

Illinois Finance Authority

May 9, 2006

11:30 AM

Board Meeting

Plaza Club

130 E. Randolph, 40th Floor

Chicago, Illinois



Jose Garcia

**ILLINOIS FINANCE AUTHORITY
BOARD MEETING**

**May 9, 2006
Chicago, Illinois**

EXECUTIVE SESSION

8:30 a.m.

**Illinois Finance Authority
180 N. Stetson, Suite 2555**

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

BOARD MEETING

11:30 a.m.

**One Prudential Plaza
130 E. Randolph, Plaza Club,
40th Floor**

AGENDA

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

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Agri-Debt Guarantee						
1	Henry and Linda Windler	Nashville	210,000	0	0	CM
Specialized Livestock Guarantee						
2	Ryan McClure	Kirkwood	550,000	0	6	ER
3	Merlin and Nancy McClure	Kirkwood	1,000,000	0	6	ER
Beginning Farmer Bonds						
4	Daron & Julie Duke	Fowler	141,279	0	0	ER
TOTAL AGRICULTURE PROJECTS			\$ 1,901,279	0	12	

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Participation Loans						
5	IMT Real Estate, L.L.C. (Illinois Machine and Tool Works)	Pekin	\$ 1,000,000	12	50	JS
6	Richard A. Mehall and Catherine L. Allen	Bloomington	191,000	2	n/a	JS
7	Suria LLC and/or The Early Years Child Care Center, Inc.	Fairview Heights	239,020	24	15	RP
8	HM Buckley Growers	Springfield	1,000,000	35	7	EW
Rural Development Loan						
9	Bitwise Communications, Inc. d/b/a OmniLEC	East Peoria	250,000	5	n/a	JS
Industrial Revenue Bonds Preliminary						
10	Quad-County Ready Mix Company	Okawville	1,100,000	7	0	ST
Industrial Revenue Bonds Final						
11	Reliable Materials Lyons, LLC	Lyons	12,000,000	7	50	TA
Venture Capital						
12	Firefly	Peoria	200,000	10	0	ST
TOTAL BUSINESS AND INDUSTRY PROJECTS			\$ 15,980,020	102	122	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds <i>Preliminary</i>						
13	Tabor Hills	Naperville	10,000,000	20	40	PL/DS
501(c)(3) Bonds <i>Final</i>						
14	Clare Oaks	Bartlett	120,000,000	185	450	PL/DS
TOTAL HEALTHCARE PROJECTS			\$ 130,000,000	205	490	

COMMUNITIES AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Housing Bonds <i>Preliminary</i>						
15	An Illinois limited partnership to be formed and initially owned by Urban 8 Holding Company (and its shareholders, managers, and employees), and its successors and assigns (Amalgamated Senior Residences)	Chicago	\$ 12,350,000	0	20-40	RKF
16	Concordia Place Apartments, L.P., an Illinois limited partnership (Concordia Place Apartments)	Chicago	800,000	0	0	RKF
Local Government Pooled Bond						
17	Carrollton CUSD #1	Carrollton	400,000	0	0	NM
Local Government Revenue Bond						
18	Caterpillar Trail Public Water District	East Peoria	4,150,000	0	0	EW
19	Long Creek Township Refinance	Long Creek Twmsp	1,200,000	0	0	EW
501(c)(3) Bonds <i>Final</i>						
20	Baker Demonstration School	Evanston	7,300,000	12	30	TA
21	Nazareth Academy	LaGrange Park	11,000,000	3	30	TA
22	Uhlich Children's Advantage Network (UCAN)	Various	6,100,000	24	30	TA
TOTAL COMMUNITIES AND CULTURE PROJECTS			\$ 43,300,000	39	110-130	



**Illinois Finance Authority
Executive Director's Report
May 9, 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 April 31, 2006 is above performance targets and exceeding 2005 year-to-date returns. Gross revenues of \$6.9M exceed 2005 levels by \$21.5k, with year-to-date net income of \$2M exceeding performance targets by \$575k. Year to date expenses are \$556k below budget with positive variances in unrealized losses on venture capital, total employee related expenses, and in required loan loss provisions. This positive news continues to be tempered by downward trends in bond volume nationwide and uncertainty in the Illinois health care capital markets arising from issues surrounding the proposed Charity Care Act. 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 \$60.9M and liabilities of \$3.1M. This compares favorably to the April 31, 2005 balance sheet with total equity of \$56M, comprised of assets of \$59.1M and liabilities of \$3.1M.

II. Sales Activities

The month of April is very active with 24 projects totaling \$213,781,299 to be presented for approval. The projects positively reflect renewed efforts over the past 12 months to focus on agriculture, industry, and communities. IFA has issued over **\$21 Billion** in new investments in the Illinois economy, and has forecasts an additional \$3 Billion in issuances within the next 12 months. The Business and Industry sector and the Community sector represent more than half of the total new projects as well as a majority of the new dollar volume presented for approval.

Health Care: Healthcare funding managers presented at the Illinois Rural Healthcare Association conference in Bloomington, Illinois this month, highlighting financing opportunities available to small, rural, and urban hospitals. Springfield and Chicago staff are working together to support financing for the expansion of the Springfield Clinic. 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. Market research indicates a growing opportunity in continuing care retirement centers and senior living facilities and we will continue to explore new ways to serve this market. Executive director and chief credit officer worked with the Department of Commerce and Economic Development to review sources of funding for credit enhancements for small and rural hospitals. Several large transactions, including Delnor, Edwards, and Rush, which had been on hold due to uncertainty in the healthcare capital markets, are now moving forward and are expected to close within 90 days. Healthcare funding managers made 11 in person business development calls during the month of April.

Higher Education: Project financings and new approvals are increasing in this sector as colleges and universities focus on new capital development projects which attract students and improve revenue. Staff will be re-introducing a Higher Education Revenue Anticipation Note Program to assist seasonal cash flow shortages for these institutions. Staff and financial advisors to IFA continue to review proposals submitted by underwriters in connection with a Request for Qualifications 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 developed a formal strategy 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. Higher Education staff made no presentations or in person business development calls this month.

Agriculture: Agricultural funding managers and support staff have been working to introduce new agricultural funding manager, Cory Mitchell, to IFA clients in central and northern Illinois. In addition, they have been preparing documentation and marketing information necessary to promote the Secondary Market Guarantee option for agricultural lenders. This new capability allows ag lenders to sell off portions of their holdings in IFA guaranteed loans. This will allow the lenders to improve their liquidity and fee income, while at the same time retaining a servicing relationship with their farm clients. Funding Manager, Eric Reed and financial services director, Mike Pisarcik continue to be active in organizing and communicating IFA's Wind Energy Program to rural cooperatives and lenders throughout the State of Illinois. Executive director and chief credit officer, Steven Trout, have been actively reviewing IFA credit enhancement options for supporting alternative energy projects which use Illinois farm products. Agricultural funding managers made 25 in person business development calls during the month of April.

Communities and Culture: In response to the Request for Proposal for Local Government Transactions, IFA is pleased to report that it has qualified four underwriters to work towards establishing local government transactions. The qualified underwriters, selected based upon their experience and capabilities with units of local governments, are Anne Noble of AG Edwards, Maria Saldana of Banco Popular, Fernando Grillo of Ramirez and Company, and Mary Kane of Stiefel Nicolaus. Financial advisor, Bill Morris, continues to work with IFA staff and counsel to underwrite and structure the Central Cities Studio project with a closing date target of mid June. IFA staff focused calling efforts on representatives of local government and local not-for-profit organizations, as well as superintendents of public school districts. The Communities and Culture Staff made 25 in person business development presentations in April.

Industry and Commerce: Funding Managers continue to focus on building relations with local economic development professionals and the Department of Commerce and Economic Opportunity. IFA has sponsored and presented at numerous wind energy workshops throughout the state and has had favorable reception from bankers, farmers, and industry experts. The focus on manufacturing and small business has again yielded several projects this month in central and southern Illinois which is a very important market segment. Funding manager, Rich Frampton, was active this month in calls made to Waste Management clients which included numerous discussions concerning the potential use of IFA solid waste disposal and industrial revenue bonds. Chief credit officer, Steven Trout, is reviewing creative means of utilizing IFA's Industrial Revenue Bond Fund to support a more competitive manufacturing environment in Illinois. Business and Industry staff made 74 in person business development calls in April.

III. Marketing and Public Relations

Marketing resources have been used this month to develop the website, brochures, and other marketing collateral needed to launch IFA's Investment Management and Arbitrage Rebate Program. Additional support was needed to support the wind energy presentations and home mortgage programs being promoted this quarter. Public relations efforts this month continue to focus on a large number of Freedom of Information Act requests surrounding past activity in the bond markets.

IV. Human Resources and Operations

The position of Risk and Compliance Manager has been filled by Stephanie Caspelich, who will be working in the areas of bond and trustee compliance, transaction documentation, and loan administration. She comes to IFA with extensive experience as a paralegal in New York City, with a BA from the University of the Phillipines. IFA staff completed a Request for Proposal for Human Resource Management Services, including human resource consulting, recruitment, benefits design and application, and payroll management. Employee health and other benefit plans were reviewed in May and staff enrolled in benefits options with IFA and ADP Total Source staff assistance.

V. **Legal and Legislative Issues**

The bill to increase IFA bonding authority to \$25.2 Billion, HB 1625, has passed the House of Representatives and now appears to have a chance of being passed this session and presented to the Governor for approval. The Ambulance Loan Program Bill, SB623, which creates a revolving loan fund for communities to borrow funds through IFA to purchase ambulances, has passed the House and the Senate and is awaiting the Governor's approval. SB2951, which corrects IFA statute to include the Illinois Research Park Authority, has passed and is also awaiting the Governor's approval. Senator Rauschenberger has introduced SB3179 which proposes to prevent IFA from issuing bonds for other state agencies, however this has been stalled in the Rules Committee. There appears to be at least one new regional financing authority to be established during this session.

VI. **Audit and Compliance**

The financial portion of the Fiscal Year 2005 Audit has been made available to staff, board members, and the public. The executive director, chief financial officer, and general counsel met on April 13th with the Auditor General and representatives of the auditing firm, McGladrey & Pullen for an exit review of the 2005 Compliance Audit. Eleven of the 14 findings from the 2004 Audit are reported as "not repeated" in the 2005 Audit. The findings not repeated in 2005 are: lack of a comprehensive accounting system and procedures, inadequate segregation of duties, inadequate internal control review of bond trustees, non-submission of credit enhancement development fund report, inadequate maintenance of personnel files, inaccurate completion of agency fee imposition report, lack of adequate time reporting documentation, untimely review of monthly reconciliations, unreported assignment of state vehicles, incomplete accounting for capital assts, and untimely deposits. There are nine 2005 Compliance Audit findings as compared to 14 findings in the 2004 Compliance Audit. Three of the fourteen 2005 findings are repeat findings from 2004 which are currently or substantially complete. There are six new 2005 findings which are currently complete. Management will be reviewing the findings with the Audit Committee after the Board of Directors meeting, and will provide a full report to the entire board at the June board meeting. The Fiscal Year 2006 Audit is scheduled to begin in May 2006.

**Illinois Finance Authority
Statement of Activities
for Period Ending April 30, 2006**

	Actual April 2006	Budget April 2006	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2006	Budget YTD FY 2006	Year to Date Variance Actual vs. Budget	YTD % Variance	Explanations
REVENUE									
INTEREST ON LOANS	77,190	30,000	47,190	157.30%	638,331	300,000	338,331	112.78%	
INVESTMENT INTEREST & GAIN(LOSS)	114,457	70,000	44,457	63.51%	1,015,030	700,000	315,030	45.00%	
ADMINISTRATIONS & APPLICATION FEES	202,874	720,000	(517,126)	(71.82%)	3,806,235	4,480,000	(683,765)	(15.23%)	
ANNUAL ISSUANCE & LOAN FEES	172,827	135,000	37,827	27.87%	1,018,077	1,350,000	(331,923)	(24.59%)	
OTHER INCOME	14,107	-	14,107	0.00%	380,884	-	380,884	0.00%	
TOTAL REVENUE	581,256	955,000	(373,744)	(38.14%)	6,858,557	8,840,000	18,557	0.27%	
EXPENSES									
EMPLOYEE RELATED EXPENSES									
COMPENSATION & TAXES	215,678	255,000	(39,322)	(15.42%)	2,118,458	2,550,000	(431,542)	(16.92%)	
BENEFITS	17,820	19,510	(1,690)	(8.66%)	207,701	199,600	8,101	4.06%	
TEMPORARY HELP	7,176	2,500	4,675	187.01%	56,828	25,000	31,828	128.50%	
EDUCATION & DEVELOPMENT	-	540	(540)	(100.00%)	10,893	5,400	5,493	101.72%	
TRAVEL & AUTO	19,258	10,410	8,846	84.97%	126,147	104,100	22,047	21.18%	
TOTAL EMPLOYEE RELATED EXPENSES	269,830	287,960	(28,030)	(9.73%)	2,510,825	2,884,100	(384,275)	(12.63%)	
PROFESSIONAL SERVICES									
CONSULTING, LEGAL & ADMIN	117,214	34,333	82,881	241.40%	797,338	343,333	454,005	132.23%	
LOAN EXPENSE & BANK FEE	1,378	2,070	(693)	(33.45%)	13,563	20,700	(7,137)	(34.48%)	
ACCOUNTING & AUDITING	34,340	29,000	5,340	18.41%	349,270	290,000	59,270	20.44%	
MARKETING GENERAL	20,381	25,000	(4,619)	(18.48%)	103,493	250,000	(146,507)	(58.60%)	
FINANCIAL ADVISORY	8,125	8,000	125	1.56%	80,815	80,000	815	0.77%	
CONFERENCE/TRAINING	460	890	(430)	(23.73%)	14,786	8,888	5,898	150.60%	
MISCELLANEOUS PROFESSIONAL SERVICES	19,613	10,833	8,780	81.04%	48,344	108,333	(59,989)	(55.37%)	
DATA PROCESSING	7,072	3,750	3,322	88.58%	33,548	37,500	(3,954)	(10.54%)	
TOTAL PROFESSIONAL SERVICES	209,573	113,577	94,996	83.64%	1,440,955	1,135,767	305,188	26.87%	
OCCUPANCY COSTS									
OFFICE RENT	16,306	15,745	561	3.57%	156,914	157,450	(536)	(0.34%)	
EQUIPMENT RENTAL AND PURCHASES	8,729	2,865	6,144	237.67%	21,466	25,660	(4,386)	(16.96%)	
TELECOMMUNICATIONS	6,192	4,583	1,609	35.10%	57,655	45,833	11,722	25.57%	
UTILITIES	678	1,065	(387)	(36.31%)	7,722	10,650	(2,928)	(27.49%)	
DEPRECIATION	3,736	3,000	736	24.54%	26,378	30,000	(3,622)	(12.07%)	
INSURANCE	1,151	1,300	(149)	(11.45%)	9,621	13,000	(3,379)	(25.99%)	
TOTAL OCCUPANCY COSTS	36,783	28,278	8,515	30.11%	279,655	282,783	(3,128)	(1.11%)	
GENERAL & ADMINISTRATION									
OFFICE SUPPLIES	9,981	9,167	795	8.67%	74,284	91,667	(17,372)	(18.95%)	
BOARD MEETING - EXPENSES	2,662	1,400	1,262	90.12%	39,914	14,000	25,914	185.10%	
PRINTING	1,489	900	589	66.41%	9,443	6,000	3,443	4.93%	
POSTAGE & FREIGHT	3,319	2,800	419	14.45%	27,461	29,000	(1,539)	(5.31%)	
MEMBERSHIP DUES & CONTRIBUTIONS	2,823	1,700	1,223	71.94%	37,265	17,000	20,265	119.21%	
PUBLICATIONS	200	200	0	0.08%	1,700	2,000	(300)	(16.01%)	
OFFICERS & DIRECTORS INSURANCE	10,982	10,000	982	9.82%	90,224	100,000	(9,776)	(9.78%)	
MISCELLANEOUS	1,500	450	1,050	233.33%	4,235	4,500	(265)	(5.88%)	
TOTAL GENERAL & ADMINISTRATION EXPENSES	33,038	26,717	6,320	23.65%	294,637	267,167	27,470	6.50%	
LOAN LOSS PROVISION	26,000	26,000	-	0.00%	170,138	250,000	(79,862)	(31.94%)	
OTHER									
INTEREST EXPENSE	736	800	(64)	(8.03%)	7,629	8,000	(371)	(4.64%)	
TOTAL OTHER	736	800	(64)	(8.03%)	7,629	8,000	(371)	(4.64%)	
TOTAL EXPENSES	564,067	482,332	81,736	16.95%	4,702,739	4,827,817	(125,078)	(2.59%)	
NET INCOME (LOSS) BEFORE UNREALIZED GAIN(LOSS)	17,188	472,668	(465,480)	(66.36%)	2,185,818	2,012,163	143,635	7.14%	
NET UNREALIZED GAIN(LOSS) ON INVESTMENT	(11,183)	(58,333)	47,150	(80.85%)	(192,481)	(683,333)	430,843	(73.86%)	
NET INCOME/(LOSS)	6,005	414,335	(408,330)	(88.55%)	2,003,328	1,428,850	574,478	40.21%	

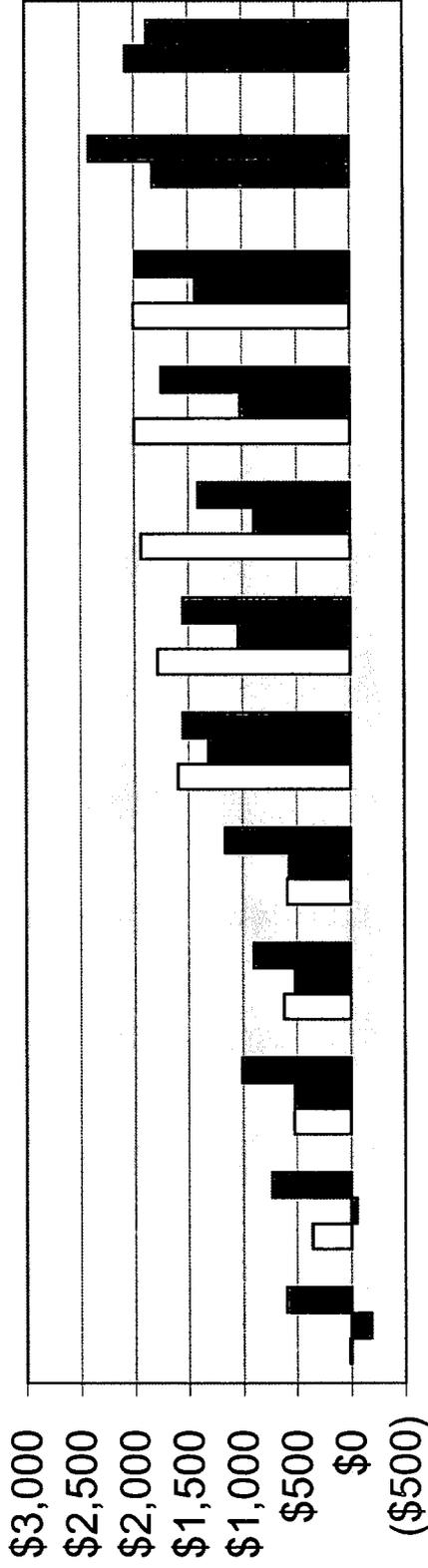
**Illinois Finance Authority
Balance Sheet
for the Ten Months Ending April 30, 2006**

	March 2006	April 2006
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	\$ 25,334,336	\$ 23,452,159
LOAN RECEIVABLE, NET	14,774,722	16,552,397
ACCOUNTS RECEIVABLE	659,418	565,749
OTHER RECEIVABLES	22,182	52,731
PREPAID EXPENSES	40,274	182,400
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	40,830,932	40,805,436
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	116,235	114,134
DEFERRED ISSUANCE COSTS	856,501	846,910
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES	9,966,229	9,982,579
VENTURE CAPITAL INVESTMENTS	5,164,735	5,164,735
OTHER	4,000,000	4,000,000
	<hr/>	<hr/>
TOTAL OTHER ASSETS	19,130,964	19,147,315
TOTAL ASSETS	<u>\$ 60,934,631</u>	<u>\$ 60,913,794</u>
LIABILITIES		
CURRENT LIABILITIES	\$ 1,088,483	\$ 1,073,623
LONG-TERM LIABILITIES	2,003,444	1,991,461
	<hr/>	<hr/>
TOTAL LIABILITIES	3,091,927	3,065,084
EQUITY		
CONTRIBUTED CAPITAL	23,828,249	23,828,249
RETAINED EARNINGS	13,062,404	13,062,404
NET INCOME / (LOSS)	1,997,322	2,003,328
RESERVED/RESTRICTED FUND BALANCE	6,268,199	6,268,199
UNRESERVED FUND BALANCE	12,686,528	12,686,528
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TOTAL EQUITY	57,842,704	57,848,709
TOTAL LIABILITIES & EQUITY	<u>\$ 60,934,631</u>	<u>\$ 60,913,794</u>

IFA Aging Report - Loans
April 30, 2006

Client#	Client Name	Date of Closing	P.A	Payment 3/31/2006	Original Loan Amt	1 - 30 days	31 - 60 days	61 - 90 days	Past Due 91-180 days	181-days - 1 Year	Over 1 Year	Loan Balance 3/31/2006
PARTICIPATION LOANS												
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							131,424
	American Allied Freight Car Co. Inc.	3/23/2005	Senica	Yes	246,768							219,015
9630-PL	Arnold, Michael & Sandy	7/13/2003	Senica	Yes	147,407							133,309
9677-PL	Berry, Todd (Precision Laser)	1/15/2001	Senica	Yes	188,613							145,783
2110-PL	Bob Brady Dodge, Inc. (J & C Investment)	1/4/2000	Senica	Yes, but not Posted	300,000							216,452
9757-PL	Brahter, Richard W.	4/30/2002	Senica	Yes	297,592							263,604
	Bramm, Karen	3/22/2005	Reed	Annual Payment	847,739							835,251
1943-PL	Bushert, Forrest D.	8/10/1998	Senica	Yes	240,000							168,733
1881-PL	Caywood's Youth Center, Inc.	8/16/1998	Pigg	Yes	237,500							175,593
8792-PL	Chapman, Marc (Quality Water Sev. Inc)	10/25/2002	Senica	Yes	227,387							150,593
9817-PL	Centurion Investments	1/14/2003	Pigg	Yes	300,000							280,531
	Community Memorial Hospital Association	4/19/2006	Senica	New Loan/ Yes	389,000							386,372
9588-PL	Cushing, Steve & Ed	5/21/2001	Pigg	Yes	149,238							83,445
	Deft Star Corporation	1/10/2005	Pigg	Yes	150,000							30,270
	Doreen's Pizza Inc.	4/27/2006	Curtis-Martin	New Loan	69,289							69,289
	Doreen's Pizza Inc.	4/27/2006	Curtis-Martin	New Loan	285,384							285,384
	Earl & Sue Hesterberg	10/25/2005	Bitner	Annual Payment	103,500							100,000
9835-PL	Eagle Theater Corporation	9/8/2003	Trout/Albright	Yes	295,071							258,384
	Excel Crusher Technologies	4/19/2005	Senica	Yes	1,000,000							833,106
9793-PL	Excel Foundry	3/27/2003	Senica	Yes	237,112							171,768
	Excel Foundry	5/24/2005	Senica	Yes	762,562							687,186
	Excel Foundry	4/20/2006	Senica	New Loan	926,349							926,349
	Robert and Phyllis Fleming	4/20/2006	Reed	New Loan/Annual Pymnt	82,500							82,500
	Flower Properties, LLC	3/2/2006	Senica	Yes	300,000							287,073
	Freeport Area Economic Development	3/13/2006	Frampton	No	211,905							211,905
	GPM Manufacturing Inc.	4/4/2006	Curtis-Martin	New Loan	208,188							208,188
	Jeffrey J. Gutzwiller	12/8/2005	Senica	Yes, but not Posted	135,168							135,168
	Jeffrey Stark & Michael Haag	1/25/2006	Reed	Annual Payment	222,915							222,915
	Ray and Loretta Aden	12/29/2005	Reed	Yes/Principal Pymnt Only	150,000							117,500
1804-PL	Hagel & Leong (2nd loan)	2/8/2002	Senica	Yes	100,817							18,141
9728-PL	Kevin Krosse	2/15/2002	Senica	Yes	114,084	990						89,129
9783-PL	Keyser, David (Klean Wash, Inc.)	8/13/2002	Senica	Yes	100,000							58,380
	Kenneth & Virginia Laeater	9/14/2005	Reed	Annual Payment	443,594							443,594
	Kophamer Grain	11/14/2005	Bitner	Annual Payment	241,000							241,000
1907-PL	Lincoln Tool Company	6/12/1997	Senica	Yes	150,000						102,711	102,711
	Madonna L. Morrell	2/15/2008	Reed	New Loan	200,000							200,000
	Mark & Sara Lefter	3/1/2006	Reed	Yes	120,000							118,499
	Martin & Rebecca Koster	7/27/2005	Reed	Yes	200,000							193,418
1927-PL	Moerchen, William J.	6/12/1997	Pigg	Yes	300,000							67,757
	Network Innovations, Inc.	2/17/2005	Curtis-Martin	Yes	520,000							514,018
	Newline Harwoods, Inc	1/14/2004	Senica	Yes	294,601							242,198
	Octochem	12/31/2003	Pigg	Yes	281,538							259,684
	P & P Press	1/24/2008	Senica	Yes	642,008							629,157
	Perkins & Perkins Ltd. Partnership	8/23/2005	Senica	Yes	165,191							143,525
	Roesch, Inc	9/23/2004	Pigg	Yes	294,368							257,994
	Daniel Runge	3/7/2006	Reed	Annual Payment	236,000							236,000
	Rutger, Alan & Kimberly	2/10/2006	Reed	Annual Payment	322,000							322,000
9781-PL	S & B Investments	2/18/2003	Pigg/Trout	Yes	197,889							168,310
9699-PL	Shults Machine	11/26/2002	Pigg	No	234,693	2,800						166,371
9579-PL	Siebenberger, Douglas & Robt. Ewen	5/17/2002	Pigg	Yes	235,699							202,179
9225-PL	Sracusa, Charles & Sharon	3/23/2000	Frampton	Yes	300,000							232,348
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							596,085
9671-PL	Upchurch Oil & Ready Mix Concrete	5/4/2001	Pigg	Yes	300,000							175,845
	Uresil	12/1/2004	Curtis-Martin	Yes	300,000							245,865
9631-PL	The Weisiger Family Trust	4/6/2001	Senica	Yes	250,000							217,186
2164-PL	Wiegand, Beth A.	6/10/1999	Senica	Yes	183,484							137,872
	Roy Wiegand	1/5/2006	Reed	Yes	172,800							164,798
9782-PL	Wilson, Michael L. Sr.	12/6/2002	Senica	Made a principal pymnt	296,032						271,511	271,511
	WorkSaver Inc	12/31/2003	Pigg	Yes	112,500							65,515
9672-PL	Young, Clinton (Precision Pattern)	8/1/2001	Senica	Yes	149,601							136,592
PL-Motion Picture Financing												
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							-
TOTAL					18,731,319	3,790	-	-	-	-	605,932	14,934,349
<i>PL/MPF Late amounts are estimates.</i>												
DL Loans												
88	Roe Machine Co.	12/31/1980	Pigg	Paid off 3/31/06	45,000							-
1470	T.X.G. Inc.	8/26/1994	Pigg	Past due	179,000						107,808	107,808
TOTAL					224,000	-	-	-	-	-	107,808	107,808
FMMA Loans												
9627	Grayson Hill Energy, LLC	1/31/2001	Pigg	Yes	130,000							70,747
1952	Sublette Developers, Inc.	1/15/1998	Albright	Yes	150,000							104,603
9643	Ultra Play Systems, Inc.	5/2/2001	Pigg	Yes	90,000							32,063
	Dere's BBO	12/1/2005	Pigg	Yes	108,688							107,248
TOTAL					678,688	-	-	-	-	-	-	314,662
Municipalities												
	Beach Park Community Consolidated School	3/14/2006	Myers	No pymnt due	1,500,000							1,500,000
	Austin Township	3/1/2005	Myers	No pymnt due	85,000							76,500
TOTAL					-	-	-	-	-	-	-	1,576,500
	Illinois Facilities Fund	2/10/2000		No pymnt due	1,000,000							1,000,000
TOTAL					1,000,000	-	-	-	-	-	-	1,000,000
GRAND TOTAL					-	3,790	-	-	-	-	713,739	17,933,318

Cumulative Net Income



(In thousands)

	July	Aug	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun
□ FY 2006 Actual	\$12	\$356	\$524	\$618	\$566	\$1,592	\$1,778	\$1,940	\$1,998	\$2,003		
■ 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
FY 04/05 Audit Findings
Update as of April 30, 2006

Total Number of 14

Item Number	Description	Status		Percentage Completed
		Action Items/	Action Items Completed	
FY 04 Findings				
05-03	Failure to Monitor Bond Compliance	5/8		
05-04	Non Compliance with Illinois Procurement Code and SAMS	2/3		
05-05	Voucher Processing Controls Need to be Improved	Complete		
FY 05 Findings				
05-01	Noncompliance with the State Officers and Employees Money Disposition ACT	Complete		
05-02	Noncompliance with the Personnel Code	Under Review		
05-06	Untimely Submission of Qrtly State Property Reports	Complete		
05-07	Untimely Submission of Receipt Deposits Transmittals	Complete		
05-08	Noncompliance with Printing Requirements of Procurement Code	Complete		
05-09	Lack of Interest Rate Risk and Credit Risk Policy	Complete		

1
2
6

<50% = Partially Completed or under review
60% = Substantially Completed
100% = 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 April 11, 2006 at the Plaza Club, One Prudential Plaza, 130 E. Randolph Street, 40th floor, Chicago, Illinois:

Members present:

David C. Gustman, Chairman
James J. Fuentes
Demetris A. Giannoulas
Edward H. Leonard, Sr.
Andrew W. Rice
Juan B. Rivera
Terrence M. O'Brien
Lynn F. Talbott
Bradley A. Zeller

Members absent:

Magda M. Boyles
Ronald E. DeNard
Michael W. Goetz
Dr. Roger D. Herrin
Martin H. Nesbitt
Joseph P. Valenti

GENERAL BUSINESS

Call to Order and Roll Call

Chairman Gustman called the meeting to order at 11:38 a.m. with the above members present. Chairman Gustman asked Carla Burgess Jones, Secretary, to call the roll. Ms. Burgess Jones called the roll. There being nine members of the board present Ms. Burgess Jones declared a quorum present.

Interim Executive Director's Report

Chairman Gustman welcomed everyone present then asked Interim Executive Director Rendleman to give her report.

Interim Executive Director Rendleman announced that there would be 34 projects presented to the Board for approval at the meeting.

Acceptance of Financial Statements

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

Minutes

Upon a motion by Mr. Leonard and seconded by Mr. Rivera, Chairman Gustman requested a roll call vote to approve the minutes of the IFA's board meeting held on March 7, 2006. The motion was approved with 9 ayes, 0 nays, and 0 abstentions.

Projects

Chairman Gustman asked Interim Executive Director Rendleman to present the projects for consideration to the Board. Chairman Gustman reminded everyone that the Board considered each of the projects to be presented at the 8:30 a.m. meeting of the Executive Committee. Director Rendleman presented the following projects for Board approval:

No. 1: A-LL-TX-6056 – Steven D. and Carol L. Birch

Request final approval of a Participation Loan to finance the purchase of 100 acres of farmland in an amount not-to-exceed \$126,760. (06-04-01).

No. 2: A-DR-TX-6057 – Robert J. and Julie M. Printz

Request final approval of an Agri-Debt Guarantee to finance various term loans in an amount not-to-exceed \$485,000. (06-04-02).

No. 3 A-DR-TX-6058 – Ronald, Rick and Julie Schleder

Request final approval of an Agri-Debt Guarantee to refinance existing loans and carryover debt in an amount not-to-exceed \$500,000. (06-04-03).

No. 4 A-DR-TX-6071 – Carson L. Hanner

Request final approval of an Agri-Debt Guarantee to refinance an existing loan balance in an amount not-to-exceed \$262,000. (06-04-04).

No. 5 A-DR-TX-6081 - David W. and Melissa DeBacker

Request final approval of an Agri-Debt Guarantee to refinance existing loans in an amount not-to-exceed \$234,000. (06-04-05).

No. 6 Beginning Farmer Bonds

A-FB-TE-CD-6049 – Eric & Barbara Inskeep. Request final approval in an amount not-to-exceed \$70,000. (06-04-06).

A-FB-TE-CD-6051 – Clayton & Ashlyn Becker. Request final approval in an amount not-to-exceed \$45,000. (06-04-06).

A-FB-TE-CD-6053 – Shea O'Rorke. Request final approval in an amount not-to-exceed \$250,000. (06-04-06).

A-FB-TE-CD-6054 – Jacob Higginbotham. Request final approval in an amount not-to-exceed \$36,000. (06-04-06).

A-FB-TE-CD-6050 – Matthew Quattlander. Request final approval in an amount not-to-exceed \$146,250. (06-04-06)

A-FB-TE-CD-6048 – Matthew Killam. Request final approval in an amount not-to-exceed \$120,658. (06-04-06)

A-FB-TE-CD-6065 – Tony Burnett, Jr. Request final approval in an amount not-to-exceed \$42,500. (06-04-06).

A-FB-TE-CD-6066 – Brock Shull. Request final approval in an amount not-to-exceed \$70,000. (06-04-06).

No. 7: H-HO-TE-CD-720 – Proctor Hospital

Request final approval of a 501c3 Bond to fund new money projects, refinancing, debt service reserve and pay issuance costs in an amount not-to-exceed \$50,000,000. This project is expected to create 5 new jobs and 10 construction jobs. (06-07-06)

No. 8: H-SL-RE-TE-CD-6042 – Franciscan Communities (The Village of Victory Lakes)

Request final approval of a 501c3 Bond to fund new money and capital projects, establish debt service reserve and pay issuance costs in an amount not-to-exceed \$30,000,000. (06-08-06)

No. 9: B-LL-TX-6052 – MAR Business Forms Company

Request final approval of a Participation Loan to purchase new equipment and building space expansion in an amount not-to-exceed \$886,000. This project is expected to create 4 new jobs and 15-20 construction jobs. (06-09-06)

No. 10: B-LL-TX-6060 – Transfer Company, Inc.

Request final approval of a Participation Loan to finance acquisition and refurbishment of a historic warehouse in an amount not-to-exceed \$82,000. This project is expected to create 2 new jobs and 50 construction jobs over a six month period. (06-10-06).

No. 11: B-LL-TX-6061 – TCI Manufacturing and Equipment Sales, Inc.

Request final approval of a Participation Loan to finance the construction of a new industrial building in an amount not-to-exceed \$500,000. This project is expected to create 5 new jobs and 50 constructions jobs over a six month period. (06-11-06).

No. 12: B-LL-TX-6062 – Quincy Hotel, LLC

Request final approval of a participation Loan to finance the purchase of land for a new hotel in an amount not-to-exceed \$1,000,000. This project is expected to create 35 new jobs and 50 construction jobs over a six month period. (06-12-06).

No. 13: B-LL-TX-6064 – TRH Properties, LLC

Request final approval of a Participation Loan to finance construction of a new industrial building in an amount not-to-exceed \$150,000. This project is expected to create 10 new jobs and 50 construction jobs over a six month period. (06-13-06).

No. 14:N-TX-LL-6069 – Day One Network, Inc.

Request final approval of a Participation Loan to provide permanent financing for medical office building in an amount not-to-exceed \$575,000. This project is expected to create 5 new jobs over the next two years and 10 construction jobs over the next six months. (06-14-06).

No. 15:V-TD-6079 – Lemko Corporation

Request final approval in an amount not-to-exceed \$300,000 to invest in preferred stock for venture capital purposes. This investment is expected to assist in creating 98 new jobs over the next 2 years. (06-15-06).

No. 16:N-NP-TE-CD-6067 – Presbyterian Homes

Request preliminary approval of a 501c3 Bond to refund previous bond issue and pay certain issuance costs in an amount not-to-exceed \$30,000,000. (06-16-06).

No. 17:N-NP-TE-CD-6068 – Chicago Christian Industrial League

Request preliminary approval of a 501c3 Revenue Bond to finance land acquisition and pay certain bond issuance costs in an amount not-to-exceed \$10,000,000. This project is expected to create 11 new jobs and 95 construction jobs. (06-17-06).

No. 18:L-GP-MO-TE-6072 – Rochester Fire Protection District

Request final approval of a Local Government Bond to finance purchase of a fire truck in an amount not-to-exceed \$370,000. (06-18-06).

No. 19:L-GP-MO-TE-6073 – Westville – Belgium Sanitary District

Request final approval of a Local Government Bond to finance a waste water treatment plant and reimburse the Village for project costs in an amount not-to-exceed \$2,500,000. (06-19-06).

No. 20:L-GP-MO-TE-6074 – Village of Magnolia Water Tower

Request final approval of a Local Government Bond to finance construction of a new water tower in an amount not-to-exceed \$625,000. (06-20-06).

No. 21:L-GP-MO-TE-6075 – Village of Maeystown Water Well

Request final approval of a Local Government Bond to finance construction of a water well in an amount not-to-exceed \$215,000. (06-21-06).

No. 22:L-GP-MO-TE-6076 – City of Ashley Advanced Refunding

Request final approval of a Local Government Bond to finance outstanding bonds issued by the Illinois Rural Bond Bank in an amount not-to-exceed \$685,000. (06-22-06).

No. 23:L-LL-6078 – Village of Montrose Sewer System Update

Request final approval of a Local Government Bond to finance water system improvements in an amount not-to-exceed \$80,000. (06-23-06).

No. 24:E-PS-TE-CD-6055 – Baker Demonstration School

Request preliminary approval of a 501c3 Bond for land purchase, renovations, capitalize interest and fund legal costs in an amount not-to-exceed \$7,300,000. This project is expected to create 12 new jobs and 30 construction jobs. (06-24-06).

No. 25:N-NP-TE-CD-6055 – Uhlich Children’s Advantage Network (UCAN)

Request preliminary approval of a 501c3 Bond to purchase a new housing facility and refund outstanding loans in an amount not-to-exceed \$6,100,000. This project is expected to create 24 new jobs and 30 construction jobs over a six month period. (06-25-06).

No. 26:E-PS-TE-CD-6070 – Nazareth Academy

Request preliminary approval of a 501c3 Bond to purchase land, renovations, capitalize interest and fund legal costs in an amount not-to-exceed \$11,000,000. This project is expected to create 3 new jobs and 30 construction jobs over a nine month period. (06-26-06).

No. 27:E-PC-TE-CD-6046 – Saint Xavier University

Request preliminary approval of a 501c3 Bond to finance new construction, building acquisition, and renovations for student housing in an amount not-to-exceed \$10,000,000. This project is expected to create 6-10 new jobs and 35-100 construction jobs over a twelve month period. (06-27-06).

No. 28:S&B Investments – Amendatory Resolution

Request to reset interest rate for a Participation Loan. (06-28-06).

No. 29:Excel Foundry – Amendatory Resolution

Request to extend a commitment until October 11, 2006 for a Participation Loan. (06-29-06).

No. 30:Pere Marquette Hotel Associates – Amendatory Resolution

Request to extend a commitment until October 12, 2006 for a Participation Loan. (06-30-06).

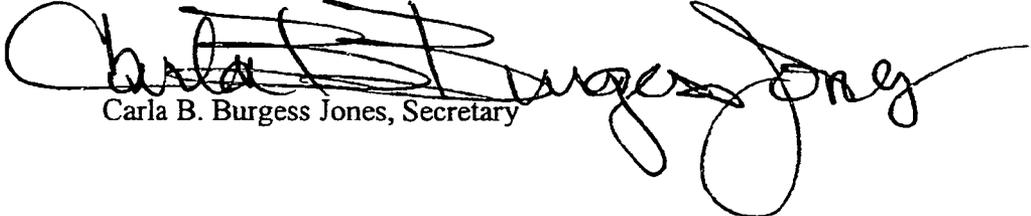
No.:31:Mt. Sinai – Amendatory Resolution

Request to make Mt. Sinai Hospital the sole obligor on the debt and Sinai Health System an unsecured guarantor of the debt. (06-31-06).

Chairman Gustman requested leave to apply the last unanimous vote to approve all of the above amendatory resolutions. Leave was granted. The motion was approved with 9 ayes, 0 nays, and 0 abstentions.

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. O'Brien and seconded by Mr. Rice, the meeting adjourned at approximately 12:15 p.m.

Respectfully Submitted,



Carla B. Burgess Jones, Secretary

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 9, 2006**

Project: Henry and Linda Windler

STATISTICS

Project Number:	A-AD-TX-6084	Amount:	\$210,000
Type:	Agri-Debt Guarantee	IFA Staff:	Cory E. Mitchell
Location:	Nashville, IL	SIC Code:	Grain Farming

BOARD ACTION

Approval to initiate an 85% loan guarantee in favor of Farmers State Bank of Hoffman, IL \$178,500 of State Treasurer's Agricultural Reserve Risk Funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

Additional Conditions: No additional debt or lease obligations without prior IFA/Lender approval
Receipt of Appraisals on Equipment and Real Estate to verify LTV requirements
Assignment of Indemnity on Crop Insurance payable to IFA/Lender
Assignment of Life Insurance payable to IFA/Lender

PURPOSE

The proposed loan will be used to restructure a real estate and term loan at the Farmers State Bank of Hoffman. The loan facility will be secured by farm real Estate, Farm Equipment and Titled Farm Vehicles.

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	\$178,500	Uses:	Refinance Debt	<u>\$210,000</u>
	Farmers State Bank	<u>\$31,500</u>			
	Total	<u>\$210,000</u>		Total	<u>\$210,000</u>

JOBS

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

BUSINESS SUMMARY

Background: The Windler's farm in Washington County near Nashville Illinois where they currently raise wheat and soybeans. Mr. Windler has had health problems in the past and has made a remarkable recovery. Mrs. Windler works outside the home and has done so for the last 3 years. Mr. Windler will be working for the Township to raise additional funds to service their debts.

Project

Rationale: The Windlers realize the need to generate more income and reduce their debt to successfully cash flow. One way to accomplish their goals would be to amortize their debt over a longer period of time by utilizing an IFA guarantee and terming out over 30 years. By doing this, they will need to pay down additional principal in the ample crop years. The IFA guarantee provides the Farmers State Bank financing to the Windlers that they wouldn't be able to offer without a guarantee.

Transaction: The proposed loan will be amortized over 30 years with annual principal and interest payments due annually at a rate of 8.75% variable every 3 years. Collateral will be a 2nd REM on personal residence with 5 acres and 45 acres farmland in Covington Township and all farm equipment and titled farm vehicles and all crops.

FINANCING SUMMARY

Borrower: Henry and Linda Windler

Security: 2nd REM on personal residence on 5 acres and 45 acres farm land
Farm Equipment and Titles Farm Vehicles
Crops

Structure: Amortized over 30 years with annual principal and interest payments

PROJECT SUMMARY

The proposed loan will be used to consolidate and re-structure 2 loans for Henry and Linda Windler to improve overall cash flow. Farmers State Bank is financing this debt and willing to utilize an IFA guarantee to improve the Windler's overall cash-flow position.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Henry Windler
Linda Windler

Location: 18325 State Rt. 177 County: Washington
Nashville, IL 62263

Organization: Sole Proprietorship

State: Illinois

Ownership: Henry Windler
Linda Windler

PROFESSIONAL & FINANCIAL

Accountant: N/A **Attorney:** N/A

Bank: Farmers State Bank, Hoffman Sheila Wooters, Loan Officer

LEGISLATIVE DISTRICTS

Congressional: John Shimkus 19th **State Senate:** David Luechtefeld 58th **State House:** Mike Bost 115th

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 9, 2006**

Project: Ryan D. McClure

STATISTICS

Project Number:	A-SG-TX-6082	Amount:	\$550,000
Type:	Specialized Livestock Guarantee	IFA Staff:	Eric Reed
Location:	Kirkwood, IL	SIC Code:	Swine

BOARD ACTION

Approval to initiate an 85% loan guarantee in favor of Midwest Bank of Western, IL.
\$467,500 of State Treasurer's Agricultural Reserve Risk Funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.
Additional Conditions: No additional debt or lease obligations without prior Lender/IFA approval.
Receipt of satisfactory appraisals to verify LTV of 80% or less.
Receipt of necessary permits for construction of facilities.
Receipt of executed contract between borrowers and Tri-Oak Foods Inc.

PURPOSE

The proposed loan will provide for the permanent financing of a 2400 head swine finishing building. Midwest Bank of Western Illinois will finance the construction of the facility.

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 Guarantee	\$467,500	Uses:	Construct Facility	<u>\$550,000</u>
	Midwest Bank	<u>\$82,500</u>			
	Total	<u>\$550,000</u>		Total	<u>\$550,000</u>

JOBS

Current employment:	N/A	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs:	6

BUSINESS SUMMARY

Background: Ryan McClure works with his father Merlin McClure in their farming operation. Ryan has recently graduated from college and returned to the farm. Ryan and his father wish to construct three swine finishing facilities, one of which will be owned and operated by Ryan.

Project Rationale: The addition of the proposed hog facility will allow a young farmer to enter agricultural production with his father. The facility will be backed by a contract feeding agreement, which will provide guaranteed income and sufficient cash flow for the borrower. The credit enhancement provided by IFA in the form of a guarantee will allow the lender to approve financing for the borrower that would not normally be approved.

Transaction: The proposed loan will be amortized over 15 years with monthly P&I payments. The loan will be secured by a 1st REM on the proposed facilities, which includes 10 acres, a 2nd REM on three 1200 head finishing buildings, an assignment of life insurance, and an assignment of contract payments from the contractor.

FINANCING SUMMARY

Borrower: Ryan D. McClure
Security: 1st REM on 10 acres including the proposed facilities
2nd REM on three 1200 head finishing buildings
Assignment of life insurance on the borrower and contract payments
Structure: The loan will be amortized over 15 years with monthly P&I.

PROJECT SUMMARY

The proposed loan will provide for the permanent financing of a 2400 head swine finishing building. Midwest Bank of Western Illinois will finance the construction of the facility. The borrower will contract to produce finished market hogs. The project will allow this young farmer to enter agricultural production with his father and utilize on farm labor.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Ryan D. McClure
Location: 541 160th Ave County: Warren
Kirkwood, IL 61447
Organization: Sole Proprietorship
State: Illinois
Ownership: Ryan D. McClure

PROFESSIONAL & FINANCIAL

Accountant: N/A
Attorney: N/A
Bank: Midwest Bank of Western IL, Monmouth Matt Gillen, Loan Officer

LEGISLATIVE DISTRICTS

Congressional: Lane Evans 17th State Senate: John Sullivan 47th State House: Richard Myers 94th

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 9, 2006**

Project: Merlin D. and Nancy J. McClure

STATISTICS

Project Number:	A-SG-TX-6083	Amount:	\$1,000,000
Type:	Specialized Livestock Guarantee	IFA Staff:	Eric Reed
Location:	Kirkwood, IL	SIC Code:	Swine

BOARD ACTION

Approval to initiate an 85% loan guarantee in favor of Midwest Bank of Western, IL.

\$850,000 of State Treasurer's Agricultural Reserve Risk Funds at risk

Staff recommends approval, subject to satisfying all conditions of the bank loan.

Additional Conditions: No additional debt or lease obligations without prior Lender/IFA approval.

Receipt of satisfactory appraisals to verify LTV of 80% or less.

Receipt of necessary permits for construction of facilities.

Receipt of executed contract between borrowers and Tri-Oak Foods Inc.

PURPOSE

The proposed loan will provide for the permanent financing of two 2400 head swine finishing buildings. Midwest Bank of Western Illinois will finance the construction of the facilities.

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 Guarantee	\$850,000	Uses:	Construct buildings	<u>\$1,052,000</u>
	Midwest Bank	\$150,000			
	Borrower Equity	<u>\$52,000</u>			
	Total	<u>\$1,052,000</u>		Total	<u>\$1,052,000</u>

JOBS

Current employment:	N/A	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs:	6

BUSINESS SUMMARY

Background: Merlin and Nancy McClure are lifelong farmers, who operate a grain and livestock farm in the Kirkwood, IL area. In 2006 they will farm 225 acres of corn and 225 acres of beans. They own 281 acres and rent an additional 420 acres on a 50-50 lease. Merlin farmed with his father and brother until 2004 when his father passed away. He and his brother have now taken over the entire operation exchanging labor and equipment, but still maintaining separate farming operations.

Merlin has also been contract feeding for Tri-Oak Foods of Oakville Iowa since 1998. He built two 1,200 head finishers in 1998 and additional 1,200 head finisher in 1999. These buildings were originally financed with a guaranty from IFDA. The loans on these facilities were refinanced at the current lender without an IFDA guarantee and will be paid off in March 2009.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Senior Funding Manager, Eric Reed/lk
Date: May 9, 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-6086
Funding Manager:	Eric Reed
Borrower(s):	Daron & Julie Duke
Town:	Fowler, IL
Amount:	\$141,279
Use of Funds:	Farmland – 64 acres
Purchase Price:	\$154,656 (\$2,416 per ac)
%Borrower Equity	9%
%Other Agency	0%
%IFA	91%
County:	Adams
Lender/Bond Purchaser	First Bankers Trust & Co. / Marvin Rabe
Legislative Districts:	Congressional: 18th, Ray LaHood State Senate: 47 th , John Sullivan State House: 93 rd , Art Tenhouse

Principal shall be paid annually in installments determined pursuant to a Twenty-five year amortization schedule, with the first principal payment date to be June 1, 2007. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be June 1, 2007, with the twenty fifth and final payment of all interest then outstanding due June 1, 2032.

<p>* Daron & Julie Duke: The Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.45% for the first five years of the loan. Then it shall adjust every five years on the anniversary date of the loan to 80% of Wall Street Journal National Prime every 5 years thereafter.</p> <p style="text-align: right;">Fee: \$2,119</p>

*** 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
May 9, 2006**

**Project: IMT Real Estate, L.L.C.
(Illinois Machine and Tool Works)**

STATISTICS

Project Number:	B-LL-TX-6090	Amount:	\$1,000,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	North Pekin		

BOARD ACTION

Purchase of Participation Loan from Heartland Bank & Trust Company
\$1,000,000 IFA funds at risk
Staff recommends approval

PURPOSE

Proceeds will be used to finance the construction of a new manufacturing building.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	\$1,000,000	Uses:	Building Construction	\$2,000,000
	Heartland Bank & Trust:	<u>1,000,000</u>		Total	<u>\$2,000,000</u>
	Total	<u>\$2,000,000</u>			

JOBS

Current employment:	135	Projected new jobs:	12
Jobs retained:	NA	Construction jobs:	(50/6 months)

BUSINESS SUMMARY

Background: Richard A. Mehall and Catherine L. Allen, partners in the Certified Public Accounting firm of Guthoff, Mehall, Allen & Co., (originally founded in 1972 as Guthoff & Co. Ltd.) will be the joint owners of the commercial building in which the CPA practice operates in Bloomington, Illinois. The accounting business has operated at this location since 1986.

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

Rich Mehall became the managing partner of Guthoff, Mehall, Allen & Co. in 2003 and under his leadership, significant improvements have been made in the Company because of his willingness to continually expand and explore new opportunities.

Guthoff, Mehall, Allen & Co. is a driving force for economic development in the Bloomington Normal area, working extensively with twin cities banks and other development organizations such as local chamber of commerce. Many area bankers consult the accounting firm first when analyzing financing for new ventures looking to locate in the area.

The Project: The project presented in this report entails financing the acquisition of land and a commercial building located at 2710 East Lincoln in Bloomington, Illinois. The accounting firm has been leasing the facility since the eighties and the borrowers feel now is the time to purchase the building to better control their occupancy costs. The 5,768 square foot building, in excellent condition, is approximately 35 years old and is located in a highly visible, high-traffic area in Bloomington. There have been a number of improvements over the last few years including new HVAC, windows, roof, siding and gutters.

FINANCING SUMMARY

Obligors: Richard A. Mehall & Catherine L. Allen

Guarantor: Guthoff, Mehall, Allen & Co.

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

ECONOMIC DISCLOSURE STATEMENT

Applicants: Richard A. Mehall & Catherine L. Allen

PROFESSIONAL & FINANCIAL

Accountant: Guthoff, Mehall, Allen & Co.

Bloomington

Rick Mehall

Banker: Commerce Bank

Bloomington

Byron Blotcky

LEGISLATIVE DISTRICTS

Congressional: 11 – Jerry Weller

State Senate: 44 – Bill Brady

State House: 88 – Dan Brady

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 9, 2006**

Project: Suria LLC and/or The Early Years Child Care Center, Inc

STATISTICS

Project Number: B-LL-TX-6092	Amount: \$239,020
Type: Participation Loan	IFA Staff: Rick Pigg
Location: Fairview Heights, Illinois	
NAICS Code: 8211	

BOARD ACTION

Purchase of a Participation Loan from Community First Bank of Fairview Heights, Illinois
\$239,020 IFA funds at risk
Staff recommends approval, subject to compliance with all of the Bank's loan terms and conditions

PURPOSE

Participation in the permanent financing of a daycare center

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Participation	\$239,020	Purchase Land	\$200,000
Bank loan	\$239,020	Construction Costs	\$956,080
SBA 504 loan	\$462,432		
St. Clair County IGD	\$100,000		
Equity	\$115,608		
Total:	<u>\$1,156,080</u>	Total:	<u>\$1,156,080</u>

JOBS

Current employment:	n/a	Projected new jobs:	24
Jobs retained:	n/a	Construction jobs:	15

BUSINESS SUMMARY

Description The Early Years Child Care Center, Inc. ("the Center") is a child care center in Fairview Heights, IL that will be formed by Ricardo and Laura Suria. Suria LLC is a holding company that will be formed by Laura and Ricardo Suria that will own the project and lease it to the Center. Suria is expected to assume the role of borrower for the project.

Background: The Center will offer childcare for children between six weeks to twelve years of age. Many families with young children have more than one child under school age and would prefer placing all young children in the same facility. This option is not currently available in the area as there are no infant and toddler slots open in any of the few centers that offer this care. The proposed center will have capacity for 103 children.

The Surias plan to have the Center fully licensed and operational by August 2006. The 6,800 square feet facility will be located in a residential neighborhood on Fountain Parkway in Fairview Heights and is targeted to serve Fairview Heights, O'Fallon Hollywood Heights and Collinsville. The site is located within easy access to Rt.159 and I-64, which are major commuter routes to businesses in all directions. The area has various types of retail businesses and schools as well as professional offices and a proposed shopping center being built down the street.

The Surias plan to offer expanded services for community and family education with special features such as weekend workshops for parents and children and monthly parents night out child care.

Laura Suria will serve as administrator and will have an assistant to serve as facility operation manager. Laura has both the educational background and relevant work experience necessary to effectively perform the duties required of an administrator of a childcare center. Laura holds a Master of Science in Education and Bachelor of Science in the field of Early Childhood Education from Southern Illinois University of Edwardsville. During the last 17 years of experience and college education, Laura studied developmental appropriate practices, child development, and various family/child issues. Laura is currently a director at the local community college and teaches Early Educational Classes. Throughout her career, she has taught Pre-Kindergarten At-Risk Student, Kindergarten and Early Childhood Special Education. Laura has written several grants which include: Child Care Access Means Parent In School Program \$46,000 for four years, Illinois State Food Program -\$10,000, National Arts Endowments -\$15,000 and local grants.

Also, during this time Laura is working on National Association for the Education of Young Children Accreditation Program. Laura has operated from her home since 2002 as a developmental therapist. This service was by referral from the local Child and Family Connection. Laura would test and provide therapy for children age birth to three years. Laura is a Certified and Accredited through the National Organization for Child Development Associates (CDA). This gives her the ability to train and retain staff that will be recognized on a national level. Laura has experience in all facets of the daily operations of a small business, as well as many resources she can draw from by being a member of National Association of Education for Young Children, National Child Care Professional and National Child Care Association as well as other local chapters.

The Project: The Early Years Child Care Center, Inc has requested financing to purchase land, construct a 6,800 square foot child care center and furnish it with the necessary equipment and fixtures. Community First Bank will provide interim financing during construction. IFA has been asked to participate in the permanent financing of the project.

Bank Request: Todd Neighbors, Vice President of Community First Bank; Fairview Heights, IL

FINANCING SUMMARY

Obligor: Suria LLC and/or The Early Years Child Care Center, Inc.

Security: Pro-rata, shared first mortgage on a 68,000 square-foot commercial building and 2 acre site to be located at 750 Fountains Parkway, Fairview Heights, IL, first lien on furnishings and equipment, and assignment of rents and leases.

Structure: IFA will participate in the permanent financing upon completion of construction. Pursuant to Participation Loan guidelines, IFA will lend at a rate of interest that is 200 basis points below the Bank's rate, for a term that will not exceed 10 years, including extensions.

PROJECT SUMMARY

Project Costs	<u>Construction</u>		<u>Permanent</u>
Land Purchase	200,000		
Construction	956,080		
Borrower Equity	115,608		115,608
		Bank Loan	239,020
		IFA	239,020
		SBA 504	462,432
		St. Clair IGD	100,000
Total	1,156,080		1,156,080

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Early Years Child Care Center, Inc., 20 Wheatridge Drive, Collinsville, IL; Laura Suria;
618-344-2406
Organization: IL Corporation

PROFESSIONAL & FINANCIAL

Accountant:	Carol M. Padgett	Belleville, IL	
Bank	Community First Bank	Fairview Heights, IL	Todd Neighbors
IFA Counsel:	Dykema Gosset	Chicago, IL	David Cellitti

LEGISLATIVE DISTRICTS

Congressional: 12th
State Senate: 57th
State House: 113th

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 9, 2006**

Project: HM Buckley Growers

STATISTICS

Project Number:	B-LL-TX-6098	Amount :	\$1,000,000
Type:	Participation Loan	IFA Staff:	Eric Watson
Location:	Springfield, Illinois		

BOARD ACTION

Purchase of Participation Loan from Illinois National Bank
\$1,000,000 IFA funds at risk
Staff recommends approval

PURPOSE

Proceeds will be used to finance the relocation of the entity's greenhouse facility to Taylorville, IL.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	\$1,000,000	Uses:	Project Costs	\$4,574,000
	INB permanent note:	1,287,000		Working Capital	<u>115,000</u>
	SBA Loan:	1,601,000			
	Owner's Equity:	<u>801,000</u>			
	Total	<u>\$4,689,000</u>		Total	<u>\$4,689,000</u>

JOBS

Current employment:	50	Projected new jobs:	0
Jobs retained:	35-45	Construction jobs:	48

BUSINESS SUMMARY

Background: H.M. Buckley and Sons, Inc. is a family-owned Illinois C Corporate that was incorporated in 1967. The Buckley family has been involved in the horticulture business since the 1880's. The company currently operates facilities in Springfield, Illinois and Naples, Florida. The Illinois location has been struggling to compete because of its increasingly inefficient facility and rising energy costs. Most of the facility was constructed on the current site in the late 1960's and early 1970's. Some facilities were originally fabricated in the 1940's and 1950's and moved to the site.

H. M. Buckley and Sons, Inc. is owned by H.M. Buckley III, Donald Buckley and Thomas Buckley. The owners plan to dissolve the company on June 30, 2006. The Illinois operation will be renamed HM Buckley Growers (the "Borrower" or "HM Buckley") and will be owned by two sons (HM Buckley IV and Douglas Buckley), a son-in-law (David Wagner, Jr.) and current employee (Bill Boehm). The Company will retain ownership of the predecessor's Illinois client list, accounts receivable, inventory and machinery and equipment. The Borrower will open for business on July 1, 2006 and employ 35 to 45 full-time people in the first 24 months.

Operations: The Springfield facility specialized in the production of rooted liners (young starter plants) for spring annuals and poinsettias, finished spring annuals, fall annuals and perennials, and finished holiday crops (Poinsettias, Easter Lilies, etc.). The Company ships liner products throughout the United States and Canada predominantly to smaller greenhouse operations which finish them off for sale to retail outlets. The Company's finished products are shipped within approximately a 300 mile radius of Springfield.

Management The Company will be led by the following individuals:

HM Buckley, IV, Sales Manager: joined the predecessor in 1978, where he was responsible for outside sales, implementation of product mix and production programs, pricing and new product suggestions, and development and implementation of marketing plans.

Douglas Buckley, Operations Manager: joined the predecessor in 1989, where he was responsible for overseeing operations, working with department supervisors, green house automation and maintenance, shipping and delivery.

Bill Boehm, Head Grower: joined the predecessor in 1982, where he was responsible for growing crops, disease control, crop movements and new production evaluation.

David Wagner, Jr., Office Accounting Manager: joined the predecessor in 2001, where he was responsible for accounts payable, payroll, general ledger, financial analysis, information technology and webmaster.

The Project: The Project will reduce labor and energy costs, the business' two biggest expenses, which have historically been well above industry averages. The predecessor currently employs 20 full-time workers per acre within the greenhouse. The owners expect to reduce staffing to 8 employees per acre. Implementing new technology will reduce staffing for watering from 10 employees per day to 2. Eliminating deferred maintenance will reduce staffing for maintenance from 3 employees per day to 1.

Energy costs to heat the greenhouses are high and have grown to \$330,000 in 2005. The Company's owners have identified alternative fuel sources as an attractive option to reduce energy costs. Waste Management has offered sites in Illinois, Florida, Missouri and Indiana with ready access to plentiful hot water, a by-product of methane fueled electricity generators. The owners have selected a 40-acre site next to Waste Management's landfill in Taylorville to keep operations in central Illinois. The owners have negotiated a flat fee cost of \$47,000 per year for the hot water, which will generate \$287,000 in annual savings for heating.

The Christian County Economic Development Administration's Director is seeking his board's approval to contribute \$50,000 in site improvements and annex the site into an adjacent Illinois Enterprise Zone to reduce future liability for sales and property tax.

The new project will offer the following advantages:

- Modern greenhouse technology would significantly reduce labor costs
- Fixed energy costs no matter how much is used
- Able to expand the Company's growing space to accommodate more sales without incurring additional energy costs
- New clean and efficient facility that gives the Company many sales opportunities with other major plant breeders and chain stores

FINANCING SUMMARY

Obligor: H.M. Buckley Growers

Guarantors: H.M. Buckley IV (Lad), Douglas Buckley, Bill Boehm and David Wagner

HM Buckley Growers
Participation Loan

Final Resolution
May 9, 2006
FM: Eric Watson

Repayment: Primary – Cash flow from business operations
Secondary – Liquidation of collateral and assets of guarantor

ECONOMIC DISCLOSURE STATEMENT

Applicant: H.M. Buckley Growers
Organization: Privately held C Corporation
Ownership: H.M. Buckley IV (Lad), Douglas Buckley, Bill Boehm and David Wagner, with each to own 25% of the Company.

PROFESSIONAL & FINANCIAL

Banker: Illinois National Bank Springfield, IL Gant Harper

LEGISLATIVE DISTRICTS

Congressional: 17, 18 – Lane Evans, Ray LaHood
State Senate: 50 – Larry K. Bomke
State House: 100, 99 – Rich Brauer, Raymond Poe

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 11, 2006**

Project: **Bitwise Communications, Inc.**
 d/b/a OmniLEC

STATISTICS

Project Number:	B-LL-TX-6063	Amount:	\$250,000
Type:	Rural Development Loan	IFA Staff:	Jim Senica
Location:	East Peoria		

BOARD ACTION

Approval of Rural Development Loan
\$250,000 IFA funds at risk

Staff recommends approval, subject to the following conditions:

- Prohibition against incurring additional long-term debt or capital leases without written approval from the Authority
- Provision of financial statements for Bitwise Communications on a semi-annual basis
- UCC filing on the equipment financed and all machinery and equipment owned by the company that is not now pledged as security for existing indebtedness and leases.
- Commitment for a line of credit for working capital from a commercial bank.
- Subordinated mortgage on the Shuler's residence.

PURPOSE

Finance the acquisition of new telecommunications equipment

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFARural Development Loan	\$250,000	Uses:	Project Costs	\$325,000
	Equity	<u>75,000</u>			
	Total	<u>\$325,000</u>		Total	<u>\$325,000</u>

JOBS

Current employment:	25	Projected new jobs:	5
Jobs retained:	NA	Construction jobs:	N/A

BUSINESS SUMMARY

Background: Bitwise Communications, Inc. d/b/a OmniLEC, an Illinois C corporation, was started in a home basement in 1993 by Michael Shuler to provide computer networking, sales and computer repair services. In August, 1999, Bitwise Communications was incorporated with the business now focusing its efforts on providing internet service to subscribers in the Peoria/Pekin area. The Company initially provided its customers with access to the net through use of modems on existing telephone lines. In the summer of 2000, however, the Company began deployment of its high speed wireless network, offering residential and commercial broadband access to customers

both inside and outside the range of cable or DSL. In 2001, the Company achieved its CLEC status with the State of Illinois which enabled it to provide high speed internet and phone service to customers in specific cities. In 2002, the Company consolidated its network operations into its own state-of-the-art facilities and with multiple backbone connections was able to offer unprecedented network stability. Bitwise was then able to terminate its own calls and become the low-price leader in the internet services industry. In December 2004, Bitwise dial-up was sold in order to devote full attention to its growing phone and DSL business.

Operations: Bitwise Communications, Inc. d/b/a Omnilec is a full-service CLEC telecommunications company providing traditional telephone service, 800 toll-free availability, T1, & PRI Phone Service, T1 Lines, and DSL internet service to a defined and growing service area. With the regulations governing telecommunication providers changing dramatically over the last several years, the opportunities available for consumers to select from among several telecommunications providers has increased dramatically. The Company is currently providing its services to customers in Peoria, Pekin, Morton and Washington and is planning to provide services to residents and businesses of Kewanee and Bloomington/Normal. The Company's market penetration in terms of percentages of communication customers served in its most recently established service areas include Morton -16%, Washington-7%, Pekin-7% and Chillecothe-4%. The Company also is providing services to many customers in rural area who previously had no access to the internet.

The Project: The project entails the acquisition of new telecommunication equipment primarily comprised of Lucent Technologies' and Gateway Industries' equipment and components. The new equipment is designed to upgrade phone switching equipment, provide increased system capacity and to add additional features to the system not previously available. This project will bring "fiber-near-the-door" at a fraction of the cost of competitors. Management is exploring patents for its various propriety methods.

Omnilec's new process will allow business and residential customers to access gigabyte bandwidth for far less then half the installation cost of its competitors. This fiber-"near-the-door" technology will bring the promise and the power of the Internet to small town Illinois. We believe that providing rural areas with better access to the Internet will could provide significant benefits to fostering economic development to many Downstate regions that do not now have ready access to the Internet.

FINANCING SUMMARY

Obligor: Omnilec
Guarantor: Michael and Heather Shuler
Repayment: In the event of a liquidation of our collateral, proceeds will be applied first to repay the subject loan before paying any other credit facility.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Omnilec
Organization: Illinois C Corporation
Ownership: Michael and Heather Shuler, 100%

OmniLEC
Participation Loan
Page 3

Final Resolution
April 11, 2006
FM: Jim Senica

PROFESSIONAL & FINANCIAL

Accountant: Calvert Tax & Bookkeeping Service Kewanee

LEGISLATIVE DISTRICTS

Congressional: 18 – Ray LaHood
State Senate: 46 – George P. Shadid
State House: 91 – Michael K. Smith

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
MAY 9, 2006**

Project: Quad County Ready Mix Corp.

STATISTICS

Deal Number:	I-ID-TE-6097	Amount:	\$1,100,000 (not-to-exceed amount)
Type:	Industrial Revenue Bond	IFA Staff:	Steven Trout
Location:	Okawville		

BOARD ACTION

Preliminary Resolution to Issue Conduit Industrial Revenue Bonds
Staff recommends approval
No Extraordinary Conditions
No IFA funds at risk

PURPOSE

To finance the acquisition of 10 concrete ready-mix trucks

VOTING RECORD

No voting record. This is the first time that the Board has reviewed this project.

SOURCES AND USES OF FUNDS

Sources:	Industrial Revenue Bonds	\$1,020,000	Uses:	Project Costs	<u>\$1,000,000</u>
				Professional & Legal	<u>20,000</u>
	Total	<u>\$1,020,000</u>		Total	<u>\$1,020,000</u>

JOBS

Current employment:	150	Projected new jobs:	7
Jobs retained:	N/A	Construction jobs:	0

BUSINESS SUMMARY

Background: Quad-County Ready Mix Corp. is a family-owned, Illinois C-corporation that was formed in 1952 to manufacture and distribute ready-mix concrete. The company is headquartered in Okawville, and operates 11 mixing plants in Brees, Carlyle, Centralia, Mascoutah, Mount Vernon, Nashville, New Baden, Okawville, Salem, Swanswe and Troy. Quad-County Ready Mix serves homebuilders and contractors in 6 counties in downstate Illinois and maintains a fleet of 75 mixer trucks.

The Husteddes have been in the concrete construction business for four generations. Henry Hustedde started in the industry in 1910. He hauled many loads of concrete to build bridges in Old Route 50 near Breese, Illinois in 1920s, when deliveries were made by horse and wagon and concrete was mixed with a hand-cranked mixer. Henry's son, Frank started in the business in 1920. In 1952, Frank assumed responsibility for managing the newly incorporated Clinton County Ready Mix, which was located in Breese. In 1957, Frank's son, Herb joined the business.

In 1976, the family established Clinton County Materials Corporation, as an affiliate, to haul the materials needed to produce concrete to construction jobsites, such as rock, sand, bagged cement, blocks, rebar and wire mesh. That company's operations now included 35 dump trailers, 5 flatbed trailers, 5 pneumatic tanker trailers, 25 dump trucks, and 6 stone slingers. This company is 100% owned by Herb Hustedde, the owner of Quad County Ready Mix Corp.

As the Husteddes added a fourth generation into the business with the addition of Herb's sons, Neil and Kent, the family renamed the ready mix company Quad County Ready Mix Corp., to reflect its expanded operations. Plant managers are required to be ACI certified for State projects. Each plant has a QC QA lab and the managers are QC QA certified. All plant managers and drivers are required to attend in-house concrete seminars to stay abreast of advances in concrete technology.

FINANCING SUMMARY

Obligor: Quad-County Ready Mix Corp.
Security: Perfected, first security interest in the equipment financed.
Guarantee: Personal guarantees of the owners.
Structure: The Bonds will purchased by GE Capital.

PROJECT SUMMARY

Proceeds will be used to acquire 10 ready mix trucks that will be used to produce concrete. The trucks are expected to cost \$1,000,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Quad-County Ready Mix Corp., 300 West 12th Street, PO Box 158, Okawville, Illinois 62271
(Contact: Carol Hustedde, Vice President, 618/243-6430)
Project name: Quad-County Ready Mix Corp.
Location: 300 West 12th Street, PO Box 158, Okawville (Washington County), Illinois
Organization: Illinois C-corporation
Owners: Herbert Hustedde (100%)

PROFESSIONAL & FINANCIAL

Accountant:	Krehbiel & Associates, LC	Carlyle	George Kruse, CPA
General Counsel:	Binbacher, Balry, PC	Mascoutah	Valroy Binbacher
Bond Purchaser:	GE Capital	Oak Brook	Miyun Cho
Bond Counsel:	Perkins Coie	Chicago	Robert Stephan
IFA Counsel:	Requested		

LEGISLATIVE DISTRICTS

Congressional: 19th John M. Shimkus
State Senate: 58th David Luechtefeld
State House: 115th Mike Bost

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 9, 2006**

Project: **Reliable Materials Lyons, LLC**

STATISTICS

Project Number:	P-SW-PO-TE-CD-719	Amount:	\$12,000,000
Type:	Pollution Control	PA:	Townsend Albright
Location:	Lyons	SIC Code:	56-2212

BOARD ACTION

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

PURPOSE

Proceeds will be used to (i) purchase land, (ii) purchase machinery and equipment, and (iii) fund legal and professional costs

VOLUME CAP

\$12,000,000 of IFA Volume Cap

VOTING RECORD

Voting record from IFA Preliminary Bond Resolution on December 6, 2005:

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$12,000,000	Uses:	Project Costs	\$12,105,600
	Equity	<u>222,000</u>		Legal/Professional	<u>116,400</u>
Total		<u>\$12,222,000</u>	Total		<u>\$12,222,000</u>

JOBS

Current employment:	2	Projected new jobs:	7
Jobs retained:	N/A	Construction jobs:	50 (5 months)

BUSINESS SUMMARY

Background: Reliable Materials Lyons, LLC ("Reliable"), the ("Applicant") is an Illinois Limited Liability Corporation established in 2005. The Applicant was established to operate a clean fill reclamation facility and an aggregate recycling facility in the Village of Lyons, Illinois. Major shareholders of the Applicant are (i) the Michael Vondra 1992 Trust, 86.7%; and (ii) 5555 Ventures LLC, 13.3%.

Reliable Materials Corporation was originally founded as Wheaton Asphalt Corporation in the 1950's. The predecessor company operated an asphalt and concrete recycling operation in Wheaton. In 1993 Wheaton transferred its plant and assets to Reliable Materials Corporation (the "Corporation") and moved from Wheaton to its present Chicago address. The Corporation

recycles asphalt and concrete and operates a dirt transfer business. The Corporation's revenues are stable averaging \$5 - \$6-million annually since 2000.

The managers and developer have performed several similar reclamation projects in the Chicago area. Similar projects include:

1. Village of Bartlett Athletic Fields- -This project was completed in 2005 and involved the mining and reclamation of 30 acres of property that was eventually donated to the Village for recreational uses. The athletic fields are now used by the Village of Bartlett and its Park District for little league baseball, softball, and football;
2. Bartlett Pointe – a 48-acre project that was developed in conjunction with the Bartlett ball Fields project. The project involved the mining and reclamation of the site for the development of 135 single family homes;
3. Bluff City Industrial Park – reclamation and construction of a 186-acre industrial park completed in 2004;
4. Blue Heron Business park – a 125-acre project currently under construction the Village of Bartlett;
5. Elgin Industrial Park – a 340-acre industrial park that is currently being reclaimed for future industrial use; and
6. Bluff City Materials – Concrete and Asphalt recycling – This business has been operated by Bluff City Materials at its Elgin and Bartlett locations since 1990. The current senior managers of Bluff City will be involved in the Applicant's project.

Description: The project involves the acquisition of 48 acres of land specifically for reclamation. The Reliable will operate a clean fill reclamation operation. This operation will fill a 360-foot deep mined quarry with clean fill deposited by local construction projects. There exists approximately 12.5-million cubic yards of space available that can accept clean fill. Reliable will (i) purchase and operate dozers, a primary aggregate crusher, and assorted conveyors and screens, (ii) construct an aggregate recycling facility, and purchase end loaders to facilitate the operation. Reliable will immediately establish a traffic pattern which will have little impact on current traffic patterns, and reclamation fill sequence. Reliable will produce a variety of recycled concrete, asphalt, brick and block products. The products will meet a variety of requirements, which fulfill State specifications and commercial requirements for construction.

Remarks: When the reclamation is complete, the property will be donated to the Village of Lyons for future development that will benefit the Village and its residents. Tax-exempt financing will significantly lower the Applicant's cost of capital as to make it possible to pursue the operation. It should be noted that an additional 12-acre parcel that has been reclaimed will be donated to the Village of Lyons in 2006 for the construction and development of municipal facilities including a new police station.

FINANCING SUMMARY

Security: Direct pay Letter of Credit from Old Second National Bank, Lisle, Illinois wrapped by Marshall & Ilsley Bank, Milwaukee, WI

Structure: 7-day Variable Rate Demand Bonds

Collateral: First Mortgage on 48-acres of property and the rights to fill that property, plus a security interest in machinery and equipment

Maturity: 25 years

PROJECT SUMMARY

Proceeds will be used Proceeds will be used to (i) purchase approximately 48 acres of land, and the acquisition of quarry rights and reclamation rights located at or near the Southeast corner of the intersection of Ogden/1st Avenue, Plainfield Road intersection, Lyons, Cook County, Illinois, (ii) purchase machinery and equipment, and (iii) fund legal and professional costs

Project Costs:	Land	\$ 8,440,000
	Construction	1,950,000
	Equipment	1,482,800
	Arch/ Eng	<u>232,800</u>
Total		<u>\$12,105,600</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Reliable Materials Lyons, LLC
Project name: Material Service Quarry Reclamation Project
Location: Southeast corner of Ogden/1st Avenue, Plainfield Road intersection, Lyons, Cook County, Illinois
Organization: Limited Liability Corporation
State: Illinois
Ownership: The Michael Vondra 1992 Trust, 86.7%; and 5555 Ventures LLC, 13.3%.

PROFESSIONAL & FINANCIAL

Developer:	Reliable Materials, LLC	Bartlett, IL	Dean Kelley
Developer's Counsel:	Maurides and Frey	Chicago, IL	George Maurides
Bond Counsel:	Ice Miller	Chicago, IL	Thomas Smith
			Patra Geroulis
Accountant:	Callero & Callero, LLP	Niles, IL	Mike Ryan
Underwriter/:	William Blair & Company	Chicago, IL	Peter Raphael
Placement Agent			
Underwriter's	Ice Miller	Chicago, IL	Thomas Smith
Counsel:			Patra Geroulis
LOC Banks:	M&I Bank.	Milwaukee, WI	Allan J. Wulz
	Old Second national bank	Lisle, IL	Fred Sinkovits
Banks' Counsel:	Foley & Lardner	Milwaukee, WI	David Ryan
Trustee:	J.P. Morgan Trust Company,	Chicago, IL	Joyce Wallington-
	National Association		Jones
Issuer's Counsel:	Pugh, Jones, Johnson &	Chicago, IL	Kim Barker Lee
	Quandt, P.C.		
Consultant:	Abbot Land & Investment Corp.	Bartlett, IL	Dean Kelley

LEGISLATIVE DISTRICTS

Congressional: 03, Daniel Lipinski
State Senate: 11, Louis S. Viverito
State House: 21, John A. Fritchey

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY



Deal: **Firefly Energy, Inc.**
211 Fulton Street, Suite 200 Peoria, IL 61602

STATISTICS

Deal Number:	V-TD-6101	Amount:	Up to \$200,000
Type:	Venture Capital	IFA Staff:	Steve Trout
Locations:	Peoria		

BOARD ACTION

Voting Record:	This is the first time this project has been presented to the IFA Board of Directors. The IDFA Board approved an initial seed capital investment for \$300,000 in October 2003. The IFA Board approved an additional \$350,000 investment in April 2005 and a third investment for \$125,000 in August 2005.		
VC Committee:	The VC Committee will meet and determine its recommendation prior to the IFA Board meeting		
IFA Staff:	Recommends approval		
IFA Funds at Risk?	YES: <input checked="" type="checkbox"/>	NO: <input type="checkbox"/>	Amount: Up to \$200,000

JOBS

Current Employment:	20	Projected new jobs:	10
Jobs Retained:	N/A	Construction jobs:	0

BUSINESS SUMMARY

Background: Firefly Energy, a Peoria-based spin-out of Caterpillar, has developed a next generation lead-acid battery technology that has the opportunity to replace major portions of the \$30 billion worldwide lead-acid battery market. The technology can deliver a disruptive combination of high performance, extremely low weight and low cost. The Company's intellectual property, founding scientists and seed funding came from Caterpillar, Inc. Caterpillar, along with many years' experience in lead-acid battery technology, has built a significant business unit of battery products with revenues in excess of \$35 million annually.

Over the last 20 years, the lead-acid battery industry has seen minor improvements in performance, but has had little technological innovation based on the commodity nature of the market. Furthermore, the industry of lead-acid for energy storage has been challenged by newer materials (Nickel Metal Hydride (NiMH) and Lithium) that offer greater performance for innovative industrial and consumer product introductions. However, these newer materials have a cost and price penalty up to 10 times the current cost of lead acid production.

Primary users of lead-acid battery products from automotive companies to power utilities, military and submarines have sought for decades the ability to obtain advanced performance beyond the current limitations of lead-acid batteries, while still retaining similar cost and strength characteristics of the existing products.

Firefly's opportunity exists through its two products—one evolutionary and one revolutionary. The evolutionary technology, dubbed the Rainbow Grid (RG), consists of a coating technology to the lead grids that currently exist in Pb-acid batteries. This coating is expected to extend the battery life by 30%.

The revolutionary technology, or advanced battery (AB), delivers performance to battery markets associated with advanced materials (Nickel Metal Hydride & Lithium) but at 10% of the cost. Furthermore, it can be manufactured and recycled within the existing lead-acid battery infrastructure.

Investment

History:

In October 2003, the Authority invested \$300,000 in Firefly together with a \$600,000 investment from Caterpillar. The Authority received a 10% ownership stake in Firefly. Since then, Firefly has continued product and business development efforts, completing testing of the Rainbow Grid (RG) coating technology and continuing with testing and design-work on the Advanced Battery (AB). IFA subsequently invested \$350,000 in April 2005 in a Series A round led by United Defense Industries (UDI), which is also providing research and development assistance in exchange for an exclusive worldwide license of the technology for the defense industry. The proceeds were used to attract a manufacturing partner for the RG and complete an engineering prototype for the Advanced Battery.

The Authority made a third investment for \$125,000 as part of a strategic relationship with Electrolux to develop a battery for an electric powered lawnmower. Electrolux agreed to invest \$1,100,000 in equity investment and contribute \$600,000 in engineering costs to the venture. In addition to the Electrolux investment, the Company raised \$1,000,000 in additional equity from existing investors, including Caterpillar, KB Partners and UDI.

Financing

Terms:

KB Partners is soliciting the existing investors to participate in a bridge loan for up to \$1,600,000 in additional funds. This loan will pay interest at 10% per year at termination or maturity at the holder's option of cash or Series B shares when issued. The loan will have a 12 month term with an option to prepay anytime without penalty. The loan will be secured by a lien in all of Firefly Energy's assets except its intellectual property. The holder's interest in the collateral will be subordinate to Silicon Valley Bank's interest that secures an existing loan. Loan holders will also receive a warrant to purchase additional shares of Preferred Stock Series B at the Series B offering price when issued, for up to ten years from the date of issuance. The amount of warrants granted shall be 10% of the loan amount for the first three months, and an additional 5% of the loan amount for each additional 3 months up to 25%, if the loan remains outstanding for 12 months.

The owners are soliciting participation in the bridge loan now to provide more time for the Company to make more progress with product development, customer solicitation and sales and manufacturing to attract a higher valuation when it raises funds through the second issuance of preferred stock ("Series B") which is expected during the third quarter of 2006.

CO-INVESTORS

KB Partners is a Chicago-based venture capital firm established in 1996 to make investments in early-stage technology companies in the Midwest. KB's objective is to build dominant new enterprises by working in partnership with talented entrepreneurs and experienced managers. KB Partners manages two venture funds totaling in excess of \$95 million. The IFA has invested alongside of KB Partners is Cobotics and ShopTalk, both of which are no longer active in the IFA portfolio.

United Defense Industries (NYSE:UDI)—UDI is a \$1.75 billion leader in the design, development and production of combat vehicles, artillery, naval guns, missile launchers and precision munitions used by the

U.S. Department of Defense (DoD) and allies worldwide. UDI's business strategy focuses on increasing revenues, profitability and shareholder value by expanding its role as a leading systems integrator and prime contractor to the DoD. To achieve these goals, UDI invests in research and development (R&D) and advanced technologies and design techniques to capture new business, generate revenues from installed base through upgrades, apply advanced technologies across a range of new programs, capitalize on its global presence, and selectively pursue acquisitions with complementary products and technologies. UDI was recently purchased by BAE Systems and is now called BAE Systems Emerging Technologies.

Caterpillar, Inc.—Caterpillar manufactures construction and mining equipment, diesel and natural gas engines and industrial gas turbines. The Company is a technology leader in construction, transportation, mining, forest, energy, logistics, electronics, financing and electric power generation. Caterpillar also spends over \$900 million a year on R&D. Of the technology that is yielded from this research, only about 30% is retained by Caterpillar for use in its products. Approximately five years ago, the Technical Services Division of Caterpillar started the Innovation and New Technology group to utilize the 70% of unused technology either by licensing or spinning the technology out of CAT. To date, CAT has spun out two companies: Firefly Energy and Akoya.

Electrolux Professional Outdoor Products, Inc. - The Electrolux Group is the world's largest producer of powered appliances for kitchen, cleaning and outdoor use, such as refrigerators, washing machines, cookers, vacuum cleaners, chainsaws, lawn mowers, and garden tractors. Every year, customers in more than 150 countries buy more than 55 million Electrolux Group products for both consumer and professional use sold under famous brands such as AEG, Electrolux, Zanussi, Frigidaire, Eureka and Husqvarna. In 2004, Electrolux had sales of SEK 121 billion and 72,000 employees. To learn more, please visit www.electrolux.com.

TARGET MARKET

According to Frost & Sullivan, lead-acid batteries are a \$30 billion world-wide market. The market is divided into three main segments: Starting, Lighting, and Ignition (SLI), Motive Power, and Stationary Power. SLI represents 80% of the lead-acid battery market. This segment includes replacement and new automotive, heavy-duty commercial, and marine batteries. Also included are batteries for hybrid and 42V automotive vehicles. Motive power, representing approximately

10% of the market, includes industrial trucks, forklifts and golf carts. Finally, stationary power represents the un-interruptable power supplies (UPS) and telecommunication applications.

Firefly hopes to penetrate two markets initially: the Stationary Power Market and the Defense Market.

REVENUE MODEL

Firefly's business model calls for both licensing and co-branding the product and manufacturing intellectual property (IP). They plan to utilize the industry and infrastructure in a phased commercialization process.

Recent consolidation in the battery industry has caused an excess of capacity. Firefly plans to utilize this capacity to manufacture the batteries. Firefly has been working with industry leaders in all of the major markets to license the technology on a market-by-market basis.

Initially, Firefly will implement the Rainbow Grid, replacing the lead grids in traditional lead-acid batteries. Through manufacturing relationships, Firefly plans to enhance the product design and manufacturing IP. Licensing and co-branding the Firefly technology through battery manufacturers will drive the initial revenues of the company (like the Electrolux transaction). These relationships will then be leveraged to commercialize the Advanced Battery.

KEY PERSONNEL

Management Team

Edward F. Williams, Chief Executive Officer—Mr. Williams worked for eight years at Apple Computer, where he led channel strategy development and operational turn-arounds of various business units. He has most recently led early and expansion stage software companies, assisting with market traction, fundraising, and subsequent acquisition. Mr. Williams has also served as a CEO in Residence with Arch Venture Partners in Chicago, where he served on the board of portfolio companies and provided strategic and

operational consulting. Mr. Williams graduated Cum Laude with his Bachelors of Science degree in Accounting and Economics, and received his MBA in Finance and Marketing both from University of Detroit. He is a Certified Public Accountant and a guest lecturer at the University of Colorado undergraduate and graduate business schools.

Mil Ovan, Senior Vice President—Product & Business Development—Mr. Ovan has most recently served as President & Co-founder of Verascape, a \$10 million start-up company providing voice recognition

infrastructure to major enterprises & carriers. Prior to Verascope, Mr. Ovan was Vice President of Marketing and Business Development for WarpSpeed Communications, a \$30 million start-up funded by several telecommunication companies to provide broadband on demand Wide Area Network services. Prior to that, Mr. Ovan spent 12 years at Motorola, where he was involved with the creation or advancement of several new communication categories. Just prior to leaving Motorola, he was the co-founder and executive director of the Wireless Broadband Systems Division. Mr. Ovan has his MBA in Marketing from Northwestern University's Kellogg Graduate School of Management and holds his Bachelor of Science degree in International Business from Elmhurst College. He is a past President of Elmhurst College's National Alumni Association, sits on the Editorial Board of Speech Technology Magazine, as well as on the Advisory Board of Centerpost, a Chicago-based electronic messaging company.

Kurtis Kelley, *Chief Research & Development Officer*—Mr. Kelley has most recently been a senior research scientist in the Advanced Materials Technology division of Caterpillar's center for research and is responsible for developing and applying materials and

design solutions to corporate challenges. In his 15 years at Caterpillar he has directed concept to product research projects covering multiple disciplines. He has extensive scientific & development background and is a recognized expert and innovator over a broad range of technical fields. He currently holds over 25 patents in electronics and material sciences discoveries. Mr. Kelley received a Master of Science degree in Geology/Botany/Paleobotany from Michigan State University, and holds a Bachelor of Science degree in Botany from Arizona State University.

Robert F. Nelson, Ph.D., *Vice President of Engineering*—Dr. Nelson has over 26 years directing lead-acid battery development and manufacturing at all levels and has been the chief technologist and advisor for many of the major lead-acid battery companies. Founder of the Advanced Lead-Acid Battery consortium, he holds several industry patents and is a frequent lecturer, advisor, and professional expert witness to the industry. Dr. Nelson holds a B.A. from Northwestern University in Chemistry, graduating cum laude, and completed his Ph.D. in Analytical Chemistry at the University of Kansas.

BOARD OF DIRECTORS

Firefly Energy has approved seven board seats, five of which are currently occupied. Two members shall be designated by the Series A holders. The board meetings are held the first Tuesday of each month from 9 A.M to 12 P.M. Although authorized to do so, the board has not yet formed any formal committees.

Representing the existing shareholders:

Edward Williams—*Chairman of the Board, President, CEO & CFO, Firefly Energy*

Mil Ovan—*Senior Vice President, Firefly Energy*

Byron Denenberg—*Co-founder and Managing Director, f KB Partners*. He has been actively involved with all aspects of the firm's investments and operating activities since 1996. He currently sits on the Boards of Rubicon Technology Inc. and Firefly Energy, Inc. Byron has been active in entrepreneurial ventures for over 35 years as an owner, manager, investor, consultant and Board Member. Byron also has extensive international experience. He has been involved in numerous start-up companies, including MST Measurement Systems, Inc., Microsensor Technology

GmbH, and FPM Analytics, Inc., as both an investor and Board Member.

Ken Lanham—Mr. Lanham is currently Director, Plans and Analysis at BAE Systems Ground Systems Division, and has responsibility for Strategic Planning, Acquisitions and New Product Concepts. Prior to this, he served for two years at ITT's Communication Division where he managed Business Development. Also at ITT, Lanham has been Director of Strategic Planning for the Defense Group, and Director of Strategic Development in the Systems Division. "prior to his work at ITT, Lanham was President of North Coast Electronics, a start-up company for five years, and spent seven years at Comptek Research, a publicly traded electronics company, in several roles, including Vice President for business Development, Chief Financial Officer, and Executive Vice President, Ken has also work as a marketing manager for several defense contractors including LTV's Electronics Division and the Aircraft Division of Fairchild Republic and was a partner in an economic consulting firm. Lanham earned his MBA in Finance from Vanderbilt University, First Honors and a BA from the University of Cincinnati. He has produced numerous technical

publications in the fields of economic analysis and program management.

Glen Barton—Mr. Barton retired from Caterpillar Inc. in 2004 as the Chairman and Chief Executive Officer. He was elected Chairman and Chief Executive Officer in February 1999. He joined the company as a college graduate trainee in 1961. He held numerous marketing and general management positions throughout his 43-year career, including group president with responsibility for the design, development and production of most of Caterpillar's extensive line of forest, agriculture, mining and construction equipment. His responsibilities also included marketing and sales operations in North America, South America, Latin America and Japan. Barton graduated from the University of Missouri—Columbia in 1961 with a bachelor's degree in civil engineering and currently serves on the Dean's Engineering Advisory Council. He completed the Stanford University Executive Program in 1977. He serves on the Board of Directors of Inco Limited, Valmont Industries and Newmont Mining Corporation. He is very active in the Peoria, Illinois community, currently serving as Chairman of the Peoria Civic Federation, President of the Tri-County Venture Capital Fund, and was founding director of Peoria NEXT, the community's innovative economic development program.

Mak Mirhakimi—Siamak (Mak) Mirhakimi is the General Manager of OEM Solutions Group with Caterpillar Inc. Mirhakimi began his career at Caterpillar in 1986 when he joined Caterpillar's College Graduate Training (CGT) program. Beginning in 1987, he held a variety of positions ranging from Development Engineer to Supervising Engineer in the Electrical and Electronics Division in Mossville, Illinois. In 2000, Mirhakimi became the Industrial Sales Manager for the Europe-Africa-Middle East (EAME) Division, located in Geneva, Switzerland. He moved into his current position in March 2005. Mirhakimi earned a Bachelor of Science degree in 1984 and a Master of Science degree in 1986 from Bradley University in Peoria, Illinois.

Chuck Cunningham—Mr. Cunningham has over 35 years experience in the Automotive Industry. He is

currently the principal owner of MB Charles, a company that provides consulting services to companies in the Automotive Industry. Chuck is also the Managing General partner of CIR Manufacturing and Technical Services, a contract manufacturing company. Cunningham retired from Delphi Corporation after spending 31 years with Delphi and General Motors Corporations. His last assignment at Delphi was Business Line Executive with Profit and Loss Responsibility for the Electrical, Electronic Distribution System business Line with revenues of over \$4 billion a year. Prior to this position, Cunningham held various executive positions in Sales, Engineering, and Manufacturing, including Director of North American Operations and Managing Director of South America. He is a graduate of Thiel College and received the college's distinguished Alumni Award in 2002. He has served on numerous Boards of Directors for both Profit and Non-profit organizations.

Mark Pflederer—In December 2003, the Caterpillar Board of Directors elected Mark R. Pflederer Vice President with responsibility for Caterpillar's Technology & Solutions Division (formerly Technical Services Division). As Chief Technology officer, Pflederer has administrative responsibility for the company's research and development activities, as well as operations at the Technical Center in Mossville, IL and the three company proving grounds. Pflederer joined Caterpillar in 1976 as an engineer trainee at the Mapleton, IL facility. He spent the next 14 years in a variety of engineering positions in materials and electronics at the East Peoria, IL facility and at Caterpillar's Mossville, IL Technical Center. In 1990, he became New Product Introduction (NPI) program manager for medium wheel loaders at the Aurora, IL facility. In 1991, he became NPI manager for large wheel loaders and in 1992, technical manager for the New Technology Department, Technical Services Division at the Tech Center. From 1996 to 1999, he served as director of engineering, Building Construction Products Division, in Clayton, N.C. From 1999 to 2003, Mark was general manager of Electronic & Electrical Systems within the Component.

ADVISORY BOARD MEMBERS

Michael Kepros—Mr. Kepros brings over 30 years of experience in research and development of electrochemical energy storage systems. Battery expertise covers aqueous primary (i.e. non-rechargeable) systems to VRLA secondary (i.e. rechargeable) battery technologies. Major contributions have included new products, product and process improvements, methods development, and personal training and development. Key contributions have also been provided to customers, sales, marketing, legal, QA, quality control and manufacturing plant operations. Work history includes management positions, principal scientist, and many research and engineering positions across Gould Inc., RAYOVAC, The Gates Corporation, Gates Energy Products, GNB Technologies, Exide, and PowerGenix Systems Inc. Mr. Kepros currently holds membership in the Electrochemical Society, International Society of Electrochemistry, and the American Academy of Sciences. Mr. Kepros holds a B.S. Chemistry from St. Johns University.

Lt. Gen. Charles Mahan, Jr.—General Mahan recently joined The Home Depot as Senior Director, Government Solutions, after retiring from a distinguished career as three star Lieutenant General of the U.S. Army, where he last served as the Deputy Chief of Staff, G-4, Department of the Army, responsible for much of the logistics activities of the Department. General Mahan holds a M.B.A. from University of Miami and a B.S. from the U.S. Military Academy—West Point.

Wayne Downing—General Downing retired from active service in the military as a four-star General in 1996 after a distinguished 34-year career in the US Army. His career includes senior commands in infantry, armored, airborne, special operations and joint units. He commanded all U.S. special operations forces during the 1989 invasion of Panama and commanded joint special operations deep behind Iraqi lines in the Gulf War. Downing culminated his career as Commander in Chief of the U.S. Special Operations Command. As Commander of SOCOM, he was responsible for all special operations forces in the U.S. Army, Navy and Air Force. Downing is actively involved in a number of public and private sector boards around the world, such as Science Applications International Corporation (SAIC). He is also a noted analyst on military issues and is frequently seen on NBC's "Today Show" and MSNBC's "Hardball With Chris Matthews."

ECONOMIC DISCLOSURE INFORMATION

	Firm	Location	Contact
Company	<i>Firefly Energy, Inc.</i>	<i>Peoria</i>	<i>Mil Ovan</i>
General Counsel:	Schwartz, Cooper, Greenberger & Krauss	Chicago	James J. Greenberger
Accountant:	RSM McGladrey	Peoria	Michael S. Rineberg
Co-Investor:	<i>Electrolux Professional Outdoor Products Group, Inc.</i>	Ohio	
Counsel:	Curtis, Mallet-Prevost, Colt & Mosle LLP	New York	Marie-Therese Allen
Co-Investor	<i>United Defense</i>	<i>Washington, D.C.</i>	<i>Frank Finelli</i>
Counsel:	Gibson Dunn	Washington, D.C.	Bill Thomas
Accountant:	Ernst & Young	McLean, VA	
Co-Investor	<i>Caterpillar, Inc.</i>	<i>Peoria</i>	<i>Sean Leuba</i>
Counsel:	Caterpillar, Inc.	Peoria	Sean Leuba
Accountant:	Pricewaterhouse Cooper, LLC	Peoria	Rick Hanna

LEGISLATIVE DISTRICTS

Congressional:	Ray LaHood (18)
State Senate:	George P. Shadid (46)
State House:	Ricca Sloan (92)

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 9, 2006**

Project: Tabor Hills

STATISTICS

Project Number: H-SL-RE-TE-CD-6088	Amount: \$10,000,000 (Not to exceed amount)
Type: Not-for-Profit Bond	IFA Staff: Pam Lenane and Dana Sodikoff
Locations: Naperville	

BOARD ACTION

Preliminary Bond Resolution Conduit 501(c)(3) Bonds No IFA funds at risk	Staff recommends approval, subject to compliance with IFA policy requirements for credit enhanced debt
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PURPOSE

Proceeds will be used to: 1) for the construction of a supportive living facility and 2) pay costs of issuance of associated with the Series 2006 Bonds.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$9,365,000	Uses:	New Money	\$9,000,000.00
	Equity	81,350		Letter of Credit Costs	126,112.74
				Issuance Costs	320,237.26
Total		<u>\$9,446,350</u>	Total		<u>\$9,446,350</u>

JOBS

Current employment: TBD	Projected new jobs: 20
Jobs retained: TBD	Construction jobs: 40

BUSINESS SUMMARY

Bohemian Home for the Aged ("Bohemian Home") is an Illinois not for profit corporation incorporated in 1894 for the purpose of establishing, operating and maintaining a skilled nursing facility for elderly persons of Czeck or Slovak descent. Bohemian Home is the sole corporate member of Tabor Hills Healthcare Facility, Inc. (Tabor Hills"), an Illinois not for profit corporation organized in May of 1992 for the purpose of establishing, maintaining and managing a skilled nursing facility in Naperville, Illinois (the "Naperville Site").

In 1993 Bohemian Home purchased 35 acres of vacant real estate in Naperville, Illinois, of which 4.6 acres supports a 211-bed Medicaid-certified, intermediate and skilled nursing care facility known as Tabor Hills Healthcare Facility

(the "Nursing Facility") which opened in April, 1995. The Nursing Facility is owned and operated by Tabor Hills. In 1994 Bohemian Home transferred title this 4.6 acre site to Tabor Hills. Bohemian Home also constructed townhome units (the "Townhomes") for an independent adult community (the "Adult Community") which are owned and operated by Bohemian Home, also located on the Naperville site. Bohemian Home has 104 townhomes.

PROJECT SUMMARY

The project will be for the construction of a supportive living facility on the Naperville Site.

FINANCING SUMMARY

Structure: The Series 2006 bonds will be credit enhanced variable rate demand bonds
Security: Gross revenue pledge, mortgage and master notes under a master indenture. Legal provisions are expected to be consistent with those in use for similar financings
Maturity: 30 years

ECONOMIC DISCLOSURE STATEMENT

Project name: Tabor Hills Project
Project Address: 1327 Crystal Avenue
Naperville, IL 60563
Applicant: Tabor Hills
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois
Board of Directors: Chairman of the Board / President / Director – Stanley D. Loula
Vice Chairman of the Board – Vice President / Director – Wendell P. Monyak
Secretary / Director – Samuel Papanek, III
Treasurer/Director – Charles Capek
Directors:
Mildred Kozumplik
Liberty Dvorak
Marvin G. Lanzel
Charles Grenko
Frank Michalek
Anton Vopenka
Mary Bubenicek
Angeline Bultas
Elsie Mulig

PROFESSIONAL & FINANCIAL

Borrower's Counsel: Erickson-Papanek-Peterson-Erickson	Minneapolis, MN	Julie Peterson
Bond Counsel: Jones Day	Chicago, IL	John Bibby, Mary Kimura
Underwriter: Ziegler Capital Markets Group	Chicago	Dan Hermann, Steve Johnson, William Claus
Underwriter's Counsel: Sonnenschein Nath & Rosenthal LLP	Chicago	Steve Kite
Bond Trustee: Wells Fargo Corporate Trust Services	Chicago	Patricia Martirano
Issuer's Counsel: Bruce Weisenthal, Schiff Hardin & Waite	Chicago	

LEGISLATIVE DISTRICTS

Congressional: 13- Judy Biggert
State Senate: 48- Peter J. Roskam
State House: 96- Joe Dunn

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 9, 2006**

Project: Clare Oaks

STATISTICS

Project Number:	H-SL-RE-TE-CD-661	Amount:	\$120,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff :	Pam Lenane and Dana Sodikoff
Locations:	Bartlett		

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
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PURPOSE

Proceeds will be used to: 1) pay for development, marketing, construction and other related costs associated with the project, 2) fund a portion of the interest payment, including letter of credit, swap and remarketing fees, on the Series 2006 bonds for approximately 22 months, 3) establish Debt Service Reserve Funds for the Series 2006 bonds, 4) pay for Costs of Issuance of associated with the Series 2006 Bonds, and 5) fund working capital for the project needed during the construction and fillup period.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on November 8, 2005 by the following vote:

Ayes – 10	Nays – 0	Absent – 5	Vacancies – 0
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ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$110,450,000	Uses:	Project Costs	\$92,044,000
	Deferred Note Payable	2,100,000		Funded Interest	7,743,000
	Equity	<u>1,000,000</u>		Debt Service Reserves	6,925,000
				Start-up Costs	1,500,000
				Original Issue Discount	912,000
				Issuance Costs	<u>4,426,000</u>
Total		<u>\$113,550,000</u>	Total		<u>\$113,550,000</u>

JOBS

Current employment: N/A
Jobs retained: N/A

Projected new jobs: 185
Construction jobs: 450

BUSINESS SUMMARY

- Description:** Clare Oaks (the "Corporation") was founded by the Sisters of St. Joseph of the Third Order of St. Francis ("Sisters" or the "Congregation"). Incorporated under the laws and regulations of the State of Illinois as a non-profit organization to provide housing and long-term care for the elderly, the Corporation has been determined to be exempt from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.
- Background:** As early as 1999, the Sisters began a strategic planning program to build a CCRC on their 94-acre parcel of land in Bartlett, IL owned by the Congregation. The site was planned for a variety of uses including senior housing, a school for developmentally disabled ages 5 to 21, administration offices for the Sisters, a chapel and residential. The Corporation later concluded that a fully integrated development model was a more desirable approach and retained Co-operative Retirement Services of America, Inc. ("CRSA") to direct and oversee the development of the Project. See "Project Development and Marketing" below. Approximately 43 acres of the Sisters' land will be used for the project to be financed with the Series 2006 Bonds.

PROJECT SUMMARY

The Project consists of the construction of 164 Independent Living Units (154 apartments plus 10 cottages), 17 Assisted Living Units, 16 Specialty Care (Memory Support) Beds, 120 Nursing Care Beds and numerous common areas. In consideration of the payment of a monthly service fee, residents of Clare Oaks will enjoy the following services: utilities including water, sewer, heat/air conditioning, electricity (excludes telephone and cable TV), landscaping and grounds maintenance, maintenance of all residences and major appliances, common and amenity areas, security services, weekly scheduled housekeeping, emergency call system with 24 hour monitoring and response, scheduled transportation to medical appointments, shopping, educational and cultural events, wellness center, and flexible dining options. In addition to members of the local community at large, it is assumed that a number of the Sisters will reside at Clare Oaks.

Formal marketing of the Independent Living Units ("ILUs") began in September 2002, with a priority program to solicit prospective residents. The program lasted until April 2003 and 85 prospective residents were identified. As of April 21, 2006, entrance fee deposits (consisting of 10% of the entrance fee for the applicable unit) have been received for 116 (70.7% of total), of the 164 new ILUs being constructed as part of the Project.

FINANCING SUMMARY

- Structure:** The Series 2006A bonds will be non-rated fixed rate bonds. The Series 2006B bonds will be short-term non-rated EXTRAS. The Series 2006C and 2006D bonds will be variable rate demand bonds that be secured by a direct pay letter of credit from Sovereign Bank.
- Bank 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:** 34 years, 5 months (maximum of 35 years). Bonds planned to mature 11/15/2040.
- Feasibility Report:** Clare Oaks hired Dixon Hughes to prepare a Financial Feasibility Study for the five years ending June 30, 2011 to evaluate the overall ability of Clare Oaks to meet its operating expenses, working capital needs, and other financial requirements, including the annual debt service associated with the proposed Series 2006 bonds. Clare Oaks does not have any outstanding bonds from the Illinois Finance Authority or a predecessor of the IFA.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Sisters of St. Joseph of the Third Order of St. Francis, 801 West Bartlett Road
Bartlett, IL 60103

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

Board of Directors: Sister Colette Wilczynski, President
Sister Barbara Koza, Vice-President
Sister Patricia Schafke, Vice-President
Ms. Charlene Figge, Secretary
Ms. Marilyn Ebel, Treasurer

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	DLA Piper Rudnick Gray Cary US LLP	Chicago	Anita Molano
Feasibility Consultant:	Dixon Hughes	Atlanta	Keith Seeloff
Bond Counsel:	Jones Day	San Francisco & Chicago	Louise Rankin
Underwriter:	Ziegler Capital Markets Group	Chicago	Will Carney Dan Hermann
Underwriter's Counsel:	Katten Muchin	Chicago	Janet Hoffman
Developer:	CRSA	Memphis	Bruce Cannon Martin Satava Don Sellheimer
Bond Trustee:	Wells Fargo	Chicago	Patricia Martirano
Issuer's Counsel:	Schiff Hardin, LLP	Chicago	Bruce Weisenthal

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 9, 2006**

Project: An Illinois limited partnership to be formed and initially owned by Urban 8 Holding Company (and its shareholders, managers, and employees), and its successors and assigns
(Amalgamated Senior Residences)

STATISTICS

IFA Project #:	M-MH-TE-CD-6087	Amount:	\$12,350,000 (not-to-exceed amount)
Type:	Housing Bonds	FM:	Rich Frampton
Location:	Chicago (Cook County)		

BOARD ACTION

Preliminary 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 124-unit, five-story, affordable senior rental property that will preserve the property as affordable to low- and moderate income senior households.

IFA CONTRIBUTION

IFA will convey tax-exempt bond status on this financing. This Project is expected to use 100% prior year IFA Carryforward Volume Cap transferred to the Authority by Home Rule Municipalities for affordable rental housing projects.

VOTING RECORDS

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

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$10,810,000	Uses:	Project costs	\$11,100,000
	*Developer Equity	<u>852,000</u>		Purchase of Vol. Cap	95,000
	Total	\$11,662,000		Escrows/Reserves	312,000
				Bond Issuance Costs	<u>155,000</u>
				Total	\$11,662,000

* Developer Equity will represent cash equity from the General Partner.

JOBS

Current employment:	4.5 FTE's	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs (9 mo's.):	20-40 (average)

BUSINESS SUMMARY

Organization: **Urban Innovations, Ltd.** [and its shareholders, managers, and employees] (the “**Applicant**”) and its successors and assigns, will be the General Partner of a new, special purpose Illinois limited partnership to be formed for the express purpose of acquiring, redeveloping, and owning a property currently known as Amalgamated Senior Residences an existing 124-unit affordable senior housing property located on the Near West Side of Chicago.

The **General Partner**, will be **Urban 8 Holding Company**, an Illinois corporation, whose principal shareholders are Mark Kelly and Andrew Delman. Mark Kelly is 50% owner of Urban Innovations, Ltd., an Illinois S Corporation, a property management company based in Chicago, while Andrew Delman is an employee and shareholder of Urban Innovations, Ltd. (Full ownership for Urban Innovations, Ltd. is provided on Page 4 of this report – see Economic Disclosure Statement section).

Background: **The Amalgamated Senior Residences** is a 124-unit, five-story, approximately 89,300 SF, affordable senior rental apartment placed in service in 1984 and located at 1504 West Van Buren Street in Chicago. The property has approximately 62,085 SF of net rentable space for affordable housing. The property is located on an approximately 51,947 SF site.

The property’s common facilities include 64 parking spaces, two elevators, landscaped grounds, a tenant garden, and includes a 6,300 SF of clubhouse, lobby, laundry, and other common elements.

The property is currently an affordable senior property with 123 units supported by a HUD Housing Assistance Payment (HAP) Contract (one unit is retained for an on-site manager). The underlying project-based HAP contract continues until 2009. The proposed acquisition will preserve this project as an affordable senior rental apartment property.

The exact scope of the proposed renovations will be determined by an independent consulting architect (BLDD Architects, Inc., Decatur, Illinois) and approved by the credit enhancer/bond purchaser prior to finalizing a financing commitment for the proposed bonds.

**Background on
Developer and
Affiliates:**

Urban Innovations, Ltd. is a Chicago-based real estate company that specializes in acquisition/renovation, development, construction, marketing, and management of commercial lofts and Section 8 Senior Housing. UI was a pioneer in developing residential condominiums in the River North district, beginning in 1978.

Urban Innovations presently owns and operates 12 Senior Housing properties (12 located throughout Illinois and one in Kentucky) with a total of 1,988 units, ten River North loft office buildings, and two West Loop office buildings totaling over 784,000 SF and two River North development sites totaling 28,200 SF. Eight of these Senior Housing properties were acquired and financed in 2001 using a combination of tax-exempt bond financing and 4% Low Income Housing Tax Credits.

UI’s most recent property acquisition was Saint Paul Residences, a 72-unit senior apartment project in Chicago that was financed with \$5.5 million of IFA Bonds that closed in January 2006 (payments are current as of 5/1/2006). Acquisition and renovation of the Saint Paul’s property was financed with a combination of IFA Bonds and 4% Low Income Housing Tax Credits.

UI’s other Senior Housing properties in Illinois are located in Alton (Marian Heights – 122 units); Maple Point Apartments – 342 units; and Walsh Park Apartments – 134 units); Danville (Wolford Apartments – 100 units; and Vermilion House Apartments – 160 units), DeKalb (Colonial House Apartments -- 110 units); Fox Lake (Lakeland Apartments -- 104 units); Glen Ellyn (Forest Apartments – 80 units); Macomb (Jefferson House Apartments – 115 units); Mt. Prospect (Centennial Apartments- North – 101 units; Centennial Apartments-South – 97 units); Springfield

(Capitol Apartments – 150 units); and Zion (Carmel House Apartments – 80 units). Each of these properties (with the exception of Maple Point in Chicago) is supported with Section 8 Housing Assistance Payment contracts.

UI's 30 employees provide comprehensive development, architecture, construction, leasing, and property management services to company-owned projects. Additionally, UI's professionals also bring affordable housing expertise with HUD subsidies, and financing products, including Tax-Exempt Bonds and 4% Low Income Housing Tax Credit Equity to facilitate both upfront due diligence and ongoing compliance.

UI will serve as its own General Contractor for the proposed renovations, subject to approval by the credit enhancer/bond purchaser (HUD/GNMA, FNMA, or a commercial bank).

The proposed property manager will be Urban Innovation's internal property management group. UI currently manages 1,989 Section 8 senior apartment units located in 17 buildings. Additionally, UI also manages 21 market rate apartment properties and 850,000 SF of commercial property located in 12 buildings.

There will be no tenant relocation during the renovation period since the proposed renovations are limited in scope and will primarily focus on exterior and common area improvements.

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 completed in 1984). Common areas will be renovated as necessary to comply with ADA.

FINANCING SUMMARY

Structure: Two prospective structures:
1. Bonds will either be sold credit enhancement from FHA/GNMA, FNMA, or a Bank Letter of Credit and sold as 7-day floaters with an interest rate cap,
2. Sold directly to a bank that would purchase the Bonds directly as an investment for its portfolio. The initial rate would be fixed for a minimum of five years.
Under either scenario, the Borrower estimates an initial effective interest rate of 5.65%.

Bondholder Security: Based on the two structures detailed above:
1. If the Bonds are secured with FHA/GNMA, FNMA, or a Bank Letter of Credit, the Bondholders would be secured with credit enhancement from an investment grade rated entity.
2. Alternatively, if the Bonds are directly purchased by a bank as a portfolio investment, the "Purchasing Bank" will be secured with a mortgage (and underlying contract rights) to the subject property [just as with a secured conventional business loan].

Maturity: Series 2006 Bonds: 35 years

PROJECT DESCRIPTION FOR IFA BOND RESOLUTION

Bond proceeds will be used to finance the acquisition and substantial rehabilitation/renovation of a five-story, 124-unit senior rental property currently known as Amalgamated Senior Residences located on an approximately 51,947 SF site at 1504 West Van Buren Street, Chicago (Cook County), IL 60607-2723.

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

Preliminary estimated project costs are as follows:

Land	\$2,605,000
Bldg. Acquisition:	6,100,000
**Renovations:	<u>2,295,000</u>
Total:	\$11,000,000

**Renovations will include various interior and exterior improvements to the property. The Developer has indicated that any in-unit renovation will be modest in scope and will not require tenant displacement or relocation.

ECONOMIC DISCLOSURE STATEMENT

Applicant/

Contact: An Illinois limited partnership to be formed, c/o Mr. Andrew W. Delman, Principal, Urban Innovations, Ltd., 445 N. Wells St., Chicago, IL 60610; Ph.: 312-970-3284; Fax: 312-222-5369; e-mail: adelman@urbaninnovations.com

Alternate

Contact: Mr. Josh Hafron, Acquisitions Analyst, Urban Innovations, Ltd., 445 N. Wells St., Chicago, IL 60610; Ph.: 312-970-3284; Fax: 312-970-312-222-5369; e-mail: jhafron@urbaninnovations.com

Project name: Amalgamated Senior Residences
Location: 1504 West Van Buren Street, Chicago, IL 60607-2723
Organization: Limited Partnership (to be formed)
State: Illinois

Ownership of Applicant:

An Illinois limited partnership to be initially owned by Urban 8 Holding Company, an Illinois Corporation [and its shareholders, managers, and employees], and its successors and assigns

- **Urban 8 Holding Company**, an Illinois Corporation, General Partner: 100.0% (initial beneficial interest)
 - The only shareholders with a 7.5% or greater beneficial interest in the General Partner are expected to be Mark F. Kelly, President, Urban 2006 Holding Company, and Mr. Andrew Delman, Principal, c/o Urban Innovations, Ltd. [an Illinois S Corporation], 445 N. Wells St., Chicago, IL 60610.
- It is anticipated that the Limited Partners will be comprised of managers and employees of Urban Innovations, Ltd. and/or Urban 8 Holding Company

Current Property Owner:

Amalgamated Housing Foundation, an Illinois not-for-profit corporation, currently owns the subject property.

Contact: Mr. Jim Skonicki
c/o Amalgamated Housing Foundation, Inc.
333 S. Ashland Ave.
Chicago, IL 60607-2702
312-738-6100

Board Members (2) :

- Mr. Joseph Costigan, President
- Ms. Lynn Talbott, Vice President

PROFESSIONAL & FINANCIAL

Counsel:	DLA Piper Rudnick Gray Cary, LLP	Chicago, IL	Mark Yura
Accountant:	Reznick Group	Chicago, IL	Bruce Schiff
Bond Counsel:	Sidley Austin Brown & Wood LLP	Washington, DC	Peter Canzano,
		Chicago, IL	Richard Astle
Underwriter (or Bond Purchaser):	TBD		
Underwriter's or Purchaser's Coun.:	TBD		
Credit Enhancement:	TBD		
Tax Credit Investor:	Not applicable (this project will not use 4% LIHTC's to generate equity)		
Tax Credit Investor's Counsel:	Not applicable		
Trustee:	TBD		
Architect:	BLDD Architects, Inc.	Decatur, IL	
General Contractor:	Urban Innovations, Ltd. will serve as its own General Contractor on the proposed renovations		
Management Agent:	Urban Innovations Ltd.	Chicago, IL	Sue Roess
Issuer's Counsel:	Requested		

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 9, 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 Developer will transfer \$800,000 of 2006 Home Rule Volume Cap to IFA to finance this project.

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 rehabilitation costs, which are being financed with the proposed \$800,000 IFA Series 2006 Bonds, and \$835,000 of cash equity from the owner.

Sources:	IFA Subordinate Series 2006 Bonds (Non-rated and unenhanced)	\$800,000	Uses:	New Rehabilitation Costs	\$1,585,000
	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		Operating Reserve	350,000
	Deferred Developer Fee	4,250,000		Escrows/Reserves	500,664
	IFA Series 2006 Developer Equity	835,000		Bond Issuance Costs	281,050
	Total	\$31,819,985		IFA Series 2006 Bond Issuance Costs	50,000
				Deferred Developer Fee	<u>4,250,000</u>
				Total	\$31,819,985

*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)/130th Street interchange in the City of Chicago's Riverdale neighborhood. (The Riverdale neighborhood is bounded by 115th Street on the north, 118th 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 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 cleaning/caulking/painting, various 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 on the Series 2003 Bonds and provided the construction loan on the property. Nevertheless, due to unforeseen structural deficiencies, the renovation budget exceeded original estimates by approximately \$1,600,000. 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 of \$1,600,000 of structural improvements/overruns, the total cost of the renovations totals \$7.8 million, thereby resulting in an average renovation cost of \$26,263/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 multi-family 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 4/1/2006). 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 (2nd 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); determination of the final maturity date will be based on bond counsel due diligence to be completed prior to approval of a Final Bond Resolution on this financing)

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 Daniel 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:	<u>\$800,000</u>
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

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 Comblath	Chicago, IL	Henry Krasnow
Accountant:	Rockoff Harlan Rasof, Ltd.	Skokie, IL	Michael Harlan
Bond Counsel:	Duane Morris LLP	Chicago, IL	Chuck Katz
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
Special Tax Credit Counsel to Borrower:	Duane Morris LLP	Chicago, IL	Doug Antonio
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
May 9, 2006**

Project: Carrollton Community Unit School District 1

STATISTICS

Number: L-GP-MOTE 6077 Amount: \$400,000 (Not to exceed)
Type: Local Government Pooled
Bond Program (Working Cash Bond)

IFA Staff: Nona Myers Location: Carrollton, Illinois

BOARD ACTION

Final Bond Resolution No extraordinary conditions
Local Government Bonds IFA funds at risk
Staff recommends approval

PURPOSE

To finance the demolition of an aged school building and replace it with a new parking lot and playground. Project issuance costs would also be included in the financing..

IFA CONTRIBUTION

IFA will convey tax exempt status on the working cash bond.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	<u>\$400,000</u>	Uses:	Underwriter's Discount	\$ 4,000
				Project Costs	285,000
				Local Bond Counsel	5,000
				IFA Fee	3,600
				Costs of Issuance	<u>2,400</u>
	Total	<u>\$400,000</u>	Total		<u>\$400,000</u>

BUSINESS SUMMARY

- Background:** Carrollton School District is located in Carrollton, Illinois, the county seat for Greene county – 65 miles North of St. Louis, Missouri. The population of the community is over 2,000 which is located between Alton and Jacksonville, Illinois (35 miles from each). The School District serves approximately 750 students (Preschool – 12) and has 2 attendance centers. Carrollton Elementary School has an enrollment of over 400 students and serves grades prekindergarten through 8th. Carrollton High School serves over 300 students. The estimated population of Carrollton in 2003 was 2,552. Carrollton covers a geographic area of approximately 2 square miles. Carrollton is primarily a residential community with agriculture as the primary means of economic development. Per the 2005 audit report, the district has \$3,027,000 outstanding (principal & interest) in long-term debt for a new building project in 2003 and \$263,410 outstanding in long-term debt as the result of issuing health/safety bonds.
- Project:** The School District proposes to borrow approximately \$400,000 by issuing working bonds to demolish a vacant school building and create a parking lot and playground in its place.
-

FINANCING SUMMARY

- The Bonds:** The Bonds will be Working Cash Bonds, with the District’s levied property taxes pledged as the primary revenue source. The District must document that the primary revenues are sufficient to provide 1.25 times debt service coverage on the bonds in order to pledge ad valorem property taxes to repay the Bonds without passing a voter referendum to do so. The District will pass a “backdoor referendum” authorizing issuance of the Bonds unless a sufficient number of voters petition the Board of Education to require referendum approval. The backdoor referendum will be completed prior to approval of the District’s Bond sale to the IFA.
- Security:** The bonds are general obligations of the District and are payable from pledged revenues as the result of levied property taxes deposited to the “Working Cash Fund”. The Bonds are not secured by any interest in the property which constitutes the Project. An Intercept of the District’s general state aid payments will be approved by the district as additional security.
- Structure:** Principal is expected to be due on December 1, beginning in 2006 with a final maturity in 2015. Interest will be fixed rate and payable each December 1, beginning December 1, 2006. The bonds are subject to redemption prior to maturity.
- Maturity:** 10 years
-

PROJECT SUMMARY

The District will use the proceeds of the sale of its Local Government Securities to pay a portion of the school building demolition and installation of the new parking lot and playground as well as costs associated with the issuance of the Local Government Securities and the Bonds.

Project costs are estimated at \$400,000

Estimated impact on jobs as a result of this project:

Carrollton Community Unit School District No. 1

ECONOMIC DISCLOSURE STATEMENT

Applicant: Carrollton Community Unit School District 1
Location: 702 Fifth Street, Carrollton, Illinois 62016-1404
County: Greene
Organization: School District
Superintendent: Michael Barry
School Board President: Kevin Roundcount
Vice President: Craig Bandy
Board Member: Debra Helton
Board Member: William Hobson
Board Member: Patricia Nord
Board Member: Robert Schnelten
Board Member: Kellie York

PROFESSIONAL & FINANCIAL

Issuer's Counsel:	Kevin Cahill		
Bond Counsel	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
Underwriter	AG Edwards & Co., LP	St. Louis, Missouri	Ann Noble

LEGISLATIVE DISTRICTS

Congressional: John M. Shimkus, 19th District, US Representative
US Senators: Richard Durbin and Barack Obama
State Senate: Deanna Demuzio, 49th District
State House: Jim Watson, 97th District

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 9, 2006**

Project: Caterpillar Trail Public Water District

STATISTICS

Number:	L-GP-TE-6089	Amount:	\$4,150,000 (not to exceed)
Type:	Local Government Revenue Bond	Location:	East Peoria, Illinois
IFA Staff:	Eric Watson		

BOARD ACTION

Preliminary Bond Resolution	No extraordinary conditions
Local Government Bond	No IFA funds at risk
Staff recommends approval	

PURPOSE

To finance the construction of a new lime softening water treatment plant.

IFA CONTRIBUTION

Convey federal *and* Illinois tax exempt status on the subject bonds.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	<u>\$4,150,000</u>	Uses:	Underwriter's Discount	\$41,500
				Project Costs	4,065,000
				Local Bond Counsel	6,000
				IFA Fee	6,225
				Insurance	15,000
				Costs of Issuance	15,000
				Rounding	1,275
	Total	<u>\$4,150,000</u>		Total	<u>\$4,150,000</u>

BUSINESS SUMMARY

Background: The Caterpillar Tail Public Water District was established in 1956. The District encompasses approximately six square miles in the west central portion of Woodford County, including the Village of Germantown Hills. The District is comprised mainly of residential and commercially developed areas within the Village of Germantown Hills and the surrounding area. Population growth has been increasing, with the latest census data indicating an increase from 3,350 in 1990 to 5,050 in 2000. The District's five largest employers include: Germantown Hills School District, Jubilee Foods Grocery Store, Little Oaks Childcare, Kouri's Grille & Bar, and National City Bank.

The District has its own water supply, treatment facilities, and storage and distribution system to provide portable water to customers within its service boundaries. The existing water supply consists of two groundwater wells. Both wells are approximately 400 feet in depth and have a capacity of approximately 600 gallons per minute (gpm) each. The water treatment facilities include: aeration, detention, filtration and chemical addition. The water storage facilities include two elevated water storage tanks with 350,000 gallons of finished water storage capacity that serve two different pressure zones. The water distribution system with the District consists of water main

Caterpillar Trail Public Water District

ranging in size from 2" to 12" and ranging in age from new to over 50 years old. The distribution system services many areas that are not currently looped with the system.

Project: The District proposes to borrow no more than \$4,150,000 by issuing revenue bonds to construct a lime softening water treatment plant. The District will develop a new well with raw water main connection to the water treatment plant and will install water main extensions. It is estimated that the useful life of the project will be a minimum of 20 years.

FINANCING SUMMARY

The Bonds: The Bonds will be Revenue Bonds, with the District's revenues from its Water System pledged as the primary revenue source. The District's certifying ordinance maintains that net revenues are sufficient to provide 1.25 times debt service coverage on the bonds.

Security: The Bond are payable from (i) net revenues of the District's Water System fund deposited to the credit of the Surplus Account of the Revenue Bond and Interest Sub-Accounts. The Bonds are not secured by any interest in the property which constitutes The Project.

Structure: Principal is expected to be due on November 1, beginning in 2007 with a final maturity in 2027. Interest will be fixed rate and payable each May 1 and November 1, beginning November 1, 2007. The bonds are subject to redemption prior to maturity.

Maturity: 20 years

PROJECT SUMMARY

Caterpillar Trail Public Water District will use the proceeds of the sale of its Local Government Securities to (i) pay for the costs of a new lime softening water treatment plan and certain costs associated with the issuance of the Local Government Securities and the Bonds.

Total costs are estimated at \$4,150,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: Caterpillar Trail Public Water District
Project names: Caterpillar Trail Public Water District
Location: 404 Ten Mile Creek Road, East Peoria, IL 61611
Organization: Illinois Public Water District
Chairman: Richard Diestelhorst
Vice-Chairman: Beverly Schneider
Trustee/CFO: Bob Sutton
Secretary: Virginia Seib
Treasurer: Becca Dietrick
Trustees: Bob Sutton, Dan Mullen, Bruce Heman, David Cusac, Murray Wilcoxon

PROFESSIONAL & FINANCIAL

Issuer's Counsel: Requested
Bond Counsel Kurt Froehlich Evans Froehlich, Beth & Chamley
Underwriter AG Edwards & Co., LP St. Louis, Missouri
Trustee To be determined

LEGISLATIVE DISTRICTS

Congressional: Ray LaHood 18th
State Senate: Dale Risinger 37th
State House: David Leitch 73rd

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 9, 2006**

Project: Long Creek Township Refinance

STATISTICS

Number:	L-G-MO-6099	Amount:	\$1,200,000 (not to exceed)
Type:	Local Government Pooled Bond Program (Revenue Bond) – 2006 B		
IFA Staff:	Eric Watson	Location:	Long Creek Township, Illinois

BOARD ACTION

Preliminary Bond Resolution	No extraordinary conditions
Local Government Pooled Bond	IFA funds at risk

Staff recommends approval: This financing may be a stand-alone issue, if it is deemed to be in the best financial interest of the community. A.G. Edwards will be conducting analysis to determine what would be most appropriate. It appears at this time that the community would benefit from participating in the pool.

PURPOSE

To advance refund outstanding bonds issued by the Illinois Rural Bond Bank on behalf of Long Creek Township and to pay certain costs of issuance.

IFA CONTRIBUTION

No IFA contribution – bonds backed with the State's moral obligation

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	<u>\$1,175,000</u>	Uses:	Underwriter's Discount	\$11,750
				Amount Refinanced	1,125,000
				Local Bond Counsel	6,000
				Other Fees	20,000
				IFA Fee	10,575
				Rounding	1,675
	Total	<u>\$1,175,000</u>		Total	<u>\$1,175,000</u>

BUSINESS SUMMARY

Background: With the assistance from A.G. Edwards, the underwriter for the Illinois Rural Bond Bank, an analysis was conducted to determine the merits of an advanced refunding of Bond Bank Program participants. It was determined that Long Creek Township would achieve savings of over 6% if they refinance their bonds.

FINANCING SUMMARY

The Bonds: The Bonds will be Revenue Bonds, with the Township's revenues from its Water System pledged as the primary revenue source. As part of their certifying ordinance, the Township must document that the primary revenues are sufficient to provide 1.25 times debt service coverage on the bonds.

Long Creek Township

Security: The Bonds are payable from (i) net revenues of the Township's Water System Fund deposited to the credit of the Surplus Account of the Revenue Bond and Interest Sub-account.

Structure: Principal is expected to be due on February 1, with a final maturity in 2030. Interest will be fixed rate and payable each August 1 and February 1, beginning August 1, 2006. The bonds are subject to redemption prior to maturity.

Maturity: 24 years

PROJECT SUMMARY

IFA will advance refund Long Creek Township's bonds previously financed with the Illinois Rural Bond Bank. It is estimated that the advance refunding will save the Township approximately \$61,000 (or 6%) and maintain the same maturity date.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Long Creek Township
Project names: Long Creek Township Advanced Refunding
Location: 2550 South 70th Street, Decatur, Illinois 62521
Organization: Illinois Municipality
Township Supervisor:

PROFESSIONAL & FINANCIAL

Issuer's Counsel: Requested
Local Bond Counsel: Kurt P. Froehlich Evans, Froehlich & Beth, Springfield, IL
Underwriter: AG Edwards & Co., LP St. Louis, Missouri
Trustee: LaSalle Bank Chicago, Illinois

LEGISLATIVE DISTRICTS

Congressional: Timothy Johnson, Lane Evans, Ray LaHood 15th, 17th, 18th
State Senate: Frank Watson 51st
State House: Robert Flider 101st

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 9, 2006**

Project: **Baker Demonstration School**

STATISTICS

Number:	E-PS-TE-CD-6055	Amount:	\$7,300,000
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Locations:	Evanston	SIC Code:	8211

BOARD ACTION

Final Bond Resolution	No Extraordinary conditions
Conduit	Staff recommends approval
No IFA funds at risk	

PURPOSE

Proceeds will be used to (i) purchase the Applicant's current Campus from National Lewis University, (ii) perform site work and renovate the Applicant's current facility, (iii) capitalize interest, and (iv) fund a portion of legal and professional costs.

IFA CONTRIBUTION

Conveys Federal tax-exempt status on bond interest.

VOTING RECORD

Voting record from IFA Preliminary Bond Resolution on April 11, 2006:

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

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$ 7,300,000	Uses:	Project costs	\$19,867,390
	Proceeds of land sale	10,800,000		Capitalized interest	350,000
	School Equity	<u>2,397,390</u>		Bond issuance costs	<u>280,000</u>
	Total	<u>\$20,497,390</u>		Total	<u>\$20,497,390</u>

JOBS

Current employment:	71	Projected new jobs:	12
Jobs retained:	N/A	Construction jobs:	30 (nine months)

BUSINESS SUMMARY

Background: The roots of Baker Demonstration School (the "Applicant", "Baker") go back to the founding of National College in 1886. College founder, Elizabeth Harrison was deeply interested in the individual child and in understanding children's behavior. In 1918, on of her students, Clara Belle Baker, founded National College's Children's School and became its Director. Director Baker's vision carefully linked the study of children to the preparation of teachers. Baker became highly regarded for its style of learning by doing. When Director Baker retired in 1952 the School was renamed Baker Demonstration School. It remains one of the oldest continuously running demonstration schools in the nation. A list of School Board members is attached for IFA Board review.

As a laboratory school, Baker has historically been an integral part of the teacher-education program at the National Lewis University (the "University"). Part of a laboratory school's purpose is to demonstrate the best educational practices and classroom methods to student teachers so they can bring them to the schools where they will teach. Every classroom has at least two teachers, giving Baker classrooms a low student-teacher ratio of no more than 1:10, not counting special subject teachers. For the 2005 academic year enrollment is 316 students consisting of 214 students for the K-8 grades, and 75 students for the pre-K and early childhood classes. Over 75.0% of the students come from North Shore communities with Evanston having the largest concentration (59.0%). Baker draws students from Chicago (17.0), and from as far as Waukegan. Baker's ethnic designations are: (i) Caucasian, 83.0%; (ii) African American, 6.0%; (iii) Asian, 7.0%; and Hispanic, 3.0%). The School's Board has established a Diversity Committee to study and plan for broadening the diversity of the student body. For the 2005 academic year approximately 12.0% of the students receive financial aid. Approximately 30 students receive reduced tuition as a result of their parents being employed at Baker or at the University. Enrollment projections point to a gradual increase of enrollment to 473 students for the 2009-2010 academic year. In the early childhood sector, Baker competes with The Cherry Pre-School, Chiraville Montessori School, Chicago Waldorf, Roycemore, and the School for Little Children. In grades 1-8, Baker competes with North Shore Country Day School and Roycemore plus the Evanston and Wilmette public schools. Baker's fees are close to the median charged by its competitors for early childhood, but below the median for grades 1 -8. In July 2005, Baker became an independent private school. Until its separation, Baker existed as a Department of the University's School of Education.

Project

Description: In 2004, the University announced it was selling the Evanston campus where Baker is located and would focus more of its resources on urban education in Chicago. On April 15, 2005, Baker signed a contract with the University to purchase the Evanston campus. The purchase price of the 7.2 Acre parcel was \$16.5 million. Baker partnered with Red Seal Development Corporation, a prominent developer of high-end single family homes on the North Shore of Chicago.* Simultaneously upon closing, Baker will well 3.4 acres of the parcel along Sheridan Road and Maple Avenue. Red Seal will demolish an existing dormitory and several homes on the site, and the University's current classroom building, Keck Hall. Baker is scheduled to complete its purchase from the University by June 30, 2006.

Baker will retain 3.8 acres of the property which includes its current building, Sutherland Hall. Baker will do site work including playfields, playgrounds, and a new parking area; and renovate Sutherland Hall to make it a state-of-the-art teaching facility.

Baker has entered into a two-year affiliation with the University. The affiliation will allow Baker to keep the close academic affiliation historically enjoyed by Baker and the University and its ability to utilize the resources of the University. The affiliation helps to provide Baker an access to a talented pool of Associate teachers, many of whom are getting advanced degrees at the University while getting practical teaching experience in Baker's classrooms. Tuition for the 2005-2006 academic year is:

PreK	\$ 6,200
K	8,800
1-2	11,250
3-5	12,200
6-8	13,300

Baker has published a 6.0% tuition increase for the 2006-2007 academic year, and is projecting 6.0% increases for academic years 2007-2010.

Capital Campaign: The Baker Capital Campaign was initiated in 2004 to help fund the purchase and build out of the campus in Evanston. The goal of the Campaign is \$3.5 million, of which \$3.0 million would be in the form of cash received prior to the June 30, 2006 closing, the balance being in the form of pledges. As of 2/16/06 the Campaign progress to its goal was; \$2,016,518 in pledges, and \$1,789,177 in cash. In addition, Baker has received a challenge grant of \$1,000,000 which will match on a \$1for \$1basis all cash contributions received by the Baker Charitable Fund, Inc. The Donor will match up to \$500,000 all cash contributions received between February 1, and May 1, 2005 with payment on June 15, 2006. Similarly, the Donor will match all cash contributions received by the Fund between July 1, 2006 through May 31, 2007.

Remarks: Tax-exempt financing will lower Baker's borrowing costs and its annual debt service payments by approximately 2.0% over conventional financing. The proposed project will provide "state-of-the-art" facilities so the School can continue to (i) provide quality education, and (ii) remain competitive with other independent private day schools.

* Red Seal Development Corporation is one of Chicago's leading builders of luxury homes. It as founded in 1934, and has built homes in a number of North Shore communities including Highland Park, Deerfield, Glencoe, and Northfield. The company has undertaken sizeable commercial and hotel construction ventures.

FINANCING SUMMARY

Security: Direct purchase by First Midwest, Chicago, Illinois.
Structure: Multi-mode Variable Rate Demand Bonds or a direct placement.
Maturity: 26 years

PROJECT SUMMARY

Proceeds will be used to (i) (i) purchase approximately 7.2 acres of land from National Lewis University, Evanston, Cook County, Illinois, (ii) perform site work consisting of new playfields and playgrounds and a new parking area, and renovate its current teaching facility which is located at 2840 North Sheridan Road, Evanston, Cook County, Illinois, (iii) capitalize interest, and (iv) fund a portion of legal and professional costs.

Project Costs:
Land purchase \$16,500,000
Renovation and
other site work 3,367,390
Total \$19,867,390

ECONOMIC DISCLOSURE STATEMENT

Applicant: Baker Demonstration School
Project names: The Baker Demonstration School Project
Location: 2840 N. Sheridan Road, Evanston, Cook County, Illinois 60201
Organization: 501(c)(3) Corporation
State: Illinois
Board of Directors: Attached for IFA Board review

PROFESSIONAL & FINANCIAL

Counsel:	McDermott, Will & Emery	Chicago, IL	Gerald M. Offutt
Accountant:	Ahlbeck & Company	Des Plaines, IL	
Bond Counsel:	Ice Miller	Chicago, IL	Thomas Smith
Bond Purchaser:	First Midwest	Chicago, IL	Dean Glassberg Paul Ebert
Purchasing Bank Counsel:	Wildman Harrold	Chicago, IL	James Snyder
Issuer's Counsel:	Law offices of Kevin Cahill	Chicago, IL	Kevin Cahill
Financial Advisor:	Griffin, Kubik, Stephens & Thompson, Inc.	Chicago, IL	Michael Boisvert
Trustee:	First Midwest	Chicago, IL	
Real Estate Consultant:	Murray & Company	Chicago, IL	Rick Murray
Architect:	FGM	Oakbrook, IL	Jim Woods

LEGISLATIVE DISTRICTS

Congressional:	09, Janice Shakowsky
State Senate:	09, Jeffrey Shoenberg
State House:	18, Julie Hamos

Baker School - Board Members

Mark TerMolen – President Mark is a current Baker parent with two children enrolled in the school. He is a partner at the Chicago law firm Mayer, Brown, Rowe, and Maw LLP, where he specializes in complex commercial litigation. He is a past president of the Board of Trustees of the First Presbyterian Church of Evanston and a board member of DePaul University's Center for Justice in Capital Cases. Mark was on the legal team that advised the negotiating team during its negotiations with NLU and was the parent co-chair of the Transition Team. The Board elected him President.

Craig Munro – Treasurer Craig has 24 years of commercial banking experience and is currently a managing director at Harris N.A. overseeing their Financial Sponsor lending activities. He has extensive experience creating and evaluating financial projections, as well as expertise in treasury management and capital raising. He has a B.S. from The Wharton School and an MBA from the University of Chicago. Craig was actively involved in negotiating the Separation Agreement with NLU and was the co-chair of the Transition Team Finance Committee. He is a Baker parent with a child in 6th grade. He is also a member of the Fund Board.

Kimeri Swanson-Beck – Assistant Treasurer Kimeri has been involved with Baker in many ways for the past 20 years, having been a teacher, education student and a parent at the school. Currently she is the 7th grade Advisor and science teacher in the Middle School and has three children currently enrolled at Baker: one in early childhood, one in TIM, and one in the middle school. The Board elected her its Assistant Treasurer.

David A. Baker Dave is a current Baker parent. He is a partner at the Chicago law firm, McDermott Will and Emory, LLP, where he heads the Estate, Trust and Guardianship Controversy Practice Group. His areas of specialty include charitable, foundation, and exempt organization, administration, and litigation. Dave helped negotiate the terms of Baker's separation from NLU, drafted the Separation Agreement, and helped develop the governance structure for the "New Baker." He is Legal Counsel to the school. Dave was named one of *Chicago Magazine's* "100 Top Super Lawyers" (January, 2006).

David Brannigan Dave has been a Baker parent for thirteen years. He has one child currently at Baker and is the father of a Baker alumna. He has twenty years' experience in commercial real estate management and development. Dave co-chaired the Transition Team's Real Estate committee.

Phil Calian Phil has two children currently at Baker. He is also the father of twin three-year-olds. He is a partner at Waveland Investments LLC, a Chicago-based private investment firm. He spent several years overseeing and executing business turnarounds and restructurings at publicly traded companies, thus acquiring substantial experience in leading companies through transition periods requiring many internal organizational changes. Phil is an ordained Elder and on the Session of the Fourth Presbyterian Church of Chicago and serves on the Boards of Cottingham & Butler, a national insurance broker based in Iowa, and Travelworm.com, an Internet travel wholesaler based in Las Vegas.

Michal J. Clements Michal has two children currently at Baker. Michal is a managing partner at Orrington Strategies, a Chicago-based marketing strategy and action consulting firm. She has 18 years experience in developing marketing strategies and action plans for leading clients like Kraft, Quaker, State Farm and Abbott. She has an MBA from Wharton in Marketing and Finance, graduating with honors. She is a member of the Economic Club of Chicago. At Baker, Michal co-chairs the Marketing/Enrollment committee, the Strategic Planning taskforce and the Diversity Committee.

Robert M. Goerge Bob is a current Baker parent. He has worked for the University of Chicago for the past twenty years, and during that time, was directly involved in the creation, growth and development of an affiliated organization – the Chapin Hall Center for Children. Bob's experience in non-profit management includes administration, finance, human resources, information technology, and fundraising. At Baker, he co-chaired the Academic Affairs/Affiliation Committee of the Transition Team and the Strategic Planning effort. He has also worked on the Parent Survey and is a member of the Marketing and Enrollment committee and the Communication Task Force.

Susan Maloney Meyer Susan is the parent of a Baker alumna now a litigation associate at Kirkland & Ellis. She is an executive coach and the co-founder and CEO of Arc Leadership Ltd. concentrating on executive leadership development. She has over 25 years of business and law experience interacting with Fortune 500 Boards of Directors, both as outside counsel and as a corporate officer, Secretary, and/or General Counsel. Previously Susan had been a Washington DC police officer and a Maryknoll Missionary novice.

Beverly Pinaire Bev is the parent of four sons, two of whom attended Baker School. She worked as a CPA for Rome Associates on the tax and audit staff and as an investment accountant for Kemper Financial Services. For years she has been a very active volunteer at her sons' schools and camp and at her church. At Baker, Bev served as Communications chair on the Baker Parent Board. She also served on Baker's Safety Committee for two years, and was co-chair of last year's annual fundraiser. She currently is the Baker School Board Secretary and serves on the Finance Committee.

Edward Potts Edward, a current Baker parent, is the Director of Admissions and Financial Aid at the Jane Addams College of Social Work at the University of Illinois at Chicago. His knowledge, experience, and expertise include program planning, budgeting, outcome measurement, and board and committee management. In addition to the Baker Board of Directors, his volunteer interests include the Prison Visitation program of the John Howard Association.

Allen T. Steinberg Allen is a current Baker parent. For the past 20 years, he has worked at Hewitt Associates, a consulting firm, where he has acquired in-depth experience in human resources and employee benefits programs, including retirement, health care, other insurance coverages, compensation, and other human resource programs. At Baker, Allen was a member of the negotiating team that reached the Separation Agreement with NLU and has served on the Board of the Baker Parent Organization for the past two years (serving as Chair in the 2004-2005 school year).

Charlotte Tyksinski Charlotte has been involved with Baker since 1970, for the majority of that time as Admissions Director and Associate Director. Charlotte retired in June 2005. Over the years, she served as Interim Director during periods of vacancy in the Director's position. She was a substitute teacher for many years at Baker, taught first grade here and taught Kindergarten for eleven years in Rolling Meadows and Wilmette. Her children are Baker alumni, and she is a graduate of the National College of Education. Charlotte has been very active in her church. She brings a sense of history and perspective to the Board that is unique because of her long association both with Baker and NLU.

Carolyn Tripp Carolyn retired from the Miami-Dade County school system in 1995, after having been an employee for nearly 30 years. She coordinated one of three Child Care Services programs for the county and was director of a Preschool laboratory school at Miami Lakes Technical Education School. Carolyn has worked as a Pre-Kindergarten teacher since coming to Baker in 1997. She has taught Early Childhood graduate courses for NLU; was a member of the Baker Leadership Advisory Group; was the Early Childhood Team Leader for four years and is currently serving her fourth year as a member of the Baker Safety Committee. Carolyn brings many years of expertise, knowledge and experience in Early Childhood education to Baker's children and families.

Baker Fund Board

The Baker Fund Board was instituted in 2004 to help launch the Baker Capital Campaign and to seek larger gifts from individuals, corporations and foundations. In addition to the current campaign goal, it is charged with helping to raise funds for future potential expansion of common core spaces including a modified cafeteria, theater and small gymnasium, along with additional classrooms.

Several members of the Fund Board have considerable experience in not-for-profit fundraising. Bios are as follows:

Terrie Bridgman serves as the Baker Fund Board President. She has been an educator for nearly 25 years with an expertise in reading. Terrie has taught students varying in age from 3 years to 48 years old. She received her Ed.D. from National-Louis University and has been a highly valued member of the Baker faculty for many years. Terrie also has served as leader of a number of voluntary organizations, bringing this experience and her strong interpersonal skills to her work at Baker. She was also faculty representative on the transition leadership team prior to being elected to the Baker Fund Board. Terrie and her husband Chip have two grown children who are Baker graduates and who both now live in the area.

Annina Fabblioli brings more than 15 years of professional development experience to the Baker Fund Board. She currently serves as the Director of Alumni Relations for Lake Forest Academy. Annina is a graduate of Harvard/Radcliffe College with a degree in art history. She has worked at the LA Opera, Planned Parenthood, the University of Chicago, and Northwestern University's Law School. Annina has shared her talents and given her time as a volunteer to numerous not-for-profit organizations. Annina serves as Secretary to the Fund Board. She and her husband have two sons at Baker.

George Gaines is an owner and partner of BerchWood Partners, a leading independent global placement agent for private equity funds with offices in New York, Chicago, Boston, San Francisco and London. George has specialized in raising equity for private limited partnerships for almost 20 years after transitioning from a legal practice with a focus on securities, tax and corporate law. Prior to joining BerchWood Partners, George was a Managing Director and Head of Global Distribution in the Private Equity Fund Group of Citigroup's Investment Bank. George currently chairs the Board of MKP Chicago, Inc. a not for profit self improvement and community service organization serving men in the Chicago area. He is married with four children ages 6 to 23 (the youngest attends Baker).

Janet Hieshetter serves as Vice President for the Baker Fund Board. She has a long career in philanthropic efforts having begun her work with the Alzheimer's Association in community organizing and fund raising. Janet also worked as the Senior Director of Education for the National Osteoporosis Foundation and now serves as the Executive Director of the Dystonia Medical Research Foundation. She was a member of the NLU/Baker Governance Committee and the Transition Team, Fund Development Committee. Additionally, Janet has experience in raising funds for Baker in the past, having co-chaired the BPO Spring Fundraiser, silent auction as a member of the Early Childhood Playground Development Committee. Janet has also served as a room parent and has served on a number of community boards. She and her husband, Eric Greenberg, have two children at Baker.

Craig Munro sits on the Fund Board (ex-officio) by virtue of his position as Treasurer of the School Board. Craig has 24 years of commercial banking experience and is currently a managing director at Harris N.A. overseeing their Financial Sponsor lending activities. He has extensive experience creating and evaluating financial projections, as well as expertise in treasury management and capital raising. He has a B.S. from The Wharton School and an MBA from the University of Chicago. Craig was actively involved in negotiating the Separation Agreement with NLU and was the co-chair of the Transition Team Finance Committee. He is a Baker parent with a child in 6th grade.

Richard (Rick) Robb brings extensive experience as a fundraiser to the Baker Fund Board. He has served as a Trustee for the Sacred Heart Schools, a Director of the Skokie Indians Little League and New Trier Hockey Club and President of the Friends of Brown Water Polo. He is the Treasurer of the Fund Board and was also a member of the Transition Team, Fund Development Committee. Rick's professional career has been in the area of finance. He graduated from Brown University with a degree in economics and received his MBA in finance from the University of Chicago. He serves as the Chief Financial Officer for Henry Crown and company. Additionally, Rick is the parent of two current Baker students, and his eldest son is an alumnus of Baker. Rick's family has a nearly 50 year history with Baker and would like to see the school continue to flourish. Rick's wife, Rickie Crown, is a member of the Baker faculty.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

May 9, 2006

Project:

Nazareth Academy

STATISTICS

Number:	E-PS-TE-CD-6070	Amount:	\$11,000,000
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Locations:	LaGrange Park	SIC Code:	8211

BOARD ACTION

Final Bond Resolution	No Extraordinary conditions
Conduit	Staff recommends approval
No IFA funds at risk	

PURPOSE

Proceeds will be used to (i) refinance a \$3 million campus improvement loan, (ii) to construct a new campus dining hall including kitchen, heating and HVAC systems and a new auditorium, (iii) fund various campus improvements, (iv) capitalize interest, and (v) fund legal and professional costs.

IFA CONTRIBUTION

Conveys Federal tax-exempt status on bond interest.

VOTING RECORD

Voting record from IFA Preliminary Bond Resolution on April 11, 2006:

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

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$11,000,000	Uses:	Project costs	\$ 7,242,800
	Investment earnings	<u>232,800</u>		Refinance loan	3,000,000
				Capitalized interest	770,000
				Bond issuance costs	<u>220,000</u>
	Total	<u>\$11,232,800</u>		Total	<u>\$11,232,800</u>

JOBS

Current employment:	89	Projected new jobs:	3
Jobs retained:	N/A	Construction jobs:	30 (nine months)

BUSINESS SUMMARY

Background: Nazareth Academy, (the "Applicant", "Nazareth") is a private co-educational preparatory school located in LaGrange Park, 15 miles from downtown Chicago. Nazareth was established in 1900 by the Sisters of St. Joseph of LaGrange and continues to be sponsored by the Sisters of St. Joseph whose motherhouse and ministry are located adjacent to the Nazareth campus. Nazareth currently serves 772 students drawn from over 100 communities. Nazareth is accredited by the North Central Commission on Accreditation and School Improvement (NCA) and by the Illinois State Board of Education. Through the Nazareth Curriculum Council, its academic program is continually scrutinized to determine that it remains relevant to college academic goals. Nazareth. During the past ten years enrollment has been stable, averaging approximately 767 students. Budgeted school enrollment for the academic year 2006/2007 is 777. Tuition per student for academic years 2003/2004, 2004/2005, and 2005/2006 were \$7,200, \$7,500, and \$7,800, respectively. Tuition per student for the 2006/2007 academic year will be \$8,200.

The Sisters of St. Joseph own all of the land comprising the Nazareth campus. Nazareth leases the campus pursuant to a long term lease. Nazareth pays the Sisters of St. Joseph annual rent equal to 1.5% of Nazareth's annual operating budget. Nazareth owns the buildings and their contents on its campus. The business and affairs of Nazareth are managed, and all corporate powers are exercised by or under the direction of the Board. Nazareth is governed by a 16-member Board, including four members of the Sisters of St. Joseph. A list of Board members is included or IFA Board review.

Project Description: Nazareth plans to refinance a \$3-million loan from the State bank of Countryside which was used to design and construct campus improvements including a new façade and entranceway to the Administration Building, improved classroom space, and updated heating and HVAC systems. The improvements were completed in December 2005. The proposed financing will fund future improvements including (i) a new dining hall which will enable Nazareth to serve over 300 students at one sitting. The space will serve as a multi-purpose area. The updated facility will include state-of-the art kitchen and electrical, heating, and HVAC systems. (ii) A new auditorium that will provide seating for approximately 400. It will have professional sound and lighting systems. The auditorium will provide performance space, as well as space for band and chorus, parent gatherings, and in-service programs for students, faculty and staff.

Capital Campaign: Nazareth launched its funding campaign in November, 2004, with an initial fund-raising goal of \$10 million. As of February 1, 2006 approximately \$3,900,000 in cash and pledges have been raised. The current pledges are payable over a five-to-seven year period.

Remarks: Tax-exempt financing will lower Nazareth's borrowing costs and its annual debt service payments by approximately 2.0% over conventional financing. The proposed project will provide "state-of-the-art" facilities so the School can continue to (i) provide quality education, and (ii) remain competitive with other college preparatory schools. Nazareth competes for students with private high schools including Benet Academy, Lisle; Fenwick, Oak Park; Marist, Chicago; Montaint, Lombard; and St. Ignatius, Chicago.

FINANCING SUMMARY

Security: Direct pay Letter of Credit from Harris N.A., Chicago, Illinois.
Structure: Weekly-mode Variable Rate Demand Bonds.
Maturity: 30 years.

PROJECT SUMMARY

Proceeds will be used to (i) refinance a \$3 million campus improvement loan with the State Bank of Countryside that matures on July 1, 2006, (ii) to construct a new campus dining hall including kitchen, heating and HVAC systems and a new auditorium capable of seating approximately 400 and having professional sound and lighting systems on the Applicant's campus located at 1209 West Ogden Avenue, LaGrange Park, Cook County, Illinois, (iii) fund various campus improvements, (iv) capitalize interest, and (v) fund legal and professional costs.

Project Costs:

Auditorium	\$ 3,900,000
Dining Hall	2,672,800
Campus improvements	700,000
Total	<u>\$ 7,272,792</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Nazareth Academy
Project names: The Nazareth Academy Improvement Project
Location: 1209 West Ogden Avenue LaGrange Park, Cook County, Illinois 60201
Organization: 501(c)(3) Corporation
State: Illinois
Board of Directors: Attached for IFA Board review

PROFESSIONAL & FINANCIAL

Counsel:	Hennessy & Roach, P.C.	Chicago, IL	William Hawkins
Accountant:	Cocales, Westberg, Mommsen & Co., LTD.	Orland Park, IL	
Bond Counsel:	Perkins Coie LLP	Chicago, IL	William E. Corbin
Underwrite/ Placement Agent	William Blair & Company	Chicago, IL	Thomas Lanctot
Underwriter's Counsel:	Perkins Coie LLP	Chicago, IL	William E. Corbin
LOC Bank Counsel:	Chapman and Cutler	Chicago, IL	Carol Thompson
Issuer's Counsel:	Burris, Wright, Slaughter & Tom, LLC	Chicago, IL	Roland Burris II
Trustee:	Amalgamated Bank	Chicago, IL	
General Contractor:	The Walsh Group	Chicago, IL	
Architect:	Solomon Cordwell Buenz & Associates, Inc.	Chicago, IL	

LEGISLATIVE DISTRICTS

Congressional: 03, Daniel Lipinski
State Senate: 41, Christine Radogno
State House: 82, Eileen Lyons



**NAZARETH ACADEMY
BOARD OF TRUSTEES**

<u>NAME</u>	<u>AFFILIATION</u>
David Beedie	Executive Vice President, JFB Hart Coatings
Sr. Pat Bergen, CSJ	Board of Directors, Sisters of St. Joseph
Frank Bomher	Manager, Guarantee Associates, L.L.C.
Raymond Donato	President, HLS Title, Inc.
John Doyle	President, Doyle Law Group
Jack Frymire	Owner, Iowa Grain Company
Rev. Terrance Johnson	Director, Hesburgh Sabbatical Program, Catholic Theological Union
Laura McGrath	Partner, KMK and Associates
Patricia Chopp Keegan	Director, Executive MBA Program, University of Chicago Graduate School of Business
Dennis Moran	President, Nazareth Academy
James O'Connor	Principal and Consulting Actuary, Milliman, Inc.
Sr. Marianne Race, CSJ	President, Sisters of St. Joseph
Mary Beth Ryan	Nazareth Parent
Sr. Grace Sbrissa, CSJ	Financial Management Consultant Brenner, McDonagh & Tortolani, Inc.
Sr. Judy Sikorski, CSJ	Manager, St. Joseph Press
Donald Spetter	President L3 Communication Electrodynamics, Inc.
Deborah Vondrasek	Principal, Nazareth Academy
John Wheeler	Assistant Controller, State Bank of Countryside

CONFIDENTIAL INFORMATION

Est. fee: \$46,500 Tax ID: 36-4106561
 (assuming a final par amount of \$10,500,000)

FINANCIALS

Financials: Audited financial statements for fiscal years ending 6-30-2003 – 2005, including proforma budgeted revenues and expenses for fiscal years 2006, 2007, and 2008.

(Dollars in 000s)

	2003	2004	2,005	2006	2007	2008
Income Statement						
Operating Revenues	\$5,043	\$5,198	<u>\$5,387</u>	\$6,116	\$6,510	\$6,807
Other/fundraising Revenues	666	1,382	1,630	137	141	162
Operating Expenses	<u>(5,847)</u>	<u>(6,419)</u>	(6,719)	<u>(6,159)</u>	<u>(6,549)</u>	<u>(6,834)</u>
Change in Net Assets	<u>(138)</u>	<u>161</u>	<u>298</u>	<u>94</u>	<u>102</u>	<u>135</u>
EBIDA	<u>246</u>	<u>580</u>	<u>718</u>			
Balance Sheet						
Current Assets	390	371	362			
PP&E	3,798	5,473	<u>5,160</u>			
Other Assets	<u>3,885</u>	<u>2,368</u>	3,426			
Total	<u>8,073</u>	<u>8,212</u>	<u>8,948</u>			
Current Liabilities	418	102	578			
Other LT Liabilities	1,245	1,230	1,322			
Debt	0	309	179			
Net Assets	<u>6,410</u>	<u>6,571</u>	<u>6,869</u>			
Total	<u>\$8,073</u>	<u>\$8,212</u>	<u>\$8,948</u>			

Ratios:

Debt coverage	N/A	N/A	N/A
Current Ratio	0.93x	3.64x	0.63x
Debt/Net Assets	N/A	0.05	0.03

Note: A market value of the Applicant's investment portfolio, including restricted amounts, at June 30 for each of the last three fiscal years is: \$3,083,201, \$1,989,428, and \$2,459,123 for 2003, 2004, and 2005, respectively.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

May 9, 2006

Project: Uhlich Children's Advantage Network (UCAN)

STATISTICS

Number:	N-NP-TE-CD-6055	Amount:	\$6,100,000
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Locations:	Various	SIC Code:	8361

BOARD ACTION

Final Bond Resolution	No Extraordinary conditions
Conduit	Staff recommends approval
No IFA funds at risk	

PURPOSE

Proceeds will be used to (i) pay the costs of, or refinance the indebtedness incurred to pay the costs of financing the purchase, renovation, and equipping of new residential facilities, and Applicant headquarters, (ii) complete Phase II and Phase III of the Applicant's VoIP Telephone Project, and (iii) relocate staff throughout the Applicant's organization.

IFA CONTRIBUTION

Conveys Federal tax-exempt status on bond interest.

VOTING RECORD

Voiting record from IFA Preliminary Bond Resolution on April 11, 2006:

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

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	<u>\$6,100,000</u>	Uses:	Project costs	\$4,654,000
				Debt refinancing	<u>1,446,000</u>
	Total	<u>\$6,100,000</u>		Total	<u>\$6,100,000</u>

JOBS

Current employment:	61	Projected new jobs:	24
Jobs retained:	N/A	Construction jobs:	30 (six months)

BUSINESS SUMMARY

Background: Uhlich Children's Advantage Network (the "Applicant", "Uhlich", "UCAN") was founded and incorporated in 1869 by members of the St. Paul's Evangelical and Reformed Church (now known as St. Paul's United Church of Christ) to serve children who were orphaned by the Civil War. UCAN previously operated as Uhlich Children's Home. In 2004 UCAN merged with FamilyCare of Illinois. UCAN offers an effective life-changing response for thousands of Chicago's children and their families struggling to overcome years of abuse and neglect. Many of the children and young adults are referred to UCAN by the Illinois Department of Children and Family Services

(DCFS) and the Chicago Board of Education. UCAN provides comprehensive care and treatment so these individuals can become responsible adults through programs including:

- Residential treatment – At any given time 60-70 children live at UCAN. This program strives to modify inappropriate behavior and reinforce acceptable social conduct through intensive residential monitoring, individual and group therapy, group leadership initiative, and social skills training.
- Professional Foster Parenting – For those children exhibiting the capability for making and retaining relationships, UCAN offers this program. The program monitors and assists in the emotional and overall development of the child in the foster home. At the same time the UCAN caseworker is working on a permanent home for the child, whether it is with the child's biological parents, with the foster parent, or another adoptive home.
- Independent Living Assistance program – When a Uhlich child becomes an adult (age 17), Uhlich provides the resources for that individual to live on his or her own in apartments located around Chicago until age 21.
- Uhlich Academy – The Academy serves as a primary school to approximately 150 children who are served better by a more structured and personal educational environment. In July, 1997 UCAN was certified to serve children with special educational needs.
- Counseling and Clinical Services – UCAN provides outpatient services to children and families. Treatment services include individual and family counseling, family violence intervention, sexual trauma treatment, and sexual aggression treatment.
- Teen parenting Service Network – UCAN and its regional service partners are responsible for the overall planning, delivery, and monitoring of quality services to over 900 parenting wards in Chicago and surrounding collar counties. UCAN serves as the lead agency in this project.
- Youth Leadership and Violence Prevention – UCAN's U-Lead program intends to give a voice to young people (ages 12 through 18) to build positive relationships with adults, and to develop youths to their fullest potential. Thousands of children are served each year through U-LEAD.

UCAN has demonstrated fiscal strength and growth during its long history. During the last ten years, UCAN has increased its program revenue from \$10.5 million to \$32 million. UCAN has demonstrated an ability to manage program growth, multiple facility expansion, and renovation to accommodate the growth. UCAN received approximately 68.0% and 73.0% of its revenue from DCFS in fiscal years 2004 and 2005, respectively. Total agency revenues for fiscal year 2006 will be approximately \$30.0 million; 86.0% will come primarily from program service fees, 10.0% from trust income and fundraising; and 4.0% from revenue gains.

UCAN is an Illinois not-for-profit corporation. UCAN is governed by a 22-member Board. A list of current members is attached for IFA Board review.

Project

Description: The proposed financing will pay the costs of, or refinance the indebtedness incurred to pay the costs of financing the purchase, renovation, and equipping of new residential facilities. These facilities will house the Applicant's children and young adults. A portion of the proposed financing will fund the relocation of staff from a facility the Applicant sold in fiscal 2005.

Remarks:

Tax-exempt financing will lower Uhlich's borrowing costs and its annual debt service payments by approximately 2.0% over conventional financing. The interest savings will make it possible to complete necessary improvements so Uhlich can continue to provide high-quality programs and services to at risk children and young adults

FINANCING SUMMARY

Security: Direct pay Letter of Credit from Chase Bank, Chicago, Illinois.
Structure: Multi-mode Variable Rate Demand Bonds or a direct placement.
Maturity: 30 years.

PROJECT SUMMARY

Proceeds will be used to (i) pay the costs of, or refinance the indebtedness incurred to pay the costs of financing the purchase, renovation, and equipping of new residential facilities and its headquarters located at 3737 North Mozart, Chicago, Cook County, Illinois, (ii) complete Phase II and Phase III of the Applicant's VoIP Telephone Project, and (iii) relocate staff throughout the Applicant's organization.*

Project Costs:	
Buildings/land	\$2,957,000
Renovation	1,277,000
Equipment	<u>420,000</u>
Total	<u>\$4,654,000</u>

* A TEFRA list of facility addresses is as follows:

6205 South Michigan Avenue
Chicago, IL 60637
(residential facility for
transitional living program)

217 North Jefferson
Chicago, IL 60661
(foster care counseling and
youth leadership programs)

1221 South 14th Avenue
Maywood, IL 60153
(43 residential home for foster care
program)

3747 North Mozart
Chicago, IL 60618
(offices for certain
administrative services)

3110 West Grand
Chicago, IL 60622
(grade school and high school
facility)

1323 Marengo Ave
Forest Park, IL 60130-2434
(residential home for foster care
program)

3745 North Mozart
Chicago, IL 60618
(offices for management and
maintenance facilities)

13700 South Indiana
Riverdale, IL 60827
(offices for transitional living
staff and family resource center)

4820 North Troy
Chicago, IL 60625
(residential community resource
home)

3737 North Mozart
Chicago, IL 60618
(headquarters)

13829 Edbrooke
Riverdale, IL 60827
(residential home for transitional
living program)

6237-43 South Spaulding
Chicago, IL 60629
(residential home for transitional
living program)

3730 North California
Chicago, IL 60618
(residential treatment center for
up to 70 clients)

7 West 137th Place
Riverdale, IL 60827
(residential home for transitional
living program)

Parking lot at corner of Grace &
Mozart (parking facility)
Chicago, IL 60618

10046 South Western
Chicago, IL 60643
And Parking Lot south of
property (offices for admin. And
counseling staff and family
services)

155 South 20th Avenue
Maywood, IL 60153
(residential home for foster care
program)

ECONOMIC DISCLOSURE STATEMENT

Applicant: Uhlich Children's Advantage Network Chicago, IL
 Project names: UCAN Project
 Locations: Please review the attached list of facility locations.
 Organization: 501(c)(3) Corporation
 State: Illinois
 Board of Directors: Attached for IFA Board review

PROFESSIONAL & FINANCIAL

Counsel:	Burke, Burns & Pinelli	Chicago, IL	Mary Pat Burns
Accountant:	RSM MCGladrey	Chicago, IL	
Bond Counsel:	McGuire Woods	Chicago, IL	Paul Durbin
Underwriter:	Mesirow Financial	Chicago, IL	Bill Carney
Placement Agent			
Underwriter's Counsel:	McGuire Woods	Chicago, IL	Paul Durbin
LOC Bank Counsel:	Arnstein & Lehr	Chicago, IL	Scott Kapp
Issuer's Counsel:	Wildman, Harrold, Allen & Dixon	Chicago, IL	James Snyder
Trustee:	TBD		
General Contractor:	Pinnacle Development	Broadview, IL	
Architect:	Lisec & Biederman Architects	Chicago, IL	
Development Consultant:	Murray and Company, Inc.	Chicago, IL	Richard Murray

LEGISLATIVE DISTRICTS

US Representative	State Senate	State Representative
1 st Bobby L. Rush	2 nd Miguel del Valle	4 th Cynthia Soto
2 nd Jesse L. Jackson Jr.	3 rd Mattie Hunter	5 th Kenneth Dunkin
3 rd Daniel William Lipinski	4 th Kimberly A. Lightford	7 th Karen A. Yarbrough
4 th Luis V. Gutierrez	5 th Rickey R. Hendon	8 th Calvin L. Giles
5 th Rahm Emanuel	6 th John J. Cullerton	9 th Arthur L. Turner
7 th Danny K Davis	12 th Martin A. Sandoval	11 th John A. Fritchey
	15 th James T. Meeks	23 rd Daniel J. Burke
	18 th Edward D. Maloney	30 th William "Will" Davis
	20 th Iris Y. Martinez	35 th Kevin Joyce
		40 th Richard T. Bradley

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

May 9, 2006

**Project: The Federation of Independent Illinois Colleges and Universities
Revenue Anticipation Note Program**

Participants: Elmhurst College, Eureka College, and Lincoln College (chartered as Lincoln University)

STATISTICS

Project Number:	E-PC-TE-CD-6096	Amount:	\$12,600,000 (not to exceed)
Type:	501(c)(3) RANs	FM:	Townsend Albright
Locations:	Applicant, Springfield	SIC:	8221
	Participants, Elmhurst, Eureka, Lincoln, Normal		

BOARD ACTION

Preliminary Bond Resolution	Staff recommends approval
Conduit Not For Profit RANs	No extraordinary conditions
No IFA funds at risk	

PURPOSE

(i) provide working capital, and (ii) fund bond issuance costs

VOLUME CAP

Conveys Federal tax-exempt status on bond interest.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Source:	IFA RANs	<u>\$12,600,000</u>	Uses:	Estimated Working Capital:	
				Elmhurst College	\$4,370,000
				Eureka College	5,600,000
				Lincoln College	2,530,000
				Bond Issuance	<u>100,000</u>
Total		<u>\$12,600,000</u>		Total	<u>\$12,600,000</u>

JOBS

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

BUSINESS SUMMARY

Background: The Federation of Independent Illinois Colleges and Universities (the "Sponsor", the "Applicant") is an Illinois not-for-profit corporation established in 1904 by a group of college presidents. It is the oldest private college association in the United States and has evolved from a social club for college presidents into a dynamic advocacy organization representing interests of private colleges and universities in the policy area. With a membership of 56 institutions, the Sponsor provides a unified voice for the independent sector of higher education in Illinois. A list of member institutions, which serve as the Applicant's Board, is attached for Board review.

The Program: The 2006 RAN Program has three participating institutions ("Participants"); (i) Elmhurst College, (ii) Eureka College, and (iii) Lincoln College. The IDFA, a predecessor authority was conduit financier of the program from 2000 to 2003. The stand-alone pool Program has been inactive since 2003 because of an unfavorable interest rate environment. It is anticipated the notes will mature 270 days.

RAN proceeds are invested in taxable "AA" or "AAA"-rated guaranteed investment contracts ("GICs") which have historically earned 1.75%-2.00% over the Program borrowing rate. Proceeds are held by a Trustee in separate sub-accounts and are drawn down as needed by the participating institutions. Interest is credited at maturity based on each participant's pro-rata balance in their sub-account throughout the year.

The size of the RAN issue is dependent on two components: the Participant's projected cash needs and a working capital reserve, if any. While it is not required that the Participant borrow or subsequently draw down the working capital reserve, it must draw down on the projected cash need. The Participant retains the difference in the earnings rate and the interest on both components as long as it draws down for its projected cash needs within six months of RAN issuance.

Participants: **Elmhurst College**

Elmhurst College is a four-year liberal arts college founded in 1871. Elmhurst College is located in Elmhurst, Illinois, and is affiliated with the United Church of Christ. Student enrollment is steady. For the academic 2005-2006 year, 2,920 students were enrolled at Elmhurst. There are 2,549 full-time equivalents. In 2005, 19.0% of entering freshmen were minorities. Tuition charged for full-time students for academic years 2004-05 and 2005-06 was and is \$20,090 and \$21,600, respectively. Elmhurst College The fall term drew applicants from 44 states and the District of Columbia. The College's students came from 64 different countries.

Eureka College

Eureka College was chartered in 1855 and was the first college in Illinois and third in the nation to admit men and women on an equal basis. Eureka College is a four-year co-educational liberal arts college affiliated with The Christian Church (Disciples of Christ). Eureka College offers bachelor's degrees in 30 majors, with pre-professional advising in several fields. The average class size is 15 students and the student/teacher ratio is 14:1. The campus is a wooded 112-acre site with 24 residential and academic buildings and is located in the central-Illinois community of Eureka, Illinois. Student enrollment has been steady. 541 students were enrolled for the 2005-2006 academic year. Tuition charged for full-time students for academic years 2004-05 and 2005-06 was and is \$18,700.

Lincoln College (chartered as Lincoln University)

Lincoln College, chartered in 1865 as Lincoln University, is a private, two-year, co-educational liberal arts college fully accredited by the Higher Learning Commission of the North Central Association with campuses in Lincoln and Normal, Illinois. Lincoln College in Normal also offers a limited baccalaureate program. Lincoln College in Normal is home to the Midwest College of Cosmetology which prepares students for careers in cosmetology, esthetics, and nail technology. Enrollment has been steady. 1,191 students, including 1,066 full-time equivalents, were enrolled at both campuses for the 2005-2006 academic year. Tuition charged for full-time students for academic years 2004-05 and 2005-06 was and is \$13,600 and \$14,300, respectively.

Remarks: The RANs are general obligations of the participants with no security requirements in the RAN documents. Unless there are specific security requirements on behalf of the letter-of-credit bank or certain participants, the RANs are unsecured.

FINANCING SUMMARY

Security: The RANS are unsecured general obligations of each of the participants. Each participant may choose to purchase a Direct Pay Letter of Credit or choose to participate on a non-rated basis. All participants will be reviewed by Standard & Poors rating service on a stand-alone basis and may be required to obtain a Direct pay Letter of Credit from a rated bank in order to be rated by S & P. Elmhurst College will be rated SP-1, Eureka College will be rated SP-2 based on a direct pay Letter of Credit from Associated Bank, and Lincoln College will be rated SP-2.

Structure: Revenue Anticipation Notes.
Maturity: Less than one year.

PROJECT SUMMARY

Proceeds will be used to (i) provide working capital for Elmhurst College, Eureka College, and Lincoln College, and (ii) fund legal and professional costs.

Project Costs:
Estimated
Working Capital \$12,500,000
Total \$12,500,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Federation of Independent Illinois Colleges and Universities, 123 South 2nd Street, Springfield, Sangamon County, IL 62704 on behalf of (i) Elmhurst College, (ii) Eureka College, and (iii) Lincoln College

Project name: Series 2006 RAN Program

Locations:

(i) Elmhurst College 190 Prospect Avenue Elmhurst, DuPage County, IL	(ii) Eureka College 300 East College Avenue Eureka, Woodford County, IL	(iii) Lincoln College 300 Keokuk Street Lincoln, Logan County, IL <i>and</i> 715 West Raab Road Normal, McLean County, IL
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Organization: 501(c)(3) Corporations
State: Illinois
Membership: Attached for IFA Board review, pages 5-13.

PROFESSIONAL & FINANCIAL

Counsel:	In house		
Accountants:			
Elmhurst College	KPMG LLP	Chicago, IL	
Eureka College	Glifton Gunderson LLP	Peoria, IL	
Lincoln College	J.M. Abbott & Associates, LTD.	Lincoln, IL	
Bond Counsel:	Gilmore & Bell, PC	Kansas City, MO	Web Gilmore
Underwriter:	Piper Jaffray & Co.	Chicago, IL	Susan Homier
Underwriter's Counsel:	Gilmore & Bell, PC	Kansas City, MO	Tracy Shafton
Issuer's Counsel:	Pugh, Jones, Johnson & Quandt	Chicago, IL	Scott Bremer
Trustee:	UMB Bank	St. Louis, MO	Victor Zarrilli

LEGISLATIVE DISTRICTS

	Elmhurst College	Eureka College	Lincoln College @ Lincoln	Lincoln College @ Normal
Congressional:	6 th Henry Hyde	18 th Ray LaHood	18 th Ray LaHood	11 th Gerald C. Weller
State Senate:	23 rd Carole Pankau	53 rd Dan Rutherford	50 th Larry K. Bomke	53 rd Dan Rutherford
State House:	46 th Lee A. Daniels	106 th Keith P. Sommer	100 th Rich Brauer	106 th Keith P. Sommer

FEDERATION OF INDEPENDENT ILLINOIS COLLEGES AND UNIVERSITIES

2006 MEMBERSHIP LIST

Adler School of Professional Psychology	Raymond E. Crossman, Ph.D. President	312/201-5900* Ext. 239**
Sarah Sapperstein, Exec. Admin. Asst. rec@adler.edu ssapperstein@adler.edu	65 East Wacker Place, Suite 2100 Chicago, IL 60601 FAX	312/201-5917
Augustana College	Pres. Steven C. Bahls 639 38th St. Rock Island, IL 61201-2296 stevenbahls@augustana.edu	309/794-7000* 309/794-7208** FAX 309/794-7422
Ethel Hesler, Secretary to the President		
Aurora University	Pres. Rebecca L. Sherrick 347 S. Gladstone Aurora, IL 60506-4892 sherrick@aurora.edu	630/892-6431* 630/844-5476** FAX 630/844-7840
Maggie Sharrer, Admin. Assist. to the President		
Benedictine University	Pres. William Carroll 5700 College Rd. Lisle, IL 60532-0900 wcarroll@ben.edu	630/829-6000* 630/829-6004** FAX 630/829-6242
Pat Ariano Assistant to the President pariano@ben.edu		
Blackburn College	Pres. Miriam "Mim" Pride 700 College Ave. Carlinville, IL 62626-1498 mprid@mail.blackburn.edu	217/854-3231* ext. 4212** or ext. 4213** FAX 217/854-3713
Ann Allen, Assist. to the President aalle@blackburn.edu		
Bradley University	David C. Broski President 1501 W. Bradley Ave. Peoria, IL 61625-0001 dcbroski@bradley.edu	309/676-7611* 309/677-3167** FAX 309/677-3230
Sandy Hadank, Admin. Asst. to the President		
	President's Representative:	
	William D. Engelbrecht Vice President for Advancement 1501 W. Bradley Ave. Peoria, IL 61625 engelw@bradley.edu	309/677-3159 FAX 309/677-2516

Key: *campus information; ** President's Office Chicago School of Professional Psychology	FEDERATION 1/06 Dr. Michael Horowitz President 325 N. Wells Street Chicago, IL 60605-2000 gsatterfield@csopp.edu	312/329-6600* 312/329-6651** FAX 312/644-3333
Gwen Satterfield, Manager for the Executive Offices		
Columbia College Chicago	Pres. Warrick L. Carter 600 S. Michigan Avenue, Suite 505 Chicago, IL 60605-1996 wcarter@colum.edu	312/663-1600* 312/344-7202** FAX 312/344-8069
Yvonne Sode Exec. Assist. to the President ysode@colum.edu		
Concordia University President	Dr. John Johnson 7400 W. Augusta River Forest, IL 60305-1499 john.johnson@curf.edu	708/771-8300* 708/209-3003** FAX 708/209-3534
Rosetta Polizzotti, Assistant to the President		
DePaul University	Father Dennis Holschneider President 25 E. Jackson Blvd. Chicago, IL 60604-2287 president@depaul.edu	312/362-8000* 312/362-8458** FAX 312/362-6822
Jessica Hallam, Exec. Assist. to the Pres. jhallam@depaul.edu		
	President's Representative:	
Kathleen Browne Admin. Secretary kbrowne1@depaul.edu	David Justice V.P. of Life Long Learning One E. Jackson Blvd. Room 8300 Chicago, IL 60604-2287 djustice@depaul.edu	312/362-6303 FAX 312/362-5848
Dominican University	Pres. Donna Carroll Federation Chair 7900 W. Division River Forest, IL 60305-1099 dompres@dom.edu	708/366-2490* 708/524-6817** FAX 708/488-5157
Cordelia Pottinger-Walters Exec. Sec. to the President Cwalters.dom.edu		
East-West University Carolyn Fowlkes Admin. Assistant to the Chancellor carolyn@eastwest.edu	Dr. M. Wasiullah Khan Chancellor 816 South Michigan Avenue Chicago, IL 60605 chancellor@eastwest.edu	312/939-0111* ext. 1808 FAX 312-939-0083
Elmhurst College Jeannine Boylan	Pres. Bryant L. Cureton 190 Prospect Ave. Elmhurst, IL 60126-3296	630/279-4100* 630/617-3100** FAX 630/617-3692

Exec. Sec. to the President	bryantc@elmhurst.edu		
Key: *campus information; **President's Office	FEDERATION 1/06		
Eureka College	Pres. J. David Arnold 300 College Ave. Eureka, IL 61530-1500		309/467-3721* 309/467-6322**
Michele Lehman, Exec. Sec. to the President	damold@eureka.edu	FAX	309/467-6325
Greenville College	Pres. V. James Mannoia, Jr. 315 E. College Ave. Greenville, IL 62246-0159		618/664-2800* 618/664-7000**
Tamie Heichelbeck, Admin. Assist. to the Pres.	president@greenville.edu	FAX	618/664-1748
Illinois College	Pres. Axel D. Steuer 1101 W. College Ave. Jacksonville, IL 62650-2299		217/245-3000* 217/245-3001**
Ann Marie Stahel, Assist. to the President	asteuer@ic.edu	FAX	217/245-3008
Illinois College of Optometry	Pres. Arol Augsburger 3241 South Michigan Ave. Chicago, IL 60616-3878		312/225-1700* 312/949-7702**
Merrilee Zavaski, Exec. Asst. to the President	mzavaski@ico.edu	FAX	312/949-7670
Illinois Institute of Technology	Pres. Lewis Collens 10 W. 33rd St., Room 223 Chicago, IL 60616-3793		312/567-3000* 312/567-5198**
Nancy L. Agler, Senior Admin. Asst. to the President	collens@iit.edu	FAX	312-567-3004
	President's Representative:		
Toni Monroe Assist. to VP Ext. Affairs	David Baker, V.P. for External Affairs IIT-223 Perlstein Hall 10 W. 33rd St. Chicago, IL 60616-3793		312/567-3560
monroe@iit.edu	bakerd@iit.edu	FAX	312/567-3004
Illinois Wesleyan University	Pres. Richard Wilson (Dick) Federation Secretary/Treasurer P.O. Box 2900 Bloomington, IL 61702-2900		309/556-1000* 309/556-3151**
Susan Bassi, Assistant. to the President	president@iwu.edu	FAX	309/556-3970
Judson College	Pres. Jerry B. Cain 1151 N. State St. Elgin, IL 60123-1498		847-628-2002**
Kathy Clyburn, Exec. Assist. to the President	jcain@judsoncollege.edu	FAX	847-628-1027

kclyburn@judsoncollege.edu

Key: *campus information; **President's Office

FEDERATION 1/06

Knox College

Pres. Roger L. Taylor

309/341-7000*

K Box 142

309/341-7211**

Denise Bailey, Exec. Secretary

Galesburg, IL 61401-4999

FAX

309/341-7856

rtaylor@knox.edu

Lake Forest College

Pres. Stephen D. Schutt

847/234-3100*

555 N. Sheridan Rd.

847/735-5100**

Ingrid Speros, Exec. Assist.
to the President

Lake Forest, IL 60045-2399

FAX

847/735-6270

president@lfc.edu

Lewis University

Brother James Gaffney, F.S.C.

815/838-0500*

President

815/836-5230**

Margaret Kientop, Executive
Assist. to the President

One University Parkway

Romeoville, IL 60446-2200

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ILLINOIS FINANCE AUTHORITY

MEMORANDUM

MEMO TO: IFA Board of Directors

FROM: Townsend S. Albright

DATE: May 9, 2006

RE: Amendatory Resolution relating to \$3,000,000 Illinois Development Finance Authority Variable rate Solid Waste Disposal Revenue Bonds (Kasbergen Family Living Trust Project, Series 2002)

Kasbergen Family Living Trust ("Borrower"), borrower under the \$3,000,000 Illinois Development Finance Authority Variable Rate Solid Waste Disposal Revenue Bonds (Kasbergen Family Living Trust Project), Series 2002 (the "Bonds"), requests approval of the Illinois Finance Authority ("IFA") to amend the Trust Indenture by and between the IFA, as successor to the Illinois Development Finance Authority, and Wells Fargo Bank, N.A. as Trustee (the "Trustee") dated June 1, 2002 (the "Indenture") and to amend the Loan Agreement by and between the IFA, as successor to the Illinois Development Finance Authority, and Borrower dated June 1, 2002 (the "Loan Agreement"), in order to substitute an Alternate Confirming Letter of Credit from CoBank ACB and an Alternate Confirming Letter of Credit from Wells Fargo Bank West, N.A., with one Confirming Letter of Credit from Bank of the West. The current rating on the Bonds while the two Alternate Confirming Letters of Credit are in effect is AA-/A-1+. The rating on the Bonds that will be in effect after substitution of the Alternate Confirming Letters of Credit with the single Confirming Letter of Credit from Bank of the West will be A+/A-1. The Trustee and beneficial owners of 100% of the outstanding Bonds have consented to the substitution of the letters of credit. The substitution is expected to be effective as of May 18, 2006. In connection with the substitution, the IFA will receive an opinion of bond counsel to the effect that the amendment to the Indenture and Loan Agreement are authorized under and comply with the terms of the Indenture and Loan Agreement and that the change in confirming letters of credit will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the bonds.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 9, 2006**

Project: Saint Xavier University

STATISTICS

IFA Project #:	E-PC-TE-CD-6046	Amount:	\$10,000,000 (not-to-exceed amount)
Type:	501(c)(3) Bonds	FM:	Rich Frampton
Locations:	Chicago and Oak Lawn		

BOARD ACTION

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

PURPOSE

Construction of a new 82-bed student housing facility in Chicago and the acquisition and renovation of an existing 12-unit apartment building into a student apartment facility in Oak Lawn with 36 beds [adjacent to Saint Xavier's Chicago Campus]. Overall, the project will add 118 beds of student housing to Saint Xavier's Chicago Campus and enhance the University's efforts to increase on-campus housing opportunities for its students.

IFA CONTRIBUTION

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

VOTING RECORD

Preliminary Bond Resolution, 4/11/2006:

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

Abstentions: 0 Vacant: 0

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

Sources:	IFA Bonds	\$10,000,000	Uses:	New Project Cost	\$10,255,650
	Illinois Clean Energy			Issuance Costs	<u>350,000</u>
	Comm. Found. Grant	97,750			
	Equity	<u>507,900</u>			
	Total	<u>\$10,605,650</u>		Total	<u>\$10,605,650</u>

JOBS

Current employment:	608	Projected new jobs:	6-10 (6 specific to campus housing)
Jobs retained:	0	Construction jobs:	35-100 (range over 12 months)

BUSINESS SUMMARY

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

The University has a two-tiered governance structure:

- (1) The Sisters of Mercy sponsor Saint Xavier University and appoint the five (5) Members of the Corporation of Saint Xavier University. The Members of the Corporation are responsible for approving the University's mission statement, articles of incorporation, and for also approving major capital projects and related long-term borrowing.
- (2) The Members of the Corporation have delegated decisions relating to day-to-day governing powers to a 28-member Board of Trustees who oversee day-to-day management of the University. (See Economic Disclosure Statement section on page 4.)

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

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

Description: Saint Xavier University's campuses in Chicago and Orland Park offers 35 undergraduate and 30 graduate programs through its Schools of Arts and Sciences, Education, Nursing, and its Graham School of Management. Additionally, the University's School for Continuing and Professional Studies features programs and services directed to adult learners.

For academic 2005-2006, Saint Xavier University has approximately 5,700 students at its campuses in Chicago and Orland Park, comprised of 3,182 undergraduates and 2,523 graduate students. Saint Xavier graduated 1,732 students in academic 2004-2005. The average age of the University's student body is 24.5 for undergraduate students and 33.3 for graduate students. Approximately 75% of Saint Xavier's undergraduates (i.e., approximately 2,400 out of 3,182) were full-time students.

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

The Chicago Campus is located on a 74 acre site in a residential neighborhood and has a 2005-2006 enrollment of 4,874. The Chicago Campus presently includes four residence halls with 605 beds. The Chicago Campus has 45 on-campus student organizations available for extracurricular participation.

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

Key milestones in Saint Xavier University's history include:

- 1946: Saint Xavier University was originally established in Chicago
- 1912: Saint Xavier College for Women received state certification, becoming the first Catholic women's college in Chicago.
- 1955: Saint Xavier College for Women became Saint Xavier College
- 1956: Saint Xavier relocated its former campus at 49th Street and Cottage Grove to its present location at 3700 West 103rd Street in Chicago (between Kedzie Ave. and Pulaski Rd.).
- 1969: Saint Xavier became coeducational

- 1985: Saint Xavier established its Graham School of Management
- 1992: Saint Xavier College became Saint Xavier University
- 1997: Saint Xavier opened its South Campus in leased space in Tinley Park, Illinois
- 2001-2002: Saint Xavier completed construction of two new on-campus residence halls (McCarthy Hall and Morris Hall) which added 215 new student housing beds to its existing 290 beds
- 2004: Saint Xavier opened its new South Campus facilities in Orland Park, located near the I-80/US 45 (LaGrange Road) interchange, and relocated its South Campus from leased space in Tinley Park

Enrollment

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

1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
3,908	4,429	4,939	5,281	5,581	5,722	5,705

Remarks: The proposed project will enable Saint Xavier University to increase its on-campus housing options by adding 118 beds of student housing to its existing 605 beds. The University's strategic plan involves projects that will enable Saint Xavier to continue its evolution from a commuter campus to a full-time residential campus. Integral to the University's plan, its objective is to provide 1000 units of on-campus student housing by 2009. As of Fall 2005, the University's 605 on-campus student housing beds were approximately 99% occupied.

To facilitate absorption of the forthcoming student housing beds, the University has negotiated leases in nearby apartment buildings to provide interim student housing space while the current projects are under development. Based on existing headcounts from the current interim near-campus housing, the University anticipates that both Rubloff Hall and the newly renovated apartment building on S. Pulaski Ave. in Oak Lawn will be fully occupied when both open in August 2006. The University initiated a similar arrangement to provide near-campus housing on an interim basis in 2001 and 2002, also prior to opening new on-campus housing facilities. The University expects to replicate its success in 2001 and 2002 this Fall by again achieving 100% occupancy immediately upon opening as students leasing interim near-campus housing relocate to the facilities to be financed with the bond proceeds.

The University believes on-campus housing is essential for providing its students with a comprehensive full-time, college experience enabling integration of educational and extracurricular activities.

"LEED"

Certification:

Additionally, the new 82-bed Rubloff Hall student housing facility will be the first university residence hall in the Chicago Metropolitan Area to be constructed and certified according to *Leadership in Energy & Environmental Design* ("LEED") standards, a project of the U.S. Green Building Council. Key "green building" features of the project include an energy efficient lighting system, a "green roof" with 1,000 SF (over 10% of the total surface area) of low-maintenance plants for heating and cooling retention, recycled carpet, toilets with separate liquid and solid flush modes, energy-efficient double pane windows, high-efficiency insulation for the roofs and walls, and a building HVAC and ventilation control system that reduces energy consumption and improves indoor air quality.

In recognition of Rubloff Hall's development as "LEED" compliant, the Illinois Clean Energy Community Foundation awarded Saint Xavier a \$97,750 grant to incorporate these "green building" features into the project (as noted in the Sources of Funds).

More information on LEED-certified buildings is located on the U.S. Green Building Council's web site at: <http://www.usgbc.org>.

FINANCING SUMMARY

Structure/

Security: The Bonds will be secured by a Direct Pay Letter of Credit from LaSalle National Bank.

Term/

Interest Rate: 7-day Variable Rate Demand Bonds with a final maturity of 25 years. The most current average weekly floating interest rate on 7-day floaters was 3.25% as of 3/15/2006.

PROJECT SUMMARY

Bond proceeds will be used by Saint Xavier University to finance, refinance, or reimburse itself for (i) the construction and equipping of a new, five-story, 82-bed dormitory to be located on Saint Xavier University's Chicago Campus at 3700 W. 103rd St. in Chicago (Cook County), IL 60655 and to be known as "Rubloff Hall", and (ii) to purchase, renovate, and equip an existing 12-unit apartment building [that will provide 36 student housing beds] located at 10114-10116 S. Pulaski Rd. in Oak Lawn (Cook County), IL 60453-4151. Additionally, bond proceeds may also be used to (iii) pay a portion of the interest on the Bonds, and (iv) to pay bond issuance costs and certain other fees and expenses.

Proposed project costs include the following:

New Construction (Rubloff Hall):	\$8,200,000
S. Pulaski Building Acquisition (Oak Lawn):	900,000
Machinery & Equipment:	475,050
Architectural & Engineering:	<u>680,600</u>
Total	\$10,255,650

ECONOMIC DISCLOSURE STATEMENT

Applicant/ Saint Xavier University, 3700 W. 103rd Street, Chicago, IL 60655
Contact: Ms. Susan L. Piros, Vice President for Business and Finance; (T) (773) 298-3031;
(F): (773) 298-3222; e-mail: piros@sxu.edu; web site: www.sxu.edu
Project name: Saint Xavier University Series 2006 Bonds
Locations: Saint Xavier University, Rubloff Hall, 3700 W. 103rd Street, Chicago, IL 60655, and 10114-10116 S. Pulaski Ave. Apartments, Oak Lawn, IL 60453-4151
Organization: Illinois 501(c)(3) corporation

Board

Membership: *See attached list of Board of Trustees on Pages 6-8 of this report.*

Current Land

Owner:

- Rubloff Hall is to be located on the Saint Xavier University campus on land already owned by the University.
- 10114-10116 S. Pulaski Apartments, Oak Lawn, IL: Laurmeg Services, LLC, 16W668 Therese Court, Hinsdale, IL 60521

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Bond Counsel:	Chapman and Cutler, LLP	Chicago, IL	Nancy Burke
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Development Consultants:	Dober, Lidsky, Craig and Assoc., Inc.	Belmont, MA	
Rating Agency:	Standard & Poor's	New York, NY	Martha Rocha
General Contractors:	Henry Bros., Co.	Hickory Hills, IL	
	Tuitman Enterprises, Inc. ("TEI")	Oak Lawn, IL	
Architect:	Solomon Cordwell Buenz & Assoc.	Chicago, IL	
Issuer's Counsel:	Sanchez Daniels & Hoffman, LLP	Chicago, IL	John Cummins

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State House:	35 Kevin Joyce	36 James D. Brosnahan

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ILLINOIS DEVELOPMENT FINANCE AUTHORITY
as Issuer

AND

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION
as Trustee

SUPPLEMENTAL TRUST INDENTURE

\$3,000,000
VARIABLE RATE DEMAND
SOLID WASTE DISPOSAL REVENUE BONDS
(Kasbergen Family Living Trust Project)
SERIES 2002

Dated as of May 18, 2006

SUPPLEMENTAL INDENTURE OF TRUST

THIS SUPPLEMENTAL TRUST INDENTURE (the "Supplemental Indenture"), dated as of May 18, 2006 by and among the ILLINOIS DEVELOPMENT FINANCE AUTHORITY, a political subdivision, body politic and corporate of the state of Illinois (the "Issuer"), and WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, a national banking association with its principal place of business located in Portland, Oregon (the "Trustee") as trustee.

WITNESSETH:

WHEREAS, the parties desire to amend the Trust Indenture, dated as of June 1, 2002 (the "Indenture"), by and among the Issuer and the Trustee to provide for supplemental credit enhancement for \$3,000,000 Variable Rate Demand Solid Waste Disposal Revenue Bonds (Kasbergen Family Living Trust Project) Series 2002 (the "Bonds");

NOW, THEREFORE, the Indenture is hereby amended by this Supplemental Indenture as follows:

Article I.

ARTICLE VI, Section 6.08 of the Indenture is amended with the addition of the following language as a new paragraph D:

D. In place of Alternate Confirming Letters of Credit from Confirming Bank A and Confirming Bank B, one Alternate Confirming Letter of Credit from a Confirming Bank may be submitted. In that event, all references to Confirming Bank A or Confirming Bank B in the Indenture or the Agreement shall mean the sole Alternate Confirming Bank and any obligations required of Confirming Bank A or Confirming Bank B in the Indenture or Agreement shall be performed by the Alternate Confirming Bank.

Article II: Other than as set forth in Article I, the Indenture is not otherwise altered, amended or supplemented and the remaining terms of the Indenture continue in full force and effect.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Supplemental Trust Indenture to be executed in their respective names as of the day first above written.

ILLINOIS DEVELOPMENT FINANCE AUTHORITY

By: _____
(Name)
Executive Director

SEALS

ATTEST:

By: _____
(Name)

**WELLS FARGO BANK NORTHWEST,
NATIONAL ASSOCIATION, as Trustee**

By: _____
(Name)
Title

**AMENDATORY RESOLUTION
RELATING TO \$3,000,000 ILLINOIS DEVELOPMENT FINANCE AUTHORITY
VARIABLE RATE SOLID WASTE DISPOSAL REVENUE BONDS
(KASBERGEN FAMILY LIVING TRUST PROJECT), SERIES 2002**

Kasbergen Family Living Trust ("Borrower"), borrower under the \$3,000,000 Illinois Development Finance Authority Variable Rate Solid Waste Disposal Revenue Bonds (Kasbergen Family Living Trust Project), Series 2002 (the "Bonds"), requests approval of the Illinois Finance Authority ("IFA") to amend the Trust Indenture by and between the IFA, as successor to the Illinois Development Finance Authority, and Wells Fargo Bank, N.A., as Trustee (the "Trustee") dated June 1, 2002 (the "Indenture") and to amend the Loan Agreement by and between the IFA, as successor to the Illinois Development Finance Authority, and Borrower dated June 1, 2002 (the "Loan Agreement"), in order to substitute an Alternate Confirming Letter of Credit from CoBank ACB and an Alternate Confirming Letter of Credit from Wells Fargo Bank West, N.A., with one Confirming Letter of Credit from Bank of the West. The current rating on the Bonds while the two Alternate Confirming Letters of Credit are in effect is AA-/A-1+. The rating on the Bonds that will be in effect after substitution of the Alternate Confirming Letters of Credit with the single Confirming Letter of Credit from Bank of the West will be A+/A-1. The Trustee and beneficial owners of 100% of the outstanding Bonds have consented to the substitution of the letters of credit. The substitution is expected to be effective as of May 18, 2006. In connection with the substitution, the IFA will receive an opinion of bond counsel to the effect that the amendment to the Indenture and Loan Agreement are authorized under and comply with the terms of the Indenture and Loan Agreement and that the change in confirming letters of credit will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

RESOLUTION

RESOLUTION authorizing the execution of an Amendment to the Loan Agreement between the Kasbergen Family Living Trust and the Illinois Development Finance Authority dated as of June 1, 2002 and a Supplement to the Trust Indenture between Wells Fargo Bank Northwest, National Association and the Authority dated as of June 1, 2002 regarding \$3,000,000 Variable Rate Demand Solid Waste Disposal Revenue Bonds (Kasbergen Family Living Trust Project) Series 2002 issued by the Authority in order to provide, in addition to the current letter of credit, for a single alternate confirming letter of credit in place of two confirming letters of credit as credit enhancement for the bonds, and authorizing and approving certain other matters.

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

WHEREAS, the \$3,000,000 Illinois Development Finance Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Kasbergen Family Living Trust Project) Series 2002 (the "Bonds") were issued by the Authority at the request of the Kasbergen Family Living Trust ("the Borrower") for the purpose of financing certain costs related to the acquisition, construction and equipping of the solid waste disposal components of the Borrower's dairy facility (the "Project"); and

WHEREAS, regarding the Bonds, the Authority and the Borrower have entered into a Loan Agreement dated as of June 1, 2002 (the "Loan Agreement"), and the Authority and Wells Fargo Bank Northwest, National Association whose successor is Wells Fargo Bank, National Association ("the Trustee") have entered into a Trust Indenture dated as of June 1, 2002 (the "Indenture"); and

WHEREAS, the Borrower, the Trustee, the Bank and the Confirming Bank, each as defined in the Indenture have requested the Authority to enter into an Amendment to the Loan Agreement and a Supplement to the Indenture for alternate credit enhancement provisions for the Bonds and other matters related thereto; and

WHEREAS, the Indenture and Loan Agreement require two confirming letters of credit for the Bonds, referred to in the Indenture and Loan Agreement as Confirming Letter of Credit A and Confirming Letter of Credit B, for the Trustee to draw upon in the Event of Default by the Letter of Credit Bank; and

WHEREAS, the Borrower has requested that in place of two confirming letters of credit, a single alternate letter of credit be provided as credit enhancement for the Bonds; and

WHEREAS, the substitution of one alternate confirming letter of credit for two confirming letters of credit, Confirming Letter of Credit A and Confirming Letter of Credit B, requires an amendment to the Indenture and to the Loan Agreement; and

WHEREAS, additional amendments to the Indenture and Loan Agreement are necessary in order to clarify the obligations of the Trustee in the Event of Default; and

WHEREAS, the drafts of the following documents are hereby presented to the Authority at this meeting and attached to this Resolution (collectively, the "Authority Documents"):

(a) Supplemental Trust Indenture (the "Supplemental Indenture") between the Authority and the Trustee, substantially in the form attached hereto as Exhibit A, supplementing and amending the providing for supplemental credit enhancement for the Bonds by authorizing the substitution of a single confirming alternate letter of credit in place of two confirming letters of credit as currently required in the Indenture ;

(b) Amendment to the Loan Agreement ("the Amendment") between the Authority and the Borrower, substantially in the form attached hereto as Exhibit B, amending the Loan Agreement to provide for supplemental credit enhancement for the Bonds by authorizing the substitution of a single confirming alternate letter of credit in place of two confirming letters of credit as currently required in the Loan Agreement.

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

Section 1. It is hereby found and determined that alternate credit enhancement provisions for the Bonds and the other amendments set forth in the Amendment and the Supplemental Indenture regarding the Bonds will be of benefit to the health or general welfare of the Authority and its citizens and does comply with the purposes and provisions of the Act.

Section 2. The substantially final forms of the documents comprising the Amendment and Supplemental Indenture presented herewith are hereby approved.

Section 3. The Authority does hereby authorize and approve the execution by its Chairperson, Vice Chairperson, 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 and the delivery and use of the Authority Documents. The Secretary or Assistant Secretary of the Authority is hereby authorized to attest to any Authority Document. The Authority Documents shall be substantially in the forms 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 Authority Documents attached hereto and to constitute conclusive evidence of such person's approval and the Authority's approval of the terms of the Amendment and Supplemental Indenture.

Adopted this ____ day of May, 2006 by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Secretary

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

MEMO TO: IFA Board of Directors

FROM: Townsend S. Albright

DATE: May 9, 2006

RE: Museum of Broadcast Communications Confirmation Memorandum

The Museum of Broadcast Communications is requesting that the Authority Board confirm the Preliminary Bond Resolution passed by the Authority's predecessor authority, the Illinois Development Finance Authority, for conduit not-for-profit revenue bonds to the Museum of Broadcast Communications New Facility Project in an aggregate amount estimated at \$10,000,000.

It is anticipated the Museum will come before the IFA Board for its final approval for this project either at the IFA June, 2006 or the July, 2006 meeting.

Staff recommends confirmation of the existing Preliminary Bond Resolution.

Attachments:

1. IDFA Preliminary Bond Resolution of approval dated December 12, 2002,
2. IDFA Board preliminary presentation.

ta/h/tamemo

02-12-08

**A PRELIMINARY BOND RESOLUTION APPROVING THE
ISSUANCE OF
ILLINOIS DEVELOPMENT FINANCE AUTHORITY
CONDUIT NOT-FOR-PROFIT REVENUE BONDS
SERIES 2003
TO THE MUSEUM OF BROADCAST COMMUNICATIONS
(NEW FACILITY PROJECT)
IN AN AGGREGATE PRINCIPAL AMOUNT ESTIMATED
AT \$10,000,000
(IDFA No. 9820-NP)**

WHEREAS, there has been presented to the Illinois Development Finance Authority, a political subdivision, body politic and corporate, of the State of Illinois (the "Authority"), by The Museum of Broadcast Communications, an Illinois 501(c)(3) corporation (the "Borrower"), an application for the issuance of conduit 501(c)(3) Revenue Bonds by the Authority in an amount now estimated at Ten Million and no/100 (\$10,000,000) (the "Bonds"); and

WHEREAS, the Borrower's application has been made with respect to a "project" within the meaning of the Illinois Development Finance Authority Act, 20 ILCS 3503/1 *et. seq.* (2002); IL. Rev. Stat. 1991, Ch. 48, par. 850.01 *et. seq.*, as supplemented and amended (the "Act"), the proceeds of the bond issue will be used to (i) purchase land and, (ii) renovate an existing 50,000 sq. ft. building at or near 9 West Kinzie Street, (Cook County), Illinois 60610, (iii) capitalize interest, and (iv) pay for bond issuance costs (the "Project"); and

WHEREAS, no expenditures relating to the Project (the "Expenditures") have been made more than sixty (60) days prior to the adoption of this Resolution and any further Expenditures will be made on or after the date this Resolution is adopted; and

WHEREAS, Cook County, Illinois has been designated by the Illinois Department of Commerce and Community Affairs as an "area of critical labor surplus" within the meaning of the Act; and

WHEREAS, a determination has been made by the Authority that the financing of all or a portion of the Project by the Authority will increase or retain employment in Cook County, Illinois; and

WHEREAS, each of the Members of the Authority present is familiar with the form of the Preliminary Bond Resolution;

NOW, THEREFORE, BE IT RESOLVED by the Members of the Illinois Development Finance Authority, on this 12th day of December 2002, that the application of the Borrower is approved.

BE IT FURTHER RESOLVED that the Chairman or Executive Director of the Authority is authorized and directed to execute, and the Secretary or Assistant Secretary of the Authority is authorized to seal and to attest the adoption of this Preliminary Bond Resolution and to do any and all things necessary or desirable in order to carry out the intention of the parties as expressed herein.

BE IT FURTHER RESOLVED, provided that, upon final determination of the details of the financing and to the availability to the Authority of sufficient bond authorization, on or before December 12, 2002, the Authority and the Borrower shall have agreed to mutually acceptable terms for the Bonds and the contracts, agreements and proceedings related thereto, the Authority will take all further steps necessary to issue its Conduit Not-For-Profit Revenue Bonds on behalf of the Borrower to finance all or a portion of the Project in an amount now estimated at Ten Million and No/100 Dollars (\$10,000,000).

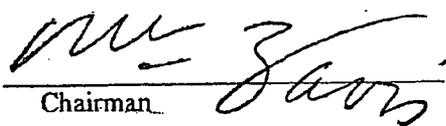
BE IT FURTHER RESOLVED that the Authority, on behalf of the Borrower, reasonable expects to reimburse all or a portion of the Expenditures with the proceeds of the Bonds.

BE IT FURTHER RESOLVED that the Executive Director of the Authority is hereby authorized, empowered and directed to cause notice to the public of a public hearing on the plan of financing for the Project to be published, such notice to be published at a time and in a manner determined by him to be appropriate and at least fourteen (14) days prior to the date on which such public hearing is to be held, and the Executive Director of the Authority (or any officer, employee or agent of the Authority designated by the Executive Director) is further authorized, empowered and directed to hold the public hearing referred to in said notice.

Approved this 12th day of December 2002.



Secretary

By: 

Chairman

CERTIFICATE

I, John Haderlein, hereby certify that I am the duly qualified and acting Secretary of the Illinois Development Finance Authority; that the attached resolution is a true and exact copy of a motion duly adopted at a meeting of the Members of the Illinois Development Finance Authority duly called and held on December 12, 2002, at which meeting a quorum was present and acting throughout; and that such resolution remains in effect and unaltered as of this date.

WITNESS my official signature and Seal of the Illinois Development Finance Authority this 12th day of December 2002.





Secretary

Ayes: 13
Nays: 0
Abstentions: 0
Present 0
Absent: 4
T. Beattie
H. Kaplan
H. Ratner
R. Santo
Vacancies: 0

**DEVELOPMENT FINANCE AUTHORITY
BOARD SUMMARY**

Project: **The Museum of Broadcast Communications**

STATISTICS

Number:	9820	Amount:	\$10,000,000
Type:	NP	PA:	Townsend Albright
Location:	Chicago	Tax ID:	36-3277311
Est. fee:	\$50,000		

BOARD ACTION

Preliminary Bond Resolution	No Extraordinary conditions
Conduit Not for Profit Bonds	Staff recommends approval
No IDFA funds at risk	

PURPOSE

Proceeds will be used to (i) purchase land, and (ii) renovate an existing building, (iii) capitalize interest, and (iv) pay for bond issuance costs

VOLUME CAP

No Volume Cap required for 501(c)(3)'s

VOTING RECORD

Preliminary Bond Resolution, no prior Board vote

SOURCES AND USES OF FUNDS

Sources:	IDFA bonds	\$10,000,000	Uses:	Project cost	\$ 9,293,000
				Capitalized interest	517,000
				Legal/Professional	<u>190,000</u>
Total		<u>\$10,000,000</u>	Total		<u>\$10,000,000</u>

* In October 2002 the Applicant applied for support for the project in the amount of \$3,925,000 through the Illinois Museum Capital Grant Program (FY 2003). A decision is expected in December 2002. Any amount received will be used to pay down the bonds. To date the Applicant has received pledges of private donations totaling \$300,000 for the proposed project.

JOBS

Current employment:	12	Projected new jobs:	16
Jobs retained:	N/A	Construction jobs:	100 (9 months)

BUSINESS SUMMARY

Background: The Museum of Broadcast Communications ("MBC", the "Applicant") was incorporated as an Illinois 501(c)(3) corporation in 1983. MBC opened to the public in 1987 at River City in Chicago's South Loop and in 1992 moved to its present location at Chicago Cultural Center ("CCC"). MBC's mission is to educate, inform, and entertain the public on radio and television's on-going role in society. The Applicant is governed by a 15-member Board of Directors. A list is attached for IDFA Board review.

Description: MBC seeks financing to support the acquisition of and development of a 50,000 sq.ft. building to permanently house the Museum. The first three floors will feature (i) expanded exhibition and collections space, (ii) a visitor lobby, (iii) enhanced TV and radio studios that can serve as multi-purpose rooms, (iv) a state-of-the-art education research center/public archive, and (v) a gift shop and café. The basement will house a parking facility for 100 cars. The fourth floor will serve as storage space and be available for future expansion.

For the past ten years the MBC has been leasing approximately 15,000 sq.ft. of space from the Chicago Cultural Center. The Applicant's current location poses significant limitations to future growth and development. The Applicant cannot provide exterior signage and is limited to four programs and/or special events per year because of requirements of the CCC's landmark status.

Remarks: In 2001, 225,000 visitors explored MBC's exhibitions with approximately one-half of its visitors from other states. Its website draws more than 300,000 visitors per month. Its Public Archive section serves as a nationwide resource and its educational tours in 2001 attracted more than 5,400 students. The proposed facility will enable the MBC to fulfill its mission and flourish as one of Chicago's major cultural attractions. Additionally, the MBC will be the only museum in the dynamic River North area of Chicago.

Financials: Audited financial statements for calendar years 1999 – 2001
(Dollars in 000's)

	1999	2000	2001
Income Statement			
Earned income	\$723	\$567	\$503
Contributed Income	690	741	696
Other income	<u>25</u>	<u>22</u>	<u>26</u>
Total	1,438	1,330	1,225
Operating expenses	<u>(1,362)</u>	<u>(1,366)</u>	<u>(1,216)</u>
Expenses			
Change in Net Assets	<u>76</u>	<u>(36)</u>	<u>9</u>
Balance Sheet			
Current Assets	485	556	511
PP&E	523	390	402
Other Assets	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>1,008</u>	<u>946</u>	<u>913</u>
Current Liabilities	43	36	21
Other LT Liabilities	58	39	13
Debt	0	0	0
Net Assets	<u>907</u>	<u>871</u>	<u>879</u>
Total	<u>\$1,008</u>	<u>\$946</u>	<u>\$913</u>
Ratios:			
Debt coverage	N/A	N/A	N/A
Current Ratio	11.28	15.44	24.33
	N/A	N/A	N/A

Discussion: The CCC would not permit the Applicant to charge an admission fee. The Applicant plans to charge between \$1.00-\$3.00 admission fee at its proposed facility. The fee would generate between \$225,000 and \$675,000 using 2001's attendance figures. The Applicant plans to earn approximately \$10,000-\$15,000 from parking revenues. Annual interest expense for the proposed \$10 million project financing would be \$150,000 using the current floating rate of 1.50%.

FINANCING SUMMARY

Security: Direct Pay Letter of Credit from a bank to be determined
Collateral: First mortgage on the financed property and first lien on equipment
Structure: Seven-day weekly floating rate bonds
Maturity: 30 years

PROJECT SUMMARY

Proceeds will be used to (i) purchase land and (ii) renovate an existing 50,000 sq.ft. building located at 9 West Kinzie Street, Chicago, Cook County, IL 60610, (iii) capitalize interest, and (iv) pay for bond issuance costs.

Project Costs:	Land/	\$4,635,000
	Building	
	Renovation	<u>4,658,000</u>
	Total	<u>\$9,293,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Museum of Broadcast Communications
Project names: New Facility
Location: 9 W. Kinzie Street, Chicago, Cook County, Illinois
Organization: 501(c)(3) Corporation
State: Illinois
Boards: Lists attached for Board review
Letters of Support: Attached for Board review

PROFESSIONAL & FINANCIAL

Counsel:	Winston & Strawn	Chicago, IL	Bruce Toth
Accountant:	AMX Tax and Business Services	Chicago, IL	Jean Schmeltzer
Bond Counsel:	Chapman and Cutler	Chicago, IL	Chuck Jarik
Issuer's Counsel	TBD		
Underwriter/ Placement Agent:	Legg Mason Wood Walker, Inc.	Chicago, IL	Thomas Chapman
Trustee:	TBD		
Architect:	Wheeler Kearns	Chicago, IL	Lawrence Kearns, Mark Robert Weber
General Contractor:	Pepper Construction	Chicago, IL	Richard Tilghman, Robert McAuliff

LEGISLATIVE DISTRICTS

Congressional: 07 Danny K. Davis
State Senate: 06 John J. Cullerton
State House: 11 Judy Erwin

The Museum of Broadcast Communications
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ta/h/9820np

i



A RESOLUTION authorizing the execution and delivery of a First Amendment to Loan Agreement between the Illinois Finance Authority and Community and Health Emergency Services, Inc., amending a Loan Agreement between the Authority and said center to revise the project description contained therein in connection with the outstanding Illinois Finance Authority Primary Health Care Centers Facilities Acquisition Program Revenue Bonds, Series 2005, of the Authority; and providing for other matters relating thereto.

WHEREAS, the Illinois Finance Authority, a body politic and corporate, organized and existing under the laws of the State of Illinois (the "Authority"), is authorized and empowered by the provisions of the Illinois Finance Authority Act, 20 ILCS 3501/801 et seq., as amended (the "Act"), to issue its revenue bonds to finance in whole or in part costs incurred in connection with the development, construction, acquisition or improvement of "industrial projects" (as defined in the Act); and

WHEREAS, the Authority has heretofore issued its Illinois Finance Authority Primary Health Care Centers Facilities Acquisition Program Revenue Bonds, Series 2005 (the "Bonds"), pursuant to an Indenture of Trust dated as of January 1, 2005 (the "Indenture"), by and between the Authority and Amalgamated Bank of Chicago, as trustee (the "Trustee"); and

WHEREAS, pursuant to a Loan Agreement dated as of January 1, 2005 (the "Original Loan Agreement") by and between the Authority and Community Health & Emergency Services, Inc., an Illinois not-for-profit corporation (the "Center"), the Authority has lent the proceeds from the sale of the Bonds to the Center in order to provide funds to finance, refinance or reimburse the costs of the acquisition, construction and improvement of real and personal property used by the Center and to finance non-capital costs relating thereto described in Exhibit A to the Original Loan Agreement (the "Project"), to pay a portion of the interest on the Bonds, to fund a reserve account with respect to the Center, and to pay necessary expenses incidental thereto; and

WHEREAS, the Center has advised the Authority that it desires to replace the project identified as "To purchase an automated medical records system" on Exhibit A to the Loan Agreement with a different project consisting of the acquisition of a telephone system which will be used at the same locations as the medical records system would have been used and has requested that Exhibit A to the Loan Agreement be amended to permit this use of all or a portion of the remaining proceeds; and

WHEREAS, the Authority desires to authorize such amendment; and

WHEREAS, a form of First Amendment to Loan Agreement ("the First Amendment") has been prepared and presented to this meeting:

NOW THEREFORE, Be It Resolved By the Illinois Finance Authority as follows:

Section 1. Authorization of the Amended Project. The financing of all or any portion of the Project described in Exhibit A to the First Amendment and the payment of costs incidental thereto are hereby authorized and determined to be in the public interest and in furtherance of the public purposes contemplated by the Act.

Section 2. Authorization of First Amendment. The form, terms and provisions of the proposed First Amendment presented to this meeting and on file with the Secretary are hereby in all

respects approved, and the Chairman, the Vice Chairman, the Executive Director, the Treasurer and the Secretary or any Assistant Secretary are each hereby authorized, empowered and directed to execute and deliver the Instruments in the name and on behalf of the Authority. The First Amendment, as executed and delivered, shall be in substantially the form thereof now before this meeting and hereby approved or with such changes therein as shall be approved by the officers of the Authority executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of the First Amendment now before this meeting; and from and after the execution and delivery of the First Amendment the officers, agents and employees 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 the intent and accomplish the purposes of this Resolution and to comply with and make effective the provisions of the First Amendment as executed. The First Amendment as approved by this Resolution shall be placed on file at the office of the Authority and made available for public inspection by any interested party immediately upon the passage and approval of this Resolution.

Section 3. Separability. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provisions shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity or enforceability of the remainder of the sections, phrases and provisions hereof.

Section 4. Repeal of Conflicting Resolutions; Effective Date. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this Resolution shall take effect and be in full force immediately upon its adoption.

Adopted May __, 2006.

FOR:

AGAINST:

ABSTAIN:

ABSENT:

Secretary/Assistant Secretary

FIRST AMENDMENT TO LOAN AGREEMENT

by and between

COMMUNITY HEALTH & EMERGENCY SERVICES, INC.

and

ILLINOIS FINANCE AUTHORITY

Dated as of May 1, 2006

FIRST AMENDMENT TO LOAN AGREEMENT

THIS FIRST AMENDMENT TO LOAN AGREEMENT (the "First Amendment") dated as of May 1, 2006 by and between the ILLINOIS FINANCE AUTHORITY (the "Authority"), a body politic and corporate of the State of Illinois, and COMMUNITY HEALTH & EMERGENCY SERVICES, INC. (the "Center"), an Illinois not for profit corporation, amending and supplementing that certain Loan Agreement dated as of January 1, 2005 (the "Original Loan Agreement") by and between the Authority and the Center;

WITNESSETH:

WHEREAS, the Authority has heretofore issued its Primary Health Care Centers Facilities Acquisition Program Revenue Bonds, Series 2005 (the "Bonds"), under and pursuant to that certain Indenture of Trust dated as of January 1, 2005, (the "Trust Indenture"), between the Authority and Amalgamated Bank of Chicago, as trustee (the "Trustee"); and

WHEREAS, the Center has borrowed the proceeds of the Bonds pursuant to the Original Loan Agreement in order to finance or refinance, in whole or in part, the projects described in Exhibit A to the Original Loan Agreement; and

WHEREAS, the Center has requested, and the Authority has agreed, that Exhibit A be amended to replace a project identified as "To purchase an automated medical records system" with a project consisting of the acquisition of a telephone system; and

WHEREAS, such telephone system will be used at the same locations as said medical records system would have been used and will not change the nature, use, size or capacity or the outward appearance of any of the facilities at which said telephone system will be used; and

WHEREAS, (1) Section 2.6(c) of the Original Loan Agreement permits the Center to make any changes on substitutions of any part of the Property or of any component of a Project wherever the Center deems such changes or substitutions to be necessary and appropriate to comply with the covenants contained in Section 2.6(a) of the Original Loan Agreement or if it is necessary to satisfy any Special Conditions; (2) Section 7.11 of the Original Loan Agreement permits the amendment of the Original Loan Agreement with the approval of the Trustee and, if the Trust Indenture must be amended or supplemented with Bondholder's consent, in the same manner and to the same extent as is set forth in the Trust Indenture for similar amendment thereto; and (3) Section 8.7 of the Trust Indenture permits the Authority, the Center and the Trustee to, without the consent of or notice to the holders of the Bonds, consent to any amendment, change or modification of the Original Loan Agreement as may be required (a) by the provisions of the Original Loan Agreement on the Trust Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission, (c) to better describe the Projects provided for therein, or (d) in connection with any other change therein which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the holders of the Bonds; and

WHEREAS, the Trustee has determined that the execution, delivery and performance of this First Amendment is not, in its judgment, to the prejudice of the Trustee or the holders of the Bonds; and

WHEREAS, all things have been done that are necessary to constitute this First Amendment a valid contract of the parties hereto in accordance with its terms;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, and subject to the conditions herein set forth, the parties hereto intending to be legally bound hereby, covenant, agree and bind themselves as follows:

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this First Amendment, have the meanings herein specified and specified in the Original Loan Agreement. Capitalized terms that are not defined herein or in the Original Loan Agreement but that are defined in the Trust Indenture have the meanings assigned to them in the Trust Indenture.

"First Amendment" means this First Amendment to Loan Agreement, as supplemented and amended.

"Original Loan Agreement" means the Loan Agreement dated as of January 1, 2005 between the Authority and the Center.

ARTICLE II
AMENDMENTS TO ORIGINAL LOAN AGREEMENT

Section 1.1. Amendment to Exhibit A. Exhibit A to the Original Loan Agreement is hereby amended in its entirety to read in full as Exhibit A attached to this First Amendment.

ARTICLE III
MISCELLANEOUS PROVISIONS

Section 1.1. Applicability of the Original Loan Agreement. In all respects not inconsistent with the terms and provisions of this First Amendment, the provisions of the Original Loan Agreement are hereby ratified, approved and confirmed.

Section 1.2. Counterparts. This First Amendment may be executed in several counterparts, and each executed counterpart shall constitute an original instrument, but all such counterparts shall constitute but one and the same instrument.

Section 3.3 Governing Law. It is the intention of the parties hereto that this First Amendment and the rights and obligations of the parties hereunder shall be governed by and construed and enforced in accordance with, the laws of Illinois.

IN WITNESS WHEREOF, the Center and the Authority have caused this First Amendment to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

COMMUNITY HEALTH & EMERGENCY SERVICES,
INC.

(Seal)

By: _____

Its: _____

Attest:

Its: _____

ILLINOIS FINANCE AUTHORITY

By: _____

Interim Executive Director

(Seal)

Attest:

Secretary

CONSENT OF TRUSTEE

The undersigned, Amalgamated Bank of Chicago, as trustee under that certain Indenture of Trust dated as of January 1, 2005, between the Illinois Finance Authority and said trustee, has determined that the execution, delivery and performance of the foregoing First Amendment to Loan Agreement dated as of May 1, 2006 between Community Health & Emergency Services, Inc., and the Illinois Finance Authority is not, in its judgment, to the prejudice of the Trustee or the holders of the Bonds referred to therein and therefore consents to the execution and delivery of such First Amendment.

AMALGAMATED BANK OF CHICAGO, as trustee

By: _____

Its: _____

EXHIBIT A

INITIAL PROPERTY DESCRIPTION

<u>Project</u>	<u>Location</u>	<u>Total Estimated Cost</u>
Acquire, renovate and equip a facility to be used as a clinic	205 North Main Street Harrisburg, Illinois	\$125,000.00
Refund outstanding Primary Health Care Providers Facilities Acquisition Program Revenue Bonds, Series 1996, of the Authority which were issued to refinance taxable loans the original proceeds of which were used to: (a)(I) construct a clinic facility, (II) construct and equip an Ambulatory Surgical Treatment Center, and (III) retire a line of credit used primarily to construct the surgical treatment center, and (b) provide working capital for such facilities	Route 3 at I-57, Cairo, Illinois	\$1,303,100.00*
Refinance a taxable line of credit used to buy computer hardware and software systems, radiology equipment, diagnostic laboratory equipment and surgical equipment.	Used in each of the clinic locations	\$410,000.00
To provide working capital related to the Cairo clinic.	Used in each of the clinic locations	\$110,000.00
To purchase a telephone system.	Used in each of the clinic locations	\$100,109.01
To provide for approximately 36 months Capitalized Interest on the Bonds not issued to refund the Series 1996 Bonds.		\$140,000.00

*Including \$224,259.04 cash on deposit with prior bond trustee.

Illinois Finance Authority

Memorandum

To: IFA Board of Directors

From: Sharnell Curtis-Martin

Date: May 9, 2006

Re: **Request to Extend until October 11, 2006 a commitment for a Participation Loan for Midway Broadcasting Company (IFA File #B-LL-TX-668)**

ShoreBank and Midway Broadcasting Company have requested that IFA approve a 6-month extension to October 11, 2006 on IFA's commitment to its Participation Loan. A portion of this project is a renovation project and the construction is approximately 60% complete. The banker from ShoreBank is estimating an early fall completion and closing.

Midway Broadcasting Corporation ("Midway") is the parent company of WVON-AM, a privately held 1,000-watt radio station with an all-talk format. Midway Broadcasting is a Delaware C-Corporation that was established in December 1976.

The proposed loan will finance the acquisition and renovation and convert a 53,000 square-foot industrial building located at 1000 East 87th Street, Chicago to house a broadcast studio, executive offices, marketing department and historical museum.

Staff has re-reviewed the financial condition of the applicant with the lender and concluded that the financial condition of the operating company has not materially adversely changed since October 11, 2005, when the loan was originally presented to the IFA Board. The compiled financial statements as of December 31, 2005 indicate sales revenue of 94% of forecasted sales and net income of 78% of forecasted net income. Ratio analysis indicates debt service coverage ratio of 1.80 times, current ratio of 1.10 times and debt to equity of 1.18 times.

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

Staff recommends approval of the request.

The voting record of this Participation Loan approval at the October 11, 2005, Board meeting is as follows:

Ayes: 10	Absent: 4 (DeNard, Fuentes, Goetz, Nesbitt)
Nays: 0	Abstentions: 0

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

Project: Midway Broadcasting Company

STATISTICS

Project Number: B-LL-TX-668	Amount: \$1,000,000
Type: Participation Loan	IFA Staff: Sharnell Curtis Martin
Location: Chicago	NAICS Code: 515112 - Radio Station

BOARD ACTION

Participation Loan
\$1,000,000 IFA funds at risk
Staff recommends approval, subject to conditions

PURPOSE

Provide permanent financing to renovate and convert a 53,000 square-foot industrial building located at 1000 East 87th Street, Chicago to house a broadcast studio, executive offices, marketing department and historical museum.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources: IFA Participation:	\$1,000,000	Uses: Project Costs	\$2,715,000
ShoreBank Mortgage	2,000,000	Capitalized Interest	170,000
ShoreBank Equip. Loan	500,000	Refinance Mortgage	950,000
Midway/Equity:	<u>500,000</u>	Refinance Bridge Loan	100,000
		Closing Costs:	<u>65,000</u>
Total:	<u>\$4,000,000</u>	Total:	<u>\$4,000,000</u>

JOBS

Current employment:	22.5	Projected new jobs:	7.5
Jobs retained:	22.5	Construction jobs:	10 (12 months)

BUSINESS SUMMARY

Description: Midway Broadcasting Corporation ("Midway") is the parent company of WVON-AM, a privately held 1,000-watt radio station with an all-talk format. Midway Broadcasting is a Delaware C-Corporation that was established in December 1976.

Background: WVON has been an important institution in Chicago's African-American community since the 1960s. WVON began operations in 1963 with a Rhythm and Blues (R&B) format and was consistently ranked among the top 5 radio stations in terms of listeners in the Chicago market. When African-Americans were actively involved in the Civil Rights Movement, WVON was a leading source of information for local and national affairs. Between 1969 and 1986, the station experienced several management and ownership changes. In 1976, Pervis Spann and Wesley South formed Midway Broadcasting Corporation and purchased the 1450 frequency. In 1986 Wesley South changed WVON's format from music to talk, providing Chicago with its first African-American radio format. Since then, it has provided a forum for African-Americans to discuss current, social, economic and political issues and a platform for Black Chicago to air its concerns, voice its differences and discuss the issues that affect the African-American society.

Currently WVON is the only station with this format and target audience in the Chicago radio market. WVON has over 350,000 listeners weekly that have the following demographics:

Race: African American 93%, White 4%, Hispanic 2%, Other 1%
Gender: Male 57%, Female 43%
Age: 18 to 25 - 2%
25 to 54 - 73%
54 to 65 - 13%
Over 65 - 12%
Homeowners -59%, Renters - 41%
Income Range: \$25,000 - \$80,000

Melody Spann-Cooper has served as Midway's President and General Manager since 1996 and has grown revenue from \$600,000 to over \$2,100,000 at present. Before then she served as WVON's Program Director since 1989. Ms. Spann-Cooper was appointed by a judge in 1996 to run the station during litigation over ownership issues. This move was made permanent under an April 2002 settlement agreement that gave Mrs. Spann Cooper control of Midway. She also has the proxy rights for her father's shares. Mrs. Spann-Cooper holds a BS degree in Criminal Justice from Loyola University.

Pervis Spann, C.E.O., is the father of Melody Spann-Cooper and was an original owner and founder of Midway Broadcasting. He continues to host "Blues & More" on Mondays though Thursdays from 12am to 5am.

**Industry
Analysis:**

The biggest challenge for Midway will be feigning off conglomerates, including Clear Channel and XM Satellite. Shore Bank believes that these entities may seek to enter WVON's market niche but takes comfort in published articles that have sited its strong ties to the community. These analysts expect the large conglomerates to compete with WVON for ad revenue but doubt that they will be able to replicate WVON's ties to the community that have been established over many years.

Shore Bank anticipates that advertising spending will accelerate following years of gradual recovery from the impact of the 2001 recession. Drivers behind this growth are improving economic and employment outlooks, strengthening local markets, increased spending for political campaigns and sporting events.

A forecast prepared some time ago noted that radio broadcasting expenditures from advertising and satellite radio increased 1.3 percent to \$19.7 billion in 2003. Total spending on broadcast radio advertising increased a slight 1.0 percent to \$19.6 billion in 2003, lagging nominal GDP expansion for only the second time in more than a decade. Spending on satellite radio grew 392.7

percent to \$95.1 million in 2003. Total broadcast & satellite radio spending is forecast to grow at a compound annual rate of 7.9 percent from 2003 to 2008, reaching \$28.8 billion in 2008.

The Project: Midway purchased the former Soft Sheen Products, Inc. facility located at 1000 East 87th Street in Chicago in May 2003 for \$950,000. The property consists of a 53,123 square-foot masonry industrial building sited on 2 acres of land. The building was erected in 1946 and a second story addition was constructed in 1982. The property has not been improved since the purchase and has been vacant but for nearly 3 years. The owners anticipate the following uses for the space:

Offices and Studio (WVON/Midway Broadcasting) -	17,000 SF (32%)
Warehouse Space (Midway Broadcasting) -	10,600 SF (20%)
Rentable Warehouse/Office Space -	<u>25,400 SF (48%)</u>

Total Square Footage	53,000 SF (100%)
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Midway Broadcasting currently operates out of a building that it owns on land that is located at 3350 South Kedzie in Chicago and is leased from the City Water Reclamation District. The asking price is \$375,000. Job Corps operates near this building and has expressed interest but needs government funds to complete the purchase.

Ms. Spann-Cooper purchased the building to begin implementing a strategy to transform Midway Broadcasting into a multi-media conglomerate beyond radio to include a television production facility, recording studios and an interactive museum chronicling the early days of urban radio.

Upon conversion of the property, Midway plans to expand operations to include a multi-media complex that will house radio, television production and other broadcast media operation to ultimately operate on a continuous basis. WVON currently shares its frequency and is on for 15 hours a day (5am to 1pm and 10pm to 5am and special Tuesday midday programming) during the workweek. Ms. Spann-Cooper is seeking to expand programming and to target niches to attract younger listeners.

FINANCING SUMMARY

Obligor: Midway Broadcasting Company

Guarantor: Midway Broadcasting Company and Melody Spann-Cooper

Security: Pro-rata position "*pari passu*" with Shore Bank, Chicago. In the event of a default on this loan, IFA's standard participation agreement provides that the IFA/Bank loan will be paid prior to all other loans including lines-of-credit that the borrower may have established with the Bank.

Structure: IFA will participate in the permanent financing upon completion of construction. Pursuant to Participation Loan guidelines, IFA will lend at a rate of interest that is 200 basis points below the Bank's rate, for a term that will not exceed 10 years, including extensions.

PROJECT SUMMARY

This loan will be used to provide permanent financing to renovate and convert a 53,000 square-foot industrial building located at 1000 East 87th Street, Chicago to house a broadcast studio, executive offices, marketing department and historical museum. Proceeds will be used to refinance a line of credit that will provide construction financing, refinance a mortgage and bridge loan that finance the building acquisition and renovation costs, capitalize interest and pay closing costs and fees.

Project costs are estimated in the following amounts:

Construction costs:	\$1,726,000
Equipment	485,000
Pre-construction services	110,000
Drawings	25,000
General Conditions	65,200
Builder's Risk and Liability Insurance	6,600
Permits	20,000
Fees and Licenses	77,000
Contingency	180,200
Total	\$2,715,000

Rebar Joint Venture is the general contractor and project manager. Johnson & Lee Architects is the project architect.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Midway Broadcasting Company, 1000 E. 87th Street, Chicago, Illinois 60619 (Contact: Melody Spann-Cooper)
Organization: Delaware C-Corporation incorporated in December 1976

PROFESSIONAL & FINANCIAL

Accountant: Rodney Brown & Company
Bank: Shore Bank
IFA Counsel: Dykema Gossett
Hazel Crest, IL
Chicago, IL
Chicago, IL

LEGISLATIVE DISTRICTS

Congressional: 1 Bobby Rush
State Senate: 17 Donne E. Trotter
State House: 33 Marlow Colvin

Illinois Finance Authority

Memorandum

To: IFA Board of Directors

From: Sharnell Curtis-Martin

Date: May 9, 2006

Re: **Request to Extend until October 1, 2006 a commitment for a Participation Loan for the Elmhurst Holiday Hotel Corporation d/b/a/ Holiday Inn Elmhurst (Mayan Adventure Indoor Water park by Holiday Inn) (IFA File #B-LL-TX-665)**

Great Bank and Elmhurst Holiday Hotel Corporation d/b/a/ Holiday Inn Elmhurst have requested that IFA approve a 6-month extension to October 1, 2006 on IFA's commitment to its Participation Loan. This project is a renovation/construction project and the construction is approximately 80% complete. The banker from Great Bank is estimating mid June completion and closing.

The Elmhurst Hotel Corporation ("Corporation") is the operator of the Holiday Inn Elmhurst ("Holiday Inn" or the "Hotel"). The Hotel has 237 rooms with a 106 seat restaurant, 92 seat lounge and approximately 3,800 square feet of meeting facilities.

The Hotel's "Holidome" presently houses the exercise room, indoor swimming pool, men's and women's saunas, whirlpool, game room, shuffle board, putting green and basketball court. The indoor water park will be located in the "Holidome" area and the above listed amenities will either be reconfigured around the water park area or be relocated outside. To accommodate the above referenced reconfiguration, approximately 27 hotel rooms presently located on the first floor will be converted to common space around the water park area and provide space for an amusement gaming area, first aid station, dressing rooms, food service and water park mechanical and filtration area.

The facility, to be called Mayan Adventure Indoor Water Park by Holiday Inn, will become a state-of-the-art water park with a theme interior, two large water slides with a 30 foot drop, lazy river, activity pool, whirl pool, kiddie pool, concession area and extensive deck area. The water park is estimated to be completed by February 2006 and the Hotel will be closed during this four month construction period.

Staff has re-reviewed the financial condition of the applicant with the lender and concluded that the financial condition of the operating company has not materially adversely changed since October 11, 2005, when the loan was originally presented to the IFA Board. The internally prepared financial statements as of December 31, 2005 indicates actual sales revenue of 22% more than forecasted sales revenue and actual net income of 20% more than forecasted net income. Ratio analysis indicates debt service coverage ratio of 2.71 times and current ratio of 1.22 times.

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

The voting record of this Participation Loan approval at the October 11, 2005, Board meeting is as follows:

Ayes: 10	Absent: 4 (DeNard, Fuentes, Goetz, Nesbitt)
Nays: 0	Abstentions: 0

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

**Project: The Elmhurst Hotel Corporation d/b/a/ Holiday Inn Elmhurst
(Mayan Adventure Indoor Water park by Holiday Inn)**

STATISTICS

Deal Number:	B-LL-TX-665	Amount:	\$1,000,000
Type:	Participation Loan	IFA Staff:	Sharnell Curtis Martin
Location:	Elmhurst	SIC Code:	7999

BOARD ACTION

Purchase of Participation Loan from Great Bank – Total Loan Amount \$ 9,600,000
\$1,000,000 of IFA funds at risk
Collateral is pari passu first position with the bank
Staff recommends approval

PURPOSE

To finance renovations, improvements and legal/professional expenses.

VOTING RECORD

Initial Board consideration, no previous voting record.

SOURCES AND USES OF FUNDS

Sources:	Great Bank	\$ 8,600,000	Uses:	Project Costs	\$ 5,500,000
	Equity	1,700,000		Refinancing	5,100,000
	IFA	<u>1,000,000</u>		Legal/Professional Fees	<u>700,000</u>
	Total Sources	<u>\$11,300,000</u>		Total Uses	<u>\$11,300,000</u>

JOBS

Current employment:	75	Projected new jobs:	130
Jobs retained:	N/A	Construction jobs:	40

BUSINESS SUMMARY

Background: The Elmhurst Hotel Corporation ("Corporation") is the operator of the Holiday Inn Elmhurst ("Holiday Inn" or the "Hotel"). The Hotel has 237 rooms with a 106 seat restaurant, 92 seat lounge and approximately 3,800 square feet of meeting facilities.

Mr. Mike Cohen of The Bricton Group, Inc. Hospitality Resources, is a partner in the Corporation as well as the Managing Director of the Hotel. The Bricton Group is a hotel property management firm based in Park Ridge, IL and manages more than 10 properties including: three Hawthorne Suites, two Holiday Inns, two Holiday Inn Express, one DoubleTree, two Microtel Inns, and one Sleep Inn.

The Hotel is located at 624 North York Road on 4.4 acres with 240 parking spaces. Originally built in 1969, the 141,000 square foot Hotel has been expanded in 1975 and 1998.

The Hotel's "Holidome" presently houses the exercise room, indoor swimming pool, men's and women's saunas, whirlpool, game room, shuffle board, putting green and basketball court. The indoor water park will be located in the "Holidome" area and the above listed amenities will either be reconfigured around the water park area or be relocated outside. To accommodate the above referenced reconfiguration, approximately 27 hotel rooms presently located on the first floor will be converted to common space around the water park area and provide space for an amusement gaming area, first aid station, dressing rooms, food service and water park mechanical and filtration area.

Description: The facility, to be called Mayan Adventure Indoor Water Park by Holiday Inn, will become a state-of-the-art water park with a theme interior, two large water slides with a 30 foot drop, lazy river, activity pool, whirl pool, kiddie pool, concession area and extensive deck area. The water park is estimated to be completed by February 2006 and the Hotel will be closed during this four month construction period.

The renovated and repositioned hotel will target the transient business and leisure traveler during the week and the local traveler on the weekends, holidays, summer weekdays and weekends. The strategy will be to have a moderately priced hotel during the week days and a premium priced hotel during traditional peak travel time (weekends and holidays).

The business plan of ownership is to become the leading hotel in the market by incorporating the water park into the hotel and increasing leisure business on the weekends and during the travel months.

The Hotel is in a highly desirable position with respect to competition. Grizzly Jack's Grand Bear Lodge Water Park and Resort in Starved Rock, IL opened over the summer and appears to be the sole competitive property in Mayan Adventure within Illinois. There are at least 18 similar operations in the Wisconsin Dells/Lake Geneva area, three in Minnesota, and three others in Northern Indiana and Michigan. The Corporation's plan is similar to that of another Holiday Inn property located in Indianapolis, IN. During their first year of operations as a water park the Indianapolis property was at near capacity during the summer and weekends.

While this project may appear to be somewhat speculative, this concern is mitigated by the support of the City of Elmhurst, the continued support of Holiday Inn as evidenced by their recently renewed franchise agreement and the commitment of the owners as evidenced by the personal guarantees provided.

FINANCING SUMMARY

Security: Pro-rata first position "pari passu" with Great Bank. The loan will be secured by a first mortgage, assignment of rents and leases on subject property and first priority security interest in all corporate assets and

personal guarantees of the individual owners in the Elmhurst Hotel Corporation. The co-borrowers have combined liquid assets of approximately \$40 million, excluding the subject property.

- 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 is a variable rate based on the five year Treasury Note rate (current rate as of 9/30/05 of 4.13%) plus 3%.
- Maturity:** The loan will have a maturity of five years with a 20-year amortization.
- Covenants:** Receipt of Phase 1 Environmental Audit
Receipt of appraisal
Disbursements through Title Company
Inspecting Architect/engineer review of draw requests
Receipt of Borrower's annual Federal Tax Returns
Receipt of Borrower's internally prepared financial statements on a quarterly basis
Receipt of Co-Guarantors annual personal financial statements and tax returns
Eugene Rintels required to maintain minimum 1.5x loan outstanding in marketable securities

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Elmhurst Hotel Corporation
624 North York Road, Elmhurst, IL (DuPage County)
Project name: Mayan Adventure Indoor Water park by Holiday Inn
Location: 624 North York Road, Elmhurst, IL (DuPage County)
Organization: S Corporation
State: Illinois
Ownership: The Elmhurst Hotel Corporation
Land Sellers: Not Applicable

PROFESSIONAL & FINANCIAL

Accountant:	Robert Farrell & Associates	Rockford	Mark Patterson
Bank:	Great Bank	Algonquin	David Ward
IFA Counsel:	Dykema Gossett	Chicago	Darryl Pierce

LEGISLATIVE DISTRICTS

Congressional: 6 – Henry Hyde
State Senate: 23 – Carole Pankau
State House: 46 – Lee Daniels

MEMORANDUM

TO: IFA Board of Directors
FROM: Jim Senica
DATE: May 9, 2006
RE: CoBatCo
Project No. B-LL-TX-689

CoBatCo is an Illinois S corporation located in Peoria that manufactures commercial stainless steel food equipment and distributes proprietary baking mixes.

Heartland Bank and Trust Company and CoBatCo have requested that IFA approve a 6-month extension to November 8, 2006, on IFA's commitment to its Participation Loan. IFA is committed to the financing after the Company's construction of a plant expansion is completed and the long-term financing is established. The Board originally approved this project on November 8, 2005, with the usual six-month commitment, expiring on May 8, 2006. The Company is currently engaged in the construction process but delays in obtaining required materials such as stainless steel have extended the construction period by nearly 4 months. It is anticipated that this loan will close no later than October 15, 2006.

Staff has re-reviewed the financial condition of the applicant with Don Shafer, the banker at Heartland Bank and Trust Company. Revenues for CoBatCo increased by nearly \$250,000 from \$4,111,000 in 2004 to \$4,360,000 in 2005. The managed S corporation loss was reduced markedly from (\$135,000) in 2004 to (\$36,000) in 2005. In fact when depreciation, a non-cash expense, is added back, the Company shows positive 2005 cash income of \$172,386. A copy of the original project summary presented for Board approval is included with this memorandum to provide a complete overview of the project.

Staff recommends approval of the request.

The voting record of this Participation Loan as originally approval at the November 8, 2005, Board meeting is as follows:

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 8, 2005**

Project: CoBatCo

STATISTICS

Project Number:	B-LL-TX-689	Amount:	\$500,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Peoria		

BOARD ACTION

Purchase of Participation Loan from Heartland Bank and Trust Company, Peoria, IL
\$500,000 IFA funds at risk
Staff recommends approval

PURPOSE

Finance the construction of a plant expansion and the purchase of new equipment.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	\$500,000	Uses:	Building Construction	\$500,000
	Heartland Bank:	<u>500,000</u>		New Equipment	<u>500,000</u>
	Total	<u>\$1,000,000</u>		Total	<u>\$1,000,000</u>

JOBS

Current employment:	40	Projected new jobs:	4
Jobs retained:	NA	Construction jobs:	(15/6 months)

BUSINESS SUMMARY

Background: CoBatCo is an Illinois S corporation established in May, 1985, by Amy L. and Donald O. Stephens to engage in the manufacture of stainless steel food equipment.

Operations: The primary business of CoBatCo is the manufacturing of commercial stainless steel food equipment and the distribution of proprietary baking mixes. The commercial food equipment consists of electric tabletop baking units used for breakfast waffles, waffle cones, baked donuts, baked corn dogs and baked specialty salad shells. The multiple baking mixes used with the bakers are blended and packaged at four different co-packing businesses outside the state of Illinois.

CoBatCo's current volume of baking mixes is approximately three million pounds annually. The blending and packaging of these mixes at the various out-of-state flour mills presents opportunities for the Company to pursue cost savings, improved quality control, increased product security and timeliness, by consolidating mixing operations at their Peoria plant.

CoBatCo's customer base is very broad including such well-known eateries as Bob Evans Restaurants, (589 locations), Country Kitchens (225 locations), and Carvel (400 locations). Additionally, the Company has a number of accounts outside of the U.S., with export business accounting for approximately 23% of the sales volume.

The project: CoBatCo has established a relationship with the U.S.D.A. Laboratory in Peoria and has initiated steps to become the sole manufacturer of a fat substitute product called Fantesk which was invented at the U.S.D.A. Lab. The product currently has existing users that have been relying on the Lab to make the product. The project presented in this report entails financing for the acquisition of new equipment and modifications to the Company's existing manufacturing facility to accommodate the manufacture of Fantesk as well as consolidating mix blending and packaging in Peoria. The project will allow the Company to mix and blend dry flour products in Peoria instead of using three co-packers located in Michigan, Oklahoma and Texas. The Company will continue to use a California co-packing operation for its west coast customers as increased shipping costs to that area associated with blending the mixes in Peoria would outweigh any savings resulting from consolidation.

FINANCING SUMMARY

Obligor: CoBatCo
Guarantors: Donald O. and Amy L. Stephens
Repayment: In the event of a liquidation of our collateral (all real estate, equipment and machinery), proceeds will be applied first to repay the subject loan before paying any other credit facility.

ECONOMIC DISCLOSURE STATEMENT

Applicant: CoBatCo
Organization: Illinois S Corporation
Ownership: Donald O. and Amy L. Stephens

PROFESSIONAL & FINANCIAL

Bank	Heartland Bank and Trust Company	Peoria	Donald L. Shafer
IFA Counsel:	Dykema Gossett PLLC	Chicago	David Cellitti

LEGISLATIVE DISTRICTS

Congressional: 18 - Ray LaHood
State Senate: 37 - Dale Risinger
State House: 73 - David Leitch

MEMORANDUM

TO: IFA Board of Directors
FROM: Jim Senica
DATE: May 9, 2006
RE: DVA Development (The Spotted Cow, Inc.)
Project No. B-LL-TX-690

DVA Development (The Spotted Cow, Inc.) is an Illinois S corporation established to own and maintain the Peoria real estate of the Spotted Cow, Inc. which manufactures and distributes premium ice cream products throughout Central Illinois.

Heartland Bank and Trust Company and DVA Development have requested that IFA approve a 6-month extension to November 8, 2006, on IFA's commitment to its Participation Loan and a small \$25,000 increase in its participation loan amount from an original \$475,000 to \$500,000. Cost overruns have precipitated the bank to also increase its loan amount by \$25,000. IFA is committed to the financing after the Company's construction of a new 4,500 square foot commercial building is completed and the long-term financing is established. The Board originally approved this project on November 8, 2005, with the usual six-month commitment, expiring on May 8, 2006. Construction has been completed and loan closing procedures have begun between IFA's outside counsel and the Bank. The Bank has been experiencing difficulty in obtaining the title policy and was concerned that the loan could not be closed by the May 8 commitment expiration. Assuming receipt of the title policy is imminent, it is anticipated that the loan will close in mid May.

Staff has re-reviewed the financial condition of The Spotted Cow, Inc. with Don Shafer, the banker at Heartland Bank and Trust Company. Revenues for The Spotted Cow, Inc. increased by \$26,000 from \$832,000 in 2004 to \$859,000 in 2005. Net income was \$52,000 at the end of 2005 as compared with \$61,000 in 2004, with the decrease being attributable primarily to increased maintenance costs associated with the old facility and increased advertising expenses. Both revenue and net income are expected to increase once the business moves to the new location. A copy of the original project summary presented for Board approval is included with this memorandum to provide a complete overview of the project.

Staff recommends approval of the request.

DVA Development (The Spotted Cow, Inc.)
Page 2

The voting record of this Participation Loan as originally approval at the November 8, 2005,
Board meeting is as follows:

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 8, 2005**

**Project: DVA Development
(The Spotted Cow, Inc.)**

STATISTICS

Project Number:	B-LL-TX-690	Amount:	\$475,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Peoria		

BOARD ACTION

Purchase of Participation Loan from Heartland Bank and Trust Company, Peoria, IL
\$475,000 IFA funds at risk
Staff recommends approval

PURPOSE

Finance the acquisition of land and construction of a 4,500 square foot commercial building.

VOTING RECORD

This project was originally presented to the IFA Board at the July 13, 2004, meeting. IFA's 12 month commitment on its loan has expired since the project as originally presented was delayed due to reconfiguration of the land and additional modifications required by the city of Peoria. The voting record from the prior presentation on July 13th is as follows:

Ayes: 10 Nays: 0 Abstentions: 0 Absent: 2 (Goetz, Ozark)

SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	\$475,000	Uses:	Land	\$140,000
	Heartland Bank:	475,000		Land reconfiguration	260,000
	Equity*	<u>200,000</u>		Building Construction	<u>750,000</u>
	Total	<u>\$1,150,000</u>		Total	<u>\$1,150,000</u>

JOBS

Current employment:	40	Projected new jobs:	10
Jobs retained:	NA	Construction jobs:	(19/6 months)

BUSINESS SUMMARY

Background: DVA Development is an Illinois S corporation established to own and maintain the real estate of the Spotted Cow, Inc. an Illinois S corporation founded in 1985 by Frank and Donna Abdnour. The Company has been based in the Peoria area for its entire twenty year history.

Operations: The Spotted Cow, Inc. is engaged in the manufacture and distribution of premium ice cream products. The Company's ice cream constitutes a richer, higher butter fat product that is similar in quality to the nationally distributed Ben and Jerry's ice cream. In addition to the bulk ice cream made in a multitude of flavors, the Company's offerings also include specialty products such as various types of ice cream bars, drumsticks and gourmet ice cream cakes.

Distribution of the Company's products is limited to Central Illinois. Although opportunities have arisen for the Company to market their products over a broader region, management's desire to maintain the ultra high quality inherent in a localized operation has been the deciding factor in restricting the Company's selling area.

The Spotted Cow, Inc. currently manufactures all of its products at its Peoria Heights Prospect Avenue location. This facility, owned by Frank and Donna Abdnour and having a fair market value of \$175,000 and a mortgage of \$65,000 (net equity of \$110,000), is in the process of being sold; all proceeds will be applied to debt service associated with this project. (Note: Per conversation with the banker and the Abdnours, the owners may actually receive *more* than \$175,000 for this property based on selling prices being received for other properties in the area.

The project: The proposed project involves the acquisition of land at the corner of Sheridan Road and Glen Avenue in Peoria and construction thereon of a new 4,500 square foot commercial building for use by The Spotted Cow, Inc. to manufacture and distribute ice cream products.

FINANCING SUMMARY

Obligor: DVA Development
Guarantors: Frank and Donna Abdnour
Repayment: In the event of a liquidation of our collateral (the project real estate located at 718 West Glen Avenue in Peoria), proceeds will be applied first to repay the subject loan before paying any other credit facility.

ECONOMIC DISCLOSURE STATEMENT

Applicant: DVA Development
Organization: Illinois S Corporation
Ownership: Frank and Donna Abdnour

PROFESSIONAL & FINANCIAL

Bank	Heartland Bank and Trust Company	Peoria	Donald L. Shafer
IFA Counsel:	Dykema Gossett PLLC	Chicago	David Cellitti
Accountant:	Romolo & Associates CPA's	Peoria	Joe Romolo

LEGISLATIVE DISTRICTS

Congressional: 18 – Ray LaHood
State Senate: 37 – Dale Risinger
State House: 73 – David Leitch

