

Illinois Finance Authority

September 12, 2006
11:30 AM

Board Meeting

Plaza Club
130 E. Randolph, 40th Floor
Chicago, Illinois



IFA File Copy

**ILLINOIS FINANCE AUTHORITY
BOARD MEETING
September 12, 2006
Chicago, Illinois**

EXECUTIVE SESSION

8:30 a.m.

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

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

BOARD MEETING

11:30 a.m.

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

AGENDA

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

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Agri-Debt Guarantee						
1	Harold D. and Ruth A. Rauch	Newton	95,000	0	0	ER
2	Rodney and Denise Yuskis	Warsaw	66,000	0	0	CM
Beginning Farmer Bonds						
3	Bejamin and Angela Goebel	Newton	65,000	0	0	ER
	Matthew J. Mizour	Owaneco	89,250	0	0	ER
	Douglas and Erin Hodel	El Paso	60,000	0	0	CM
	Phillip Webster	Peoria	119,700	0	0	CM
	Patrick Finley	Newton	86,250	0	0	ER
TOTAL AGRICULTURE PROJECTS			581,200	-	-	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds						
<i>Preliminary</i>						
4	Riverside Health System	Kankakee and Bourbonnais	35,000,000	0	0	PL
5	Sherman Hospital	Elgin	150,000,000	61	350	PL
6	Montgomery Place	Chicago	45,000,000	0	100	PL
501(c)(3) Bond Anticipation Notes						
<i>Final</i>						
7	Midwest Regional Medical Center	Galena	50,000,000	18	140	DS
8	City of Sterling	Sterling	16,000,000	0	0	JS
TOTAL HEALTHCARE PROJECTS			296,000,000	79	590	

COMMUNITIES AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds						
<i>Preliminary</i>						
9	Victor C. Neumann Association	Chicago	7,000,000	88	20	SCM
10	Congregation B'nai Torah	Highland Park	5,000,000	7	20	ST
11	Chicago Parking Concession Company, LLC and its successors, affiliates, and assigns, a Delaware limited liability company to be formed	Chicago	900,000,000	125	150	RKF
12	Living Family Housing Trust I, LLC, an Illinois limited liability company to be formed (and affiliated with Disciples for Christ Outreach Ministries, Inc. and its successors and assigns (6924 S. Crandon, 5200-5202 S. Harper, and 7261-7271 S. South Shore Drive Projects)	Chicago	16,000,000	0	6	RKF
501(c)(3) Bonds						
<i>Final</i>						
13	Cristo Rey Jesuit High School	Chicago	10,500,000	0	0	SCM
14	Oak Park Residence Corporation	Oak Park	4,000,000	0	0	SCM
15	Victory Gardens Theater	Chicago	6,000,000	3	170	TA
16	International Ice Centre, LLC	Bolingbrook	2,000,000	4	1	ST
Housing Bonds						
<i>Final</i>						
17	DuPage Covered Bridges, L.P. (Covered Bridges Apartments)	Carol Stream	20,000,000	0	18	RKF
TOTAL COMMUNITIES AND CULTURAL PROJECTS			970,500,000	227	385	

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Participation Loans						
18	Charles E. Fitzpatrick Sr.	Harrisburg	700,000	20	0	RP
Pollution Control Revenue Refunding Bonds <i>Final</i>						
19	Commonwealth Edison	Multiple	199,400,000	0	0	RKF
Industrial Revenue Bonds <i>Preliminary</i>						
20	C & D Recycling	Northbrook	4,400,000	28	40	TA
21	Raco Steel Company	Markham	2,000,000	0	10	ST
22	Bohler Uddeholm Corporation	Elgin	10,000,000	10	75	ST
23	JBWLP, LLC	Addison	3,500,000	30	6	ST
24	Gusto Packing Company Inc.	Montgomery	8,500,000	50	40	SCM
TOTAL BUSINESS AND INDUSTRY PROJECTS			228,500,000	138	171	

HIGHER EDUCATION

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds <i>Final</i>						
25	Educational Advancement Fund, Inc. (University Center Project)	Chicago	110,000,000	0	0	RKF
26	Northwestern University	Evanston and Chicago	155,000,000	0	0	TA
27	CHF-DeKalb, L.L.C. and its affiliates	DeKalb	20,000,000	2	30	RKF
TOTAL HIGHER EDUCATION PROJECTS			285,000,000	2	30	

GRAND TOTAL			1,780,581,200	446	1,176	
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Tab

Resolutions/Project Revisions/Amendatory Resolutions

28	Amendatory Resolution to increase original Darrel Runge Sr. participation loan request and approval from the June 13, 2006 IFA Board of Directors meeting in the amount of \$92,500.00.	ER
29	Amendatory Resolution to increase original Trainor Elevator participation loan request and approval from the June 13, 2006 IFA Board of Directors meeting in the amount of \$293,580.	ER
30	Amended and Restated Resolution for Tabor Hills Supportive Living Project, IFA Series 2006 Bonds, in the amount of \$15,000,000, to be issued as fixed rate bonds, waiving the Authority's policy, allowing these bonds rated BBB- to be sold in multiples of less than \$100,000.	PL
31	Establishing a fee schedule for the Illinois Finance Authority's issuance of 501(c)(3) bonds for the benefit of a health facility to acquire a "term of years" property interest in healthcare equipment and to fund related renovations.	PL
32	Morton Community Bank and Velde Saur's Land Trust have requested that IFA approve an extension to December 6, 2006, on IFA's commitment to its Participation Loan.	JS

Other

Adjournment



**Illinois Finance Authority
Executive Director's Report
September 12, 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 consolidated financial statements including State appropriated funds indicate a \$3.2 Million growth in IFA equity over the past twelve months, now standing at \$88,577,190. Total assets as of August 31, 2006 stand at \$152,979,316 as compared to \$151,911,567 last year at this time, while total liabilities/bonds payable are down by more than \$2 Million. Although year to date net income, excluding State appropriated funds, indicates a 44% improvement over last year to date net income, IFA's net income of \$569,547 is below its planned income by \$57,236. This deviation is related to billing practices of an issuers counsel and the Auditor General, both of which are under review. Year to date gross revenues are from non-appropriated sources are exceeding expectation at \$1.7 Million, an improvement over last year's levels of \$449,469.

II. Sales Activities

The second month of Fiscal Year 2007 has become the largest project month in IFA history with September requests exceeding \$1.7 Billion. The projects positively reflect the strength and diversity of Illinois' urban and rural economies with market totals of \$581M in Agriculture, \$296M in Healthcare, \$970M in Communities & Culture, \$229M in Business and Industry, and \$285M in Higher Education.

Health Care: Healthcare totals are stable this month reflecting improved demand for larger transaction financing as well as a desired number of project financings for small and rural healthcare facilities. IFA closed the first financing in the State involving a public offering of debt for a Critical Access Hospital, Kewanee Hospital in Kewanee, Illinois. IFA funding managers continue to work with the Illinois Critical Access Hospital Association to develop financing programs and educational venues for these hospitals which are critical to maintaining the quality of life in rural and underdeveloped areas of the State. Additionally, IFA is working with GE Capital, LaSalle Bank, and other financial institutions to assist them in developing programs that will further meet the needs of hospitals, community providers, assisted living, senior care, and other health care related projects. The Director of Marketing and Public Relations is working with the funding managers and Public Financial Management to develop a survey of

Health Care: (continued)

Illinois hospitals to assess the health care market and to construct a matrix of IFA healthcare products and services. Funding managers invited the Executive Director to help reach out to a minority owned investment banking firm in the Chicago market in order to diversify the type of firms involved in this market sector. IFA funding managers and Executive Director made 35 personal calls or presentations to potential projects the month of August.

Higher Education: Higher Education funding managers have continued to explore opportunities to create a financing program for both public and private higher education institutions relating to capital needs relative to rising energy costs. Staff met with the Chairman of the Board of the Illinois Board of Higher Education to discuss IFA financing options for an energy purchase program for Illinois Universities. One program proposal presents an energy hedging concept for natural gas as a pilot with a group of universities and community colleges. In the other proposal, a revolving fund would be created to finance energy efficiency infrastructure projects with IFA designated as the preferred conduit issuer using a pooled financing structure. The Executive Director and higher education funding managers met with representatives from Western Illinois University regarding a possible financing of energy improvements and a new campus in the Quad Cities. Funding managers and Executive Director made 16 in person calls or presentations to higher education institutions in August.

Agriculture: Staff and Executive Director attended and made presentations at Agricultural Day at the Illinois State Fair in Springfield. IFA presenting it's first Annual "Outstanding Agricultural Lender Award" in conjunction with the Illinois Bankers Association to Ray Brunch, of Citizens National Bank in Macomb. The IFA met with Governors Office of Management and Budget and BioFuels Inc. to structure the financing of the largest bio-diesel plant in the nation to be operated by Bunge North America, LLC. Additionally, Board Member Michael Goetz introduced IFA staff and Executive Director to a large ethanol consortium to consider financing options for large scale plants in Illinois. The agricultural staff and Executive Director made over 100 in person business development calls for potential projects in the month of August.

Communities and Culture: Staff met with financial advisors, consultants, and attorneys to revise the IFA pooled bond program and to prepare for workshop presentations on programs offered by IFA. Additionally, IFA staff continue to meet on the proposed Burlington Northern San Francisco Railway Fiber Optic project. This project would involve potential financing for several communities along the US Route 34 corridor. An internal audit of the fire truck program was performed to determine compliance with program requirements and legislative mission. Funding managers worked with Winchester School officials to discuss plans to finance a building expansion as well as with the Champaign YMCA to discuss their new building plans. The City of Ottawa has requested IFA assistance for major infrastructure financing for an industrial expansion. The community and culture staff made 130 in person business development calls for potential projects in the month of August.

Industry and Commerce: Major projects requests continue to surface in the Industry and Commerce sector. Funding manager Rich Frampton and Executive Director and other members of the financing team met with Department of Transportation officials in Springfield and Chicago as part of the development of the financing for a 3000 acre inter-modal project in Will County. Chief Financial Officer and several staff members made calls and presentations at the Hispanic Business Exposition in Chicago. IFA continues to develop financing options for large coal and alternative energy groups which now appear to be heading towards completion of Illinois and Federal environmental permits. Downstate funding managers continue to focus on building relationships with independent bankers and local economic development professionals and the Department of Commerce and Economic Opportunity including joint presentations in conferences and one on one calls about a variety of significant State support. Industry and commerce funding managers made more calls than any other sector with over 200 in person sales calls in the month of August.

III. Marketing and Public Relations

Director of Marketing and Public Relations, Diane Hamburger has been working closely with the Governor's Office and DCEO in a large number of project financing communications throughout the state including alternative energy, coal, agriculture, public schools, and business and industry projects. These have included several IFA financed projects including Midwest Fabrication, Soylutions, FutureGen, and Praire State Energy Campus. IFA continues to respond to several ongoing Federal investigations of hospital transactions, as well as SEIU requests for information on all nonprofit and education transactions. Stacy Flota, Marketing and Business Development Coordinator, has been hired as the newest member of the IFA marketing team and will be coordinating and implementing strategic planning initiatives, developing marketing projects, coordinating IFA website management and upgrades, and creating marketing information systems for the Authority.

IV. Human Resources and Operations

Chief Administrative Officer, Stuart Boldry, has complete several major projects this month including a conversion to a fiscal year performance review cycle, processing annual compensation and incentive adjustments, and completing the annual Equal Employment Opportunity assessment and plan for the IFA.

V. Legal and Legislative Issues

IFA continues to wait for funding for the Ambulance Program approved by the legislature and signed into law by the Governor. The Executive Director is meeting with firms selected to work with IFA General Counsel in multiple legal roles in order to review risk management reduction and efficiencies in legal costs for the Authority. These new counsel include Mayer, Brown, Rowe & Maw; Chapman & Cutler; KMZ Rosenman; Laner Muchin; Franszek Sullivan; Pugh, Jones, Johnson, & Quandt; McGuire Woods, and Jones Day. The selection of Senior Financial Advisor and Co-Senior Financial Advisor for the IFA is underway with pricing negotiations currently being made with the most qualified firms.

VI. Audit and Compliance

The Financial and Compliance Audit for Fiscal Year 2006 began this month. The Office of the Auditor General has agreed to aggressively move forward the timeframes of the IFA Audit to accommodate requests from the legislature and the capital markets industry partners who follow IFA management, standings, and capabilities. IFA's treasury account was debited \$119,000 without notice or invoice by the Auditor General in the month of August for "work performed on the Fire Truck Program." Chief Financial Officer, Jose Garcia, has contacted the Auditor General's office and they concur that an error has potentially occurred with possible reimbursement to the IFA for the over charges. Currently there are 9 audit findings under review with 6 findings 100% complete, 2 findings 60% or substantially completed, and 1 finding less than 50% complete.

**Illinois Finance Authority
Consolidated
Balance Sheet
for the Two Months Ending August 31, 2006**

	August 2005	August 2006	August Budget	Variance to budget
ASSETS				
CASH & INVESTMENTS, UNRESTRICTED	\$ 36,056,165	\$ 31,810,784	\$ 29,862,313	\$ 1,948,471
LOAN RECEIVABLE, NET	75,975,388	80,658,628	79,276,011	1,382,617
ACCOUNTS RECEIVABLE	825,951	761,933	500,000	261,933
OTHER RECEIVABLES	25,599	1,743,780	1,056,435	687,345
PREPAID EXPENSES	72,560	139,385	170,549	(31,164)
TOTAL CURRENT ASSETS	112,955,663	115,114,510	110,865,308	4,249,202
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	71,145	145,236	147,204	(1,968)
DEFERRED ISSUANCE COSTS	1,145,518	924,814	945,834	(21,020)
OTHER ASSETS				
CASH, INVESTMENTS & RESERVES	27,777,825	27,039,933	29,985,688	(2,945,755)
VENTURE CAPITAL INVESTMENTS	5,768,237	5,679,735	5,687,279	(7,543)
OTHER	4,193,178	4,075,089	4,079,547	(4,458)
TOTAL OTHER ASSETS	37,739,241	36,794,757	39,752,514	(2,957,756)
TOTAL ASSETS	\$ 151,911,567	\$ 152,979,316	\$ 151,710,860	\$ 1,268,457
LIABILITIES				
CURRENT LIABILITIES	\$ 982,008	\$ 1,041,815	\$ 981,478	\$ 60,337
LONG-TERM LIABILITIES	65,599,902	63,360,312	61,953,020	1,407,290
TOTAL LIABILITIES	66,581,910	64,402,127	62,934,498	1,467,627
EQUITY				
CONTRIBUTED CAPITAL	36,061,462	36,061,462	36,061,462	(0)
RETAINED EARNINGS	13,000,024	15,015,017	15,015,017	-
NET INCOME / (LOSS)	4,243,527	527,306	726,477	(199,171)
RESERVED/RESTRICTED FUND BALANCE	19,303,495	24,279,992	24,279,992	-
UNRESERVED FUND BALANCE	12,721,150	12,693,412	12,693,412	-
TOTAL EQUITY	85,329,657	88,577,190	88,776,361	(199,171)
TOTAL LIABILITIES & EQUITY	\$ 151,911,567	\$ 152,979,316	\$ 151,710,860	\$ 1,268,457

**Illinois Finance Authority
Consolidated -Detail
Balance Sheet
for the Two Months Ending
August 31, 2006**

	General Fund	Bond Fund	Non Major Funds YTD	YTD FY 2007
Assets				
Current assets:				
Cash and cash equivalents – unrestricted	7,912,205	(0)	13,567,696	21,479,901
Investments – unrestricted	2,531,593	(0)	2,984,181	5,515,774
Restricted current assets:				
Cash and cash equivalents	-	632,644	-	1,862,417
Accrued interest receivable	-	1,406,078	3,086	1,414,664
Restricted investments	-	61,695	-	61,695
Other receivable	-	4,393	-	4,393
Receivables:				
Accounts	834,683	-	-	834,683
Interest and other	127,029	-	17,515	144,544
Prepaid expenses and deposits	139,385	-	-	139,385
Total Current Assets	11,544,895	2,104,810	16,572,478	31,457,456
Noncurrent assets:				
Restricted Noncurrent assets				
Cash and cash equivalents	-	-	21,409,958	21,409,958
Interest receivable	-	185,679	70,000	255,679
Guarantee payments receivable	-	-	613,956	613,956
Allowance for doubtful accounts	-	-	(538,866)	(538,866)
Deferred issuance costs, net of accumulated amortization	-	234,437	-	234,437
Investments	-	8,445,473	-	8,445,473
Bonds and notes receivable	-	51,939,200	-	51,939,200
Loans receivable	-	-	393,632	9,160,069
Allowance for doubtful accounts	-	-	(106,862)	(106,862)
Investments in partnerships and companies	-	-	5,679,735	5,679,735
Loans Receivable	20,780,566	-	5,076,500	25,857,066
Allowance for doubtful accounts	(2,263,595)	-	-	(2,263,595)
Due from other funds long term	2,573,162	-	712,374	3,285,535
Property and equipment, at cost	370,948	-	5,500	376,448
Accumulated depreciation	(227,270)	-	(3,942)	(231,212)
Deferred issuance costs, net of accumulated amortization	-	-	690,377	690,377
Total Noncurrent Assets:	21,233,810	60,804,788	34,002,361	124,807,396
Total Assets	32,778,705	62,909,599	50,574,839	156,264,852
Liabilities				
Current liabilities:				
Accounts payable	15,356	-	-	15,356
Accrued expenses	448,408	-	-	448,408
Accrued interest payable	-	1,589,859	5,886	1,595,745
Due to employees	33,827	-	-	33,827
Due to primary government	177,490	-	25,000	202,490
Due to local government units	-	211	-	211
Current portion of Long term debt	-	-	54,846	54,846
Total Current Liabilities	675,082	1,590,070	85,732	2,350,884
Noncurrent liabilities:				
Long-term debt	-	-	828,060	828,060
Bonds payable	-	60,095,000	-	60,095,000
Deferred revenue net of accumulated amortization	280,790	-	966,436	1,247,226
Due to other funds - long term	-	-	3,285,535	3,285,535
Deferred loss on early extinguishment of Debt	-	(119,043)	-	(119,043)
Total Noncurrent Liabilities	280,790	59,975,957	5,080,031	65,336,779
Total Liabilities	955,872	61,566,028	5,165,763	67,687,662
Net Assets				
Invested in capital assets	143,677	-	1,558	145,236
Restricted	-	1,343,571	20,961,632	32,306,912
Unrestricted	31,679,156	-	24,445,886	56,125,042
Total Net Assets	31,822,833	1,343,571	45,409,076	88,577,189

ILLINOIS FINANCE AUTHORITY
Consolidated - Actual to Budget
Statement of Activities
for Period Ending August 31, 2006

	Actual August 2006	Budget August 2006	Current Month Actual vs. Budget Variance	Current % Variance	Actual YTD FY 2007	Budget YTD FY 2007	Year to Date Actual vs. Budget Variance	YTD % Variance	Explanations
REVENUE									
INTEREST ON LOANS	319,247	295,948	23,298	7.87%	584,386	591,888	(7,502)	(1.27%)	
INVESTMENT INTEREST & GAIN(LOSS)	188,467	177,171	21,286	12.02%	385,748	354,342	31,407	8.86%	
ADMINISTRATIONS & APPLICATION FEES	601,646	666,350	(64,805)	(9.73%)	1,097,211	963,700	133,511	13.85%	
ANNUAL ISSUANCE & LOAN FEES	90,683	230,000	(139,317)	(60.57%)	176,605	315,000	(138,395)	(43.93%)	
OTHER INCOME:	36,176	39,653	(2,378)	(6.17%)	47,089	77,106	(30,007)	(38.92%)	
TOTAL REVENUE:	1,248,118	1,408,023	(161,905)	(11.50%)	2,291,058	2,302,046	(10,988)	(0.48%)	
EXPENSES									
EMPLOYEE RELATED EXPENSES									
COMPENSATION & TAXES	281,101	249,045	32,056	12.87%	508,234	498,089	10,145	2.04%	
BENEFITS	34,992	28,500	6,492	22.78%	57,286	56,989	287	0.50%	
TEMPORARY HELP	4,398	8,494	(4,095)	(48.22%)	8,185	8,494	(309)	(3.63%)	
EDUCATION & DEVELOPMENT	4,200	-	4,200	#DIV/0!	4,537	-	4,537	#DIV/0!	
TRAVEL & AUTO	16,592	11,000	5,592	50.83%	23,928	22,000	1,928	8.75%	
TOTAL EMPLOYEE RELATED EXPENSES	341,283	287,039	44,244	14.90%	602,168	585,582	16,586	2.83%	
PROFESSIONAL SERVICES									
CONSULTING, LEGAL & ADMIN	220,874	61,335	159,539	330.25%	285,264	102,870	182,594	177.85%	
LOAN EXPENSE & BANK FEE	223,867	223,897	(30)	(0.01%)	448,146	447,794	352	0.08%	
ACCOUNTING & AUDITING	148,733	31,391	117,342	373.81%	176,320	62,783	113,537	180.84%	
MARKETING GENERAL	3,872	20,833	(16,961)	(81.41%)	7,465	41,666	(34,171)	(82.01%)	
FINANCIAL ADVISORY	31,628	29,167	2,469	8.45%	61,192	56,333	4,859	8.62%	
CONFERENCE/TRAINING	940	2,700	(1,760)	(65.19%)	4,400	4,400	-	0.00%	
MISCELLANEOUS PROFESSIONAL SERVICES	9,375	27,750	(18,375)	(66.22%)	11,133	33,000	(21,868)	(66.27%)	
DATA PROCESSING	1,362	3,200	(1,838)	(57.44%)	2,564	6,400	(3,836)	(59.94%)	
TOTAL PROFESSIONAL SERVICES	640,648	390,273	250,376	64.15%	983,603	757,048	226,557	31.25%	
OCCUPANCY COSTS									
OFFICE RENT	28,338	28,708	(371)	(1.39%)	50,019	53,418	(3,399)	(6.36%)	
EQUIPMENT RENTAL AND PURCHASES	1,725	3,750	(2,025)	(54.01%)	5,215	7,600	(2,385)	(30.47%)	
TELECOMMUNICATIONS	3,666	5,687	(2,001)	(35.31%)	8,709	11,334	(2,625)	(23.16%)	
UTILITIES	881	750	131	17.42%	1,522	1,500	22	1.47%	
DEPRECIATION	3,788	4,750	(962)	(20.24%)	7,572	9,500	(1,928)	(20.30%)	
INSURANCE	1,151	1,167	(16)	(1.36%)	2,302	2,334	(32)	(1.36%)	
TOTAL OCCUPANCY COSTS	37,549	42,793	(5,244)	(12.25%)	76,339	85,688	(9,349)	(11.97%)	
GENERAL & ADMINISTRATION									
OFFICE SUPPLIES	7,391	7,833	(442)	(5.65%)	13,171	15,686	(2,485)	(15.93%)	
BOARD MEETING - EXPENSES	3,862	2,687	1,215	45.55%	7,619	5,334	2,285	42.84%	
PRINTING	-	1,187	(1,187)	(100.00%)	1,174	2,334	(1,180)	(49.71%)	
POSTAGE & FREIGHT	2,493	2,917	(424)	(14.52%)	4,938	5,834	(898)	(15.40%)	
MEMBERSHIP, DUES & CONTRIBUTIONS	3,004	2,878	128	4.50%	3,888	6,750	(2,864)	(42.44%)	
PUBLICATIONS	70	187	(97)	(57.98%)	5,479	334	5,145	1,540.30%	
OFFICERS & DIRECTORS INSURANCE	13,500	13,500	-	0.00%	27,000	27,000	-	0.00%	
MISCELLANEOUS	-	187	(187)	(100.00%)	-	334	(334)	(100.00%)	
TOTAL GENERAL & ADMINISTRATION EXPENSES	30,340	31,293	(953)	(3.05%)	63,274	62,588	688	1.10%	
LOAN LOSS PROVISION									
LOAN LOSS PROVISION	25,000	25,000	-	0.00%	50,000	50,000	-	0.00%	
OTHER									
INTEREST EXPENSE	739	717	19	2.62%	1,472	1,434	38	2.62%	
TOTAL OTHER	739	717	19	2.62%	1,472	1,434	38	2.62%	
TOTAL EXPENSES	1,075,656	787,114	288,442	38.66%	1,785,857	1,542,234	243,622	15.80%	
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	170,662	620,909	(450,347)	(72.53%)	505,202	768,811	(264,609)	(33.51%)	
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	22,280	(16,667)	38,947	(233.86%)	22,104	(33,333)	55,437	(166.31%)	
NET INCOME/(LOSS)	192,843	604,242	(411,400)	(68.09%)	527,306	735,478	(208,172)	(27.42%)	

ILLINOIS FINANCIAL ACTIVITY
Consolidated
Statement of Activities
Comparison
August 2005 and August 2006

	Actual August 2006	Actual August 2005	Current Month Variance	Current % Variance	Actual FY 2007	Actual YTD FY 2006	Year to Date Variance	YTD % Variance
REVENUE								
INTEREST ON LOANS	318,247	130,012	188,235	145.65%	584,396	197,927	386,469	195.26%
INVESTMENT INTEREST & GAIN(LOSS)	198,487	367,146	(168,679)	(45.94%)	385,749	326,104	59,644	18.29%
ADMINISTRATIONS & APPLICATION FEES	601,545	551,767	68,778	13.12%	1,097,211	745,619	351,591	47.15%
ANNUAL ISSUANCE & LOAN FEES	90,683	127,705	(37,022)	(28.99%)	178,605	236,565	(58,960)	(25.35%)
OTHER INCOME	36,178	12,814	23,361	186.79%	47,099	3,824,596	(3,777,498)	(98.77%)
TOTAL REVENUE	1,248,118	1,169,244	78,874	6.87%	2,291,059	5,330,912	(3,039,753)	(57.02%)
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	281,101	233,615	47,485	20.33%	508,234	489,282	21,951	4.51%
BENEFITS	34,992	19,127	15,865	82.94%	57,266	46,643	10,643	22.82%
TEMPORARY HELP	4,399	8,409	(4,011)	(47.69%)	8,185	12,637	(4,452)	(35.23%)
EDUCATION & DEVELOPMENT	4,200	5,450	(1,250)	(22.94%)	4,537	5,450	(813)	(16.74%)
TRAVEL & AUTO	16,592	7,525	9,066	120.46%	23,926	11,890	12,236	104.67%
TOTAL EMPLOYEE RELATED EXPENSES	341,283	274,127	67,156	24.50%	602,168	562,703	39,465	7.01%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	220,874	43,740	177,133	404.97%	285,264	80,840	204,424	252.87%
LOAN EXPENSE & BANK FEE	223,867	1,143,720	(919,853)	(80.43%)	448,146	184,796	263,350	142.51%
ACCOUNTING & AUDITING	148,733	38,784	111,949	304.34%	176,320	70,207	108,113	151.14%
MARKETING GENERAL	3,872	1,825	2,047	138.23%	7,495	4,078	3,417	83.79%
FINANCIAL ADVISORY	31,626	8,000	23,626	296.33%	61,192	16,000	45,192	282.45%
CONFERENCE/TRAINING	940	2,085	(1,125)	(54.48%)	1,480	2,085	(675)	(27.85%)
MISCELLANEOUS PROFESSIONAL SERVICES	9,375	-	9,375	#DIV/0!	11,133	-	11,133	#DIV/0!
DATA PROCESSING	1,382	2,573	(1,211)	(47.07%)	2,584	4,154	(1,590)	(38.28%)
TOTAL PROFESSIONAL SERVICES	640,848	1,238,607	(597,859)	(48.27%)	993,803	362,140	631,463	174.37%
OCCUPANCY COSTS								
OFFICE RENT	26,338	15,433	10,905	70.66%	50,019	30,866	19,153	62.05%
EQUIPMENT RENTAL AND PURCHASES	1,725	946	779	82.38%	6,215	2,819	2,396	85.02%
TELECOMMUNICATIONS	3,668	2,938	728	24.79%	8,709	7,262	1,447	19.92%
UTILITIES	881	627	253	40.36%	1,522	1,265	257	20.31%
DEPRECIATION	3,788	1,858	1,931	103.93%	7,572	3,655	3,916	107.13%
INSURANCE	1,151	630	521	82.74%	2,302	1,366	937	68.69%
TOTAL OCCUPANCY COSTS	37,549	22,432	15,117	67.39%	75,339	47,233	28,106	59.51%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	7,391	5,290	2,101	39.71%	13,171	12,451	720	5.78%
BOARD MEETING - EXPENSES	3,882	2,068	1,816	87.89%	7,619	4,559	3,060	67.11%
PRINTING	-	-	-	#DIV/0!	1,174	-	1,174	#DIV/0!
POSTAGE & FREIGHT	2,493	3,517	(1,024)	(29.11%)	4,638	6,233	(2,997)	(5.68%)
MEMBERSHIP, DUES & CONTRIBUTIONS	3,004	360	2,646	735.47%	3,898	2,378	1,518	63.80%
PUBLICATIONS	70	213	(143)	(67.13%)	5,479	230	5,249	2,282.73%
OFFICERS & DIRECTORS INSURANCE	13,600	8,689	4,911	56.51%	27,000	17,368	9,632	55.19%
TOTAL GENERAL & ADMINISTRATION EXPENSES	30,340	19,789	10,551	53.32%	63,274	42,249	21,025	49.76%
LOAN LOSS PROVISION	25,000	25,000	-	0.00%	50,000	50,000	-	0.00%
OTHER								
INTEREST EXPENSE	736	781	(45)	(5.80%)	1,472	1,662	(91)	(5.80%)
TOTAL OTHER	736	781	(45)	(5.80%)	1,472	1,662	(91)	(5.80%)
TOTAL EXPENSES	1,075,558	1,580,635	(505,080)	(31.95%)	1,785,857	1,065,887	719,970	67.55%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	170,563	(411,391)	581,954	(141.46%)	505,202	4,264,924	(3,759,722)	(88.15%)
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	22,280	(21,397)	43,678	(204.13%)	22,104	(21,397)	43,501	(203.30%)
NET INCOME/(LOSS)	192,843	(432,789)	625,632	(144.56%)	527,306	4,243,527	(3,716,221)	(87.57%)

IFA Aging Report - Loans
August 31, 2006

Client#	Client Name	Date of Closing	P.A	Payment 8/31/2006	Original Loan Amt	1 - 30 days	31 - 60 days	61 - 90 days	Past Due 91-180 days	181-days - 1 Year	Over 1 Year	Loan Balance 7/31/2006
PARTICIPATION LOANS												
9580-PL	Act Bending & Steel Company, Inc.	4/3/2001		Past Due	300,000						143,238	143,238
	Adam & Jacqueline Anderson	8/4/2006	Reed	New Loan	118,475							118,475
9878-PL	Alexis Fire Equipment	3/4/2004	Senica	Yes	247,611							247,611
	American Allied Freight Car Co. Inc.	3/23/2005	Senica	Yes	246,788							246,788
9830-PL	Arnold, Michael & Sandy	7/15/2003	Senica	Yes	147,407							147,407
9677-PL	Berry, Todd (Precision Laser)	11/5/2001	Senica	Yes	188,613							188,613
2110-PL	Bob Brady Dodge, Inc. (J & C Investment)	1/4/2000	Senica	Yes	300,000							300,000
9757-PL	Brahtler, Richard W.	4/30/2002	Senica	Yes	287,582	2,200						287,582
	Bramm, Karen	3/22/2005	Reed	Annual Payment	847,739							847,739
1943-PL	Bushert, Forrest D.	8/10/1998	Senica	Yes	240,000							240,000
1881-PL	Caywood's Youth Center, Inc.	8/18/1998	Pigg	Yes	237,500							237,500
9792-PL	Chapman, Marc (Quality Water Sev. Inc)	10/25/2002	Senica	Yes	227,387							227,387
9817-PL	Centurion Investments	11/4/2003	Pigg	Yes	300,000							300,000
	Community Memorial Hospital Association	4/19/2006	Senica	Yes	389,000							389,000
9588-PL	Cushing, Steve & Ed	5/21/2001	Senica	Yes	149,238							149,238
	DayOne Network	7/14/2006	Trout	New Loan	487,500	3,328						487,500
	Defi Star Corporation	1/10/2005	Pigg	Yes	150,000							150,000
	Doreen's Pizza Inc.	4/27/2006	Curtis-Martin	No	69,289							69,289
	Doreen's Pizza Inc.	4/27/2006	Curtis-Martin	Yes	285,384							285,384
	DVA Development, LLC	6/30/2006	Senica	Yes	500,000							500,000
	Earl & Sue Hesterberg	10/25/2005	Bitner	Annual Payment	103,500							103,500
9835-PL	Eagle Theater Corporation	9/8/2003	Trout/Albright	Yes	285,071							285,071
	Excel Crusher Technologies	4/19/2005	Senica	Yes	1,000,000							1,000,000
9793-PL	Excel Foundry	3/27/2003	Senica	Yes	237,112							237,112
	Excel Foundry	5/24/2005	Senica	Yes	782,562							782,562
	Excel Foundry	4/20/2006	Senica	Yes	926,349							926,349
	Robert and Phyllis Fleming	4/20/2006	Reed	Yes	62,500							62,500
	Flower Properties, LLC	3/2/2006	Senica	Yes	300,000							300,000
	Fresport Area Economic Development	3/13/2006	Frampton	Yes	211,905							211,905
	GPW Manufacturing Inc.	4/4/2006	Curtis-Martin	Yes	208,188							208,188
	Jeffrey J. Gutzwiler	12/8/2005	Senica	Yes	222,915							222,915
	Jeffrey Stark & Michael Haag	1/25/2006	Reed	Quarterly Pymnt/	222,915							222,915
	Jay and Colleen Baxter	6/30/2006	Senica	New Loan	101,842							101,842
	James and Justin Beard	6/30/2006	Senica	New Loan	78,441							78,441
	Ray and Loretta Aden	12/29/2005	Reed	Annual Payment	150,000							150,000
1904-PL	Hagel & Leong (2nd loan)	2/8/2002	Senica	Yes	100,817							100,817
	K.K. Stevens Publishing co.	8/3/2006	Senica	New Loan	700,000							700,000
9726-PL	Kevin Krosse	2/15/2002	Senica	Yes	114,084							114,084
9783-PL	Keyser, David (Klean Wash, Inc.)	8/13/2002	Senica	Yes	100,000							100,000
	Kenneth & Virginia Lassater	9/14/2005	Reed	Annual Payment	443,594							443,594
	Kophamer Grain	11/14/2005	Bitner	Quarterly Pymnt/	241,000							241,000
	Lehman, Phillip	8/17/2006	Mitchell	New Loan	205,000							205,000
1907-PL	Lincoln Tool Company	6/12/1997	Senica	Yes	150,000						101,053	150,000
	Madonna L. Morell	2/15/2006	Reed	Annual Payment	200,000							200,000
	Macon Metal Products	6/14/2006	Senica	New Loan / Pymnt Yes	87,962							87,962
	Mark & Sara Lefler	3/1/2006	Reed	Yes	120,000							120,000
	Martin & Rebecca Koster	7/27/2005	Reed	Quarterly Pymnt	200,000							200,000
1927-PL	Moerchen, William J.	6/12/1997	Pigg	Yes	300,000							300,000
	Network Innovations, Inc.	2/17/2005	Curtis-Martin	Yes	520,000							520,000
	Newline Harwoods, Inc.	11/4/2004	Senica	Yes	294,601							294,601
	Octochem	12/31/2003	Pigg	No	281,538							281,538
	P & P Press	1/24/2006	Senica	Yes	642,008							642,008
	Perkins & Perkins Ltd. Partnership	8/23/2005	Senica	Yes	165,181							165,181
	Roesch, Inc	9/23/2004	Pigg	Yes	294,388							294,388
	Darrel Runge	3/7/2006	Reed	Annual Payment	236,000							236,000
	Rutger, Alan & Kimberly	2/10/2006	Reed	Annual Payment	322,000							322,000
9781-PL	S & B Investments	2/18/2003	Pigg/Trout	Yes	187,889							187,889
9699-PL	Shuts Machine	11/29/2002	Pigg	No	234,693	2,700						234,693
9579-PL	Siebenberger, Douglas & Robt. Ewen	5/17/2002	Pigg	Yes	235,689							235,689
9225-PL	Siracusa, Charles & Sharon	3/23/2000	Frampton	Yes	300,000							300,000
1869-PL	Specialty Machine & Tool, Inc.	4/2/1997	Cochran	Past due	87,173						71,943	87,173
	Spaulding Composites, Inc	3/23/2005	Curtis-Martin	Yes	622,508							622,508
	Soylutions	6/8/2006	Pigg/Trout	Yes	800,000							800,000
	Steve Birch	8/23/2006	Reed	Annual Payment	128,760							128,760
	Sunrise AG Service Company	8/18/2006	Reed	New Loan	1,000,000							1,000,000
	Transfer Co.	8/1/2006	Senica	New Loan	81,527							81,527
	TRH Properties	7/24/2006	Senica	New Loan	285,000							285,000
9671-PL	Upchurch Oil & Ready Mix Concrete	5/4/2001	Pigg	Yes	300,000							300,000
	Uresil	12/1/2004	Curtis-Martin	Yes	300,000							300,000
	Yee Properties South, LLC	6/30/2006	Curtis-Martin	Yes	997,524							997,524
9631-PL	The Weisiger Family Trust	4/6/2001	Senica	Yes	250,000							250,000
2164-PL	Wiegand, Beth A.	6/10/1999	Senica	Yes	183,484							183,484
	Roy Wiegand	1/5/2006	Reed	Yes	172,600							172,600
9782-PL	Wilson, Michael L. Sr.	12/8/2002	Senica	No Past due	286,032						289,811	286,032
	WorkSaver Inc	12/31/2003	Pigg	Yes	112,500							112,500
9672-PL	Young, Clinton (Precision Pattern)	8/1/2001	Senica	Interest Payment only	149,601							149,601
PL-Motion Picture Financing												
9733-PL/MPPF	Big Picture Chicago, LLC	2/20/2002			82,500						16,432	82,500
9739-PL/MPPF	SMS Productions	7/29/2002	Trout		49,270							49,270
	TOTAL				24,183,444	8,228					602,474	20,009,473
<i>PL/MPPF Late amounts are estimates.</i>												
DL Loans												
98	Roe Machine Co.	12/31/1980	Pigg	Paid off 3/31/06	45,000							45,000
147D	T.K.G. Inc.	8/28/1994	Pigg	Past due	179,000						107,808	179,000
	TOTAL				224,000						107,808	224,000
FMHA Loans												
9627	Grayson Hill Energy, LLC	1/31/2001	Pigg	Yes	130,000							130,000
1952	Sublette Developers, Inc.	1/15/1998	Albright	NO	150,000	1,110	1,110					150,000
9643	Ultra Play Systems, Inc.	5/3/2001	Pigg	NO	90,000	1,315						90,000
	Dere's BBQ	12/1/2005	Pigg	Yes	108,698	114						108,698
	TOTAL				678,698	2,539	1,110					302,148
Municipalities												
	Beach Park Community Consolidated School	3/14/2006	Myers	Paid in full	1,500,000							1,500,000
	Austin Township	3/1/2005	Myers	No pymnt due	85,000							85,000
	Village of Montrose	5/10/2006	Watson	No pymnt due	72,750							72,750
	TOTAL											149,250
	Illinois Facilities Fund	2/10/2000		No pymnt due	1,000,000							1,000,000
	TOTAL				1,000,000							1,000,000
	GRAND TOTAL					10,767	1,110				710,262	21,568,680

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

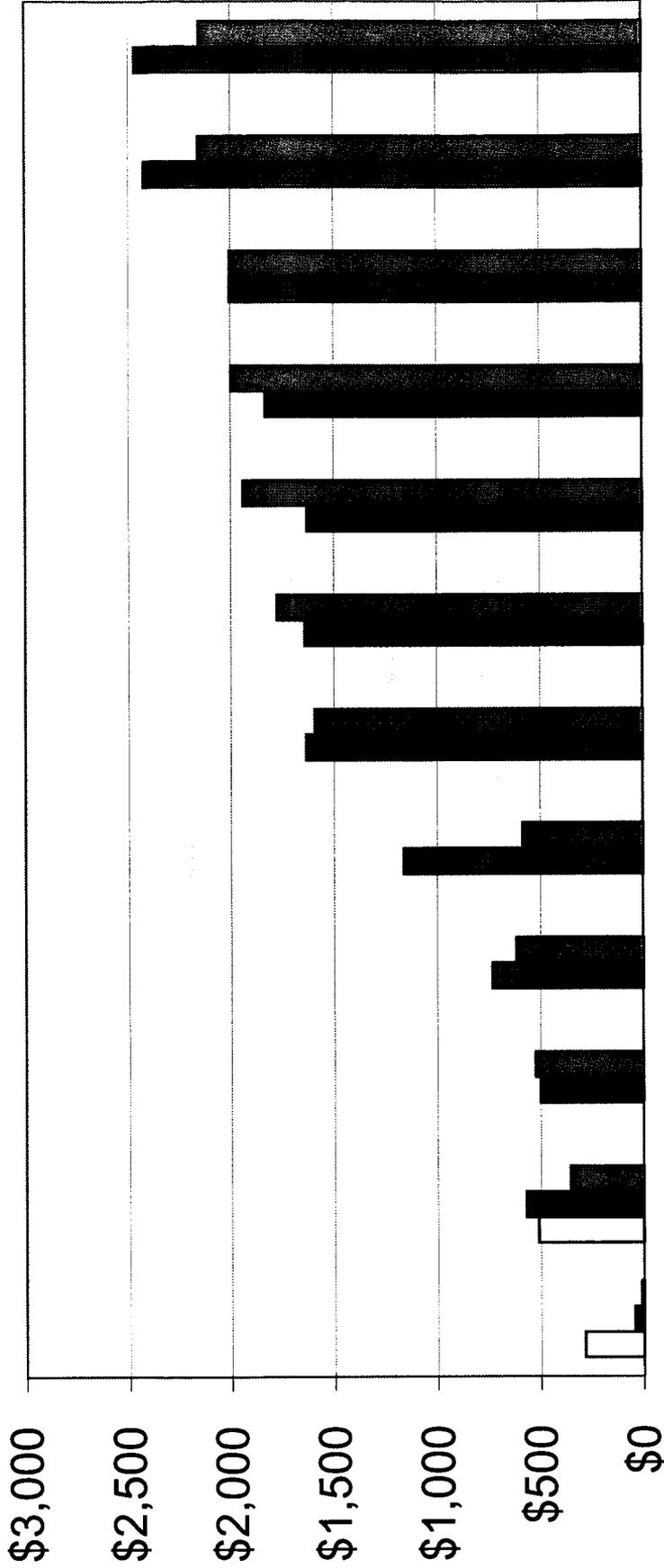
Total Number of 14

Item Number	Description	Status Action Items/ Action Items Completed	Percentage Completed
FY 04 Findings			
05-03	Failure to Monitor Bond Compliance	5/8	62.5%
05-04	Non Compliance with Illinois Procurement Code and SAMS	2/3	66.7%
05-05	Voucher Processing Controls Need to be Improved	Complete	100%
FY 05 Findings			
05-01	Noncompliance with the State Officers and Employees Money Disposition ACT	Complete	100%
05-02	Noncompliance with the Personnel Code	Under Review	0%
05-06	Untimely Submission of Qrtly State Property Reports	Complete	100%
05-07	Untimely Submission of Receipt Deposits Transmittals	Complete	100%
05-08	Noncompliance with Printing Requirements of Procurement Code	Complete	100%
05-09	Lack of Interest Rate Risk and Credit Risk Policy	Complete	100%

1
2
6

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

Cumulative Net Income Non-Appropriated



(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 August 8, 2006 at the Plaza Club, One Prudential Plaza, 130 E. Randolph Street, 40th floor, Chicago, Illinois:

Members present:

David C. Gustman, Chairman
Madga M. Boyles
Michael W. Goetz
Edward H. Leonard, Sr.
Terrence M. O'Brien
Andrew W. Rice
Lynn F. Talbott
Joseph P. Valenti
Bradley A. Zeller

Members absent:

Ronald E. DeNard
Demetris A. Giannoulas
Dr. Roger D. Herrin
Martin H. Nesbitt
Juan B. Rivera

**Members participating by
telephone:**

James J. Fuentes

GENERAL BUSINESS

Call to Order and Roll Call

Chairman Gustman called the meeting to order at 11:37 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 (9) members physically present and one (1) member present by telephone, Ms. Burgess Jones declared a quorum present.

Interim Executive Director's Report

Chairman Gustman welcomed everyone present and asked Interim Executive Director Rendleman to give her report. Interim Executive Director Rendleman announced that this month the IFA will present projects totaling over \$1 billion in projects across all of IFA's market segments. Ms. Rendleman also announced that SB1625, which increases IFA bonding authority for bonds outstanding from \$24 billion to \$25.2 billion, was signed by Governor Blagojevich on August 1, 2006. Ms. Rendleman also introduced certain members of the IFA staff as well as outside consultants to the IFA and thanked them for their continued support and assistance to the IFA. Director Rendleman announced that there would be 17 projects presented to the Board for approval at the meeting.

Acceptance of Financial Statements

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

Minutes

Chairman Gustman asked Carla Burgess Jones, Secretary to take a roll call vote for approval of the minutes of the July 11, 2006 meeting of the Board. Minutes of the July 11, 2006 were approved with 10 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 in detail at the 8:30 a.m. meeting of the Committee of the Whole of the Board. Director Rendleman presented the following projects to the Board for approval:

No. 1: A-GX-TX-GT-6163 – Gary L and Patricia R. Munson

Request for final approval of the issuance of a Restructuring Agri Debt Guaranty in an amount not-to-exceed \$197,000 to extend a prior guaranty loan. (06-08-01).

No. 3: A-AI-GT-6162 – Applewood Farms LLC

Request for final approval of the issuance of an Agri-Industry Guaranty in an amount not-to-exceed \$1,649,330 to provide financing to purchase breeding stock for a swine production facility. This project is expected to create 22 new jobs and 5 construction jobs. (06-08-03).

No. 4: A-LL-TX-6168 – Steven and Michael Schmidt (Central Illinois Ag., Inc.)

Request for final approval of the issuance of a Participation Loan in an amount not-to-exceed \$250,000 to finance the acquisition and refurbishment of a commercial building. This project is expected to create 4 new jobs and 6 construction jobs. (06-08-04).

No. 5: B-LL-TX-6164 – Jeffrey Landscaping & Outdoor Products, Inc.

Request for final approval of the issuance of a Rural Development Loan in an amount not-to-exceed \$85,000 to provide permanent financing for the acquisition of a commercial lot, renovate an existing office building and installation of a greenhouse. This project is expected to create 7 new jobs. (06-08-05).

No. 2: A-AI-TX-GT-6120 – Biofuels Company of America, LLC

Request for final approval of the issuance of an Agri-Industry Guaranty in an amount not-to-exceed \$15,000,000 to finance construction of a biodiesel plant. This project is expected to create 15 new jobs and 90 construction jobs. (06-08-02).

Chairman Gustman asked if there were any guests attending the meeting with respect to project No. 2. Steven Trout introduced Marke Burke, President, Biofuels and John May, Stern Brothers. Mr. Burke gave a brief overview of the project and, John May thanked board members and staff for the opportunity to present the project for approval.

Chairman Gustman asked if the Board had any questions with respect to project Nos. 1 through 5. There being none, Chairman Gustman asked Carla Burgess Jones, Secretary to take a roll call vote. Project Nos. 1 through 5 were approved with 10 ayes, 0 nays, and 0 abstentions.

No. 6: H-HO-TE-CD-6165 – Midwest Regional Medical Center (aka Galena Stauss Hospital)

Request for preliminary approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$50,000,000 to fund construction of a replacement hospital, reimburse prior capital expenditures, refinance debt, fund a debt service reserve, fund capitalized interest and pay issuance costs. This project is expected to create 18 new jobs and 140 construction jobs. (06-08-06).

Chairman Gustman asked if there were any guests attending the meeting with respect to project No. 6. Dana Sodikoff introduced Jeff Hill, CEO, Galena-Stauss Hospital. Mr. Hill gave a brief overview of the project. Chairman Gustman commented on the success of the Center's financial turnaround.

No. 7: H-LL-TX-6167 – St. Margaret's Hospital

Request for final approval of the issuance of a Participation Loan in an amount not-to-exceed \$500,000 to finance the acquisition of new medical equipment for the hospital. (06-08-07).

Chairman Gustman asked if the Board had any questions with respect to project Nos. 6 and 7. There being none, Chairman Gustman requested leave to record the last unanimous vote in favor of the projects. Leave was granted. The projects were approved with 10 ayes, 0 nays, and 0 abstentions.

No. 8: N-NP-TE-6166 – Quad County Urban League

Request for preliminary approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$5,190,000 to finance the expansion and rehab of a commercial building for use as a vocational and educational training center. This project is expected to create 4.5 new jobs and 125 construction jobs. (06-08-08)

No. 10: N-NP-TE-CD-6067 – Presbyterian Home

Request for final approval of the issuance of 501(c)3 Refunding Revenue Bonds in an amount not-to-exceed \$30,000,000 to refund a previous bond issuance and pay certain issuance costs. (06-08-10)

Chairman Gustman asked if the Board had any questions with respect to project Nos. 8 and 10. There being none, Chairman Gustman requested leave to record the last unanimous vote in favor of the project. Leave was granted. The projects were approved with 10 ayes, 0 nays, and 0 abstentions.

No. 9: N-NP-TE-CD-6143 – North American Spine Society

Request for preliminary approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed \$12,500,000 to finance the acquisition and construction of a new facility and pay issuance costs. This project is expected to create 20 new jobs and 60 construction jobs. (06-08-09)

Chairman Gustman asked if there were any guests attending the meeting with respect to project No. 9. Sharnell Curtis-Martin introduced Eric Muehlbauer, Executive Director, North American Spine Society. Mr. Muehlbauer gave a brief overview of the project.

Chairman Gustman requested a roll call vote to approve project No. 9. The project was approved with 9 ayes, 0 nays, and 1 abstention (Gustman). Chairman Gustman abstained from voting on the project because his law firm represents the North American Spine Society from time to time.

No. 11: B-LL-TX-6169 – TRH Properties, LLC

Request for final approval of the issuance of a Participation Loan in an amount not-to-exceed \$100,000 to finance the acquisition of land and an industrial building. This project is expected to create 10 new jobs. (06-08-11).

No. 12: V-TD-6170 – River Glass Inc.

Request for final approval of a Venture Capital investment in an amount not-to-exceed \$300,000. Proceeds from the preferred stock offering will be used to retire certain bridge loans advanced by existing investors, and provide funds for research and development, marketing, sales and product certification (06-08-12).

Chairman Gustman asked if the Board had any questions with respect to project Nos. 11 and 12. There being none, Chairman Gustman requested a roll call vote to approve project Nos. 11 and 12. The projects were approved with 10 ayes, 0 nays, and 0 abstentions.

No. 13: I-FT-TE-CD-6160 – Ridge Property Services II, LLC and its successors, affiliates and assigns

Request for preliminary approval of the issuance of Freight Transfer Facilities Revenue Bonds in an amount not-to-exceed \$591,000,000 for the purpose of acquiring land, construction of rail improvements, and the construction of all or a portion of an estimated 30 warehouse and distribution facilities and related infrastructure. This project is expected to create 1,007 new jobs after completion of Phase I and an additional 2,000 new jobs after Phase II, and 500 construction jobs (average over 5 years). (06-08-13).

Chairman Gustman asked if there were any guests attending the meeting with respect to project No. 13. Rich Frampton introduced Jim Martell, Chairman & CEO, Kyle Schumacher, and other principals of Ridge Property Services II, LLC. Mr. Martell provided a brief overview of the project. Chairman Gustman asked when Ridge Property Services would be meeting with the U.S. Department of Transportation and Illinois Department of Transportation. Mr. Martell answered the questions. There being no other questions, Mr. Gustman requested leave to apply the last unanimous vote in favor of Project No. 13. The Project was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 14: P-PO-TE-CD-6150 – Ameren Energy Generating Company

Request for preliminary approval of the issuance of Tax Exempt Solid Waste Disposal Revenue Bonds in an amount not-to-exceed \$200,000,000 to finance solid waste disposal facilities in unincorporated Montgomery County. This project is expected to create 75-100 constructions jobs. (06-08-14).

No. 15: P-PO-TE-CD-6151 – Ameren Energy Resources Generating Company

Request preliminary approval of the issuance of Tax Exempt Solid Waste Disposal Revenue Bonds in an amount not-to-exceed \$100,000,000 to finance solid waste disposal facilities in unincorporated Fulton County. This project is expected to create 50-75 constructions jobs. (06-08-15).

Chairman Gustman asked if there were any guests attending the meeting with respect to project Nos. 14 and 15. Rich Frampton introduced Michael Bryan of Ameren Energy. Mr. Bryan provided an overview of the projects (Nos. 14 and 15).

Chairman Gustman requested leave to record the last unanimous vote in favor of project nos. 14 and 15. Leave was granted. The projects were approved with 10 ayes, 0 nays, and 0 abstentions.

No. 16: E-PC-TE-CD-6161 – Hebrew Theological College

Request preliminary approval of the issuance of 501(c)3 Bonds to finance construction, acquisition and renovation of buildings for student residence facilities in an amount not-to-exceed \$11,400,000. This project is expected to create 6 new jobs and 30-40 construction jobs for up to 12 months. (06-08-16).

Chairman Gustman asked if there were any guests attending the meeting with respect to this project. Townsend Albright introduced principals of Hebrew Theological College who provided an overview of the project.

No.17: E-PC-TE-CD-6144 – CHF-DeKalb, LLC

Request preliminary approval of the issuance of 501(c)3 Student Housing Revenue Bonds in an amount not-to-exceed \$19,000,000 for the purpose of financing construction of an on-campus, apartment style student housing facility targeted to married and graduate students of Northern Illinois University. This project is expected to create 2 new jobs and 30 construction jobs over 11 months. (06-08-17).

Chairman Gustman asked if there were any guests attending the meeting with respect to project No. 17. Rich Frampton introduced Heidi Jeffrey, Bond Counsel, Foley & Lardner. Ms. Jeffrey thanked the board for the opportunity to present this project for approval.

Chairman Gustman requested leave to record the last unanimous vote in favor of project Nos. 16 and 17. Leave was granted. The projects were approved with 10 ayes, 0 nays, and 0 abstentions

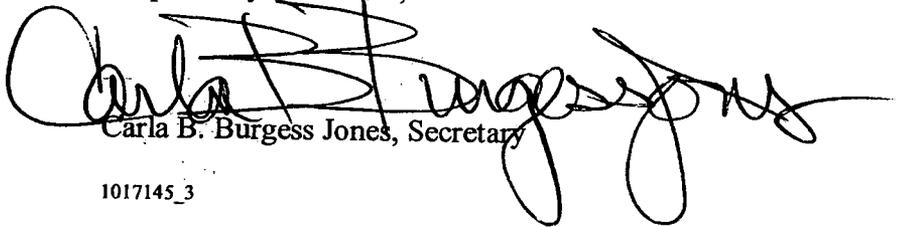
Resolutions/Project Revisions/Amendatory Resolutions

- No. 18:** Resolution authorizing amendment to the Guidelines of the Illinois State Guaranty Programs of the Illinois Finance Authority, as successor to the Illinois Farm Development Authority. (06-08-06).
- No. 19:** **Ex-Tech Plastics Inc. (#B-LL-TX-708).**
Request to extend until December 6, 2006 IFA's commitment to make a participation loan for Ex-Tech Plastics, Inc.
- No. 20:** **Fairview Obligated Group.**
Request to approve execution and delivery of a Tax Exemption Agreement and First Supplemental Bond Trust Indenture as necessary to convert and reissue the IFA's Variable Rate Demand Taxable Revenue Refunding Bonds, Series 2004C (Fairview Obligated Group) as tax-exempt bonds.
- No. 21:** **Amendment to Strategic Incentive Plan.** (This matter was approved by the Board at the Committee of the Whole meeting at 8:30 a.m. and, therefore, was not voted on at this meeting).

Chairman Gustman asked if the Board had any questions with respect to Resolutions and/or Amendatory Resolutions Nos. 18-20. There being none. Chairman Gustman requested leave to apply the last unanimous vote in favor of resolutions and/or amendatory resolutions Nos. 18-20. Leave was granted. The resolutions were approved with 10 ayes, 0 nays, and 0 abstentions.

Chairman Gustman asked if there was any other business to come before the Board. There being no further business Chairman Gustman requested a motion to adjourn. Upon a motion by Mr. Goetz and seconded by Mr. Zeller, the meeting adjourned at approximately 12:20 p.m.

Respectfully Submitted,


Carla B. Burgess Jones, Secretary

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**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 12, 2006**

Project: Harold D. and Ruth A. Rauch

STATISTICS

Project Number:	A-DR-GT-6177	Amount:	\$95,000
Type:	Agri-Debt Guarantee Extension	IFA Staff:	Eric Reed
Location:	Newton	SIC Code:	Grain Farm

BOARD ACTION

Approval to initiate an 85% loan guarantee in favor of Peoples State Bank in Newton.
\$80,750 of State Agricultural Risk Reserve Funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

The loan proceeds will be used to refinance an existing real estate mortgage with Peoples Bank. The loan was originally funded in 1986 and guaranteed by the IFDA. The loan is eligible for one remaining 10 year extension under the Agri-Debt Guarantee program.

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	\$80,750	Uses:	Refinance Debt	\$95,000
	Peoples State Bank	<u>\$14,250</u>			
	Total	<u>\$95,000</u>		Total	<u>\$95,000</u>

JOBS

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

BUSINESS SUMMARY

Background: Harold and Ruth Rauch are lifelong farmers, who operate a 720 acre grain farming operation near Newton, IL. The Rauch's also feed approximately 25 head of cattle annually. Prior to 1999, the Rauch's also operated a small hog operation, however they discontinued that enterprise when prices fell and the market consolidated. They have also operated a small bait shop near the CIPS Lake in Newton for the past 25 years to provide them with some off farm income.

Project Rationale: The Rauch's current loan was originated in 1986 with a guarantee from the IFDA. Under the terms of the program, the borrowers are eligible for a 30 year loan term. With the approval of one remaining 10 year extension, the borrowers will be able to refinance their loan with a better interest rate due to the IFA guarantee.

Transaction: The remaining loan balance of \$95,000 will be refinanced for 10 years.

FINANCING SUMMARY

Borrower: Harold D. and Ruth A. Rauch

Security: 1st REM on 240 acres of farmland.

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

PROJECT SUMMARY

The loan proceeds will be used to refinance an existing real estate mortgage with Peoples Bank.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Harold D. and Ruth A. Rauch

Location: 3069 N. 250th Street County: Jasper
Newton, IL 62448

Organization: Sole-Proprietor

State: Illinois

Ownership: Harold D. and Ruth A. Rauch

PROFESSIONAL & FINANCIAL

Accountant: N/A

Attorney: N/A

Bank: Peoples State Bank Newton, IL Brian Bohnhoff, VP

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 12, 2006**

Project: Rodney and Denise Yuskis

STATISTICS

Project Number:	A-DR-TX-GT-6183	Amount:	\$66,000
Type:	Restructuring Ag Debt Guarantee	IFA Staff:	Cory Mitchell
Location:	Warsaw	SIC Code:	Grain

BOARD ACTION

Approval to extend an 85% loan guarantee in favor of Hill-Dodge Banking Company.
\$66,000 of State Treasurer's Agricultural Reserve Risk Funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

Extend prior Agri-Debt guarantee loan in the amount of \$66,000 with IFA (original IFDA) for final 10 years of original 30 year amortization as loan has ballooned.

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	\$56,100	Uses:	Refinance Debt	<u>\$66,000</u>
	Hill-Dodge Banking Co.	<u>\$9,900</u>			
	Total	<u>\$66,000</u>		Total	<u>\$66,000</u>

JOBS

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

BUSINESS SUMMARY

Background: Rodney and Denise Yuskis farm 1180 acres of farm ground primarily consisting of corn and soybeans. Their farming operation is located in Warsaw, IL along the Illinois River in Hancock County. Cash-flow continues to be very tight for the Yuskis's. They continue to work at reducing their debt load and will have this original 30 year note paid off in 2016.

Project

Rationale: Extended loan will be for the renewal of a real estate mortgage for the final 10 years. This loan will adjust annually. Collateral on this loan will be a first mortgage on 90 acres of farm land. This farm is located in Hancock County near Warsaw, IL. This extension will help the Yuskis continue a workable cash flow which has been made possible by the the Agri-Debt Guarantee.

FINANCING SUMMARY

Borrower: Rodney A. and Denise A. Yuskis
Security: 1st REM on 90 acres of raw farm land
Structure: 10 year loan, annual adjustable to 2.5% over the 1-year Treasury Constant Maturity Yield with amortized payments of interest and principal.

PROJECT SUMMARY

Extended loan will be for the renewal of a real estate mortgage for an additional 10 years, adjustable annually. Collateral on this loan will be a first mortgage on 90 acres worth \$310,500 (\$3450/acre). This farm is located near Warsaw, Illinois in Hancock County

ECONOMIC DISCLOSURE STATEMENT

Applicant: Rodney A. and Denise A. Yuskis
Location: 397 N. CR. 480
Warsaw, IL 62379
Organization: Sole-Proprietor
State: Illinois
Ownership: Rodney A. and Denise Yuskis

PROFESSIONAL & FINANCIAL

Accountant: n/a
Attorney: n/a
Bank: Hill-Dodge Banking Company, Warsaw, IL, Gary Uhland, Executive Vice President

LEGISLATIVE DISTRICTS

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

Memorandum

To: IFA Board of Directors
From: Eric Reed & Cory Mitchell/lk
Date: September 12, 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-6171
Funding Manager: Eric Reed
Borrower(s): Benjamin and Angela Goebel
Town: Newton, IL
Amount: \$65,000.00
Use of Funds: Farmland – 20 acres
Purchase Price: \$67,000 /\$3,350 per ac
 %Borrower Equity 3%
 %Other Agency 0%
 %IFA 97%
County: Jasper
Lender/Bond Purchaser: Peoples State Bank, Newton / Brian Bohnhoff
Legislative Districts: Congressional: 19th, John Shimkus
State Senate: 54th, John O Jones
State House: 108th, 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 November 1, 2007. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be November 1, 2007, with the twentieth and final payment of all outstanding balances due on November 1, 2026.

*** Benjamin and Angela Goebel:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.25% variable for the first five years (November 1, 2011) of the loan and remain variable and adjust every five years on November 1st to 2.00% below the Wall Street Journal prime, with a minimum rate of 5.00% and a maximum rate to the customer of 12.99%. **Fee: \$975.00**

Project Number: A-FB-TE-CD-6174
Funding Manager: Eric Reed
Borrower(s): Matthew J. Mizeur
Town: Owaneco, IL
Amount: \$89,250
Use of Funds: Farmland – 31 acres
Purchase Price: \$105,000 /\$3,388 per ac
 %Borrower Equity 15%
 %Other Agency 0%
 %IFA 85%
County: Christian
Lender/Bond Purchaser: First National Bank, Taylorville / Chris Phelps
Legislative Districts: Congressional: 19th, John Shimkus
State Senate: 49th, Deanna Demuzio
State House: 98th, Gary Hannig

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 outstanding balances due on the anniversary date of the close of the loan.

*** Matthew J. Mizeur:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 6.25% variable for the first five years of the loan and remain variable and adjust every five years to 75% of the Wall Street Journal prime rate rounded up to the nearest ¼ %. .50% points will be charge by the lender. **Fee: \$1,338.75**

*** 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-6175
Funding Manager: Cory Mitchell
Borrower(s): Hodel, Douglas & Erin
Town: El Paso, IL
Amount: \$60,000
Use of Funds: Farmland – 13.2 acres
Purchase Price: \$60,720 /\$4,600 per ac
 %Borrower Equity 2%
 %Other Agency 0%
 %IFA 98%
County: Woodford
Lender/Bond Purchaser: Heartland Bank & Trust Co. / Tom Hand
Legislative Districts: Congressional: 19th, John Shimkus
State Senate: 49th, Deanna Demuzio
State House: 98th, Gary Hannig

Principal shall be paid semi annually in installments determined pursuant to a Twenty year amortization schedule, with the first equal principal payment in the amount of \$1,500 to be July 15, 2007. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be July 15, 2007, with the twentieth and final payment of all outstanding balances due on July 15, 2026.

***Douglas & Erin Hodel:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 6.00% variable for the first five years of the loan and remain variable and adjust annually to 1.00% above the one year Treasury index. **Fee: \$900.00**

Project Number: A-FB-TE-CD-6172
Funding Manager: Cory Mitchell
Borrower(s): Webster, Phillip
Town: Peoria, IL
Amount: \$119,700
Use of Funds: Farmland – 35 acres
Purchase Price: \$133,000 /\$3,800 per ac
 %Borrower Equity 10%
 %Other Agency 0%
 %IFA 90%
County: Stark
Lender/Bond Purchaser: State Bank of Toulon / Doug Blunier
Legislative Districts: Congressional: 18th, Ray LaHood
State Senate: 379th, Dale Risinger
State House: 73rd, David Leitch

Principal shall be paid annually in installments determined pursuant to a Twenty five year amortization schedule, with the first principal payment date to be 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 twenty fifth and final payment of all outstanding balances due on the November 1, 2031.

***Phillip Webster:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.25% variable for the first five years of the loan and remain variable and adjust every five years on the payment date to 2.00% below the Wall Street Journal prime rate. **Fee: \$1,795.50**

*** 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-6179
Funding Manager:	Eric Reed
Borrower(s):	Finley, Patrick
Town:	Newton, IL
Amount:	\$86,250
Use of Funds:	Farmland – 70 acres
Purchase Price:	\$172,520 /\$2,465 per ac
%Borrower Equity	0%
%Other Agency/FSA	50%
%IFA	50%
County:	Jasper
Lender/Bond Purchaser	Peoples State Bank / Brian Bohnhoff
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 March 1, 2008. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be March 1, 2008, with the twentieth and final payment of all outstanding balances due on March 1, 2026.

<p>*Patrick Finley: Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.25% variable until March 1, 2012 and adjust every five years thereafter on March 1st to 2.00% below the Wall Street Journal prime, with a minimum rate of 5.00% and a maximum rate to the customer of 12.99%. Lender will charge .25% points. Fee: \$1,293.75</p>

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 12, 2006**

Project: Riverside Medical Center

STATISTICS

Project Number: H-HO-TE-CD-6193	Amount: \$35,000,000 (Not to exceed amount)
Type: Not-for-Profit Bond	IFA Staff: Pamela Lenane
Locations: Kankakee, Bourbonnais	

BOARD ACTION

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

PURPOSE

Bond proceeds will be used to (i) current period refund all or a portion of the Series 1996 Bonds of Riverside Health System ("RHS") and its subsidiaries/affiliates; (ii) fund a debt service reserve fund; (iii) reimburse or fund new capital projects, and (iv) pay bond issuance and related credit enhancement costs.

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 in 2006. On April 20, 2004, the IFA gave its approval for a final bond resolution and on May 24, 2004 Riverside Health System issued \$46,450,000, Series 2004 Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$ 30,000,000	Uses:	New Money	\$11,301,084
	1996 DSRF Release	<u>2,048,150</u>		Refunding Escrow	17,176,800
				Reserve Fund	2,422,500
				Issuance Costs	300,000
				Underwriter's Disc.	150,000
				Bond Insurance	697,766
	Total	<u>\$32,048,150</u>	Total		<u>\$ 32,048,150</u>

JOBS

Current employment: 1521 FTE's	Projected new jobs: N/A
Jobs retained: 1521 FTE's	Construction jobs: N/A

BUSINESS SUMMARY

Background: Riverside Health System ("RHS") is an Illinois not-for-profit corporation, exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

Description: RHS is the parent corporation of a regional health system operating in the far southern portion of the Chicago metropolitan market and headquartered in Kankakee. RHS is the sole corporate member of Riverside Medical Center (“Medical Center”), Oakside Corporation (“Oakside”), Butterfield Service Corporation (“Butterfield”) and Riverside Senior Living Center (“Living Center”). Riverside Medical Center Foundation (the “Foundation”) is a not-for profit organization serving in an agency capacity by holding and managing certain investment assets contributed for the benefit of the Medical Center. RHS, the Medical Center, Oakside, Living Center and the Foundation are Illinois not-for-profit corporations and are organized as described under Section 501(c)(3) of the Internal Revenue Code. Butterfield is an Illinois business corporation.

In 1989, RHS, the Medical Center and Oakside became the initial members of an obligated group (the “Obligated Group”) established under a Master Trust Indenture dated as of December 15, 1989, as amended and supplemented from time to time, among the members of the Obligated Group and JPMorgan Chase Bank, successor to Bank One, National Association, as Master Trustee. Living Center became a member of the Obligated Group in 1990. Butterfield and the Foundation are not members of the Obligated Group.

The Medical Center owns and operates a general acute care hospital in Kankakee, IL, which is licensed for 341 beds, of which 238 beds are currently staffed. In addition to the main hospital facility, the Medical Center operates the Resolve Center in Manteno Illinois, which houses an 18-bed licensed inpatient substance abuse program and associated outpatient services. The Medical Center also operates Riverside Ambulance which provides ambulance service to the Medical Center’s primary service area from four remote locations in Momence, Kankakee, St. Anne and Ashkum. Riverside Ambulance is also responsible for 16 communities through its Emergency Medical Service System. In addition, the Medical Center operates nine community, primary and specialty care clinics located in Kankakee, Bourbonnais, Manteno, Monee, Momence, Hopkins Park, Wilmington, Peotone, and Manhattan. The Medical Center also owns the Atrium Building in Bradley, Illinois which provides medical office space, space for a joint venture single-specialty ambulatory surgery center, and industrial medicine services. Located in Bourbonnais and owned by the Medical Center is the Medical Plaza, a comprehensive ambulatory campus which includes radiation therapy, diagnostic imaging, ambulatory surgery, and physician office space.

Oakside operates the 70,000 square foot Riverside Health Fitness Center located in Bourbonnais, Illinois. Additionally, Oakside operates a community counseling program (three (3) outreach clinics – Kankakee, Wilmington and Olympia Fields), commercial pharmacy, health equipment sales and leasing, home health care and supports the new business activities of other affiliates.

Living Center was incorporated in 1989 and owns and operates a senior living community that includes ninety (90) independent living apartments known as Westwood Oaks, ninety-six (96) assisted living apartments known as Butterfield Court, seventeen (17) ranch style family homes for seniors known as Westwood Estates and an one hundred-twenty (120) bed nursing facility. The senior living community is located directly across from the Medical Center in Kankakee and was constructed in phases beginning in 1990.

There are no activities being operated by Butterfield.

The Foundation raises funds for RHS and its affiliates and supervises the management of the Riverside Foundation Trust, which was established in 1968 by the Medical Center as an irrevocable trust for the investment of gifts, contributions and bequests to the Medical Center.

Service Area: The primary service area is defined as Kankakee County. The secondary service area consists of portions of Will, Iroquois, Ford, Grundy and Livingston Counties. Approximately 31% of the admissions come from Kankakee, 15% from Bourbonnais, 8% from Bradley, 6% from Momence, and 7% from Manteno and 5% from St. Anne with the remainder from the other surrounding communities.

PROJECT SUMMARY

The new money portion of the financing will be used to reimburse the Medical Center for: Health Information Technology improvements including but not limited to digital radiography (PACs), Pharmacy and Lab Systems, ED clinical documentation system; Patient Tower remodel; Emergency Department expansion, Cafeteria remodel; First Floor remodel and equipment replacement.

FINANCING SUMMARY

Security: RHS expects to issue debt secured by a Note issued under its Master Trust Indenture, as amended.

Structure: The current plan of finance contemplates the issuance of "AA" rated weekly auction rate bonds insured by Radian Asset Assurance ("AA" rated) with a floating-to-fixed interest rate swap on that portion of the bonds related to the current period refunding.

Maturity: Not greater than 30 years (existing maturity of the Series 1996 Bonds is 2020).

Ratings: A3/A/NR (underlying)

ECONOMIC DISCLOSURE STATEMENT

Project name: Riverside Health System Refinancing

Locations: Riverside Medical Center, 350 N. Wall Street, Kankakee, IL 60901 and numerous other locations in Kankakee and Will Counties

Applicant: Riverside Health System

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

State: Illinois

Board of Trustees: Connie Ashline, Chairperson
John Bowling, PhD Vice Chairperson
Phillip Kambic, President
Bill Douglas, Treasurer
Lawrence Linman, Secretary
Patricia Hull, Asst. Secretary
Jerald Hoekstra
Harry Bond
Ed Lambert
Christopher Bryant, PHD
Karen Reid
Dr. Ranuka Ramakrishna

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Katten Muchin Rosenman LLP	Chicago	Janet G. Hoffman
Bond Counsel:	Jones Day	Chicago	Michael J. Mitchell
Underwriter:	Goldman, Sachs Inc.	Chicago	Jay B. Sterns
Underwriter's Counsel:	Winston Strawn	Chicago	Kay McNab
Bond Trustee:	TBD	Chicago	
Accountant:	KPMG	Chicago	James Stark
Issuer's Counsel:	Pugh Jones	Chicago	Kim Barker Lee

LEGISLATIVE DISTRICTS

Congressional: 11- Gerald C. "Jerry" Weller

State Senate: 40- Debbie DeFrancesco Halvorson

State House: 79- Lisa M. Dugan
75- Careen Gordon

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 12, 2006**

Project: Sherman Health System

STATISTICS

Project Number: H-HO-TE-CD-6178	Amount: \$100,000,000 (Not to exceed amount)
Type: Not-for-Profit Bond	IFA Staff: Pamela Lenane
Locations: Elgin	

BOARD ACTION

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

PURPOSE

Proceeds will be used to: 1) fund new money projects, 2) fund a debt service reserve fund, 3) fund capitalized interest, 4) pay cost of issuance.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	<u>\$100,000,000</u>	Uses:	New Money	\$99,021,000
				Refunding Escrow	\$0
				Reserve Fund/CAPI	\$0
				Issuance Costs	\$679,000
				Underwriter's Disc.	\$300,000
				Bond Insurance	<u>\$0</u>
	Total	<u>\$100,000,000</u>	Total	<u>\$100,000,000</u>	

JOBS

Current employment: 1,578 FTE's	Projected new jobs: 61 FTE's
Jobs retained: 1,578 FTE's	Construction jobs: 350 jobs

BUSINESS SUMMARY

Background: The Sherman Health System (the "System") is one of the largest networks of healthcare facilities in the far northwest suburbs of Chicago, Illinois. The System offers a comprehensive array of services through Sherman Health Systems (the "Parent Corporation"), Sherman Hospital (the "Hospital"), Sherman West Court (the "Nursing Home"), Sherman Home Health Care Corporation

("Home Care"), Sherman Health Foundation (the "Foundation"), Health Visions Inc. ("Health Visions") and certain joint ventures.

On June 7, 2006, the Illinois Health Facilities Planning Board granted the Parent Corporation and the Hospital a permit (the "Permit") to build a 255-bed replacement hospital in Elgin, Illinois. Provena Health and Provena Hospitals filed suit on July 13, 2006 in the Circuit Court of Cook County, Illinois challenging the Permit. A hearing is scheduled on the challenge for October 25, 2006. The Parent Corporation and the Hospital have applied to the IFA for interim financing for the replacement hospital through the issuance by the Authority of up to \$100,000,000 principal amount of variable rate notes (the "Notes"), the proceeds of which would be loaned to the Parent Corporation and/or the Hospital. The documents securing the Notes will provide for a special redemption of the Notes from unexpended Note proceeds deposited in the project account and from other funds of the Hospital in the event that the litigation challenging the Permit is ultimately successful and the construction of the replacement hospital cannot be completed.

Description: The principal operating corporation in the System is the Hospital, which owns and operates Sherman Hospital in Elgin, Illinois. Sherman hospital is an acute care hospital providing a broad range of inpatient and outpatient services. Sherman Hospital has provided residents of the northwest suburbs of Chicago with healthcare services for over a century.

Service Area: Sherman Hospital and the nursing facility operated by the Nursing Home are located in Elgin, Illinois, approximately 30 miles northwest of Chicago, Illinois. The primary service area includes the cities and surrounding communities of Elgin, South Elgin, Huntley, Algonquin, Lake in the Hills, Dundee, Carpentersville, Bartlett, Streamwood and Crystal Lake. The primary service area ("PSA") accounted for 86% of admissions in 2005. The secondary service area ("SSA"), consisting of surrounding communities in Kane, McHenry, DuPage and Cook Counties, accounted for 14% of admissions in 2005.

PROJECT SUMMARY

The new money portion of the financing will be used to finance: the construction and equipping of a replacement hospital campus, on the property located on the northeast corner of the intersection of Big Timber Road and Randall Road, in Elgin, IL, approximately 4.5 miles from the existing hospital.

FINANCING SUMMARY

Security: The Notes will constitute Parity Obligations of the Sherman Health Obligated Group, secured by a note under Sherman Health's Master Trust Indenture.

Structure: The Notes will be sold initially to a sophisticated investor. Sherman Health Obligated Group currently holds a rating of A+ (S&P)/A2(Moody's). The Notes will be issued in the Index Mode, under a multi-mode supplemental bond indenture that will enable Sherman Health to convert the Notes to other variable rate modes or to a fixed rate, any such conversion subject to not less than 30 days prior notice to the Noteholder and subject to the Mandatory Purchase provision. The Notes will be subject to mandatory purchase by or for the account of Sherman Health on the earlier of:

- (a) the fourth anniversary of the Notes issuance and closing; or
- (b) the effective date of any conversion of the Notes to a variable rate mode other than the Index Mode or to a fixed rate.

At the discretion of Sherman Health, following any such mandatory purchase the Notes may be remarketed to the public market or re-offered to the Noteholder.

Maturity: August 1, 2036

ECONOMIC DISCLOSURE STATEMENT

Project name: Sherman Hospital
Location: 934 Center Street
Elgin, IL 60120
Applicant: Sherman Hospital
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois
Board of Directors: Richard Jakle (Chairman, Sherman Health Systems)
Terry Dunning (Chairman, Sherman Hospital)

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	McGuire Woods LLP	Chicago	Kevin Dougherty
Bond Counsel:	Jones Day	Chicago	Lynn Coe
Financial Advisor	Kaufman Hall	Chicago	Therese Wareham
Underwriter:	Morgan Stanley	Chicago	Bruce Gurley
Underwriter's Counsel:	Sonnenschein Nath & Rosenthal LLP	Chicago	Steve Kite
Bond Trustee:	TBD		
Accountant	McGladrey and Pullen	Chicago	Jim Grigg
Issuer's Counsel:	Office of Kevin Cahill	Chicago	Kevin Cahill

LEGISLATIVE DISTRICTS

Congressional: 14- J. Dennis Hastert
State Senate: 22- Steven J. Rauschenberger
State House: 43- Ruth Munson

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 12, 2006**

Project: Montgomery Place

STATISTICS

Project Number:	H-SL-RE-TE-CD-600	Amount:	\$55,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pamela Lenane
Locations:	Hyde Park		

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) refund approximately \$20,000,000 of outstanding debt related to the corporation 3) fund a portion of the interest payment, including letter of credit and remarketing fees, on the Series 2006 bonds for approximately 24 months, 4) capitalize Debt Service Reserve Funds for the Series 2006 bonds, and 5) pay costs of issuance of associated with the Series 2006 Bonds.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS*

Sources:	IFA bonds	\$39,685,000	Uses:	Refunding	\$20,000,000
				New Money	13,973,000
				Funded Interest	1,626,000
				Reserve Funds	2,863,000
				Issuance Costs	<u>1,629,000</u>
Total		<u>\$39,685,000</u>	Total		<u>\$39,685,000</u>

*Please note that the sources and uses will be updated once the project size and entrance fee receipts are revised.

JOBS

Current employment: 145	Projected new jobs: 0
Jobs retained: 111	Construction jobs: 100

BUSINESS SUMMARY

Montgomery Place owns and operates a retirement community located in the historic Hyde Park neighborhood of Chicago – approximately 6 miles south of the Chicago Loop (downtown). The community currently consists of 160 rental, independent living apartment units and 93 skilled nursing beds in a single, 14-story high-rise building,

which opened in 1990. Montgomery Place was founded in 1987 and is named for Bishop James Montgomery, the well-respected former Episcopal Bishop of Chicago.

The campus overlooks Lake Michigan immediately north of the Museum of Science and Industry and just east of the University of Chicago. The first floor of the building contains administrative spaces and common areas. The second and third floors currently house the nursing facility. The upper floors house the independent living units – most with beautiful views of the Lake.

Affiliated with Montgomery Place is The Church Home, a not-for-profit organization, which operates a ministry of a pastoral care to the elderly and a ministry of pastoral education. It is not obligated for Montgomery Place's existing debt nor would it be obligated for the proposed debts and other future financial obligations.

PROJECT SUMMARY

The 2005 Project consists of four major initiatives and will be completed in the following systematic manner:

1. Independent Living Units – Conversion of 72 ILUs from rental agreement to entrance fee agreement: (January 2005 – May 2006)

Approximately 72 independent living units will be converted to an entrance fee residency agreement from the current rental fee agreement. Under this entrance fee residency agreement, residents will pay a lower monthly service fee and will receive a discount on assisted living and nursing service fees.

The independent living apartments will be renovated prior to the move-in of residents. The renovation will begin upon receiving 10% deposit for a unit selected and will be completed within 3 months after receiving the deposit.

Montgomery Place, through this project, projects an increase in overall occupancy in the independent living units to 90% by January 2007.

2. Assisted Living Units – conversion of some nursing care beds to 22 assisted living units: (Stabilized occupancy of 91% @ December 2006)

The second major renovation is the conversion of the third floor, which contains nursing beds, to a 22-unit assisted living facility.

3. Nursing Care Beds – Reduction from a 93 to a 40-bed nursing center: (June 2005 – December 2006)

The third major renovation will occur on the second floor, to create a 40-bed nursing center (24 long-term care nursing beds and 16 rehabilitation-nursing beds.)

4. Addition of Wellness Center:

The last renovation is the complete rehabilitation of the existing common areas and an addition of a wellness center that will include amenities such as a therapeutic pool, a café/informal library, year-round greenhouse, and a private dining room.

Listed below is a summary of Montgomery Place's unit mix pre-repositioning and post-repositioning:

	Pre-Repo	New	Post-Repo
Independent Living:			
Rental Units	160	(72)	88
Entrance Fee Units	0	72	72
Assisted Living	0	22	22
Nursing Care	93	(53)	40
Total	253	(31)	222

FINANCING SUMMARY

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

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

Maturity: 32 years (Not to exceed 32 years)

ECONOMIC DISCLOSURE STATEMENT

Project name: Montgomery Place
5550 South Shore Drive
Chicago, IL 60637

Applicant: Montgomery Place

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

State: Illinois

Board of Directors: William Fairbanks, President
David Crabb, Vice President
Michael, McGarry, Treasurer
Lauranita Dugas
Marilyn Helmhoz
Lawrence Furnstahl
Howard Hush
Rev. D. Maria Neighbors
Dan Pascale
Stuart Rice
Lawrence Wilhelm

PROFESSIONAL & FINANCIAL

Borrower's Counsel: Ungaretti and Harris	Chicago	Julie Seymour Angela Williams-Walker
Feasibility Consultant: BDO Seidman	Chicago	James Larson
Bond Counsel: Jones Day	Chicago	John Bibby Mary Kimura
Underwriter: Ziegler Capital Markets Group	Chicago	Dan Hermann, Steve Johnson, William Claus
Underwriter's Counsel: Sonnenshien	Chicago	Steve Kite Katie Ashton
Bond Trustee: Wells Fargo	Chicago	Patricia Martirano
Issuer's Counsel: Sanchez & Daniels	Chicago	John Cummins

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 12, 2006**

Project: Midwest Regional Medical Center

STATISTICS

Project Number: H-HO-TE-CD-6165	Amount:	\$50,000,000 (Not to exceed amount)
Type: Not-for-Profit Bond	IFA Staff :	Dana Sodikoff
Locations: Galena		

BOARD ACTION

Final Bond Resolution	Staff recommends approval, subject to
Conduit 501(c)(3) Bonds	compliance with IFA policy requirements
No IFA funds at risk	for non-rated debt (See "Structure" below)

PURPOSE

Proceeds will be used to: 1) fund construction of a replacement hospital, 2) reimburse for prior capital expenditures, 3) fund a debt service reserve fund, 4) fund capitalized interest, and 5) pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

IFA's 501(c)(3) Bond program conveys Federal income tax-exempt status on bond interest. Midwest Regional Medical Center is a Critical Access Hospital and is a participant in the IFA Healthcare Initiative, a program which the Authority is partnering with firms who can offer programs to meet the capital needs of small hospitals, critical access hospitals and community providers of behavioral healthcare.

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on August 8, 2006 by the following vote:

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

Sources of Funds	
Debt Issuance	\$44,433
Interest Earned on Trusteed Assets	2,595
Equity Contribution	<u>2,000</u>
Total Sources	<u>\$49,028</u>
Uses of Funds	
Project Cost	\$38,480
Debt Service Reserve Fund	3,661
Capitalized Interest	6,221
Costs of Issuance	<u>666</u>
Total Uses	<u>\$49,028</u>

JOBS

Current employment: FTEs 124
Jobs retained: FTEs 124

Projected new jobs: 18
Construction jobs: 140

BUSINESS SUMMARY

Background: Galena-Stauss Hospital & Healthcare Center (GSHHC), located in Galena, Illinois, is comprised of 25-bed Critical Access Hospital with attached medical office building, a 57-bed skilled nursing facility, a 24-apartment Assisted Living Center, and Adult Day Care Center and a Physical Therapy and Fitness Center.

Prior to June 26, 2006, GSHHC was owned and operated by Galena Hospital District, an Illinois municipal corporation. On June 26, 2006, the Galena Hospital District was dissolved and all of the assets and liabilities of the Hospital District were transferred to Midwest Regional Medical Center, an Illinois not for profit corporation ("MRMC"). The dissolution of Galena Hospital District and transfer of its assets to MRMC was necessary in order to purchase land outside of the Hospital District's boundaries to serve as the site for a new replacement hospital facility.

Galena Stauss opened in 1962 as Northwest Illinois Community Hospital with 31 short-term, acute care beds. In 1971, the hospital expanded with the addition of a 34-bed skilled nursing care facility. In 1978, the hospital was renamed Galena-Stauss Hospital and Nursing Care Facility.

Subsequent expansions and renovations included the addition of the medical office building in 1981 and remodeling of the lower level of the MOB in 1994 to become Taylor Physical Therapy and Fitness. The nursing care facility was expanded by adding a 30-bed North wing in 1988.

The hospital was designated a Critical Access Hospital in 2000 and changed its name to Galena-Stauss Hospital & Healthcare Center as it opened the Assisted Living Center, which houses apartments for Assisted Living and the Adult Day Care Center. An additional 12 apartments were opened in the Assisted Living Center in 2002, bringing the total to 24 apartments.

In 2003, GSHHC acquired Taylor Physical Therapy and Fitness and renamed it the Galena-Stauss Physical Therapy and Fitness.

The dissolution of the Hospital District was on June 21st, 2006. The new corporation of Midwest Regional Medical Center has taken over the control, operations and ownership of the Hospital. The name of Galena Stauss Hospital and Healthcare Center has been assumed by the Midwest Regional Medical Center

Service Area: The service is as follows: East Dubuque, Galena, Hanover, Elizabeth, Scales Mound, Apple River, Stockton, and Warren. All of these towns are located in the State of Illinois.

PROJECT SUMMARY

Midwest Regional Medical Center is pursuing a replacement hospital facility to replace the existing outdated facility. The existing facility is located on a land-locked campus with poor visibility and accessibility. The facility is outdated in terms of ADA, fire, safety and HVAC codes, and it is inefficient in its in-patient care design. Many services are at capacity. MRMC has determined that a major remodel of the existing facility is not financially prudent.

For these reasons, MRMC is planning to construct a new 60,000 square foot hospital and 30,000 square foot Medical Office Building on a 35-acre campus located two miles from the existing campus. Total cost of the project is estimated at approximately \$45 million, with construction expected to be completed by December 2007. The new facility will be designed according to the Planetree philosophy, which focuses on individual centered care and healing environments. The new hospital will include 25 acute care beds, swing beds and same day surgery beds, and expanded ancillary services such as imaging and surgery.

Earl Swensson Associates Nashville, TN is the architect for the Project and Centex Concord is the project manager. A construction contract has been signed with Robins and Morton a general contractor located in Nashville, TN, for the construction of the facilities. A Guaranteed Maximum Price contract is expected to be issued in September 2006. The existing assisted living facilities, adult day care and nursing home, will remain on the existing campus.

FINANCING SUMMARY

Collateral: Gross revenues and mortgage pledge

Structure: Fixed rate bonds

Credit Rating: The Bonds will be sold in \$100,000 denominations with a sophisticated investor letter. Alternatively, bonds will be sold in higher denominations and the IFA will receive appropriate representations from the Placement Agent covering substantially the same matters as covered in the sophisticated investor letter.

Maturity: Final maturity on October 1, 2036

ECONOMIC DISCLOSURE STATEMENT

Project name: Galena- Stauss Hospital
Location: 215 Summit Street, Galena, IL 61036
Applicant: Galena- Stauss Hospital
Organization: Illinois 501(c)(3) Not-for-Profit Corporation

Board of Directors:

Frank Waites	621 Clinton Street	Galena, IL	Started in 2006
Community: Retired Physician			
Dale Henze	412 Pawnee Ct	Galena, IL	Started in 2004
Community: Retired School Administrator			
Mike Wells	418 Elk Street	Galena, IL	Started in 2006
Community: Physician			
John Cooke	1 Lakeview Ct	Galena, IL	Started in 2005
Community: Retired			
Dan Mennenoh	612 S Bench Street	Galena, IL	Started in 2006
Community: CEO H.B. Wilkinson Title Company			
Tom Wiene	144 Stone Quarry Ln.	Galena, IL	Started in 2000
Community: Business Owner			
Vicky Vondran	7037 Guilford Rd.	Galena, IL	Started in 2001
Community: Branch Manager Dupaco Community Credit Union			

Officers:

Dan Mennenoh	Chairman
Vicky Vondran	Secretary
Jeff Hill	Administrator
Grant Westenfelder	Medical Director
Tracy Bauer	Chief Financial Officer
Deb Hoppman	Director of Nursing
Melissa Kaiser	Human Resource Director

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Hinshaw & Culbertson LLP	Rockford	Stephen Moore
Bond Counsel:	Jones Day	Chicago	Mike Mitchell
Underwriter:	Piper Jaffray & Co.	Chicago	Nessy Shems
			Keri Trolson
Underwriter's Counsel:	Katten Muchin Rosenman LLP	Chicago	Renee Friedman
Financial Advisor:	Kaufman Hall & Associates	Chicago	Mark Hall
Bond Trustee:	TBD	Chicago	

Accountant: Eide Bailly
Issuer's Counsel: Wildman Harrold

Chicago
Chicago

Gwen Moser
Jim Snyder

LEGISLATIVE DISTRICTS

Congressional: 16- Donald A. Manzullo
State Senate: 45- Todd Sieben
State House: 89- Jim Sacia

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 12, 2006**

**Project: City of Sterling
(CGH Medical Center)**

STATISTICS

Project Number:	H-LG-TE-CD-6181	Amount:	\$16,000,000 (not-to-exceed amount)
Type:	Local Government Bonds	IFA Staff:	Jim Senica
Location:	Sterling		

BOARD ACTION

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

PURPOSE

The City of Sterling will use the proceeds of the issuance to construct a building addition on its existing CGH Medical Campus and to renovate 22,150 square feet of existing hospital space.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds:	\$16,000,000	Uses:	New Construction Costs	\$22,700,000
	Hospital contribution	<u>10,800,000</u>		New equipment	3,600,000
	Total	<u>\$26,800,000</u>		Bond issuance costs	<u>500,000</u>
				Total	<u>\$26,800,000</u>

JOBS

Current employment:	850	Projected new jobs:	N/A
Jobs retained:	NA	Construction jobs:	N/A

BUSINESS SUMMARY

Background: The City of Sterling ("the City") was incorporated in 1857 and serves as the county seat of Whiteside County. Located in northwest Illinois 70 miles north of Peoria and 100 miles west of Chicago, the City has a population according to the 2000 census of 15,451, only 464 more than the 1990 census amount. The City operates under the council-mayor form of government with each member of the city council elected to a term of four years. Four of the members are elected by the residents of their respective wards and three members, including the mayor, are elected at large. The median home value increased from \$43,600 in 1990 to \$70,000 in 2000. Per capita income rose 50.86% from \$12,880 in 1990 to \$19,432 in 2000.

Established by the City of Sterling in 1912, CGH Medical Center ("the Medical Center") is one of the few municipally owned hospitals remaining in the state. The City, acting through the Medical Center's Board of Directors, owns and operates the Medical Center pursuant to the provisions of the Illinois Municipal Code. The Municipal Code gives the Board exclusive control with respect to expenditures of revenues generated by the Medical Center, as well as control of the rates and charges for occupancy, care, medicine or attendance at the Medical Center. The Medical Center is operated by an 11-member Board of Directors that is appointed by the mayor and approved by the city council (please see Board of Directors listing in the Economic Disclosure section of this write-up). The members, who serve five-year terms, serve in a voluntary capacity, receive no remuneration and are restricted from doing business with the Medical Center. The Medical Center provides a full range of inpatient and outpatient services for medical and surgical patients, as well as specialized care in oncology, cardiology, obstetrics, urology, skilled nursing, home health services, pastoral care and pediatrics.

PROJECT SUMMARY

The applicant proposes to construct a four-story, 66,410 square foot hospital building addition on the existing CGH Medical Center campus (no land purchase) connecting the existing Sterling-Rock Falls Clinic at 101 East Miller Road in Sterling and CGH Hospital at 100 East LeFevre Road in Sterling. The applicant also plans to renovate 22,150 square feet of existing hospital space encompassing the following:

- Expansion/Renovation of operating room suites (designed in 1981)
- Expansion/Renovation of post anesthesia care/ambulatory care/sterile processing
- Expansion/Renovation of labor/delivery/post partum/nursery (designed in early 1981)
- Expansion/Renovation of the diagnostic imaging department
- Expansion/Renovation of the critical care unit (all private rooms)
- Expansion/Renovation of the respiratory care department
- Replacement of the ambulance garage/decontamination area
- Replacement of the hospital medical records area, physicians' services and quality resources area
- Two larger elevators with security codes (patients & staff)
- New helicopter landing area

The entire proposal is required to make the existing facility more suitable for providing state-of-the-art care to meet patient expectations and provide a more service-efficient and cost-effective care delivery model.

FINANCING SUMMARY

Bonds: Municipal Hospital Revenue Bonds
Structure: Fixed interest rate bonds at a rate to be determined
Maturity: Series 2006 bonds with a 20-year amortization
Bond rating: Standard & Poors has assigned a BBB+ - rating

ECONOMIC DISCLOSURE STATEMENT

Applicant: City of Sterling CGH Medical Center
Contact: Jay Wieland, City Manager
Project name: Hospital Revenue Bonds Series 2006
Location: 100 East LeFevre Road Sterling, Illinois 61081 (Whiteside County)
Organization: Municipally-owned hospital
Ownership: City of Sterling

PROFESSIONAL & FINANCIAL

Underwriter:	Edward Jones	St. Louis	Julie Huss
Underwriter Counsel:	Gilmore & Bell P.C.	St. Louis	Mark D. Grimm
Bond Counsel:	Gilmore & Bell P.C.	St. Louis	Mark D. Grimm
Issuers Counsel:	Wildman Harrold	Chicago	James M. Snyder

LEGISLATIVE DISTRICTS

Congressional: 17 – Lane A. Evans
State Senate: 37 – Dale E. Risinger
State House: 73 – David R. Leitch

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

Project: Victor C. Neumann Association

STATISTICS

Deal Number:	N-NP-TE-CD-6180	Amount:	\$7,000,000
Type:	Not-For-Profit Bond	IFA Staff:	Sharnell Curtis Martin
Location:	Chicago	SIC Code:	8322

BOARD ACTION

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

PURPOSE

Bond proceeds will be used to refinance existing debt, renovate existing facilities and to pay certain bond issuance costs.

IFA CONTRIBUTION

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

VOTING RECORD

Preliminary Bond Resolution, no previous voting record.

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	<u>\$7,000,000</u>	Uses:	Refunding	\$4,965,000
				Project Costs	1,850,000
				Costs of Issuance	<u>185,000</u>
Total Sources		<u>\$7,000,000</u>	Total Uses		<u>\$7,000,000</u>

JOBS

Current employment:	215	Projected new jobs:	88
Jobs retained:	N/A	Construction jobs:	20

BUSINESS SUMMARY

Background: Victor C. Neumann Association (the "Association" or the "Applicant") was incorporated as 501(c)(3) organization and has been operating in the Chicago area since 1949. Neumann's mission is to integrate persons with developmental disabilities and mental illness, helping them integrate into the community and enriching their quality of life with choice and independence. Today the Association offers a continuum of innovative, high quality services in its primary and in 19 residential homes in Chicago.

Description: The Applicant provides various program services including: Developmental Training Program, Psychosocial Rehabilitation Program, Case Management Services, Medical Services, Clinical Services, Residential Program and Career Services Program.

Currently, more than 350 adults with developmental disabilities receive quality care that fosters personal growth and self-respect. The Association is licensed to operate by the Illinois Department of Human Services.

Remarks: This project represents the second transaction the Authority has issued on behalf of Victor C. Neumann Association. The Illinois Development Finance Authority, a predecessor to IFA, issued a \$9 million bond transaction on behalf of the organization in 1997.

FINANCING SUMMARY

Security: The bonds will be secured by a Direct Pay Letter of Credit from a Bank to be determined.
Structure: To Be Determined
Maturity: To Be Determined

PROJECT SUMMARY

Bond proceeds will be used to refinance an existing debt, finance renovations to various Association properties and to pay certain bond issuance costs. Project costs are estimated as follows:

Refinancing	\$4,965,000
Renovations	<u>1,850,000</u>
Total Project Costs	<u>\$6,815,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Victor C. Neumann Association
Project name: Victor C. Neumann Association Project
Location: 5547 N. Ravenswood
Chicago, IL 60640

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

Board of Directors: Helena Burke-Bevan
Brannon Lambert
Paul Coyle
Michael Munro

Thomas Jakunczyk
Chrisann Schiro-Geist
Alexandra Carey
Judith Hollander

Stephen Jacob
John Lenckos
Sylvia Stuart
James Watts

Land Sellers: Not Applicable

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	To Be Determined		
Accountant:	Blackman Kallick Bartelstein		
Bond Counsel:	To Be Determined		
LOC Bank:	To Be Determined		
Underwriter:	Griffin Kubik Stephen & Thompson	Chicago	Michael Boisvert
Underwriter's Counsel:	To Be Determined		
Issuer's Counsel:	Ice Miller	Chicago	Tom Smith
Trustee:	To Be Determined		

LEGISLATIVE DISTRICTS

Congressional:	9 -- Janice Schakowsky
State Senate:	7 -- Carol Ronen
State House:	13 -- Larry McKeon

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

Project: Congregation B'nai Torah

STATISTICS

Project Number:	N-NP-TE-6186	Amount:	\$5,300,000 (not-to-exceed amount)
Type:	Not-for-Profit	IFA Staff:	Steve Trout
Location:	Highland Park		

BOARD ACTION

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

PURPOSE

To refund an existing taxable capital project loan and to finance the development and construction of a new 13,900 square-foot Education Center, renovate and upgrade an adjacent playground, garden and terrace area.

IFA CONTRIBUTION

IFA's issuance of 501(c)(3) Bonds conveys federal income tax exemption on interest earned on the Bonds.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$5,300,000	Uses:	Project Costs	\$4,655,913
				Refund Existing Loan	296,368
				Legal & Professional	150,000
				Capitalized Interest	197,719
	Total	<u>\$5,300,000</u>		Total	<u>\$5,300,000</u>

JOBS

Current employment:	69.5	Projected new jobs (within 2 years):	7
Jobs retained:	N/A	Construction jobs:	20 (1 year)

BUSINESS SUMMARY

Description: Congregation B'nai Torah is a Jewish synagogue that has served Highland Park and its surrounding areas for over 50 years and has more than 800 member families. Existing not only as a place of worship, the Synagogue also provides well-attended pre-school, Hebrew school, and adult education opportunities, that are open to the public.

In 1955, at a meeting in the Highland Park Recreation Center, Highland Park Reform Temple, later to be named B'nai Torah, was born. The synagogue's first home was a rented office over Gsell's Drug store on Central Avenue in Highland Park; the synagogue's first Torah was a gift from North Shore Congregation Israel.

Soon after its founding, a religious school was established, meeting Sunday mornings at the Lincoln School, but also at other public schools in the area. In 1958 the Synagogue purchased the current property at 2789 Oak Street in Highland Park, the historic site of the old Port Clinton Lighthouse. The Mediterranean style mansion on the property is referred to in history books as "Miralago," Spanish for "behold the lake." B'nai Torah has enjoyed being part of the Highland Park community since its founding and now is proud to have many second generation members who attended the Synagogue as children with their parents and now bring their own families.

In 1966 the present sanctuary building was added to the property, making it the last physical expansion that the Synagogue has undergone. B'nai Torah saw its most rapid growth in membership in the early 1990's at which point Rabbinical staff was increased to include additional Associate Rabbis in addition to the one Senior Rabbi. Over the years the Synagogue has grown to be a vibrant place of worship and learning for people of all ages and has become an important active part of its community.

The Project: In June 2006, B'nai Torah met with W.B. Olsen, an architecture and planning firm, and Teska and associates, a landscape development corporation, to lay out the site concept for the Synagogue's property that includes the new Education Center, a renovated playground and upgraded garden and terrace areas, all overlooking Lake Michigan. The education building will include up to eleven classrooms, and numerous tutoring offices, a library, an auditorium, and a youth social center.

The Education Center's 8,125 square-foot first floor will include an auditorium for school assemblies, productions, and celebrations, which will enhance students' cultural education opportunities. Currently, B'nai Torah is unable to offer a full day pre-school program due to limited space and schedule conflicts with the Hebrew school and adult education programming.

In addition to increased classrooms space, the 5,766 square-foot second floor will include a youth social center, providing much needed space for older students to congregate. Increased common spaces will also serve to improve the Synagogue's ability to host special events such as weddings and Bar and Bat Mitzvahs for larger groups. The facility will overlook a new contemplative garden and an existing basin that will be replanted as a sunken garden. Landscaping plans include the creation of additional outdoor gathering area that maximizes the synagogue's expansive lake views.

FINANCING SUMMARY

Bonds:	Tax-exempt variable rate demand notes or a tax-exempt direct placement with a bank
Bondholder	
Security:	Direct-pay letter of credit from a bank to be determined, or direct placement with a bank
Bank Collateral:	First mortgage on the subject real estate and first lien on furnishings and equipment financed.
Credit Rating:	If a variable rate demand bond structure is chosen, the rating on the Bonds will be based on the rating of the letter of credit that will enhance them. The letter of credit will probably be provided by a bank with a rating of "A" or higher. A decision on whether to seek a rating on the Bonds will be made prior to closing based on whether the projected interest savings are sufficient to cover the expected cost of obtaining and maintaining the rating. If a direct placement structure is chosen, the Bonds will be unrated.

PROJECT SUMMARY

Bond proceeds, together with other funds, will be used to construct an Educational Center at 2789 Oak Street that will contain an 8,125 square foot first floor housing eleven new classrooms, auditorium, library, tutoring offices, and a youth social center. The second floor will be 5,766 square feet and contain a youth center. Project costs are currently estimated at:

New Construction and Rehabilitation:	\$4,390,000
Architectural and Engineering	<u>\$265,913</u>
Total	\$4,655,913

ECONOMIC DISCLOSURE STATEMENT

Applicant: Congregation B'nai Torah, 2789 Oak Street Highland Park, Illinois 60035 (Contact: Marc Tepper, Treasurer, Phone: 847/634-8880)

Project name: Education Center at Congregation B'nai Torah

Organization: Illinois 501(c)(3) Corporation

Location: Headquarters: 2789 Oak Street, Highland Park, Illinois, 60035

Board Members:

Lorena Bosky	Board President	Recruiter
Kerry Leaf	Executive Vice President	Writer
Cary Glenner	Congregation Vice President	Lawyer
Russ Gelberg	Education Vice President	Owner
Bonnie Koven	Education Vice President	Teacher
Marc Berman	Immediate Past President	Lawyer
Sarah Liebman	Community Relations	Teacher
Deb Weil	Sisterhood Co-President	Homemaker
Natalie Yarmit	Sisterhood Co-President	Management
Danny Wilk	Building Vice President	Sales
Mark Broutmant	Membership Vice President	Accountant
Regine Leopoldi	Ritual Vice President	Accountant
Dan Shapiro	Social Co-Vice President	Investment
Nate Shapiro	Social Co-Vice President	Investment
Steve Shapiro	Fundraising Vice President	Investment
Marc Tepper	Treasurer	Sales
Andy Lask	Assistant Treasurer	Consultant
Sharen Derman	Financial Secretary	Teacher
Mitch Hoofman	Recording Secretary	Judge
Larry Plotzker	Corresponding Secretary	Graphics
Richard Talman	past Presidents Council	Money Manager
Marvin Zimmerman	of Counsel	Insurance

PROFESSIONAL & FINANCIAL

General Counsel:	Schiff Hardin LLP	Chicago, IL	Schiff Hardin LLP
Bond Counsel:	Ice Miller LLP	Indianapolis, IN	Jeff Lewis
Underwriter:	To be Determined		
Underwriter's Counsel:	To be Determined		
Issuer's Counsel:	Katten Muchin Rosenman LLP	Chicago	Lewis Greenbaum
Financial Advisor:	Griffin, Kubik, Stephens & Thompson	Chicago, IL	Michael Boisvert
Accountant:	Altschuler, Melvoin, and Glasser	Chicago, IL	Bill Spizman

LEGISLATIVE DISTRICTS

Congressional: 10 Mark S. Kirk
State Senate: 58 David Luechtefeld
State House: 29 Karen May

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: September 12, 2006

Re: Overview Memo for Chicago Parking Concession Company, LLC and its successors, affiliates, and assigns, a Delaware limited liability company to be formed
N-NP-TE-CD-6188

Background Information on New Tax-Exempt Chicago Downtown Public Parking System Revenue Bonds

- The City of Chicago (the "City") and the Chicago Park District (the "Park District") are soliciting bids for a 99-year concession/lease of the Downtown Public Parking System (the "Parking System"), comprised of the Grant Park North, Grant Park South, East Monroe Street, and Millennium Park underground garages.
- The bidding consortium is currently comprised of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill" or the "Underwriter") and the Lubert Family Foundation, Inc. (the "Foundation" and together with Merrill, the "Consortium"), a 501(c)(3) private foundation. It is anticipated that up to two additional 501(c)(3)s will join the Consortium by September 12th.
- It is anticipated that the Foundation will initially establish a single member (and single purpose) limited liability company (the "LLC" or "Purchaser") to act as the primary bidder and potential owner of the Parking System. Central Parking System, the second largest parking operator in the Chicago market and the largest in the U.S., will assume complete operating, administrative and management responsibility for the Parking System, subject to control by the Purchaser.
- As proposed herein, if the City and Park District were to select the Consortium as the winning bidder for the Parking System, the Consortium's proposal would provide that the financing be executed on a tax-exempt basis.
- The City and the Park District's stated objectives relating to the sale of the Parking System's Concession and Lease are to maximize the amount of prepaid rent payable under the Concession Agreement, while maintaining high levels of customer service, safety and security.

Application Request and Summary of Financing Structure:

- The purpose of the application is to obtain an IFA Inducement Resolution, a condition precedent to the Consortium's bid being accepted by City and the Park District on September 25, 2006.
- Bond Proceeds would be used to pay for the prepaid rent upfront to the City and the Park District covering the total purchase price of the 99-year Concession/Lease, city-required renovations (to be determined), bond issuance costs, credit enhancement (i.e., bond insurance), and a possible reserve fund.
- The proposed initial term of the financing is 40 years.

- The LLC, together with the Consortium, is requesting a not-to-exceed amount, for establishing parameters of the Inducement Resolution, at \$900 Million
 - The final aggregate bond amount issued may be considerably less.

- Anticipated Financing Scenario:
 - A Senior, AMBAC-insured, Senior Series A and a Subordinate Series B that would be purchased by institutional investors.
 - Repayment of each series would be subject to different coverage requirements expected to be established by the Bond Insurer and institutional investors.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 12, 2006**

Project: Chicago Parking Concession Company, LLC and its successors, affiliates, and assigns, a Delaware limited liability company to be formed

STATISTICS

IFA Project:	N-NP-TE-CD-6188	Amount:	\$900,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	FM:	Rich Frampton
Location:	Chicago		

BOARD ACTION

Preliminary Bond Resolution
501(c)(3) Revenue Bonds (Tax-Exempt)
No IFA funds at risk

Board approval recommended subject to the following conditions:

1. The satisfactory completion by the Authority of due diligence of the Project.
2. The Authority's final determination and approval by the Authority of the details of the financing of the Project including, without limitation, ownership of the Borrower by a qualified 501(c)(3) entity or entities and agreement on fees payable to the Authority.
3. The delivery of legal opinions, in a form satisfactory to the Authority, deemed necessary by the Authority for issuance of the Bonds, including but not limited to:
 - a. An opinion from qualified bond counsel providing, among other issues, that the Bonds are tax-exempt.
 - b. An opinion from qualified counsel to the Owner(s) providing, among other issues, that each Owner(s) is a qualified 501(c)(3) entity, that the undertaking of the project is a permitted purpose of each Owner and the Owner(s) indemnification obligations with respect to the Authority, as provided in the bond documents are enforceable. (Owner(s) shall be deemed to include the ultimate parent entity of each Member of the Borrower.)
4. The Authority's determination of sufficient statutory bond authorization to permit the Bonds to be issued.
5. The Authority and the Borrower agreeing to mutually acceptable terms for the Bonds and the contracts, agreements and proceedings related thereto, including but not limited to provisions providing indemnification to the Illinois Finance Authority, including the Owner(s).
6. IFA's issuance of these Bonds is also expressly conditioned upon the award of the 99-year concession/lease from the City of Chicago and the Chicago Park District based on a competitive bid to be placed by a number of bidding groups, including the Borrower on or before September 25, 2006.
7. This Preliminary Bond Resolution shall expire on December 31, 2006 unless otherwise extended by the Executive Director of the Authority.

PURPOSE

Purchase of concession/lease to the exclusive right to operate the Parking System, in the form of prepaid rent payable to the City and the Park District. The Concessionaire may collect parking, parking-related, advertising and retail concession revenue during the term of the Concession Agreement. The Concession Agreement will include standards related to the required capital improvements and the operation and maintenance of the Parking System. Such capital expenditures are also expected to be paid from the proceeds of the bond issue.

As the primary objective of the City and the Park District is to maximize the amount of prepaid rent payable under the Concession Agreement, a tax-exempt financing may provide the City and the Park District with the highest bid for the concession/lease.

IFA CONTRIBUTION

The subject Bonds will be issued on a tax-exempt basis for a special purpose affiliate of a 501(c)(3) entity. Accordingly, IFA would serve as a conduit issuer and convey tax-exempt status on the subject Bonds.

VOTING RECORD

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

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$900,000,000	Uses:	Project Cost and Issuance Costs	\$900,000,000
	Total	<u>\$900,000,000</u>		Total	<u>\$900,000,000</u>

These estimates are preliminary estimates only and are likely to change materially prior to issuance and will be a function of: (1) the finalized projections of revenues and expenses of the Parking System currently being prepared by multiple parking consultants, (2) final bond sizing which will reflect the ultimate financing structure of the transaction, and (3) the amount of supplemental financing available from other sources. Firm estimates of project costs, costs of issuance, and a more detailed listing of proposed Sources and Uses of Funds will be provided at the time of the Final Bond Resolution, as applicable.

JOBS – PRELIMINARY ESTIMATE, SUBJECT TO CHANGE

Current employment: Forthcoming	Projected new jobs: 125
Jobs retained: Not applicable	Construction jobs: 150+

The operation, maintenance and construction plan for the Garages continues to evolve. Prospective jobs from tenants will result in the new jobs. *Accordingly, the estimates provided above are preliminary, and subject to change.*

At present, the City of Chicago has mandated significant capital expenditures be incurred to renovate and maintain the garages in the three year period immediately following the closing of the transaction that will result in a significant number of construction jobs.

BUSINESS SUMMARY

Description: **Chicago Parking Concession, LLC** (“Chicago Parking”, the “Borrower” and “LLC”) and its successors, affiliates, and assigns is a Delaware Limited Liability Company to be formed as a special purpose entity by the Lubert Family Foundation, Inc. of Philadelphia, PA to purchase the subject Parking System in downtown Chicago in furtherance of the stated charitable goal of its Parent entity, in both reducing the burden of government and promoting economic development of urban downtown markets.

The sole Member of the Borrower is currently the **Lubert Family Foundation, Inc.** (the “Parent”). The membership group may ultimately be expanded and disclosed with prior written notice to the Board.

The Parent is a 501(c)(3) private foundation formed by Ira M. Lubert, a national real estate developer, on February 28, 2004.

Background on
501(c)(3):

The 501(c)(3) was founded by Ira M. Lubert, founder and managing member of Independence Capital Partners, a \$6 billion fund management company focused on real estate and mezzanine lending based in Philadelphia.

Mr. Lubert endowed the Lubert Family Foundation in order to promote grant making to religious, charitable, scientific, literary, and education purposes and more recently, for the promotion of municipal downtown economic development and the lessening of the burden of government.

Background on
the Parking
Lease
Concession:

The four parking garages that the City is evaluating for sale of a long-term concession and lease include (1) the Grant Park North Garage, (2) the Grant Park South Garage, (3) East Monroe Street Garage, and (4) Millennium Park Garage. Collectively, these facilities will be referred to as the "Parking System". The Parking System is located near Lake Shore Drive and the Chicago expressway system. Additional access is available from Lower Wacker Drive and adjacent arterial streets.

Overall, these four garages are believed to be one of the largest underground parking facilities in the world. The Parking System is currently managed by Standard Parking System.

Rationale for
Project:

The Parking System, located in downtown Chicago, has experienced strong parking growth rates. According to the Borrower, current rates charged by the Parking System are below the median rates charged in the surrounding area, suggesting substantial revenue growth potential. Additionally, there are currently no significant advertising displays or retail concessions within the facilities, which is an integral part of the privatization plan.

The concession/lease of the Parking System to a non-municipal entity focused on the lessening of the burden of government is consistent with the mission of the Lubert Family Foundation. A tax-exempt borrowing to finance the concession/lease could provide the City and the Park District with the highest bid.

The Parking System is comprised of four garages: Grant Park North Garage, Grant Park South Garage, East Monroe Street Garage, and Millennium Park Garage. The Parking System has a total of 9,176 spaces.

Some key advantages of this project include:

1. Will provide the City and the Park District with the maximum amount of prepaid rent.
2. Will benefit the Parking System by capitalizing on operating and management efficiencies that a non-municipal owner could bring, while maintaining the high safety and security standards of the existing Parking System.
3. Would include anticipated capital expenditures in the financing plan, thereby mitigating uncertainty of future funding of these improvements and creating construction jobs.
4. Could generate additional jobs through the implementation of plans for advertising and retail concessions.

FINANCING SUMMARY

The financing structure proposed includes Senior and Subordinate Bonds:

- **Senior Bonds:** Expected to be credit enhanced by a AAA-rated bond insurer.
- **Subordinate Bonds:** Expected to be non-rated. To be structured as cash flow notes with nominal and anticipated payments based on the revenues available. To be structured with a lower coverage ratio than that of the Senior Bonds.

	Senior Bonds	Subordinate Bonds
Bondholder Security:	AMBAC Bond Insurance	Net Revenues after Senior Bonds, required capital expenditures, and appropriation to the Borrower for appropriate 501(c)(3) purposes.
Credit Ratings:	Long Term: estimated at Aaa/AAA/AAA from Moody's/S&P/Fitch.	None. Nonrated bonds.
Additional Collateral:	Senior Assignment of Concession and Lease. Debt Service Reserve Fund or Surety Bond Policy to be used as needed.	Subordinated Assignment of Concession and Lease.
Proposed Interest Rate Mode:	Fixed Rate Bonds	Fixed Rate Bonds
Estimated Interest Rate:	5% Fixed	9% Fixed
Amortization:	40 years	40 years
Final Maturity:	40 years	40 years

PROJECT SUMMARY

Bond proceeds will be issued used by the IFA and loaned to the LLC (a special purpose Delaware limited liability company to be formed by the Lubert Family Foundation, Inc., as the sole initial member) and its successors, affiliates, and assigns (collectively, the "Borrower") for the purpose of acquiring exclusive rights to operate the (1) the Grant Park North Garage, (2) the Grant Park South Garage, (3) East Monroe Street Garage, and (4) Millennium Park Garage (collectively, these facilities will be referred to as the "Parking System"). The Bonds will provide the Borrower with all or a portion of the funds for the purpose of acquiring such rights for 99 years and funding any capital expenditures anticipated, also including the financing of any required reserve funds and capitalized interest; and financing the payment of all or a portion of the costs of issuance of the Bonds, including the cost of any credit enhancement for the Bonds, (collectively, the "Project").

Estimated project costs are as follows:

Purchase Price of Concession/Lease and Capital Expenditures	<u>\$900,000,000</u>
Total	<u>\$900,000,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Chicago Parking Concession LLC (c/o Mr. Ira Lubert, 2929 Arch Street, Philadelphia, PA 19104)
 Project name: Chicago Downtown Public Parking System
 Location: Chicago (Cook County), Illinois 60601
 Organization: Chicago Parking Concession Company, LLC is a Delaware limited liability company to be formed.
 Ownership: Chicago Parking Concession, LLC:
 • The Lubert Family Foundation, Inc., Manager: 100%
 c/o Mr. Ira Lubert, 2929 Arch Street, Philadelphia, PA 19104
 List of Board of Directors is forthcoming.

PROFESSIONAL & FINANCIAL

General Counsel:	Vinson & Elkins LLP	New York, NY	
Outside Accountant:	KPMG LLP	New York, NY	Chris Lester
Bond Counsel:	Kutak Rock LLP	Chicago, IL	Mitch Bragin
Underwriter:	Merrill Lynch, Pierce, Fenner & Smith, Inc.	New York, NY	James L. Smith
Underwriter's Counsel:	Sonnenschein Nath & Rosenthal LLP	Chicago, IL	Linda White
Bond Insurer:	AMBAC Assurance Corp.	New York, NY	Alex Bertram
Engineer:	Edwards & Kelcey	Boston, MA	Steve Berkeley
Parking Consultant:	Wilbur Smith Associates	Chicago, IL	Kamran Khan
Garage Operator:	Central Parking Corporation	Chicago, IL	Dale Hathcock
Trustee/Fiscal Agent:	To be determined		
IFA Counsel	Schiff Hardin LLP	Chicago, IL	Bruce Weisenthal

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 12, 2006**

Project: Living Family Housing Trust I, LLC, an Illinois limited liability company to be formed (and affiliated with Disciples for Christ World Outreach Ministries, Inc. and its successors, affiliates, and assigns) (6924 S. Crandon, 5200-5202 S. Harper, and 7261-7271 S. South Shore Drive Projects)

STATISTICS

IFA Project #:	N-NP-TE-CD-6143	Amount:	\$16,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	FM:	Rich Frampton
Locations:	Chicago (3 sites)		

BOARD ACTION

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

PURPOSE

Acquisition and renovation of three existing affordable rental housing projects in Chicago with HAP contracts. The proposed acquisition will convert ownership from for-profit to a Special Purpose Affiliate of a 501(c)(3) entity, whose mission is to preserve and create affordable rental housing.

IFA CONTRIBUTION

IFA will convey tax-exempt bond status on this financing. Because the Borrower will be 100%-owned by a 501(c)(3) borrower, no Volume Cap will be required as presently structured (i.e., without 4% tax credit equity).

VOTING RECORDS

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

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds (LOC Enhanced)	\$15,480,000	Uses: Project costs	\$15,297,600
	Senior Taxable Loan	360,000	Legal & Professional	
	General Partner Equity	<u>7,600</u>	Capitalized Interest/Reserves	265,000
	Total	\$15,847,600	5 Year Interest Rate Lock	
			Bond Issuance Costs	<u>285,000</u>
			Total	\$15,847,600

JOBS

Current employment (at properties):	6	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs (18 mo's.):	6 (average)

BUSINESS SUMMARY

Organization: Living Family Housing Trust I, LLC, is an Illinois limited liability company to-be-formed (the "Applicant") by Disciples for Christ World Outreach Ministries, Inc. (and its successors, affiliates and assigns) [the "Parent"] will be a Special Purpose Entity formed to purchase and own the subject rental properties. The Applicant is being established under a group exemption letter by Disciples for Christ World Outreach Ministries, Inc., a 501(c)(3) not-for-profit organization that received its 501(c)(3) Determination Letter from the IRS on 4/2/1999. *The Board Members of Disciples for Christ World Outreach Ministries, Inc. are also listed on Page 4 of this report.*

Background on Borrower:

Living Family Housing Trust I, LLC is an Illinois Limited Liability Company to be formed. The sole initial member will be Disciples for Christ World Outreach Ministries, Inc. or its affiliates, successors, and assigns. The subject project will be the first rental housing projects to be owned by the Parent or its affiliates.

Accordingly, US Bank, the proposed credit enhancer, is requiring that the Applicant continue to engage Globe Realty, or another property management company satisfactory to US Bank, in the Bank's sole judgment to provide property management services as necessary. (See section on Background Information on Property Manager below on this page.) One of the subject properties (6924 S. Crandon) is supported with a HAP contract and is subject to annual financial and compliance audits that must be provided to the US Department of Housing and Urban Development ("HUD").

Additionally, US Bank will also reserve the right to approve the auditor engaged by the Borrower.

Background on the Properties:

As initially proposed, the Applicant will be acquiring three existing rental properties located in Chicago. *Of the three properties, only the 6924 S. Crandon property is supported by a HUD Housing Assistance Payment ("HAP") contract.*

- **6924 S. Crandon** is an existing 12-story, 65-unit property originally constructed in 1964 and located in Chicago. The property is targeted to seniors and includes 21-1BR, and 44-2BR units. The property's common facilities include shared laundry facilities, 64 parking spaces, and two elevators. The remaining terms of the HAP contract on this property is 5 years (i.e., and was recently extended 5 years by HUD to 2011). The acquisition of this property by a 501(c)(3) entity with continuity in property management is likely be viewed positively by HUD in extending the HAP contracts on these properties in the future.
- **5200-5202 S. Harper** is an existing 3-story, 49- apartment unit property originally constructed in 1915 and located in Chicago. The property's tenants include singles and young families and include a mix of 37 Studio units, 9-1BR units, 2-2BR units, and 1-3BR unit. Additionally, the property has 3 ground floor commercial units (combined into 1 currently) that may be financed with a conventional loan from US Bank. The property's common facilities include a shared laundry facility. There is no on-site parking.
- **7261-7271 S. South Shore Drive** is an existing 3-story, 52-unit property originally constructed in 1923 and located in Chicago neighborhood. The property's tenants

primarily include families and include a mix of 1BR, 2BR, and 3 BR units. The property's common facilities include shared laundry facilities, and 37 parking spaces.

Additional information on these properties is contained on pages 6 and 7 of this report.

**Background on
Property Mgr.:**

Globe Realty, 1625 E. 74th Street in Chicago, has been the manager of the 6924 S. Crandon property, a project that has a HUD Housing Assistance Payment ("HAP") contract since 2000. As proposed, Globe would also be engaged as Management Agent for the 5202-5206 S. Harper and 7261-7271 S. South Shore Drive properties, both of which are currently market rate properties under private ownership.

Overall, Globe manages 18 rental housing properties with a total of 650 units. All Globe-managed properties, except for the 65-unit, 6924 S. Crandon property, are market-rate. Globe's manages properties ranging in size from 6 units to 65 units and has 6 employees with experience in property operations, maintenance, administration, and marketing.

Accessibility:

Because the subject facilities were all constructed prior to 1991, there will be only limited compliance with the Americans with Disabilities Act ("ADA"). Nevertheless, the facilities will comply with ADA to the full extent required by law.

FINANCING SUMMARY

Security: The Series 2006 Bonds will be privately placed by D.A. Davidson & Company and purchased by US Bank Community Development, Denver, Colorado.

Structure: Bonds will be purchased directly by US Bank Community Development as Lender/Investor and priced at an estimated fixed rate of 5.71% for an initial term of 15 years. The Bank will be secured directly by the project assets and assignment of collateral rights, as appropriate. The Bonds will be non-recourse to the Applicant and project sponsor.

Maturity: Series 2006 Bonds: 15-year initial term; 30 year amortization (i.e., the payment schedule will be based on level debt service payments based on a 5.71% fixed interest rate amortized over 30 years)

PROJECT DESCRIPTION FOR IFA BOND RESOLUTION

Bond proceeds will be used to finance the acquisition, renovation, and equipping of three existing affordable senior rental housing properties located at (1) 6924 S. Crandon, Chicago, IL 60649 (12-stories, 65 rental units), (2) 5200-5202 S. Harper, Chicago, IL 60615 (3-stories, 49 rental housing units and up to 3 commercial units), and (3) 7261-7271 S. South Shore Drive, Chicago, IL 60649 (3-stories, 52 rental units). Additionally, bond proceeds will be used to pay costs of issuance and may be used to fund capitalized interest and certain reserve funds (collectively referred to as the "Project").

Preliminary estimated project costs are as follows:

6924 S. Crandon Acquisition	\$6,500,000
5200-5202 S. Harper Acquisition	\$3,600,000
7261-7271 S. South Shore Acquisition	\$4,600,000
Renovations (\$3000/unit)	498,000
Project Contingency	<u>99,600</u>
Total:	\$15,297,600

ECONOMIC DISCLOSURE STATEMENT

Applicant: Living Family Housing Trust, c/o Mr. Aaron Spivack, Attorney-at-Law, 811 West Superior Street, Chicago, IL 60622; Ph.: 312-275-0188; E-mail: law@aspivack.com

Alternate

Contact: Mr. Arron Lee, 535 N. Michigan Ave., Suite 1113, Chicago, IL 60611. Ph.: 312-376-5469

Project name: Living Family Housing Trust

Locations: (1) 6924 S. Crandon, Chicago, IL 60649
 (2) 5200-5202 S. Harper, Chicago, IL 60615
 (3) 7261-7271 S. South Shore Drive, Chicago, IL 60649
 Organization: 501(c)(3) Corporation (Disciples for Christ World Outreach Ministries, Inc.)
 State: Illinois

Ownership of Applicant: **Disciples for Christ World Outreach Ministries, Inc., 2368 E. 69th Street, Chicago, IL 60617:**

- Board Members:
 - President: Pastor Dirk Carter
 - VP: Otis Carter, BC Enterprise Bus Company
 - Trustee: Oliver Tooks, Realtor
 - Trustee: Victor Carter
 - Trustee: Marchelle Carter, Teacher
- Proposed Members of Living Family Housing Trust I, LLC (preliminary, subject to change):
 - Disciples for Christ World Outreach Ministries, Inc., Sole Member (Manager)

Owner(s): Current Property Owners:

- **6924 S. Crandon: An Illinois Land Trust; *Contact* (attorney for Seller):** George Lacorte, 2250 E. Devon Ave., Des Plaines, IL 60018; Ph.: 847-759-0700
- **5202-5204 S. Harper: Anthony Z. Punda and Anthony L. Punda; *Contact* (attorney for Seller):** George Lacorte, 2250 E. Devon Ave., Des Plaines, IL 60018; Ph.: 847-759-0700
- **7261-7271 S. South Shore Drive: An Illinois Land Trust; *Contact* (attorney for Seller):** George Lacorte, 2250 E. Devon Ave., Des Plaines, IL 60018; Ph.: 847-759-0700

PROFESSIONAL & FINANCIAL

Counsel:	Aaron Spivack	Chicago, IL	
Auditor:	To be determined (subject to recommendations by US Bank, the LOC Bank)		
Bond Counsel:	Wildman Harrold LLP	Chicago, IL	Mark Huddle, Jim Snyder
Private Placement Agent:	D.A. Davidson & Co.	Denver, CO	Rob Schultz
Bond Purchaser – Lender/Investor:	US Bank Community Development Lending Division	Denver, CO	Amy Archibald
Counsel to Bank:	To be determined		
Tax Credit Investor:	Not applicable as presently structured		
Trustee:	US Bank Corporate Trust	Chicago, IL	Grace Gorka
Architect:	George Soto	Burnham, IL	
General Contractor:	Mana Development Corp.	Chicago, IL	
Appraiser:	Integra, Inc.	Chicago, IL	Sned Bernard
Management Agent:	Globe Realty	Chicago, IL	Bob Banovic
Issuer's Counsel:	Pugh Jones Johnson & Quandt, P.C.	Chicago, IL	Kim Barker-Lee

LEGISLATIVE DISTRICTS

	<u>6924 S. Crandon</u>	<u>5200-5202 S. Harper</u>	<u>7261-7271 S. South Shore Dr.</u>
Congressional:	2 Jesse L. Jackson, Jr.	1 Bobby L. Rush	2 Jesse L. Jackson, Jr.
State Senate:	13 Kwame Raoul	13 Kwame Raoul	13 Kwame Raoul
State House:	25 Barbara Flynn Currie	25 Barbara Flynn Currie	25 Barbara Flynn Currie

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**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

Project: Cristo Rey Jesuit High School

STATISTICS

Deal Number:	N-NP-TE-CD-6142	Amount:	\$10,500,000 (not-to-exceed amount)
Type:	Not-For-Profit Bonds	IFA Staff:	Sharnell Curtis Martin
Location:	Chicago	SIC Code:	6111

BOARD ACTION

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

PURPOSE

Bond proceeds will be used to refinance existing debt and to pay certain bond issuance costs.

IFA CONTRIBUTION

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

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	Equity	\$11,900,000	Uses:	Project Costs	\$22,000,000
	IFA Bond	<u>10,500,000</u>		Cost of Issuance	<u>400,000</u>
	Total Sources	<u>\$22,400,000</u>		Total Uses	<u>\$22,400,000</u>

The source of equity is from contributions and internally generated funds.

JOBS

Current employment:	27	Projected new jobs:	N/A
Jobs retained:	58	Construction jobs:	N/A

BUSINESS SUMMARY

Background: Cristo Rey Jesuit High School ("Cristo Rey", the "School", or the "Applicant") is an Illinois not-for-profit corporation established in 1996 and is a 501(c)(3) corporation. Cristo Rey offers a Catholic college preparatory education for the families of Chicago's near southwest side.

The School's goal is to maximize the student's potential to prepare them to assume roles in leadership positions. In addition to a college preparatory curriculum, Cristo Rey also offers a form of a Work Study program called the Corporate Internship Program ("CIP"). This program is designed to enhance self-esteem by equipping the students with a skill set to develop a strong work ethic within an academic setting.

The CIP also prepares the students with the concept of financing their own education. Each student earns 65% of the cost of their education by working five full days each month at entry level positions at corporations in downtown Chicago, Over 95 companies participate in the CIP including banks, law firms, hospitals and non-profits.

Class schedules and work schedules are designed so one does not interfere with the other. Wages received under this program are paid directly to the school in order to supplement tuition, this totals \$6,625 or 65% of tuition costs. Each family pays \$2,600 or 26% of the cost of education. Approximately 60% of Cristo Rey students are also eligible for need based financial aid from the Cristo Rey Scholarship Fund. Tuition is approximately \$10,245 per student.

Description: The bond issue will refinance the outstanding debt associated with the original project which consisted of the construction of two new campus facilities with a total cost of approximately \$22 million. The first phase involved the construction of a 55,500 square foot, three story classroom and administrative office building located at 1852 West 22nd Place in Chicago, Illinois. The second phase included the construction of a 64,750 square foot multi-purpose building located are 1851 West 22nd Place and included a library/media center, cafeteria, physical education and athletic space. A pedestrian bridge was also built to connect the two buildings.

FINANCING SUMMARY

Security: Direct Pay Letter of Credit from Chase Bank
Structure: Variable Rate Demand Bonds
Maturity: 35 Years

PROJECT SUMMARY

Bond proceeds will be used to refinance the construction of two facilities located at 1851 and 1852 West 22nd Place in Chicago, Illinois (Cook County), and to pay certain bond issuance costs. Project costs are estimated at \$22 million.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Cristo Rey Jesuit High School
1852 West 22nd Place
Chicago, IL 60608
Mr. Daniel V. Considine, Chief Financial Officer
Project name: New Cristo Rey Jesuit High School
Location: 1851 and 1852 West 22nd Place, Chicago, IL 60608
Organization: 501(c)(3) Corporation
State: Illinois

Board of Directors:	Paul Purcell, Chairperson	J. Stephen Baine	Edward F. Bowen, Jr.
	Rafael Carreira	Rosemary Croghan	Andres Y. Diez
	Thomas Flanagan	Jim Gartland	John R. Heller
	Marisel A. Hernandez	Jeffrey Krol	Patrick McGrath
	Andrew J. McKenna, Jr.	William McLaughlin	Sheila E. Megley
	Paul Mueller	Kevin O'Hara	Robert Otter
	Brian Paulson	Christopher Perry	Jorge Ramirez
	Brian Richards	Richard P. Salmi	Elaine M. Schuster
	Timothy R. Scully	Timothy P. Sullivan	Joseph Torres
Land Sellers:	Not Applicable		

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Katten Muchin Zavis	Chicago	Milton Wakschlag
Bond Counsel:	Winston & Strawn	Chicago	Brendan Geary
LOC Bank:	Chase Bank	Chicago	Tim Irwin
LOC Bank's Counsel:	O'Keefe Lyons & Hynes, LLC	Chicago	Dan Coyne
Underwriter:	LaSalle Financial Services	Chicago	Peter Glick and Kristyn Harrell
Underwriter's Counsel:	Winston and Strawn	Chicago	Kay McNab
Issuer's Counsel:	Perkins and Coie	Chicago	Bill Corbin
Trustee:	LaSalle Bank NA	Chicago	Frank Pierson
Rating Agency:	Standard and Poor's	New York	Mike Listner

LEGISLATIVE DISTRICTS

Congressional:	4 – Luis V. Gutierrez
State Senate:	1 – Antonio "Tony" Munoz
State House:	2 – Edward J. Acevedo

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

Project: Oak Park Residence Corporation

STATISTICS

Deal Number:	N-NP-TE-CD-6136	Amount:	\$4,000,000 (not-to-exceed amount)
Type:	Not-For-Profit Bonds	IFA Staff:	Sharnell Curtis Martin
Location:	Oak Park	SIC Code:	6513

BOARD ACTION

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

PURPOSE

Bond proceeds will be used to refinance existing debt, finance the acquisition of building and land and to pay certain bond issuance costs.

IFA CONTRIBUTION

Federal Tax-Exempt Interest on 501(c)(3) Revenue Bonds.

VOTING RECORD

Preliminary Bond Resolution, July 11, 2006.

Ayes: 11 Nays: 0 Abstentions: 0 Absent: 4 (Boyles, DeNard, Nesbitt, Gianoulas)

SOURCES AND USES OF FUNDS

Sources:	IFA Bond	<u>\$4,000,000</u>	Uses:	Refinance Existing Debt	\$1,950,000
				Project Costs	2,000,000
				Bond Issuance Costs	<u>50,000</u>
	Total Sources	<u>\$4,000,000</u>		Total Uses	<u>\$4,000,000</u>

JOBS

Current employment:	49	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

Background: The Village of Oak Park Residence Corporation ("OPRC" or the "Applicant") is an Illinois not-for-profit corporation established in 1966 and is a 501(c)(3) corporation. The OPRC is governed by a nine member Board of Directors and its day-to-day operations are managed by its Executive Director, Ed Solan. Mr. Solan has served in this current position since January 2001 and is the former Chief Operating Officer of the Illinois Housing Development Authority and Vice President of the New York City Housing Finance Authority.

Description: The OPRC's mission is to improve general welfare of the residents of Oak Park by improving substandard housing stock and developing projects to prevent and eliminate blight by maintaining affordable housing. The organization has the authority to improve, repair, purchase, sell, lease, mortgage, demolish, or otherwise deal with substandard rental properties in the Village of Oak Park.

The Applicant currently operates exclusively within the Village of Oak Park and owns and/or manages approximately 25 rental housing developments containing approximately 700 rental units. The proposed financing will enable the OPRC to refinance two existing developments plus acquire two new properties.

FINANCING SUMMARY

Security: Direct Pay Letter of Credit from LaSalle National Bank
Structure: The Bonds will be secured with a LaSalle National Bank LOC and sold as 7-day variable rate demand bonds by LaSalle Capital Markets
Maturity: 35 Years

PROJECT SUMMARY

Bond proceeds will be used to refinance existing debt, finance the acquisition of two existing residential developments located within Oak Park, Illinois (Cook County). Project costs are estimated as follows:

Building and Land	<u>\$2,000,000</u>
Total Projects Costs	<u>\$2,000,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Village of Oak Park Residence Corporation
21 South Boulevard
Oak Park, IL 60302
Edward W. Solan, Executive Director

Project name: Village of Oak Park Residence Corporation

Location: Existing locations: 7 Van Buren Street and 301 Harrison Street in Oak Park, Illinois.
Potential acquisition locations: 814 South Austin Blvd, 6000-6018 Roosevelt Road, 6026-6046 Roosevelt Road, 1186-1196 South Humphrey, 6900-6910 Roosevelt Road, 1191-1197 South Kenilworth, 1239 North Taylor, 6149-6151 North Avenue, 320 Wisconsin Avenue, 225 South Boulevard, 237-249 South Boulevard, 101 South Harvey Street, 113 South \ Boulevard, 900 Madison Street, 102 South Taylor, 12 Washington Boulevard and 48 Washington Boulevard, 855 Lake Street, 514 South Austin, 1530 North Austin, 16 North Austin, 206 North Austin, 450 North Austin, 946-948 North Austin, 326 South Austin, 229 Harrison, 421 South Harvey and 930 North Austin.

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

State: Illinois
Board Members: Wayne Pierce, President
Warren Wenzloff, Treasurer
Fred Brandstrader
Dr. Ernest Moore
Land Sellers: To Be Determined
William Marshall, Vice President
Marge Novak, Secretary
Marjorie H. Greenwald
Jim West

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Law Offices of Richard A. Martens	Chicago	Richard A. Martens
Accountant:	Kolnicki, Peterson, Wirth LLC	Downers Grove	Kenneth Peterson
Bond Counsel:	Schiff Hardin & Waite	Chicago	Bruce Weisenthal
LOC Bank:	LaSalle Bank N.A.	Chicago	Denalda Guice Gay
Underwriter:	LaSalle Financial Services	Chicago	Peter Glick
Underwriter's Counsel:	To Be Determined		
Issuer's Counsel:	Dykema Gossett	Chicago	Dave Cellitti
Trustee:	LaSalle Bank Trust & Asset Management	Chicago	Jacob Weinstein

LEGISLATIVE DISTRICTS

Congressional: 7 -- Danny K. Davis
State Senate: 39 -- Donald Harmon
State House: 78 -- Deborah L. Graham

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 12, 2006**

Project: Victory Gardens Theater

STATISTICS

Project Number: E-NP-TE-CD-6139	Amount: \$6,000,000 (not-to-exceed amount)
Type: 501(c)(3) Bonds	IFA Staff: Townsend Albright
Location: Chicago	

BOARD ACTION

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

PURPOSE

To finance the construction of a new theater for Victory Gardens Theater to be located in the Biograph Theater at 2433 N. Lincoln Avenue, Chicago, Cook County, Illinois, 60614, and finance renovations to the current facility located at 2257 N. Lincoln Avenue, Chicago, Cook County, Illinois 60614.

IFA CONTRIBUTION

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

VOTING RECORD

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

Ayes: 11 Nays: 0 Abstentions: 0 Absent: 4, (Boyles, DeNard, Giannoulis, Nesbitt)
Vacancies: 0

ESTIMATED SOURCES AND USES OF FUNDS (subject to change)

Sources:	IFA Bonds	<u>\$6,000,000</u>	Uses:	Project Fund	\$5,000,000
				Contingency	546,600
				Capitalized Interest	265,000
				Cost of Issuance	<u>188,400</u>
	Total	<u>\$6,000,000</u>		Total	<u>\$6,000,000</u>

JOBS

Current employment:	21	Projected new jobs:	3
Jobs retained:	21	Construction jobs:	170 (10 months)

BUSINESS SUMMARY

Description: Victory Gardens Theater (“Victory Gardens” or “VGT”), a professional theater, is an Illinois 501(c)(3) organization founded in 1974 by eight artists. VGT is a seminal institution within the Chicago theater movement of the 1970’s and 1980’s, dedicated by mission to serving playwrights and producing world premiere plays. The Theater’s production record over the past 32 years shows a consistent dedication to this mission. During this time 243 plays have been produced at VGT. Of these 142 have been world premier productions and 151 were written by Chicago authors. The Wall Street Journal has recognized Victory Gardens as “the nation’s most important incubator of new playwrights.” The Theater was recognized in 2001 with the Tony Award for Best Regional Theater.

VGT emphasizes the growth of an ethnically and culturally diverse community of theater artists, in support of the playwright, that enhances the national and international status of Illinois and these artists. The Theater strives to broaden, strengthen, and enrich the theatergoing audience through developmental theater and to ensure availability of theater to underserved audiences. VGT’s ongoing work includes theater performance, artist development, and community engagement programming.

Programs: VGT serves as an umbrella organization featuring a variety of programs, including:

- **Main Stage Productions:** Mostly world premiere productions, primarily by the Victory Gardens Theater Playwrights Ensemble of twelve writers.
- **Second Stage Series:** Productions of new work, primarily by Chicago playwrights, often in association with the Access Project.
- **Other Gardens:** Subsidized rental program for small professional theater companies.
- **Greenhouse Project:** Mentoring and training program for excellent, itinerant, mid-career theater companies Eclipse Theater Company, M’PAACT, and Shattered Globe Theater. Last year 19 plays were produced at VGT by 13 such companies.
- **Artist Development Programs:** Readers Theater, playwrights’ residencies, playwriting and other artistic workshops, and From Chicago to New York, a New York City reading series of VGT work.
- **Making Connections: Educational and Community Partnerships:** Includes Drama in the Schools; an elementary, junior, and senior high school arts-integrated curriculum program; the Oracle Scholarship Subscription Series and Theater and the Public Schools ticket subsidy programs; the Access Project, ensuring theater access and creative opportunities to the disabled community; and the Lake Forest College Internship Program and The Training Center, which offer classes in all aspects of theater.

Over the last four years VGT has shown significant growth in nearly every area of its programming. Key areas of growth include:

- 88 Average % of capacity in 2005, up from 83% in 2002
- 37,811 mainstage attendance, up from 36,308 in 2002
- 5,860 season subscribers, up 16% over 2002
- 49% average capacity for second stage, compared to 34% in 2002
- Community outreach attendance and events were at 1,984 and 25 respectively in 2005, as compared to 275 and 5 in 2002
- 70,148 total programming participation in 2005, up 19% from 2002

Fundraising:

Staffing: The VGT has a four member development staff including:

- *Director of Institutional Advancement*, chief development officer for the Theater.
- *Director of Development*, responsible for government, corporate and foundation giving.
- *Director of Events and Individual Giving*, responsible for organization and execution of fundraising events and management of individual contributions.
- *Development Associate*, responsible for logistical organization and support for development personnel.

Annual Giving: Total annual contributed income for the last four fiscal years, not including campaign funds, is shown below. Projected fiscal year 2006 receipts are up 25% over VGT's fiscal year 2003 performance.

**Total Contributed and Grant Income
(does not include capital campaigns)
For the Fiscal Years 2003 – 2005**

2003	\$870,501
2004	\$956,276
2005	\$1,039,570
2006 (projected)	\$1,088,203

Expanding Horizons Campaign:

In 2002, Victory Gardens launched an \$11.3 million capital campaign to purchase the Biograph Theater and renovate its existing facilities. As of June 22, 2006, the campaign has received approximately \$10.2 million in pledges and cash, including:

- \$1.50 million from the State of Illinois
- \$2.50 million from the City of Chicago
- \$1.72 million from Victory Garden's Board members

The campaign pledges are expected to be received over the next five years. Victory Gardens will use approximately \$2.5 million in campaign pledges to reduce the outstanding debt by a like amount in the first three years.

The Project: Victory Gardens' current facility at 2257 N. Lincoln Avenue has two 195-seat theaters and two 60-seat studio theaters. Within this space VGT produces not only its own 5-play subscription series but also hosts between 18 – 20 additional productions through Victory Gardens' mentoring relationship with over a dozen small and emerging professional theater companies. In the past five years the VGT's Tony-winning performance has been complemented by an almost 13% increase in participation in its education and outreach programs.

The Theater's growing reputation and utilization, while positive, have also made clear VGT's space limitations in its current building and necessitated the purchase of the Biograph space. In particular:

- The current facility is inefficient and inadequate. The stage lacks wingspace, flyspace, backstage space, adequate lighting and sound systems – all severely restricting the playwrights' and designers' creativity and the scale and scope of their work.

• The restrooms, lobby, and traffic flow in the current building are sorely lacking and outdated. Today's audiences expect a more user-friendly, comfortable space.

- The current Mainstage house, with seating for only 195, seriously limits the Theater's opportunity for earned revenues.
- VGT's increased visibility as a result of the Tony Award, coupled with improved artistic resources in a new theater, will aid in bringing the world premier work to greater local and national audiences.
- The current facility lacks rehearsal studios and classroom space for its Theater Training Center. Combining the spaces at the Biograph with those of the current facility removes these limitations.

In 2001, the Theater's Board saw an opportunity to provide VGT with the technical and production capabilities that would allow its artists work to reach its fullest capacity, while re-invigorating the ways in which VGT interacts with its community.

Using \$1.5 million in State of Illinois grants VGT purchased the Biograph Theater. Built in 1914, as one of the earliest movie theaters, the Biograph was placed on the National Registry of Historic Places in 1996 and was named as a Chicago City Landmark in 2001 by The Commission on Chicago Landmarks.

In 2002, the Theater embarked on an \$11.30 million capital campaign to renovate the Biograph as well as its existing space at 2257 N. Lincoln. Plans for the new theater center include:

- New, 299-seat, state-of-the-art Mainstage theater designed by Chicago architect Daniel P. Coffey that promises both to address the Theater's facility issue and to maintain the intimacy so central to VGT's productions (the 100 additional seats will enable the Theater to significantly extend its reach, maximizing earned revenues each season).
- 125-seat Studio Theater
- Rehearsal/Classroom/Event Room
- Enhanced production and technical capabilities, including a larger stage with full wings, flyspace, trap system, state-of-the-art lighting and sound systems, and adequate backstage areas, which will allow playwrights more creative freedom in developing new plays.
- Dedicated classroom space that will expand and enhance VGT's ability to welcome school audiences and emerging theater artists.
- The current facility at 2257 N. Lincoln will house two 195-seat theaters and one 60-seat studio theater, a Playwrights' Room and expanded offices for VGT's staff.

Using proceeds of the nearly completed capital campaign, VGT began renovation of the Biograph in December 2005. Construction is expected to be completed in August 2006 with the forward dedication of the building planned for October 2006.

The acquisition of a new state-of-the-art facility will enable VGT to serve better its mission and its artists, will position the Theater as one of Chicago's major arts institutions, and will provide a more enjoyable and complete theater experience for Victory Gardens' audiences, and attracting new diverse audiences to the Theater.

Floor plans for the new theater center are attached to this application.

FINANCING SUMMARY

Bonds: 30-year, fully amortizing fixed rate tax-exempt bonds, with a 5-year put to be purchased by MidAmerica Bank of Downers Grove, Illinois with a maturity of September 1, 2036.

Amortization: Debt will be paid down by \$2.5 million within first three years.

Security: General obligation pledge of all legally available funds of VGT, a first mortgage position on the Biograph Theater property and a second mortgage on the 2257 N. Lincoln Avenue property, which will be released when the total outstanding balance on the Bonds drops to \$3,000,000.

PROJECT SUMMARY

Bond proceeds, together with capital campaign contributions will be used to finance the renovation and equipping of the 22,000 square foot Biograph Theater as well as to provide renovations to VGT's existing building at 2257 N. Lincoln Avenue, Chicago, Cook County, Illinois.

Campaign receipts collected to date total over \$10.2 million. Campaign receipts will be applied as equity for the project and to pay principal and interest on the Bonds.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Victory Gardens Theater, 2257 N. Lincoln Avenue, Chicago Illinois 60614
 (Contacts: Ms. Marcelle McVay, Managing Director, 773/549-5788 x103
 Mr. Michael Cleavenger, Director of Institutional Advancement, 773/549-5788x104)

Project name: Victory Gardens Theater (Biograph Theater Project)

Location: Chicago, Illinois, Cook County

Organization: Illinois 501(c)(3) organization

Board Membership:	Name	Professional	Role	Term Expires
	John W. Palmer	Owner/Partner, PL Capital LLC	President	2008
	Leonard R. Gray	Managing Partner, Mercer	Executive VP	2007
	Bruce A. Simons	SVP, LaSalle Bank	VP Development	2007
	Carolyn Lang	Owner, Chadwood Farms Inc.	VP Marketing	2007
	A. Kirk Twiss	Sr. Consultant, Reden & Anders, Ltd.	Treasurer	2007
	Rhonda Rochambeau	Community Leader / Retired Librarian	Secretary	2007
	Steven Adelman	Partner, Lord Bissell and Brook	Director	2008
	Fredrick N. Bates	Corp Counsel, Illinois Tool Works (Retired)	Director	2007
	Alan J. Brody	Real Estate Developer / Investor	Director	2009
	Stuart Burstein	President, Burstein Associates	Director	2007
	Ronald M. Clarkson	President, The Alter Group - Construction	Director	2008
	Edward Ford	Owner, Ford Jewels	Director	2009
	David Glasner	VP, Bernstein Investment	Director	2008
	Phillip M. Goldberg	Partner, Foley & Lardner	Director	2008
	James P. Grusecki	Chairman and CEO, Northern Builders, Inc.	Director	2009
	Julie Harris	Partner, Diamond Cluster International	Director	2009
	Stanley Horn	Partner, Azulay, Horn, Khalas & Yoo	Director	2007
	Janet Hurwich	Real Estate Management / Developer	Director	2008
	John Iwanicki	SVP, Northern Trust Global Investments	Director	2008
	Sylvia Margolies, Special Events Dir., Cystic Fibrosis Found.		Director	2008
	Felix Matlock	Associate Director/Director of Programs at the Chicago Christian Industrial League	Director	2009
	C.B. Owen	VP and Chief Technology Officer, USG	Director	2009
	Patrick J. Phillips	VP, Smith Barney	Director	2009
	Harold E. Pendecter, Jr.	SVP and CAO, USG Corp (retired)	Director	2009
	Jeffrey Rappin	Law Office, Jeffrey C. Rappin	Director	2007

Gene Reineke	COO, Hill & Knowlton, Inc.	Director	2009
Sherman Rosen	Consultant, Human Resources	Director	2007
Carol Rosofsky	Community Leader	Director	2009
Michael Sklar	Attorney, Piper Rudnick	Director	2008
Richard M. Skolly	Consultant, ISPAT Inland Inc.	Director	2007
Joyce Sloane	Producer Emeritus, Second City	Director	2008
S. Gary Snodgrass	EVP & Chief HR Officer, Exelon Corp.	Director	2008
Joan Solbeck	Sr. VP, Salomon Smith Barney Inc.	Director	2008
Wendy Spatz	Community Leader	Director	2009
Nancy Studenroth	Portfolio Mgr., Zurich Scudder Inv.	Director	2007
Dennis Zacek	Artistic Director, Victory Gardens Theater	Director	NA*
Fred Zar	Professor of Medicine and Chief of In-Patient Medical Services, U of Illinois	Director	2007

*Dennis Zacek is a member of the Board as a requirement of his position as Artistic Director of VGT.

Land Owner: Victory Gardens Theater

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Jeffrey C. Lapin, Esq.	Chicago, IL	Jeffrey C. Lapin, Esq.
Accountant:	Ruzicka & Associates, LTD	Northfield, IL	Tony Ruzicka
Bond Counsel:	Foley & Lardner	Chicago, IL	Richard Johnson
Bond Purchaser	MidAmerica Bank	Downers Grove	Mark Brown
Bank Counsel:	Wildman Harrold	Lisle, IL	James Synder
Financial Advisor:	Griffin, Kubik, Stephens & Thompson	Chicago, IL	Michael Boisvert
Issuer's Counsel:	Ice Miller	Chicago, IL	Thomas Smith

LEGISLATIVE DISTRICTS

<i>Congressional:</i>	<i>5 Rahm Emanuel</i>
<i>State Senate:</i>	<i>6 John Cullerton</i>
<i>State House:</i>	<i>11 John Fritchey</i>

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 12, 2006**

Deal: International Ice Centre, LLC

STATISTICS

Deal Number:	N-NP-TE-CD-6189	Amount:	\$2,000,000 (not-to-exceed amount)
Type:	Not-for-Profit	IFA Staff:	Steve Trout
Location:	Romeoville	SIC Code:	713940 Fitness & Rec Centers

BOARD ACTION

Final Bond Resolution Conduit 501(c)(3) Bond Financing No IFA funds at risk Staff recommends approval	Exception: The Underwriter is seeking approval to sell unrated, unenhanced bonds in minimum denominations under \$100,000 (\$25,000)
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PURPOSE

To finance and reimburse the Huskies Hockey Club for costs to 1) acquire and install seating at the International Ice Centre, construct an off-ice training facility and complete change orders to complete construction of that facility, 2) capitalize a debt service reserve funds and 4) pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

Issuance of 501(c)(3) Bonds conveys federal income tax exemption on interest income earned on the Bonds.

VOTING RECORD

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

The Board approved on November 8, 2005 issuance of up to \$18 million of 501 (c)(3) Bonds that financed costs to (1) acquire and improve a 7.5 acre-site in the Wyndam Lakes subdivision in Romeoville and construct, renovate, and equip a three rink 106,000 square-foot training facility for youth hockey and figure skating, (2) finance capitalized interest on the project, (4) capitalize a Debt Service Reserve Fund, and (5) pay certain bond issuance costs.

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$900,000	Uses:	Project Costs	\$900,000
	Huskies Hockey Club	<u>200,000</u>		Reserve Fund	82,000
				Legal & Professional	<u>118,000</u>
	Total	<u>\$1,100,000</u>		Total	<u>\$1,100,000</u>

JOBS

Current employment:	30	Projected new jobs:	1
Jobs retained:	N/A	Construction jobs:	0

BUSINESS SUMMARY

Background: The Huskies Hockey Club, Inc. ("the Huskies" or "the Club"), is an Illinois not-for-profit 501(c)(3) corporation that was incorporated on February 17, 1969. The Club's purpose is to promote, train, teach and develop organized youth hockey and develop the physical, mental and emotional well-being of participants, including developing personal character traits of aggressiveness, self-esteem, self-discipline, perseverance, respect for authority, cooperative relationships and sportsmanship.

The International Ice Centre, LLC is an Illinois Limited Liability Company that the Huskies established and solely own to develop finance and lease the Centre to the Club.

Description: The Club sponsors and develops programs that encourage children and adults to participate in hockey. The Club currently has 489 hockey players in its organization. It attracts players from Darien, Downers Grove, Lisle, Hinsdale, Glen Ellyn, Lombard, Orland Park and Naperville. The Huskies are affiliated with USA Hockey, the Amateur Hockey Association of Illinois (AHAJ), Northern Illinois Hockey League (NIHL), and Northwestern Illinois Hockey League (NWHL).

Currently the Huskies lease time from ice rinks in Darien, Downers Grove and Bolingbrook. The Club is seeking to own and operate its own facility to provide first-rate instruction at a lower cost and offer more programs than is now possible because of limited ice availability. The Club has entered into multiyear contracts with organizations that sponsor hockey, figure and recreational skating programs.

Management: Joseph Pedota has served as the Huskies President since May 2005. He has served the Club since 1987 as Team Manager, Director of the Huskies' Mite Program and Treasurer. He has been a Board member since May 1994. Mr. Pedota is Member of George Bagley and Company, LLC, a certified public accounting firm active in the west suburbs of Chicago.

Ray Saganiuk has been the Huskies' Director of Operations for the past 4 years. He is a former NHL Hockey Player (Toronto Maple Leafs and Pittsburgh Penguins), a highly successful youth hockey coach and previously served for 5 years as Director of Operations for the Seven Bridges Ice Arena.

The Huskies have 2 Directors of Player Development. Gino Linkevitch has served in this capacity since 1997. He played semiprofessional hockey in Latvia (former USSR) and earned a degree in physical education and hockey coaching from the Latvian Academy of Sports and has successfully coached in Latvia and the United States. Stanislav Stiopkin recently joined the Huskies. He bring 35 year of hockey coaching experience, including 20 years as a head coach in Russia and Estonia, and head coaching experience at Chicago Young Americans, Chicago Steel, Chicago Mission and Team Illinois, among other clubs. Former NHL player Ross MacKay heads the Huskies highly successful goalie instruction program.

The Indoor Sports Management Group will manage the Centre full-time. The Group was established in 1991 and currently manages Sportsplex in Darien, a 135,000 s.f. hockey rink and indoor soccer complex, Poplar Creek Sports Centre in Hoffman Estates, a 75,000 s.f. indoor soccer facility and skate park, Sportsplex, in St. Charles, a 63,000 s.f. indoor soccer facility and two smaller indoor facilities in Chicago and Downers Grove.

The Project: Construction of the Centre is complete except for completion of punch list items and landscaping. The Centre has been occupied since late August. This project will finance the acquisition and installation of seating to be used for major national and regional tournaments and off-ice training facilities, which are expected to generate increased revenues. The project will also reimburse the Club for costs to complete change orders necessitated by unforeseen soil problems at the project site.

FINANCING SUMMARY

Bonds: Unenhanced, non-rated, fixed rate, tax-exempt Bonds amortizing over 20 years that are expected to yield interest at approximately 6%.

Security: First lien pledge of Net Project Revenues on the Centre on parity with the Series 2005 Bonds and parity mortgage on real property and improvements.

PROJECT SUMMARY

Bond proceeds, together with equity contributed by the Huskies, will be used to finance and reimburse the Huskies Hockey Club for costs to 1) acquire and install seating at the International Ice Centre, construct off-ice training facilities and complete change orders to complete construction of that facility, 2) capitalize a debt service reserve funds, and 4) pay costs of issuance. Costs to acquire and install seating and complete change orders are estimated at \$900,000. Project costs are estimated as follows:

Change Orders	\$405,443
Additional Soil Correction	110,000
Elevators	50,000
Seating Acquisition & Installation	245,000
Training Center Construction	75,000
Contingency	<u>14,557</u>
Total	<u>\$900,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Huskies Hockey Club, Inc., 1411 Hunter Circle, Naperville, Illinois 60540 (Contact: Donald LaPato, President, Phone: (312) 786-5324)

Project name: Internationale Ice Centre Development Project

Location: 7.5-acre site in the Wyndham Lakes subdivision of Romeoville, at the corner of I-55 and Weber Road, Romeoville, Illinois (Will County) 60446

Organization: Borrower: Illinois Limited Liability Company
Guarantor: Illinois 501(c)(3) organization.

Board Members:

Joseph Pedota	President
Donald LaPato	Vice President
Linda Wikie	Secretary
Dan Russell	Director
James Nolan	Director
Mark Stevens	Director
Marc Shipbaugh	Director
Tammy Johnsen	Director
Wayne Partacz	Director
Laura Johnson	Director
Ken Kestas	Director
Don DeWilkens	Director
Rocky Sauginauk	Director
Jim Anderson	Director

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Greenberg Traurig	Chicago, IL	Richard Sirus
Bond Counsel:	Barnes & Thornburg	Chicago, IL	Darren Collier
Underwriter:	Oppenheimer & Co., Inc.	Chicago, IL	Brian Nelson
Underwriter's Counsel:	Peck, Shaffer & Williams	Chicago, IL	George Buzard
Financial Advisor:	Robert W. Baird & Co., Inc.	Chicago, IL	Tod Miles
IFA Counsel:	Burke, Burns & Pinelli, LTD.	Chicago, IL	Stephen Welcome
Trustee:	BNY Midwest Trust	Chicago, IL	
Accountant:	Coleman Joseph Blitstein & Stuart LLC	Deerfield, IL	
Design-Builder: Feasibility Consultant:	MA Mortenson Company	Elk Grove Village, IL	Brian Kronewitter
	CH Johnson Consulting	Chicago, IL	Charles Johnson

LEGISLATIVE DISTRICTS

Congressional:	13	Judy Biggert
State Senate:	24	Kirk Dillard
State House:	48	James Meyer

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 12, 2006**

**Project: DuPage Covered Bridges, L.P., or an affiliate
(Covered Bridges Apartments)**

STATISTICS

IFA Project #:	M-MH-TE-CD-718	Amount:	\$20,000,000 (not-to-exceed amount)
Type:	Housing Bonds	FM:	Rich Frampton
Location:	Carol Stream		

BOARD ACTION

Final Bond Resolution
Conduit Tax-Exempt Affordable (Multifamily) Rental Housing Bonds
No IFA Funds at risk
Staff recommends approval

PURPOSE

Purchase and renovation of an existing 362-unit, multifamily (market rate) rental property with one-, two-, and three-bedroom units in Carol Stream and to convert the property to an affordable multifamily rental property.

IFA CONTRIBUTION

IFA will convey tax-exempt bond status on this financing. The Developer will acquire 100% of the Volume Cap necessary to finance this project. As proposed, this project would use approximately \$18.2 million of Home Rule Volume Cap, including a minimum of \$13.2 million of prior year Carryforward Volume Cap obtained from Home Rule Units. Because over 50% of the development cost (i.e., "Qualified Basis") will be financed with tax-exempt bonds, the project will be eligible to obtain 4% Low Income Housing Tax Credits to generate project equity.

Additionally, the Village of Carol Stream has supported this project through the transfer of its entire 2006 Volume Cap Allocation to IFA (i.e., \$3,221,360).

VOTING RECORD

Preliminary Bond Resolution, 1/10/2006:

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

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

Sources:	Tax-Exempt Bonds (Series 2006A) <i>FNMA</i> 4% LIHTC Tax Credit Equity Deferred Devel. Fee Developer Loan Project Cash Flow Total	\$19,500,000 9,080,000 2,928,000 3,662,000 <u>2,423,636</u> \$35,170,000	Uses:	Project costs Revenue Fund – Initial Deposit Mortgage Costs Bond Issuance Costs Deferred Devel. Fee Total	\$31,312,000 114,000 236,000 580,000 <u>2,928,000</u> \$35,170,000
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*Note: The Developer's Fee will be deferred and paid over time subject to the Partnership Agreement to be executed between the Developer and RED Capital Markets, Inc., the proposed Tax Credit Investor. Payment of these fees will be contingent on project performance. Typical performance hurdles include: satisfying certain benchmark debt service coverage, occupancy rates, and other negotiated covenants.

JOBS

Current employment:	6 FTE's	Projected new jobs:	*0
Jobs retained:	N/A	Construction jobs (11 mo's.):	18 (average)

* Note: The Applicant expects to reduce on site management by 1 full time equivalent, which will reduce annual Property Management Fees significantly (i.e., from approximately 6.3% to 4.7%), consistent with management fees at other properties under the Applicant's management.

BUSINESS SUMMARY

Organization: DuPage Covered Bridges, L.P. (the "Applicant") is an Illinois Limited Partnership, the General Partners of which is Blessing Two, LLC (the "Developer" or "General Partner"), an Illinois Limited Liability Company. The General Partner will own a 0.01% ownership interest in the subject property.

Blessing Two, LLC, in turn, is 99.9%-owned by Mr. Niranjana S. Shah, the CEO of Globetrotters Engineering Corporation (and affiliates) of Chicago, Illinois. The Applicant has been formed for the express purpose of acquiring, renovating, and owning the Covered Bridges Apartments, an existing 362-unit market-rate, multifamily housing property located in Carol Stream and converting it to an affordable rental property.

Globetrotters Engineering Corporation and its affiliates are Chicago-based civil engineering, construction management, and property management companies.

The Limited Partner and 99.99% owner of the Project will be affiliates of RED Capital Markets, Inc., of Columbus, Ohio, a tax credit investor/syndicator. RED Capital Markets, Inc. is an affiliate of National City Bank. The project will generate equity through the syndication of 4% Low Income Housing Tax Credits to corporations.

The accompanying Economic Disclosure Statement (see p. 5) provides additional information on the underlying owners.

Background: The Covered Bridges Apartments (the "Property") includes seventeen (17) apartment buildings and contains a total of 362 units. The Property was opened in 1974 and includes a mix of one-, two-, and three-bedroom units. The property is located on an approximately 20.7 acre site in Carol Stream.

The property is located at 637 Burns Street, in the southeastern section of the Village of Carol Stream, southeast of the intersection of Illinois Hwy. 64 (North Ave.) and Schmale Road.

The property's common facilities include 625 parking spaces, an outdoor swimming pool, two tennis courts, and a 3,000 SF clubhouse facility, with a lounge area, fireplace, and kitchen. Laundry and storage facilities are contained in each building. All buildings have locked entryways with an intercom system.

The proposed project will include substantial renovations to exteriors and common areas of the property, including:

- painting of corridors and stairwells
- new carpet in corridors and stairwells
- handicapped accessible property office
- sidewalk repair and replacement
- roof repairs

- gutter and downspouts repaired and replaced
- pond pier wall upgrades
- boiler replacement
- repair and replacement of retaining walls
- landscaping
- electrical and mechanical system improvements

The scope of the in-unit-related improvements will include:

- new appliances in all units
- new cabinet and countertops in kitchens and bathrooms in all units
- new plumbing fixture in kitchens and bathrooms for all units
- all 362 units will be completely repainted, with new carpeting and tile
- ground floor patios will be repaired and replaced
- balcony supports will be repaired and replaced

The Applicant has estimated an overall average renovation cost per unit (including common area improvements) at approximately \$20,760 as of 8/31/2006.

The Tax Certificate will require that 80% of the units in the Project be reserved for lease to tenants with incomes at or below 60% of area median income based on family size. Additionally, the rents will be restricted to not more than 30% to 60% of area median income, adjusted for family size.

The Village of Carol Stream supports the acquisition and renovation of this property and has discussed the proposed project financing with both the Applicant and IFA. Additionally, the Village has subsequently supported through the transfer of its entire allocation of 2006 Volume Cap to IFA (i.e., \$3,221,260).

The Applicant closed on the acquisition of the subject property in March 2006 (subsequent to receiving approval of an IFA Inducement Resolution in January 2006).

**Background on
Developer and
Affiliates:**

Globetrotters International, Inc. is a Chicago-based real estate civil engineering, construction management, and property management company. Globetrotters has provided professional architectural and engineering services for the Chicago Housing Authority ("CHA") since 1980. Additionally, Globetrotters' clients include the Illinois Housing Development Authority ("IHDA"), and the Housing Authority of Cook County ("HACC").

More specifically, during the 1980's and 1990's, Globetrotters provided design and construction administration services for a series of individual projects including, energy audits, heating system conversions from heating oil to natural gas, roofing improvements, demolition task services, and general HVAC improvement projects. Since 1999, Globetrotters has been a key consultant for the CHA's Plan for Transformation including design consulting services, demolition management (a \$75 million program), and new construction management (CHA Lowden Homes Modernization and CHA Senior Housing Renovation).

Globetrotters has also been an approved Physical Needs Assessment ("PNA") Consultant for IHDA acquisition/rehabilitation projects since 2000. As an approved PNA Consultant, Globetrotters provides consultant services to private developers and nonprofits to assess the property and prepare the PNA documentation consistent with FNMA requirements.

Globetrotters recently completed design services for HACC for the modernization of the Turlington Apartments building in Harvey, Illinois and is currently providing design service for the fire protection/fire alarm systems at the King Apartments in Skokie.

Management Agent:

PNS Management LLC ("PNS"), an Illinois Limited Liability Company, an entity under common ownership with the Applicant, will be the new Management Agent for the property. PNS was created to provide property management services to Globetrotters Engineering (and affiliates) and Mr. Niranjana Shah's portfolio of multifamily projects.

PNS, and its predecessors, have managed Broadview Apartments in Broadview, Illinois since Globetrotters also acquired the property in 1983. At the time Globetrotters initially assumed management of this property, there were significant lease compliance and security issues associated with the property. Subsequently, under Globetrotters' management, the property is now both (1) a participant in the Section 8 program and is certified by the Cook County Housing Authority, and (2) a Cook County Class 9 Incentive Property (which provides tax incentives to rehab properties to make them safe, decent, and affordable). As a result of Globetrotters' management, operation of the property has stabilized.

Additionally, Globetrotters currently both owns and manages three conventionally financed, market-rate properties including:

- Waterford Greens Apartments and Townhomes, Naperville, IL, a 196-unit property acquired in 1994. The Property consists of 68 two-bedroom townhomes, 64 one-bedroom townhomes, and 64 one-bedroom apartments.
- Richton Square Apartments, Richton Park, IL, a 342 unit property acquired in April 2005. The Property consists of one- and two-bedroom apartments. This Property received financing through the Cook County Assessor's Class 9 incentive program for rehabilitation in 2005.
- Maple Lane Apartments, South Bend, IN, a 396-unit property acquired in 2004.

The contract with the existing property manager, Bayshore Management Company LLC, Chicago, IL, was terminated upon acquisition of this property as of 3/31/2006. The change in property manager was previously approved by FNMA and RED Mortgage Capital, Inc. (the FNMA lender).

Accessibility:

The Covered Bridges Apartments were originally built in 1974 as a non-subsidized market-rate multifamily rental housing property. The Project has been a non-subsidized market rate facility to date.

Upon substantial completion of the renovations, the Project will comply with the Americans with Disabilities Act to the extent that it applies to this property (it is exempted from many provisions due to its original placed in service date).

FINANCING SUMMARY

Security:

AAA-rated (S&P) credit enhancement from FNMA on the Tax-Exempt Series 2006 Bonds

Collateral for FNMA:

FNMA will be secured by a blanket first mortgage on all project assets. The Bonds will be non-recourse to the (LLC) Members of the Applicant.

Interest Rate:

Fixed Rate Bonds for an initial term of 30 years. The estimated effective fixed rate on the Tax-Exempt Bonds is 5.75% for the initial 30 years as estimated by RED Capital Markets, Inc., the Underwriter. (The Bonds will be remarketed and priced after 30 years, pursuant to a mandatory tender provision, as specified under the Trust Indenture.)

Maturity:

Tax-Exempt Series 2006 Bonds: 40 years (final maturity date)

PROJECT DESCRIPTION FOR IFA BOND RESOLUTION

Bond proceeds will be used to finance the acquisition and substantial rehabilitation/renovation of Covered Bridges Apartments, an 17-building, 362-unit multifamily rental property, including a 3,000 SF clubhouse building, swimming pool, parking lots, and related facilities, located on an approximately 20.69 acre site, at 637 Burns Street, Carol Stream (DuPage County), IL 60188-2522.

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

Estimated project costs are as follows:

Land Acquisition:	\$2,140,000
Bldg. Acquisition:	\$19,270,000
**Renovations:	7,515,000
Arch. & Eng.	587,000
Upfront Developer Fee (at completion)	800,000
Reserves	479,000
Permitting/Professional/Due Diligence	<u>521,000</u>
Total:	\$31,312,000

**Renovations will include various interior and exterior improvements to the property.

ECONOMIC DISCLOSURE STATEMENT

Applicant: DuPage Covered Bridges, L.P., an Illinois Limited Partnership, c/o Mr. Niranjn Shah, Globetrotters International, Inc., Facilities Management Group, 300 South Wacker Drive, Suite 200, Chicago, IL 60606; Ph.: 312-922-5168; Fax: 312-922-3006; e-mail: niranjn.shah@gec-group.com

Project name: Covered Bridges Apartments
Location: 637 Burns Street, Carol Stream (DuPage County), IL 60188-2522
Organization: Limited Partnership
State: Illinois

Ownership of Applicant: DuPage Covered Bridges, L.P., an Illinois Limited Partnership to be formed

- Blessing Two, LLC, General Partner (0.01%):
 - Mr. Niranjn S. Shah, President and CEO, Globetrotters International, Inc.: 99.9%
 - No other member of Blessing Two, LLC will hold a sufficient ownership interest to require further disclosure
- Limited Partner (99.99%): RED Capital Markets, Inc., Columbus, OH (through syndication of 4% low income housing tax credits to large corporations subsequent to closing, via its Provident Tax Credit Fund IX, LLC and SCDC, LLC affiliates).

Current Property Owner: DuPage Covered Bridges, L.P. closed on the acquisition of the subject property as of 3/31/2006.

PROFESSIONAL & FINANCIAL

Counsel:	Kopko Genetos & Retson LLP	Merrillville, IN	Terry Retson
Accountant:	Reznick Group	Chicago, IL	Bruce Schiff
Bond Counsel:	DLA Piper Rudnick Gray Cary LLP	Chicago, IL	Patrick Thompson
Underwriter:	RED Capital Markets, Inc.	Columbus, OH	Tracy Peters
Underwriter's Coun.:	Eichner & Norris	Washington, DC	Kent Neumann
Credit Enhancement:	FNMA		
FNMA DUS Lender:	RED Mortgage Capital, Inc.	Columbus, OH	Terry Taylor
Lender's Counsel:	Ballard Spahr Andrews & Ingersoll	Baltimore, MD	Tom Hauser
FNMA Counsel:	Squire Sanders & Dempsey	Columbus, OH	Phil Westerman
Tax Credit Investor:	RED Capital Markets, Inc.	Boston, MA	Richard Coomber
Tax Credit Investor's Counsel:	Nixon Peabody LLP	Boston, MA	Wally Spiegel
Trustee:	JP Morgan Trust Company, N.A. (Bank of New York)	Chicago, IL	Rodney Harrington
Trustee's Counsel:	Charity & Associates, L.P.	Chicago, IL	Alan Bell
Rating Agency:	Standard & Poor's	San Francisco, CA	Karen Flores
Architect:	GEC Design Group	Chicago, IL	Margaret Lehto
General Contractor:	Tishman Midwest Management Corp.	Chicago, IL	Stanley Gaynor
Project Admin./ Constr. Loan Svcr.:	Red Mortgage Capital, Inc.	Columbus, OH	Ken Bowen
Management Agent:	Globetrotters International, Inc.	Chicago, IL	David Fuller
Appraiser:	Applied Real Estate Analysis, Inc.	Chicago, IL	Andy Prodanovic
Issuer's Counsel:	Peck Shaffer & Williams, LLP	Chicago, IL	George Buzard

LEGISLATIVE DISTRICTS

Congressional:	6	Henry J. Hyde
State Senate:	23	Carole Pankau
State House:	45	Roger A. Jenisch

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 12, 2006**

Project: Charles E. Fitzpatrick Sr.

STATISTICS

Project Number:	B-LL-TX-6192	Amount:	\$700,000
Type:	Participation Loan	IFA Staff:	Rick Pigg
Location:	Harrisburg	NAICS Code:	562000

BOARD ACTION

Purchase of Participation Loan from Banterra Bank
\$700,000.00 IFA funds at risk
Staff recommends approval subject to compliance with all bank's terms and conditions.
Additional Requirement appraisals to be obtained on all real estate and equipment.

PURPOSE

Permanent financing for the purchase of business and 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:	Banterra Loan #1	\$1,425,000	Uses:	Real Estate	\$1,425,000
	Banterra Loan #2	\$ 700,000		Equipment	\$1,400,000
	IFA Part. Loan #2	\$ 700,000		Working Capital	\$ 300,000
	Banterra Loan #3	\$ 300,000			
	Total:	<u>\$3,125,000</u>		Total:	<u>\$3,125,000</u>

JOBS

Current employment: 50
Jobs retained: 50

Projected new jobs: 20
Construction jobs: n/a

BUSINESS SUMMARY

- Description:** Charles E. Fitzpatrick Sr. will purchase the Southern Illinois Division of Allied Waste (a/k/a Midwest Waste a garbage disposal business). Mr. Fitzpatrick and his accountant haven't determined the type of entity that will be formed upon purchase.
- Background:** Charles Fitzpatrick (age 67) of Harrisburg, Illinois is requesting financing for the purchase of Allied Waste's Southern Illinois Division. Allied does business in Southern Illinois as Midwest Waste. The purchase price of the business is \$3,250,000. The real estate of the business includes Allied's headquarters located behind Absher Motors in Marion which consists of approximately 3 acres with a 2,000 SF office building, a 6,000 SF shop building, and a 900 SF garage building. Mr. Fitzpatrick estimates the value of this real estate at \$1,500,000. The purchase of the business also includes all of the transportation equipment, various loaders, containers, compactors, open top totters, and shop equipment. The value of this equipment is estimated at \$4,000,000. The sale of the business also includes the transfer of the Herrin Transfer Station Lease. This transfer station is located on property owned by the city of Herrin and has 17 years remaining on the original term with an additional 20-year renewal option. The transfer station is where the compacter trucks dump their loads. The material is then loaded into semis for transport to the landfill. This lease has value but we are not assigning any value to it for this request.
- Mr. Fitzpatrick had owned and operated a lot of this business before he sold it to Allied in 1998. He says that Allied has now decided they are not good operators in rural environments and wish to sell at a discount. Allied Waste wants to limit their business activities to metro markets. They are selling multiple locations throughout the United States that are located in similar markets to this.
- Mr. Fitzpatrick currently owns a variety of businesses in the Harrisburg area. These businesses include Granny's Kitchen & Fuel Inc., the BP Station and restaurant on the west side of Harrisburg; 2F, Inc. a bulk fuel business; Enviroclean Waste Management Inc. a trash business in Salem Illinois and a car wash in Harrisburg. The car wash is a sole proprietorship and is included on the CDF financial statement. CDF stands for Charles and Doris Fitzpatrick. Almost all of his existing debt is at PNB in Harrisburg.
- The Project:** Charles E. Fitzpatrick, Sr. (or entity to be formed) will purchase and operate Allied Waste's Southern Illinois Division.
- Bank Request:** The bank is requesting IFA to participate in a \$1,400,000 loan. The IFA loan amount will be \$700,000.

FINANCING SUMMARY

- Obligor:** Charles E. Fitzpatrick, Sr. (or an entity to be determined)
- Guarantor:** Charles E. Fitzpatrick Sr.
- Security:** Shared 1st position on purchased equipment. All 3 bank loans will be cross collateralized.
- Structure:** The bank rate will be 8.10% fixed with a 6-year full payout.

ECONOMIC DISCLOSURE STATEMENT

- Applicant:** Charles E. Fitzpatrick Sr. (or an entity to be determined)
- Organization:** Individual

PROFESSIONAL & FINANCIAL

- | | | | |
|---------------------|----------------------|---------------------|---------------------|
| Accountant: | Ron Emery Accounting | 409 East Poplar St. | Harrisburg IL 62946 |
| Bank: | Phil Goines | Banterra bank | |
| IFA Counsel: | David T. Cellitti | 10 South Wacker Dr. | Chicago IL 60606 |
| | Dykema Gossett | | |

LEGISLATIVE DISTRICTS

Congressional:	John M Shimkus	19th
State Senate:	Gary Forby	59th
State House:	Brandon Phelps	118th

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 12, 2006**

Project: Commonwealth Edison Company

STATISTICS

Project Number: P-PO-TE-CD-6173	Amount: \$199,400,000 (not to exceed amount)
Type: Environmental/Refunding	FM: Rich Frampton
Locations: Multiple	SIC Code: 4931

BOARD ACTION

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

PURPOSE

Reissuance of Series 1994 bonds to (1) extend final maturity date beyond 12/1/2006 and to (2) revise certain terms of the bond documents. The original proceeds were used to finance qualified pollution control facilities at six power plants in Northern and Central Illinois.

VOLUME CAP

Because this project is a Refunding Issue, no Volume Cap is required.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources: IFA Bonds	\$199,400,000	Uses: Refunding Bonds	\$199,400,000
Equity	<u>455,000</u>	Costs of Issuance	<u>455,000</u>
Total	<u>\$199,455,000</u>	Total	<u>\$199,455,000</u>

Source of Equity: Company will draw from cash balances to pay costs of issuance.

JOBS

Current employment: 8,000	Projected new jobs: Not applicable (refinancing)
Jobs retained: Not Applicable	Construction jobs: Not applicable (refinancing)

BUSINESS SUMMARY

Background: Unicom Corporation, the previous parent company of Commonwealth Edison Company ("ComEd" or the "Applicant"), and PECO Energy Company, Inc. merged on October 20, 2000 to form **Exelon Corporation** ("Exelon"). Exelon's regulated energy delivery operations in Illinois continue to do business as **Commonwealth Edison Company** ("ComEd"). ComEd is a 99.9% owned subsidiary of Exelon.

All of ComEd's bonds continue to be a general obligation of the Commonwealth Edison Company. The Bonds will not be secured by a corporate guarantee from Exelon Corporation.

Description: Commonwealth Edison Company is Exelon's regulated utility engaged principally in the purchase, transmission, distribution, and sale of electricity to a diverse base of residential, commercial, industrial, and wholesale customers in Northern Illinois. ComEd's retail service territory has an area of approximately 11,300 square miles and an estimated population of eight million. The Company serves approximately 3.7 million customers overall.

During January 2001, Exelon undertook a restructuring to separate its generation and other competitive businesses from its regulated energy delivery business. As part of this restructuring, the non-regulated operations and related assets and liabilities of ComEd were transferred to separate subsidiaries of Exelon (e.g., Exelon Generating Company, LLC). Consequently, beginning January 2001, the operations of ComEd consist of its retail electricity distribution and transmission business in Northern Illinois.

Although the subject generating plants are no longer owned by ComEd, the debt associated with the six coal-fired generating facilities has remained an obligation of ComEd pursuant to Illinois electric power utility deregulation statutes.

ComEd is been current on all scheduled principal and interest payments on all outstanding IFA Bond issues.

FINANCING SUMMARY

Security: Bonds will be sold based on "Aaa/AAA"-rated municipal bond insurance from AMBAC.

Structure: Fixed rate bonds, secured by AMBAC municipal bond insurance.

Maturities: 1.4 years, 3.8 years, and 6.6 years. Anticipated interest rates of 4.0% or less based on market conditions as of 8/30/2006 (subject to change).

Note:

1. *The proposed Refunding Bonds would be issued under the Authority's Environmental Statute but will not result in a net increase in debt outstanding under IFA's Environmental Statute upon redemption of the Series 1996 Bonds scheduled to mature as of 12/1/2006.*

PROJECT SUMMARY

Bond proceeds will be used to current refund an amount not-to-exceed \$199,400,000 of the outstanding principal amount of IFA (IDFA) Series 1996 Bonds (Commonwealth Edison Company) scheduled to mature as of 12/1/2006 and to extend the final maturity date by up to 6.6 years. The original bond proceeds of which were used to finance certain air and water pollution control facilities or sewage or solid waste disposal facilities located at the following electric generating plants: Collins Generating Station, 4200 Pine Bluff Road, Morris (Grundy County), IL 60450-9556; Joliet Station, 1800 Channahon Road, Joliet [Rockdale] (Will County), IL 60436-8539; LaSalle Generating Station, 2601 North 21st Road, Marseilles (LaSalle County), Illinois 61347-9756; Powerton Station, 13082 East Manito Road, Pekin (Tazewell County), IL 61554-8586; Waukegan Station, 401 East Greenwood Ave., Waukegan (Lake County), IL 60087-5104; and Will County Generating Station, 529 E. 135th Street, Romeoville (Will County), IL 60446-1538.

The proceeds of the Bonds will current refund an equivalent amount of Pollution Control Refunding Bonds issued by the IFA (IDFA) in 1996. The Series 1996 Bonds, in turn, current refunded equal principal amounts of Bonds issued by (1) the City of Joliet in 1976 and 1979, (2) the City of Pekin in 1976 and 1979, (3) the City of Waukegan in 1979, and (4) IFA (IDFA/Illinois Industrial Pollution Control Financing Authority) in 1974.

The facilities comprising the Project are currently owned by Midwest Generation, LLC, a Delaware limited Liability company, whose ultimate corporate parent is Edison International, a California corporation, which will not receive any proceeds from the issuance of the Bonds and will not have any obligation with respect to their repayment.

ECONOMIC DISCLOSURE STATEMENT

- Applicant:** Commonwealth Edison Company (Contact: Mr. Brian Collins, Senior Financing Analyst, Exelon Corporation, 10 S. Dearborn Street, 36th Floor, Chicago, Illinois 60603; Ph.: 312/394-3529; brian.collins@exeloncorp.com)
- Project name:** Commonwealth Edison Company Series 2006 A-C Refunding Bonds
- Locations:** *Collins Generating Station*, 4200 Pine Bluff Road, Morris (Grundy County), IL 60450-9556
Joliet Station, 1800 Channahon Road, Joliet (Will County), IL 60436-8539
LaSalle Station, 2601 North 21st Road, Marseilles (LaSalle County), Illinois 61347-9756
Powerton Station, 13082 East Manito Road, Pekin (Tazewell County), IL 61554-8586
Waukegan Station, 401 East Greenwood Ave., Waukegan (Lake County), IL 60087-5104
Will County Station, 529 E. 135th Street, Romeoville (Will County), IL 60446-1538
- Organization:** Commonwealth Edison Company: Corporation
State: Illinois
- **Ownership:** Exelon Corporation, a Pennsylvania corporation: 99.9%
 - The only shareholders with a 5.0% or greater interest in Exelon Corporation are the following institutional investors (advisors to mutual funds):
 - **Capital Research & Management Company (6.80%)**, 333 South Hope Street, 55th Floor, Los Angeles, California 90071-1447
 - **Wellington Management Co. LLP (5.49%)**, 75 State St., Boston, MA 02109.
- Ownership of the Power Plants:** **Midwest Generation, LLC**, a Delaware limited liability company based in Chicago. purchased all of ComEd's remaining fossil fuel power plants in 1999. Although Although ComEd has sold these power plants, Commonwealth Edison Company remains obligated on the subject bonds.
- Ownership of Midwest Generation, LLC, is detailed below:**
- **Edison Mission Midwest Holdings Company** is the sole owner of Midwest Generation, LLC.
 - **Edison Mission Midwest Holdings** is a wholly owned subsidiary of **Midwest Generation EME, LLC**, which is in turn a wholly owned subsidiary of **Edison Mission Energy, Inc. ("EME")** of Irvine, CA.
 - **EME** is a wholly owned subsidiary of **Mission Energy Holding Company** and is an indirect wholly owned subsidiary of **Edison International**, 2444 Walnut Grove Avenue, Rosemead, CA 91770. (Edison International is also the parent company of Southern California Edison.)
 - **Edison International** (NYSE Ticker: EIX) shareholders with a 5.0% or greater ownership interest are limited to the following institutional investors (as of 6/30/2006):

1. **SSgA Funds Management**, State Street Global Advisors,

State Street Financial Center, One Lincoln Street, Boston, MA
 02111-2900: 11.79%

2. **Barclays Global Investors UK Holdings Ltd.**, 45 Fremont St.,
 San Francisco, CA 94105: 7.06%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Sidley Austin Brown & Wood	Chicago, IL	Richard Astle
Accountant:	PricewaterhouseCoopers LLP	Chicago, IL	Adam Houston
Bond Counsel:	Pugh Jones Johnson & Quandt, P.C.	Chicago, IL	Scott Bremer, Kim Barker-Lee
Senior Manager:	J.P. Morgan Securities, Inc.	New York, NY	John Raben
Co-Managers:	Lehman Brothers	New York, NY	Stephen Peters
	Wachovia Securities	Charlotte, NC	Brian Hill
	Morgan Stanley	New York, NY	Jay Sweeney
	Merrill Lynch	New York, NY	Matt Harblin
	Banc of America Securities, LLC	New York, NY	Pete Dougherty
	KeyBanc Capital Markets	Chicago, IL	Jason Fenwich
	ABN AMRO	Chicago, IL	Peter Glick
	Loop Capital Markets, Inc.	Chicago, IL	Sidney Dillard
Auction Agent:	Bank of New York	New York, NY	Jennifer Valenti
Underwr./Auction Agent Counsel:	Winston & Strawn LLP	Chicago, IL	Cabell Morris, John Cashman
Bond Insurance/ Liquidity Facility: Counsel to Bond	AMBAC Assurance Corporation	New York, NY	Dennis Pidherny
Insurer:	King & Spaulding, LLP	New York, NY	Mike Hannigan
General Contractor:	Not applicable		
Trustee:	JP Morgan Institutional Trust Services	Chicago, IL	Joe Morand
Rating Agencies:	Moody's/S&P	New York, NY	
Issuer's Counsel:	Cahill Law Office	Chicago, IL	Kevin Cahill

LEGISLATIVE DISTRICTS

Power Plant:	Collins	Joliet	LaSalle County
<i>Location:</i>	<i>Morris</i>	<i>Joliet</i>	<i>Marseilles</i>
Congressional:	11 Weller	11 Weller	11 Weller
State Senate:	38 Dahl	43 Wilhelmi	38 Dahl
State House:	75 Gordon	86 McGuire	75 Gordon
Power Plant:	Powerton	Waukegan	Will County
<i>Location:</i>	<i>Pekin</i>	<i>Waukegan</i>	<i>Romeoville</i>
Congressional:	18 LaHood	10 Kirk	13 Biggert
State Senate:	46 Shadid	30 Link	43 Wilhelmi
State House:	91 Smith	60 Washington	85 Hassert

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 12, 2006**

Project: **C&D Recycling LLC**
(2300 Carlson LLC jointly with C & D Recycling LLC)

STATISTICS

Project Number: I-ID-TE-CD-6184	Amount: \$4,400,000
Type: IRB	FM: Townsend Albright
Location: Northbrook	SIC Code: 56-2212

BOARD ACTION

Preliminary Bond Resolution	Conduit Industrial Revenue Bonds
No IFA funds at risk	Staff recommends approval
Extraordinary condition: \$100,000 minimum denominations	

PURPOSE

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

VOLUME CAP

IFA to provide \$4,400,000 of IFA Volume Cap and convey tax-exemption on the Industrial Revenue Bonds

VOTING RECORD

Preliminary Bond Resolution - No prior vote

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$4,400,000	Uses:	Project Costs	\$5,659,300
	Equity	<u>1,593,300</u>		Capitalized Interest	264,000
				Legal/Professional	<u>70,000</u>
Total		<u>\$5,993,300</u>		Total	<u>\$5,993,300</u>

JOBS

Current employment:	10 (Active Disposal)	Projected new jobs:	41
Jobs retained:	N/A	Construction jobs:	40 (6 months)

BUSINESS SUMMARY

Background: 2300 Carlson LLC ("2300") (filed) jointly with C&D Recycling LLC ("CDR") (filed) (the "Co-applicants"), are Illinois Limited Liability Corporations established for the purposes of owning the land/building; and machinery, furniture and fixtures, respectively, of a state-of-the art recycling facility to be constructed in Northbrook, Illinois. Active Disposal Company ("Active") was formed by two of the principals in 2004 as a roll-off container company. Active currently has 7 trucks and 310 roll-off containers which are used for the collection and disposal of construction and demolition materials only. All materials are non hazardous, uncontaminated materials resulting from construction, remodeling, repair, and demolition of utilities, structures or roads. Active collects debris from Chicago's northern suburbs. Active will be a tenant, leasing 10.0% of the proposed facility for its collection activities. The principal shareholders of the Co-applicants and tenant are listed in this report for Board review.

Description: Proceeds of the proposed financing and owner equity will be used to purchase land and construct a recycling facility to be located in Northbrook, Illinois. This facility will operate under Section 22.38 of the IL Environmental Protection Act. As landfills fill up, the State of Illinois has expressed interest the development of recycling facilities. For example, the City of Chicago passed an ordinance that effective for all building permits issued after January 01, 2006, at least 25.0% of all construction and demolition material must be recycled. That amounts increases to 50.0% beginning January 01, 2007. Bond proceeds will also be used to purchase a sorting machine, a grinder, and a bobcat. All excess materials (not to exceed 25.0%) which cannot be recycled will be transported to a landfill. All material will be off premises within 72 hours.

Remarks: The co-applicants will market their facility to Northbrook and surrounding north suburbs. The closest operating recycling facility is located in Palatine. Diverting materials from landfills will decrease traffic to landfills, decrease fuel consumption, and increase the availability of products utilizing recycled materials. The proposed facility will conserve resources and preserve the environment.

FINANCING SUMMARY

Security: Direct purchase of the bonds by First Midwest Bank, DesPlaines, Illinois.
Structure: TBD
Collateral: First Mortgage on the property, first lien on equipment, and personal guarantees of the Principals.
Maturity: 20 years

PROJECT SUMMARY

Proceeds will be used to (i) purchase approximately land and construct an approximately 39,000 sq. ft. building at 2300 Carlson Drive, Northbrook, Cook County, Illinois, (ii) purchase machinery and equipment, and (iii) fund legal and professional costs

Project Costs:	Land/Building	\$ 1,850,000
	Construction	1,636,000
	Machinery/Equip	2,103,300
	Arch/ Eng	<u>70,000</u>
Total		<u>\$5,659,300</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant/Contacts: C & D Recycling LLC (*Signatory Contact*)
Project Name: C & D Recycling LLC New Facility
Project Location: 2300 Carlson Drive, Northbrook, IL 60062
Land Owner: 2300 Carlson LLC

Shareholder Ownership:

2300 Carlson LLC		C&D Recycling LLC	
Larry Herskovitz	50.0%	Larry Herskovitz	40.0%
Samuel Sciarreta	30.0%	Samuel Sciarreta	40.0%
Nancy Herskovitz	20.0%	Nancy Herskovitz	20.0%
Nancy Herskovitz	20.0%		

Tenant Ownership: Active Disposal Company
Samuel Sciarreta 50.0%
Larry Herskovitz 50.0%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Neil Ament & Associates	Northbrook, IL	Neil Ament
Accountant:	Accounting Associates	Chicago, IL	Alan Giblichman
Bond Counsel:	Wildman, Harrold, Allen & Dixon	Chicago, IL	James Snyder
Bank/Bond Purchaser:	First Midwest Bank	DesPlaines, IL	Paul Ebert
Counsel to Bank:	Wildman, Harrold, Allen & Dixon	Chicago, IL	James Snyder
Trustee:	Midwest Bank	DesPlaines, IL	
Issuer's Counsel:	Chapman and Cutler	Chicago, IL	Becky Brueckel

LEGISLATIVE DISTRICTS

Congressional:	10	Mark Steven Kirk
State Senate:	29	Susan Garrett
State House:	58	Karen May

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

Project: Racó Steel Company

STATISTICS

IFA Project #:	I-IR-TE-CD-6190	Amount:	\$2,000,000 (not-to-exceed amount)
Type:	Industrial Revenue Bond	FM:	Steve Trout
Locations:	Markham		

BOARD ACTION

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

PURPOSE

To finance the acquisition and installation of a steel slitting line.

IFA PROGRAM AND CONTRIBUTION

The Authority's issuance of Industrial Revenue Bonds will exempt income earned on the Bonds from federal income tax and thereby enable the Borrower to obtain a lower interest rate on this debt.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IRB	<u>\$1,725,755</u>	Uses:	Project Cost	\$1,693,877
				Legal & Professional	<u>31,878</u>
	Total	<u>\$1,725,755</u>		Total	<u>\$1,725,755</u>

JOBS

Current employment:	68	Projected new jobs:	10 (within 2 years)
Jobs retained:	Not applicable	Construction jobs:	0

BUSINESS SUMMARY

Description: Racó Steel Company is an Illinois Corporation that was established in 1952 and incorporated in 1986. Racó Steel is a steel processor that specializes in customized steel sheets, such as re-squared blanks, leveled sheets, cold/hot rolled sheets, galvanized sheets, and electro galvanized sheets.

Background: The Pinkert family purchased the business in 1986 and has maintained ownership since. Shortly after the purchase, the Pinkerts, relocated operations to Glenwood. In late 1989, the Pinkerts purchased the assets of Marteau Industries including the land and building where operations are now located, in Markham. In 1998, the company built an addition to the existing structure in Markham and moved all operations there.

Raco Steel prides itself on offering high quality products and services with discount pricing. The owners continue to invest in training and machinery and equipment to stay abreast of market demand. Annual sales have grown to \$37 million in 2005 from about \$10 million in 1986. The Company maintains an ISO 9001-2000 designation for quality.

The Project: Raco Steel purchased its first Redbud steel slitter line in 2002. Since then, capital expenditures have been approximately 250,000 per year. The Company is planning to purchase another line to respond growth in demand.

FINANCING SUMMARY

Bond: Industrial Revenue Bond to be purchased by GE Capital
Collateral: First lien security interest in the equipment financed
Interest Rate: To be determined
Amortization: To be determined
Rating: No rating will be sought for the Bonds because GE Capital plans to hold them to maturity.

PROJECT SUMMARY

Bond proceeds to finance and reimburse Raco Steel for costs to acquire and install a Redbug Steel Slitting Line and related equipment in the Company's plant, which is located at 2100 West 63rd Place in Markham (Cook County). Project Costs are estimated as follows:

Steel Slitting Line	1,593,877
Miscellaneous Equipment	<u>100,000</u>
Total	<u>\$1,693,877</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Raco Steel Company, 2100 W. 163rd Place, Markham, IL 60428 (Contact: Marcia Troy, Controller, 708-985-0502)
Web site: <http://www.racosteel.com/>
Project name: Raco Steel Company
Locations: 2100 W. 163rd Place, Markham, IL 60428
Organization: Illinois Corporation
Ownership: Dale R. Pinkert Shareholder: 45%
Stuart L. Pinkert, Shareholder: 25%
Daniel Pinkert, Shareholder: 10%
Clare M. Pinkert, Shareholder: 10%
Anne E. Pinkert, Shareholder: 10%

PROFESSIONAL & FINANCIAL

General Counsel:	Gignilliat & Hymen, P.C.	Northbrook	
Auditor:	Warady & Davis, LLP	Deerfield	
Bond Purchaser:	GE Capital	Oak Brook	Miyun Cho
Bond Counsel:	Perkins Coie	Chicago	Bob Stephan
IFA Counsel:	Tyson Strong Hill, LLC	Chicago	Lance Tyson

LEGISLATIVE DISTRICTS

Congressional: 2 Jesse L. Jackson Jr.
State Senate: 19 M. Maggie Crotty
State House: 38 Robin Kelly

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

Project: Bohler-Uddelholm Corporation

STATISTICS

IFA Project #:	I-ID-TE-CD-6187	Amount:	\$10,000,000 (not-to-exceed amount)
Type:	Industrial Revenue Bond	FM:	Steven Trout
Locations:	Elgin		

BOARD ACTION

Preliminary Bond Resolution	No IFA funds at risk
Conduit Industrial Revenue Bonds	No extraordinary conditions
Staff recommends approval	Processor and distributor of tool steel

PURPOSE

To finance and reimburse Bohler-Uddelholm for costs to construct a 128,000 square-foot industrial building, acquire and install machinery and equipment to process, grind, cut, store and distribute tool steel and pay architectural and engineering costs to design and develop the building.

IFA CONTRIBUTION

The Authority will contribute up to \$10,000,000 of Volume Cap and issue Industrial Revenue Bonds, which will reduce the Borrower interest expense because interest earned on the Bonds is exempt from federal income tax. The Borrower is seeking to induce the project now to preserve its right to issue up to \$10,000,000 in Industrial Revenue Bonds after December 31, 2006 when new IRS guidelines permit developers of qualifying Small Manufacturing projects with up to \$20,000,000 in capital expenditures within 6 years of the closing date of the Bonds (3 years before and after) to use proceeds of up to \$10,000,000 Industrial Revenue Bonds to finance project costs.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IRB	\$10,000,000	Uses:	Project Cost	<u>\$14,847,310</u>
	Bank Financing	<u>4,847,310</u>			
	Total	<u>\$14,847,310</u>		Total	<u>\$14,847,310</u>

JOBS

Current employment:	154	Projected new jobs:	10 (within 2 years)
Jobs retained:	Not applicable	Construction jobs:	75 (average over 9 months)

BUSINESS SUMMARY

Description: Bohler-Uddelholm Corporation ("Bohler-Uddelholm" or "the Borrower") is a New York Corporation that is the US Subsidiary of Bohler-Uddelholm AG ("the Parent"). The Parent was established in May 1991 with the merger of the Austrian Bohler Group and Swedish Uddeholm group to form the Bohler-Uddeholm Group, the world's largest tool steel manufacturer with a dedicated specialty steel products sales network. The beginnings of the production sites of Bohler and Uddeholm date back many centuries.

Background: Following the merger, the Company undertook an extensive reorganization and completed a turnaround in 1994. Up to this point, Bohler-Uddeholm AG was 100% subsidiary of Osterreichische Industrieholding AG ("OIAG") which, in turn, is owned by the Republic of Austria. In April 1995, Bohler-Uddelholm AG completed an initial public offering on the Vienna Stock Exchange. OIAG reduces its holding to 72.7%, and 27.3% of share capital sold to international and Austrian investors. From a business standpoint 1995 was one of the most successful years in the history of the Group, with significant growth in sales and earnings. Bohler-Uddeholm also started a program for innovation throughout the Group.

In 1996, the Company completed a secondary public offering that reduces OIAG's holding to a minority share of 25% and increases public ownership to 75%. By this time, Bohler Uddeholm has sold all non-core operations and now concentrates on four core businesses:

- High performance Metals
- Welding Consumables
- Precision Strip
- Special Forgings

The Company maintains production in Austria, Sweden, Germany, Belgium, USA, Brazil and Mexico and heat treatment operations throughout Europe, Asia and North America. The Company's sales subsidiaries operate in 46 companies and work with 100,000 customers including automotive and automotive parts suppliers, tool and machine tool manufacturers, consumer goods and electronics industries, chain saw industries, textile and paper industries, steel and appliance manufacturing, power station and plant construction.

At present, Bohler - Uddeholm continues to grow and set new records for sales, earnings and orders. Recently the Company completed acquisitions of Edelstrahwerke Buderus AG (Germany) and Avesta Welding AB (Sweden) and opened new sales offices in Russia, Poland, Romania, and China. In June 2005, the Company completed another successful public offering of stock and sale of treasury stock, which increased public ownership to nearly 80%. Since then, the Company's shares have hit a historic high of 142.99 Euros.

FINANCING SUMMARY

Bonds: Bonds will be offered as Variable Rate Demand Notes

Bondholder

Security: The Bonds will be secured with a letter of credit issued by Hypovereinsbank

Bank Collateral: First Mortgage in the subject real estate and first lien in the financed machinery and equipment.

Interest Rate: The interest rate will reset ever 7 days. Similar bonds were paying 3.45% for 7 days beginning August 30, 2006.

Amortization: 25 Years (expected)

Rating: The Bonds will be rated based on the rating of the letter of credit issued by Hypovereinsbank. Letters of Credit provided by that Bank are currently rated "A2" by Moody's Investor Service and "A" by both Standard & Poor's Corporation and Fitch IBCA.

PROJECT SUMMARY

Bond proceeds, together with bank financing, will be used to: 1) reimburse the Bohler-Uddelholm for costs to acquire a site located at the southwest corner of Gateway Road and Millennium Drive, in Elgin (Kane County), 2)

finance the construction of a 127,000 square-foot industrial building, 3) finance the acquisition and installation of new and used equipment, and 5) pay for architectural and engineering services to design and develop the project.

Estimated project costs are as follows:

Land Acquisition	\$2,035,000
Construction	9,372,720
New Equipment	5,064,590
Used Equipment	150,000
Architectural and Engineering	260,000
Total	<u>\$14,847,310</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Bohler – Uddeholm Corporation (Contact: Mr. Al Pilli, Corporate Secretary, 4902 Tollview Drive, Rolling Meadows, IL 60008; Ph.: 847-577-2220 x 450)
Web site: www.bucorp.com
Project name: World Class Project Center
Locations: Elgin, Illinois
Organization: New York Corporation
Ownership: Uddholms AB: 100%

PROFESSIONAL & FINANCIAL

Bond Underwriter	Morgan - Keegan	Chicago	Tom Whitman
Bond Counsel:	Wildman Harrold	Chicago	Jim Snyder
Underwriter's Counsel:	Wildman Harrold	Chicago	Jim Snyder
Letter of Credit Bank:	Hypo Vereinsbank AG	New York, NY	Maggie Gomes
Issuer's Counsel:	Law Offices of Kevin Cahill	Chicago	Kevin Cahill
Greenbraum			
General Counsel:	Freeborn & Peters LLP	Chicago	Richard J Traub
Accountant:	BDO Seidman LLP	Chicago	Scott Fitzgerald
Developer:	Carlson Brothers Construction	Chicago	

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 12, 2006**

Project: JBWLP, LLC

STATISTICS

Project Number: I-IR-TE-CD-6191	Amount: \$3,500,000
Type: Industrial Revenue Bond	FM: Steve Trout
Location: Addison	

BOARD ACTION

Preliminary Bond Resolution	No IFA funds at risk
Conduit Industrial Revenue Bonds	No extraordinary conditions
Staff recommends approval	SIC Code: 2392

PURPOSE

To finance and reimburse the Borrower and Jones & Brown Company, Inc., for costs to acquire land and an industrial building, located at 145 Swift Road in Addison, and rehabilitate and equip the building.

IFA PROGRAM AND CONTRIBUTION

The Authority's issuance of Industrial Revenue Bonds will finance a qualifying small manufacturing project and thereby exempt interest earned on the Bonds from federal income tax.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IRB	\$3,500,000	Uses:	Project Cost	\$7,192,300
	Bank Financing	<u>3,827,300</u>		Legal & Professional	<u>135,000</u>
	Total	<u>\$7,327,300</u>		Total	<u>\$7,327,300</u>

JOBS

Current employment:	93	Projected new jobs:	30 (within 2 years)
Jobs retained:	0	Construction jobs:	6 (6 months)

BUSINESS SUMMARY

Description: Jones & Brown Company, Inc., is a family-owned company that specializes in manufacturing structural steel, exterior wall systems, and custom building products, such as hollow metal door assemblies. Jones & Brown was founded in 1956 and incorporated as an Illinois S-Corporation in 1964, and will be the tenant and guarantor for the project. Jones and Brown currently leases its manufacturing, warehouse and office space from Winthrop Land Partnership ("WLP"), a related entity with common ownership.

JBWLP, LLC was established as an Illinois Limited Liability Company in August 2006 develop, own and lease the subject property to Jones and Brown and serve as the Borrower for the project. Jones & Brown and WLP will own JBWLP.

Background: Jones & Brown prides itself in being the leading supplier of building solutions in the Midwest, providing excellence in the design, fabrication, delivery, and construction of structural and miscellaneous steel, metal products, and exterior wall systems. The company's sidings, decking, exterior panels, and door way and other steel structures can be found in numerous low-rise retail and office facilities as well as CTA stations, Chicago Public Schools, the Indiana National Bank Tower and the McCormick Place. The Company employs 93 committed professionals and regularly engages strategic partners to develop design, fabrication, and construction solutions.

The Project: Jones & Brown has a state-of-the-art 80,000 square-foot steel fabrication facility, panel fabrication shop and a hollow metal products supply and fabrication facility. Jones & Brown currently operates out of three facilities in Addison, located at 568 West Winthrop, 608 West Winthrop, and 133 North Swift. The proposed new facility, located next to the building located at 133 North Swift is expected to increase production efficiency by: offering an updated layout that consolidates production, including structural steel fabrication, welding, door frame fabricating and welding, cutting, drilling, sanding, painting, and exterior wall (panel) fabricating into single building, and invests in new equipment that will enable its to expand production and enter new markets, such as general contractors.

The Borrowers closed on the property on 8/31/2006. Jones & Brown is expected to occupy 100% of the building and may lease other small offices. The entire renovation is expected to take two to three months, but the building will be occupied in two months. To facilitate this project, American Chartered has committed to: 1) purchase the Bonds, 2) provide bridge financing until the Bonds close and the Borrower is able to sell existing real estate, and 3) offer a revolving line of credit and standby letter of credit to secure purchases to replace similar facilities that First American had previously offered.

PROJECT SUMMARY

Bond proceeds will be used to (1) acquire a 10.03 acre site and an approximately 106,089 square-foot industrial building located at 145 North Swift Road in Addison, (2) rehabilitate and renovate the building and make exterior improvements, such as expanding the parking lot, adding handicapped parking, replacing the fence, and building an access road, and (3) the acquire and install new manufacturing machinery and equipment.

Estimated project costs are as follows:

Land Acquisition	\$3,000,000
Building Acquisition	3,650,000
Renovation and Site Improvements	342,300
Equipment	<u>200,000</u>
Total	<u>\$7,192,300</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: JBWLP, LLC 145 N. Swift, Addison, IL 60101 and Jones & Brown Company, Inc. 568 W. Winthrop, Addison, IL 60101 (Contact: Robert J. West, President and CEO, 630-543-0300)

Web site: <http://www.jonesandbrowncompany.com>

Project name: 145 N. Swift

Locations: 145 N. Swift, Addison, IL 60101

Organization: **JBWLP, LLC** **Jones & Brown Company, Inc.**
Illinois Limited Liability Company Illinois Corporation

Ownership: Jones & Brown Company, Inc. (approx. 66%) Elaine Brown, Shareholder: 17.5%
Winthrop Land Partnership (approx. 34%) Steven Brown, Shareholder: 6.8%
(WLP has same ownership as Jones and Brown) Anne Brown Krol, Shareholder: 5.0%
Wilson Brown, Jr. Shareholder: 6.7%
Marysue Brown, Shareholder: 4.63%
Eileen Brown, Shareholder: 6.6%
Elaine Brown Trust, Shareholder: 23.2%
John Creighton, Shareholder: 29.7%

PROFESSIONAL & FINANCIAL

General Counsel:	Rieck and Crotty P.C.	Chicago	Tom Rieck
Auditor:	RSM McGladrey	Chicago	Mack Brown
Bond Purchaser:	American Chartered Bank	Chicago	Mike Moran
Bond Counsel:	Chapman and Cutler, LLP	Chicago	Matt Lewin
Bank Counsel:	Robbins, Salomon & Patt	Chicago	Nat Pomrenze
Financial Advisor	Total Capital Solutions	Oak Park	Tony Grant
IFA Counsel:	Sanchez & Daniels	Chicago	Manny Sanchez

LEGISLATIVE DISTRICTS

Congressional: 6 Henry J. Hyde
State Senate: 23 Carole Pankau
State House: 45 Roger A. Jenisch

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

Project: Gusto Packing Company, Inc.

STATISTICS

Deal Number:	I-ID-TE-CD-6185	Amount:	\$8,500,000 (not-to-exceed amount)
Type:	Industrial Revenue Bond	IFA Staff:	Sharnell Curtis Martin
Location:	Montgomery	SIC Code:	2013

BOARD ACTION

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

PURPOSE

To finance the expansion of a manufacturing facility, acquisition of equipment and to pay certain bond issuance costs.

IFA CONTRIBUTION

The Applicant will be seeking approximately \$8.25 million in IFA Volume Cap.

VOTING RECORD

Preliminary Bond Resolution, no previous voting record.

SOURCES AND USES OF FUNDS

Sources:	IFA Bond	\$8,250,000	Uses:	Project Costs	\$10,000,000
	Equity	<u>2,000,000</u>		Bond Issuance Costs	<u>250,000</u>
Total Sources		<u>\$10,250,000</u>	Total Uses		<u>\$10,250,000</u>

The source of equity is from internally generated funds.

JOBS

Current employment:	150	Projected new jobs:	50
Jobs retained:	N/A	Construction jobs:	40

BUSINESS SUMMARY

Background: Gusto Packing Company, Inc. "Gusto" or the "Company" was established and incorporated as an "S Corporation" in December 1972 by Rafael Caballero. Gusto produces cooked and smoked meats to be used in the food service industry and retail grocery stores.

Mr. Caballero serves as the President, and manages the day to day operations of the company. The Company is a family owned business and in addition to Mr. Caballero, his sons Rafael Caballero, Jr. serves as the Vice President; Antonio Caballero serves as the Director of Operations and Daniel Caballero serves as the Director of Finance.

Gusto operates one 12 hour shift and produces various ham, turkey and bacon products. Products are packaged under the Gusto name as well as Butcher's Cut, Heartland Harvest, and Gadansk food labels. Gusto's five major customers include: US Food Service, Safeway Co., Bush Baked Beans, Cameco and North Gate Markets. No customer represents more than 8% of Gusto's annual sales.

Description: The new project consists of a 90,000 square foot addition built onto the existing building and the acquisition of machinery and equipment. The facility currently sits on 15 acres of land owned by Mr. Rafael Caballero, Sr. The Company will acquire ten acres of land and the existing facility from Mr. Caballero and complete the new expansion. Once completed, all of the business assets will be owned by the Company. The existing facility presently operates at full capacity.

The new project will double the existing capacity of the more than 65 million pounds of meat products annually. Historically, Gusto has experienced 12-15% growth annually over the last five years.

FINANCING SUMMARY

Security: The Bonds will be secured by a Direct Pay Letter of Credit from Banco Popular with a Standby Letter of Credit from Wachovia Bank.
Structure: To Be Determined
Maturity: To Be Determined

PROJECT SUMMARY

Bond proceeds will be used to finance the addition of a 90,000 square foot addition to a manufacturing facility located at 2125 Rochester Road in Montgomery, Illinois (Kane County), and acquisition of machinery and equipment for use therein. Project costs are estimated as follows:

Machinery and Equipment	\$5,200,000
Construction	2,800,000
Land	<u>2,000,000</u>
Total Project Costs	<u>\$10,000,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Gusto Packing Company, Inc.
2125 Rochester Road
Montgomery, Illinois 60538 (Kane County)
Daniel Caballero, Director of Finance

Project name: Gusto Packing Company, Inc. Expansion Project

Location: 2125 Rochester Road
Montgomery, Illinois 60538 (Kane County)

Organization: Corporation
State: Illinois

Ownership: Rafael Caballero, Sr. 72%
Rafael Caballero, Jr. 7%
Antonio Caballero 7%
Daniel Caballero 7%
Enrique Diaz, Jr. 7%

Land Sellers: Rafael Caballero, Sr.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Law Offices of Duggan and Associates	North Aurora, IL	John P. Duggan
Accountant:	Steve Mazzoni, CPA	Aurora	Steve Mazzoni
Co-Bond Counsels:	Troutman Sanders, LLP	Atlanta, GA	Han C. Choi
	Pugh Jones Johnson and Quandt	Chicago, IL	Kim Barker Lee
LOC Bank:	Banco Popular	Chicago, IL	Armund Schoen
Underwriter:	Wachovia Securities	Charlotte, NC	John Wooten
Underwriter's Counsel:	To Be Determined		
Issuer's Counsel:	Charity & Associates	Chicago, IL	Allan Bell
Trustee:	To Be Determined		

LEGISLATIVE DISTRICTS

Congressional: 14 – J. Dennis Hastert
State Senate: 42 – Edward Petka
State House: 83 – Linda Chapa LaVia

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 12, 2006**

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

STATISTICS

Project Number:	E-PC-TE-CD-6182	Amount:	\$130,000,000 (not-to-exceed amount)
Type:	501(c)(3) Advance Refunding Bonds	FM:	Rich Frampton
Location:	Chicago		

BOARD ACTION

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

PURPOSE

To advance refund 100% of the remaining outstanding principal balance of IFA (IEFA) Series 2002 Student Housing Revenue Bonds. The primary objective of the Advance Refunding is to achieve present value savings.

This will complete a refinancing plan initiated in May 2006. The first stage of this refinancing was a Current Refunding of approximately \$43.2 million of Bonds that were sold pursuant to a Forward Purchase Agreement and Refunding Bonds authorized by the IFA Board in June 2006. (The Forward Purchase Agreement was executed as of 8/4/2006 and will enable the Refunding Bonds to be issued as of 2/1/2007.)

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	\$125,325,000	Uses:	Refunding Escrow	\$125,400,000
	Premium	<u>2,175,000</u>		Issuance Costs	<u>2,100,000</u>
	Total	<u>\$127,500,000</u>		Total	<u>\$127,500,000</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. in 2002 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 directly by Moody’s/Fitch. The existing Series 2002 Bonds are currently rated Baa3/BBB (Moody’s/Fitch). In August 2006, Moody’s and Fitch upgraded the ratings outlooks from Negative to Stable (in connection with EAF’s Series 2006 A Current Refunding Bonds that were priced on 8/4/2006 for settlement/closing as of 2/1/2007). EAF anticipates that Moody’s and Fitch will reaffirm their respective ratings and outlooks for these proposed Series 2006B Advance Refunding Bonds.

Security/
Collateral: 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).

Final Maturity
Date: Up to 5/1/2030 (24 years)

Interest Rates: Fixed Rate Bonds. Estimated average coupon of 5.0%, compared to 6.25% on the original Series 2002 Bonds.

PROJECT SUMMARY

Bond proceeds will be used to advance refund the remaining outstanding balance of an original, approximately \$151 million bond issue by IFA (IEFA) in 2002. Additionally, bond proceeds may also be used to fund various reserve accounts and to pay certain costs of issuance associated with these Series 2006 B Advance Refunding Revenue 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.

Based on the existing Series 2002 Bond redemption schedule, these Bonds could not be called (or current refunded) until November 1, 2012. Accordingly, EAF could not benefit from the issuance of Current Refunding Bonds until 8/1/2012.

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	
Financial Advisor to Borrower:	John S. Vincent & Company LLC	Chicago, IL	John Vincent
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

ILLINOIS FINANCE AUTHORITY

BOARD SUMMARY

September 12, 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

Final 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

Preliminary bond resolution, June 13, 2006: 11 ayes, 0 nays, 1 abstention (Boyle)
Members Absent: Dr. Roger D. Herrin, Martin H. Nesbitt, Terrence M. O'Brien

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 60208
Organization:	501(c) (3) Corporation
State:	Illinois
Board:	List attached for IFA Board review

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Schiff Hardin & Waite	Chicago, IL	Todd E. Freer
Accountant:	Deloitte & Touche LLP	Chicago, IL	Carrie Charles
Bond Counsel:	Chapman and Cutler	Chicago, IL	Nancy Burke
Issuer's Counsel:	Pugh, Jones, Johnson & Quandt	Chicago, IL	Kim Barker Lee
Investment Bankers:	Morgan Stanley	Chicago, IL	Lorri A. DuPont
	UBS Investment Bank	Chicago, IL	Thomas Coomes
	Samuel A. Ramirez & Co., Inc.	Chicago, IL	Fernando Grillo
	SBK-Brooks Investment Corp.	Chicago, IL	Wayne Pierce
Underwriter's Counsel:	Jones Day	Chicago, IL	Daniel J. Bacastow
Financial Advisor:	William Blair & Company	Chicago, IL	John H. Peterson
Trustee:	Wells Fargo Bank, NA	Chicago, IL	Patricia B. Martirano

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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2005 2006

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**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 12, 2006**

Project: CHF-DeKalb, L.L.C. and its affiliates

STATISTICS

Project Number: E-PC-TE-CD-6144	Amount: \$20,000,000 (not-to-exceed amount)
Type: 501(c)(3) Bonds	IFA Staff: Rich Frampton
Location: DeKalb	

BOARD ACTION

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

PURPOSE

To finance the construction of a new 120-unit, 240-bed on-campus, apartment-style, student housing facility targeted to married students and graduate students at Northern Illinois University ("NIU") in DeKalb. This facility will replace a functionally obsolete 80-unit on-campus facility that is currently owned and operated by NIU. The Borrower/Project Owner will be a special purpose affiliate formed by the Collegiate Housing Foundation, Inc., a 501(c)(3) corporation based in Fairhope, AL. The facility will developed and financed by Collegiate Development Services, L.P. of Irving Texas, a for-profit partnership. Day-to-day management of the facility will be managed by NIU's Division of Campus Housing.

IFA CONTRIBUTION

Conveyance of federal tax-exempt status on Bonds. 501(c)(3) bond issues do not require Volume Cap. A portion of non-qualified costs may also be financed with Taxable Bonds (anticipated at \$500,000 or less).

VOTING RECORD

Preliminary Bond Resolution, 8/8/2006:

Ayes: 10 (including Fuentes - via Telephone) Nays: 0 Abstentions: 0
Absent: 5 (DeNard, Giannoulas, Herrin, Nesbitt, Rivera)

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	<u>\$19,085,000</u>	Uses:	Project Costs	\$15,864,795
				Capitalized Interest	1,266,642
				DSRF	1,272,150
				Issuance Costs	<u>681,413</u>
	Total	<u>\$19,085,000</u>		Total	<u>\$19,085,000</u>

JOBS

Current employment:	2	Projected new jobs:	2 (FTE)
Jobs retained:	N/A	Construction jobs:	30 (11 months)

BUSINESS SUMMARY

Background: CHF-DeKalb, L.L.C. (the "LLC" or the "Borrower") is an Alabama limited liability company formed in July 2006 for the sole purpose of developing, owning, and operating the subject student apartment project for Northern Illinois University ("NIU").

The sole Member of the Borrower is the **Collegiate Housing Foundation** (the "Foundation"), an Alabama not-for-profit corporation established in 1996. The Foundation received its 501(c)(3) Determination Letter from the IRS in 1997.

The Foundation is governed by a 5-member Board of Trustee (see Economic Disclosure Statement section on p. 4 for further information).

**Description
of the
Member:**

The Collegiate Housing Foundation's mission is to assist colleges and universities by financing, owning, and operating student housing facilities on or near their campuses.

The Foundation currently owns and operates 14 student housing facilities at both public and private universities across the U.S. The Foundation has financed 9 projects located at public colleges and universities including: Central Oklahoma University, Towson University (Maryland), University of Maryland – College Park, University of Alabama-Birmingham (2 projects), Nicholls State University (Louisiana), Southern Arkansas University, University of Vermont, and the University of California-Irvine.

These student housing facilities offer a mix of traditional dormitory and apartment facilities depending on the student housing needs on each campus. The facilities range in size from 96 beds to 1,564 beds.

The Foundation currently has 5 additional projects under development (excluding the subject project at NIU) located at Eastern New Mexico University, West Virginia University, Temple University, and Finger Lakes Community College.

The Collegiate Housing Foundation develops and finances each project as a stand-alone project financing. CHF forms a special purpose entity to serve as the Borrower and Owner of the subject student housing facilities to be developed. The sponsoring college/university benefits since the project can potentially be financed on a revenue basis by prospective users.

As proposed, CHF-DeKalb, L.L.C. will lease the ground for the underlying project from NIU. The Facility will be financed with proceeds of a tax-exempt bond issue and is mortgaged as security for the LOC Bank (Sovereign Bank, Boston, MA). Upon completion, NIU's Campus Housing Division will manage day-to-day operations pursuant to an agreement with the Collegiate Housing Foundation. Additionally, surplus cash flows after (1) payment of debt service, (2) contributing amounts required to recapitalize Debt Service and Other Reserves, and (3) subject to financial and operating covenants will be distributed to NIU.

At such time as the proposed bonds are paid in full, the mortgage will be cancelled and the Foundation's interest in the facility will be conveyed to Northern Illinois University.

**Description
of the
Developer:**

Collegiate Development Services, L.P. ("CDS" or the "Developer") of Irving, TX is a Pennsylvania limited partnership formed in 2001. CDS specializes in providing development, design-build, property management, and residential life services to the higher education industry. The Developer's key personnel have been involved with the development, construction,

management and/or financing of more than 25 student housing facilities throughout the US over the last 10 years.

Since CDS' formation in 2001, CDS has developed, facilitated the financing, and constructed (or is under construction on) ten projects on campuses including Arizona State University West (410 beds), University of Oklahoma (1152 beds), Midwestern State University (336 beds), Nicholls State University (408 beds), Southern Arkansas University (264 beds), Elon University (516 beds), Stetson University (338 beds), and three off-campus projects adjacent to other campuses. According to the Developer, CDS has a perfect record for successfully completing all of its projects to date on time and within budget.

Property
Manager/
NIU:

NIU engaged the Collegiate Housing Foundation (the Borrower) pursuant to a Request for Proposal process to develop the subject facility. The Collegiate Housing Foundation, in turn, engaged Collegiate Development Services, L.P. (the Developer) to arrange for the design, financing, and construction, on behalf of Collegiate Housing Foundation.

Northern Illinois University's Campus Housing Division will actively manage day-to-day operations at the property and will provide residential life services to residents. Additionally, NIU will enter into a Ground Lease with CHF-DeKalb, L.L.C. and receive surplus cash flows after the payment of operating expenses, debt service, and the funding of the Replacement Reserve. The Project will revert to NIU at the end of the Ground Lease or upon full repayment of the Bonds.

Project
Impact:

The project is being designed and built to meet the housing needs of students with dependents and married students. Upon completion, the facilities will accommodate 240 residents in 120 units. In addition to the apartment units, the project will include an on-site community building that will provide residential life opportunities including a fitness center, game room, study room, computer lab, a multi-purpose room, and office space for the managers. The subject 120 unit facility is expected to replace the University's existing 80-unit apartment facility (which is likely to be demolished).

FINANCING SUMMARY

Bondholder's
Security/
Credit Ratings:

Bondholders will be secured by a Direct Pay Letter of Credit from Sovereign Bank, Boston, MA. Sovereign Bank is currently rated BBB+ (Stable, upgraded 6/2/2006)/A2 by S&P. Sovereign Bank's Direct Pay LOC will be irrevocably confirmed by a Confirming LOC from Banco Santander Central Hispano, S. A. ("BSCH"). BSCH is Spain's largest bank. The Bonds will be rated based on BSCH's AA-/A-1 + ratings from S&P. (As of 8/29/06, BSCH has accumulated a 24.93% ownership interest in Sovereign and has an option to purchase Sovereign outright beginning in July 2008.)

Collateral
(to Direct
Pay LOC Bank):

Sovereign Bank will be secured first leasehold mortgage on the subject property and also by a collateral assignment of rents, leases, and other income derived from operations of the property. Additionally, Sovereign Bank is requiring the Borrower to capitalize a Debt Service Reserve Fund that will be financed from bond proceeds, in an amount equivalent to approximately one year's maximum debt service that will provide a cash flow contingency for the project.

Structure/
Interest Rate:

Bonds will be sold as 7-day tax-exempt variable rate demand bonds. The most current effective average 7-day floaters were priced at 4.70% as of 7/19/2006 (inclusive of fees). The Borrower currently anticipates swapping the variable rate debt to fixed for a period coterminous with Sovereign Bank's Direct Pay LOC. The estimated 5-year swap rate was 4.25% based on information prepared by RBC Capital Markets as of 6/14/2006. If needed, the Borrower may also

request issuance of taxable floaters to finance costs in excess of 2% of the Par amount of the tax-exempt bond issue.

Final Maturity

Date: 32 Years (estimated at 8/31/2038). Assumes an 11-month construction period with interest-only payments, a one-year absorption period, and 31-years of level debt service payments thereafter.

PROJECT SUMMARY

CHF-DeKalb, L.L.C. will use Bond Proceeds to construct and equip five, three-story residential buildings with a total of 120 residential units (and estimated bed count of 240). Additionally bond proceeds will be used to construct and equip a one-story community center on land owned by Northern Illinois University, pay capitalized interest during construction, capitalize a Debt Service Reserve Fund, and to pay bond issuance costs. The subject project will be located on the western portion of the University's campus (collectively, the "Project"). A limited amount of Taxable Bond proceeds may also be issued to finance non-qualified project costs.

Summary of Project Costs:

Construction Costs:	\$14,988,908
Furniture, Fixtures & Equipment:	197,400
Arch. & Engineering:	<u>678,487</u>
Total:	\$15,864,795

ECONOMIC DISCLOSURE STATEMENT

Applicant: CHF-DeKalb, L.L.C. (c/o Mr. Leeman Covey, Collegiate Housing Foundation, 411 Johnson Ave., Suite B, P.O. Box 1385, Fairhope, AL 36533-1385; Ph.: 251-928-9340; Fax: 251-928-9340; lcovey@collegiatehousing.org)

Applicant
Web Site: www.collegiatehousing.org

Developer/
Alt. Contact: Mary Ellen Ewing, VP, Collegiate Development Services, L.P., 909 Lake Carolyn Parkway, Suite 1600, Irving, TX 75309; Ph.: 972-759-1603; Fax: 972-759-0725 e-mail: mewing@collegiate-dev.com; web site: www.collegiate-dev.com

Project name: NIU Campus Apartments
Location: West Campus (streets to be constructed), Northern Illinois Universtiy, DeKalb, IL (DeKalb County), IL 60115

Organization: Alabama Limited Liability Company (July 2006)

Member: Collegiate Housing Foundation: 100%

- Board of Trustees:
 - Mr. Leeman H. Covey, President
 - Dr. John Brooks Slaughter, VP
 - The Honorable Jack Edwards, Secretary
 - Mr. Stephen M. Grimble, Director
 - Mr. John B. Hicks, Director

Current
Property
Owner: The subject property will be ground leased from Northern Illinois University.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Hand Arendall, LLC	Mobile, AL	Will Givhan
Auditor:	To be determined		
Bond Counsel:	Foley and Lardner, LLP	Chicago, IL	Heidi Jeffery, Christopher Knight
Underwriter:	RBC Capital Markets	Baltimore, MD	John Baird, Sara Russell
		Chicago, IL	Jim Pass
Underwriter's Counsel:	Ballard Spahr Andrews & Ingersoll, LLP	Baltimore, MD	Sandy Weeks
Direct Pay LOC:	Sovereign Bank	Boston, MA	Alta Flemin
Confirming LOC:	Banco Santander Central Hispano, S. A.	Madrid, Spain	
LOC Counsel:	Kutak Rock LLP	Atlanta, GA	Paul Smith
Trustee:	US Bank, National Association	Chicago, IL	
Rating Agencies:	S&P	New York, NY	
Property Manager:	Northern Illinois University -- Housing and Dining Administration	DeKalb, IL	Michael Stang
Student Housing Developer:	Collegiate Development Services, L.P.	Irving, TX	Lynn Krebs
Developer's Counsel:	Griffith & Nixon, P.C.	Dallas, TX	Kimber Davison
IFA Counsel:	Schiff Hardin LLP	Chicago, IL	Bruce Weisenthal

LEGISLATIVE DISTRICTS

Congressional:	14 J. Dennis Hastert
State Senate:	35 J. Bradley Burzynski
State House:	70 Robert Pritchard

Illinois Finance Authority

Memorandum

Memo to: IFA Board of Directors
Date: September 12, 2006
From: Eric Reed, Senior Funding Manager
RE: Amendatory Resolution to increase original Participation loan request and approval from the June 13, 2006 IFA Board of Directors meeting in the amount of \$92,500.00.

A participation loan in the amount of \$92,500 was originally approved for Darrell Runge Sr. on June 13, 2006 to fund 50% of the required financing for the purchase of 60 acres of farmland. This transaction has not yet closed or funded. Since the original approval, the borrower has decided to construct a new grain leg and drying system on the 60 acre parcel. As a result, Midland States Bank in Effingham has requested that the IFA increase our participation in the transaction to \$167,500. Project costs are as follows:

Sources:	IFA	\$167,500	Uses:	Land Purchase	\$186,000
	Midland States Bank	\$167,500		Grain System	<u>\$180,000</u>
	Borrower Equity	<u>\$31,000</u>			
	Total	<u>\$366,000</u>		Total	<u>\$366,000</u>

Confidential Information

The interest rate structure will remain the same as the original approval, with the bank retaining 1% of the IFA rate benefit.

The loan to value on the transaction will increase from 45% to 69% based on the project cost.

The Debt Service Coverage ratio will be reduced from an estimated 1.13:1 to 1.12:1.

**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 "*parrri 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

Memorandum

Memo to: IFA Board of Directors
Date: September 12, 2006
From: Eric Reed, Senior Funding Manager
RE: Amendatory Resolution to increase original Participation loan request and approval from the June 13, 2006 IFA Board of Directors meeting in the amount of \$293,580.

A participation loan in the amount of \$293,580 was originally approved for Trainor Elevator Limited Partnership on June 13, 2006 to fund 42% of the required financing for the construction of 477,000 bushels of additional storage capacity at their Saunemin location. This transaction has not yet closed or funded. Since the original approval, the borrower has notified the lender that the project experienced cost overruns in the amount of \$40,000 due to electrical and site preparation costs. As a result, FreeStar Bank, formerly Pontiac National Bank, has requested that the IFA increase our participation in the transaction to \$310,380. Project costs are as follows:

Sources:	IFA	\$310,380	Uses:	Equip Purchase	\$700,000
	FreeStar Bank	<u>\$429,620</u>		Extra Costs	<u>\$40,000</u>
	Total	<u>\$740,000</u>		Total	<u>\$740,000</u>

Confidential Information

The interest rate structure will remain the same as the original approval, with the bank retaining .30% of the IFA rate benefit.

A final appraisal will verify a loan to value of 80% or less prior to closing.

The Debt Service Coverage ratio will not be significantly affected by the additional \$40,000 of debt. The projected debt coverage for the project is 1.43:1 for 2007.

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

Project: Trainor Elevator Limited Partnership

STATISTICS

Project Number:	A-LL-TX-	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

Memorandum

To: IFA Board of Directors

From: Pamela Lenane and Dana Sodikoff

Date: September 6, 2006

Re: Amended and Restated Resolution for Tabor Hills Supportive Living Project, IFA Series 2006 Bonds, in the amount of \$15,000,000, to be issued as fixed rate bonds, waiving the Authority's policy, allowing these bonds rated BBB- to be sold in multiples of less than \$100,000.

- In June, the Authority approved a final resolution for Tabor Hills Supportive Living Project, Series 2006 Bonds, in the amount of \$12,000,000 to be issued as credit enhanced variable rate demand bonds. The proceeds to be used for the construction of a 95-unit supportive living facility in Naperville, IL. (See Attached Board Summary Report)
- Subsequently, the short term rate environment changed, causing the underlying economics of the financing to change. It was determined by the Underwriter and the Borrower that it would be more cost effective for the Borrower to get a BBB- rating from Fitch and to issue fixed rate BBB- bonds
- The Obligated Group (which the Borrower will become a member of at Closing) has existing debt through the Illinois Health Facilities Authority (Series 1998), approximately \$8,515,000 currently outstanding, and the Borrower is not currently in default on any bonds and has not missed a payment date relative to any such bonds
- Tabor Hills is located in Naperville, IL, a growing community with demand for Senior Living. Currently there is a waiting list for the existing independent living facility, and this intended financing will add a 95-unit supportive living community
- Underwritten by Ziegler Capital Securities, the nationwide leader in underwriting Senior Living debt.
- Debt-Service coverage: 2.12x in 2005, 1.35x in 2004 and 1.88x in 2003
- Days Cash on Hand: 345 in 2005, 347 in 2004 and 434 in 2003

**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 Czech 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

RESOLUTION NUMBER 2006-0703

AMENDED AND RESTATED RESOLUTION authorizing the issuance of not to exceed \$15,000,000 in aggregate principal amount of Revenue Bonds, Series 2006 (Tabor Hills Supportive Living Project) (the "Series 2006 Bonds"), of the Illinois Finance Authority (the "Authority"), the proceeds of which are to be loaned to Tabor Hills Supportive Living Community, LLC, an Illinois limited liability company (the "Borrower") of which Bohemian Home for the Aged, an Illinois not for profit corporation (the "Home"), is the sole member, or one or more affiliates thereof, to provide the funds necessary to (i) pay or reimburse the Borrower for, or refinance outstanding indebtedness the proceeds of which were used for, the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Borrower, including but not limited to, the construction and equipping of a supportive living facility consisting of approximately 95 units to be located in Naperville, Illinois (the "Project"); (ii) pay a portion of the interest on the Series 2006 Bonds; (iii) fund one or more debt service reserve funds; (iv) provide working capital; and (v) pay certain related expenses; authorizing and approving the execution and delivery of a Bond Trust Indenture between the Authority and Wells Fargo Bank, National Association, as bond trustee (the "Bond Trustee"), to secure the Series 2006 Bonds; authorizing and approving the execution and delivery of a Loan Agreement between the Borrower and the Authority pursuant to which the Authority will loan the proceeds of the Series 2006 Bonds to the Borrower; authorizing and approving the execution and delivery of a Bond Purchase Agreement among the Authority, the Borrower, the Home, as Obligated Group Agent, and B.C. Ziegler and Company d/b/a Ziegler Capital Markets Group, as Purchaser (the "Purchaser"), providing for the purchase and sale of the Series 2006 Bonds; approving the execution and delivery of an Official Statement relating to the Series 2006 Bonds; approving the execution and delivery of a First Supplemental Master Trust Indenture, supplementing and amending that certain Master Trust Indenture dated as of February 1, 1998, among the Borrower, the Home, Tabor Hills Health Care Facility, Inc. ("Tabor Hills") and Wells Fargo Bank, National Association, as successor master trustee (the "Master Trustee"), pursuant to which the Borrower will issue its Series 2006 Obligation (as defined herein) to the Authority as security for the Series 2006 Bonds; approving the execution and delivery of a Leasehold Mortgage and Security Agreement from the Borrower, as mortgagor, to the Master Trustee, as mortgagee; approving the execution and delivery of a First Supplemental Mortgage and Security Agreement, supplementing and amending that certain Mortgage and Security Agreement dated as of February 1, 1998,

from the Home, as mortgagor, to the Master Trustee, as mortgagee, and that certain Mortgage and Security Agreement dated as of February 1, 1998, from Tabor Hills, as mortgagor, to the Master Trustee, as mortgagee; authorizing and approving the execution and delivery of a Tax Exemption Agreement among the Borrower, the Authority and the Bond Trustee relating to the Series 2006 Bonds; and authorizing and approving certain other matters.

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

WHEREAS, TABOR HILLS SUPPORTIVE LIVING COMMUNITY, LLC, an Illinois limited liability company (the "Borrower") of which Bohemian Home for the Aged, an Illinois not for profit corporation (the "Home"), is the sole member, or one or more affiliates thereof, has requested that the Authority issue not to exceed \$15,000,000 in aggregate principal amount of its Revenue Bonds, Series 2006 (Tabor Hills Supportive Living Project) (the "Series 2006 Bonds"), and loan the proceeds thereof to the Borrower in order to assist the Borrower in providing the funds necessary to (i) pay or reimburse the Borrower for, or refinance outstanding indebtedness the proceeds of which were used for, the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Borrower, including, but not limited to, the construction and equipping of a supportive living facility consisting of approximately 95 units to be located in Naperville, Illinois (the "Project"); (ii) pay a portion of the interest on the Series 2006 Bonds; (iii) fund one or more debt service reserve funds; (iv) provide working capital; and (v) pay certain related expenses (collectively, the "Financing Purposes"); and

WHEREAS, on June 13, 2006, the Authority adopted a resolution relating to the Borrower and the issuance of the Series 2006 Bonds; and

WHEREAS, the Borrower has requested that the above-described resolution be amended and restated in its entirety as set forth herein; and

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

(a) Bond Trust Indenture (the "Bond Indenture") between the Authority and Wells Fargo Bank, National Association, as bond trustee (the "Bond Trustee"), substantially in the form attached hereto as Exhibit A, providing for the issuance thereunder of the Series 2006 Bonds and setting forth the terms and provisions applicable to the Series 2006 Bonds, including securing the Series 2006 Bonds by an assignment thereunder of the Authority's right, title and interest in and to the Series 2006 Obligation (as hereinafter defined) and certain of the Authority's rights in and to the Loan Agreement (as hereinafter defined);

(b) Loan Agreement (the "Loan Agreement") between the Authority and the Borrower, substantially in the form attached hereto as Exhibit B, under which the Authority will loan the proceeds of the Series 2006 Bonds to the Borrower, all as more fully described in the Loan Agreement; and

(c) Bond Purchase Agreement (the "Purchase Contract") among the Authority, the Borrower, the Home, as Obligated Group Agent, and B.C. Ziegler and Company d/b/a Ziegler Capital Markets Group, as purchaser of the Series 2006 Bonds (the "Purchaser"), substantially in the form attached hereto as Exhibit C, providing for

the sale by the Authority and the purchase by the Purchaser of the Series 2006 Bonds;
and

WHEREAS, in connection with the issuance of the Series 2006 Bonds, the following additional documents will be executed and delivered by parties other than the Authority (collectively, the "Additional Transaction Documents"):

(a) Official Statement (the "Official Statement"), substantially in the form of the draft of the Preliminary Official Statement attached hereto as Exhibit D, relating to the offering of the Series 2006 Bonds;

(b) First Supplemental Master Trust Indenture (the "First Supplemental Master Indenture"), among the Borrower, the Home, Tabor Hills Health Care Facility, Inc. ("Tabor Hills"), and Wells Fargo Bank, National Association (as successor to Norwest Bank Minnesota, National Association), as master trustee (the "Master Trustee"), supplementing and amending the Master Trust Indenture dated as of February 1, 1998 (collectively, the "Master Indenture"), providing for, among other things, the issuance thereunder of the Series 2006 Obligation (as hereinafter defined), substantially in the form attached hereto as Exhibit E;

(c) Direct Note Obligation, Series 2006 of the Borrower (the "Series 2006 Obligation"), which will be pledged as security for the Series 2006 Bonds, in a principal amount equal to the aggregate principal amount of the Series 2006 Bonds and with prepayment, maturity and interest rate provisions similar to the Series 2006 Bonds;

(d) Leasehold Mortgage and Security Agreement between the Borrower, as mortgagor, and the Master Trustee, as mortgagee, substantially in the form attached hereto as Exhibit F; and

(e) First Supplemental Mortgage and Security Agreement, supplementing and amending that certain Mortgage and Security Agreement dated as of February 1, 1998, between the Home, as mortgagor, and the Master Trustee, as mortgagee, and that certain Mortgage and Security Agreement dated as of February 1, 1998, between Tabor Hills, as mortgagor, and the Master Trustee, as mortgagee, substantially in the form attached hereto as Exhibit G.

WHEREAS, the Authority has adopted a policy requiring that bonds which are rated below "BBB" or its equivalent by a credit rating agency or are not credit enhanced be sold only to accredited investors in minimum denominations of at least \$100,000 unless a borrower has requested and obtained a waiver of such policy from the Authority which waivers are subject to the satisfaction of certain conditions set forth in the policy; and

WHEREAS, the Borrower has informed the Authority that all or a portion of the Series 2006 Bonds may be offered to the public and issued as bonds with a credit rating of "BBB-" or its equivalent without credit enhancement in authorized denominations of \$5,000 and multiples thereof; and

WHEREAS, the Borrower has requested that the Authority waive its policy regarding the issuance of bonds with a credit rating of "BBB-" or its equivalent, and has informed the Authority that as of the date of this resolution, no event of default has occurred and is continuing under any of the Borrower's existing bond documents and that the Borrower has not missed a debt service payment relative to any outstanding bonds in the three years immediately preceding the date of this resolution.

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

Section 1. Findings. The Authority hereby makes the following findings and determinations with respect to the Borrower, the Series 2006 Bonds to be issued by the Authority and the facilities financed and refinanced with the proceeds of the Series 2006 Bonds:

(a) The Authority has been advised by the Borrower that the Borrower is a limited liability company organized under the laws of the State of Illinois, is qualified to do business in the State of Illinois and is a "participating health institution" (as defined in the Act);

(b) The Borrower has filed with the Authority its request for assistance in providing funds to the Borrower and the Borrower has stated that (i) the funds will be used for the purposes aforesaid, and (ii) the facilities financed or refinanced with the proceeds of the Series 2006 Bonds will be owned, leased or operated by the Borrower (those facilities are included within the term "project" as defined in the Act);

(c) The Borrower has represented to the Authority that the facilities to be financed or refinanced with the proceeds of the Series 2006 Bonds do not include any institution, place or building used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship; and

(d) The Series 2006 Bonds are being issued for a valid purpose under and in accordance with the provisions of the Act.

Section 2. Series 2006 Bonds. In order to obtain the funds to loan to the Borrower to be used for the purposes aforesaid, the Authority hereby authorizes the issuance of the Series 2006 Bonds. The Series 2006 Bonds shall be issued under and secured by and shall have the terms and provisions set forth in the Bond Indenture in an aggregate principal amount not exceeding \$15,000,000. The Series 2006 Bonds may be issued in one or more series.

The Series 2006 Bonds shall mature no later than November 15, 2036. The Series 2006 Bonds shall be subject to serial maturities or mandatory bond sinking fund redemption commencing no later than November 15, 2026 and shall bear interest at stated rates not exceeding 6.0% per annum. The Series 2006 Bonds shall be subject to optional, extraordinary and mandatory bond sinking fund redemption and be payable all as set forth in the Bond Indenture.

The Series 2006 Bonds shall be issued only as fully registered bonds without coupons. The Series 2006 Bonds shall be executed on behalf of the Authority by the manual or facsimile

signature of its Chairperson or its Vice Chairperson and attested by the manual or facsimile signature of its Executive Director, Treasurer, Secretary or Assistant Secretary, or any person duly appointed by the Members of the Authority to serve in such office on an interim basis, and may have the corporate seal of the Authority impressed manually or printed by facsimile thereon.

The Series 2006 Bonds shall be issued and sold by the Authority and purchased by the Purchaser at a purchase price of not less than 98% of the principal amount of the Series 2006 Bonds, excluding any original issue discount or premium, if any, plus accrued interest. The Purchaser shall receive total underwriting compensation with respect to the sale of the Series 2006 Bonds, including underwriting discount, not in excess of 3% of the principal amount of the Series 2006 Bonds, excluding original issue discount or premium, if any in connection with the sale of the Series 2006 Bonds.

The Authority hereby delegates to the Executive Director of the Authority, or any person duly appointed by the Members to serve in such office on an interim basis, or any two members of the Authority the power and duty to make final determinations as to the principal amount, number of series or subseries of Series 2006 Bonds, dated date, maturities, purchase price, any mandatory sinking fund redemption dates and amounts, optional and extraordinary redemption provisions and the interest rates of the Series 2006 Bonds, all within the parameters set forth herein.

Section 3. Authority Documents. The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by its Chairperson, Vice Chairperson, Executive Director or Treasurer, or any person duly appointed by the Members to serve in such office on an interim basis, any of its other Members, or any officer or employee designated by the Executive Director (each an "Authorized Officer") and the delivery and use of the Authority Documents. The Secretary or Assistant Secretary of the Authority is hereby authorized to attest to any Authority Document. The Authority Documents shall be substantially in the forms attached hereto and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such person's approval and the Authority's approval of any changes or revisions therein from the forms of such Authority Documents attached hereto and to constitute conclusive evidence of such person's approval and the Authority's approval of the terms of the Series 2006 Bonds, and the purchase thereof.

Section 4. Additional Transaction Documents. The Authority does hereby approve the execution and delivery of the Additional Transaction Documents by the parties thereto. The Additional Transaction Documents shall be in substantially the forms attached hereto and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the Loan Agreement, with such execution to constitute conclusive evidence of such person's approval and the Authority's approval of the forms of the Additional Transaction Documents and any changes or revisions therein from the forms attached hereto.

Section 5. Distribution of the Official Statement. The Authority does hereby approve the distribution of the Official Statement by the Purchaser in connection with the offering and sale of the Series 2006 Bonds in substantially the same form as the draft of the Preliminary Official Statement now before the Authority.

Section 5. Waiver of Credit Rating Policy. The Authority, based on the information provided by the Borrower, hereby grants a waiver of its policy regarding the issuance of bonds with a credit rating of "BBB-" or its equivalent and authorizes the Series 2006 Bonds to be offered to the public with a credit rating of "BBB-" in authorized denominations of \$5,000 and multiples thereof; provided, however, that such waiver and authorization is subject to the Borrower providing to the Authority upon the issuance of the Series 2006 Bonds, an officer's certificate of the Borrower to the effect that no event of default has occurred and is continuing under any of the Borrower's existing bond documents and that the Borrower has not missed a debt service payment relative to any outstanding bonds in the three years immediately preceding the date of issuance of the Series 2006 Bonds.

Section 6. Authorization and Ratification of Subsequent Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including without limitation the execution and delivery of a Tax Exemption Agreement and any additional documents that may be necessary to provide for one or more additional series or subseries of Series 2006 Bonds) as may be necessary to carry out and comply with the provisions of these resolutions, the Authority Documents and the Additional Transaction Documents, and all of the acts and doings of the Members, officers, agents and employees of the Authority that are in conformity with the intent and purposes of these resolutions and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Authority Documents or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by the Executive Director (or interim Executive Director) or Treasurer of the Authority, or in the event of the unavailability, inability or refusal of the Executive Director (or interim Executive Director) and the Treasurer to act, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Bond Indenture.

Adopted this 12th day of September, 2006 by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Secretary

RESOLUTION 2006-07-04

**ESTABLISHING A FEE SCHEDULE FOR THE ILLINOIS FINANCE
AUTHORITY'S ISSUANCE OF 501(c)(3) BONDS FOR THE BENEFIT OF A
HEALTH FACILITY TO ACQUIRE A "TERM OF YEARS" PROPERTY
INTEREST IN HEALTHCARE EQUIPMENT AND TO FUND RELATED
RENOVATIONS.**

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 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, Section 840-5(d) of the Act gives the Authority, the power to make...secured or unsecured loans to or for the benefit of any "participating health institution" for the cost of a "project" in accordance with an agreement between the Authority and the "participating health institution;"

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 a Facility (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 routinely provided financing for Projects including, but not limited to, the acquisition of healthcare equipment;

WHEREAS, LaSalle National Leasing Corporation ("LaSalle") has approached the Authority with respect to the potential issuance by the Authority of 501(c)(3) Bonds for the benefit of a Facility, from time to time, for the purpose of financing such Facility's acquisition of a "term of years" interest in healthcare equipment as well as related renovations; and

WHEREAS, the Authority has determined that it will advance the purposes of the Act to issue 501(c)(3) Bonds for the benefit of a Facility, from time to time, to purchase a “term of years” interest in such equipment and to fund related renovations; and

WHEREAS, Section 801-40(j) of the Act grants that Authority the power to “fix, determine, charge and collect any premiums, fees, charges, costs and expenses, including, without limitation, any application fees, commitment fees, program fees, financing charges or publication fees from any person in connection with its activities under the Act”; and

WHEREAS, the Authority desires to establish a fee schedule in connection with the issuance of Bonds for a Facility in connection with the acquisition of a “term of years” interest in healthcare equipment and related renovations;

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. Authority Fees. Notwithstanding any other Resolution or policy, in an effort to further reduce the cost of capital for a Facility, the Authority hereby establishes the following fee schedule for a Facility that finances the acquisition of a “term of years” interest in healthcare equipment and related renovations through the issuance of Bonds by the Authority:

Entity	Fee
Authority	15 basis points of the principal amount of the Bonds issued (the “Bond Amount”).
Authority’s Counsel	\$7,500
Bond Counsel	\$10,000
LaSalle	10 basis points of the Bond Amount.
LaSalle’s Counsel	\$15,000

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 provide financing for a Facility for the acquisition of a “term of years” interest in healthcare equipment and related renovations, *provided, however*, that once the final determination of the terms of a specific transaction have been agreed to by the Authority, the Facility and LaSalle and

the Agreements related thereto are in substantially final form, a Bond Resolution shall be presented to the Members of the Authority for final approval.

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-__ is adopted this 12th day of September by roll vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Chairman

Attested to:

Secretary

1016973_2

MEMORANDUM

TO: IFA Board of Directors
FROM: Jim Senica
DATE: September 12, 2006
RE: Velde Saur's Land Trust Participation Loan Commitment Extension Request
Project No. B-LL-TX-704

Velde Saur's Land Trust is the owner of the real estate of Velde GM Super Center in Pekin, Illinois. Velde GM Super Center is a full-service General Motors auto dealership selling new Cadillac, Buick, Pontiac and GMC Truck vehicles as well as pre-driven automobiles and trucks.

Morton Community Bank and Velde Saur's Land Trust have requested that IFA approve an extension to December 6, 2006, on IFA's commitment to its Participation Loan. IFA is committed to the financing after the dealership's refurbishment is completed and the long-term financing is established. The Board originally approved this project on December 6, 2005, with the usual six-month commitment, a loan term of 7 years, and the customary 2% interest rate reduction from the Bank's 5.75% rate. The dealership is currently undergoing an extensive renovation that will completely reconstruct the GM dealership to accommodate the recent addition of the Buick and Pontiac lines as well as bring the dealership up to higher standards GM requires of its Cadillac dealers. Nearly all of the construction is complete and closing of IFA's participation loan with the bank is imminent, as nearly all required documents have been exchanged and signed between borrower's counsel and IFA's counsel, Dykema Gossett. Management has indicated that delays in obtaining construction materials lengthened the construction period beyond the anticipated six month timeframe.

Staff has re-reviewed the financial condition of the applicant with the lender and concluded that the financial condition of the operating company has not materially changed since the original December 6, 2005, IFA Board presentation. A copy of the original project summary presented for Board approval is included with this memorandum to provide a complete project overview.

This project represents vital economic development for the City of Pekin. Staff recommends approval of the request.

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

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 6, 2005**

Project: Velde Sours Land Trust

STATISTICS

Project Number: B-LL-TX-704	Amount: \$1,000,000
Type: Participation Loan	IFA Staff: Jim Senica
Location: Pekin	

BOARD ACTION

Purchase of Participation Loan from Morton Community Bank – East Peoria, IL
\$1,000,000 IFA funds at risk
Staff recommends approval

PURPOSE

Finance the building improvements included in the complete refurbishment of a GM automobile dealership.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	\$1,000,000	Uses:	Building Improvements	\$1,900,000
	Morton Community Bank:	<u>6,000,000</u>		Refinancing*	<u>5,100,000</u>
	Total	<u>\$7,000,000</u>		Total	<u>\$7,000,000</u>

*Refinancing constitutes bringing a \$5.1 million loan at another area bank used to purchase the Pontiac and Buick franchises and secured by the dealership real estate to Morton Community Bank to enable Morton Community Bank and IFA to hold a first shared mortgage on the dealership real estate.

JOBS

Current employment:	46	Projected new jobs:	6
Jobs retained:	NA	Construction jobs:	(50/6 months)

BUSINESS SUMMARY

Background: Velde Sours Land Trust was formed to own the real estate of Velde Oldsmobile, Cadillac, GMC Truck, Inc., an Illinois S corporation acquired in 1988 by Bruce Sours from the Velde family. The auto dealership's name has recently been changed to Velde GM Super Center to reflect the dealership's purchase of two additional GM lines, Buick and Pontiac, after GM ceased the production of the Oldsmobile product line. Bruce Sours also owns two other automobile dealerships in the area, including Velde Ford in Pekin and Velde Lincoln Mercury in Peoria, as well as a dealership in Vero Beach, Florida, Velde Ford Inc.

- Operations:** Velde GM Super Center is a full-service General Motors auto dealership selling new Cadillac, Buick, Pontiac and GMC Truck vehicles as well as pre-driven automobiles and trucks. The dealership offers a complete service department, servicing both new and used vehicles as well as a complete auto detailing center. Prior to GM's discontinuance of the Oldsmobile line, Velde Oldsmobile, Cadillac GMC Truck was the largest Oldsmobile-Cadillac dealership in the Peoria area. Velde GM Super Center should be ideally positioned to maintain this auto sales leadership as it now has two mid-level lines to complement its Cadillac and GMC Truck sales. Combining Buick and Pontiac with GMC trucks represents GM's desired brand combination of Buick-Pontiac-GMC. (GM is in the process of combining its stand-alone Buick and Pontiac-GMC dealerships to offer remaining dealerships a wider array of products to sell while reducing product redundancy within its divisions).
- The Industry:** Nationally, Cadillac sales have increased substantially in the last few years as General Motors has poured millions into the division to completely revamp its product offerings and restore its prominence in the automobile arena. In recent years, GMC Trucks have been riding the popularity wave of truck and SUV vehicles, continually selling over 500,000 vehicles annually. Management has indicated that even though SUV and light truck sales have diminished nationally due to increased fuel prices, GMC sales have remained strong because of the fact that the brand caters to professional & commercial buyers less affected by fuel price increases than average retail consumers. Buick and Pontiac sales have not been strong in recent years, but GM is in the process of revamping these divisions by reducing inter-divisional model redundancy and by introducing new models such as the 2006 Pontiac Solstice (with its 2006 scheduled production completely sold out!) and the soon-to-be-released Buick Lucerne which will replace two aging models, the Buick LeSabre and the Buick Park Avenue.
- The Project:** After acquiring the Buick and Pontiac lines, Velde Gm Super Center will be completely reconstructing its GM dealership to accommodate the addition of the new products as well as bringing the building up to standards GM requires its Cadillac dealers to meet. The project Will encompass completely new and expanded showrooms, completely new appearance of the building's frontage area and expansion and modernization of the service area.

FINANCING SUMMARY

- Obligor:** Velde Saur's Land Trust
- Guarantors:** Velde Gm Super Center, Bruce Saur's, Tim Saur's and Rory Griggs
- 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:** Velde Saur's Land Trust
- Organization:** Trust
- Ownership:** Bruce Saur's - 50%, Tim Saur's - 25% and Rory Griggs - 25%
- Dealership:** Ownership: 50% - Bruce Saur's and 50% Rory Griggs - 50%

PROFESSIONAL & FINANCIAL

- Borrower's Counsel:** Patrick E. Oberly Pekin
- Banker:** Morton community Bank East Peoria Jim Mamer

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PROFESSIONAL & FINANCIAL

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LEGISLATIVE DISTRICTS

Congressional: 18 – Ray Lahood
State Senate: 44 – Bill Brady
State House: 87 – Bill Mitchell