

Illinois Finance Authority

October 9, 2007

11:30 AM

Board Meeting

The Mid America Club
200 E. Randolph Drive, 80th floor
Chicago, Illinois



IFA File Copy

**ILLINOIS FINANCE AUTHORITY
BOARD MEETING
October 9, 2007
Chicago, Illinois**

**COMMITTEE OF THE WHOLE MEETING
8:30 a.m.
Illinois Finance Authority
180 N. Stetson, Suite 2555**

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

**BOARD MEETING
11:30 a.m.
Mid-America Club
200 E. Randolph Street, 80th Floor
Chicago, Illinois**

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	Estimated Amount	Estimated New Jobs	Estimated Const Jobs	FM
Agri-Industry Guarantee						
1	Hill Prairie Winery	Oakford	\$318,750	0	0	CM
Specialized Livestock Guarantee						
2	John T. Scidmore and Angela K. Scidmore	Chadwick	593,940	0	0	CM
Agri-Debt Guarantee						
3	Steven P. Spivey and Sandra L. Spivey	New Windsor	295,800	0	0	CM
Beginning Farmer Bonds						
4	Anthony & Melissa Oesch	Olney	235,000	0	0	ER
	Bruce & Joleen Kuhnert	Ava	140,000	0	0	ER
	William & Carol Jackson	Macomb	244,000	0	0	CM
	Charles & Tamara Lucie	Carthage	180,000	0	0	CM
	Charles & Pauline Meurer	Ashton	250,000	0	0	CM
	John & Angela Scidmore	Newark	250,000	0	0	CM
	Ross Swanson	Toulon	145,000	0	0	CM
TOTAL AGRICULTURE PROJECTS			\$2,652,490	-	-	

HEALTHCARE

Tab	Project	Location	Estimated Amount	Estimated New Jobs	Estimated Const Jobs	FM
501(c)(3) Bonds <i>Preliminary</i>						
5	Northwestern Memorial Hospital	Chicago	\$400,000,000	600	3,500	PL/DS
6	Monarch Landing and Fox Run Village	Multiple	275,000,000	593	1,125	PL/DS
TOTAL HEALTHCARE PROJECTS			\$675,000,000	1,193	4,625	

COMMUNITIES AND CULTURE

Tab	Project	Location	Estimated Amount	Estimated New Jobs	Estimated Const Jobs	FM
501(c)(3) Bonds						
<i>Preliminary</i>						
7	Sacred Heart Schools	Chicago	\$20,000,000	0	50	TA
8	Lutheran Church Extension Fund	Multiple	33,000,000	0	0	SCM
501(c)(3) Bonds						
<i>Final</i>						
9	Lake County Family YMCA	Waukegan	6,500,000	0	0	SCM
10	Association House of Chicago	Chicago	7,000,000	8	40	SCM
Taxable Industrial Revenue Bond						
<i>Final</i>						
11	Theory and Computing Sciences Building Trust (Argonne National Laboratory)	Darien	70,000,000	80	100	TA
Multi-Family Housing Bond						
<i>Preliminary</i>						
12	Woodlawn Community Development Center	Chicago	40,000,000	6	10	TA
Rural Development Loan						
13	Village Market IGA, Inc.	Mahomet	250,000	0	10	CM
14	Village of Leland	Leland	60,000	0	0	EW
Local Government Pooled Bonds						
15	Village of Green Oaks	Green Oaks	1,700,000	0	10	EW
16	Village of Waynesville	Waynesville	620,000	0	4	KC
17	City of Aledo	Aledo	2,070,000	0	10	KC
TOTAL COMMUNITIES AND CULTURAL PROJECTS			\$181,200,000	94	234	

BUSINESS AND INDUSTRY

Tab	Project	Location	Estimated Amount	Estimated New Jobs	Estimated Const Jobs	FM
Venture Capital						
18	Ohmx Corporation	Evanston	\$300,000	4	0	ST
Tax-Exempt Water Furnishing Facilities Revenue Bonds <i>Preliminary</i>						
19	Aqua Illinois, Inc.	Multiple	17,000,000	0	265	RKF
Industrial Revenue Bonds <i>Final</i>						
20	John Hofmeister & Son, Inc.	Chicago	3,000,000	65	6	ST
21	Zoll Real Estate, LLC (Rupari Food Services, Inc.)	South Holland	10,000,000	110	60	ST
TOTAL BUSINESS AND INDUSTRY PROJECTS			\$30,300,000	179	331	

HIGHER EDUCATION

Tab	Project	Location	Estimated Amount	Estimated New Jobs	Estimated Const Jobs	FM
501(c)(3) Bonds <i>Final</i>						
22	Erikson Institute	Chicago	\$32,500,000	27	100	TA
TOTAL HIGHER EDUCATION PROJECTS			\$32,500,000	27	100	

GRAND TOTAL			\$921,652,490	1,493	5,290	
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RESOLUTIONS

Tab	Project	FM
Informational Memo		
23	Fieldhouse of Barrington	TA
Amendatory Resolutions		
24	Amendatory Resolution for Ingalls Health System providing for restatement of bond documents in connection with addition of letter of credit to Radian-insured bonds.	PL/DS
25	Extend a participation loan to Forest Bushert	JS
26	Request to Amend A Final Resolution to Authorize the Authority's Issuance of Senior and Subordinate Tax-Exempt Bonds to Partially Finance a Project for the Western Illinois Ethanol Project, LLC	ST

Other

Adjournment



Illinois Finance Authority Executive Director's Report October 9, 2007

To: IFA Board of Directors and Office of the Governor

From: Kym M. Hubbard, Executive Director

Financial Performance

Consolidated Results: Illinois Finance Authority's financial position remains strong with total assets of \$155,194,955 consisting of equity of \$94,680,227 and liabilities of \$60,514,728. This compares favorable to the September 2006 balance sheet of \$153,818,377 in total assets comprising of \$88,681,801 in equity and \$65,136,577 in liabilities and bonds payable.

Gross Income YTD for September ended at \$3,102,193 or \$192,395 over plan. The above plan performance is primarily due to fee income. Total operating expenses ended at \$2,461,199 or \$200,319 below plan. The 1st Quarter IFA loan loss reserve analysis required a \$5,071 credit adjustment. The Shults Machine loan which is currently over 150 days delinquent has not been reserved based on recent discussions with Harrisburg Bank. Harrisburg Bank indicates that there is sufficient collateral to recover 100% of the loan. The bank is confident that this loan will be cured in the next few weeks. We will continue to closely monitor this loan. Net income ended at \$2,640,994 including the \$2,000,000 grant received in July 2007 from the Illinois Clean Energy Foundation.

Sales Activities

Funding Managers will be presenting 28 projects totaling \$921,652,490 for approval in October, 2007. Agriculture projects total \$2,652,490; Healthcare projects total \$675,000,000; Communities and Culture projects total \$181,200,000; Business and Industry projects total \$30,300,000; and Higher Education projects total \$32,500,000. These projects are expected to create 1,493 new jobs and 5,290 construction jobs.

Agriculture: Staff met with the University of Illinois' Center for Advanced BioEnergy to discuss financing options for renewable energy projects. Staff also met with the Livingston County Farmers Bureau and the University of Illinois Extension Service to also discuss financing options. The month was highlighted by the Ag team attending the Illinois Bankers Association's annual Ag lenders conference in Springfield. The two day conference was attended by approximately 60 lenders from across the State. Eric Reed spoke on behalf of the IFA as part of an industry panel of State and Government agencies providing financial services to lenders and agribusinesses across Illinois. The IFA also sponsored a booth at the conference.

HealthCare: The Healthcare Group attended several health care conferences in September. At the IHA Leadership Summit in Galena, IL, IFA staff managed a booth display which featured the IFA and its many healthcare programs. Additionally, staff had the opportunity to speak with many representatives of the healthcare sector, including bankers, bond counsel and hospital CFO's, and CFO's from Critical Access Hospital's (CAH's). The 10th Annual Ziegler Senior Living Conference in San Antonio, TX was an excellent opportunity to network with representatives from the Senior Living Market. During the opening presentation, IFA's multi-state legislation was highlighted. Over 500 people attended this conference, and staff had the opportunity to meet with many representatives of Senior Living Facilities in Illinois and across the country to discuss multi-state legislation and capital plans for several of the facilities in Illinois.

Also this month, the healthcare team met with the Executive Director of the Illinois Critical Access Hospital Network (ICAHN) to discuss capital projects that a number of the CAH's have planned over the next 12-18 months.

Communities and Culture: The communities and culture team met with Ziegler Securities to discuss financing for a number of Chicago area schools, including the Illinois Charter Capital Program of the Illinois Facilities Fund.

The IFA will be presenting a new 501(c)(3) bond application for a multi-state bond issue. This will be the second application under our new legislative multi-state capability for the Lutheran Church Extension Fund, a Missouri based entity that provides financing for schools, churches and social service entities affiliated with the Lutheran Church. This project is subject to final approval of Senate Bill 1317.

Staff managed an IFA exhibit and conducted sessions to present financing options at the Downstate Illinois Nonprofit Conference held in Springfield, Illinois. The Conference was sponsored by the Lumpkin Foundation and had 200 participants.

The IFA will co-sponsor seminars with the Illinois Department of Commerce and Community Affairs, and with the Illinois Municipal League. Staff will also participate in a third seminar co-sponsored by Ziegler Capital Markets. This seminar will target not-for-profit, K-12, and private colleges and universities.

Additionally, staff partnered with representatives from the Department of Commerce and Economic Opportunities, Office of the Treasurer, United States Department of Agriculture, Chapman & Cutler, Edward Jones and A.G. Edwards to present IFA financing options at several regional workshops and symposiums.

Staff also continues to work with units of local government requesting financial assistance and information on IFA programs.

Industry and Commerce: Volume Cap Update. IFA management continues to work with the Governor's Office of Management and Budgets to further develop and coordinate policy regarding the allocation of Volume Cap for eligible projects. These ongoing efforts generated a commitment of a significant 2007 allocation of Volume Cap to support the Authority's Industrial Revenue Bond projects. As a result, most of IFA's existing Industrial Revenue Bond projects backlog will be able to move forward in 2007. Additionally, as a result of this coordinated policy effort, the Authority anticipates receiving a significant allocation of 2008 Volume Cap to support these projects next year which will help the Authority preserve its position as the preferred issuer of IRBs by IFA's private sector counterparts.

Participation/Business Loan Update. IFA management has also been evaluating existing policies, including lending limits, interest rate, term, security, collateral requirements, and other criteria.

Additionally, IFA management is also evaluating existing Revolving Loan Funds originally financed with grants or loans from Federal agencies including (i) the Economic Development Administration's Title IX Revolving Loan Fund and (ii) the Rural Development Administration's Rural Development Loan Fund. (Applicability of these funds is limited – both have usage and geographic restrictions imposed by the Federal government.)

Federal Home Loan Bank Letter of Credit Legislation (H.R. 2091 and S. 1963). IFA staff member Rich Frampton continues to work with (1) the Council of Development Finance Agencies and (2) the National Council of Higher Education Facilities Authorities to support legislation (i.e., H.R. 2091 and S. 1963) that would enable the Federal Home Loan Banks to provide credit enhancement to support Industrial Revenue Bond projects and 501(c)(3) Revenue Bond projects.

More specifically, H.R. 2091 and S. 1963 are identical bills that would enable the Federal Home Loan Banks to provide Triple-A rated Standby Letter of Credit to support their local Member Bank Letters of Credit that support Industrial Revenue Bond and 501(c)(3) Revenue Bond projects originated by FHLB Member Banks.

The Congressional Budget Office is currently "scoring" this initiative for its proposed net tax impact. Previous Congressional studies have suggested that the budgetary impact of this legislation will be minimal (i.e., \$6 million annually).

Additionally, although this legislation would improve access to Triple-A rated credit enhancement by FHLB Member Banks (many of which are non-rated or sub-investment grade rated institutions), the FHLBs will not assume any credit risk – all project and borrower-related credit risk will continue to be borne by the

FHLB Member Bank that originates the Direct Pay Letter of Credit to the Borrower. Currently, the Federal Home Loan Banks are only permitted to provide Standby LOC's to support Local Member LOC's used to finance tax-exempt housing bond projects.

In the meantime, IFA has sent informational letters regarding H.R. 2091 and S. 1963 to all 19 Illinois Congressmen and both Illinois Senators. Additionally, IFA staff has recruited supporters from Illinois-based commercial banks, investment banks, and economic development organizations. IFA staff has also provided these market participants with sample letters and have encouraged these participants to (i) write letters of support to appropriate members of Congress and (ii) to focus on leveraging any existing contacts they have with Congress.

The ultimate objective of these efforts is to obtain additional co-sponsors.

It is likely that this effort will require additional meetings with prospective co-sponsors and their respective legislative directors between now and late November.

Higher Education: The Higher Education staff held a strategic planning preparation meeting to discuss future program venues and enhancements, as well as call plans for fiscal year 2008. Staff met with IFA financial advisors to discuss possibilities and options for marketing IFA products to public colleges and universities, and community colleges. Financial advisors plan to poll college Presidents and Chief Financial Officers to learn the institutions specific needs.

Single Family Mortgage Program: Since inception the Program has generated approximately \$2.56 million of mortgages. Due to economic factors which have severely impacted the sub-prime mortgage market and the bankruptcy of the program's only viable FHA Designated Lender, American Home Mortgage, the Program has been declining. Staff met with IFA Financial Advisors to discuss options for the future of the Program. Director Hubbard will be meeting with Directors of other Illinois state agencies and the City of Chicago to discuss the Program. The group will meet again in October to determine next steps for the Program.

Marketing and Public Relations

Market development and strategic planning meetings were held in September for the Local Government and Higher Education market sectors. Two Executive Team strategic planning meetings were held to review and establish high level fiscal year 2008 priorities.

Press releases/ stories in September, 2007:

- Urban Innovations celebrates completion of renovations at Van Buren Place... IFA supports project with \$8 million...
- IFA congratulates Firefly Energy for winning a 2007 Technology Innovation Award.

- Wiegand Named Outstanding Ag Lender.
- Bond Buyer article – IFA Advances Over \$1 Billion of Health Debt.

FOIA's in September, 2007:

- SEIU – Advocate Healthcare transaction materials.
- Martens – Planned Parenthood transaction materials.
- Prequin – Venture Capital investment information.
- State Journal Register – Inquiry about West Central Illinois Telecommunications transaction information.
- Ross, Dixon & Bell -- Inquiry about Acme Barrel/IFCO Systems.

Human Resources and Operations

The following was completed in September, 2007:

- IFA's EEOC/AA Report for FY 2008 was completed and submitted to the Illinois Department of Human Rights.
- Ethics Training for IFA staff for Calendar Year 2008 has been completed.
- Completed and submitted insurance application for trustees of 401(a) Deferred Compensation Plan.

The following items remain in process:

- Recruiting and interviewing for the Director, Financial Services position.
- Implementation of the IFA's new telephony system.
- Finalizing the IFA's new employee handbook.
- Updating IFA job descriptions and salary ranges.

Audit and Compliance

The FY07 audit is on schedule. As of today, no new findings have been discussed with staff.

Attached is the status of the current audit findings for your review.

**Illinois Finance Authority
Audit Findings
Update as of September 30 2007**

Total Number of 7

Item Number	Description	Status Action Items/ Action Items Completed	Percentage Completed
FY 04 Findings			
06-02	Failure to Monitor Bond Compliance	7/8	
FY 05 Findings			
06-01	Noncompliance with the Personnel Code	Under Review	
FY 06 Findings			
06-03	Missing and Incomplete Documents in State Guaranteed Agriculture Loans	Complete	
06-04	Contract Not Executed Timely	Complete	
06-05	Approval of Incomplete Travel and Marketing Reimbursement Forms	Complete	
06-06	Inadequate Processing and Untimely Deposit of Cash Receipts and Refunds	Complete	
06-07	Missing Documents from Personnel File	Complete	

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

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1
5

**Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
for Period Ending September 30, 2007**

	Actual September 2007	Budget September 2007	Current Month Actual vs Budget Variance	Current % Variance	Actual YTD FY 2008	Budget YTD FY 2008	Year to Date Actual vs. Budget Variance	YTD % Variance	Total Budget FY 2008	% of Budget Expended
REVENUE										
INTEREST ON LOANS	306,189	292,029	14,160	4.85%	939,682	882,878	56,804	6.43%	3,526,320	26.65%
INVESTMENT INTEREST & GAIN(LOSS)	198,299	206,489	(8,190)	-3.97%	612,545	617,703	(5,158)	-0.84%	2,499,176	24.51%
ADMINISTRATIONS & APPLICATION FEES	205,571	293,107	(87,536)	-29.88%	1,325,114	1,110,941	214,173	19.28%	6,530,805	20.29%
ANNUAL ISSUANCE & LOAN FEES	61,382	81,677	(20,295)	-24.85%	194,641	253,435	(58,794)	-23.20%	1,038,859	18.74%
OTHER INCOME	9,722	14,947	(5,225)	-34.96%	30,211	44,841	(14,630)	-32.63%	179,364	16.84%
TOTAL REVENUE	781,113	888,249	(107,136)	-12.06%	3,102,193	2,909,798	192,395	6.61%	13,774,524	22.52%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	286,302	322,743	(36,441)	-11.29%	835,270	961,543	(126,273)	-13.13%	3,732,896	22.38%
BENEFITS	22,553	25,710	(3,157)	-12.28%	64,398	76,396	(11,998)	-15.70%	310,439	20.74%
TEMPORARY HELP	2,821	2,500	321	12.85%	25,253	7,500	17,753	236.71%	30,000	84.18%
EDUCATION & DEVELOPMENT	756	500	256	51.20%	1,056	1,500	(444)	-29.60%	6,000	17.60%
TRAVEL & AUTO	15,252	12,501	2,751	22.01%	41,388	37,503	3,885	10.36%	150,000	27.59%
TOTAL EMPLOYEE RELATED EXPENSES	327,684	363,954	(36,270)	-9.97%	967,365	1,084,442	(117,077)	-10.80%	4,225,335	22.87%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	120,250	87,332	32,918	37.69%	357,324	261,996	95,328	36.39%	1,048,000	34.10%
LOAN EXPENSE & BANK FEE	220,607	220,979	(372)	-0.17%	663,622	662,937	685	0.10%	2,578,138	25.74%
ACCOUNTING & AUDITING	32,935	29,329	3,606	12.30%	94,209	87,897	6,312	7.07%	351,946	26.77%
MARKETING GENERAL	7,298	20,833	(13,535)	-64.97%	18,895	62,499	(43,604)	-69.77%	250,000	7.56%
FINANCIAL ADVISORY	20,000	24,545	(4,545)	-18.52%	65,788	69,090	(3,302)	-4.78%	290,000	22.69%
CONFERENCE/TRAINING	2,520	2,083	437	20.98%	2,820	6,249	(3,429)	-54.87%	25,000	11.28%
MISCELLANEOUS PROFESSIONAL SERVICES	-	9,167	(9,167)	-100.00%	2,225	27,501	(25,276)	-91.91%	110,004	2.02%
DATA PROCESSING	10,134	2,917	7,217	247.43%	16,329	8,751	7,578	86.60%	35,000	46.66%
TOTAL PROFESSIONAL SERVICES	413,745	397,185	16,560	4.17%	1,221,213	1,187,010	34,203	2.88%	4,688,088	26.05%
OCCUPANCY COSTS										
OFFICE RENT	25,749	26,196	(447)	-1.71%	76,520	78,588	(2,068)	-2.63%	314,350	24.34%
EQUIPMENT RENTAL AND PURCHASES	6,001	4,420	1,581	35.77%	19,981	12,420	7,561	60.87%	49,680	40.22%
TELECOMMUNICATIONS	5,268	7,083	(1,815)	-25.62%	20,638	21,249	(611)	-2.87%	85,000	24.28%
UTILITIES	802	983	(181)	-18.37%	2,661	2,949	(288)	-9.76%	11,800	22.55%
DEPRECIATION	9,018	5,920	3,098	52.34%	20,138	2,760	17,378	13.39%	77,194	26.09%
INSURANCE	504	2,000	(1,496)	-74.82%	4,178	6,000	(1,822)	-30.37%	24,000	17.41%
TOTAL OCCUPANCY COSTS	47,343	46,602	741	1.59%	144,116	138,966	5,150	3.71%	562,024	25.64%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	6,853	8,750	(1,897)	-21.68%	21,662	26,250	(4,588)	-17.48%	105,000	20.63%
BOARD MEETING - EXPENSES	15,462	2,568	12,894	502.09%	19,898	7,704	12,194	158.28%	39,000	51.02%
PRINTING	2,083	1,200	883	73.56%	5,305	3,600	1,705	47.36%	14,400	36.84%
POSTAGE & FREIGHT	699	2,067	(1,368)	-66.19%	6,285	6,201	84	1.36%	24,800	25.34%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,131	3,333	(2,202)	-66.07%	5,051	9,999	(4,948)	-49.49%	40,000	12.63%
PUBLICATIONS	229	300	(71)	-23.78%	330	900	(570)	-63.34%	3,600	9.17%
OFFICERS & DIRECTORS INSURANCE	14,746	14,750	(4)	-0.02%	44,239	44,250	(11)	-0.02%	177,000	24.99%
MISCELLANEOUS	-	42	(42)	-100.00%	-	126	(126)	-100.00%	500	0.00%
TOTAL GENERAL & ADMINISTRATION EXPENSES	41,202	33,010	8,192	24.82%	102,771	99,030	3,741	3.78%	404,300	25.42%
LOAN LOSS PROVISION/BAD DEBT	(5,701)	33,333	(39,034)	-117.10%	60,965	99,999	(39,034)	-39.03%	400,000	15.24%
OTHER	690	690	0	0.01%	2,070	2,070	0	0.01%	8,004	25.86%
INTEREST EXPENSE	690	690	0	0.01%	2,070	2,070	0	0.01%	8,004	25.86%
TOTAL OTHER	690	690	0	0.01%	2,070	2,070	0	0.01%	8,004	25.86%
TOTAL EXPENSES	824,963	874,774	(49,811)	-5.69%	2,498,500	2,611,517	(113,017)	-4.33%	10,291,751	24.28%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	(43,850)	13,475	(57,325)	-425.42%	603,694	298,281	305,413	102.39%	3,482,773	17.33%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	11,214	(16,667)	27,881	-167.28%	37,301	(50,001)	87,302	-174.60%	(200,000)	-18.65%
REVENUE GRANT	-	-	-	0.00%	2,000,000	-	2,000,000	0.00%	-	0.00%
NET INCOME/(LOSS)	(32,636)	(3,192)	(29,444)	922.43%	2,640,994	248,280	2,392,714	963.72%	3,282,773	80.45%

**Illinois Finance Authority
Consolidated Statement of Activities
Comparison
September 2006 and September 2007**

	Actual September 2007	Actual September 2006	Current Month Variance Actual vs. Actual	Current % Variance	Actual FY 2008	Actual FY 2007	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	306,189	86,053	220,136	255.81%	939,682	864,114	75,569	8.75%
INVESTMENT INTEREST & GAIN(LOSS)	198,299	300,753	(102,455)	-34.07%	612,545	729,742	(117,197)	-16.06%
ADMINISTRATIONS & APPLICATION FEES	205,521	269,798	(64,277)	-23.82%	1,325,114	1,367,009	(41,895)	-3.06%
ANNUAL ISSUANCE & LOAN FEES	61,382	98,952	(37,570)	-37.97%	194,641	275,557	(80,916)	-29.36%
OTHER INCOME	9,722	10,923	(1,201)	-11.00%	30,211	58,022	(27,810)	-47.93%
TOTAL REVENUE	781,113	766,480	14,633	1.91%	3,102,193	3,294,443	(192,250)	-5.84%
EXPENSES								
EMPLOYEE RELATED EXPENSES	286,302	236,880	49,421	20.86%	835,270	745,114	90,156	12.10%
COMPENSATION & TAXES	22,553	24,733	(2,181)	-8.82%	64,398	82,019	(17,621)	-21.48%
BENEFITS	2,821	2,192	630	28.73%	23,253	10,377	14,876	143.36%
TEMPORARY HELP	756	-	756	#DIV/0!	1,056	4,537	(3,481)	-76.73%
EDUCATION & DEVELOPMENT	15,252	11,092	4,161	37.51%	41,388	35,018	6,370	18.19%
TRAVEL & AUTO								
TOTAL EMPLOYEE RELATED EXPENSES	327,684	274,897	52,787	19.20%	967,365	877,065	90,299	10.30%
PROFESSIONAL SERVICES	120,250	123,060	(2,810)	-2.28%	357,324	408,324	(51,000)	-12.49%
CONSULTING, LEGAL & ADMIN	220,607	21,881	198,726	908.20%	663,622	693,032	(29,410)	-4.24%
LOAN EXPENSE & BANK FEE	32,935	(116,060)	148,995	-128.38%	94,209	73,120	21,089	28.84%
ACCOUNTING & AUDITING	7,298	13,872	(6,573)	-47.39%	18,895	24,471	(2,471)	-11.57%
MARKETING GENERAL	20,000	29,166	(9,166)	-31.43%	65,788	90,358	(24,570)	-27.19%
FINANCIAL ADVISORY	2,520	1,690	830	49.11%	2,820	3,180	(360)	-11.32%
CONFERENCE/TRAINING	-	2,595	(2,595)	-100.00%	2,225	13,728	(11,503)	-83.79%
MISCELLANEOUS PROFESSIONAL SERVICES	10,134	3,272	6,862	209.69%	16,329	5,836	10,493	179.79%
DATA PROCESSING								
TOTAL PROFESSIONAL SERVICES	413,745	79,477	334,268	420.59%	1,221,213	1,308,944	(87,731)	-6.70%
OCCUPANCY COSTS	25,749	28,320	(2,571)	-9.08%	76,520	78,339	(1,819)	-2.32%
OFFICE RENT	6,001	7,797	(1,796)	-23.04%	19,981	13,013	6,968	53.55%
EQUIPMENT RENTAL AND PURCHASES	5,268	5,968	(700)	-11.72%	20,638	14,677	5,962	40.62%
TELECOMMUNICATIONS	802	1,055	(253)	-23.96%	2,661	2,577	84	3.25%
UTILITIES	9,018	3,788	5,230	138.05%	20,138	11,360	8,778	77.27%
DEPRECIATION	504	1,151	(648)	-56.25%	4,178	3,454	725	20.98%
INSURANCE								
TOTAL OCCUPANCY COSTS	47,343	48,080	(737)	-1.53%	144,116	123,419	20,697	16.77%
GENERAL & ADMINISTRATION	6,853	10,125	(3,272)	-32.32%	21,662	23,296	(1,634)	-7.01%
OFFICE SUPPLIES	15,462	2,217	13,245	597.31%	19,898	9,837	10,062	102.29%
BOARD MEETING - EXPENSES	2,083	1,289	794	61.57%	5,305	2,463	2,842	115.41%
PRINTING	699	2,380	(1,681)	-70.63%	6,285	7,315	(1,030)	-14.08%
POSTAGE & FREIGHT	1,131	758	373	49.21%	5,051	396	4,654	85.1%
MEMBERSHIP, DUES & CONTRIBUTIONS	229	40	189	473.97%	330	5,518	(5,188)	-94.02%
PUBLICATIONS	14,746	13,500	1,246	9.23%	44,239	40,500	3,739	9.23%
OFFICERS & DIRECTORS INSURANCE				0.00%	-	-	-	#DIV/0!
MISCELLANEOUS								
TOTAL GENERAL & ADMINISTRATION EXPENSES	41,202	30,309	10,894	35.94%	102,771	93,583	9,188	9.82%
LOAN LOSS PROVISION/BAD DEBT	(5,701)	106,209	(111,911)	-105.37%	60,965	156,209	(95,244)	-60.97%
OTHER	690	736	(46)	-6.21%	2,070	2,207	(137)	-6.21%
INTEREST EXPENSE								
TOTAL OTHER	690	736	(46)	-6.21%	2,070	2,207	(137)	-6.21%
TOTAL EXPENSES	824,963	539,708	285,255	52.85%	2,498,500	2,561,429	(62,929)	-2.46%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	(43,850)	226,772	(270,622)	-119.34%	603,694	733,014	(129,320)	-17.64%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	11,214	10,838	376	3.47%	37,301	32,941	4,360	13.23%
REVENUE GRANT	-	-	-	0.00%	2,000,000	-	2,000,000	0.00%
NET INCOME/(LOSS)	(32,636)	237,610	(270,246)	-113.74%	2,640,994	765,955	1,875,039	244.80%

**Illinois Finance Authority
Consolidated
Balance Sheet**

for the Three Months Ending September 30, 2007

	Actual September 2006	Actual September 2007	Budget September 2007	Variance to budget
ASSETS				
CASH & INVESTMENTS, UNRESTRICTED	\$ 31,651,947	\$ 26,802,768	26,153,465	\$ 649,303
LOAN RECEIVABLE, NET	82,924,512	87,629,094	85,936,947	1,692,147
ACCOUNTS RECEIVABLE	1,101,229	775,968	540,691	235,277
OTHER RECEIVABLES	632,798	1,856,236	1,371,577	484,659
PREPAID EXPENSES	122,826	128,378	175,658	(47,280)
TOTAL CURRENT ASSETS	116,433,312	117,192,444	114,178,337	3,014,107
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	138,765	241,201	268,041	\$ (26,840)
DEFERRED ISSUANCE COSTS	908,932	778,523	787,590	\$ (9,066)
OTHER ASSETS				
CASH, INVESTMENTS & RESERVES	27,281,593	28,403,173	27,878,771	\$ 524,403
VENTURE CAPITAL INVESTMENTS	5,679,735	5,554,091	5,929,091	\$ (375,000)
OTHER	4,075,089	3,025,522	3,030,202	\$ (4,680)
TOTAL OTHER ASSETS	37,036,418	36,982,787	36,838,064	144,723
TOTAL ASSETS	\$ 154,517,427	\$ 155,194,955	152,072,032	\$ 3,122,926
LIABILITIES				
CURRENT LIABILITIES	\$ 1,564,580	\$ 1,860,356	1,436,361	\$ 423,994
LONG-TERM LIABILITIES	64,137,008	58,654,373	58,348,156	\$ 306,216
TOTAL LIABILITIES	65,701,588	60,514,728	59,784,517	730,211
EQUITY				
CONTRIBUTED CAPITAL	36,061,462	36,061,462	36,061,462	\$ -
RETAINED EARNINGS	15,015,018	17,921,049	17,921,049	\$ 0
NET INCOME / (LOSS)	765,955	2,640,994	248,280	\$ 2,392,714
RESERVED/RESTRICTED FUND BALANCE	24,279,992	25,491,190	25,491,190	\$ -
UNRESERVED FUND BALANCE	12,693,412	12,565,531	12,565,531	\$ -
TOTAL EQUITY	88,815,839	94,680,227	92,287,512	2,392,715
TOTAL LIABILITIES & EQUITY	\$ 154,517,427	\$ 155,194,955	152,072,031	\$ 3,122,926

**Illinois Finance Authority
Consolidated - Detail
Balance Sheet
for the Three Months Ending
September 30, 2007**

	General Fund	Bond Fund	Firetruck Revolving Fund	Non Major Funds YTD	YTD 2008
Assets					
Current assets:					
Cash and cash equivalents – unrestricted	1,723,980	-	-	14,594,887	16,318,867
Investments – unrestricted	2,813,906	-	-	2,000,940	4,814,846
Restricted current assets:					
Cash and cash equivalents	-	843,489	2,147,842	2,147,842	2,991,331
Accrued interest receivable	-	1,437,458	9,000	17,115	1,454,573
Restricted investments	-	62,056	-	-	62,056
Receivables:					
Accounts	838,944	-	-	-	838,944
Allowance for doubtful accounts	(66,146)	-	-	-	(66,146)
Interest and other	198,716	-	-	25,364	224,080
Prepaid expenses and deposits	128,378	-	-	-	128,378
Total Current Assets	5,637,777	2,343,003	2,156,842	18,786,148	26,766,928
Noncurrent assets:					
Restricted Noncurrent assets					
Cash and cash equivalents	-	-	-	22,474,496	22,474,496
Interest receivable	-	186,583	-	90,000	276,583
Guarantee payments receivable	-	-	-	459,048	459,048
Allowance for doubtful accounts	-	-	-	(433,526)	(433,526)
Deferred issuance costs, net of accumulated amortization	-	203,679	-	-	203,679
Investments	-	8,445,346	-	-	8,445,346
Bonds and notes receivable	-	47,234,300	-	-	47,234,300
Loans receivable	-	-	8,067,232	10,594,917	10,594,917
Allowance for doubtful accounts	-	-	-	(206,678)	(206,678)
Investments in partnerships and companies	-	-	-	5,554,091	5,554,091
Loans Receivable	31,564,121	-	-	4,323,242	35,887,363
Allowance for doubtful accounts	(2,877,637)	-	-	-	(2,877,637)
Due from other funds long term	2,270,107	-	-	712,374	2,982,481
Property and equipment, at cost	534,218	-	-	-	534,218
Accumulated depreciation	(293,018)	-	-	-	(293,018)
Deferred issuance costs, net of accumulated amortization	574,845	-	-	-	574,845
Total Noncurrent Assets:	31,772,636	56,069,908	8,067,232	43,567,963	131,410,507
Total Assets	37,410,413	58,412,911	10,224,074	62,354,111	158,177,436
Liabilities					
Current liabilities:					
Accounts payable	137,438	19,432	-	-	156,870
Accrued expenses	887,896	-	-	-	887,896
Accrued interest payable	-	1,657,994	-	6,210	1,664,204
Due to employees	42,396	-	-	-	42,396
Due to primary government	234,211	-	-	-	234,211
Current portion of Long term debt	-	-	-	55,394	55,394
Total Current Liabilities	1,301,940	1,677,426	-	61,604	3,040,971
Noncurrent liabilities:					
Long-term debt	-	-	-	772,666	772,666
Bonds payable	-	55,522,588	-	-	55,522,588
Deferred revenue net of accumulated amortization	1,288,818	-	-	-	1,288,818
Due to other funds - long term	-	-	-	2,982,481	2,982,481
Deferred loss on early extinguishment of Debt	-	(110,314)	-	-	(110,314)
Total Noncurrent Liabilities	1,288,818	55,412,274	-	3,755,147	60,456,239
Total Liabilities	2,590,758	57,089,700	-	3,816,751	63,497,209
Net Assets					
Invested in capital assets	241,201	-	-	-	241,201
Restricted	-	1,323,211	10,224,074	34,307,316	35,630,527
Unrestricted	34,578,454	-	-	24,230,044	58,808,498
Total Net Assets	34,819,655	1,323,211	10,224,074	58,537,360	94,680,227

Illinois Finance Authority
Participations
30-60-90-120-180 Day Delinquencies

as of 9/30/2007

Loan #	Borrower Name	Due Date	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 + Days
Participations									
10008	BUSHERT, FORREST D.	9/1/2007	\$2,039.30	.00	.00	.00	.00	.00	.00
10025	FREEPOR AREA ECONOMIC DE	9/28/2007	\$1,340.00	.00	.00	.00	.00	.00	.00
10049	SHULTS MACHINE	4/5/2007	\$0.00	.00	.00	.00	.00	144,288.11	.00
10061	YOUNG, CLINTON (PRECISION P	9/24/2007	\$1,683.32	.00	.00	.00	.00	.00	.00
10073	BAXTER, JAY & COLLEEN	9/29/2007	\$565.00	.00	.00	.00	.00	.00	.00
10132	EX TECH PLASTICS	9/27/2007	\$7,732.26	.00	.00	.00	.00	.00	.00
6			\$13,359.88	.00	.00	.00	.00	144,288.11	.00
FMHA									
10064	GRAYSON HILL ENERGY, LLC	9/1/2007	\$1,443.27	.00	.00	.00	.00	.00	.00
10066	UTLRA PLAY SYSTEMS, INC.	9/1/2007	\$1,314.77	.00	.00	.00	.00	.00	.00
2			\$2,758.04	.00	.00	.00	.00	.00	.00
8			\$16,295.92	.00	.00	.00	.00	144,288.11	.00

**MINUTES OF THE SEPTEMBER 11, 2007 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 a Board Meeting at 11:30 a.m., on September 11, 2007 at the Mid-America Club, 200 E. Randolph, Chicago, Illinois:

Members present:

David C. Gustman, Chair
Dr. William J. Barclay
Ronald E. DeNard
James J. Fuentes
Michael W. Goetz
Terrence M. O'Brien
Andrew W. Rice
Juan B. Rivera
Lynn F. Talbott

Members absent:

Magda M. Boyles
Dr. Roger D. Herrin
Edward H. Leonard, Sr.
Joseph P. Valenti

Vacancies:

One (1)

**Members participating by
telephone:**

Bradley A. Zeller

GENERAL BUSINESS

Call to Order and Roll Call

Chairman Gustman called the meeting to order at 11:48 a.m. with the above members present. Chairman Gustman welcomed members of the Board and all guests and asked Secretary, Carla Burgess Jones to call the roll. There being nine (9) members physically present, and one (1) member on the phone, Ms. Burgess Jones declared a quorum present.

Executive Director's Report

Director Hubbard welcomed and thanked all guests for coming. Director Hubbard reported that the Illinois Finance Authority continues to experience significant success and the volume of activity is growing. Director Hubbard reported that the Authority continues to work with the Governor's Office of Management and Budgets regarding Volume Cap and it's anticipated that final approval for increased volume cap will soon be approved. Director Hubbard announced that the IFA staff would present 27 projects, totaling approximately \$1.3 billion, to the Board for its consideration at today's meeting. Director Hubbard noted that projects presented today are expected to create approximately 482 new jobs and 2,221 construction jobs.

Acceptance of Financial Statements

Financial statements for the period ending August 30, 2007 were accepted by the Board. Chairman Gustman stated that the Authority's financial statements were reviewed at the Committee of the Whole Meeting held at 8:30 a.m.

Minutes

Chairman Gustman announced that the next order of business was to approve the minutes of the August 7, 2007 Meeting of the Board. Chairman Gustman asked for a motion to approve the minutes. Motion was moved by Mr. O'Brien and seconded by Mr. Goetz. Secretary, Carla Burgess Jones, took a roll call vote for approval of the minutes. The minutes were approved by a roll call vote with 10 ayes, 0 nays, and 0 abstentions.

Projects

Chairman Gustman asked Executive Director Hubbard to present the projects for consideration to the Board. Chairman Gustman announced 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. Director Hubbard presented the following projects to the Board for approval:

- No. 1:** **A-LL-TX-7187 – Worksaver, Inc.**
Request for approval of the issuance of a Participation Loan in an amount not-to-exceed \$153,050 to provide permanent financing to purchase new manufacturing equipment. This project is expected to create 2 new jobs and is located in Litchfield, Illinois. **(07-09-01)**.
- No. 2:** **A-LL-TX-7186 – Gerald and Genevieve Roberts**
Request for approval of the issuance of an Ag Participation Loan in an amount not-to-exceed \$55,000 to provide permanent financing to purchase a 9660 John Deere Combine. This project is located in Penfield, Illinois. **(07-09-02)**.
- No. 3:** **A-YF-GT-6248 – Michael L. and Shari D. Flannigan**
Request for approval of the issuance of a Young Farmer Guarantee in an amount not-to-exceed \$191,250 to provide permanent financing for the purchase of 105 acres of farmland. This project is located in Mt. Vernon, Illinois. **(07-09-03)**.
- No. 4:** **A-FB-TE-CD-7189 – Alan Bailey**
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$105,000 to provide permanent financing for the purchase of 40 acres of farmland. This project is located in Virden, Illinois. **(07-09-04)**.
- A-FB-TE-CD-7190 – Steven and Emily Manning**
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$55,000 to provide permanent financing for the purchase of 40 acres of farmland. This project is located in Wayne City, Illinois. **(07-09-04)**.
- A-FB-TE-CD-7191 – Adam T. Bertolino**
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$250,000 to provide permanent financing for the purchase of 84.5 acres of farmland. This project is located in Witt, Illinois. **(07-09-04)**.

A-FB-TE-CD-7192 – Jonathon Laue

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$65,000 to provide permanent financing for the purchase of 26 acres of farmland. This project is located in Beecher City, Illinois. (07-09-04).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 1 through 3. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 1 through 3. Leave was granted. Project nos. 1 through 3 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 5: P-SW-TE-CD-7175 – Ethanex Energy North America, Inc.

Request for the approval of the issuance of Solid Waste Disposal Facilities Bonds in an amount not-to-exceed \$50,000,000 to provide permanent financing for the construction of a 132 million gallon capacity ethanol plant, the acquisition and installation of machinery and equipment, including qualifying solid waste disposal facilities, the capitalized interest and debt service reserve fund and pay cost of issuance. Issuance of these bonds is subject to an allocation of Volume Cap. This project is expected to create 65 new jobs and 400 construction jobs. This project is located in Waltonville, Illinois. (07-09-04).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 5. Steven Trout introduced David McKittrick, Executive Vice President & CFO of Ethanex who gave a brief summary of the project and thanked the Board, IFA and the Governor's Office of Management and Budgets for their consideration. Board Member Mr. Goetz commended the company for working with union construction workers. Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 5. Leave was granted. Project no. 5 was approved with 10 ayes, 0 nays, and 0 abstentions.

No.6: H-HO-TE-CD-7193 – Fairview Obligated Group

Request for the approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$60,000,000. Proceeds will be used to: (1) current and advance refund approximately \$45.2M of Series 2004 Bonds issued through a predecessor to the IFA for the benefit of the Fairview Obligated Group, (2) fund approximately \$6M of new money projects at the Downers Grove campus, (3) fund one or more debt service reserve funds; and (4) fund financing costs. This project is located in Downers Grove and Rockford, Illinois. (07-09-06).

No. 7: H-HO-TE-CD-7182 – The Admiral At The Lake

Request for the approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$175,000,000 to provide permanent financing to: (1) construct and equip a new Continuing Care Retirement Community, (2) finance a bank loan that was used to finance pre-development costs, (3) fund a debt service reserve fund, (4) capitalize interest, and (5) fund professional and bond issuance costs. This project is expected to create 200 construction jobs. This project is located in Chicago, Illinois. (07-09-07).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 7. Townsend Albright introduced Glen Birchacek, President & CEO of The Admiral On The Lake. Mr. Birchacek gave a brief overview of the project and thanked the IFA and the Board for their consideration. 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 apply the last unanimous vote in favor of Project nos. 6 and 7. Leave was granted. Project nos. 6 and 7 were approved with 10 ayes, 0 nays, and 0 abstentions.

No. 8: H-HO-TE-CD-7176 – Holy Cross Hospital

Request for the approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$16,000,000 to provide permanent financing to: (1) refinance existing Illinois Health Facilities Authority debt through a current refunding of the Series 1994 Holy Cross Hospital bond issue for cost savings; (2) Pay costs of issuance. This project is located in Chicago, Illinois. (07-09-08).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 8. Pamela Lenane introduced Gary Zmrhal, CFO, Holy Cross Hospital. Mr. Zmrhal gave a brief overview of the project and thanked the IFA and the Board for their consideration. Dr. Barclay, Board Member, commented on the hospital's success and thanked Mr. Zmrhal and wished Holy Cross continued success. Chairman Gustman asked if the Board had any questions with respect to Project no. 8. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 8. Leave was granted. Project no. 8 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 9: H-HO-TE-CD-7160 – Advocate Health Care Network

Request for the approval of the issuance of Conduit 501 (c)(3) Bonds in an amount not-to-exceed \$520,000,000 to provide permanent financing. Bond proceeds together with other available funds will be used to: (1) fund new projects and reimburse Advocate Health Care Network for certain previous expenditures (2) refinance certain existing outstanding bonds issued by the Illinois Health Facilities Authority, a predecessor of the IFA and (3) pay costs of issuance. This project is located in multiple areas within Illinois. This project is expected to create 75 new jobs and 900 construction jobs. (07-09-09).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 9. Pamela Lenane introduced Dominic Nakis, Sr. VP and Gail Hasbrouch, General Counsel, Advocate Health Care. Mr. Nakis gave a brief overview of the project and thanked the Board and IFA staff for consideration of the project. Dr. Barclay, Board Member thanked Mr. Nakis for responding to his concerns and asked Mr. Nakis that minority firms be included in the pool of underwriters.

Chairman Gustman asked if the Board had any questions with respect to Project no. 9. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 9. Leave was granted. Project no. 9 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 10: H-HO-TE-CD-7165 – Sherman Health System and Sherman Hospital

Request for the approval of the issuance of Conduit 501 (c)(3) Bonds in an amount not-to-exceed \$325,000,000 to provide permanent financing. Proceeds will be used to: (1) fund the construction and equipping of a replacement hospital campus, (2) fund capitalized interest, (3) fund a reserve fund and, (4) pay costs of issuance. This project is located in Elgin, Illinois. This project is expected to create 61 new jobs and 350 construction jobs. (07-09-10).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 10. Pamela Lenane introduced Mr. Eric Krueger, CFO, Sherman Health Systems. Mr. Krueger gave a brief description of the project and thanked the Board and the IFA for their consideration of the project.

Chairman Gustman asked if the Board had any questions with respect to Project no. 10. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 10. Leave was granted. Project no. 10 was approved with 10 ayes, 0 nays, and 0 abstentions

No. 11: N-NP-TE-CD-7181 – Lake County Family YMCA

Request for the approval of the issuance of Conduit 501(c)(3) Revenue Bonds in an amount not to exceed \$6,500,000 to provide permanent financing. Bond proceeds will be used to refund existing IFA (IDFA) 2000 Bonds and to pay certain bond issuance costs. This project is located in Waukegan, Illinois. (07-09-11).

Chairman Gustman asked if the Board had any questions with respect to Project no. 11. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 11. Leave was granted. Project no. 11 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 12: N-NP-TE-CD-7180 – Construction & General Laborers District of Chicago and Vicinity Joint Training and Apprenticeship Fund a/k/a Chicagoland laborers Training and Apprenticeship Fund

Request for the approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$25,000,000 to provide permanent financing. Proceeds will be used to (1) construct and equip a 70,000 sq. ft. training facility, (2) capitalize interest, and (3) fund professional and bond issuance costs. This project is located in Chicago, Illinois. This project is expected to create 9 new jobs and 50 construction jobs over an 18 month period. (07-09-12).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 12. Townsend Albright introduced Mr. Peter Ruff, Fund Administrator, and Mr. Michael Kenney, Assistant. Mr. Ruff gave a brief description of the project and thanked the Board and the IFA for their consideration of the project. Mr. Rivera, Board Member, inquired about minority participation. Mr. Rivera's questions were addressed by Mr. Ruff. Mr. Goetz, Board Member, commented that he was pleased the project was brought to the IFA.

Chairman Gustman asked if the Board had any questions with respect to Project no. 12. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 12. Leave was granted. Project no. 12 was approved with 10 ayes, 0 nays, and 0 abstentions.

- No. 13:** **N-NP-TE-CD-7126 – Cornerstone Services, Inc.**
Request for the approval of the issuance of Conduit 501(c)(3) Refunding Revenue Bonds in an amount not-to-exceed \$4,200,000 to provide permanent financing. Bond proceeds will be used to refund existing IFA (IDFA) 1998 and 2002 Bond issues, refinance existing conventional debt, and pay for certain bond issuance costs. This project is located in Joliet, Illinois. (07-09-13).
- No. 14:** **WITHDRAWN.**
- No. 15:** **I-ID-TX-CD-618 – Theory and Computing Sciences Building Trust (Argonne National Laboratory – a federally owned property under the jurisdiction of the U.S. Department of Energy)**
Request for the approval of the issuance of Taxable Conduit Revenue Bonds in an amount not-to-exceed \$70,000,000 to provide permanent financing. Bond proceeds will be used to (1) finance the construction of an office and light duty laboratory facility, and surface a parking lot, (2) capitalize interest, and (3) fund legal and professional costs. This project is located in Darien, Illinois. This project is expected to create 80 new jobs and 100 construction jobs over a 12 month period. (07-09-15).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 15. Townsend Albright introduced Ms. Mary Spada, Contractor, Project Leader, Argonne National Laboratory. Ms. Spada gave a brief description of the project and thanked the Board and the IFA for their consideration.

Chairman Gustman asked if the Board had any questions with respect to Project no. 15. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 15. Leave was granted. Project no. 15 was approved with 10 ayes, 0 nays, and 0 abstentions.

- No. 16:** **L-GP-7196 – Village of Chatham**
Request for the approval of a Direct Loan in an amount not-to-exceed \$1, 500,000 to provide interim one year financing for the Village's water system infrastructure expenses. This project is located in Chatham, Illinois. (07-09-16).
- No. 17:** **L-GP-7194 – Tad Peter d/b/a South Fork Outfitting**
Request for the approval of the issuance of a Rural Development Loan in an amount not-to-exceed \$188,250 to provide permanent financing for an outfitting lodge. This project is located in Mendon, Illinois. This project is expected to create 4 new jobs and 6 construction jobs. (07-09-17).

No. 18: **L-GP-7195 – Village of Pleasant Plains**
Request for the approval of the issuance of a Rural Development Loan in an amount not-to-exceed \$115,000 to provide financing for Village storm sewer improvements. This project is located in Pleasant Plains, Illinois. (07-09-18).

No. 19: **B-LL-TX-7197 – MPH II Land Trust (Hoerr Construction)**
Request for the approval of the issuance of a Participation Loan in an amount not-to-exceed \$300,000. Loan proceeds will be used to finance the acquisition of land and the construction of a new industrial facility, and the acquisition of new machinery and equipment. The new facility is located in Congerville, Illinois. This project is expected to create 3 new jobs and 75 construction jobs over 7 month period. (07-09-19).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 16 through 19. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 16 through 19. Leave was granted. Project nos. 16 through 19 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 20: **I-ID-CD-TE-6217 – Stromberg Allen and Company and SACO Real Estate Company LLC**
Request for the approval of the issuance of Conduit Industrial Revenue Bonds in an amount not-to-exceed \$8,000,000 to provide financing to purchase and renovate an existing, vacant manufacturing facility in Tinley Park that will enable Stromberg Allen and Company to expand, while also retaining its operations in Illinois. This project is located in Tinley Park, Illinois. This project is initially expected to create 8 new jobs plus 2 to 8 more within two years, and 10 construction jobs for a 3 to 5 month period. (07-09-20).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 20. Rich Frampton introduced Mr. Bill Kruchko, President, Stromberg Allen and Company. Mr. Kruchko gave a brief description of the project and thanked the Board and the IFA for their consideration.

Chairman Gustman asked if the Board had any questions with respect to Project no. 20. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 20. Leave was granted. Project no. 20 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 21: **I-ID-TE-CD-7178 – Quality Metal Finishing Co.**
Request for the approval of the issuance of Conduit Industrial Revenue Refunding Bonds in an amount not-to-exceed \$1,300,000 to provide permanent financing. Bond proceeds will be used to refund the outstanding principal balance of IFA (IDFA) Series 1996 Industrial Revenue Bonds. This project is located in Byron, Illinois. This project is expected to create 53 new jobs. (07-09-21).

No. 22: **I-ID-TE-CD-6255 – American Ad Bag Company and Garmich-Illinois, LLC**

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2007**

Project: Hill Prairie Winery

STATISTICS

Project Number:	A-AI-TX-GT-7214	Amount:	\$318,750
Type:	Agri-Industry	IFA Staff:	Cory Mitchell
Location:	Oakford		

BOARD ACTION

Approval to initiate an 85% loan guarantee in favor of Petefish, Skiles and Company Bank. \$318,750 of State Treasurer's Agricultural Reserve Risk funds at risk.
Staff recommends approval, subject to satisfying all conditions of the bank loan, as well as:
*assignment of life insurance policy for amount of loan on the borrower
*satisfactory appraisal to insure LTV of 80% or less on residence and winery
*proof of all applicable liability insurances, licenses and permits.
*loan covenant limiting amount of annual draws on business to pay salaries

PURPOSE

The proposed loan will provide permanent financing for an existing borrower occupied vineyard and winery.

IFA PROGRAM AND CONTRIBUTION

The Authority's Agri-Industry Guarantee Program is designed to assist and encourage the diversification of Illinois Agriculture and promote value added processing of Illinois Agricultural products. The IFA guarantees up to 85% of a bank's loans to Illinois farmers and agribusiness owners. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are backed by an IFA reserve funded for this program and are also full faith and credit obligations of the State of Illinois.

IFA's issuance of guarantees helps borrowers obtain debt financing at reduced rates of interest and improved terms

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	\$318,750	Uses:	Real Estate/Equipment	\$300,000
				Start-up costs	\$60,000
	Petefish, Skiles and Company Bank	<u>\$56,250</u>		Legal/Professional	<u>\$15,000</u>
	Total	<u>\$375,000</u>		Total	<u>\$375,000</u>

JOBS

Current employment:	7	Projected new jobs:	0
Jobs retained:	7	Construction jobs:	0

BUSINESS SUMMARY

Background/ management/marketing of the business:

Hill Prairie Winery was established in 2004 near Oakford, Illinois by Mark and Connie Lounsberry. Mark's parents, Lloyd and Nancy Lounsberry, along with Connie's mother Ellen have also been involved in the project, with all family members providing the labor source to run the business.

Mark Lounsberry has been producing wine as a hobby for over twenty years. He became interested in grape growing in 1998 and spent a full year researching the subject. During this time he also utilized his chemistry background from college to understand the process more clearly. Mark was also fortunate in that he spent over two years working for other wineries in the state to learn the art of wine making and found out what works and doesn't work with different wines

In 1999, 5 years before the winery opened, Mark established a 4 acre vineyard on the family farm with the intent of selling the produce to other winery's in the state. Currently they grow 4 varieties of wine grapes to produce approximately all of their wine and 3 varieties of table grapes for consumption. His interest in winemaking prompted him to explore starting his own winery and beginning the process. An old barn on the six generation family farm was completely renovated to be used as the main facility and the business was started. The loft of the barn was converted to a banquet hall, gift shop and an outdoor seating area was added. To date, the vineyard has expanded to 9 acres and the host tourists, parties, conventions, receptions and seminars and free sample wine tasting. The borrower and his family have put a lot of hard work into this beautiful facility which is evident when entering the facility as you are met with vineyards on the side of the lane leading up to the winery/banquest facility.

Mark has served two terms on the Illinois Grape Growers and Vintners Association Board of Directors. He received the 2006 Grape Grower of the Year Award in Illinois by the Illinois Grape Growers and Vintners Association of Illinois and the New Emerging Business of the Year by the Greater Springfield Chamber of Commerce.

Local attractions including the Jim Edgar State Park and Abraham Lincoln Museum aid in bringing customers to Hill Prairie Winery. The borrower is continually advertising in tourist and local publications to continue their advertising efforts and attract more business and also become a tourist link with their beautiful facility. Special events such as Blue Grass Festivals and Mystery Dinner Theater productions have been added along with weekend entertainment, adding again to the exposure of the winery's products.

Project Rationale:

The borrowers wish to exercise their purchase option from the original venture capital investor who funded the winery start-up costs. The borrower also wishes to consolidate all debt related to the winery into one loan and continue making monthly payments. In an effort to assist the borrower, Petefish, Skiles and Company Bank is seeking an Agri-Industry Guarantee for the borrower. With the approval of the proposed transaction, the bank will be able to offer more favorable terms to the borrowers than they currently have.

Transaction:

Petefish, Skiles and Company Bank will originate a 15 year loan, secured by a 1st REM on the winery and 5 acres, a 2nd REM on Mark Lounsberry's residence and a 1st lien on all equipment, supplies and inventory, Assignment of Life Insurance Policy on Mark Lounsberry equal to loan amount and individual guarantees from Mark and Connie Lunsberry and Lloyd and Nancy Lounsberry and a 1st REM on 40 Acres of farm land. The payments will be monthly principal and interest. A real estate appraisal has been performed on the subject property and displays a value of \$400,000.

FINANCING SUMMARY

Borrower: Hill Prairie Winery
(Mark and Connie Lounsberry, Lloyd and Nancy Lounsberry to sign personally)

Security: 1st REM on Winery and 5 acres, 1st lien on all equipment, supplies and inventory, 2nd REM on personal residence of Mark and Connie Lounsberry) 1st REM on 40 Acres of farm land, Assignment of Life Insurance Policy on Mark Lounsberry equal to the amount of loan and individual guarantees from Mark and Connie Lounsberry and Lloyd and Nancy Lounsberry.

Structure: 15 year amortization, 7 year balloon with monthly payments of interest and principal.

PROJECT SUMMARY

The proposed loan proceeds will provide permanent financing to consolidate winery real estate and equipment costs, start-up costs and legal/professional fees into one loan. This consolidation will increase cash-flow and lower overall interest expense to the borrower.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Hill Praire Winery
(Mark and Connie Lounsberry, Lloyd and Nancy Lounsberry Individually)

Location: 23753 Lounsberry Road
Oakford, IL 62673

Organization: S-Corporation

State: Illinois County: Menard

Ownership: Mark and Connie Lounsberry and Lloyd and Nancy Lounsberry

PROFESSIONAL & FINANCIAL

Accountant: Eck Shafer and Punke, LLP
600 East Adams
Springfield, IL 62701-1624

Attorney: N/A

Bank: Petefish, Skiles and Company Bank Loan Officer: Mark Hermann

LEGISLATIVE DISTRICTS

Congressional: 18th Ray LaHood State Senate: 47th John M. Sullivan State House: 93rd Jil Tracy

JOBS

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

BUSINESS SUMMARY

Background: John Scidmore has been the managing partner of an LLC Dairy near Newark, Illinois the last several years and has been involved with dairy farming a large portion of his life. He became aware of the proposed project and would like to continue managing his own dairy along with his wife Angela and three children. Character of the Scidmore family is very strong and the work ethic which goes along with running a dairy are something the borrower takes very seriously and understands.

Project Rationale: The borrower wishes to expand into a larger dairy herd and utilize their management skills in dairy production to run their own dairy. With the proposed purchase of the cows, real estate and equipment the borrower can manage an excellent producing healthy dairy herd to supply sufficient income to service debt and make a decent living. The main commodity produced on the farm will be milk and the sale of bull calves. The proposed dairy herd has been capable of producing 80 pounds of milk per head per day. *This is an excellent goal to have for most dairy herds.*

Transaction: The proposed financing will be used to purchase 135 Holstein dairy cows, 41 breeding heifers, 20 yearling heifers, 13 heifer calves, real estate and related farm equipment to operate the dairy. Community State Bank of Rock Falls will originate a 15 year loan secured by a 1st REM on 22 acres with buildings and milking equipment, 1st lien position on livestock, 1st REM on residence, 1st lien on farm equipment, 2nd REM on 171 acres of farm land and an assignment of life insurance on borrower for amount of loan and a personal guarantee from Johns parents, Tom and Carol Scidmore.

FINANCING SUMMARY

Borrower: John T. Scidmore and Angela K. Scidmore

Security: 1st REM on 22 acres with buildings and milking equipment, 1st lien position of livestock, 1st REM on residence, 1st lien on farm equipment, 2nd REM on 171 acres of farm land and an assignment of life insurance on borrower for amount of loan and a personal guarantee from Tom and Carol Scidmore.

Structure: 5 year term on a 15 year amortization

PROJECT SUMMARY

The proposed loan will be used to purchase dairy cows, real estate, milking equipment and farm equipment. Community State Bank of Rock Falls will initiate a term loan in the amount of \$698,750 for the proposed loan. This loan will be secured with a 1st REM on 22 acres with buildings and milking equipment, 1st lien position on livestock, 1st REM on residence, 1st lien on farm equipment, 2nd REM on 171 acres of farm land and an assignment of life insurance on borrower for amount of loan and a personal guarantee from Tom and Carol Scidmore.

ECONOMIC DISCLOSURE STATEMENT

Applicant: John T. Scidmore and Angela K. Scidmore
Location: Chadwick, IL.
Organization: Sole Proprietorship
State: Illinois County: Whiteside
Ownership: John T. and Angela K. Scidmore

PROFESSIONAL & FINANCIAL

Accountant: Kendall County Farm Tax Service
111 East Van Emmon St.
Yorkville, IL 60560
Attorney: N/A
Bank: Community State Bank of Rock Falls Lender, Don Beswick, V.P.

LEGISLATIVE DISTRICTS

Congressional: 16th Donald Manzullo
State Senate: 45th Todd Sieben
State House: 90th Jerry L. Mitchell

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2007**

Project: Steven P. Spivey and Sandra L. Spivey

STATISTICS

Project Number:	A-DR-TX-7212	Amount:	\$295,800
Type:	Agri-Debt Guarantee	IFA Staff:	Cory Mitchell
Location:	New Windsor		

BOARD ACTION

Approval to initiate an 85% loan guarantee in favor of Farmers State Bank of Western Illinois.
\$ 295,800 of State Treasurer's Agricultural Reserve Risk funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan

PURPOSE

The proposed loan funds will be used to refinance the borrower's intermediate and long term debts to reduce debt service and increase cash flow.

IFA PROGRAM AND CONTRIBUTION

The Authority's Agri-Debt Restructure Guarantee Program guarantees up to 85% of a bank's loans to Illinois farmers and agribusiness owners. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are backed by an IFA reserve funded for this program and are also full faith and credit obligations of the State of Illinois.

IFA's issuance of guarantees helps borrowers obtain debt financing at reduced rates of interest and improved terms.

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	\$295,800	Uses:		
	Farmers State Bank of Western Illinois	<u>\$52,200</u>		Refinance Debt	<u>\$348,000</u>
	Total	<u>\$348,000</u>		Total	<u>\$348,000</u>

JOBS

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

BUSINESS SUMMARY

Background: Steven and Sandra Spivey farm and reside in the New Windsor area. They currently farm a total of 700 acres consisting of 50% corn and 50% soybeans. They also operate a 100 head cow-calf herd and feed out the feeder cattle on their farm. Borrowers have excellent character and a strong farm background which dates back three generations. Sandra works off the farm as a school teacher to supplement their cash-flow.

Project

Rationale: The proposed loan will consolidate long term and intermediate debts. Combining these debts together and extending the amortization will improve the borrowers paid interest expense and improve overall cash-flow

Transaction: The proposed financing will refinance long term and intermediate debts. Farmers State Bank of Western Illinois will originate a 30 year loan secured by an undivided 1/3 interest in 290 acres of farmland and buildings. Irregular payments of principal and interest will be made semi-annually.

FINANCING SUMMARY

Borrower: Steven P. and Sandra L. Spivey

Security: 1st REM on an undivided 1/3 interest in 290 acres of farmland and buildings

Structure: 5 year term on 30 year amortization

PROJECT SUMMARY

The proposed loan will consolidate long term and intermediate debt. Combining and extending the amortization on the loans will improve the borrowers overall cash-flow. Farmers State Bank of Western Illinois will initiate a term loan to refinance \$348,000 of long term and intermediate debt. The loan will be secured by a 1st REM on an undivided 1/3 interest of 290 acres of farmland and buildings.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Steven P. Spivey and Sandra L. Spivey

Location: 5528 Knoxville Rd.
New Windsor, IL 61465-9467 County: Henry

Organization: Sole Proprietorship

State: Illinois

PROFESSIONAL & FINANCIAL

Accountant: Farm Business Farm Management

Bank: Farmers State Bank of Western Illinois, Marvin Watters, EVP, CLO

LEGISLATIVE DISTRICTS

Congressional:

17th Phil Hare

State Senate:

36th Mike Jacobs

State House:

72nd Patrick Verschoore

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Eric Reed & Cory Mitchell/lk
Date: October 9, 2007
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:** 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 2007 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-7204
Funding Manager: Eric Reed
Borrower(s): Oesch, Anthony & Melissa
Town: Olney, IL
Amount: \$235,000
Use of Funds: Livestock facilities & farmland
Purchase Price: \$235,000
%Borrower Equity: 0%
%Other Agency: 0%
%IFA: 100%
County: Clay
Lender/Bond Purchaser: Citizens National Bank of Albion / Walter Koertge
Legislative Districts: Congressional: 19th, John Shimkus
State Senate: 54th, John Jones
State House: 108th, David Reis

Principal shall be paid monthly in installments determined pursuant to a Ten year amortization schedule, with the first principal payment date to begin three months from the date of closing. Accrued interest on the unpaid balance hereof shall be paid monthly, with the first interest payment date to begin three months from the date of closing with the tenth and final payment of all outstanding balances due ten years (120 months) from the date of closing.

* **Anthony & Melissa Oesch:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 7.0% fixed for the ten year term of the note. **Fee: \$3,525**

Project Number: A-FB-TE-CD-7205
Funding Manager: Eric Reed
Borrower(s): Kuhnert, Bruce & Joleen
Town: Ava, IL
Amount: \$140,000
Use of Funds: Farmland & Pasture land - 197 acres
Purchase Price: \$140,000 / (\$710 per acre)
%Borrower Equity: 0%
%Other Agency: 0%
%IFA: 100%
County: Jackson
Lender/Bond Purchaser: First National Bank / Earl Kranawetter
Legislative Districts: Congressional: 12th, Jerry Costello
State Senate: 58th, David Luechtefeld
State House: 115th, Mike Bost

Principal and interest shall be paid annually in equal installments determined pursuant to a Twenty five year amortization schedule, with the first principal and interest payment due one year from the date of closing with the twenty fifth and final payment of all outstanding balances due in twenty five years.

* **Bruce & Joleen Kuhnert:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.95% fixed for the first 5 years and adjust every 5 years thereafter to 1.61% above the index in the weekly average yield on United States Treasury Securities to a constant maturity of five years as published weekly in the Wall Street Journal. **Fee: \$2,100**

Project Number:	A-FB-TE-CD-7206
Funding Manager:	Cory Mitchell
Borrower(s):	Jackson, William & Carol
Town:	Macomb, IL
Amount:	\$244,000
Use of Funds:	Farmland - 130 acres
Purchase Price:	\$444,000 / (\$3,415 per acre)
%Borrower Equity	0%
%Other Agency	45%
%IFA	55%
County:	McDonough
Lender/Bond Purchaser:	Citizens National Bank / Wes Strode
Legislative Districts:	Congressional: 17 th , Phil Hare State Senate: 47 th , John Sullivan State House: 94 th , Richard Myers

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin on January 1, 2009. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on January 1, 2009 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

*** William & Carol Jackson:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 6.50% fixed for the first 5 years and adjust every 3 years thereafter to 1.25% below the Wall Street Journal Prime. A ceiling of 15.0% and a floor of 6% will be in place. Loan will contain a call feature at the 5 year anniversary of the loan and at each repricing date thereafter. Lender will charge .50% points. **Fee: \$3,660**

Project Number:	A-FB-TE-CD-7207
Funding Manager:	Cory Mitchell
Borrower(s):	Lucie, Charles & Tamara
Town:	Carthage, IL
Amount:	\$180,000
Use of Funds:	Farmland - 75 acres
Purchase Price:	\$360,000 / (\$4,800 per acre)
%Borrower Equity	0%
%Other Agency	50%
%IFA	50%
County:	Hancock
Lender/Bond Purchaser:	First Community Bank / Gary Beeler
Legislative Districts:	Congressional: 17 th , Phil Hare State Senate: 47 th , John Sullivan State House: 94 th , Richard Myers

Principal and interest shall be paid annually in equal installments determined pursuant to a Twenty year amortization schedule, with the first principal and interest payment due one year from the date of closing with the twentieth and final payment of all outstanding balances due in twenty years.

*** Charles & Tamara Lucie:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.90% fixed for the first 10 years and adjust every 5 years thereafter to 1.75% under prime as quoted in the Wall Street Journal. **Fee: \$2,700**

*** 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-7208
Funding Manager: Cory Mitchell
Borrower(s): Meurer, Charles & Pauline
Town: Ashton, IL
Amount: \$250,000
Use of Funds: Farmland - 40 acres
Purchase Price: \$271,310 / (\$6,783 per acre)
%Borrower Equity: 8%
%Other Agency: 0%
%IFA: 92%
County: Lee
Lender/Bond Purchaser: First State Bank / Craig Ayers
Legislative Districts: Congressional: 14th, J. Dennis Hastert
State Senate: 45th, Todd Sieben
State House: 90th, Jerry Mitchell

Principal shall be paid annually in equal installments of \$12,500.00 plus accrued interest determined pursuant to a Twenty year amortization schedule, with the first principal and interest payment due one year from the date of closing with the twentieth and final payment of all outstanding balances due in twenty years.

*** Charles & Pauline Meurer:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 6.375% fixed for the first 3 years and adjust annually thereafter to 1.875% under prime as quoted in the Wall Street Journal. **Fee: \$3,750**

Project Number: A-FB-TE-CD-7209
Funding Manager: Cory Mitchell
Borrower(s): Scidmore, John & Angela
Town: Newark, IL
Amount: \$250,000
Use of Funds: Livestock facility & farmland
Purchase Price: \$458,000
%Borrower Equity: 0%
%Other Agency: 45%
%IFA: 55%
County: Whiteside
Lender/Bond Purchaser: Community State bank of Rock Falls / Don Beswick
Legislative Districts: Congressional: 14th, J. Dennis Hastert
State Senate: 25th, Chris Lauzen
State House: 50th, Patricia Reid Lidner

Principal shall be paid monthly in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin one month from the date of closing. Accrued interest on the unpaid balance hereof shall be paid monthly, with the first interest payment date to begin one month from the date of closing with the final payment of all outstanding balances due thirty years (360 months) from the date of closing.

*** John & Angela Scidmore:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 6.0% fixed for the first 5 years of the note then adjusting every 5 years thereafter to 2.25% below the Wall Street Journal Prime with a floor of 5.0%. The note shall contain a call feature at the end of the first 5 years and every 5 years thereafter on the anniversary date. Lender will charge .50% points. **Fee: \$3,750**
***Subject to a non-contested Public Hearing Meeting.**

Project Number:	A-FB-TE-CD-7210
Funding Manager:	Cory Mitchell
Borrower(s):	Swanson, Ross
Town:	Toulon, IL
Amount:	\$145,000
Use of Funds:	Livestock facility & farmland
Purchase Price:	\$157,360
%Borrower Equity	8%
%Other Agency	0%
%IFA	92%
County:	Stark
Lender/Bond Purchaser	State Bank of Toulon / Doug Blunier
Legislative Districts:	Congressional: 18 th , Ray LaHood State Senate: 37 th , Dale Risinger State House: 74 th , Donald Moffitt

Principal and interest shall be paid annually in equal installments determined pursuant to a Twenty five year amortization schedule, with the first interest only payment due on April 20, 2008 then continuing with the principal and interest payment due on April 30, 2009 with the twenty fifth and final payment of all outstanding balances due in twenty five years.

<p>* Ross Swanson: Note shall bear simple interest at the expressed rate. The expressed rate shall be 6.0% fixed for the first 5 years and adjust every 5 years thereafter to 2.0% below prime as quoted in the Wall Street Journal. Fee: \$2,175</p>
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ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2007

Project: Northwestern Memorial Hospital

STATISTICS

Project Number:	H-HO-TE-CD-7216	Amount:	\$400,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pam Lenane and Dana Sodikoff
Locations:	Chicago		

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: (i) to pay or reimburse Northwestern Memorial Hospital for new Prentice Women's Hospital (scheduled to open in October, 2007) construction, equipment, and certain other capital expenditures; (ii) to refinance all or a portion of IFA Series 2004 A bonds and; (iii) to pay certain related expenses.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders and thereby reduce the borrower's interest expense. 501(c)(3) bond issues do not require Volume Cap.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS *

Sources: Synthetic fixed-rate bonds	\$214,500,000	Uses: Deposit to escrow for	
Insured auction-rate bonds	150,000,000	advance refunding	\$212,926,468
		Cost of issuance	2,623,532
		Insurance	2,301,182
		Reimbursement for construction	
		and equipment	<u>146,648,818</u>
Total	<u>\$364,500,000</u>	Total	<u>\$364,500,000</u>

*preliminary, subject to change

JOBS

Current employment: 5,804 FTE's	Projected new jobs: 600 (many already hired)
Jobs retained: N/A	Construction jobs: 3,500

BUSINESS SUMMARY

Background: Northwestern Memorial Hospital (“NMH” or the “Hospital”) is a subsidiary of Northwestern Memorial HealthCare and is a 501(c)(3) corporation established under Illinois law.

Description: Although the Hospital traces its roots back over 130 years, NMH was officially founded in 1972 through the consolidation of Chicago Wesley Memorial and Passavant Memorial Hospital. In 1975, Prentice Women’s Hospital and Maternity Center and the Institute of Psychiatry joined NMH. Olson Pavilion, housing NMH’s critical care nursing units and the emergency department opened in 1979. NMH opened the new Northwestern Memorial Hospital, a state-of-art hospital facility in 1999 and is scheduled to open the new Prentice Women’s Hospital on October 20, 2007.

Northwestern Memorial Hospital’s main campus is located in downtown Chicago’s Streeterville neighborhood. NMH is one of the nation’s leading academic medical centers with a long tradition of leadership in patient care, education and research and a longstanding commitment to efforts that advance the quality and accessibility of healthcare service in Chicago. Northwestern Memorial has been consistently ranked as the “most preferred” hospital in market research by consumers in Chicago and the nine-county region since 1992. NMH was recognized in 2006 by the Leapfrog Group, an organization that represents large corporate and public agency purchasers of healthcare services and aims to improve healthcare quality, safety and affordability, as one of the nation’s “top Hospitals” for implementing its Hospital Quality and Safety Practices. NMH is also one of only three percent of the nation’s hospitals to achieve Magnet status from the American Nurses Credentialing Center. NMH provides a complete range of adult inpatient and outpatient services in an educational and research environment. NMH will be the direct obligor on the subject bond issue.

NMH has 897 licensed beds (including 81 additional obstetrical/gynecology beds and 72 additional medical/surgical beds in the new Prentice Women’s Hospital building). Approximately 1,500 physicians, representing virtually every specialty, are affiliated with the Hospital.

Service Area: Chicago metropolitan area

Existing Bonds:

	(in thousands)
Revenue Bonds, Series 2004A	\$ 194,130
Variable Rate Demand Revenue Bonds Series 2004B	86,400
Variable Rate Demand Revenue Bonds Series 2004C	207,900
Variable Rate Demand Revenue Bonds Series 2002C	33,000
Variable Rate Demand Revenue Bonds Series 1995	100,000
	<u>\$ 621,430</u>

PROJECT SUMMARY

The proceeds of the proposed bond issuance will be used to provide a portion of the funds necessary to (i) pay or reimburse NMH for, or refinance outstanding indebtedness, the proceeds of which were used for payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by Northwestern Memorial Hospital at its Chicago campus, including but not limited to the acquisition, constructing and equipping of its new Prentice Women’s Hospital and certain other capital expenditures; (ii) refund a portion or all of the outstanding principal amount of the Illinois Finance Authority Revenue Bonds, Series 2004A (Northwestern Memorial Hospital) (“the Series 2004A Bonds”); (iii) pay a portion of the interest on the Series 2007 Bonds, if deemed necessary and advisable by NMH; (iv) fund a debt service reserve fund, if deemed necessary and advisable by NMH; and (v) pay certain expenses incurred in connection with the issuance of the Series 2007 Bonds and the refunding of the Series 2004A Bonds, including but not limited to fees for credit or liquidity enhancement for the Series 2007 Bonds, all as permitted by the Illinois Finance Authority Act.

As part of the refunding of the Series 2004A Bonds, NMH entered into two forward-starting LIBOR based fixed interest rate swaps at 3.89% with a trade date of July 26, 2007 and a notional amount of \$214,500,000, which is approximately equal to the amount required to fund the defeasance escrow to advance refund the Series 2004A Bonds (the 2004 bonds that are eligible for refunding are fixed rate bonds with an average coupon of 5.45%, first call date of August 15, 2014 and no call premium). NMH will be paying a fixed interest rate on the swaps commencing December 19, 2007 through August 15, 2042, which corresponds to the final maturity of the Series 2007 Bonds. NMH entered into these agreements to lock in the advance refunding savings. The structure of the swaps is the same as previous swaps entered into by NMH. NMH's current intent is to hold the swaps to maturity and the counter-party does not have an early termination option. The total interest costs for the new debt will be approximately 4.20%. This represents net present value savings of approximately \$26.5 million or 13.67%.

FINANCING SUMMARY

Security/
Collateral: Payments under the loan agreements are secured by notes issued pursuant to the Master Indenture. The notes are joint and severable obligations of the Obligated Group of which NMH is the only member. The Master Indenture contains certain covenants for the benefit of all note holders.

Structure: The current plan of finance contemplates issuance of floating rate bonds for a total par amount of approximately \$364.5 million (supporting approximately \$147 million of new money project costs):

\$214,500,000 Variable Rate bonds with a Standby Bond Purchase Agreement from a AA-rated bank to provide liquidity

\$150,000,000 'AAA' Insured Auction Rate bonds ('AAA'-rated municipal bond insurer to be determined before the final resolution)

Maturity: 2042

Credit Rating(s): NMH's long-term ratings are Aa2/AA+ (Moody's/S&P); certain bonds may also be rated based on the use of credit enhancement (i.e., provided by an Aaa/AAA-rated municipal bond insurer).

ECONOMIC DISCLOSURE STATEMENT

Project name: Northwestern Memorial Hospital
Locations: 251 East Huron Street
Chicago, IL 60611
Applicant: Northwestern Memorial Hospital
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois
Board of Directors:

<u>Directors</u>	<u>Business Affiliations</u>
Edward M. Liddy <i>Chairman</i>	Chairman and CEO Allstate Insurance Company
John A. Canning, Jr. <i>Vice Chairman</i>	Chairman and CEO Madison Dearborn Partners LLC
William A. Osborn <i>Vice Chairman</i>	Chairman and CEO Northern Trust Corporation
Dean M. Harrison	President and CEO Northwestern Memorial HealthCare
Thomas A. Cole	Chairman, Executive Committee Sidley Austin LLP
Peter D. Crist	Chairman Crist Associates, LLC
William M. Daley	Chairman, Midwest Region JP Morgan Chase & Co.

James M. Denny	Chairman, Gilead Sciences Director, GATX
Sandra L. Helton	Former Executive VP & CFO Telephone & Data Systems, Inc.
James A. Hill, M.D.	Chief of Staff Northwestern Memorial Hospital
W. James McNeerney, Jr.	Chairman, President and CEO The Boeing Company
Robert L. Parkinson, Jr.	Chairman and CEO Baxter International Inc.
Philip J. Purcell, III	President Continental Investors LLC
J. Christopher Reyes	Chairman Reyes Holdings LLC
Larry D. Richman	President and CEO LaSalle Bank
Scott C. Smith	President Tribune Publishing Company

PROFESSIONAL & FINANCIAL

Borrower's Counsel: Sonnenschein Nath & Rosenthal LLP	Chicago	Mary Wilson
Bond Counsel: Jones Day	Chicago	Rich Tomei
		Amy Curran
Co-Underwriter: UBS Securities LLC	Chicago	Jennifer Daugherty
Co-Underwriter: J.P. Morgan Securities Inc.	Chicago	Tim Wons
Underwriter's Counsel: Ungaretti & Harris LLP	Chicago	Julie Seymour
Bond Trustee: Wells Fargo Bank, N.A.	Chicago	Patricia Martirano
Accountant: Ernst & Young LLP	Chicago	
Issuer's Counsel: Charity & Associates	Chicago	Alan Bell

LEGISLATIVE DISTRICTS

Locations	U.S. Representative	State Senate	State Rep.
1535 Lake Cook Rd. Northbrook, IL 60062-1447	10 Mark Steve Kirk	29 Susan Garrett	58 Karen May
<i>The following locations are all in Chicago, IL:</i>			
2835 N. Sheffield St.	5 Rahm Emanuel	6 John J. Cullerton	12 Sara Feigenholtz
645 N. Michigan Ave	7 Danny K. Davis	13 Kwame Raoul	26 Elga L. Jeffries
680, 710, 750 & 850 North Lake Shore Dr.			
676 & 751 N. St. Clair St.			
440 and 450 E. Ohio St.			
240, 400, 441, 446 & 448 E. Ontario			
259 & 401-415 E. Erie St.			
150, 201, 2351, 320 & 333 E. Huron St.			
541 & 710 N. Fairbanks			

244 E. Pearson

250, 300, 303, 310, 320,
333 and 345 E. Superior St.

46 & 303 E. Chicago Ave.

7 Danny K. Davis

3 Mattie Hunter

5 Kenneth Dunkin

30 W. Chicago Ave.

20 S. Clark St.

310 W. Superior St.

7 Danny K. Davis

5 Rickey R. Hendon

9 Arthur L. Turner

329 W. 18th

2445 S. Rockwell

7 Danny K. Davis

1 Antonio Munoz

2 Edward J. Acevedo

3245 North Halsted St.

5 Rahm Emanuel

6 John J. Cullerton

12 Sara Feigenholtz

1913 W. North Ave.

4 Luis V. Gutierrez

5 Rickey R. Hendon

10 Annazette R. Collins

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2007**

Project: Monarch Landing and Fox Run Village

STATISTICS

Project Number:	H-HO-TE-CD-7218	Amount:	\$275,000,000 (Not to exceed amount)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane and Dana Sodikoff
Locations:	Naperville, IL (Monarch Landing) Novi, MI (Fox Run Village)		

BOARD ACTION

Preliminary Bond Resolution Conduit 501(c)(3) Bonds No IFA Funds at Risk	Requesting a waiver of IFA Policy regarding the sale of unrated and unenhanced debt, to be based on feasibility studies by Dixon Hughes which will be completed for each Project prior to the Final Bond Resolution
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PURPOSE

Bond proceeds will be used to: 1) finance purchase deposit for the options to purchase Monarch Landing and Fox Run Village, 2) fund debt service reserve funds, and 3) pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders and thereby reduces the borrower's interest expense. 501(c)(3) bond issues do not require Volume Cap.

Multi-State: SB 1317 will allow the Illinois Finance Authority to issue debt outside the state of Illinois, provided that the project(s) are owned, operated, leased, managed by, or otherwise affiliated with, institutions located within the State, and would promote the economy of the State for the benefit of the health, welfare, safety, trade, commerce, industry, and economy of the people of the State by creating employment opportunities in the State or lowering the cost of accessing healthcare, private education, or cultural institutions, of undertaking housing projects, industrial projects, or agribusiness or operating agricultural facilities in the State by reducing the cost of financing or operating those projects.

Fox Run and Monarch Landing share the same parent corporation, National Senior Campuses (NSC), Inc. (see business summary below). Additionally, Fox Run and Monarch Landing are affiliated with the same developer and manager and this transaction, which will promote the economy of the State for the benefit of the health, welfare, safety, trade, commerce, industry and economy of the people of the State by creating employment opportunities in the State or lowering the cost of accessing healthcare in the State by reducing the cost of financing or operating this project and the Monarch Landing project.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA bonds	\$265,000,000	Uses: Purchase Option-	
		Monarch Landing	\$162,000,000
		Fox Run	\$75,000,000
		Debt Service Reserve Fund-	
		Monarch Landing	14,500,000
		Fox Run	8,200,000
Equity Contribution*	-	Issuance Costs*	5,300,000
Total	<u>\$265,000,000</u>	Total	<u>\$265,000,000</u>

*An equity contribution will be made to cover cost of issuance in excess of the 2% tax limit. There is no equity contribution assumed at this time.

JOBS

Current employment: 82 FTE's (Monarch Landing)	Projected new jobs: 593 FTE's (Monarch Landing)
163 FTE's (Fox Run)	
Jobs retained: 82 FTE's (Monarch Landing)	Construction jobs: 1125 (Monarch Landing)
163 FTE's (Fox Run)	

BUSINESS SUMMARY

MONARCH LANDING Project Background:

Monarch Landing is a continuing care retirement community ("CCRC") located in Naperville, Illinois and is currently being developed in phases by Erickson Retirement Communities ("Erickson"). The first phase of the CCRC (which consists of three residential buildings and a community building) is expected to be completed in March of 2009. The CCRC will ultimately consist of three phases which are similar in size and scope as the first phase which will be completed in March of 2009. When and if completed as currently planned, the CCRC will ultimately consist of 1,503 independent living units, plus a healthcare unit which will consist of 96 assisted living units, and 132 skilled nursing units. As of June 30, 2007, approximately 277 independent living units were completed and 35% of them were occupied.

National Senior Campuses ("NSC"), Inc., a Maryland nonstick corporation, is the Parent Corporation and the sole member of Monarch Landing. NSC's function is to provide support to Monarch Landing, Fox Run Village and the rest of the affiliates (including Sedgebrook Retirement Community, which the IFA financed and closed in August, 2007).

Monarch Landing currently leases the community from the landowner, Naperville Campus, LLC ("NC"), a wholly-owned subsidiary of Erickson Retirement Communities. During the development of this project, Monarch Landing receives the initial entry fees from the residents and loans these fees to NC, under the Community Loan. The Community Loan is utilized by Erickson to develop the CCRC in conjunction with constructions loans. **The Series 2007 Bonds are being issued to fund the Purchase Option Deposit, which gives Monarch Landing the right to purchase the CCRC, for \$162 million, consisting of all the independent living units and the healthcare unit, valued at approximately \$642.5 million upon completion. In other words, this bond financing of \$180 million will be used along with the initial entry fees to complete the entire project and will entitle Monarch Landing to purchase the entire CCRC valued on completion, at approximately \$642.5 million.** (The Existing Purchase Option Deposit Structure gives Monarch Landing the right to purchase the community upon completion by forgiveness of the then outstanding Community Loan balance plus a cash payment equal to the purchase deposit amount of \$162 million).

Monarch Landing can always decline to exercise the option and/or offer to pay less than the deposit amount but the deposit amount serves as a cap or ceiling on the cash payment. Under the Existing Purchase Option Deposit Structure, NC/Erickson would pay the debt service on the bonds until completion through the use of initial entrance deposits that would otherwise be loaned to NC under the Community Loan. Under the Existing Purchase Option Deposit Structure, Erickson also guarantees NC's obligation to refund the purchase deposit if the option is not exercised. As stated, if the purchase option is not exercised by Monarch Landing, or a lower purchase option price is negotiated as a result of change in scope of the project or the value of it upon completion, the difference will be reimbursed by Erickson to Monarch Landing. These monies will be used to retire Series 2007 Bonds. The Series 2007 Bonds will have call features that allow for the retirement of all outstanding debt should the purchase option not be exercised by Monarch Landing. Additionally, a portion of the Series 2007 Bonds are Letter of Credit enhanced variable rate demand bonds which are callable at any time with 30 day notice. This will provide the flexibility to retire a portion of the bonds if Monarch Landing was to negotiate a lower purchase option price as a result of a change in the projects scope or design.

FOX RUN VILLAGE Project Background:

Fox Run Village is a continuing care retirement community ("CCRC") located in Novi, Michigan and is currently being developed in phases by Erickson Retirement Communities ("Erickson"). The first neighborhood of the CCRC (which consists of five residential buildings and a community building) has been completed. In addition, construction of the first residential building and the community building in the second neighborhood has been completed. The first phase of the extended care facility has also been completed. Fox Run has been planned so that it may have up to three neighborhoods. However, the current plan is to complete two neighborhoods consisting of 1,075 independent living units in two neighborhoods, plus a healthcare unit which will consist of 44 assisted living units, and 88 skilled nursing units. **If plans should change, and a third neighborhood be added to the scope of the project, an additional financing would be necessary as the Series 2007 financing will fund a purchase deposit sized for only the two neighborhoods currently contemplated.** As of June 30, 2007, approximately 685 independent living units were completed and 80% of them were occupied.

National Senior Campuses ("NSC"), Inc., a Maryland nonstick corporation, is the Parent Corporation and the sole member of Fox Run Village. NSC's function is to provide support to Fox Run Village, Monarch Landing and the rest of the affiliates (including Sedgebrook Retirement Community, which the IFA financed and closed in August, 2007).

Fox Run Village currently leases the community from the landowner, Novi Campus, LLC ("NC"), a wholly-owned subsidiary of Erickson Retirement Communities. During the development of this project, Fox Run Village receives the initial entry fees from the residents and loans these fees to NC, under the Community Loan. The Community Loan is utilized by Erickson to develop the CCRC in conjunction with constructions loans. **The Series 2007 Bonds are being issued to fund the Purchase Option Deposit, which gives Fox Run Village the right to purchase the CCRC comprised of two neighborhoods for \$75 million. The acquisition would include all of the constructed independent living units in the two neighborhoods and the completed phases of the healthcare unit which are valued at approximately \$210.25 million upon completion and full occupancy. In other words, this bond financing of \$85 million will be used along with the entry fees to complete two neighborhoods and will entitle Fox Run Village to purchase the CCRC valued on completion, at approximately \$210.25 million. (The Existing Purchase Option Deposit Structure gives Fox Run Village the right to purchase the community upon completion by forgiveness of the then outstanding Community Loan balance plus a cash payment equal to the purchase deposit amount of \$75 million.)**

Fox Run Village can always decline to exercise the option and/or offer to pay less than the deposit amount but the deposit amount serves as a cap or ceiling on the cash payment. Under the Existing

Purchase Option Deposit Structure, NC/Erickson would pay the debt service on the bonds until completion through the use of initial entrance deposits that would otherwise be loaned to NC under the Community Loan. Under the Existing Purchase Option Deposit Structure, Erickson also guarantees NC's obligation to refund the purchase deposit if the option is not exercised. As stated, if the purchase option is not exercised by Fox Run Village, or a lower purchase option price is negotiated as a result of change in scope of the project or the value of it upon completion, the difference will be reimbursed by Erickson to Fox Run Village. These monies will be used to retire Series 2007 Bonds. The Series 2007 Bonds will have call features that allow for the retirement of all outstanding debt should the purchase option not be exercised by Fox Run Village. Additionally, a portion of the Series 2007 Bonds are Letter of Credit enhanced variable rate demand bonds which are callable at any time with 30 day notice. This will provide the flexibility to retire a portion of the bonds if Fox Run Village was to negotiate a lower purchase option price as a result of a change in the projects scope or design.

These projects are very similar in size and scope to the Sedgebrook Retirement Community located in Lincolnshire, which financed its purchase option deposit through the IFA in August of 2007. Erickson is the developer of the Sedgebrook, Monarch Landing and Fox Run Village Retirement Communities.

Developer Background: Erickson is a developer and manager of large continuing care retirement communities offering affordable living accommodations, related health care and support services to a target market of middle income seniors age 62 and older. Erickson was originally formed as a corporation in 1983 to develop and operate large campus style continuing care retirement communities and became a limited liability company in 1997. Erickson currently manages four completed operating continuing care retirement communities – Charlestown Retirement Community in Baltimore, Maryland, Oak Crest Village in Parkville, Maryland, Greenspring Village in Springfield, Virginia and Henry Ford Village in Dearborn, Michigan – which serve a total population of approximately 8,000 residents. In addition to the CCRC and the completed communities, Erickson is currently developing, constructing and/or managing 14 other continuing care retirement communities in various stages of development, and is exploring the development of several other continuing care retirement communities, throughout the United States. As of June 30, 2007, the aggregate number of residents served by continuing care communities managed by the Manager was approximately 20,000.

Erickson as a manager has historically filled and maintained occupancy of nearly 99% in its completed communities. In addition, Erickson traditionally has developed a very deep waiting-list at each community. As of June 30, 2007, Monarch Landing had a waiting list of 198 people and has been averaging 3 conversions a month.

Additionally, Erickson has agreed to be an additional Indemnitor on the Loan Agreement and the Bond Purchase Agreement for both Monarch Landing and Fox Run Village, similar to the Indemnification provided to the IFA in connection with the Sedgebrook Retirement Community Series 2007 Bonds.

MONARCH LANDING Appraisal: Michael G. Boehm of Senior Living Valuation Services, Inc, a recognized appraisal firm, prepared an appraisal report for Monarch Landing as of March 22, 2005. This report states:

Market Value As Is @ February 8, 2005

Based on an inspection of the property and the investigation and analyses undertaken, we have formed the opinion, subject to the assumptions and limiting conditions set forth in this report, that the fee simple going concern market value of Monarch Landing, as is (a development project and including land value), as of February 8, 2005, is: \$30,675,000.

Phase I Only- Prospective Market Value At Completion of Construction @ July 1, 2006

Based on an inspection of the property and the investigation and analyses undertaken, we have formed the opinion, subject to the assumptions and limiting conditions set forth in this report, that the fee simple going concern market value of Phase I of Monarch Landing, at the estimated completion of construction of the first residential building of Phase I, projected to be July 1, 2006, and not including a deduction for the costs to complete the remaining buildings of Phase I, will be: \$161,275,000

Phase I Only- Prospective Market Value at Full Occupancy Stabilization @ April 1, 2009

Based on an inspection of the property and the investigation and analyses undertaken, we have formed the opinion, subject to the assumptions and limiting conditions set forth in this report, that the prospective fee simple going concern market value of Phase I of Monarch Landing, at the estimated full occupancy stabilization date of Phase I, projected to be April 1, 2009, and including the gross value of the first generation entry fees for Phase I only and not including the value for the partially completed and open Phase II, will be: \$200,600,000

Prospective Market Value At Phase III Full Occupancy Stabilization @ April 1, 2014

Based on an inspection of the property and the investigation and analyses undertaken, we have formed the opinion, subject to the assumptions and limiting conditions set forth in the report, that the fee simple going concern market value of Phases I, II and III of Monarch Landing, at the estimated full occupancy stabilization date of Phase III, projected to be April 1, 2014, and including the gross value of the first generation entry fees for Phase III only, will be: \$352,000,000

FOX RUN VILLAGE Appraisal: Michael G. Boehm of Senior Living Valuation Services, Inc, a recognized appraisal firm, prepared an appraisal report for Fox Run as of October 31, 2002. This report states:

Market Value As Is @ October 31, 2002

Based on an inspection of the property and the investigation and analyses undertaken, we have formed the opinion, subject to the assumptions and limiting conditions set forth in this report, that the fee simple going concern market value of Fox Run, as is (a development project and including land value), as of October 31, 2002, is: \$30,600,000.

Phase I Only- Prospective Market Value At Completion of Construction @ July 1, 2003

Based on an inspection of the property and the investigation and analyses undertaken, we have formed the opinion, subject to the assumptions and limiting conditions set forth in this report, that the fee simple going concern market value of Phase I of Fox Run, at the estimated completion of construction of the first residential building of Phase I, projected to be July 1, 2003, and not including a deduction for the costs to complete the remaining buildings of Phase I, will be: \$111,375,000

Phase I Only- Prospective Market Value at Full Occupancy Stabilization @ July 1, 2006

Based on an inspection of the property and the investigation and analyses undertaken, we have formed the opinion, subject to the assumptions and limiting conditions set forth in this report, that the prospective fee simple going concern market value of Phase I of Fox Run, at the estimated full occupancy stabilization date of Phase I, projected to be July 1, 2006, and including the gross value of the first generation entry fees for Phase I only and not including the value for the partially completed and open Phase II, will be: \$140,550,000

Prospective Market Value At Phase II Completion of Construction @ April 1, 2006

Based on an inspection of the property and the investigation and analyses undertaken, we have formed the opinion, subject to the assumptions and limiting conditions set forth in the report, that the prospective fee simple going concern market value of Phases I and II of Fox Run, at the

estimated completion of construction of the first residential building of Phase II, projected to be April 1, 2006, and not including a deduction for the costs to complete the remaining buildings of Phase II, will be: \$165,475,000

Prospective Market Value At Phase II Full Occupancy Stabilization @ April 1, 2009

Based on an inspection of the property and the investigation and analyses undertaken, we have formed the opinion, subject to the assumptions and limiting conditions set forth in the report, that the fee simple going concern market value of Phases I, II and III of Fox Run, at the estimated full occupancy stabilization date of Phase II, projected to be April 1, 2009, and including the gross value of the first generation entry fees for Phase II only, will be: \$210,250,000

Feasibility Studies: Feasibility studies are currently under way by Dixon Hughes, a nationally recognized accounting, audit, tax and consulting firm for both the Monarch Living and Fox Run Village facilities. For over four decades, Dixon Hughes has provided accounting, auditing, tax and consulting services to businesses in a variety of industries. Dixon Hughes has a staff of over 1,100 employees in 26 offices, and serves clients throughout the United States. Dixon Hughes is also involved in *Praxity, AISBL*, an international alliance of independent accounting firms, which provides the firm access to resources around the world. This feasibility studies will be completed before the final bond resolution.

Service Areas: Monarch Landing is located in Naperville and is being developed to serve the needs of the elderly population of the western suburbs of Chicago.

Fox Run Village is located in Novi, MI and is being developed to serve the needs of the elderly population of the greater Detroit area.

Outstanding Tax-

Exempt Bonds: Monarch Landing and Fox Run Village currently do not have any existing tax-exempt bonds

Tax Opinions: Bond Counsel, McGuire Woods, will be issuing tax opinions regarding the structure of these Projects. The opinions will address the relationship between the builder and Monarch Landing and Fox Run Village, as being an "arm's length" relationship.

The structures of the Monarch Landing and Fox Run Village transactions are consistent with the structure of Sedgebrook Retirement Community (IFA Series 2007- which closed August 17, 2007). For the Sedgebrook transaction, the IFA retained special tax counsel, Jones Day, to review the tax-exempt status of the structure. Jones Day reviewed the structure for Sedgebrook Retirement Community and provided the IFA Board with a Memo stating that it is reasonable to accept McGuire Woods' bond counsel opinion regarding the tax-exempt status of the bonds.

PROJECT SUMMARY

The proceeds of the proposed bond deal will be used to 1) finance the purchase deposit for the option to purchase Monarch Landing from Naperville Campus, LLC and to finance the purchase deposit for the option to purchase Fox Run Village from Novi Campus, LLC 2) fund debt service reserve funds, and 3) pay for cost of issuance.

Monarch Landing and Fox Run Village have entered into a purchase option agreements with Naperville Campus, LLC and Novi Campus LLC, respectively. These agreements give Monarch Landing and Fox Run Village the right to purchase the CCRC upon completion. At the time of completion, the value of each CCRC is anticipated to be greater than the purchase option price that has been agreed to. The Series 2007 Bonds are being used to finance the purchase deposit for the granting of the purchase option. The Series 2007 Bonds are assumed to be comprised of tax-exempt letter of credit enhanced variable rate demand bonds and unrated unenhanced fixed rate bonds. A full market and financial feasibility study for each project will be prepared by Dixon Hughes, a nationally recognized accounting, audit, tax and consulting firm, in connection with the issuance of the Bonds. It is expected that Monarch

Landing will have over 1.60x coverage of debt service in the first full year of stabilized occupancy and Fox Run Village will have over 1.75x coverage of debt service in the first full year of stabilized occupancy.

FINANCING SUMMARY

Security/Collateral: A first mortgage on each Project, including land and buildings; guarantee from Erickson through stabilized occupancy; subordinated management fees through stabilized occupancy, and gross revenue pledge. Covenants and other legal provisions are expected to be consistent with those used for similar financings.

Structure: The Series 2007 Monarch Landing Bonds are anticipated to include a total of approximately \$75 million of Letter of Credit enhanced weekly variable rate demand bonds and approximately \$105 million of unrated, unenhanced fixed rate bonds. The Series 2007 Fox Run Village Bonds are anticipated to include approximately \$37 million of Letter of Credit enhanced taxable variable rate demand bonds, \$13 million of Letter of Credit enhanced tax-exempt weekly variable rate demand bonds, and approximately \$35 million of unrated, unenhanced fixed rate bonds. The LOC enhanced bonds and unrated unenhanced fixed rate bonds will be in parity.

Maturity: Both Series 2007 Bonds are expected to have a final maturity in 2042.

Credit Rating(s): The Letter of Credit enhanced variable rate demand bonds will have a rating consistent with the Letter of Credit provider's public rating. The Series 2007 fixed rate bonds are not expected to be rated.

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

Conditions for Waiver:

The Borrowers expect to secure feasibility studies** from an independent and qualified accounting or consulting firm acceptable to the Authority demonstrating the financial viability of the Projects.

**Full market and financial feasibility studies will be prepared by Dixon Hughes, a national accounting firm that provides financial forecast and feasibility studies with the senior living industry, in connection with the issuance of the Bonds.

ECONOMIC DISCLOSURE STATEMENT

Applicants: Monarch Landing
2255 Erickson Drive
Naperville, IL 60563

Fox Run Village
41000 13 Mile Road
Novi, Michigan 48377

Organization: 501(c)(3) Not-for-Profit Corporations
State: Monarch Landing, with principal place of business in Illinois, is incorporated in the state of Maryland, but qualified to do business in the state of Illinois

Fox Run Village, with principal place of business in Michigan, is incorporated in the state of Maryland, but qualified to do business in the state of Michigan.

Board of Directors:

James Anders (Monarch Landing and Fox Run Village)
Harold Ashby (Monarch Landing and Fox Run Village)
Willow Pasley (Monarch Landing and Fox Run Village)
Lawrencec Shubnell (Monarch Landing and Fox Run Village)
Meryle Twersky (Monarch Landing and Fox Run Village)
Ronald Walker (Monarch Landing and Fox Run Village)
Rodney M. Coe (Monarch Landing and Fox Run Village)
James Hayes (Monarch Landing and Fox Run Village)
Michael Roskiewicz (Monarch Landing and Fox Run Village)
Pearl Holforty (Fox Run Village)

PROFESSIONAL & FINANCIAL

Bond Counsel:	McGuire Woods LLP	Chicago	Emery McGill
Underwriter:	Ziegler Capital Markets	Chicago	Tom Brod Steve Johnson Susan Nobilio
Underwriter's Counsel:	Ballard Spahr Andrews & Ingersoll, LLP	Baltimore, MD	Teri Guarnaccia
Bond Trustee:	M&T Bank	Baltimore, MD	Dante Monakil
Accountant:	Price Waterhouse Coopers LLP	Baltimore, MD	Steve Luber
Feasibility Consultant:	Dixon Hughes	Atlanta, GA	Tonya Bodie
Issuer's Counsel:	The Offices of Kevin Cahill	Chicago	Kevin Cahill
IFA Advisor:	D.A. Davidson & Co. Scott Balice Strategies, Inc.	Chicago Chicago	Bill Morris Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 13- Judy Biggert (Monarch Landing)
State Senate: 48- Randy M. "Randy" Hultgren (Monarch Landing)
State House: 96- Joe Dunn (Monarch Landing)

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2007**

Project: Sacred Heart Schools

STATISTICS

Number:	N-PS-TE-CD-7201	Amount:	\$20,000,000
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Locations:	Chicago	SIC Code:	8211

BOARD ACTION

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

PURPOSE

Proceeds will be used to (i) refund outstanding indebtedness, (ii) finance the expansion and renovation of a campus facility used for parent, alumni, and community outreach functions, (iii) various campus infrastructure improvements including HVAC, and (iv) fund professional and bond issuance costs.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest paid to bondholders thereby reducing the borrower's interest rate.

VOTING RECORD

Preliminary Bond Resolution; no prior vote.

SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	\$20,000,000	Project Costs	\$ 4,200,000
Interest	<u>100,000</u>	Refunding	\$15,600,000
	Legal and professional costs	<u>300,000</u>	
Total	<u>\$20,100,000</u>	Total	<u>\$20,100,000</u>

JOBS

Current employment:	90	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	50 (12 months)

BUSINESS SUMMARY

Background: The Convent of the Sacred Heart of Chicago, Illinois is an Illinois not-for-profit corporation that owns and operates Sacred Heart Schools (the “Applicant”, the “Schools”) in Chicago. These independent single-sex co-institutional K-8 elementary schools consist of the Academy of the Sacred Heart for Girls, and the Hardey Preparatory for Boys, and collectively with the Academy, the Schools. The Academy was founded in Chicago by the Order of the Sacred Heart in 1876, and has operated continuously since that time. The Schools have been in their present location since 1929. The Schools are a part of a global network of approximately 150 schools and colleges, including 21 members of the Network of Schools of the Sacred Heart in the United States.

The Academy and Hardy Prep have a current enrollment of 650 students. No preference in admission is given to applicants of any particular religious tradition. On a combined basis, the Schools have an average class size of 18 students (15 in Kindergarten) and a student faculty ratio of approximately 9.5:1. Faculty full time equivalents for the 2006-2007 academic year total 69.

Enrollment: The Schools’ current enrollment is approximately 650 students. The Schools’ students are drawn from diverse geographical, economic, ethnic, and racial backgrounds. Minority students represent approximately 20% of the student body. The school draws from 36 different city and suburban zip codes. Approximately 40% of the student body comes from Chicago’s Lincoln Park and Lakeview neighborhoods. The Schools currently have a wait list of approximately 53 students for academic school year 2007-08 that have been qualified for admission to the Schools, pending availability.

The following table shows a five-year history of applications, acceptances, and enrollments for the Schools.

Sacred Heart Schools					
Applications, Acceptances, and Enrollments					
	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>
Academy of the Sacred Heart for Girls and Hardey Preparatory					
Applications Received ⁽¹⁾	258	252	263	245	262
Acceptances	136	142	155	151	145
New Enrollment	96	98	114	104	115
Not Returning ⁽²⁾	26	39	46	18	17
Graduates (from previous year)	43	35	49	56	40
Opening Enrollment	522	547	562	593	652
Closing Enrollment	523	543	563	594	649
Growth in Applications	-1%	-2%	4%	-7%	7%

Sacred Heart Schools emphasize serious study, social responsibility, and personal growth. The Schools are accredited by the Independent School Association of the Central States, Network of the Sacred Heart, and the State of Illinois. The accreditation by those associations was completed in 2002. The accreditation process is done every seven years. The Schools are governed by a 20-member Board. A list of current Trustees is provided for IFA Board review.

Tuition: The Schools' tuition rates are determined during the budgeting and planning process in conjunction with an analysis of projected expenses and revenues necessary to satisfy such expenses and long range capital and growth strategies. Tuition rates at the Schools for the last five years increased an average of approximately 5% per year. The table below indicates the tuition rates for the Schools over the last five years and for the upcoming year.

Academic Year	K-8
2002-2003	\$10,880
2003-2004	11,155
2004-2005	11,695
2005-2006	12,275
2006-2007	12,800
2007-2008	13,500

Competition: The following table lists the major private elementary schools in Chicago and sets forth the approximate annual tuition and enrollment levels for such schools for the 2007-2008 academic year. The table below shows those private schools that management has identified as the major competing schools to the Schools. Management believes that each of these schools is experiencing full enrollment.

School	Location	2007-2008 Enrollment		2007-2008 Tuition	
		K-8	Upper School		
Chicago City Day School	Chicago	277		\$ 20,000	
Francis W. Parker School	Chicago	910		22,600	
Francis Xavier Warde School	Chicago	713		8,400	
The Latin School of Chicago	Chicago	1,095		21,915	
The University of Chicago Laboratory Schools	Chicago	1,700		20,445	

Financial Aid: The Schools provide tuition assistance to students based on economic need. Financial awards are made independent of admission decisions. For the 2006-2007 academic year, the Schools provided \$888,960 in assistance to 117 students (approximately 20% of the student body) with an average of \$7,598 per assisted student. This represents approximately 11% of gross tuition revenue.

Project Description: The Schools intend to use the net proceeds of the proposed financing to provide funds to refund approximately \$15.6 million outstanding Series 2003 Bonds issued through the Illinois Development Finance Authority (a predecessor authority merged into the IFA), and a \$1.7 million bank loan used to purchase a property adjacent to the Applicant's campus, to fund infrastructure improvements including life safety, energy-efficient HVAC systems, and technology and classroom improvements in existing campus building. Proceeds will also be used to fund professional and bond issuance costs.

Remarks: The purpose of the refinancing is to extend debt which will smooth cash flow and allow the Schools to fund campus improvements. The proposed refunding portion of the project produces minimal net present value savings. Additionally, tax-exempt financing offers the Schools the opportunity to borrow at a tax-exempt rate which reduces their cost of capital and allows these savings to be diverted into maintaining a state-of-the-art campus to continue to provide a superior education to its students.

FINANCING SUMMARY

Security: Direct Pay Letter of Credit from a bank to be determined, with a minimum of a "AA" rating from either Moodys Investors Service or Standard & Pools.
Structure: Weekly multi-mode floating rate bonds.
Collateral: The bonds will be secured by a first mortgage on the financed property.
Maturity: 40 years

PROJECT SUMMARY

The Academy intends to use the net proceeds of the Authority loan to provide funds to (i) refund approximately \$15.6 million outstanding Series 2003 Bonds issued through the Illinois Development Finance Authority, and a \$1.7 million bank loan, (ii) to fund infrastructure improvements including life safety, energy-efficient HVAC systems, and technology and classroom improvements in existing campus buildings, and (iii) fund professional and bond issuance costs.

Project Costs:	
Renovation	<u>\$4,200,000</u>
Total	<u>\$4,200,000</u>
Refunding:	<u>\$15,600,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Sacred Heart Schools
Project names: Refunding and Infrastructure Improvement Project
Locations: 6250 North Sheridan Road, Chicago, Cook County, IL 60660
Contact Person: Susan Maxwell, RSJC, Director of Schools, 773-262-4446
Website: <http://www.shschicago.org>
Organization: 501(c)(3) Corporation
State: Illinois
Board of Trustees: See pages 5-6

PROFESSIONAL & FINANCIAL

Counsel:	TBD		
Accountant:	Pasquesi Sheppard LLC	Lake Forest, IL	
Bond Counsel:	TBD		
Underwriter:	William Blair & Company	Chicago, IL	Thomas E. Lanctot
Placement Agent:			
Underwriter's Counsel:	TBD		
LOC Bank Counsel:			
Issuer's Counsel:	Law Offices of Kevin Cahill	Chicago, IL	Kevin Cahill
Architect:	Antunovich Associates	Chicago, IL	
Contractor:	Valenti Builders, Inc.	Chicago, IL	
Trustee:	TBD		
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 9 Janice D. Schakowsky
State Senate: 7 Carol Ronen
State House: 14 Harry Osterman

**SACRED HEART SCHOOLS
BOARD OF TRUSTEES 2007-2008**

<u>NAME</u>	<u>AFFILIATION</u>
Anita M. Nagler, <i>Chairman</i>	Retired Chief Operating Officer, Harris Associates, LP
Elizabeth Connelly, <i>Vice Chairman</i>	Managing Director, JP Morgan Chase
Joseph B. Starshak, <i>Treasurer</i>	Principal, Starshak Winzenburg & Company
Janet Lougee, <i>Secretary</i>	Vice President of Interior Design, Wight Company
John Ahearne	Robert W. Baird & Company
Rhonda Bell	Academics
James Brady	Banker, Managing Director
Jennifer Clark	Director of Community Relations, Loyola University Chicago
Kathryn Clarke	
K.K. Neilsen Cleland	
Greg Dingens	Partner, Monroe Securities
Sister Carol Haggarty	Religious of the Sacred Heart
Jane Heron	Education Consultant, Former Headmistress of Bernard Zell Anshe Emet Day School
Andrew Jurczyk	Chief Information Officer, Sonnenschein Nath & Rosenthal
Michael Kennedy	Headmaster, LaLumiere School
Luis A. Larrea	Professor, DePaul University
Sister Susan Maxwell	Director of Schools, Sacred Heart Schools
Claire O'Grady	President of Parents of the Heart
Timothy K. O'Neil	Owner, Phoenix Realty & Investments
John F. Patek	Citigroup Capital Strategies

<u>NAME</u>	<u>AFFILIATION</u>
David Reahl	Executive Director, USAA
Sister Martha Roughan	Religious of the Sacred Heart, President of Josephium School
Lisa Scully	Sacred Heart Schools Alumna
Maureen Sippel	Registered Nurse
John J. Waller	Managing Director, Cochran Caronia Waller

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2007**

Project: Lutheran Church Extension Fund

STATISTICS

Deal Number:	N-NP-TE-CD-7203	Amount:	\$33,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Sharnell Curtis Martin
Location:	Multiple	SIC Code:	6150 – Business Credit Institution

BOARD ACTION

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

Condition: Subject to final approval of Senate Bill 1317 - Authorizing the Illinois Finance Authority to issue multi-state bond issues.

PURPOSE

Bond proceeds will be used to expand services provided to its affiliated organizations and to pay certain bond issuance costs.

IFA PROGRAM and CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds and thereby reduce the borrower's interest expense.

VOTING RECORD

Preliminary Bond Resolution, no previous voting record.

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$33,000,000	Uses:	Project Funds	\$32,800,000
	Equity	<u>200,000</u>		Cost of Issuance	<u>400,000</u>
	Total Sources	<u>\$33,200,000</u>		Total Uses	<u>\$33,200,000</u>

JOBS

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

BUSINESS SUMMARY

Background: The Lutheran Church–Missouri Synod (“Synod”) was founded in 1847. The Synod presently consists of 6,151 member congregations that jointly carry out their commonly adopted objectives. The Lutheran Church Extension Fund (“LCEF”) was incorporated in June 1978 as a Missouri nonprofit corporation. LCEF provides financing and services for the acquisition of sites and the construction of facilities for churches, schools, colleges, social service organizations and other organizations affiliated with the Synod.

The Synod has 489 member congregations in the State of Illinois, which operate 162 early childhood centers, 123 elementary schools and 13 high schools. Concordia University Chicago in River Forest, Illinois as well as 12 health and social service agencies are also Synod members located within Illinois. The Synod has three District Offices located in Chicago, Springfield and Belleville. There are nearly \$70 million in loans outstanding to 100 Illinois borrowers.

Description: The proposed financing will lend the bond proceeds to six schools and a social service organization which will finance or refinance the construction of schools. Three of the proposed schools are located within Illinois in Batavia, Chicago and Edwardsville.

In order to evidence the re-lending of the bond proceeds to the eventual borrower, each borrower will be required to sign a loan agreement with LCEF. Pursuant to the loan agreements, each borrower will be obligated to repay the principal and interest, reimburse a pro-rata share of cost of the letter of credit, pay a facilitation fee (approx. 1.25% of the amount borrowed) and to reimburse a pro rata share of other issuance related fees.

The borrowers’ projects include:

- Lutheran High School, in Houston, TX will construct a 55,000 square foot school facility totaling \$8,800,000
- Immanuel Lutheran Church in Batavia, IL will refinance a mortgage used to construct a 25,000 square foot school facility totaling \$5,500,000
- St. James Lutheran Church in Chicago, IL will refinance a mortgage used to expand a school facility totaling \$2,280,000
- Concordia Academy in Roseville, MN will refinance a mortgage of an existing facility totaling \$5,200,000
- Our Savior Lutheran in Lansing, MI will construct a school facility and pay professional fees totaling \$6,700,000
- Metro East Lutheran High School in Edwardsville, IL will finance the construction of a school and make improvements to the athletic field totaling \$4,400,000

FINANCING SUMMARY

Security: The bonds will be secured by a Direct Pay Letter of Credit from Bank of America.
Structure: The Bonds will be multi-modal initially set at the daily interest mode
Maturity: 30 Years
Bank Collateral: The bonds will be secured by a mortgage on the subject real estate.
Credit Rating: The bonds will bear the credit rating of the credit enhancement securing the bonds, Bank of America Letter of Credit. Bank of America has a credit rating of AA.

PROJECT SUMMARY

Bond proceeds will be used to lend funds to the following schools and organizations. Authorized borrowing amounts are as follows:

Lutheran High School	\$8,800,000
Immanuel Lutheran Church	\$5,500,000
St. James Lutheran Church	\$2,280,000
Concordia Academy	\$5,200,000
Our Savior Lutheran	\$6,700,000
Metro East Lutheran High School	<u>\$4,400,000</u>
Total	<u>\$32,880,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Lutheran Church Extension Fund
10733 Sunset Office Drive, Suite 300
St. Louis, MO 63127-1020
George Wendt, Senior Vice President

Project name: Lutheran Church Extension Fund - Missouri Synod Financing Program

Locations: Multiple

Organization: 501(c)(3) Organization

State: Missouri

Board Members: Rev. David Belasic, Chairman Sandra Thompson Richard Robertson
John Daniel Leon Langemeier Kermit Brashear
Joseph Carabell Guenther Herzog Pamela Moksnes
Jotham Johann Jhang Thomas Kuchta

Land Sellers: Not Applicable

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	The Stolar Partnership, LLP	St. Louis, MO	Ed Holderle
Accountant:	KPMG	St. Louis, MO	Adnrew Davidson
Bond Counsel:	Peck Shaffer	Columbus, OH	Michael Melliere
LOC Bank:	Bank of America	St. Louis, MO	Scott Hartwig
LOC Bank's Counsel:	Armstrong Teasdale, LLP	St. Louis,	Mark Boatman
Underwriter:	Stern Brothers & Co.	St. Louis, MO	Ronald Braun
Underwriter's Counsel:	Spencer Fane Britt & Browne	St. Louis, MO	John Brickler
Issuer's Counsel:	Burke Burns and Pinelli	Chicago	Stephen Welcome
Trustee:	UMB Bank, N.A.	St. Louis, MO	Victor Zarilli
IFA Financial Advisor:	D. A. Davidson	Chicago	Bill Morris
	Scott Balice Strategies	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Legislative information for projects located in Illinois is provided below. Legislative information for projects outside of Illinois is not provided.

Batavia

Congressional: 14 – Dennis Hastert
State Senate: 48 – Randall Hultgren
State House: 95 – Mike Fortner

Chicago

Congressional: 7 – Danny Davis
State Senate: 6 – John Cullerton
State House: 11 – John Fritchey

Edwardsville

Congressional: 19 – John Shimkus
State Senate: 56 – William Haine
State House: 112 – Jay Hoffman

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2007**

Project: Lake County Family YMCA

STATISTICS

Deal Number:	N-NP-TE-CD-7181	Amount:	\$6,500,000
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Sharnell Curtis Martin
Location:	Waukegan	SIC Code:	8641 – Civic/Social Associations

BOARD ACTION

Final 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 refund existing IFA (IDFA) 2000 Bonds and to pay certain bond issuance costs.

VOTING RECORD

Preliminary Bond Resolution: September 11, 2007

Ayes:	10	Nays:	0	Abstentions:	0	Vacancy:	1
Absent:	4 (Boyles, Herrin, Leonard, Rivera)						

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest paid to bondholders thereby reducing the borrower's interest rate.

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	<u>\$6,500,000</u>	Uses:	Refunding Bonds	\$6,250,000
				Bond Issuance Costs	<u>250,000</u>
	Total Sources	<u>\$6,500,000</u>		Total Uses	<u>\$6,500,000</u>

JOBS

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

BUSINESS SUMMARY

Background: Lake County YMCA ("YMCA") is an Illinois 501(c)(3) not-for-profit corporation formed in 1893. The YMCA provides more than 15 different programs including: Big Brothers/Big Sisters, Girl Scouts, Boy Scouts, Adult and Children Day Care, Summer Day Camp and a Health and Wellness Center that is open to the public.

The YMCA's service area is not limited to Lake County. Residents from DuPage, McHenry and Cook counties are included among the 17,000 individuals with 4,500 members and program participants. The YMCA has a staff of 215 full-time and part-time employees and volunteers.

Description: These bonds will refund outstanding bonds originally issued in 1993 and refunded in 2000, by the IFA's predecessor, the Illinois Development Finance Authority (IDFA). The original project was the construction of three day care centers and five after school facilities located in Waukegan. The project was completed and put into service in the January of 1995.

The proposed refunding and recent sale of a camp facility will allow the YMCA to reduce its overall debt and realize interest rate savings of approximately \$95,000 annually. This project represents the third financing transaction that the IFA and its predecessor have issued on behalf of the Lake County Family YMCA.

FINANCING SUMMARY

Security: The bonds will be secured by a Direct Pay Letter of Credit from Charter One Bank.
Structure: 7-day variable rate demand bonds
Maturity: 30 Year Term
Bank Collateral: First mortgage on subject real estate.
Credit Rating: The bonds will bear the credit rating of the credit enhancement securing the bonds, Charter One Bank Letter of Credit. Charter One has a credit rating of AA-.

PROJECT SUMMARY

Bond proceeds will be used to refund the outstanding principal balance of the IFA (IDFA) Series 2000 Bonds. The original Series 2000 bond proceeds were used to refund a 1993 IDFA bond issue. Project costs include refunding of previous bond issue in the amount of \$6,250,000 million.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Lake County Family YMCA
2000 Western Avenue
Waukegan, IL 60087 (Lake County)
Mr. Jim Morse, Chief Financial Officer

Project name: Lake County Family YMCA Refunding Project

Location: 2000 Western Avenue
Waukegan, IL 60087 (Lake County)

Organization: 501(c)(3) Corporation

State: Illinois

Board of Directors: Richard Ribando, Chairman Steven Henley, Vice-Chairman
Rick Teper, Secretary Robert Taylor, Treasurer
David Hall Susan Link Rafael Rivera
Dan Drury Geold Topcik Arnold Thomas
James Simonian

Land Sellers: Not Applicable

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Law Offices of Kevin Cahill	Chicago	Kevin Cahill
Accountant:	Craig & Associates, LLC	Northbrook	
Bond Counsel:	Chapman and Cutler	Chicago	Chris Walrath
LOC Bank:	Charter One Bank, N.A.	Chicago	Lucy Czyn
Underwriter:	Griffin, Kubik, Stephens & Thompson	Chicago	Michael Boisvert
Underwriter's Counsel:	Ice Miller	Indianapolis	Jeff Lewis
Issuer's Counsel:	Burke Burns and Pinelli	Chicago	Stephen Welcome
Trustee:	Bank of New York	Chicago	Rodney Harrington
IFA Financial Advisor:	D. A. Davidson	Chicago	Bill Morris
	Scott Balice Strategies	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 10 -- Mark Kirk
State Senate: 30 -- Terry Link
State House: 60 -- Eddie Washington

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2007**

Project: Association House of Chicago

STATISTICS

Deal Number:	N-NP-TE-CD-7003	Amount:	\$7,000,000 (not-to-exceed amount)
Type:	501(c)(3)Revenue Bonds	IFA Staff:	Sharnell Curtis Martin
Location:	Chicago	SIC Code:	8399 (Social Services)

BOARD ACTION

Final 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 refund an existing IFA (IDFA) 1997 Bond issue, refinance existing conventional debt, and finance renovations to their existing facility located in Chicago.

IFA CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds and thereby reduce the borrower's interest expense.

VOTING RECORD

Preliminary Bond Resolution: February 13, 2007

Ayes: 11	Nays: 0	Abstentions: 0	Vacancy: 1 (Giannoulas)
Absent: 3 (Herrin, Nesbitt, Valenti)			

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	<u>\$6,800,000</u>	Uses:	Refunding Bonds	\$3,715,000
				Project Costs	3,000,000
				Bond Issuance Costs	<u>85,000</u>
	Total Sources	<u>\$6,800,000</u>		Total Uses	<u>\$6,800,000</u>

JOBS

Current employment:	196	Projected new jobs:	8
Jobs retained:	N/A	Construction jobs:	40

BUSINESS SUMMARY

Background: Association House of Chicago (“Association House” or the “Applicant”) is an Illinois not-for-profit social service agency founded in Chicago in 1899. For more than a hundred years, the organization has played a significant role as a community resource in the greater West Town and Humboldt Park neighborhoods of Chicago. The Applicant now serves 20,000 individuals and families each year through counseling, educational, athletic and vocational programs.

The organization’s program services include community services, child welfare services and behavioral health services. The Community Services consist of an alternative high school, emergency services, adult educational services, after school programs, arts programs, technology lab and center for working families. Child Welfare Services include foster care placement, case management services, counseling and support services for families and a group home for children with developmental disabilities who are wards of the state. The Behavioral Health Services consist of treatment for mental illness, clinical and therapeutic services, addiction recovery and a Community Integrated Living Arrangement (CILA) home that provides supportive housing for adults with developmental disabilities.

Association House has been very successful in implementing and expanding its mission due to the commitment and tenure of the organization’s management. The executive management of Association House have been with the organization for more than 18 years and consists of: Harriet Sadauskas, Executive Director; Miguel Palacio, Associate Director; Cynthia Schmidt, Chief Development Officer; and Javier Santoyo, Controller.

Description: The organization’s mission is to be a resource of the greater West Town and Humboldt Park communities, which promotes the growth and development of individuals, families and neighborhoods while providing quality social services, fostering community development and offering social, cultural and recreational activities for people of all ages.

FINANCING SUMMARY

Bondholder’s Collateral: The Bonds are to be purchased and held as an investment by All Points Public Funding, LLC will be structured as a direct portfolio investment to be held in its entirety (i.e., a single bond) by the Bank until maturity or until refinanced by another bank.

Structure: Fixed interest rate of 5.10%

Maturity: 20 Years

Bank Collateral: First mortgage on the subject real estate and first lien on furnishings and equipment financed.

Credit Rating: This transaction will not carry a credit rating as it is a direct purchase by All Points Public Funding, LLC.

PROJECT SUMMARY

Bond proceeds will be used to refund the outstanding principal of IFA (IDFA) Series 1997 (Association House Project). The original Series 1997 Bond Proceeds were used to finance the acquisition and renovation of the current Association House headquarters located at 1116 N. Kedzie in Chicago, Illinois (Cook County) and to pay certain bond issuance costs. The estimated interest annual interest rate savings on the annual debt serves is approximately \$130,000 per year. Project costs are estimated as follows:

Renovations	<u>\$2,900,000</u>
Project Costs	<u>\$2,900,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Association House of Chicago
1116 N. Kedzie Avenue
Chicago, IL 60651
Ms. Harriet Sadauskas, Executive Director

Project name: Association House Project 2007

Location: 1116 N. Kedzie Avenue
Chicago, IL 60651

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

Board Members

Mark Allen	Rosie Bean	Charles Bley	Carrie Camino
Richard Glau	Barbara Healy	Nancy Hill	Tad Ingles
Ronald Kurz	Shamar Lott	Joseph Matthews	Paul Metzger
Elise Parsons	Edwin Rivera	Annette Stover	Maria Sanchez
Dolores Schroeder	Cynthia Ulrich	Nile Wendorf, President	Myrna Zoros

Land Sellers: Not Applicable

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Bell Boyd and Lloyd	Chicago	Paul Metzger
Accountant:	Altschuler, Melvoin and Glasser		
Bond Counsel:	Chapman and Cutler	Chicago	Nancy Burke
Bond Purchaser:	All Points Public Funding, LLC	Melville, NY	Jonathan Lewis
Bond Purchaser's Counsel:	Kutak Rock LLP	Omaha, NE	Sean Gillen
Financial Advisor:	Griffn Kubik	Chicago	Helena Burke-Bevans
Issuer's Counsel:	Law Offices of Kevin Cahill	Chicago	Kevin Cahill

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2007**

Project: Theory and Computing Sciences Building Trust (Argonne National Laboratory – a federally-owned property under the jurisdiction of the U.S. Department of Energy)

STATISTICS

Project Number: I-ID-TX-CD-618	Amount: \$70,000,000 (not to exceed)
Type: Taxable Bond	FM: Townsend Albright
Location: Darien	

BOARD ACTION

Final Bond Resolution	Staff recommends approval
Taxable conduit revenue Bonds	No IFA funds at risk
No extraordinary conditions	

PURPOSE

Bond proceeds will be used to (i) to finance the construction of an office and light duty laboratory facility, and surface parking lot, (ii) capitalize interest, and (iii) fund legal and professional costs.

VOLUME CAP

Volume Cap is not required for taxable bonds

VOTING RECORD

Preliminary Bond Resolution, July 12, 2005

Ayes: 8, Nays: 0, Abstentions: 0, Absent: Goetz, O'Brien, Rice, Valenti, Vacancies: 3

The Project is requesting a current Board inducement because (a) the scope of the Project has changed, and (b) more than 24 months have passed since the IFA Board induced the Project.

Preliminary Bond Resolution: September 11, 2007

Ayes: 10 Nays: 0 Abstentions: 0
Absent: 4 (Boys, Herrin, Leonard, Rivera) Vacancies: 1

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	<u>\$70,000,000</u>	Uses:	Project costs	\$62,900,000
				Legal and Professional	300,000
				Capitalized Interest	<u>6,800,000</u>
Total		<u>\$70,000,000</u>	Total		<u>\$70,000,000</u>

JOBS

Current employment:4,000 (Argonne)	Projected new jobs:	80
Jobs retained: N/A	Construction jobs:	100 (12 months)

BUSINESS SUMMARY

Background: The Theory and Computing Sciences Building Trust (the “Trust”, the “Applicant”) is a trust that will be established under the laws of the State of Delaware. The Trust is a special purpose entity whose sole purpose will be to lease certain real property from the Department of Energy (the “DOE”) so that it can secure financing, develop a research office building on such property, and upon completion of construction, lease the building to the UChicago Argonne LLC (“UOC LLC”) in connection with its operation of the Argonne national Laboratory (“Argonne”).

Argonne is a federally-owned property under the jurisdiction of the U.S. Department of Energy (“DOE”). It is the nation’s first national laboratory, chartered in 1946, and a direct descendent of the University of Chicago’s (“UOC”) Metallurgical laboratory, a part of the WWII Manhattan Project to build the atomic bomb. After the war, Argonne was given the mission of developing nuclear reactors for peaceful purposes. Argonne’s research has expanded to include many other areas of science, engineering, and technology. Argonne currently has more than 4,000 employees; including approximately 1,000 scientists and engineers, of whom approximately 750 hold PhDs. Argonne has an annual operating budget of more than \$475 million that supports upwards of 200 research projects ranging from sub-nuclear research to global climate change. Since 1990, Argonne has worked with more than 600 companies, and with numerous federal agencies and other organizations.

Argonne occupies 1,500 wooded acres in DuPage County. The site is surrounded by forest preserve approximately 25 miles southwest of Chicago’s Loop. The site also houses the U.S. Department of Energy’s Chicago Operations Office. Argonne is managed by UOC LLC under prime contract with the U.S. Department of Energy.

Argonne has established the strategic objective to increase scientific productivity in the 21st century by providing intellectual and technical leadership in the computing sciences-computer science, applied computation mathematics, and computation science.

Description: The project is an approximately 190,000 sq. ft. office and light-duty laboratory facility and surface parking lot. The facility would house approximately 750 occupants in gross program space as well as a controlled environment space to house supercomputing equipment and associated hardware and software development labs, visualization facilities, a library, and collaboration facilities. The intended site is approximately 15 acres on the campus, and is adjacent to the main Argonne entry gate off Cass Avenue and west of the Argonne Information Center. The Project will help fill the need for advanced computational capabilities to grow with the development of increasingly sophisticated theories, such as in the areas of nanotechnology, climate change, protein modeling, and structural biology.

Remarks: The proposed borrowing will enable Argonne and UOC LLC to advance America’s scientific leadership through the development of world-class facilities within the State of Illinois, and continue Argonne’s leadership position in the exploration and investigation of emerging information technologies, engineering applications, and other computational infrastructure in support of its scientific mission. It is anticipated that Argonne’s continued leadership in science, technology and engineering will stimulate the growth of attendant high tech industries that will interface with and provide services to the Argonne activities, and result in positive economic growth in Illinois.

The Department of Energy has formed trusts and entered into leases in which the lessee has obtained financing for facilities development through the taxable municipal bond market. The availability this source of low-cost financing for project finance has resulted in significant savings for the Department. The availability of municipal bond market financing has encouraged the Department to enter into mutually advantageous ventures with state and local entities which, in turn, has fostered ventures that not only advance the Department’s mission but also benefit local government entities and local communities.

The Department used a similar financing structure to finance an expansion and renovation of its Oak Ridge, TN facility in 2005. Additionally, the IDFA financed approximately \$140 million in projects

using the Trust- lease structure for the Department of Veterans (“DVA”) Affairs Regional Administration Building at the Illinois Medical District, and two co-generating plants at the DVA’s North Chicago site between 2002 and 2004. The co-generating plants provide electricity for the DVA’s hospital and Great Lakes Naval Training Center. Both the DOE and the DVA use the same financing team.

Financials: The Trust is a Delaware statutory trust called the Theory and Computing Sciences Building Trust that will lease property from DOE for the purposes of developing, financing, and supervising operation of an office and light-duty laboratory facility. The DOE will appropriate sufficient funds to pay debt service on the proposed bonds through the Trust, which will reimburse the UOL LLC. As this special purpose entity was established in April, 2007, and has no operations, there are no financial statements available.

Estimated Annual Expenses in connection with the lease of the Theory and Computing Science Building are:

	Annual Rent	Debt Service	Total
Year 1	\$2,144,000	\$900,000	\$3,044,000
Year 2	\$4,900,000	\$900,000	\$5,800,000
Year 3	\$4,900,000	\$900,000	\$5,800,000
Year 4	\$4,900,000	\$900,000	\$5,800,000

The UOL LLC will charge rents sufficient to cover debt service on the bonds and pay for operating expenses. The revenue will provide debt service coverage of a minimum of 1.0x on the bonds. Under its prime contract with DOE, DOE will reimburse UOL LLC for debt service payments on the bonds and operating expenses. The expenses are part of the omnibus appropriation the DOE receives from the United States Congress.

DOE’s obligation to make payments under the prime contract is subject to annual appropriations of the necessary funds by the United States Congress. There is no guarantee that the United States Congress will continue to make an appropriation to enable the DOE to make payments in accordance with the prime contract with UOL LLC. As a matter of practice, Congress makes a lump sum appropriation that covers all of DOE’s operational costs for the entire year based on annual proforma operation statements submitted by the Department of Energy.

FINANCING SUMMARY

Security: The bonds will be insured and will be “Aaa-rated” and “AAA-rated” by Moodys Investors Service and Standard and Poors, respectively. The Trust will pledge to the Bond Trustee lease revenue from the operation of the to-be constructed facility.

Structure: Fixed rate taxable bonds.

Collateral: Borrower will pledge all revenues from UOC LLC in connection with its operation of the Argonne National Laboratory.

Maturity: 25 years

PROJECT SUMMARY

Proceeds will be used to (i) construct an approximately 190,000 sq. ft. office and light duty laboratory facility, and surface parking lot to be located at the Argonne campus which is located at 9700 South Cass Avenue, Darien, DuPage County, Illinois, (ii) capitalize interest, and (iii) fund legal and professional costs.

Project Costs:	Construction	\$59,900,000
	Machinery/Equipment	<u>3,000,000</u>
	Total	<u>\$62,900,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Theory and Computing Sciences Building Investment Trust

Project names: Theory and Computing Sciences Building Investment Trust Project

Location: 9700 South Cass Avenue, Darien, DuPage County, Illinois

Organization: Trust-Delaware

PROFESSIONAL & FINANCIAL

Special Counsel:	Patton Boggs, LLP	Washington, DC	Anatolij Kushnir Michael Simmons
Accountant:	TBD		
Bond Counsel:	Chapman and Cutler	Chicago, IL	William Libit
Issuer's Counsel:	Law Offices of Kevin Cahill	Chicago, IL	Kevin Cahill
Underwriter:	A.G. Edwards & Sons, Inc.	Atlanta, GA	Dick Layton
Underwriter's Counsel:	McKenna Long & Aldridge LLP	Atlanta, GA	Maggie Joslin
Development Consultant:	Fioretti Associates, Inc.	Chicago, IL	Michael Yurkovic
Trustee (Corporate):	Wells Fargo Bank, NA	Chicago, IL	Patricia Martirano
Trustee's Counsel: (Corporate)	Patton Boggs, LLP	Washington, DC	Anatolij Kushnir
Trustee (Individual):	Starshak Winzenberg & Co.	Chicago, IL	Joseph Starshak Michael Simmons
Trustee's Counsel: (Individual)	Patton Boggs, LLP	Washington, DC	Anatolij Kushnir Michael Simmons
Bond Trustee:	Wells Fargo Corporate Trust Services	Chicago, IL	Patricia Martirano
Trustee Counsel:	Morris James LLP	Wilmington, DE	Lewis Ledyard III
Argonne Project Lead:	Argonne National Laboratory	Darien, IL	Mary Spada
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	13	Judy Biggert
State Senate:	41	Christine Radogno
State House:	82	Jim Durkin

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2007**

Project: Woodlawn Community Development Corporation

STATISTICS

Number:	M-MH-TE-CD-7182	Amount:	\$40,000,000
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Locations:	Chicago		

BOARD ACTION

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

PURPOSE

Proceeds will be used to (i) purchase various parcels of land and residential homes located thereon, (ii) renovate apartments in said housing units, (iii) fund a Debt Service Reserve Fund, (iv) capitalize interest, and (v) fund professional and bond issuance costs.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest paid to bondholders thereby reducing the borrower's interest rate.

VOTING RECORD

Preliminary Bond Resolution; no prior vote.

SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	\$36,886,416	Project Costs	\$36,160,000
Deferred Developer Fee	1,500,000	Professional Fees	243,502
<u>IHDA Trust Fund</u>	<u>1,250,000</u>	Lender Fees	1,145,577
		Developer Fee	1,500,000
		Debt Service Reserves	416,000
		<u>Capitalized Interest</u>	<u>171,337</u>
Total	<u>\$39,636,416</u>	Total	<u>\$39,636,416</u>

* Equity consists of \$1,500,000 Deferred Developer's Fee and \$1,250,000 IHDA Trust Fund funds.

JOBS

Current employment:	8	Projected new jobs:	6
Jobs retained:	N/A	Construction jobs:	10 (10 months)

BUSINESS SUMMARY

Background: Woodlawn Community Development Corporation (“Woodlawn”, (“WCDC”), the “Applicant”) is a real estate development and management organization that was incorporated as an Illinois not for profit corporation in 1972 to assist The Woodlawn Organization (“TWO”), an affiliated entity, in attracting long term investments in Chicago’s metropolitan southeast side. The WCDC services as an umbrella for the WTO’s real estate and management activities. WCDC’s original development area was the Woodlawn community. In 1993 it expanded to the entire southeast side of Chicago. Today, WCDC is in the final stages of acquiring affordable properties in Blue Island, IL and Rantoul, IL, and now operates throughout the state of Illinois. Additionally, the WCDC has three for profit developments:

1. Jackson Parkside Apartments – 312 units,
2. South park Plaza – 134 units,
3. Anchor house – 113 units.

The TWO was incorporated in 1962 for the improvement of the community and the enrichment of life. TWO’s objective is the rebuilding of the community, the fighting of community deterioration, through the fostering of sound and responsible housing, education, job training, employment and health programs, and the building and exercising of community responsibility over the local, citywide, and nationwide institutions that affect the quality of life.

With 35 years’ of development and management experience, WCDC has developed more than 1,700 units of affordable rental, for-sale, and senior in fourteen different developments located throughout the South Side of Chicago. WCDC has worked in conjunction with the Illinois Housing Development Authority (“IHDA”), the CHA, the Chicago Department of Housing, Lakeside Bank, New Homes for Chicago, the National Equity Fund, Alliant Capital, and EF & A as a Fannie Mae Delegated Underwriter and Servicer (“DUS”). Currently, WCDC manages over 5,000 units of housing in Chicago’s communities.

The Project: Proceeds of the proposed financing will be used to purchase various parcels of land and apartment dwellings located thereon which will total 27 buildings having 640 apartments which will be affordable rental units for families at or below 60.0% of median income. Currently, the apartments are approximately 97.9% occupied with less than 5.0% of tenants using HUD Section 8 vouchers to pay rent. Initially, WCDC will undertake upgrades to meet building codes and upgrade kitchen and bathroom cabinets until additional grant monies or rental subsidies become available to for more extensive upgrades. Bond funds will be used to pay for legal and professional cost, and to capitalize interest.

Remarks: Tax exempt financing provides the lowest cost of funds, allowing the WDCD to have the opportunity to acquire this inventory of affordable housing units and maintain them as affordable housing for low income families. The Project will insure that the units will not be converted into condominiums that persons earning at or below 60.0% of Chicago MSMA could not afford to purchase.

FINANCING SUMMARY

Security: Bonds will enhanced by Federal National Mortgage Association (“Fannie Mae”). The Delegated Underwriter and Servicer will be:
EF & A Funding, LLC (a Fannie Mae DUS Lender)
4746 11th Avenue NE, Suite 102
Seattle, WA 98105

Fannie Mae provides financing for the acquisition, refinance, and rehabilitation of multifamily properties through a nationwide network of 25 DUS lender partners. DUS lenders have delegated

authority to underwrite loans without prior approval by Fannie Mae. Fannie Mae and the DUS are the leading provider of bond credit enhancement for affordable multifamily properties. Fannie Mae will have a first mortgage on the financed properties. EF & A Funding, LLC is owned by The Alliant Company, LLC, which is a leading sponsor of affordable housing tax credit partnership, and in this situation, will provide a feasibility study of the subject properties. Alliant has offices nationwide.

Structure: Fixed rate 5.60% bonds.
Maturity: 30 years
Volume Cap: This project will not use Volume Cap.

PROJECT SUMMARY

The WCDL intends to use the net proceeds of the Authority loan to provide funds to (i) Proceeds of the proposed financing will be used to purchase various parcels of land and apartment dwellings located thereon which will total 27 buildings having 640 affordable rental apartments located at sites listed below, (ii) capitalize interest, (iv) fund a debt service reserve fund, and (v) fund professional and bond issuance costs.

Project Costs: \$36,160,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: Woodlawn Community Development Corporation
Project: WCDC Southside Housing Preservation Apartments Project
Locations: All of the following locations are in Chicago, Cook County, Illinois:
7110-7120 S. Ridgeland 7901-7911 S. Dobson
8100 S. Drexel 7546 S. Carpenter
6724-34 S. Chappell 7928-7930 S. Morgan
1748-66 E. 71st Place 7701 S. Stewart
7057-7059 S. Princeton 8000-8001 S. Loomis
6923-6925 S. Indiana 1305 W. 82nd Street
8039 S. King Drive 8156-8158 S. Laflin
7900 S. Coles 79th Paxton (Southwest corner)
7801-7917 S. Drexel 9300-9304 S. Bishop
8222 S. Ingleside 8253 S. Ingleside
8238 S. Ellis

Contact Person: Dr. Leon D. Finney, President and CEO, 773-288-5840, ext. 5503
Organization: 501(c)(3) Corporation
State: Illinois

Board of Trustees: Leon D. Finney, Jr. President & CEO
Leon Jackson Chairman of the Board
Kristin Finney Secretary
Barbara Jones-Green
Robert Starks
Clarence Nixon
Bernetta D. Bush
James B. Moran
Carole Millison
Joyce Washington

PROFESSIONAL & FINANCIAL

Counsel:	Miner, Barnhill, & Galland P.C.	Wilmette	William Miceli
Accountant:	Haran and Associates, Ltd.	Chicago	Mike Powers
Bond Counsel:	Burke, Burns & Pinelli	Chicago	Don Harmon
Underwriter:	Loop Capital Markets	Chicago	James Reynolds
Placement Agent:			
Underwriter's Counsel:	TBD		
DUS:	EF & A Funding, LLC	Seattle	Jay Helfrich
Financial Advisor:	The Laubacher Company	Chicago	Mark Laubacher
General Contractor:	Coleman Development Corp.	Chicago	Lester Coleman
Development Consultant:	Enals Investments, LLC	Chicago	Vincent Lane
Architect:	Johnson & Lee, Ltd.	Chicago	Philip Johnson
Issuer's Counsel:	Greenberg Traurig	Chicago	Mark McCombs
Trustee:	LaSalle Bank Global Trust Services	Chicago	
IFA Financial Advisors:	Scott Balice Strategies, Inc.	Chicago	Lois Scott
	D. A. Davidson & Co.	Chicago	Bill Morris

LEGISLATIVE DISTRICTS

Location	Congressional	State Senate	State House
7110-20 Ridgeland 6724-34 S. Chappel 1748-66 E. 71 st Place 7900 S. Coles	2 Jesse L. Jackson Jr.	13 Kwame Raoul	25 Barbara Flynn Currie
7801-11 S. Yates 79 th & Paxton	2 Jesse L. Jackson Jr.	17 Donne E. Trotter	33 Marlow H. Colvin
9800-04 S. Bishop	1 Bobby L. Rush	14 Emil Jones, Jr.	27 Monique D. Davis
7057-59 S. Princeton Ave 6923-25 S. Indiana Ave.	1 Bobby L. Rush	16 Jacqueline Y. Collins	32 Milton Patterson
7546 S. Carpenter 7930 S. Morgan 7701 S. Stewart 1305 W. 82 nd St.	1 Bobby L. Rush	16 Jacqueline Y. Collins	31 Mary E. Flowers
8039 S. King 8001 S. Ellis 7955-59 S. Dobson 7901-11 S. Dobson 7917 S. Drexel	1 Bobby L. Rush	17 Donne E. Trotter	34 Constance A. Howard
8222 S. Ingleside 8238 S. Ellis 8100 S. Drexel 8127-37 S. Ellis 8253-59 S. Ingleside 8251 Ellis	1 Bobby L. Rush	17 Donne E. Trotter	33 Marlow H. Colvin
8100 S. Loomis 1322 W. 82 nd St. 8156-58 S. Laflin	1 Bobby L. Rush	18 Edward D. Maloney	36 James D. Brosnahan

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2007**

Project: Village Market IGA, Inc.

STATISTICS

Project Number:	B-RD-7166	Amount:	\$250,000
Type:	Rural Development	IFA Staff:	Cory Mitchell
Location:	Mahomet		

BOARD ACTION

Approval to provide a \$250,000 direct loan to the borrower through the Rural Development Administrations intermediary Relending Program.

\$250,000 of IFA funds at risk

Staff recommends approval, subject to satisfying all conditions of the bank loan, as well as:

- Security agreement on all furniture, fixtures and equipment involved in this transaction.
- Lien release showing clear title on all furniture, fixtures and equipment involved in this transaction

PURPOSE

Provide permanent financing for the purchase of equipment.

IFA PROGRAM AND CONTRIBUTION

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

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

The IFA's Rural Development Loan Program, in participation with the Rural Development Administration's Intermediary Relending Program, finances business facilities and community development projects in rural areas with populations under 25,000. The Program finances up to 75% of fixed asset project costs, with a maximum of loan amount of \$250,000.

VOTING RECORD

This is the first time that this project has been presented to the IFA Board of Directors. Borrowers were approved to utilize \$800,000 of the IFA Participation Loan Program in August 2008 for real estate purchases.

SOURCES AND USES OF FUNDS

Sources: IFA	\$250,000	Uses: Purchase Equipment	<u>\$400,000</u>
Borrower Equity (cash)	<u>\$150,000</u>		
Total	<u>\$400,000</u>	Total	<u>\$400,000</u>

JOBS

Current employment:	98	Projected new jobs:	0
Jobs retained:	98	Construction jobs (shipping/install):	10

BUSINESS SUMMARY

Background of business and management experience:

Mahomet IGA Foodliner was founded by Howard and Esther Hitchins in 1958. The Hitchins' two daughters and their husbands held ownership prior to selling the store name and assets (not real estate) in 2005 to Village Market IGA, (E. Brooks Marsh and Tammy S. Marsh) who leased the property from the property owner. Brooks and Tammy Marsh have lived in Mahomet for eleven years. Brooks was Area Marketing Director for Supervalu, Inc., a national grocery company, until 12-31-05 when he and wife Tammy purchased Mahomet IGA. (Supervalu common stock trades on the New York Stock Exchange, ticker symbol SVU. See www.supervalu.com for more information.) Brooks was responsible for store development, organizational structure, capital planning and acquisitions for the company's Midwest Region that handles \$1.3 billion in annual sales. Brooks has been with Supervalu since 1974 when he took a job at a company owned IGA store in Great Falls, Montana as a 15 year-old high school student. Brooks earned a Bachelor of Science in Social Work from the University of Montana and a Master of Business Administration from Nova Southeastern University in Fort Lauderdale, Florida. Supervalu offered the MBA on the campus of Eastern Montana College for promising young executives at the company.

Tammy is a registered nurse who is currently a stay at home mom. She earned a Bachelor of Science in Business Administration from Illinois State University and was licensed as a registered nurse after training at Parkland College. She was employed by Carle Hospital in Urbana for 10 years prior to starting a family.

Project Rationale:

Village Market IGA, Inc. is purchasing equipment from an existing grocery store. The equipment consists of display cases, ovens, freezers, refrigerators, lighting, meat processors, produce display equipment etc. All equipment has been in use for approximately a year and a half and is in excellent condition. Village Market IGA is located in the Eastwood Shopping Center at the intersection of Interstate 74 and Illinois Route 47. Main Street Bank and Trust operates an in store branch on the property. The building offers 23,000 square feet of retail floor space with complete meat, deli, bakery, and produce sections. There is a floral store on the property and a greeting card section. Plans are to expand the existing grocery store by 8,000 square feet into the attached building currently housing a clinic and expand the store to the south by an additional 10,000 square feet.

Market Analysis and surrounding business:

The equipment purchase will allow the borrower to be more efficient and compete with other grocery stores in the Champaign area. Expansion of the store is also planned in the near future and the subject purchase will be put into these areas of the store. This expansion plan, as well as two other Mahomet sites, was thoroughly analyzed in a Market Planning & Analysis report prepared by SuperValu at a cost to the borrower and recommended expansion. Eastwood Shopping Center is the primary retail business center in Mahomet. The shopping center features large parking lots and a Busey Bank drive-up ATM in the parking lot. Two large apartment complexes sit immediately south of the shopping center.

Businesses operating in Eastwood Center Shopping Center are listed below:

- Christie Clinic – building immediately adjacent to grocery store
- Courtesy Dry Cleaners and Laundry
- Peking House Oriental Restaurant
- Play It Again Video

- Sheer Fashion Hair Styling & Tanning Center
- Johnny Never's Pizza
- The Tax Doctor Income Tax Center
- The Joshua Company Print Services
- Curves for Women
- NAPA Auto Parts
- Ace Hardware
- Tangles Salon
- CVS Pharmacy
- Hen House Restaurant

Businesses operating immediately across the street from Eastwood Center are listed below:

- Heritage Inn Motel
- All Area Sports
- Taco Loco Authentic Mexican Food
- Diamond Nails
- Sweet Designs
- Subway Restaurant
- Arby's Restaurant
- Domino's Pizza
- Shell Gas Station

Mahomet is a residential community located 10 miles west of Champaign. Mahomet has seen tremendous growth in recent years because of easy access to Champaign on Interstate 74. Many new homes have been built in rural subdivisions. The population of Mahomet was 4,877 in 2000 according to the Mahomet Chamber of Commerce. The population of Mahomet Township was 10,113 in 2000. Data from the U.S. Census Bureau shows Mahomet is a prosperous community.

	Mahomet	U.S. Average
Owner occupied housing units	82.3%	66.2%
High school graduates	97.3%	91.0%
4-yr college graduates	37.3%	24.4%
Median household income	\$57,574	\$41,994

Mahomet IGA is the only full service grocery store in Mahomet. Local competitors include three convenience stores in gas stations and one limited service store named D&D Foods on Prairie View Road two miles east of Mahomet. D&D Foods operates in a 12,000 square foot facility. This store has gone through several management and ownership changes over the past 5 years

Transaction: The Illinois Finance Authority will provide permanent financing in the amount of \$250,000 for equipment purchases through its Rural Development Relending Program.

FINANCING SUMMARY

Borrower: Village Market IGA, Inc.(E. Brooks Marsh and Tammy S. Marsh personally)

Security: Security agreement on all furniture, fixtures and equipment relating to this transaction

Structure: 7 year term, 7 year amortization with monthly payments of P & I.

PROJECT SUMMARY

The borrower is purchasing grocery store equipment (equipment consists of display cases, ovens, freezers, refrigerators, lighting, meat processors, produce display equipment etc). This equipment will be used to replace out-dated equipment in the current store and allow for many efficiencies with newer technology and be used in the expanded areas of the store not currently present. Purchase price of the equipment will be \$400,000. The borrower will provide \$150,000 cash and IFA will utilize its Rural Development Relending Program in the amount of \$250,000 to fund the permanent financing. The loan will be secured by a security agreement on all furniture, fixtures and equipment involved in this transaction. Appraisal on equipment has been performed by John W. Clayton of DSG Project Development and is available for board review.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Village Market IGA, Inc.
E. Brooks Marsh and Tammy S. Marsh

Location: 701 Kimela Drive
Mahomet, IL 61853

Organization: Corporation

State: Illinois

Ownership: Corporation

PROFESSIONAL & FINANCIAL

Accountant: Kim Dennstedt, Retail Financial Services, Inc., 2800 Campus Drive Suite 44,
Plymouth, MN 55441

Attorney: Chad S. Beckett, Beckett & Webber, P.C., 508 South Broadway Avenue,
Urbana, IL 61801

LEGISLATIVE DISTRICTS

Congressional: 15th Timothy V. Johnson
State Senate: 55th Dale E. Righter
State House: 110th Chapin Rose

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2007**

Project: Village of Leland

STATISTICS

Number:	L-GP-7167	Amount:	\$60,000 (not to exceed)
Type:	Rural Development Loan		
IFA Staff:	Eric Watson	Location:	Leland, Illinois

BOARD ACTION

Final Approval	No extraordinary conditions
Rural Development Loan	No IFA funds at risk
Staff recommends approval	

PURPOSE

Provide financing for the purchase of a natural gas fired generator at the Village's water treatment facility.

IFA PROGRAM AND CONTRIBUTION

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

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

The IFA's Rural Development Loan Program, in participation with the Rural Development Administration's Intermediary Relending Program, finances business facilities and community development projects in rural areas with populations under 25,000. The Program finances up to 75% of fixed asset project costs, with a maximum of loan amount of \$250,000.

VOTING RECORD

Preliminary Bond Resolution: August 7, 2007

Ayes: 10	Nays: 0	Abstentions: 0	Absent: 6 (Boyles, Fuentes, Herrin, Rivera)	Vacancies:
1				

SOURCES AND USES OF FUNDS

Sources:	RD Loan	\$60,000	Uses: Generator	\$65,000
	Leland Equity Cont.	<u>15,000</u>	Costs of Issue	<u>10,000</u>
	Total	<u>\$75,000</u>	Total	<u>\$75,000</u>

JOBS

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

BUSINESS SUMMARY

Background: The Village of Leland, located in LaSalle County has a population of 970 as of the 2000 census. Leland is approximately 60 miles west of Chicago.

Project: The Village of Leland wishes to funds from the IFA (via the Rural Development Program) that will them to purchase a standby natural gas fired generator for their water treatment facility.

FINANCING SUMMARY

Obligor: Village of Leland

Debt: The Village of Leland and the IFA will enter into an Installment Contract. Section 17(b) of the Debt Reform Act authorizes municipalities to purchase real or personal property pursuant to an installment contract with a maximum term of 20 years. Municipalities are authorized to issue debt certificates evidencing the indebtedness incurred under such and installment contract. The payment obligation under such an installment contract and on such certificates constitutes a binding and enforceable promise to pay the amount borrowed plus the interest thereon. The municipality will be expected to agree to annually appropriate amount sufficient to pay the principal and interest on the installment contract and the debt certificates. There is no separate levy available for the purchase of making such payments. The debt limit for non-home rule municipalities is 8.625% of the equalized assessed valuation of the municipality. The installment contract will be subject to the debt limit.

Repayment: Net Revenues from the Village's Water Fund

Security: State Intercept Revenues

Structure: The IFA's will purchase Leland's bonds at an interest rate of 4%.

Maturity: The bonds will have a 3-year term, with biannual interest payments and one annual principal payment.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Village of Leland
Project names: Village of Leland
Location: 260 E. Genessee St., P.O. Box 647, Leland, IL 60531-0647
Organization: Illinois Municipality
Treasurer: Mary Leonard
Mayor: Dan Shumway

PROFESSIONAL & FINANCIAL

Accountant: Steven E. Garland, CPA
Local Bond Counsel:

LEGISLATIVE DISTRICTS

Congressional: 11th - Jerry Weller
State Senate: 35th - J. Bradley Burzynski
State House: 70th - Robert W. Pritchard

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2007**

Project: Village of Green Oaks

STATISTICS

Number:	L-GP- 7211	Amount:	\$1,700,000 (not to exceed)
Type:	Local Government Pooled Program		
IFA Staff:	Eric Watson	Location:	Green Oaks, Illinois

BOARD ACTION

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

PURPOSE

Provide financing for the Village of Green Oaks to rebuild and repair a Village road and accompanying drainage and sewer repair.

IFA PROGRAM AND CONTRIBUTION

IFA's Local Government Pooled Bond Program combines the needs of more than one unit of local government into a pooled bond issue, with the IFA serving as the financing conduit. The pooling process allows local governments to realize savings by sharing fixed costs and achieving economies of scale. In addition, the issues are supported by the "moral obligation" of the State of Illinois. This, coupled with the bonds double-tax exemption offers participants a lower overall borrowing rate.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	<u>\$1,700,000</u>	Uses:	Road & Drainage Repair	\$1,650,000
				Costs of Issue	<u>50,000</u>
	Total	<u>\$1,700,000</u>		Total	<u>\$1,700,000</u>

JOBS

Current employment: 0	Projected new jobs: 0
Jobs retained: 0	Construction jobs: 10

BUSINESS SUMMARY

- Background:** The Village of Green Oaks, located in Lake County, covers a geographical area of 4.1 square miles. The City is approximately 35 miles northwest of Chicago and serves a population of 3,572 (per the 2000 census).
- Project:** The Village wishes to rebuild and repair Atkinson Road (a main thoroughfare) and accompanying drainage and sewer repair.

FINANCING SUMMARY

- The Bonds:** The bonds will be Alternate Revenue Bonds, Village motor fuel and sales tax revenues pledged as the primary revenue source. In the event that pledged revenues are insufficient to pay principal and interest on the bonds, the Village has committed to collect ad valorem property taxes levied to pay debt service on the bonds. The Village must document that the primary revenues are sufficient to provide 1.25 times debt service coverage on the bonds in order to pledge ad valorem property taxes to repay the bonds without passing a voter referendum to do so. The Village will pass a "backdoor referendum" authorizing issuance of the bonds unless a sufficient number of voters petition to require referendum approval. In the event that there are not adequate funds for debt service payment, the Village will pledge its interceptable state revenues (State Income Tax, State Sales Tax, State Replacement Tax, and Motor Fuel Tax)
- Collateral:** The bonds are secured by a pledge of (i) motor fuel and sales tax revenues, and if such revenues are insufficient to meet debt service, then (ii) ad valorem property taxes are levied against all of the taxable property in the Village without limitation as to rate or amount, and (iii) the Village's interceptable State revenues.
- Structure:** Principal is expected to be due on February 1, beginning in 2009 with a final maturity in 2028. Interest will be fixed rate and payable each August 1 and February 1, beginning August 1, 2008. The bonds are subject to redemption prior to maturity.
- Maturity:** 20 years

PROJECT SUMMARY

- The Village will use proceeds to rebuild and repair roads and accompanying drainage and sewer repair.
- Total costs are estimated at \$1,700,000

ECONOMIC DISCLOSURE STATEMENT

- Applicant:** Village of Green Oaks
Project names: Village of Green Oaks
Location: 2020 O'Plaine Road, Green Oaks 60048
Organization: Illinois Municipality
Trustee: Patricia P. Thomas

PROFESSIONAL & FINANCIAL

- | | | | |
|-------------------------------|-------------------------------|---------------|--------------|
| Underwriter: | AG Edwards | St Louis, MO | Anne Noble |
| Local Bond Counsel: | TBD | | |
| Issuers Counsel: | Brooks Cahill & Hanley | Chicago | Kevin Cahill |
| Trustee: | US Bank | St. Louis, MO | Brian Kabbes |
| IFA Financial Advisor: | D.A. Davidson & Co. | Chicago | Bill Morris |
| | Scott Balice Strategies, Inc. | Chicago | Lois Scott |

LEGISLATIVE DISTRICTS

Congressional:	Mark Steven Kirk - 10 th	
State Senate:	William Peterson – 26 th	Terry Link - 30th
State House:	Ed Sullivan, Jr. – 51 st	Kathleen A. Ryg – 59th

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2007**

Project: Village of Waynesville

STATISTICS

Number:	L-GP-7200	Amount:	\$620,000 (not to exceed)
Type:	Local Government Pooled Program		
IFA Staff:	Kristi Conrad	Location:	Waynesville, Illinois

BOARD ACTION

Final Resolution	No extraordinary conditions
Local Government Pooled Program	No IFA funds at risk
Staff recommends approval	

PURPOSE

Provide financing for the construction of a building to house a water filtration system as well as waterlines to connect a water-well to the plant.

IFA PROGRAM AND CONTRIBUTION

IFA's Local Government Pooled Bond Program combines the needs of more than one unit of local government into a pooled bond issue, with the IFA serving as the financing conduit. The pooling process allows local governments to realize savings by sharing fixed costs and achieving economies of scale. In addition, the issues are supported by the "moral obligation" of the State of Illinois. This, coupled with the bonds double-tax exemption offers participants a lower overall borrowing rate.

VOTING RECORD

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

However, the Village of Waynesville was approved by the IFA Board for an Interim Loan in May 2007. The May 2007 voting record for the Village of Waynesville Interim Loan Project was:

Ayes: 11 Nays: 0 Abstentions: 0

SOURCES AND USES OF FUNDS

Sources:	IFA Interim Loan	\$620,000	Uses: Water Storage Tank	\$600,000
			Costs of Issue	<u>20,000</u>
	Total	<u>\$620,000</u>	Total	<u>\$620,000</u>

JOBS

Current employment:	0	Projected new jobs:	0
Jobs retained:	0	Construction jobs:	4

BUSINESS SUMMARY

Background: The Village of Waynesville, located in DeWitt County, covers less than 1 square mile. According to the 2000 U.S. census, the Village has a population of 452 people. Waynesville is approximately 25 miles southwest of Bloomington.

Waynesville is one of the oldest settlements in central Illinois. The area was first settled around 1825, by Prettyman Marvel and his wife. They cleared an area of land near the present location of the Village and were followed shortly thereafter by several other settlers.

Project: The proposed project consists of construction of a new building and waterlines.

FINANCING SUMMARY

The Bonds: The bonds will be Alternate Revenue Bonds, with the Village's Water Fund net revenues pledged as the primary revenue source. In the event that pledged revenues are insufficient to pay principal and interest on the bonds, the Village has committed to collect ad valorem property taxes levied to pay debt service on the bonds. The Village must document that the primary revenues are sufficient to provide 1.25 times debt service coverage on the bonds in order to pledge ad valorem property taxes to repay the bonds without passing a voter referendum to do so. The Village will pass a "backdoor referendum" authorizing issuance of the bonds unless a sufficient number of voters petition to require referendum approval. In the event that there are not adequate funds for debt service payment, the Village will pledge its interceptable state revenues (State Income Tax, State Sales Tax, State Replacement Tax, and Motor Fuel Tax)

Collateral: The bonds are secured by a pledge of (i) net revenues from the Village's Water Fund, then (ii) ad valorem property taxes are levied against all of the taxable property in the Village without limitation as to rate or amount, and (iii) the Village's interceptable State revenues.

Structure: Principal is expected to be due on February 1, beginning in 2009 with a final maturity in 2038. Interest will be fixed rate and payable each August 1 and February 1, beginning August 1, 2008. The bonds are subject to redemption prior to maturity.

Maturity: 30 years

PROJECT SUMMARY

The Village of Waynesville will use the proceeds of the interim loan to (i) construct a new building and waterlines and certain costs associated with the issuance of the Local Government Securities and the Bonds.

Total costs are estimated at \$620,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Village of Waynesville
Project names: The Village of Waynesville
Location: 200 E. 2nd St. P.O. Box 60 Waynesville, IL 61778
Organization: Illinois Municipality
Village Clerk: Fran Garrett

PROFESSIONAL & FINANCIAL

Underwriter:	AG Edwards	St Louis, MO	Anne Noble
Local Bond Counsel:	Chapman and Cutler LLP	Chicago	Chuck Jarik
Issuers Counsel:	Brooks Cahill & Hanley	Chicago	Kevin Cahill
Trustee:	US Bank	St. Louis, MO	Brian Kabbes
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 15th – Timothy V. Johnson
State Senate: 44th – Bill Brady
State House: 87th – Bill Mitchell

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2007**

Project: City of Aledo

STATISTICS

Number:	L-GP-7217	Amount:	\$2,070,000 (not to exceed)
Type:	Local Government Pooled Program		
IFA Staff:	Kristi Conrad	Location:	Aledo, Illinois

BOARD ACTION

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

PURPOSE

Provide financing for the City of Aledo to design and construct two 400,000 gallon water towers.

IFA PROGRAM AND CONTRIBUTION

IFA's Local Government Pooled Bond Program combines the needs of more than one unit of local government into a pooled bond issue, with the IFA serving as the financing conduit. The pooling process allows local governments to realize savings by sharing fixed costs and achieving economies of scale. In addition, the issues are supported by the "moral obligation" of the State of Illinois. This, coupled with the bonds double-tax exemption offers participants a lower overall borrowing rate.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	<u>\$2,070,000</u>	Uses:	Water Tower	\$2,000,000
				Costs of Issue	<u>70,000</u>
	Total	<u>\$2,070,000</u>		Total	<u>\$2,070,000</u>

JOBS

Current employment: 0	Projected new jobs: 0
Jobs retained: 0	Construction jobs: 10

BUSINESS SUMMARY

Background: The City of Aledo, located in Mercer County, covers a geographical area of 2.3 square miles. The City is approximately 40 miles southwest of Moline and serves a population of 3,613 (per the 2000 census).

Project: The City wishes to design and construct two 400,000 gallon water towers.

FINANCING SUMMARY

The Bonds: The bonds will be Alternate Revenue Bonds, with the City's Water Fund net revenues pledged as the primary revenue source. In the event that pledged revenues are insufficient to pay principal and interest on the bonds, the City has committed to collect ad valorem property taxes levied to pay debt service on the bonds. The City must document that the primary revenues are sufficient to provide 1.25 times debt service coverage on the bonds in order to pledge ad valorem property taxes to repay the bonds without passing a voter referendum to do so. The City will pass a "backdoor referendum" authorizing issuance of the bonds unless a sufficient number of voters petition to require referendum approval. In the event that there are not adequate funds for debt service payment, the City will pledge its interceptable state revenues (State Income Tax, State Sales Tax, State Replacement Tax, and Motor Fuel Tax)

Collateral: The bonds are secured by a pledge of (i) net revenues from the City's Water Fund, then (ii) ad valorem property taxes are levied against all of the taxable property in the City without limitation as to rate or amount, and (iii) the City's interceptable State revenues.

Structure: Principal is expected to be due on February 1, beginning in 2009 with a final maturity in 2018. Interest will be fixed rate and payable each August 1 and February 1, beginning August 1, 2008. The bonds are subject to redemption prior to maturity.

Maturity: 10 years

PROJECT SUMMARY

The City will use proceeds to design and construct two 400,000 gallon water towers.

Total costs are estimated at \$2,070,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: City of Aledo
Project names: City of Aledo
Location: 120 N. College Avenue, Aledo 61231
Organization: Illinois Municipality
City Administrator: Patrick R. Burelle

PROFESSIONAL & FINANCIAL

Underwriter:	AG Edwards	St Louis, MO	Anne Noble
Local Bond Counsel:	TBD		
Issuers Counsel:	Brooks Cahill & Hanley	Chicago	Kevin Cahill
Trustee:	US Bank	St. Louis, MO	Brian Kabbes
IFA Financial Advisor:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 17th – Phil Hare
State Senate: 36th – Mike Jacobs
State House: 72nd – Patrick Verschoore

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2007

Project: Ohmx Corporation

STATISTICS

Project Number:	V-TD-7213	Amount:	\$300,000 (not-to-exceed amount)
Type:	Venture Capital	IFA Staff:	Steven Trout
Location:	Evanston		

BOARD ACTION

Resolution to Purchase Preferred Stock \$300,000 of IFA funds at risk
Technology Development Bridge Venture Capital Staff recommends approval.
The Venture Capital Committee will meet before the Board Meeting and make a recommendation on this investment

IFA CONTRIBUTION

The Technology Development Bridge is an Illinois venture capital fund that provides seed stage equity financing to small technology companies. This innovative public-private partnership was developed by the Illinois Coalition (now the Illinois Technology Development Alliance) and is funded by the Illinois Finance Authority to assist start-up technology firms to access capital to grow and create jobs. Pursuant to IFA Statute and Board policy, Technology Development Bridge investments must be made with a matching investment from a co-investor who is a professional investor, an "Accredited Investor" as defined by the SEC (minimum \$1 million net worth and \$250,000 annual income), and will invest at least equal money under terms no more favorable than those offered to IFA.

PURPOSE

Proceeds from this offering of preferred stock will be used for general corporate purposes, including working capital, capital expenditures. Proceeds will also be used to achieve various business milestones.

VOTING RECORD

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

JOBS

Current employment:	7	Projected new jobs (next 2 years):	4
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

Description: Ohmx Corporation is a Delaware corporation that filed its certificate of incorporation with the Secretary of State of the State of Delaware on August 15, 2003.

Background: Ohmx began operations in January 2005, to develop rapid, accurate and cost effective biosensor-based systems. Their technology electronically detects a wide variety of targets such as proteins, biomarkers, bacteria, viruses and mold. Ohmx is focused on the development of portable, electronic detection devices for use in in-vitro diagnostics and other applications such as biodefense, food safety and water testing. The company's platform performs multiplexed protein detection using nano-engineered electronic surfaces arrayed on disposable chips. The single-use biosensor chip, containing sites for a panel of targets and corresponding biosensor reader is enabling multiplexed detection that should be rapid, sensitive, and inexpensive to manufacture. Ohmx has world-wide licenses to 40 patents and patent applications to develop, market and

manufacture the biosensors and plans to form joint ventures and partnerships to access target markets.

FINANCING SUMMARY

- The Offering:** This round is the third reopening of their Series A round. Ohmx is seeking \$1.45M in this round on a pre-money valuation of \$8.55M and a post-money valuation of \$10M. Ohmx is issuing new shares at \$1.014 per share. If IFA invests in this company, they will receive 295,858 shares or approximately 3.0% equity ownership in Ohmx in the form of Series A Preferred stock.
- Co-Investor:** The co-investor will be Barbara Tyson, who will be investing \$1,000,000 in Series A Preferred. Ms. Dyson currently has a 31.3% ownership stake in the Company in the form of Series A Preferred with a pre-money valuation of \$2,627,221. Ms. Dyson is a founder and principal of Dyson, Dyson & Dunn, Inc., a private equity firm focused on middle market industrial manufacturing, distribution and service companies. Ms. Dyson's firm owns and operates 8 companies with sales over \$200 million. Ms. Dyson received her BA in Economics from Rollins University and has an MBA from Northwestern University's Kellogg School of Management.
- Voting Rights:** The Series A Preferred Shares vote on an as-converted to Common Stock basis, but also has a class vote by 51% on:
- Altering, changing or amending the preferences, privileges or rights of Series A Preferred shares
 - Authorizing, creating and/or issuing a senior or a pari passu class or series of equity securities
 - Increasing or decreasing the authorized number of directors constituting the Board.
 - Any consolidation, sale or merger of the Company or other transactions in the control of the Company is transferred.
 - Amending or waiving any provision of the Company's Certificate of Incorporation.
 - Redeeming, purchasing or declaring any dividend with regard to any security of the Company without written approval of a majority of the holders of the Series A Preferred. This provision shall not apply to the Company's repurchase of capital stock granted pursuant to a stock benefits plan.
- Representation:** Should IFA decide to invest, it will not be offered a Board of Directors seat but will be granted observation rights.
- Conversion Option:** Convertible at any time at option of holder into one share Common Stock (subject to anti-dilution adjustments) The Series A Preferred shall be automatically converted into Common Stock, at the then applicable conversion price (1) in the event of an underwritten public offering of shares of Common Stock at a public offering price that is not less than three times the Original Issue Price and an aggregate offering price of \$15,000,000 or (2) on the date upon which the Company obtains a vote or consent of at least 51% of the then outstanding shares of Series A Preferred Shares approving such as conversion.
- Anti-dilution Rights:** There were no changes in the terms from the first opening of the Series A round. IFA will be entitled to weighted average anti-dilution.
- Co-Sale Rights:** None
- Redemption Rights:** Series A Preferred Shares are not redeemable.
- Liquidation Preferences:** First, pay purchase price plus accrued dividends, if any, on each share of Series A Preferred. Second, the holders of the Series A and Common Stock shall share proceeds on a pro rata (as converted) basis until the holders of the Series A Preferred have received two times their Original Issue Price. Third, balance of proceeds pay to Common Stock. A consolidation or merger of the Company or sale of all or substantially of its assets shall be deemed to be a liquidation or winding up for purposes of the liquidation preference.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Ohmx Corporation, 1801 Maple Avenue, Suite 6143, Evanston IL 60201.
Contact: Gary Blackburn, President and CEO, (847)-491-8500
Organization: Delaware Corporation
Accountant: Ostrow Reisin Berk & Abrams, Ltd, Chicago
Corporate: Dorsey & Whitney LLP, Chicago
Issuer's Counsel: To be determined

LEGISLATIVE DISTRICTS

State House: 18 Julie Hamos
State Senate: 9 Jeffrey M. Schoenberg
Congress: 9 Janice D. Schakowsky

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2007**

Project: Aqua Illinois, Inc.

STATISTICS

Project Number:	PU-WD-TE-CD-7202	Amount:	\$17,000,000 (not-to-exceed amount)
Type:	Water Furnishing Facilities Revenue Bonds	IFA Staff:	Rich Frampton
Locations:	Belgium, Bourbonnais, Bradley, Catlin, Danville, Hawthorne Woods, Kankakee, Manteno, Philo, Tilton, University Park, Unincorporated Will County, Westville, and adjacent unincorporated areas		

BOARD ACTION

Preliminary Bond Resolution
Staff recommends approval
Conduit Tax-Exempt Water Furnishing Facilities Revenue Bonds
No IFA funds at risk
No extraordinary conditions

PURPOSE

As proposed, IFA would issue \$17 million of New Money Water Furnishing Facilities Revenue Bonds to finance Aqua Illinois' drinking water systems including, but not limited to, mains, meters, pumping stations, and treatment plants. These improvements will focus on Aqua Illinois service areas located in portions of Champaign, Cook, Kankakee, Lake, Vermilion, and Will Counties.

IFA PROGRAM AND CONTRIBUTION

The Bonds will be issued as Tax-Exempt Water Furnishing Facilities Revenue Bonds, a category of Exempt Facilities Bonds under the Internal Revenue Code (Section 142(a)(4)). These Bonds provide Tax-Exempt financing for capital improvements for drinking water furnishing facilities owned by investor-owned water companies.

IFA (IDFA) has had a longstanding relationship with Aqua Illinois, Inc. and its predecessors (including Consumers Illinois Water and Inter-State Water Company) since 1984. As of 8/31/2007, IFA (IDFA) had approximately \$12.75 million of Revenue Bonds outstanding for Aqua Illinois, Inc.

100% of the Volume Cap for this project will be derived from 2004 Carryforward Volume Cap allocated specifically for Water Furnishing Facilities Revenue Bonds. Accordingly, these Bonds will not require any 2007 Volume Cap. These Bonds must be issued on or before 12/31/2007 (i.e., prior to the 12/31/2007 expiration date of the subject 2004 Carryforward Volume Cap).

VOTING RECORD

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

SOURCES AND USES OF FUNDS -- PRELIMINARY, SUBJECT TO CHANGE

Sources:	IFA Series 2007 Bonds	\$17,000,000	Uses:	Project Costs	\$16,405,000
				Costs of Issuance and	
				Bond Insurance Prem.	<u>595,000</u>
	Total	<u>\$17,000,000</u>		Total	<u>\$17,000,000</u>

Source of Equity: To the extent the Costs of Issuance and the Bond Insurance Premium exceed the amounts represented above (or if the Costs of Issuance exceed 2% of bond proceeds) any additional costs of issuance will be drawn from available corporate resources. Combined Costs of Issuance and Bond Insurance Premium are initial estimates. Aqua Illinois and the Underwriter (Edward Jones) have submitted a request for municipal bond insurance from AMBAC, FGIC, MBIA, and XL. *The information in this table represents preliminary estimates and will be updated to reflect final estimated Costs of Issuance and Bond Insurance Premium at the time of the Final Bond Resolution.*

JOBS

Current employment in Illinois: 90	Projected new jobs: 0 (Aqua Illinois is a regulated utility)
Jobs retained: Not Applicable	Construction jobs: 265 (1-15 months)

BUSINESS SUMMARY

Background: Aqua Illinois, Inc. ("Aqua Illinois" or the "Company"), incorporated under Illinois law and based in Kankakee, Illinois, is a wholly-owned subsidiary of Aqua America, Inc. of Bryn Mawr, Pennsylvania ("Aqua America" or the "Parent Company").

The Parent Company is incorporated under Pennsylvania law and serves as a holding company for regulated utilities providing water or wastewater services to approximately 2.8 million people in portions of 13 states, including Pennsylvania, Illinois, Ohio, North Carolina, Texas, New Jersey, New York, Indiana, Florida, Virginia, Maine, Missouri, and South Carolina.

Aqua America's stock is publicly traded on both the New York Stock Exchange and the Philadelphia Stock Exchange under the ticker symbol "WTR".

Description: Aqua Illinois, Inc. is an investor-owned water company and regulated public utility that provides water to residential, commercial, and industrial customers throughout Illinois, with its principal operating divisions located in Northern Illinois and Central Illinois. Aqua Illinois and its predecessors have supplied water to the greater Kankakee area since 1886 and acquired the municipal water system assets in nearby Manteno in June 2007 for \$4.5 million. Predecessor companies included Consumers Illinois Water Company of Kankakee and Inter-State Water Company of Danville. The Company is also engaged in providing wastewater services in certain districts.

Aqua America's Illinois operations are headquartered in Kankakee. Aqua Illinois serves approximately 69,000 water and wastewater customers, serving a population base of approximately 200,000 people located in approximately 31 municipalities and adjacent unincorporated areas of nine counties. Aqua Illinois employs approximately 90 in Illinois, including 50 at its Illinois headquarters facility in Kankakee. Additionally, Aqua America, Inc. established a regional call center in Kankakee in 2006 that services customers at Aqua America subsidiaries located in Illinois, Indiana, Missouri, and Ohio. This call center now employs approximately 17 full-time equivalent employees. The Kankakee Call Center is one of three that Aqua America operates nationally.

Aqua Illinois' principal operating divisions include:

- 1. Kankakee Division (Kankakee County):**
 - 84.9 square miles; 65,000 people
 - Drinking water
 - Serves 5 communities in Kankakee County: Kankakee, Aroma Park Bradley, Bourbonnais, and Manteno, along with portions of several adjacent townships (Kankakee, Aroma, Bourbonnais, Manteno, and Limestone)
- 2. Vermilion Division (Vermilion County and Village of Philo in Champaign County):**
 - Drinking water
 - 73.5 square miles; 61,500 people in Vermilion County
 - Serves 5 communities in Vermilion County: Danville, Tilton, Catlin, Westville, and Belgium, along with surrounding unincorporated areas
 - Aqua America also purchased a drinking water system in Philo (Champaign County) in 2005 comprising approximately 1 square mile and serving approximately 1300 + people in Philo (Champaign County) that was purchased in 2005
- 3. Woodhaven Division (Lee County):**
 - 2.3 square miles; 22,000 people
 - Drinking water and wastewater treatment
 - Serves Woodhaven subdivision in Lee County
- 4. University Park Division (Cook County and Will County):**
 - 19.3 square miles; 6,000 people
 - Drinking water and wastewater treatment
 - Serves the Village of University Park, and portions of several adjacent townships in Will County (Crete, Green Garden, and Monee)
- 5. Candlewick Division (Boone County):**
 - 2.0 square miles; 5,000 people
 - Drinking water and wastewater treatment
 - Serves the Candlewick subdivision in Boone County
- 6. Willowbrook Division (Will County):**
 - 10.3 square miles; 3,200 people
 - Drinking water and wastewater treatment
 - Serves the following subdivisions and unincorporated areas in NE Will County: Willowbrook Estates, Ridgefield Subdivision, Dixie Dells, Balmoral Woods, Calumet Gardens, and NE Crete Township
- 7. Oak Run Division (Knox County):**
 - 7.8 square miles; 1,350 people
 - Drinking water
 - Serves the Oak Run subdivision in Knox County
- 8. Ivanhoe Division (Lake County):**
 - 1.4 square miles; 600 people
 - Drinking water and wastewater treatment
 - Serves the unincorporated Lake County including and near the Ivanhoe Country Club (near Mundelein)
- 9. Ravenna (Long Grove/Lake County):**
 - 160 acres, serves 29 customers, in the Village of Long Grove
 - purchased in 2006
- 10. Aqua Illinois Operations and Maintenance Contracts (2)**
 - Village of Tower Lakes (Lake County); 2.0 square miles; 1,200 people
 - Village of Sublette (Lee County); 1.0 square mile; 600 people

Most recently, IFA (IDFA) closed \$12.755 million of Water Furnishing Facilities Refunding Bonds in November 2002. This Bond issue refinanced 100% of the Company's outstanding Bonds for water utility improvements located in the Company's Kankakee and Danville Districts. The Series 2002 IFA (IDFA) Bonds are credit enhanced with AMBAC municipal bond insurance and

are rated "AAA" by S&P. All payments on prior Aqua Illinois, Inc. Bonds (i.e., Consumers Illinois Water Company Bonds) were current as of 9/1/2007.

Aqua America, Inc. (Aqua Illinois' parent) does not currently have a stand-alone rating from the rating agencies. Aqua America's Pennsylvania subsidiary (Aqua Pennsylvania, Inc.) is Aqua America's largest operating unit comprising 45% of revenues and has a stand-alone, unsecured credit rating of A+ from S&P. Aqua Illinois, Inc., however, is a non-rated entity. The Company plans to enhance the proposed IFA Series 2007 Bonds with AAA-rated (S&P) bond insurance, as with all prior IFA (IDFA) bond issues.

A portion of the proceeds will be used to finance capital improvements to Aqua Illinois' recently acquired Manteno water system and will also provide for interconnection with the Company's existing water distribution and wastewater treatment facilities in its Kankakee District.

ICC Regulation
and approval of
Debt Financing:

The Company is a regulated public water utility that is subject to regulation by the Illinois Commerce Commission ("ICC"). The ICC has jurisdiction with respect to rates, service, accounting procedures, acquisitions, financial leverage, and other matters. Accordingly, Aqua Illinois has submitted details of this financing to the ICC. Aqua Illinois expects the ICC review and public comment periods to extend through October 31, 2007. Based on this schedule, the Company plans to return to the IFA Board in November with bond documents and a bond insurance commitment in order to enable closing prior to 12/31/2007.

Aqua Illinois' application for approval of an \$17.0 million of Tax-Exempt IFA Water Furnishing Facilities Revenue Bonds submitted during the week of 9/17/2007 and notified the ICC that the subject financing must close on or before 12/31/2007 since the available 2004 Carryforward Volume Cap will expire if the proposed Bonds are not issued on or before 12/31/2007.

According to Aqua America management, the ICC regulates Aqua Illinois' leveraging and specifies a maximum debt-to-capitalization ratio for the Company. In order to conform to this regulatory requirement, the maximum amount that Aqua America can borrow under the proposed IFA Bond Issue is \$17.0 million.

FINANCING SUMMARY

Security: Bonds will be sold based on the AAA-rated (S&P) credit enhancement from AMBAC, FGIC, MBIA, or XL (selection to be based on a request for proposals that was distributed by Edward Jones (the Underwriter) to the prospective bond insurers during the week of 9/24/2007).

Structure: Fixed Rate Bonds. Estimated market rate of 4.75% as of 9/19/2007.

Maturity: Approximately 30 years (December 1, 2037).

PROJECT SUMMARY

Bond proceeds will be used to finance various capital improvements to Aqua Illinois' drinking water system including, but not limited to, mains, meters, pumping stations, and treatment plants located in portions of the Aqua Illinois' service area and including the following communities and surrounding unincorporated areas: Belgium/Catlin/Danville/Tilton/Westville (Vermilion County, Illinois); Philo (Champaign County); Aroma Park/Bourbonnais/Bradley/Kankakee/Manteno (Kankakee County, Illinois); Hawthorne Woods (Lake County); and, University Park (Cook County and Will County).

Total Project Costs are estimated at \$16,405,000 (comprised of the improvements described in the preceding paragraph).

ECONOMIC DISCLOSURE STATEMENT

Applicant/Primary

Contact: Aqua Illinois, Inc. (Contact: Mr. Steve Anzaldo, VP & Treasurer, c/o Aqua America, Inc. Corporation, 762 West Lancaster Avenue, Bryn Mawr, PA 19010-3489; Direct Ph.: 610/645-1101; Fax: 610/519-0989; sfanzaldo@aquaaamerica.com);

Alternate Contacts: (1) Mr. Bob Kopas; Aqua America, Inc., 6650 South Avenue, Youngstown, OH 44512; Ph.: 330-726-8151; rakopas@aquaaamerica.com , and

(2) Mr. Terry Rakocy, President, Aqua Illinois, Inc., 1000 S. Schuyler Ave., Kankakee, IL 60901; Ph.: 815/935-6353; Fax: 815/935-8809; tjrakocy@aquaaamerica.com;

Project name: IFA Series 2007 Water Furnishing Facilities Revenue Bonds (Aqua America, Inc. Project)

Locations: Belgium/Catlin/Danville/Tilton/Westville and certain surrounding unincorporated areas of Vermilion County, Philo (Champaign County), Hawthorne Woods (Lake County), Aroma Park/Bourbonnais/Bradley/Kankakee/Manteno (Kankakee County), and University Park (Cook County and Will County), and surrounding unincorporated areas.

Land Owner: Most of the principal plants and properties of Aqua Illinois, Inc., other than mains, meters, regulators, pumping stations, and treatment plants are located on property owned in fee simple interest. Substantially all water mains are located under public rights-of-way (i.e., public streets, alleys, and highways), or under property owned by other under grants of easement.

Organization: Corporation

State: Illinois

Ownership: Aqua Illinois, Inc. is a wholly-owned subsidiary of Aqua America, Inc., a publicly-traded company.

- The only entity that held more than a 5.0% ownership interest in Aqua America, Inc. as of 6/30/2007 pursuant to SEC disclosure was Pictet Asset Management, Ltd., Tower 42, 25 Old Broad Street, London, UK, EC2N 1HQ, a London-based institutional investor. [Because Pictet is an offshore entity and an institutional investor, no further ownership disclosure is required pursuant to IFA policy.]

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Jones Day	Chicago, IL	Bill Harmon
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
Underwriter:	Edward Jones	St. Louis, MO	Bill Hizar
Underwriter's Counsel:	Gilmore & Bell, P.C.	St. Louis, MO	Mark Grimm
Bond Insurance:	Bids forthcoming from AMBAC, FGIC, MBIA, and XL		
Auditor:	PricewaterhouseCoopers	Philadelphia, PA	
General Contractor:	Aqua America, Inc.	Philadelphia, PA	
Preliminary Lists of Potential Engineering Consultants and Potential Contractors	<i>(see page 6)</i>		
Trustee:	US Bank	Philadelphia, PA	Terence McPoyle
Rating Agency:	Standard & Poor's	New York, NY	
Issuer's Counsel:	Charity and Associates, P.C.	Chicago, IL	Alan Bell

Preliminary List of Potential Engineering Consultants

Aqua Illinois, Inc. (In-House Staff)
CDM, Chicago, IL
Tyson Engineering, Inc., Kankakee, IL
Sodemann and Associates, Inc., Champaign, IL
Berns, Clancy and Associates, Urbana, IL
Foth, Champaign, IL
Clark Dietz, Champaign, IL
Nies Engineering, Inc., Mokena, IL
Tank Industry Consultants, Inc., Bolingbrook, IL
Simms Engineering, Ltd, Kankakee, IL
M. Gingerich Gereaux & Associates, Bradley, IL
Baxter and Woodman, Mokena, IL
Greeley and Hansen, LLC, Chicago, IL
Cornerstone Engineering, Inc., Bourbonnais, IL
Matthew and Lazdins, Kankakee, IL
Crawford, Murphy, and Tilly, Inc., Springfield, IL
Johnston Hultsch Birkenbeil Bright Architects, Kankakee, IL

Preliminary List of Potential Contractors

Aqua America, Inc. (In-House Crews)
Cross Construction Company, Rantoul, IL
O'Neil Bros., a division of MACC of Illinois, Inc., Tilton, IL
Daniel L. Ribbe Trucking, Inc., Tilton, IL
Brown Trucking & Excavating, Danville, IL
Feutz Contractors, Inc., Paris, IL
Schomburg & Schomburg Construction Co., Danville, IL
Caldwell Tanks, Inc., Louisville, KY
Phoenix Fabricators and Erectors, Inc., Avon, IN
CBI Constructors, Inc., Plainfield, IL
Pittsburg Tank & Tower Co., Inc., Henderson, KY
Kankakee Valley Construction Company, Kankakee, IL
EFI Global, Inc., Crown Point, IN
USEMCO, Tomah, WI
Tenco Excavating, Bourbonnais, IL
Wren Construction Co., Coal City, IL
R&R Sewer-Water & Excavating, Inc., Crete, IL
Reilly Electric, Kankakee, IL
Girard Electric, Inc., Kankakee, IL
Heritage Development & Construction, Kankakee, IL

LEGISLATIVE DISTRICTS

Note: Aqua Illinois had preliminarily identified project sites located in the following legislative districts at the time of application for Inducement Resolution. The Company ultimately plans to apply proceeds to a portion of these projects based on useful life considerations to be determined in connection with the Tax Certificate to be executed prior to closing. *Accordingly, the list of prospective projects is subject to revision prior to closing.* (As presently contemplated, the primary sites will be in the Danville and Kankakee Districts noted below.)

	<u>Danville District (Vermilion Co.)</u>	<u>Kankakee District (Kankakee County)</u>
Congressional:	15 Timothy V. Johnson	11 Gerald C. ("Jerry") Weller
State Senate:	52 Michael W. Frerichs	38 Gary G. Dahl, and
		40 Debbie DeFrancesco Halvorson
State House:	104 William B. Black	75 Careen M. Gordon, and
		79 Lisa M. Dugan
	<u>Danville District (Philo/ Champaign County)</u>	<u>University Park (Cook and Will Counties)</u>
Congressional:	15 Timothy V. Johnson	2 Jesse L. Jackson, Jr.
State Senate:	52 Michael W. Frerichs	11 Gerald C. ("Jerry") Weller
State House:	104 William B. Black	40 Debbie DeFrancesco Halvorson
		79 Lisa M. Dugan
		80 George F. Scully
	<u>Hawthorne Woods (Lake County)</u>	
Congressional:	8 Melissa Bean	
State Senate:	26 William Peterson	
State House:	51 Ed Sullivan	

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2007**

Project: John Hofmeister & Son, Inc.

STATISTICS

Project Number:	I-IR-TE-CD-6191	Amount:	\$3,000,000 (not to exceed amount)
Type:	Industrial Revenue Bond	FM:	Steve Trout
Location:	Chicago		

BOARD ACTION

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

PURPOSE

Bond proceeds will be used to finance land acquisition, building construction, machinery and equipment acquisition and professional costs.

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. **Issuance of the Bonds is subject to an allocation of Volume Cap from the IFA.**

VOTING RECORD

Preliminary Bond Resolution, January 9, 2007:

Ayes: 10 Nays: 0 Abstentions: 0

Absent: 5 (DeNard, Giannoulas, Herrin, Nesbitt, Valenti) Vacancies: 0

SOURCES AND USES OF FUNDS

Sources:	IRB	\$2,800,000	Uses:	Project Costs	\$3,550,000
	Equity	<u>850,000</u>		Legal & Professional	<u>100,000</u>
	Total	<u>\$3,650,000</u>		Total	<u>\$3,650,000</u>

JOBS

Current employment:	60	Projected new jobs:	15 (within 2 years)
Jobs retained:	0	Construction jobs:	6 (6 months)

BUSINESS SUMMARY

Description: John Hofmeister & Son, Inc. is a Subchapter S. Corporation, founded in 1946 by John Hofmeister. The company operates out of their main location at 2389-90 S. Blue Island in Chicago. The company is primarily engaged in the processing of hams into a cooked or smoked product for general consumption. Clients include: grocers, food brokers, the federal government and wholesalers.

Background: Since 1946, John Hofmeister & Son, Inc. has specialized in ham processing. This is accomplished in a variety of ways including: boiled, baked, smoked, and spiced. The product line includes a natural juice ham, a water added ham, a deli style ham, a cooked Virginia ham, luncheon loaves, and a boneless deli style ham to name a few. Sales are divided among hams (85%) and smoked hams (15%). The company manufactures under various private labels such as Old Warsaw, Dinell, Hofmeister and Hofmeister Haus. The company's clients also buy product under their own private label, including Scott Petersen, Old Virginia, and Prestige.

The processing of meat takes up to six days on average, depending on the product. Typically, raw meat is received and stored in a cooler until a production order is issued. Initially, the raw is combined with various trimmings and spices in a curing process that takes 24 hours to complete. The ingredients are added to a massaging machine where they are combined together. The mixed product is then added to molds and cooked for eight to twelve hours. When cooled, labels are added and the product is boxed for shipment. Inventory is stored at the main company location at 2390 S. Blue Island Avenue in Chicago. From time to time, finished goods are stored at third party cold storage facilities.

The company currently employs approximately 60 employees, 65% of which are union employees. Union workers manage the floor and meat processing while non-union workers are typically in administration and distribution.

In December 2001, the company closed on an Industrial Revenue bond from the City of Chicago in the amount of \$6.5 million. The proceeds were used for the acquisition, rehabilitation and equipping of a manufacturing facility located at Blue Island. Since then, John Hofmeister's sales have increased rapidly following the company's participation in the federal government school lunch program and expanding relationships with the City of Kansas City and American Chef, Inc.

The Project: Company growth necessitates physical plant expansion. The proposed project includes the acquisition of land, building construction (that adds on to the company's current location) and equipment purchases and installation. The construction period is expected to be six months and will occupy the entire structure. The additional space will allow Hofmeister to expand its product line to sliced hams, a product that currently offers higher margins than unsliced ham. In summary, the expansion will enable Hofmeister to add to its product line, increase employment and enhance its competitiveness.

With the product expansion, the company expects to hire an additional fifteen employees over the next two years.

PROJECT SUMMARY

Bond proceeds will be used to (1) acquire an approximately 10,000 square-foot building and site located at 2300 Block of South Winchester in Chicago, (2) acquire new manufacturing machinery and equipment and (3) pay professional costs. The borrower will use employees to complete installation of machinery and equipment.

Estimated project costs are as follows:

Land Acquisition	\$1,000,000
Building Construction	1,700,000
Machinery & Equipment	<u>850,000</u>
Total	<u>\$3,550,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: John Hofmeister & Son, Inc. 2386 S. Blue Island Avenue, Chicago, IL 60608 (Contact: Ed Hofmeister (President), phone: 773-847-0700 fax: 773-847-6707)
Obligor: John Hofmeister & Son, Inc
Location: 2386 S. Blue Island Ave., Chicago, IL 60608
Organization: John Hofmeister & Son, Inc.. Subchapter S. Corporation
Ownership: Ed Hofmeister, President 70%
Bob Bukala, Head of Operations 15%
Mark Rataj, Head of Sales 15%

PROFESSIONAL & FINANCIAL

Borrower's Counsel	Stephen M. Oleskszkewicz Law	Chicago	Stephen Oleszkewicz
Bond Counsel:	Ice Miller	Chicago	Jim Snyder
Bond Underwriter:	Harris, NA	Chicago	Nick Knorr
Letter of Credit:	Harris, NA	Burr Ridge	Gene Padgett
Bank & Underwriter's Counsel:	Chapman and Cutler	Chicago	Bill Hunter
IFA Counsel:	Sanchez & Daniels	Chicago	John Cummins

LEGISLATIVE DISTRICTS

Congressional:	Luis V. Gutierrez	4th
State Senate:	Antonio "Tony" Muñoz	1st
State House:	Edward J. Acevedo	2nd

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2007**

Project: Zoll Real Estate, LLC (Rupari Food Services, Inc.)

STATISTICS

Project Number:	I-ID-TE-CD-7127	Amount:	\$10,000,000 (not-to-exceed)
Type:	Industrial Revenue Bond	IFA Staff:	Steve Trout
Location:	South Holland	NAICS:	311610

BOARD ACTION

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

PURPOSE

To finance the construction of a new 56,000 square foot production/cold storage facility, the expansion and renovation of a RTE (ready-to-eat) area and acquisition and installation of refrigeration equipment, cooking ovens, and warehouse equipment.

IFA PROGRAM AND CONTRIBUTION

The Authority's Industrial Revenue Bond Program provides low interest rate financing for qualifying industrial projects. IFA'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. **The South Suburban Manors and Managers Association, a regional consortium of local governments, has authorized the transfer of \$3.5 million in Volume Cap to IFA for this project. Issuance of the Bonds is subject to an allocation of Volume Cap from IFA and other sources.**

VOTING RECORD

The IFA adopted a Preliminary Bond Resolution on July 10, 2007 for Rupari Food Services, Inc. The borrower will be Zoll Real Estate, LLC a related entity created to hold the subject property.

Ayes: 11 Nays: 0 Abstentions: 0 Absent: 3 (DeNard; Fuentes; Zeller) Vacancies: 1

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA IRBs	\$10,000,000	Uses:	Project Costs	\$13,912,289
	GE Taxable Term Loan	2,500,000		Legal & Professional	<u>164,500</u>
	Equipment Leases	829,000			
	Equity	<u>747,789</u>			
Total		<u>\$14,076,789</u>	Total		<u>\$14,076,789</u>

JOBS

Current employment:	150	Projected new jobs:	110 (within 2 years)
Jobs retained:	0	Construction jobs:	60

BUSINESS SUMMARY

Description: Rupari Food Services, Inc. ("Rupari") is a privately owned Florida corporation that was established in 1978. Zoll Real Estate, LLC is an Illinois Limited Liability Company that was formed in June 2005 to purchase and hold the subject property in South Holland, Illinois.

Background: Rupari was originally founded in Canada by the father of current CEO Robert Mintz. The company operates from its headquarters in Deerfield Beach, Florida, manufacturing plants in South Holland and Vermont and several sales offices around the country.

Established in 1978, the company opened an office in South Florida to capitalize on the growing popularity of ribs in that region and started importing ribs from Canada that same year. In 1981, it began importing ribs from Denmark, where Robert Mintz had previously spent a year working at a pork factory to learn the family business. Before Rupari began importing pork products (shortly after the US government began allowing ribs to be imported), the Danish threw away pork ribs.

Since its inception, Rupari branched into other areas like groceries and snack foods, but it has recently returned to its niche focus on ribs—spare ribs, back ribs, St. Louis-style ribs, and other barbecue by-products. Strictly a rib importer until two years ago, the company began distributing domestic ribs that it processes in its plant in Chicago.

Rupari supplies ribs to some of the nation's largest national restaurant chains, such as TGI Friday's, Chili's, Tony Roma's, Max & Erna's Cheesecake Factory and Sonny's Barbeque restaurants, big box retailers, such as Wal-Mart and major grocery chains, such as Publix and Kroger. Rupari is the only company in the US that carries both domestic and imported ribs. (Domestic ribs are fattier, and imported ribs are leaner.) Rupari's clients have different quality standards and sell ribs at different price points, which affect their demand for ribs.

Implementing new technology has enabled Rupari to create line extensions and offer customers new products. For example, Rupari now precooks ribs at its Vermont plant for distribution to retailers and grocers and also co-packages ribs with Plumrose USA for sale under the Plumrose brand name.

Key competitors include Hormel and Smithfield. Key suppliers include all major national meat packers, such as Tyson, Swift and Dane.

Project

Rationale: Rupari was primarily a meat wholesaler until 2005 when it acquired a meat processing plant in South Holland, IL from Conagra Corp. The company's move into meat processing boosted employment from 35 to 150 and has spurred rapid sales growth. Since the acquisition Rupari has introduced several cooked meat products for sale to retail chains such as Wal-Mart, Publix, Stop-N-Shop and Harris Teeter. Management anticipates that growing demand for cooked meat products will largely drive Rupari's expansion over the next several years.

Demand from both restaurants and retailers is increasingly evolving to value-added, cooked, ready-to-eat, ready-to-serve products. Rupari needs additional production capacity to meet this need. Additional production, packaging and warehousing capacity is needed to fulfill this demand. Management expects to reduce warehousing, logistics, and transportation costs by constructing a new cold storage/production facility next to an existing production facility

Development

Benefits: The existing facility and planned expansion borders the towns of Phoenix and Harvey, both designated as slum/blighted areas. As such, this significant plant expansion will add a positive story to the economic development of this area. This project will add approximately 110 skilled, semi-skilled and administrative jobs. Given the economic conditions within this community, such job growth will have a very positive impact on the area. Additionally, the project will increase the local real estate tax base by approximately \$900,000.

FINANCING SUMMARY

The Bonds: The Bonds are expected to be purchased and held to maturity by GE Government Finance and to pay a fixed rate of interest and amortize over 240 months.

Collateral: The Bonds will be secured by a second mortgage on a food processing center/distribution and warehouse facility located at 15660 South Wentworth, South Holland, Illinois, a first mortgage on an office building located at 1208 West Newport Center Drive, Deerfield, Florida and a corporate guarantee from Rupari Food Services, Inc.

Rating: The Bonds will not be rated as GE Government Finance plans to hold them to maturity.

PROJECT SUMMARY

Bond proceeds will be used to finance: 1) the construction of a new 56,000 square foot production/cold storage facility to be located at 15600 S. Wentworth Avenue in South Holland, 2) the expansion and renovation of a RTE (ready-to-eat) area and 3) acquisition and installation of refrigeration equipment, cooking ovens, and warehouse equipment. . Estimated project costs are as follows:

Construction/Expansion:	\$8,242,338
Refrigeration and Cooking Equipment	5,219,951
Warehouse Equipment	300,000
Information Technology and Warehouse	
Management Equipment, Hardware and Software	<u>150,000</u>
Total	<u>\$13,912,289</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Rupari Food Services, 1208 West Newport Center Drive, Deerfield Beach, FL 33442
Contact: John Salvaggio, Controller, 954-480-6320
Project Location: 15600 S. Wentworth Ave., South Holland, IL 60473
Role: Obligor Guarantor
Organization: Illinois Limited Liability Company Florida Corporation
Ownership: Zoll Real Estate, LLC Rupari Food Service, Inc.
Robert Mintz: 85% Robert Mintz: 85%
Stemin Holdings, Ltd. Jennifer Mintz: 15%

Stemin Holdings, Ltd., is 100% owned by Steven Mintz.

PROFESSIONAL & FINANCIAL

Accountant:	Morrison, Brown, Argiz & Farra	Ft. Lauderdale, FL	Rick Covert
Bond Counsel:	Wildman Harrold Allen & Dixon	Chicago	James Snyder
General Counsel:	Akerman Senterfitt	Miami	Dan Jacobson
Bond Purchaser:	GE Government Finance	Florida	Ramsay Sims
IFA Counsel:	Sanchez and Daniels	Chicago	John Cummins
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

U.S Congress 2nd Jesse L. Jackson Jr.
IL House 29th David E. Miller
IL Senate 15th James T. Meeks

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 9, 2007**

Project: **Erikson Institute**

STATISTICS

Number:	E-PC-TE-CD-7199	Amount:	\$32,500,000
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Townsend S. Albright
Location:	Chicago		

BOARD ACTION

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

PURPOSE

Proceeds will be used to (i) acquire space in a commercial facility located in Chicago's North Loop, (ii) equip space purchased with state-of-the-art learning, teaching, and clinical spaces, (iii) purchase install related equipment, (iv) capitalize interest, and (v) fund legal and professional costs.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the bonds paid to bondholders and thereby reducing the borrower's interest expense.

VOTING RECORD

Preliminary Bond Resolution; no prior vote.

SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Revenue Bonds	<u>\$32,500,000</u>	Project Costs	\$31,385,000
		Capitalized interest	758,000
		Legal/Professional	<u>357,000</u>
Total	<u>\$32,500,000</u>	Total	<u>\$32,500,000</u>

JOBS

Current employment:	98	Projected new jobs:	27 (over 2 years)
Jobs retained:	N/A	Construction jobs:	100

BUSINESS SUMMARY

Background: Erikson Institute (“Erikson”, the “Applicant”) is one of the nation’s leading graduate schools in child development, dedicated to the education of child development professionals. Erikson is an Illinois not-for-profit institution of higher education incorporated in 1966. Erikson was founded in Chicago’s Hyde Park neighborhood to provide early childhood teacher training to professionals serving in the newly launched Federal Head Start Program. Three prominent child advocates; child psychologist, Maria Piers, advocate Barbara Taylor Bowman, and educator Lorraine Wallach launched the institute with the financial assistance of philanthropist, Irving B. Harris. The institute was named after Erik Erikson, the German-born psychoanalyst who first proposed that children are not simply biological organisms, but also products of society’s expectations, prejudices, and prohibitions.

Erikson offers master’s degrees in child development and childhood education, as well as four graduate certificate programs. Erikson offers a dual master’s program in childhood development and social work, and a doctorate in childhood development in collaboration with Loyola University Chicago. Erikson’s 40 full and part-time faculty teach, serve on national childhood development panels, and serve as consultants to child care organizations. The Herr Research Center for Children and Social Policy provides the infrastructure for research conducted at Erikson. Erikson is accredited by the North Central Association of Colleges and Schools. Current enrollment is (i) 302 in Master’s degree programs, (ii) 12 in Erikson’s PhD program, (iii) 60 in Master’s certificate programs, and (iv) 2,500 in professional development programs. Current enrollment consists of women; 95.5%, minority; 27.0%; advanced degrees, 32.0-%. Erikson is currently located in Chicago’s River North area. Erikson is governed by a –member Board of which a list is provided for IFA Board review.

Project Description: Proceeds from the proposed financing will be used to (i) acquire approximately 75,000 sq. ft. on four floors of a newly constructed facility located north of Chicago’s Loop being developed by the Alter Group. Erikson will occupy space on floors 1,2,3, and 4. The remaining space will be occupied by 111 West Illinois Street LLC, and will be leased to various tenants. Erikson will not own those floors., (ii) equip the facility with state-of-the-art learning, teaching spaces as well as clinical spaces to serve families who bring their children to Erikson, (iii) purchase and install for and related equipment and fixtures, (iv) capitalize interest, and (v) fund legal, professional, and bond issuance costs. The General Contractor broke ground in January, 2007, and expects to be construction to be completed by March, 2008. Erikson expects to move into the new space by October, 2008.

Remarks: Erikson currently serves hundreds of students and families in the metropolitan Chicago area and has out-grown its space. Tax exempt financing results in a significantly lower cost of capital than commercial financing and enables Erikson to build and equip a new facility to continue to provide excellence in teaching and research in childhood development and continue to serve client families in the Chicago Metropolitan Area.

FINANCING SUMMARY

Structure: Multi-mode variable rate bonds, credit enhanced with a Direct pay Letter of Credit from LaSalle Bank NA, Chicago, Illinois.
Collateral: First mortgage on subject property.
Maturity: 30 years

PROJECT SUMMARY

Bond proceeds will be used to (i) acquire approximately 75,000 sq. ft. on four floors of a newly constructed facility located at 451 N. LaSalle Street, Chicago, Cook County, Illinois, (ii) equip the facility with state-of-the-art learning, teaching and clinical spaces, (iii) purchase and install for and related equipment and fixtures, (iv) capitalize interest, and (v) fund legal, professional, and bond issuance costs.

Project Costs:	
New Construction/Acquisition	\$18,670,000
Machinery/Equipment:	<u>12,715,000</u>
Total	<u>\$31,385,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Erikson Institute
Project names: New facility Project
Location: 451 N. LaSalle Street, Chicago, Cook County, Illinois 60610-4510
Contact Person: Jan Promer, VP and CFO, 312-893-7120
Organization: 501(c)(3) Corporation
State: Illinois

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Patricia R. Walsh	Social Worker, St. Vincent de Paul Center
Leah Zell Wanger	LZW Group, LLC
Sheri B. Zuckerman	Early Childhood Educator, Glencoe Park District

PROFESSIONAL & FINANCIAL

General Counsel:	DLA Piper	Baltimore, MD	Kristin H.R. Franceschi
Accountant:	Washington, Pittman & Makeover, LLC	Chicago, IL	Angela Allen
Bond Counsel:	Greenburg Traurig	Chicago, IL	Matthew R. Levin
Underwriter:	LaSalle Financial Services, Inc.	Chicago, IL	Peter Glick
Underwriter's Counsel:	TBD		
Issuer's Counsel:	Requested		
Trustee:	TBD		
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
MEMORANDUM**

TO: IFA Board of Directors
FROM: Townsend S. Albright
DATE: October 9, 2007
RE: Change in financing structure of the United Sports Organizations of Barrington (The Barrington Field House) Project N-NP-TE-CD-7112

The Board summary for this transaction, when approved by the IFA Board on August 7, 2007 made no reference to a possible subordinated series of bonds. However, due to market conditions the past few weeks, the Underwriter for this project was only able to sell all the debt necessary for the financing by including a subordinated series of bonds. The only change was to split the Series A Bonds (Tax-exempt) into two sub series-a \$23.0 million senior subseries and a \$3.0 million subordinate subseries. They did not increase the size of the total bond issue amount approved by the Board in August. According to the Underwriter, Oppenheimer & Company, this change substantially strengthened the security of the senior A Series Bonds making them marketable in a difficult market. The subordinate subseries would (a) still be secured by the revenues of the project (just lower in the flow of funds), (b) would still be secured by the mortgage and guaranty, and (c) would still be subject to the minimum \$100 thousand denominations. Payment of the debt serviced on the subordinate subseries would be "soft" meaning that the owners of those bonds would be entitled to receive revenues only such revenues are available. There would be no event of default or remedies if the revenues were insufficient. In return the buyers of the subordinated bonds receive a much higher interest rate (approximately 7.0%) due to the additional risk. The change in structure was requested by institutional investors. The Underwriter informed staff that the new structure enabled the bonds to be substantially sold. The Underwriter plans to close the transaction or about October 10, 2007.

The "parameters" set forth in the IFA Bond Resolution would all remain unchanged. Maximum amount of the issue is \$30,000,000. The maturity is no later than 40 years. The purchase price is no greater than 97.0%. As pre priced the total IFA bond issue would be in the amount of approximately \$28,120,000. Staff submits this memorandum to the Board as a matter of information for Board review.

RESOLUTION NUMBER 2007-_____

WHEREAS, the **Illinois Finance Authority** (the “Authority”) has been created by, and exists under, the Illinois Finance Authority Act (the “Act”); and

WHEREAS, on November 10, 2004 the Authority issued its \$48,000,000 Revenue Bonds, Series 2004 (Ingalls Health System Obligated Group) (the “Bonds”) and loaned the proceeds thereof to The Ingalls Memorial Hospital (the “Borrower”), a not for profit corporation incorporated under the laws of the State of Illinois, to assist the Borrower in providing the funds necessary to (i) pay or reimburse the Borrower for the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities of the Borrower, including without limitation a new operating room and a new cancer facility, (ii) establish a debt service reserve fund and (iii) pay certain related expenses, including the premium for the municipal bond insurance policy of Radian Asset Assurance, Inc. (“Radian”) (collectively the “Financing Purposes”), all as permitted by the Act;

WHEREAS, the credit assigned by Fitch Investors Service to Radian has been reduced from “AA” to “A-“, resulting in an increased interest cost to the Borrower; and

WHEREAS, the Borrower expects to deliver to the Bond Trustee (as hereinafter defined) an irrevocable letter of credit (the “Letter of Credit”) provided by JPMorgan Chase Bank, N.A. (the “Bank”); and

WHEREAS, in connection with the delivery of the Letter of Credit by the Bank, the Borrower intends to effect a conversion of the Bonds from the Auction Mode to the Weekly Mode (each as defined in the hereinafter referred to Bond Indenture); and

WHEREAS, in connection with the delivery of the Letter of Credit it is necessary and advisable to amend and restate the Bond Trust Indenture dated as of November 1, 2004 (the “Original Bond Indenture”) between the Authority and The Bank of New York Trust Company, National Association, as bond trustee (the “Bond Trustee”) and the Loan Agreement dated as of November 1, 2004 (the “Original Loan Agreement”) between the Authority and the Borrower; and

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

(a) Amended and Restated Bond Trust Indenture (the “Amended Bond Indenture”) between the Authority and the Bond Trustee, amending and restating the Original Bond Indenture, a form of which is attached hereto as Exhibit A;

(b) Amended and Restated Loan Agreement (the “Amended Loan Agreement”) between the Authority and the Borrower, amending and restating the Original Loan Agreement, a form of which is attached hereto as Exhibit B;

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

(a) a Supplemental Official Statement (the "Supplement"), a form of which is attached hereto as Exhibit C, describing the terms of the Bonds during a Weekly Mode and the terms of the delivery of the Letter of Credit, with such changes as approved by an Authorized Officer (as hereinafter defined) prior to the delivery thereof; and

(b) Fourth Supplemental Master Trust Indenture supplementing and amending the Amended and Restated Master Trust Indenture dated as of October 15, 1995 (the "Master Indenture") among the Borrower, Ingalls Health System (the "Corporation"), certain other not for profit corporations and The Bank of New York Trust Company, National Association, as master trustee (the "Master Trustee"), a form of which is attached as Exhibit D hereto, providing for, among other things, the issuance thereunder of the Series 2007 Obligation to the Bank; and

(c) Direct Note Obligation, Series 2007 (JPMorgan Chase Bank, N.A.) of the Borrower (the "Series 2007 Obligation").

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

Section 1. Authority Documents. The Authority does hereby authorize and approve the execution by its Chairperson, Vice Chairperson, any of its other Members, Executive Director, Treasurer or any officer or employee designated by the Executive Director (each an "Authorized Officer") and the delivery and use of the Authority Documents. 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 Bonds and the purchase thereof.

Section 2. Additional Transaction Documents. The Authority does hereby approve the form of the Additional Transaction Documents. 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 executing the Loan Agreement, 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 the Additional Transaction Documents attached hereto.

Section 3. Approval of Conversion. Based solely upon the request and direction of the Borrower, the Authority approves the conversion of the Bonds from the Auction Mode to the Weekly Mode (as such terms are defined in the Bond Indenture).

Section 4. 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 document setting forth the agreements and certifications of the parties thereto relating to certain federal tax matters) 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 which are in conformity with the intent and purposes of these resolutions, 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 the Treasurer of the Authority, or in the event of the unavailability, inability or refusal of the Executive Director and the Treasurer to act, any two Members of the Authority, each of whom is hereby authorized, empowered, 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 applicable Authority Document.

ADOPTED this 9th day of October, 2007 by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Secretary

MEMORANDUM

To: IDFA Board of Directors

From: Jim Senica

Date: October 9, 2007

Re: Forrest D. Bushert (Bushert's Do-It-Best Center)
Project No. 1943-PL

Applicant Background

Forrest D. Bushert is the sole owner of Bushert's Do-It-Best Home Center, a full-line hardware/home improvement store located in El Paso, Illinois on Interstate 39, approximate 20 miles north of Bloomington-Normal. Being the only store of its type in and around the El Paso area, the business serves a considerable number of rural agricultural communities. The applicant has extensive experience in the retail environment, having been employed in store management by F.W. Woolworth Company in Des Plaines, Illinois, from 1951 through 1973. Upon his departure and relocation to El Paso, Forrest purchased Sampen's Hardware Store in downtown El Paso, renaming it Bushert's True Value Hardware. Three years ago, Forrest replaced the True Value franchise with the Do-It-Best Home Center franchise, a move that has been very common throughout Central Illinois.

Request

Flanagan State Bank in El Paso, Illinois has agreed to extend the term on its loan to the applicant for an additional 5 years with a 10-year amortization and is requesting the Illinois Finance Authority extend its participation loan for the same 5-year term and 10-year amortization period. IFA's \$240,000 loan participation, originally approved by the IDFA Board on June 18, 1997, was combined with the Bank's portion of \$275,000, a \$75,000 Woodford County Revolving Loan (Peoria Area EDC) and a \$50,000 City of El Paso loan to finance the construction of a 30,000 square foot retail building on property owned by the applicant in El Paso's growing west side. The latter two loans are subordinated to the Bank and IFA loans. IFA's interest rate on the loan extension would be 3-month LIBOR plus 100 basis points in accordance with IFA's Participation Loan program policy.

Performance

Since originating this loan relationship, payments have been consistently made on a timely basis and IFA's balance has been reduced from \$240,000 to \$151,823.42 as of September 26, 2007. The IFA and Bank loans are secured with a shared first mortgage on the project real estate (a 30,000 square foot commercial building located in a very successful retail area known as the "Shops at Westgate" at the intersection of U.S. Route 24 and Interstate 39) valued at an appraised value of \$600,000, a shared first on \$32,000 of equipment acquired with project proceeds and a second position on the inventory of the business.

IFA's ultimate repayment source, Bushert's Do-It-Best Home Center, is well managed and has been a consistently good performer. In fact, when the loan was originally approved by the IDFA Board, Bushert's True Value reported sales of \$674,064 in 1996. Sales for the company as of December 31, 2006, have shown a significant increase to \$1,120,100. Additionally, the business' 2006 net income was \$34,965, which represents a large improvement over late 90's income levels consistently in the \$13,000 to \$15,000 area.

Although retail businesses were not typically financed with participation loan proceeds, this project represents major economic development for the small rural community of El Paso and surrounding area. The Company tripled its then-existing workforce of 7 to 21 and most importantly served as the catalyst for securing the many other successful retail establishments on the community's growing west side.

A copy of the original Board write-up is attached to this memorandum to provide a complete review of the project.

Recommendation

Staff recommends approval of this request for this loan due to:

- (1) Collateral coverage of at least 1.72 times
- (2) Maintenance of IFA's relationship with Flanagan State Bank with which it has other loan activity.
- (3) Excellent repayment history
- (4) Significant impact on economic development and job creation for the area

Voting Record

The voting record from the preliminary approval of this loan at the June 18, 1997 IDFA Board meeting is as follows

Ayes: 12 Nays: 0 Abstentions: 0 Absent: 1 (Perry Snyderman)



ILLINOIS DEVELOPMENT FINANCE AUTHORITY

TTY 1.800.526.0844
Voice 1.800.526.0857

Chicago Office • Sears Tower • 233 South Wacker, Suite 5310 • Chicago, Illinois 60606 • 312.793.5586 • Fax 312.793.6347

MEMORANDUM

Jim Edgar
Governor

MEMBERS

- Harry J. Seigle
Chairman
- Howard G. Kaplan
Treasurer
- Martin R. Binder
- Shinae Chun
- Steven M. Cisco
- Diane Cullinan
- Leon Davis
- Peter E. Gidwitz
- Jan Grayson
- Courtney J. Munson
- David Musgrave
- Perry J. Snyderman
- Dennis Whetstone
- Michael W. Zavis

DIRECTOR
Bobby J. Wilkerson

TO: IDFA Board of Directors

FROM: JIM SENICA

DATE: June 18, 1997

RE: Forrest D. Bushert
(Owner of Bushert's True Value)
#1943-PL

The Applicants have requested that the Authority approve a \$240,000 Participation with Flanagan State Bank in which the Authority will share in a first position on the collateral. The total amount of the project located in El Paso, Illinois, a community of 2,500, 15 miles north of Bloomington-Normal, is \$500,000. IDFA's \$240,000 participation will be combined with the Bank's portion of \$275,000, a \$75,000 Woodford County Revolving Loan (Peoria Area EDC) and a \$50,000 City of El Paso loan to finance the construction of a 30,000 square foot building on property owned by the applicant in El Paso. In the event of default, IDFA would recover 47% of proceeds and the Bank would recover 53% of proceeds, in direct proportion to the amounts financed by each.

This application request represents a Participation Lending by the Authority in which staff reviews the credit analysis of the participating bank consistent with the Authority's staff responsibility for due diligence. The terms of the Bank's portion of the financing (\$275,000) will be on a 9.75% fixed rate of interest for a period of 10 years. The loan will be amortized over 10 years and will be payable in 120 payments of principal and interest over the 10-year period. The Authority's proposed rate of 1.5% below the Bank's rate will be amortized the same as the Bank's. The Bank has agreed to pass a 1 point interest savings represented by IDFA's lower rate to the borrower and will retain 0.5 point to administer the loan. The Bank will be responsible for closing and servicing the loan and will make monthly loan payments to the Authority.

This project was referred to the Authority by the Economic Development Council for the Peoria Area.

Springfield Office
222 South College Street
Suite 102
Springfield, Illinois 62706
217.524.1567
Fax 217.785.7362

Southern Region Office
400 East DeYoung Street
P.O. Box 397
Marion, Illinois 62959
618.997.6318
Fax 618.997.6042

Central Region Office
124 SW Adams Street
Suite 300
Peoria, Illinois 61602
309.671.0290
Fax 309.676.7534

This project represents the construction of a 30,000 square foot building on land owned by the applicant in El Paso, Illinois. The property is located on the rapidly-growing west side of El Paso near the junction of Interstate 39 and U.S. Route 24. The to-be-constructed building will accommodate Bushert's True Value Hardware and Schramm's Shoe Shop as well as expanded departments currently located in the full-service hardware facility. Moving and expanding the business to the new site will enable the business to expand services and product offerings being requested by its customers, capitalize on the growth on the west side of El Paso and the increased customer traffic affiliated with a new drug store and Dollar General to be built near Bushert's new building while gaining customers from the communities west of El Paso and from traffic passing by on Interstate 39. An antique mall located near the Bushert property is currently drawing a large number of customers passing by on Interstate 39. The project is expected to create 15 new jobs, tripling the company's current workforce of 7.

Staff recommends approval.

ILLINOIS DEVELOPMENT FINANCE AUTHORITY
BOARD PRESENTATION

<u>APPLICATION NUMBER:</u>	1943-PL	<u>DATE:</u>	June 18, 1997
<u>APPLICANT NAME:</u>	Forrest D. Bushert (Owner of Bushert's True Value) 124 West Front Street El Paso, IL 61738 (309)527-6100		
<u>TYPE OF FINANCING:</u>	Participation Loan		
<u>LOAN AMOUNT/IDFA FUNDS AT RISK:</u>	\$240,000		
<u>BANK LOAN AMOUNT:</u>	\$275,000		
<u>TOTAL PROJECT AMOUNT:</u>	\$640,000		
<u>BANK RELATIONSHIP WITH IDFA:</u>	<i>Pari Passu</i>		
<u>PROJECT NAME:</u>	Bushert's Shops of Westgate		
<u>PROJECT LOCATION:</u>	13 Westgate Drive El Paso, IL 61738 (Woodford County)		
<u>CURRENT EMPLOYMENT:</u>	7		
<u>PROJECTED NEW JOBS:</u>	15		
<u>CONSTRUCTION JOBS:</u>	To be determined		

Forrest D. Bushert

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BUSINESS SUMMARY:

Forrest Bushert was employed by F.W. Woolworth Company, Des Plaines, Illinois, from 1951 through 1973. Upon leaving as store manager in 1973, Forrest moved from the Chicago area to El Paso, Illinois, where he purchased Hornsby Variety. Shortly after purchase, Forrest expanded the variety operation into a new store on a new site at the western edge of El Paso near U.S. Route 51, renaming the business Bushert's Westgate. In September of 1982, a devastating fire destroyed the business and rather than rebuild, Forrest chose to purchase Sampen's Hardware Store located in downtown El Paso, renaming it Bushert's True Value Hardware. A few years later, the business was expanded through the purchase of Schramm's Shoe Store, with both operations located at 124 West Front Street in El Paso.

Being the only hardware store in and around the El Paso area, the business serves a number of rural agricultural communities. Bushert's True Value is a complete, full-line hardware store offering a wide array of related hardware and repair services.

PROJECT DESCRIPTION:

The project entails the construction of a 30,000 square foot building on property owned by Forrest D. Bushert. The property is located on the rapidly-growing west side of El Paso near the junction of Interstate 39 and U.S. Route 24. The to-be-constructed building will accommodate Bushert's True Value Hardware and Schramm's Shoe Shop as well as a major expansion of two departments currently located in Bushert's True Value, The Card Shop and The Rental Station (renting items such as tools and equipment, etc.). Moving and expanding the business to the new site will enable the business to expand services and product offerings being requested by its customers, capitalize on the growth on the west side of El Paso and the increased customer traffic affiliated with a new drug store and Dollar General being planned near Bushert's new building while gaining new customers from the communities west of El Paso and from traffic passing by on Interstate 39.

This application request represents a Participation Lending by the Authority in which staff reviews the credit analysis of the participating bank consistent with the Authority's staff responsibility for independent due diligence. The Bank will be responsible for closing and servicing the loan. The Authority's monthly loan payments will be made by the Bank. The Authority will receive a shared first position on the land and to-be-constructed building at 13 Westgate Drive, El Paso.

Forrest D. Bushert

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The terms of the Bank's portion of the financing (\$275,000) will be on a 9.75% fixed rate of interest for a period of ten years. The loan will be amortized over 10 years and payable in 120 payments of principal and interest over the 10-year period. The Authority's proposed rate of 1.5% below the Bank's rate will be amortized the same as the Bank's. The Bank has agreed to pass a 1 point savings represented by IDFA's lower rate to the borrower and will retain 0.5 point to administer the loan.

PRINCIPAL:

Mr. Forrest D. Bushert is 100% owner of Bushert's True Value Hardware, a sole proprietorship. Mr. Bushert's three children share in the management and operation of the business.

CREDIT ANALYSIS:

The El Paso Banking Center Branch of Flanagan State Bank has submitted a credit presentation that covers personal financial information of Forrest D. Bushert as well as a historical analysis of Bushert's True Value Hardware.

Staff has reviewed the material presented by Flanagan State Bank which indicated an ability to repay debt based on historical information and available cash flow.

Forrest Bushert's personal financial statement reveals a net worth of approximately \$1.18 million. Mr. Bushert's major assets include cash of \$36,000, marketable securities of \$288,000, real estate valued at \$285,000 and store inventory of approximately \$632,000. Mortgages totaling \$116,000 are owed on the personal residence (\$88,000) and the new building site (\$28,000) on El Paso's west side. Mr. Bushert also holds a receivable of approximately \$44,000 in conjunction with the 1993 installment sale of Woody's Family Restaurant. Payments related to this sale approximate \$6,700.00 annually.

Sales of Bushert's True Value Hardware (including Schramm's Shoe Store) were \$690,662 in 1993, \$712,889 in 1994, \$672,653 in 1995 and \$674,064 in 1996.

Corresponding Net Income was \$14,052 in 1993, \$21,126 in 1994, \$18,113 in 1995 and a small loss of \$2,665 in 1996.

Staff has reviewed cash flow information presented by both Flanagan State Bank and the Woodford County Revolving Loan director which indicate that cash flow has been adequate to operate the business and will be sufficient to service debt requirements when

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Forrest D. Bushert
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the expanded operation is underway. Both expect cash flow to increase markedly as sales for the expanded business are projected to grow substantially with the relocation and enlargement of the business.

Flanagan State Bank has total assets of \$43,000,000 and a commercial loan portfolio of \$2,566,000. The bank's default rate for commercial loans is .0001.

USES AND SOURCES OF FUNDS STATEMENT:

Uses:

Building Construction	\$600,000.00
Equipment	<u>40,000.00</u>
Total Uses:	<u>\$640,000.00</u>

Sources:

Flanagan State Bank (53%)	\$275,000.00
IDFA (participation in Flanagan State Bank Loan)(47 %)	240,000.00
Woodford County Revolving Loan	75,000.00
City of El Paso Loan	<u>50,000.00</u>
Total Sources	<u>\$640,000.00</u>

COLLATERAL:

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Forrest D. Bushert

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Flanagan State Bank and the Authority will share a First Position on the existing land and to-be-constructed building at 13 Westgate Drive in El Paso. In the event of default, IDFA would recover 47% of proceeds and the Bank would recover 53% of proceeds, in direct proportion to the amounts financed by each.

<u>Asset</u>	<u>Position</u>	<u>Value</u>	<u>Basis</u>
Land, Buildings & Improvements	Shared First	\$600,000	Fair Market As-If-Completed Appraisal
Equipment	Shared First	<u>32,000</u>	(80% of Cost)
Net Available to IDFA and the Bank		<u>\$632,000</u>	

Coverage of IDFA Loan: 1.24 times*

*In addition to the coverage outlined above, IDFA and the Flanagan State Bank will share a second position on the inventory of Bushert's True Value Hardware.

SERVICING REQUIREMENTS BY FLANAGAN STATE BANK:

- Personal financial statements and tax returns of Forrest D. Bushert
- Financial statements of Bushert's True Value Hardware

SUMMARY

This project represents the construction of a new building on land owned by the borrower which will significantly expand the operation of Bushert's True Value Hardware. The project will create 15 new jobs, tripling the company's current workforce of 7.

RECOMMENDATION:

Staff recommends approval of a shared first position Participation Loan as structured by

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Forrest D. Bushert

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Flanagan State Bank in the amount of \$240,000.

DOCUMENTS ATTACHED:

- Economic Disclosure Statement
- Personal Financial Statements - Forrest D. Bushert
- Financial Statements - Bushert's True Value Hardware & Schramm's Shoe Store

CONTACT PERSON:

Forrest D. Bushert
124 Front Street
El Paso, IL 61738
(309) 527-6100
FAX (309) 527-6270

BORROWER'S COUNSEL:

Jim Staller
15 West Front Street
El Paso, IL 61738
(309) 527-4300

ACCOUNTANT:

Gregory Slayton
W RR 1
El Paso, IL 61738
(309) 527-3067

PARTICIPATING BANK:

Dean Hastings
El Paso Banking Center
Branch of Flanagan State Bank
111 N Fayette St
El Paso, IL 61738
(309) 527-7300

CONGRESSIONAL DISTRICT:

18 (LaHood)

STATE SENATE DISTRICT:

44 (Maitland)

STATE HOUSE DISTRICT:

88 (Brady)

267

1123

1124

1125

IDFA

ILLINOIS
DEVELOPMENT
FINANCE
AUTHORITY

3 North LaSalle
Suite 800
Chicago, Illinois 60602
312 / 793-5586

ECONOMIC DISCLOSURE STATEMENT

Please fill out the statement completely, with all information current as of the attestation date. Every question must be answered. If a question is not applicable, answer with "N.A."

This form must accompany all proposals submitted for Board consideration. An incomplete or improperly attested Disclosure Statement will be returned before any action will be taken by the IDFA Board of Directors.

I. GENERAL INFORMATION

A. Applicant: FORREST D BUSHERT

B. Project Name: SHOPS OF WESTGATE

C. Project Location: EAST OF RT 39 - NORTH OF RT 24 IN EL PASO ILL. 61228 (13 WESTGATE DR)

D. Total Project Cost: \$640,000

E. Loan Amount Requested: \$940,000

II. APPLICANT INFORMATION

- A. The Applicant is a (n):
1. Individual
 2. Corporation
 3. General Partnership
 4. Limited Partnership
 5. Association, Joint or Common Venture

B. FOR A CORPORATION, CORPORATE PARTNER, CORPORATE SHARE HOLDER OF CORPORATE BENEFICIARY:

1. If the applicant is a corporation having fewer than 100 shareholders, indicate or attach hereto a list of the names and addresses of all shareholders and the percentage of interest of each therein; identify the officers and the directors of such corporation.

2. If the applicant is a corporation having 100 shareholders or more, indicate or attach hereto a list of the names and addresses of all shareholders owning shares equal to or in excess of 3% of the proportionate ownership interest and the percentage of interest of each therein; identify the officers and the directors of such corporation.

3. The applicant is incorporated under the laws of the State of _____ and authorized to do business in the State of _____ Its principal office is located at _____

C. FOR A PARTNERSHIP, ASSOCIATION, JOINT OR COMMON VENTURE:

1. If the applicant is a partnership, association or joint or common venture, indicate below the name and address of each such partner, associate, or person and the percentage of interest of each therein.

NAME	ADDRESS	PERCENTAGE OF INTEREST
_____	_____	_____
_____	_____	_____
_____	_____	_____

D. FOR A LAND TRUST, BUSINESS TRUST, ESTATE OR OTHER:

1. If the applicant is a land trust, business trust, estate or other similar commercial or legal entity, identify any representative, person or entity holding legal title as well as each beneficiary in whose behalf title is held, including the name, address and percentage of interest of each beneficiary.

NOTE: Whenever a stock or beneficial interest is held by a corporation or other legal entity, such shareholder or beneficiary shall also make disclosure as required above for corporations or other legal entities. Attach any additional information required to this statement.

III. OTHER PROJECT INFORMATION

A. Title to any subject property is presently held by:

FORREST B BUSHERT + JOHN P BUSHERT
(NAME AND ADDRESS)

If title held in a land trust, list below the name, address and percentage of interest of each beneficiary:

B. GENERAL COUNSEL

Name: Jim Staller

Address: 15 W FRONT EL PASO TX 61738

Telephone: (309) 527-4320

- C. APPLICANT ACCOUNTANT

Name: D. Gregory Slayton

Address: W R R I El Paso Hill 61738

Telephone: 309-527-3067

D. BOND COUNSEL

Name: _____

Address: _____

Telephone: _____

E. BOND PURCHASER/UNDERWRITER

Name: _____

Address: _____

Telephone: _____

F. Surety, Letter of Credit or Credit Instrument Obligor:

Name: _____
Address: _____
Telephone: _____

C. CONSULTANT (S):

Name: EL PASO BANKING CENTER
Address: 111 W. FAYETTE ST. BOX 318
Telephone: EL PASO IL 61738
(DEAN HASTINGS) (SENIOR VICE PRESIDENT)

Name: _____
Address: _____
Contact Person: _____
Telephone: _____
Role in Project: _____

Applicant hereby certifies that all information contained above and in exhibits attached hereto are true to his/her best knowledge and belief and are submitted for the purpose of obtaining financial assistance from the Illinois Development Finance Authority.

Date 5/21/97

Applicant FORREST BUSHERT
By [Signature]
Title Owner

BUSINESS Phone Number 309-527-6100

IMPORTANT: Read these directions before completing this Statement.

- If you are applying for individual credit in your own name and are relying on your own income or assets and not the income or assets of another person as the basis for repayment of the credit request, complete only Sections 1 and 3.
- If you are applying for joint credit with another person, complete all Sections, providing information in Section 2 about the joint applicants.
- If you are applying for individual credit, but are relying on income from alimony, child support or separate maintenance or on the income or assets of another person as a basis for repayment of the requested credit, complete all Sections, providing information in Section 2 about the person whose alimony, support or maintenance payments or income or assets you are relying on.
- If this statement relates to your guaranty of the indebtedness of other persons, firm(s) or corporation(s), complete Sections 1 and 3.

TO: **EDCS**

The Economic Development Council for the Peoria Area
 1415 W. Adams Street, Suite 200
 Peoria, Illinois 61602-1188
 Phone: (309) 697-1188

SECTION 1 - INDIVIDUAL INFORMATION (Type or Print)	SECTION 2 - OTHER PARTY INFORMATION (Type or Print)
Name <u>FORREST BUSHERT</u>	Name _____
Residence Address <u>Box 22 RRI</u>	Residence Address _____
City, State & Zip <u>El Paso ILL 61738</u>	City, State & Zip _____
Position or Occupation <u>owner</u>	Position or Occupation _____
Business Name <u>BUSHERT True Value</u>	Business Name _____
Business Address <u>125 W FRONT</u>	Business Address _____
City, State & Zip <u>El Paso ILL 61738</u>	City, State & Zip _____
Res. Phone <u>309-527-5377</u> Bus. Phone <u>309-527-6100</u>	Res. Phone _____ Bus. Phone _____

SECTION 3 - STATEMENT OF FINANCIAL CONDITION AS OF <u>19</u>			
ASSETS (Do not include Assets of doubtful value)	In Dollars (Omit cents)	LIABILITIES	In Dollars (Omit cents)
Cash on hand and in banks	36 000	Notes payable to banks - secured	100 800
U.S. Gov't. & Marketable Securities - see Schedule A	—	Notes payable to banks - unsecured	—
Non-Marketable Securities - See Schedule B	—	Due to brokers	—
Securities held by broker in margin accounts	228 359	Amounts payable to others - secured	—
Partial interest in Real Estate Equities - see Schedule C	—	Amounts payable to others - unsecured	—
Real Estate Owned - see Schedule D	285 000	Amounts Payable to Friends and Relatives	—
Loans Receivable	44 634	Accounts and bills due	24 800
Amounts Receivable from Friends and Relatives	—	Unpaid income tax	—
Automobiles	30 000	Other unpaid taxes and interest	—
Personal Property	45 000	Real estate mortgages payable - see Schedule D	88 000
Cash value-life insurance-see Schedule E	—	Other debts - specify	—
Other assets - specify	—	Frank Roberts (Site)	28 000
Handmade Stone Jewelry	632 275	Propan	—
Equip + Fixtur	60 000		
		TOTAL LIABILITIES	241 000
		NET WORTH	1,180 268
TOTAL ASSETS	1,421 268	TOTAL LIAB AND NET WORTH	1,421 268

SOURCES OF INCOME FOR YEAR ENDED _____ 19____	PERSONAL INFORMATION
Salary, bonuses & commissions \$	Do you have a will? _____ If so, name of executor _____
Dividends	Are you a partner or owner in any other venture? If so, describe _____
Real estate income	Are you obligated to pay alimony, child support or separate maintenance payments? If so, describe _____
Other income (Alimony, child support, or separate maintenance)	Are any assets pledged other than as described on schedules? If so, describe _____
Income need not be recouped if you do not wish to have it considered as a basis for repaying this obligation	
TOTAL \$	Do you have any contingent liabilities? If so, describe _____
CONTINGENT LIABILITIES	
As guarantor, co-maker or guarantor? \$	Income tax settled through (date) _____
On leases or contracts? \$	Are you a defendant in any suits or legal actions? _____
Legal claims \$	Personal bank accounts called at _____
Other specified debt \$	Have you ever been declared bankrupt? If so, describe _____
Amount of contested income tax liens \$	

(COMPLETE SCHEDULES AND SIGN ON REVERSE SIDE)

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Face Value (Bonds)	Description	Holder	Property	Value
10,269	RAINFORREST COFFE	Forrest Le BUSHERT		238,446
1,513	" " "	Joan Bushert		35,113
2,000	Sum Dress Hut.			14,800

SCHEDULE B - NON-MARKETABLE SECURITIES

Number of Shares	Description	In Name Of	Are These Pledged?	Source of Value	Value

SCHEDULE C - PARTIAL INTERESTS IN REAL ESTATE EQUITIES

Address & Type Of Property	Title In Name Of	% Of Ownership	Date Acquired	Cost	Market Value	Mortgage Maturity	Mortgage Amount
HOME	Forrest Le Bushert	100	1/71	45,000	140,000	2085	84,000
Home	JOAN BUSHERT	100		45,000	65,000		
Bucket STORE	" " "	60	3/96	20,000	80,000		28,000
Site Land To Build	" " "						

SCHEDULE D - REAL ESTATE OWNED

Address & Type Of Property	Title In Name Of	Date Acquired	Cost	Market Value	Mortgage Maturity	Mortgage Amount

SCHEDULE E - LIFE INSURANCE CARRIED, INCLUDING N.S.L.I. AND GROUP INSURANCE

Name Of Insurance Company	Owner Of Policy	Beneficiary	Face Amount	Policy Loans	Cash Surrender Value
PAKIN	Forrest Bushert	JOAN BUSHERT	20,000		

SCHEDULE F - BANKS OR FINANCE COMPANIES WHERE CREDIT HAS BEEN OBTAINED

Name & Address Of Lender	Credit In The Name Of	Secured Or Unsecured?	Original Date	High Credit	Current Balance

The information contained in this statement is provided for the purpose of obtaining, or maintaining credit with you on behalf of the undersigned, or persons, firms or corporations in whose behalf the undersigned may either severally or jointly with others, execute a guaranty in your favor. Each undersigned understands that you are relying on the information provided herein (including the designation made as to ownership of property) in deciding to grant or continue credit. Each undersigned represents and warrants that the information provided is true and complete and that you may consider this statement as continuing to be true and correct until a written notice of a change is given to you by the undersigned. You are authorized to make all inquiries you deem necessary to verify the accuracy of the statements made herein, and to determine my/our creditworthiness. You are authorized to answer questions about your credit experience with me/us.

Signature (Individual) [Signature]
 SS No 320 28 1988 Date of Birth 11/13/34

Signature (Other Party) _____
 SS No _____ Date of Birth _____

Date Signed 5/20 1997

(USE ADDITIONAL SCHEDULES IF NECESSARY)

01/08/97

**Bushert's True Value Hardware
Profit and Loss YTD
December 1996**

	<u>Dec '96</u>	<u>Jan - Dec '96</u>
Ordinary Income/Expense		
Income		
40 - Sales		
401 - Cash Sales	59,947.83	529,642.31
402 - Credit Sales	4,524.66	48,890.11
403 - Returns & Allow	-4,896.74	-32,780.62
404 - Sales Tax	-2,806.07	-25,962.54
Total 40 - Sales	<u>56,769.68</u>	<u>519,789.26</u>
Total Income	56,769.68	519,789.26
Cost of Goods Sold		
50 - Cost of Goods Sold		
501 - Purchases - Cotter	34,476.79	300,734.87
502 - Purchases - Other	744.15	24,247.15
503 - Purchases - Variety Dist	21,272.88	82,152.64
509 - Inventory Adjustment	-19,534.21	-69,212.26
Total 50 - Cost of Goods Sold	<u>36,959.59</u>	<u>337,922.40</u>
Total COGS	<u>36,959.59</u>	<u>337,922.40</u>
Gross Profit	19,810.09	181,866.86
Expense		
600 - Advertising		
6001 - Direct Mail	673.57	7,541.87
6002 - Newspaper	0.00	292.59
6003 - Other	0.00	278.73
Total 600 - Advertising	<u>673.57</u>	<u>8,113.19</u>
610 - Payroll Expenses		
6101 - Total Wages		
61011 - Wages - Pam	920.00	21,080.00
61012 - Wages - Other	3,300.80	42,910.40
Total 6101 - Total Wages	<u>4,220.80</u>	<u>63,990.40</u>
6103 - Payroll Taxes		
61031 - Social Security Taxes	261.59	3,967.19
61032 - Medicare Taxes	61.25	928.18
61033 - State Unempl Ins	10.21	225.01
61034 - Federal Unempl Ins	0.00	280.00
Total 6103 - Payroll Taxes	<u>333.05</u>	<u>5,400.38</u>
6104 - Employee Benefits	970.79	9,935.07
Total 610 - Payroll Expenses	<u>5,524.64</u>	<u>79,325.85</u>
620 - Occupancy Cost		
6201 - Rent	175.00	1,700.00
6202 - Utilities		
62021 - Electricity	417.87	6,291.13
62022 - Gas	198.76	1,359.99
62023 - Water	19.00	205.43
62024 - Disposal Service	17.42	543.10
62025 - Telephone	194.87	2,414.61
62026 - Cable TV	32.90	176.50
Total 6202 - Utilities	<u>880.82</u>	<u>10,990.76</u>
6204 - Repairs		
62041 - Building Repairs	0.00	1,255.13
62042 - Equipment Repairs	0.00	598.74
62043 - Routine Maintenance	95.00	1,393.85
Total 6204 - Repairs	<u>95.00</u>	<u>3,247.72</u>
6205 - Insurance		
62051 - Inventory	0.00	7,254.26
62052 - Liability	658.74	3,329.30
62054 - Leased Equipment	386.00	2,578.19
62055 - Auto	0.00	1,243.56
Total 6205 - Insurance	<u>1,044.74</u>	<u>14,405.31</u>
Total 620 - Occupancy Cost	<u>2,195.56</u>	<u>30,343.79</u>
630 - General Expenses		
6301 - Bad Debts	515.45	1,879.74
6302 - Bank Service Charges	14.63	199.15

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**Bushert's True Value Hardware
Profit and Loss YTD
December 1996**

	<u>Dec '96</u>	<u>Jan - Dec '96</u>
6303 - Cash Over/Short	984.16	5,161.98
6304 - Contributions	126.00	1,228.59
6306 - Equipment Rental	206.60	253.60
6307 - DS Adder	735.07	3,768.15
6308 - Dues and Subscriptions	20.00	126.00
6309 - Professional Fees		
63091 - Accounting	75.00	1,248.60
63092 - Legal Fees	0.00	245.00
63093 - Inventory Services	0.00	608.28
63094 - Other	87.23	281.73
Total 6309 - Professional Fees	162.23	2,394.59
6310 - Licenses and Permits	0.00	240.00
6311 - Leased Equipment	44.00	366.27
6312 - Miscellaneous	192.50	1,503.65
6313 - Supplies		
63131 - Office	307.08	1,827.39
63132 - Store	221.81	2,527.41
63133 - Other	0.00	90.78
Total 6313 - Supplies	528.89	4,545.58
6314 - Real Estate Taxes	0.00	5,123.56
6316 - Travel & Ent		
63163 - Travel	152.23	1,262.42
Total 6316 - Travel & Ent	152.23	1,262.42
6317 - Freight Expense	3,403.54	25,107.82
6318 - UPS	393.03	3,287.14
6319 - Postage	96.00	1,820.20
6320 - Credit Card Fees	95.84	1,193.28
Total 630 - General Expenses	7,670.17	59,461.82
Total Expense	16,063.94	177,244.65
Net Ordinary Income	3,746.15	4,622.21
Other Income/Expense		
Other Expense		
70 - NON-OPERATING EXP		
701 - Interest		
7011 - Woodford County Bk	801.47	12,133.54
7012 - Ray Sampen	3.18	247.72
7013 - Frank Roberts	145.26	1,342.17
Total 701 - Interest	949.91	13,723.43
710 - Depreciation	8,146.45	8,146.45
Total 70 - NON-OPERATING EXP	9,096.36	21,869.88
Total Other Expense	9,096.36	21,869.88
Net Other Income	-9,095.36	-21,869.88
Net Income	-6,350.21	-17,247.67

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**Bushert's True Value Hardware
Balance Sheet
As of December 31, 1996**

	<u>Dec 31, '96</u>
ASSETS	
Current Assets	
Checking/Savings	
112 - Cash in Banks	-4,316.21
Total Checking/Savings	<u>-4,316.21</u>
Other Current Assets	
111 - Cash	212.91
113 - Inventory	632,275.44
114 - Accounts Receivable	32,974.53
Total Other Current Assets	<u>665,462.88</u>
Total Current Assets	661,146.67
Fixed Assets	
15 - Fixed Assets	158,564.79
Total Fixed Assets	158,564.79
Other Assets	
13 - Intermediate Assets	34,467.32
Total Other Assets	<u>34,467.32</u>
TOTAL ASSETS	<u><u>854,178.78</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
210 - 941 Payroll Liabilities	849.65
211 - Accounts Payable	20,755.00
212 - Taxes Payable	3,229.35
Total Other Current Liabilities	<u>24,834.00</u>
Total Current Liabilities	24,834.00
Long Term Liabilities	
22 - Long Term Debt	123,994.32
Total Long Term Liabilities	<u>123,994.32</u>
Total Liabilities	148,828.32
Equity	
31 - Retained Earnings	-6,852.06
Net Income	-17,247.67
32 - Opening Bal Equity	729,450.19
Total Equity	<u>705,350.46</u>
TOTAL LIABILITIES & EQUITY	<u><u>854,178.78</u></u>

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**Schramm's Shoe Store
Profit and Loss YTD
December 1996**

	Dec '96	Jan - Dec '96
Ordinary Income/Expense		
Income		
4000 · Sales		
4100 · Cash Sales	22,086.50	152,523.00
4200 · Credit Card Sales	1,747.00	14,346.53
4300 · Sales Returns	-726.80	-5,641.90
4400 · Sales Tax	-608.78	-6,953.07
Total 4000 · Sales	22,497.92	154,274.56
Total Income	22,497.92	154,274.56
Cost of Goods Sold		
5000 · Cost of Goods Sold		
5005 · Brad Barker	0.00	363.84
5020 · Busherts True Value	0.00	3,083.07
5025 · Cartaw Mkt. Lim.	421.90	421.90
5040 · D. Myers	0.00	6,857.70
5050 · Dexter	1,155.27	7,679.18
5055 · Fashion Access Plus	0.00	252.46
5060 · H & W Inc.	0.00	2,864.34
5090 · Keds	0.00	1,232.37
5110 · Lowell Shoes	1,784.54	15,079.77
5120 · Nike	3,539.20	26,195.01
5121 · Nike Sold to Prison	0.00	26,215.78
5124 · North American Foot	0.00	113.39
5130 · Roenitz Co.	99.95	360.46
5150 · Wolverine Worldwide	3,239.74	26,615.57
5200 · Inventory Adjustment	5,957.90	-8,550.31
Total 5000 · Cost of Goods Sold	16,198.50	108,784.53
Total COGS	16,198.50	108,784.53
Gross Profit	6,299.42	45,490.03
Expense		
6020 · Advertising	395.29	7,488.03
6060 · Bank Service Charges	4.50	89.60
6180 · Contributions	0.00	679.54
6185 · Credit Card Fees	0.00	217.69
6200 · Depreciation Expense	975.73	975.73
6220 · Dues and Subscriptions	0.00	70.00
6300 · Freight Expense	795.33	7,317.30
6400 · Insurance		
6420 · Inventory Insurance	0.00	1,731.20
6430 · Liability Insurance	0.00	509.00
Total 6400 · Insurance	0.00	2,240.20
6500 · Interest Expense		
6510 · Evelyn Steffen	447.50	5,780.14
6520 · Forrest Bushert	207.55	2,476.55
Total 6500 · Interest Expense	655.05	8,256.69
6535 · Leased Equipment	257.75	1,804.25
6610 · Postage and Delivery	39.47	195.79
6640 · Professional Fees		
6642 · Accounting	50.00	650.00
Total 6640 · Professional Fees	50.00	650.00
6750 · Supplies		
6770 · Office	0.00	377.63
Total 6750 · Supplies	0.00	377.63
6900 · Travel & Ent		
6930 · Travel	0.00	544.67
Total 6900 · Travel & Ent	0.00	544.67

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Schramm's Shoe Store
Profit and Loss YTD
December 1996

	<u>Dec '96</u>	<u>Jan - Dec '96</u>
Total Expense	<u>3,173.12</u>	<u>30,907.12</u>
Net Ordinary Income	<u>3,126.30</u>	<u>14,582.91</u>
Net Income	<u><u>3,126.30</u></u>	<u><u>14,582.91</u></u>

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Schramm's Shoe Store
Balance Sheet
 As of December 31, 1996

	Dec 31, '96
ASSETS	
Current Assets	
Checking/Savings	
1100 · Cash In Banks	
1110 · Woodford County Bank	
1111 · Checking	8,623.13
Total 1110 · Woodford County Bank	8,623.13
Total 1100 · Cash In Banks	8,623.13
Total Checking/Savings	8,623.13
Other Current Assets	
1300 · Inventory	143,839.00
Total Other Current Assets	143,839.00
Total Current Assets	152,462.13
Fixed Assets	
1400 · Fixed Assets	
1410 · Furniture & Fixtures	
1411 · Cost	3,726.99
1412 · Depreciation	-1,951.46
Total 1410 · Furniture & Fixtures	1,775.53
Total 1400 · Fixed Assets	1,775.53
Total Fixed Assets	1,775.53
TOTAL ASSETS	154,237.66
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Shoe Invoices Payable	16,671.00
Total Accounts Payable	16,671.00
Other Current Liabilities	
2200 · Sales Tax Payable	608.78
Total Other Current Liabilities	608.78
Total Current Liabilities	17,279.78
Long Term Liabilities	
2300 · Loan Payable	
2310 · Evelyn Steffen	66,856.54
2320 · Forrest Bushert	30,128.63
Total 2300 · Loan Payable	96,985.17
Total Long Term Liabilities	96,985.17
Total Liabilities	114,264.95
Equity	
3000 · Opening Bal Equity	
3100 · Capital Contributions	29,631.01
3200 · Proprietors Draw	-5,806.21
Total 3000 · Opening Bal Equity	23,824.80
3900 · Retained Earnings	1,565.00
Net Income	14,582.91
Total Equity	39,972.71
TOTAL LIABILITIES & EQUITY	154,237.66

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To: Members of the Illinois Finance Authority Board

From: Steven Trout, Chief Credit Officer

Date: October 1, 2007

RE: Request to Amend A Final Resolution to Authorize the Authority’s Issuance of Senior and Subordinate Tax-Exempt Bonds to Partially Finance a Project for the Western Illinois Ethanol Project, LLC

The IFA Board approved on August 7, 2007 the issuance of \$37,000,000 Solid Waste Disposal Facilities Revenue Bonds and \$8,000,000 of Exempt Water Facilities Revenue Bonds to finance a portion of a 57,750,000-gallon capacity ethanol project in Griggsville. The Resolution adopted by the Board contemplated that both bonds would be issued on a subordinate basis to bank debt arranged by WestLB.

Prospective lenders have asked the borrower, Western Illinois Ethanol Project, LLC (“WIEP”), to (1) replace \$15,000,000 in proposed senior bank debt with lower interest rate tax-exempt bonds to reduce debt service requirements on the senior indebtedness and (2) replace \$15,000,000 in proposed subordinated bonds with equity to reduce the project’s leverage.

WIEP has asked IFA to approve an amendatory resolution that would reduce by \$15 million the Authority’s issuance of subordinate bonds for this project and replace it with \$15 million in senior bonds issued by IFA. Payment of interest on the Senior IFA Bonds would be on parity with the bank debt. Payment on principal on the Senior IFA Bonds would be not be made until principal on the bank debt is paid (time subordinated).

Staff believes that the proposed changes will enhance by feasibility of the project and the credit worthiness of the Bonds. The impact of the proposed changes in the capitalization of the project is summarized below. The “Original” scenario describes the project’s capitalization as presented to the Board in August, while the “As Proposed” reflects the structure that is now being negotiated.

	Original			As Proposed		
	Amount	Debt Per Gallon	Share	Amount	Debt Per Gallon	Share
<u>Detail</u>						
Senior Bank Term Loan	68,100	1.18	42.2%	51,100	0.88	32.0%
Senior IFA Solid Waste Disposal Bonds	0	0.00	0.0%	15,000	0.26	9.4%
Subordinate IFA Solid Waste Disposal Bonds	37,000	0.64	22.9%	22,000	0.38	13.8%
Subordinate IFA Exempt Water Facilities Bonds	8,000	0.14	5.0%	8,000	0.14	5.0%
Equity	<u>48,400</u>	<u>0.84</u>	<u>30.0%</u>	<u>63,400</u>	<u>1.10</u>	<u>39.7%</u>
Total	<u>161,500</u>	2.80	100.0%	<u>159,500</u>	2.76	100.0%
<u>Summary</u>						
Senior Debt	68,100	1.18	42.2%	66,100	1.14	41.4%
Subordinate Debt	45,000	0.78	27.9%	30,000	0.52	18.8%
Equity	<u>48,400</u>	<u>0.84</u>	<u>30.0%</u>	<u>63,400</u>	<u>1.10</u>	<u>39.7%</u>
Total	<u>161,500</u>	2.80	100.0%	<u>159,500</u>	2.76	100.0%

The senior debt arranger, West LB, has approved the proposed change. The prospective purchaser of the IFA Bonds is in the process of approving it as well. WIEP has requested this amendment now to facilitate completion of negotiations with the prospective Bond purchaser and the execution of the bond placement agreement as soon as possible. The financing team currently anticipates a closing in mid to late October, although that date may slip several weeks as additional equity is arranged and terms on the various debt tranches are finalized.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 7, 2007**

Project: Western Illinois Ethanol Project, LLC

STATISTICS

Project Number:	P-SW-TE-CD-7171	IFA Staff:	Steven Trout
Type:	Solid Waste Disposal Facilities Bonds	Amount:	\$37,000,000 (not to exceed)
	Exempt Water Facilities Bonds		\$8,000,000 (not to exceed)
Location:	Griggsville		

BOARD ACTION

Final Bond Resolution	Unrated Bonds to be sold pursuant to IFA policy
Conduit Solid Waste Disposal Facilities Revenue Bonds	Staff recommends approval
Conduit Exempt Water Facilities Revenue Bonds	No IFA funds at risk

PURPOSE

To finance the acquisition and improvement of a 70 acre site in Griggsville, the construction of 57,750,000 gallon capacity ethanol plant at the site, the acquisition and installation of machinery and equipment, including qualifying solid waste disposal, and pay cost of insurance.

IFA CONTRIBUTION & PROGRAM

Solid Waste Disposal Facilities Revenue Bonds ("SWDBs") are municipal bonds that finance qualifying, privately-owned facilities that are used in whole or in part to collect, store, treat, transport, utilize, process or provide for the final disposal of solid waste. Exempt Water Facilities Bonds are municipal bonds that finance qualifying facilities and improvements for local water utilities. Interest earned on both types of bonds is exempt from federal income tax liability. **Issuance of these bonds is subject to an allocation of Volume Cap.**

VOTING RECORD

On September 27, 2006 the IFA Board adopted a preliminary resolution to issue \$100 million in SWDBs for Unified Biofuels Technology, LLC to develop one ethanol plant in Griggsville and a second in Royal by the following vote:

Ayes – 8 Nays – 0 Absent – 6 Vacancies – 0 Abstentions- 1 (Dr. Herrin)

On April 10, 2007 The IFA Board adopted an amendatory preliminary resolution to issue \$115 million in SWDBs and \$11 million in Water Facilities Bonds by the following vote:

Ayes: 9 Nays: 0 Absent: 4 (Herrin, O'Brien, Rivera, Valenti) Abstentions: 1 (Boyles) Vacancies: 1

Western Illinois Ethanol Project, LLC ("WIEP"), is the operating company for the Griggsville plant and a subsidiary of Heartland Ethanol, LLC, and formerly the subsidiary of Unified Biofuels Technology, LLC. The borrower for the Griggsville project will be WIEP, not Unified Biofuels Technology, LLC as originally contemplated.

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Subordinated Tax-Exempt Bonds	\$45,000,000	Uses: Project Costs	\$133,700,000
Bank Senior Taxable Term Loans	68,100,000	Capitalized Interest	8,000,000
Bank Line of Credit	5,000,000	Debt Service Reserve	10,000,000
Equity	<u>48,400,000</u>	Owner's Contingency	<u>9,800,000</u>
Total	<u>\$161,500,000</u>	Total	<u>\$161,500,000</u>

WIEP has paid out well over \$10 million in cash to pay a portion of the Engineering, Procurement and Construction (“EPC”) contract, pre-order specialty steel and pay other developer costs. The owners’ have committed the remaining equity contribution and will the pay the balance prior to, or at the time of closing on debt financing. DCEO has approved a \$4,000,000 Renewable Energy Grant to be paid at closing and as construction is completed.

JOBS

Current employment:	0	Projected new jobs:	40	
Jobs retained:	0	Construction jobs:	200	(16 months)

BUSINESS SUMMARY

Description: Western Illinois Ethanol Project, LLC (WIEP), an Illinois limited liability company, is the wholly-owned subsidiary of Heartland Ethanol, LLC. WIEP will construct and operate a state-of-the-art ethanol production plant with a nameplate production capacity of 57.75 million gallons per year of fuel grade denatured ethanol along with nearly 185,000 tons per year of marketable dry distiller’s grains (DDGS) to be sold as animal feed.

Background: A group of Western Illinois agribusiness men and women employed Frazier Barnes & Associates, in early 2003 to conduct an ethanol feasibility study. Frazier Barnes, a prominent consulting firm for renewable fuels projects, focused its study on a 113,400,000 gallon ethanol facility to be located near Griggsville Frazier Barnes reported that the site is one of the best it has ever reviewed and that the project should be highly profitable if properly constructed and operated.

After the Frazier Barnes study was completed, the Western Illinois Ethanol Project, LLC, was formed in early 2005 by 25 area residents interested in developing ethanol production facilities. A feasibility study recommended a site southeast of Griggsville in Pike County, an agricultural area situated between the Illinois and Mississippi rivers. Proponents funded the project which began July 1, 2005, to develop an ethanol fuel facility.

In 2006, six Midwestern entrepreneurs committed \$40 million in equity to the Project and to arrange the debt financing required to fund construction and its initial operations.

Background: In a bio-refinery, a mechanical or chemical process separates biomass (plants and organic matter) into components for further processing into marketable products; such as, fuel additives, proteins, edible oils, and animal feeds.

The most common bio-refinery in the U.S. is the “simple dry-mill” ethanol plant. Simple dry-mill technology processes whole grains into three products: fuel-grade ethanol, carbon dioxide gas (“CO₂”), and an animal feed called distiller’s grain (wet and dried). There are 35 plants that are currently utilizing this technology or are at this time under construction.

The second type of bio-refinery is the wet-mill plant. A wet-mill plant processes grain into separate components such as starch, germ, oil, and hulls; the starch is further processed into sweeteners and/or alcohol. There are presently twelve wet-mill plants in the U.S. owned by nine major food-processing companies. Wet-mill plants generally cost two to five times more to build than a simple dry-mill plant, which explains their limited number and food industry ownership.

The Western Illinois Ethanol Project, LLC will develop a state-of-the art facility using dry-mill alcohol manufacturing technology.

The Project: The Western Illinois Ethanol Project (WIEP) site is located on the south side of the Norfolk Southern rail line and west of Highway 106. The JBS United Grains facility is located directly north of the proposed ethanol plant and will provide corn feedstock. JBS United, Inc. (“JBS United”), a leading grain handling company in Illinois, is one of the local equity founders.

The JBS United Feed Facility has guaranteed the ethanol plant all the corn feedstock to operate per year. The plant will require approximately 20,500,000 bushels of corn per year to produce 57,750,000 gallons of denatured ethanol.

A letter of intent has been executed with Agra Industries, Inc. for the design/construction of the 57.75 million gallon per year (mmgy) facility. The Engineering, Procurement and Construction (EPC) contract is to be finalized with Agra in late July 2007. Technology for the project will be provided by Delta-T Corporation.

Three ethanol-marketing companies presented strategies for marketing the ethanol produced at the proposed plant: Eco-Energy, Inc. has been contracted by WIEP as the ethanol marketer.

Bartlett Grain Company, LP ("Bartlett Grain") will market all of the DDGS. Carbon Dioxide gas will be vented, not sold.

The Team: WIEP and Heartland have assembled a team of active ethanol industry participants to manage the Project and guide its operations.

Agra Industries, Inc. is the Engineering, Procurement and Construction ("EPC") Contractor for the Project. Agra operates four distinct business units, seed, feed, grain, and ethanol. Each unit provides design, fabrication and construction of the facilities within its respective industry. Agra also represents a complete line of equipment manufactures. Agra is headquartered in Merrill, Wisconsin and has been creating custom components for ethanol facilities, feed mills, seed conditioning facilities and grain handling or storage facilities for nearly 50 years. Agra's experience in the ethanol industry dates back to the early 1980s. Since that time, Agra has become one of Delta-T's strategic partners and has provided EPC services for several plants in Wisconsin and other states.

Delta-T is the technology provider for the Project. Delta-T provides technologies, applications and services associated with building alcohol plants. Its systems are currently operating in over 50 installations worldwide, including, Russia, India, Southeast Asia, Western and Eastern Europe, Africa, the Caribbean and North and South America.

Eco-Energy, Inc. ("Eco-Energy") has agreed to purchase 100% of Project's ethanol production and provide marketing and risk management strategies. Eco-Energy has marketed ethanol since 1991 and is headquartered in Nashville, TN and maintains a sales office in Los Angeles. The Company maintains relationships with most of the major oil companies and fuel blenders in the United States. In 2003, Eco-Energy developed a terminal location in McClellan Park, California to service the gasoline blenders in the Sacramento, California market. Eco-Energy is a large supplier to ConocoPhillips, Valero Refining, Flint Hills Resources, Tesoro Refining, Shell, BP, Exxon Mobil, and Marathon Ashland Petroleum along with many others. Eco-Energy's ethanol marketing network is among the top ten in North America. Eco-Energy has entered into a marketing contract to sell 100% of the ethanol produced by WIEP for two years with automatic renewals for up to six years unless WIEP elects not to renew.

FC Stone, LLC has committed to enter into a risk management contract with WIEP to manage the Project's commodity price risk. FC Stone is a risk management and grain origination marketing firm headquartered in west Des Moines, Iowa. Their commodity roots date back to 1924, and they are a registered FCM with the Commodity Futures Trading Commission. FC Stone is also a member of the National Futures Association and is a clearing member on all major U.S. futures exchanges. The FC Stone Renewable Fuels Group brings market risk intelligence to the ethanol industry by providing a custom designed Integrated Risk Management Program ("IRMP"). They offer business analysis, in-depth record keeping, risk education, strategic planning, and applied market research and intelligence.

JBS United, Inc., has contracted to procure, test and handle the 20.5 million bushels of corn required by the WEIP facility per year. JBS United is one of America's leading swine nutrition technology companies. Organized in 1956, the company operates eight base-mix production plants

in five Midwest states. The company also has nutrition technology business operations in China and the Philippines under joint-venture arrangements with Asian partners. As part of its nutrition technology business, JBS United operates three nutrition and nutrient management research centers, caring for over 60,000 pigs annually. JBS United also operates a grain merchandising business consisting of four profit centers with approximately 20 million bushels of storage capacity from eight primary locations in Illinois and Michigan. All profit centers are unit train loaders that ship corn, soybeans and wheat to major ethanol plants in the Southern, Eastern, and Southeastern grain markets. Three of the four profit centers are located in Illinois. The Western Illinois region consists of three grain elevators in Griggsville, New Canton, and Pittsfield, and loads 50 car trains on the Norfolk Southern Railroad.

Barlett Grain Company, LP has executed a contract with WEIP to market the 185,000 tons per year of DDGS produced at the ethanol facility. Barlett Grain is a privately owned company that is headquartered in Kansas City and has 100 years of experience in many different agricultural sectors. Barlett Grain currently has terminal elevator space along the Missouri River, in Missouri, Iowa, Kansas, and Nebraska, a terminal facility in Wichita, Kansas, and country elevators in Kansas and Missouri. In the 2007 issue of the *Grain and Milling Annual*, from World Grain and Sosland Publishing, Barlett Grain was ranked 16th among the major North American grain companies.

Government
 Incentives:

Demands for ethanol is bolstered by a number of governmental programs regulations and incentives which are described below.

Federal and State Incentives Provided or Proposed	Impact
<ul style="list-style-type: none"> ▪ Partial exemption from federal excise tax on gasoline through 2011. 	<ul style="list-style-type: none"> ▪ Allows ethanol to compete successfully with gasoline with MTBE, produced by oil industry.
<ul style="list-style-type: none"> ▪ Federal renewable fuels standard (RFS) that will double use of ethanol and biodiesel to 7.5 billion gallons per year by 2012. 	<ul style="list-style-type: none"> ▪ Mandates increase in ethanol demand nationally.
<ul style="list-style-type: none"> ▪ Illinois HB 387: tax credits for buyers of E85 ethanol powered vehicle; tax credits for ethanol dispensing pumps at retail stores. 	<ul style="list-style-type: none"> ▪ Stimulates increase in ethanol demand in Illinois.
<ul style="list-style-type: none"> ▪ Illinois Alternative Fuel Vehicle Rebates for converting vehicle to ethanol. 	<ul style="list-style-type: none"> ▪ Stimulates increase in ethanol demand in Illinois.
<ul style="list-style-type: none"> ▪ Illinois Sales and Use Tax Exemptions for ethanol-blended fuels. 	<ul style="list-style-type: none"> ▪ Lowers cost of ethanol to consumer at the pump. Allows ethanol to be price competitive with gasoline.
State Incentives Requested by the Company	Impact
<ul style="list-style-type: none"> ▪ IFA issuance of tax-exempt solid waste disposal bonds with volume cap allocation in amount up to \$37,000,000. 	<ul style="list-style-type: none"> ▪ Lowers the Company's cost of debt capital. Partial tax-exempt capital structure provides a competitive advantage with respect to other ethanol producers.
<ul style="list-style-type: none"> ▪ IFA issuance of tax-exempt water facilities bonds with volume cap allocation in amount up to \$8,000,000. 	<ul style="list-style-type: none"> ▪ Lowers the Company's cost of debt capital, providing the Project with a competitive versus ethanol producers.
<ul style="list-style-type: none"> ▪ \$4 million Renewable Energy Program Grant from DCEO 	<ul style="list-style-type: none"> ▪ Lowers equity requirement by \$4 million. Reimburses WIEP for higher construction costs due to using union labor in Illinois.

PROJECT SUMMARY

Bond proceeds, together with bank financing, equity contributed by the owners and grants provided by DCEO, will be used to finance: 1) the acquisition and improvement of a 70 acre site in Griggsville, 2) the construction of a 57,750,000 gallon capacity ethanol plant at the site, 3) the acquisition and installation of machinery and equipment, including qualifying solid waste disposal and exempt water facilities, 4) capitalize debt service reserve funds, 5) fund interest accounts and 6) pay a portion of costs of issuance. The Project is expected to be constructed by Agra under a lump-sum, price/date-certain, turn-key engineering, procurement and construction (“EPC”) contract utilizing a design and technology that is licensed from Delta-T. The Project is expected to reach substantial completion in 16 months. Construction is expected to begin in September 2007. Project cost estimates are:

Land & Site Improvements	\$18,000,000
Management/Start-up	5,200,000
Plant Construction	<u>110,500,000</u>
Total	<u>\$133,700,000</u>

Proceeds from the SWDBs will be used to finance machinery and equipment used for processing stillage, the solid waste product that is produced during the corn-to-ethanol production process, into dried distiller’s grains. Assets to be financed include centrifuges, tanks, driers, evaporators and certain storage facilities related to DDGS production.

Proceeds from the Water Facilities Bonds will be used to construct a 16-inch pipeline from the water aquifer on the Mississippi River to the water tower located in El Dara, Illinois. From the tower, a 12-inch pipeline will be constructed to transport water to the New Salem interchange. It is expected that only this portion of the water pipeline project will be eligible for tax-exempt financing, as this phase of the project directly improves and enhances Pike County. The Bond proceeds will be used to reimburse the Pike County Water District #1 as the project work is performed. This pipeline will be connected to a second pipeline from the New Salem interchange to the Project. The combined length of the water pipelines from the water aquifer to the interchange is 21 miles. Meco Engineering Co., Inc. has provided preliminary estimates for the phases of the project.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Western Illinois Ethanol Project, LLC, 112 W. Washington Street, Pittsfield, Illinois 62363
Contact: Walker Filbert, President, Western Illinois Ethanol Project, LLC; Phone # 217-285-6460
Location: 30495 State Highway 107, Griggsville (Pike County), Illinois 62340
Land Owner: Western Illinois Ethanol Project, LLC
Organization: Illinois Limited Liability Company

PROFESSIONAL & FINANCIAL

Borrower’s Counsel:	Johnson & Colmar	Chicago	Craig Colmar
Bond Counsel:	Dickenson, Wright	Bloomfield Hills, MI	Craig Hammond
Bond Placement Agent:	Stern Brothers & Co.	St. Louis, MO	John May
Placement Agent Counsel:	Michael Best & Friedrich LLP	Chicago	Marc Oberdorff
Lead Debt Arranger:	WestLB AG	New York	Michael Pantelogeonis
Lender’s Counsel:	Chadbourne & Parke LLP	Washington, D.C.	Rohit Chaudry
Issuer’s Counsel:	Pugh, Jones, Johnson & Quandt, P.C.	Chicago	Scott Bremer
General Contractor:	Agra Industries, Inc.	Merrill, WI	Pat Hinner
Feasibility Consultants:	Frazier, Barnes	Memphis, TN	Warren Barnes
	Muse, Stancil & Co.	Addison, TX	Sharon Rhoton
IFA Financial Advisor:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

	Pittsfield		Griggsville	
Congressional:	18	Ray LaHood	18	Ray LaHood
State Senate:	49	Deanna Demuzio	47	John M. Sullivan
State House:	97	Jim Watson	93	Jil Tracy

AMENDATORY RESOLUTION PROVIDING FOR THE ISSUANCE OF SUBORDINATE WATER FACILITY REVENUE BONDS (WESTERN ILLINOIS ETHANOL PROJECT, LLC PROJECT) SERIES 2007A IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$7,300,000, THE ISSUANCE OF SUBORDINATE SOLID WASTE DISPOSAL FACILITY REVENUE BONDS (WESTERN ILLINOIS ETHANOL PROJECT, LLC PROJECT) SERIES 2007B IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$40,200,000, AND THE ISSUANCE OF SENIOR SOLID WASTE DISPOSAL FACILITY REVENUE BONDS (WESTERN ILLINOIS ETHANOL PROJECT, LLC PROJECT) SERIES 2007C IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$15,000,000, AUTHORIZING THE SALE THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST, LOAN AGREEMENT, PLACEMENT AGREEMENT, TAX EXEMPTION CERTIFICATE AND AGREEMENT AND RELATED DOCUMENTS IN CONNECTION WITH THE BONDS; APPROVING THE DISTRIBUTION OF A PRELIMINARY PRIVATE PLACEMENT MEMORANDUM AND A FINAL PRIVATE PLACEMENT MEMORANDUM IN CONNECTION WITH THE OFFERING OF THE BONDS; AND RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "Authority"), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801, et seq., as supplemented and amended (the "Act"), is authorized by the laws of the State of Illinois, including without limitation the Act, to issue its revenue bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to defray, among other things, the cost of the acquisition, construction and equipping of "projects," as such term is defined in the Act; and

WHEREAS, Western Illinois Ethanol Project, LLC, an Illinois limited liability company (the "Borrower"), wishes to (i) finance all or a portion of the costs of acquiring, constructing, equipping and installing certain solid waste disposal facilities (the "Solid Waste Disposal Facilities Project") at the Borrower's 55,000,000 gallon-per-year dry mill ethanol plant to be located in Griggsville, Illinois (the "Plant"), (ii) pay a portion of the interest accruing on the Bonds (as hereinafter defined) during construction of the Project, (iii) fund a debt service reserve fund for the Bonds, and (iv) pay certain costs of issuance of the Bonds; and

WHEREAS, the Borrower further wishes to finance all or a portion of the costs of acquiring, constructing and equipping of certain facilities for the furnishing of water which will be owned by Pike County Water District No. 1, a public water district organized under the Illinois Public Water District Act (the "Water Facilities Project"); and

WHEREAS, the Borrower has represented to the Authority that the acquisition, construction and equipping of the Solid Waste Disposal Facilities Project and the Water

Facilities Project (collectively the "Projects") will meet the public purposes of the Act, including the creation and retention of employment opportunities in the State of Illinois; and

WHEREAS, in furtherance of the purposes set forth in the Act, the Authority wishes to provide for the financing of costs of the Projects by the sale and issuance of its revenue bonds, and by authorizing such actions as might be required to implement such stated intention; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Authority is now prepared to proceed with financing all or a portion of the costs of the Projects and to issue and sell (i) its Subordinate Water Facility Revenue Bonds (Western Illinois Ethanol Project, LLC Project), Series 2007A (the "Series 2007A Bonds), (ii) its Subordinate Solid Waste Disposal Facility Revenue Bonds (Western Illinois Ethanol Project, LLC Project), Series 2007B (the "Series 2007B Bonds), and (iii) its Senior Solid Waste Disposal Facility Revenue Bonds (Western Illinois Ethanol Project, LLC Project), Series 2007C (the "Series 2007C Bonds", and together with the Series 2007A Bonds and the Series 2007B Bonds, collectively the "Bonds"), to provide the same (all or a portion of such Bonds may be issued on a taxable basis under the same or a separate series designation if private activity bond volume cap allocation is not available), the Bonds to be secured by the Indenture (as hereinafter defined) and as otherwise described therein and, except to the extent payable from Bond proceeds or income from the temporary investment thereof, to be payable solely from the revenues and income and other amounts received by the Authority pursuant to a Loan Agreement (as hereinafter defined) with the Borrower, and with respect to the Series 2007A Bonds and the Series 2007B Bonds, subordinate to the rights of WestLB AG, New York Branch and its successors and assigns (the "Senior Lender") under the loan from the Senior Lender to the Borrower (the "Senior Loan"), and with respect to the Series 2007C Bonds, secured on a parity basis with the Senior Loan; and

WHEREAS, it is now necessary, desirable and in the best interests of the Authority to authorize the execution and delivery, or approval, as the case may be, of the following documents relating to the Bonds: an Indenture of Trust (the "Indenture") between the Authority and The Bank of New York Trust Company, N.A., as trustee (the "Trustee ") under which all of the Bonds will be issued; a Loan Agreement between the Authority and the Borrower (the "Loan Agreement") and the Series 2007 Promissory Note (the "Note") of the Borrower thereunder; a Placement Agreement (the "Placement Agreement") among the Authority, the Borrower and Stern Brothers & Co. (the "Placement Agent"); a Tax Exemption Certificate and Agreement with respect to the Bonds dated the date of issuance of the Bonds (the "Tax Agreement"), among the Authority, the Borrower and the Trustee, and to approve a Preliminary Private Placement Memorandum and a Private Placement Memorandum to be distributed to prospective purchasers of all of the Bonds (the "Preliminary Private Placement Memorandum" and the "Private Placement Memorandum," respectively); and

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

- (i) the Indenture, including the form of Bonds,
- (ii) the Loan Agreement (including the form of Note),

- (iii) the Placement Agreement, and
- (iv) the Preliminary Private Placement Memorandum;

WHEREAS, the Indenture, the Loan Agreement and the Placement Agreement are referred to collectively herein as the "Authority Agreements;"

WHEREAS, the Authority previously adopted a bond resolution on August 7, 2007 (the "Original Bond Resolution") authorizing the issuance of the Series 2007A Bonds and the Series 2007B Bonds;

WHEREAS, it is necessary to amend and restate the Original Bond Resolution to authorize the issuance of the Series 2007C Bonds;

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

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

Section 2. The form of Bonds now before the Authority, subject to appropriate insertions and revisions in order to comply with the provisions of the Indenture (as executed and delivered), are hereby approved. The Bonds shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its Chairman and attested with the manual or

facsimile signature of its Secretary or Assistant Secretary and the seal of the Authority shall be impressed or imprinted thereon. The Chairman, the Treasurer or any other officer of the Authority shall cause the Bonds, as so executed and attested, to be delivered to the Trustee for authentication. When the Bonds shall be executed on behalf of the Authority in the manner contemplated by the Indenture and this Resolution, they shall represent the approved forms of Bonds of the Authority.

Section 3. The Bonds shall bear interest at such rate or rates as are specified in the Indenture and the Placement Agreement; provided that no Series 2007A Bond or Series 2007B Bond shall bear interest at a rate greater than 12% per annum (16% per annum in the case of any Bonds the interest on which is subject to federal income taxation). Interest on the Bonds shall be payable on such dates as shall be set forth in the Indenture, as executed.

The Bonds shall be issued in one or more series designated as follows: (i) "Illinois Finance Authority Subordinate Water Facility Revenue Bonds (Western Illinois Ethanol Project, LLC Project) Series 2007A;" (the "Series 2007A Bonds"), (ii) "Illinois Finance Authority Subordinate Solid Waste Disposal Facility Revenue Bonds (Western Illinois Ethanol Project, LLC Project) Series 2007B" (the "Series 2007B Bonds"), and (iii) "Illinois Finance Authority Senior Solid Waste Disposal Facility Revenue Bonds (Western Illinois Ethanol Project, LLC Project) Series 2007C" (the "Series 2007C Bonds"), with such additional identifying changes as may be approved by the Chairman, the Treasurer or the Executive Director of the Authority, including identifying any Bonds being issued on a taxable basis and designating a separate series for such taxable Bonds so long as (i) the amount of Series 2007A Bonds issued does not exceed \$7,300,000, (ii) the amount of Series 2007B Bonds issued does not exceed \$40,200,000, (iii) the amount of Series 2007C Bonds issued does not exceed \$15,000,000 and (iv) the aggregate amount of all Bonds issued does not exceed \$47,500,000. The Bonds shall be issued in the denominations set forth in the Indenture. The Bonds shall mature no later than 15 years from their date of issuance, shall be in fully registered form, shall be dated and subject to redemption in accordance with the terms and provisions of the Indenture, as executed, and shall have such other terms and provisions as specified in the Indenture, as executed, to be included therein.

Proceeds of the Bonds may be used to finance costs of the Projects, fund interest on the Bonds during and after the period of construction of the Projects, fund any required debt service reserves for the Bonds, pay costs of issuance and/or credit enhancement fees related to the Bonds and for other purposes related thereto. Proceeds of the Bonds may also be used to reimburse the Borrower or refinance indebtedness incurred by the Borrower for any of the foregoing purposes.

Section 4. The Bonds and the interest thereon shall be limited obligations of the Authority, payable solely from the income and revenues to be derived by the Authority pursuant to the Loan Agreement (except such income and revenues as may be derived by the Authority pursuant to the Unassigned Rights (as defined in the Indenture)) and the Borrower's Note, subordinate, in the case of the Series 2007A Bonds and the Series 2007B Bonds, to the rights of the Senior Lender under the Senior Loan and secured on a parity basis, in the case of the Series 2007C Bonds, by the collateral securing the Senior Loan. The Bonds and the interest thereon shall never constitute a general obligation or commitment by the Authority to expend any of its funds other than (i) the proceeds of the sale of the Bonds, (ii) the income and revenues derived

by the Authority pursuant to the Loan Agreement and the Note and other amounts available under the Indenture, and (iii) any money arising out of the investment or reinvestment of said proceeds, income, revenues or receipts. No holder of any Bond has the right to compel any exercise of the taxing power of the Authority, the State of Illinois or any subdivision thereof to pay the Bonds, the interest or premium, if any, thereon, and the Bonds shall not constitute an indebtedness of the Authority, the State of Illinois or any subdivision thereof or a loan of credit thereof within the meaning of any constitutional or statutory provisions.

Section 5. The sale of the Series 2007A Bonds in an aggregate principal amount of not to exceed \$7,300,000 (all or a portion of which may bear interest which is subject to federal income taxation) to the initial purchasers at a purchase price of not less than 98% of the aggregate principal amount of the Series 2007A Bonds (exclusive of any original issue discount), plus accrued interest, if any, to the date of delivery, is hereby approved and confirmed. The sale of the Series 2007B Bonds in an aggregate principal amount of not to exceed \$40,200,000 (all or a portion of which may bear interest which is subject to federal income taxation) to the initial purchasers at a purchase price of not less than 98% of the aggregate principal amount of the Series 2007B Bonds (exclusive of any original issue discount), plus accrued interest, if any, to the date of delivery, is hereby approved and confirmed. The sale of the Series 2007C Bonds in an aggregate principal amount of not to exceed \$15,000,000 (all or a portion of which may bear interest which is subject to federal income taxation) to the initial purchasers at a purchase price of not less than 98% of the aggregate principal amount of the Series 2007C Bonds (exclusive of any original issue discount), plus accrued interest, if any, to the date of delivery, is hereby approved and confirmed. The Chairman, the Treasurer or the Executive Director are hereby authorized to proceed not later than the 12th day of December, 2007, without any further authorization or direction from the Board, to sell and deliver the Bonds upon the terms as prescribed in this Resolution.

Section 6. The distribution of the Preliminary Private Placement Memorandum and the Private Placement Memorandum by the Placement Agent is hereby approved, and such Preliminary Private Placement Memorandum and Private Placement Memorandum shall be in substantially the same form of the Preliminary Private Placement Memorandum now before the Authority, or with such changes therein as shall be approved by the Chairman, the Treasurer or the Executive Director of the Authority, his or her execution of the Loan Agreement to constitute conclusive evidence of such approval; and each of them hereby is authorized, empowered and directed to certify that the information contained in the Preliminary Private Placement Memorandum and the Private Placement Memorandum under the headings "THE ISSUER," and "LITIGATION—The Issuer," to the extent such information pertains to the Authority, is in a form "Deemed Final" by the Authority.

Section 7. The Authority is hereby authorized to enter into the Tax Agreement with the Borrower and the Trustee in the form to be approved by bond counsel, by counsel for the Authority and by counsel for the Borrower; the Chairman, the Treasurer or the Executive Director of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver the Tax Agreement, in the form so approved; when the Tax Agreement is executed and delivered on behalf of the Authority as hereinabove provided, such Tax Agreement will be binding on the Authority; and from and after the execution and delivery of the Tax

Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such Tax Agreement as executed.

Section 8. The Chairman, the Treasurer, the Executive Director, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized to execute and deliver such documents, certificates, and undertakings of the Authority and to take such other actions as may be required in connection with the execution, delivery and performance of the Bonds and the Authority Agreements, and the distribution of the Preliminary Private Placement Memorandum and the Private Placement Memorandum authorized by this Resolution.

Section 9. All acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 10. The publication on behalf of the Authority of the notices of public hearing relating to the conduct of the public hearing by the Executive Director of the Authority or his or her designee with respect to the issuance of the Bonds is hereby ratified, approved and confirmed. The officers of the Authority are hereby authorized and directed to submit the Bonds for approval by the Governor of the State of Illinois pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended.

Section 11. The Bonds shall be initially issued in book-entry form and registered in the name of The Depository Trust Company, New York, New York ("DTC"), or its nominee, as securities depository.

Section 12. The designation by the Borrower of The Bank of New York Trust Company, N.A., as trustee, paying agent and registrar with respect to the Bonds, is hereby approved by the Authority; *provided* that such approval shall in no event be deemed a waiver of any Authority requirements with respect to trustees on any future bond issues.

Section 13. The Authority's obligation to issue the Bonds (other than Bonds the interest on which is subject to federal income taxation) is subject to the allocation of private activity bond volume cap, and such Bonds will be issued only when adequate volume cap therefor, to the extent required, has been obtained by the Authority.

Section 14. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 15. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict, including without limitation the Original Bond Resolution.

Section 16. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

BLOOMFIELD 90559-1 833976v5

Request for the approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$2,150,000 to provide permanent financing. Proceeds will be used to (1) construct and equip a new manufacturing facility, and (2) fund legal and professional issuance costs. This project is located in Woodstock, Illinois. This project is expected to create 18 new jobs and 30 construction jobs over a 6 month period. (07-09-22).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 21 and 22. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 21 and 22. Leave was granted. Project nos. 21 and 22 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 23: E-PC-TE-CD-7183 – Robert Morris College

Request for the approval of the issuance of Conduit Qualified 501(c)(3) Revenue Bonds in an amount not-to-exceed \$30,000,000 to provide permanent financing. Bond proceeds will be used to (1) refund outstanding indebtedness, (2) expand its Chicago campus, (3) design and construct a new medical and science wing for the DuPage Campus, (4) construct and equip new classrooms for the Schaumburg Graduate School, (5) plan and design a new suburban graduate school at a location to be determined, and (6) fund legal and professional costs. This project is located in Aurora, Chicago and Schaumburg, Illinois. This project is expected to create 62 new jobs over a 2 year period, and 100 construction jobs. (07-09-23).

No. 24: E-PC-TE-CD-7157 – Chicago School of Professional Psychology

Request for the approval of the issuance of Conduit 501(c)(3) Revenue Bonds in an amount not-to-exceed \$14,000,000 to provide permanent financing. Bond proceeds will be used to refund a previous bond issue, refinance existing debt, finance acquisition and renovations, and to pay certain bond issuance costs. This project is located in Chicago, Illinois. This project is expected to create 30 new jobs and 50 construction jobs. (07-09-24).

No. 25: E-NP-TE-CD-7095 – McKinley Foundation at the University of Illinois Urbana-Champaign (Presbyterian Hall)

Request for the approval of the issuance of Conduit Qualified 501(c)(3) Revenue Bonds in an amount not-to-exceed \$27,500,000 to provide permanent financing. Bond proceeds will be used to finance (1) remodeling of existing buildings and construction of a new building for student housing (264 students) and a study and recreational hall, and parking space, (2) deposit money in the Debt Service Reserve Fund to secure the Series 2007 Bonds, (3) capitalize interest, and (4) pay certain costs of issuance of the Series 2007 Bonds. This project is located in Champaign, Illinois. This project is expected to create 12 new jobs and 50 construction jobs over a 15 month period. (07-09-25).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 23 through 25. There being none, Chairman Gustman requested leave to apply the last unanimous vote in