Illinois Finance Authority

October 10, 2006
11:30 AM
Board Meeting
The Mid America Club
200 E. Randolph Drive, 80th Floor
Chicago, Illinois

IFA File Copy

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ILLINOIS FINANCE AUTHORITY
BOARD MEETING
October 10, 2006
Chicago, Illinois

EXECUTIVE SESSION
8:30 a.m.
Illinois Finance Authority
180 N. Stetson, Suite 2555

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

BOARD MEETING
11:30 a.m.
The Mid America Club
200 East Randolph Drive - 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	Amount	New Jobs	Const Jobs	FM
Agri-Debt Guarantee Extension						
1	Thomas E. Walbaum	Pleasant Plains	193,043	0	0	CM
Beginning Farmer Bonds						
2	Brian C. Harmon	Kansas	172,500	0	0	ER
TOTAL AGRICULTURE PROJECTS			365,543	-	-	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds *Preliminary*						
3	Friendship Village of Mill Creek d/b/a Tallgrass at Mill Creek	Geneva	5,500,000	0	0	PL/DS
4	Near North Health Service Corporation	Chicago	6,000,000	0	0	ST
5	Loyola University Health System	Chicago	250,000,000	375	85	PL
501(c)(3) Bonds *Final*						
6	Montgomery Place	Chicago	55,000,000	30	100	PL
7	Riverside Medical Center and Riverside Senior Living Center	Kankakee, Bourbonnais	35,000,000	0	0	DS
8	Sherman Health System	Elgin	100,000,000	61	350	PL
~~9~~	~~Tabor Hills Supportive Living Community, LLC~~	~~Naperville~~	~~25,000,000~~	~~40~~	~~85~~	~~PL/DS~~
TOTAL HEALTHCARE PROJECTS			476,500,000	131	535	

COMMUNITIES AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds *Final*						
10	Morgan Park Academy	Chicago	1,400,000	1	40	SCM
11	Lawrence Hall Youth Services	Chicago	15,000,000	0	150	SCM
Housing Bonds *Final*						
12	DeKalb SLF LP (DeKalb County Supportive Living Facility)	DeKalb	7,400,000	31	25	RKF
13	Urban Van Buren LP (Amalgamated Senior Residences)	Chicago	9,000,000	0	20	RKF
Local Government Pooled Bond Bond Program						
14	City of Herrin Sewer Project	Herrin	960,000	0	0	EW
15	City of Herrin Water Project	Herrin	630,000	0	0	EW
Local Government Loan Program						
16	City of Benton	Benton	660,000	0	0	EW
TOTAL COMMUNITIES AND CULTURAL PROJECTS			35,050,000	32	235	

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Participation Loans						
17	City of Quincy Airport	Quincy	150,000	2	50	JS
Solid Waste Disposal Bonds *Preliminary*						
18	Allied Waste Industries, Inc., Allied Waste North America, Inc. and their affiliates, successors, and assigns	Multiple	120,000,000	20	30	RKF
Clean Coal and Energy Moral Obligation Bonds and Solid Waste Disposal Bonds *Preliminary*						
19	Christian County Generation LLC	Taylorville	500,000,000	200	1,000	ST
Industrial Revenue Bonds *Preliminary*						
20	Guardian Electric Manufacturing Company (KMKKB Trust, Harris Bank and Trust Company, Barrington, Illinois; jointly with Guaradian Electric Manufacturing Company)	Hampshire	9,800,000	10	100	TA
Industrial Revenue Bonds *Final*						
21	Raco Steel Company	Markham	2,000,000	10	0	ST
22	JBWLP, LLC	Addison	3,500,000	30	6	ST
23	9500 Ainslie Associates LLC and 9611 Associates, L.P. (Injection Plastic Corporation Project)	Schiller Park	4,600,000	100	15	RKF
24	C & D Recycling LLC (2300 Carlson LLC jointly with C & D Recycling LLC)	Northbrook	4,400,000	41	40	TA
TOTAL BUSINESS AND INDUSTRY PROJECTS			644,450,000	413	1,241	

GRAND TOTAL	1,156,365,543	576	2,011	

Tab	Resolutions/Project Revisions/Amendatory Resolutions	
25	Request to extend for six months a commitment for a participation loan to Quincy Hotel, LLC.	JS

Other

Adjournment

Illinois Finance Authority
Executive Director's Report
October 10, 2006

To: IFA Board of Directors and Office of the Governor

From: Jill Rendleman, Interim Executive Director

I. Financial Performance

The Illinois Finance Authority's consolidated financial statements including State appropriated funds indicate a $3.1 Million growth in IFA equity over the past twelve months, now standing at $88,681,801. Total assets as of September 30, 2006 stand at $153,818,377 as compared to $152,702,600 last year at this time, while total liabilities/bonds payable are down by an estimated $2 Million. Year to date net income, excluding State appropriated funds, stands at $428,133 or $72,536 below planned performance. This variance is due to the addition of $85,000 in excess reserves being placed into the Allowance for Loan Losses as loan totals have increased more rapidly than expected. Year to date gross revenues are from non-appropriated sources are exceeding expectation at $2.3Million, which is an improvement over last year's levels of $1.8Million.

II. Sales Activities

IFA is again seeing project totals in excess of $1 Billion for the third consecutive month of 2007. This month large project totals reflect growing transaction volume in the health care sector as well as a large new Clean Coal project in Southern Illinois, and a growing number of industrial projects. With the exception of Higher Education which has no projects for review in September, the projects positively reflect the strength and diversity of Illinois' urban and rural economies with market totals of $365k in Agriculture, $477M in Healthcare, $35M in Communities & Culture, and $644M in Business and Industry. The Illinois Finance Authority currently has bonds outstanding of over $22 Billion and has approved over $10 Billion in new investments in Illinois in the last 2 years, creating over 20,000 construction jobs and over 10,000 new permanent jobs and revitalizing new revenue for local communities and the State of Illinois.

Health Care: Healthcare totals have increased this month reflecting improved demand for larger transaction financing as well as a desired number of project financings for smaller healthcare facilities. IFA funding managers attended the Illinois Hospital Association Leadership Summit in Galena, Illinois and had the opportunity to discuss IFA programs with a variety of Illinois hospitals. The Director of Marketing and the Executive Director executed final documentation necessary to sponsor the Investment Management and Arbitrage Rebate program which will bring an added service level to both hospitals and institutions of higher education. This month marks IFA's first use of Bond Anticipation Notes as a means of interim financing for a continuing care retirement community and is a

Healthcare: (continued)
measure of the increasing sophistication of investors in this market segment. IFA staff and Executive Director made 56 personal calls or presentations to potential projects in the month of September.

Higher Education: Higher Education funding managers have continued to explore opportunities to create a financing program for both public and private higher education institutions relating to capital needs relative to rising energy costs. Staff attended the National Conference of Higher Education and Health Facilities Finance Authorities and networked with potential clients as well as gained industry knowledge. Other activities for the month included a meeting with Governor's State University to discuss financing plans for capital projects. Higher Education staff made 6 in person business development calls in the month of September.

Agriculture: Staff attended major banking conferences this month including the Illinois Bankers Association Agricultural Conference in Springfield, Illinois and the Community Bankers Association Annual Convention and Expo. The secondary market product allowing the sale of guaranteed loans is now being marketed with a call this month on First Bank and Trust, one of the largest originators and sellers of USDA guarantees in the State. With improved communication between DCEO and IFA on Alternative Energy projects, staff from all sectors have been involved in joint meetings with DCEO in reviewing new ethanol and bio-diesel opportunities. The agricultural staff and Executive Director made more calls than any sector with over 100 in person business development calls for potential projects in the month of September.

Communities and Culture: An increased level of activity is being seen from communities and public schools seeking infrastructure improvements no longer fully funded through Federal and State assistance. Springfield staff were active this month in the Rural Water Quarter Meeting as well as the Community Action Association. The Chicago Archdiocese hosted a conference for Catholic schools in Illinois and IFA staff presented capital financing options to superintendents and board members from across Chicago and the collar counties. The IFA Charter Schools Initiative administered in cooperation with the Illinois Facilities Fund and the United States Department of Education has been nominated as one of the Bond Buyer's "Deal of the Year Award" for 2006. The communities and culture staff made 26 in person business development calls for potential projects in the month of September.

Industry and Commerce: Major projects request continue to surface in the Industry and Commerce sector. A positive development is the number and scope of new requests for Industrial Revenue Bonds indicating a renewed growth in Illinois manufacturing and industry sectors. Additionally IFA continues to develop financing options for large coal and alternative energy groups which now appear to be heading towards completion of Illinois and Federal environmental permits. IFA Executive Director had a joint meeting with Director Lavin of DCEO and Director Filan of GOMB to discuss application processes and criteria for Clean Coal Energy requests. Industry and commerce funding managers made 68 in person sales calls in the month of September.

III. Marketing and Public Relations

Director of Marketing and Public Relations, Diane Hamburger and Director of Business Development, Stacy Flota coordinated, conducted, and prepared all materials for IFA Strategic Planning in Healthcare and Business and Industry. These productive meetings have resulted in targeted opportunities and new program development and focus in those sectors. In addition, Ms Hamburger continues to work closely with the Governor's Office and DCEO on a large number of project communications throughout the state. These have included several IFA financed projects including the Bunge Bio-Diesel and the FutureGen Coal project, In addition to responses to Federal investigations, IFA continues to prepare materials as required by the Freedom of Information Act for the Service Employees Union and other interested parties. After 24 months of investigation, Bloomberg press has published an article on a wide range of questionable public financings that have received IRS scrutiny and/or penalties. These financings include blind pools such as the 1999 IDFA NTN transaction which is mentioned in the ten page article along with numerous other transactions across the nation. The IFA has a policy which prohibits its participation in blind pool programs.

IV. Human Resources and Operations

Chief Administrative Officer, Stuart Boldry, has complete several major projects this month including a completion of the first phase of the IT Platform upgrade, and the start of phase two, which includes the replacement of the IFA telephone systems. Other major projects include implementation of the new deferred compensation program, continued work on the contact management system, and the development of a review of all personnel policies.

V. Legal and Legislative Issues

IFA Executive Director met with Intergovernmental Relations Manager, Howard Kenner, to discuss potential issues for the Veto Session of the Legislature which begins in November. IFA is researching its Bonds Outstanding Projection to predict the need for increased Outstanding Bonding Authority. IFA Executive Director also met with General Counsel as well as leading counsel from the bond industry to discuss legislation which would protect economic development activities, primarily tax exempt bonding activities, originated by organizations with or developing a significant presence in Illinois.

VI. Audit and Compliance

The Financial and Compliance Audit for Fiscal Year 2006 is well underway and there are currently no significant issues. The partner in charge of the audit met with the Executive Director to explain a potential change in the presentation of the Authority's financial statements is under consideration. Since IFA financial statements were recently upgraded to replicate the State Audit presentation, this is a potentially large project undertaking and Chief Financial Officer Jose Garcia will be exploring alternatives to this change with the audit staff. IFA's treasury account has been credited back $119,000 from the Auditor General to correct an error made by that office in August. Currently there are 9 audit findings under review with 6 findings 100% complete, 2 findings 60% or substantially completed, and 1 finding less than 50% complete. IFA is completing documentation from the State Legislative Audit Commission which will determine the priority and timing of the IFA Audit review by the Commission.

Illinois Finance Authority
Consolidated
Balance Sheet
for the Three Months Ending September 30, 2006

	September 2005	September 2006	September Budget	Variance to budget
ASSETS				
CASH & INVESTMENTS, UNRESTRICTED	$ 29,349,295	$ 31,554,603	$ 28,615,354	$ 2,939,249
LOAN RECEIVABLE, NET	83,314,483	81,087,432	79,904,061	1,183,371
ACCOUNTS RECEIVABLE	558,772	1,025,309	500,000	525,309
OTHER RECEIVABLES	566,328	1,936,403	962,370	974,033
PREPAID EXPENSES	64,856	122,826	170,494	(47,668)
TOTAL CURRENT ASSETS	113,853,734	115,726,573	110,152,279	5,574,294
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	72,672	138,765	145,971	(7,206)
DEFERRED ISSUANCE COSTS	1,128,588	916,622	948,152	(31,530)
OTHER ASSETS				
CASH, INVESTMENTS & RESERVES	27,690,758	27,281,593	30,046,105	(2,764,512)
VENTURE CAPITAL INVESTMENTS	5,768,237	5,679,735	5,848,551	(168,815)
OTHER	4,188,611	4,075,089	4,079,492	(4,403)
TOTAL OTHER ASSETS	37,647,607	37,036,418	39,974,148	(2,937,729)
TOTAL ASSETS	$ 152,702,600	$ 153,818,377	$ 151,220,550	$ 2,597,828
LIABILITIES				
CURRENT LIABILITIES	$ 867,013	$ 1,564,791	$ 973,483	$ 591,308
LONG-TERM LIABILITIES	66,231,702	63,571,786	61,461,118	2,110,666
TOTAL LIABILITIES	67,098,715	65,136,577	62,434,601	2,701,974
EQUITY				
CONTRIBUTED CAPITAL	36,061,462	36,061,462	36,061,462	(0)
RETAINED EARNINGS	13,000,024	15,015,017	15,015,017	-
NET INCOME / (LOSS)	4,517,755	631,917	736,064	(104,147)
RESERVED/RESTRICTED FUND BALANCE	19,303,495	24,279,992	24,279,992	0
UNRESERVED FUND BALANCE	12,721,150	12,693,412	12,693,412	(0)
TOTAL EQUITY	85,603,885	88,681,801	88,785,948	(104,147)
TOTAL LIABILITIES & EQUITY	$ 152,702,600	$ 153,818,377	$ 151,220,550	$ 2,597,828

Illinois Finance Authority
Consolidated - Detail
Balance Sheet
for the Three Months Ending
September 30, 2006

	General Fund	Bond Fund	Firetruck Revolving Fund	Non Major Funds YTD	YTD 2007
Assets					
Current assets:					
Cash and cash equivalents – unrestricted	7,734,929	-	-	13,587,979	21,322,908
Investments – unrestricted	2,437,409	-	-	2,989,258	5,426,668
Restricted current assets:					
Cash and cash equivalents	-	632,644	1,354,919	-	1,987,564
Accrued interest receivable	-	1,602,027	5,300	2,060	1,609,387
Restricted investments	-	61,695	-	-	61,695
Other receivable	-	4,393	-	-	4,393
Receivables:					
Accounts	1,098,059	-	-	-	1,098,059
Interest and other	122,376	-	-	19,869	142,245
Prepaid expenses and deposits	122,826	-	-	-	122,826
Total Current Assets	11,515,599	2,300,759	1,360,219	16,599,166	31,775,743
Noncurrent assets:					
Restricted Noncurrent assets					
Cash and cash equivalents	-	-	-	21,507,590	21,507,590
Interest receivable	-	185,679	-	79,000	264,679
Guarantee payments receivable	-	-	-	613,956	613,956
Allowance for doubtful accounts	-	-	-	(538,866)	(538,866)
Deferred issuance costs, net of accumulated amortization	-	234,437	-	-	234,437
Investments	-	8,445,473	-	-	8,445,473
Bonds and notes receivable	-	51,939,200	-	-	51,939,200
Loans receivable	-	-	8,766,437	393,098	9,159,535
Allowance for doubtful accounts	-	-	-	(106,564)	(106,564)
Investments in partnerships and companies	-	-	-	5,679,735	5,679,735
Loans Receivable	21,312,269	-	-	5,080,345	26,392,614
Allowance for doubtful accounts	(2,370,102)	-	-	-	(2,370,102)
Due from other funds long term	2,577,166	-	-	712,374	3,289,539
Property and equipment, at cost	368,265	-	-	5,500	373,765
Accumulated depreciation	(230,967)	-	-	(4,033)	(235,000)
Deferred issuance costs, net of accumulated amortization	-	-	-	682,185	682,185
Total Noncurrent Assets:	21,656,630	60,804,788	8,766,437	34,104,318	125,332,174
Total Assets	33,172,229	63,105,548	10,126,656	50,703,483	157,107,916
Liabilities					
Current liabilities:					
Accounts payable	188,135	-	-	-	188,135
Accrued expenses	432,233	-	-	-	432,233
Accrued interest payable	-	1,812,256	-	6,622	1,818,878
Due to employees	33,827	-	-	-	33,827
Due to primary government	192,490	-	-	25,000	217,490
Due to local government units	-	211	-	-	211
Current portion of Long term debt	-	-	-	54,846	54,846
Total Current Liabilities	846,685	1,812,467	-	86,468	2,745,619
Noncurrent liabilities:					
Long-term debt	-	-	-	828,060	828,060
Bonds payable	-	60,095,000	-	-	60,095,000
Deferred revenue net of accumulated amortization	631,427	-	-	955,513	1,586,940
Due to other funds - long term	-	-	-	3,289,539	3,289,539
Deferred loss on early extinguishment of Debt	-	(119,043)	-	-	(119,043)
Total Noncurrent Liabilities	631,427	59,975,957	-	5,073,112	65,680,497
Total Liabilities	1,478,112	61,788,425	-	5,159,580	68,426,116
Net Assets					
Invested in capital assets	137,298	-	-	1,467	138,765
Restricted	-	1,317,123	10,126,656	21,060,745	32,504,524
Unrestricted	31,556,819	-	-	24,481,692	56,038,511
Total Net Assets	31,694,117	1,317,123	10,126,656	45,543,904	88,681,800

Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
for Period Ending September 30, 2006

	Actual September 2006	Budget September 2006	Current Month Variance Actual vs.Budget	Current % Variance	Actual YTD FY 2007	Budget YTD FY 2007	Year to Date Variance Actual vs. Budget	YTD % Variance	Explanations
REVENUE									
INTEREST ON LOANS	273,331	295,949	(22,618)	(7.64%)	857,727	887,847	(30,120)	(3.39%)	
INVESTMENT INTEREST & GAIN(LOSS)	213,971	177,171	36,800	20.77%	599,720	531,513	68,207	12.83%	
ADMINISTRATIONS & APPLICATION FEES	269,798	228,350	41,448	18.15%	1,367,009	1,192,050	174,959	14.68%	
ANNUAL ISSUANCE & LOAN FEES	98,952	85,000	13,952	16.41%	275,557	400,000	(124,443)	(31.11%)	
OTHER INCOME	10,923	38,552	(27,629)	(71.67%)	58,022	115,858	(57,636)	(49.83%)	
TOTAL REVENUE	866,976	825,022	41,953	5.09%	3,158,035	3,127,068	30,967	0.99%	
EXPENSES									
EMPLOYEE RELATED EXPENSES									
COMPENSATION & TAXES	236,880	249,799	(12,918)	(5.17%)	745,114	747,888	(2,774)	(0.37%)	
BENEFITS	24,733	28,500	(3,767)	(13.22%)	82,019	85,499	(3,480)	(4.07%)	
TEMPORARY HELP	2,192	8,494	(6,302)	(74.20%)	10,377	16,988	(6,611)	(38.92%)	
EDUCATION & DEVELOPMENT	-	5,900	(5,900)	(100.00%)	4,537	5,900	(1,363)	(23.09%)	
TRAVEL & AUTO	11,092	11,000	92	0.84%	35,018	33,000	2,018	6.11%	
TOTAL EMPLOYEE RELATED EXPENSES	274,897	303,693	(28,795)	(9.48%)	877,065	889,275	(12,209)	(1.37%)	
PROFESSIONAL SERVICES									
CONSULTING, LEGAL & ADMIN	123,060	51,335	71,725	139.72%	408,324	154,005	254,319	165.14%	
LOAN EXPENSE & BANK FEE	227,134	223,897	3,237	1.45%	675,280	671,691	3,589	0.53%	
ACCOUNTING & AUDITING	(87,818)	31,392	(119,210)	(379.75%)	88,502	94,175	(5,673)	(6.02%)	
MARKETING GENERAL	13,872	20,833	(6,961)	(33.41%)	21,367	62,499	(41,132)	(65.81%)	
FINANCIAL ADVISORY	29,166	29,167	(1)	(0.00%)	90,358	87,500	2,858	3.27%	
CONFERENCE/TRAINING	1,690	2,700	(1,010)	(37.41%)	3,180	7,100	(3,920)	(55.21%)	
MISCELLANEOUS PROFESSIONAL SERVICES	2,595	32,750	(30,155)	(92.08%)	13,728	65,750	(52,023)	(79.12%)	
DATA PROCESSING	3,272	3,200	72	2.26%	5,836	9,600	(3,764)	(39.21%)	
TOTAL PROFESSIONAL SERVICES	312,971	395,274	(82,302)	(20.82%)	1,306,575	1,152,320	154,255	13.39%	
OCCUPANCY COSTS									
OFFICE RENT	28,320	26,709	1,611	6.03%	78,339	80,127	(1,788)	(2.23%)	
EQUIPMENT RENTAL AND PURCHASES	7,797	3,750	4,047	107.93%	14,356	11,250	3,106	27.61%	
TELECOMMUNICATIONS	5,968	5,667	301	5.31%	14,677	17,001	(2,324)	(13.67%)	
UTILITIES	1,055	750	305	40.71%	2,577	2,250	327	14.55%	
DEPRECIATION	3,788	4,750	(962)	(20.24%)	11,360	14,250	(2,890)	(20.28%)	
INSURANCE	1,151	1,167	(16)	(1.36%)	3,454	3,501	(47)	(1.36%)	
TOTAL OCCUPANCY COSTS	48,080	42,793	5,287	12.35%	124,763	128,379	(3,616)	(2.82%)	
GENERAL & ADMINISTRATION									
OFFICE SUPPLIES	10,125	7,833	2,292	29.26%	23,296	23,499	(203)	(0.86%)	
BOARD MEETING - EXPENSES	2,217	2,667	(450)	(16.86%)	9,837	8,001	1,836	22.94%	
PRINTING	1,289	1,167	122	10.46%	2,463	3,501	(1,038)	(29.65%)	
POSTAGE & FREIGHT	2,380	2,917	(537)	(18.43%)	5,971	8,751	(2,780)	(31.77%)	
MEMBERSHIP, DUES & CONTRIBUTIONS	758	2,875	(2,117)	(73.63%)	4,654	8,625	(3,971)	(46.04%)	
PUBLICATIONS	40	167	(127)	(76.14%)	5,518	501	5,017	1,001.49%	
OFFICERS & DIRECTORS INSURANCE	13,500	13,500	-	0.00%	40,500	40,500	-	0.00%	
MISCELLANEOUS	-	167	(167)	(100.00%)	-	501	(501)	(100.00%)	
TOTAL GENERAL & ADMINISTRATION EXPENSES	30,309	31,293	(984)	(3.15%)	92,239	93,879	(1,640)	(1.75%)	
LOAN LOSS PROVISION	106,209	25,000	81,209	324.84%	156,209	75,000	81,209	108.28%	
OTHER									
INTEREST EXPENSE	736	717	19	2.62%	2,207	2,151	56	2.62%	
TOTAL OTHER	736	717	19	2.62%	2,207	2,151	56	2.62%	
TOTAL EXPENSES	773,202	798,769	(25,567)	(3.20%)	2,559,059	2,341,004	218,055	9.31%	
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	93,773	26,253	67,520	257.19%	598,975	786,064	(187,089)	(23.80%)	
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	10,838	(16,667)	27,504	(165.03%)	32,941	(50,000)	82,941	(165.88%)	
NET INCOME/(LOSS)	104,611	9,586	95,024	991.24%	631,917	736,064	(104,148)	(14.15%)	

Illinois Finance Authority
Consolidated
Statement of Activities
Comparasion
September 2005 and September 2006

	Actual September 2006	Actual September 2005	Current Month Variance Actual vs.Budget	Current % Variance	Actual YTD FY 2007	Actual YTD FY 2006	Year to Date Variance Actual vs. Budget	YTD % Variance
REVENUE								
INTEREST ON LOANS	273,331	557,012	(283,681)	(50.93%)	857,727	754,939	102,788	13.62%
INVESTMENT INTEREST & GAIN(LOSS)	213,971	238,492	(24,521)	(10.28%)	599,720	564,596	35,124	6.22%
ADMINISTRATIONS & APPLICATION FEES	269,798	307,452	(37,655)	(12.25%)	1,367,009	1,053,072	313,937	29.81%
ANNUAL ISSUANCE & LOAN FEES	98,952	65,369	33,583	51.37%	275,557	301,934	(26,377)	(8.74%)
OTHER INCOME	10,923	17,381	(6,458)	(37.16%)	58,022	3,841,978	(3,783,956)	(98.49%)
TOTAL REVENUE	866,976	1,185,707	(318,731)	(26.88%)	3,158,035	6,516,519	(3,358,484)	(51.54%)
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	236,880	128,751	108,129	83.98%	745,114	615,033	130,081	21.15%
BENEFITS	24,733	19,940	4,793	24.04%	82,019	66,584	15,436	23.18%
TEMPORARY HELP	2,192	6,221	(4,030)	(64.77%)	10,377	18,858	(8,481)	(44.97%)
EDUCATION & DEVELOPMENT	-	324	(324)	(100.00%)	4,537	5,774	(1,237)	(21.42%)
TRAVEL & AUTO	11,092	17,568	(6,476)	(36.86%)	35,018	29,257	5,760	19.69%
TOTAL EMPLOYEE RELATED EXPENSES	274,897	172,804	102,093	59.08%	877,065	735,507	141,559	19.25%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	123,060	101,911	21,149	20.75%	408,324	182,751	225,573	123.43%
LOAN EXPENSE & BANK FEE	227,134	558,430	(331,296)	(59.33%)	675,280	743,226	(67,946)	(9.14%)
ACCOUNTING & AUDITING	(87,818)	42,152	(129,970)	(308.34%)	88,502	112,359	(23,856)	(21.23%)
MARKETING GENERAL	13,872	543	13,329	2,455.35%	21,367	4,621	16,746	362.39%
FINANCIAL ADVISORY	29,166	8,000	21,166	264.58%	90,358	24,000	66,358	276.49%
CONFERENCE/TRAINING	1,690	(100)	1,790	(1,790.00%)	3,180	1,965	1,215	61.83%
MISCELLANEOUS PROFESSIONAL SERVICES	2,595	-	2,595	#DIV/0!	13,728	-	13,728	#DIV/0!
DATA PROCESSING	3,272	499	2,774	556.20%	5,836	4,653	1,184	25.44%
TOTAL PROFESSIONAL SERVICES	312,971	711,434	(398,463)	(56.01%)	1,306,575	1,073,574	233,000	21.70%
OCCUPANCY COSTS								
OFFICE RENT	28,320	15,433	12,886	83.50%	78,339	46,300	32,040	69.20%
EQUIPMENT RENTAL AND PURCHASES	7,797	1,127	6,671	592.06%	14,356	3,945	10,411	263.88%
TELECOMMUNICATIONS	5,968	9,314	(3,346)	(35.92%)	14,677	16,576	(1,899)	(11.46%)
UTILITIES	1,055	667	388	58.22%	2,577	1,932	645	33.40%
DEPRECIATION	3,788	2,032	1,756	86.39%	11,360	5,688	5,672	99.72%
INSURANCE	1,151	630	521	82.74%	3,454	1,995	1,459	73.12%
TOTAL OCCUPANCY COSTS	48,080	29,203	18,877	64.64%	124,763	76,436	48,327	63.23%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	10,125	6,801	3,324	48.88%	23,296	19,251	4,044	21.01%
BOARD MEETING - EXPENSES	2,217	2,430	(213)	(8.76%)	9,837	6,990	2,847	40.73%
PRINTING	1,289	655	634	96.74%	2,463	655	1,808	275.89%
POSTAGE & FREIGHT	2,380	2,614	(235)	(8.98%)	5,971	7,847	(1,876)	(23.91%)
MEMBERSHIP, DUES & CONTRIBUTIONS	758	2,401	(1,643)	(68.43%)	4,654	4,780	(126)	(2.63%)
PUBLICATIONS	40	70	(30)	(43.09%)	5,518	300	5,219	1,739.91%
OFFICERS & DIRECTORS INSURANCE	13,500	8,699	4,801	55.19%	40,500	26,097	14,403	55.19%
MISCELLANEOUS	-	245	(245)	(100.00%)	-	245	(245)	(100.00%)
TOTAL GENERAL & ADMINISTRATION EXPENSES	30,309	23,915	6,393	26.73%	92,239	66,165	26,074	39.41%
LOAN LOSS PROVISION	106,209	(27,464)	133,673	(486.72%)	156,209	22,536	133,673	593.15%
OTHER								
INTEREST EXPENSE	736	781	(45)	(5.80%)	2,207	2,343	(136)	(5.80%)
TOTAL OTHER	736	781	(45)	(5.80%)	2,207	2,343	(136)	(5.80%)
TOTAL EXPENSES	773,202	910,674	(137,471)	(15.10%)	2,559,059	1,976,561	582,498	29.47%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	93,773	275,033	(181,260)	(65.90%)	598,975	4,539,958	(3,940,983)	(86.81%)
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	10,838	(806)	11,644	(1,444.74%)	32,941	(22,203)	55,145	(248.36%)
NET INCOME/(LOSS)	104,611	274,228	(169,617)	(61.85%)	631,917	4,517,755	(3,885,838)	(86.01%)

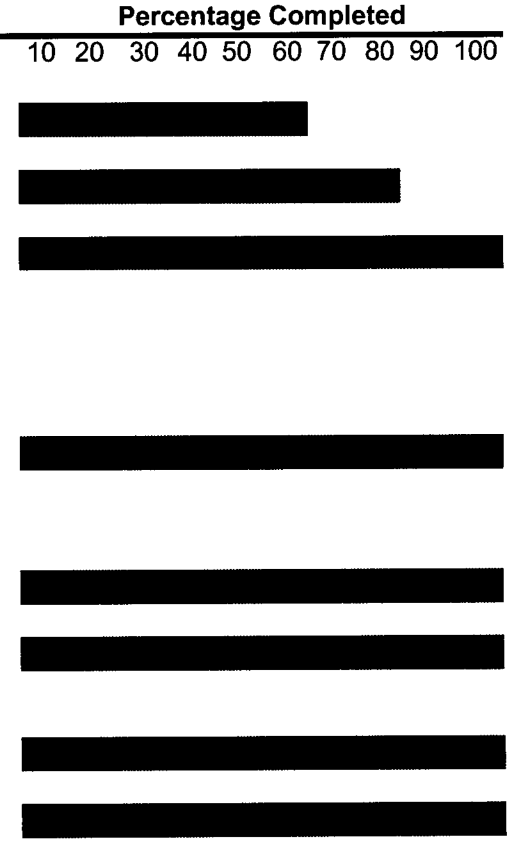
IFA Aging Report - Loans
September 30, 2006

Client Name	Date of Closing	P.A	Payment 9/30/2006	Original Loan Amt	1 - 30 days	31 - 60 days	61 -90 days	Past Due 91-180 days	181-days - 1 Year	Over 1 Year	Loan Balance 9/30/2006
Act Bending & Steel Company, Inc.	4/3/2001		Past Due	300,000						143,236	143,236
Adam & Jacqueline Anderson	8/4/2006	Reed	New Loan	116,475							116,475
Alexis Fire Equipment	3/4/2004	Senica	Yes	247,611							108,113
American Allied Freight Car Co. Inc.	3/23/2005	Senica	Yes	248,768							207,960
Arnold, Michael & Sandy	7/15/2003	Senica	Yes	147,407							131,399
Berry, Todd (Precision Laser)	11/5/2001	Senica	Yes	188,613							143,311
Bob Brady Dodge, Inc. (J & C Investment)	1/4/2000	Senica	Yes	300,000							207,832
Brahler, Richard W.	4/30/2002	Senica	Yes	297,592							259,643
Bramm, Karen	3/22/2005	Reed	Annual Payment	847,739							835,251
Bushert, Forrest D.	8/10/1998	Senica	Yes	240,000							163,247
Caywood's Youth Center, Inc.	6/16/1998	Pigg	Yes	237,500							170,145
Chapman, Marc (Quality Water Sev. Inc)	10/25/2002	Senica	Yes	227,387							146,623
Centurion Investments	11/4/2003	Pigg	Yes	300,000							276,916
Community Memorial Hospital Association	4/19/2006	Senica	Yes	389,000							373,668
Cushing, Steve & Ed	5/21/2001	Senica	Yes	149,238							76,677
DayOne Network	7/14/2006	Trout	New Loan	487,500							485,158
Deli Star Corporation	1/10/2005	Pigg	Yes	150,000							26,987
Doreen's Pizza Inc.	4/27/2006	Curtis-Martin	No	69,289							66,619
Doreen's Pizza Inc.	4/27/2006	Curtis-Martin	Yes	285,364							280,425
DVA Development, LLC	6/30/2006	Senica	Yes	500,000							497,041
Earl & Sue Hesterberg	10/25/2005	Bittner	Annual Payment	103,500							100,000
Eagle Theater Corporation	9/8/2003	Trout/Albright	Yes, Not posted	295,071							253,154
Excel Crusher Technologies	4/19/2005	Senica	Yes	1,000,000							761,840
Excel Foundry	3/27/2003	Senica	Yes	237,112							162,574
Excel Foundry	5/24/2005	Senica	Yes	762,562							624,873
Excel Foundry	4/20/2006	Senica	Yes	926,349							869,898
Robert and Phyllis Fleming	4/20/2006	Reed	Yes	62,500							58,552
Flower Properties, LLC	3/2/2006	Senica	yes	300,000							291,161
Freeport Area Economic Development	3/13/2006	Frampton	Yes	211,905							208,704
GPM Manufacturing Inc.	4/4/2006	Curtis-Martin	Yes	208,188							190,525
Jeffrey J. Gutzwiller	12/8/2005	Senica	Yes	135,168							130,473
Jeffrey Stark & Michael Haag	1/25/2006	Reed	Quarterly Pymnt/	222,915							213,914
Jay and Collen Baxter	6/30/2006	Senica	New Loan	101,842							101,264
James and Justin Beard	6/30/2006	Senica	New Loan	79,010							78,209
Ray and Loretta Aden	12/29/2005	Reed	Annual Payment	150,000							117,500
Hagel & Leong (2nd loan)	2/8/2002	Senica	Yes	100,817							9,257
Homeway Homes, Inc.	9/7/2006	Senica	New Loan	251,897							251,897
K.K. Stevens Publishing co.	8/3/2006	Senica	New Loan	700,000							695,555
Kevin Krosse	2/15/2002	Senica	Yes	114,084							86,245
Keyser, David (Klean Wash, Inc.)	8/13/2002	Senica	Yes	100,000							16,530
Kenneth & Virginia Lasater	9/14/2005	Reed	Annual Payment	443,594							428,382
Kophamer Grain	11/14/2005	Bittner	Quarterly Pymnt/	241,000							235,696
Lehman, Phillip	8/17/2006	Mitchell	New Loan	205,000							205,000
Lincoln Tool Company	6/12/1997	Senica	Yes	150,000						100,633	100,633
Madonna L. Morell	2/15/2006	Reed	Annual Payment	200,000							200,000
Macon Metal Products	6/14/2006	Senica	New Loan / Pymnt Yes	87,962							83,833
Mark & Sara Lefler	3/1/2006	Reed	Yes	120,000							113,809
Martin & Rebecca Koster	7/27/2005	Reed	Quarterly Pymnt	200,000							193,418
Moerchen, William J.	6/12/1997	Pigg	Yes	300,000							52,498
Network Innovations, Inc.	2/17/2005	Curtis-Martin	Yes	520,000							502,334
Newline Harwoods, Inc	11/4/2004	Senica	Yes	294,601							225,955
Octochem	12/31/2003	Pigg	No	281,538							256,671
P & P Press	1/24/2006	Senica	Yes	642,008							607,209
Perkins & Perkins Ltd. Partnership	8/23/2005	Senica	Yes	165,191							129,507
Roesch, Inc	9/23/2004	Pigg	Yes	294,368							247,848
RDF, Inc.	9/21/2006	Pigg	New Loan	189,227							189,227
RDF, Inc.	9/21/2006	Pigg	New Loan	230,389							230,389
Darrel Runge	3/7/2006	Reed	Annual Payment	236,000							236,000
Rutger, Alan & Kimberly	2/10/2006	Reed	Annual Payment	322,000							322,000
S & B Investments	2/18/2003	Pigg/Trout	Yes	197,889							164,329
Shutts Machine	11/26/2002	Pigg	No	234,693							158,690
Siebenberger, Douglas & Robt. Ewen	5/17/2002	Pigg	Yes	235,699							198,550
Siracusa, Charles & Sharon	3/23/2000	Frampton	Yes	300,000							227,370
Specialty Machine & Tool, Inc.	**4/2/1997**	**Cochran**	**Past due**	**87,173**						71,943	71,943
Spaulding Composites, Inc	3/23/2005	Curtis-Martin	Yes	622,508							585,451
Soylutions	6/9/2006	Pigg/Trout	Yes	800,000							791,674
Steve Birch	6/23/2006	Reed	Annual Payment	126,760							121,760
Sunrise AG Service Company	8/18/2006	Reed	New Loan	1,000,000							994,985
Transfer Co.	8/1/2006	Senica	New Loan	81,527							80,699
TRH Properties	7/24/2006	Senica	New Loan	285,000							283,019
Upchurch Oil & Ready Mix Concrete	5/4/2001	Pigg	yes	300,000							164,201
Uresil	12/1/2004	Curtis-Martin	Yes	300,000							220,187
Vee Properties South, LLC	6/30/2006	Curtis-Martin	yes	997,524							990,097
The Weisiger Family Trust	4/6/2001	Senica	yes	250,000							214,033
Wiegand, Beth A.	6/10/1999	Senica	Yes	183,484							134,139
Roy Wiegand	1/5/2006	Reed	Yes	172,800							159,803
Wilson, Michael L. Sr.	12/8/2002	Senica	No Past due	296,032						269,811	269,811
WorkSaver Inc	12/31/2003	Pigg	Yes	112,500							56,190
Young, Clinton (Precision Pattern)	8/1/2001	Senica	Interest Payment only	149,601							138,556
Big Picture Chicago,LLC	**2/20/2002**			**82,500**						16,432	16,432
SMS Productions	7/29/2002	Trout		49,270							-
TOTAL				**24,854,957**	**-**	**-**	**-**	**-**	**-**	**602,053**	**20,541,177**
Roe Machine Co.	12/31/1980	Pigg	Paid off 3/31/06	45,000							-
T.K.G. Inc.	8/26/1994	Pigg	Past due	179,000						107,808	107,808
TOTAL				**224,000**	**-**	**-**	**-**	**-**	**-**	**107,808**	**107,808**
Grayson Hill Energy, LLC	1/31/2001	Pigg	Yes	130,000							67,407
Sublette Developers, Inc.	1/15/1998	Albright	Yes, not posted	150,000							104,444
Ultra Play Systems, Inc.	5/3/2001	Pigg	Yes	90,000							26,168
Derel's BBQ	12/1/2005	Pigg	Yes, not posted	108,688							103,597
TOTAL				**678,688**	**-**	**-**	**-**	**-**	**-**	**-**	**301,614**
Austin Township	3/1/2005	Myers	No pymnt due	85,000							76,500
Village of Montrose	5/10/2006	Watson	No pymnt due	72,750							72,750
TOTAL					-	-	-	-	-	-	**149,250**
Illinois Facilities Fund	2/10/2000		No pymnt due	1,000,000	-	-	-	-	-	-	1,000,000
TOTAL				1,000,000	-	-	-	-	-	-	1,000,000
GRAND TOTAL					-	-	-	-	-	**709,861**	**22,099,848**

Illinois Finance Authority
FY 04/05 Audit Findings
Update as of September 30, 2006

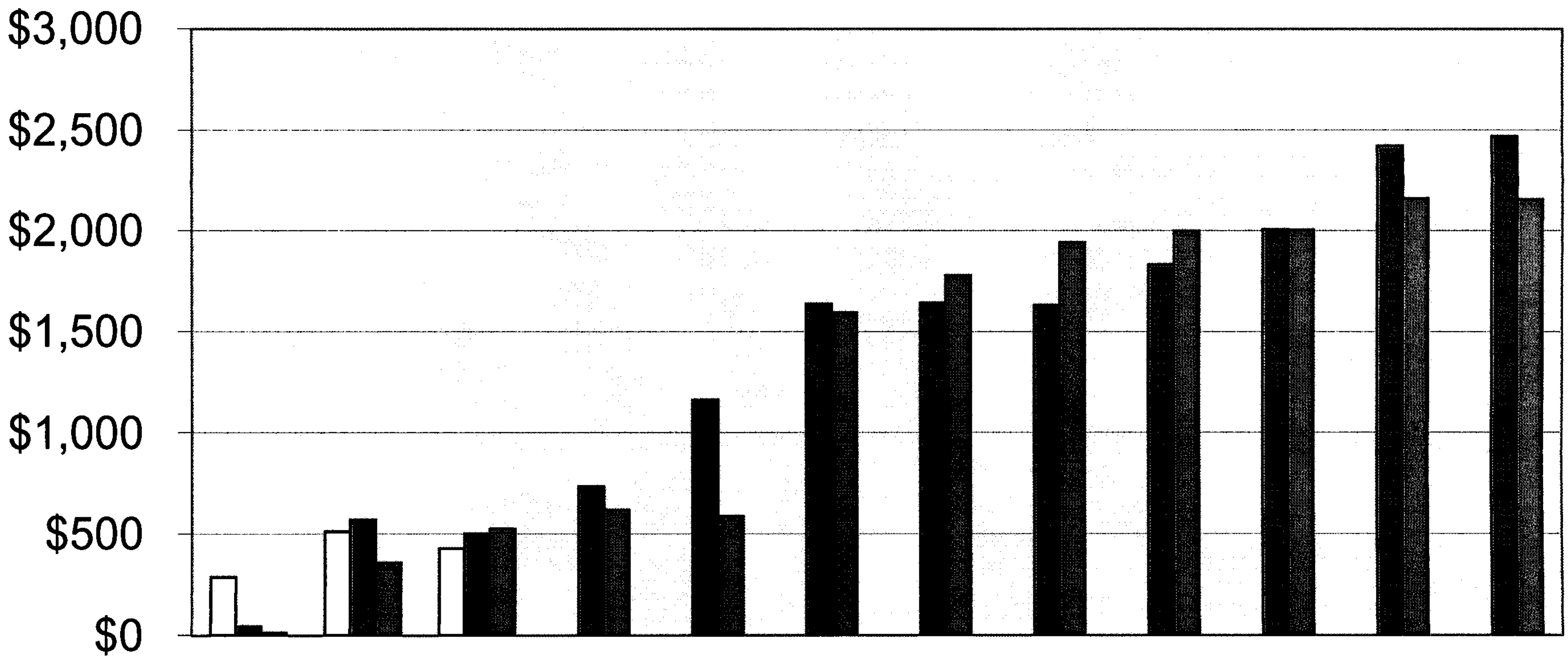
Total Number of 14

Item Number	Description	Status Action Items/ Action Items Completed
FY 04 Findings		
05-03	Failure to Monitor Bond Compliance	5/8
05-04	Non Compliance with Illinois Procurement Code and SAMS	2/3
05-05	Voucher Processing Controls Need to be Improved	**Complete**
FY 05 Findings		
05-01	Noncompliance with the State Officers and Employees Money Disposition ACT	**Complete**
05-02	Noncompliance with the Personnel Code	Under Review
05-06	Untimely Submission of Qrtly State Property Reports	**Complete**
05-07	Untimely Submission of Receipt Deposits Transmittals	**Complete**
05-08	Noncompliance with Printing Requirements of Procurement Code	**Complete**
05-09	Lack of Interest Rate Risk and Credit Risk Policy	**Complete**
	<50% = Partially Completed or under review	1
	60% = Substantially Completed	2
	100% = Completed	6



Cumulative Net Income

Non-Appropriated



	July	Aug	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun
FY 2007 Actual	$285	$512	$428									
FY 2007 Plan	$44	$570	$501	$733	$1,161	$1,636	$1,642	$1,630	$1,832	$2,005	$2,420	$2,467
Actual FY06	$12	$356	$524	$618	$586	$1,592	$1,778	$1,940	$1,998	$2,004	$2,157	$2,152

(In thousands)

MINUTES OF THE REGULARLY SCHEDULED MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held its regularly scheduled meeting at 11:30 a.m., on August 8, 2006 at the Plaza Club, One Prudential Plaza, 130 E. Randolph Street, 40th floor, Chicago, Illinois:

Members present:	**Members absent:**	**Members participating by telephone:**
David C. Gustman, Chairman	Ronald E. DeNard	James J. Fuentes
Madga M. Boyles	Demetris A. Giannoulias	
Michael W. Goetz	Dr. Roger D. Herrin	
Edward H. Leonard, Sr.	Martin H. Nesbitt	
Terrence M. O'Brien	Juan B. Rivera	
Andrew W. Rice		
Lynn F. Talbott		
Joseph P. Valenti		
Bradley A. Zeller		

GENERAL BUSINESS

Call to Order and Roll Call

Chairman Gustman called the meeting to order at 11:37 a.m. with the above members present. Chairman Gustman asked Carla Burgess Jones, Secretary, to call the roll. Ms. Burgess Jones called the roll. There being nine (9) members physically present and one (1) member present by telephone, Ms. Burgess Jones declared a quorum present.

Interim Executive Director's Report

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

Acceptance of Financial Statements

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

Minutes

Chairman Gustman asked Carla Burgess Jones, Secretary to take a roll call vote for approval of the minutes of the July 11, 2006 meeting of the Board. Minutes of the July 11, 2006 were approved with 10 ayes, 0 nays, and 0 abstentions.

Projects

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

No. 1: <u>A-GX-TX-GT-6163 – Gary L. and Patricia R. Munson</u>
Request for final approval of the issuance of a Restructuring Agri Debt Guaranty in an amount not-to-exceed $197,000 to extend a prior guaranty loan. **(06-08-01).**

No. 3: <u>A-AI-GT-6162 – Applewood Farms LLC</u>
Request for final approval of the issuance of an Agri-Industry Guaranty in an amount not-to-exceed $1,649,330 to provide financing to purchase breeding stock for a swine production facility. This project is expected to create 22 new jobs and 5 construction jobs. **(06-08-03).**

No. 4: <u>A-LL-TX-6168 – Steven and Michael Schmidt (Central Illinois Ag., Inc.)</u>
Request for final approval of the issuance of a Participation Loan in an amount not-to-exceed $250,000 to finance the acquisition and refurbishment of a commercial building. This project is expected to create 4 new jobs and 6 construction jobs. **(06-08-04).**

No. 5: <u>B-LL-TX-6164 – Jeffrey Landscaping & Outdoor Products, Inc.</u>
Request for final approval of the issuance of a Rural Development Loan in an amount not-to-exceed $85,000 to provide permanent financing for the acquisition of a commercial lot, renovate an existing office building and installation of a greenhouse. This project is expected to create 7 new jobs. **(06-08-05).**

No. 2: <u>A-AI-TX-GT-6120 – Biofuels Company of America, LLC</u>
Request for final approval of the issuance of an Agri-Industry Guaranty in an amount not-to-exceed $15,000,000 to finance construction of a biodiesel plant. This project is expected to create 15 new jobs and 90 construction jobs. (**Note:** At the 8:30 a.m. meeting of the Committee of the Whole, Chairman Gustman explained to the Board that the Authority was working with the Governor's Office of Management and Budget ("OMB") to obtain OMB's approval of this project and, therefore, that the Board's approval of this project is conditioned upon, and subject to, the Authority obtaining such approval from OMB). **(06-08-02).**

Chairman Gustman asked if there were any guests attending the meeting with respect to project No. 2. Steven Trout introduced Marke Burke, President, Biofuels and John May, Stern Brothers.

Mr. Burke gave a brief overview of the project and, John May thanked board members and staff for the opportunity to present the project for approval.

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

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

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

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

No. 7: <u>H-LL-TX-6167 – St. Margaret's Hospital</u>

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

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

No. 8: <u>N-NP-TE-6166 – Quad County Urban League</u>

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

No. 10:<u>N-NP-TE-CD-6067 – Presbyterian Home</u>

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

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

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

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

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

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

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

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

No. 12:**V-TD-6170 – River Glass Inc.**

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

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

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

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

Chairman Gustman asked if there were any guests attending the meeting with respect to project No. 13. Rich Frampton introduced Jim Martell, Chairman & CEO, Kyle Schumacher, and other principals of Ridge Property Services II, LLC. Mr. Martell provided a brief overview of the project. Chairman Gustman asked when Ridge Property Services would be meeting with the

U.S. Department of Transportation and Illinois Department of Transportation. Mr. Martell answered the questions. There being no other questions, Mr. Gustman requested leave to apply the last unanimous vote in favor of Project No. 13. The Project was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 14:<u>**P-PO-TE-CD-6150 – Ameren Energy Generating Company**</u>

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

No. 15: <u>**P-PO-TE-CD-6151 – Ameren Energy Resources Generating Company**</u>

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

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

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

No. 16: <u>**E-PC-TE-CD-6161 – Hebrew Theological College**</u>

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

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

No.17: <u>**E-PC-TE-CD-6144 – CHF-DeKalb, LLC**</u>

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

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

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

<u>Resolutions/Project Revisions/Amendatory Resolutions</u>

No. 18: Resolution authorizing amendment to the Guidelines of the Illinois State Guaranty Programs of the Illinois Finance Authority, as successor to the Illinois Farm Development Authority. **(06-08-06).**

No. 19: **<u>Ex-Tech Plastics Inc. (#B-LL-TX-708).</u>**
Request to extend until December 6, 2006 IFA's commitment to make a participation loan for Ex-Tech Plastics, Inc.

No. 20: **<u>Fairview Obligated Group.</u>**
Request to approve execution and delivery of a Tax Exemption Agreement and First Supplemental Bond Trust Indenture as necessary to convert and reissue the IFA's Variable Rate Demand Taxable Revenue Refunding Bonds, Series 2004C (Fairview Obligated Group) as tax-exempt bonds.

No. 21: **Amendment to Strategic Incentive Plan.** (This matter was approved by the Board at the Committee of the Whole meeting at 8:30 a.m. and, therefore, was not voted on at this meeting).

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

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

Respectfully Submitted,

Carla B. Burgess Jones, Secretary

MINUTES OF THE SPECIAL BOARD 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 Special Board Meeting at 2:00 p.m., on September 20, 2006 at the offices of Shefsky & Froelich, 111 E. Wacker Drive, Suite 2800, Chicago, Illinois:

Members present:	Members absent:	Members participating by telephone:
David C. Gustman, Chairman	Magda M. Boyles	Michael W. Goetz
Ronald E. DeNard	Lynn Talbott	Dr. Roger D. Herrin
James J. Fuentes		Edward H. Leonard
Demetris A. Giannoulias (arrived at 2:21 p.m.)		Bradley A. Zeller
Martin H. Nesbitt (arrived at 2:17 p.m.)		
Terrence M. O'Brien		
Andrew W. Rice		
Juan B. Rivera		
Joseph P. Valenti		

GENERAL BUSINESS

Call to Order and Roll Call

Chairman Gustman called the meeting to order at 2:11 p.m. Chairman Gustman asked Carla Burgess Jones, Secretary, to call the roll. Ms. Burgess Jones called the roll. There being eight (8) members physically present and four (4) members present by telephone, Ms. Burgess Jones declared a quorum present.

Interim Executive Director's Report

Chairman Gustman welcomed everyone present and asked Interim Executive Director Rendleman to give her report. Interim Executive Director Rendleman announced that at this special meeting of the board, IFA will present nine (9) projects totaling over $560 million.

Projects

Chairman Gustman asked Interim Executive Director Rendleman to present the projects for consideration to the Board. Chairman Gustman reminded everyone that prior to the Board meeting, the Board Members were provided with written descriptions of the projects for consideration at the meeting. Director Rendleman presented the following projects to the Board for approval:

No. 8: <u>H-LG-TE-CD-6181- City of Sterling (CGH Medical Center)</u>

Request for final approval of the issuance of Local Government Bonds in an amount not-to-exceed $16,000,000 to provide financing for building construction, to construct a building addition on its existing CGH Medical Campus and to renovate existing hospital space. **(06-09-08).**

Chairman Gustman asked if the Board had any questions with respect to project No. 8. There being none, Chairman Gustman asked Carla Burgess Jones, Secretary to take a roll call vote. The project was approved with 12 ayes (Member Giannoulias was not present), 0 nays, and 0 abstentions.

At 2:21 p.m., Member Giannoulias entered the meeting increasing the number of members physically present from eight (8) members to nine (9) members and there remained four (4) members present by telephone.

No. 13:<u>N-NP-TE-CD-6142 – Cristo Rey Jesuit High School</u>

Request for final approval of the issuance of 501(c)(3) Revenue Bonds in an amount not-to-exceed $10,500,000 to refinance existing debt and pay certain bond issuance costs. **(06-09-13).**

No. 14:<u>N-NP-TE-CD-6136 – Oak Park Residence Corporation</u>

Request for final approval of the issuance of 501(c)(3) Revenue Bonds in an amount not-to-exceed $4,000,000 to refinance existing debt, to finance the acquisition of a building and land and pay certain bond issuance costs. **(06-09-14).**

Chairman Gustman asked Sharnell Curtis-Martin if any significant changes had occurred since the Board's preliminary approval of this project. Ms. Curtis-Martin indicated that there were no significant changes other than an increase in the amount from $3,000,000 to $4,000,000.

No. 15:<u>E-NP-TE-CD-6139 – Victory Gardens Theater</u>

Request for final approval of the issuance of 501(c)(3) Bonds in an amount not-to-exceed $6,000,000 to provide financing for the construction of a new theatre and to finance renovations to an existing facility. This project is expected to create 3 new jobs and 170 construction jobs over a ten month period. **(06-09-15).**

No. 17:<u>M-MH-TE-CD-718 – DuPage Covered Bridges, L.P. or an affiliate (Covered Bridges)</u>

Request for final approval of the issuance of Housing Bonds in an amount not-to-exceed $20,000,000 to finance the purchase and renovation of an existing multi-family rental property. This project is expected to create 18 construction jobs over an 11 month period. **(06-08-02).**

Chairman Gustman asked Rich Frampton if there were any significant changes since the board's preliminary approval of this project. Mr. Frampton described a few changes that did not materially affect the project. Chairman Gustman also asked if there were any guests attending the meeting with respect to project No. 17. Rich Frampton introduced John Kadiba. Mr. Kadiba gave a brief overview of the project.

Chairman Gustman asked if the Board had any questions with respect to project Nos. 13, 14, 15, and 17. There being none, Chairman Gustman asked Carla Burgess Jones, Secretary to take a roll call vote. Project Nos. 13, 14, 15 and 17 were approved with 13 ayes, 0 nays, and 0 abstentions.

No.19:<u>P-PO-TE-CD-6173 – Commonwealth Edison Company</u>

Request final approval of the issuance of Conduit Pollution Control Revenue Refunding Bonds in an amount not-to-exceed $199,400,000 in connection with the reissuance of Series 1994 bonds that will extend the maturity date and revise certain terms of the bond documents. **(06-09-19).**

Chairman Gustman asked if there were any guests attending the meeting with respect to project No. 19. Rich Frampton introduced Ed Maelstrom and Scott Bremer. Mr. Maelstrom gave a brief overview of the project.

Chairman Gustman requested a roll call vote to approve project No. 19. The project was approved with 12 ayes, 0 nays, and 1 abstention (DeNard). Mr. DeNard abstained from voting on the project because Commonwealth Edison is a subsidiary of his employer, Exelon.

No. 25:<u>E-PC-TE-CD-06182 – Educational Advancement Fund, Inc. (University Center Project)</u>

Request for final approval of the issuance of Conduit 501(c)(3) Student Housing Advance Refunding Revenue Bonds in an amount not-to-exceed $130,000,000 to advance refund 100% of the outstanding remaining principle balance of IEFA Series 2002 Student Housing Revenue Bonds.**(06-09-25).**

Chairman Gustman asked if there were any guests attending the meeting with respect to project No. 25. Rich Frampton introduced the bond counsel and underwriter working on the project.

No. 26:<u>E-PC-TE-CD-6128 – Northwestern University</u>

Request for final approval of the issuance of 501(c)(3) Bonds in an amount not-to-exceed $155,000,000 to refund the outstanding par value of the borrower's Series 1997 Revenue Bonds. **(06-09-26)**

No. 27:<u>E-PC-TE-CD-6144 – CHF DeKalb, L.L. C. and its affiliates</u>

Request for final approval of the issuance of 501(c)(3) Student Housing Revenue Bonds (taxable and tax-exempt) in an amount not-to-exceed $20,000,000 to finance construction of housing apartments for married students. This project is expected to create 2 new jobs and 30 construction jobs over an 11 month period. **(06-09-27).**

Chairman Gustman asked if there were any guests attending the meeting with respect to project No. 27. Rich Frampton introduced Tim McGrath. Mr. McGrath gave a brief overview of the project.

Chairman Gustman asked if the Board had any questions with respect to project Nos. 25, 26 and 27. Member Juan Rivera asked questions relating to project No. 27, which were answered by representatives of the project.

Chairman Gustman requested a roll call vote to approve project Nos. 25, 26 and 27. The projects were approved with 13 ayes, 0 nays, and 0 abstentions.

Chairman Gustman asked if there was any other business to come before the Board. There being no further business Chairman Gustman requested a motion to adjourn. Upon a motion by Mr. O'Brien and seconded by Mr. DeNard, the meeting adjourned at approximately 2:48 p.m.

Respectfully Submitted,

Carla B. Burgess Jones, Secretary

MINUTES OF THE SEPTEMBER 27, 2006 SPECIAL 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 Special Board Meeting at 11:30 a.m., on September 27, 2006 at the offices of Shefsky & Froelich, 111 E. Wacker Driver, Suite 2800, Chicago, Illinois:

Members present:	Members absent:	Members participating by telephone:
David C. Gustman, Chairman	Magda M. Boyles	Edward H. Leonard (exited the phone after voting on Project No. 4)
James J. Fuentes	Ronald E. DeNard	Bradley A. Zeller
Demetris A. Giannoulias	Martin H. Nesbitt	
Michael W. Goetz	Terrence O'Brien	
Dr. Roger D. Herrin	Lynn F. Talbott	
Andrew W. Rice		
Juan B. Rivera		
Joseph P. Valenti		

GENERAL BUSINESS

Call to Order and Roll Call

Chairman Gustman called the meeting to order at 11:41 a.m. with the above members present. Chairman Gustman asked Carla Burgess Jones, Secretary, to call the roll. Ms. Burgess Jones called the roll. There being eight (8) members physically present and two (2) members present by telephone, Ms. Burgess Jones declared a quorum present.

Interim Executive Director's Report

Chairman Gustman welcomed everyone present and asked Interim Executive Director Rendleman to give her report. Interim Executive Director Rendleman welcomed everyone and announced that at today's Special Meeting the IFA will present 21 projects totaling over $399.9 million across all of IFA's market segments. Ms. Rendleman also announced that beginning October 10, 2006 the IFA board meetings will be held at The Mid America Club located at 200 E. Randolph Drive, 80th floor.

Acceptance of Financial Statements

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

Minutes

Chairman Gustman asked Carla Burgess Jones, Secretary to take a roll call vote for approval of the revised minutes of the August 8, 2006 meeting of the Board. Revised minutes of the August 8, 2006 were approved with 10 ayes, 0 nays, and 0 abstentions.

Projects

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

No. 1: <u>A-DR-GT-6177 – Harold D. and Ruth A. Rauch</u>

Request for approval of the issuance of an Agri-Debt Guarantee Extension in an amount not-to-exceed $95,000 to provide financing of an existing real estate mortgage. **(06-09-01).**

No. 2: <u>A-DR-TX-GT-6183 – Rodney and Denise Yuskis</u>

Request for approval of the issuance of a Restructuring Agricultural Debt Guarantee in an amount not-to-exceed $66,000 to provide financing to extend a prior Agri-Debt Guarantee loan. **(06-09-02).**

No. 3: <u>A-FB-TE-CD-6171 – Benjamin and Angela Goebel</u>
<u>A-FB-TE-CD-6174 – Matthew J. Muzeur</u>
<u>A-FB-TE-CD-6175 – Douglas and Erin Hodel</u>
<u>A-FB-TE-CD-6172 – Webster Phillip</u>
<u>A-FB-TE-CD-6179 – Patrick Finley</u>

Request for approval of the issuance of Beginning Farmer Bonds in the respective not-to-exceed amounts of $65,000; $89,250; $60,000; $119,700 and $86,250 to finance the purchase of farmland. **(06-09-03).**

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

No. 2A:<u>P-SW-TE-CD-6203</u>

<u>Unified Biofuels Technology, LLC (project added to agenda on September 22, 2006)</u>

Request for preliminary approval of the issuance of Solid Waste Disposal Revenue Bonds in an amount not-to-exceed $100,000,000 to finance the acquisition of a 70-acre site in Griggsville, IL and a 62-acre site in Royal, IL and for construction of an ethanol plant and pay issuance costs. The Authority will contribute carry-forward Volume Cap to the extent that it is available. IFA's issuance of Solid Waste Disposal Facilities Revenue Bonds conveys federal income tax exemption on interest earned on the Bonds. This project is expected to create 100 new jobs and 400 construction jobs. **(06-09-2A).**

Chairman Gustman asked if there were any guests attending the meeting with respect to the Unified Biofuels Technology project. Funding Manager Steven Trout introduced Charles Torree (CEO), Walker Filbert (President & GM), Larry Johnson (CFO) and John May, Stern Brothers. Mr. Filbert gave a brief overview of the project.

Chairman Gustman asked if the Board had any questions with respect to the Unified Biofuels project. Various members asked questions and these questions were answered. Chairman Gustman Chairman requested leave to apply the last unanimous vote in favor of this project. Leave was granted. Unified Biofuels Technology was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 4: H-HO-TE-CD-6193 – Riverside Medical Center

Request for preliminary approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed $35,000,000 to refund all or a portion of the Series 1996 Bonds, fund a debt service reserve fund, reimburse or fund new capital projects, pay bond issuance and enhancement costs. **(06-09-04).**

At this time, Member Edward Leonard disconnected from the phone line. After his departure, there remained eight (8) members physically present and one (1) member participating via telephone.

No. 5: H-HO-TE-CD-6178 – Sherman Health System

Request for preliminary approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed $100,000,000 to fund new money projects, fund debt service reserve fund and capital costs, and pay issuance costs. This project is expected to create 61 new jobs and 350 construction jobs. **(06-09-05).**

Chairman Gustman asked if there were any guests attending the meeting with respect to project Nos. 4 and 5. Pamela Lenane introduced Eric Krueger on behalf of Sherman Health System. Mr. Krueger gave a brief overview of the project.

Dr. Herrin then informed Chairman Gustman that he will abstain from voting on Project No. 5. Chairman Gustman then asked Carla Burgess Jones, Secretary to take a roll call vote. Project No. 4 was approved with 10 ayes, 0 nays, and 0 abstentions. Project No. 5 was approved with 8 ayes, 0 nays and 1 abstention (Herrin). Dr. Herrin stated for the record that he is uncomfortable with the construction timeline of the project, therefore, Dr. Herrin abstained from voting on Project No. 5.

No. 6: H-SL-RE-TE-CD- 600 – Montgomery Place

Request for preliminary approval of the issuance of 501(c)(3) Bonds in an amount not-to-exceed $55,000,000 to finance marketing, development and construction associated with the project, refund outstanding debt, fund a portion of the interest payments, capitalize debt service reserve fund and pay issuance costs. This project is expected to create 100 construction jobs. **(06-09-06)**

No. 7:H-HO-TE-CD-6165 – Midwest Regional Medical Center

Request final approval of the issuance of 501(c)(3) Bonds in an amount not-to-exceed $50,000,000 to fund construction of a replacement hospital, reimburse prior capital expenditures, fund debt service reserve fund, fund capitalized interest and pay issuance costs. This project is expected to create 18 new jobs and 140 construction jobs. **(06-09-07)**

Chairman Gustman asked if the Board had any questions with respect to project Nos. 6 and 7. There being none, Chairman Gustman requested a roll call vote to approve project Nos. 6 and 7. The projects were approved with 9 ayes, 0 nays, and 0 abstentions.

No. 9: <u>N-NP-TE-CD-6180 – Victor C. Neumann Association</u>

Request for preliminary approval of the issuance of Conduit 501(c)(3) Revenue Bonds in an amount not-to-exceed $7,000,000 to refinance existing debt, renovate existing facilities and pay issuance costs. This project is expected to create 88 new jobs and 20 construction jobs. **(06-09-09)**

No. 10:<u>N-NP-TE-6186 – Congregation B'nai Torah</u>

Request for preliminary approval of the issuance of Conduit 501(c)(3) Revenue Bonds in an amount not-to-exceed $5,300,000 to refund an existing capital project loan and to finance the construction of a new facility and renovate and upgrade an adjacent playground, garden and terrace area. This project is expected to create 7 new jobs and 20 construction jobs. **(06-09-10).**

Chairman Gustman asked if there were any guests attending the meeting with respect to project Nos. 9 and 10. There being none, Chairman Gustman asked if the Board had any questions with respect to project Nos. 9 and 10. There being none, Chairman Gustman Chairman requested leave to apply the last unanimous vote in favor of project Nos. 9 and 10. Leave was granted. Project Nos. 9 and 10 were approved with 9 ayes, 0 nays, and 0 abstentions.

No. 11: <u>Project Withdrawn</u>

No. 12: <u>N-NP-TE-CD-6143 – Living Family Trust I, LLC</u>

Request for preliminary approval of the issuance of 501(c)(3) Revenue Bonds in an amount not-to-exceed $16,000,000 for acquisition and renovation of existing affordable housing projects. This project is expected to create 6 construction jobs over an 18 month period. **(06-09-12).**

Chairman Gustman asked if there were any guests attending the meeting with respect to project No. 12. Funding Manager Rich Frampton introduced Reverend Carter and Aaron Lee of Living Family Trust and bond counsel, Jim Snyder. Reverend Carter gave an overview of the project and thanked the Board for their consideration. Chairman Gustman asked if the Board had any questions with respect to project No. 12. There being none, Chairman Gustman Chairman requested leave to apply the last unanimous vote in favor of project No. 12. Leave was granted. Project No. 12 was approved with 9 ayes, 0 nays, and 0 abstentions.

No. 16: <u>N-NP-TE-CD-6189 – International Ice Centre, LLC</u>

Request for final approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed $2,000,000 for construction and furnishings costs, capitalize debt service reserve fund and pay issuance costs. This project is expected to create 1 new job. **(06-09-16).**

Chairman Gustman asked if there were any guests attending the meeting with respect to project No. 16. Funding Manager Steven Trout introduced members of the Huskies Hockey Club and

Mr. Tod Miles of Baird. The guests thanked the board for consideration of their project. Chairman Gustman asked if the Board had any questions with respect to project No. 16. There being none, Chairman Gustman Chairman requested leave to apply the last unanimous vote in favor of project No. 16. Leave was granted. Project No. 16 was approved with 9 ayes, 0 nays, and 0 abstentions.

No. 18: Project Withdrawn.

No. 20: I-ID-TE-CD-6184 – C&D Recycling, LLC

Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed $4,400,000 for the purpose of purchasing land upon which to construct a recycling facility, to purchase machinery and equipment and to fund costs of issuance. This project is expected to create 41 new jobs and 40 construction jobs. **(06-09-20).**

Chairman Gustman asked if there were any guests attending the meeting with respect to project No. 20. There being none, Chairman Gustman asked if the Board had any questions with respect to project No. 20. There being none, Chairman Gustman Chairman requested leave to apply the last unanimous vote in favor of project No. 20. Leave was granted. Project No. 20 was approved with 9 ayes, 0 nays, and 0 abstentions.

No. 21: I-IR-TE-CD-6190 – Raco Steel Company

Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed $2,000,000 to finance the acquisition and installation of a steel slitting line. This project is expected to create 10 new jobs within 2 years. **(06-09-21).**

No. 23: I-IR-TE-CD-6191 – JBWLP, LLC

Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed $3,500,000 to finance and reimburse borrower's costs to acquire land and an industrial building. This project is expected to create 30 new jobs within 2 years and 6 construction jobs over a 6 month period. **(06-09-23).**

No. 24:I-ID-TE-CD-6185 – Gusto Packing Company, Inc.

Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed $8,500,000 to finance facility expansion, equipment acquisition and pay certain issuance costs. This project is expected to create 50 new jobs and 40 construction jobs.**(06-09-24).**

Chairman Gustman asked if there were any guests attending the meeting with respect to project Nos. 21, 23 and 24. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of project Nos. 21, 23 and 24. Leave was granted. Project Nos. 21, 23 and 24 were approved with 9 ayes, 0 nays, and 0 abstentions.

No. 22: I-ID-TE-CD-6187 – Bohler-Uddelholm Corporation

Request for preliminary approval of Industrial Revenue Bonds in an amount not-to-exceed $10,000,000 to finance and reimburse construction costs, purchase and install machinery and equipment, and pay engineering costs. This project is expected to create 10 new jobs within 2 years and 75 construction jobs over nine months. **(06-09-22).**

Chairman Gustman informed board members and guests that he would have to abstain from voting on Project No. 22. Mr. Gustman stated for the record that his law firm represents the company. A roll call vote was taken. Project No. 22 was approved with 8 ayes, 0 nays, and 1 abstention (Gustman).

Resolutions/Project Revisions/Amendatory Resolutions

No. 28: **Darrell Runge, Sr. (A-LL-TX-6115)**
Amendatory Resolution to increase the principal amount of a Participation Loan to Darrel Runge, Sr. previously approved by the Board on June 13, 2006 from $92,500 to $167,500. **(06-09-28).**

No. 29: **Trainor Elevator Limited Partnership (A-LL-TX)**
Amendatory Resolution to increase the principal amount of a Participation Loan previously approved by the Board June 13, 2006 from $293,580 to $310,380. **(06-09-29).**

No. 31: **Resolution No. 2006-07-04**. Establishing a fee schedule for the Illinois Finance Authority's issuance of 501(c)(3) Bonds for the benefit of a health facility to acquire a "term of years" property interest in healthcare equipment and to fund related renovations.

No. 32: **Velde Saurs Land Trust (B-LL-TX-704)**
Amendatory Resolution to approve an extension to December 6, 2006 on IFA's commitment to fund a Participation Loan. **(06-09-32)**

No. 33: **Bitwise Communications (B-LL-TX-6063)**
Amendatory Resolution to revise the collateral being provided to the IFA as security under a Rural Development Loan previously approved by the Board on June 13, 2006. (This amendatory resolution was added to the agenda on September 22, 2006). **(06-09-33)**

No. 34: **Michael and Stephen Schmidt (A-LL-TX-6168)**

Amendatory Resolution to increase the principal amount of a Participation Loan previously approved by the Board from $250,000 to $265,000. (This amendatory resolution was added to the agenda on September 22, 2006). **(06-09-34)**

Chairman Gustman requested leave to record the last unanimous vote in favor of Amendatory / Resolution Nos. 28, 29, 31, 32, 33 and 34. Leave was granted. The resolutions were approved with 9 ayes, 0 nays, and 0 abstentions

Chairman Gustman asked if there was any other business to come before the Board. There being no further business Chairman Gustman requested a motion to adjourn. Upon a motion by Dr. Herrin and seconded by Mr.Goetz, the meeting adjourned at approximately 12:27 p.m.

Respectfully Submitted,

Carla B. Burgess Jones, Secretary

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

Project: Thomas E. Walbaum

STATISTICS

Project Number:	A-DR-GT-6199	Amount:	$193,043.00
Type:	Agri-Debt Guarantee Extension	IFA Staff:	Cory Mitchell
Location:	Pleasant Plains		

BOARD ACTION

Approval to initiate an 85% loan guarantee in favor of State Bank of Ashland in Ashland, Illinois
$164,086.55 of State Agricultural Risk Reserve Funds at risk.
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

The loan proceeds will be used to refinance an existing term debt loan with State Bank of Ashland in Ashland Illinois. The loan was originally funded in 1986 and guaranteed by IFDA. The loan is available for one remaining 10 year extension under the Agri-Debt Guarantee program.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources: IFA	$164086.55	Uses:	
Ashland State Bank	$28,956.45	Refinance Debt	$199,043
Total	**$193,043.00**	**Total**	**$199,043**

JOBS

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

BUSINESS SUMMARY

Background: Tom and Lois Walbaum farm in the Pleasant Plains area in Sangamon County. They operate a 2200 acre corn and soybean farm. In 1986 Tom experienced a major drought and divorce and was unable to meet all of his obligations. Once re-structured on our guarantee he hasn't missed a payment since. Off farm income comes from Lois's retirement from the US Postal Service.

Project Rationale: The Walbaums current loan at State Bank of Ashland was originated in 1986 with an IFDA guarantee. Under the terms of the program, the borrower is eligible for a 30 year loan term. With the approval of one remaining 10 year term, the borrowers will be able to maintain a positive cash flow by obtaining a lower interest rate on the loan due to the IFA guarantee.

Transaction: The remaining loan balance of $199,043.00 will be refinanced for 10 years.

FINANCING SUMMARY

Borrower: Thomas E. Walbaum and Lois Ann Walbaum

Security: 1st lien position on all equipment now owned or hereafter acquired.

Structure: 10 year term and amortization with annual principal and interest

PROJECT SUMMARY

The loan proceeds will be used to refinance an existing debt-restructured loan with State Bank of Ashland

ECONOMIC DISCLOSURE STATEMENT

Applicant: Thomas E. Walbaum and Lois Ann Walbaum

Location: 14981 Walbaum Road
Pleasant Plains, IL 62677 County: Sangamon

Organization: Sole-Proprietor

State: Illinois

Ownership: Thomas E. Walbaum and Lois Ann Walbaum

PROFESSIONAL & FINANCIAL

Accountant: Klemm Tax Service, Inc. Lincoln, Illinois

Attorney: n/a

Bank: State Bank of Ashland, Gary Gabehart, Lender

LEGISLATIVE DISTRICTS

Congressional: 18th Ray LaHood
State Senate: 50th Larry Bomke
State House: 100th Rich Brauer

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Reed & Cory Mitchell/lk

Date: October 10, 2006

Re: Overview Memo for Beginning Farmer Bonds

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

Project Number:	**A-FB-TE-CD-6195**
Funding Manager:	Eric Reed
Borrower(s):	**Brian C. Harmon**
Town:	Kansas, IL
Amount:	$172,500
Use of Funds:	Farmland –46.68 acres
Purchase Price:	$172,500 / ($3,695 per ac)
%Borrower Equity	0%
%Other Agency	0%
%IFA	100%
County:	Edgar
Lender/Bond Purchaser	Citizens National Bank of Paris / Renee Craig
Legislative Districts:	Congressional: 15th, Timothy Johnson
	State Senate: 55th, Dale Righter
	State House: 109th, Roger Eddy

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

*__Brain C. Harmon__: Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.23% variable for the first 5 years and adjust every five years thereafter to the 5 year US Treasury Rate plus .50 bp. Lender will charge .50% points. **Fee: $2,587.50**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

Project: Friendship Village of Mill Creek d/b/a Tallgrass at Mill Creek

STATISTICS

Project Number:	H-SL-RE-TE-CD-6200	Amount:	$5,500,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pamela Lenane and Dana Sodikoff
Locations:	Geneva		

BOARD ACTION

Preliminary Bond Resolution
Conduit 501(c)(3) Bonds

No IFA funds at Risk

Staff recommends approval subject to compliance with IFA policy requirements for non-rated debt; these bonds will be sold in $100,000 denominations to sophisticated investors, and also a letter from Ziegler Capital Markets Group to the IFA regarding the sale of the bonds, in the same format as provided for the Montgomery Place transaction

PURPOSE

The proceeds, along with $3,500,000 of equity, will be used to fund the pre-construction financing costs of the project comprised primarily of the design, development, and marketing costs of the project (the "Pre-Construction Costs") through the issuance of Bond Anticipation Notes ("BANs").

IFA PROGRAM AND CONTRIBUTION

IFA's issuance of 501(c)(3) Bonds will convey federal income tax-exempt status on bond anticipation note interest. BAN's are short-term debt obligations which provide financing in anticipation of long-term financing. States, local municipalities and school districts have been issuing tax-exempt BANS for years as a means of interim financing for capital projects in anticipation of a future bond offering. It is a measure of the increasing sophistication of investors in continuing care retirement communities ("CCRC") that this economically attractive approach to financing preliminary design, development and marketing costs is now available to this market segment. Repayment of the principal and accrued interest on BANS will be paid from the proceeds of long term bonds. While the BANS are being structured with a five year maturity, the intention is to return to the IFA for the permanent financing in two years. At that time the BANS will be repaid at par plus accrued interest.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA BANS	$5,500,000	Uses:	Marketing	$3,800,000
	EQUITY*	$3,500,000		AE	2,400,000
				Land Related Costs	200,000
				Project Legal & Admin	400,000
				BANs COI	350,000
				Development Fee	1,025,000

		Other	825,000
Total	$9,000,000	Total	$9,000,000

*Equity being provided by Friendship Senior Options, the sole member of Friendship Village of Mill Creek.

JOBS

Current employment: 4
Jobs retained: 4

Projected new jobs: N/A
Construction jobs: N/A

PROJECT SUMMARY

Overview of the Project:

Friendship Village of Mill Creek (d/b/a Tallgrass at Mill Creek) is a newly formed not-for-profit corporation formed for the purpose of developing, owning and operating a Continuing Care Retirement Community ("CCRC"). The proposed community will be located in the Mill Creek neighborhood, in Geneva, IL, approximately 40 miles west of Chicago. Mill Creek, a master planned community, features single family homes and condominiums, retail, schools, parks, trails, a golf course and other recreation on one 1,500 acre site. Friendship Village of Mill Creek intends to issue bonds to pay for a portion of the Pre-Construction Financing costs of a retirement community to be called Tallgrass at Mill Creek.

Tallgrass at Mill Creek is proposed to consist of 174 independent living units, 20 assisted living units, and 24 skilled nursing beds. The community is expected to offer a 90% refundable Type B (modified) resident contract for independent living units, which could include 60 free lifetime days and a 10% discount on health fees. The current estimated total cost to develop the community is approximately $122 million.

The Project developer, Retirement Living Services (RLS), is a nationally recognized leader in the development of CCRCs. With headquarters in Hartford, Connecticut, RLS has been successfully developing similar projects since 1990 in New York, New Jersey, Pennsylvania, Massachusetts, New Hampshire and Maine. RLS has completed a preliminary market study and financial analysis indicating that there is a sufficient number of age and income qualified potential residents in and around Geneva to successfully populate a new community like Tallgrass. In addition, despite a number of existing and start-up communities in and near the primary market area of the project, the analysis has shown that cultural and economic barriers are significant enough to consider only a portion of those units as competitive As a result of this survey and RLS's marketing experience, it is reasonable to expect that unit pre-sales will meet expectations. However, as a cautionary measure to allow for an unforeseen delay, the BANS are being structured with a five year maturity (2011). The intention, however, is to return to the IFA for permanent financing in the amount of approximately $122 million in the year 2008. At that time the BANS will be prepaid at par plus accrued interest.

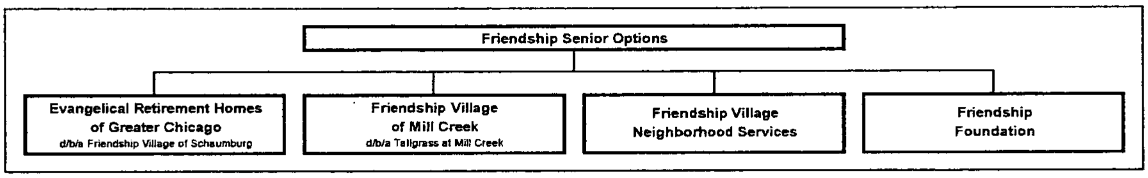
Strengths of the project include (among others): the outstanding reputation of Friendship Village of Schaumburg (a sister corporation) in the primary market area; the strong management/development team in place; the successful track record of RLS in developing and marketing similar communities; full commitment of both management and RLS to the success of the community; the community is positioned to attract a higher-income resident that will sufficiently differentiate itself from its competitors; the high level of PMA resident knowledge of the CCRC concept; and the location of the community in the Mill Creek neighborhood.

The BAN's will only be secured by the assets of Friendship Village of Mill Creek d/b/a Tallgrass at Mill Creek and repayment of the BAN's is dependent on the successful development of the project and the eventual completion of the bond sale. Assets of Friendship Senior Options, Friendship Village of Schaumburg, Friendship Village Neighborhood Services, and Friendship Foundation are not obligated to any liability or obligation of Friendship Village of Mill Creek, including the principal and interest on the BANs.

Friendship Village of Mill Creek proposes to issue up to $5,500,000 of Bond Anticipation Notes ("BANs") to fund a portion of the Pre-Construction Finance costs of the project. States, local municipalities and school districts, large and small, have been issuing tax-exempt BANS for years as a means of interim financing for capital projects in anticipation of a future bond offering. It is a measure of the increasing sophistication of investors in continuing care retirement communities ("CCRC") that this economically attractive approach to financing preliminary design, development and marketing costs is now available to this market segment. The project costs for Friendship Village of Mill Creek would include a portion of the costs associated with the design, development, and marketing of the project. The BANs would be structured with a five-year maturity, and will be issued with a fixed interest rate. Interest on the BANs accrues and is payable, along with principal, in five years and is prepayable at anytime at par plus the accrued interest. The expected source of repayment of the principal and accrued interest is the proceeds of construction/permanent financing, which is anticipated upon the project achieving pre-sales (resident reservation deposits equal to 10% of the entrance fee related to the independent living unit reserved) with respect to approximately 65% to 70% of the project's independent living units. It is anticipated that Friendship Village of Mill Creek would issue bonds through the Illinois Finance Authority to finance the construction of the project.

<u>Overview of the Organization:</u>

Friendship Senior Options is the sole corporate member of Friendship Village of Mill Creek d/b/a Tallgrass at Mill Creek. Friendship Senior Options was created to serve as the sole member of Friendship Village of Mill Creek, Evangelical Retirement Homes of Greater Chicago d/b/a Friendship Village of Schaumburg, Friendship Village Neighborhood Services, and Friendship Foundation. Friendship Senior Options provides strategic direction and critical management services to its affiliated corporations. Presently, the Friendship Senior Options and its affiliates share a common board and management. The organizational chart of Friendship Senior Options and Affiliates is shown below.



Friendship Senior Options, Friendship Village of Schaumburg, Friendship Village Neighborhood Services, and Friendship Foundation are not obligated to any liability or obligation of Friendship Village of Mill Creek, including the principal and interest on the BANs.

<u>Past Borrowings of Related Entities:</u>

While the Project before the Board is new, its' parent corporation, Friendship Senior Options and Affiliates, has successfully developed similar projects in Illinois, and financed them through the IFA and its' predecessor authority. Those bond issues, in the original principal amount of approximately $173 million, include the financing of its IHFA Series 1994 ($16,695,000), 1997($30,770,000), and IFA Series 2005 ($125,500,000) bonds. These bonds are current as to payment of principal and interest, and the projects funded with these bonds have been successful. Further, a review of Friendship Senior Options' Balance Sheet as of March 31, 2006 shows total unrestricted net assets at approximately $7.5 million. Friendship Senior Options and Affiliates have a long history of issuing bonds through the Illinois Finance Authority and its predecessor authority, the Illinois Health Facilities Authority. Since 1990, Friendship Senior Options and Affiliates have issued $172,965,000 of bonds through the IFA or its predecessor authority. However, Friendship Senior Options, Friendship Village of Schaumburg, Friendship Village Neighborhood Services, and Friendship Foundation are not obligated to any liability or obligation of Friendship Village of Mill Creek, including the principal and interest on the BANs.

FINANCING SUMMARY

Security/Collateral:	Collateral assignment of the primary development-related third party contracts (architectural contract, land purchase agreement, RLS development contract, and any other development related contracts)
Structure:	The bonds will be non-rated fixed rate bonds sold in $100,000 denominations to sophisticated investors
Maturity:	Five years from the date of issuance
Interest:	Fixed interest on the BAN's would accrue and be payable, along with principal, in five years and prepayable at anytime at par plus the accrued interest.

Repayment:	From the proceeds of construction/permanent financing upon achieving pre-sales with respect to 65% to 70% of the project's independent living units. **In the event that the permanent financing does not proceed, recourse is limited to Friendship Village at Mill Creek, an entity which at that time will have limited assets. Investors in the BAN's will have no recourse to Friendship Senior Options, Friendship Village of Schaumburg, Friendship Village Neighborhood Services, and Friendship Foundation.**
Prepayment:	Anytime at par in an amount equal to principal plus accrued interest

INDEMNIFICATION SUMMARY

Indemnification:	Friendship Senior Options, the parent of Friendship Village of Mill Creek d/b/a Tallgrass at Mill Creek, will indemnify the Authority for any and all additional costs incurred by the Authority as a result of the issuance of the BAN's
Amount:	To be determined by the Authority and accepted by Friendship Senior Options

ECONOMIC DISCLOSURE STATEMENT

Project name:	Friendship Village of Mill Creek d/b/a Tallgrass at Mill Creek Home Office: 350 West Schaumburg Road, Schaumburg, Illinois	
Applicant:	Friendship Village of Mill Creek d/b/a Tallgrass at Mill Creek	
Organization:	501(c)(3) Not-for-Profit Corporation (IRS application filed and in process); If the determination letter is not received on a timely basis, it is anticipated the borrower would be an LLC, the sole member of which would be Friendship Senior Options	
State:	Illinois	
Board of Directors:	Gary C. Clark, Chair	Thomas A. Johnson
	Mershon Niesner, Vice Chair	Jack A. Kremers
	Gary Howard, Secretary	Kathy Rivera
	Donald Myron, Treasurer	Paul J. Schaffhausen
	John M. Brown	Jan L. Tucker
	Charles W. Cassell	Duane M. Tyler

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	TBD	Chicago	
Accountant:	KPMG	Chicago	Jim Stark
Bond Counsel:	Peck, Shaffer & Williams	Chicago	Glendon Pratt, Bruce Agin
Underwriter:	Ziegler Capital Markets Group	Chicago	Dan Hermann, Steve Johnson, Tom Ross, William Claus, Aaron Schroeder
Underwriter's Counsel:	Katten, Muchin, Rosenman, LLP	Chicago	Janet Hoffman
Issuer's Counsel:	Charity & Associates	Chicago	Allen M. Bell

LEGISLATIVE DISTRICTS

Friendship Senior Options
Congressional: 8- Melissa Bean
State Senate: 27- Wendell E. Jones
State House: 53- Sidney H. Mathias

Friendship Village of Mill Creek
Congressional: 14- J. Dennis Hastert
State Senate: 25- Chris Lauzen
State House: 50- Patricia Reid Lindner

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

Project: Friendship Village of Mill Creek d/b/a Tallgrass at Mill Creek

STATISTICS

Project Number:	H-SL-RE-TE-CD-6200	Amount:	$5,500,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pamela Lenane and Dana Sodikoff
Locations:	Geneva		

BOARD ACTION

Preliminary Bond Resolution
Conduit 501(c)(3) Bonds

No IFA funds at Risk

Staff recommends approval subject to compliance with IFA policy requirements for non-rated debt; these bonds will be sold in $100,000 denominations to sophisticated investors, and also a letter from Ziegler Capital Markets Group to the IFA regarding the sale of the bonds, in the same format as provided for the Montgomery Place transaction

PURPOSE

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VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA BANS	$5,500,000	Uses:	Marketing	$3,800,000
	EQUITY*	$3,500,000		AE	2,400,000
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		Other	825,000
Total	$9,000,000	Total	$9,000,000

*Equity being provided by Friendship Senior Options, the sole member of Friendship Village of Mill Creek.

JOBS

Current employment: 4
Jobs retained: 4

Projected new jobs: N/A
Construction jobs: N/A

PROJECT SUMMARY

Overview of the Project:
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Strengths of the project include (among others): the outstanding reputation of Friendship Village of Schaumburg (a sister corporation) in the primary market area; the strong management/development team in place; the successful track record of RLS in developing and marketing similar communities; full commitment of both management and RLS to the success of the community; the community is positioned to attract a higher-income resident that will sufficiently differentiate itself from its competitors; the high level of PMA resident knowledge of the CCRC concept; and the location of the community in the Mill Creek neighborhood.

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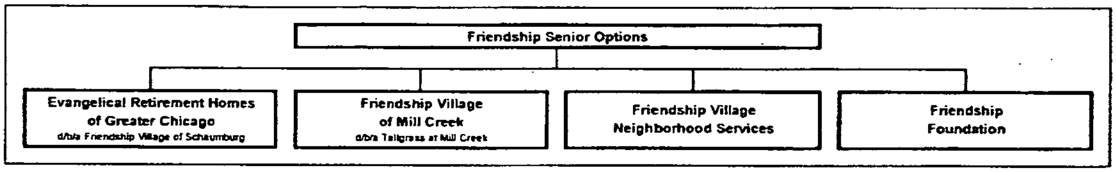

Friendship Senior Options, Friendship Village of Schaumburg, Friendship Village Neighborhood Services, and Friendship Foundation are not obligated to any liability or obligation of Friendship Village of Mill Creek, including the principal and interest on the BANs.

Past Borrowings of Related Entities:
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FINANCING SUMMARY

Security/Collateral:	Collateral assignment of the primary development-related third party contracts (architectural contract, land purchase agreement, RLS development contract, and any other development related contracts)
Structure:	The bonds will be non-rated fixed rate bonds sold in $100,000 denominations to sophisticated investors
Maturity:	Five years from the date of issuance
Interest:	Fixed interest on the BAN's would accrue and be payable, along with principal, in five years and prepayable at anytime at par plus the accrued interest.
Repayment:	From the proceeds of construction/permanent financing upon achieving pre-sales with respect to 65% to 70% of the project's independent living units
Prepayment:	Anytime at par in an amount equal to principal plus accrued interest

INDEMNIFICATION SUMMARY

Indemnification:	Friendship Senior Options, the parent of Friendship Village of Mill Creek d/b/a Tallgrass at Mill Creek, will indemnify the Authority for any and all additional costs incurred by the Authority as a result of the issuance of the BAN's
Amount:	To be determined by the Authority and accepted by Friendship Senior Options

ECONOMIC DISCLOSURE STATEMENT

Project name:	Friendship Village of Mill Creek d/b/a Tallgrass at Mill Creek Home Office: 350 West Schaumburg Road, Schaumburg, Illinois	
Applicant:	Friendship Village of Mill Creek d/b/a Tallgrass at Mill Creek	
Organization:	501(c)(3) Not-for-Profit Corporation (IRS application filed and in process); If the determination letter is not received on a timely basis, it is anticipated the borrower would be an LLC, the sole member of which would be Friendship Senior Options	
State:	Illinois	
Board of Directors:	Gary C. Clark, Chair	Thomas A. Johnson
	Mershon Niesner, Vice Chair	Jack A. Kremers
	Gary Howard, Secretary	Kathy Rivera
	Donald Myron, Treasurer	Paul J. Schaffhausen
	John M. Brown	Jan L. Tucker
	Charles W. Cassell	Duane M. Tyler

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	TBD	Chicago	
Accountant:	KPMG	Chicago	Jim Stark
Bond Counsel:	Peck, Shaffer & Williams	Chicago	Glendon Pratt, Bruce Agin
Underwriter:	Ziegler Capital Markets Group	Chicago	Dan Hermann, Steve Johnson, Tom Ross, William Claus, Aaron Schroeder
Underwriter's Counsel:	Katten, Muchin, Rosenman, LLP	Chicago	Janet Hoffman
Issuer's Counsel:	Charity & Associates	Chicago	Allen M. Bell

LEGISLATIVE DISTRICTS

Friendship Senior Options
Congressional: 8- Melissa Bean
State Senate: 27- Wendell E. Jones
State House: 53- Sidney H. Mathias

Friendship Village of Mill Creek
Congressional: 14- J. Dennis Hastert
State Senate: 25- Chris Lauzen
State House: 50- Patricia Reid Lindner

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

Project: **Near North Health Service Corporation**

STATISTICS

Project Number:	N-NP-TE-CD-6198	Amount:	$6,000,000 (not-to-exceed amount)
Type:	501(c)(3) Bonds	IFA Staff:	Steve Trout
Location:	Chicago		

BOARD ACTION

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

PURPOSE

To refinance Illinois Development Finance Authority Series 1996 Bonds and pay costs of issuance.

IFA CONTRIBUTION

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

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS (subject to change)

Sources:	IFA Bonds	$4,900,000	**Uses:**	Project Costs	$5,468,750
	Bank Financing	730,500		Legal and Professional	161,750
	Total	$5,630,500		**Total**	$5,630,500

JOBS

Current employment:	203	Projected new jobs:	0
Jobs retained:	NA	Construction jobs:	0

BUSINESS SUMMARY

Description: Near North Health Services Corporation ("Near North") is an Illinois 501(c)(3) corporation that was established in 1982. It is designated as a Federally Qualified Health Center (FQHC). Near North is one of Chicago's largest providers of community-based primary care, offering health care, social services and nutrition education to the medically indigent and uninsured residents of the Near North side (Cabrini Green), West Town, Humbolt Park, West Garfield Park, Austin, Kenwood/Oakland, Douglas and Grand Boulevard neighborhoods.

History: Near North Health Services has been called upon repeatedly to expand to address increasingly diverse community needs. The design of its first clinic, housed within the Olivet Community Center over 30 years ago, has proven to be a strong foundation that has withstood the test of time.

Over 25 years ago, the merger of two well-respected community-based health centers operated by Children's Memorial Hospital and Northwestern Memorial Hospital, resulted in the creation of the organization that we know today as the Near North Health Service Corporation. The past four decades have seen tremendous growth for Near North, from a small community health clinic in the Near North neighborhood to three comprehensive health care centers on Chicago's north, south and west sides, from a handful of social workers to a full program of social services, outreach and health education.

Near North's roots date back to 1966 when Children's Memorial Hospital established the Near North Children's Center to serve the area's indigent children. In 1969, Northwestern Memorial Hospital established the Near North Adult Health Center to serve the area's indigent adults. In 1982, the hospitals merged the two health centers and incorporated the new organization as the Near North Health Service Corporation.

Near North expanded operations to the South Side of Chicago in 1994 in response to the Bureau of Primary Health Care's request to take over the Komed Health Center, which had operated for many years as a Section 330-funded community health center. Near North moved its South Side operations to Chicago's Holman Clinic July 1997 after it became clear that the Komed Building was inadequate. In response to growing patient volume and demand for comprehensive services, Near North completed construction of a new 24,000 square-foot, $5.1 million Komed Holman Health Center in the fall 1999.

Near North worked with the Chicago Commons Association to open the Louise Landau Health Center, inside the Association's newly built Bank of America Settlement House in Southwest Humboldt Park in 2000. The Center serves families living in Humboldt Park, Austin, West Garfield Park, and North Lawndale.

Programs: Near North augments its primary care with social services, health promotion and disease prevention programs that enhance the value of clinical work. From its inception, Near North has maintained a public health perspective that seeks not only to treat illnesses, but to identify the root cause of major health problems and develop community- based prevention-oriented programs to address them. At Near North, health is broadly defined to incorporate issues of environment, lifestyle, and behavioral factors that affect the physical well being of communities. These interrelated preventative and curative elements are fundamental to the comprehensive character of Near North's approach to health care delivery, which includes providing nutrition education to pregnant women, parenting support to first time moms, and social support for at-risk teens.

Programs include: internal medicine, obstetrics and gynecology, psychiatry and psychology, pediatrics, geriatrics, podiatry, ophthalmology and dentistry. Patient volume has increased 33% from 60,397 visits in FY 2000 to 80,077 in FY 2006.

FINANCING SUMMARY

Bonds:	Tax-exempt 501(c)(3) Bonds fully amortizing over 10 years
Obligor:	Near North Health Services Corporation
Collateral:	General obligation pledge of the Borrower First Mortgage on North North's Komed Building, 4259 South Berkley, and Winfield Building, 1276 North Clyburn, valued at approximately $10,000,000
Structure:	To be purchased by a commercial bank or publicly issued as Variable Rate Demand Notes supported by a direct-pay letter of credit from a commercial bank.
Credit Rating:	To be determined.
Savings:	The financial advisor estimates annual interest savings at $75,000 over the next 10 years.

PROJECT SUMMARY

Bond proceeds will be used to refinance economically callable maturities of the Illinois Development Finance Authority, Series 1996 Bonds and pay costs of issuance. The underwriter anticipates that $4,900,000 in existing bonds will be refinanced. An existing debt service reserve with a balance of $730,500 will be incorporated in the new bond issue to capitalize a new debt service reserve and reduce the amount of bonds to be issued.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Near North Health Service Corporation, 1276 North Clybourn Avenue, Chicago, IL 60610
(Contact: Wahbabi G. Tijani, Chief Financial Officer, 312/337-7136)
Project name: Near North Health Service Corporation
Location: 1276 North Clybourn Avenue, Chicago (Cook County), IL 60610
Organization: Illinois 501(c)(3) organization
Board Membership:

Name	Board Position	Professional Affiliation
Jean Pryzbylek	Chairperson, Board Affairs member, Finance & Strategic Planning Assistant Secretary	Northwestern Memorial Hospital
Teresa Kirschbraun	Strategic Planning Chairperson, Program Evaluation	Logan Resources
Becki Lindy	Member, Board Affairs & Strategic Planning	Vicarious Communications
Bernard McCune	Member, Board Affairs & Strategic Planning	Community Representative
Gladys McKinney	Member, Board Affairs & Finance Chairperson, Marketing /PR	Community Representative
Timothy Moorhead	Member, Board Affairs, Finance & Strategic Planning	William Moorehead & Associates
Airetta Ramey	Member, Board Affairs Member	Housing Opportunities for Women
Regina Stewart	Marketing/PR & Program Evaluation Treasurer	Holsen Management
Patricia Cornelius - Woods	Member, Strategic Planning	Northwestern Memorial Hospital
Renlin Xia, M.D.	Member, Finance & Program Evaluation	Fullerton Kimball Medical Center
Ken Dukin	Member, Finance, Vice Chairperson	State Representative, 5th District
Alvin Cheeks	Member, Finance Chairperson	ClinDev Global, Inc.
Clarence Burch	Member, Finance	Burch & Associates
David Delgado	Member, Human Resources & Strategic Planning	Judge
Excie Seifer	Member, Marketing/PR & Strategic Planning	ERS Management & Associates
Eileen Rhodes	Chairperson, Strategic Planning	East Lake Management
James Simmons	Member, Strategic Planning	West Humboldt Park Development
Larry Ragel	Assistant Treasurer	Children's Memorial Hospital

PROFESSIONAL & FINANCIAL

Accountant:	Washington, Pittman & McKeever	Chicago, IL	Dorothy McLemore
Financial Advisor:	Griffin Kubik Stephens & Thompson	Chicago, IL	Helena Burke-Bevan
Bond Counsel:	To be determined		
Issuer's Counsel:	To be determined		

LEGISLATIVE DISTRICTS

Congressional: *7*
State Senate: *3*
State House: *5*

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

Project: Loyola University Health System

STATISTICS

Project Number:	H-HO-TE-CD-6201	Amount:	$250,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pamela Lenane
Locations:	Maywood		

BOARD ACTION

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

No extraordinary conditions
Staff recommends approval

PURPOSE

Bond proceeds will be used to (i) fund new money projects; and (ii) advance refund a portion of the Series 2001 A Bonds (iii) pay costs of issuance in connection with the Series 2006 bonds.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

SOURCES OF FUNDS		USES OF FUNDS	
IFA Bonds	233,675,000	New Money	149,032,500
		Refunding Escrow	83,064,149
		Reserve Fund	-
		Cost of Issuance	1,168,375
		Underwriter's Discount	292,094
		Bond Insurance	-
		Other Delivery Date Expenses	113,470
		Additional Proceeds	4,412
TOTAL	**$ 233,675,000**	**TOTAL**	**$ 233,675,000**

JOBS

Current employment: 4,980 FTE's
Jobs retained: 4,980 FTE's

Projected new jobs: 375
Construction jobs: 85

BUSINESS SUMMARY

Background: Loyola University Health System (LUHS) is an Illinois not-for-profit corporation which is exempt from federal income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") that, through its sole membership of LUMC controls one hospital, located at Loyola University Medical Center, which is approximately fourteen miles west of downtown Chicago in Maywood, Illinois, as well as approximately 13 primary care and 13 specialty sites located in the City of Chicago's near western suburbs.

Description: LUHS' principal hospital, LUMC, is licensed to operate 568 acute care beds of which approximately 507 are currently staffed. LUHS and LUMC employ approximately 4,980 full time equivalent employees. For the fiscal year ended June 30, 2006, LUMC had approximately 31,297 discharges, 138,116 patient days, and 604,426 outpatient visits. These fiscal year 2006 volumes generated approximately $660 million of net patient service revenues. LUHS had $788 million of assets as of June 30, 2006.

LUMC is an Illinois not-for-profit corporation organized in accordance with Section 501(c)(3) of the Code, and owns and operates a major academic medical center, located primarily on a 70 acre campus (the "Medical Center Campus") approximately fourteen miles west of downtown Chicago in Maywood, Illinois. The primary facility at the Medical Center Campus is the Foster G. McGaw Hospital ("McGaw Hospital"). LUMC is one of the Midwest's leading academic healthcare institutions and is a major referral center for the Chicago metropolitan area, providing care for some of the most critically ill patients in the state and in the country. LUMC is a designated Level I trauma center, serving 2.2 million people in LUMC's primary service area which consists of western Cook and DuPage counties.

LUMC is a major regional referral center and has received national recognition in cardiology, cardiac surgery, transplantation (heart, lung, heart/lung, liver, bone marrow and kidney), cancer treatment, pediatric specialties, and trauma services. LUMC also serves as a national model for the care of high-risk infants and mothers, while its burn center treats patients from a four-state area. Through agreements with the University, LUMC provides clinical and teaching facilities for the University's health sciences education programs at the SSOM. The University's facilities are primarily located in the City of Chicago however; SSOM is located on the Medical Center in Maywood.

LUMC provides services to patients in various settings; including an acute care hospital (i.e., the McGaw Hospital), outpatient service facilities, emergency care facilities, primary and specialty care practice sites, and home care and hospice services. LUMC conducts the predominant portion of its healthcare activities on the Medical Center Campus. The staffed bed capacity of LUMC by clinical area as of June 30, 2006 is: 298 Medical/Surgical beds; 32 Pediatric beds; 15 Labor and Delivery Beds; 30 Obstetrical beds; 25 Nursery beds; 110 Adult Intensive Care beds; 14 Pediatric Intensive Care beds; 50 Neonatal Intensive Care beds; 24 Rehabilitation beds and 10 Burn Intensive Care Unit beds.

Service Area: LUHS' service area is comprised of a primary service area consisting of a ten-mile radius around LUMC's main campus and a secondary service area consisting of Cook, DuPage, Kane, and Will counties. Within LUHS's service area are the communities of Bellwood, Berwyn, Burbank, Burr Ridge, Cicero, Darien, Downers Grove, Elmhurst, Elmwood Park, Forest Park, Glendale Heights, Hickory Hills, LaGrange, Lombard, Maywood, Melrose Park, Naperville, Oak Park, Oakbrook, Oakbrook Terrace, Orland Park, River Grove, Riverside, Westmont, and Wheaton.

For the fiscal year ended June 30, 2006, Cook and DuPage counties accounted for approximately 81.7% of inpatients admitted to LUHS member hospitals and nearly 84.3% of physician visits to LUHS's 15 outpatient centers located in Chicago's western suburbs.

The total population of Cook and DuPage Counties, including the City of Chicago, in 2005 was over 6.2 million persons. Projected population data for Illinois indicates that by 2010, Cook County's population will increase by 1.09 %, DuPage County's population will increase by 2.89%, and Kane and Will Counties populations will increase by 9.53% and 13.83%, respectively.

Existing Bonds: LUHS currently has four series of bonds outstanding totaling $260.9 million: 1) $89.5 million of uninsured Series 2001A fixed rate bonds, 2) $114.7 million of MBIA-insured Series 1997A fixed rate bonds, 3) $13.5 million of MBIA-insured Series 1997B VRDOs, and 4) $43.2 million of MBIA-insured Series 1997C taxable VRDOs.

PROJECT SUMMARY

The proceeds of the proposed bond deal will be used to fund new money projects and refinance existing debt. Specifically, they will be using the new money for the expansion of the Heart and Vascular Center, expansion of current surgical areas, and other projects as approved by the Loyola University Medical Center Board of Directors. In addition, a portion of the proceeds will be applied towards reimbursing the System for previous capital expenditures in connection with the Heart and Vascular Center ($15 million), the parking garage ($14 million), and other projects (approximately $12 million). The proceeds will also be used towards refunding the Series 2001A debt with callable maturities of 2012 and beyond.

FINANCING SUMMARY

Security/Collateral: All bonds will be secured under the existing Master Trust Indenture and will be backed by a gross revenue pledge and an unrestricted receivables pledge. Existing covenants pursuant to the MTI include an annual liquidity and debt service coverage ratio test. In addition, two of the proposed three series totaling approximately $160 million will be backed by two direct-pay letter of credit facilities from JP Morgan Chase and Harris Bank.

Structure: The proposed structure will be comprised of three tranches of either Weekly Variable Rate Demand Obligations (VRDOs) or Indexed Variable Put Bonds: 1) approximately $85 million of VRDOs to advance refund the callable portion of the existing Series 2001A bonds, secured by the JP Morgan Chase letter of credit, Aa2/AA-/A+ (Moody's/S&P/Fitch) 2) $75 million of VRDOs to fund new money projects will be secured by Harris Bank, credit Aa3/AA- (Moody's/S&P), and 3) $75 million of Indexed Variable Put Bonds carrying LUMC's rating of Baa1 (Moody's) to fund new money projects will be issued.

Maturity: The final maturity of the advance refunding bonds will match the final maturity of the existing 2001A bonds of 2031. The final maturity of the new money bonds will be 2041. The Harris Bank credit facility carries a 5-year term, and the JP Morgan Chase credit facility will have a 7-year term. The initial mandatory put date for the Indexed Variable Put Bond structure will be 5 years.

Ratings: Current and expected ratings of Baa1 (Moody's).

ECONOMIC DISCLOSURE STATEMENT

Project name: Loyola University Health System Series 2006 Issue
Locations: Primarily 2160 So. First Avenue, Maywood, Illinois
Applicant: Loyola University Health System
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois
Board of Trustees:

Stephen Slogoff
Daniel Walsh

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Hawkins Delafield & Wood	New York/New Jersey	Steve Donovan
Bond Counsel:	Jones DayChicago	Chicago	Lynn Coe David Kates
Underwriter:	Citigroup Global Markets, Inc.	New York	David Cyganowski Jeff Lee Chad Kenan
Underwriter's Counsel:	Ungaretti & Harris LLP	Chicago	Tom Fahey Julie Seymour
Bond Trustee:	U.S. Bank National Association	Chicago	Grace Gorka
Accountant:	Deloitte & Touche	Chicago	Michael Somich
Issuer's Counsel:	Burke Burns & Pinelli	Chicago	Mary Ann Murray

LEGISLATIVE DISTRICTS

Congressional:	4th-IL State Senate; 7th-IL House
State Senate:	Kim Lightford
State House:	Karen Yarbrough

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

Project: Montgomery Place

STATISTICS

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

BOARD ACTION

Final Bond Resolution
Conduit 501(c)(3) Bonds
No IFA funds at risk

Staff recommends approval subject to compliance with IFA policy requirements for non-rated debt, which allows for bond denominations less than $100,000 ($5,000 or greater) because there is a feasibility study by BDO Siedman, and a letter from Ziegler Capital Markets Group regarding the sale of the bonds (see attached).

PURPOSE

Proceeds will be used to: 1) pay for development, marketing, construction and other related costs associated with the redevelopment project, 2) refund approximately $20,000,000 of outstanding debt 3) fund a portion of the interest, letter of credit and remarketing fees, on the new money portion of the Series 2006 bonds for approximately 24 months, 4) fund a Debt Service Reserve Funds for the Series 2006 bonds, and 5) pay costs of issuance of associated with the Series 2006 Bonds.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on September 27, 2006 by the following vote:

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

ESTIMATED SOURCES AND USES OF FUNDS*

Sources:	IFA bonds	$39,315,000	Uses:	Refunding	$20,000,000
				New Money	13,873,072
				Funded Interest	1,355,210
				Reserve Funds	2,790,781
				Issuance Costs	1,295,937
Total		$39,315,000		Total	$39,315,000

JOBS

Current employment:	145	Projected new jobs:	30
Jobs retained:	111	Construction jobs:	100

BUSINESS SUMMARY

Montgomery Place owns and operates a retirement community located in the historic Hyde Park neighborhood of Chicago – approximately 6 miles south of the Chicago Loop (downtown). The community currently consists of 160 rental, independent living apartment units and 93 skilled nursing beds in a single, 14-story high-rise building, which opened in 1990. Montgomery Place was founded in 1987 and is named for Bishop James Montgomery, the well-respected former Episcopal Bishop of Chicago.

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

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

PROJECT SUMMARY

The 2006 Project consists of four major initiatives and will be completed in the following systematic manner:

<u>1.Independent Living Units – Conversion of 74 ILUs from rental agreement to entrance fee agreement: (January 2005 –June 2009)</u>

Approximately 74 independent living units will be converted to an entrance fee residency agreement from the current rental fee agreement. Under this entrance fee residency agreement, residents will pay a lower monthly service fee and will receive a discount on assisted living and nursing service fees.

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

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

<u>2. Assisted Living Units – conversion of some nursing care beds to 22 assisted living units: (Stabilized occupancy of 91% @ July 2008)</u>

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

<u>3. Nursing Care Beds – Reduction from a 93 to a 40-bed nursing center: (Stabilized occupancy of 92.5% by June 2007)</u>

The third major renovation will occur on the second floor, to create a 40-bed nursing center (26 long-term care nursing beds and 14 rehabilitation-nursing beds.)

<u>4. Addition of Wellness Center:</u>

The last renovation is the complete rehabilitation of the existing common areas and an addition of a wellness center that will include amenities such as a therapeutic pool, a café/informal library, year-round greenhouse, and a private dining room.
Listed below is a summary of Montgomery Place's unit mix pre-repositioning and post-repositioning:

	Pre-Repo	New	Post-Repo
Independent Living:			
Rental Units	160	(86)	86
Entrance Fee Units	0	74	74
Assisted Living	0	22	22
Nursing Care	93	(53)	40
Total	253	(43)	222

FINANCING SUMMARY

Structure:	The Series 2006A bonds will be non-rated fixed rate serial and term bonds. The Series 2006B bonds will be tax-exempt variable rate demand bonds that will be secured by a direct pay letter of credit from Fifth Third Bank.
Bank and bond Security/Colllateral:	Gross revenue pledge, mortgage and master notes under a master indenture. Covenants and other legal provisions are expected to be consistent with those in use for similar financings
Maturity:	32 years (Not to exceed 32 years)

ECONOMIC DISCLOSURE STATEMENT

Project name:	Montgomery Place 5550 South Shore Drive Chicago, IL 60637
Applicant:	Montgomery Place
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois
Board of Directors:	William Fairbanks, President - Attorney with Seyfarth, Shaw, David Crabb, Vice President – Attorney with the Development Office at the U of C Lauranita Dugas - Retired Marilyn Helmhoz – Retired banker Lawrence Furnstahl - Current Sr. V.P. Finance and Strategic Planning U of C Hospitals Howard Hush - Retired banker/bonds Rev. D. Maria Neighbors - Retired Episcopal Canon Episcopal Diocese of Chicago Michael McGarry, Treasurer - Current V.P. Hyde Park Bank Dan Pascale - Attorney, former judge Stuart Rice - Faculty member U of C Lawrence Wilhelm - Business owner Secretary: Open

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Ungaretti and Harris	Chicago	Tom Fahey, John Durso
Feasibility Consultant:	BDO Seidman	Chicago	James Larson
Bond Counsel:	Jones Day	Chicago	John Bibby, Amy Cobb
Underwriter:	Ziegler Capital Markets Group	Chicago	Dan Hermann, Steve Johnson, William Claus
Underwriter's Counsel:	Sonnenschein Nath & Rosenthal LLP	Chicago	Steve Kite
Bond Trustee:	Wells Fargo	Chicago	Patricia Martirano
Issuer's Counsel:	Sanchez Daniels & Hoffman LLP	Chicago	Heather Erickson

LEGISLATIVE DISTRICTS

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

Ziegler
CAPITAL MARKETS GROUP

One South Wacker Drive
Suite 3080
Chicago, IL 60606-4617

Phone: 312-263-0110
Toll-free: 800-366-8899
Fax: 312-263-5217

www.ziegler.com

Stephen W. Johnson
Director

September 29, 2006

Ms. Jill Rendleman
Interim Executive Director
Illinois Finance Authority
Suite 2555
180 North Stetson
Chicago, IL 60601

Re: Illinois Finance Authority Revenue Bonds, Series 2006A
(Montgomery Place Project)

Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2006B
(Montgomery Place Project)

Dear Ms. Rendleman:

As requested at the meeting of the Illinois Finance Authority (the "Authority") on September 27, 2006, this letter will confirm that B.C. Ziegler and Company, as underwriter of the above-captioned Bonds, agrees to comply with its obligations under Section 7 of the Bond Purchase Agreement for this financing and offer and sell the above-captioned Bonds in accordance with applicable state and federal securities laws, including such steps as we believe are necessary to assure that investors understand that the Bonds are not guaranteed by the Authority of the State of Illinois, that the Series 2006A Bonds are unrated, and that, except with respect to the Letter of Credit of Fifth Third Bank which secures the Series 2006B Bonds, there will be no other credit enhancement with respect to the Bonds.

If you have any further questions or need any further information, please let me know.

Sincerely,

Stephen Johnson

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

Project: Riverside Medical Center and Riverside Senior Living Center

STATISTICS

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

BOARD ACTION

Final Bond Resolution
Conduit 501(c)(3) Bonds
No IFA funds at risk

No extraordinary conditions
Staff recommends approval

PURPOSE

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

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

On April 20, 2004, the IFA gave its approval for a final bond resolution and on May 24, 2004 Riverside Health System issued $46,450,000, Series 2004 Bonds.
The IFA gave its approval for a Preliminary Bond Resolution for this transaction on September 27, 2006 by the following vote:

Ayes – 10 Nays – 0 Absent – 5 Vacancies – 0

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$ 33,000,000	Uses:	New Money	$13,163,548
	Prior accrued interest	522,251		Refunding Escrow	18,672,655
	Principal on hand	975,000		Reserve Fund	3,300,000
	1996 DSRF Release	2,048,150		Issuance Costs	500,000
				Underwriter's Disc.	181,500
				Bond Insurance	727,698
	Total	$36,545,401	Total		$ 36,545,401

JOBS

Current employment: 1521 FTE's
Jobs retained: 1521 FTE's

Projected new jobs: N/A (refunding/reimbursement)
Construction jobs: N/A (refunding/reimbursement)

BUSINESS SUMMARY

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

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

In 1989, RHS, the Medical Center and Oakside became the initial members of an obligated group (the "Obligated Group") established under a Master Trust Indenture dated as of December 15, 1989, as amended and supplemented from time to time, among the members of the Obligated Group and JPMorgan Chase Bank, successor to Bank One, National Association, as Master Trustee. Living Center became a member of the Obligated Group in 1990. Butterfield and the Foundation are not members of the Obligated Group. Riverside Medical Center and Riverside Senior Living Center are the borrowers for the Series 2006 financing.

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

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

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

There are no activities being operated by Butterfield.

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

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

PROJECT SUMMARY

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

FINANCING SUMMARY

Security/Collateral: RHS expects to issue debt secured by a Note issued under its Master Trust Indenture, as amended. Security for the Series 2006 Bonds will include bond insurance from Radian Asset Assurance, a funded debt service reserve fund, a pledge of RHS's unrestricted receivables. Certain financial covenants exist for the Series 2006 bondholders including limitations on additional borrowing and maintenance of a debt service coverage ratio of at least 1.0 to 1.0.

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

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

Ratings: A3/A underlying (Moody's/S&P)

ECONOMIC DISCLOSURE STATEMENT

Project name:	Riverside Health System Refinancing	
Locations:	Riverside Medical Center, 350 N.Wall Street, Kankakee, IL 60901 and numerous other locations in Kankakee and Will Counties	
Applicant:	Riverside Health System	
Organization:	501(c)(3) Not-for-Profit Corporation	
State:	Illinois	
Board of Trustees:	Connie Ashline, Chairperson	Harry Bond
	John Bowling, PhD Vice Chairperson	Ed Lambert
	Phillip Kambic, President	Karen Reid
	Bill Douglas, Tréasurer	Dr. Ranuka Ramakrishna
	Lawrence Linman, Secretary	Christopher Bryant, PHD
	Patricia Hull, Asst. Secretary	Jerald Hoekstra

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Katten Muchin Rosenman LLP	Chicago	Janet G. Hoffman
Bond Counsel:	Jones Day	Chicago	Michael J. Mitchell
Underwriter:	Goldman, Sachs Inc.	Chicago	Jay B. Sterns
Underwriter's Counsel:	Winston Strawn	Chicago	Kay McNab
Bond Trustee:	JP Morgan Chase Bank (Bank of NY)	Chicago	Daryl Pomykala
Accountant:	KPMG	Chicago	James Stark
Issuer's Counsel:	Pugh Jones	Chicago	Kim Barker Lee

LEGISLATIVE DISTRICTS

Congressional:	11- Gerald C. "Jerry" Weller
State Senate:	40- Debbie DeFrancesco Halvorson
State House:	79- Lisa M. Dugan
	75- Careen Gordon

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

Project: Sherman Health System and Sherman Hospital

STATISTICS

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

BOARD ACTION

Final Bond Resolution
Conduit 501(c)(3) Bonds
No IFA funds at risk

Staff recommends approval subject to the delivery of the Letter from Morgan Stanley, which is attached to this report, and the inclusion in the Loan Agreement of a requirement for written notice to the IFA in the event the Borrower's days cash on hand falls below 125 days.

PURPOSE

Proceeds will be used to: 1) fund the construction and equipping of a replacement hospital campus, 2) fund capitalized interest, 3) pay cost of issuance.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on September 27, 2006 by the following vote:

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$100,000,000	Uses: Project Fund/CAPI	$99,021,000
			Issuance Costs	679,000
			Underwriter's Disc.	300,000
Total		$100,000,000	Total	$100,000,000

JOBS

Current employment: 1,578 FTE's
Jobs retained: 1,578 FTE's

Projected new jobs: 61 FTE's
Construction jobs: 350 jobs

BUSINESS SUMMARY

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

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

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

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

PROJECT SUMMARY

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

FINANCING SUMMARY

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

Security provisions and covenants include:

(a) Obligated Group Members covenant to maintain a debt service coverage ratio of at least 1.10:1.
(b) Limitations on incurrence of additional debt
(c) Obligated Group Members covenant to keep Property free and clear of Liens except for certain Permitted Encumbrances
(d) Limitations on sale, lease or other disposition of Property (including cash and investments)
(e) Obligated Group covenants to maintain 75 Days Cash on Hand

In addition, it will be one of the events of default if the ratings on the Series 2006 Bonds are withdrawn by either Standard & Poor's or Moody's or fall to or below BBB- or Baa3, respectively

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

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

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

Maturity: August 1, 2036

ECONOMIC DISCLOSURE STATEMENT

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

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

One Financial Place
440 South LaSalle Street
Chicago IL 60605

Morgan Stanley

September 29, 2006

Ms. Jill Rendleman
Interim Executive Director
Illinois Finance Authority
Two Prudential Plaza
180 North Stetson, Suite 2555
Chicago, IL 60601

Dear Ms. Rendleman:

At the September 27, 2006 meeting of the Illinois Finance Authority, we were asked to provide a letter confirming a few of the items discussed related to Sherman Health Systems (the "Parent") and Sherman Hospital (the "Hospital" and together with the "Parent," the "Obligated Group"). As you know, Morgan Stanley & Co. Incorporated is the investment banker for the Parent and the Hospital and is serving as underwriter and sole initial purchaser for the proposed issuance of $100,000,000 Illinois Finance Authority Revenue Bonds, Series 2006 (Sherman Health Systems) (the "Series 2006 Bonds"). It is contemplated that the Series 2006 bonds will initially be issued in the index mode.

Based on the attached balance sheet from the Sherman Health Systems and Affiliates consolidated financial report as of and for the year ended April 30, 2006 audited by McGladrey & Pullen, LLP, the Parent had total assets of $251,749,180 and cash and liquid investments, including board-designated investments for capital improvements of $182,273,543 and the Hospital had total assets of $168,266,255 and cash and liquid investments of $ 18,820,246.

The Master Trust Indenture for the Obligated Group, as supplemented and amended, will contain numerous covenants, including ones substantially to the effect that (i) the Obligated Group maintain as of certain dates 75 Days Cash on Hand while the Series 2006 Bonds are in the index mode; (ii) no member of the Obligated Group sell, lease, encumber or in any manner dispose of its assets as a whole or in any substantial part until all of the principal and interest on the Series 2006 Bonds has been paid in full; (iii) no debt senior to or on a parity with the Series 2006 Bonds be issued while the Series 2006 Bonds are in the index mode without the prior written consent of the Series 2006 Bondholders; and (iv) that no member of the Obligated Group enter into any contract or take any action, the results of which might impair the rights of any bondholder of the Series 2006 Bonds while the Series 2006 Bonds are in the index mode.

There will be a mandatory redemption pursuant to the Trust Indenture if the certificate of need for the replacement hospital being financed in part with proceeds of the Series 2006 Bonds is invalidated.

Morgan Stanley

In addition, so long as the Series 2006 Bonds are in the index mode, it will be an event of default under one of the financing documents if the ratings on the Series 2006 Bonds are withdrawn by either Standard & Poor's or Moody's or fall to or below "BBB-" or "Baa3", respectively.

Please call me if you have any additional questions.

Sincerely,

BSCP

Bruce E. Gurley
Executive Director
(312) 706-4267

cc: Kimberly M. Copp w/enc.
Pamela A. Lenane w/enc.
Bill Morris w/enc.
Dana N. Sodikoff w/enc.

Sherman Health Systems and Affiliates

Consolidating Balance Sheet
April 30, 2006

	Sherman Health Systems	Sherman Hospital	Sherman Home Health Care Corporation	Sherman West Court	Health Visions, Inc.	Sherman Health Foundation	Eliminations	Total
Assets								
Current Assets								
Cash and cash equivalents	$ 3,228,537	$ 6,061,529	$ 2,868,071	$ 1,328,723	$ 284,322	$ 3,736,575	$ -	$ 17,507,757
Investments	-	12,758,717	-	-	-	-	-	12,758,717
Investments limited as to use, for debt service	426,414	3,670,555	-	183,861	-	-	-	4,280,830
Patient accounts receivable, less allowances for doubtful accounts	316,218	37,495,742	1,186,380	1,022,168	138,639	-	-	40,159,147
Other receivables	771,731	2,180,510	-	-	120,979	30,000	-	3,103,220
Inventories	-	3,579,331	-	9,648	-	-	-	3,588,979
Prepaid expenses and other	85,641	3,059,026	23,925	69,444	14,010	725	-	3,252,771
Due from affiliates	-	1,801,990	-	-	-	-	(1,801,990)	-
Due to affiliates	(38,115)	-	(537,459)	(730,496)	(213,680)	(73,004)	1,592,754	-
Total current assets	4,790,426	70,607,400	3,540,917	1,883,348	344,270	3,694,296	(209,236)	84,651,421
Other Assets								
Investments limited as to use, board designated for capital improvements	179,045,006	-	-	-	-	-	-	179,045,006
Investment in and advances to affiliate and other	444,892	4,410,215	277,686	-	95,052	-	(3,284,789)	1,943,056
Deferred finance charges, net of amortization	194,037	1,670,268	-	83,665	-	-	-	1,947,970
Other long-term assets	912,638	-	-	-	-	-	-	912,638
Total other assets	180,596,573	6,080,483	277,686	83,665	95,052	-	(3,284,789)	183,848,670
Property, Plant, and Equipment								
Land	44,153,524	1,160,884	-	504,179	-	-	-	45,818,587
Buildings and improvements	30,895,789	116,146,129	-	5,339,110	2,455	-	-	152,383,483
Leased Equipment	-	312,737	-	-	-	-	-	312,737
Furnishings and equipment	3,864,023	111,973,222	1,311,252	1,244,179	235,797	-	-	118,628,473
Construction in progress	-	8,462,243	-	-	-	-	-	8,462,243
	78,913,336	238,055,215	1,311,252	7,087,468	238,252	-	-	325,605,523
Less accumulated depreciation	(12,551,155)	(146,476,843)	(1,059,491)	(3,554,488)	(204,817)	-	-	(163,846,794)
Property, plant, and equipment, net	66,362,181	91,578,372	251,761	3,532,980	33,435	-	-	161,758,729
Total assets	$ 251,749,180	$ 168,266,255	$ 4,070,364	$ 5,499,993	$ 472,757	$ 3,694,296	$ (3,494,025)	$ 430,258,820

(Continued)

Sherman Health Systems and Affiliates

Consolidating Balance Sheet (Continued)
April 30, 2006

	Sherman Health Systems	Sherman Hospital	Sherman Home Health Care Corporation	Sherman West Court	Health Visions, Inc.	Sherman Health Foundation	Eliminations	Total
Liabilities and Net Assets (Deficit)								
Current Liabilities								
Current portion of long-term debt	$ 586,262	$ 2,792,764	$ -	$ 141,950	$ -	$ -	$ -	$ 3,520,976
Accounts payable	35,025	8,295,897	7,408	118,890	10,983	-	-	8,468,203
Estimated third-party payor settlements	-	10,685,119	-	-	-	-	-	10,685,119
Salaries, wages, and payroll taxes	153,145	7,484,427	221,711	313,848	37,599	25,667	-	8,236,397
Other accrued expenses	1,604,130	5,512,381	95,283	512,063	112,502	5,437	-	7,841,796
Total current liabilities	2,378,562	34,770,588	324,402	1,086,751	161,084	31,104	-	38,752,491
Long-term debt, net of current portion	16,466,022	108,477,423	-	5,422,083	-	-	-	130,365,528
Other	884,713	9,853,681	-	-	-	-	-	10,738,394
	17,350,735	118,331,104	-	5,422,083	-	-	-	141,103,922
Total liabilities	19,729,297	153,101,692	324,402	6,508,834	161,084	31,104	-	179,856,413
Net Assets (Deficit)								
Common stock	-	-	-	-	1,000	-	(1,000)	-
Additional paid-in capital	-	-	-	-	2,128,534	-	(2,128,534)	-
Unrestricted	232,019,883	11,922,085	3,745,962	(1,141,073)	(1,817,861)	251,400	1,817,861	246,798,257
Temporarily restricted	-	3,242,478	-	132,232	-	3,411,792	(3,182,352)	3,604,150
Net assets (deficit)	232,019,883	15,164,563	3,745,962	(1,008,841)	311,673	3,663,192	(3,494,025)	250,402,407
Total liabilities and net assets	$ 251,749,180	$ 168,266,255	$ 4,070,364	$ 5,499,993	$ 472,757	$ 3,694,296	$ (3,494,025)	$ 430,258,820

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

Project: Tabor Hills Supportive Living Community, LLC

STATISTICS

Project Number:	H-SL-RE-TE-CD-6088	Amount:	$25,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pam Lenane and Dana Sodikoff
Locations:	Naperville		

BOARD ACTION

Final Bond Resolution
Conduit 501(c)(3) Bonds
No IFA Funds at Risk

Staff recommends approval subject to compliance with IFA policy requirements for non-rated debt, which allows for bond denominations less than $100,000, with a feasibility study acceptable to the Authority, and a letter from Ziegler Capital Markets Group regarding the sale of the bonds (see attached).

PURPOSE

Proceeds will be used to: 1) pay for the cost of construction of a 95-unit supportive living facility 2) refund approximately $8,515,000 of Series 1998 outstanding debt, 3) fund a debt service reserve fund and 4) provide working capital, and 5) pay for certain costs of issuance relating to the Series 2006 Bonds.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on May 9, 2006 and a Final Bond Resolution on June 13, 2006, but since June 2006, the structure of the financing was changed to add a refunding of the Series 1998 bonds. Tabor Hills Supportive Living Community, LLC (the "Borrower") is requesting a Final Bond Resolution for the new structure.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$22,625,000.00	Uses:	New Money	$13,485,536.55
	Premium	270,894.00		Refunding	8,771,204.92
	Equity	131,457.13		DSRF	1,505,175.00
	1998 DSRF	757,545.00		Issuance Costs	589,375.00
	1998 P&I Fund	568,327.56		Additional Proceeds	1,932.22
Total		$24,353,223.69	Total		$24,353,223.69

JOBS

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

BUSINESS SUMMARY

Bohemian Home for the Aged, an Illinois not for profit corporation (the "Home"), Tabor Hills Health Care Facility Inc., an Illinois not for profit ("Tabor Hills"), and Tabor Hills Supportive Living Community, LLC, an Illinois limited liability company (the "Borrower") are currently the Members of the Obligated Group under the Master Indenture ("Obligated Group"). The Home is the sole corporate member of Tabor Hills, and the sole member of the Borrower. The Obligated Group (Home, Tabor Hills, the Borrower) is liable for the Series 2006 bonds.

The Home was originally incorporated as an Illinois not-for-profit corporation in 1894 for the purpose of establishing, operating and maintaining a skilled nursing facility for seniors which was known as Bohemian Home for the Aged, located at Foster and Pulaski Avenues in Chicago, Illinois. This facility was sold in 1994 and the Home developed new senior living facilities originally consisting of a 211-bed nursing facility (the "Nursing Facility") and independent living patio homes containing 82 units, later expanded to 104 units (the "Independent Living Community" or the "Patio Homes") in Naperville, Illinois (the "Naperville Campus"). Tabor Hills was incorporated as an Illinois not-for-profit corporation in 1992 for the purpose of establishing, maintaining and managing the Nursing Facility. The Borrower was organized in May 2006 as an Illinois limited liability company for the purpose of developing and operating the 95-unit supportive living facility to be constructed at the Naperville Campus with a portion of the proceeds of the Series 2006 Bonds.

A portion of the proceeds of the Series 2006 Bonds will be used by the Borrower to construct a 95-unit Supportive Living Community (the "Project") on 17 acres of land purchased by the Home in 2000 and added to the Naperville Campus. This 17-acre parcel will be leased by the Home to the Borrower pursuant to a ground lease for a term of 99 years.

The Supportive Living Community is planned to be an affordable assisted living facility administered by the Illinois Department of Healthcare and Family Services that offers seniors (65 and older) housing with supportive services. The Project will be open to both private pay and Medicaid eligible recipients. One of the purposes of the Project is to preserve privacy and autonomy while emphasizing health and wellness for seniors who would otherwise require nursing facility care.

The Project combines apartment style housing with personal care and other services, so that residents can live independently and take part in decision making regarding their care. Personal choice, dignity, privacy and individuality are critical components in the philosophy behind the Supportive Living Community. Residents will be able to choose from a menu of services that are provided by the facility based on need, which include nursing, social/recreational programming, health promotion and exercise programs, medication oversight, personal care, laundry, housekeeping, maintenance, 24-hour response/security and other ancillary services. Residents of the community must undergo a preadmission screening, and may not have a primary or secondary diagnosis of developmental disability or serious persistent mental illness, or a diagnosis of active tuberculosis. Assessments of each resident's health status followed by consultation with the resident will occur on a regular basis. An ongoing service plan will assure the appropriate level of care for each individual living in the Supportive Living Community.

Certified providers can charge a different rate for private pay residents, and must accept the Department's rate for services rendered on behalf of Medicaid-eligible persons. Department rates are based upon 60% of the weighted average nursing facility rates for the geographic grouping. Each Medicaid-eligible resident must have income equal to or greater than the current supplemental security income and must contribute all but $90 each month to the provider for lodging and meals. A provider may become a food stamp agent and receive food stamp allotments from residents as payment towards meals.

The Supportive Living Community will consist of a two-story building with an exterior finish of brick and siding. There will be 95 apartments of which there are expected to be 18 studios, 69 one-bedroom units and 8 two-bedroom units. The studio apartments are planned to be 337 square feet, the one-bedroom units are planned to be 579 square feet and the two-bedroom units are planned to be 896 square feet. Each apartment will have a kitchen area that will include a microwave, a sink and a refrigerator with a separate freezer. The bathroom will have a shower, raised toilet and a standard sink. The two story lobby area will be visible from the second floor and accessible by a winding staircase. Oak accents will complement the décor throughout the building. Each unit will reflect the personality of the occupant as the furnishing and decorating will be the responsibility of the resident.

The amenities of the Supportive Living Community are planned to include a spa containing a whirlpool bath, shower area, toilet and standard sink. A dining room with an attached outside patio seating area will be accented by a decorative water feature. Residents of the community will be offered three meals a day seven days a week. A beverage area will be available to all residents throughout the day. A private dining room will also be available for reservation by the residents for special occasions. Common areas are planned throughout the building, including television rooms, living room with a fireplace, computer room, a three season room with an attached bird and butterfly garden, beauty/barber shop, fitness room, laundry rooms for personal clothing and an activity room. A General Store will be open daily, so that residents may purchase necessities such as personal products, candies, cards and small gifts.

Tabor Hills is a member of the American Association of Homes and Services for the Aging and the Life Services Network of Illinois (formerly known as Illinois Association of Homes for the Aging). Tabor Hills is licensed annually by the State of Illinois and is certified by the Title XIX (Medicaid) and Medicare programs of nursing care reimbursement.

PROJECT SUMMARY

A portion of the proceeds of the Series 2006 Bonds will be used by the Borrower to construct a 95-unit Supportive Living Community on 17 acres of land purchased by the Home in 2000 and added to the Naperville Campus, which has already established a waiting list. This 17-acre parcel will be leased by the Home to the Borrower pursuant to a ground lease for a term of 99 years. The Supportive Living Community is planned to be an affordable assisted living facility administered by the Department of Healthcare and Family Services (the "Department") that offers seniors (65 and older) housing with supportive services. The community will be open to both private pay and Medicaid eligible recipients. One of the purposes of the Project is to preserve privacy and autonomy while emphasizing health and wellness for seniors who would otherwise require nursing facility care.

The remaining portion of the proceeds of the Series 2006 Bonds will be used to refund approximately $8,515,000 of the outstanding Series 1998 Bonds.

FINANCING SUMMARY

Security/Collateral:	Security consists of an unrestricted receivables pledge from the Borrower and a master note under the master indenture from the Borrower, and mortgages from the members of Obligated Group.
Structure:	The Obligated Group (Home, Tabor Hills, the Borrower) is liable for the Series 2006 bonds. These bonds will be non-rated tax-exempt fixed rate bonds in denominations of less than $100,000 ($5,000 or greater).
Maturity:	30 years

ECONOMIC DISCLOSURE STATEMENT

Project name:	Tabor Hills Supportive Living Community, LLC Project
Project Address:	1327 Crystal Avenue Naperville, IL 60563-0149
Applicant:	Tabor Hills Supportive Living Community, LLC
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois
Board of Directors:	Chairman of the Board / President / Director – Stanley D. Loula Vice Chairman of the Board – Vice President / Director – Walter M. Wlodek Secretary / Director – Gloria J. Pindiak Treasurer/Director – Charles Capek

Directors:
Liberty Dvorak
Mildred Kozumplik
Angeline Bultas
John Storcel
Charles Grenko
Frank Michalek
Anton Vopenka

Mary Bubenicek
Jim Hill

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

Ziegler
CAPITAL MARKETS GROUP.

One South Wacker Drive
Suite 3080
Chicago, IL 60606-4617

Phone: 312-263-0110
Toll-free: 800-366-8899
Fax: 312-263-5217

www.ziegler.com

Stephen W. Johnson
Director

September 29, 2006

Ms. Jill Rendleman
Interim Executive Director
Suite 2555
180 North Stetson
Chicago, IL 60601

Re: Illinois Finance Authority Revenue Bonds, Series 2006
(Tabor Hills Supportive Living Project)

Dear Ms. Rendleman:

As requested at the meeting of the Illinois Finance Authority (the "Authority") on September 27, 2006, this letter will confirm that B.C. Ziegler and Company, as underwriter of the above-captioned Bonds, agrees to comply with its obligations under Section 8 of the Bond Purchase Agreement for this financing and offer and sell the above-captioned Bonds in accordance with applicable state and federal securities laws, including taking such steps as we believe are necessary to assure that investors understand that the Bonds are not guaranteed by the Authority or the State of Illinois and that the Bonds are rated "BBB-" and are not subject to other credit enhancement.

If you have any further questions or need any further information, please let me know.

Sincerely,

Stephen Johnson

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **Morgan Park Academy**

STATISTICS

Deal Number:	N-NP-TE-CD-6196	Amount:	$1,400,000
Type:	Not-For-Profit Bonds	IFA Staff:	Sharnell Curtis Martin
Location:	Chicago	SIC Code:	6111

BOARD ACTION

Final Lease Resolution	Staff recommends approval
Conduit 501(c)(3) Lease Financing	Direct Purchase: Banc of America
No IFA funds at risk	

PURPOSE

Lease proceeds will be used to finance renovations, equipment and to pay certain bond issuance costs.

IFA CONTRIBUTION

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

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Lease	$1,300,000	Uses:	Project Costs	$1,340,000
	Equity	100,000		Lease Issuance Costs	60,000
	Total Sources	$1,400,000		Total Uses	$1,400,000

JOBS

Current employment:	101	Projected new jobs:	1
Jobs retained:	N/A	Construction jobs:	40

BUSINESS SUMMARY

Background: Morgan Park Academy ("Morgan Park", the "School", or the "Applicant") is an Illinois not-for-profit corporation founded in 1873. Morgan Park is an independent, coeducational college preparatory day school located in the Beverly-Morgan Park community of southwest Chicago.

Currently serving grades kindergarten through 12th grade; the campus facilities consists of five buildings located on a 20 acre parcel of land. Approximately 550 students are presently enrolled and Morgan Park enjoys a 100% graduation rate as well as 100% of its students entering college after graduation.

Morgan Park has been ranked one of the top ten schools in the state of Illinois and although a community school, students commute from other Chicago land areas including: downtown Chicago, Hyde Park, Orland Park, Palos communities, Oak Brook, Hinsdale, Lemont and northwest Indiana.

Description: The lease financing will renovate the building that houses the existing gymnasium. This building is 106 years old and many improvements will be made including new locker room facilities, updates to the HVAC, electrical and elevator systems, a new fire protection system and new signage. A new 24,000 square foot addition will be attached to the existing building in academic year 2008 to provide for a larger gymnasium area at which time the original gymnasium will be used primarily for practices and other school related activities.

FINANCING SUMMARY

Collateral: First mortgage on the subject property.
The Lease: The lease will be purchased by the bank and held as an investment until maturity.
Structure: Installment purchase agreement with Banc of America.
Maturity: 60 months at 4.69%

PROJECT SUMMARY

Lease proceeds will be used to renovate the existing gymnasium located at 2153 W. 111th Street in Chicago, Illinois (Cook County). Project costs are estimated as follows:

Renovations	$1,220,000
Equipment	120,000
Total Project Costs	$1,340,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: Morgan Park Academy
2153 W. 111th Street
Chicago, IL (Cook County)
Ms. Mercedes Sheppard, Director of Finance
Project name: Morgan Park Academy Gymnasium Facility
Location: 2153 W. 111th Street
Chicago, IL (Cook County)
Organization: 501(c)(3) Not-For-Profit Corporation
State: Illinois

Board Members:	Susan Shimmin, President	Jeffrey Gilbert, First Vice President
	William Collins, Second Vice President	Imre Noarden, Secretary
	Richard O. Nichols, Treasurer	Shashi Agarwal
	Deborah Bertoletti	Shawn Concannon
	Stephen Driscoll	Dr. Rachel W. Lindsey
	Minas E. Litos	Gregory L. Lochow
	Susan Mangels	Thomas Olivieri
	Wanda Pelz	Al Petkus
	Carl Pettigrew	Greta Pope Wimp
	Lora Salerno	Mark Wiegel
	Linda L. Wolgamott	Phillip E. Vasquez
Land Sellers:	Not Applicable	

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Robin Philip Jesk and Associates	Oak Forest	Robin Jesk
Accountant:	Dugan & Lopatka	Wheaton	Mark Schultz
Bond Counsel:	Pugh Jones Johnson and Quandt	Chicago	Kim Barker Lee
Bank:	Banc of America	Chicago	Jana Wesley
Issuer's Counsel:	Ice Miller	Chicago	Tom Smith

LEGISLATIVE DISTRICTS

Congressional:	3 -- Daniel Lipinski
State Senate:	14 – Emil Jones, Jr.
State House:	27 – Monique Davis

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **Lawrence Hall Youth Services**

STATISTICS

Deal Number:	N-NP-TE-CD-6137	Amount:	$15,000,000
Type:	501(c)(3) Revenue Bond	IFA Staff:	Sharnell Curtis Martin
Location:	Chicago	SIC Code:	8322

BOARD ACTION

Final Bond Resolution
Conduit 501(c)(3) Revenue Bonds
No IFA funds at risk

Staff recommends approval
No extraordinary conditions

PURPOSE

Bond proceeds will be used to finance the construction, rehabilitation, acquisition of machinery and equipment, capitalized interest and to pay certain bond issuance costs.

IFA CONTRIBUTION

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

VOTING RECORD

Preliminary Bond Resolution: July 11, 2006

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bond	$15,000,000	Uses:	Project Costs	$22,625,000
	Equity	3,500,000		Bond Issuance Costs	1,375,000
	IL Capital Dev. Board Grant	3,500,000			
	IL DCEO	2,000,000			
	Total Sources	$24,000,000		Total Uses	$24,000,000

JOBS

Current employment:	325	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	150

BUSINESS SUMMARY

Background: Lawrence Hall Youth Services ("Lawrence Hall" or the "Applicant") is an Illinois not-for-profit organization established in 1865 and incorporated as a 501(c)(3) corporation in March 1943. The organization's management includes Mary Hollie, Chief Executive Officer and Mark Nufer, Vice-President of Finance. As CEO for the last 13 years, Ms. Hollie has more than 27 years experience in child social work. For the last 10 years, Mr. Nufer has managed all fiscal operations of the agency as well as additional financial management experience with not-for-profits, insurance and public accounting.

The organization has been at the forefront of rescuing and reclaiming children for more than 140 years and began with two individuals who wanted to create safe homes for orphaned and homeless children. The Reverend Martin Van Arsdale opened one of the city's first homeless shelters for boys known as Lawrence Hall School for Boys. While, Judge Mary Bartelme opened her own home to troubled girls. In 1988 the Lawrence Hall School for Boys and the Bartelme Homes & Services merged to create Lawrence Hall Youth Services.

Lawrence Hall Youth Services currently provides services in the Chicago metropolitan area and serve approximately 450 children on a daily basis. Some of Lawrence Hall's programs include a residential treatment program, supervised independent living program, therapeutic day school and a foster care program as well as other supportive programs that complement the primary programs. All programs are licensed by the Illinois Department of Children and Family Services, Illinois Department of Human Services, Illinois State Board Of Education and the City of Chicago. The Applicant is accredited by the Council on Accreditation for Children and Family Services And the North Central Association of Colleges & Schools.

Description: Providing residential treatment services is at the core of the Agency's mission and the Applicant is licensed to provide institutional residential care for wards of the State of Illinois. The new campus Residential Treatment Center ("RTC") will replace several aging cottages for the children residing on campus and provide expanded facilities including an expanded and open kitchen and dining rooms, renovated gymnasium, new therapy and treatment rooms, computer workstations.

Because the new facility will replace existing facilities there will not be a significant increase in contract revenues, however the new facilities will greatly enhance the services provided to the children. Once the new building is put into service, the original facilities will be demolished.

FINANCING SUMMARY

Security: The Bonds will be secured by a Direct Pay Letter of Credit from Fifth Third Bank
Structure: Variable rate
Maturity: 40 Years
Bank Collateral: First mortgage on the subject real estate and first lien on furnishings and equipment financed.
Credit Rating: The credit rating for this transaction will reflect that of the Letter of Credit provider, Fifth Third Bank of AA- by S&P.

PROJECT SUMMARY

Bond proceeds will be used to construct and furnish a four-story building to be located at 4833 North Francisco Avenue in Chicago, IL 60625 (Cook County), and to pay certain bond issuance costs. Project costs are estimated as follows:

Construction	$20,100,000
Contingency	765,000
Miscellaneous	740,000
Rehabilitation	520,000
Machinery and Equipment	500,000
Total Project Costs	$22,625,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Mr. Mark Nufer, Executive Vice President of Finance Lawrence Hall Youth Services 4833 North Francisco Avenue Chicago, IL 60625 (Cook County)		
Project name:	Campus Redevelopment Residential Treatment Center		
Location:	4833 North Francisco Avenue Chicago, IL 60625 (Cook County)		
Organization:	501(c)(3) Organization		
State:	Illinois		
Board Members:	Alaina Anderson	Candice Beinlich	Hon. Paul P. Biebel
	Susan Bigg	Yuri Brown	Danielle Burton
	Lois Colberg	Dana Connell	Pamela Coster
	Jayne Coyne	Lynne Franklin	Tim Graham
	Elisha Gray III	Steven Groot	Bronson Hall
	Eloise Harris	Thomas Jackson	Eric Joost
	Patrick Kennedy	Marcia Kladder	David Lamb
	Edwin Lennox	T. Gerald Magner	R. Mark McCareins
	William McNally	Albert Meers	Annemarie Munana
	Andrew Oleszczuk	John Peterson	Marguerite Quinn
	Glori Rosenson	Charles Sample	Peter Saravis
	Charles Shaw	Jeffrey Singleton	John Strothman
	Barton Tretheway	Ken Ulrich	Patti Van Cleave
Land Sellers:	Not Applicable		

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	O'Keefe Lyons & Hynes	Chicago	Danie Coyne
Accountant:	Altschuler Melvoin & Glasser	Chicago	William J. O'Brien
Bond Counsel:	Chapman and Cutler	Chicago	Nancy Burke
LOC Bank:	Fifth Third Bank	Chicago	Lovetta Spencer
Underwriter:	Fifth Third Securities	Chicago	Douglas DeAngelis
Underwriter's Counsel:	Wildman Harrold Allen Dixon	Chicago	James Snyder
Issuer's Counsel:	Ice Miller	Chicago	Tom Smith
Trustee:	Bank of New York	Chicago	Kristin Brutsman

LEGISLATIVE DISTRICTS

Congressional:	5 – Rahm Emanuel
State Senate:	6 – John J. Cullerton
State House:	11 – John A. Fritchey

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

Project: **DeKalb SLF LP**
(DeKalb County Supportive Living Facility)

STATISTICS

Project Number:	M-MH-TE-CD-697	Amount:	$7,400,000 (not-to-exceed amount)
Type:	Housing Bonds	FM:	Rich Frampton
Location:	DeKalb		

BOARD ACTION

Final Bond Resolution
Conduit Tax-Exempt Affordable Rental Housing
Bonds
No IFA Funds at risk
Staff recommends approval subject to the following standard condition (applicable to non-rated bond issues):

1. Non-rated bonds will be sold in a limited offering to sophisticated investors in minimum denominations of $100,000 (i.e., thereby assuring distribution to Accredited Investors), as consistent with existing IFA board policy.

PURPOSE

Construction of a new, 76-unit, two-story, affordable Supportive Living Facility (senior living facility) in DeKalb.

IFA CONTRIBUTION

IFA will convey tax-exempt bond status on this financing.

The Developer will use approximately $7.3 million of IFA Carryforward Volume Cap transferred from Home Rule Units for this purpose.

VOTING RECORDS

Preliminary Bond Resolution: December 6, 2005

Ayes: 14 Nays: 0 Abstentions: 0

Absent: 1 (Valenti) Vacant: 0

ESTIMATED SOURCES AND USES OF FUNDS – PRELIMINARY, SUBJECT TO CHANGE

Sources:	IFA Bonds	$7,250,000	Uses:	Project costs	$8,477,680
	FHLBC Grant	360,000		Purchase of Vol. Cap	72,250
	LIH Tax Credits	2,904,678		Legal & Professional/Tax Credit Costs	95,000
	Deferred Developer Fee/General Partner	363,940		Capitalized Interest/ Reserves	561,875
	Total	**$10,878,618**		Bond Issuance Costs	319,580
				Operating Reserve & DSRF	988,293
				Deferred Developer Fee	363,940
				Total	**$10,878,618**

*Note: The Developer's Fee will be deferred and paid over time subject to the Partnership Agreement that will be executed between the Developer and the Tax Credit Investor at closing. Payment of these fees will be contingent on project performance. Typical performance hurdles include: satisfying certain benchmark debt service coverage, occupancy rates, and other negotiated covenants.

JOBS

Current employment:	0	Projected new jobs:	31 (FTE's)
Jobs retained:	N/A	Construction jobs (12 mo's.):	25 (average)

BUSINESS SUMMARY

Organization: **DeKalb SLF LP (the "Applicant"),** is an Illinois limited partnership and special purpose entity established for the express purpose of constructing, owning, and operating the DeKalb County Supportive Living Facility, a new, 76-unit senior living facility to be located in DeKalb, Illinois.

The **General Partner**, and 0.01% owner of the Applicant, will be **Heritage Woods of DeKalb LLC,** an Illinois Limited Liability Company (name reserved; formation pending as of 10/3/2006), the members of which will be (1) **DeKalb County Rehabilitation & Nursing Center** (or its affiliates), and (2) **Pine View Supportive Living Facility, LLC,** the members of which are key principals of (i) BMA Properties, Ltd., Bradley, IL; (ii) Budslick Management Company, Inc., Carbondale, IL; and (iii) DSG Development, Inc., Springfield, IL, and (3) **Steve K. Horve and Jeffrey Horve**, the principals of Horve Contractors, Inc. of Forsyth, Illinois, who will own their beneficial interests in the General Partner personally.

The Economic Disclosure Statement section of this report provides additional background information on those with an ownership interest in the General Partner.

The **Limited Partner** and 99.99% owner of the project will be a special purpose affiliate of the **National Equity Fund, Inc., Chicago, Illinois,** a Low Income Tax Credit Syndicator. The project will generate equity through the syndication of 4% Low Income Housing Tax Credits to for-profit corporations.

Background: The proposed DeKalb County Supportive Living Facility will be a new, 76-unit affordable assisted living project to be located in DeKalb, Illinois, located approximately 60 west of Chicago. The subject facility would be the first Supportive Living Facility to be located in Central DeKalb County.

The SLF will be a 55,890 SF building that will consist of (i) thirty-eight (38) studio units, and (ii) thirty-eight (38) 1 BR units (including five (5) 1 BR units that will be double occupancy units). The property will include over 20,000 SF of common area space including a dining room, fitness room, library, and resident meeting areas. Of the 76 units, 60 (approximately 79%) will be designated Low Income and 16 will be market rental.

The property's common facilities include 50 parking spaces (including 3 handicapped accessible spaces), 2 elevators, and an outdoor walking path.

Experience of Property Manager & Development Team:

Pine View Supportive Living Facility, LLC (Managing General Partner): The members include (1) **BMA Properties, Ltd.** of Bradley, Illinois (Mr. Blair Minton and Mr. Rod Burkett), Manager (2) **Budslick Management Company, Inc. of Carbondale, Illinois** (Mr. John Budslick), (3) **DSG Development, Inc. of Springfield, Illinois** (Mr. George Dinges), (4) **Horve Contractors, Inc. of Forsyth, Illinois** (Steve Horve and Jeffrey Horve),and (5) **DeKalb County Rehabilitation and Nursing Center,** a unit of DeKalb County government (a decision of whether to form a special purpose entity is pending as of 6/30/2006).

BMA Properties, Ltd. ("BMA") is an affiliate of Blair Minton & Associates, Inc. BMA was established in 1999 to manage assisted living and supportive living projects in Illinois. BMA currently manages senior assisted living and supportive living projects comprising over 875 units, with an additional 200 under construction. BMA currently manages properties ranging in size from 52 to 103 units.

BMA undertakes projects as joint ventures with hospitals, 501(c)(3) not-for-profit corporations, and private companies with multifamily construction/management experience. BMA provides comprehensive services from pre-development, financing, pre-opening organization, to operations, (including staffing, training, management development, and food service).

BMA has 10 key corporate staff members with expertise in hospital, home health care, nursing home administration, operations, and marketing.

BMA currently has 12 Supportive Living Facilities under management including:

- Heritage Woods of Flora (52 units opened in May 2000)
- Heritage Woods of Ottawa (84 units opened in November 2000)
- Eagle Ridge of Decatur (76 units opened in July 2003)
- Heritage Woods of Batavia (93 units opened in September 2003)
- Cambridge House – O'Fallon (103 units opened in November 2003)
- Heritage Woods of Watseka (65 units opened in June 2004)
- Heritage Woods of Benton (100 units opened in August 2004)
- Churchview Supportive Living of Chicago (86 units opened in September 2004)
- Prairie Living of Chautaugua in Carbondale (75 units in November 2004)
- Heritage Woods of Manteno (66 units opened in March 2005)
- Bowman Estates of Danville (76 units opened in Spring 2005), and
- Cambridge House of Maryville (24 units opened in June 2006)

Budslick Management Company, Inc. of Carbondale is engaged in the pre-development, construction, and operations of new construction multifamily housing properties, primarily in Central and Southern Illinois. More specifically, Budslick has served as General Partner on 8 affordable multifamily properties located in Carbondale, Charleston, Danville, Marion, and West Frankfort. Four of these affordable multifamily properties were financed with 9% LIHTC's and comprise 221 units overall. Budslick is the General Partner of two SLF properties, including Bowman Woods of Danville and Pineview of Rockford (99 units, construction commenced in August 2006).

DSG Development, Inc. of Springfield (George Dinges) has experience as an equity investor in multifamily properties throughout Illinois.

Horve Contractors, Inc. is one of Central Illinois' largest general contractors and in its third generation of family ownership under Steve K. Horve and Jeffrey Horve. Horve Contractors has constructed over 2,000 units of multifamily housing over the past 10 years, including three SLF properties. Members of the Horve family are part of the general partnership group for the Eagle Ridge of Decatur SLF. Additionally, Horve Builders has extensive experience constructing hotels and other commercial and residential buildings.

DeKalb County Rehabilitation & Nursing Center: The DeKalb County Rehabilitation & Nursing Center (the "Center") is a County-owned-and-operated 194-bed skilled nursing care facility licensed by the Illinois Department of Public Health located adjacent to the proposed DeKalb County SLF. The staff of the Nursing Home comprises about 45% of the total labor force employed by the County of DeKalb. Admissions are coordinated through the Nursing Home's Social Services Department. The Center provides laundry, housekeeping, and building maintenance operations that may also be utilized by the new SLF facility. The County will be donating the subject site to DeKalb SLF LP as its equity contribution for the project. (*Note:* The Board of the Center will be meeting during the week of 10/2 to consider whether they will form a special purpose entity to own the Center's direct interest in the General Partner.)

About Illinois' SLF Program: The Developer and the Illinois Department of Public Aid executed a Contract for Furnishing Services (the "Contract") under the Supportive Living Program in August 2005. Pursuant to this Contract, the Owner must begin operations by September 2007 (subject to time extensions). This Contract provides for the reimbursement of Covered Services to Eligible Residents under the Medical Assistance Program.

The Supportive Living Program was designed to reduce Medicaid subsidies to support low income elderly and help pay the costs necessary services including medication supervision, laundry, and personal care. All residents in a Supported Living Facility must be able to pay for their own room and board. Medicaid service reimbursement rates in Illinois are set at 60% of the regional nursing home per diem rate.

The Medicaid resident's maximum "room and board" payment is set by state regulation, and as of October 1, 2006, was increased to \$513/month. SLFs can be certified as eligible food stamp vendors and receive these benefits for eligible residents. If a Medicaid resident's income is above an established threshold (\$579/month), then the amount over this threshold is applied as a Medicaid co-payment toward service expenses.

The objective of the SLF Program is to reduce the State's Medicaid expenditures. SLF Facilities can reduce daily Medicaid reimbursement rates from \$100/day to \$60.23/day in certain regions (based on reimbursement standards through 9/30/2006). According to the Applicant, approximately 32% of current SLF residents have moved to these facilities from nursing homes. As of December 2005, Illinois had 49 open and operating SLF's, with an additional 70 approved.

Accessibility: As a new construction project, the subject facility will be subject to the Americans with Disabilities Act ("ADA"). Accordingly, all public areas of the facility will comply with ADA.

Additionally, because the facility will cater to seniors, 100% of the units will be designed to be handicapped adaptable and will feature:

- Doorways wide enough to accommodate wheelchairs and walkers
- Door handles throughout will be equipped with levers, rather than doorknobs
- Bathrooms sufficiently wide to allow a wheelchair to turn 360 degrees
- Bathrooms will feature grab bars,

- Bathrooms will be readily convertible from handicapped adaptable to handicapped accessible replacing the bathroom vanity with a sink that features a knee cavity
- Initially, 20% of the units (i.e., 12 out of 72) will be equipped with the handicapped accessible sink

FINANCING SUMMARY

Security/ Bondholder Collateral:	Series 2006 Bonds: Bonds will be sold in a Limited Offering by William Blair & Company LLC on a non-rated basis in minimum denominations of $100,000 with the offering limited to sophisticated (i.e., accredited) investors. Bondholders will be secured by a blanket first mortgage on the subject facility and an assignment of tenant leases and contracts.
Structure:	Bonds will be sold as fixed rate bonds with a 37-year final maturity (current estimated rate of 6.0% to 6.2% as of 9/26/2006).
Maturity:	Series 2006 Bonds: 37 years (with level principal amortization over the last 35 years; provides for interest-only payments for the first two years)

PROJECT DESCRIPTION FOR IFA BOND RESOLUTION

Bond proceeds will be used to finance site improvements, and the acquisition, construction, and equipping of a new, one building, two-story, 76-unit Supportive Living Facility located on an approximately 4.8 acre site located 2600 North Annie Glidden Rd., DeKalb (DeKalb County), IL 60115 to be owned by DeKalb SLF LP and operated by BMA Properties, Ltd. of Bradley, Illinois.

Additionally, bond proceeds will be used to pay a portion of costs of issuance on the Bonds, to pay capitalized interest on the Bonds, and to also capitalize a debt service reserve fund.

Preliminary estimated project costs are as follows:

Land/Site Development:	$484,650
Construction:	6,988,250
Furniture, Fixtures & Equipment:	535,000
Architectural/Engineering:	237,000
Project Contingency:	232,780
Total:	**$8,477,680**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	**DeKalb SLF LP**, an Illinois Limited Partnership c/o Mr. Blair Minton, BMA Properties, Ltd., 535 E. North Street, Suite 3, Bradley, IL 60915; Ph.: 815-935-1992; Fax: 815-935-1992; bma1992@aol.com
Alternate Contact:	Mr. Rod Burkett, BMA Management, Ltd., BMA Properties, Ltd., 535 E. North Street, Suite 3, Bradley, IL 60915; Ph.: 815-935-1992; Fax: 815-935-1992
Project name:	DeKalb County Supportive Living Facility
Location:	2600 N. Annie Glidden Road, DeKalb (DeKalb County), IL
Organization:	Illinois Limited Partnership
State:	Illinois

Ownership of Applicant: **DeKalb SLF LP**, an Illinois Limited Partnership

- **General Partner (1.00%): DeKalb County Supportive Living Facility, LLC**
  - **Pine View Supportive Living LLC:**
    - **BMA Management, Ltd.**, Bourbonnais, IL, Manager (see Applicant Contact)

- **Budslick Management, Inc.**, Carbondale, IL, Member (Contact: Mr. John Budslick, 618-457-5312)
- **DSG Development, Inc.**, Springfield, IL, Member (Contact: Mr. George Dinges, 217-528-0720)
- **Horve Contractors, Inc.**, Forsyth, IL, Member (Contact: Steve K. Horve and Jeffrey Horve
- **DeKalb County Nursing & Rehab Center**, Member (the County is evaluating whether to form a special purpose entity to hold this membership interest to further insulate the County from potential liability – this issue will be decided prior to closing)

- **Limited Partner (99.00%): National Equity Fund, Inc. (Limited Partner),** Chicago, IL: 99.00% (through syndication of 4% Low Income Housing Tax Credits to large corporations, including affiliates, subsequent to closing).

Current Property Owner: **DeKalb County (via the DeKalb County Rehabilitation & Nursing Center)**
Contact:
- Roy Bockman, County Administrator, DeKalb County, 200 N. Main Street, Sycamore, IL 60178-1431, 815-895-7186. The County will be donating the subject site to the LLC as its contribution to the project.

PROFESSIONAL & FINANCIAL

Counsel:	Charity & Associates	Chicago, IL	Alan Bell
Accountant:	Reznick Group	Chicago, IL	Bruce Schiff
Bond Counsel:	Schiff Hardin LLP	Chicago, IL	Bruce Weisenthal
Underwriter:	William Blair & Company	Chicago, IL	Chuck Freeburg
Underwriter's Coun.:	Ice Miller LLP	Chicago, IL	Tom Smith
Tax Credit Investor:	National Equity Fund, Inc.	Chicago, IL	Richard Gentry
Tax Credit Investor's Counsel:	David Goldstein & Associates	Chicago, IL	David Goldstein
Trustee:	Amalgamated Bank of Chicago	Chicago, IL	Gail Klewin
Architect:	Worn, Jerabek Architects, P.C.	Chicago, IL	Mike Jerabek
General Contractor:	Horve Contractors, Inc.	Decatur, IL	Steve Horve
Project Consultant:	The Laubacher Company	Chicago, IL	Mark Laubacher
Management Agent:	BMA Properties, Ltd.	Bradley, IL	Rod Burkett
Feasibility Consultant:	Laurel Research Associates	Springfield, IL	
Issuer's Counsel:	Sanchez Daniels & Hoffman LLP	Chicago, IL	John Cummins, Heather Erickson

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

Project: **Urban Van Buren, L.P.**
(Amalgamated Senior Residences)

STATISTICS

Project Number:	M-MH-TE-CD-6087	Amount:	$9,000,000 (not-to-exceed amount)
Type:	Housing Bonds	FM:	Rich Frampton
Location:	Chicago		

BOARD ACTION

Final Bond Resolution
Conduit Tax-Exempt Affordable Rental Housing Bonds
Staff recommends approval

No IFA Funds at risk
No extraordinary conditions

PURPOSE

Purchase and renovation of an existing 124-unit, five-story, affordable senior rental property in Chicago (Amalgamated Senior Residences) that will preserve the property as affordable to low- and moderate income senior households.

IFA CONTRIBUTION

IFA will convey tax-exempt bond status on this financing. This Project is expected to use $8.0 million of prior year IFA Carryforward Volume Cap transferred to the Authority by Home Rule Municipalities for affordable rental housing projects.

VOTING RECORDS

Preliminary Bond Resolution, May 9, 2006

Ayes: 8 Nays: 0 Abstentions: 1 (Talbott)

Absent: 6 (Boyles, Leonard, Nesbitt, O'Brien, Rice, Zeller) Vacant: 0

ESTIMATED SOURCES AND USES OF FUNDS – PRELIMINARY, SUBJECT TO CHANGE

Sources:	IFA Bonds	$8,000,000	Uses:	Project costs	$12,336,434
	4% Tax Credits	4,888,738			
	Cash Flow	479,938		Deferred Developer Fee	374,938
	*Deferred Developer Fee	374,938		Purchase of Vol. Cap	80,000
	Total	**$13,743,614**		Escrows/Reserves	448,142
				Legal/Professional/ Tax Credits	105,000
				Bond Issuance Costs	399,100
				Total	**$13,743,614**

JOBS

Current employment:	4.5 FTE's	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs (12 mo's.):	20-40 (average)

BUSINESS SUMMARY

Organization: **Urban Van Buren, L.P. (the "Borrower")** is a special purpose entity formed by **Urban 8 Holding Company** (itself an affiliate of **Urban Innovations, Ltd.**) that is being formed for the express purpose of acquiring, redeveloping, and owning a property currently known as Amalgamated Senior Residences an existing 124-unit affordable senior housing property located on the Near West Side of Chicago.

The **General Partner** and 0.01% beneficial owner, will be **Urban 2006 VB Holding Company**, an Illinois corporation, whose principal shareholders are Mark Kelly, Andrew Delman, and Steve Greenbaum. Mark Kelly is a minority shareholder of Urban Innovations, Ltd., an Illinois S Corporation, a property management company based in Chicago, while Andrew Delman and Steve Greenbaum are employees of Urban Innovations, Ltd.

The **Limited Partner** and 99.98% beneficial owner of the Project will be affiliates of **RED Capital Markets, Inc.**, of Columbus, Ohio, a tax credit investor/syndicator. RED Capital Markets, Inc. is an affiliate of National City Bank. The project will generate equity through the syndication of 4% Low Income Housing Tax Credits to for-profit corporations.

(See the Economic Disclosure Statement section on pages 4-5 for additional information on the beneficial owners of this project.)

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

The property's common facilities include 36 parking spaces, two elevators, landscaped grounds, a tenant garden, and includes a 6,300 SF of clubhouse, lobby, laundry, and other common elements.

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

The exact scope of the proposed renovations have been determined by an independent consulting architect (BLDD Architects, Inc., Decatur, Illinois) and approved by US Bank and RED Capital Markets, Inc., the tax credit investor as pre-conditions to final approval.

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

Urban Innovations presently owns and operates 17 Senior Housing properties (14 located throughout Illinois and three in Kentucky) with a total of 1,988 units, ten River North loft office buildings totaling over 630,000 SF and one River North development site totaling 14,800 SF. Eight of these Senior Housing properties were acquired and financed in 2001 using a combination of tax-exempt bond financing and 4% Low Income Housing Tax Credits.

UI's most recent property acquisition was Saint Paul Residences, a 72-unit senior apartment project in Chicago that was financed with $5.5 million of IFA Bonds (Urban West Byron, L.P.) in January 2006 (payments are current as of 9/1/2006). Acquisition and renovation of the Saint Paul's property was financed with a combination of IFA Bonds and 4% Low Income Housing Tax Credits.

UI's other Senior Housing properties in Illinois are located in Alton (Marian Heights – 122 units); Chicago (Saint Paul Residences – 72 units; Maple Point Apartments – 342 units; and Walsh Park Apartments – 134 units); Danville (Wolford Apartments – 100 units; and Vermilion House Apartments – 160 units), DeKalb (Colonial House Apartments -- 110 units); Fox Lake (Lakeland Apartments – 104 units); Glen Ellyn (Forest Apartments – 80 units); Macomb (Jefferson House Apartments – 115 units); Mt. Prospect (Centennial Apartments- North – 101 units; Centennial Apartments-South – 97 units); Springfield (Capitol Apartments – 150 units); and Zion (Carmel House Apartments – 80 units). Each of these properties (with the exception of Maple Point in Chicago) is supported with Section 8 Housing Assistance Payment contracts.

UI's 94 employees provide comprehensive development, architecture, construction, leasing, and property management services to company-owned projects. Additionally, UI's professionals also bring affordable housing expertise with HUD subsidies, and financing products, including Tax-Exempt Bonds and 4% Low Income Housing Tax Credit Equity to facilitate both upfront due diligence and ongoing compliance.

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

There will be no tenant relocation. Most in-unit work will be completed during daytime hours. The renovations are expected to be undertaken over a 12 month period.

Property Manager: The proposed property manager will be Urban Innovation's internal property management group. UI currently manages 1,988 Section 8 senior apartment units located in 17 buildings. Additionally, UI also manages 21 market rate apartment properties and 850,000 SF of commercial property located in 10 buildings.

Accessibility: According to the Applicant, this project is exempt from Americans with Disabilities Act ("ADA") requirements regarding minimum unit set-asides and related accessibility and adaptability requirements due to the age of the property (i.e., originally completed in 1984). Common areas will be renovated as necessary to comply with ADA. This project will comply with ADA as required based on the date this project was originally placed in service (1984).

FINANCING SUMMARY

The Bonds: Bonds will be purchased directly by US Bank and held as an investment until maturity.

Bondholder Security/ Collateral: US Bank will be secured by a first mortgage on the subject property and a collateral assignment of rents, leases, and contracts. (US Bank's financing will be non-recourse to the underlying entities that will hold beneficial ownership interests in Urban Van Buren, L.P.)

Interest Rate: Series 2006 Bonds: estimated effective fixed rate of 5.50% for the initial five year term. Year 1 interest only during construction

Maturity: Series 2006 Bonds: 35 years

PROJECT DESCRIPTION FOR IFA BOND RESOLUTION

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

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

Preliminary estimated project costs are as follows:

Land and Bldg. Acquisition:	9,009,675
**Renovations:	3,206,409
Contingency:	170,000
Total:	**$12,386,084**

**Renovations will include various interior and exterior improvements to the property including common areas (common area carpet replacement, window replacement, elevator system rehabilitation, patio and sidewalk improvements, new door frames, new wall sleeve A/C units, exterior tuckpointing and brick repair, new bathroom and kitchen cabinets, new appliances. The average renovation cost will be approximately $26,000/unit [which includes common area improvements]).

ECONOMIC DISCLOSURE STATEMENT

Applicant/ Contact:	Urban Van Buren, L.P., c/o Mr. Andrew W. Delman, Principal, Urban Innovations, Ltd., 445 N. Wells St., Chicago, IL 60610; Ph.: 312-222-0777; Fax: 312-222-5369; e-mail: adelman@urbaninnovations.com
Alternate Contact:	Mr. Josh Hafron, Acquisitions Analyst, Urban Innovations, Ltd., 445 N. Wells St., Chicago, IL 60610; Ph.: 312-970-3284; Fax: 312-222-5369; e-mail: jhafron@urbaninnovations.com
Project name:	Amalgamated Senior Residences
Location:	1504 West Van Buren Street, Chicago, IL 60607-2723
Organization:	Limited Partnership (to be formed)
State:	Illinois

Ownership of Applicant: **Urban Van Buren, L.P., an Illinois limited partnership**

- **General Partner: Urban 2006 VB Holding Company,** an Illinois Corporation, General Partner: **0.01%**
  - The only shareholders with a 7.5% or greater beneficial interest in the General Partner will be Mark F. Kelly, Andrew Delman, and Steve Greenbaum [c/o Urban Innovations, Ltd., 445 N. Wells St., Chicago, IL 60610].
  - The remaining beneficial ownership of the General Partner will be comprised of managers and employees of Urban Innovations, Ltd.
- **Limited Partner: RED Capital Markets, Inc., Columbus, OH: 99.98%.** RED Capital Markets will syndicate ownership of this limited partnership interest in a special purpose limited partnership entity under its control. These limited partnership interests will be sold to for-profit corporations.
- **Limited Partner: SCDC/RED Capital Special Agent, Inc., Columbus, OH: 0.005%.** Another affiliate of RED Capital Markets, the tax credit investor/syndicator.
- **Limited Partner: Urban VB LP, an Illinois limited partnership, Chicago, IL: 0.005%.** This entity will receive all economic benefit of Urban's ownership, except for the Deferred Developer Fee. The beneficial owners are employees of Urban Innovations, Ltd.

Current Property Owner: **Amalgamated Housing Foundation, an Illinois not-for-profit corporation, currently owns the subject property.**

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

Board Members (2):

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

PROFESSIONAL & FINANCIAL

Counsel:	DLA Piper Rudnick Gray Cary, LLP	Chicago, IL	Mark Yura
Accountant:	Reznick Group	Chicago, IL	Bruce Schiff
Bond Counsel:	Sidley Austin Brown & Wood LLP	Washington, DC Chicago, IL	Peter Canzano, Richard Astle
Bond Purchaser:	US Bank National Association	Chicago, IL	David Starr
Purchaser's Counsel:	Reinhart Boerner Van Deuren S.C.	Milwaukee, WI	David Schulz
Credit Enhancement:	Not applicable. Bonds will be purchased directly by US Bank.		
Tax Credit Investor:	RED Capital Markets, Inc.	Columbus, OH	David Martin
Tax Credit Investor's Counsel:	Squire, Sanders & Dempsey L.L.P.	Columbus, OH	Phil Westerman
Trustee:	Not applicable for a bank direct purchase transaction		
Architect:	BLDD Architects, Inc.	Decatur, IL	
General Contractor:	Urban Innovations, Ltd. will serve as its own General Contractor on the proposed renovations		
Management Agent:	Urban Innovations Ltd.	Chicago, IL	Sue Roess
Issuer's Counsel:	Tyson Strong Hill, LLC	Chicago, IL	Lance Tyson

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

Project: **City of Herrin (Sewer System)**

STATISTICS

Number:	L-GP-MO-6207	Amount:	$960,000 (not to exceed)
Type:	Local Government Pooled Program		
IFA Staff:	Eric Watson	Location:	Herrin, Illinois

BOARD ACTION

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

PURPOSE

To finance the extension of sewer to Route 13 and replace the current sewer distribution system in the city. In addition, the IFA and Herrin are pursuing the possibility of refinancing current outstanding sewer debt.

IFA CONTRIBUTION

The IFA provides double tax exemption. The State provides its moral obligation to the Pooled Government Program.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$960,000	Uses:	Underwriter's Discount	$16,320
				Project Costs	600,000
				Refinanced Debt	320,000
				Local Bond Counsel	5,000
				IFA Fee	8,640
				Costs of Issuance	9,000
				Rounding	1,040
	Total	$960,000		Total	$960,000

BUSINESS SUMMARY

Background: The City of Herrin is located in southern Illinois, near the Shawnee National Forest. Herrin resides within Williamson County on Route 148 and Route 13 and is home to over 11,200 residents. The City is located 107 southeast of St. Louis, MO and 102 miles west of Evansville, IN. The City was incorporated in 1900 and has grown into a community of diversified industry and business.

Project: The City proposes to participate in the IFA's Pooled Bond Program, issuing no more than $960,000 in Alternate Revenue Bonds. The Bonds will be used to pay for the replacement of old and deteriorated sewer mains within the City as well as to extend sewer service to newly annexed properties located on Route 13. In addition, the IFA is exploring the economic feasibility of refinancing $320,000 of existing Sewer Fund debt that the City currently carries.

FINANCING SUMMARY

City of Herrin

The Bonds: The Bonds will be Alternate Revenue Bonds, with the City's revenues from its Sewer System pledged as the primary revenue source. As part of their bond ordinance, the City must document that the System's net revenues are sufficient to provide 1.25 times debt service coverage on the bonds. If coverage is not met, the City will take necessary steps (i.e. by raising rates or cutting operating expenditures) to ensure coverage. In the event that there are not adequate system revenues to provide for the debt service payment, Herrin will pledge its interceptable state revenues (State Income Tax, State Sales Tax, and State Replacement Tax).

Security / Collateral: The Bonds are payable from (i) net revenues of the City's Sewer System Fund and (ii) interceptable state revenues (State Income Tax, State Sales Tax, and State Replacement Tax).

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

Maturity: 20 years

PROJECT SUMMARY

Herrin will use the proceeds of the bonds to (i) pay for the costs of extending sewer service and replace old and deteriorated sewer mains.(ii) refinance existing sewer fund bond debt (iii) and the costs association with the issuance of the bonds.

Project costs are estimated not to exceed $960,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: The City of Herrin
Project names: City of Herrin Sewer Project
Location: 300 North Park Avenue, Herrin IL 62948-3199
Organization: Illinois Municipality
Mayor: Victor M. Ritter
City Administrator: Roy Adams

PROFESSIONAL & FINANCIAL

Issuers Counsel:	To be requested		
Local Bond Counsel:	To be determined		
Bond Counsel	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
Underwriter	AG Edwards & Co., LP	St. Louis, MO	Ann Noble

LEGISLATIVE DISTRICTS

Congressional:	Jerry F. Costello	12th
State Senate:	Gary Forby	59th
State House:	John E. Bradley	117th

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

Project: **City of Herrin (Water System)**

STATISTICS

Number:	L-GP-MO-6208	Amount:	$630,000 (not to exceed)
Type:	Local Government Pooled Program		
IFA Staff:	Eric Watson	Location:	Herrin, Illinois

BOARD ACTION

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

PURPOSE

To finance the extension of water to Route 13 and replace the current water distribution system in the city.

IFA CONTRIBUTION

The IFA provides double tax exemption. The State provides its moral obligation to the Pooled Government Program.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$630,000	Uses:	Underwriter's Discount	$10,700
				Project Costs	600,000
				Local Bond Counsel	4,000
				IFA Fee	5,700
				Costs of Issuance	5,800
				Rounding	3,800
	Total	$630,000		Total	$630,000

BUSINESS SUMMARY

Background: The City of Herrin is located in southern Illinois, near the Shawnee National Forest. Herrin resides within Williamson County on Route 148 and Route 13 and is home to over 11,200 residents. The City is located 107 southeast of St. Louis, MO and 102 miles west of Evansville, IN. The City was incorporated in 1900 and has grown into a community of diversified industry and business.

Project: The City proposes to participate in the IFA's Pooled Bond Program, issuing no more than $630,000 in Alternate Revenue Bonds. The Bonds will be used to pay for the replacement of old and deteriorated water mains within the City as well as to extend water service to newly annexed properties located on Route 13.

FINANCING SUMMARY

The Bonds: The Bonds will be Alternate Revenue Bonds, with the City's revenues from its Water System pledged as the primary revenue source. As part of their bond ordinance, the City must document that the System's net revenues are sufficient to provide 1.25 times debt service coverage on the bonds. If coverage is not met, the City will take necessary steps (i.e. by raising rates or cutting operating expenditures) to ensure coverage. In the event that there are not adequate system revenues to provide for the debt service payment, Herrin will pledge its interceptable state revenues (State Income Tax, State Sales Tax, and State Replacement Tax).

Security / Collateral:	First lien pledge of: (i) net revenues of the City's Water System Fund and (ii) interceptable state revenues (State Income Tax, State Sales Tax, and State Replacement Tax).
Structure:	Principal is expected to be due on February 1, with a final maturity in 2027. Interest will be fixed rate and payable each August 1 and February 1, beginning August 1, 2007. The bonds are subject to redemption prior to maturity.
Maturity:	20 years

PROJECT SUMMARY

Herrin will use the proceeds of the bonds to (i) pay for the costs of extending water service and replace old and deteriorated water mains (ii) and the costs association with the issuance of the bonds.

Project costs are estimated not to exceed $630,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The City of Herrin
Project names:	City of Herrin Sewer Project
Location:	300 North Park Avenue, Herrin IL 62948-3199
Organization:	Illinois Municipality
Mayor:	Victor M. Ritter
City Administrator:	Roy Adams

PROFESSIONAL & FINANCIAL

Issuers Counsel:	To be requested		
Local Bond Counsel:	To be determined		
Bond Counsel	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
Underwriter	AG Edwards & Co., LP	St. Louis, MO	Ann Noble

LEGISLATIVE DISTRICTS

Congressional:	Jerry F. Costello	12th
State Senate:	Gary Forby	59th
State House:	John E. Bradley	117th

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

Project: **City of Benton**

STATISTICS

Number:	L-GP-6204	Amount:	$660,000 (not to exceed)
Type:	Local Government Interim Loan		
IFA Staff:	Eric Watson	Location:	Benton, Illinois

BOARD ACTION

Final Bond Resolution
Local Government Interim Loan
Staff recommends approval

No extraordinary conditions
IFA funds at risk

PURPOSE

To finance the resurfacing of city streets.

IFA CONTRIBUTION

The IFA will provide a direct interim loan that will be reimbursed upon the closing of the next local government pool.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Interim Loan	$660,000	Uses:	Underwriter's Discount	$15,000
				Project Costs	622,600
				Local Bond Counsel	3,000
				IFA Fee	6,000
				Costs of Issuance	8,700
				Rounding	4,700
	Total	$660,000		Total	$660,000

BUSINESS SUMMARY

Background: The City of Benton is located approximately 100 miles southeast of St. Louis, MO and 90 miles east of Evansville, IN. The City encompasses 5.5 square miles and is the center of Franklin County. The area is served by two major railroads, three state highways and Interstate 57 and is surrounded by predominately agricultural land.

Two major employers specializing in marine products offer the greatest number of employment opportunities to the City. Bombardier Motor Corp employs 323 individuals, while Godfrey Marine employs 135. The remaining major employers are Franklin Community Care (67 employees) and PHI, Inc (52 employees), who both specialize in the healthcare industry and Boatman's Bank of Benton (35 employees).

Benton is a home-rule community whose population has slowly declined since 1980 as can be seen in the following: 1980-7,778, 1990-7,213 and 2000–6,880. Benton's rate setting EAV has increased at least by 5% each year between 2001 and 2004. During 2005 it decreased by 4.5%.

City of Benton

Project: The City proposes to borrow $660,000 via an IFA interim loan for the resurfacing of City streets.

FINANCING SUMMARY

The Loan: Benton will borrow funds directly from the IFA on or before November 1, 2006 for the purpose of resurfacing city streets. The City will participate in the IFA's next local government pooled bond issuance and will reimburse the IFA (in its entirety) from bond proceeds. The eventual bonds will be General Obligation Bonds. The City is a home rule entity that will pass an ordinance dedicating a revenue source (via property tax levy) for the payment of annual debt service on the loan (and eventual bonds). In the event that there are not adequate funds for debt service payment, Benton will pledge interceptable state revenues (State Income Tax, State Sales Tax, and State Replacement Tax) to pay debt service on the loan or bonds.

The interim loan debt service schedule mirrors the schedule of the pooled bond program, with principal payments due annually on February 1, and interest payments due on February 1 and August 1. All bond costs of issue will be estimated and included in the interim loan to Benton. When the pool closes, the interest rate on the bonds will replace that of the interim interest rate. Bond proceeds will be reimbursed to the IFA.

Security/ Collateral: The loan payments will be payable from dedicated property tax revenues. Benton will pass an ordinance dedicating a portion of property tax revenues (via a property tax levy) to meet annual debt service payments. In the event that there are not adequate funds, the City will pledge its interceptable state revenues (State Income Tax, State Sales Tax, and State Replacement Tax) to pay debt service on the loan or bonds.

Structure: Principal is expected to be due on February 1, beginning in 2007 with a final maturity in 2026. Interest will be fixed rate and payable each August 1 and February 1, beginning February 1, 2006. Although the interim loan debt service schedule indicates maturity on 2026, (as stated above) once the local government pool is issued, the IFA interim loan will be reimbursed in its entirety from bond proceeds. The debt service maturity schedule remain intact for the new General Obligation Bonds, with only the interest rates changing

Maturity: 20 years

PROJECT SUMMARY

Benton will use the proceeds of the interim loan (i) pay for the costs resurfacing city streets and the costs association with the issuance of the loan and eventual bonds.

Project costs are estimated not to exceed $660,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The City of Benton
Project names:	City of Benton Road Project
Location:	P.O. Box 640, Benton, IL 62812
Organization:	Illinois Municipality
Mayor:	Gary Kraft

PROFESSIONAL & FINANCIAL

Local Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
Bond Counsel	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik

LEGISLATIVE DISTRICTS

Congressional:	Jerry F. Costello	12th
State Senate:	Gary Forby	59th
State House:	John E. Bradley	117th

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

Project: **City of Quincy Regional Airport**

STATISTICS

Project Number:	LG-LL-TX-6205	Amount:	$150,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Quincy		

BOARD ACTION

Purchase of Participation Loan from Associated Bank - Quincy
$150,000 IFA funds at risk
Staff recommends approval

PURPOSE

Finance the construction of a new 80' x 250' hanger facility at the Quincy Regional Airport

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	$150,000	Uses:	Building Construction	$300,000
	Associated Bank:	150,000		Total	$300,000
	Total	$300,000			

JOBS

Current employment:	12	Projected new jobs:	2
Jobs retained:	NA	Construction jobs:	(50/6 months)

BUSINESS SUMMARY

Background: The City of Quincy with a population of 40,400 is a home-rule city under Illinois law that was incorporated in 1840 and is located in West Central Illinois on the bluffs of the Mississippi River. The City serves as county seat for Adams County with a population of 68,300 and is the largest city within a 100 mile radius. The geographic location of the City makes it the retail employment and healthcare hub of a tri-state area which includes Illinois, Iowa and Missouri. Serving as the hub of this region, a more accurate portrayal of the population served by the Quincy market would be to view the population base located within proximity of the City. According to data collected by the Great River Economic Development Foundation (GREDF), the 2001 population stands at 249,348 within a 50 mile radius and 603,256 within a 75 mile radius of the city.

The Quincy Regional Airport/Baldwin Field serves the Tri-State area with commercial air service and general aviation services. Several daily commercial flights to St. Louis offer travelers connections to literally hundreds of domestic and international destinations. The commercial airlines serving the airport offer competitive airfares that in some cases are lower than those available at St. Louis Lambert Airport. The airport also offers many opportunities for commercial and industrial development in its adjacent Baldwin Industrial Park.

Located 6 miles east of Quincy on Illinois Route 104, a four-lane divided highway with easy connections to Interstate highways I-172 and I-72 and US highways 61 and 24, the airport provides superb access for the region's many businesses. Quincy is fortunate to be home to numerous industrial and manufacturing concerns that utilize the airport for both transportation of personnel and freight. Additionally, the airport provides a key air link for the region for goods being transported on the Mississippi River.

The Project: The Quincy Regional Airport is planning to construct an 80'x 250' foot commercial hanger facility on property located at the airport. The building is needed to serve the increasing demand for available hanger space for the City's increasing industrial base. Total cost of the project is expected to approximate $300,000.

FINANCING SUMMARY

Obligor: City of Quincy
Facility: Fixed rated bank loan amortizing over 10 years.in Loan Structure:
Repayment: Hangar rental payments deposited in the Hangar Fund, a sub-fund of the Quincy Regional Airport Enterprise Fund.

ECONOMIC DISCLOSURE STATEMENT

Applicant: City of Quincy
Organization: Illinois Municipality
City Management: John Spring – Mayor, Mark Hanna – Airport Executive Director, Peggy Crim – City Treasurer, Janet Hutmacher – City Clerk, Richard Meehan – Director of Administration Services, Ken Cantrell – Director of Centralized Services, Dave Hummel – Director of Purchasing, Ann Scott - Comptroller

PROFESSIONAL & FINANCIAL

Banker:	Associated Bank	Quincy	Tom Lay

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

Project: **Allied Waste Industries, Inc., Allied Waste North America, Inc. and their affiliates, successors, and assigns**

STATISTICS

Project Number:	P-SW-PO-TE-CD-687	Amount:	$120,000,000 (not-to-exceed amount)
Type:	Solid Waste Disposal Bonds	FM:	Rich Frampton
Location:	Multiple		

BOARD ACTION

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

PURPOSE

Bond proceeds will be used to finance landfill and transfer station improvements and to purchase containers, transportation equipment, and equipment for use at Allied Waste's solid waste disposal facilities statewide.

IFA CONTRIBUTION

IFA will convey tax-exempt municipal bond status on qualifying solid waste disposal and treatment facilities.

This project will use unallocated IFA Carryforward Volume Cap designated for Solid Waste Disposal Revenue Bond projects. _No current year IFA Volume Cap will be used for this project when issued_. The Borrower anticipates issuing these bonds in two or more series beginning in late 2006 or 2007. *The initial series is estimated at $30-$45 million, depending on availability of Carryforward Volume Cap.*

No assurances have been made regarding the amount, timing, or availability (if any) of Carryforward Volume Cap availability for this project.

These Bonds would be issued under the Illinois Environmental Facilities Financing Act and would not use any of IFA's recently approved ***$25.2 billion debt authorization*** *for general purposes that are used to finance Industrial Revenue Bond and 501(c)(3)Revenue Bond projects.*

VOTING RECORDS

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

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS – PROPOSED INITIAL SERIES

Sources:	Series 2006 Bonds	$30,000,000	Uses:	New Project Cost	$30,000,000
	Cash Equity	900,000		Costs of Issuance	900,000
	Total	**$30,900,000**		**Total**	**$30,900,000**

JOBS

Current employment:	1,800	Projected new jobs:	20
Jobs retained:	Not applicable	Construction jobs:	30-40 for the IFA-financed portion of the project

BUSINESS SUMMARY

Organization: Allied Waste Industries, Inc., a Delaware corporation, and its subsidiary, Allied Waste North America, Inc., a Delaware corporation (collectively, "AW" or the "Company"), and their affiliates, successors, and assigns, will be obligors on the proposed bonds. Allied Waste Industries, Inc. was incorporated under Delaware law in 1989.

Allied Waste's common stock is publicly traded on the NYSE under the ticker symbol "AW". The Economic Disclosure Statement section of this report (pp. 3-4) provides detailed ownership information on AW based on public filings.

Background: Allied is currently the second largest solid waste management company in the United States. The Company provides non-hazardous waste collection, transfer, recycling, and disposal services for 10 million residential, commercial, and industrial customers in the United States and Puerto Rico.

As of 6/30/2006, Allied operated 304 collection companies, 162 transfer stations, 169 active landfills, and 57 recycling facilities located in 129 markets located in 37 states and Puerto Rico. AW's strategy is to provide comprehensive, vertically-integrated operations that pick-up, transport, recycle, and landfill solid waste in each of its markets.

Allied has grown from a revenue base of $35 million in 1992 to over $5.5 billion in 2005 primarily through a series of acquisitions highlighted by its $1.5 billion purchase of the solid waste assets of Laidlaw, Inc. in 1992, and its $9.6 billion acquisition of Browning-Ferris Industries, Inc. ("BFI") in 1999. As of 12/31/2005, Allied had approximately 26,000 employees company-wide, of whom approximately 25,000 were full-time.

Allied is a vertically integrated company providing comprehensive collection and transportation services, transfer facilities, recycling facilities, and landfilling at company-owned landfills.

Overall, the Company employed approximately 1,800 people at its Illinois operations as of 12/31/2005.

Required Permits: AW has all necessary Illinois EPA permits required to operate the proposed projects. These projects were previously subject to IEPA's standard public hearing process, which included a series of 3 local public hearings for each site under consideration.

FINANCING SUMMARY

Bondholder Security: Bonds will be credit enhanced by a Direct Pay Letter of Credit from a rated Bank with credit ratings sufficient to support the placement of 7-day floating rate bonds (i.e., VMIG1/A-1/F1 from Moody's/S&P/Fitch). Prospective LOC Banks include members of Allied Waste's lending consortium (see list of Professional & Financial contacts on Page 4 for more information).

AW's Underlying Ratings: *AW's* currently long-term ratings/outlooks are: (1) Moody's: B2 (Outlook raised from Negative to Stable @ 2/2/06); (2) S&P: BB (Stable Outlook @ 8/31/2005), and (3) Fitch: B (Outlook raised from Negative to Stable @ 4/25/2006). *Allied Waste North America, Inc.* is rated B2 (Stable) by Moody's – the same long-term rating as Allied Waste Industries, Inc. (S&P and Fitch do not provide ratings for Allied Waste North America, Inc.)

Collateral: The prospective LOC Bank will be a member of Allied Waste's lending consortium and will be pledged by a *pro rata* first security interest in all receivables, inventory, and equipment, and will be secured by a First Mortgage in substantially all underlying assets.

Structure: Weekly Variable Rate Demand Bonds. Current estimated rate of 4.50% based on the current underlying tax-exempt index used to price the Bonds as of 9/27/2006 inclusive of estimated Bank Letter of Credit and ongoing expenses.

Maturity: Not to exceed 35 years

These Bonds would be issued under the Illinois Environmental Facilities Financing Act and will not use any of the Illinois Finance Authority's new $25.2 Billion debt limit as recently approved for Industrial Development and 501(c)(3) financings.

PROJECT DESCRIPTION FOR IFA PRELIMINARY BOND RESOLUTION

Bond proceeds will be used to finance IEPA permitted improvements as part of an ongoing plan of financing by Allied Waste Industries, Inc., Allied Waste North America, Inc. and their affiliates (including subsidiaries), successors, and assigns (collectively, the "Borrower"). Bond proceeds will finance the following:

(a) Capital improvements to existing landfill facilities, including

(i) construction of new disposal cells and liners within currently permitted acreage, (ii) additions and improvements to the leachate collection and treatment system, including leachate trenching, (iii) additions and improvements to the methane gas systems, (iv) installation of new liners for intermittent and final closure of completed sections of the landfill facilities, (v) site improvements, (vi) acquisition of equipment to be used at the landfill facilities, and (vii) acquisition of other equipment and assets necessary to support the foregoing improvements and to place them in service, and

(b) Existing Collection (Hauling) and Transfer Station Facilities, including

(i) acquisitions of solid waste disposal trucks and support vehicles, (ii) acquisition of solid waste disposal containers and related equipment, (iii) acquisition of solid waste disposal sorting and processing equipment, (iv) site improvements, and (v) acquisition of other equipment and assets necessary to support the foregoing improvements and to place them in service.

Additionally, bond proceeds may also be used to finance bond issuance costs.

The location of each component of the project will include the following specific addresses and the general service territories of Allied Waste Services, Inc., as noted in the attached project listing (see Pages 5-9 of this report).

Project costs are summarized below (of which Bonds will be issued in two or more series over time based on Volume Cap availability):

Landfill Improvements:	$60,000,000
Landfill Closure Expenditures:	13,300,000
Landfill Post Closure Expenditures:	10,000,000
Equipment:	6,700,000
Trucks:	30,000,000
Total Project Cost:	**$120,000,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant/Contacts:	Allied Waste Industries, Inc. and Allied Waste North America, Inc. (*Signatory Contact:* Ms. Nicole Koziol, Senior Financial Analyst, Corporate Finance, Allied Waste Industries, Inc., 15880 North Greenway-Hayden Loop, Suite 100, Scottsdale, AZ 85260; Direct Ph.: 480/627-2312)
Project Name:	Allied Waste Industries, Inc. and Allied Waste North America, Inc. Illinois Expansion
Project Locations:	See attached listing (Pages 5-9)
Land Owner:	The subject properties are all owned by Allied Waste Industries, Inc., Allied Waste North America, Inc., or their respective wholly owned subsidiaries.
Borrower:	Allied Waste Industries, Inc. and Allied Waste North America, Inc. and their affiliates, successors, and assigns
Organization:	Corporations
State:	Delaware (Both Allied Waste Industries, Inc. and Allied Waste North America, Inc. are incorporated under State of Delaware law.)

5.0% or Greater Ownership (per SEC Filings):

Allied Waste Industries, Inc. (all shareholders noted below are institutional investors) as of 6/30/2006. (Allied Waste North America, Inc. is a wholly-owned subsidiary of Allied Waste Industries, Inc.):

- **Apollo Investment Advisors, II, L.P. and affiliates** 17.88%
  10250 Constellation Blvd., Suite 2900,
  Los Angeles, CA 90067
- **FMR Corporation (Fidelity Management & Research Corp.)** 10.20%
  82 Devonshire Street
  Boston, MA 02109
- **Capital Research and Management Company and affiliates** 6.53%
  333 South Hope Street
  Los Angeles, CA 90071
- **Earnest Partners, LLC** 6.25%
  1180 Peachtree Street, Suite 2300
  Atlanta, GA 30309

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Allied Waste Industries' (Internal)	Scottsdale, AZ	
Auditor:	KPMG, LLP		
Bond Counsel:	Will engage at least two firms to serve as Co-Bond Counsel, including one or more firms based in Illinois.		
Underwriter:	Negotiating with Citigroup Global Markets, Banc of America Securities, JPMorgan, Wachovia Securities		
Underwriter's Counsel:	To be determined/selected by the Underwriter		
Direct Pay LOC:	Negotiating with Citibank, Chase, US Bank, Wachovia, Deutsche Bank, Bank of America, BNP Paribas, Scotia Capital, and Clyon		
Financial Consultant:	Community Development Associates, LLC	Frisco, TX	Jean Gard, Lee McCormick
General Contractor:	Allied Waste Services, Inc.	Scottsdale, AZ	
Trustee:	Bank of New York	Philadelphia, PA	Marvin S. Kierstead
Rating Agencies:	Standard & Poor's Ratings Group	New York, NY	Wes Chinn
	Moody's Investor Services	New York, NY	John Rogers
Issuer's Counsel:	Wildman Harrold LLP	Chicago, IL	Jim Snyder

LEGISLATIVE DISTRICTS – See Project Listing on Pages 5-9

Congressional:	Multiple
State Senate:	Multiple
State House:	Multiple

Appendix A: List of Prospective Project Sites

BU #	Borrowing Entity	Operating Entity	Facility Type	Address	City	County	Zip	US Cong.	IL Senate	IL Rep.
299	Envotech-Illinois, L.L.C.	Litchfield-Hillsboro LF	Landfill	2782 Landfill Trail	Litchfield	Montgomery	62056	17	49	98
300	D & L Disposal, L.L.C.	Allied Waste Services of Greenville	Collection	1504 West Old National Trail	Greenville	Bond	62246	192	51	102
302	Saline County Landfill, Inc.	Saline County LF	Landfill	5000 Whitesville Road	Harrisburg	Saline	62946	19	59	118
303	Liberty Waste Services of McCook, L.L.C.	McCook TS	Transfer Station	5100 Lawndale Avenue	McCook	Cook	60525	3	11	21
304	Liberty Waste Services of Illinois, L.L.C.	Calumet TS	Transfer Station	2054 East 110th Street	Chicago	Cook	60617	2	17	33
329	Wayne County Landfill, Inc.	Wayne County LF	Landfill	RR1 Box 214	Fairfield	Wayne	62837	19	54	108
338	Roxana Landfill, Inc.	Roxana LF	Landfill	4601 Cahokia Creek Road	Edwardsville	Madison	62025	19	56	112
339	Allied Waste Transportation, Inc.	Roxana MRF	Recycling Center	4601 Cahokia Creek Road	Edwardsville	Madison	62025	19	56	112
340	Allied Services, LLC	Allied Waste Services of Cahokia	Collection	3950 Mississippi Avenue	East St. Louis	Saint Clair	62206	12	58	116
350	Allied Waste Transportation, Inc.	Allied Waste Services of Edwardsville	Collection	4601 Cahokia Creek Road	Edwardsville	Madison	62025	19	56	112
351	D & L Disposal, L.L.C.	Allied Waste Services of Litchfield	Collection	2782 Landfill Trail	Litchfield	Montgomery	62056	17	49	98
352	Allied Waste Transportation, Inc.	Allied Waste Services of Sangamon	Collection	1730 South Dirksen Pkwy	Springfield	Sangamon	62703	19	50	99
355	Allied Waste Transportation, Inc.	Allied Waste Services of Charleston	Collection	6351 West State Street	Charleston	Coles	61920	15	55	110
356	Environmental Reclamation Company	ERC / Coles County LF	Landfill	6351 West State Street	Charleston	Coles	61920	15	55	110
357	CC Landfill, Inc.	C.C. LF	Landfill	596 Brickyard Road	Danville	Vermilion	61832	15	52	104
365	American Disposal Services of Illinois, Inc.	Livingston LF	Landfill	14206 East 2100 North Road	Pontiac	Livingston	61764	15	53	106
366	American Disposal Services of Illinois, Inc.	Allied Waste Services of Pontiac	Collection	1100 East Howard Street	Pontiac	Livingston	61764	15	53	105
367	American Disposal Services of Illinois, Inc.	McLean County LF	Landfill	2105 West Oakland Avenue	Bloomington	McLean	61704	11	44	88
368	American Disposal Services of Illinois, Inc.	Allied Waste Services of Bloomington	Collection	2112 West Washington Street	Bloomington	McLean	61704	11	44	88

369	Envirotech, Inc.	Environtech LF	Landfill	1800 Ashley Road	Morris	Grundy	60450	11	38	75
370	Fred Barbara Trucking Co., Inc.	Shred-All TS	Transfer Station	1234 West 43rd Street	Chicago	Cook	60609	4	3	6
480	BFI Waste Systems of North America, Inc.	Allied Waste Services of Aurora	Collection	1565 Aurora Avenue Lane	Aurora	Kane	60505	14	42	83
551	BFI Waste Systems of North America, Inc.	Allied Waste Services of Melrose	Collection	5050 West Lake Street	Melrose Park	Cook	60160	5	39	78
556	Loop Transfer, Incorporated	Loop Transfer (Laflin Street)	Transfer Station	2351 South Laflin Street	Chicago	Cook	60608	4	1	2
565	Suburban Warehouse, Inc.	Suburban Warehouse	Landfill	13050 South State Street	Riverdale	Cook	60827	2	15	29
575	Allied Waste Transportation, Inc.	Midtown TS	Transfer Station	1250 West Carroll Avenue	Chicago	Cook	60607	7	5	10
710	Allied Waste Transportation, Inc.	Allied Waste Services of Chicago	Collection	2608 South Damen Avenue	Chicago	Cook	60608	4	1	2
711	Allied Waste Transportation, Inc.	Planet Recovery TS	Transfer Station	1800-1850 West Carroll Avenue	Chicago	Cook	60612	7	5	10
719	Allied Waste Transportation, Inc.	Allied Waste Services of Joliet	Collection	808 South Joliet Street	Joliet	Will	60436	11	43	86
720	Lee County Landfill, Inc.	Lee County LF	Landfill	1214 South Bataan Road	Dixon	Lee	61021	14	45	90
721	Allied Waste Transportation, Inc.	Allied Waste Services of Crestwood	Collection	13701 South Kostner Avenue	Crestwood	Cook	60445	1	14	28
722	Allied Waste Transportation, Inc.	John Spot Portable Services	Collection	605 Northwest Avenue	Northlake	Cook	60164	5	39	77
723	Streator Area Landfill, Inc.	Streator Area LF	Landfill	2111 Coalville Road	Streator	Livingston	61364	15	38	76
724	Upper Rock Island County Landfill, Inc.	Upper Rock Island County LF	Landfill	17201 20th Avenue North	East Moline	Rock Island	61244	17	36	71
725	Brickyard Disposal & Recycling, Inc.	Brickyard Disposal	Landfill	601 East Brickyard Road	Danville	Vermilion	61832	15	52	104
726	Allied Waste Transportation, Inc.	Allied Waste Services of Danville	Collection	180 South Henning Road	Danville	Vermilion	61832	15	52	104
729	Allied Waste Transportation, Inc.	Allied Waste Services of Urbana	Collection	2801 North Willow Road	Urbana	Champaign	61802	15	52	103
735	RCS, Inc.	RCS Landfill	Landfill	23407 Crystal Lake Road	Jerseyville	Jersey	62052	19	49	97
766	Allied Waste Transportation, Inc.	Allied Waste Services of Dixon	Collection	1214 South Bataan Road	Dixon	Lee	61021	14	45	90
770	Allied Waste Transportation, Inc.	Allied Waste Services of Momence	Collection	120 East Industrial Drive	Momence	Kankakee	60954	11	40	79
776	Environmental Development Corp.	Illinois LF	Landfill	16310 East 4000 North Road	Hoopeston	Vermilion	60942	15	53	105

792	Allied Waste Services of North America, LLC	Allied Waste Services of Ottawa	Collection	2840 East 13th Road	Ottawa	La Salle	61350	11	38	76
928	BFI Waste Systems of North America, Inc.	Allied Waste Services of Quincy	Collection	3110 Kochs Lane	Quincy	Adams	62305	17	47	93
933	BFI Waste Systems of North America, Inc.	Allied Waste Services of Elgin	Collection	1330 Gasket Drive	Elgin	Cook	60120	8	28	55
936	Congress Development Company, Inc.	Congress Development County Landfill	Landfill	1815 South Wolf Road	Hillside	Cook	60162	3	21	41
330A	Allied Waste Transportation, Inc.	Allied Waste Services of Southern Illinois	Collection	716 Skyline Drive	Marion	Williamson	62959	3	21	41
330D	Allied Waste Transportation, Inc.	Allied Waste Services of Fairfield	Collection	RR1 Box 214	Fairfield	Wayne	62837	19	54	108
726C	Allied Waste Transportation, Inc.	Allied Waste Services of Hoopeston	Collection	16310 East 4000 North Road	Hoopeston	Vermilion	60942	15	53	105
F25	Sangamon Valley Landfill, Inc.	Sangamon Valley LF	Landfill	2565 Sand Hill Road	Springfield	Sangamon	62707	18	50	99
F73	Landcomp Corporation	LandComp LF	Landfill	2840 East 13th Road	Ottawa	La Salle	61350	11	38	76
F76	Bond County Landfill, Inc.	Bond County Landfill	Landfill	825 Willard Street	Greenville	Bond	62246	19	51	102
L82	BFI Waste Systems of North America, Inc.	Spoon Ridge LF	Landfill	10 Spoon Ridge Road	Fairview	Fulton	61432	16	36	71
R68	BFI Waste Systems of North America, Inc.	BFI Elk Grove Recyclery	Recycling Center	1525 Chase Avenue	Elk Grove Village	Cook	60007	6	33	66
R85	Allied Waste Transportation, Inc.	Okaw Valley Recycling	Recycling Center	State Route 32 South	Sullivan	Moultrie	61951	15	51	101
R95	Allied Waste Transportation, Inc.	Planet Recovery MRF	Recycling Center	1800-1850 West Carroll Avenue	Chicago	Cook	60612	7	5	10
R96	Fred Barbara Trucking Co., Inc.	Shred-All Recycling	Recycling Center	1234 West 43rd Street	Chicago	Cook	60609	4	3	6
R97	Loop Recycling, Inc.	Loop Recycling (Laflin Street)	Recycling Center	2351 South Laflin Street	Chicago	Cook	60608	4	1	2
R98	Loop Recycling, Inc.	Loop Recycling (64th Street)	Recycling Center	16 West 64th Street	Chicago	Cook	60621	1	3	5
T96	Allied Waste Transportation, Inc.	Apollo TS	Transfer Station	120 East Industrial Drive	Momence	Kankakee	60954	11	40	79
T97	Allied Waste Transportation, Inc.	Groen TS	Transfer Station	13701 South Kostner Avenue	Crestwood	Cook	60445	1	14	28
T98	Loop Transfer, Incorporated	Loop Transfer (64th Street)	Transfer Station	16 West 64th Street	Chicago	Cook	60621	1	3	5
U17	Allied Waste Transportation, Inc.	Herrin TS	Transfer Station	12533 Bandyville Road	Herrin	Williamson	62948	12	59	117

U28	Allied Waste Transportation, Inc.	Citiwaste TS (C&D Only)	Transfer Station	808 South Joliet Street	Joliet	Will	60436	11	43	86
U41	American Disposal Services of Illinois, Inc.	Bloomington TS	Transfer Station	2112 West Washington Street	Bloomington	McLean	61704	11	44	88
U72	Allied Waste Transportation, Inc.	Urbana TS	Transfer Station	921 West Saline Court	Urbana	Champaign	61802	15	52	103
U76	Allied Waste Transportation, Inc.	Robbins Transfer Station	Transfer Station	3327 West 137th Street	Robbins	Cook	60472	1	15	30
V19A	Allied Waste Transportation, Inc.	Medill Sorting Center	Recycling Center	1633 West Medill Avenue	Chicago	Cook	60614	5	6	11
V19B	Allied Waste Transportation, Inc.	Northwest Sorting Center	Recycling Center	750 North Kilbourn Avenue	Chicago	Cook	60624	7	5	10
V19C	Allied Waste Transportation, Inc.	34th Street Sorting Center	Recycling Center	3757 West 34th Street	Chicago	Cook	60623	4	12	23
V20	Illinois Valley Recycling, Inc.	Illinois Valley Recycling	Recycling Center	2840 East 13th Road	Ottawa	La Salle	61350	11	38	76

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

Project: **Christian County Generation, LLC**

STATISTICS

Project Number:	P-SW-TE-CD-6202		
	I-ID-TX-MO-6209	IFA Staff:	Steven Trout
Type:	Solid Waste Disposal Facilities Bond	Amount:	$350,000,000
	Clean Coal and Energy Moral Obligation Bond		$150,000,000
Location:	Tayorville		
SIC Code:	22112: Fossil Fuel Electric Power Generation		

BOARD ACTION

Preliminary Bond Resolution
Conduit Tax-Exempt Solid Waste Disposal Facilities Revenue Bonds
Taxable Clean Coal and Energy Moral Obligation Bonds
$150,000,000 of State funds at risk, subject to GOMB
Staff recommends approval

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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. Interest earned on these bonds is exempt from federal income tax liability. Issuance of these bonds is subject to the availability of Volume Cap.

The IFA is authorized to issue Clean Coal and Energy Bonds to finance up to $3 billion in projects for new electric generating facilities, transmission facilities, scrubbers and alternative energy projects. Subject to obtaining written approval from the Governor, the Authority may issue bonds for Clean Coal and Energy projects that are secured by the State's Moral Obligation. Upon notice from the Authority that project revenues securing Moral Obligation Bonds will be insufficient to pay principal and interest when due, the Governor shall submit a request to the General Assembly for funds sufficient to pay debt service as soon as practicable.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS (SUBJECT TO CHANGE)

Sources:	Solid WasteBonds	$350,000,000	Uses::	Gen. Project Costs	1,139,158,000
	Moral Ob Bonds	148,916,000		Waste Facilities	
	Bank Financing	515,880,000		Project Costs	335,475,000
	DCEO Grants	43,331,000		SWDB Issuance Costs:	12,635,000
	Equity	431,031,000		SWDB Insurance:	1,890,000
	Total	$1,489,158,000		Total	$1,489,158,000

JOBS

Current employment:	0	Projected new jobs:	200 (1 year)
Jobs retained:	N/A	Construction jobs:	1,500 -2,000 (42 months)

BUSINESS SUMMARY

Description: Christian County Generation, LLC ("CCG") is a Delaware Limited Liability Company established to develop, own and operate the Taylor Energy Center ("TEC" or "the Project"). TEC is expected to consist of a coal-fired Integrated Gasification Combined Cycle ("IGCC") facility and a chemicals (substitute natural gas, or SNG) co-production facility. CCG is 50% owned by Tenaska Taylorville, LLC and 50% owned by the ERORA Group, LLC. Tenaska Taylorville, is a Limited Liability Company that was established to develop, own and operate the Project and is wholly owned by Tenaska.

The Developers: **Tenaska** was established in 1987. Tenaska is an Omaha, Nebraska based group of privately held companies with almost twenty years of power plant development and energy marketing experience. In 2005, Forbes magazine ranked the company 22nd among the top 100 privately-held companies in the United States. Tenaska has developed and constructed approximately 9,000 megawatts (MW) of generation representing more than $7.7 billion in financing and capital investment. Tenaska employees have experience in all aspects of large-scale generating project development, including combined and simple cycle natural gas facilities, pulverized coal, fluidized-bed, waste coal and lignite facilities. Tenaska employees have experience in gas and coal plant siting and permitting; engineering design and optimization; financing construction contracting and management; fuel procurement and handling; commissioning and operations and maintenance.

Tenaska Energy, Inc., and Tenaska Energy Holdings, LLC were formed in 1999 and are the holding companies for U.S. operations. Tenaska Marketing Ventures (formed in 1991,) a Tenaska affiliate is among the top 10 daily marketers in the North American natural gas market, selling or managing more than 1.52 trillion cubic feet of natural gas 2005. This volume is equivalent to approximately seven percent of total U.S. natural gas consumption. Tenaska also has a power marketing affiliate, Tenaska Power Services that develops custom power supply solutions. It operates a 24-hour trading floor dealing primarily with sales of physical electric power, totaling more than 20,049 gigawatt-hours of electricity sales in 2005. Tenaska Power Services began marketing power in 1997.

The ERORA Group, LLC is a Louisville, Kentucky based, privately-owned Limited Liability Company focused on Greenfield power generation development. ERORA is currently an active market leader in IGCC development in the US. ERORA's principals have been active in electric generation since 1975 and have worked together since 1990. The principals have successfully developed or sold electric generation projects totaling 6,100 megawatts and representing over $5 billion in investment. The principals have developed 10 coal-power plants (6 totaling 900 megawatts in operation and 4 totaling 2,200 megawatts in development) in Alabama, Illinois, Kentucky, North Carolina, Tennessee and Virginia. Other projects include 13 natural gas plants (4 totaling 1,200 megawatts in operation, 2 totaling 1,100 megawatts in development and 8 totaling 3,900 megawatts sold, as well as 4 wind plants, totaling 120 megawatts in operation.

Tenaska holds an option to acquire from ERORA at financial closing the remaining 50% membership interests currently held by ERORA. Prior to or at the closing of construction financing it is anticipated that ERORA's interests will be diluted as Tenaska's ownership interest will be diluted as Tenaska's ownership interests increase and additional third party participants acquire interests in CCG.

The Project: Proceeds of the proposed financing and owner equity will be used to purchase and improve a 328 acre-site and construct coal-fired Integrated Gasification Combined Cycle facility with maximum continuous rating of 773 MW gross nameplates and a chemicals co-production facility. This "mine mouth" project is located on a 328.36 acre site in Christian County adjacent to mines being developed and permitted by CAM-Illinois a wholly owned subsidiary of Central Appalachian Mining , which is owned by Wexford Capital and Peabody Energy. The Taylorville Energy Center is scheduled to enter commercial operation in 2010 or 2011.

TEC will consist of : an Air Separation Unit, two GE radiant gasifiers, two gas cooling and Selexol acid gas removal trains, carbon beds for mercury removal, and a GE 7FB combined-cycle power block. The power block consists of 2 GE combustion turbines, 2 heat recovery steam generators, 2 Selective Catalytic Reduction ("SCR") installations and a GE steam turbine. Significant ancillary IGCC systems include material handling storage systems, a cooling tower, switchyard, natural gas metering/regulation station, water receipt and treatment facilities, a thermal oxidizer, a flare, fire protection equipment, and control room/warehouse facilities.

The chemical SNG co-production plant includes a sweet shift reactor, CO2 absorption and stripping, a methanation plant and SNG compression system. The project is designed with the co-production plant as an "add-on" to the plant so its inclusion can be decided once the project's final economics are determined. If the co-production plant is built the project is expected to have two operating states. When the syngas produced from both gasifiers is directed to power production, the project will generate 630 megawatts, net of internal needs. When the syngas from gasifier is directed to the power block with the second gasifier serving the SNG plant, the project will generate 290 megawatts, net, and 1,854 thousand cubic feet of pipeline quality syngas per hour. The project can be cycle between these states on a daily basis to maximize use of the gasification island to reduce operation and maintenance costs and maximize electric output during peak periods and shift to syngas production during off-peak power production periods.

Economic Benefits: The Center for Governmental Studies at Northern Illinois University estimated that this project would generate the following economic benefits:

- Capital investment in excess of $1.5 billion
- Property taxes of $5.6 million over the first 10 years
- 1,500 to 2,000 construction jobs over 40 to 44 months
- 200 new permanent jobs with annual payroll of approximately $12 million
- Consumption of 1.8 million tons of Illinois coal per year, which the Center estimates will create 275 new coal mining jobs in Illinois.
- Over $104 million in new direct and indirect economic activity in the region
- Extension of water and wastewater lines from the Decatur Sanitary District to the project may enable a number of communities that are currently relying on older and more costly water systems to economically gain access to the District's lines.

Governmental Support: The developers have submitted an application for federal tax credits to the US Treasury that could generate up to $110 million in investment tax credits for the benefit of equity holders. The Illinois Clean Coal Review Board has provided the developers with a $3.25 million grant to be used for engineering costs. DCEO has provided the developers with a $2.5 million grant to be used for engineering costs. DCEO's Office of Coal Development estimates that the project could receive an additional $43.3 million Coal Revival Grants if the project uses as much Illinois coal as expected.

Project Labor Agreement: CCG has executed a Project Labor Agreement with area building crafts and unions. The developers believe that the Agreement is the first one executed in Illinois in which all crafts are a party.

Permits: Development of a major power facility requires numerous permits from the federal, state and local levels of government. CCG has successfully rezoned the site for heavy industrial use and completed a review by its local soil conservation district. At the state level, CCG completed an endangered species consultation and a wetland-review. It has filed an acid rain notification and permit and an air permit in April 2005. The air permit remains under review. The developers hope to complete the permitting process during the first quarter of 2007 to facilitate closing on the financing during the second quarter of 2007.

Development Approach: CCG's approach to developing this project can be summarized as:

Optimizing the Site Location: CCG's success in obtaining a site with numerous advantages should enable the project to be a low-cost producer of electricity and SNG, such as:

- Location adjacent to two mines with 300 million tons of reserves, to reduce coal transportation costs
- Location adjacent to a rail line, to gain access to alternate coal supplies, a cost-effective means to ship by-products, such as sulfur, and reduce traffic impacts on the community

Obtain Public Support: Public support can be demonstrated by the following accomplishments:

- Success in rezoning to heavy industrial use
- The Illinois Clean Coal Review Board's grant of $3.25 million in support engineering costs, supplemented with an addition $2.5 million grant from DCEO
- Success in executing a Project Labor Agreement with construction trades and crafts.

Build a Strong Team, consisting of:

- Tenaska, a leader in the independent power production industry
- The ERORA Group, an experienced developer in generation facilities and energy marketer
- General Electric, a world leader in gasifier design and supply
- Eastman Chemical, the world leader in gasifier operation and maintenance
- Burns & McDonnell, a leading coal technology architect and engineer

Obtain All Required Permits, in process

Obtain Financing, already begun through preliminary discussions with representatives from many financial institutions. Once a firm EPC price is determined, the process will include:

- Distributing request for proposals to numerous underwriters
- Selecting lead and co-underwriters
- Commencing documentation
- Presenting project parameter to the ratings agencies and responding to their feedback
- Focused marketing efforts following issuance of preliminary ratings
- Closing

Tenaska is well known to project finance arrangers, lenders, and ratings agencies. *Project Finance Magazine* named Tenaska its "Project Sponsor of the Year" in 2004 for North America due to its success in implementing large capital markets financings for its projects.

Financing Approach: The sponsors plan to implement a project financing based on a comprehensive contract structure that will include: 1) a lump-sum turnkey EPC contract with a creditworthy contractor or contracting consortium, 2) long- and medium-term offtake agreements with creditworthy purchasers, 3) a grey water supply and wastewater return agreement with the Sanitary District of Decatur and 4) an Operating and Maintenance Agreement with Eastman Gasification Systems another experienced and reputable operator.

FINANCING SUMMARY

Obligor: Christian County Generation, LLC

Security: The Bonds may be secured by a bank letter of credit or bond insurance policy.

The Bonds: The Bonds are expected to be sold as variable rate demand notes with a bank letter of credit or insurance policy from a municipal bond insurer.

Collateral: Expected to include a first mortgage in the real estate financed, a first lien on machinery and equipment and an assignment of rents and leases.

Credit Rating: The Bond may be rated, based on the rating for the letter of credit or municipal insurance policy that enhances them or if issued without enhancement, the rating on the Bonds, which will be determined shortly before closing.

Maturity: To be determined.

PROJECT SUMMARY (WASTE DISPOSAL FACILITIES)

The TEC has significant ancillary systems for material handling and storage for coal, sulfur, slag and consumables; a cooling tower, water receipt and treatment facilities and a landfill. The project will include solid waste disposal for gasifier slag collection, processing, transfer and disposal to a landfill. The project will include bag houses to capture fugitive emissions from coal handling and transporting from coal receiving facilities. The Center will utilize the Decatur Sanitary District for treated effluent water and some waste water treatment from the project's cooling tower blow-down. The project will also include an on-site wastewater treatment for gasifier waste water, as well as mercury removal, acid gas removal, flare system, gasifier condensate handling, sulfur removal and tail gas treatment.

Bond proceeds will be used to (i) purchase and improve 328 acres of land and construct an approximately 39,000 square-foot building at 1630 N. 1400 E Road Taylorville (Christian County), Illinois, (ii) purchase machinery and equipment, and (iii) fund legal and professional costs. Project costs are estimated as follows:

Land Acquisition	$805, 000
Construction	186,270,000
Machinery and Equipment	119,700,000
Architectural and Engineering	28,700,000
Total	$335,475,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Christian County Generation (Contact: Greg Van Dyke, Vice President of Finance, 1044 N. 115th Street Suite 400, Omaha, Nebraska. 68154; Ph.: 403/691-9720
Project Name:	Taylorville Energy Center
Project Location:	1630 N 1400 E Road, Taylorville, IL 62568
Land Owner:	Christian County Generation LLC

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Winston and Strawn	Chicago	
Accountant:	KPMG, LLP	Omaha, NE	Steve Rathjen
Bond Counsel:	Chapman & Cutler	Chicago	Andrea Bacon
Bond Underwriter:	Goldman Sachs (Anticipated)	Chicago	Carlos Piniero
Underwriter's Counsel:	To be determined		
IFA Advisor:	DA Davidson	Chicago	Bill Morris
Issuer's Counsel:	Mayer, Brown, Rowe & Maw LLP	Chicago	David Narefsky

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LEGISLATIVE DISTRICTS

Congressional:	19	John Shimkus
State Senate:	98	Gary Hanning
State House:	49	Deanna Demuzio

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

Project: **Guardian Electric Manufacturing Company (KMKKB Trust, Harris Bank and Trust Company, Barrington, Illinois; jointly with Guardian Electric Manufacturing Company)**

STATISTICS

Project Number:	I-ID-TE-CD-6194	Amount:	$9,800,000
Type:	IRB	FM:	Townsend Albright
Location:	Hampshire	SIC Code:	33-4419 (Electro-mechanical devices)

BOARD ACTION

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

Extraordinary condition: $100,000 minimum denominations

PURPOSE

Proceeds will be used to (i) purchase land, (ii) renovate and construct an addition to the existing manufacturing facility, (iii) construct a parking lot and loading docks, and (iv) fund legal and professional costs.

VOLUME CAP

IFA to provide $9,800,000 of IFA Volume Cap and convey tax-exemption on the Industrial Revenue Bonds

VOTING RECORD

Preliminary Bond Resolution - No prior vote

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$9,800,000	Uses:	Project Costs	$9,700,000
				Legal/Professional	100,000
Total		$9,800,000	Total		$9,800,000

JOBS

Current employment:	124	Projected new jobs:	10
Jobs retained:	124	Construction jobs:	100 (8 months)

BUSINESS SUMMARY

Background: Guardian Electric Manufacturing Company ("Guardian") jointly with KMKKB Trust are the "Co-applicants". Guardian was incorporated in Delaware in 1976 as a C Corporation, and was purchased by Kelco Industries ("Delco") in 1994, and is a wholly-owned subsidiary of Kelco. Guardian was established in Chicago in 1932 as a manufacturer of relays for fire and burglar alarms. Guardian moved to Woodstock, Illinois in 1951. Guardian expanded its product lines to include solenoids, switches, sealed relays, and control grip assemblies for the aerospace industry and with a heavy concentration in defense aircraft. On July 1, 2006 Kelco merged Guardian with Advanced Molding Technologies, Inc., which expanded Guardian's manufacturing capability to include insert and injection molding. Guardian currently employees 124 full-time equivalents. Minerallac, Inc., an electrical supplier company, will occupy approximately 70,000 sq. ft. having a five-year term lease with a five-year option. Guardian will occupy approximately 80,000 sq. ft. of the facility. The land and building will be owned by the KMKKB Trust, Harris Bank and Trust Company, Barrington, Illinois. The building and land will be purchased from Minerallac, Inc., who will sign a five-year lease (with a five-year option) with the Trust. The Trust beneficiaries are listed in this report for Board review. Michael J. Kelly owns 100.0% of the stock of Kelco Industries, Inc. Minerallac owners are included for board review.

Description: Proceeds of the proposed financing will be used to purchase approximately 10.7 acres of land and an existing building in Hampshire, Kane County, Illinois. Proceeds of the proposed financing will also pay for building renovation, a new HVAC system a, parking lot, loading docks, and a possible 30,000 sq. ft. addition, and legal and professional issuance costs. The new facility will house existing machinery which will produce electrical switches, control grips, relays, solenoids, insert and injection molding assemblies, and metal expansion devices. Major clients include Boeing Company, Bell Helicopter, and Siemens Aerospace.

Remarks: The state of the art facility will keep Guardian and its parent, Kelco Industries, Inc. competitive in the highly competitive aerospace and electro-mechanical and injection molding industries. Tax-exempt financing will lower the cost of capital so the Co-Applicants can move forward to achieve their goals.

FINANCING SUMMARY

Security: Direct purchase of the bonds by American Community Bank, Woodstock, Illinois.
Structure: TBD
Collateral: First Mortgage on the property, and corporate guarantee of Kelco Industries, Inc.
Maturity: 20 years

PROJECT SUMMARY

Proceeds will be used to (i) purchase approximately 10.7 acres of land located at 100 Gast Road, Hampshire, Kane County, Illinois, (ii) building renovation, a new HVAC system, a parking lot, loading docks, and a possible 30,000 sq. ft. addition to the existing facility, and (iii) fund legal and professional costs

Project Costs:	Land/Building	$ 6,802,000
	Construction/ Renovation	2,823,000
	Arch/ Eng	75,000
Total		$9,700,000

ECONOMIC DISCLOSURE STATEMENT

Applicant/Contacts: Guardian Electric Manufacturing Company
(KMKKB Trust, Harris Bank and Trust Company, Barrington, Illinois; jointly with Guardian Electric Manufacturing Company
Project Name: Guardian Electric Manufacturing Company New Facility
Project Location: 100 Gast Road, Hampshire, Kane County, IL 60140-7654
Land Owner: KMKKB Trust
Shareholder Ownership:

Kelco Industries, Inc.		KMKKB Trust	
Michael J. Kelly	100.0%	Karen Kelly-Conway	20.0%
		Michael S. Kelly	20.0%
		Kimberly Kelly	20.0%
		Kevin G. Kelly	20.0%
		Brian M. Kelly	20.0%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Bell, Boyd & Lloyd	Chicago, IL	Thomas Hayward
Accountant:	Eder Casella & Co.	McHenry, IL	
Bond Counsel:	Whyte, Hirschboeck, Dudek S.C.	Milwaukee, WI	Lynda R. Templen
Bank/Bond Purchaser:	American Community Bank	Woodstock, IL	Andrew Hartley
Counsel to Bank:	Whyte, Hirschboeck, Dudek S.C.	Milwaukee, WI	Lynda R. Templen
Trustee:	American Community Bank	Woodstock, IL	
Issuer's Counsel:	Law Office of Kevin Cahill	Chicago, IL	Kevin Cahill, Esq.

LEGISLATIVE DISTRICTS

Congressional:	14th	J. Dennis Hastert
State Senate:	25th	Chris Lauzen
State House:	49th	Timothy L. Schmitz

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

Project: **Raco Steel Company**

STATISTICS

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

BOARD ACTION

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

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on September 27, 2006 by the following vote:

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

SOURCES AND USES OF FUNDS

Sources:	IRB	$1,725,755	Uses:	Project Cost	$1,693,877
				Legal & Professional	31,878
	Total	**$1,725,755**		**Total**	**$1,725,755**

JOBS

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

BUSINESS SUMMARY

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

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

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

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

FINANCING SUMMARY

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

PROJECT SUMMARY

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

Steel Slitting Line	1,593,877
Miscellaneous Equipment	100,000
Total	**$1,693,877**

ECONOMIC DISCLOSURE STATEMENT

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

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

Congressional:	2	Jesse L. Jackson Jr.
State Senate:	19	M. Maggie Crotty

State House: 38 Robin Kelly

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

Project: JBWLP, LLC

STATISTICS

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

BOARD ACTION

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

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on September 27, 2006 by the following vote:

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

SOURCES AND USES OF FUNDS

Sources:	IRB	$3,500,000	Uses:	Project Cost	$7,192,300
	Bank Financing	3,827,300		Legal & Professional	135,000
	Total	**$7,327,300**		**Total**	**$7,327,300**

JOBS

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

BUSINESS SUMMARY

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

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

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

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

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

PROJECT SUMMARY

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

Estimated project costs are as follows:

Land Acquisition	$3,000,000
Building Acquisition	3,650,000
Renovation and Site Improvements	342,300
Equipment	200,000
Total	**$7,192,300**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	JBWLP, LLC 145 N. Swift, Addison, IL 60101 and Jones & Brown Company, Inc. 568 W. Winthrop, Addison, IL 60101 (Contact: Robert J. West, President and CEO, 630-543-0300)	
Web site:	http://www.jonesandbrowncompany.com	
Project name:	145 N. Swift	
Locations:	145 N. Swift, Addison, IL 60101	
Organization:	**JBWLP, LLC** Illinois Limited Liability Company	**Jones & Brown Company, Inc.** Illinois Corporation
Ownership:	Jones & Brown Company, Inc. (approx.66%) Winthrop Land Partnership (approx. 34%) (WLP has same ownership as Jones and Brown)	Elaine Brown, Shareholder: 17.5% Steven Brown, Shareholder: 6.8% Anne Brown Krol, Shareholder: 5.0% Wilson Brown, Jr. Shareholder: 6.7% Marysue Brown, Shareholder: 4.63% Eileen Brown, Shareholder: 6.6% Elaine Brown Trust, Shareholder: 23.2% John Creighton, Shareholder: 29.7%

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

Project: **9500 Ainslie Associates LLC, an Illinois limited liability company and 9611 Associates LP, an Illinois limited partnership (Injection Plastic Corporation Project)**

STATISTICS

Project Number:	I-ID-TE-CD-414	Amount:	$4,600,000 (not-to-exceed amount)
Type:	Industrial Revenue Bonds	IFA Staff:	Rich Frampton
Location:	Schiller Park		

BOARD ACTION

Final Bond Resolution
Conduit Tax-Exempt and Taxable Industrial Revenue Bonds
Staff recommends approval

No IFA funds at risk.
No extraordinary conditions

PURPOSE

Proceeds will be used to purchase, refinance (pursuant to the original Preliminary and Amendatory Bond Resolutions), renovate, and equip a manufacturing facility in Schiller Park for use as plastic injection molding manufacturing facility. Proceeds of the Taxable Bond Series will be used to finance non-qualified costs.

IFA CONTRIBUTION

This project will require approximately $4.0 million of 2006 IFA Volume Cap. The anticipated $600,000 Taxable Series will not require Volume Cap.

VOTING RECORDS

Preliminary Bond Resolution, 10/12/2004:

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

Amendatory Bond Resolution, 10/11/2005:

Ayes: 10 (Leonard by telephone)	Nays: 0	Abstentions: 0
Absent: 4 (DeNard, Fuentes, Goetz, Nesbitt)	Vacant: 1	

SOURCES AND USES OF FUNDS

Sources:	IFA Tax-Exempt Bonds	$4,000,000	Uses:	Project Costs	$5,000,000
	IFA Taxable Bonds	600,000			
	Equity/Bank Line	520,000		Costs of Issuance	120,000
	Total	**$5,120,000**		**Total**	**$5,120,000**

Equity has been provided from personal equity contributions by the principals. Additionally, First Midwest Bank will be secured by a blanket first mortgage and first security interest in all corporate and project assets and is cross collateralized by the asset base of all affiliated entities under common ownership.

JOBS

Current employment:	100	Projected new jobs:	100 (2 years)
Jobs retained:	N/A	Construction jobs:	15-20 (3 months)

BUSINESS SUMMARY

Background: **9500 Ainslie Associates LLC**, an Illinois limited liability company (the "LLC") and **9611 Associates, L.P.**, an Illinois limited partnership (the "LP") are special purpose entities (and, collectively, the "**Co-Borrowers**") formed in 2005 to own the subject real estate and equipment for lease to **Injection Plastic Corporation** ("IPC" or the "Tenant"), which is 100% owned by **JJD Industries, Inc.** The LLC, the LP, IPC, and JJD are all ultimately owned by **John Dombek, Jr.**, and **John Dombek, III** either individually or through family trusts (see Economic Disclosure Statement section on Page 3 of this report for additional information).

The LLC owns a 46.8% interest in the subject building and the LP owns a 53.2% interest in the subject building as tenants in common.

Description: John Dombek, Jr., and John Dombek, III, the principal owners of JJD Industries, Inc. and Injection Plastic Corporation, have specialized in the acquisition and turnaround of distressed middle market manufacturing companies over the last ten years. The Dombek's reputation for successfully managing turnarounds has been recognized by several banks. Pursuant to a referral from Chase Bank, the Dombeks purchased the assets of the former Vision Molded Products, Inc. (now Plasquip, Inc.) in early 2004 and Pavo, Inc. in June 2005. The operations of both plastics companies were relocated to Schiller Park in late 2005 and reincorporated as "Injection Plastic Corporation". By adding injection molded plastic products to its existing metal fabrication services, the Dombeks have been able to provide a more comprehensive array of fabrication and assembly services to their existing customers.

Over time, the Dombeks have purchased a portfolio of manufacturing companies, primarily in metal fabrication. The Dombeks have built JJD Industries, Inc. and its affiliated companies into an increasingly diversified manufacturer of fabricated metal parts and assemblies for OEM manufacturers. By reducing costs and improving value-added custom engineering, and assuring quality that complies with ISO 9000 and QS9000 standards (often a first for the companies that they have acquired) the Dombeks have built an impressive track record of turnarounds.

A recent example was the Dombek's asset purchase of the former Wisconsin Tool & Stamping Company from the U.S. Bankruptcy Court. Subsequent to purchasing the assets of Wisconsin Tool, the Dombeks were later successful in purchasing the Company's facility in Schiller Park with $4.3 million of Industrial Revenue Bond financing from IFA (IDFA) in 2003. All payments relating to the Wisconsin Tool (9521 Associates LLC) bond issue were current as of 9/1/2006.

Subsequent to the asset and real estate purchase of Wisconsin Tool's facility, the Dombeks also relocated the operations of several affiliated Illinois-based companies to the Wisconsin Tool facility in Schiller Park including Smithco Fabricators, Inc., Akorat Metal Fabricators, Inc., Fracar Sheet Metal Inc., Midland Metal Fabricating, Inc., and Illinois Range, Inc.

The companies purchased by the Dombeks have all attained profitability within 18 months of acquisition (some in as little as 6 months).

JJD Industries' customer list includes several prominent original equipment manufacturers (OEM's) including: Ford Motor Company, General Motors Corp., Sony Corp., Skil Tool, Delphi Electronics, Illinois Tool Works, Inc., Snap-On Tools, Canon Business Machines, Tower Automotive, Classic Sheet Metal, and Walsh Construction.

John Dombek, Jr., has over 40 years experience managing and owning manufacturing companies. Prior to his initial purchase of Skokie-based Scherer Manufacturing in 1978, John Dombek, Jr., served as plant manager, controller, and VP-Manufacturing for several companies. John Dombek, Jr., holds a BS in Mechanical Engineering from Northwestern University, an MBA from Harvard University, and is also a Certified Public Accountant.

John Dombek, III, has a BS in Mechanical Engineering from the University of Illinois at Urbana-Champaign and an MS in Manufacturing Engineering and MBA from Carnegie Mellon University. John Dombek III also worked as a management consultant with KPMG and joined his father's companies in 1989.

FINANCING SUMMARY

Bondholder Security:	Bonds will be secured by Direct Pay Letter of Credit from Wachovia Bank, N.A. [Wachovia's long-term ratings are Moody's: Aa2 (Stable outlook; affirmed 5/8/2006); S&P: AA- (Positive outlook; affirmed 3/8/2006); and Fitch: AA- (Positive outlook; affirmed 5/8/2006).]
LOC Bank Collateral:	Wachovia Bank, N.A. and First Midwest Bank have an Interbank Agreement that is separate from the Bond documentation. This Interbank Agreement will require First Midwest Bank to immediately reimburse Wachovia for any draws on the Wachovia Direct Pay LOC. (Wachovia Bank's LOC will be secured solely by an unconditional guarantee from First Midwest Bank.)
First Midwest Bank Collateral:	First Midwest Bank will be secured by a blanket first mortgage and first security interest in all project assets, a corporate guarantee from JJD Industries, Inc. and affiliates (including Injection Plastic Corporation), and an assignment of rents and leases. Additionally, there will be cross collateralization and cross default provisions on all other short-term and long-term loans to JJD Industries, Inc., Injection Plastic Corporation, and all affiliated entities owned by the Dombeks.
Structure:	Bonds will be sold initially by Wachovia Capital Markets, LLC, as 7-day floaters (*i.e.,* 7-day variable rate demand bonds) based on Wachovia Bank's short-term VMIG-1/A-1+/F1+ ratings (Moody's/S&P/Fitch). The most recent average rate on 7-day floaters was approximately 3.70% as of 9/20/2006 (thereby resulting in an effective interest rate of approximately 4.85% -- inclusive of all credit enhancement, remarketing agent, and trustee fees).
Maturity:	25 years

PROJECT SUMMARY

Bond proceeds will be used to finance the purchase, renovation, and equipping of an existing approximately 42,500 SF manufacturing facility located on an approximately 2.0 acre site at 9500 W. Ainslie St. in Schiller Park (Cook County), Illinois 60176-1116. Additionally, bond proceeds will be used to finance miscellaneous site improvements, and to pay bond issuance costs. The Co-Borrower/Obligors will be 9500 Ainslie Associates LLC and 9611 Associates LP (as tenants in common) which will own and lease the subject facilities to Injection Plastic Corporation.

Estimated new project costs are as follows:

Land and Building Acquisition:	$3,920,000
*Renovations:	525,000
Equipment:	555,000
Total:	**$5,000,000**

*Renovations have included upgrades to the building electrical system and alterations/renovations to the building necessary to accommodate certain equipment anchored to the building's foundation (e.g., plastic molding machines).

ECONOMIC DISCLOSURE STATEMENT

Applicant:	9500 Ainslie Associates LLC and 9611 Associates LP (Contact: Mr. John Dombek, III, President, c/o JJD Industries, Inc., 9521 W. Ainslie Street, Schiller Park, IL 60176; Ph.: 847/678-7573)
Project name:	Injection Plastic Corporation Project
Location:	9500 W. Ainslie St., Schiller Park (Cook County), IL 60176-1116

Organization/ State:

- 9500 Ainslie Associates LLC: Illinois limited liability company
- 9611 Associates LP: Illinois limited partnership
- JJD Industries, Inc.: Illinois corporation
- Injection Plastic Corporation: Illinois corporation

Ownership: **For 9500 Ainslie Associates LLC, 9611 Associates LP, and JJD Industries, Inc. (which is the parent company and 100% owner of Injection Plastic Corporation):**
John Dombek, Jr., Chicago, IL: 50.0% (either individually or through various family trusts)
John Dombek, III, Barrington, IL: 50.0% (either individually or through various family trusts)

Owner of Subject Property: The Co-Borrowers closed on the purchase of the subject property in late 2005, subsequent to IFA's Amendatory Bond Resolution approved in October 2005 that changed the location of this project from Elgin to Schiller Park.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	SKMF, LLC	Chicago, IL	Scott Sinar
Accountant:	Grey Hunter Stenn	Oak Brook, IL	Charles Arbiter
Bond Counsel:	Ice Miller	Chicago, IL	Tom Smith
Direct Lender:	First Midwest Bank	Deerfield, IL	Patrick Carroll
Lender's Counsel:	Aronberg Goldgehn Davis & Garmisa	Chicago, IL	Bernie Schlifke
Direct Pay LOC:	Wachovia Bank, N.A.	Charlotte, NC	
LOC Bank Counsel:	Butzel Long	Bloomfield Hills, MI	Robert Schwartz
Underwriter:	Wachovia Capital Markets, LLC	Holland, MI	Bill Ockerlund
		Philadelphia, PA	Roy Young
Remarketing Agent:	Wachovia Capital Markets, LLC	Charlotte, NC	Hal Telimen
Underwriter's Counsel:	Ice Miller	Chicago, IL	Patra Geroulis
General Contractor:	Injection Plastic Corporation will engage its own electrical and HVAC contractors for renovations.		
Financial Consultant:	Carroll Financial Group, Inc.	Des Plaines, IL	Allan Carroll
Trustee:	U.S. Bank Corporate Trust Services	Milwaukee, WI	Peter Brennan
Issuer's Counsel:	Hart Southworth & Witsman	Springfield, IL	Sam Witsman

LEGISLATIVE DISTRICTS

Congressional:	5	Rahm Emanuel
State Senate:	39	Don Harmon
State House:	77	Angelo "Skip" Saviano

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 10, 2006

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

STATISTICS

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

BOARD ACTION

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

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

IFA's issuance of Industrial Revenue Bonds will exempt interest earned on the bonds from federal income tax liability. The IFA will provide up to $4,400,000 in Volume Cap for this transaction.

VOTING RECORD

Preliminary bond resolution, September 27, 2006:
9 ayes, 0 nays, 0 abstentions
Members Absent: 6 (M. Boyles, R DeNard, E. Leonard, Sr., M. Nesbitt, T. O'Brien, L. Talbott,)

SOURCES AND USES OF FUNDS

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

JOBS

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

BUSINESS SUMMARY

Background: 2300 Carlson LLC ("2300") (filed) jointly with C&D Recycling LLC ("CDR") (filed) (the "Co-applicants"), are Illinois Limited Liability Corporations established for the purposes of owning the land/building; and machinery, furniture and fixtures, respectively, of a state-of-the art recycling facility to be constructed in Northbrook, Illinois. Active Disposal Company ("Active") was formed by two of the principals in 2004 as a roll-off container company. Active currently has 7 trucks and 310 roll-off containers which are used for the collection and disposal of construction and demolition materials only. All materials are non hazardous, uncontaminated materials resulting from construction, remodeling, repair, and demolition of utilities, structures or roads.

Active collects debris from Chicago's northern suburbs. Active will be a tenant, leasing 10.0% of the proposed facility for its collection activities. The principal shareholders of the Co-applicants and tenant are listed in this report for Board review.

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

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

FINANCING SUMMARY

Security: Direct purchase of the bonds by First Midwest Bank, DesPlaines, Illinois.
Structure: Fixed rate
Collateral: First Mortgage on the property, first lien on equipment, and personal guarantees of the Principals.
Maturity: 20 years
Rating: No credit rating will be sought as the Bank intends to hold the Bonds to maturity.

PROJECT SUMMARY

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

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

ECONOMIC DISCLOSURE STATEMENT

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

2300 Carlson LLC
Larry Herskovitz 50.0%
Samuel Sciarreta 30.0%
Nancy Herskovitz 20.0%
Nancy Herskovitz 20.0%

C&D Recycling LLC
Larry Herskovitz 40.0%
Samuel Sciarreta 40.0%
Nancy Herskovitz 20.0%

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

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

MEMORANDUM

TO: IFA Board of Directors

FROM: Jim Senica

DATE: October 10, 2006

RE: Quincy Hotel, LLC Participation Loan Commitment Extension Request
Project No. B-LL-TX-6062

Quincy Hotel, LLC is an Illinois limited liability corporation that has acquired a franchise to build and operate a new 98-room Country Inn and Suites Hotel on a 5-acre site on North 54th Street near Maine on Quincy's busy east side. This hotel project plays a very important role in Quincy's economic development efforts for the area.

Town and Country Bank and Quincy Hotel, LLC have requested that IFA approve a six-month extension to February 11, 2007, on IFA's commitment to its Participation Loan. IFA is committed to the financing after the hotel construction is completed and the long-term financing is established. The Board originally approved this project on April 11, 2006 with the usual six-month commitment, a loan term of 10 years, and the customary 2% interest rate reduction from the Bank's rate of 140 basis points over the 5-year treasury rate in effect at time of closing. The Hotel construction is nearing completion and the closing of IFA's participation loan with the bank is imminent. Management has indicated that the hotel is scheduled to open in October, 2006.

Staff has re-reviewed the financial projections for the hotel prepared by the applicant with the lender and concluded that they do reflect anticipated demand based on the market conditions prevailing in the Quincy area. Additionally, discussion with economic development leaders in Quincy have indicated that the hotel is completely sold out through the end of the year with numerous events scheduled for the conference rooms. A copy of the original project summary presented for Board approval is included with this memorandum to provide a complete project overview.

Staff recommends approval of the request.

The voting record of this Participation Loan approval at the April 11, 2006 Board meeting is as follows:

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 11, 2006

Project: **Quincy Hotel, LLC**

STATISTICS

Project Number:	B-LL-TX-6062	Amount:	$1,000,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Quincy		

BOARD ACTION

Purchase of Participation Loan from Town and Country Bank - Quincy
$1,000,000 IFA funds at risk
Staff recommends approval

PURPOSE

Finance the purchase of 5 acres of land and the construction of a new 98 unit hotel

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VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	$1,000,000	Uses:	Land Acquisition	$980,000
	Town & Country Bank:	6,000,000		Hotel Construction	10,220,000
	SBA 504 Loan	2,000,000		Total	$11,200,000
	Equity	2,200,000			
	Total	$11,200,000			

JOBS

Current employment:	N/A	Projected new jobs:	35
Jobs retained:	N/A	Construction jobs:	(50/6 months)

BUSINESS SUMMARY

Background: Quincy Hotel, LLC is a recently established Illinois limited liability corporation that has acquired a franchise to build and operate a new 98-room Country Inn and Suites Hotel on a 5-acre site on North 54th Street near Maine on Quincy's busy east side. The two primary members of the LLC are John R. Luedtke and Michael R. Hill. Luedtke and Hill have been in the hotel industry for approximately 8 years and currently have interest in 6 other hotels and numerous real estate holdings throughout the state of Illinois. By profession, Mr. Luedtke is a retired attorney; Mr. Hill has been a developer for his entire working years and will oversee all phases of the hotel construction. An on-site manager who will live in Quincy will be retained to manage the property.

Operations: The Country Inn and Suites Hotel to be built and managed by Quincy Hotel, LLC will offer affordable rooms providing upgraded amenities such as high speed internet service, iron and board, hair dryer and coffee makers. The target market for the standard rooms will be business travelers, overnight vacation travelers and visitors to the Quincy area. The hotel will also offer a number of executive and 2-room suites (that will fulfill an unmet need in Quincy) geared to the executive traveler. Each of these rooms will come equipped with the above-mentioned amenities as well as a fax machine, microwave, small refrigerator and desk with complementary supplies, with many of these units designated for extended stays. Finally, a presidential suite will be intended to serve the traveling corporate executive as well as available for a honeymoon suite. Adjoining bedrooms will be available so that two couples or several business people can stay in comfort. The suite will have all the amenities previously mentioned plus a full-size refrigerator, bar, large screen television, oversized bathroom and jacuzzi. There will be an upscale meeting room adjacent to the suite.

Of key importance to the Quincy business community, the hotel will have available several large meeting rooms and an executive boardroom. These rooms will address the need of local business, organization and visiting groups with the capacity to hold large groups of 250 to as small as 50. Currently a shortage of suitable meeting space for these large groups requiring many organizations to hold meetings and other gatherings outside of the area.

The Area: Quincy, with a population of nearly 40,000, is the largest city in a 100-mile radius and serves as the commercial hub for a population of 500,000 people in western Illinois, northeast Missouri and southeastern Iowa. The City is at the center of a web of four-lane highway construction in literally all directions. For more than a decade, Quincy has been served by I-172, which connects to I-72 just 12 miles south of Quincy providing access to Springfield and from there Bloomington, Chicago, Decatur and Champaign. In recent years, I-172 has developed north as a four-lane highway to Carthage (about 45 miles) and in 2007 will be completed to Macomb, providing four-lane access to the Quad Cities and an alternate four-lane route to Chicago. Plans call for the four-lane to extend eastward to Peoria as well. Just 5 miles to the west in Missouri, a four-lane "Avenue of the Saints" is nearly complete from St. Louis, Missouri to St. Paul, Minnesota.

The Quincy area is in an expansion mode. Since I-172 brought interstate access to the City, the East Broadway corridor has experienced tremendous growth. In recent years, many operations with national names have joined several local well-known businesses in thriving in this busy area. A new 70-acre commercial development, Prairie Crossing, anchored by Lowe's, Kohl's and Old Navy is in final stages of planning. The new Country Inn and Suites will be located in the heart of this, Quincy's fastest growing commercial area and will be the *only* hotel visible from the interstate. With the recent extension of Maine Street to the hotel property, it is anticipated that accelerated commercial growth will surround the Country Inn and Suites.

Quincy's diverse economic base includes a mixture of high-tech and heavy manufacturing as well as centers and data processing offices. The local unemployment is about 5%. With five business parks all located within the City's enterprise zone, it is anticipated that continued growth will occur in the manufacturing and distribution sector.

The Project: The project entails the acquisition of 5 acres of prime commercial land adjacent to I-172 along Quincy's eastern thoroughfare, Broadway Avenue. Quincy Hotel, LLC will construct a new Country Inn and Suites upscale hotel on 3.5 acres of the 5 acre parcel, leaving the remaining 1.5 acres for sale to a restaurant or other business compatible with a hotel operation.

FINANCING SUMMARY

Obligor: Quincy Hotel, LLC

Guarantors: John R. Luedtke, Patricia Luedtke and Michael Hill, unlimited personal guaranties

Repayment: In the event of a liquidation of our collateral, proceeds will be applied first to repay the subject loan before paying any other credit facility.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Quincy Hotel, LLC
Organization: Illinois Limited Liability Company
Ownership: John R. Luedtke, Patricia Luedtke, Michael Hill

PROFESSIONAL & FINANCIAL

Banker:	Town &Country Bank	Quincy	Gary W. Penn, President

LEGISLATIVE DISTRICTS

Congressional: 18 – Ray LaHood
State Senate: 47 – John M. Sullivan
State House: 93 – Art Tenhouse