

Illinois Finance Authority

June 13, 2006

11:30 AM

Board Meeting

Illinois State Library

300 S. Second Street, Room 403/404

Springfield, Illinois



Jose Garcia

**ILLINOIS FINANCE AUTHORITY
BOARD MEETING
June 13, 2006
Springfield, Illinois**

**EXECUTIVE SESSION
8:30 a.m.
Illinois State Library
300 S. Second Street, Authors Room**

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

**BOARD MEETING
11:30 a.m.
300 S. Second Street, Rooms 403 & 404**

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	Tony and Marsha Snow	Vandalia	499,000	0	0	ER
Agricultural Participation Loan						
2	Trainor Elevator Limited Partnership	Pontiac	293,580	1	0	ER
3	Darrell Runge	Mason	92,500	0	0	ER
4	Phillip and Carla Lehman	Eureka	205,000	0	0	CM
5	PitchCo. Inc.	Montrose	1,000,000	3	6	ER
6	Sunrise Ag Service Company	Havana	1,000,000	9	35	ER
7	Vern Stade d/b/a Stade Dairy Farm	McHenry	200,000	24	n/a	CM
Specialized Livestock Guarantee						
8	Christopher R. and Peggy Fredrickson	Monmouth	740,000	0	0	CM
Industrial Revenue Bonds Preliminary						
9	Sunrise Ag Service Company	Havana	5,500,000	9	35	ER
Beginning Farmer Bonds						
10	Michael Kistner	Newton	40,000	0	0	ER
	Kevin Ikemire	Newton	99,750	0	0	ER
	Matthew & Marva Schilling	McLeansboro	70,000	0	0	ER
TOTAL AGRICULTURE PROJECTS			\$ 12,577,830	46	88	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds <i>Preliminary</i>						
11	Kewanee Hospital	Kewanee	\$ 40,000,000	0	150-175	PL/DS
12	Lutheran Hillside Village	Peoria	50,000,000	0	0	PL/DS
13	Three Crowns Park	Evanston	65,000,000	40	125	PL/DS
501(c)(3) Bonds <i>Final</i>						
14	Delnor Community Hospital	Geneva	60,000,000	100	200	PL/DS
15	Tabor Hills	Naperville	12,000,000	40	85	PL/DS
16	Beloit Memorial Hospital	Roscoe	54,000,000	95	155	PL/DS
TOTAL HEALTHCARE PROJECTS			\$ 281,000,000	275	715-740	

COMMUNITIES AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Revenue Anticipation Note Program <i>Final</i>						
17	Jewish Federation of Metropolitan Chicago, Jewish Charities	Multiple	\$ 35,000,000	n/a	n/a	TA
Housing Bonds <i>Preliminary</i>						
18	Concordia Place Apartments, L.P., an Illinois limited partnership (Concordia Place Apartments)	Chicago	800,000	0	0	RKF
Local Government						
19	Long Creek Township Refinance	Long Creek Twmsp	1,370,000	0	0	EW
20	Waterloo CUSD No. 5	Waterloo	45,000,000	0	40	NM
TOTAL COMMUNITIES AND CULTURE PROJECTS			\$ 82,170,000	0	40	

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Participation Loans						
21	BP Professional Building LLC	Swansea	\$ 675,000	2	n/a	RP
22	Sonnenberg Asphalt Co., Inc., KKLL Inc. with operating company Sonnenberg Paving & Landscaping Materials Company	Belleville	718,000	10	15	RP
23	Dale and Connie Carlton	Danville	402,750	9	6	SCM
24	Wire Mesh LLC	Oglesby	1,000,000	100	75	JS
25	Paul and Susan Cimaroli	Princeton	82,500	1	n/a	JS
Rural Development Loan						
26	Bitwise Communications, Inc. d/b/a OmniLEC	East Peoria	250,000	5	n/a	JS
Industrial Revenue Bonds Preliminary						
27	Aurora Bearing Company	Aurora	7,375,000	50	40	ST
Industrial Revenue Bonds Final						
28	Quad County Ready Mix Corp.	Okawville	1,100,000	7	0	ST
29	DD Leasing LLC	Hoffman Estates	1,900,000	5	10	ST
30	Beecher Sexton Energy, LLC	Beecher	2,700,000	4	25	ST
31	Meyer Industries, LLC	Downers Grove	7,000,000	10	100	ST
TOTAL BUSINESS AND INDUSTRY PROJECTS			\$ 28,703,250	203	271	

HIGHER EDUCATION

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Revenue Anticipation Note Program <i>Final</i>						
32	The Federation of Independent Illinois Colleges and Universities	Springfield, Elmhurst, Eureka, Lincoln, Normal	12,600,000	n/a	n/a	TA
501(c)(3) Bond <i>Preliminary</i>						
33	Northern Illinois University Foundation	DeKalb	15,495,000	1	19	ST
501(c)(3) Bond <i>Final</i>						
34	Northwestern University	Evanston	135,000,000	n/a	n/a	TA
35	Educational Advancement Fund, Inc. (University Center Project)	Chicago	45,000,000	22	150	RKF
TOTAL HIGHER EDUCATION PROJECTS			\$ 208,395,000	23	169	

GRAND TOTAL	\$ 607,346,080	534	1,283-1,308
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Tab **Resolutions/Project Revisions/Amendatory Resolutions**

36	Amendatory Resolution. Project No. LL-TX-6041, K K Stevens Publishing Company. Request to increase loan amount.
37	#B-LL-TX-674 Macon Metal Products Co., Inc. requests to participate \$100,00 in Midland States Bank of Effingham's loan to Macon Metal Products in late June, 2006.
38	Resolution to Amend the IFA's Healthcare Initiative to permit the public offering of bonds issued for the benefit of critical access hospitals.

Other

Adjournment



**Illinois Finance Authority
Executive Director's Report
June 13, 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 May 31, 2006 is above performance targets and exceeding 2005 year-to-date returns. Gross revenues of \$7.5M exceed 2005 levels by \$348k, with year-to-date net income of \$2.1M exceeding performance targets by \$333k. Year-to-date expenses are \$534k 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 \$58M, comprised of assets of \$61M and liabilities of \$3M. This compares favorably to the May 31, 2005 balance sheet with total equity of \$56.4M, comprised of assets of \$59.5M and liabilities of \$3.1M.

II. Sales Activities

The month of May is one of IFA's strongest months with 38 projects totaling \$607,346,080M to be presented for approval. The projects positively reflect the strength and diversity of the Illinois economy with market totals of \$12,577,830M in agriculture, \$2281,000,000M in health care, \$82,170,000MM in communities and culture, \$28,703,250MM in business and industry, and \$208,395,000M in higher education.

Health Care: Healthcare funding managers presented at the Illinois Critical Access Hospital Network annual conference in Springfield, Illinois this month, highlighting financing opportunities available to small, rural, and urban hospitals. In addition IFA participated in several industry events critical to understanding and networking with health care industry professionals. Market activity indicates a strong demand for continuing care retirement projects and there will be several of these projects submitted for approval in the next quarter. The health care staff made personal calls or presentations to over 40 potential projects in the month of May.

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. IFA is developing and will be issuing a Request For Qualifications for financial advisory services for higher education in June. The selected financial advisor will research market sector economies, review IFA current programs and services, work with staff to develop new market strategies, and will coordinate efforts with IFA's general financial advisor, Bill Morris, in reviewing transactions and strategies to better serve the higher education market in Illinois. The higher education staff made personal calls or presentations to 12 potential projects in the month of May.

Agriculture: A first for the agriculture market, an industrial revenue bond for this sector will be presented for approval representing an investment in the agricultural service industry in Havana, Illinois. Agricultural funding managers and support staff continue to make calls to introduce new agricultural funding manager, Cory Mitchell, to IFA clients in Central and Northern Illinois. They continue to prepare the documentation and marketing information necessary to promote the Secondary Market Guarantee option for agricultural lenders. Board members active in the Agricultural Committee will be working with the Executive Director and IFA staff to review the potential for a strong bio-diesel project to be located in Illinois. The agricultural staff made 53 calls to potential projects in the month of May.

Communities and Culture: As a result of numerous calling efforts on public school officials, the communities and culture staff will be presenting one of the largest individual school district financings brought before the IFA board. Financial advisor, Bill Morris, will report on the status of the Central Cities Studio project now targeted for closing in September. IFA staff has focused recent calling efforts on representatives of local government. The Communities and Culture Staff made 27 in person business development calls or presentations in May.

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 sponsored and presented in 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 potential projects in central and southern Illinois in that important market segment. Agricultural staff and Financial Services Director, Michael Pisarcik, continue to make presentations

on wind energy in critical counties. Business and industry staff made over 100 calls to potential projects in May.

III. Marketing and Public Relations

Marketing resources have been used this month to support the development of strategic planning sessions for all market sectors. There has been excellent coverage of wind seminars with IFA involvement in a broad range of media including Local News, the Illinois Farm Bureau, and Chambers of Commerce. 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. The Executive Director has been actively involved and supported by marketing in developing IFA presentations for the Council of Development Finance Authorities and the Midwest Bond Buyer Annual Conference.

IV. Human Resources and Operations

Employee health and other benefit plans were reviewed in May and will be discussed with the Compensation Committee of the IFA Board at the July meeting. May represented open enrollment period for staff with a high level of support needed from the HR area due to changes in coverage and plan selections. Chief Administrative Officer, Stuart Boldry, has worked with general counsel, Kimberly Copp, and the executive director to create a coordinated process and standardized template for IFA Request For Qualifications and Proposals. An RFQ was developed for human resource management services outsourcing in order to satisfy compliance with state contract regulation. Additional support for administrative and compliance work has been added for the summer with the employment of temporaries and interns.

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 the Senate and is scheduled to be signed into law by the Governor. The Ambulance Loan Program Bill, SB623, which creates a revolving loan fund for communities to borrow funds through IFA to purchase ambulances, has been signed into law by the Governor.

VI. Audit and Compliance

The Compliance portion of the Fiscal Year 2005 Audit has been made available to staff, board members, and the public. There are nine 2005 Compliance Audit findings as compared to 14 in 2004. Three of the findings are findings from 2004 which are currently complete or substantially complete. There are six new findings which are currently complete or cured. Management and members of the IFA Audit Committee of the Board will be reviewing the findings with the full board in the June meeting. The Fiscal Year 2006 Audit is scheduled to begin in June, 2006.

**Illinois Finance Authority
Balance Sheet
for the Eleven Months Ending May 31, 2006**

	April 2006	May 2006
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	\$ 23,452,159	\$ 23,536,679 ⁽²⁾
LOAN RECEIVABLE, NET	16,552,397	16,469,719
ACCOUNTS RECEIVABLE	565,749	431,741
OTHER RECEIVABLES	52,731	95,457
PREPAID EXPENSES	182,400	169,202
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	40,805,436	40,702,799 ✓
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	114,134	112,310
DEFERRED ISSUANCE COSTS	846,910	837,319
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES	9,982,579	10,019,959
VENTURE CAPITAL INVESTMENTS	5,164,735	5,364,735
OTHER	4,000,000	4,000,000
	<hr/>	<hr/>
TOTAL OTHER ASSETS	19,147,315	19,384,695
TOTAL ASSETS	<u>\$ 60,913,794</u>	<u>\$ 61,037,124</u> ⁽¹⁾
LIABILITIES		
CURRENT LIABILITIES	\$ 1,073,623	\$ 1,055,793
LONG-TERM LIABILITIES	1,991,461	1,979,479
	<hr/>	<hr/>
TOTAL LIABILITIES	3,065,084	3,035,272
EQUITY		
CONTRIBUTED CAPITAL	23,828,249	23,828,249
RETAINED EARNINGS	13,062,404	13,062,404
NET INCOME / (LOSS)	2,003,328	2,156,469
RESERVED/RESTRICTED FUND BALANCE	6,268,199	6,268,199
UNRESERVED FUND BALANCE	12,686,528	12,686,528
	<hr/>	<hr/>
TOTAL EQUITY	57,848,709	58,001,851 ⁽¹⁾
TOTAL LIABILITIES & EQUITY	<u>\$ 60,913,794</u>	<u>\$ 61,037,124</u>

Illinois Finance Authority
 Statements of Activities
 for Period Ending May 31, 2006

	Actual May 2006	Budget May 2006	Current Month Variance Actual vs. Budget	Current %	Actual YTD FY 2006	Budget YTD FY 2006	Year to Date Variance Actual vs. Budget	YTD %	Variance
REVENUE									
INTEREST ON LOANS	83,749	30,000	53,749	179.16%	722,080	330,000	392,080	118.81%	
INVESTMENT INTEREST & GAIN(LOSS)	148,667	70,000	78,667	112.38%	1,163,697	770,000	393,697	51.13%	
ADMINISTRATIONS & APPLICATION FEES	346,341	700,000	(353,659)	(50.52%)	4,152,576	5,190,000	(1,037,424)	(19.98%)	
ANNUAL ISSUANCE & LOAN FEES	102,683	135,000	(32,017)	(23.72%)	1,121,060	1,485,000	(363,940)	(24.51%)	
OTHER INCOME	33,622	-	33,622	0.00%	414,506	-	414,506	0.00%	
TOTAL REVENUE	715,362	935,000	(219,638)	(23.49%)	7,573,920	7,775,000	(201,080)	(2.59%)	
EXPENSES									
EMPLOYEE RELATED EXPENSES									
COMPENSATION & TAXES	219,928	255,000	(35,072)	(13.75%)	2,338,386	2,805,000	(466,614)	(16.64%)	
BENEFITS	19,733	19,510	223	1.14%	227,434	219,110	8,324	3.80%	
TEMPORARY HELP	5,069	2,500	(2,569)	(102.77%)	61,665	27,500	34,165	124.35%	
EDUCATION & DEVELOPMENT	-	540	(540)	(100.00%)	10,893	4,953	5,940	83.38%	
TRAVEL & AUTO	12,270	10,410	1,860	17.87%	138,418	114,510	23,908	20.88%	
TOTAL EMPLOYEE RELATED EXPENSES	257,001	287,960	(30,959)	(10.75%)	2,776,826	3,172,080	(395,254)	(12.46%)	
PROFESSIONAL SERVICES									
CONSULTING, LEGAL & ADMIN	133,628	34,333	99,295	289.21%	930,967	377,667	553,300	146.50%	
LOAN EXPENSE & BANK FEE	1,467	2,070	(603)	(29.13%)	15,030	22,770	(7,740)	(33.99%)	
ACCOUNTING & AUDITING	46,738	26,000	17,738	61.16%	395,008	319,000	77,008	24.14%	
MARKETING GENERAL	8,986	25,000	(16,014)	(64.06%)	112,479	275,000	(162,521)	(59.10%)	
FINANCIAL ADVISORY	8,200	8,000	200	2.50%	86,815	88,000	815	0.93%	
CONFERENCE/TRAINING	1,195	590	605	102.54%	15,981	6,490	9,491	146.23%	
MISCELLANEOUS PROFESSIONAL SERVICES	6,711	10,833	(4,122)	(38.05%)	55,055	118,167	(64,111)	(53.80%)	
DATA PROCESSING	5,372	3,750	1,622	43.24%	38,918	41,250	(2,332)	(5.65%)	
TOTAL PROFESSIONAL SERVICES	212,297	113,577	98,721	86.92%	1,653,252	1,249,343	403,908	32.33%	
OCCUPANCY COSTS									
OFFICE RENT	16,829	15,745	1,084	6.89%	173,743	173,195	548	0.32%	
EQUIPMENT RENTAL AND PURCHASES	3,339	2,585	754	29.16%	24,803	28,435	(3,632)	(12.77%)	
TELECOMMUNICATIONS	5,904	4,583	1,320	28.81%	63,459	50,417	13,042	25.67%	
UTILITIES	583	1,065	(482)	(45.27%)	8,305	11,715	(3,410)	(29.11%)	
DEPRECIATION	3,741	3,000	741	24.72%	30,119	33,000	(2,881)	(8.73%)	
INSURANCE	1,151	1,300	(149)	(11.45%)	10,773	14,300	(3,527)	(24.67%)	
TOTAL OCCUPANCY COSTS	31,547	28,278	3,269	11.56%	311,202	311,062	141	0.05%	
GENERAL & ADMINISTRATION									
OFFICE SUPPLIES	9,139	9,167	(28)	(0.30%)	83,433	100,833	(17,400)	(17.26%)	
BOARD MEETING - EXPENSES	882	1,400	(508)	(36.31%)	40,806	15,400	25,406	164.97%	
PRINTING	1,416	900	516	57.30%	10,859	9,900	959	9.69%	
POSTAGE & FREIGHT	5,031	2,900	2,131	73.48%	32,492	31,900	592	1.86%	
MEMBERSHIP, DUES & CONTRIBUTIONS	982	1,700	(718)	(42.24%)	36,247	16,700	19,547	104.53%	
PUBLICATIONS	37	200	(163)	(81.46%)	1,737	2,200	(463)	(21.05%)	
OFFICERS & DIRECTORS INSURANCE	14,365	10,000	4,365	43.65%	104,589	110,000	(5,411)	(4.92%)	
MISCELLANEOUS	-	450	(450)	(100.00%)	4,235	4,950	(715)	(14.44%)	
TOTAL GENERAL & ADMINISTRATION EXPENSES	31,861	26,717	5,145	19.26%	316,398	283,983	32,415	7.66%	
LOAN LOSS PROVISION	25,000	25,000	-	0.00%	185,138	275,000	(79,862)	(29.04%)	
OTHER	736	800	(64)	(6.03%)	8,365	8,800	(435)	(4.95%)	
INTEREST EXPENSE	736	800	(64)	(6.03%)	8,365	8,800	(435)	(4.95%)	
TOTAL OTHER	736	800	(64)	(6.03%)	8,365	8,800	(435)	(4.95%)	
TOTAL EXPENSES	558,442	482,332	76,111	15.78%	5,261,181	5,310,148	(48,967)	(0.92%)	
NET INCOME (LOSS) BEFORE UNREALIZED GAIN(LOSS)	156,920	452,668	(295,748)	(65.33%)	2,312,738	2,464,852	(152,113)	(6.17%)	
NET UNREALIZED GAIN(LOSS) ON INVESTMENT	(3,778)	(58,333)	54,555	(93.52%)	(156,269)	(641,697)	485,398	(75.65%)	
NET INCOME(LOSS)	153,142	394,335	(241,193)	(61.16%)	2,156,469	1,823,155	333,284	18.29%	

Peppermis
- Ohio / Springfield
8K
5K
2K Schiff Hardin
205 bsl.
free from
1999 Pool
BOND
CK HUBBARD
KERNER
9K DYKEMA
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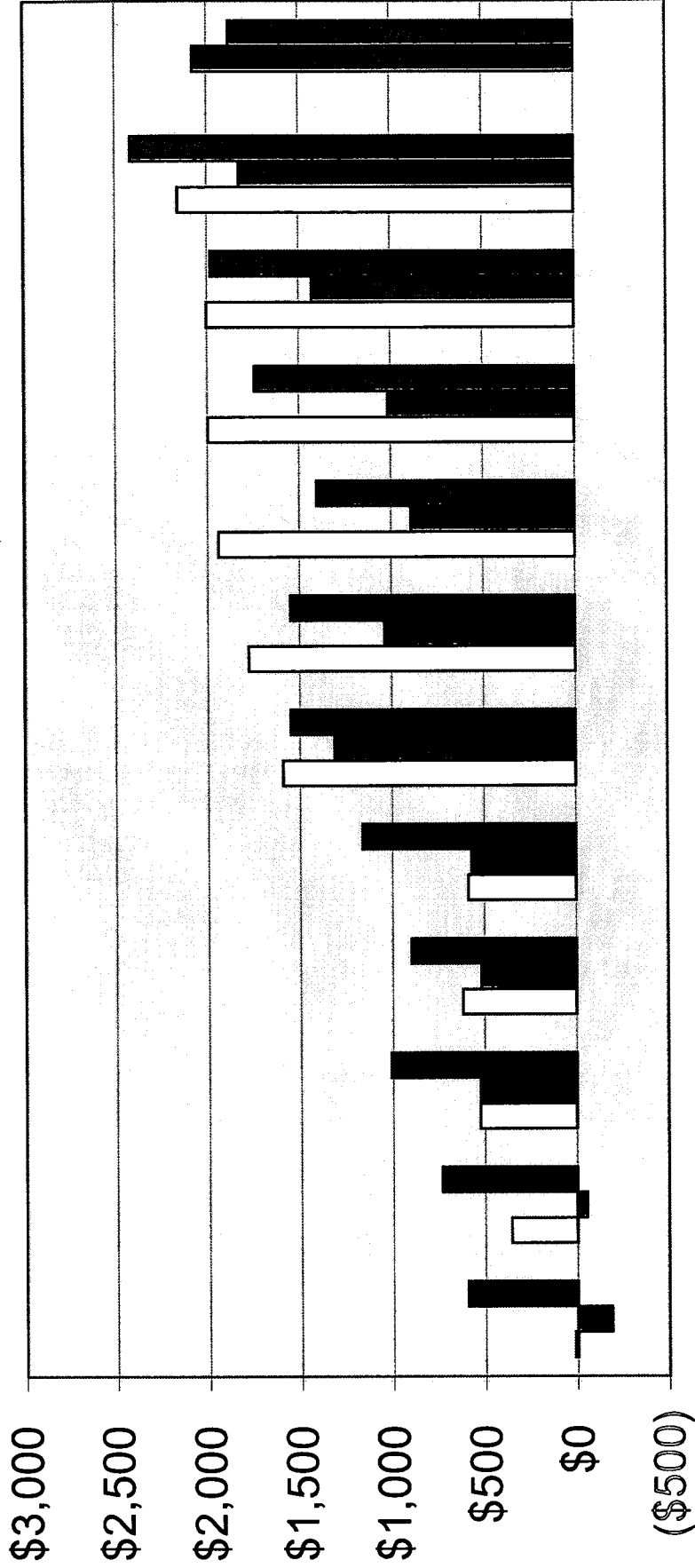
AS Loan
515 bsl
Bank

Illinois Finance Authority
FY 04/05 Audit Findings
Update as of May 31, 2006

Total Number of ~~14~~ **9**

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		

Cumulative Net Income



(In thousands)

**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 May 9, 2006 at the Plaza Club, One Prudential Plaza, 130 E. Randolph Street, 40th floor, Chicago, Illinois:

Members present:

David C. Gustman, Chairman
Ronald E. Denard
James J. Fuentes
Demetris A. Giannoulas
Michael W. Goetz
Dr. Roger D. Herrin
Juan B. Rivera
Lynn F. Talbott
Joseph P. Valenti

Members absent:

Magda M. Boyles
Edward H. Leonard, Sr.
Martin H. Nesbitt
Terrence M. O'Brien
Andrew W. Rice
Bradley A. Zeller

GENERAL BUSINESS

Call to Order and Roll Call

Chairman Gustman called the meeting to order at 11:40 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 the Authority continued to outperform its goal relating to the number and dollar amount of bond transactions. Ms. Rendleman thanked everyone for their continued support of the Authority. She also announced that Illinois General Assembly passed S.B. 1625 which, when signed by the Governor, would increase the Authority's bonding authority from \$24 billion to \$25.2 billion. Ms. Rendleman also reported that the Authority's Compliance Audit was completed for the period of July 1, 2004 through June 30, 2005 and reported that the results were positive as the number of findings and severity of such findings had decreased from the prior audit.

Director Rendleman then announced that there would be 24 projects presented to the Board for approval at the meeting. Ms. Rendleman also announced that the winning bidders for the Authority's Local Government RFQ for Underwriters were: A.G. Edwards, Stifel Nicolaus, Popular Securities and Samuel A. Ramirez & Company.

Ms. Rendleman also announced that she expects that the Authority will be publishing RFQs in the future for the engagement of underwriters and financial advisors for various Authority programs. She asked those present at the meeting to monitor the Illinois Procurement Bulletin for posting of these RFQs.

Acceptance of Financial Statements

Financial statements for period ending April 30, 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 April 11, 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 Committee of the Whole. Director Rendleman presented the following projects for Board approval:

No. 1: A-AD-TX-6084 – Henry and Linda Windler

Request final approval of an Agri-Debt Guarantee to restructure a term loan in an amount not-to-exceed \$210,000. (06-05-01).

No. 2: A-SG-TX-6082 – Ryan D. McClure

Request final approval of a Specialized Livestock Guarantee to provide permanent financing for a 2400 head swine finishing building in an amount not-to-exceed \$550,000 (06-05-02).

No. 3 A-SG-TX-6083 – Martin D. and Nancy J. McClure

Request final approval of a Specialized Livestock Guarantee to provide permanent financing for two 2400 head swine finishing building in an amount not-to-exceed \$1,000,000. (06-05-03).

No. 4 A-FB-TE-CD-6086 – Daron & Julie Duke

Request final approval of a Beginning Farmer Bond to purchase farmland located in Fowler, IL in an amount not-to-exceed \$141,279. (06-05-04).

No. 5 B-LL-TX-6090 – IMT Real Estate, LLC

Request approval of a Participation Loan to finance construction of a new manufacturing building in an amount not-to-exceed \$1,000,000. This project is expected to create 12 new jobs and 50 construction jobs. (06-05-05).

- No. 6: **B-LL-TX-6100 – Richard A. Mehall & Catherine L. Allen**
Request final approval of a Participation Loan to finance acquisition of a city lot and commercial building in Bloomington, IL in an amount not-to-exceed \$191,000. This project is expected to create 2 new jobs. (06-05-06).
- No. 7: **B-LL-TX-6092 – Suria LLC and/or the Early Years Child Care Center, Inc.**
Request final approval of a Participation Loan to provide permanent financing for a day care center in an amount not-to-exceed \$239,020. This project is expected to create 24 new jobs and 15 construction jobs. (06-05-07)
- No. 8: **B-LL-TX-6098 – HM Buckley Growers**
Request final approval of a Participation Loan to finance relocation of a greenhouse facility in Taylorville, IL in an amount not-to-exceed \$1,000,000. This project is expected to create 35 new jobs and 7 construction jobs. (06-05-08)
- No. 9: **B-LL-TX-6063 – Bitwise Communications d/b/a OmniLEC**
This project was tabled until the June 13, 2006 board meeting. (06-05-09)
- No. 10: **I-ID-TE-6097 – Quad County Ready Mix Corp.**
Request preliminary approval of an Industrial Revenue Bond to finance the acquisition of ten concrete Ready Mix trucks in an amount not-to-exceed \$1,100,000. This project is expected to create 7 new jobs. (06-05-10).
- No. 11: **P-SW-PO-TE-CD-719 – Reliable Materials Lyons, LLC**
Request final approval of a Solid Waste Disposal Bond to purchase land, machinery, equipment and fund legal and professional costs in an amount not-to-exceed \$12,000,000. This project is expected to create 7 new jobs and 50 construction jobs over a five month period. (06-05-11).
- No. 12: **V-TD-6101 – Firefly Energy, Inc.**
Request final approval of Venture Capital Investment in an amount not-to-exceed \$200,000. This investment is expected to create 10 new jobs. (06-05-12).
- No. 13: **H-SL-RE-TE-CD-6088 – Tabor Hills**
Request preliminary approval of a 501c3 Bond to construct a supportive living facility and pay issuance costs in an amount not-to-exceed \$10,000,000. This project is expected to create 20 new jobs and 40 construction jobs. (06-05-13).
- No. 14: **H-SL-RE-TE-CD-661 – Clare Oaks**
Request final approval of a 501c3 Bond for development, marketing, construction, and other costs; funding interest costs; establishing a debt service reserve fund for Series 2006 bond; and paying issuance costs and funding working capital in an amount not-to-exceed \$120,000,000. This project is expected to create 185 new jobs and 450 construction jobs. (06-05-14).

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

No. 15:M-MH-TE-CD-6087 – An entity to be formed and initially owned by Urban 8 Holding Company

Request preliminary approval of a Housing Bond to purchase and renovate an existing building for low-income senior rental property in an amount not-to-exceed \$12,350,000. This project is expected to create 20-40 construction jobs. (06-05-15).

Chairman Gustman requested a roll call vote. The project was approved with 8 ayes, 0 nays, and 1 abstention (Talbott). Ms. Talbott abstained from voting on this project because an entity of which she is an officer and director (Amalgamated Senior Residences) is the seller of the apartment building.

No. 16:M-MH-TE-CD-6033 – Concordia Place Apartments, LP

Request preliminary approval of a Housing Bond to finance cost overruns and structural repairs for an existing building providing affordable multifamily rental properties in Chicago, IL in an amount not-to-exceed \$800,000. (06-05-16).

No. 17:L-GP-MOTE-6077 – Carrollton Community Unit School District 1

Request final approval of a Local Government Pooled Bond to finance building demolition, construction of a new parking lot and pay issuance costs in an amount not-to-exceed \$400,000. (06-05-17).

No. 18:L-GP-TE-6089 – Caterpillar Trail Public Water District

Request preliminary approval of a Local Government Revenue Bond to finance construction of a new water treatment plant in an amount not-to-exceed \$4,150,000. (06-05-18).

No. 19:L-G-MO-6099 – Long Creek Township

Request preliminary approval of a Local Government Bond to advance refund outstanding bonds and pay issuance costs in an amount not-to-exceed \$1,200,000. (06-05-19).

No. 20:E-PS-TE-CD-6055 – Baker Demonstration School

Request final approval of a 501c3 Bond to purchase the school's campus, perform site work and renovations, capitalize interest and pay legal and professional costs in an amount not-to-exceed \$7,300,000. This project is expected to create 12 new jobs and 30 construction jobs. (06-05-20).

No. 21:E-PS-TE-CD-6055 – Nazareth Academy

Request final approval of a 501c3 Bond to refinance a campus improvement loan, construction costs, capitalize interest and pay legal and professional costs in an amount not-to-exceed \$11,000,000. This project is expected to create 3 new jobs and 30 construction jobs over nine months. (06-05-21).

No. 22:N-NP-TE-CD-6055 – Uhlich Children’s Advantage Network (UCAN)

Request final approval of a 501(c)(3) Bond to finance costs of renovating and equipping a new residential facility, completing the school’s VoIP telephone project and relocating certain staff 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. **(06-05-22)**.

No. 23:E-PC-TE-CD-6096 – The Federation of Independent Illinois Colleges and Universities Revenue Anticipation Notes Program

Request preliminary approval of a 501c3 RAN to provide working capital and fund issuance costs in an amount not-to-exceed \$12,600,000. (06-05-23).

No. 24:E-PC-TE-CD-6046 – Saint Xavier University

Request final approval of a 501c3 Bond for a new student housing facility 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. (06-05-24).

Chairman Gustman requested a roll call vote to approve the above projects. The motion was approved with 9 ayes, 0 nays, and 0 abstentions.

Resolutions/Project Revision/Amendatory Resolutions

No. 25: Kasbergen Family Living Trust Project, Series 2002

Request approval to replace two alternate confirming letters of credit with a single alternate confirming letter of credit for the \$3,000,000 Illinois Development Finance Authority Variable Rate Solid Waste Disposal Revenue Bonds (Kasbergen Family Living Trust Project, Series 2002). (06-05-25).

No. 26: Museum of Broadcast Communications

Requests the Authority to confirm a Preliminary Bond Resolution approved by the Illinois Development Finance Authority on December 12, 2002 for a new facility in an amount estimated to be \$10 million. (06-05-26).

No. 27: Community Health and Emergency Service, Inc.

Request to amend a Loan Agreement between the Illinois Finance Authority and Community Health and Emergency, Inc. to revise the project description to permit the center to use bond proceeds to acquire a telephone system and other matters. (06-05-27).

No. 28: Midway Broadcasting Company (B-LL-TX-668)

Request the Authority to extend until October 11, 2006 its commitment to participate in a loan. (06-05-28).

No. 29: Elmhurst Holiday Hotel Corporation (B-LL-TX-665)

Request to extend until October 11, 2006 a commitment of the Authority to participate in a loan to Elmhurst Holiday Hotel Corporation d/b/a Holiday Inn Elmhurst. (06-05-29).

No. 30: CoBatCo (B-LL-TX-689)

Request to extend until November 8, 2006 the Authority's commitment to participate in a loan. (06-05-30).

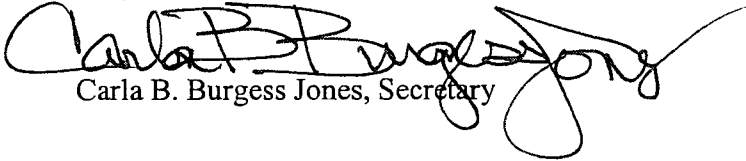
No. 31: **DVA Development (B-LL-TX-690).**

Request to increase to \$500,00 and extend until November 8, 2006 a commitment to participate in a loan to DVA Development. (06-05-31).

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 Ms. Talbott and seconded by Mr. Fuentes, the meeting adjourned at approximately 12:21 p.m.

Respectfully Submitted,



Carla B. Burgess Jones, Secretary

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: Tony and Marsha Snow

STATISTICS

Project Number:	A-DR-GT-6123	Amount:	\$499,000
Type:	Agri-Debt Guarantee	IFA Staff:	Eric Reed
Location:	Vandalia	SIC Code:	Dairy

BOARD ACTION

Approval to initiate an 85% loan guarantee in favor of First State Bank of Eldorado, Illinois. \$424,150 of State Agricultural Risk Reserve Funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

***Satisfactory appraisals to insure LTV of \leq 80%.**

***Execution of monthly milk assignment to insure payment.**

*** Negative covenant for additional capital purchases in excess of \$5,000 annually.**

PURPOSE

Loan proceeds will fund the consolidation of 3 existing real estate mortgages at the borrower's current lender, as well as various equipment loans at several captive finance companies. The consolidation will allow the borrower to simplify their debt structure.

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	\$424,150	Uses:	Refinance Debt	\$499,000
	First State Bank	<u>\$74,850</u>			
	Total	<u>\$499,000</u>		Total	<u>\$499,000</u>

JOBS

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

BUSINESS SUMMARY

Background: Tony and Marsha Snow own and operate a small dairy farming operation in Fayette County, IL. The Snow's milk 90 Brown Swiss cows in a high intensity grazing operation. The Snow's utilize the Brown Swiss cows in order to capture high butter fat milk, for which they receive a premium. This type of operation differs from a traditional confinement dairy farm in the fact that it minimizes the need for capital improvements and overhead expenses. This type of operation also reduces veterinary and feed costs through improved foot health and more grazing, rather than feeding grains. The Snow's have applied for an Agri-Debt Restructuring loan through First State Bank in order to improve their debt structure.

Project Rationale: By consolidating their debts, the borrower will greatly simplify their debt structure. Currently they have seventeen different credit facilities with varying interest rates and terms. With the closing of the consolidation loan, First State Bank will originate an operating loan sufficient to cover working capital needs for the borrower and eliminate their need for trade credit.

Transaction: The proposed loan facility of \$499,000 will consolidate various real estate mortgages, equipment loans, and accounts payable. The loan, which will also fund all closing costs, will be amortized over 20 years, with monthly P & I payments to be paid from a monthly milk assignment.

FINANCING SUMMARY

Borrower: Tony and Marsha Snow
Security: 1st REM on 312 acres of land and improvements.
Structure: 20 year term. Monthly P & I to be paid from milk assignment.

PROJECT SUMMARY

Loan proceeds will fund the consolidation of (i) 3 existing real estate mortgages at the borrower's current lender; (ii) 9 equipment and livestock loans; (iii) 1 operating loan; and various accounts payable. The consolidation will allow the borrower to simplify their debt structure and improve their liquidity.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Tony and Marsha Snow
Location: RR1 Box 135 County: Fayette
Mulberry Grove, IL 62262
Organization: Sole-Proprietor
State: Illinois
Ownership: Tony and Marsha Snow

PROFESSIONAL & FINANCIAL

Accountant: Agri-Business Service Nashville, IL
Attorney: N/A
Bank: First State Bank of Eldorado Eldorado, IL Alan Hoskins, VP

LEGISLATIVE DISTRICTS

Congressional: John Shimkus-19th State Senate: Frank Watson-51st State House: Ron Stephens 102nd

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: Trainor Elevator Limited Partnership

STATISTICS

Project Number: A-LL-TX-6111	Amount: \$293,580
Type: Participation Loan	IFA Staff: Eric Reed
Location: Pontiac	SIC Code: Grain Elevator

BOARD ACTION

Approval to purchase \$293,580 participation loan from Pontiac National Bank in Pontiac, IL.
\$293,580 of IFA funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

Loan proceeds will finance the acquisition and construction of additional storage facilities, large capacity grain legs, and unloading 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	\$293,580	Uses: Purchase Equipment	\$700,000
Pontiac National Bank	<u>\$406,420</u>		
Total	<u>\$700,000</u>	Total	<u>\$700,000</u>

JOBS

Current employment:	N/A	Projected new jobs:	1
Jobs retained:	N/A	Construction jobs:	0

BUSINESS SUMMARY

Background: Trainor Elevator Limited Partnership was formed in 1996 to provide family ownership of the grain elevator and warehousing facilities operated by Train Grain & Supply Company. The partnership currently owns grain elevators in Saunemin and Forrest, IL, both of which are leased to and operated by Trainor Grain & Supply Company (TGSC). TGSC provides drying, warehousing, transportation, and marketing of grain for producers in Livingston County. John A. Trainor has managed TGSC for over 40 years. The other partners in the partnership are John A. Trainor's children, although John M. Trainor, who manages the fertilizer division of the company, is the only other partner involved in the daily operations.

Project Rationale: The owners would like to expand their storage and grain handling facilities at the Saunemin location to improve their efficiency and income potential.

Transaction: Trainor Elevator Limited Partnership would like to increase the grain storage and handling facilities at their Saunemin location. With the expansion, TGSC will increase storage with a new 477,000 bushel bin, an 8,500 bushel/hour elevator and bin unloader, and a new dumping pit. After completion of the project, total storage at the facility will be 1,155,000 bushels.

FINANCING SUMMARY

Borrower: Trainor Elevator Limited Partnership
Security: 1st mortgage on 10 acres and all site improvements
Structure: 10 year term with 15 year amortization. Monthly P & I.

PROJECT SUMMARY

The loan proceeds will fund the purchase of necessary equipment to expand the grain storage and handling capabilities of TGSC at their Saunemin, IL location. With the expansion, TGSC will increase grain storage with a new 477,000 bushel bin, an 8,500 bushel/hour elevator and bin unloader, and a new dumping pit. After completion of the project, total storage at the facility will be 1,155,000 bushels.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Trainor Elevator Limited Partnership
Location: RR2 Box 46 County: Livingston
Forrest, IL 61741
Organization: Limited Partnership
State: Illinois
Ownership: John M. Trainor 19.8%
Robert J. Trainor 19.8%
Ann Zimmerman 19.8%
Patricia Rieger 19.8%
Lynn Reis 19.8%
John A. Trainor 1.0%

PROFESSIONAL & FINANCIAL

Accountant: Striegel, Knoblock & Co. Bloomington, IL
Attorney: Robert Caughey Pontiac, IL
Bank: Pontiac National Bank Pontiac, IL Robert Tronc, President

LEGISLATIVE DISTRICTS

Congressional: Tim Johnson-15th State Senate: Dan Rutheford-53rd State House: Keith Sommer-106th

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: Darrell Runge

STATISTICS

Project Number:	A-LL-TX-6115	Amount:	\$92,500
Type:	Participation Loan	IFA Staff:	Eric Reed
Location:	Mason, IL	SIC Code:	0191-Grain Farming

BOARD ACTION

Approval to purchase a 50% participation loan from Midland States Bank, Effingham, IL
\$92,500 of IFA funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

To provide permanent financing for the purchase of 60 acres of farmland.

VOTING RECORD

None. This is the first time that this project has been presented to the IFA Board of Directors. IFA approved and funded a previous participation loan request for Mr. Runge in January 2006 in the amount of \$236,000.

SOURCES AND USES OF FUNDS

Sources:	IFA	\$92,500	Uses: Land Purchase	<u>\$186,000</u>
	Midland States Bank	\$92,500		
	Borrower Equity	<u>\$1,000</u>		
	Total	<u>\$186,000</u>	Total	<u>\$186,000</u>

JOBS

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

BUSINESS SUMMARY

Background: Darrell Runge is a lifelong farmer who operates a 2,450-acre, cash corn and soybean operation located in southern Effingham County. In addition to the grain farm, Darrell and his family own and operate RC Buildings Inc, a business that constructs commercial storage and office buildings. All four of Darrell's children are actively employed by the farming operation and construction company.

Project Rationale: Mr. Runge has the opportunity to further expand his farming operation with the purchase of 60 acres and has expanded his farming operation in recent years to ensure that it remains a viable operation for his children in the future. Mr. Runge has aggressively purchased land to expand operations in the past. This purchase continues that strategy.

Transaction: Loan proceeds will provide permanent financing for the purchase of 60 acres of farmland. Mr. Runge has elected to grant a security interest in equipment to avoid making a 20% cash down payment toward the purchase.

FINANCING SUMMARY

Borrower: Darrel Runge, Sr.

Security: 1st Real estate mortgage on 60 acres of farmland and a blanket lien on all farm equipment. Collateral position will "*parri passu*" with Midland States Bank. The bank has elected to accept a lien on all farm Equipment as the borrower's equity in the purchase.

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

PROJECT SUMMARY

The borrower is purchasing 60 acres of farmland for \$186,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Darrell Runge Sr.

Location: 2624 E. 475th Avenue
Mason, IL 62443

Organization: Sole-Proprietorship

State: Illinois

Ownership: Darrell Runge Sr.

PROFESSIONAL & FINANCIAL

Accountant: Henley, Reece & Associates, LLC

Attorney: N/A

Bank: Midland States Bank, Effingham, IL Brad Shull, Vice-President

LEGISLATIVE DISTRICTS

Congressional: John Shimkus-19th State Senate: Frank Watson-51st State House: Ron Stephens-102nd

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: Phillip and Carla Lehman

STATISTICS

Project Number:	A-LL-TX-6118	Amount:	\$205,000
Type:	Agricultural Loan Participation	IFA Staff:	Cory Mitchell
Location:	Eureka, IL	SIC Code:	Grain Farming

BOARD ACTION

Approval to Purchase Participation Loan from Goodfield State Bank-Goodfield, IL
\$205,000 of IFA funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

Proceeds used to purchase 155.5 acres of raw farm land (no improvements). Land will continue to be used for corn and/or soybean production. The loan will be secured with a first mortgage on the 155.5 acres.

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	\$205,000	Uses:	Purchase Land	<u>\$777,500</u>
	Goodfield State Bank	\$205,000			
	Borrower Equity	<u>\$367,500</u>			
	Total	<u>\$777,500</u>		Total	<u>\$777,500</u>

JOBS

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

BUSINESS SUMMARY

Background: The Lemans farm in Woodford County raising primarily corn and soybeans. Mr. Lehman raises and purchases sheep and resells them in the Chicago Market. Mr. and Mrs. Lehman have been long-time bank customers operating primarily on a deposit relationship with the bank.

Project Rationale: The participation will allow the bank to obtain the loan in an aggressive marketplace by offering a better interest rate to the Lehman's than they would have without it. The Lehman's are putting \$367,500 down on the purchase providing instant equity to the bank and IFA. The Lehman's will benefit from reduced interest rate expense, therefore allowing a larger amount of income be applied to principal payments.

Transaction: The proposed loan will be amortized over 20 years on a 5 year balloon with principal and interest payments due annually. The loan will be secured by a first mortgage on 155.5 acres of raw farmland.

FINANCING SUMMARY

Borrower: Phillip and Carla Lehman
Security: 1st REM on 155.5 acres of raw farmland
Structure: The loan will be amortized over 20 years on a 5 year balloon with annual P&I

PROJECT SUMMARY

The proposed loan will provide permanent financing of 155.5 acres of raw farmland near Eureka, IL in Woodford County. The farmland will be used to raise corn and soybeans. Goodfield State Bank of Goodfield, IL, is providing the financing of this loan.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Phillip and Carla Lehman
Location: 572 CR. 1200 E.
Eureka, IL 61530, Woodford County
Organization: Sole Proprietorship
State: Illinois
Ownership: Phillip and Carla Lehman

PROFESSIONAL & FINANCIAL

Bank: Goodfield State Bank Chad Martin, President&CEO

LEGISLATIVE DISTRICTS

Congressional: Ray LaHood, 18th State **Senate:** Dan Rutherford, 53rd **State House:** Keith P. Sommer, 106th

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: PitchCo. Inc.

STATISTICS

Project Number:	A-LL-TX-6124	Amount:	\$750,000
	A-LL-TX-6125		\$250,000
Type:	Participation Loan	IFA Staff:	Eric Reed
Location:	Montrose	SIC Code:	Swine

BOARD ACTION

Approval to purchase \$750,000 and \$250,000 participation loan from Farm Credit Services of Illinois \$1,000,000 of IFA funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

The proceeds from facility #1 will finance the purchase of additional sows to repopulate the borrower's herd, while facility # 2 improvements and renovations to the borrower's existing hog 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	\$1,000,000	Uses:	Purchase Sows	\$1,500,000
	Farm Credit	<u>\$1,000,000</u>		Construct Buildings	<u>\$500,000</u>
	Total	<u>\$2,000,000</u>		Total	<u>\$2,000,000</u>

JOBS

Current employment:	15	Projected new jobs:	3
Jobs retained:	N/A	Construction jobs:	6

BUSINESS SUMMARY

Background: PitchCo, Inc. is a large, family owned producer of weaned pigs, located near Montrose, IL. The S-Corporation is owned by equally by brothers Wesley and Tony Pitcher. The Pitchers started farming in 1977 and established PitchCo Inc. in 1992 with a 600 sow feeder pig unit under contract with Farmland Industries. They operated at that level until 1994, when a series of successful expansions began, which have increased their sow herd and weaned pig production. In 1994, they expanded to 1,250 sows; in 1996 they added a separate 2,500 head weaned pig production site; in 1998, their 1,250 head sow unit was expanded to 2,500 sows; in 1998 they began operating a 5,000 head sow unit under contract production with Farmland, and it's successor Smithfield Foods, Inc.

Project Rationale: Due to the large amount of hogs managed and produced by PitchCo Inc., health issues in the herd are a major concern for the borrowers. As a result, the borrowers have decided to repopulate their sow herd in order to produce healthier pigs for resale. In addition to the repopulation, the borrowers will build a gilt developer facility, which will provide them with their own source for future breeding stock, and reduce their health risks.

Transactions: Facility #1 will finance the acquisition for sufficient sows to repopulate the borrower's sow herd. Facility #2 will finance the renovations of the borrower's existing facilities and construction of a gilt developing unit to produce breeding stock.

FINANCING SUMMARY

Borrower: PitchCo Inc.
Security: Collateral will be a 1st lien on all livestock, on equipment, and 2 existing sow units.
Structure: Loan #1 carry a 3 year term and amortization. Loan #2 will carry a 10 year term and amortization. Both loans will be serviced with monthly P & I payments.

PROJECT SUMMARY

The borrowers are in the planning stages of a large expansion of their business. The first phase of the project will require \$2M in financing to fund the purchase of sufficient sows to repopulate the borrower's herd, renovate and construct facilities to produce their own breeding stock. By repopulating their sow herd periodically, the borrowers will be able to reduce their risk for disease within their herd, as well as obtain the latest improvements in genetics.

In conjunction with the expansion, the borrowers will comply with all local and state EPA requirements for waste management. The completion of this project will allow the borrower's to produce larger numbers of healthier pigs for resale.

ECONOMIC DISCLOSURE STATEMENT

Applicant: PitchCo Inc.
Location: 19250 N. 600th Street County: Jasper
Montrose, IL 62445
Organization: S-Corporation
State: Illinois
Ownership: Wesley Pitcher, 50%, Tony Pitcher 50%

PROFESSIONAL & FINANCIAL

Accountant: Walk Accounting, Inc. Neoga, IL Sharon Goeckner
Attorney: N/A
Lender: Farm Credit Services of Illinois Teutopolis, IL Steve Witges, VP

LEGISLATIVE DISTRICTS

Congressional: John Shimkus-19th State Senate: John Jones-54th State House: David Reis-108th

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: Sunrise Ag Service Company

STATISTICS

Project Number: A-LL-TX-6126	Amount: \$1,000,000
Type: Participation Loan	IFA Staff: Eric Reed
Location: Havana	SIC Code: Fertilizer/Chemicals

BOARD ACTION

Approval to purchase \$1,000,000 participaton loan from Havana National Bank
\$1,000,000 of IFA funds at risk

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

*** Satisfactory appraisals to insure overall LTV of 80% or less.**

PURPOSE

The proceeds from the proposed loan will fund the acquisition of various equipment related to the construction of a bulk petroleum plant, which are not eligible for financing with an Industrial Revenue Bond.

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 Bonds	\$5,500,000	Uses:	Land Cost	\$2,856,000
	Bank Loan	\$1,000,000		Equipment Cost	\$2,380,000
	IFA Participation Loan	<u>\$1,000,000</u>		Building Cost	\$1,950,000
				Legal Fees, Other	<u>\$316,000</u>
	Total	<u>\$7,500,000</u>		Total	<u>\$7,500,000</u>

JOBS

Current employment:	150	Projected new jobs:	9
Jobs retained:	N/A	Construction jobs:	35

BUSINESS SUMMARY

Background: Sunrise Ag Service Company was formed on September 1, 2002 with the consolidation of three locally owned cooperatives in central Illinois. The three cooperatives, Mason County Service Company, Cass County Service Company, and Bluff Springs Farmers' Elevator, had each been in business for over 60 years. As a cooperative, Sunrise Ag is owned by the local farmers that purchase products and services from the cooperative. It is governed by a board of directors that are elected by the stockholders. Board members must be current members of the cooperative in order to be able to serve.

The cooperative, which has over 2,000 current members, currently offers a variety of products and services to it's customers, which include energy, agronomy, grain marketing, retail hardware, input financing.

Transaction: Sunrise Ag Service Co. is installing a new river terminal in Havana in order to expand their
 Description: fertilizer blending and distributing capabilities. Sunrise Ag will also contract a bulk petroleum facility on site to expand energy portion of their business. The proposed loan transaction will financing \$2M in costs and improvements to the new river terminal site, which are related to their bulk petroleum plant, and not eligible for financing under their proposed bond issue.

FINANCING SUMMARY

Security/Collateral: 1st Real Estate mortgage on existing retail store in Havana, IL., which originally cost \$1.3M.
 A 3rd estate mortgage on 18 acre site with new river terminal, fertiler plant, and petroleum plant in Havana, IL

Structure: Monthly P & I.

Maturity: 15 years

PROJECT SUMMARY

Loan proceeds will be used to finance the acquisition and construction of a bulk petroleum plant at their new river terminal in Havana. Loan proceeds will finance that portion of the total project costs, which are not eligible for financing in the borrower's Industrial Bond Issue. Improvements to the site include buildings, roads, electricity, pilings, dock wall, river dredging, and excavation of the property. The City of Havana is optimistic that with the completion of this project, they will be able to lure other businesses to the area.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Sunrise Ag Service Company

Location: 20735 Hwy 125 W County: Mason
 Virginia, IL 62691

Project Location: 1216 S. Water St., Havana, IL 62644 County: Mason

Organization: Non Exempt Illinois Cooperative

State: Illinois

Ownership: Farmer Owned Cooperative

PROFESSIONAL & FINANCIAL

Accountant:	IL Agricultural Auditing Ass.	Bloomington, IL	Bob Beerup
Borrower's Counsel:	Knuppel & Linder	Havana, IL	Bill Knuppel
IFA Counsel:	Dykema Gossett	Chicago, IL	David Cellitti
Bank:	Havana National Bank	Havana, IL	Jeff Bonnett, Pres.

LEGISLATIVE DISTRICTS

Congressional: Ray Lahood-18th State Senate: John Sullivan-47th State House: Richard Myers-94th

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: Vern Stade, d/b/a Stade Dairy Farm

STATISTICS

Project Number:	B-LL-TX-6110	Amount:	\$200,000
Type:	Agricultural Loan Participation	IFA Staff:	Cory Mitchell
Location:	McHenry, IL		
SIC Code:	Vegetables/Hay		

BOARD ACTION

Approval to purchase a 50% loan from First Midwest Bank, McHenry, IL
\$200,000 of IFA funds at risk

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

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

PURPOSE

The proposed loan will be used to construct a farm building to house hay and vegetables for resale

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	\$200,000	Uses:	Purchase Building	\$300,000
	First Midwest Bank	<u>\$200,000</u>		Purchase Equipment	<u>\$100,000</u>
	Total	<u>\$400,000</u>		Total	<u>\$400,000</u>

JOBS

Current employment:	20	Projected new jobs:	24
Jobs retained:	20	Construction jobs:	N/A

BUSINESS SUMMARY

Background: Vern Stade has farmed in Johnsbury, IL his entire life and started in the retail vegetable business about 1990 due to low profitability in the traditional row crops, corn and soybeans. His dad owned two prominent corner properties at major intersections so Vern designed mobile retail shops that fit onto semi trailer beds that could be moved from the site at the end of the growing season. As business has grown, the mobile sites have been made permanent and Vern is now expanding the farm site to more efficiently harvest and store the vegetables along with providing an area to expand the harvest season festival that has grown dramatically since its start about 7 years ago. Vern also raised quality alfalfa hay which he sells to local farmers.

Project

Rationale: Vern is looking to construct a building to store, process and a retail store front at his farm in rural Johnsburg, IL. The building will be about 16,500 sq. ft. of floor space that will be divided and finished over a period of three years as profits will allow for finishing and completion costs. The land is owned by Vern and this building will set near other new buildings that have been constructed in the past two years that house other fall venues and activities.

The buildings primary use will be as a store front at the farm for the retailing of vegetables sold at the farm. It will also serve as a food service area during the fall festival so that food can be sold from a retail storefront rather than his machine shed. Vern plans to use part of the building for a haunted house when it is not being used to store and process vegetables before going to his other store. Because of this use the county is requiring a sprinkler system for public safety and a septic field due to restrooms being installed. While in this process Vern would like to install a well for irrigation purposes and public use as well at this site

Transaction: Loan proceeds will be used to provide financing for the purchase of a farm shed and fixtures as well as a sprinkler system, well and building equipment for vegetable and hay business.

FINANCING SUMMARY

Borrower: Vernon Stade
Security: 1st mortgage on 341 acres of farmland that includes dairy buildings with functional parlor to milk 150 head of dairy cows and personal residence.
Structure: 5 year term loan amortized over 10 years with annual principal and interest payments of 57,877

PROJECT SUMMARY

The borrower is constructing a farm shed for use as storefront in vegetable and alfalfa hay business in the amount of \$400,000 using a 1st mortgage on 341 acres of farm real estate that includes dairy buildings with parlor that can milk 150 head of cows, and the personal residence(balance sheet value=\$4,080,000). Total LTV of 10%

ECONOMIC DISCLOSURE STATEMENT

Applicant: Vernon Stade
Location: 3709 Miller Road County:McHenry
McHenry, IL 60050
Organization: Individual Proprietorship
State: Illinois
Ownership: Vernon Stade, d/b/a Stade Dairy Farm

PROFESSIONAL & FINANCIAL

Accountant: N/A
Attorney: N/A
Bank: First Midwest Bank, McHenry, IL Loan Officer: Mike Morris

LEGISLATIVE DISTRICTS

Congressional: Donald Manzullo—16th
State Senate: Pamela Althoff—32nd.
State House: Michael Tryon—64th.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: Christopher R. and Peggy Fredrickson

STATISTICS

Project Number:	A-SG-TX-GT-6114	Amount:	\$740,000
Type:	Specialized Livestock Guaranty	IFA Staff:	Cory E. Mitchell
Location:	Monmouth, IL	SIC Code:	Swine

BOARD ACTION

Approval to initiate an 85% loan guarantee in favor of Central State Bank of Muscatine, IA. \$629,000 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 updated satisfactory appraisals to verify LTV of 80% or less.
Receipt of contract between borrowers and Tri-Oak Foods Inc.
Assignment of Life Insurance payable to Lender/IFA.**

PURPOSE

The proposed loan will be to consolidate existing IFA guaranteed debt along with debt incurred by the Fredrickson's through Central State Bank to make improvements over the past several years.

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	\$629,000	Uses:	Restructure/Updates	<u>\$740,000</u>
	Central State Bank	<u>\$111,000</u>			
	Total	<u>\$740,000</u>		Total	<u>\$740,000</u>

JOBS

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

BUSINESS SUMMARY

Background: The Fredrickson's raise hogs, cattle and alfalfa in Washington County near Monmouth, Illinois. They have been raising hogs under contract since 2004 for Tri-Oaks foods(see Tri-Oaks statement at the bottom). Chris operates a semi-tractor and application equipment for his custom manure application business. His wife Peggy works off the farm cleaning homes and on the families hog farm.

Project Rationale: The consolidation of the Fredrikson's loans will allow a much more stable cash flow by combining the loans they currently have with IFA and Central State Bank. The credit enhancement offered by IFA in the form of a guarantee will allow Central State Bank to approve financing for the borrower that normally wouldn't be offered without the guarantee.

Transaction: The bank would charge a rate of 8.15% fixed for 5 years amortized over 10 years, after first 5 years adjusted VS. the 5 yr. federal home loan bank advance rate to be determined on anniversary date of loan at www.fhlbdm.com. Equally amortized monthly payments of principal and interest will take place throughout the term of the loan. Collateral on the loan will be a 1st mortgage on 2 building sites(5 X 1200 head buildings total) with 5 acres on each site, an assignment of life insurance policy in the amount of \$500,000, and an assignment of contract payments from the contractor.

FINANCING SUMMARY

Borrower: Christopher R. Fredrickson and Peggy Fredrickson

Security: 1st REM on 2 building sites (5 X 1200 head buildings)) with 5 acres on each site
Assignment of life insurance (\$500,000)
Assignment of contract payments from contractor

Structure: The loan would be fixed for 5 years(amortized over 10 years) then adjusted vs. the 5 year federal home loan bank advance rate to be determined on anniversary date of loan at www.fhlbdm.com with monthly P&I payments accrued at 8.15%.

PROJECT SUMMARY

The proposed loan will finance the existing debt already incurred at Central State Bank(2 current IFA Guarantees) for improvements made and real estate, totaling \$740,000 on 5 X 1200 head hog finishing buildings that house hogs under contract with Tri-Oak Foods of Oakville, IA. The project will utilize Christopher and Peggy's labor to run the business. The Fredrickson's will be paid \$40/head at the time they have reached the packer. The only other expense they have in the hog operation is labor and utilities as well as building upkeep.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Christopher R. and Peggy Frederickson

Location: 353 210th Street County: Warren
Monmouth, IL 6462-8925

Organization: Sole Proprietorship

State: Illinois

Ownership: Christopher R. and Peggy Fredrickson

PROFESSIONAL & FINANCIAL

Accountant: NA
Attorney: NA
Bank: Central State Bank, Muscatine, IA, Lender - Christopher Watkins

LEGISLATIVE DISTRICTS

Congressional: 17th, Lane A. Evans
State Senate: 47th, John M.Sullivan
State House: 94th, Richard P. Myers

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: Sunrise Ag Service Company

STATISTICS

Project Number:	A-ID-TE-CD-6103	Amount:	\$5,500,000
Type:	Industrial Revenue Bond	IFA Staff:	Eric Reed/Townsend Albright
Location:	Havana	SIC Code:	Fertilizer/Chemicals

BOARD ACTION

Preliminary 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, (iii) building costs, and (iiii) fund legal, professional, and engineering costs.

VOLUME CAP

\$5,500,000 of IFA Volume Cap required.

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 Bonds	\$5,500,000	Uses:	Land Cost	\$2,856,000
	Bank Loan	\$1,000,000		Equipment Cost	\$2,380,000
	IFA Participation Loan	<u>\$1,000,000</u>		Building Cost	\$1,950,000
				Legal Fees, Other	<u>\$314,000</u>
	Total	<u>\$7,500,000</u>		Total	<u>\$7,500,000</u>

JOBS

Current employment:	150	Projected new jobs:	9
Jobs retained:	N/A	Construction jobs:	35

BUSINESS SUMMARY

Background: Sunrise Ag Service Company was formed on September 1, 2002 with the consolidation of three locally owned cooperatives in central Illinois. The three cooperatives, Mason County Service Company, Cass County Service Company, and Bluff Springs Farmers' Elevator, had each been in business for over 60 years. As a cooperative, Sunrise Ag is owned by the local farmers that purchase products and services from the cooperative. It is governed by a board of directors that are elected by the stockholders. Board members must be current members of the cooperative in order to be able to serve.

The cooperative, which has over 2,000 current members, currently offers a variety of products and services to its customers, which include energy, agronomy, grain marketing, retail hardware, and crop input financing.

Transaction Description: Sunrise Ag Service Co. is installing a new river terminal in Havana in order to expand their fertilizer blending and distributing capabilities. Sunrise Ag will also contract a bulk petroleum facility on site to expand energy portion of their business. Of their total investment, \$5.5M in project costs have been identified as eligible costs to be included in an IRB issue.

FINANCING SUMMARY

Security/Collateral: 1st Real estate mortgage on 18 acres site with proposed improvements in Havana, IL.
Structure: Monthly Mode Variable Rate Bonds; The bonds will contain a one time fixed rate conversion option for the borrower. Bonds to be privately placed with an institutional investor, Clayton Holdings, LLC, a wholly owned subsidiary of Commerce Bank, NA.
Maturity: 15 year maturity.

PROJECT SUMMARY

Bond proceeds will be used to finance the acquisition of 18 acres of land for the construction of a river terminal in Havana. Specifically, proceeds will be used to fund the (i) purchase of land, (ii) purchase of machinery and equipment, (iii) building costs, and (iiii) fund legal, professional, and engineering costs. Improvements to the site include buildings, roads, electricity, pilings, dock wall, river dredging, and excavation of the property. The City of Havana is optimistic that with the completion of this project, they will be able to lure other businesses and development to the area.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Sunrise Ag Service Company
Location: 20735 Hwy 125 W County: Cass
Virginia, IL 62691
Project Location: 1216 S. Water St., Havana, IL 62644 County: Mason
Organization: Non Exempt Illinois Cooperative
State: Illinois
Ownership: Farmer Owned Cooperative (Approximately 2,000 members)

PROFESSIONAL & FINANCIAL

Owner:	Sunrise Ag Service Company	Virginia, IL	Randy Wilson
Owner's Counsel:	Knuppel & Linder	Havana, IL	Bill Knuppel
Bond Counsel:	Kutak Rock, LLP	Omaha, NE	Andrew Romshek
Accountant:	IL Agricultural Auditing Ass.	Bloomington, IL	Bob Beerup
Underwriter/:	Clayton Holdings, LLC	Clayton, MO	Jim Swarts
Placement Agent			
Underwriter's Counsel:	Clayton Holdings, LLC Internal Counsel	Clayton, MO	Jim Swarts
Trustee:	Commerce Bank, NA	Bloomington, IL	Steve Sebade
Issuer's Counsel:	Hart, Southworth, Witsman	Springfield, IL	Sam Witsman

LEGISLATIVE DISTRICTS

Congressional: Ray Lahood-18th State Senate: John Sullivan-47th State House: Richard Myers-94th

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Senior Funding Manager, Eric Reed/lk
Date: June 13, 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-6012
Funding Manager: Eric Reed
Borrower(s): Matthew & Marva Schilling
Town: McLeansboro, IL
Amount: \$70,000
Use of Funds: Farmland – 40 acres
Purchase Price: \$72,000 / \$1,800 per acre
%Borrower Equity: 3%
%Other Agency: 0%
%IFA: 97%
County: Hamilton
Lender/Bond Purchaser: Peoples National Bank / Terry Drone
Legislative Districts: Congressional: 19th, John Shimkus
State Senate: 59th, Gary Forby
State House: 117th, John Bradley

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

* **Matthew & Marva Schilling:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 7.00% for the first ten years of the loan. Then it shall adjust annually on the anniversary date of the loan to 1.00% below of Wall Street Journal National Prime thereafter. **Fee: \$1,050**

Project Number: A-FB-TE-CD-6104
Funding Manager: Eric Reed
Borrower(s): Kevin Ikemire
Town: Newton, IL
Amount: \$99,750
Use of Funds: Farmland – 96.5 acres
Purchase Price: \$199,500 / \$2,067 per acre
%Borrower Equity: 50%
%Other Agency: 0%
%IFA: 50%
County: Crawford
Lender/Bond Purchaser: Trust Bank / Larry Volk
Legislative Districts: Congressional: 19th, John Shimkus
State Senate: 59th, Gary Forby
State House: 117th, John Bradley

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

* **Kevin Ikemire:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.25% fixed for the first five years of the loan. Then it shall be variable and adjust every three years on the anniversary date of the loan to Wall Street Journal National Prime +.5% times .65 bp thereafter. **Fee: \$1,496**

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

Project Number:	A-FB-TE-CD-6108
Funding Manager:	Eric Reed
Borrower(s):	Michael Kistner
Town:	Newton, IL
Amount:	\$40,000.00
Use of Funds:	Farmland – 40 acres
Purchase Price:	\$80,000 / \$2,000 per acre
%Borrower Equity	50%
%Other Agency	0%
%IFA	50%
County:	Jasper
Lender/Bond Purchaser	The Peoples State Bank / Brian Bohmhoff
Legislative Districts:	Congressional: 19 th , John Shimkus State Senate: 54 th , John O Jones State House: 108 th , David Reis

Principal shall be paid annually in installments determined pursuant to a Twenty year amortization schedule, with the first principal payment date to be on November 1, 2007. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be on November 1, 2007, with the twentieth and final payment of all outstanding balances due on the anniversary date of the close of the loan.

* Michael Kistner: Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.00% variable for the first five years of the loan. Then it shall be variable and adjust every five years on the anniversary date of the loan to 2.0% below the Wall Street Journal National Prime with a minimum floor rate to customer of 5.0%, maximum rate to customer of 12.99%. Fee: \$600

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: Kewanee Hospital

STATISTICS

Project Number: H-HO-TE-CD-6133	Amount:	\$40,000,000 (Not to exceed amount)
Type: Not-for-Profit Bond	IFA Staff :	Pamela Lenane and Dana Sodikoff
Locations: Kewanee		

BOARD ACTION

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

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

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$37,000,000	Uses:	Land	\$520,000
	Hospital Contribution	\$3,200,000		Site Improv.&Util.	\$887,130
	Foundation Contribut.	\$2,400,000		New Construction	\$27,631,102
	Capital Campaign	\$2,000,000		Contingency	\$1,281,555
	Interest earned	<u>\$580,540</u>		Equip. & Furn.	\$2,832,000
				Int. Exp. During Const.	\$2,268,750
				Financing Costs	\$1,072,500
				Refinance Exist. Debt	\$4,127,242
				Debt Service Reserve	\$2,431,786
				Miscellaneous	<u>\$ 128,475</u>
	Total	<u>\$43,180,540</u>		Total	<u>\$ 43,180,540</u>

JOBS

Current employment: 350 FTEs Jobs retained: 350 FTEs	Projected new jobs: 0 Construction jobs: 150-175
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BUSINESS SUMMARY

- Background:** Kewanee Hospital (the Corporation) is a not-for-profit corporation incorporated in 1902 under the laws of the State of Illinois, and is a tax-exempt charitable organization under Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), exempt from federal income taxation under Section 501 (a) of the Code. In addition, Kewanee Hospital is the sole member of the Kewanee Hospital Foundation, an Illinois not-for-profit corporation (the "Foundation"). The Foundation's primary mission is to raise funds for the Corporation. The Corporation uses some revenues of the Foundation to support the activities of the Corporation. Together the Hospital and Foundation comprise the Obligated Group.
- Description:** The Corporation owns and operates an acute care hospital and related health care facilities known as Kewanee Hospital (the "Facility"), located in the City of Kewanee, Illinois. The purposes of the Corporation are to provide on a not-for-profit basis hospital facilities and services for the diagnosis and treatment or care of patients, to carry out educational activities and scientific research, to engage in health care maintenance and delivery within the service area of the Corporation, and to exercise all of the rights, powers and privileges of a not-for-profit corporation.
- Service Area:** The Corporation considers its primary service area to be the City of Kewanee and the surrounding rural areas, which include portions of Henry, Bureau and Stark counties in Illinois. The Corporation holds 51% of the inpatient market and 74.5% of the outpatient market within the primary service area, while holding 60% and 80% respectively within the Kewanee zip code of 61443. The primary service area includes the municipalities of Kewanee, Toulon and Galva.
- The Hospital's secondary service area consists of portions of Henry, Bureau, Stark and Knox counties. The secondary service area includes the municipalities of Annawan, Buda, Cambridge, Mineral, Sheffield, Bradford, Neponset, LaFayette and Wyoming.

PROJECT SUMMARY

The Corporation plans to construct an approximate 110,000 square foot replacement building on a new site, 1.5 miles from the present location. The Corporation has purchased 80 acres on the Southwest edge of Kewanee. The new parcel has been annexed to the City of Kewanee and zoned for hospital use. Construction is expected to commence on about 29 acres of the new site in the fall of 2006. Occupancy is anticipated to be in the first quarter of 2008. The remaining acres will be leased for farming and held for future expansion.

On December 1, 2004, the Corporation retired all outstanding debt from the Series 1995 and Series 1997 bonds by borrowing \$4,200,000 from a local bank. The outstanding debt from this bank loan will be retired by this borrowing.

FINANCING SUMMARY

- Security:** The bonds are expected to be secured by a pledge of gross revenues of the Obligated Group as well as a mortgage on the property. In addition the bonds will be secured with a debt service reserve fund.
- Structure:** 25-Year Unrated Fixed Rate Bonds
- Maturity:** Final maturity is expected to be June 30th, 2031.

ECONOMIC DISCLOSURE STATEMENT

Project name: Kewanee Hospital
Location: 719 Elliott Street
Kewanee, IL 61443
Applicant: Kewanee Hospital
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois
Board of Directors: Willard H. Carroll, Chairman
James W. Becker, Vice Chairman
Albert C. Taylor, Secretary
David F. Boswell
Margaret M. Gustafson
Kevin M. Jeffries, M.D.
Karen F. McNeill
Gary L. Pheiffer
Mark A. Rewerts
Shirley L. Thomson
Michael S. Wilson M.D.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Gardner, Carton & Douglas LLP	Chicago
Bond Counsel:	Jones Day	Chicago
Underwriter:	Raymond James & Associates	Chicago
Underwriter's Counsel:	Sonnenschein, Nath & Rosenthal LLP	Chicago
Bond Trustee:	TBD	Chicago
Accountant:	McGladrey & Pullen	Davenport
Issuer's Counsel:	Requested	Chicago

LEGISLATIVE DISTRICTS

Congressional: 14th District
State Senate: 37th District
State House: 74th District

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: Lutheran Hillside Village

STATISTICS

Project Number: H-SL-RE-TE-CD-6109	Amount: \$50,000,000 (Not to exceed amount)
Type: Not-for-Profit Bond	IFA Staff: Pam Lenane and Dana Sodikoff
Location: Peoria	

BOARD ACTION

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

Proceeds will be used to: 1) fund an escrow to advance refund the existing Series 2001A and 2001B Bonds, 2) fund a debt service reserve fund, 3) and pay for certain costs of issuance relating to 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	\$46,445,000	Uses:	Refunding Escrow Deposits	\$47,002,520
	Series 2001 Funds	<u>4,452,186</u>		2006 DSRF	3,153,125
				Issuance Costs	<u>741,541</u>
	Total	<u>\$50,897,186</u>		Total	<u>\$50,897,186</u>

JOBS

Current employment: 160 FTE's	Projected new jobs: 0
Jobs retained: 160 FTE's	Construction jobs: 0

BUSINESS SUMMARY

Lutheran Hillside Village. ("LHV") is a nonprofit organization whose purpose is to further the ministry of the Holy Christian Church through participation in general charitable work of any nature, with special emphasis on satisfying the physical, social, spiritual and psychological needs of the elderly. LHV and its related organizations provide services to the elderly through a continuing care retirement community located in Peoria, Illinois.

The purpose of the Series 2006 Bonds is to refinance LHV's outstanding Series 2001 Bonds issued through the Illinois Health Facilities Authority, in order to lock in economic savings.

In addition, LHV is having discussions about an affiliation with Lutheran Senior Services ("LSS"), a St. Louis-based Lutheran senior living provider. LSS is currently rated "A-" by Fitch Ratings. LSS has been managing LHV for the past two years. LSS will provide a full debt service guaranty on the 2006 Bonds. To the extent an affiliation were to occur, the formal affiliation between LHV and LSS would not occur until approximately six months following the closing of the Series 2006 Bonds. The effect of the possible affiliation will be that LHV's debt will essentially be on parity with the LSS Obligated Group debt.

LSS directly or through various affiliated nonprofit corporations, owns, operates, and manages a regional, multi-facility senior living system comprised of fourteen owned facilities or campuses and nine facilities under LSS management but not owned by LSS or any affiliates. The Obligated group has a total of 754 independent living units, 323 patio homes, 554 assisted living units and 643 nursing beds.

Attached are the most recent financial statements of both LSS and LHV, along with the most recent Fitch Ratings report for LSS (from the A- rated 2005 issue). The LHV Series 2001 official statement and the LSS 2005B official statement are also included herewith.

PROJECT SUMMARY

The 2006 Bonds will refund the outstanding LHV Series 2001 Bonds. The Series 2001A Bonds consist of \$34,115,000 of fixed rate bonds and the Series 2001B Bonds consist of \$10,000,000 of Variable Rate Demand Bonds with a Letter of Credit from LaSalle Bank. Approximately \$24,500,000 of the Series 2001A Bonds will be *advance* refunded, with a call date of August 15, 2011. The balance of the Series 2001 Bonds will be refunded on a current basis. Due to the expected rating on the bonds (reflecting the credit strength of LSS, the guarantor), the refunding is expected to generate annual cash flow savings of at least \$500,000 per year, equal to approximately \$3.7 million on a net present value basis (8.49% of the refunded bonds). The savings in the first two years following issuance will be somewhat higher than the remaining years due to the deferral of principal until 2009. These significant cash flow savings will be extremely beneficial in LHV's goal of creating dramatically improved financial performance.

LHV is a continuing care retirement community ("CCRC") originally sponsored by 25 Peoria area Evangelical Lutheran Church of America and Lutheran Church-Missouri Synod congregations. The current unit mix consists of 175 independent living units, 43 assisted living units, 20 dementia units and 96 nursing care beds. Upon formal affiliation, LHV will be identified more closely with the highly regarded LSS system of quality senior living communities, and LHV will continue to receive the benefits of LSS's senior living expertise and resources. Since LSS began managing LHV, financial and utilization performance has improved significantly. LHV currently has occupancy levels of 95%-100% for all levels of care.

For purposes of marketing the bonds to investors, the underwriter will emphasize the credit of the *guarantor* most strongly (i.e., the Fitch A- or BBB+ rating on the Series 2006 LHV Bonds), with secondary emphasis on the combined future expected credit of LHV and LSS together. The refunding and the possible affiliation are steps being pursued by LHV to improve its financial performance and better fulfill its mission.

FINANCING SUMMARY

Structure: The Series 2006 bonds will be rated fixed rate bonds with a rating based on the full guaranty from LSS. The rating is expected to be Fitch "BBB+" or "A-" (to be known prior to bond pricing). These bonds will not have a letter of credit or bond insurance.

Security: Security consists of a gross revenue pledge and master notes under a master indenture. The notion of providing a mortgage to bondholders is still under discussion and will be resolved in the very near future. LSS does not provide a mortgage in connection with its outstanding bond issues. Legal provisions are expected to be consistent with those in use for similar financings.

Maturity: 30 years

ECONOMIC DISCLOSURE STATEMENT

Project name: Lutheran Hillside Village
Project Address: 6901 North Galena Road Peoria, IL

Applicant: Lutheran Senior Ministries, Inc. (aka Lutheran Hillside Village)
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois

Board of Directors for LHV:

Foundation President – Jerome Kersten
President – Gene Phillips
Secretary – Rev. Ron Miller
Assistant Secretary – Paul Ogier
Treasurer – Dean Heinzmann
Directors:

Dr. Dean Bordeaux, MD
Randy Bressner
Rev. Richard Hanson
Timothy Newlin
Debbie Sippel
Marilee Tilly

Board of Directors for LSS:

Chairman of the Board – Michael Chehval
Vice Chairman of the Board – Robert M. Nauss
Secretary – Thomas Johnson
Assistant Secretary – Lawrence Kamberg
Directors:

Steven Albers
Lorenza Hall
Donald Hollmann
Ronald Klatt
John Kotovsky
Nancy Merila
Franklin Mosley
Carl Rausch
Barbara Reitz
Elaine Skarstad
Earl Wendt
Darrell Zimmerman

PROFESSIONAL & FINANCIAL

Borrower's Counsel: The Stolar Partnership	St. Louis, MO	Jeff Pass Tom Lowther
Bond Counsel: Jones Day	Chicago	John Bibby
Underwriter: Ziegler Capital Markets Group	Chicago	Dan Hermann Will Carney Jennifer Lavelle
Underwriter's Counsel: Gilmore & Bell	Kansas City, MO	David Queen Scott Anderson
Bond Trustee:	TBD	TBD
Issuer's Counsel:	Chicago	TBD

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: Three Crowns Park

STATISTICS

Project Number:	H-SL-RE-TE-CD-6012	Amount:	\$65,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pam Lenane and Dana Sodikoff
Locations:	Evanston		

BOARD ACTION

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

Proceeds will be used to: 1) Pay for development, marketing, construction and other related costs associated with the redevelopment project, 2) Establish Debt Service Reserve Funds for the Series 2006 Bonds, 3) Fund interest payments, letter of credit and remarketing fees, and ongoing issuance costs of the Series 2006 Bonds for approximately 24 months, and 4) Pay certain costs for the issuance of 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	\$60,445,000	Uses:	New Money	\$ 49,933,000
	Entrance Fees	\$ 717,000		Funded Interest	\$ 7,197,000
	Interest Earnings	\$ 1,940,000		Reserve Funds	\$ 4,056,000
				Issuance Costs	\$ 1,916,000
	Total	<u>\$ 63,102,000</u>		Total	<u>\$ 63,102,000</u>

JOBS

Current employment: 110	Projected new jobs: 40
Jobs retained: 110	Construction jobs: 125

BUSINESS SUMMARY

Overview of the Borrower:

Three Crowns Park (the "corporation") is an Illinois not-for-profit corporation which owns and operates a senior living community located on 7.5 acre campus in Evanston, Illinois called Three Crowns Park (the Community). The Corporation changed its name from the Swedish Retirement Corporation in 2004. The Corporation has been providing housing and health care services to the residents of Evanston and surrounding communities since the early 1900s.

It has received a determination letter from the Internal Revenue Service that it is a corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and is exempt from federal income taxation under Section 501(a) of the Code and classified as an organization described in Section 509(c)(2) of the Code and not as a private foundation under Section 509(a)(1) of the Code.

The Swedish Retirement Foundation (the Foundation), a 501(c)(3) corporation that was formed in 2004 to provide administrative assistance, management advice, investment advice, and financial assistance to Three Crowns Park, is the sole corporate member of Three Crowns Park. According to Management, the Foundation would not be part of the Obligated Group under the Series 2006 Bonds and would not be obligated to any of the debts or other financial obligations of the Corporation.

The Community currently consists of 31 independent living apartments, 40 assisted living units and a 48-bed skilled care nursing facility.

The mission statement of Three Crowns Park is as follows:

Three Crowns Park strives to provide high quality retirement housing and health care options that foster security, dignity, independence and promote personal growth for all.

PROJECT SUMMARY

Members of the Three Crowns Park Board of Directors, management team, and the developer came together to create a vision of a full continuum of care on Three Crowns Park's campus. The redevelopment project for Plymouth Place will result in a campus that offers a broad continuum of care in distinct physical settings appropriate for each senior's needs, enabling the community to serve the most seniors' needs better and to compete more effectively with other CCRCs. The change in the scope of the services currently offered will move Three Crowns Park to a broader range of the current continuum of care, focusing on the want driven side (Independent Living Units) as compared to the need driven side (Assisted Living and Nursing) of the current product offering.

The chart below shows the current and planned future unit mix:

Level of Care:	Approximate Current	Difference	Approximate Proposed
	Operations		Project
Independent Living Apartments	31	87	118
Assisted Living Apartments	40	-6	34
Memory Support Assisted Living	0	18	18
Skilled Nursing Beds			
Private	8	24	32
Semi-Private	40	-20	20
Total Units:	119	103	222

The addition of 103 units creates more revenue opportunity for Three Crowns Park, all within reasonable market penetrations. The primary additions to the campus are market rate independent living units and dementia assisted living units that fill needs within the local senior population and create a more complete continuum of care.

A major aspect of the redevelopment will be providing new commons areas that will make Three Crowns Park a desirable product including a dining room, game room, all-purpose auditorium, meditation room, conference room, convenience shop, fitness center, indoor heated pool, salon and barber services, woodworking shop, and library/media room. In addition, assisted living, dementia assisted living and the health center will each have its own associated commons area and can use the main independent living commons areas as needed.

FINANCING SUMMARY

Structure: The Series 2006C bonds will be tax-exempt variable rate demand bonds that will be secured by a direct pay letter of credit from a to be determined letter of credit bank(s). The Series 2006A bonds will be non-rated fixed rate term bonds. The Series 2006B bonds will be adjustable rate securities, Ziegler EXTRASSM.

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

Maturity: 33 years (Not more than 33 years)

Waiver: The bonds will be sold in denominations less than \$100,000 (i.e. \$1,000, \$5,000). The Borrower has requested a waiver of our unrated and non-credit enhanced debt policy. They have met the conditions for a waiver, which they qualify for:

Conditions for Waiver:

- The Borrower has secured a published feasibility from an independent and qualified accounting or consulting firm acceptable to the Authority that supports the financial viability of the Project; or
- The bonds are being issued to refund bonds of the Authority, or a predecessor Authority, and will result in cost savings; and
- The Borrower is not currently in default on any bonds and has not missed a payment date relative to any such bonds in the immediately preceding three years.

ECONOMIC DISCLOSURE STATEMENT

Project name: Three Crowns Park
2400 Colfax Street
Evanston, IL 60201

Applicant: Three Crowns Park
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois
Board of Directors: Marvin Lofquist, Ph.D.
Janet Goelz Hoffman
Susan J. Morse
Richard Hoffman
Glenn Johnson
James E. Elsass
Jeff Engle
Dale Johanson
David Johnson

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Katten Muchin Rosenman, LLP	Chicago	Tom Fahey
Bond Counsel:	Jones Day	Chicago	John Bibby
Underwriter:	Ziegler Capital Markets Group	Chicago	Dan Hermann, Steve Johnson, William Claus
Developer	New Life Management & Development	Mt. Laurel	Tim Myers
		Ed Kelly	
Underwriter's Counsel:	Ungaretti & Harris	Chicago	Julie Seymour
Bond Trustee:	Wells Fargo	Chicago	Patricia Martirano
Issuer's Counsel:	Wildman Harrold	Chicago	Jim Snyder

LEGISLATIVE DISTRICTS

Congressional: 3- Daniel William Lipinski
State Senate: 11- Louis S. Viverito
State House: 21- Robert S. Molaro

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: Delnor-Community Hospital

STATISTICS

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

BOARD ACTION

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

PURPOSE

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

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

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

Ayes – 9	Nays – 0	Absent – 6	Vacancies – 0
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ESTIMATED SOURCES AND USES OF FUNDS

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

JOBS

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

BUSINESS SUMMARY

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

The Hospital has as its sole corporate member Delnor-Community Health System (the "Parent Corporation"), which is also an Illinois not for profit 501(c)(3) corporation. In addition to being

the sole member of the Hospital, the Parent Corporation is the sole corporate member of Delnor-Community Health Care Foundation (the "Foundation"), Delnor-Community Residential Living, Inc. ("Residential Living"), and Living Well Cancer Resource Center ("Living Well"), which are all Illinois not for profit 501(c)(3) corporations, and is the sole shareholder of DelCom Corporation ("DelCom"), an Illinois for-profit corporation. The Hospital is the only member of the Obligated Group with respect to the Series 2006 Bonds.

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

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

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

PROJECT SUMMARY

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

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

FINANCING SUMMARY

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

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

Structure: The bonds are anticipated to be issued as Auction Rate Certificates supported by an anticipated "AAA" bond insurance policy from FGIC. The entire Series 2006 variable rate debt issue will be

synthetically converted to a fixed rate by means of a % of LIBOR fixed payor swap, which has already been executed.

Maturity: The final maturity is expected to be 2036.

ECONOMIC DISCLOSURE STATEMENT

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

Mr. William P. Flesch, Chairman	Mrs. Joanne B. Hansen
Mr. Roger Harris, Vice Chairman	Mrs. Kay Harbaugh
Mr. Bob M. White, Treasurer	Mr. Lucas E. Harriss
Mr. Walter Alexander	Todd S. Hewell, III, M.D.
Mrs. Lynne Bishop	Mr. Craig A. Livermore, Ex-Officio
Mrs. Kay Clancy	Mr. Bentley Myer
Mrs. Melissa L. Coleman	Mr. Gregory J. Pacelli
Mr. Steve Deppe	William P. Towne, M.D.
Katherine Fackler-Chapman, M.D.	Mr. William A. Wolford
Mr. Craig A. Frank	Mr. Wayne G. Woltman

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: Tabor Hills

STATISTICS

Project Number:	H-SL-RE-TE-CD-6088	Amount:	\$12,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pam Lenane and Dana Sodikoff
Locations:	Naperville		

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 credit enhanced debt,
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PURPOSE

Proceeds will be used to: 1) pay for the cost of construction of a 95-unit supportive living facility and 2) pay for letter of credit expenses, and 3) pay for certain costs of issuance relating to the Series 2006 Bonds.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on May 9, 2006 by the following vote:

Ayes – 9	Nays – 0	Absent – 6	Vacancies – 0
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ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$12,000,000	Uses:	New Money	\$11,565,000
	Equity	<u>50,650</u>		Letter of Credit Costs	134,292
				Issuance Costs	349,350
				Additional Proceeds	<u>2,008</u>
Total		<u>\$12,050,650</u>	Total		<u>\$12,050,650</u>

JOBS

Current employment: 75	Projected new jobs: 40
Jobs retained: 75	Construction jobs: 85

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 of 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 2006 Bonds will be used to construct a 95-unit supportive living community on the 52-acre campus in Naperville. The supportive living community is an affordable assisted living model that offers elders 65 years and older housing with services. The purpose of the community is to preserve privacy and autonomy while emphasizing health and wellness for elders.

FINANCING SUMMARY

Structure: The Series 2006 bonds will be credit-enhanced variable rate demand bonds.
Security: Security consists of a gross revenue pledge, a 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 60563-0149
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 – Walter M. Wlodek

Secretary / Director – Gloria J. Pindiak

Treasurer/Director – Charles Capek

Directors:

Liberty Dvorak
Mildred Kozumplik
Angeline Bultas
John Storcel
Charles Grenko
Frank Michalek
Anton Vopenka
Mary Bubenicek
Jim Hill

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Erickson-Papanek-Peterson-Erickson	Minneapolis, MN	Julie Peterson
Bond Counsel:	Jones, Day, Reavis & Pogue	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:	Schiff Hardin	Chicago	Bruce Weisenthal, Ben Butler

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: Beloit Memorial Hospital

STATISTICS

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

BOARD ACTION

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

PURPOSE

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

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

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

Ayes – 9	Nays – 0	Absent – 6	Vacancies – 0
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ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$41,100,000	Uses:	New Money	\$40,340,000
	Hospital Contribution	<u>\$5,525,000</u>		Reserve Fund	\$2,770,000
				Issuance Costs	\$335,000
				Underwriter's Discount	\$190,000
				Bond Insurance	<u>\$1,150,000</u>
				Capitalized Interest	\$1,840,000
	Total	<u>\$46,625,000</u>		Total	<u>\$46,625,000</u>

JOBS

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

BUSINESS SUMMARY

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

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

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

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

PROJECT SUMMARY

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

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

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

FINANCING SUMMARY

Security: The bonds are expected to be secured by a pledge of gross revenues of the Obligated Group. The bonds will be secured by bond insurance issued by Radian Asset Assurance and a debt service reserve fund.

Structure: The bonds will initially be issued in the 7-day auction mode.

Maturity: Final maturity is expected to be April 1, 2036.

ECONOMIC DISCLOSURE STATEMENT

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

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

PROFESSIONAL & FINANCIAL

Borrower's Counsel: Quarles & Brady	Milwaukee Patrick Walsh
Bond Counsel: Jones Day	Chicago Dan Bacastow
Underwriter: Piper Jaffray & Co.	Chicago Nesity Shems
Underwriter's Counsel: Foley & Lardner	Milwaukee Elizabeth Blutstein
Bond Trustee: The Bank of New York	Chicago Cynthia Duncan
Accountant: Wipfli	Milwaukee
Issuer's Counsel: Burke Burns & Pinelli	Chicago Mary Ann Murray
	Mary Pat Burns

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

June 13, 2006

**Project: Jewish Federation of Metropolitan Chicago
Jewish Charities Revenue Anticipation Note Program,
Series 2006-2007A, 2006-2007B**

STATISTICS

Project Number: N-ND-TE-CD-6105	Amount: \$35,000,000 (not-to-exceed amount)
Locations: Multiple	PA: Townsend Albright
SIC: 8399	

BOARD ACTION

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

PURPOSE

To provide cash management savings to the Federation to be used to expand services provided to its affiliated organizations.

IFA CONTRIBUTION

Convey Federal tax-exempt status on the Revenue Anticipation Note interest.

VOTING RECORD

Final IFA Bond Resolution
(FY 05-06)
Voting Date: 6/14/05

Ayes:	8
Nays:	0
Absent:	5 (Delgado, Giannoulis, O'Brien, Ozark, Rice)
Abstentions:	2
Vacancy	0

Note: This is an ongoing program, which requires the Board's annual approval.

SOURCES AND USES OF FUNDS

Source:	IFA RANS	<u>\$35,000,000</u>	Use:	Working Capital	<u>\$35,000,000</u>
Total		<u>\$35,000,000</u>	Total		<u>\$35,000,000</u>

BUSINESS SUMMARY

Background: The Jewish Federation of Metropolitan Chicago is a 501(c)(3) Corporation.

Description: The Jewish Federation of Metropolitan Chicago serves as the fund raising entity for its affiliated organizations.

Remarks: The four borrowing organizations are all Illinois not-for-profit corporations that provide Community services to the Chicago metropolitan area. The organizations are: (i) Jewish Vocational Service and Employment Center, (ii) Jewish Community Centers, (iii) Council for Jewish Elderly, and (iv) Jewish Children's Bureau of Chicago. As of July 1, 2006 Jewish Family and Community Services will be merged into Jewish Children's Bureau of Chicago (JCB). JCB will change its name to Jewish Child and Family Services Center to better reflect the entity's mission.

PROJECT SUMMARY

Proceeds will be used to fund a working capital loan. This is the eleventh annual request for Revenue Anticipation Note financing under the terms of an ongoing semi-annual loan program designed to produce cash management savings to the Federation. The savings, which are approximately \$100,000, are used to expand the services provided by the Borrowers. Authorized borrowing amounts are:

Jewish Vocational Services and Employment Center	\$ 3,500,000
Jewish Community Centers	9,000,000
Council for Jewish Elderly	13,000,000
Jewish Children's Bureau of Chicago	<u>9,500,000</u>
Total	<u>\$35,000,000</u>

ECONOMIC DISCLOSURE STATEMENT

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

Project name: Jewish Charities Revenue Anticipation Note Program

Locations: Buffalo Grove, Chicago, Skokie, Flossmoor, Highland Park, Northbrook, Evanston, Wilmette, Glenview, and Vernon Hills, Cook County, Illinois

Organization: 501(c)(3) Corporation

State: Illinois

Board: List of Applicant Board members attached

PROFESSIONAL & FINANCIAL

Counsel:	D'Ancona & Pflaum	Chicago, IL	Michael J. Calhoun
Accountant:	Altschuler, Melvoin & Glasser	Chicago, IL	Barry Rosenthal
Bond Counsel:	KMZ Rosenman	Chicago, IL	Mark E. Laughman
LOC Bank:	Harris N.A.	Chicago, IL	Gregory Bins
Placement Agent:	Harris N.A.	Chicago, IL	Nicholas Knorr
Placement Counsel:	Chapman and Cutler	Chicago, IL	R. William Hunter
Issuer's Counsel:	Pugh, Jones & Johnson	Chicago, IL	Scott Bremer
Trustee:	LaSalle Bank NA	Chicago, IL	Kristine Schossow

LEGISLATIVE DISTRICTS

Congressional: 2, Jesse L. Jackson; 7, Danny K. Davis, 9, Janice Schakowsky; 10, Mark S. Kirk;
State Senate: 6, John J. Cullerton; 7, Carol Ronen; 8, Ira R. Silverstein; 9, Jeffrey M. Schoenberg; 19,
M. Maggie Crotty; 26, William E. Peterson; 28, Kathleen Wojcik; 29, Susan Garrett; 30,
Terry Link; 31, Adeline J. Geo-Karis; 40, Debbie DeFrancesco Halvorson
State House: 11, John A. Fritchey; 13, Larry McKeon; 16, Louis I. Lang; 18, Julie Hamos; 37,
Kevin McCarthy; 59, Kathleen A. Ryg; 60, Eddie Washington; 61, JoAnn Osmond;
80, George F. Scully Jr.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 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

Final Bond Resolution
Conduit Tax-Exempt Affordable Rental Housing
Bonds
No IFA Funds at risk

Staff recommends approval subject to the following extraordinary condition:

- Bonds will be sold in minimum denominations of \$100,000 pursuant to IFA Board Policy.

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 RECORD

Preliminary Bond Resolution, May 9, 2006:

Ayes: 9 Nays: 0 Abstentions: 0 Absent: 6 (Boyles, Leonard, Nesbitt, O'Brien, Rice, Zeller)

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 \$1,269,000 of cash equity from the Partnership.

IFA Series 2006 Subordinate Bonds:

Sources: IFA Subordinate	\$800,000	Uses: New Rehabilitation	\$2,019,000
Series 2006 Bonds		Costs	
(Non-rated and unenhanced)			
IFA Series 2006		IFA Series 2006 Bond	<u>50,000</u>
Developer Equity	<u>1,269,000</u>	Issuance Costs	
Total	\$2,069,000	Total	\$2,069,000

City of Chicago Housing Series 2003 Bonds (informational disclosure only):

Sources:		Uses:	
City of Chicago	14,000,000	Acquisition	14,615,000
Housing Series			
2003 Bonds			
(Senior/LOC-enhanced)			
		Rehabilitation	6,260,000
4% LIHTC Tax Credit	8,037,000	Professional Fees/Tax	547,238
Equity		Credit Costs	
General Partner	767,940	Operating & Tax	1,835,000
Equity		Reserve	
Investment of Proceed	1,200,000	Deferred Developer's	3,599,600
		Fee	
		Letter of	375,338
		Credit/Expenses	
Deferred Developer	<u>3,599,600</u>	Bond Issuance Costs	<u>377,364</u>
Fee (2003 Tax			
Credits)			
Total	\$27,604,540	Total:	\$27,604,540

*Note: The Developer's Fee were negotiated pursuant to a 2003 Partnership Agreement between the Applicant and Fifth Third Community Development Corporation, the 4% LIHTC Tax Credit Investor. Payment of these fees has been contingent on project performance hurdles including: satisfying specified benchmark debt service coverage, occupancy rates, and other negotiated covenants. Deferred Developer Fees are an allowed capitalized cost in determining tax credit basis pursuant to the Internal Revenue Code. The Deferred Developer Fee is limited by the City of Chicago's Department of Housing and final terms are determined pursuant to negotiation between the General Partner and Tax Credit Investor/Limited Partner. Deferred Developer Fees are allowed as a capitalized development expense for determining allowable tax credits by the IRS. These Fees provide the General Partner with performance incentives to develop (or redevelop), lease-up, and operate a property successfully during the entire 15-year Tax Credit Compliance Period (during which time, the project cannot be sold). Thus, in exchange for disallowing the sale of the Property (thereby disallowing the ability to profit from appreciation) during the Compliance Period, the IRC has built-in operating incentives to assure the project is constructed/renovated and operated properly.

- Although the General Partner is entitled to the Deferred Developer Fees if the project is operated successfully, there is significant downside risk in the event the General Partner fails to perform. In

particular, the Partnership Agreement will dictate terms under which the Limited Partner (i.e., Tax Credit Investor) will take over the project or force the General Partner to contribute equity from its own resources. In the event the project does not comply with leasing and income requirements, the Limited Partner reserves the right to take over the project.

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%. Bonds will be sold pursuant to a Limited Offering Memorandum.

Maturity: 20 years (bullet maturity callable in whole or part at any time based on allowed residual cash flows subject to minimum bond denomination requirements); 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. Harris will be required to provide consent to this additional debt prior to closing.]

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>\$2,019,000</u>
Total:	\$2,019,000

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

Series 2006 IFA Bonds:

Counsel:	Krasnow Saunders Cornblath Newbanks Law Firm LLC	Chicago, IL Cincinnati, OH	Henry Krasnow Ron Newbanks
Accountant:	Rockoff Harlan Rasof, Ltd.	Skokie, IL	Michael Harlan
Bond Counsel:	Duane Morris LLP	Chicago, IL	Chuck Katz
Placement Agent:	Mesirow Financial Inc.	Chicago, IL	Bill Carney
Counsel to Placement Agent:	Duane Morris LLP	Chicago, IL	Patricia Williams
Credit Enhancement:	None		
Management Agent:	Promex Midwest Corporation	Libertyville, IL	
Issuer's Counsel:	Burke Burns & Pinelli, Ltd.	Chicago, IL	Steve Welcome

Series 2003 City of Chicago Bonds (Informational Disclosure):

Counsel:	Krasnow Saunders Cornblath	Chicago, IL	Henry Krasnow
Bond Counsel:	Holland & Knight	Chicago, IL	
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	

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
June 13, 2006**

Project: Long Creek Township Refinance

STATISTICS

Number:	L-G-MO-6099	Amount:	\$1,370,000 (not to exceed)
Type:	Local Government Pooled Bond Program (Alternate Revenue Bond) – 2006 B		
IFA Staff:	Eric Watson	Location:	Long Creek Township, Illinois

BOARD ACTION

Final Bond Resolution	No extraordinary conditions
Local Government Pooled Bond	Staff recommends approval

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 second time that this project has been presented for Board consideration.

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	<u>\$1,380,000</u>	Uses:	Underwriter's Discount	\$23,120
				Amount of Refunded Bonds	1,310,000
				Local Bond Counsel	3,250
				Other Fees	15,500
				IFA Fee	12,240
				Rounding	5,890
	Total	<u>\$1,370,000</u>		Total	<u>\$1,370,000</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. Long Creek was originally financed in 1999 as a stand-alone issue. We are proposing to place them into the 2006 B pooled issue so that the Township as well as the other pool participants will realize economies of scale from shared issue costs.

FINANCING SUMMARY

The Bonds: The Bonds will be Alternate Revenue Bonds, with the Township's revenues from its Water System pledged as the primary revenue source. As part of their bond 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: Kevin Greenfield

PROFESSIONAL & FINANCIAL

Issuer's Counsel: Kevin Cayhill
Local Bond Counsel: Kurt P. Froehlich Evans, Froehlich & Beth, Springfield, IL
Underwriter: AG Edwards & Co., LP St. Louis, Missouri
Trustee: US Bank

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
June 13, 2006**

Project: Waterloo Community Unit School District Number 5

STATISTICS

Project Number:	LSD-TE-CD 6122	Amount: \$45,000,000 (Not to exceed)
Type:	School District	IFA Staff: Nona Myers
Location:	Waterloo	

BOARD ACTION

Preliminary Bond Resolution
Staff recommends approval
Conduit Tax-Exempt
No IFA funds at risk
No extraordinary conditions

PURPOSE

To finance the costs of building a new high school and refinance existing long-term debt.

IFA CONTRIBUTION

IFA will convey federal and state tax exempt status on the subject bonds.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS (subject to change)

Sources:	IFA Bonds	\$45,000,000	Uses:	Refunding:	\$ 9,000,000
				Capital Costs:	35,100,000
				Issuance Costs:	900,000
Total		\$45,000,000	Total		\$ 45,000,000

JOBS

Current employment:	301	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs:	40 jobs for 6 months

BUSINESS SUMMARY

Background:

The Waterloo Community Unit School District provides an educational program for grades Pre-K through 12. Current enrollment is 2,700 students with housing in four separate facilities:

W. J. Zahnow Elementary: Grades Pre-K to 2
301 Hamacher Street., Waterloo

Waterloo Junior High: Grades 6 to 8
1 Ed Gardner Place, Waterloo

Rogers Elementary: Grades 3 to 5
200 N. Rogers Street., Waterloo

Waterloo Senior High School: Grades 9 to 12
200 Bellafontaine Drive, Waterloo

The student population of Waterloo CUSD 5 has steadily increased since the mid 1980's. The following enrollment chart and tax rate information is provided as historical information to highlight the school district's board action as a result of increased enrollment.

<u>School Year</u>	<u>K-12 Enrollment</u>	<u>School tax Rate</u>	<u>Waterloo School Board Action</u>
1985-86	1626	2.5561	
1986-87	1689	2.6815	Public Building Commission addition to the Waterloo Jr./Sr. High Complex, 6 classrooms, cafeteria addition, and alterations to band room, science lab, and bus garage.
1991-92	1933	3.5734	Public Building Commission built new elementary school (current Rogers Elem. School-600 capacity), 28 classrooms, 2 special education classrooms, multi-purpose room, library, and commons area.
1997-98	2430*	3.3488	Referendum for new elementary (junior high building- 800 student capacity) 32 classrooms, 10 special education classrooms, multi-purpose room, library, and commons area; upgrade labs and hallways Waterloo Jr./Sr. High; add cafeteria area in Rogers Elementary School.
2005-06			Referendum for new high school in the amount of \$35,000,000
2005-6			Referendum for a maximum annual tax rate increase for educational purposes, established at 2.19 percent upon all the taxable property of Waterloo CUSD No. (An increase from 1.84%)
* Includes Pre-K students			
Source: Public School Fall Enrollment/Housing Report, ISBE #87-03			

The first building of Waterloo High School was constructed in 1935. Since then, there have been numerous renovations to the building and continuing efforts to meet safety codes and general maintenance. The high school is currently 269 over its state recommended maximum student capacity of 641. A new high school building is planned that would house 1,400 students with common areas to accommodate future expansions as needed.

Members of the community and school representatives joined together in 2005 at the request of the Superintendent and Board of Education to address the enrollment growth and financial challenges confronting the district. As a result of this group called VOICES (Vision of Interested Citizens for Education Success), the community passed 2 referenda in March of 2006: 1.) To increase the district's educational tax rate and, 2.) To issue \$35 million in bonds to build new high school.

Description:

The District is located in southwestern Illinois and provides a Pre-K through 12th grade educational program to 2,630 students living within a 186 square mile area in Monroe and St. Clair Counties. The children are educated in four centrally located attendance centers in the City: W.J. Zahnow Elementary School/grades Pre-K-2, Rogers Elementary School/grades 3-5, Waterloo Junior High School/grades 6-7-8, and Waterloo High School/grades 9-12. The children are assigned to attendance centers according to grade placement. Grades Pre-K-5 are self-contained; grades 6-12 are departmentalized. The curriculum in grades Pre-K-8 is traditional with an emphasis on the basics. The curriculum in grades 9-12 is strong academically and vocationally. The instructional techniques are traditional. There is a growing use of technology by teachers and students. The District has a reputation for providing outstanding academic programs and strong co-curricular and extra-curricular activities for students. Student academic achievement ranks in the upper 25% of public schools in the State and nation. More than 70% of all graduates enter some form of higher education including vocational schools, community colleges and four-year colleges and universities.

Waterloo (the "City") is the largest community within the District with a 2000 census population of 7,614 and serves as the county seat for Monroe County. The City has experienced a period of rapid growth since the late 1980's. The City provides a variety of municipal services including police and fire protection. The City owns and operates a natural gas distribution system and a municipal electric distribution system. Recreational activities are provided by the Waterloo Park District which operates two tennis courts, a public swimming pool, a playground, five baseball diamonds and one soccer field. Other recreational activities include golf, provided by four golf courses, and fishing. Numerous commercial businesses, religious denominations and civic groups are located in the District.

The District's transportation network includes Illinois State Route 3 which runs through the City, Illinois State Route 156 which runs east and west through the City and multi-schedule bus service provided by the Bi-State Development Agency with several St. Louis-Waterloo bus routes scheduled throughout the weekdays. Air service is available at Lambert-St. Louis International Airport located approximately 35 miles from the City. In addition, Scott Air Force Base and Mid-America Airport are located within 15 miles of the District.

The proximity of the District to the Metro-East and St. Louis areas provides residents with ample educational and employment opportunities. Higher education is offered at Southwestern Illinois College, Lewis and Clark Community College, McKendree College, Southern Illinois University at Edwardsville, as well as various colleges and universities in St. Louis.

Remarks:

The district's major employers include: Wal-Mart Stores, Inc. (360), Waterloo CUSD 5 (340), Monroe County Care & Rehab (190), Monroe County Courthouse (160), Harrisonville Telephone Co. (144), and First National Bank (80). Many of the District's residents are employed within the St. Louis Metropolitan Statistical Area. The District's largest taxpayers are: Wal-Mart Real Estate Business, Harrisonville Telephone Company, Southern Illinois Medical Development Corp., Waterloo Sunset Land, LLC., ZIKLAG, Inc.

MEDIAN HOUSEHOLD INCOME

According to the 2000 Census, Waterloo had a median household income of \$46,938. This compares to \$55,320 for Monroe County and \$46,590 for the State. The following table represents the distribution of household incomes for Waterloo, Monroe County and the State at the time of the 2000 Census.

TAXES EXTENDED AND COLLECTED, ASSESSED VALUATIONS AND TAX RATES

<u>Year Levied/Col.</u>	<u>Taxes Extended</u>	<u>Taxes Collected</u>	<u>Percentage</u>	<u>Equalized Assessed Valuation</u>	<u>Tax Rate</u>
1995/96	\$ 4,503,857	\$ 4,460,477	99.04%	\$ 131,319,252	\$ 3.4297
1996/97	5,037,657	5,004,547	99.34%	147,106,348	3.4245
1997/98	5,562,449	5,518,025	99.20%	166,102,782	3.3488
1998/99	5,959,383	5,956,250	99.95%	178,483,452	3.3389
1999/00	6,563,507	6,561,484	99.97%	196,770,237	3.3356
2000/01	7,172,400	7,160,327	99.83%	213,762,027	3.3553
2001/02	8,074,956	8,066,997	99.90%	235,816,611	3.42461
2002/03	9,134,081	9,124,307	99.89%	260,806,674	3.50222
2003/04	10,280,954	10,191,842	99.13%	286,325,628	3.59065
2004/05	10,865,160	10,817,430	99.56%	299,770,705	3.62449

Source: Offices of the County Clerk and County Treasurer, Monroe and St. Clair Counties, Illinois

FINANCING SUMMARY

Bonds: The bonds will be G. O. Bonds
Structure: Fixed interest rate bonds at a rate to be determined.
Insurance: Municipal bond insurance will be acquired.
Maturity: Series 2006 Bonds, 20 year amortization
Bond Rating: It is anticipated that Fitch Ratings, Inc., will assign the rating of "AAA" to the Bonds conditioned upon delivery of the Policy to be issued by the Bond Insurer.

PROJECT SUMMARY

Bond proceeds will be used to finance a new high school and refinance existing long-term debt. Specifically, bond proceeds will be used to provide capital for building construction of a new high school, site development, fixtures, furniture and equipment, technology, professional fees, permits and contingencies. Additionally, the district will be refinancing approximately \$12,000,000.

Project costs are estimated at \$ 35,000,000 with an additional \$9,000,000 to refund financing provided by A. G. Edwards.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Waterloo Community Unit School District No. 5 (Monroe County)
Contact: Mr. James Helton, Superintendent
School Board Membership: See attached list of Board Members
Project name: The Waterloo CUSD High School Building project
Location: A new location will be the site of the new high school.
Organization: School District
Current Land Owner: Waterloo CUSD No. 5

PROFESSIONAL & FINANCIAL

Issuer's Counsel: Kevin Cahill, Chicago, IL 60603
Underwriter: Edward D. Jones & Co., LP, St. Louis, MO--Mr. Chris Collier
Underwriter's Counsel: Thompson Coburn, LLP, St. Louis, MO—Steven Mitchell
Borrower's Bond Counsel: Chapman & Cutler, LLP, Chicago, IL--Mr. Kelly Kost
Paying Agent/Escrow Agent: UMB Bank of St. Louis, NA--Mr. Victor Zarrilli
Insurance Company: The underwriter is seeking bids from MBIA, FGIC, AMBAC and other insurers.
Rating Agency: Fitch Ratings, Chicago—Mr. Daniel Whalen

LEGISLATIVE DISTRICTS

Congressional: Jerry F. Costello, 12th District, House of Representatives
Barack Obama, US Senator
Richard J. Durbin, US Senator
State Senate: David Luechtefeld, 58th District
State House: Dan Reitz, 116th District

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: BP Professional Building LLC

STATISTICS

Project Number: B-LL-TX-6113	Amount: \$675,000
Type: Participation Loan	IFA Staff: Rick Pigg
Location: Swansea, IL 62226	\$675,000 IFA funds at risk
NAICS Code: 621320	Staff recommends approval

BOARD ACTION

Purchase of a participation loan from Community First Bank of Fairview Heights, Illinois

PURPOSE

Participation in the financing of a medical office building

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:	IFA Participation:	\$ 675,000	Uses:	Purchase Price	\$1,350,000
	Community First Bank	\$ <u>675,000</u>			
	Total:	<u>\$1,350,000</u>		Total:	<u>\$1,350,000</u>

JOBS

Current employment: 2	Projected new jobs: 2
Jobs retained: 2	Construction jobs: n/a

BUSINESS SUMMARY

Description: Optometrist

Background: Dr. Massie, age 28 is a Belleville Optometrist and has been practicing for the past four (4) years at 2801 West Main in Belleville, IL since graduation of medical school.

The Project: Dr. Massie plans to purchase a 9,985 sq. ft. office building located at 4111 North Illinois Street in Swansea. Dr. Massie will initially occupy 50% of the building and lease out the remaining space at \$17.00 per square foot. Dr. Massie has recently leased 2,500 sq ft to Kerber, Eck & Brecker, a St. Louis CPA firm at the \$17.00/sq ft rate. The remaining 2,500 sq ft is being marketed by the Johnson Agency in Belleville and is anticipated to be leased by year end 2006. There is an additional 980 sq ft in the attic and in the basement of the building that are both finished areas and could bring the full lease rate of \$17. The building itself is located on the SW corner of North Illinois and Bronze Point Drive in Swansea IL. The building is brick and frame construction. Massie feels that the improved location alone will account for at least a 25% increase in his patient volume for the first year.

Bank Request: The Community First Bank is asking the IFA to participate in the financing of the purchase of an office building. The loan amount is \$1,350,000 of which IFA would participate 50%.

FINANCING SUMMARY

Obligor: BP Professional Building, LLC.

Guarantor: Dr. Dirk Massie

Security: First mortgage and assignment of rents on office building located at 4111 North Illinois St., Swansea, IL

Structure: \$675,000 5.50% 7 year balloon/ 25 year amortization

ECONOMIC DISCLOSURE STATEMENT

Applicant: BP Professional Building, LLC
Organization: Limited Liability Company

PROFESSIONAL & FINANCIAL

Accountant: Tragesser & Associates, P C		O'Fallon IL
Bank Community First Bank	Todd Neighbors	O'Fallon IL
IFA Counsel: Cykema Gosset	David Celliti	Chicago IL

LEGISLATIVE DISTRICTS

Congressional: 12th
State Senate: 57th
State House: 114th

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

**Project: Sonnenberg Asphalt Co., Inc.
KKLL, Inc. with operating company Sonnenberg Paving & Landscaping
Materials Company**

STATISTICS

Project Number: B-LL-TX-6129	Amount: \$718,000
Type: Participation Loan	IFA Staff: Rick Pigg
Location: Belleville IL 62223	
NAICS Code: 42132	

BOARD ACTION

Purchase of Participation Loans from Bank of Belleville, Belleville Illinois
\$718,000.00 IFA funds at risk
Staff recommends approval, subject to compliance with all of the bank's loan terms and conditions.

PURPOSE

Participation in two loans: 1) permanent financing of the purchase of land and the construction of a building;
2) purchase of equipment

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: IFA Participation	\$ 718,000	Uses: Purchase of Land	\$ 700,000
Bank of Belleville	\$ 718,000	Purchase of Equipment	\$ 500,000
Borrower Equity	\$ 349,000	Construction & Improv.	\$ 585,000
Total:	<u>\$1,785,000</u>	Total:	<u>\$1,785,000</u>

JOBS

Current employment: 35	Projected new jobs: 10
Jobs retained: 35	Construction jobs: 15

BUSINESS SUMMARY

Description: Sonnenberg Asphalt Co., Inc. is a corporation established in 1983 which performs paving and sealing. KKLL, Inc. is a corporation being established to act as the real estate holding company. Sonnenberg Paving & Landscaping Materials Company is a corporation established in 1991 which provides landscaping design & work along with materials. Kirk and Kelly Sonnenberg are the sole owners of all the companies.

Background: Kirk Sonnenberg founded a paving company in 1983. After nearly a decade in the paving business he started Sonnenberg Paving & Landscaping Materials Company in 1991 on 3 acres of ground, the current Belleville location. Sonnenberg Landscaping was named the #1 landscaping company in the Metro-East by the readers of the Belleville News Democrat. Sonnenberg is probably the largest landscape supply company in the Belleville area. Sonnenberg Landscaping is not a nursery and does not sell "live" landscaping items, only hardscape items. Sonnenberg's business plan is to provide material to other landscaping professionals as well as material for the do-it-yourselfers, and also provides full design and installation services.

Management: The facility is staffed by various family and non-family members. Ray Sonnenberg manages the day-to-day operations of the Belleville facility related to sales, delivery and inventory control, while Andy Stephens is the manager of the design and installation services. Kirk oversees the overall business operation.

The Project: Sonnenberg is purchasing 2 developed commercial lots in a commercial/industrial development for a total of \$700,000, with a total area of 5.95 +/- acres. The lots front Illinois Highway 3 between the communities of Waterloo and Columbia. This is a 4 lane divided highway. Sonnenberg is planning to construct a Cleary prefabricated metal building, with 6,000 square feet of gross space, which will house office space (2,000) and repair space (4,000). The location will also include various bins to house material along with asphalt storage areas and parking. The proposed construction will fit well with the other buildings in the development. The budget for the land, building and improvements totals \$1,283,600. The Columbia property will be an extension of the Sonnenberg Paving & Landscaping Materials Company.

Bank Request: The bank has requested the IFA to participate in two loans. The first loan is to facilitate the permanent financing of the purchase of the land and construction of the building. The second loan is to purchase equipment. The lender is Ron Stephens, EVP of Bank of Belleville. The IFA has an established working relationship with this bank.

FINANCING SUMMARY

Obligor: Sonnenberg Asphalt Co., Inc. and KKLL, Inc.

Guarantor: Kirk and Kelly Sonnenberg

Security: First mortgage and assignment of rents on Lots 3 & 4 w/improvements at "Hanover Road Tracts" and a first lien on purchased equipment.

Structure:

Equipment:				
Sonnenberg Asphalt Co., Inc.	\$250,000	4.55%	(2% less than bank rate)	5 year term/ 5 year amortization
Real Estate:				
KKLL, Inc.	\$468,000	4.55%	(2% less than bank rate)	5 year term/ 20 year amortization

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Sonnenberg Asphalt Co., Inc.	KKLL, Inc.
Organization:	Corporation	S Corporation

PROFESSIONAL & FINANCIAL

Accountant: Rice, Sulli, Belleville
Bank: Bank of Belleville, Ron Stephens, EVP; 720 W Main Street, Belleville, IL 62220; PH# 618-233-6400
IFA Counsel: Dykema Gossett, David Cellitti; 10 South Wacker Dr, Chicago, IL; PH# 312-627-2177

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

Project: Dale and Connie Carlton

STATISTICS

Deal Number:	B-LL-TX-6107	Amount:	\$402,750
Type:	Participation Loan	IFA Staff:	Sharnell Curtis Martin
Location:	Danville	SIC Code:	3541

BOARD ACTION

Purchase of Participation Loan from First Midwest Bank
\$402,750 IFA funds at risk
Collateral is parri passu first position with First Midwest Bank
Staff recommends approval subject to the following conditions: Assignment of Rents and Leases
Evidence of Insurance
As if completed Appraisal

PURPOSE

Renovation and acquisition of a 52,000 square foot manufacturing facility on 1.7 acres of land in Danville.

VOTING RECORD

Initial board consideration, no previous voting record.

SOURCES AND USES OF FUNDS

Sources:	First Midwest Bank	\$402,750	Uses:	Project Costs	<u>\$920,000</u>
	IFA	402,750			
	Equity	<u>114,500</u>			
	Total Sources	<u>\$920,000</u>		Total Uses	<u>\$920,000</u>

JOBS

Current employment:	18	Projected new jobs:	9
Jobs retained:	N/A	Construction jobs:	6

BUSINESS SUMMARY

Background: Leatherneck Hardware, Inc. was founded in 1977 by Jack Seidler, Connie Carlton's father. Originally a spin-off from Allith Division of Smith Jones, a Danville based manufacturing company. Leatherneck manufactures specialty door hardware for hanger doors that are used for airports, loading docks and warehouses.

In 1983, Dale Carlton was brought in to manage the day-to-day operations of the company and purchased the company in 1990 when Mr. Seidler retired from the business. As plant manager and owner, Dale Carlton's previous experience includes an extensive background in steel fabrication and iron working.

Description: Dale and Connie Carlton are purchasing and renovating the 52,000 square foot facility located at 1017 Bahls Street in Danville. This new facility is five times bigger than the current facility and will allow all of Leatherneck's three small operations to consolidate under one roof and have better operating efficiencies. Also the new facility can accommodate anticipated future growth and is located in an Enterprise Zone.

FINANCING SUMMARY

Security: Collateral will consist of a pro-rata first position "parri passu" with First Midwest on the facility to be located at 1017 Bahls Street in Danville, IL (Vermillion County). A first mortgage on the subject real estate and the current Leatherneck facility located at 2204 Kickapoo Drive, and a second mortgage on the Carlton's personal residence, an assignment of rents and leases, corporate guarantee of Leatherneck Hardware and personal guarantee of Dale and Connie Carlton.

Structure: Based on the guidelines of Participation Loan Program, IFA's interest will be 200 basis points below the banks stated rate of Five Year Swap + 250 basis points and the IFA's portion will be fixed at the Five Year Swap + 50 basis points. The Bank will retain no points for servicing.

Maturity: The loan will be set on a ten year term with a 20 year amortization with a balloon at maturity.

Covenants: Executed Lease agreement between Dale and Connie Carlton and Leatherneck Hardware
As if Completed Appraisal
Evidence of Insurance
A \$500,000 assignment of Dale Carlton's Life Insurance
Annual personal tax returns of Dale and Connie Carlton
Annual corporate tax returns of Leatherneck Hardware, Inc.
Annual company prepared financial statements for Leatherneck Hardware, Inc.

PROJECT SUMMARY

Loan proceeds will be used to renovation and acquisition of a 52,000 square foot manufacturing facility on 1.7 acres of land in Danville, IL (Vermillion County). Project costs are estimated as follows:

Building	\$520,000
Renovations	<u>400,000</u>
Total Project Costs	<u>\$920,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Dale and Connie Carlton
Project name: Leatherneck New Facility
Location: 1017 Bahls Street
Danville, IL (Vermillion County)
Organization: Individuals and Corporation
State: Illinois
Ownership: Dale and Connie Carlton
Land Sellers: Quad D Enterprises: Dale Carlton
Dean Carlton
Donna Carlton-Vish
Diane Carlton-Schultz

PROFESSIONAL & FINANCIAL

Accountant:	Donna Bennett, CPA	Danville	Donna Bennett
IFA Counsel:	Dykema Gossett	Chicago	Daryl Pierce
Bank:	First Midwest Bank	Danville	Debbie Roberts

LEGISLATIVE DISTRICTS

Congressional: 15 – Timothy V. Johnson
State Senate: 52 –Richard J. “Rick” Winkel Jr.
State House: 104 – William “Bill” Black

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: Wire Mesh Corporation

STATISTICS

Project Number:	B-LL-TX-6134	Amount:	\$1,000,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Oglesby		

BOARD ACTION

Purchase of Participation Loan from Citizen's First National Bank
\$1,000,000 IFA funds at risk
Staff recommends approval

PURPOSE

Finance the acquisition of land, construction of a new industrial building and acquisition of new 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:	IFA Participation:	\$1,000,000	Uses:	Land Acquisition	\$367,000
	Citizens 1 st Nat'l Bank:	1,500,000		Building Construction	4,282,993
	Equiy	<u>3,149,993</u>		Equipment	<u>1,000,000</u>
	Total	<u>\$5,649,993</u>		Total	<u>\$5,649,993</u>

JOBS

Current employment:	0	Projected new jobs:	100
Jobs retained:	NA	Construction jobs:	(75/9 months)

BUSINESS SUMMARY

Background: Wire Mesh Corporation is a Mexico City-based manufacturer of welded wire fabric used for both commercial and residential markets in the production of concrete slabs. The Company currently has manufacturing facilities, in Mexico City and Jacksonville, Florida, with the Mexico City plant operating for 25 years and the Jacksonville plant operating for 2 years. The Company is owned by Juan Carlos Sala and Jose Ignacio Sala who are both providing unlimited guaranties.

Operations: Wire Mesh Corporation focuses on manufacturing a line of welded wire fabric screening that is utilized in the production of concrete slabs commonly used in construction and agricultural applications. The Company manufactures both sheets and rolls of welded wire fabric in a variety of sizes, thicknesses and configurations primarily using carbon steel. The product is added to concrete to increase its strength and bonding capabilities.

Having operated in Mexico City for nearly 25 years, the Company chose the Jacksonville location because of its excellent rail and port accessibility enabling it to serve the entire Southeastern U.S. Prime Source is Wire Mesh Corporation's exclusive distributor in the U.S. Wire Mesh Corporation used Prime Source's extensive customer relationships and joint market research to select the Oglesby site for its third production facility. Oglesby was chosen to better serve the construction industry because of its close proximity to the Illinois River and interstate highways, I-39 and I-80. Additionally, the new facility will be located near three cement plants, Marquette Cement in Oglesby, Illinois Cement in LaSalle and St Mary's Cement in Dixon. This facility also will provide for close proximity to their distributor's local warehouses in Chicago, St. Louis, Wausau, WI and Minneapolis, MN.

Management: The manager for the Oglesby facility will be Raphael Barrenechea, a son/nephew of the owners. Another nephew/son, Luis Barrenechea, serves as manager of the Jacksonville, FL facility. Raphael has been working very closely with Luis for the past year in order to prepare himself for the Oglesby position. Both Raphael and Luis worked extensively for the owners, Sala and Jose Ignacio prior to the plant manager assignments.

The Project: Wire Mesh Corporation is planning to acquire 10 acres of land in Oglesby, Illinois on which they will construct an 80' x 250' foot building and acquire new equipment for use in their wire fabric screening manufacturing business. Total cost of the project is projected to be \$5,649,993, with Bank and IFA financing totaling only \$2.5 million. The balance of the financing will be from owner equity injected into the project.

FINANCING SUMMARY

Obligor: Wire Mesh Corporation

Guarantors: Carlos and Jose Sala, unlimited personal guaranties

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: Wire Mesh Corporation
Organization: C Corporation
Ownership: Carlos Sala – 50%, Luis Sala – 50%

PROFESSIONAL & FINANCIAL

Banker: Citizen's First National Bank Peru Jeff Ellis

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: Paul and Susan Cimaroli

STATISTICS

Project Number:	B-LL-TX-6135	Amount:	\$60,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Princeton		

BOARD ACTION

Purchase of Participation Loan from Citizen's First National Bank
\$60,000 IFA funds at risk
Staff recommends approval

PURPOSE

Finance the acquisition of a commercial building located at 722 Backbone Road East in Princeton, 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:	\$60,000	Uses:	Building Acquisition	<u>\$120,000</u>
	Citizens 1 st Nat'l Bank:	<u>60,000</u>		Total	<u>\$120,000</u>
	Total	<u>\$120,000</u>			

JOBS

Current employment:	4	Projected new jobs:	1
Jobs retained:	NA	Construction jobs:	N/A

BUSINESS SUMMARY

Background: Paul and Susan Cimaroli are the owners of Transportation Support Services, Inc., an Illinois S corporation established in 1997 to distribute heavy truck parts throughout a 9-state area.

Operations: Transportation Support Services, Inc. distributes heavy truck parts such as mirrors, clutches, brakes and strobes for work trucks. The Company serves 9 states and distributes for 20 manufacturers. The staff includes Paul, co-owner, president and salesman, his wife, Susan, co-owner and secretary and 2 other individuals who serve as sales representatives. A separate division, Lite Services, Inc. was incorporated in 2002 as a wholesale company to purchase and distribute special heavy duty truck equipment not provided by the Company's core 20 manufacturers.

Paul has worked in the heavy truck equipment industry for approximately 35 years in numerous capacities including parts manager, sales representative and administrative work. Additionally, Paul's experience has all been in the Midwest providing him with excellent knowledge of product needs for the region. The Princeton location was selected for the business because of its central location between Peoria, the Quad Cities, Rockford and Chicago.

The Project: The project presented in this report entails financing the acquisition of a commercial building located at 722 Backbone Road East in Princeton, Illinois. The applicants had been leasing another building and now feel that it is important to purchase this facility to better control their occupancy costs. Total project cost is \$120,000.

FINANCING SUMMARY

Obligors: Paul and Susan Cimaroli

Guarantor: Transportation Support Services, Inc.

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

Applicants: Paul and Susan Cimaroli

Organization: Applicant's business is an Illinois S Corporation

Ownership: Paul Cimaroli – 50%, Susan Cimaroli – 50%

PROFESSIONAL & FINANCIAL

Banker: Citizen's First National Bank

Peru

Jeff Ellis

LEGISLATIVE DISTRICTS

Congressional: 11 – Jerry Weller

State Senate: 37 – Dale E. Risinger

State House: 74 – Donald L. Moffitt

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 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

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	75,000		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 telecommunications company providing traditional telephone service, 800 toll-free availability, TI PRI Phone Service, TI 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.
- Marketing:** Bitwise Communications, Inc. utilizes a direct marketing approach which provides the Company with direct access to its target market on a personal basis. The Company first establishes appointments by phone to present services offered to community leaders face-to-face to build trust and support within each community served and establish its planned area of service. Business customers in the community are next contacted personally to present services available to them. The Company has developed a program that involves the local businesses in expanding its services through the use of employee days. Under this program, information on Company services are included in the employee's paycheck envelopes with OmniLEC personnel on hand to answer questions and explain programs. This method has proven extremely successful in obtaining new subscribers and building closer relationships with the employees by offering another item to their "benefits" package.
- Door hangers and other print material are used for individual residential customers. These present a quick understanding of the costs, services and the savings available to them and helps OmniLEC minimize the amount of wasted advertising dollars.
- The rural communities and outlying areas served by OmniLEC have relatively few competitors due to other larger providers concentrating on larger metropolitan areas. Laws and rules regulating this industry had previously made it much more lucrative to operate in the larger areas, and the larger providers have not expanded to the rural areas because much of their infrastructure is concentrated in the urban areas.
- The Company's solution is to provide services at low costs to rural communities and outlying areas through the use of state-of-the art technology that results in greater reliability, quality, faster speeds and reduced costs. The Company offers a unique hosted PBX solution for small businesses combining the power of the Internet with the reliability of the legacy phone network. These services provide a bundled solution to a business including service, repair and installation that

provides the small local business with an opportunity to have an entire IT staff working for them for one low monthly price.

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. The project garnered the attention and support of Lieutenant Governor Pat Quinn as it directly coincides with his initiative to make internet access available to all areas of the state including the many small, rural areas that currently have no availability of internet access. The estimated cost of the equipment is \$375,000.

Rural Development Loan: In participation with the Rural Development Administration's intermediary Relending Program, IFA will finance business facilities and community development projects in eligible rural areas containing populations of less than 25,000. Projects eligible include financing for fixed assets such as real estate and equipment acquisitions. Applicants are required to demonstrate the ability to repay debt and must demonstrate that conventional financing was not available for the project. Omnilec has demonstrated an ability to repay and due to the nature of the telecommunications industry, conventional bank financing has not been available.

A reserve fund has been established to defray potential losses to IFA in the event of default of a Rural Development loan. The Rural Development Loan fund balance is currently in excess of \$2 million.

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%

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
June 13, 2006**

Project: **Aurora Bearing Company**

STATISTICS

Deal Number:	1-ID-TE-6120	Amount:	\$6,750,000 (not-to-exceed amount)
Type:	Industrial Revenue Bond	IFA Staff:	Steven Trout
Location:	Montgomery		

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 and conversion of a 206,000 square-foot industrial building located at 901 Aucutt Road in Montgomery into a manufacturing plant and headquarters.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	Industrial Revenue Bonds	\$6,375,000	Uses:	Project Costs	<u>\$7,375,000</u>
	Montgomery EDC Loan	<u>1,000,000</u>			
	Total	<u>\$7,375,000</u>		Total	<u>\$7,375,000</u>

JOBS

Current employment:	215	Projected new jobs:	50
Jobs retained:	N/A	Construction jobs:	40

BUSINESS SUMMARY

Description: Aurora Bearing Company is a Delaware Corporation that was incorporated in January 1972 by experienced bearings professionals to manufacture rod ends and spherical bearings.

Background: Aurora Bearing began production by pioneering the application of mass production techniques to 2-piece rod end designs and introducing this type of bearing to many commercial and industrial applications. Since then, 2-piece, all-steel rod-end similar to the ones that Aurora Bearing produces are now the standard economy/commercial bearing in the US. As its reputation for highly engineered products and customer service grew, the company's product range and market coverage have grown. Today it serves nearly every industrial and aerospace market, such as textile and packaging machinery, machine tools, business machines recreation and exercise equipment, agricultural and off-highway vehicles, commercial transportation and high-performance racing vehicles, as well as military equipment and commercial air and space craft.

Aurora Bearing has remained committed to its original value proposition of high quality and competitive prices and offering prompt delivery and personal customer service. Aurora Bearing offer a complete line of standard rod end and spherical bearings and also designs and manufactures spherical bearing to meet a variety of applications that require custom-engineered units or special materials. Aurora Bearing has grown from its Midwest roots to market its products worldwide.

From design to manufacturing to testing, Aurora Bearing has the technology to produce the world's highest quality bearings. Utilizing 2-CAD packages and 3-D modeling capabilities, the company's engineers have the tools to design any part to meet a client's needs. Aurora Bearing's manufacturing facility uses NCN lathes, hydraulic presses, and laser markets to produce everything from the simplest to the most complex parts. The Company verifies the accuracy of its manufacturing methods with coordinate measuring machines, optical comparator, and other machines to ensure production of the highest quality. As part of this effort, Aurora Bearing maintains ISO 9001-2000 and AS 9100 quality certifications.

FINANCING SUMMARY

Obligor: Aurora Bearing Company
Security: First Mortgage in the subject real estate and first security interest in the equipment financed

PROJECT SUMMARY

Bond proceeds together with proceeds from a loan from the Village of Montgomery Economic Development Administration will be used to acquire a 206,000 square-foot industrial building and 18.5 acres of land located at 670 Aucutt Road in Montgomery, and rehabilitate the building for use as the company's manufacturing facility and headquarters. Improvements will include: increasing electrical capacity from approximately 200 amp to between 4,000 and 6,000 amps, installing additional plumbing and compressed air service to accommodate manufacturing needs, increasing office space from 6,000 square-feet to 19,500 square-feet, including cafeteria, restrooms, and laboratory facilities, upgrading lighting and HVAC systems to adopt the latest technologies are qualify for federal tax credits, replace windows and seal off unneeded dock doors, and expand parking capacity. Aurora Bearing will consolidate its existing operations in Aurora and Montgomery in this location after construction is completed in early to mid-summer 2007. Construction on the exterior is planned to begin in mid-summer 2006 with work on the interior to begin before Thanksgiving. Project costs are estimated as follows:

* Land Acquisition	\$800,000
* Building Acquisition	2,950,000
* Electric	978,600
* Plumbing	226,000
* HCAC	124,000
* Demolition	56,000
* Masonry	205,000
* Parking and Site Work	125,000
* Landscaping	30,000
* Office Build-out	690,000
* Core (QA, offices, restrooms, etc.)	455,000
* Tilt Wall Seam Maintenance	26,400
* Windows	58,000
* Structural Steel (Allowance)	25,000
* Fire Protection	45,000
* Architectural, Permits and Construction Mgmt.	425,000
* Contingency	300,000
* Federal Tax Credits	<u>144,000</u>
Total	<u>\$7,375,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Aurora Bearing Company, 970 South Lake Street, Aurora, IL 60506 (Contact: John Zinser, CFO/Treasurer, 630/859-2030)
Project name: Aurora Bearing Company
Project Location: 901 Aucott Road, Montgomery (Kane County), IL 60538
Organization: Delaware Corporation
Owners: Daniel Plote (49%) David Plote (49%) Raymond Plote (2%)

PROFESSIONAL & FINANCIAL

General Counsel:	Dickson & Hasendalg	Aurora	Craig Hasendalg
Accountant:	Detterbeck Johnson & Monson, Ltd.	Palatine	Mary Pat Johnson
Architect & Construction Manager:	KB&A	Aurora	Mike Kluber
LOC Bank or*			
Bond Purchaser:	To be Determined		
Bond Counsel:	To be Determined		
IFA Counsel:	To be Determined		

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 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

Final 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

Preliminary resolution adopted May 9, 2006 by the following vote:

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:	Tyson, Strong, Hall LLC	Chicago	Lance Tyson

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: DD Leasing, LLC

STATISTICS

Deal Number:	I-ID-TE-6119	Amount:	\$1,900,000 (not-to-exceed amount)
Type:	Industrial Revenue Bond	IFA Staff:	Steven Trout
Location:	Waukegan		

BOARD ACTION

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

PURPOSE

To finance the acquisition of an asphalt grinder, concrete batch plant and auxiliary equipment for the manufacture of concrete

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	Industrial Revenue Bonds	<u>\$1,720,000</u>	Uses:	Project Costs	\$1,700,000
				Professional & Legal	<u>20,000</u>
	Total	<u>\$1,720,000</u>		Total	<u>\$1,720,000</u>

JOBS

Current employment:	495	Projected new jobs:	5
Jobs retained:	N/A	Construction jobs:	10

BUSINESS SUMMARY

Description: Plote Construction, Inc. ("PCI"), is a family-owned, Illinois C-corporation that was formed in December 1974, incorporated in June 1981 and is owned by Raymond and Janice Plote. PCI operates primarily in Chicagoland in the real estate and construction industries. DD Leasing, LLC ("DD"), is an Illinois Limited Liability Company formed in September 2000 that is owned by Raymond, Daniel and David Plote. DD, together with RDD Leasing, another company that is owned by the same group, operates equipment companies for the Chicagoland and Northwest Illinois market and manages the purchasing, financing and leasing of equipment for affiliated companies.

Background: PCI is the principal operating entity and source of operating cashflows to pay interest and principal on the Bonds. PCI's major lines of business include:

Excavation, including mass grading, excavation, utility installation, demolition, and snow removal.

Asphalt, including building and reconstructing highways and reprocessing old road surfaces. This division operates six asphalt plants in Bartlett, Chicago, DesPlaines, Franklin Park, Hillside and Huntley, Illinois and produces thousands of tons of asphalt each day.

Concrete, including road construction, curbing and related projects, including production and transportation of concrete. This division also serves as a subcontractor for commercial, residential and land development projects.

Real Estate, developing 11 commercial sites at a business park in Huntley.

Other Services, including operations and construction management, including engineering and layout.

FINANCING SUMMARY

Obligor: DD Leasing, LLC
Security: Perfected, first security interest in the equipment financed and assignment of DD Leasing's lease to Plote Construction, Inc.
Structure: The Bonds will be purchased by GE Capital.

PROJECT SUMMARY

Proceeds will be used to acquire an asphalt grinder, batch concrete plant and auxiliary equipment to manufacture concrete at an estimated cost of \$1,700,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant: DD Leasing, LLC, 1100 Brandt Avenue, Hoffman Estates, IL 60120 (Contact: Keri Caduto, Treasury Manager, 847/695-3900)
Project name: DD Leasing, LLC
Location: ___ Grand Avenue, Waukegan (Lake County), Illinois
Organization: Illinois Limited Liability Company
Owners: Daniel Plote (49%) David Plote (49%) Raymond Plote (2%)

PROFESSIONAL & FINANCIAL

Accountant:	Plante & Moran, PLLC	Elgin	
Bond Purchaser:	GE Capital	Oak Brook	Miyun Cho
Bond Counsel:	Perkins Coie	Chicago	Robert Stephan
IFA Counsel:	Tyson, Strong, Hall LLC	Chicago	Lance Tyson

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

Project: Beecher Sexton Energy, LLC

STATISTICS

Project Number:	I-IRD-TX-CD-580	Amount:	\$2,700,000 (not-to-exceed amount)
	I-TX-LL-6127		\$600,000 (not-to-exceed amount)
Type:	Taxable Industrial Revenue Bonds	IFA Staff:	Steven Trout
	Debt Service Reserve Fund		
Location:	Beecher	SIC Code:	5620: Waste Management or Remediation / Recycling Waste to Energy

BOARD ACTION

Final Bond Resolution	Up to \$600,000 of IFA funds at risk.
Conduit Taxable Industrial Revenue Bonds	Staff recommends approval.

PURPOSE

To provide permanent financing for costs to acquire and install blowers, electric power generation and transmission equipment and facilities at the Beecher Development Co. Landfill and pay costs of issuance.

IFA CONTRIBUTION

The Authority's proposal to fund a debt service reserve for the lesser of 200% of maximum annual debt service or \$600,000 has persuaded the lender to restructure financing terms sufficiently to encourage the developer to proceed with the project. No volume cap is required to issue taxable Industrial Revenue Bonds..

VOTING RECORD

The IFA Board gave its preliminary approval to this project on May 10, 2005 by the following vote:

Ayes: 10	Nays: 0	Abstentions: 0	Absences: 0	Vacancies: 5
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This is first time that a reserve fund has been sought for this project. IDFA issued \$7,500,000 in federal tax-exempt Solid Waste Disposal Bonds for two similar projects for a related entity, Sexton Energy LLC, in November 2003.

SOURCES AND USES OF FUNDS

Sources:	IFA Tax-exempt Bonds: \$2,460,000	Uses:	Project Costs	\$2,700,000
	Equity		Costs of Issuance	<u>160,000</u>
	Total		Total	<u>\$2,860,000</u>

JOBS

Current employment:	0	Projected new jobs:	4
Jobs retained:	N/A	Construction jobs:	25 (Over 6 months)

BUSINESS SUMMARY

- Background:** Founded in 1932, the Sexton Companies have a long history in waste management and land development. Sexton provides municipal, industrial and commercial clients with a broad base of waste-related services: refuse collection, recycling, waste processing, landfill construction and operations management. Through John Sexton Contractors Co., John Sexton Sand and Gravel Corp., John Sexton of Wisconsin, Beecher Development, Co., and Congress Development Company, Sexton manages landfills that will one day be future real estate development sites.
- Company:** Beecher Sexton Energy LLC is an Illinois limited liability company established by Sexton Energy LLC in 2005 to develop this project at the Beecher Landfill. Sexton Energy LLC is an Illinois limited liability company that was established in January 2003 to develop landfill gas to electricity projects in the Midwest. Sexton Energy LLC has three members: John Sexton Sand and Gravel, Corp., Carolan Associates, LLC, and GAMA Investments LLC.
- John Sexton Sand and Gravel Corp., manages non-hazardous solid waste and operates sanitary landfills in Illinois, Michigan and Wisconsin. The company also has a single member limited liability company, Sexton Development, LLC, whose primary operations involve constructing and developing residential communities in the Chicago metropolitan area. John Sexton Sand and Gravel will be the managing member and an 80% owner of the project.
- Carolan Associates is a developer and consultant to landfill gas to energy projects since 1979 that is 100% owned by Michael Carolan. Since 1995, Mr. Carolan has developed, constructed and operated 10 such projects in Illinois and another 15 outside the state. Mr. Carolan's Illinois projects include facilities in Chicago (Harbor View and River Bend), Romeoville (Willow Ranch), Streator, Dixon, Roxana, East Moline, Danville, Morris and Grays Lake. Carolan Associates will be a 10% member of the project.
- GAMA Investments LLC is an Illinois limited liability company established in September 2003 that is 100% owned by Jay Corgiat, Ph.D. has designed and implemented similar groundwater monitoring systems for landfills in Beecher, Hillside, Bloomington, Bensenville, Des Plaines, Naperville, Zion, Bucyrus (OH), LeFlore County (MS) and Beach Lake (PA). GAMA Investments LLC will be a 10% member of the project.
- Project Background:** Beecher Development Corporation is a joint venture between Waste Management and John Sexton Contractors, a Sexton Companies company. Beecher Development owns the Beecher Landfill, a landfill near Beecher Township that was closed in July 1996. The company plans to develop the 183-acre property into a passive recreational site, such as a golf course, in 30 to 50 years after the organic waste deposited there has ceased decomposing and the land has stabilized. Beecher and its contract operator, Sexton Sand and Gravel, are now removing waste gas and liquids generated during decomposition to eventually return the site to productive use.
- Capture of landfill gas requires electricity to maintain a vacuum within the collection system to extract the gas from the landfill mass and direct it to a flare for destruction. Beecher has engaged Sexton Energy LLC to design, construct, own and operate a plant that will burn the site's landfill gas in two internal combustion engines that will turn an electrical generator.
- The power produced by the generator will be sold to Commonwealth Edison and distributed through the power grid. Sexton Energy will have a contract with ComEd that will require ComEd to take all power at a rate filed with Illinois Commerce Commission ("ICC").
- Reserve Request:** Fifth Third will be issuing a direct-pay letter of credit to enhance the bonds, as it did for the \$7.5 million in bonds issued by IDFA. Fifth Third demanded a personal guarantee from the Sexton Companies' President and CEO, Art Daniels. That project was completed on time and within budget and is generating energy and cashflow ahead of forecast. In recognition of the first project's success, Fifth Third agreed not to require a personal guarantee for this project. To ensure sufficient collateral, the Bank has insisted that the developers hold at the bank an investment

account for both projects to ensure that the debt is fully cash collateralized prior to the guarantee expiring. Originally the Bank required both projects to maintain cash balances at levels which prevented the developers from realizing a meaningful cash return for many years. Fifth Third has agreed to reduce its coverage requirements for both the original project financing and this one and to measure coverage for both projects together, rather than on an independent basis. This change will enable the developers to realize cash returns on this project much faster than would have been the case, while still ensuring that the Bonds and any draws on the Reserves will be essentially cash collateralized over the life of the project.

The Authority is interested in supporting this project because of important environmental benefits and its status as an alternative energy project. The relative complexity and modest size, makes financing landfill gas to energy projects difficult.

FINANCING SUMMARY

- Security: A Direct-Pay Letter of Credit from Fifth Third.
- Bank Security: First mortgage in the subject property, first security interest in all machinery and equipment and pledge of the gas rights agreement, operating and maintenance agreement and power sales contracts. The Bank will also have a first security account in an Investment Account to be held by the Bank which shall hold surplus operating cashflows generated by both projects.
- Structure: Bonds are expected to be sold initially as taxable 7-day variable rate demand bonds. Average rates for these securities were 5.13% as of 5/18/06, which equates to an "all-in" rate of 6.5%.
- Maturity: 20 years
- The Reserve: The Authority will fund an amount equal to the lesser of \$600,000 or 200% of maximum annual debt service in a reserve to pay principal and interest on the Bonds in the event that project cashflows are insufficient. This facility shall be available for up to 5 years from closing on the Bonds. Beecher Energy LLC and Beecher Energy LLP shall have up to 5 years to repay draws on the Facility.
- Fees/Interest: 1% on the amount of the facility, payable annually in advance. The Authority shall earn a market on fund held in the Reserve Account. Draws on the Facility shall pay interest at Prime plus 2%.
- IFA Security: Beecher Energy LLC and Beecher Energy LLP's obligation to repay draws on the Facility shall be subordinate to its obligations to repay the Bonds and any draws on the Bank's letter of credit. The Authority's security shall include the following:
- Second lien interest in the plant and equipment, including the assignment of second lien interest in the Major Maintenance Reserve Account held by Inland Detroit Diesel and/or successors thereof
 - Assignment of the second lien interest in the lessee's interest in the lease for the project site
 - Second lien interest in all trustee-held funds
 - Second, perfected, security interest in the Beecher investment account required by Fifth Third
 - Assignment of the second lien interest in the sinking fund for the Bonds
 - Second contractual lien or second direct security interest on all other accounts created by the Co-Borrowers to satisfy Fifth Third's covenants
 - Cross-guarantees between Sexton Energy LLC and Beecher Energy LLC secured by a third mortgage on the operating facilities.

PROJECT SUMMARY

Bond proceeds will be used to pay costs of issuance and to install electric power generation equipment and an interconnection to Commonwealth Edison's distribution grid at the Beecher Development Co. Landfill, a closed landfill facility located at 1055 W. Goodenow Road, in Beecher (Will County). A landfill gas collection system already exists at the site. No enhancements to the collection systems are contemplated with this project.

Project costs consist of equipment, construction, architectural and engineering, as detailed below. Equipment costs consist of three electric generators, switchgear assemblies, transformers and blowers.

Construction:	\$750,000
New Machinery & Equipment:	1,600,000
Architectural & Engineering:	<u>350,000</u>
Total:	\$2,700,000

ECONOMIC DISCLOSURE STATEMENT

Applicant/ Beecher Sexton Energy, LLC (Contact: Mr. Arthur A. Daniels, Manager; 4415 West Harrison Street, Hillside, IL 60162; Phone: (708) 449-1250)

Project name: Beecher Sexton Energy, LLC

Location: 1055 West Goodenow Road, Beecher (Will County), Illinois 60401-3477

Organization: Illinois Limited Liability Corporation

Ownership: John Sexton Sand & Gravel Corporation (80% member), an Illinois S Corporation, with the following ownership:

Eileen G. Sexton Trust	75.0%
Carole S. Malinski Revocable Trust	12.5%
Kathleen S. Daniels Revocable Trust	12.5%

The trusts are wholly owned by the individuals named above.

Carolyn Associates (10% member), a Michigan Limited Liability Corporation, which is 100% owned by Michael Carolyn, of Bloomfield Hills, Michigan

GAMA Investments LLC (10% member), which is 100% by Jay Corgiant, PhD.

PROFESSIONAL & FINANCIAL

Borrower and			
Bond Counsel:	Wildman, Harrold Allen & Dixon	Chicago, IL	James Snyder
Bond Underwriter:	Stern Brothers	Chicago, IL	John May
Underwriter's			
Counsel:	Greenberg Traurig	Chicago, IL	Mark McCombs
LOC Bank:	Fifth Third Bank	Oak Lawn, IL	Alexei Bibik
LOC Bank Counsel:	Ungaretti & Harris	Chicago, IL	Julie Seymour
Accountant:	Cray, Kaiser, Ltd.	Oak Brook Terrace, IL	John Kaiser
Issuer's Counsel:	Law Office of Kevin Cahill	Chicago, IL	Kevin Cahill

LEGISLATIVE DISTRICTS

Congressional: 11 Gerald Weller

State Senate: 40 Debbie Halverson

State House: 80 George Scully, Jr.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: Meyer Industries, LLC

STATISTICS

Project Number:	I-ID-TE-CD-680	Amount:	\$7,000,000 (not-to-exceed amount)
Type:	Industrial Development Bond	IFA Staff:	Steven Trout
Location:	Downers Grove	Tax ID:	20-3541991
SIC Code:	333412: Industrial and Commercial Fan and Blower Manufacturing		

BOARD ACTION

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

PURPOSE

To acquire 5.68 acre-site in the Lincoln Commerce Center in Libertyville, construct and equip a 80,000-square-foot industrial facility to manufacture air and bulk dry solids processing equipment.

VOLUME CAP

This financing will require up to \$7,000,000 of Volume Cap.

VOTING RECORD

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

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

**SOURCES AND USES OF FUNDS
(preliminary, estimated, subject to change)**

Sources:	IFA Bonds	\$7,000,000	Uses: Project Costs	\$7,145,000
	Equity	<u>285,000</u>	Costs of Issuance	<u>140,000</u>
Total		<u>\$7,285,000</u>	Total	<u>\$7,285,000</u>

JOBS

Current employment:	91	Projected new jobs:	10
Jobs retained:	N/A	Construction jobs:	100 (over 6 months)

BUSINESS SUMMARY

Description: Wm. W. Meyer & Sons, Inc., ("Meyer" or "the Tenant"), is an Illinois Corporation that was incorporated in 1946, as an outgrowth of the General Blower Company established by the founder in 1933. Meyer manufactures, services and rebuilds air and dry solids processing equipment, such as blowers and vacuum systems for a number of commercial and industrial applications. Meyer Industries LLC ("the LLC" or "the Borrower") is an Illinois Limited Liability Company that was established in July 2004 to develop, own, finance and lease real estate to Wm. W. Meyer & Sons.

Background: William W. Meyer, Senior established the General Blower Company to manufacture centrifugal fans for industrial ventilation, conveying, dust collection, gas boosting and other industrial processes. General Blower manufactured machines to blow and spray loose fill fibrous insulation into homes and commercial buildings.

Meyer & Sons was created as General Blower's service arm and began buying used air-moving equipment that was rebuilt in a small shop in Skokie and resold at a significant discount to similar new equipment. Meyer also became an agent and distributor for other manufacturers including Sutorbilt Blower, now Gardner Denver.

General Blower with 70 employees and Meyer with less than 10 operated concurrently under 1959 when General Blower was sold. Around that time, General Blower discontinued manufacturing insulation blowers to concentrate on its core business. Meyer took on this product line and became a manufacturer of its own line of equipment. Meyer remains a world-leading producer of insulation blowing and spraying machines.

Insulation blowing machines use an air blower, rotary airlock feeder, material conditioner and metering gate. This foundation enabled Mr. Meyer's sons to offer these individual components to other industries. Meyer became a recognized leader in the design, manufacture and application of rotary airlock feeders. The company has since successfully introduced a number of proprietary components for pneumatic conveying, dust collection and bulk material feeding systems.

Four sales divisions operate independently to serve industrial and commercial customers. The Insulation Blower Division sells and services a complete line of insulation blowing and spraying machines. This equipment is typically sold to contractors, mounted in trucks and used to blow loose fill insulation into attics and walls of homes. Meyer blowers are also widely used in manufactured housing plants, and contractors for thermal applications such as fireproofing. The Vacuum Division offers a comprehensive line of portable indoor air quality vacuums to clean residential and commercial dust/HVAC systems. These machines use centrifugal fans and HEPA filters to capture dust and other contaminants that would otherwise be inhaled by occupants. Meyer also supplies truck-mounted vacuums for cleaning industrial boilers. Separate, dedicated sales, engineering and service teams support both divisions. Sales are international and factory direct and are primarily marketed through direct mail and trade associations.

The Engineered Products Division designs and builds rotary airlock feeders, vacuums/pressure blower packages, slide gates, director valves and other components for air/material processing systems. These products are used for air/dust pollution control, metering, blending, filtering, drying, aerating and conveying powder or bulk solids. International representatives and a customer service group sell Meyer's products to buyers in the food processing, pharmaceutical, chemical, plastic, grain, and dairy industries, among others.

The Process Components Division is located in Lake Villa, Illinois and is dedicated to servicing Meyer and competing products. The technicians are cross-trained to service rotary airlock feeders, pumps, blowers, fans, and other related equipment. This Division serves many large and longstanding accounts with primary markets in wastewater treatment, pneumatic conveying, dust collection, soil/vapor extraction, and particle size conditioning.

The Project: Meyer houses all manufacturing and most sales personnel in Skokie. The Skokie operation consists of 75,000 square-feet of space for the plant, warehouse and office functions in four separate but adjacent buildings. Meyer maintains a separate warehouse, service facility and sales office in Lake Villa, one-hour northwest of its Skokie operation. This project will enable Meyer to consolidate its operations into a single modern and more efficient building.

FINANCING SUMMARY

Obligor: Meyer Industries, LLC
The Bonds: Variable rate demand notes, secured a letter of credit from Fifth Third. The notes may be swapped to provide Meyer with a synthetic fixed rate of interest.
LOC Security: The Bonds will be secured by a first mortgage in the subject real estate, a first security interest in the financed equipment, an assignment in rents and leases.
Amortization: Up to 30 years

PROJECT SUMMARY

The Project will finance the: 1) the acquisition of a 5.68 acre site located at Lot #1, Lincoln Commerce Center near Illinois Route 83 and Peterson Road in Libertyville, 2) construction of a 80,000-square-foot pre-cast facility thereon, including office, shop and warehouse space, parking for 124 cars and 4 truck, 2) acquisition and installation of new equipment and computer hardware and used office equipment, and 3) payment of architectural, engineering, legal and other professional costs. Project costs are estimated below:

Land Acquisition:	\$1,114,000
Construction:	4,876,000
New Machinery and Equipment:	<u>1,155,000</u>
Total:	\$7,145,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: Meyer Industries, LLC (Contact: William W. Meyer III, President, 8261 Elmwood Avenue, Skokie, IL 60077; Phone: (847) 673-0312)
Project name: Meyer Industries, LLC
Location: Lot #1, Lincoln Commerce Center, Libertyville (Lake County), IL
Organization: Meyer Industries, LLC is an Illinois Limited Liability Company.
Wm. W. Meyer & Sons, Inc., is an Illinois S-Corporation.
Ownership: Meyer Industries is 100% owned by William Meyer, III
Wm. W. Meyer & Sons, Inc., is owned by William Meyer, III: 49%, Julie McPike: 44% and Richard Meyer, Jr.: 12%.

PROFESSIONAL & FINANCIAL

Accountant:	Miller, Cooper & Co., Ltd,	Northbrook	Bill Wiersma
Borrower's Counsel:	Pederson & Houpt	Chicago	Paul Altman
Bond & Underwriter's Counsel:	Chapman and Cutler LLP	Chicago	Matt Lewin
Underwriter/Remarketing Agent:	Fifth Third Securities	Chicago	Doug DeAngelis
LOC Bank	Fifth Third Bank	Chicago	Chris Sanger
Bank Counsel	Chapman and Cutler LLP	Chicago	Bill Hunter
Issuer's Counsel:	Law Offices of Kevin Cahill	Chicago	Kevin Cahill

LEGISLATIVE DISTRICTS

State House: 16th Louis Lang
State Senate: 8th Ira Silverstein
Congress: 9th Janice Schakowsky

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

June 13, 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:	\$12,700,000 (not to exceed)
Type:	501(c)(3) RANs	FM:	Townsend Albright
Locations:	Applicant, Springfield Participants, Elmhurst, Eureka, Lincoln, Normal	SIC:	8221

BOARD ACTION

Final 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 issuance costs

VOLUME CAP

Conveys Federal tax-exempt status on Revenue Anticipation Note interest.

VOTING RECORD

Voting record from IFA Preliminary Resolution on May 9, 2006:

Ayes: 9 Nays: 0 Abstentions: 0 Absent: 6, (Boyles, Leonard, Nesbitt, O'Brien, Rice, Zeller)
Vacancies: 0

SOURCES AND USES OF FUNDS

Source:	IFA RANs	<u>\$12,700,000</u>	Uses:	Estimated Working Capital:	
				Elmhurst College	\$4,370,000
				Eureka College	5,600,000
				Lincoln College	2,630,000
				Bond Issuance	<u>100,000</u>
Total		<u>\$12,700,000</u>	Total		<u>\$12,700,000</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 \$12,600,000
Total \$12,600,000

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
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Normal, McLean County, IL,
and
755 West Raab Road
Normal, Mclean County, IL

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	Tracy Shafton
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:	Wells Fargo Bank, N.A.	Chicago, IL	Patricia Martirano

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. ssapperstein@adler.edu	65 East Wacker Place, Suite 2100 Chicago, IL 60601 rec@adler.edu	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 <u>dcbroski@bradley.edu</u>	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 Holtschneider 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 kbrownel@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	309/467-3721*
	300 College Ave.	309/467-6322**
Michele Lehman, Exec. Sec. to the President	Eureka, IL 61530-1500 darnold@eureka.edu	FAX 309/467-6325
Greenville College	Pres. V. James Mannoia, Jr.	618/664-2800*
	315 E. College Ave.	618/664-7000**
Tamie Heichelbeck, Admin. Assist. to the Pres.	Greenville, IL 62246-0159 president@greenville.edu	FAX 618/664-1748
Illinois College	Pres. Axel D. Steuer	217/245-3000*
	1101 W. College Ave.	217/245-3001**
Ann Marie Stahel, Assist. to the President	Jacksonville, IL 62650-2299 asteuer@ic.edu	FAX 217/245-3008
Illinois College of Optometry	Pres. Arol Augsburg	312/225-1700*
	3241 South Michigan Ave.	312/949-7702**
Merrilee Zavaski, Exec. Asst. to the President mzavaski@ico.edu	Chicago, IL 60616-3878 augsburger@ico.edu	FAX 312/949-7670
Illinois Institute of Technology	Pres. Lewis Collens	312/567-3000*
	10 W. 33rd St., Room 223	312/567-5198**
Nancy L. Agler, Senior Admin. Asst. to the President	Chicago, IL 60616-3793 collens@iit.edu	FAX 312-567-3004
	President's Representative:	
Toni Monroe Assist. to VP Ext. Affairs monroe@iit.edu	David Baker, V.P. for External Affairs IIT-223 Perlstein Hall 10 W. 33rd St. Chicago, IL 60616-3793 bakerd@iit.edu	312/567-3560 FAX 312/567-3004
Illinois Wesleyan University	Pres. Richard Wilson (Dick)	309/556-1000*
	Federation Secretary/Treasurer	309/556-3151**
Susan Bassi, Assistant. to the President	P.O. Box 2900 Bloomington, IL 61702-2900 president@iwu.edu	FAX 309/556-3970
Judson College	Pres. Jerry B. Cain	847-628-2002**
	1151 N. State St.	
Kathy Clyburn, Exec. Assist. to the President	Elgin, IL 60123-1498 jcain@judsoncollege.edu	FAX 847-628-1027

kclyburn@judsoncollege.edu

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

FEDERATION 1/06

Knox College

Denise Bailey, Exec. Secretary

Pres. Roger L. Taylor
K Box 142
Galesburg, IL 61401-4999
rtaylor@knox.edu

309/341-7000*
309/341-7211**
FAX 309/341-7856

Lake Forest College

Ingrid Speros, Exec. Assist.
to the President

Pres. Stephen D. Schutt
555 N. Sheridan Rd.
Lake Forest, IL 60045-2399
president@lfc.edu

847/234-3100*
847/735-5100**
FAX 847/735-6270

Lewis University

Margaret Kientop, Executive
Assist. to the President

Brother James Gaffney, F.S.C.
President
One University Parkway
Romeoville, IL 60446-2200
brjgaff@lewisu.edu

815/838-0500*
815/836-5230**
FAX 815/838-5979

Lincoln College

Amy Gallagher
Asst. to the President
agallagher@lincolncollege.edu

Pres. John Hutchinson
300 Keokuk Street
Lincoln, IL 62656-1699
jhutchinson@lincolncollege.edu

217/732-3155*
ext. 201
FAX 217/735-4902

**Loyola University
of Chicago**

Loretta Namovic, Exec. Asst.
to the President

Rev. Michael J. Garanzini, S.J., Pres.
Federation Chairman
820 N. Michigan Ave.
Chicago, IL 60611-2196
mgaranz@luc.edu

312/915-6400**
FAX 312/915-6414

MacCormac College

Ronda Dill,
Admin. Assist. to the President
ronda.dill@mac.edu

Leo Loughead
President
29 E. Madison St.
Chicago, IL 60602
lloughead@maccormac.edu

312/922-1884**
ext. 419
FAX 312/922-4286

MacMurray College

Ronda Dill,
Admin. Assist. to the President
ronda.dill@mac.edu

Pres. Lawrence D. Bryan
447 E. College
Jacksonville, IL 62650-2590
lbryan@mac.edu

217/479-7000*
217/479-7025**
FAX 217/479-7201

McKendree College

Mary Marchal,
Assistant to the President

Pres. James M. Dennis
701 College Rd.
Lebanon, IL 62254-9990
jdennis@mckendree.edu

618/537-4481*
618/537-6936**
FAX 618/537-6417

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

FEDERATION 1/06

Midwestern University

Susan Robustelli
Assistant to the President
srobust@midwestern.edu

Pres. Kathleen Goepfinger
555 31st Street
Downers Grove, IL 60515-1200
kgoepp@midwestern.edu

630/969-4400*
630/515-7300**
FAX 630/515-7319

Millikin University

Natalie Bernard,
Exec. Secretary to the President

Pres. Douglas Zemke
1184 W. Main St.
Decatur, IL 62522-2084
dzemke@mail.millikin.edu

217/424-6211*
217/424-6207**
217/424-6208 Pres.
FAX 217/424-6204
217/424-6379***

Marilyn Davis, Exec. Assist.
to the President

Monmouth College

Deborah Davis,
Admin. Assist. to the President

Pres. Mauri A. Ditzler
700 E. Broadway
Monmouth, IL 61462-1963
mditzler@monm.edu

309/457-2311*
309/457-2127**
FAX 309/457-2310

**National University of
Health Sciences**

Tracy McHugh
Assist. to the President

Pres. James F. Winterstein
200 E. Roosevelt Rd.
Lombard, IL 60148-4583
jwinterstein@nuhs.edu

630/629-2000*
630/889-6604**
FAX 630/889-6600

National-Louis University

Shari Mikos, Exec. Assist.
to the President

Pres. Richard J. Pappas
122 S. Michigan
Chicago, IL 60603
pappas@nl.edu

888/653-8632*
312/261-3230**
FAX 312/261-3222

North Central College

Peggy Wiora, Exec. Assist.
to the President
mawiora@noctrl.edu

Pres. Harold R. Wilde
30 N. Brainard
P.O. Box 3063
Naperville, IL 60566-7063
hrwilde@noctrl.edu

630/637-5100*
630/637-5454**
FAX 630/637-5457

North Park University

Charlene Sandberg
Admin. Assist. to the President

Dan Tepke, Senior Vice President
3225 W. Foster Ave.
Chicago, IL 60625-4895
dtepke@northpark.edu

773/244-6200*
773/244-5710**
FAX 773/244-4953

Northwestern University

Pres. Henry S. Bienen
633 Clark St.

847/491-3741*
847/491-7456**

Doris Stack, Admin. Assist.	Evanston, IL 60208-1110 hsbienen@northwestern.edu	FAX 847-467-3104
Key: *campus information; **President's Office	FEDERATION 1/06 President's Representative:	
Janet Manning, Admin. Secretary j-manning@northwestern.edu b-layton@northwestern.edu	Bruce Layton, Special Assist. to the President Government Relations 633 Clark St. Evanston, IL 60208-1117	847/491-3741 FAX 847/491-7942
Olivet Nazarene University Marjorie Vinson, Admin. Assist. to the President	Pres. John C. Bowling One University Ave. Bourbonnais, IL 60914 jbowling@olivet.edu	815/939-5011* 815/939-5221** FAX 815/939-7917
Principia College Linda Sleight, Assist. to the President	Pres. George D. Moffett Elsah, IL 62028-9799 pres@prin.edu	618/374-5148** FAX 618/374-5500
Quincy University Julie Budine, Exec. Asst.	Pres. Margaret M. Feldner, OSF 1800 College Avenue Quincy, IL 62301-2699 feldnma@quincy.edu	217/222-8020* 217/228-5270** FAX 217/228-5376
Robert Morris College Meagan Jarmuz, Exec. Office Manager	Pres. Michael P. Viollt 401 South State St. Chicago, IL 60605-1225 micvio@aol.com	312/935-6800* 312/935-6649** FAX 312/935-6647
	Marie Giacomelli, V.P. for External Affairs	217/793-2500* FAX 217/793-4211
	mgiacomelli@robertmorris.edu	
Rockford College Susan Mellon, Exec. Sec. to the President	Pres. Paul Pribbenow 5050 E. State St. Rockford, IL 61108-2393 paul_pribbenow@rockford.edu	815/226-4000* 815/226-4010** FAX 815/394-5105
Roosevelt University Cheryl Gouldsby, Admin Asst. cgouldsby@roosevelt.edu	Pres. Charles R. Middleton Federation Vice Chairman 430 S. Michigan Ave. Chicago, IL 60605-1394 cmiddleton@roosevelt.edu	312/341-3800* 312/341-3801** FAX 312/341-6392

	Michael Durnil Vice President of External Affairs 430 S. Michigan Ave. Chicago, IL 60605-1394 jdurnil@roosevelt.edu	FAX	312/341-3800* 312/341-3801** 312/341-6392
Key: *campus information; **President's Office	FEDERATION 1/06		
Rosalind Franklin Univ. of Medicine and Science	Dr. K. Michael Welch President/CEO 3333 Green Bay Road North Chicago, IL 60064-3095 michael.welch@rosalindfranklin.edu	FAX	847/578-3000* 847/578-3238** 847/578-3404
Ruth Horndasch, Exec. Admin. Asst. to the President ruth.horndasch@rosalindfranklin.edu			
Rush University Medical Center	Pres. Larry Goodman, MD 1653 W. Congress Pkwy.		312/942-5000* 312/942-5474**
Cynthia Irwin, Admin. Assistant to the President Cynthia-irwin@rush.edu	President's Representative:		
Debra J. Gallagher, Admin. Assist. debra_j_gallagher@rush.edu	John E. Trufant Assoc. Provost 1653 W. Congress Parkway Chicago, IL 60612-3832 John_E_Trufant@rush.edu	FAX	312/942-7120 312/942-2100
St. John's College	Jane Schachtsiek, Ph.D., RN Chancellor 421 North Ninth St. Springfield, IL 62702-5317 jane.schachtsiek@st-johns.org	FAX	217/544-6464* ext. 45165** 217/757-6870
Saint Anthony College of Nursing Margo Popovich, Secretary margopopovich@sacn.edu	Terese A. Burch, Ph.D., RN Dean/Chief Admin. & Academic Officer 5658 East State Street Rockford, IL 61108-2468 Terese.A.Burch@osfhealthcare.org	FAX	815/395-5091** 815/395-2275
Saint Augustine College Alma Sanchez, Assist to the President asanchez@staugustine.edu	Zoila Clara Brennan President 1345 W. Argyle Chicago, IL 60640-3501 cbrennan@staugustine.edu	FAX	773/878-8756* 773/878-6335** 773/878-7502 Direct # 773/728-7067
Saint Xavier University Rev. Francis S. Tebbe, O.F.M. Exec. Asst. to the President	Pres. Judith A. Dwyer, Ph.D. 3700 W. 103rd St. Chicago, IL 60655-3105 jadwyer@sxu.edu	FAX	773/298-3309 773/298-3309** 773/779-4763

School of the Art Institute Pres. Anthony Jones 312/899-5100*
37 S. Wabash Ave. 312/899-5136**
Nancy Crouch, Exec. Assist. Chicago, IL 60603-3103 FAX 312/263-5629
to the President ncrouch@artic.edu

Key: *campus information; **President's Office FEDERATION 1/06

Shimer College Pres. William C. Rice (Bill)
438 N. Sheridan Rd. 847/623-8400*
P.O. Box A 500 847/249-7171
Waukegan, IL 60079-4098 FAX
admissions@shimer.edu

Spertus Institute of Jewish Studies Dr. Howard A. Sulkin 312/922-9012*
President
618 S. Michigan Ave. 312/922-6406
Bonnie Saltzman, Secretary to the Chicago, IL 60605-1994 FAX
President hsulkin@spertus.edu

Springfield College in Illinois John Cicero, Dean 217/525-1420*
1500 N. Fifth St. Ext. 216 **
Springfield, IL 62702-2694
Mary Jo Rappe, Admin. Assistant to the Dean jcicero@sci.edu FAX 217/789-1698
rappe@sci.edu

Trinity Christian College Steven R. Timmermans
Debbly Vincent, Admin. Asst. President 708/597-3000*
to the President 6601 West College Drive 708/239-4793**
Palos Heights, IL 60463-0929
steven.timmermans@trnty.edu FAX 708/385-5665

Trinity College of Nursing Pres. Carol Dwyer 309/779-7730**
2122 - 25th Ave. FAX 309/779-7798
Barbara Hutcherson, Exec. Assistant Rock Island, IL 61201-5317
hutchersonb@trinityqc.com dwyerc@trinityqc.com

University of Chicago Pres. Don M. Randel 773/702-1234*
Rm. 502
Sue Thoma, Executive Asst. to the President sthoma@uchicago.edu FAX 773/702-8001**
773/702-0809

President's Representative:

Pat Richardson, Exec. Secretary Henry S. Webber 773/702-6815
V.P. for Comm. & Gov't Affairs
5801 S. Ellis Ave.
Chicago, IL 60637-1496
hs-webber@uchicago.edu FAX 773/834-0379

University of St. Francis	Pres. Michael J. Vinciguerra	815/740-3360*
Joanne Corcoran, Admin. Asst. to the President	500 N. Wilcox Joliet, IL 60435-6188 mvinciguerra@stfrancis.edu	815/740-3369** FAX 815/740-3597

Key: *campus information; **President's Office FEDERATION 1/06

West Suburban College Of Nursing	Rebecca A. Jones, D.N.Sc,R.N,CNAA,B.C. Chancellor	708/763-6530*
Barbara Quintero, Exec. Secretary barbara.quintero@wscn.edu	3 Erie Ct. Oak Park, IL 60302 rebecca.jones@wscn.edu	708/763-6975** FAX 708/763-1531

Wheaton College	Pres. Duane Litfin	630/752-5000*
Mary Polansky, Exec. Asst. to the Pres. mary.polansky@wheaton.edu	501 E. College Avenue Wheaton, IL 60187-5593 duane.litfin@wheaton.edu	630/752-5002** FAX 630/752-5003

Marilee Melvin
Executive Assistant to the President
marilee.a.melvin@wheaton.edu

Federation Staff:

David W. Tretter
President
davetretter@federationedu.org

Cindy Fuchs
Vice President for Administrative Services
cindyfuchs@federationedu.org

Paul Frank
Director of Government Relations
paul@federationedu.org

Penny Stockton
Administrative Assistant
pennystockton@federationedu.org

Federation of Independent Illinois Colleges and Universities
1123 So. 2nd Street
Springfield, IL 62704
217.789.1400 website: federationedu.org
217.789.6259 fax illinoismentor.org

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: Northern Illinois University Foundation

STATISTICS

Project Number:	E-PC-TE-CD-6121	Amount:	\$15,495,000 (not-to-exceed amount)
Type:	501(c)(3) Bonds	IFA Staff:	Steve Trout
Location:	DeKalb		

BOARD ACTION

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

PURPOSE

To finance the construction of a new Academic and Athletic Performance Center for Northern Illinois University.

IFA CONTRIBUTION

IFA will convey federal income tax-exempt status on the Bonds.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS (subject to change)

Sources:	IFA Bonds	<u>\$15,495,000</u>	Uses:	Project Fund	\$12,500,000
				Contingency	2,000,000
				Capitalized Interest	677,060
				Cost of Issuance	<u>317,940</u>
	Total	<u>\$15,495,000</u>	Total		<u>\$15,495,000</u>

JOBS

Current employment:	36	Projected new jobs:	1
Jobs retained:	36	Construction jobs:	19 (13 months)

BUSINESS SUMMARY

Description: Northern Illinois University Foundation ("the Foundation") is an Illinois 501(c)(3) corporation established in 1949 to secure and manage private support to benefit Northern Illinois University (the University" or "NIU"). The Northern Illinois University was chartered in 1895 and is a public, comprehensive teaching and research institution with a total enrollment of 20,501 full-time equivalent students. The University primarily serves Illinois residents with 92% of the student body hailing from instate. Twenty-six percent of the students represent an ethnic minority. For every dollar the state invests in public universities there is a 4:1 return, which is a great return on investment in any

economy. This is especially true at NIU, where 90 percent of its graduates remain in state and contribute to the Illinois economy as taxpayers, property owners, employers and employees.

The Foundation is the University's official fund raising arm, raising and receiving gifts, administering funds and managing assets on behalf of the University and its programs. The Foundation also evaluates, plans and implements long-term special capital campaigns and acts as developer for major construction programs.

History: The Foundation was established to assist in developing and increasing the facilities of Northern Illinois University (then called Northern Illinois State Teachers College) by encouraging gifts of money, property, works of art and other material with educational, artistic or other historical value. The Foundation's primary activity was initially providing small, short-term loans to students. In 1972, the Foundation's mission was changed to make it the recipient for gifts to the University. In 1982, the State of Illinois designated the Foundation as a "University-related Organization", which made it subject to state university guidelines.

The Foundation is partnering with the University to complete a new building project, the Academic and Athletic Performance Center ("the Center"). The Foundation has worked with donors to secure multi-year gift pledges and has acted as developer and secured financing from The National Bank and Trust Company of Sycamore for this project.

Fundraising: The Foundation publicly announced its campaign for the Center in April 2005, with \$5.1 million pledged toward a goal of \$7 million. That goal was reached and exceeded by about \$200,000 by the Fall 2005. Foundation officials believe that the significant number of naming opportunities created for the project contributed to the campaign's success. Nearly all of the Center's major building components, such as the Strength and Conditioning Center, Athletic Training Center, Academic Support Services Center, and coaches' and athletes' meeting room, have an associated major donor. The Foundation has collected over \$2.140 million in pledges as of March 31, 2006, with the balance pledged to be paid over the next 6 years. \$7.4 million has been raised to date and based upon this success and remaining naming opportunities the Foundation anticipates raising another \$1.0-\$1.5 million.

The Project: The recent success of the University's athletic programs has brought NIU national recognition. In recognition of this success and resulting benefits to the University, NIU plans to build a state-of-the-art Academic Athletic Performance Center, which will ensure continued engagement and involvement of student-athletes, alumni and friends. The facility will be a 60,000 square-foot, 2-story steel, pre-cast concrete and glass building designed by HKM Architect + Planners, Inc., from Arlington Heights. The building will be situated on five acres north of the existing stadium and will provide comprehensive athletic and academic preparation for student athletes in one facility. The Center will provide distinct learning environments catering to various learning styles and will allow Student-Athlete Support personnel to be more accessible to student-athletes. The Academic Support Center features one-on-one tutorial rooms, a group-study room, and fully-equipped computer labs to provide students with access needed to excel in their academics.

The Center will also house an up-to-date strength and conditioning center, which will be sized to alleviate scheduling conflicts to accommodate the rigorous demands of student-athletes' academic schedules. The facility will also feature a second-floor atrium to serve as a gathering and entertainment space, which will adjoin the outdoor roof terrace. The Center will also include football coach and player locker rooms, a football equipment room, coach offices and an athletic training room. The athletic training room is designed for efficient and effective rehabilitation, taping, injury prevention and hydrotherapy, with direct student and staff access to the playing field. The goal is to provide a world-class experience for all 469 student athletes academically, athletically and socially.

The project will have benefits for both the University and the surrounding community. The Center is expected to draw additional qualified students to Northern Illinois University and will also improve the University's retention of the existing student athletes. While immeasurable, increasingly successful athletic programs promote additional interest in NIU by prospective students and their parents and alumni.

The University's improving athletic performance is already providing important benefits to the surrounding community. Increased stadium attendance in the past several years has brought significant new tourist dollars into the DeKalb/Sycamore economy. The construction of the Academic and Athletic Performance Center is expected to help the University solidify and build on those gains.

FINANCING SUMMARY

Bonds: 10-year, fully amortizing fixed rate tax-exempt bonds to be purchased by the National Bank and Trust Company of Sycamore with a maturity in August 2016.
Security: General obligation pledge of all legally available funds of the Foundation and an assignment of an operating lease between the Foundation and the University.

PROJECT SUMMARY

Bond proceeds, together with capital campaign contributions will be used to finance the construction and equipping of a 60,000 square-foot, 2-story, steel, pre-cast concrete and glass building, which will be situated on five acres on campus north of the existing stadium. Pepper Construction Company will serve as general contractor for the project and will execute a guaranteed maximum price contract for the project. Project costs are estimated at \$14,500,000 and are subject to change as the contractor finalizes the construction budget.

Campaign receipts collected to date total over \$2.140 million. Campaign receipts will be applied as equity for the project and to pay principal and interest on the Bonds.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Northern Illinois University Foundation, Altgeld Hall 138, DeKalb, IL 60115
(Contact: Ms. Jean Jagodzinski, Chief Financial Officer, 815/753-0282)
Project name: Northern Illinois University Foundation (Academic and Athletic Training Performance Center)
Location: DeKalb (DeKalb County), IL 60115
Organization: Illinois 501(c)(3) organization

Board

Membership:	Name	Professional	Role	Term Expires
	David Nelson	President & CEO, SHPS, Inc.	Chair	2006
	Robert Bonivette	Ret. Pres. & CEO, Commonfund Group	Vice Chair	2007
	Rege Eisaman	CEO, InterOcean Capital, LLC	Treasurer	2006
	Dennis Barsema	CEO, SecureAll Systems	Director	2006
	Stacey Barsema	President, Barsema Foundation	Director	2006
	Robert Boey	President, Sycamore Industrial Park	Director	2007
	William Boston	Chairman and CEO, Kinetic Systems Co.	Director	2006
	John Castle	Chairman, Castle Bank	Director	2008
	Kenneth Chessick	Surgeon and Malpractice Attorney	Director	2008
	Suzanne Crosby	Investment Professional	Director	2006
	Michael Cullen	Pres. & CEO, Nat'l Bank of Sycamore	Director	2008
	Dean DeBiase	Chairman and CEO, Fathom Online	Director	2008
	Jeffrey Eckmann	EVP, Reynolds American	Director	2006
	Herb Eldean	President, Eldean Shipyards	Director	2006
	Janis Felver	SVP, AMLI Residential	Director	2008
	Thomas Kubik	President, MK Systems	Director	2008
	Cherilyn Murer	President & CEO, The Murer Group	Director	2007
	William Nicklas	City Manager, City of Sycamore	Director	2007
	Cheryl Niro	Partner, Quinlan & Carroll	Director	2008
	Elizabeth Plotnik	Community Volunteer	Director	2006
	Allen Reibman	Managing Director, RSM McGladrey	Director	2006
	Richard Ryan	Consultant	Director	2008
	Jaymie Simmon	Owner, Twinbrook, LTD	Director	2006
	Valeria Stokes		Director	2007

Timothy Struthers	President & CEO, Castle Bank	Director	2008
William Taylor	Ret. Partner, Deloitte and Touche	Director	2008
Kristina Valaitis	Exec. Director, IL Humanities Council	Director	2007
Jeffrey Yordon	COO, American Pharmaceutical Partners	Director	2007

Land Owner: Northern Illinois University

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Sorling, Northrup, Hanna, Cullen & Cochran, LTD	Springfield	Todd Turner
Accountant:	Clifton Gunderson, LLP	Peoria	Paulette Hurd
Bond Counsel:	Chapman and Cutler	Chicago, IL	Andrea Bacon
Bond Purchaser	National Bank and Trust of Sycamore	Sycamore	Karen Kuppler
Bank Counsel:	Ice Miller	Chicago, IL	Thomas Smith
Financial Advisor:	Griffin Kubik Stephens & Thompson	Chicago, IL	Helena Burke-Bevan
Issuer's Counsel:	Requested		

LEGISLATIVE DISTRICTS

<i>Congressional:</i>	<i>11 Jerry Weller</i>
<i>State Senate:</i>	<i>44 Bill Brady</i>
<i>State House:</i>	<i>88 Dan Brady</i>

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

Project: **Northwestern University**

STATISTICS

Number:	E-PC-TE-CD-6128	Amount:	\$155,000,000 (not to exceed)
Type:	501(c)(3) bonds	IFA Staff	Townsend Albright
Locations:	Evanston, Chicago	SIC:	8221

BOARD ACTION

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

PURPOSE

Proceeds will be used to (i) refund the outstanding par value of the Applicant's Series 1997 Revenue Bonds (approximately \$155,000,000).

IFA CONTRIBUTION

Convey Federal tax-exempt status on the interest on the Refunding Bonds.

VOTING RECORD

No prior voting record.

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	<u>\$155,000,000</u>	Uses:	Refunding	<u>\$155,000,000</u>
	Total	<u>\$155,000,000</u>		Total	<u>\$155,000,000</u>

JOBS

Current employment:	2,500	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

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

Description: The Applicant is recognized both nationally and internationally for the quality of its educational programs at all levels. The *Princeton Review* in 2003 named the University as providing the best overall academic experience for undergraduates. In April, 2004, U.S. News & World Report ranked the Kellogg School of Management as fifth in its annual survey of the best graduate schools in the nation. Kellogg's Executive MBA program was ranked first. The University employs approximately 2,500 full-time faculty. Faculty members include Nobel and Pulitzer

Prize winners and MacArthur Fellowship recipients. In its most recent assessment of doctoral programs, the National Research Council ranked four of the Applicant's programs in the top 10 percent and nine programs in the top 20 percent of private and public universities.

Total fall 2005 opening enrollment of full-time students included (i) 7,826 undergraduate, (ii) 6,363 graduate and professional. Undergraduate and graduate tuition and fees for the 2005 academic year were \$31,600; medicine and law, \$37,308 and \$37,122, respectively. The University offers scholarships based upon need. Graduation rate is 93.0% within six years.

Remarks: The proposed financing will enable the University to restructure its debt in order to manage its assets more efficiently. These actions help the University to continue to maintain its quality of education, and maintain its status as one of the world's premier universities.

PROJECT SUMMARY

Proceeds will be used to refund the outstanding par value of the Applicant's Series 1997 Revenue Bonds (approximately \$155,000,000).

Project Costs:	Refunding 1997 Series Revenue Bonds	<u>\$155,000,000</u>
	Total	<u>\$155,000,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Northwestern University
Project name: Northwestern University Refunding Bonds, Series 2006
Location: 619 Clark Street, Evanston, Cook County, Illinois and Chicago, Cook County, Illinois 60616
Organization: 501(c) (3) Corporation
State: Illinois
Board: List attached for IFA Board review

PROFESSIONAL & FINANCIAL

Counsel:	TBD		
Accountant:	Deloitte & Touche LLP	Chicago, IL	Kristine Simon
Bond Counsel:	TBD		
Issuer's Counsel:	Requested		
Underwriter/	TBD		
Placement Agent:	TBD.		
Underwriter's Counsel:	TBD		
Financial Advisor:	William Blair & Company	Chicago, IL	John H. Peterson
Trustee:	Wells Fargo Bank, NA	Chicago, IL	Patricia B. Martirano
Architect:	TBD		
General Contractor:	TBD		

LEGISLATIVE DISTRICTS

Congressional: 09, Janice D. Schakowsky; 07, Danny K. Davis
State Senate: 09, Jeffrey M. Schoenberg; 07, Carol Ronen
State House: 18, Julie Ramos; 05, Kenneth Dunkin

NORTHWESTERN UNIVERSITY

2005 2006

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NORTHWESTERN UNIVERSITY
2005 2006

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Martha Grimes Mabie	

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006**

**Project: Educational Advancement Fund, Inc.
(University Center Project)**

STATISTICS

Project Number:	E-PC-TE-CD-6085	Amount:	\$45,000,000 (not-to-exceed amount)
Type:	501(c)(3) Refunding Bonds	IFA Staff:	Rich Frampton
Location:	Chicago		

BOARD ACTION

Final Bond Resolution
Conduit 501(c)(3) Student Housing Revenue Refunding Bonds
No IFA funds at risk
Staff recommends approval
No extraordinary conditions (bonds will be sold pursuant to IFA policies for rated Bonds)

PURPOSE

To current refund a maximum of \$45,000,000 of the outstanding principal balance of IFA (IEFA) Series 2002 Student Housing Revenue Bonds (current outstanding Par of approximately \$150,600,000 as of 5/31/2006). The primary objective of the Refunding is to achieve interest rate savings on Bonds eligible to be called in 2007. These Bonds will be sold pursuant to a Forward Delivery Agreement that will enable the Bonds to be priced now and delivered in February 2007 (i.e., delivery will occur within 90 days of the May 1, 2007 call date).

Although the savings attributable to this Forward Delivery Agreement will produce less savings than an Advance Refunding, the proposed Forward Delivery structure will preserve EAF's ability to Advance Refund the remaining approximately \$105 million of outstanding bonds in the future. (The remaining Bonds are eligible to be redeemed beginning in 2012.)

IFA CONTRIBUTION

Conveyance of federal tax-exempt status on Bonds. 501(c)(3) bond issues do not require Volume Cap.

VOTING RECORD

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

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Refunding Bonds	\$45,000,000	Uses:	Project Costs	\$45,000,000
	Equity from Members	<u>900,000</u>		Issuance Costs	<u>900,000</u>
	Total	<u>\$45,900,000</u>		Total	<u>\$45,900,000</u>

JOBS

Current employment:	159	Projected new jobs:	N/A (Refinancing)
Jobs retained:	N/A	Construction jobs:	N/A (Refinancing)

BUSINESS SUMMARY

Background: **Educational Advancement Fund, Inc.** ("EAF" or the "Borrower") is a non-stock Delaware 501(c)(3) not-for-profit corporation, tax-exempt organization formed in 2001 specifically to construct and operate the **University Center** (the "Facility" or "Project") student housing project. The Borrower has no other activities.

Columbia College Chicago, DePaul University, and Roosevelt University, each an Illinois 501(c)(3) corporation (and collectively the "**Member Institutions**"), are the sole members of the Corporation and formed the Borrower to develop a student housing facility at the SE Corner of Congress Parkway and South State Street in the South Loop to be used by students of the three higher educational institutions. The List of Board Members, which include two representatives from each of the three institutions (including each institution's President), and the respective membership interests are disclosed in the Economic Disclosure Statement section (see Page 3).

Description: Proceeds of the **IFA (IEFA) Series 2002 Bonds** were sold in May 2002 (the "**Prior Bonds**") and used to finance construction and equipping of an 18-story, approximately 1,720 bed student residence facility, the University Center, to primarily house students from Columbia College Chicago, DePaul University, and Roosevelt University. The Facility is located at 525 South State Street in Chicago and the residential student housing facilities opened in August 2004. Construction of the facility commenced in spring 2002 and was substantially completed, including ground floor retail facilities, in August 2005.

EAF constructed the Project in accordance with a Redevelopment Agreement with the City of Chicago pursuant to which the City conveyed the site and vacated a nearby alley in exchange for a nominal \$1 payment from EAF.

The Project consists of two separate residential wings, on floors 3-18. The South Wing contains approximately 670 beds in units with kitchens designated for graduate students and upperclassmen. The North Wing contains approximately 1,050 beds in units without kitchens and designated primarily for undergraduates.

The ground floor contains approximately 28,562 Net Rentable SF of for-lease retail space. Key ground floor tenants include Panera Bread, 7-Eleven, MB Financial Bank, Books in the City, and Cold Stone Creamery (as of 9/1/2006). The second floor (approximately 55,620 SF) contains academic and residential amenities, including conference rooms, student food service, lounges, offices, game rooms, laundry, fitness rooms, and other common areas.

The student housing units in the Facility were 100% occupied for academic 2005-2006 based on bed commitments as of 7/31/2005. Priority in leasing space is provided first to students of the three Member Institutions, and if space is available, to students of other colleges and universities, and to guests and participants in programs and conferences that typically utilize college and university-style campus facilities.

Material changes in operations as noted in a Municipal Secondary Market Disclosure filing dated 12/9/2005, and including by reference the audit for FYE 7/31/2006, included: (1) reclassification of two rooms as guest suites, increased Resident Adviser staffing and reconfigured staff housing (the combined result was a reduction in 8 beds, from 1680 to 1672), and (2) Robert Morris College, a non-member, 501(c)(3) not-for-profit higher educational institution, contracted for 38 beds in academic 2005-2006.

All payments relating to the \$150.6 million of outstanding IFA/IEFA Bonds previously issued on behalf of the Educational Assistance Foundation, Inc. have been current.

Property

Manager: **US Equities Student Housing LLC** ("US Equities or the "Property Manager") has been engaged to serve as the Facility Manager pursuant to a five-year Agreement with EAF executed as of 9/1/2003 and effective until 8/8/2008. US Equities has served in that capacity since inception.

US Equities' responsibilities include: oversight of daily operations; long-term financial, facility, dining, and program planning; operating the Project within the Corporation's financial objectives; recruitment, selection, training, supervision, and evaluation of all staff and contractors for the Project; acting as food service and retail liaison; housing operations, and residence life.

FINANCING SUMMARY

Structure: Fixed rate bonds to be sold without credit enhancement and rated by Moody's/Fitch. The Series 2002 Bonds are currently rated Baa2/BBB (Moody's/Fitch). The Underwriter anticipates that the proposed IFA Series 2006 Forward Delivery Refunding Bonds (jointly, with the Prior Bonds) will again be rated Baa2/BBB by Moody's/Fitch.

Final Maturity

Date: Up to 30 years from date of issue (pursuant to the accompanying Bond Resolution).

Interest Rates: The Series 2002 Bonds included a \$40.235 million Term Bond with a coupon of 6.25% and a final maturity of 5/31/2034. The proposed Refunding Bonds, sold pursuant to a Forward Delivery Agreement (for February 2007), would be sold at an interest rate currently estimated at approximately 5.50% as of 6/1/2006. Pursuant to the Bond Resolution, the maximum weighted interest rate of all Series 2006 Bonds cannot exceed 6.00%.

Security: The Bonds will be solely secured by (i) a security interest in all Gross Project Revenues and (ii) a First Mortgage on all real estate and Project Assets. The Bonds *will not* be guaranteed by any of the Member Institutions (i.e., Columbia College Chicago, DePaul University, or Roosevelt University).

Debt

Svc. Reserve: Will remain funded for the Series 2006 Bonds and capitalized at \$12,118,293 and held by the Trustee (and supplemented by Refunding proceeds, if necessary).

PROJECT SUMMARY

Bond proceeds will be used to current refund through the sale of Bonds pursuant to a Forward Delivery Agreement approximately \$45,000,000 of an existing, approximately \$151 million bond issue by IFA (IEFA) in 2002. Additionally, bond proceeds may also be used to fund a Debt Service Reserve and pay certain costs of issuance for the Series 2006 Bonds.

The proceeds of the original Series 2002 Bonds were used to finance the acquisition, construction, and equipping of University Center Project, an 18-story, 1,720 bed, student residential housing facility located at 525 S. State St. in Chicago (Cook County), Illinois. Additionally, Bond Proceeds were used to capitalize a Debt Service Reserve Fund, an Operations and Maintenance Fund, a Special Capital Reserve Fund, pay capitalized interest, and to pay certain costs of issuance.

The proposed proceeds of the Series 2006 IFA Bonds will be used to refinance approximately \$45 million of the outstanding approximately \$151 million bond issue. The proceeds to be refunded are eligible to be called (and current refunded) as of May 1, 2007 under the most current plans.

The remaining IFA (IEFA) Series 2002 Bonds cannot be called until November 1, 2012 (although could either be refunded on a similar forward delivery basis or advance refunded in the future).

ECONOMIC DISCLOSURE STATEMENT

Applicant: Educational Advancement Fund, Inc. (c/o Jeff Bethke or John Simon, US Equities, Inc. 312-362-6986), 525 S. State St., Chicago, IL 60605-1609

Project name: University Center

Location: 525 South State Street, Chicago (Cook County), IL 60605-1609

Organization: Delaware Corporation (November 30, 2001)

Membership Interests:

- Columbia College Chicago: 40.625%
- DePaul University: 40.625%
- Roosevelt University: 18.750%.
 - These membership percentages are relevant for voting, leasing of residential facilities of the Facility, and for monetary distributions.

Board Membership: Dr. Warrick Carter (President, Columbia College Chicago); Rev. Dennis H. Holtschneider (President, DePaul University); Dr. Charles R. Middleton (President, Roosevelt University); Alicia Berg (VP Campus Environment - Columbia College Chicago); Dr. Dr. Scott Scarborough (Executive VP, DePaul University); John Allerson (Senior VP for Business Affairs and CFO, Roosevelt University)

Current Property Owner: Educational Advancement Fund, Inc. (Borrower)

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Janet Hoffman
Auditor:	KPMG LLP	Chicago, IL	
Bond Counsel:	Chapman and Cutler, LLP	Chicago, IL	Jim Luebchow, Nancy Burke
Senior Manager:	Lehman Brothers	New York, NY Chicago, IL	Jim Costello Carole Brown
Underwriter's Counsel:	Foley & Lardner, LLP	Chicago, IL	Christopher Knight Laura Bilas
Trustee:	Bank of New York	Chicago, IL	Bob Hardy
Rating Agencies:	Moody's Investors Service, Inc. Fitch Ratings	New York, NY New York, NY	
Facility Manager:	U.S. Equities Student Housing LLC	Chicago, IL	Jeff Bethke
IFA Counsel:	Schiff Hardin LLP	Chicago, IL	Bruce Weisenthal

LEGISLATIVE DISTRICTS

Congressional: 7 Danny K. Davis
State Senate: 3 Mattie Hunter
State House: 5 Kenneth Dunkin

MEMORANDUM

TO: IFA Board of Directors
FROM: Jim Senica
DATE: June 13, 2006
RE: K K Stevens Publishing Company
Project No. B-LL-TX-6041

K K Stevens Publishing Company, an Illinois C corporation, is a multi-faceted printing company providing high-speed, professional printing services to a wide array of newspaper and magazine customers.

Ipava State Bank in Canton and K K Stevens Publishing Company have requested that IFA increase its participation loan amount from its originally-approved not-to-exceed amount of \$600,000 to \$700,000. The Bank and the Company had anticipated using an SBA 504 loan in the amount of \$568,762 to finance a portion of the original \$2,163,612 project; however, with the SBA issuing debentures to fund its 504 loans, their interest rate on the 504 loan has risen to the point where it has become too high to provide interest savings for the project. To supplement the requested \$100,000 increase from IFA, K K Stevens will be contributing an additional \$100,000 in equity to the project, with the bank providing the remaining portion of the deleted SBA portion.

Staff has re-reviewed the financial condition of K K Steven Publishing Company noting that the Company continues to perform very well. This loan is anticipated to close within the week following the June Board meeting. A copy of the original project summary presented for Board approval is included with this memorandum to provide a complete overview of the project and of the original financing structure.

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:	9	Absent:	5 (DeNard, Fuentes, Giannoulis, Nesbitt, O'Brien)
Nays:	0	Abstentions:	0

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

Project: K K Stevens Publishing Company

STATISTICS

Project Number: B-LL-TX-6041	Amount: \$600,000 (not-to-exceed amount)
Type: Participation Loan	IFA Staff: Jim Senica
Location: Astoria	

BOARD ACTION

Purchase of Participation Loan from Ipava State Bank - Canton
\$568,187 IFA funds at risk
Staff recommends approval

PURPOSE

Loan proceeds will be used to finance the acquisition of new printing 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: IFA Participation:	\$568,187	Uses: Equipment Acquisition	\$2,163,612
Ipava Bank:	568,188	Total	<u>\$2,163,612</u>
SBA 504 Loan	568,762		
Equity*	<u>458,475</u>		
Total	<u>\$2,163,612</u>		

*Equity will be contributed from cash reserves of the Company.

JOBS

Current employment:	30	Projected new jobs:	3
Jobs retained:	NA	Construction jobs:	N/A

BUSINESS SUMMARY

Background: K K Stevens Publishing Company, an Illinois C corporation, was established by Ken and Mary Ann Stevens in 1959 upon their purchase of the Astoria newspaper. Mary Ann Stevens died in 1977; Ken Stevens died in 1988 and willed the printing business to his four children via a trust where each of his children has a 25% share. Three of the four children, Tim, Tom and Karen, currently operate the printing company.

Operations: What began as a weekly newspaper publishing company in 1959 has become a multi-faceted printing company providing high-speed, professional printing services to a wide array of newspaper and magazine customers. Company services include color offset printing, graphic design and layout, custom binding and finishing, digital printing, electronic files and large format color prints. Additionally, the Company provides sorting, binding and mailing services which represents a very important service to its customer base.

The Project: The project presented entails financing the acquisition of printing equipment consisting of a DGM -440 printing unit and 2 DGM folders as well as auxiliary machinery and equipment relating to the installation of the primary items being acquired. Total cost of the project is \$2,163,612, with financing comprised of the Company providing equity in the form of a cash contribution of \$458,475,

FINANCING SUMMARY

Obligor: KK Stevens Publishing Company

Repayment: In the event of a liquidation of IFA's collateral (equipment), proceeds will be applied first to repay the subject loan before paying any other credit facility the borrower may have with the Bank.

ECONOMIC DISCLOSURE STATEMENT

Applicant: KK Stevens Publishing Company
Organization: Illinois C Corporation
Ownership: KK Stevens Corporate Trust – Beneficiaries, each with 25% share - Tom Stevens, Tim Stevens, Steph Stevens, Karen Schisler

PROFESSIONAL & FINANCIAL

Banker: Ipava State Bank Canton Joseph Dietz
Accountant: Cavanaugh, Davies, Blackman & Gamblet PC Monmouth

LEGISLATIVE DISTRICTS

Congressional: 17 – Lane A. Evans
State Senate: 47 – John M. Sullivan
State House: 94 – Richard P. "Rich" Myers

To: Members of the Illinois Finance Authority Board of Directors

From: Jim Senica, Senior Funding Manager

Date: June 13, 2006

Re: **Request to Extend a Commitment to Participate in Loan to Macon Metal Products Co., Inc.**

The Board's commitment to participate for \$100,000 in Midland States Bank of Effingham's loan to Macon Metal Products expired in April 2006. The Bank and the Authority are prepared to close the loan later in June, if the Authority's commitment is extended. Staff has reviewed Macon Metal Product's financial condition with the lender and has confirmed that the company's financial condition remains strong. A copy of the project summary that the Board reviewed on October 11, 2005 is attached for your review.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 11, 2005

Deal: Macon Metal Products Co, Inc.

STATISTICS

Deal Number:	B-LL-TX-674	Amount	\$100,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Taylorville		

BOARD ACTION

Purchase of Participation Loan from Midland States Bank of Effingham
\$100,000 IFATreasury funds at risk
Collateral is *pari passu* first position with the bank
Staff recommends approval of a resolution subject to the Bank covenants noted on page 3 of this report.

PURPOSE

Acquisition of new machinery and equipment.

VOTING RECORD

Initial board consideration, no voting record.

SOURCES AND USES OF FUNDS

Sources:	IFA	\$100,000	Uses: Project Costs	<u>\$200,000</u>
	Midland States Bank	100,000	Total	<u>\$200,000</u>
	Total	<u>\$200,000</u>		

JOBS

Current employment:	60	Projected new jobs:	4
Jobs retained:	60	Construction jobs:	N/A

BUSINESS SUMMARY

- Background:** Macon Metal Products Co., an Illinois S corporation, was established in 1948 and purchased by the current owner, Stan Bogaczyk, in 1981 after he had worked in the manufacturing arena for several years. The Company's operating plant is located in Taylorville, Illinois, while the sales office is located in Janesville, Wisconsin.
- Description:** Macon Metal Products Co., Inc. is engaged in the metal fabrication and stamping business with such customers as Wal Mart, Caterpillar Inc. and General Motors. Typical products of the Company would include such items as fabricated components, metal stampings, brackets and clamps, weldments and sub assemblies, enclosures and structures and other discrete products. Of special significance is a flow rack division storage and display unit which the Company has designed and is building and selling directly to Wal Mart. Wal Mart has been implementing the new rack systems in the majority of its stores and has requested the Company to further develop the system for additional areas of its operations. Macon Metals Products Co., Inc. has also been receiving requests from K-mart and Sears for use of the system. Recently, GM has requested that the Company develop a new loader system that would replace the forklifts the company is currently using; this product is currently in test phases.
- Remarks:** Over the last year, the Company has implemented a new inventory control system developed by plant employee Ron Seiler which has contributed to increased efficiency and control. Under the direction of the owner's son, Michael Bogaczyk, the Company has also begun to implement the lean technology philosophy. Michael also serves as the head liaison with GM.

FINANCING SUMMARY

- Borrower:** Macon Metal Products Co., Inc.
- Security:** Pro-rata first position "*pari passu*" with Midland States Bank of Effingham on the project machinery and equipment with collateral based on the Bank's discounted (75%) cost basis of \$150,000 and a shared blanket lien on the Company's inventory, receivables and other equipment valued at approximately \$2,000,000 by the Bank. Additionally, IFA will share in the personal guaranty of Company owner, Stan Bogaczyk. Staff recognizes that in the event of default with respect to this loan, standard wording in IFA's participation agreement states that the IFA/Bank loan will be paid prior to any other loan including but not limited to any line-of-credit that the borrower has established with the Bank.

Collateral Review: Machinery & Equipment \$200,000 cost discounted by Bank to 75% = \$150,000

Blanket Lien on Company Assets*

	<u>Value</u>	<u>Source</u>	<u>Advance %</u>	<u>Net Lending Value</u>
Accounts Receivable	\$21,525	4/7/05	80%	\$417,220
		aging		
Raw Materials	91,119	3/31/05	60%	54,671
Work in Process	114,185	3/31/05	25%	28,546
Finished Goods	522,884	3/31/05	80%	418,307
Fixed Assets	1,392,652	12/31/04	80%	<u>1,114,122</u>
				<u>2,032,866</u>

Total collateral being offered by the borrower to IFA and the Bank \$2,182,866

*Note: IFA policy typically values used equipment at 60% of appraised liquidation value; this appraisal was not required by the Bank. The blanket lien on all Company assets was requested by the Bank as a substitution for the project equipment's shortfall in collateral coverage.

Structure: Based on the guidelines of the Participation Lending Program, IDFA's interest rate will be 200 basis points below what the Bank is charging the customer. The Bank's interest rate will be fixed at 7.45% over the 5-year term of the loan; IFA's rate will be 5.45%.

Maturity: The loan will be set on a 7-year amortization with 60 payments of principal and interest And a balloon payment due at the maturity of the loan.

Covenants: Annual financial statements of Macon Metal Products Co., Inc.
Annual personal financial statement of guarantor
Evidence of insurance on the collateral

PROJECT SUMMARY

The proposed project involves the acquisition of machinery and equipment for use in the applicants metal fabrication and stamping business
Project costs are as follows:

Acquisition of Machinery & Equipment	\$200,000
Total	<u>\$200,000</u>

The project will enable the applicant to lower its operating costs, generate higher quality products, increase capacity and become much more aggressive in its pricing strategy.

ECONOMIC DISCLOSURE STATEMENT

Project name: Macon Metal Products Equipment Acquisition
Location: 803 W. Calvert Dr Taylorville, IL 62568 (Christian County)
Applicant: Macon Metal Metal Products Cc., Inc.
Organization: S Corporation 100% owned by Stanley J. Bogacyzk
State: Illinois

PROFESSIONAL & FINANCIAL

Bank:	Midland States Bank of Effingham Effingham, IL	Aaron Meyers
IFA Counsel:	Dykema Gossett PLLC Chicago, IL	Darrell Pierce

LEGISLATIVE DISTRICTS

Congressional: 19 – John Shimkus
State Senate: 44 – Bill Brady
State House: 87 – Bill Mitchell

RESOLUTION 2006-25

A RESOLUTION AMENDING THE ILLINOIS FINANCE AUTHORITY HEALTHCARE INITIATIVE PRIVATE PLACEMENT PROGRAM FOR SMALL AND MID-SIZE RURAL AND URBAN NOT-FOR-PROFIT HOSPITALS, CRITICAL ACCESS HOSPITALS, AND COMMUNITY PROVIDERS OF BEHAVIORAL HEALTHCARE SERVICES IN THE STATE OF ILLINOIS PREVIOUSLY ADOPTED BY THE AUTHORITY.

WHEREAS, the Illinois Finance Authority (the "Authority") has been created by the Illinois Finance Authority Act, 20 Illinois Compiled Statutes 3501/801-1 et seq. (the "Act"); and

WHEREAS, in Section 801-5(n) of the Act, the General Assembly has found, determined and declared "that to preserve and protect the health of the citizens of the State, and lower the costs of health care, that financing for health facilities should be provided through the State" and has further found, determined and declared that the Authority should seek to increase job opportunities and to retain existing jobs throughout the State by making available funds "for the development, improvement and creation. . . of health, public purpose and other projects;" and

WHEREAS, Sections 801-10(b) and (l) of the Act, respectively, define the terms "project" and "health facility project" (collectively herein, the "Project"), and Sections 801-10(j) and (k) of the Act, respectively, define "health facility" and "participating health institution" (collectively herein, the "Facility"); and

WHEREAS, Section 801-40(c) of the Act grants the Authority broad powers to issue bonds, notes or other obligations of one or more series to finance Projects for Facilities (the "Bonds"), under certain loan agreements, trust indentures, escrow agreements and other security and ancillary documents, as the case may be (the "Agreements"); and

WHEREAS, the Authority has found and determined that many small- and mid-size Facilities, especially hospitals, whether located in rural or urban areas of the State, critical access hospitals, and community providers of behavioral healthcare services often have limited access to capital to fund Projects; and

WHEREAS, the Authority determined that it will advance the purposes of the Act and will be in the best interests of the citizens of the State to develop a private placement initiative to provide these Facilities with access to low cost capital to fund Projects, and accordingly, adopted a resolution (the "Resolution") to establish the "Illinois Finance Authority Healthcare Initiative Program" (the "Program"); and

WHEREAS, pursuant to the Program the Authority contemplated the issuance of Bonds by the Authority on behalf and for the benefit of Facilities, with such Bonds being privately placed with, and purchased by, firms selected by the Authority; and

WHEREAS, pursuant to the Program, to further assist these Facilities in accessing capital, the Authority determined it to be in its best interest to lower the amount of its fees charged for Facilities participating in the Program; and

WHEREAS, after operating the Program for several months, the Authority has now determined that the Program should be expanded to provide for the public offering (as well as private placement) of bonds on behalf of and for the benefit of those Facilities which are designated as "critical access hospitals;"

WHEREAS, the Authority now desires to amend the Resolution to extend the Program (including the benefit of reduced IFA fees) for the public offering of bonds issued for the benefit of critical access hospitals;

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

Section 1. Recitals. The recitals set forth above are hereby found to be true and correct and are incorporated into this resolution as if fully set forth herein.

Section 2. Amendment to Resolution. The Authority does hereby amend the Program to permit participation in the Program (including the benefit of reduced IFA fees) for those Facilities designated as "critical access hospitals" for the public offering (as well as private placement) of bonds issued by the Authority.

Section 3. Delegation of Authority. The Executive Director of the Authority (or any person duly appointed and qualified by the Members of the Authority to serve in such position on an interim basis) or her/his designees, are hereby authorized and directed to take any and all action consistent with this Resolution and the Act to implement, develop and carryout the provisions of the foregoing provisions.

Section 4. Enactment. This Resolution shall take effect immediately. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of the Resolution.

This Resolution 2006-25 is adopted this 13th day of June by roll vote as follows

Ayes:

Nays:

Abstain:

Absent:

Chairman

Attested to:

Secretary

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