation so that eventually he can farm full time. The Adams will utilize the house on the property as their residence which will be close to the center of their farming operation.

Transaction: Loan proceeds will provide permanent financing for the purchase of 92 acres of farmland. The borrower will provide \$43,500 in cash equity toward the purchase transaction.

---

**FINANCING SUMMARY**

Borrower: Adam and Jacqueline Anderson

Security: 1<sup>st</sup> Real estate mortgage on 92 acres of farmland. Collateral position will be "*parri passu*" with First National Bank in Litchfield.

Structure: 10 year term. 20 year amortization with annual P & I.

---

**PROJECT SUMMARY**

The borrower is purchasing 97 acres of farmland for \$385,000. First National Bank will finance the home located on the property and 5 acres on a conventional real estate mortgage in the amount of \$85,000. The borrower will provide \$43,500 in cash equity, which will reduce the required financing on 92 acres to \$256,500. IFA will participate at a 50% level, which equals \$128,250.

---

**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Adam and Jacqueline Anderson

Location: 13310 North Rd. County: Montgomery  
Hillsboro, IL 62049

Organization: Sole-Proprietorship

State: Illinois

Ownership: Adam and Jacqueline Anderson

---

**PROFESSIONAL & FINANCIAL**

Accountant: N/A

Attorney: N/A

Bank: First National Bank-Litchfield Ken Elmore, President

---

**LEGISLATIVE DISTRICTS**

Congressional: Lane Evans-17<sup>th</sup> State Senate: Deanna Demuzio-49th State House: Gary Hannig-98th

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

**Project: Ettner Farms**

---

**STATISTICS**

Project Number:	A-DR-TX-6036	Amount:	\$460,000
Type:	Agri-Debt Guarantee	IFA Staff:	Eric Reed
Location:	Marengo, IL	SIC Code:	0191-Grain Farming

---

**BOARD ACTION**

Approval to initiate an 85% loan guarantee in favor of Belvidere Bank, Belvidere, IL  
\$391,000 of State Treasurer's Agricultural Reserve Risk Funds at risk  
Staff recommends approval, subject to satisfying all conditions of the bank loan, as well as:

- Receipt of updated appraisal

---

**PURPOSE**

The proposed loan facility will be used to refinance the borrower's term debt in order to reduce debt service and increase cash flow.

---

**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:	IFAGuaranteed Bank Loan	\$391,000	Uses:	Refinance Debt	<u>\$460,000</u>
	Non-guaranteed Bank Loan	<u>\$69,000</u>			
	<b>Total</b>	<u><b>\$460,000</b></u>		<b>Total</b>	<u><b>\$460,000</b></u>

---

**JOBS**

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

---

**BUSINESS SUMMARY**

**Background:** Ettner Farms is a general partnership made up of David, Michael, and Terrance Ettner and each of their spouses. While the Etners are lifelong farmers, their partnership was formed a few years ago to purchase their father's home farmstead. The Etners farm approximately 3,000 acres of corn and soybeans in northern Illinois and also manage a small beef cow herd.

**Project Rationale:** Belvidere Bank has requested an agri-debt guarantee for a loan in the amount of \$460,000. Currently the Belvidere Bank finances the borrower's operating loan, which is also guaranteed by Farm Service Agency (FSA). Based on the amount of the operating loan, the borrowers will exceed the amount of loan guarantees allowed by FSA. The Etners needed to refinance their existing term debt with a portion of their operating loan balance because of crop losses caused by last summer's drought. The IFA guarantee will enable the borrowers to refinance their existing debt and obtain an operating loan for this year's crop from Belvidere Bank.



Transaction: The proposed term loan will be used to refinance a term loan with \$449,000 and \$10,000 in operating debt. The loan will be written with a 5 year term and 30 year amortization. The loan will be secured by 150 acres of farmland.

---

**FINANCING SUMMARY**

Borrower: Ettner Farms  
Security: 1<sup>st</sup> REM on 150 acres of farmland.  
Structure: 30 year term. 30 year amortization with annual P & I.

---

**PROJECT SUMMARY**

Ettner Farms experienced crop losses in 2005 due to drought conditions. As part of their financing package for 2006, Belvidere Bank has requested an Agri-Debt guarantee from IFA to refinance their existing term debt and a small portion of their operating loan. The loan will be secured by a 1<sup>st</sup> REM on 150 acres of farmland.

---

**ECONOMIC DISCLOSURE STATEMENT**

Applicant: David and Sharon Ettner, Michael and Judy Ettner, Terrance and Susan Ettner as partners in Ettner Farms  
Location: 19114 Harmony Rd. County: McHenry  
Marengo, IL 60152  
Organization: General Partnership  
State: Illinois  
Ownership: David and Sharon Ettner, Michael and Judy Ettner, Terrance and Susan Ettner

---

**PROFESSIONAL & FINANCIAL**

Accountant: Jarvis & Associates  
Attorney: N/A  
Bank: The Belvidere Bank Carl Dumoulin, VP

---

**LEGISLATIVE DISTRICTS**

Congressional: Don Manzullo-16<sup>th</sup> State Senate: Pamela Althoff-32<sup>nd</sup> State House: Jack Franks-63<sup>rd</sup>

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

**Project: Jerome Lindgren**

---

**STATISTICS**

Project Number: A-DR-TX-6037	Amount: \$81,000
Type: Agri-Debt Guarantee	IFA Staff: Eric Reed
Location: Wenona, IL	SIC Code: 0191-Grain Farming

---

**BOARD ACTION**

Approval to initiate an 85% loan guarantee in favor of Wenona State Bank, Wenona, IL.  
\$68,850 of State Treasurer's Agricultural Reserve Risk Funds at risk  
Staff recommends approval, subject to satisfying all conditions of the bank loan, as well as:

- **Receipt of 2006 Balance sheet and 2005 Tax return**

---

**PURPOSE**

The proposed loan facility will be used to refinance the borrower's existing term loan and fund a recent equipment purchase.

---

**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	\$68,850	Uses: Refinance Debt	<u>\$81,000</u>
Wenona State Bank	<u>\$16,150</u>		
<b>Total</b>	<b><u>\$81,000</u></b>	<b>Total</b>	<b><u>\$81,000</u></b>

---

**JOBS**

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

---

**BUSINESS SUMMARY**

**Background:** Jerome Lindgren operates a small cash grain farm, consisting of 407 acres of corn and soybeans. Jerome currently has an existing IFA guaranteed loan and is seeking financing for the purchase of a new corn planter. Wenona State Bank would like to add the required financing to the existing balance on Mr. Lindgren's IFA loan. Both he and his wife are employed off the farm, which provides income for their family living expenses.

**Project Rationale:** Wenona State Bank wants to consolidate the financing of the planter purchase with Jerome's existing loan in order to administer a single equipment loan and single blanket lien on equipment.

**Transaction:** Jerome Lindgren is purchasing a new corn planter for \$15,000, which will be added to his current IFA guaranteed loan. The new loan amount will be \$81,000.

---

**FINANCING SUMMARY**

---

Borrower: Jerome Lindgren  
Security: Security interest in all farm equipment and REM on borrower's residence.  
Structure: 7 years with Annual P & I.

---

**PROJECT SUMMARY**

Jerome Lindgren is purchasing a new corn planter for \$15,000, which will be added to his current IFA guaranteed loan. The borrower is due to make a payment on this loan at the end of February, which will further reduce the balance. Upon principal reduction and the addition of \$15K for the purchase, the new loan amount will be \$81,000. Wenona State Bank has requested an increase in the IFA guaranteed loan in order to consolidate the existing loan with the required \$15,000 in financing.

---

**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Jerome Lindgren  
Location: 1016 State Route 251 County: Marshall  
Wenona, IL 61377  
Organization: Sole Proprietorship  
State: Illinois  
Ownership: Jerome Lindgren

---

**PROFESSIONAL & FINANCIAL**

Accountant: N/A  
Attorney: N/A  
Bank: Wenona State Bank Gene Shinzel, VP

---

**LEGISLATIVE DISTRICTS**

Congressional: Ray Lahood-18<sup>th</sup> State Senate: Dale Risinger-37<sup>th</sup> State House: David Leitch-73<sup>rd</sup>

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

**Project: Kenneth R. and Carla J. Nelson**

---

**STATISTICS**

Project Number:	A-DR-TX-6038	Amount:	\$635,000
Type:	Agri-Debt Guarantee	IFA Staff:	Eric Reed
Location:	Wenona, IL	SIC Code:	0191-Grain Farming

---

**BOARD ACTION**

Approval to initiate an 78% loan guarantee in favor of Wenona State Bank, Wenona, IL.  
\$500,000 of State Treasurer's Agricultural Reserve Risk Funds at risk  
Staff recommends approval, subject to satisfying all conditions of the bank loan.

---

**PURPOSE**

The proposed loan facility will be used to refinance the borrower's term debt in order to reduce debt service and increase cash flow.

---

**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	\$500,000	Uses:	Refinance Debt	\$635,000
	Wenona State Bank	<u>\$135,000</u>			
	<b>Total</b>	<b><u>\$635,000</u></b>		<b>Total</b>	<b><u>\$635,000</u></b>

---

**JOBS**

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

---

**BUSINESS SUMMARY**

**Background:** Kenneth Nelson operates a cash grain farming operation in LaSalle County, which consists of 1,320 acres of corn and soybeans. Kenneth is also employed as a Pioneer Seed salesman and performs custom farming work in the area. The lender describes Mr. Nelson as one of the area's best production farmers with an excellent line of machinery.

**Project Rationale:** The proposed loan will refinance an existing IFA guaranteed loan with other existing term debt. Combining and extending the amortization on the loans will improve the Nelson's cashflow.

**Transaction:** The financing will refinance an existing IFA guaranteed loan and another term loan secured by machinery. The new loan for \$635,000 will be secured by machinery and a 2<sup>nd</sup> REM on 80 acres of farm land. The guarantee will be 78% instead of 85% of the total loan to comply with the Authority's \$500,000 Agri-Debt guarantee limit.

---

**FINANCING SUMMARY**

Borrower: Kenneth and Carla Nelson  
Security: Security interest in all farm equipment and 2<sup>nd</sup> REM on 80 acres.  
Structure: 30 year term. 30 year amortization with annual P & I.

---

**PROJECT SUMMARY**

The proposed loan will refinance an existing IFA guaranteed loan with other existing term debt. By combining the loans and increasing the amortization of the loan, the borrower's cash flow will be improved.

---

**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Kenneth and Carla Nelson  
Location: 878 N. 8<sup>th</sup> Road County: LaSalle  
Wenona, IL 61377  
Organization: Sole Proprietorship  
State: Illinois  
Ownership: Kenneth and Carla Nelson

---

**PROFESSIONAL & FINANCIAL**

Accountant: N/A  
Attorney: N/A  
Bank: Wenona State Bank Gene Schinzel, VP

---

**LEGISLATIVE DISTRICTS**

Congressional: Ray Lahood-18<sup>th</sup> State Senate: Dale Risinger-37<sup>th</sup> State House: David Leitch-73<sup>rd</sup>

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

**Project: Philip and Linda Hartzler**

---

**STATISTICS**

Project Number:	A-DR-TX-6039	Amount:	\$138,000
Type:	Agri-Debt Guarantee	IFA Staff:	Eric Reed
Location:	Minonk, IL	SIC Code:	0191-Grain Farming

---

**BOARD ACTION**

Approval to initiate an 85% loan guarantee in favor of Flanagan State Bank.  
\$117,300 State Treasurer's Agricultural Reserve 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 refinance an operating loan balance with Flanagan State Bank, as well as an existing contract for deed on 38 acres of farm land.

---

**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	\$117,300	Uses:	Refinance debt	<u>\$138,000</u>
	Flanagan State Bank	<u>\$20,700</u>			
	<b>Total</b>	<b><u>\$138,000</u></b>		<b>Total</b>	<b><u>\$138,000</u></b>

---

**JOBS**

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

---

**BUSINESS SUMMARY**

**Background:** Philip and Linda Hartzler are lifelong farmers, who operate a 1,300 acre grain farm near Flanagan, IL, where they raise corn, soybeans, and sunflowers. Phil also performs customer farming work for other operations in the area. Both Phil and Linda earn off-farm income that provides for family living expenses. Phil is a seed dealer for Beck's seed company and works part-time for a local wood products manufacturing plant. Linda is employed at their church and substitute teaches.

**Project**

**Rationale:** Flanagan State Bank has requested an Agri-Debt restructuring guarantee on loan facility, which will allow the Hartzlers to refinance an existing contract for deed, originally written 3 years ago to purchase 38 acres of farm land. The borrowers will also refinance a portion of their existing operating loan balance because of crop losses caused by last summer's drought.

Transaction: Loan proceeds will provide permanent financing for the refinancing of 38 acres of farmland, as well as a portion of the borrower's operating loan balance at Flanagan State Bank. The balance on the contract for deed is \$91,000, while the balance on the operating loan is \$45,000.

---

**FINANCING SUMMARY**

Borrower: Philip and Linda Hartzler  
Security: 1<sup>st</sup> Real estate mortgage on 38 acres of farmland and a 2<sup>nd</sup> REM on 40 acres of farmland.  
Structure: 10 year term with 30 year amortization, with annual P&I.

---

**PROJECT SUMMARY**

The borrowers experienced drought conditions in 2005 that reduced their crop significantly. The borrowers purchased 38 acres of farmland 3 years ago on a contract for deed. The contract is due and payable. As a result lender would like to refinance the balance on the contract with the carryover debt in the borrower's 2005 operating line of credit.

---

**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Philip and Linda Hartzler  
Location: 1709 County Rd 3100 E County: Woodford  
Minonk, IL 61760  
Organization: Sole-Proprietorship  
State: Illinois  
Ownership: Philip and Linda Hartzler

---

**PROFESSIONAL & FINANCIAL**

Accountant: Pioneer FBFM Association, Bloomington, IL  
Attorney: N/A  
Bank: Flanagan State Bank Richard Ritter, Vice-President

---

**LEGISLATIVE DISTRICTS**

Congressional: Lane Evans-17<sup>th</sup> State Senate: George Shadid-46<sup>th</sup> State House: Michael Smith 91<sup>st</sup>

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

**Project: Charles and Donna Baker**

---

**STATISTICS**

Project Number:	A-DR-TX-6035	Amount:	\$256,000
Type:	Agri-Debt Guarantee	IFA Staff:	Eric Reed
Location:	Oblong, IL	SIC Code:	0191-Grain Farming

---

**BOARD ACTION**

Approval to initiate an 85% loan guarantee in favor of First National Bank, Oblong, IL  
\$217,600 of State Treasurer's Agricultural Reserve Risk Funds at risk  
Staff recommends approval, subject to satisfying all conditions of the bank loan.

---

**PURPOSE**

The proposed loan will refinance an existing real estate mortgage, originally guaranteed by the IFDA, as well as a 2<sup>nd</sup> real estate mortgage on the property.

---

**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	\$217,600	Uses:	Refinance Debt	<u>\$256,000</u>
	FNB-Oblong	<u>\$38,400</u>			
	<b>Total</b>	<b><u>\$256,000</u></b>		<b>Total</b>	<b><u>\$256,000</u></b>

---

**JOBS**

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

---

**BUSINESS SUMMARY**

**Background:** Charles and Donna Baker operate a 485-acre grain farming operation near Oblong, IL. Charles also operates an independent trucking company. Donna recently retired from her job at the Hershey Factory in Robinson, IL. She and Charles each now receive social security income.

**Project**

**Rationale:** This refinancing will reduce the Bakers' annual debt payment obligation, which will improve cash flow and liquidity. Extending the IFA Guarantee will reduce the interest rate on the loan.

**Transaction:** First National Bank in Oblong has proposed a refinancing of two real estate loans for the Bakers. The larger of the two was originally guaranteed by IFDA. The new loan will combine these two loans into one and reduce the Bakers' annual payment obligation.

---

**FINANCING SUMMARY**



---

Borrower: Charles A. and Donna R. Baker  
Security: 1<sup>st</sup> Real estate mortgage on 337 acres and improvements.  
Structure: 20 year term. 20 year amortization with annual P & I.

---

**PROJECT SUMMARY**

The borrowers currently have two real estate loans at First National Bank in Oblong. The proposed loan facility will combine these two loans, which will reduce the borrower's annual debt service. The loan will be secured by a first mortgage on 337 acres and on all improvements thereon.

---

**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Charles A. and Donna R. Baker  
Location: 4453 E. 1350<sup>th</sup> Ave. County: Crawford  
Oblong, IL 62449  
Organization: Sole-Proprietorship  
State: Illinois  
Ownership: Charles A. and Donna R. Baker

---

**PROFESSIONAL & FINANCIAL**

Accountant: N/A  
Attorney: N/A  
Bank: First National Bank-Oblong Rich Kocher, Loan Officer

---

**LEGISLATIVE DISTRICTS**

Congressional: Tim Johnson-15<sup>th</sup> State Senate: Dale Righter-55<sup>th</sup> State House: Roger Eddy-109<sup>th</sup>

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors  
From: Eric Reed/bar  
Date: March 7, 2006  
Re: Overview Memo for Beginning Farmer Bonds

---

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolutions for each attached project
- **Amounts:** amounts up to \$250,000 maximum of new money for each project
- **Project Type:** Beginning Farmer Revenue Bonds
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - convey tax-exempt status
    - will use dedicated 2006 IFA Volume Cap set-aside for Beginning Farmer transactions
- **IFA Fees:**
  - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
  - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's Bank
  - The Borrower's Bank will be secured by the Borrower's assets, as on a commercial loan
  - Interest rates, terms, and collateral are negotiated between the Borrower and the Participating Bank, just as with any commercial loan
  - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd**  
Stephen F. Welcome, Esq.  
Three First National Plaza, Suite 4300  
Chicago, IL 60602

**Project Number:** A-FB-TE-CD-6026  
**Funding Manager:** Eric Reed  
**Borrower(s):** Richard Rubenacker  
**Town:** Dahlgren, IL  
**Amount:** \$250,000  
**Use of Funds:** Farmland – 180 acres  
**Purchase Price:** \$456,000  
**%Borrower Equity:** 45.2%  
**%Other Agency:** 0%  
**%IFA:** 54.8%  
**County:** Saline  
**Lender/Bond Purchaser:** Peoples National Bank, Terry Drone  
**Legislative Districts:** Congressional: 19<sup>th</sup>, John Shimkus  
State Senate: 54<sup>th</sup>, John Jones  
State House: 108<sup>th</sup>, David Reis

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

The Note shall bear simple interest at the Expressed Rate.

\* **Richard Rubenacker:** The Expressed Rate shall be 4.93% for the first three years of the loan; thereafter, the rate shall be adjusted every three years on the anniversary payment date of the loan to 68% of The Wall Street Journal prime with a cap and floor of .50% every three years and a lifetime rate cap of 8%. **Fee: \$3,750**

**Project Number:** A-FB-TE-CD-6027  
**Funding Manager:** Eric Reed  
**Borrower(s):** Daniel L. Chappellear  
**Town:** Hillsboro, IL  
**Amount:** \$153,000  
**Use of Funds:** Farmland – 51 acres  
**Purchase Price:** \$153,000  
**%Borrower Equity:** 0%  
**%Other Agency:** 0%  
**%IFA:** 100%  
**County:** Montgomery  
**Lender/Bond Purchaser:** First National Bank, Ken Elmore  
**Legislative Districts:** Congressional: 17<sup>th</sup>, Lane Evans  
State Senate: 49<sup>th</sup>, Deanna Demuzio  
State House: 98<sup>th</sup>, Gary Hannig

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

The Note shall bear simple interest at the Expressed Rate.

\* **Daniel Chappellear:** The Expressed Rate shall be 5.80% for the first three years of the loan; thereafter, the rate shall be adjusted every three years on the anniversary payment date of the loan to 80% of The Wall Street Journal prime. **Fee: \$2,295**

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

**Project Number:** A-FB-TE-CD- 6028  
**Funding Manager:** Eric Reed  
**Borrower(s):** Jeff & Mary Heepke  
**Town:** Edwardsville, IL  
**Amount:** \$250,000  
**Use of Funds:** Farmland – 109 acres  
**Purchase Price:** \$450,775  
    %Borrower Equity 44.5%  
    %Other Agency 0%  
    %IFA 55.5%  
**County:** Madison  
**Lender/Bond Purchaser:** First Mid-Illinois Bank & Trust, William J. Wagner  
**Legislative Districts:** Congressional: 19<sup>th</sup>, John Shimkus  
State Senate: 56<sup>th</sup>, William R. "Bill" Haine  
State House: 112<sup>th</sup>, Jay C. Hoffman

Principal shall be paid in equal monthly installments of \$833.00, with the first principal payment date to be one month from the date of closing. Accrued interest on the unpaid balance hereof shall be paid monthly, with the first interest payment date to be one month from the date of closing, with the twenty-fifth and final payment of all interest then outstanding due twenty-five years from the date of closing.

The Note shall bear simple interest at the Expressed Rate.

\* **Jeff and Mary Heepke:** The expressed rate shall be 5.8% for the first year. On that date and annually thereafter on the anniversary payment date, the expressed rate shall be adjusted to a rate of 80% of the national prime as published in The Wall Street Journal. **Fee: \$3,750**

**Project Number:** A-FB-TE-CD- 6029  
**Funding Manager:** Eric Reed  
**Borrower(s):** Mark Heun  
**Town:** Erie, IL  
**Amount:** \$250,000  
**Use of Funds:** Farmland – 78 acres  
**Purchase Price:** \$285,000  
    %Borrower Equity 22%  
    %Other Agency 0%  
    %IFA 88%  
**County:** Whiteside  
**Lender/Bond Purchaser:** Metrobank, Doug Vanderlaan  
**Legislative Districts:** Congressional: 16<sup>th</sup>, Donald A. Manzullo  
State Senate: 36<sup>th</sup>, Michael Jacobs  
State House: 71<sup>st</sup>, Mike Boland

Principal shall be paid annually in installments determined pursuant to a thirty-year amortization schedule, with the first principal payment date to be March 1, 2007. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be March 1, 2007, with the thirtieth and final payment of all interest then outstanding due March 1, 2037.

The Note shall bear simple interest at the Expressed Rate.

\* **Mark Heun:** The Expressed Rate shall be 6.25% for the five years of the loan; thereafter, the rate shall be adjusted every five years on the anniversary payment date of the loan to a rate of 1.00% below prime per The Wall Street Journal. **Fee: \$3,750**

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

**Project Number:** A-FB-TE-CD- 6030  
**Funding Manager:** Eric Reed  
**Borrower(s):** Cody Bauman  
**Town:** Eureka, IL  
**Amount:** \$250,000  
**Use of Funds:** Farmland – 80 acres  
**Purchase Price:** \$300,000  
**%Borrower Equity:** 16.7%  
**%Other Agency:** 0%  
**%IFA:** 83.3%  
**County:** Woodford  
**Lender/Bond Purchaser:** Goodfield State Bank, Chad Martin  
**Legislative Districts:** Congressional: 18<sup>th</sup>, Ray LaHood  
State Senate: 53<sup>rd</sup>, Dan Rutherford  
State House: 106<sup>th</sup>, Keith Sommer

Principal shall be paid annually in installments determined pursuant to a twenty-year amortization schedule, with the first principal payment date to be December 31, 2006. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be December 31, 2006, with the final payment of all outstanding principal and interest due December 31, 2011.

The Note shall bear simple interest at the Expressed Rate.

\* **Cody Bauman:** The Expressed Rate shall be 5.25% for the five years of the loan; thereafter, the rate shall be adjusted every five years on the anniversary payment date of the loan to a rate of 1.00% above prime per The Wall Street Journal.  
Fee: \$3,750

**Project Number:** A-FB-TE-CD-  
**Funding Manager:** Eric Reed  
**Borrower(s):** Patrick Thompson  
**Town:** Little York, IL  
**Amount:** \$108,500  
**Use of Funds:** Farmland – 80 acres  
**Purchase Price:** \$217,000  
**%Borrower Equity:** 50%  
**%Other Agency:** 0%  
**%IFA:** 50%  
**County:** Warren  
**Lender/Bond Purchaser:** Midwest Bank of Western Illinois, Les Allen  
**Legislative Districts:** Congressional: 17<sup>th</sup>, Lane Evans  
State Senate: 47<sup>th</sup>, John M. Sullivan  
State House: 94<sup>th</sup>, Richard P. Myers

Principal shall be paid annually in installments determined pursuant to a twenty-five year amortization schedule, with the first principal payment date to be April 15, 2007. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be April 15, 2007, with the final payment of all outstanding principal and interest due April 15, 2032.

The Note shall bear simple interest at the Expressed Rate.

\* **Patrick Thompson:** The Expressed Rate shall be 5.50% for the five years of the loan; thereafter, the rate shall be adjusted every five years on the anniversary payment date of the loan to a rate of 2.00% below prime per The Wall Street Journal with a floor of 4.50%.  
Fee: \$1,627.50

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

<b>Project Number:</b>	<b>A-FB-TE-CD-</b>
<b>Funding Manager:</b>	Eric Reed
<b>Borrower(s):</b>	<b>Christopher &amp; Connie Smith</b>
<b>Town:</b>	Oblong, IL
<b>Amount:</b>	\$250,000
<b>Use of Funds:</b>	Farmland – 120 acres
<b>Purchase Price:</b>	\$265,000
%Borrower Equity	5.7%
%Other Agency	0%
%IFA	94.3%
<b>County:</b>	Crawford
<b>Lender/Bond Purchaser</b>	Savings Bank, Robinson, IL – Mark Hill
<b>Legislative Districts:</b>	Congressional: 15 <sup>th</sup> , Timothy V. Johnson
	State Senate: 55 <sup>th</sup> , Dale A. Righter
	State House: 109 <sup>th</sup> , Roger L. Eddy

Principal shall be paid annually in installments in the amount of \$20,060.63 pursuant to a twenty-year amortization schedule, with the first principal payment date to be one year from date of close. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be one year from date of close, with the final payment of all outstanding principal and interest due 20 years from date of close.

The Note shall bear simple interest at the Expressed Rate.

* <b>Christopher &amp; Cindy Smith:</b> The Expressed Rate shall be 5.0% for the duration of the loan. <b>Fee: \$3,750</b>
--

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

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

**Project: Franciscan Communities – (The Village at Victory Lakes)**

---

**STATISTICS**

Project Number:	H-SL-RE-TE-CD-6042	Amount:	\$30,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff :	Pam Lenane and Dana Sodikoff
Locations:	Lindenhurst		

---

**BOARD ACTION**

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

---

**PURPOSE**

Proceeds will be used to: 1) acquire The Village at Victory Lakes including physical assets and certain accounts receivable; 2) fund new money projects for the Village at Victory Lakes, which, together with the acquisition total \$25 million; 3) establish a Debt Service Reserve Fund for the Series 2006 bonds; and 4) pay costs of issuance associated with the Series 2006 Bonds.

---

**IFA CONTRIBUTION**

Conveys federal income tax-exempt status on interest earned on the Bonds.

---

**VOTING RECORD**

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

---

**ESTIMATED SOURCES AND USES OF FUNDS**

Sources:	IFA bonds	<u>\$27,845,000</u>	Uses:	Project Costs*	\$25,000,000
				Debt Service Reserve	1,886,268
				Issuance Costs	<u>958,732</u>
Total		<u>\$27,845,000</u>	Total		<u>\$27,845,000</u>

\* Includes the acquisition price plus certain accounts receivable, plus funds for minor capital projects.

---

**JOBS**

Current employment: 295	Projected new jobs: 0
Jobs retained: 295	Construction jobs: 0

---

**BUSINESS SUMMARY**

Description: Bonds will be issued to fund the acquisition of a senior living community known as The Village at Victory Lakes (the "Village") in Lindenhurst, Illinois. The Borrower for this financing will be an obligated group known as Franciscan Communities, Inc. Bond proceeds will also be used for minor improvements to the physical plant of The Village. The Village is currently affiliated with Vista Health Hospitals in Waukegan, which is also scheduled to be sold in the near future. The

Village will become a member of Franciscan Communities. Franciscan Communities has issued bonds through the IFA many times in the past.

**Background:** The Borrower is an Indiana nonprofit corporation that was created for the purpose of providing senior housing and related services to the elderly. The Borrower owns and operates 11 senior living facilities with a total of 2,230 units/beds located in Illinois, Indiana, Kentucky, and Ohio, which comprise the Obligated Group (“Obligated Group”). The Franciscan Sisters of Chicago Service Corporation (“FSCSC”), an Illinois nonprofit corporation, is the sole corporate member of the Borrower. The senior living communities owned and operated by the Obligated Group are sponsored by and affiliated with the Franciscan Sisters of Chicago (“FSC”). FSCSC and FSC have no obligation or liability with respect to payment of debt issued by the Obligated Group.

FSC was founded in 1894 and its members have dedicated themselves to the care of the aged and the sick in hospitals and nursing homes, the education of students at the elementary and secondary levels, the operation of day care centers, religious education, pastoral ministry, social service activities and the ministry of prayer and suffering. FSC ministers in Illinois, Indiana, Ohio and Kentucky. The General Minister and the members of the General Council of FSC constitute the Board of Directors of FSC, an Illinois not-for-profit corporation, and are also the members of FSCSC.

FSCSC was organized to coordinate all FSC-sponsored facilities and assist FSC in establishing and extending its charitable mission in health care, social and pastoral services and education. FSCSC is the sole corporate member of the Borrower as well as a number of other organizations outside of the Obligated Group, all of which further the mission of FSC.

---

#### PROJECT SUMMARY

The Borrower intends to acquire The Village at Victory Lakes and bring it into the obligated group known as “Franciscan Communities”. The facility will continue to be marketed under its existing name, with reference to the fact that it is a member of the Franciscan Communities family of retirement communities. The facility currently consists of the following:

- 120 nursing beds (40 Alzheimer’s, 40 Medicare, 40 for general long term care);
- 60 assisted living units (84 beds);
- 100 independent living apartments;
- 40 cottages; and
- Many common areas including a Community Center, dining rooms, library, country store, bank, chapel, etc.

The Village has been providing care to residents since 1988 (with capacity additions in 1998 and 1999). Resident/family satisfaction surveys and employee surveys reflect high quality of care and management.

Initial entrance fees currently range from \$130,000-\$320,000 and are generally 85%-100% refundable upon the termination of the residency agreement. Monthly fees range from \$822-\$1,985. Assisted living monthly fees range from \$3,584-\$4,379. Private pay nursing rates range from \$167-\$300 per day. For various reasons, occupancy levels have slipped in the last few years. Nursing has averaged 81%, assisted living has averaged 95% and independent living has averaged 77% in the recent past.

Once the acquisition has occurred, FSCSC will make numerous management, marketing, and operational changes in order to improve occupancy levels and financial results. These changes contemplate the revision of independent living monthly service fees to reflect an all-inclusive fee, including property taxes, and a review of entrance fee pricing to accelerate sales and make a more competitive product.

---

#### FINANCING SUMMARY

**Structure:** The Series 2006 Bonds will be Variable Rate Demand Bonds backed by a Letter of Credit from a commercial bank. The Letter of Credit will be provided by the Borrower’s historical Letter of



Credit Bank team – LaSalle Bank (AA-/F1+) and Sovereign Bank. Interest rates on the bonds will be reset on a weekly basis by the Remarketing Agent (Ziegler Capital Markets Group).

Note: No waiver needed because with 100% VRDBs they have a rating based on the LOC Banks.

**Bank Security:** Gross revenue pledge and master notes under a master indenture. No mortgage will be provided, consistent with prior issues for this Borrower. Covenants and other legal provisions will be consistent with the standard covenants used on prior Franciscan Communities financings.

**Maturity:** 30 years (maximum of 32 years)

**Feasibility Report:**

A feasibility study will not be needed in order to sell the bonds. However, a consultant's report/forecast will be necessary in order to meet the additional debt test outlined in the Borrower's master indenture. This same approach was used on the facility replacement for St. Joseph Village in 2004 (also issued through the IFA). The consultant's report/forecast will not be as extensive as a full-blown feasibility study. The report will not be included in the prospectus. The report will demonstrate that the Obligated Group, with the addition of The Village, is projected to achieve acceptable financial ratios in the several years following the acquisition. The Consultant's report will be submitted to the Master Trustee and other interested parties in order to be in compliance with the Borrower's master indenture.

---

**ECONOMIC DISCLOSURE STATEMENT**

**Applicant:** Franciscan Communities, Inc. Obligated Group  
Corporate Home office: 1055 West 175<sup>th</sup> Street, Homewood, IL 60430  
(708) 647-3140

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

**Board of Directors:** Sr. M. Francis Clare Radke, Chairman  
Mr. Leonard A. Wychocki, President  
Sr. M. Francine Labus, OSF

---

**PROFESSIONAL & FINANCIAL**

Borrower's Counsel: Katten Muchin Rosenman	Chicago	Elizabeth Weber
Bond Counsel: Jones Day	Chicago	John Bibby
Underwriter: Ziegler Capital Markets Group	Chicago	Dan Hermann
		Steve Johnson
Underwriter's Counsel: Sonnenschein Nath & Rosenthal	Chicago	Steve Kite
		Martin Satava
Bond Trustee:	TBD	TBD
Issuer's Counsel:	Chicago	

---

**LEGISLATIVE DISTRICTS**

Congressional: 6- Henry J. Hyde  
State Senate: 28- John Millner  
State House: 55- Harry R. Ramey, Jr.

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

**Project: Rush University Medical Center Obligated Group**

---

**STATISTICS**

Project Number:	H-HO-TE-CD-6014	Amount:	\$250,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pamela Lenane and Dana Sodikoff
Locations:	Chicago (Rush University Medical Center) Skokie (Rush North Shore Medical Center) Aurora (Copley Memorial Hospital, Inc. and affiliates)		

---

**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) refinance all or a portion of the following outstanding IHFA bonds: Series 1983, Series 1989A, Series 1993, 1996A and Series 1998B; 2) reimbursement of prior capital expenditures; 3) fund a debt service reserve fund; and 4) pay costs of issuance.

---

**IFA CONTRIBUTION**

Conveys 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	\$ 239,800,000	Uses:	Refunding Escrow	\$215,000,000
	Prior DSRF			Reserve Fund	\$ 19,500,000
	and DSF	<u>8,200,000</u>		Issuance Costs	<u>\$ 13,500,000</u>
	Total	<u>\$ 248,000,000</u>		Total	<u>\$ 248,000,000</u>

---

**JOBS**

Current employment: 7,367 (RUMC, including Rush Oak Park Hospital)	Projected new jobs: N/A
984 (Rush-Copley Medical Center)	
1,157 (Rush North Shore Medical Center)	

Jobs retained: N/A	Construction jobs: N/A
--------------------	------------------------

## BUSINESS SUMMARY

Background: The Members of the Obligated Group include:

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

Simultaneously with the issuance of the Series 2006 bonds Rush-Copley Services Corporation ("Services Corporation") is expected to become a member of the Obligated Group. Each current member of the Obligated Group is an Illinois not-for-profit corporation.

Description: **Rush University Medical Center ("RUMC")**

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

The clinical and academic facilities are primarily located in the northeast portion of the Illinois Medical Center District. RUMC's clinical operations include a total of 851-staffed beds. Major operations of RUMC include:

- Rush University Hospital;
- Rush Oak Park Hospital;
- Rush University; and
- Rush University Medical Group

The Medical Center has been part of the Chicago landscape longer than any other health care institution in the city. Rush Medical College was the first institution of higher learning chartered in Illinois. Rush University is home to one of the first medical colleges in the Midwest and one of the nation's top-ranked nursing colleges.

The nursing program was awarded Magnet Designation in 2002, the highest honor a hospital can receive for outstanding achievement in nursing services. It was the first medical center in Illinois caring for both adults and children to receive the Magnet Status. Rush University Medical Center provides a full range of medical and surgical services. In U.S. News & World Report's 2005 issue showcasing "America's Best Hospitals", RUMC ranked in 11 of 17 categories. RUMC was ranked higher than any other Illinois hospital in orthopedics, neurology and neurosurgery, geriatrics, and kidney disease. There are currently 451 part time and full time employed physicians in 74 practices.

Rush University includes Rush Medical College, the College of Nursing, the College of Health Sciences and The Graduate College. Total enrollment for the 2004-2005 academic year was 1,451 students. RUMC is also the site of more than 70 residency and fellowship programs in medical and surgical specialties. Total research expenditures for FY2005 totaled \$115.4 million. Research is focused on improving day-to-day lives of patients through community-based studies.

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

Description: **Rush North Shore Medical Center ("RNS")**  
Rush North Shore Medical Center is a 224-staffed bed hospital in Skokie, Illinois. The hospital was founded in 1955 and commenced operations under the name Skokie valley Community Hospital in 1963. Rush North Shore Medical Center became affiliated with RUMC in 1987 and joined the Obligated Group in 1989. RNS provides comprehensive quality primary and secondary health care services to its community. RNS also provides select tertiary subspecialty services and provides a link to the complete range of tertiary services through its affiliation with Rush University Medical Center.

Acute care services include the major specialties of medicine, surgery, critical care, gynecology and obstetrics and psychiatric services. It also provides a full range of outpatient diagnostic and therapeutic services to its patients.

Service area: RNS defines its primary service area (PSA) to include Skokie, Glenview, Morton Grove, Wilmette, Evanston and the northern parts of Chicago. During FY05, 63.7% of inpatient non-newborn discharges originated from the PSA. The secondary service area includes Des Plaines, Kenilworth, Northbrook, Park Ridge, Winnetka, and parts of Chicago.

Description: **Rush-Copley, Copley, Copley Foundation, Copley Ventures and Services Corporation (collectively referred to as the "Copley Members")**  
The Copley Members include:

- Rush-Copley, the parent holding corporation;
- Copley Memorial Hospital, a 148-staffed bed hospital in Aurora;
- Copley Foundation, organized exclusively to engage in charitable fundraising activities which promote the interests of Copley;
- Copley Ventures, organized to establish and operate real estate properties; and
- Services Corporation, organized to operate and manage hospital-based physician practices.

The Copley Members became affiliated with RUMC in 1987 and joined the Obligated Group in 1993. Copley Memorial Hospital was founded in 1888 when it began operations as Aurora City Hospital. In 1995, Copley transferred its operations to a new replacement facility located on a 98-acre parcel of land. Copley Memorial Hospital provides a full range of inpatient and outpatient healthcare programs and services, with Institutes of Medicine including a Heart Institute, Cancer Care Center, Women's Health Center and Neuroscience Center. In U.S. News & World Report's 2005 issue showcasing "America's Best Hospitals", Copley ranked as one of the best hospitals in neurology and neurosurgery.

Service area: Copley defines its primary service area (PSA) to include the City of Aurora and the surrounding communities of Oswego, Montgomery and Western Naperville. Copley's secondary service area includes other areas in DuPage, Kane, Kendall, and Will Counties.

---

#### PROJECT SUMMARY

Refinancing existing debt, including all or a portion of, Series 1983, Series 1989A, Series 1993, Series 1996A and Series 1998B, and reimbursement of prior capital expenditures.

---

**FINANCING SUMMARY**

Security: Underwriters expect that the Bonds will be backed by credit enhancement, which could include bond insurance and bank credit facilities.

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

Maturity: Maturity to be determined prior to final IFA resolution

---

**ECONOMIC DISCLOSURE STATEMENT**

Project name: Rush University Medical Center Obligated Group  
Location: 1653 W. Congress Parkway  
Chicago, IL 60612  
Applicant: Rush University Medical Center Obligated Group  
Organization: Obligated Group Members are 501(c)(3) Not-for-Profit Corporations  
State: Illinois  
Board of Directors: See attached

---

**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Sonnenschein Nath & Rosenthal	Chicago	Steve Kite
Bond Counsel:	Chapman and Cutler	Chicago	James Luebchow
Co-Underwriter:	Citigroup	Chicago	Lisa Conley
Co-Underwriter:	Morgan Stanley	Chicago	Bruce Gurley
Underwriter's Counsel:	Jones,Day	Chicago	John Bibby
Bond Trustee:	TBD		
Accountant	Deloitte & Touche	Chicago	Robert Clarke
Issuer's Counsel:	Charity & Associates	Chicago	Alan Bell

---

**LEGISLATIVE DISTRICTS**

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

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

Copley Memorial Hospital, Inc.:  
Congressional: 14 – J. Dennis Hastert  
State Senate: 42 – Edward Petka  
State House: 83 – Linda Chapa La Via

**Rush University Medical Center  
 Board of Trustees**

<u>Trustee</u>	<u>Professional Affiliation</u>	<u>Years of Service</u>
Edward A. Brennan (1,2) <i>Chairman</i>	Retired Chairman, President and CEO, Sears, Roebuck and Co.	19
Richard M. Jaffee (1,2) <i>Vice-Chairman</i>	Chairman, Oil-Dri Corporation of America	15
Michael Simpson (1) <i>Vice-Chairman</i>	Chairman Emeritus, A.M. Castle & Co.	27
Larry J. Goodman, M.D. (1)	President and Chief Executive Officer, Rush University Medical Center	3
Connie Busse Ashline (1)	CEO, President and Board Chairman, Mercon, Inc., and Secure Care	9
W.H. Clark (1)	Retired Chairman of the Board and Chief Executive Officer, Nalco Chemical Company	19
Susan Crown (1)	Vice President, Henry Crown & Company	19
Robert J. Darnall (1)	Retired Chairman, President and Chief Executive Officer, Inland Steel Industries, Inc.	6
James W. DeYoung (1)	President, Winston Partners Incorporated	28
W. James Farrell (1)	Chairman and Chief Executive Officer, Illinois Tool Works Inc.	8
Ronald J. Gidwitz (1)	Partner, GCG Partners	12
William M. Goodyear (1,3)	Chairman and Chief Executive Officer, Navigant Consulting, Inc.	10
Joan M. Hall (1)	Retired Partner, Jenner & Block	22
William R. Hayden, M.D. (1)	Director, Rush University Medical Center-Stroger Hospital of Cook County Pediatric Critical Care Program	2
Silas Keehn (1,2)	Retired President, Federal Reserve Bank of Chicago	23
Beverly J. Kroll (1)	President, Peryam & Kroll Research Corporation	1
Donald G. Lubin (1)	Partner, Sonnenschien Nath & Rosenthal	28
John H. McEachern (1)	Retired President – Wayne Circuits	1
Richard M. Morrow (1)	Retired Chairman, Amoco Corporation	25
Sheli Z. Rosenberg (1,3)	Retired President and Chief Executive Officer, Equity Group Investments	9
Mary Hudson Smart (1)	President, Woman's Board of RUMC	1
Harold Byron Smith, Jr. (1)	Chairman of the Executive Committee, Illinois Tool Works Inc.	37
S. Jay Stewart (1)	Retired Chairman and Chief Executive Officer, Morton International, Inc.	18
Pamela B. Strobel (1)	Executive Vice President and Chief Administrative Officer, Exelon Corporation	8
Richard L. Thomas (1)	Retired Chairman, First Chicago NBD Corporation	34

**Rush University Medical Center  
 Board of Trustees**

<u>Trustee</u>	<u>Professional Affiliation</u>	<u>Years of Service</u>
Thomas J. Wilson (1)	President and Chief Operating Officer, The Allstate Corporation	5
Thomas A. Donahoe (2)	Retired Vice Chairman, Price Waterhouse LLP	24
Christine A. Edwards (2)	Partner, Winston & Strawn	4
Gloria Santona (2)	Executive Vice President, General Counsel and Secretary, McDonald's Corporation	2
E. David Coolidge III (3)	Vice Chairman, William Blair & Company L.L.C.	19
Larry Field (3)	Chief Executive Officer, Field Container Company L.P.	
Robert F. Finke (3)	Senior Partner, Mayer, Brown, Rowe & Maw	5
Jay L. Henderson (3)	Managing Partner, PricewaterhouseCoopers LLP	2
Perry R. Pero (3)	Retired Vice Chairman, Northern Trust Corporation and The Northern Trust Company	4
William H. Strong (3)	Vice Chairman – Investment Banking, Morgan Stanley	2
Richard L. Wambold (3)	Chairman and Chief Executive Officer, Pactiv Corporation	2
Hall Adams, Jr.	Retired Chairman of the Board and Chief Executive Officer, Leo Burnett Company, Inc.	17
Michael J. Alter	President, The Alter Group Ltd.	1
Joseph P. Bernardini, M.D.	South Jersey Center for Orthopedics & Sports Medicine	4
John M. Boler	Chairman of the Board, The Boler Company	1
Donald D. Boroian	Chairman, Francorp, Inc.	9
John C. Bowling, EdD, Dmin	President, Olivet Nazarene University	9
William G. Brown	Attorney, Bell, Boyd and Lloyd	14
John A. Buck	Chairman and Chief Executive Officer, The John Buck Company	1
Peter C. B. Bynoe	Partner, DLA Piper Rudnick Gray Cary US LLP	12
Pastora San Juan Cafferty	Professor, The University of Chicago	12
Donald B. Davidson	Managing Director, Integro Ltd.	27
Howard M. Dean	Retired Chairman, Dean Foods	2
John H. Dick	President, Dicksbridge, Inc.	17
Sharon Partington Dixon	Immediate Past President, Woman's Board of RUMC	3
Margaret-Faut-Callahan, DNSc, CRNA, FAAN	Rush University Medical Center	2
Wade Fetzer III	Retired Partner, Investment Banking Division, The Goldman Sachs Group, L.P.	31
Marshall Field	Chairman of the Board, The Field Corporation	35
Cyrus F. Friedheim, Jr.	Retired Chairman and Chief Executive Officer, Chiquita Brands International, Inc.	24

**Rush University Medical Center  
Board of Trustees**

<u>Trustee</u>	<u>Professional Affiliation</u>	<u>Years of Service</u>
William J. Friend	President, Core Capital Management, LLC	7
Jorge O. Galante, MD, DMSc	The Grainger Director, Rush Arthritis and Orthopedics Institute	2
Sue Ling Gin	Owner and Chief Executive Officer, Flying Food Group	5
Robert Hixon Glone	Managing Partner, Pioneer Ventures	51
Catherine B. Grotelueschen, M.D.	Westside Medical Associates	2
William J. Hagenah	Retired Senior Vice President, Bank One Corporation	1
William K. Hall	Chairman and Chief Executive Officer, Procyon Technologies	2
Christie Hefner	Chairman and Chief Executive Officer, Playboy Enterprises, Inc.	12
Robert L. Heidrick	Vice Chairman and Managing Director, Global Industrial Practice	5
Ronald M. Hem	Member, Alschuler, Simantz & Hem, LLC	1
Marvin J. Herb	Herbco L.L.C.	9
John W. Higgins	Chairman and Chief Executive Officer, Higgins Development Partners	2
Anthony D. Ivankovich, M.D.	Chairman, Department of Anesthesiology	1
John E. Jones	Retired Chairman, CBI Industries	12
John P. Keller	Chairman, Keller Group, Inc.	21
Herbert B. Knight	Member, Leadership Committee for Rush Neuroscience Institute	18
Fred A. Krehbiel	Co-Chairman, Molex Incorporated	21
Karen Van Dyke Lamb, ND, RN	Associate Professor, College of Nursing, Rush University Medical Center	9
John W. Madigan	Retired Chairman and Chief Executive Officer, Tribune Company	26
Marcie H. Mervis	President, Carolyn Foundation	2
Robert S. Morrison	Retired Chairman, President and Chief Executive Officer, Quaker Oats Company	6
Abby McCormick O'Neil	Member, Rush University Board of Overseers	7
The Right Reverend William D. Persell	Bishop of Chicago, Episcopal Diocese of Chicago	6
Karen C. Reid	Past President, Rush Woman's Board	19
John W. Rogers, Jr.	Chairman and Chief Executive Officer, Ariel Capital Management LLC	15
Patrick G. Ryan	Chairman, President and Chief Executive Officer, Aon Corporation	27



**Rush University Medical Center  
Board of Trustees**

<b><u>Trustee</u></b>	<b><u>Professional Affiliation</u></b>	<b><u>Years of Service</u></b>
John M. Sachs, DDS	Retired Dentist	13
John F. Sandner	Special Policy Advisor and Retired Chairman, Chicago Mercantile Exchange	13
The Honorable Anne O. Scott	Retired Judge, Circuit Court of Cook County	13
Carole Browe Segal	Vice President, Civic Affairs, Crate & Barrel	14
Richard Sharfstein	Chairman of the Board, Pride Container Corporation	5
Carl W. Stern	Co-Chairman of the Board, The Boston Consulting Group	5
Frank J. Techar	President and Chief Executive Officer, Harris Bankcorp, Inc.	2
John R. Willis	Managing Partner, Willis Stein & Partners	5
Robert A. Wislow	Chairman and Chief Executive Officer, U.S. Equities Realty, Inc.	16

**Rush North Shore Medical Center  
Board of Trustees**

<u>Trustee</u>	<u>Professional Affiliation</u>	<u>Years of Service</u>
Beverly J. Kroll (1) <i>Chairman</i>	Principal and CEO, Peryam & Kroll Research Corporation	9
E. David Coolidge, III (1,3) <i>Vice Chairman</i>	Chief Executive Officer, William Blair & Company, L.L.C.	18
Donald P. Perille (1) <i>Vice Chairman</i>	Trustee, Village of Skokie	14
Earl B. Abramson (1,3)	President, Rapid Displays	29
James T. Frankenbach (1)	President and Chief Executive Officer, Rush North Shore Medical Center	11
Andy Mills (1,3)	President, Medline Industries, Inc.	3
Harvey Pyes (1,2)	Partner, Pyes and Cherin	14
Richard A. Sharfstein (1,3) Howard L. Stone (1,3)	President, Pride Container Corporation Semi-Retired Executive, RSM McGladrey Tax and Business Services	13 2
James DeYoung (2)	President, Winston Partners, Inc.	3
Lawrence Gilford (2)	Director, MB Financial, Inc.	6
Marvin Lederman (2,3)	Retired, Financial Executive	28
William Meltzer, M.D. (2)	Orthopedic Specialist, Lake Shore Orthopedics	15
Michael Oberman (2)	President, Omeda Communications	4
Leonard Berlin, M.D. (3)	Chairman, Department of Radiology, Rush North Shore Medical Center	29
Peter W. Butler (3)	Executive Vice President and COO, Rush University Medical Center	4
James Coleman (3)	Executive, Honeywell	1
Ike Hong (3)	President, Pacific Construction Services, Inc.	1
Carolyn Anthony	Director, Skokie Public Library	1
Dorothy Pitner Healy	President, Midwest Palliative & Hospice Care Center	1
Jean Herreman	Housewife	16
Aaron Karsen	President, Carpet Cushions & Supplies, Inc.	11
Nancy L. Kaszak	Associate, Regional Director of Development	1
Renee Reich, M.D.	President, Medical Staff, Rush North Shore Medical Center	2

**Rush-Copley Medical Center  
 Board of Governors**

<u>Governors</u>	<u>Professional Affiliation</u>	<u>Years of Service</u>
John Lies (1) <i>Chairman</i>	President - Arnold Lies Company	21
Ronald M. Hem (1) <i>Vice-Chairman</i>	Partner - Alschuler, Simantz & Hem, LLC	21
Michael Beilman (1) (3)	Partner - Mueller & Co. LLP	22
Richard Edelman (1)	President – PMR, Inc.	10
John H. McEachern (1) (2)	Retired President – Wayne Circuits	24
Mark Metzger (1) (2)	Attorney & Mediator - Law Offices of Mark Metzger	8
William Skoglund (1)	Chairman - Old Second Bancorp	6
Susan Barnes (2)	President & CEO - The Landmark Group of IL, Inc.	9
Kenneth L. Bertrand (2)	President - Allied First Bank	2
Kathleen Tollaksen (2)	Partner – Sikich LLP	8
Bruce Dienst (3)	President & COO - Simpson Technologies Corp.	7
Gary Flori (3)	Partner - Sikich LLP	1
Dave Mead (3)	President - Bufka & Rodgers, LLC	8
Frank Voris (3)	Retired executive – Merchants National Bank	26
Jack E. Wells (3)	Vice President - VanKampen Funds	12
Thomas S. Alexander	CFO - Alexander Lumber Company	24
Ed Bonifas	Vice President - Alarm Detection Systems, Inc.	7
Elizabeth Brundage	Director - MedSurg Billing	1
Patrick Carmody	President - Innovative Modular Solutions	2
Cati Cederoth	Senior Executive - Accenture	7
Lisa Coffey	Attorney - Law Office of Lisa Coffey, PC	7
Henry Cowherd, Jr.	Retired executive – Burgess Norton Manufacturing	32
Tom Cross	Illinois State Representative & Attorney	8
Howard Crouse	Superintendent - Indian Prairie School Dist. #204	2
Suzanne Deuchler	Retired Illinois State Representative	18
Lynn Dubajic	Executive Director - Yorkville Economic Development Corporation	2
Kent Duncan	Branded Pricing Analyst - BP	2
Jim Eccher	President & CEO - Old Second National Bank	2
Kris Fauske	Vice President, Operations - Fauske & Associates, Inc.	4
Barry C. Finn	President & CEO - Rush-Copley Medical Center	4

**Rush-Copley Medical Center  
Board of Governors**

<b><u>Governors</u></b>	<b><u>Professional Affiliation</u></b>	<b><u>Years of Service</u></b>
Sandra Goeken Miles	Vice Chairman - The Goeken Group	9
David Harrison	Publisher - The Beacon News	5
James P. Hughes, Jr.	Executive Vice President – Wiseman-Hughes	8
Sherman L. Jenkins	Executive Director - Aurora Economic Development Commission	4
Wade Joyner	Attorney - Wade R. Joyner, P.C.	5
Joe Lies	Vice President - Arnold Lies Company	4
D. Chet McKee	Vice President, Special Projects - Rush-Copley Medical Center	28
Michael Ochenschlager	Vice President - Wine, Sergi & Co., LLC	23
Scott Palmer	Chief of Staff - Office of Rep. Dennis Hastert	20
James D. Pearson	Retired President & CEO – Aurora Metals, LLC	26
Linda Pilmer	Owner & Director - Pilmer Real Estate, Inc.	18
Jason Poppen	Executive Vice President - Smith Engineering Consultants	1
Betty Reed	Former Executive Director – YWCA	8
Robert Schillerstrom	Partner - Ice Miller Law Firm and DuPage County Board Chairman	12
Christine Sobek	Provost - Waubensee Community College	5
Christine Suppes	Vice President, Sales & Customer Care - NICOR	8
Arturo Venecia II	Consultant – self employed	2
Frank Vermaat	Retired executive - NICOR	26

**Copley Memorial Hospital  
 Board of Directors**

<b><u>Members</u></b>	<b><u>Professional Affiliation</u></b>	<b><u>Years of Service</u></b>
John Lies (1) <i>Chairman</i>	President - Arnold Lies Company	12
Ronald M. Hem (1) <i>Vice-Chairman</i>	Partner - Alschuler, Simantz & Hem, LLC	7
Michael Beilman (1) (3)	Partner - Mueller & Co. LLP	12
Richard Edelman (1)	President - PMR, Inc.	7
John H. McEachern (1) (2)	Retired President - Wayne Circuits	21
Mark Metzger (1) (2)	Attorney & Mediator - Law Offices of Mark Metzger	5
William Skoglund (1)	Chairman - Old Second Bancorp	6
Bruce Dienst (3)	President & COO - Simpson Technologies Corp.	5
Herbert Knight (3)	Member, Leadership Committee for Rush Neuroscience Institute	14
James Ferlmann, M.D.	Immediate Past Chief of Staff - Rush-Copley Medical Center	6
Barry C. Finn	President & CEO - Rush-Copley Medical Center	4
Sandra Goeken Miles	Vice Chairman - The Goeken Group	6
Bob Manam, M.D.	Chief of Staff - Rush-Copley Medical Center	4
Bryan Rubach, M.D.	Vice Chief of Staff - Rush-Copley Medical Center	2
Christine Sobek	Provost - Waubensee Community College	4
Christine Suppes	Vice President, Sales & Customer Care – NICOR	5

**Rush-Copley  
 Foundation Board Members**

<b><u>Members</u></b>	<b><u>Professional Affiliation</u></b>	<b><u>Years of Service</u></b>
Richard Edelman (1) <i>Chairman</i>	President - PMR, Inc.	8
TBD <i>Vice-Chairman</i>		
Susan Barnes (2)	President & CEO - The Landmark Group of IL, Inc.	13
Thomas S. Alexander	CFO - Alexander Lumber Company	6
Elizabeth Brundage	Director - MedSurg Billing	1
Lynn Dubajic	Executive Director - Yorkville Economic Development Corporation	2
Jim Eccher	President & CEO - Old Second National Bank	2

**Rush-Copley  
Foundation Board Members**

<b><u>Members</u></b>	<b><u>Professional Affiliation</u></b>	<b><u>Years of Service</u></b>
Kris Fauske	Vice President, Operations - Fauske & Associates, Inc.	4
Barry C. Finn	President & CEO - Rush-Copley Medical Center	4
Sherman L. Jenkins	Executive Director - Aurora Economic Development Commission	4
Joe Lies	Vice President - Arnold Lies Company	1
D. Chet McKee	Vice President, Special Projects - Rush-Copley Medical Center	
Jason Poppen	Executive Vice President - Smith Engineering Consultants	1
Arturo Venecia II	Consultant - self employed	2

**Board of Copley Ventures and Rush-Copley Services Corporation**

<b><u>Members</u></b>	<b><u>Professional Affiliation</u></b>	<b><u>Years of Service</u></b>
Barry C. Finn	President and Chief Executive Officer, Rush-Copley Medical Center	9
Lisa Brady	Vice President, Strategy, Rush-Copley Medical Center	7
Mac Salazar	Vice President, Finance and Chief Financial Officer, Rush-Copley Medical Center	6

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

**Project: Luther Oaks**

**STATISTICS**

Project Number: H-SL-RE-TE-CD-6011	Amount:	\$40,000,000 (Not to exceed amount)
Type: Not-for-Profit Bond	IFA Staff:	Dana Sodikoff
Locations: Bloomington		

**BOARD ACTION**

Final 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
--	---

**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**

The IFA gave its approval for a Preliminary Bond Resolution on February 7, 2006 by the following vote:

Ayes – 9                      Nays – 0                      Absent – 6                      Vacancies – 0

**ESTIMATED SOURCES AND USES OF FUNDS**

TOTAL SOURCES OF FUNDS		TOTAL USES OF FUNDS	
<b>Bond Proceeds</b>		<b>Project Draws (per Greystone)</b>	
Series 2006C - Temporary Tax-Exempt VRDBs	\$7,250,000	Land & Related	\$60,000
Series 2006B2 - Temporary Tax-Exempt EXTRAS <sup>SM</sup>	500,000	Design & Engineering	\$1,188,393
Series 2006B1 - Permanent Tax-Exempt EXTRAS <sup>SM</sup>	4,500,000	Direct Construction	\$19,082,075
Series 2006A - Unrated Fixed Rate Bonds	18,340,000	Indirect Construction	\$1,016,683
Original Issue Discount	(255,843)	Development	\$2,292,529
Accrued Interest	0	Marketing	\$2,730,000
	\$30,334,157	Other & Contingency	\$923,921
			\$27,293,601
<b>Other Sources of Funds</b>		<b>Other Fund Deposits</b>	
Equity	2,150,000	Accrued Interest	\$0
	\$2,150,000	Funded Interest for 22 Months	\$1,755,856
		Funded LOC Fees & Expenses for 22 Months	\$157,313
		Series 2006A/B-1 DSRF - Permanent	1,629,195
		Series 2006B-2 DSRF - Temporary EXTRAS	25,000
		Series 2006C DSRF - Temporary VRDBs	362,500
			\$4,207,625
		<b>Delivery Date Expenses</b>	
		Cost of Issuance	\$982,931
<b>Total Sources of Funds:</b>	\$32,484,157	<b>Total Uses of Funds:</b>	\$32,484,157

---

### 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 EXTRAS<sup>SM</sup>. 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

<b>Borrower's Counsel:</b> Katten Muchin Zavis & Rosenman	Chicago	Elizabeth Weber
<b>Accountant:</b> BDO Seidman	Atlanta, GA	Brian Schiff, James Larson
<b>Bond Counsel:</b> Jones Day	Chicago	John Bibby, Mary M. Kimura
<b>Underwriter:</b> Ziegler Capital Markets Group	Chicago	Dan Hermann, Steve Johnson,

Developer: Greystone Communities

Irving, TX

Underwriter's Counsel: Ungaretti & Harris

Chicago

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

Chicago

William Claus  
Susan Uhrik,  
Brad Straub  
John Durso,  
Julie Seymour,  
Angela Williams-Walker  
Kim Barker Lee

---

**LEGISLATIVE DISTRICTS**

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

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

**Project: IFA Interim Loan Program for Illinois School Districts**

---

**STATISTICS**

<b>School District Name:</b>	Beach Park Community Consolidated School District 3
<b>Project Number:</b>	E-SD-LL-TE-6045
<b>Type:</b>	IFA Loan
<b>Location:</b>	Beach Park, IL (Lake County)
<b>Amount of Loan:</b>	\$1,500,000
<b>IFA Staff:</b>	Nona Myers
<b>Tax ID:</b>	36-6004831
<b>Est. fee:</b>	TBD

---

**BOARD ACTION**

- No Board Action required (Informational Item)
- IFA Funds at risk: \$1,500,000
- The loan was approved pursuant to an internal credit analysis and established credit criteria

---

**PURPOSE**

To provide short-term funding (120 days) for Beach Park Community Consolidated School District 3 to address a documented projected cash flow deficit in several operating funds, due to untimely disbursement of property tax dollars from their County Treasurer.

---

**VOLUME CAP**

No Volume Cap required. Currently there is \$10 million available (with no outstanding loans) as approved by the IFA Board on September 13, 2005.

---

**VOTING RECORD**

IFA has provided similar loans to Illinois school districts, including Beach Park Consolidated Community School District 3 in 2005. The most recent loan funded under this program was repaid in January 2006 by Thornton Township High School District 205 in the amount of \$6,777,000.

---

**SOURCES AND USES OF FUNDS**

Sources: IFA Loan \$1,500,000	Uses: Working Capital \$1,500,000
Total: \$1,500,000	Total: \$1,500,000

---

**BUSINESS SUMMARY**

<b>School District Name</b>	<b>Beach Park Community Consolidated School District 3</b>
<b>Governance</b>	The district is governed by a seven member Board of Education. Members are elected to a four-year term.
<b>Location of the District</b>	The Village of Beach Park is located in the Chicago metro area in Lake County on the shore of Lake Michigan, midway between Chicago and Milwaukee, WI. It is bounded on the south by Waukegan and on the North by Zion,
<b>District Enrollment (2005 School Report Card Data)</b>	2,337 students K to 8
<b>Number of Schools</b>	1 Middle School 3 Elementary Schools 1 Special School
<b>Description</b>	The Board has approved a Resolution authorizing a Purchase Agreement for TAWS in anticipation of the collection of taxes levied for the year 2005 for operating expenses (education, operations and maintenance, and transportation funds).

School District Name	Beach Park Community Cons School District 3
<i>Revenues Prior Year (2004) Property Tax Receipts:</i>	
<i>2004 Tax Extended \$12,249,645.891</i>	
<i>Disbursements:</i>	
	5/26/05 \$ 359,829.75
	6/09/05 3,260,555.84
	6/16/05 1,771,368.10
	6/28/05 626,448.47
	7/28/05 157,522.13
	8/25/05 495,168.23
	9/8/05 2,278,,502.83
	9/15/05 1,504,467.58
	9/22/05 1,028,153.31
	10/20/05 314,702.26
	11/23/05 157,133.92
	12/29/05 267,358.89
	02/13/05 28,434.58
<i>Interest</i>	2/13/06 10,206.85
<i>Total</i>	\$12,259,852.74
<b>Equalized Assessed Valuation of Taxable Property</b>	<b>350,410,321</b>
<b>2004 Levy</b>	<b>\$11,442,273</b>
<b>State Financial Profile Scores(a)</b>	
• Fund Balance to Revenue Ratio	2
• Days Cash on Hand	2
(Scores range from 1 (lowest) to 4 (highest).	<i>State Aid Intercept Required</i>
<b>Results of Operations(b)</b>	
• Receipts/Revenues	17,853,227
• Disbursements/Expenses	17,921,570
• Excess/Deficiency	(68,343)
• Fund Balance	1,574,896
<i>(FY05 School District Profile Data)</i>	

(a) Results not finalized by ISBE; calculated from FY2005 Annual Financial Report

(b) Represents amounts from the Educations, Operations & Maintenance, Transportation & Working Cash Funds.

---

**FINANCIAL SUMMARY**

**Structure:** Local Government Securities Purchase Agreement (120-day Interim/Emergency Loan Program)

**Security:** Receipt of property taxes and a state-aid intercept agreement for Beach Park Community Consolidated School District 3

**Interest:** To be determined at pre-closing based on the 3-month U.S. Treasury Rate

---

**ECONOMIC DISCLOSURE STATEMENT**

<b>Applicant:</b>	Beach Park Community Consolidated School District 3
<b>Location:</b>	11315 West Wadsworth Beach Park, IL 60099
<b>Organization</b>	School District
<b>State:</b>	Illinois
<b>Officials:</b>	Dr. Robert DiVirgilio, Superintendent
<b>Board of Education:</b>	Calvin Schneider, President Jerry Hieb, Vice President Kathy Amundsen, Secretary Cindy Bowen Andrew Luther Jerry Nordstrom Jose Olvera

---

**PROFESSIONAL AND FINANCIAL**

**Borrower's**

**Counsel:** Ungaretti & Harris, LLP Chicago, IL Ray Fricke

**IFA Bond**

**Counsel:** Chapman & Cutler, LLP Chicago, IL Chuck Jarik

**Issuer:** Illinois Finance Authority Chicago, IL Jill Rendleman,  
Interim Exec Dir

---

**LEGISLATIVE DISTRICTS**

<b>School District</b>	Beach Park Community Consolidate SD 3	
<b>Congressional</b>	8	Congresswoman Melissa Bean
<b>State Senate</b>	31	Senator Adeline Jay Geo-Karis
<b>State House Rep</b>	61	Rep JoAnn D. Osmond

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

**Project: Concordia Place Apartments, L.P., an Illinois limited partnership  
(Concordia Place Apartments)**

---

**STATISTICS**

IFA Project #:	M-MH-TE-CD-6033	Amount:	\$800,000 (not-to-exceed amount)
Type:	Housing Bonds	FM:	Rich Frampton
Location:	Chicago		

---

**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:*

- Bonds must be sold consistent with policies set forth in IFA's Bond Handbook. Accordingly, unless Bonds are sold in minimum denominations of \$100,000, the Bonds must be sold with a Traveling Accredited Investor Letter (and verified by a qualified Bond Trustee). (As presently contemplated, a single series of Bonds would be privately placed and purchased by a single bondholder, thereby satisfying the \$100,000 minimum bond denomination requirement.)

---

**PURPOSE**

To finance cost overruns associated with unforeseen structural repairs to augment existing financing that financed the acquisition and substantial rehabilitation of an existing twenty-nine (29) building, 297-unit affordable multifamily rental property in Chicago.

---

**IFA CONTRIBUTION**

IFA will convey tax-exempt bond status on this financing. The Project will use \$800,000 of previously transferred Home Rule Volume Cap allocated for affordable rental housing.

---

**VOTING RECORDS**

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



---

**PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS**

**Note: Boldface items below represent sources and uses on the new financing, which total \$835,000.**

Sources:	<b>IFA Subordinate Series 2006 Bonds (Non-rated and unenhanced)</b>	<b>\$800,000</b>	Uses:	<b>IFA Bond Funded Rehabilitation Costs</b>	<b>\$785,000</b>
	City of Chicago Housing Series 2003 Bonds (Senior/LOC-enhanced)	14,000,000		Original Project Costs	23,996,331
	4% LIHTC Tax Credit Equity	9,431,091		Legal & Professional/Tax Credit Costs	501,853
	General Partner Equity	1,117,168		Arch./Eng.	285,087
	Interim Income	1,386,726		Escrows/ Reserves	850,664
	Deferred Developer Fee	4,250,000		Bond Issuance Costs	281,050
	<b>IFA Series 2006 Developer Equity</b>	<b>\$35,000</b>		<b>IFA Series 2006 Bond Issuance Costs</b>	<b>50,000</b>
	<b>Total</b>	<b>\$31,019,985</b>		Deferred Developer Fee	<u>4,250,000</u>
				<b>Total</b>	<b>\$31,019,985</b>

\*Note: The Developer's Fee has been deferred and will be paid over time pursuant to a Partnership Agreement between the Applicant and Fifth Third Community Development Corporation, the Tax Credit Investor. Payment of these fees is contingent on project performance hurdles including: satisfying specified benchmark debt service coverage, occupancy rates, and other negotiated covenants.

---

**JOBS**

Current employment:	10 FTE's	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs:	0

Construction of the subject improvements was completed as of 8/31/2005. No additional construction jobs or work is contemplated. Reimbursement of these expenditures is pursuant to the City of Chicago's original \$15 million Inducement Resolution approved in 2003. According to the Developer, an average of 12 jobs were created over a three month period in connection with the renovations to be reimbursed with the subject bond issue.

---

**BUSINESS SUMMARY**

Organization: **Concordia Place Apartments, L.P. (the "Applicant")** is an Illinois limited partnership and special purpose entity established in 2003 for the express purpose of acquiring, financing, renovating, and owning the **Concordia Place Apartments** (the "Project" or the "Property") in Chicago, Illinois, an existing 297-unit affordable multifamily housing property originally constructed in 1970.

The Applicant financed the acquisition and renovation of the subject property in 2003.

The **General Partner** and 1.0% owner of the Applicant is **DRE, Inc.** of Libertyville, Illinois. **Mr. Dennis R. Egidi** is the President of DRE, Inc.

The **Limited Partner** and 99.0% owner of the project is a special purpose entity formed by **Fifth Third Community Development Corporation**, Dublin, Ohio, a tax credit syndicator.

**Background:** Concordia Place Apartments includes twenty-nine (29) wood frame buildings and contains 297 units overall. The Property was opened in 1970 and includes a mix of studio, one-, two-, and three-bedroom units. The property is located on an approximately 20.72 acre site at 13037 South Daniel Drive in Chicago. The property site is located approximately 1.2 miles west of the I-94 (Bishop Ford Freeway)/130<sup>th</sup> Street interchange in the City of Chicago's Riverdale neighborhood. (The Riverdale neighborhood is bounded by 115<sup>th</sup> Street on the north, 118<sup>th</sup> Street on the south, I-94 (Bishop Ford Freeway) on the east, and the Canadian National (formerly Illinois Central) Railroad right-of-way on the west.)

The Applicant originally financed the acquisition and renovation of the subject property in 2003. The financing included \$14.0 million of Tax-Exempt Multifamily Housing Revenue Bonds issued by the City of Chicago and was also financed with \$9.4 million of Tax Credit Equity. The Series 2003 City of Chicago Bonds are secured by a Direct Pay Letter of Credit from Harris Trust and Savings Bank and bear interest at a 7-day floating interest rate. Payments on the Series 2003 Bonds remain current as of 2/15/2006.

The property's common facilities include 294 parking spaces and an 8,984 SF clubhouse area. Recreational facilities include a basketball court and tot lot.

The Series 2003 Bonds have already financed numerous improvements, including appliance replacement, A/C sleeve unit replacement, carpeting replacement, vinyl flooring replacement, wall and ceiling repair throughout, repainting throughout, balcony replacement, exterior wood siding cleaned/caulked/painted, carpentry repairs to level 1st floor flooring supports, kitchen cabinet replacement, kitchen faucet and sink replacement, miscellaneous plumbing repairs including water and waste lines, sump pump replacements throughout, club house renovations (HVAC, Laundry Room renovations, replacement of concrete walks, stoops, and curbing, siding to be replaced with low-maintenance vinyl siding, parking lot repairs, replacement of kitchen and bathroom lighting fixtures, property was re-landscaped with over 200 new trees, and boiler replacements in all 29 buildings.

Harris Trust & Savings Bank is the current LOC Provider/Lender and also provided the construction loan on the property. Nevertheless, due to unforeseen structural deficiencies, the renovation budget exceeded original estimates by \$800,000. The proposed IFA Bonds would provide tax-exempt financing to finance these structural improvements (and the related cost overruns) on a tax-exempt basis.

After adding in the \$800,000 of structural improvements/overruns, the total cost of the renovations totals \$7.0 million, thereby resulting in an average renovation cost of \$23,569/unit.

**Background on  
Developer and  
Affiliates:**

**DRE, Inc.** is a Libertyville-based real estate investment, development, and management firm established in 1993 and specializing in the acquisition, rehabilitation, and development of multifamily residential communities in the Chicago metropolitan area. DRE, Inc. has developed eight projects in the Chicago metropolitan area, totaling 1,215 units. Mr. Dennis R. Egidi is the President of DRE and also serves as the managing general partner for 13 limited partnerships organized from 1973 to present. These partnerships include a total of 1,772 units of Section 8 Housing and Tax Credit projects completed with either DRE, Inc. as the General Partner or Mr. Egidi, through his role as Managing Partner of The Egidi Group II.

The current property manager for Concordia Place Apartments is Promex Midwest Corporation ("Promex"), of Libertyville, Illinois, which is approximately 60%-owned by Mr. Egidi, who serves as its President and Chairman. Promex currently manages commercial and multifamily housing properties in the Midwest, South Carolina, and Florida. Promex currently manages 13 affordable rental properties, both multifamily and senior, including 11 located in Illinois.

Promex' 11 Illinois affordable residential rental housing projects under management include the following. These projects include a mix of multifamily and senior properties. All eleven properties have been supported with tax credits and require compliance with Low Income Housing Tax Credit requirements. All projects, except for two (Meadow View Apartments and Sheridan Plaza) were financed with Tax Exempt Bonds.

- **Concordia Place Apartments (*Subject*), Chicago (297 units – Section 8 Multifamily)**
- Meadow View Apartments, Blue Island (99 units – Multifamily)
- *Galesburg Towers*, Waukegan (274 units – Partial Section 8; Multifamily and Seniors)
- *Liberty Towers II*, Libertyville (121 units – Section 8 Elderly)
- *Sterling Towers II*, Sterling (111 units – Section 8 Elderly)
- Hyde Park Apartments, Chicago (73 units – Section 8 Elderly)
- *Mattoon Towers II*, Mattoon (81 units – Section 8 Elderly)
- *Spring Creek Towers II*, Decatur (137 units – Section 8 Elderly)
- *Pontiac Towers*, Pontiac (111 units – Section 8 Elderly)
- *Rome Meadows Apartments*, Dix (95 units – Section 8 Elderly)
- Sheridan Plaza, Chicago (140 units – Section 8 Vouchers)

The projects noted in italics above were also developed by DJE or other affiliated entities managed by Mr. Dennis J. Egidi. In addition to the six projects noted above, Mr. Egidi has been involved in the initial development of six other affordable rental housing projects including four in Illinois (i.e., Horizon Village in Zion, Galesburg Towers in Galesburg, Rome Meadows in Dix, and Sandwich Manor in Sandwich) and two in Ohio. Mr. Egidi constructed completed these projects between 1979 and 1984.

Previously, IFA (IDFA) has provided tax-exempt bond financing for 7 projects developed by entities affiliated with Mr. Egidi including (1) Galesburg Towers, (2) Mattoon Towers, (3) Sterling Towers, (4) Pontiac Towers, (5) Rome Meadows in Dix, (6) Cinnamon Lake Towers in Waukegan, and (7) Sandwich Apartments in Sandwich.

The Galesburg Towers and Cinnamon Lake Towers bonds are the only IFA bond issues that remain outstanding (with all payments current as of 2/1/2006). The Sterling, Mattoon, Pontiac, and Sandwich projects were subsequently refinanced or sold without IFA (IDFA) involvement and were repaid in full. The IFA (IDFA) Rome Meadows Bonds were paid off on 2/1/2006.

Accessibility: The proposed IFA-financed renovations will finance structural improvements. According to the Developer, previous improvements have brought the property into full compliance with ADA standards (to the extent applicable for a project originally completed in 1970).

---

#### FINANCING SUMMARY

Security: Subordinate (2<sup>nd</sup> Mortgage) Revenue Bonds. Bonds will be non-recourse to the Developer. Bondholders will be secured by a second mortgage on assets of the subject property, without recourse, guarantees, or additional pledged collateral from the Developer.

Structure: Fixed Rate Bonds. Estimated effective fixed interest rate of 8.0%.

Maturity: 30 years (bullet maturity callable in whole or part at any time based on allowed residual cash flows)

Terms on Series 2003

Chicago Bonds: [30 years; 7-day Variable Rate Demand Bonds secured by Harris Bank Direct Pay Letter of Credit; interest rate cap of 6.50% on the Series 2003 Bonds for an initial 7-year term through 10/1/2010 (and renewable thereafter). Harris Bank is secured by a First Mortgage on the subject property.]

---

### PROJECT DESCRIPTION FOR IFA BOND RESOLUTION

Bond proceeds will be used to finance and refinance additional structural renovations to Concordia Place Apartments, a twenty-nine (29) building, 297 unit multifamily rental property located on an approximately 20.72 acre site at 13037 South Daniels Drive, Chicago (Cook County), IL 60827-1252.

Previously, the City of Chicago issued \$14.0 million of Tax-Exempt Bonds in 1993 to finance the acquisition and renovation of the subject affordable rental property pursuant to an original \$15.0 million Inducement Resolution.

Preliminary estimated project costs for the new, IFA Series 2006 Bonds are as follows:

Structural Renovations/Reimbursement: \$800,000  
Total: \$800,000

---

### ECONOMIC DISCLOSURE STATEMENT

Applicant: Concordia Place Apartments, L.P., an Illinois limited partnership, c/o Mr. Dennis R. Egidi, General Partner, c/o DRE, Inc., 800 S. Milwaukee Avenue, Suite 170, Libertyville (Lake County), IL 60048; Ph.: 847-816-6400; Fax: 847-816-6783; e-mail: [DRE6400@aol.com](mailto:DRE6400@aol.com)  
Project name: Concordia Place Apartments  
Location: 13037 South Daniel Drive, Chicago (Cook County), IL 60827-1252  
Organization: Limited Partnership  
State: Illinois

Ownership of Applicant: Concordia Place Apartments, L.P., an Illinois limited partnership:

- General Partners (1.0%):
  - Mr. Dennis R. Egidi, Managing General Partner: 100%
- Limited Partner (99.0% - Tax Credit Investor): Fifth Third Community Development, Dublin OH

Current Property Owner: Concordia Place Apartments, L.P. (acquisition by Applicant closed in 2003)

---

### PROFESSIONAL & FINANCIAL

Counsel:	Krasnow Saunders Cornblath	Chicago, IL	Henry Krasnow
Accountant:	Rockoff Harlan Rasof, Ltd.	Skokie, IL	Michael Harlan
Bond Counsel:	Newbanks Law Firm LLC	Cincinnati, OH	Ron Newbanks
Underwriter:	Mesirow Financial Inc.	Chicago, IL	Bill Carney
Underwriter's Coun.:	Chapman and Cutler, LLP	Chicago, IL	Glenn Weinstein
Credit Enhancement:	None		
Tax Credit Investor:	Fifth Third Community Development Corp.	Dublin, OH	Catherine Cawthon
Tax Credit Investor's Counsel:	Squire Sanders & Dempsey	Cleveland, OH	Phil Westerman
Trustee:	BNY Midwest Trust Company	Chicago, IL	
General Contractor:	C&E Construction, Inc.	Libertyville, IL	
Construction Loan Servicer:	Harris Bank, N.A.	Chicago, IL	
Management Agent:	Promex Midwest Corporation	Libertyville, IL	
Appraiser:	Urban Appraisal	Chicago, IL	William Faina
Market Study:	Joseph J. Blake & Associates, Inc.	Chicago, IL	
Issuer's Counsel:	Requested		

---

**LEGISLATIVE DISTRICTS**

Congressional:	2	Jesse L. Jackson, Jr.
State Senate:	15	James T. Meeks
State House:	29	David E. Miller

---

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

**Project: Thornwood – Chicago Heights, L.P., an Illinois limited partnership  
(Thornwood Apartments)**

---

**STATISTICS**

IFA Project #:	M-MH-TE-CD-703	Amount:	\$11,000,000 (not-to-exceed amount)
Type:	Housing Bonds	FM:	Rich Frampton
Location:	Chicago Heights		

---

**BOARD ACTION**

Final Bond Resolution	
Conduit Tax-Exempt Affordable Rental Housing Bonds	No IFA Funds at risk
Staff recommends approval	No extraordinary conditions

---

**PURPOSE**

Purchase and renovation of an existing two-building, six-story, 232-unit affordable multifamily rental property in Chicago Heights that will preserve the property as affordable to low- and moderate income households.

---

**IFA CONTRIBUTION**

IFA will convey tax-exempt bond status on this financing. The Developer will use up to \$10.25 million of prior year IFA Carryforward Volume Cap that was obtained by the Underwriter and transferred to the Authority for this project.

---

**VOTING RECORDS**

Preliminary Bond Resolution, December 6, 2005:

Ayes: 14    Nays: 0    Abstentions: 0    Absent: 1 (Valenti)

**PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS**

Sources: Senior Bonds (Series 2005A) <i>FNMA Enhanced</i>	\$10,250,000	Uses: Project costs	\$13,570,250
Federal Home Loan Bank of Chicago "AHP" Grant	600,000	Purchase of Vol. Cap	102,500
4% LIHTC Tax Credit Equity	4,816,488	Legal & Professional/Tax Credit Costs	120,000
<b>Total</b>	<b>\$15,666,188</b>	Capitalized Interest	260,088
		Escrows/ Reserves	501,600
		Bond Issuance Costs	231,050
		Deferred Developer Fee	<u>881,000</u>
		<b>Total</b>	<b>\$15,666,188</b>

\*Note: The Developer's Fee will be deferred and paid over time subject to the Partnership Agreement to be executed between the Developer and Apollo Housing Capital, Inc., the proposed 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:	6 FTE's	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs (9 mo's.):	20 (average)

**BUSINESS SUMMARY**

**Organization:** Thornwood – Chicago Heights, L.P. (the "Applicant") is an Illinois limited partnership formed as a special purpose entity established for the express purpose of acquiring, renovating, and owning the Thornwood Apartments in Chicago Heights, Illinois, an existing 232-unit affordable multifamily housing property.

The **General Partners** and 0.01% owner of the Applicant will be an LLC or Limited Partnership to be formed.

- (1) The **Managing General Partner of the Applicant** will be an entity formed by Daniel S. Kotcher, President, DKI, Inc., Chicago, Illinois. This entity will own a 49% interest in the General Partner.
- (2) The **Cook County Housing Development Corporation**, or a special purpose affiliate (to be formed), will be the other General Partner. This entity will own a 51% interest in the General Partner.

The **Limited Partner** and 99.99% owner of the project will be affiliates of **Apollo Housing Capital, Inc.**, of Cleveland, Ohio, a tax credit syndicator. The project will generate equity through the syndication of 4% Low Income Housing Tax Credits to corporations.

**Background:** Thornwood Apartments (the "Property") includes two, six-story masonry buildings containing 116 units each. The 232-unit property was opened in 1976 and includes a mix of one-, two-, and three-bedroom units. The property is located on an approximately 7.6 acre site.

The property is located at 19440-19460 Chicago Heights-Glenwood Road, in the northeast section of the City of Chicago Heights, and is located near the Villages of Glenwood and Homewood.

The Property has been owned by the City of Chicago Heights since 1989. The proposed bond issue will finance capital improvements to the property, renew the HUD Section 8 Housing Assistance Payment (“HAP”) Contract on the property from 2005 for at least an additional five years to 2010, and preserve the property as an affordable rental property for a minimum of 15 additional years. Currently, 150 of the 232 units are covered by the HAP contract. Additionally, the proposed acquisition will return the property to the tax rolls for the first time since 1989. (Estimated annual property taxes are \$275,000.)

The property’s common facilities include 403 parking spaces, 2 elevators in each building (4 overall), an outdoor swimming pool, and a 1,000 SF clubhouse area.

The proposed project will include a substantial renovations including HVAC (new heating and air conditioning units) through the project, new energy efficient, double-insulated windows and patio door sliders, and numerous improvements to individual units (e.g., painting, blinds, carpets, floors) and common areas. The Applicant has estimated an average renovation cost per unit at approximately \$13,300 as of 11/14/2005.

**Background on  
Developer and  
Affiliates:**

**DKI, Inc.** is a Chicago-based real estate investment and development firm specializing in the acquisition, rehabilitation, and development of multi-family residential communities in the Chicago metropolitan area. DKI has been responsible for the acquisition, renovation and new construction of over 1,500 units of multi-family rental housing totaling over \$90 million, ranging from inner-city residential projects to large suburban apartment complexes.

Daniel S. Kotcher, President of DKI, has a BA from Columbia University in New York and MBA from Stanford University. From 1986 to 1992, Mr. Kotcher was a Vice President in the acquisitions group of JMB Realty Corporation, where he was responsible for evaluating, negotiating, structuring, and closing a wide variety of commercial, office, and retail projects, ranging from \$5 million to \$1 billion in size. From 1992 to 1997, Mr. Kotcher was Manager of the multi-family rental housing development division of LR Development Company.

Mr. Kotcher founded DKI, Inc. in 1997 to specialize in the acquisition, rehabilitation, and development of multi-family residential communities. DKI has purchased and renovated nine multifamily apartment properties located primarily in Lake County and Cook County. Of these nine properties, DKI used IFA (IDFA) bond financing for the acquisition and renovation of two projects – (1) Kings Court Apartments, a 168-unit property in Waukegan (IDFA Series 1998 Bonds \$5,350,000) and (2) Carriage Creek Apartments, a 226-unit property located in Richton Park (IDFA Series 1999 Bonds \$6,750,000). Bondholder security for each of these bond issues was a Direct Pay Letter of Credit from LaSalle National Bank.

All payments relating to the IFA Bonds issued for DKI’s Kings Court and Carriage Creek projects are current.

**Management  
Agent:**

DKI, Inc. typically engages **Ludwig & Company** of Gurnee, Illinois to serve as Management Agent for its properties, including both the IFA-financed Kings Court and Carriage Creek properties. Ludwig & Company will also serve as Management Agent for Thornwood Apartments.

**Accessibility:**

According to the Applicant, this project is exempt from Americans with Disabilities Act (“ADA”) requirements regarding minimum unit set-asides and related accessibility and adaptability requirements due to the age of the property (i.e., originally constructed in 1976). Common areas will be renovated as necessary to comply with ADA.



Although not required based on its pre-1992 construction (per ADA), Thornwood Apartments will have three (3) wheelchair accessible units out of out of 232 overall total units.

---

#### FINANCING SUMMARY

Security: Aaa/AAA/AAA – rated credit enhancement from FNMA  
Structure: Fixed Rate Bonds. Estimated effective fixed rate of 5.75%  
Maturity: 30 years

---

#### PROJECT DESCRIPTION FOR IFA BOND RESOLUTION

Bond proceeds will be used to finance the acquisition and substantial rehabilitation/renovation of Thornwood Apartments, a two (2) building, six-story, 232-unit (116 units in two buildings) multifamily rental property located on an approximately 7.6 acre site, including 6 acres of vacant land, at 19440-19460 Chicago Heights-Glenwood Road, Chicago Heights (Cook County), IL 60411-1261.

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 & Bldg. Acquisition:	\$10,300,000
**Renovations:	3,085,250
Project Contingency	<u>185,000</u>
<b>Total:</b>	<b>\$13,570,250</b>

\*\*Renovations will include various interior and exterior improvements to the property. Proposed renovations include: HVAC (new heating and air conditioning units) through the project, new energy efficient, double-insulated windows and patio door sliders, and numerous improvements to individual units (e.g., painting, blinds, carpets, and floors) and common areas. The Developer has indicated that all in-unit renovations will be modest in scope and will not require tenant displacement or relocation.

---

#### ECONOMIC DISCLOSURE STATEMENT

Applicant: Thornwood – Chicago Heights, L.P., an Illinois Limited Partnership, c/o Mr. Daniel Kotcher, Managing General Partner, DKI, Inc., 220 West Huron Street, Suite 500E, Chicago, IL 60610; Ph.: 312-280-1010; Fax: 312-664-5660; e-mail: [dankotcher@earthlink.net](mailto:dankotcher@earthlink.net)  
Project name: Thornwood Apartments  
Location: 19440-19460 Chicago Heights-Glenwood Road, Chicago Heights (Cook County), IL 60411-1261  
Organization: Limited Partnership  
State: Illinois

#### Ownership of

Applicant: Thornwood – Chicago, L.P., an Illinois Limited Partnership:

- General Partners (0.01%):
  - Daniel S. Kotcher, Managing General Partner: 49%
  - A 501(c)(3) corporation to-be-formed, and affiliated with the Cook County Housing Development Corporation: 51
- Limited Partner: Apollo Housing Capital, Inc., Cleveland, OH and Chicago, IL (through syndication of 4% low income housing tax credits to large corporations, including affiliates, subsequent to closing): 99.99%.

#### Current Property

Owner: The City of Chicago Heights, Illinois.

---

**PROFESSIONAL & FINANCIAL**

Counsel:	Applegate and Thorne-Thomsen, P.C.	Chicago, IL	Ben Applegate
Accountant:	Reznick Group	Chicago, IL	Bruce Schiff
Bond Counsel:	Sidley Austin Brown & Wood LLP	Washington, DC	Peter Canzano,
		Chicago, IL	Richard Astle
Underwriter:	Stern Brothers & Co.	Chicago, IL	David Rasch
Underwriter's Coun.:	Sidley Austin Brown & Wood LLP	Chicago, IL	Richard Astle
Credit Enhancement:	FNMA (through UBS)		
Counsel to Credit Enhancer:	To be determined		
FNMA Lender/Svcr.:	Deutsche Bank Berkshire Mortgage, Inc.	Chicago, IL	Allan Edelson
Tax Credit Investor:	Apollo Housing Capital, Inc.	Cleveland, OH	Daniel Kierce
		Chicago, IL	John Varones
Tax Credit Investor's Counsel:	Apollo Housing Capital, Inc.	Cleveland, OH	Robert Fein
Trustee:	Amalgamated Bank	Chicago, IL	Gail Klewin
Architect:	Peikarz Associates, P.C.	Chicago, IL	Ron Peikarz
General Contractor:	DKI, Inc. (affiliated with Developer will serve as its own General Contractor on the proposed Renovations)		
Management Agent:	Ludwig and Company	Gurnee, IL	Alan Ludwig
Appraiser:	Cushman & Wakefield	Rosemont, IL	Joe Schaeffer
Market Study:	Applied Real Estate Analysis, Inc.	Chicago, IL	Robert Miller
Issuer's Counsel:	Bell Boyd & Lloyd LLP	Chicago, IL	Pawel Chudzicki, Jeff Gardner

---

**LEGISLATIVE DISTRICTS**

Congressional:	2	Jesse L. Jackson, Jr.
State Senate:	40	Debbie DeFrancesco Halvorson
State House:	80	George Scully, Jr.

---

# Illinois Finance Authority

## Memorandum

To: IFA Board of Directors

From: Sharnell Curtis-Martin

Date: March 7, 2006

Re: **Illinois Charter Capital Program (ICCP) of the Illinois Facilities Fund**

### Background/History:

The Illinois Facilities Fund ("IFF") is a private nonprofit organization dedicated to helping Illinois nonprofits by providing financing that helps these entities leverage their assets to ensure financial and operational health. The IFF serves as the only statewide community development financial institution in Illinois and their services include below market loans, facilities planning and real estate development and consulting.

IFF has a history of lending to charter schools to support capital projects through its Charter School Loan program which provides loans funds in amounts ranging from \$20,000 - \$1 million.

### Establishing the Program

In 2005, the U.S. Department of Education announced a grant program for credit enhancements for charter schools. IFA Interim Executive Director and Director of Marketing met with Illinois Charter School Association and the Illinois Facilities Fund to discuss a partnership in supporting charter schools. After an extensive grant application, IFF was selected as one of five U.S. Department of Education grantees nationally for the Credit Enhancement for Charter School Facilities Grant Program (the "Grant"). This \$8 million award has enabled IFF in participation with IFA to introduce a new bond financing program, the Illinois Charter Capital Program for Charter Schools ("ICCP"). The ICCP is expected to provide credit enhancement that will leverage over \$100 million in construction and financing.

### Financing and Program Description

The bond size for the overall transaction is a not-to-exceed amount of \$32.5 million with \$12 million issued on behalf of ASPIRA Inc. of Illinois, \$14.5 million issued on behalf of Noble Network of Charter Schools and \$6 million issued on behalf of UNO Charter School Network.

The Program features a Grant that will provide a 10% debt service reserve fund for each project based on the Par amount of bonds issued for each borrower known as the "Common Reserve Fund", in addition to the 10% debt service reserve fund that will be funded from bond proceeds. All borrowers will have a total debt service reserve of 20% associated with each bond transaction financed. The bonds will not be cross collateralized under the program and will carry ACA Insurance.

The ICCP has the flexibility to issue both stand-alone projects as well as a group of borrowers participating in a "pool approach" which will result in multiple simultaneous closings and enabling participants to share bond related issuance costs on a proportionate basis. The ICCP Program is targeted for capital projects over \$1 million at tax-exempt rates and can provide long term maturities of up to 30 years. Eligible projects include: facility acquisition, construction/renovation, equipment purchases and leasehold improvements for both owned and leased space.

Applicants will apply directly to the IFF to determine eligibility. IFF and ACA will ultimately determine credit worthiness of each proposal. For this initial round of financing we have three applicants (ASPIRA Inc. of Illinois, Noble Network of Charter Schools and UNO Charter School Network) requesting consideration of a Final Bond Resolution today.

IFF and the financing team anticipate bringing a second group of borrowers of (presently estimated at five) for IFA Board consideration later this year (Fall 2006).

#### **Financing Team Members**

The financing team for the transaction is an experienced group of financing and legal professionals and includes:

- Underwriter: RBC Capital Markets, Chicago
- Bond Counsel: Chapman and Cutler, LLP, Chicago
- Underwriter's Counsel: Katten Muchin and Rosenman, LLP, Chicago
- IFA Counsel: Ice Miller, LLP, Chicago

The Borrowers will be engaging their own counsel for these transactions.

#### **Additional Information**

Many of the Chicago based Charter Schools are part of Mayor Daley's Chicago Public Schools: Renaissance 2010 Program. The fundamental goal of Renaissance 2010 is to turn around Chicago's most troubled elementary and high schools by creating 100 new schools in neighborhoods across the City of Chicago over the next four years, providing new educational options to underserved communities and relieving school overcrowding in communities experiencing rapid growth.

The IFA has enjoyed a productive relationship with IFF as a co-sponsor in IFA's "Financing Options for Not-For-Profits Workshop in 2004. Additionally, IFF (IDFA) issued a Pooled Bond Issue for a group of daycare facilities supported by IFF in 1995.

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY**

**Project: UNO Charter School Network**

---

**STATISTICS**

Deal Number:	N-NP-TE-CD-6030	Amount:	\$6,000,000 (not-to-exceed amount)
Type:	Not-For-Profit Bond	PA:	Sharnell Curtis Martin
Location:	Chicago	SIC Code:	8211

---

**BOARD ACTION**

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

---

**PURPOSE**

Bond proceeds will be used to finance renovations/construction, refinancing existing debt, fund a debt service reserve and to pay certain bond issuance costs.

---

**IFA CONTRIBUTION**

IFA will convey tax-exempt status on the subject bonds.

---

**VOTING RECORD**

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

---

**SOURCES AND USES OF FUNDS**

Sources:	IFA Bonds	\$6,000,000	Uses:	Project Costs	\$3,880,000
	IFF Grant	600,000		Refinancing	1,400,000
				Debt Service Reserve	600,000
				Common Debt Ser. Res.	600,000
				Cost of Issuance	<u>120,000</u>
	Total Sources	<u>\$6,600,000</u>		Total Uses	<u>\$6,600,000</u>

---

**JOBS**

Current employment:	76	Projected new jobs:	60
Jobs retained:	N/A	Construction jobs:	50

---

---

### BUSINESS SUMMARY

**Background:** The UNO Charter School Network ("UCSN" or the "Applicant") was founded in 1998 and is a co-educational, public charter school that provides a comprehensive K-8 program serving approximately 1,025 students at three campus locations Octavio Paz located at 2401 W. Congress Parkway and 2651 W. 23<sup>rd</sup> Street and Rufino Tamayo located at 5135 S. California Boulevard. The Octavio Paz campuses opened in 1998 and its second campus in 2001 and the Rufino Tamayo campus opened in 2005.

The UNO Charter School Network is managed by the United Neighborhood Organization ("UNO"), a nonprofit community based organization dedicated to revitalizing and improving Chicago's immigrant neighborhoods.

UCSN's strategic plan consists of expanding its charter network in Hispanic area of Chicago to assist the overcrowding in the Chicago Public School system while providing school choices to area parents. All UCSN campuses follow the Structured English Immersion program which requires that all instruction be conducted in English.

**Description:** The proposed campuses will open Fall 2006 at full capacity as K-8 elementary schools and will lease unused Chicago Archdiocese school facilities. Bartolomé de Las Casas will operate at 1641 W. 16<sup>th</sup> Street (formerly St. Adalbert Catholic School) and Carlos Fuentes will operate at 2845 W. Barry (formerly Resurrection Catholic Academy). The Bartolomé de Las Casas campus will accommodate between 225 and 297 students while the Carlos Fuentes campus will accommodate between 450 and 576 students. The two campuses will employ 60 new full-time permanent positions once the two campuses are operating at full capacity.

---

### FINANCING SUMMARY

**Security:** ACA Insurance  
**Structure:** Fixed interest rate bonds at a rate to be determined  
**Maturity:** 30 years

---

### PROJECT SUMMARY

Bond proceeds will be used to finance renovations/construction at two facilities; the Bartolomé de Las Casas Campus located at 1641 W. 16<sup>th</sup> Street in Chicago, and the Carlos Fuentes Campus located at 2845 W. Barry in Chicago, refinancing existing debt, fund a debt service reserve and to pay certain bond issuance costs. Project costs are renovations and construction in the amount of \$3,880,000.

---

### ECONOMIC DISCLOSURE STATEMENT

**Applicant:** UNO Charter School Network  
954 W. Washington Blvd., 3<sup>rd</sup> Floor, Chicago, IL 60607  
Telephone: (312) 432-6301 Fax: (312) 432-0077  
Mr. Andrew Alt, Director, Charter School Operations

**Project name:** Bartolomé de Las Casas Campus      Carlos Fuentes Campus

**Location:** 1641 W. 16<sup>th</sup> Street      2845 W. Barry  
Chicago, IL 60608      Chicago, IL 60618

**Organization:** 501(c)(3) Corporation

**State:** Illinois

Board of Directors: Juan Rangel, President  
Guadalupe Gallo-Brinkman, Vice-President  
Timothy Fidler, Treasurer  
Dan Sichelski, Secretary  
Father George Schopp  
Veronica Alanis  
Fred d'Escoto  
Mary Jane Castro Solis  
Land Sellers: Not Applicable

---

**PROFESSIONAL & FINANCIAL**

Sponsor:	Illinois Facilities Fund	Chicago	Jill Levine
Sponsor's Counsel	Sidley Austin Brown & Wood	Washington, DC	Peter Canzano
Borrower's Counsel:	Michael Best & Friedrich LLP	Chicago	Leslie Richards-Yellen
Accountant:	Ostrow, Reisin, Berk & Adams, Ltd	Chicago	Jim Quaid
Bond Counsel:	Chapman and Cutler LLP	Chicago	Matt Lewin
Credit Enhancement:	ACA Insurance	Chicago	
Underwriter:	RBC Capital Markets	Chicago	James Pass
Underwriter's Counsel:	Katten Muchin & Rosenman LLP	Chicago	Janet Hoffman
Issuer's Counsel:	Ice Miller	Chicago	Tom Smith
Trustee:	Cole Taylor Bank	Chicago	Ann Logino

---

**LEGISLATIVE DISTRICTS**

	<b>Bartolomé de Las Casas Campus</b>	<b>Carlos Fuentes Campus</b>
Congressional:	4 – Luis V. Gutierrez	7 – Danny K. Davis
State Senate:	5 – Ricky R. Hendon	20 – Iris Y. Martinez
State House:	40 – Richard T. Bradley	9 – Arthur L. Turner



**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY**

**Project: ASPIRA Inc. of Illinois**

---

**STATISTICS**

Deal Number:	N-NP-TE-CD-6031	Amount:	\$12,000,000 (not-to-exceed amount)
Type:	Not-For-Profit Bonds	PA:	Sharnell Curtis Martin
Location:	Chicago	SIC Code:	8211

---

**BOARD ACTION**

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

---

**PURPOSE**

Bond proceeds will be used to finance acquisition, renovation/construction, fund a debt service reserve and to pay certain bond issuance costs.

---

**IFA CONTRIBUTION**

IFA will convey tax-exempt status on the subject bonds.

---

**VOTING RECORD**

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

---

**SOURCES AND USES OF FUNDS**

Sources:	IFA Bonds	\$12,000,000	Uses:	Project Costs	\$10,560,000
	IFF Grant	<u>1,200,000</u>		Debt Service Reserve	1,200,000
				Common Debt Ser. Res.	1,200,000
				Cost of Issuance	<u>240,000</u>
	Total Sources	<u>\$13,200,000</u>		Total Uses	<u>\$13,200,000</u>

---

**JOBS**

Current employment:	45	Projected new jobs:	36
Jobs retained:	N/A	Construction jobs:	50 (6 months)

---

### BUSINESS SUMMARY

- Background:** ASPIRA Inc. of Illinois ("Aspira" or the "Applicant") is a Puerto Rican not-for-profit organization committed to the development and self-determination of the Latino community through education, leadership and the intellectual development of Latinos living in the State of Illinois. The mission of ASPIRA Charter School ("ACS") is to provide a rigorous and comprehensive 6-12 education, based in a holistic project based learning approach that teaches critical thinking and builds leadership skills.
- Project:** Mr. Jose Rodriguez serves as Aspira's President and CEO. Aspira's present location at 2435 N. Western Avenue in Chicago, Illinois accommodates 500 students.
- The new Antonia Pantoja Early College Campus will serve 200 students when the campus opens in Fall of 2007 and increase to 250 students by 2008. The new campus will have an initial staff of 19 employees and will grow 36 new full-time employees when enrollment reaches full capacity.
- Description:** The specific mission of the proposed Antonia Pantoja Early College Campus, is to provide a high quality secondary school education, leading to high school diploma and providing dual enrollment/early college opportunities to Puerto Rican, Latino and other at risk youth who have faced difficulties in traditional high school settings. The Antonia Pantoja Early College Campus is in partnership with Northeastern Illinois University's El Centro satellite campus.

---

### FINANCING SUMMARY

- Security:** Then Bonds will be secured by ACA Insurance  
**Structure:** Fixed interest rate bonds at a rate to be determined  
**Maturity:** 30 years

---

### PROJECT SUMMARY

Bond proceeds will be used to finance the acquisition, renovations/construction of a campus facility located at 3119 N. Pulaski Road in Chicago, Illinois (Cook County), fund a debt service reserve and to pay certain bond issuance costs. Project costs are outlined as follows:

Building	\$8,000,000
Renovations and Construction	<u>2,560,000</u>
Total Project Costs:	\$10,560,000.

---

### ECONOMIC DISCLOSURE STATEMENT

- Applicant:** ASPIRA Inc. of Illinois  
2435 N. Western Avenue, Chicago, IL 60647 (Cook County)  
Telephone: (773) 252-0970 Fax: (773) 342-8615  
Mr. Jose E. Rodriguez, President and CEO
- Project name:** ASPIRA Charter School @ Antonio Pantoja Early College Campus  
**Location:** 3119 N. Pulaski Road, Chicago, IL 60622 (Cook County)  
**Organization:** 501(c)(3) Organization  
**State:** Illinois

Board of Directors: Sonia Sanchez, Chair  
Patricia A. Rangel  
Luz Calderon Crowell, Treasurer  
Carlos Claudio, Secretary  
Beatriz Santiago, Vice Chair  
Clara Diaz, Vice Chair  
Gustavo Varlela  
Jessica Rodriguez

Land Sellers: The Nagle Group

Owners: David Nagle 25%  
Thomas McDonnell 25%  
Slobeodan Pavlovic 25%  
James Nagle 12.5%  
Kimberly Nagle 12.5%

---

#### PROFESSIONAL & FINANCIAL

Sponsor:	Illinois Facilities Fund	Chicago	Jill Levine
Sponsor's Counsel:	Sidley Austin Brown & Wood	Washington, DC	Peter Canzano
Borrower's Counsel:	Mayer Brown Rowe & Maw LLP	Chicago	David Narefsky
Accountant:	Williams & Co., LLC	Chicago	Charles Watson
Bond Counsel:	Chapman and Cutler LLP	Chicago	Matt Lewin
Credit Enhancement:	ACA Insurance	New York, NY	
Underwriter:	RBC Capital Markets	Chicago	James Pass
Underwriter's Counsel:	Katten Muchin & Rosenman LLP	Chicago	Janet Hoffman
Issuer's Counsel:	Ice Miller	Chicago	Tom Smith
Trustee:	Cole Taylor Bank	Chicago	Ann Logino

---

#### LEGISLATIVE DISTRICTS

Congressional: 5 – Rahm Emanuel  
State Senate: 20 – Iris Y. Martinez  
State House: 39 – Maria Antonia Berrios

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY**

**Project:** Noble Network of Charter Schools

---

**STATISTICS**

Deal Number:	N-NP-TE-CD-6032	Amount:	\$14,500,000 (not-to-exceed amount)
Type:	Not-For-Profit Bonds	PA:	Sharnell Curtis Martin
Location:	Chicago	SIC Code:	8211

---

**BOARD ACTION**

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

---

**PURPOSE**

Bond proceeds will be used to finance renovations/construction, refinancing existing debt, fund a debt service reserve and to pay certain bond issuance costs.

---

**IFA CONTRIBUTION**

IFA will convey tax-exempt status on the subject bonds.

---

**VOTING RECORD**

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

---

**SOURCES AND USES OF FUNDS**

Sources:	IFA Bonds	\$14,500,000	Uses:	Project Costs	\$10,260,000
	IFF Grant	1,450,000		Refinancing	2,500,000
				Debt Service Reserve	1,450,000
				Common Debt Serv. Res.	1,450,000
				Cost of Issuance	<u>290,000</u>
				Total Uses	<u>\$15,950,000</u>
	Total Sources	<u>\$15,950,000</u>			

---

**JOBS**

Current employment:	51	Projected new jobs:	80
Jobs retained:	N/A	Construction jobs:	35

---

---

### BUSINESS SUMMARY

**Background:** Noble Network Charter Schools ("NNCS" or the "Applicant") began as a partnership between Noble Network Charter School and the Northwestern University Settlement House in 1998. NNCS admitted its first students in the fall of 1999. The NNCS's mission is to provide a quality education to a largely low-income, Latino population to improve the quality their quality of life.

Tax-Exempt Bonds were issued in the name of the Northwestern University Settlement House on behalf of Noble Street Charter School since NNCS was a start up organization in 1999 and a Letter of Credit would be needed in order to obtain credit enhancement for the \$3 million bond issue to build the NNCS building located at 1010 Noble Street In Chicago, Illinois.

**Description:** NNCS's first charter high school Noble Street Charter High School ("Noble Street") is among one of the highest ranked public high schools in Chicago. Noble Street's current enrollment is approximately 480 students, most of who come from surrounding neighborhoods. Noble Street provides a rigorous college preparatory curriculum requiring four years in five core subjects including: English, Math, Science, History and Foreign Language. Noble Street is housed in the Northwestern University Settlement House.

The school is open to all students in Chicago but the selection process is determined by lottery. 82% of the school's students are Hispanic, 10% African American, 7% Caucasian, and 1% Asian American.

**Project:** The new campuses will open in August 2006, and will be located at 1337 W. Ohio and 4131 W. Cortland Avenue in Chicago, Illinois. Each campus will enroll approximately 500 students and employ 40 staff members. The campuses will utilize the same academic model as the original Noble Street School

Over the last five years, NNCS has paid rent to the Northwestern University Settlement House and the Noble Street location assets and debt were carried on the Northwestern University Settlement House's financial statements. NNCS will sever their partnership with the Northwestern University Settlement House and assume all assets and debt associated with the 1999 bond issue that financed construction of the existing Noble Street location.

---

### FINANCING SUMMARY

**Security:** Then Bonds will be secured by ACA Insurance  
**Structure:** Fixed interest rate bonds at a rate to be determined  
**Maturity:** 30 years

---

### PROJECT SUMMARY

Bond proceeds will be used to finance renovations/construction at two facilities; located at 1337 W. Ohio Street in Chicago, and at 4131 W. Cortland Avenue in Chicago, refinancing existing debt, capitalize a debt service fund and to pay certain bond issuance costs. Project costs are renovations and construction in the amount of \$10,260,000.

---

---

**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Noble Network of Charter Schools  
1010 Noble Street  
Chicago, IL 60622  
Telephone (773) 862-1449 Fax (773) 278-7536  
Mr. Ron Manderschied, President

Project name: Noble Network of Charter Schools New Facilities  
Locations: 1337 W. Ohio Street 4131 W. Cortland Avenue  
Chicago, IL 60622 Chicago, IL 60639

Organization: 501(c)(3) Corporation  
State: Illinois

Board of Directors: Kathleen Elliott Marj Lundy Allan B. Muchin  
Karen Howland Ron Manderschied Anne Mueller  
Sherry John Michael Milkie Jean Sheridan  
Patricia M. Johnson Dr. Sylvia Manning Daniel W. Vittum, Jr.  
Erna Lopez Robert M. Montgomery David Weinberg

Land Sellers: Not Applicable

---

**PROFESSIONAL & FINANCIAL**

Sponsor: Illinois Facilities Fund Chicago Jill Levine  
Sponsor's Counsel: Sidley Austin Brown & Wood Washington, DC Peter Canzano  
Borrower's Counsel: Mayer Brown Rowe & Maw LLP Chicago Steven Washington  
Accountant: Ostrow, Reisin, Berk & Adams, Ltd Chicago Jim Quaid  
Bond Counsel: Chapman and Cutler LLP Chicago Matt Lewin  
Credit Enhancement: ACA Insurance Chicago  
Underwriter: RBC Capital Markets Chicago James Pass  
Underwriter's Counsel: Katten Muchin & Rosenman LLP Chicago Janet Hoffman  
Issuer's Counsel: Ice Miller, LLP Chicago Tom Smith  
Trustee: Cole Taylor Bank Chicago Ann Logino

---

**LEGISLATIVE DISTRICTS**

Congressional: 4 – Luis V. Gutierrez  
State Senate: 2 – Miguel del Valle  
State House: 4 – Cynthia Soto







**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
March 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:	Multiple		

---

**BOARD ACTION**

Final Bond Resolution  
Staff recommends approval  
Conduit Tax-Exempt and Taxable 501(c)(3) Revenue Bonds (New Money and Advance/Current 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 CONTRI BUTION**

Convey Federal tax-exempt status on \$153 million Series 2006A Bonds.

---

**VOTING RECORD**

Voting record from IFA Preliminary Bond Resolution on February 7, 2006:

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

---

**ESTIMATED SOURCES AND USES OF FUNDS**

Sources:	IFA 2006A	Uses:	Project cost	\$ 49,900,000
	Tax-Exempt Bonds \$153,000,000		Debt refinancing	109,000,000
	IFA 2006B Taxable		Bond issuance costs	<u>1,100,000</u>
	Bonds			
	<u>7,000,000</u>			
<b>Total</b>	<b><u>\$160,000,000</u></b>	<b>Total</b>		<b><u>\$160,000,000</u></b>

---

**JOBS**

Current employment:	951 (FT); 271 (PT)	Projected new jobs:	25
Jobs retained:	N/A	Construction jobs:	50

---

### BUSINESS SUMMARY

**Background:** The Illinois Institute of Technology ("IIT" or 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 four miles south of downtown Chicago adjacent to the Dan Ryan Expressway (I-90/I-94) and consists of a 128-acre complex of approximately 50 buildings based on a master plan developed by Ludwig Mies van der Rohe. In 1991, the University opened its Daniel F. and Ada L. Rice Campus (the "Rice Campus") in Wheaton, Illinois. The Rice Campus offers engineering, computer science and business courses, primarily at the upper division and graduate levels, during late afternoons 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 established its Moffat Campus in Summit-Argo, which provides degree and certification programs in food safety and technology, in 1988 following the donation of the site by CPC International, Inc.

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.

For academic year 2006, the University has a current enrollment of approximately 6,472 students, comprised of (i) 1,998 undergraduate students, (ii) 1,144 law students, and (iii) 6,472 graduate students. A list of the University's Board of Trustees is attached.

**Description:** The proposed financing provides the opportunity for the University to (i) simplify its financing structure, and (ii) to borrow up to \$49 million to finance various renovations and capital improvements. The proceeds will refund IFA's (IEFA's) Series 1999, Series 2000, and Series 2004 Bonds.

**Remarks:** Bond proceeds will allow the University to restructure all of its existing debt. This debt restructuring will enable IIT to streamline and conform financing covenants from three prior 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/Fitch ratings of Baa1/BBB+. The proposed refinancing will also eliminate ongoing credit enhancement costs on Bonds secured by Bank Letters of Credit.

---

### FINANCING SUMMARY

**Security:** The Bonds will be a general obligation of the University. The Taxable Series 2006B Bonds are necessary to cover costs of issuance and to refinance previously advance refunded bonds.

**Structure:** Fixed-Rate bonds to be sold directly to investors on an unenhanced basis and have been rated Baa1/Positive (Moody's) as of 2/27/2006 and A-/Stable (Fitch) as of 2/24/2006.

**Maturity:** Series 2006A Tax-Exempt Bonds: 2036 (30 years)  
Series 2006B Taxable Bonds: 2015 (9 years)

---

**PROJECT SUMMARY**

Proceeds will be used to: (i) advance refund the University's Series 1999 Bonds and current refund the University's Series 2000 and Series 2004 Bonds (with this debt corresponding to prior improvements at its main campus at 10 West 33<sup>rd</sup> St. in Chicago, as well as at its downtown campus center at 77 W. Wacker Dr., its law and business school facilities at 565 W. Adams St., its Rice Campus, at 201 East Loop Road, in Wheaton, and at 350 N. LaSalle St., in Chicago), (ii) renovate and equip existing University facilities which are located at the University 10 West 33<sup>rd</sup> Street, Chicago, Cook County, Illinois (as detailed below), and (iii) fund capitalized interest, bond issuance costs, and costs of refunding the Prior Bonds.

Proposed renovations at IIT's main campus may include: (i) renovating Wishnick Hall, Crown Hall, and the IITRI Hall, (ii) renovating and upgrading various campus laboratories, (iii) installing new HVAC systems and fire sprinklers throughout the campus, (iv) funding dormitory upgrades, and (v) funding general campus improvements. A portion of the Bonds will be issued on a Taxable Basis, as necessary.

Proposed New Money Bonds project costs include the following:

Renovations/HVAC	<u>\$49,900,000</u>
<b>Total</b>	<b>\$49,900,000</b>

---

**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Illinois Institute of Technology (Contact: Mr. John D. Sinsheimer, Associate Vice President – Finance, Illinois Institute of Technology, Perlstein Hall, Suite 221, 10 West 33<sup>rd</sup> Street, Chicago, IL 60616; Ph.: 312-567-3366; e-mail: [sinsheimer@iit.edu](mailto:sinsheimer@iit.edu) )

Project names: Series 2006 Refunding Bonds and Renovation Project

Location: 10 West 33<sup>rd</sup> Street, Chicago, Cook County, Illinois 60616

Organization: 501(c)(3) Corporation

State: Illinois

Board of Trustees: See attached listing

---

**PROFESSIONAL & FINANCIAL**

Counsel:	Illinois Institute of Technology (In-house)	Chicago, IL	Mary Anne Smith
Auditor:	KPMG LLP	Chicago, IL	
Bond Counsel:	Chapman and Cutler, LLP	Chicago, IL	Jim Luebchow, Nancy Burke
Senior Manager:	Lehman Brothers	New York, NY	Jim Costello
Co-Manager:	William Blair LLC	Chicago, IL	Tom Lancot
Underwriter's Counsel:	Foley & Lardner	Chicago, IL	Christopher N. Knight
Trustee:	Bank of New York	Chicago, IL	
Rating Agencies:	Moody's Fitch Ratings	New York, NY Chicago, IL	
General Contractor:	IIT will serve as its own General Contractor		
Issuer's Counsel	Mayer, Brown, Rowe & Maw LLP	Chicago, IL	David Narefsky, Lorraine Tyson

---

**LEGISLATIVE DISTRICTS**

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

REGULARLY ELECTED AND EX-OFFICIO TRUSTEES

Robert A. Pritzker*	<i>Chairman of the Board</i> President and Chief Executive Officer, Colson Associates, Inc.
Robert W. Galvin	<i>Chairman of the Policy Committee</i> Chairman Emeritus, Motorola, Inc.
Lewis Collens*	<i>President</i> Illinois Institute of Technology
Craig J. Duchossois*	<i>Vice Chairman of the Board</i> Chief Executive Officer, Duchossois Industries, Inc.
Richard M. Jaffee*	<i>Vice Chairman of the Board</i> Chairman, Oil-Dri Corporation of America
Bahman Atefi	Chairman and Chief Executive Officer, Alion Science and Technology Corporation
William C. Bartholomay	Vice Chairman, Willis Group Holdings Limited
Thomas H. Beeby	Principal and Director of Design, Hammond Beeby Rupert Ainge, Inc.
Ronald Lee Bliwas	President and Chief Executive Officer, A. Eicoff & Company
John Calamos	Founder, Chairman, Chief Executive Officer and Chief Information Officer, Calamos Asset Management, Inc.
S.R. Cho	Chairman, Hyosung Corporation
Martin Cooper	Chairman and Chief Executive Officer, ArrayComm, Inc.
Robert A. Cornog	Chairman of the Board, Retired, Snap-on Incorporated
James E. Cowie*	General Partner, Frontenac Company
Bryan R. Dunn	President and Chief Executive Officer, Kinship Corporation
Andrew J. Filipowski	Chairman and Chief Executive Officer, Silkroad Technology, Inc.
Marshall B. Front	Chairman, Front Barnett Associates LLC
Michael P. Galvin*	President, Galvin Enterprises, Inc.
Robert L. Growney*	Retired Vice Chairman, Motorola, Inc.
Randall C. Hampton	Executive Vice President, Trust Asset Management, LaSalle Bank.N.A.
Norbert O. Kaiser	Chairman and Chief Executive Officer, Kamco Plastics, Inc.
Edward L. Kaplan	Chief Executive Officer and Chairman, Zebra Technologies Corporation
Patrick J. Kelly	Chief Executive Officer, D.P. Holdings, Inc.

James W. Kiley*	Managing Director-in-Charge, Chicago Office, Robeco USA, Inc.
Jules F. Knapp	Chairman and Chief Executive Officer, Grisham Security Doors
Kaarina Koskenlusta	President and Chief Executive Officer, The Executives' Club of Chicago
Thomas E. Lanctot	Principal, William Blair & Company
Bruce C. Liimatainen*	Chairman and Chief Executive Officer, A. Finkl & Sons Co.
Dirk Lohan, FAIA*	Lohan Anderson
James A. McClung	Vice Chairman, Charter Consulting
Victor A. Morganstern	Chairman, Oakmark Funds
Anita M. Nagler	Chairman and Chief Executive Officer, Harris Alternatives, L.L.C.
Walter Nathan	Chairman, RTC Industries, Inc.
Satyan "Sam" Pitroda	Chairman, C-Sam, Inc.
Jay Robert "J.B." Pritzker	Chairman, The Pritzker Group, LLC
Ellen Jordan Reidy	President, America's Food Technologies, Inc.
Victor H. Reyes	Shareholder/Government Group, Greenberg Traurig, P.C. Chicago Office
John Rowe	President and Chief Executive Officer, Exelon Corporation
John R. Schmidt*	Partner, Mayer, Brown Rowe & Maw LLP
Paula A. Sneed	Senior Vice President, Global Marketing Resources and Initiatives, Kraft Food, Inc.
Carl Spetzler	Chairman, Strategics Decisions Group
Tanya Solov	Director of Enforcement, Illinois Securities Department, Office of the Secretary of State
Federico Vidargas	Managing Principal, Nadel Architects Inc.
David J. Vitale*	Chief Administrative Officer, Chicago Public Schools

Priscilla Anne "Pam" Walter\* Partner, Gardner, Carton & Douglas  
Ralph Wanger\* Advisor, Columbia Wanger Asset Management, L.P.  
Craig M. Watson Chief Executive Officer, Opti-Pay Technologies  
John "Jack" A. Wing Retired Chief Executive Officer, The Chicago Corporation

*Life Trustees.* In addition to the regularly elected Trustees, the Board is empowered to elect former Trustees as Life Trustees. The election may be based upon length of service and outstanding contributions to the progress and welfare of the University. Life Trustees possess all the rights of membership on the Board, except they may not serve as an officer of the Board nor may they serve on the Board's Executive Committee. Life Trustees of the University are listed below.

Vernon Armour	Gordon R. Lohman
Harold A. Bergen	William P. Mahoney
Heather M. Bilandic	Dr. Thomas L. Martin, Jr.
Kenneth L. Block	William B. McCain
Robert D. Cadieux	Robert B. McDermott
Calvin A. Campbell, Jr.	Werner E. Neuman
Alvin L. Gorman	William W. Parks
Donald E. Goss	Robert J. Potter, Ph.D.
Theodore E. Hanson	Robert L. Raclin
Albert K. Hawkes	The Honorable Ilana D. Rovner
Robert L. Heidrick	Dr. Lajos Schmidt
James Hill, Jr.	Carol Browe Segal
Donald R. Hollis	M.A. Self
Robert M. Janowiak	Bernard F. Sergesketter
John H. Krehbiel, Jr.	Charles H. Shaw
Richard A. Lenon	Raymond C. Tower
Homer J. Livingston, Jr.	William A. VanSanten, Jr.

Mrs. Lester Armour, Honorary Trustee

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

**Project: Dominican University**

---

**STATISTICS**

Project Number: E-PC-TE-CD-6007	Amount: \$30,000,000 (not-to-exceed amount)
Type: 501(c)(3) Bonds	FM: Rich Frampton
Location: River Forest	

---

**BOARD ACTION**

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

---

**PURPOSE**

Bond proceeds will be used finance demolition and replacement of an existing academic building and the construction of a new parking garage. Additionally, Bond Proceeds will be applied to refinance the University's Series 2000 IFA (IEFA) Bonds.

---

**IFA CONTRIBUTION**

IFA will convey tax-exempt status on the subject bonds.

---

**VOTING RECORD**

Preliminary Bond Resolution, January 10, 2006:

Ayes: 10      Nays: 0      Abstentions: 0      Absent: 5 (DeNard, Fuentes, Goetz, Herrin, Nesbitt)

---

**PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS (subject to change)**

Sources: New Money Bonds	\$19,000,000	Uses: New Project Cost	\$46,549,176
Current Refunding Bonds	11,000,000	Series 1997 Bond	
Equity/Fundraising	<u>28,124,176</u>	Escrow	\$11,200,000
		Issuance Costs	<u>375,000</u>
<b>Total</b>	<b><u>\$58,124,176</u></b>	<b>Total</b>	<b><u>\$58,124,176</u></b>

As of 6/30/2005, the University's combined investment balances and pledges collectable within one year total approximately \$29 million, sufficient to cover the estimated equity requirement for this financing.

---

**JOBS**

Current employment:	324	Projected new jobs:	25
Jobs retained:	0	Construction jobs:	50-65 (18 months)

---

**BUSINESS SUMMARY**

**Background:** Dominican University (“Dominican” or the “University”) is a 501(c)(3) organization established in 1901 and incorporated under Illinois law in 1918. The University is governed by a 27-member Board of Trustees (see Exhibit A).

Day to day operations are managed by the Donna Carroll, President, who serves as the chief executive officer of the University.

**Description:** Dominican University was originally founded as St. Clara College in Sinsinawa, WI in 1901 by the Sinsinawa Dominican Sisters of the Most Holy Rosary. In 1922, under the leadership of Mother Samuel Coughlin, the sisters relocated the institution to its current location in River Forest, IL, where it was renamed Rosary College. The new college began immediately instituting new programs and improving its curriculum, establishing one of the first study abroad programs in the country in 1925 and offering courses in library science leading to the university's first master's degree in 1949. Recognizing its responsibility to all students, Rosary College became coeducational in 1970.

In May 1997, in the context of an aggressive strategic plan, the school name was changed to Dominican University, communicating the increasingly comprehensive nature of the university's programs and, at the same time, its continued commitment to its Catholic Dominican mission.

The University is a private, coeducational, institution located on an approximately 30 acre site along Division Street in River Forest approximately 10 miles west of Downtown Chicago. The University offers liberal arts and professional education through a variety of disciplines.

Dominican University is accredited by the North Central Association of Colleges and Secondary Schools as a baccalaureate and master's degree granting institution. The Master of Library and Information Science program is accredited by the American Library Association. The accounting and business administration programs in the School of Business are accredited by the Association of Collegiate Business Schools and Programs. The Graduate School of Social Work in 2004 was accredited by the Commission on Accreditation of the Council on Social Work Education. The program in nutrition and dietetics has development accreditation from the Commission on Accreditation for Dietetics Education.

The University is approved by the Illinois State Board of Education, the Illinois Department of Registration and Education, and the State Approving Agency for Veterans Affairs.

---

**FINANCING SUMMARY**

**Structure:** The Bonds will be secured with by a Direct Pay Letter of Credit from Chase Bank. Chase's long-term debt is currently rated Aa3 (Stable – affirmed 6/15/2005)/AA- (Stable – as of 9/22/2005) and short-term debt is rated P-1/A-1+ by Moody's/S&P.

**Term/  
Interest Rate:** 7-Day Variable Rate Demand Bonds with a final maturity date of 3/1/2036 (i.e., 35 years). The most current effective interest rate on 7-Day Variable Rate Demand Bonds (inclusive of all fees) was 3.72% as of 2/22/2006.

**Security:** The Bondholders will be secured by the Direct Pay Letter of Credit.



---

**PROJECT SUMMARY**

The proposed project will be used to (i) refund the outstanding principal amount of Dominican's existing IFA (IEFA) Series 2000 Bonds, (ii) finance all or a portion of required site preparations, and the costs of the acquisition, construction, renovation and equipping of certain University the construction and equipping of a new parking garage facility, (iii) make any deposits to certain funds required to be maintained in accordance with a Trust Indenture, and (iv) pay certain costs incurred in connection with the issuance of the Series 2005 Bonds and the credit enhancement thereof. Additionally, bond proceeds may also be used to construct an access drive to the subject parking garage.

The facilities being financed, refinanced, or reimbursed from proceeds of the Series 2006 Bonds are or will be owned or operated by Dominican University and are or will be located on land owned by Dominican University at its campus located at 7900 W. Division Street in River Forest (Cook County), Illinois 60305-1066.

Proposed new money project costs include the following:

*Academic Building:*

Design and Engineering:	\$2,582,403
Fees & Permits:	405,257
Construction:	30,162,536
Furniture, Fixtures & Equipment:	2,485,000
Contingency:	42,778
<i>Subtotal - Academic Building :</i>	<i>\$35,677,974</i>

*Parking Garage:*

Design and Engineering:	\$481,854
Fees & Permits:	128,234
Construction:	9,570,264
Furniture, Fixtures & Equipment:	133,000
Access Road:	<u>557,850</u>
<i>Subtotal - Parking Garage:</i>	<i>\$10,871,202</i>

**Project Total:** **\$46,549,176**

---

**ECONOMIC DISCLOSURE STATEMENT**

Applicant/ Contact: Dominican University, 7900 W. Division Street, River Forest, IL 60305-1066  
Ms. Amy McCormack, Vice President for Business and Finance; (T) (708)556-3021;  
(F): (708)556-3411; e-mail: amccormack@dom.edu ; web site: www.dom.edu

Project name: Dominican University Series 2006 Bonds  
Location: Dominican University, 7900 W. Division Street, River Forest, IL 60305  
Organization: Illinois 501(c)(3) organization  
Board  
Membership: *See attached list of Board of Trustees*  
Current Land  
Owner: Dominican University

---

**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Winston & Strawn LLP	Chicago, IL	Ellen Duff
Accountant:	Grant Thornton LLP	Chicago, IL	
Bond Counsel:	Chapman and Cutler, LLP	Chicago, IL	Nancy Burke
Letter of Credit:	JPMorgan Chase Bank	Chicago, IL	Krenna Weiss
LOC Bank Counsel:	Foley & Lardner LLP	Chicago, IL	Laura Bilas
Underwriter:	JPMorgan Securities, Inc.	Chicago, IL	Michelle Salomon
Underwriter's Counsel:	Ice Miller, LLP	Indianapolis, IN Chicago, IL	Jeff Lewis Tom Smith
Trustee:	JPMorgan Institutional Trust	Chicago, IL	Daryl Pomykala
Trustee's Counsel:	Tyson Stronghill	Chicago, IL	Lance Tyson
Rating Agency:	Moody's Investors Services	Jersey City, NJ	Joann Hempel
Issuer's Counsel:	Ungaretti & Harris LLP	Chicago, IL	Ray Fricke

---

**LEGISLATIVE DISTRICTS**

Congressional:	7	Danny K. Davis
State Senate:	39	Don Harmon
State House:	78	Deborah Graham

---

## Dominican University Board of Trustees 2005-2006

**Mary E. Callow, Chair BA '67**

Partner  
Clingen, Callow and McLean, LLC

**Richard M. King, Vice Chair MBA '83**

President  
Kittleman & Associates, LLC

**Kathleen Ashe, OP BA '52**

Lecturer,  
St. Mary's College of California

**Pier C. Borra**

Chairman and CEO  
CORA Health Services, Inc.

**Dan Beach, Faculty Member**

Professor of Psychology  
Dominican University

**Donna M. Carroll, ex officio**

President  
Dominican University

**Caroline Sanchez Crozier BA '79**

President & CEO  
Computer Services & Consulting, Inc.

**Barbara M. Fiedler BA '58**

**Michael J. Furey MBA '84**

Senior Vice President  
The Northern Trust Company

**Michelle Germanson, OP**

President  
Trinity High School

**Mary Ellen Gevelinger, OP BA '65**

Vicaress and First Councilor  
Congregation of Sinsinawa Dominican Sisters

**Annie Hughes, Student Member**

Class of 2006  
Dominican University

**Richard J. Jасulca**

Chairman of the Board and CEO  
Jасulca/Terman and Associates

**Michael E. Kelly**

Chairman of the Board  
FBOP Corporation

**Timothy G. Kelly BA '82**

Partner  
Adams Street Partners, LLC

**Kevin M. Killips BA '79**

Group Senior Vice President and Executive Director  
ABN AMRO north America, Inc.

**Eugene T. McEnery, MD**

Chairman and CEO  
Euclid Beverage, Ltd.

**Martin J. Noll**

President  
Community Bank of Oak Park River Forest

**Kevin O'Rourke, OP**

Professor of Medical Ethics  
Stritch School of Medicine, Loyola University of Chicago

**Carolyn J. Parmer, Trustee Emerita BA '52**

**Raymond J. Reid**

Senior Vice President  
Brown Brothers Harriman & Co.

**Daniel M. Romano**

Managing Director  
Southern Wine & Spirits of Illinois

**M. Catherine Crowley Ryan BA '61**

Senior Vice President  
Bank of America, N.A.

**Judy Scully BA '66**

Consultant  
Oak Lawn School District 122

**Susan L. Secker BA '67**

Provost  
Seattle University

**Jacqueline Shaffer Silveri BA '83**

Vice President  
Go-Mart Stores and Go-Tane Service Stations, Inc.

**R. Matthew Simon**

Partner  
Simon & Grieseta

**M. James Termond, Trustee Emeritus**

**Sherry S. Treston BA '72**

Partner  
Sidley Austin Brown & Wood LLP

**George G. Vrechek**

Senior Vice President  
Environmental Systems Design, Inc.

**RESOLUTION 2006-19**

**A RESOLUTION RATIFYING PREVIOUS ACTION  
RELATING TO ADAS YESHURUN PROJECT**

WHEREAS, the Illinois Finance Authority (the "Authority") on October 11, 2005 passed and approved a bond resolution (the "Bond Resolution") authorizing the issuance of its not to exceed \$3,500,000 Adjustable Rate Demand Revenue Bonds (Adas Yeshurun Project), Series 2006 (the "Bond"); and

WHEREAS, the Bond Resolution accurately described the nature of the Project, but contained an incorrect address for the location of the Project, the correct Project address being 3050 W. Touhy Avenue, Chicago, Illinois 60645; and

WHEREAS, the Authority has held a public hearing on March 3, 2006, with respect to the Project following the re-publication of a public notice correctly identifying the address of the Project; and

WHEREAS, it is necessary and proper for the Authority to ratify the action previously taken by it to adopt the Bond Resolution and to hereby acknowledge and reflect the correct address of the Project;

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

Section 1. That the actions previously taken by the Authority to pass and approve the Bond Resolution are in all respects hereby ratified, with the acknowledgement and understanding that the correct address of the Project is 3050 W. Touhy Avenue, Chicago, Illinois 60645.

Section 2. That all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby superseded.

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

PASSED this 7<sup>th</sup> day of March, 2006.

APPROVED this 7<sup>th</sup> day of March, 2006 by roll call vote as follows:

Ayes:

Nays:

Absent:

Attest:

\_\_\_\_\_  
Chairman

Attest:

\_\_\_\_\_  
Secretary

CHICAGO 43099v1

To: Members of IFA Board of Directors

From: Eric Reed, Senior Funding Manager

Date: March 7, 2006

**RE: Request to Extend an Agri-Debt Guarantee for One Year and Defer Principal Payment for One Year on a Loan to Jeffrey and Joanne Becker #1998-GX-1064**

Jeffrey and Joanne Becker currently have a loan with German American State Bank in German Valley, IL that was originally funded for \$500,000 in April of 1998. The current loan balance is \$357,002.

Due to drought conditions and resulting in poor yields, the Bank has requested that IFA approve a one year principal deferment for the April 2006 payment. The Beckers carried crop insurance in 2005; however their settlement payment was insufficient to cover operating costs and make the pending payment. The borrower has until now had an excellent payment history. The deferred principal will require that the term of the loan and the IFA guarantee be extended by one year.

The Bank submitted the following financial information for the Beckers:

**Balance Sheet  
As of January 5, 2006**

Current Assets	\$1,087,283	Current Liabilities	\$1,175,773
Int. Assets	\$1,210,655	Int. Liabilities	\$524,183
LT Assets	\$602,000	LT Liabilities	\$230,840
		Total Liabilities	\$1,930,796
		Net Worth	\$969,142
Total Assets	<u>\$2,899,938</u>	Total Liab & Worth	<u>\$2,899,938</u>
<b>Current Ratio</b>	<b>0.92</b>		
<b>Leverage</b>	<b>1.99</b>		

**Income Statement  
For the Year Ended**

	<u>2005</u>	<u>2004</u>
Sales	\$763,571	\$988,723
Depreciation	\$107,673	\$113,680
Interest	<u>\$103,939</u>	<u>\$72,236</u>
Net Income	<u>\$(22,826)</u>	<u>\$55,164</u>
EBIDA	\$188,786	\$241,080

Based on the financial information provided and the excellent payment history for the Becker's, I recommend approval of the request for principal deferment and term extension as presented.

## MEMORANDUM

To: IFA Board of Directors

From: Jim Senica

Date: March 7, 2006

Re: **Request to Extend for Three Years the Term of a Participation Loan to Michael and Sandy Arnold #9830-PL** ✓

---

### Request

Associated Bank – Illinois and borrowers Michael and Sandy Arnold are requesting that IFA extend its Participation loan #9830-PL for an additional three years. The IDFA Board originally approved the loan on February 13, 2003. The Bank's loan was structured to pay interest at 6.12% for the first three, with the rate to be adjusted on every third anniversary thereafter based on then prevailing rate of interest. Three years have elapsed and the Bank has extended the loan for another three-year period at the same rate of 6.12%.

### Recommendation

Staff recommends approval of this request for the following reasons:

1. Collateral coverage of 1.19 times
2. Our Participation generates almost 1.62% in additional income over the current CD rate
3. Approval will maintain our relationship with Associated Bank – Illinois, the originating bank on several existing IFA participation loans, and likely source for additional participation loans in the future
4. Excellent repayment demonstrated by the borrowers over the last three years

### Background

Michael and Sandy Arnold have owned and operated Prima Pasta Shop, Inc. for the last twelve years. The Company manufactures fresh, gourmet pasta for the commercial food industry, including restaurants and institutional food services. The Company's products include several lines of gourmet ravioli as well as various other types of pastas usually served in specialty restaurants. Distribution of the pasta is done primarily through two distributors, Sysco Foods, Chicago and Thomas Proestler, Rock Island. In fact, Prima Pasta Shop, Inc. remains the number two supplier for Sysco, Chicago.

Prima Pasta Shop, Inc. continues to maintain a wide array of customers, including major chains such as Biaggi's (an upscale Italian eatery) and the Olive Garden. Additionally, the Company supplies numerous individual restaurants and institutional food service operations. Since the Company does ship throughout the U.S., it is subject to federal food inspection laws and has a U.S.D.A. inspector on the premises three days per week. No sales are made on a retail basis.

**Performance**

The IFA and Bank loans are secured with collateral 1.19 times by the financed real estate (a 4,100 square foot industrial building located in Peoria's Pioneer Industrial Park) based on an appraised value of \$400,000. Additionally, IFA will share on a pro-rata basis in the corporate guaranty of Prima Pasta Shop, Inc.

IFA's repayment source, Prima Pasta Shop, Inc. is well managed and has been a solid performer. The Company's sales have risen from \$120,000 for the year ending December 31, 2001, to over \$298,000 for the year ending December 31, 2005. Net income for the year then ended was \$30,723. Debt service coverage for 2005 approximates 1.29 times.

The original Board summary is attached to this memorandum to facilitate a complete review of the request.



**ILLINOIS DEVELOPMENT FINANCE AUTHORITY  
BOARD SUMMARY  
February 13, 2003**

**Deal: Michael and Sandy Arnold (Prima Pasta Shop, Inc.)**

---

**STATISTICS**

Deal Number:	9830-PL	Amount	\$150,000
Type:	Participation Loan	PA:	Jim Senica
Location:	Peoria		

---

**BOARD ACTION**

Purchase of Participation Loan from Associated Bank – Illinois.  
\$150,000 IDFA funds at risk.  
Collateral is *pari passu* first position with the bank.  
Staff recommends approval of a resolution subject to the Bank covenants noted on page 3 of this report.

---

**PURPOSE**

Construction of an approximate 4,100 square foot manufacturing facility.

---

**VOTING RECORD**

Initial board consideration, no voting record.

---

**SOURCES AND USES OF FUNDS**

Sources:	IDFA	\$150,000	Uses: Project Costs	<u>\$350,000</u>
	Associated Bank	186,000	Total	<u>\$350,000</u>
	Equity*	<u>14,000</u>		
	Total	<u>\$350,000</u>		

\*NOTE: Applicant Michael Arnold and several of his family members had previously been engaged in the plumbing business and have done all of the plumbing work in the new building. The Bank has estimated this work to be valued conservatively at \$14,000. Additionally, all of the trim work and some of the landscaping has been done by Michael and his family members that, while not reflected in the overall costs, significantly add to the market value of the property.

---

**JOBS**

Current employment:	11	Projected new jobs:	2
Jobs retained:	N/A	Construction jobs: (6-month period)	20

---

**BUSINESS SUMMARY**

**Background:** Sandy Arnold and Sue Dellavalle started Prima Pasta Shop, Inc., an Illinois S Corporation, in 1994 as an entity that engages in the manufacture of fresh gourmet-quality pasta. Applicants Michael and Sandy Arnold will own the real estate being financed in this project and lease it to Prima Pasta Shop, Inc.

**Description:** Prima Pasta Shop, Inc. manufactures fresh, gourmet pasta for the commercial food industry, including restaurants and institutional food services. The Company's products include several lines of gourmet ravioli as well as various other types of pastas usually served in specialty restaurants. Distribution of the pasta is done primarily through two distributors, SYSCO Foods, Chicago and Thomas Proestler, Rock Island. In fact, Prima Pasta Shop, Inc. is the number two supplier for SYSCO, Chicago.

**Remarks:** Prima Pasta Shop, Inc. has a wide array of customers, including major chains such as Biaggi's (an upscale Italian restaurant), The Olive Garden and prior to a menu change, Ned Kelly's. Additionally, the Company supplies numerous individual restaurants and institutional food service operations. Since the Company does ship throughout the U.S., it is subject to federal food inspection laws and has a USDA inspector on the premises three days per week. No sales are made on a retail basis.

---

**FINANCING SUMMARY**

**Borrower:** Michael and Sandy Arnold

**Security:** Pro-rata first position "*pari passu*" with Associated Bank – Illinois on the project real estate. Collateral is based on an estimated appraised fair market value of \$400,000 resulting in collateral coverage to IDFA and the Bank on this participation loan of 1.19 times. Additionally, IDFA will share with the bank in the corporate guaranty of Prima Pasta Shop, Inc. Staff recognizes that in the event of default with respect to this loan, standard wording in IDFA's participation agreement states that the IDFA/Bank loan will be paid prior to any other loan that the borrower may have with the Bank.

Structure: Based on the guidelines of the Participation Lending Program, IDFA's interest rate will be 150 basis points below what the Bank is charging the customer. The Bank's interest rate will be fixed at 6.12 % for the first three years of the loan, then adjusted to reflect current market rates in effect at three-year intervals.

Maturity: The loan will be set on a 20-year amortization with 36 payments of principal and interest over the three-year initial term of the loan.

**PROJECT SUMMARY**

The proposed project involves the construction of a new industrial building of approximately 4,100 square feet to house Prima Pasta Shop, Inc.'s pasta manufacturing operation. In addition to accommodating the various equipment used by the Company, the facility will also contain loading docks to facilitate product shipment and receipt of supplies. The new building is located in the Pioneer Industrial Park at 1715 W Chanute Road, Peoria, Illinois (Peoria County). Project costs are estimated as follows:

Land	\$56,000
Building Construction	<u>294,000</u>
Total	<u>\$350,000</u>

The Company had been operating in a significantly smaller facility (1000 square feet), which caused them to turn away many potential customers. The proposed project will provide the applicant with the additional manufacturing capacity needed to accommodate the growing demand for its products.

**ECONOMIC DISCLOSURE STATEMENT**

Project name: Prima Pasta Shop, Inc. New Building  
Location: 1715 W Chanute Road, Peoria, Illinois (Peoria County)  
Applicants: Michael and Sandy Arnold  
Organization: Borrowers – individuals, Company -Illinois S corporation  
Company Ownership: Sandy Arnold – 50% Sue Dellavalle – 50%

**PROFESSIONAL & FINANCIAL**

Accountant:	Ginoli & Company LTD, CPA's	Peoria, IL	Orville Frank
Bank:	Associated Bank - Illinois	Peoria, IL	Kay Frank
Attorney:	Hunziker & Walton, LLC	Peoria, IL	Gregory Hunziker
General Contractor:	Hine Construction Company	Peoria, IL	

**LEGISLATIVE DISTRICTS**

Congressional: 18 – Ray LaHood  
State Senate: 46 – George Shadid  
State House: 93 – David R. Leitch

## MEMORANDUM

**TO:** IFA Board of Directors  
**FROM:** Jim Senica  
**DATE:** March 7, 2006  
**RE:** **Request to Extend for Two Months A Commitment for a Participation Loan to Homeway Homes, Inc.  
B-LL TX-413**

---

Homeway Homes, Inc. is an Illinois C corporation established to engage in the manufacture of modular home units. The company manufactures high quality wood-framed modular buildings, primarily for single family and multi-family residential structures and secondarily for light commercial buildings such as offices, temporary classrooms and retail shops. The project is in the process of creating 56 new jobs in Deer Creek, a central Illinois community of 600 residents located on I-74 between Bloomington and Peoria.

The IFA Board approved this project on October 12 2004, by the following vote:

Ayes: 8	Absent: 3 (Delgado, Goetz and Herrin)
Nays: 0	Vacancies: 4
Abstentions: 0	

Morton Community Bank and IFA are in the process of closing this loan. IFA's loan commitment on the loan has expired and additional time is required to close the loan. We are requesting a two-month extension of IFA's commitment to May 31, 2006. We expect that the loan will be closed within a month's time.

Staff has re-reviewed the applicant's financial condition with the banker and concludes that there exist no materially adverse changes to the financial condition of the operating company.

Staff recommends approving this request.

A copy of the project summarylly originally presented for IFA Board approval is included for your review.

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
October 12, 2004**

**Project: Homeway Homes, Inc.**

---

**STATISTICS**

Project Number:	B-LL-TX-413	Amount	\$300,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Deer Creek		

---

**BOARD ACTION**

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

---

**PURPOSE**

Acquisition of various equipment used in the applicant's modular home manufacturing business.

---

**VOTING RECORD**

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

---

**SOURCES AND USES OF FUNDS**

Sources:	IFA	\$300,000	Uses: Project Costs	\$1,700,000
	Morton Community Bank	650,000	Total	<u>\$1,700,000</u>
	Tazewell County RLF	100,000		
	Equity*	<u>650,000</u>		
	Total	<u>\$1,700,000</u>		

\*Equity is comprised of a capital contribution by each of the applicant's three owners.

---

**JOBS**

Current employment:	N/A	Projected new jobs:	56 (End of year 1)*
Jobs retained:	N/A	Construction jobs:	N/A

\*The applicant is projecting employment of 141 by the end of year 5.

---

**BUSINESS SUMMARY**

**Background:** Homeway Homes, Inc. is a recently formed Illinois C corporation established to engage in the manufacture of modular home units. The organization was founded by Mr. Robert Schieler, President of the 42-year-old Scheiler & Rassi Quality Builders, Inc., as an adjunct supplier to his home construction business. The Company will be owned equally by Robert's three sons, Brian, Rich and Ted, and Robert Scheiler will serve on the Board as an advisor to the management team on day-to-day operations.

In 1996, Robert Scheiler made a pivotal company decision to enter the modular home construction business. Scheiler & Rassi Quality Builders, Inc. entered into a working agreement with Contempri Homes of Pickneyville, Illinois, a company that had been producing modular homes for 35 years. Robert has guided the modular construction division of Scheiler & Rassi to become one of the largest builders for Contempri Homes having built more than 350 homes in 7 years, with an annual high of more than 100 homes built in the last year. Robert and his sons have made the decision to develop their own modular manufacturing business to allow them to maintain better control of their building operations by not having to rely on a third party supplier for their homes.

**Description:** Homeway Homes, Inc. will manufacture high quality wood framed modular buildings, with the primary focus of the factory being the production of single family and multi-family residential structures and secondarily light commercial buildings such as offices, temporary classrooms and retail shops.

Modular homes begin as components that are designed, engineered and assembled in a climate-controlled factory and delivered to the site in sections called modules. Finished homes range from two modular affordable ranch style homes to multimillion-dollar mansions that consist of multiple units from 4 to 20 modular units.

Production takes place on an assembly line, with components moving from workstation to workstation (such as framing, drywall, electrical, plumbing and window installation). An average two-module home can be produced in six to seven days. Before leaving the factory, modulars must pass rigorous third-party inspections by building officials and state regulatory agencies.

**Remarks:** Homeway Homes, Inc. products will be sold in a variety of ways, based on where the products will be delivered and the type of customer placing the order. Homes sold as a "turn-key" product will be delivered to Scheiler & Rassi who will then set them on the foundation and then fully complete the home. The second basis of sale, the "modular set basis", will be one in which Homeway Homes delivers and sets the home on the prepared foundation, and then it is completed by a third party other than Scheiler & Rassi. The third method of sale is referred to as the "drop and run" whereby Homeway Homes merely delivers the modular units to the purchaser's job site, disconnects the units from the semi tractor and then leaves. It is anticipated that the majority of sales will be of either the "turn key" or "modular set" variety with most of the "drop and run" activity being relegated to third party builders located beyond 200 miles from the plant.

---

**FINANCING SUMMARY**

**Borrower:** Homeway Homes, Inc.

**Security:** Pro-rata first position "*pari passu*" with Morton Community Bank on the project equipment (collateral is based on a 71% discounted cost value of \$1,200,000) and pro-rata first mortgage "*pari passu*" on land with an appraised value of \$500,000. Collateral coverage on project debt to IFA and the Bank on this participation loan is 1.70 times (59% LTV). IFA will also share with the Bank in the personal guaranties of Richard (NW \$436m) Brian (NW \$731 m) and Ted Scheiler (NW \$907 m) for the full amount of the loan and the personal guaranty of Robert Scheiler (NW \$1.216 mm) to the extent of \$250,000. Staff recognizes that in the event of default with respect to this loan, standard wording in IFA's participation agreement states that the IFA/Bank loan will be paid prior to any other loan, including any future line-of-credit loan that the borrower may establish with the Bank.

**Structure:** Based on the guidelines of the Participation Lending Program, IFA's interest rate will be 150 basis points below what the Bank is charging the customer. The Bank's interest rate will be fixed at 1.75% over prime at time of loan closing.

**Maturity:** The loan will be set on a 5-year amortization with 60 payments of principal and interest Over the 5-year term of the loan.

---

**PROJECT SUMMARY**

The proposed project involves the acquisition of equipment for use in the applicant's modular building manufacturing operation.

Project costs are estimated as follows:

Equipment acquisition	<u>\$1,700,000</u>
Total	<u>\$1,700,000</u>

The proposed project will provide the applicant with the equipment needed to operate a state-of-art production facility creating 56 new jobs in the first year with an expected total employment of 141 by the end of year 5 in a community that has been economically challenged.

---

**ECONOMIC DISCLOSURE STATEMENT**

Project name: Homeway Homes, Inc. Equipment Acquisition  
Location: Deer Creek, Illinois (Tazewell County)  
Applicant: Homeway Homes, Inc.  
Organization: Illinois C corporation  
Ownership: Brian Scheiler 1/3, Rich Scheiler 1/3 and Ted Scheiler 1/3

---

**FINANCIAL**

Bank: Morton Community Bank Eureka, Illinois Robert D. Knepp

---

**LEGISLATIVE DISTRICTS**

Congressional: 18 – Ray LaHood  
State Senate: 53 – Dan Rutherford  
State House: 106 – Keith P. Sommer



## MEMORANDUM

**TO:** IFA Board of Directors  
**FROM:** Jim Senica  
**DATE:** March 7, 2006  
**RE:** **Request to Extend for Two Months a Commitment for a Participation Loan to Community Memorial Hospital Association  
B-LL TX-575**

---

Community Memorial Hospital is a 57-bed acute care, not-for-profit hospital located in Staunton, Illinois. The hospital has provided continuous health care to area residents since 1951. Community Memorial Hospital holds full accreditation by JACAHO (Joint Commission on Accreditation of Health Care Organizations) and is licensed by the Illinois Department of Public Health.

The IFA Board approved a \$450,000 participation in a loan offered by the First National Bank in Staunton by the following vote:

Ayes: 10	Absent: 3 (Leonard, O'Brien and Ozark)
Nays: 0	Vacancies: 2
Abstentions: 0	

The Hospital has just completed construction of an 8,000 square foot, single story medical building directly across the street from the hospital complex. The project costs at \$1,115,000 have come in *lower* than originally planned, and as originally approved at the IFA Board.

The First National Bank in Staunton and IFA are in the process of closing this loan. IFA's commitment on the loan has expired and additional time is required to close the loan. The Bank and Community Memorial Hospital are requesting a two month extension of IFA's commitment to April 11, 2006. We expect, however, that the loan will close during the second week of March.

Staff has re-reviewed the applicant's financial condition with the banker and concludes that there exist no material adverse changes in the borrower's finances.

Staff recommends approval of the requests.

A copy of the project summary originally presented to the IFA Board is included for your review.

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
May 10, 2005**

**Project: Community Memorial Hospital Association**

---

**STATISTICS**

Project Number:	B-LL-TX-575	Amount:	\$450,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Staunton		

---

**BOARD ACTION**

Purchase of Participation Loan from First National Bank in Staunton  
\$450,000 IFA funds at risk  
Collateral is *pari passu* first position with the bank  
Staff recommends approval

---

**PURPOSE**

Loan proceeds will be used to finance the construction of an 8,000 square foot medical office building on land owned by the hospital.

---

**VOTING RECORD**

Initial board consideration, no voting record.

---

**SOURCES AND USES OF FUNDS**

Sources:	IFA	\$450,000	Uses: Project Costs	<u>\$1,460,000</u>
	First National Bank	450,000	Total	<u>\$1,460,000</u>
	Equity*	<u>560,000</u>		
	Total	<u>\$1,460,000</u>		

\*Equity contributed will consist of land valued at \$160,000 (cost basis) and \$400,000 in cash received from a federal appropriation.

---

**JOBS**

Current employment:	135	Projected new jobs:	3
Jobs retained:	N/A	Construction jobs:	75

---

CONFIDENTIAL

---

**BUSINESS SUMMARY**

**Background:** Community Memorial Hospital is a 57 bed acute care, not-for-profit hospital located in Staunton, Illinois. The hospital has provided continuous health care to area residents since 1951. Community Memorial Hospital holds full accreditation by JCAHO (Joint Commission on Accreditation of Health Care Organizations) and is licensed by the Illinois Department of Public Health.

The Hospital is equipped with a multi-bed special care unit for the monitoring of very ill patients, a well equipped emergency room and surgical suites. The radiology department offers fully accredited mammography service and in-house CT scanning. Full range laboratory, physical therapy and respiratory therapy services and cardiopulmonary rehabilitation services are available.

**Project Description:** Community Memorial Hospital will be constructing an 8,000 square foot, single story medical office building directly across the street from the Hospital complex. The proposed building is being constructed to house area physicians who are currently leasing space within the Hospital and who are all committed to transition to the new offices. The Hospital is in critical need of additional space to expand its services and thus will obtain the area by moving the physicians to the new building. The new facility will be equipped with all of the amenities customarily associated with state-of-the-art medical practice facilities and will be designated a Medicare certified Rural Public Health Clinic.

As sole borrower for the project, the Hospital (a not-for-profit corporation) will own the building and operate it on a for-profit basis. This new medical building will provide area physicians with continued easy access to the Hospital in a new, modern facility while enabling patients to consolidate medical visits into one convenient location.

**Financials:** Audited financial statements of Community Memorial Hospital Association for the fiscal years 2003 & 2004; Annualized 2005 financial information based on interim financial statements for the 8-month period ending February 28, 2005.

---

**FINANCING SUMMARY**

**Security:** Pro-rata first mortgage "*pari passu*" with First National Bank in Staunton on the project real estate with an assumed minimum as-if-completed appraised value of \$1,460,000, providing collateral coverage to IFA and the Bank of 1.62 times (61.64%LTV).

**Structure:** Based on the guidelines of the Participation Lending Program, IFA's interest rate will be 200 basis points below what the Bank is charging the customer. The Bank's interest rate will be fixed at 6.0% for a period of ten years; IFA's rate will be fixed at 4% for the same period.

**Maturity:** The loan will be set on a ten year amortization with 120 payments of principal and interest.

---

**ECONOMIC DISCLOSURE STATEMENT**

**Project name:** Community Memorial Hospital Medical Practice Building  
**Location:** Illinois Route 4 Staunton, Illinois (Macoupin County)

CONFIDENTIAL

Applicants: Community Memorial Hospital Association  
Organization: 501 (c)(3) Corporation  
State: Illinois  
Directors: Kenneth Dustmann      Bernice Henke      Don Kasubke  
                 George Lesicko      Larry Lux      Nicolas Pineda, M.D.  
                 Eddy Saracco      Bill Wilkinson      Larry Ziglar

---

PROFESSIONAL & FINANCIAL

Bank:                      First National Bank in Staunton      Staunton, Illinois      Brian Ury

---

LEGISLATIVE DISTRICTS

Congressional:      17 – Lane A. Evans  
State Senate:      49 – Deanna Demuzio  
State House:      98 – Gary Hannig

**Project Presentation Schedule  
Executive Committee Session  
March 7, 2006**

<b>Time</b>	<b>Market Segment</b>	<b>Funding Manager</b>	<b>Tab</b>
10:00	Agriculture	Eric Reed	1,2,3,4,5,6,7,19 & 25 ✓
10:15	Healthcare	Pamela Lenane Dana Sodikoff	8,9 & 24 ✓ 10 ✓
10:25	Communities & Culture	Eric Watson Rich Frampton Sharnell Curtis-Martin Jim Senica	11 ✓ 12, 13 & 26 ✓ 14 ✓ 22 ✓
10:40	Business & Industry	Jim Senica Rick Pigg	15, 20, & 21 ✓ 23 ✓
10:45	Higher Education	Townsend Albright Rich Frampton	16 & 18 ✓ 17 & 26 ✓

Note to Funding Managers: Please be available to present your project at least 15 minutes ahead of time as this schedule is subject to change without notice.

**Amendatory Resolution  
MEMORANDUM**

**TO:** Members of the IFA Board of Directors  
**FROM:** Rick Pigg  
**DATE:** February 28, 2006  
**RE:** **Request to Release Collateral for a Participation Loan to Soyolutions, Inc.**

---

Soyolutions, Inc., is an Illinois corporation established in 1999 by two successful McLeansboro farmers, Kenneth Lasater and Roger Swartz, to acquire a former mine site and convert it for use as an agricultural products storage and distribution center.

The IFA Board approved an extension and increase in its commitment to \$800,000 to participate in a Peoples National Bank's loan to Soyolutions Inc., on August 9, 2005 by the following vote:

Ayes: 8            Nays: 0            Abstentions: 3 (Delgado, Giannoulis, Nesbit)    Vacancies: 4

The loan will finance Soyolution's construction of a new 35,000-square-foot dome building and the acquisition and installation of a new 1,001,000-gallon liquid fertilizer tank. The subject debt is secured by a first mortgage on the land and improvements on the site was approved by the Bank and IFA based on an "as is" appraisal confirming that the loan to value ratio below 80%. As reported in the project summary presented to the Board, the loan agreement includes no limitations on Soyolutions' ability to incur additional indebtedness. Since the loan was originally approved by the Board on February 8, 2005, the Bank has funded approximately \$1,150,000 in loans and provided a \$100,000 letter of credit to Wheeler Creek Grain, LLC, another entity that is wholly owned by Ken Lasater and Roger Swartz. That loan will finance improvements to a road, rail line and building that Cargill is leasing for a large grain distribution operation on the site. The loan is secured by approximately 104 acres of land and improvements within the 244-acre site.

Terry Drone, Soyolution's lender, has asked IFA to fund its participation based on a shared first mortgage on 140.44 acres of land and improvements, rather than the entire 244-acre site, which was originally contemplated as the collateral for this loan. The remaining real estate has been pledged to the Bank as collateral for a loan to Wheeler Creek Grain. We believe that the rail project will enhance the value of our collateral by increasing the accessibility and convenience of the site as a regional commodity storage and distribution center.

The Bank has provided us with an appraisal prepared by Nolen Appraisal Company dated 12/31/05 that estimated the value of the 140.44 acre property at \$4,470,000, which results in an excellent loan to value ratio of only 34%. The Board initially approved the loan based on an appraisal prepared by Nolan Appraisal Company that estimated an "as improved" value of \$4,232,000 on the entire 244-acre site. Accordingly, the estimated value of the new, smaller parcel is \$238,000 higher than the estimated value of the entire site at the time that the Board initially approved the project.

The project has taken longer than expected to complete but has been finished in line with expectations. Soyolutions, Inc. has completed the reclamation work on the property that it contracted to perform for the previous owner, Consolidated Coal. Consolidated Coal has conveyed (deeded) the property to Soyolutions, Inc. Phase I and II environmental audits have been done and all issues identified have been addressed. Wabash Valley Service Company has relocated its headquarters to the Soyolutions facility. Wabash Valley has signed a 20-year lease with the option to purchase the property at fair market value or extend the lease for four additional 5-year terms. Monthly rent is set at \$21,000 for the first 5 years, with a 5% rate increase after each 5 year period. Wabash Valley has posted a \$250,000 letter of credit and a \$250,000 escrow account that can be drawn in the event of default on the lease.

**RESOLUTION No. 2006-20**

**AUTHORIZING AMENDMENTS  
TO THE LOAN AGREEMENT AND OTHER RELATED DOCUMENTS  
IN CONNECTION WITH THE TRANSFER OF ASSETS FROM  
REST HAVEN ILLIANA CHRISTIAN CONVALESCENT HOME TO CHRISTIAN LIVING CAMPUS, NFP**

WHEREAS, the ILLINOIS FINANCE AUTHORITY (the "Authority") has been created by, and exists under, the Illinois Finance Authority Act, as amended (the "Act"); and

WHEREAS, the Authority has heretofore issued \$7,245,000 in aggregate principal amount of its Weekly Adjustable Rate Revenue Bonds, Series 2004C (Rest Haven Christian Services) (the "Series 2004C Bonds"); and

WHEREAS, the Series 2004C Bonds were issued pursuant to a Bond Trust Indenture dated as of October 1, 2004 (the "Bond Indenture"), between the Authority and J.P. Morgan Trust Company, National Association, as bond trustee (the "Series 2004C Bond Trustee"); and

WHEREAS, the proceeds of the Series 2004C Bonds were loaned by the Authority to Rest Haven Illiana Christian Convalescent Home, d/b/a Rest Haven Christian Services, an Illinois not for profit corporation and an organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") (the "Corporation"), pursuant to a Loan Agreement dated as of October 1, 2004 (the "Series 2004C Loan Agreement"); and

WHEREAS, the proceeds of the Series 2004C Bonds were used by the Corporation to (i) current refund a portion of the outstanding amount of the \$29,265,000 Illinois Development Finance Authority Variable Rate Demand Revenue Bonds (Rest Haven Illiana Christian Convalescent Home Project) Series 1997 (the "Series 1997 Bonds"), (ii) pay or reimburse the Corporation, or to refinance certain prior indebtedness the proceeds of which were used to pay, for the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain "health facilities" of the Corporation (as defined in the Act), and (iii) pay certain expenses incurred in connection with the issuance of the Series 2004C Bonds and the current refunding of the Series 1997 Bonds; and

WHEREAS, all of the facilities financed or refinanced with the proceeds of the Series 2004C Bonds (the "Bond Financed Property") were located on the campus of the Corporation's senior living facilities known as Holland Home and Rest Haven South, located in South Holland, Illinois (the "Holland Home Property")

WHEREAS, the loan of the proceeds of the Series 2004C Bonds was evidenced by a direct note obligation (the "Series 2004C Obligation"), issued under and pursuant to the Master Trust Indenture dated as of October 1, 2004 (the "Master Indenture") among the Corporation, CLC (as defined below), Christian Living Healthcare Foundation, NFP, as the initial members of an obligated group created thereunder (the "Obligated Group"), and J.P. Morgan Trust Company, National Association, as master trustee (the "Master Trustee"), pursuant to which the members of the Obligated Group are jointly and severally liable for all payments due under the Series 2004C Obligation; and

WHEREAS, to secure the obligations issued under the Master Indenture, including the Series 2004C Obligations, the Corporation entered into a Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of October 1, 2004 (the "Mortgage") in favor of the Master Trustee and Sovereign Bank (the "Bank") which granted a security interest in the Holland Home Property (including the Bond Financed Property) to the Master Trustee and the Bank; and

WHEREAS, subsequent to the issuance of the Series 2004C Bonds, Christian Living Campus, NFP, an Illinois not for profit corporation, an affiliate of the Corporation and a "participating health institution" (as defined in the Act) ("CLC"), received a determination letter from the Internal Revenue Service to the effect that it is an organization described under Section 501(c)(3) of the Code, thereby permitting CLC to acquire the Holland Home Property (including the Bond Financed Property), upon satisfaction of certain conditions set forth in the Bond Indenture; and

WHEREAS, the Corporation and CLC desire that (i) the Corporation transfer the Holland Home Property (including the Bond Financed Property) to CLC, (ii) CLC assume the Corporation's obligations under the Series 2004C Loan Agreement and (iii) the Corporation be released from its obligations under the Series 2004C Loan Agreement; and

WHEREAS, the Corporation and CLC have requested that the Authority and the Series 2004C Bond Trustee amend and supplement the provisions of the Series 2004C Loan Agreement in order to facilitate (i) the transfer of assets from the Corporation to CLC, (ii) the assumption by CLC of the Corporation's obligations under the Series 2004C Loan Agreement and (iii) the release of the Corporation from its obligations under the Series 2004C Loan Agreement; and

WHEREAS, Section 615 of the Bond Indenture requires the Corporation to obtain the consent of the Authority and the Bank, as the issuer of the credit facility with respect to the Series 2004C Bonds, to release the Corporation from its obligations under the Series 2004C Loan Agreement; and

WHEREAS, in order to obtain the consent of the Bank required by the Bond Indenture and to facilitate the transfer of assets described above, CLC, the Master Trustee and the Bank will execute a Partial Mortgage Release to release the Holland Home Property from the lien of the Mortgage (the "Partial Mortgage Release") and CLC will execute a Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the "CLC Mortgage") to the Master Trustee and the Bank granting a security interest in the Holland Home Property to the Master Trustee and the Bank; and

WHEREAS, the Authority desires to authorize the amendment and supplement to the Series 2004C Loan Agreement, the assumption by CLC of the Corporation's obligations and the release of the Corporation from its obligations under the Series 2004C Loan Agreement, as described herein; and

WHEREAS, a draft of the First Supplemental Series 2004C Loan Agreement dated as of March 1, 2006 (the "First Supplemental Series 2004C Loan Agreement") among the



Authority, the Corporation and CLC, is hereby presented to the Authority and attached hereto as Exhibit A, pursuant to which the obligations of the Corporation under the Series 2004C Loan Agreement will be assumed by CLC and the Corporation will be released from its obligations, all as more fully described in the First Supplemental Series 2004C Loan Agreement; and

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

1. **First Supplemental Series 2004C Loan Agreement.** The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by its Chairman, Vice Chairman, Executive Director or Treasurer or any person duly appointed by the Members to serve in such office on an interim basis, any of its other Members, or any officer or employee designated by the Executive Director (each an "Authorized Officer") and the delivery and use of First Supplemental Series 2004C Loan Agreement. The First Supplemental Series 2004C Loan Agreement shall be substantially in the form attached hereto and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such person's approval and the Authority's approval of any changes or revisions therein from the forms of such First Supplemental Series 2004C Loan Agreement attached hereto.

2. **Authorization and Ratification of Subsequent Acts.** The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such certificates, releases, consents and any other documents (including any necessary amendments to the tax exemption agreement or other documents executed upon the issuance of the Series 2004C Bonds) as may be necessary to carry out and comply with the provisions of this Resolution, the Bond Indenture, the Series 2004C Loan Agreement and the First Supplemental Series 2004C Loan Agreement, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Bond Indenture, the Series 2004C Loan Agreement or the First Supplemental Series 2004C Loan Agreement or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by the Executive Director (or the interim Executive Director) or the Treasurer of the Authority, or in the event of the unavailability, inability or refusal of the Executive Director and the Treasurer to act, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Bond Indenture.

ADOPTED this 7th day of March, 2006 by roll call vote as follows

Ayes:

Nays:

Absent:

Attest:

---

Chairman

---

Secretary

To: Members of IFA Board of Directors

From: Eric Reed, Senior Funding Manager

Date: March 7, 2006

RE: Request for substitution of collateral for Participation loan # A-LL-TX-688 for Ray and Loretta Aden.

A participation loan in the amount of \$150,000 was approved in by the IFA Board of Directors at the November 2005 meeting. The loan has already been closed and funded by IFA. The borrower has now approached Gifford State Bank to substitute a portion of the real estate pledged as collateral for the original loan. The Aden's wish to sell a portion of the farm to their children.

The original collateral for the participation loan was 104.06 acres of farm land. The appraised value of the property was \$401,153.

The proposed change in collateral will require the release of 40 acres. In exchange, the borrowers will reduce the principal balance by \$66,300 and pledge 36 acres of farm land, which actually appraised for more money per acre than the previous 40 acres. As a result, our collateral will be a 1<sup>st</sup> mortgage on 100.06 acres, which has an appraised value of \$390,220.

Based on the new appraisal on 36 acres and the value of the remaining 64.06 acres, the loan to value on the loan will actually improve due to the increased appraised value of the 36 acres and the principal reduction by the borrowers. I recommend approval of the request as presented.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: March 7, 2006

Re: Resolution to approve Supplemental Trust Indenture for technical changes  
Trim-Rite Food Corporation Project (IDFA No. 9571-IRB)

---

Trim-Rite Food Corporation is requesting approval of a Supplemental Trust Indenture to enable Fifth Third Securities, Inc., (the "Remarketing Agent") to change the existing Interest Rate Determination Date from Wednesday to Thursday effective April 1, 2006.

Additionally, this Supplemental Trust Indenture will allow the Remarketing Agent to change the Interest Rate Determination Date to any day of the week deemed optimal (based on underlying market conditions).

IFA (IDFA) issued \$5.85 million of Industrial Revenue Bonds on behalf of Trim-Rite in December 2000, to finance the construction and equipping of a new pork processing facility in Carpentersville. The Company has been current on all scheduled principal and interest payments to date.

Staff recommends approval of the accompanying Resolution.

Summary of Key Participants:

Borrower:	Trim-Rite Food Corporation	Carpentersville, IL	James Jendruczek
Borrower's Counsel:	Seyfarth Shaw LLP	Chicago, IL	Jim Schraidt
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
LOC Bank:	Fifth Third Bank	Chicago, IL	
Remarketing Agent:	Fifth Third Securities, Inc.	Cincinnati, OH	

**RESOLUTION NO. 2006-21**

RESOLUTION AMENDING \$5,850,000 AGGREGATE PRINCIPAL AMOUNT OF VARIABLE RATE DEMAND INDUSTRIAL DEVELOPMENT REVENUE BONDS, SERIES 2000 (TRIM-RITE FOOD CORPORATION PROJECT) OF THE ILLINOIS DEVELOPMENT FINANCE AUTHORITY; AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL INDENTURE OF TRUST AND RELATED DOCUMENTS IN CONNECTION THEREWITH; AND RELATED MATTERS.

WHEREAS, the Illinois Development Finance Authority, a political subdivision and a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "*IDFA*"), including without limitation the Illinois Development Finance Authority Act, as supplemented and amended (the "*IDFA Act*"), was authorized by the laws of the State of Illinois, including without limitation the Act, to issue its revenue bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to defray, among other things, the cost of the development, construction, acquisition and improvement of "*industrial projects*," as defined in the Act; and

WHEREAS, pursuant to the Constitution and the laws of the State of Illinois, and particularly the IDFA Act, the IDFA has previously issued its Variable Rate Demand Industrial Development Revenue Bonds, Series 2000 (Trim-Rite Food Corporation Project) in the aggregate principal amount of \$5,850,000 (the "*Bonds*"); and

WHEREAS, in connection with the issuance of the Bonds, the IDFA executed and delivered, among other documents, the Indenture of Trust dated as of December 1, 2000 (the "*Indenture*") from the Authority to LaSalle Bank National Association, as Trustee (the "*Trustee*"); and

WHEREAS, pursuant to the Constitution and the laws of the State of Illinois, and particularly the Illinois Finance Authority Act, 20 *Illinois Compiled Statutes 2004*, 3501/801-1 *et seq.*, as supplemented and amended (the "*Act*"), the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under the laws of the State of Illinois (the "*Authority*"), assumed the obligations of and succeeded to the rights of the IDFA, among other authorities, as of January 1, 2004, including without limitation the rights and obligations of the IDFA under the Indenture and the Bonds; and

WHEREAS, it is now necessary, desirable and in the best interests of the Authority to amend the Indenture and the Bonds, in order to amend the mechanics to establish the interest rate on the Bonds; and

WHEREAS, it is now necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of a First Supplemental Indenture of Trust (the "*First Supplemental Indenture*") dated as of April 1, 2006, from the Authority to the Trustee; and

WHEREAS, the Authority has caused to be prepared and presented to its members the following documents which the Authority proposes to approve the terms of or enter into:

- (i) the First Supplemental Indenture, and
- (ii) the Bonds, as amended;

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

*Section 1.* That the Authority is hereby authorized to enter into the First Supplemental Indenture with the Trustee in substantially the same form now before the Authority; that the form, terms and provisions of the First Supplemental Indenture be, and they hereby are, in all respects approved; that the Chairman, the Executive Director, the Interim Executive Director and the Treasurer be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and the Secretary or any Assistant Secretary of the Authority be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the First Supplemental Indenture in the name, for and on behalf of the Authority, and thereupon to cause the First Supplemental Indenture to be executed, acknowledged and delivered to the Trustee, in substantially the form now before the Authority or with such changes therein as the individual executing the First Supplemental Indenture on behalf of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of any and all changes or revisions therein from the form of First Supplemental Indenture now before the Authority; that when the First Supplemental Indenture is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such First Supplemental Indenture shall be binding on the Authority; that from and after the execution and delivery of the First Supplemental Indenture, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the First Supplemental Indenture as executed; and that the First Supplemental Indenture shall constitute, and hereby is made, a part of this Resolution, and a copy of the First Supplemental Indenture shall be placed in the official records of the Authority, and shall be available for public inspection at the office of the Authority.

*Section 2.* That the form of the Bonds, as amended, now before the Authority, subject to appropriate insertions and revisions in order to comply with the provisions of the Indenture (as amended) be, and the same hereby is approved; that the Bonds, as amended, shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its Chairman and attested with the manual or facsimile signature of its Secretary and the seal of the Authority shall be impressed or imprinted thereon; that the Chairman, the Executive Director, the Interim Executive Director, the Treasurer, the Secretary or any other officer of the Authority shall cause the Bonds, as so amended and executed and attested, to be delivered to the Trustee for authentication; and that when the Bonds, as amended, shall be executed on behalf of the Authority in the manner contemplated by the Indenture, as amended, and this Resolution, they shall represent the approved form of Bonds, as amended, of the Authority.

*Section 3.* That the Chairman, the Executive Director, the Interim Executive Director, the Treasurer, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized to execute and deliver such documents, certificates, and undertakings of the Authority and to take such other actions as may be required in connection with the execution, delivery and performance of the First Supplemental Indenture authorized by this Resolution.

*Section 4.* That all acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

*Section 5.* That the Authority hereby assumes the rights and obligations of the IDFA under the Indenture, the Bonds and the related documents to which the IDFA was a party.

*Section 6.* That the provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

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

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

Passed this 7<sup>th</sup> day of March, 2006

Approved this 7<sup>th</sup> day of March, 2006 by roll call vote as follows:

Ayes:

Nays:

Absent:

---

Chairman

Attest:

---