Illinois Finance Authority

December 5, 2006
11:30 AM
Board Meeting
The Mid America Club
200 E. Randolph Drive, 80th Floor
Chicago, Illinois

IFA File Copy

Printed by Authority of the State of Illinois 12/06,56,1206CBBJ

TABLE OF CONTENTS

ILLINOIS FINANCE AUTHORITY
BOARD MEETING
December 5, 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 E. Randolph St.
80th Floor

AGENDA

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

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Agri-Debt Guarantee						
1	Devan L. and Reta J. Harris	Mt. Vernon	314,000	0	0	ER
Agricultural Participation Loan						
2	Clark B. Kelly	Biggsville	262,500	0	13	CM
3	Douglas R. and Brenda Dozier	Bloomington	100,000	0	0	CM
Beginning Farmer Bonds						
4	Kent Elmore	Mason	250,000	0	0	ER
	Scott Thorngren	Milledgeville	57,200	0	0	CM
	Matt and Felicia Duncan	Boston	104,975	0	0	CM
	Jonathon and Rhonda Bush	Morrison	236,250	0	0	CM
TOTAL AGRICULTURE PROJECTS			1,324,925	-	13	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds *Final*						
5	Friendship Village of Mill Creek Illinois, LLC	Geneva	5,500,000	4	10	PL/DS
6	Jackson Park Hospital	Chicago	80,000,000	66	250	SCM
TOTAL HEALTHCARE PROJECTS			85,500,000	70	260	

COMMUNITIES AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds *Preliminary*						
7	Northern Illinois Annual Conference of the United Methodist Church	Machesney Park	3,400,000	55	100	TA
501(c)(3) Illinois Association of Rehabilitation Facilities (IARF) Pooled Bonds *Final*						
8	Occupational Development Center, Inc.	Normal	3,400,000	11	10	ST
9	Bridgeway, Inc.	Macomb	2,100,000	0	0	ST
Housing Bonds *Final*						
10	Victor C. Neumann Association	Chicago	7,000,000	88	20	SCM
11	St. Ignatius College Prep	Chicago	16,000,000	2	20	RKF
Local Government Direct Loan Program						
12	Adams County Water District	Coatsburg	185,000	0	0	EW
13	City of Eldorado	Eldorado	165,000	0	0	EW
TOTAL COMMUNITIES AND CULTURAL PROJECTS			32,250,000	156	150	

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Participation Loans						
14	Lostant Enterprises LLC	Lostant	276,000	1	15	JS
15	GFY Management Inc.	Peoria	247,000	1	0	JS
Environmental Improvement Facilities Revenue Bond						
Clean Coal and Energy Moral Obligation Bond						
Preliminary						
16	Power Holdings of Illinois, LLC	Jefferson County	450,000,000	251	1,000	ST
Equity Investment						
17	The Entrepreneurial Mutual Insurance Co.	Chicago	500,000	10	0	ST
Industrial Revenue Bonds						
Preliminary						
18	American Ad Bag Co. Inc. and/or Garmich, LLC	Woodstock	7,000,000	18	30	TA
TOTAL BUSINESS AND INDUSTRY PROJECTS			458,023,000	281	1,045	

HIGHER EDUCATION

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds						
Preliminary						
19	University Educational Student Housing Corporation (Dwight Building Project)	Chicago	95,000,000	18	150	RKF
501(c)(3) Bonds						
Final						
20	The Newman Foundation at the University of Illinois (Champaign-Urbana)	Champaign	45,000,000	15	100	NM
TOTAL HIGHER EDUCATION PROJECTS			140,000,000	33	250	

GRAND TOTAL			717,097,925	540	1,718	

Tab **Resolutions/Project Revisions/Amendatory Resolutions**

21	Amendment to extend the commitment to Wire Mesh Corporation.	JS
22	Amended and restated resolution for Loyola University Health System to provide for a bank Letter of Credit for the Series 2006 C Bonds.	PL/DS
23	Amendments to documents relating to Loyola University's Illinois Educational Facilities Authorities Commercial Paper Revenue Notes, Series 1997A, 1997B , and 1997C.	TA
24	Resolution to amend certain provisions of the trust indenture relating to the West Central Illinois Educational Telecommunications Corporation project to revise the qualification requirements for a successor remarketing agent.	JS

Other

Adjournment

Illinois Finance Authority
Executive Director's Report
December 5, 2006

To: IFA Board of Directors and Office of the Governor

From: Jill Rendleman, Interim Executive Director

I. Financial Performance

Year to date net income, excluding State appropriated funds stands at $1,035,961, representing a 77% improvement over 2005 performance. Gross revenues from Illinois Finance Authority activities exceed $4.1 Million and are $1.2 Million in excess of gross revenue totals this time last year. The Illinois Finance Authority's consolidated financial statements including State appropriated funds indicate a $3.7 Million growth in IFA equity over the past twelve months, now standing at $89,602,926. Total assets as of November 30, 2006 stand at $155,848,427 as compared to $151,037,734 last year at this time, while total liabilities/bonds payable are down by $325,232.

II. Sales Activities

Funding managers will be presenting 23 projects totaling $717,097,925 which will create 540 new permanent jobs and 1,718 new construction jobs. December project totals reflect high seasonal activity in the agricultural sector as well as large transaction volume in the business and industry sector, specifically related to new Illinois coal projects. There are healthy project totals and large numbers of projects in every sector this month and the projects positively reflect the strength and diversity of Illinois' urban and rural economies with market totals of $1.3 M in Agriculture, $85.5M in Healthcare, $32M in Communities & Culture, $458M in Business and Industry, and $140M in Higher Education. The Illinois Finance Authority currently has bonds and investments outstanding of over $22 Billion and has approved over $12 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 adding new revenue for local communities and the State of Illinois.

Health Care: IFA funding managers attended the Great Lakes Public Finance Conference and the Radiological Society of North America Conference in Chicago in December. Strategic planning efforts for healthcare include updating product bulletins as well as developing a survey of healthcare institutions throughout Illinois. The second Critical Access Hospital transaction was closed in November. IFA staff and Executive Director made 35 personal calls or presentations to potential projects in the month of November.

Higher Education: Higher Education funding managers continue to reach out to association networks such as the Federation of Independent Illinois Colleges, Illinois Community College Board, and the Illinois Board of Higher Education. IFA continues work with market leaders to develop the Virtual Pilot of the Higher Education Energy Price Protection Program. IFA continues to work with its financial advisors to determine our immediate role in this initiative, as well as in the Revolving Text Book program currently under development. Funding managers attended and presented at the Great Lakes Public Finance Conference and are currently working with the FICU to plan two outreach seminars on the Revenue Anticipation Note (RAN) program in December in Springfield and in Elmhurst. Higher Education staff made 5 in person business development calls in the month of November.

Agriculture: Late fall and winter land sales have increased requests and activity in the bond and participation loans in the agricultural sector. Large new activity is very exciting in financing requests for alternative energy projects including new ethanol and biodiesel facilities throughout the State. An IFA follow up Strategic Plan meeting was held for agriculture with plan in place to communicate the positive accomplishments of the agricultural sector to legislators and bankers. Other action items include updating our website and continue to focus on alternative energy and industrial revenue bonds in agricultural industry. The agricultural staff and Executive Director made more calls than any sector with over 95 in person business development calls for potential projects in the month of November.

Communities and Culture: Funding managers presented at the Education Conference in Chicago and continue to work on long range projects including positive changes to the Pooled Bond Program. Strategic initiatives include a mailing to municipalities and professionals to communicate new fee structures and other positive changes in Illinois Finance Authority community and cultural programs. The communities and culture staff made 32 in person business development calls for potential projects in the month of November.

Industry and Commerce: Major project requests continue to surface in the Industry and Commerce sector requesting Clean Coal and Industrial Revenue Bond products. IFA continues to develop financing options for large coal and alternative energy groups and to take an active role in helping the State compete for major new coal facilities. The business and industry strategic group continues to work towards a series of educational forums designed to create awareness about the enhanced viability of Industrial Revenue Bonds. The target audience for these forums will be commercial banks and economic development organizations that serve middle market manufacturing companies. IFA Executive Director has been asked to be a member of the Governor's Coal Gasification and Sequestration Energy Group and is working to develop standards for application, eligibility, and underwriting guidelines for Clean Coal Bonds. IFA Executive Director is working with the Governors Policy Director as well as GOMB, Mayer Brown, and financial advisor Bill Morris to facilitate this process. Board Chairman Gustman and Executive Director Rendleman plan to meet with the Governor's Chief of Staff to discuss State policy and related IFA strategy related to Clean Coal Energy requests. Funding managers and executive director made 75 in person sales calls in the month of November.

III. Marketing and Public Relations

Director of Marketing and Public Relations, Diane Hamburger and Business Development Coordinator, Stacy Flota coordinated, conducted, and prepared all materials for IFA Strategic Planning for Administrative and Support staff. This meeting focused on the internal needs of staff whose primary role is to support the activities of funding managers and the leadership team. The group meeting was productive with a focus on improving internal communications, creating synergies around management information reports and data bases, and performance and incentive plan objectives. The Executive Director has been working with the Director of Public Relations to develop a strategy to build the general awareness of the Illinois Finance Authority with business development officials and legislators throughout the State. Additional marketing efforts include the development of email newsletters which will be developed for the target audiences in each of the five major market sectors served by IFA. Key marketing activity this month includes presentations for the Great Lakes Public Finance Conference by Townsend Albright on Energy Hedging for Universities and by the Executive Director on Public/Private Partnerships in Housing Developments.

IV. Human Resources and Operations

Chief Administrative Officer, Stuart Boldry, focused on ongoing projects including records retention, IT upgrades, restructuring the action plans for the implementation of client relationship management software, and working with human resource partner ADP and legal counsel to begin upgrading personnel policies and procedures. Major research has been done in conjunction with human resource counsel, Laner Muchin, to review best option for funds management and funds selection in connection with the new employee retirement funds.

V. Legal and Legislative Issues

IFA Executive Director discussed issues for the Veto Session as well as the new session of the Legislature with Intergovernmental Relations Manager, Howard Kenner. In an effort to better communicate and "market" IFA to legislators, IFA is working to develop formal roundtables with various key legislative committees to discuss IFA programs which support economic development in their districts. The Executive Director is working with the Office of the Speaker of the House to determine methodologies for IFA credit support of regional bonding authorities in order to create a stronger credit culture throughout the State. Additionally, the Executive Director is working with counsel to review and provide recommendations for a long range plan to provide clarity to major sections of the IFA Statute.

VI. Audit and Compliance

The field work completed by McGladrey Pullen for the Financial and Compliance Audit for Fiscal Year 2006 has been delivered to the Auditor General for review and recommendations. The Financial portion of the audit is expected to be received by January 2007. Currently there are 9 audit findings under review with 6 findings 100% complete, 2 findings 60% completed, and 1 finding less than 50% complete. IFA has completed documentation from the State Legislative

Audit Commission which will determine the priority and timing of the IFA Audit review by the Commission.

Overview of Illinois Coal Projects Under Development
As of November 2006

Project Name	Prairie State Energy Campus	Rentech Energy Midwest Corporation Project	Elwood Energy Center	Christian County Generation, LLC	FutureGen
Developers	Peabody Energy	Rentech, Inc.	Indeck Energy	The ERORA Group and Tenaska	U.S. DOE
Other Owners	Various Midwest Muni Coops				FutureGen Industrial Alliance
Location	Marissa (Washington County)	East Dubuque	Elwood (Will County)	Taylorville (Christian County)	Tuscol (Douglas) or Mattoon (Cole)
Project Cost	$2.0-$2.5 Billion	$800 Million (gasification for fertilizer and fuels production)	$ 966 Million	$1.4 Billion	$1 Billion
Power Source	Pulverized coal	Gasification	Circulating fluidized bed	Integrated Gasification Combined Cycle	Integrated Gasification Combined Cycle
Fuel Source	Minemouth (owned by Peabody)	Coal (now evaluating bids to supply plant)	Coal and pet coke	Minemouth (pursuant to long-term contract)	
Emission Controls *	SCR, ESP & FGD	Acid gas removal and sulfur recovery units 100% CO2 captureable	SNCR Baghouse	SCR, ESP & FGD	Acid gas removal and sulfur recovery units and CO2 sequestration
Rated Output MWe	2 @ 810 gross (1,500 net)	76 MWe of electricity for sale 920 tons/day nitrogen products 3,900 barrels/day of clean fuels	2 @ 330 gross (600 net)	630 (net) or 773 (gross)	To be determined
Air Permit Status	** Final permit issued Ruling upheld 8/06	Filed application in June 2006. Late 2006 decision expected.	Final permit issued (under appeal)	Initial application filed in April 2005	Not filed. Awaiting DOE Award (exp. Fall 2007)
Construction Target Date	Second Quarter 2007	Third Quarter 2007	Late 2007	Late 2007	2008

* Key: SCR-Selective Catalytic Reduction, ESP-Electrostatic Precipitators, FGD-Scrubbers

** U.S. EPA Environmental Appeals Board on 8/24 denied the appeal by health and environmental groups to review the PSD air permit issued by the IEPA for the Prairie State Energy Campus project. Prairie State may now proceed with construction.

Other Projects Under Discussion

- **Power Holdings, LLC is developing a $ 1.5 billion 550 megawatt, Illinois coal gasification to synthetic natural gas project in Rend Lake. Air permits to be sought in late 2006. Seeking IFA's issuance of Moral Obligation Bonds and Solid Waste Disposal Bonds.**
- Clean Coal Power Resources is evaluating a $4.5 billion 2,400 megawatt Illinois coal gasification to power and synthetic natural gas project in Rend Lake (Fayette County). No deadline for submitting an air permit application has been publicly announced.
- .Dynegy Midwest Energy is evaluating a $2.2 billion, 1,500 megawatt pulverized Illinois coal project in Baldwin. Air permit applications were filed with IEPA in April 2002 and are still under review. DCEO's Office of Coal Development and IFA staff has not heard from the development team within the past 12 months.
- Illinois Energy Group is evaluating a $1.5 billion 1,500 megawatt pulverized Illinois coal power project in Benton. Air permit applications were filed with IEPA in June 2002 and are still under review. DCEO's Office of Coal Development and IFA staff has not heard from the development team within the past 12 months.

Sources: Developer presentations and websites, DCEO's Office of Coal Development staff and the Illinois Environmental Protection Agency website.

Illinois Finance Authority
Consolidated
Balance Sheet
for the Five Months Ending November 30, 2006

	November 2005	November 2006	November Budget	Variance to budget
ASSETS				
CASH & INVESTMENTS, UNRESTRICTED	$ 29,427,500	$ 33,125,369	$ 26,919,237	$ 6,206,132
LOAN RECEIVABLE, NET	83,708,994	83,139,778	81,160,161	1,979,617
ACCOUNTS RECEIVABLE	667,910	536,565	500,000	36,565
OTHER RECEIVABLES	75,732	1,137,558	774,242	363,316
PREPAID EXPENSES	43,271	62,566	170,384	(107,818)
TOTAL CURRENT ASSETS	113,923,406	118,001,837	109,524,024	8,477,813
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	101,772	131,188	143,504	(12,316)
DEFERRED ISSUANCE COSTS	1,109,406	892,549	952,789	(60,240)
OTHER ASSETS				
CASH, INVESTMENTS & RESERVES	27,411,723	27,070,313	30,166,938	(3,096,625)
VENTURE CAPITAL INVESTMENTS	5,661,491	5,679,735	6,171,096	(491,360)
OTHER	4,157,507	4,072,806	4,079,383	(6,577)
TOTAL OTHER ASSETS	37,230,721	36,822,853	40,417,417	(3,594,563)
TOTAL ASSETS	$ 152,365,305	$ 155,848,427	$ 151,037,734	$ 4,810,694
LIABILITIES				
CURRENT LIABILITIES	$ 1,065,974	$ 1,746,014	$ 957,493	$ 788,521
LONG-TERM LIABILITIES	65,565,229	64,559,956	60,477,314	4,082,640
TOTAL LIABILITIES	66,631,202	66,305,970	61,434,807	4,871,161
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)	4,647,972	1,492,573	1,553,042	(60,469)
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	85,734,103	89,542,457	89,602,926	(60,469)
TOTAL LIABILITIES & EQUITY	$ 152,365,305	$ 155,848,427	$ 151,037,734	$ 4,810,694

Illinois Finance Authority
Consolidated - Detail
Balance Sheet
for the Five Months Ending
November 30, 2006

	General Fund	Bond Fund	Firetruck Revolving Fund	Non Major Funds YTD	YTD 2007
Assets					
Current assets:					
Cash and cash equivalents – unrestricted	9,207,179	-	-	13,977,460	23,184,640
Investments – unrestricted	2,449,222	-	-	1,992,995	4,442,217
Restricted current assets:					-
Cash and cash equivalents	-	730,312	1,879,053	-	2,609,365
Accrued interest receivable	-	796,602	5,300	9,381	811,283
Restricted investments	-	61,372	-	-	61,372
Receivables:					-
Accounts	536,565	-	-	-	536,565
Interest and other	203,278	-	-	44,508	247,786
Prepaid expenses and deposits	62,566	-	-	-	62,566
Total Current Assets	12,458,810	1,588,286	1,884,353	16,024,344	31,955,793
Noncurrent assets:					
Restricted Noncurrent assets					
Cash and cash equivalents	-	-	-	21,368,316	21,368,316
Interest receivable	-	83,789	-	79,000	162,789
Guarantee payments receivable	-	-	-	611,672	611,672
Allowance for doubtful accounts	-	-	-	(538,866)	(538,866)
Deferred issuance costs, net of accumulated amortization	-	226,747	-	-	226,747
Investments	-	8,445,473	-	-	8,445,473
Bonds and notes receivable	-	53,852,200	-	-	53,852,200
Loans receivable	-	-	8,253,845	701,564	8,955,408
Allowance for doubtful accounts	-	-	-	(106,564)	(106,564)
Investments in partnerships and companies	-	-	-	5,679,735	5,679,735
Loans Receivable	21,139,768	-	-	5,719,068	26,858,836
Allowance for doubtful accounts	(2,420,102)	-	-	-	(2,420,102)
Due from other funds long term	2,579,138	-	-	712,374	3,291,511
Property and equipment, at cost	368,265	-	-	5,500	373,765
Accumulated depreciation	(238,361)	-	-	(4,217)	(242,577)
Deferred issuance costs, net of accumulated amortization	-	-	-	665,802	665,802
Total Noncurrent Assets:	21,428,708	62,608,210	8,253,845	34,893,383	127,184,145
Total Assets	33,887,518	64,196,495	10,138,198	50,917,727	159,139,938
Liabilities					
Current liabilities:					
Accounts payable	257,811	-	-	-	257,811
Accrued expenses	631,365	-	-	-	631,365
Accrued interest payable	-	905,090	-	8,093	913,183
Due to employees	33,827	-	-	-	33,827
Due to primary government	222,490	-	-	25,000	247,490
Current portion of Long term debt	-	-	-	54,846	54,846
Total Current Liabilities	1,145,493	905,090	-	87,939	2,138,522
Noncurrent liabilities:					
Long-term debt	-	-	-	828,060	828,060
Bonds payable	-	62,010,000	-	-	62,010,000
Deferred revenue net of accumulated amortization	512,582	-	-	933,666	1,446,249
Due to other funds - long term	-	-	-	3,291,511	3,291,511
Deferred loss on early extinguishment of Debt	-	(116,860)	-	-	(116,860)
Total Noncurrent Liabilities	512,582	61,893,140	-	5,053,237	67,458,960
Total Liabilities	1,658,075	62,798,230	-	5,141,177	69,597,482
Net Assets					
Invested in capital assets	129,905	-	-	1,283	131,188
Restricted	-	1,398,266	10,138,198	21,239,303	32,775,767
Unrestricted	32,099,538	-	-	24,535,964	56,635,502
Total Net Assets	32,229,443	1,398,266	10,138,198	45,776,551	89,542,457

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

	Actual November 2006	Budget November 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	Total Budget FY 2007	% of Budget Expended
REVENUE										
INTEREST ON LOANS	286,460	295,949	(9,469)	(3.21%)	1,429,813	1,479,745	(49,932)	(3.37%)	3,478,413	41.11%
INVESTMENT INTEREST & GAIN(LOSS)	216,219	177,171	39,048	22.04%	1,141,361	885,855	255,506	28.84%	2,126,056	53.68%
ADMINISTRATIONS & APPLICATION FEES	386,626	689,350	(302,724)	(43.91%)	2,558,453	2,377,750	180,703	7.60%	5,394,200	47.43%
ANNUAL ISSUANCE & LOAN FEES	78,802	85,000	(6,198)	(7.29%)	469,652	570,000	(100,348)	(17.60%)	1,310,000	35.85%
OTHER INCOME	22,000	38,552	(16,553)	(42.94%)	93,395	192,764	(99,369)	(51.55%)	462,834	20.19%
TOTAL REVENUE	990,107	1,286,022	(295,916)	(23.01%)	5,692,673	5,506,114	186,560	3.39%	12,771,303	44.57%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	256,566	249,799	6,768	2.71%	1,278,970	1,247,485	31,485	2.52%	2,996,075	42.69%
BENEFITS	26,310	28,500	(2,190)	(7.68%)	134,891	142,500	(7,609)	(5.34%)	342,000	39.44%
TEMPORARY HELP	11,184	8,494	2,690	31.66%	25,459	33,976	(8,517)	(25.07%)	84,940	29.97%
EDUCATION & DEVELOPMENT	-	-	-	#DIV/0!	5,457	5,900	(443)	(7.50%)	23,600	23.12%
TRAVEL & AUTO	13,643	11,000	2,643	24.03%	63,961	55,000	8,961	16.29%	135,000	47.38%
TOTAL EMPLOYEE RELATED EXPENSES	307,703	297,793	9,911	3.33%	1,508,738	1,484,861	23,877	1.61%	3,581,615	42.12%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	153,203	51,335	101,868	198.44%	676,567	256,675	419,892	163.59%	616,000	109.83%
LOAN EXPENSE & BANK FEE	226,206	223,897	2,309	1.03%	1,145,560	1,119,485	26,075	2.33%	2,612,319	43.85%
ACCOUNTING & AUDITING	31,300	31,392	(24)	(0.08%)	135,026	156,958	(21,932)	(13.97%)	376,700	35.84%
MARKETING GENERAL	2,556	20,833	(18,277)	(87.73%)	27,619	104,165	(76,546)	(73.49%)	250,000	11.05%
FINANCIAL ADVISORY	29,366	29,167	199	0.68%	148,890	145,833	3,057	2.10%	350,000	42.54%
CONFERENCE/TRAINING	2,670	700	1,970	281.43%	8,114	10,500	(2,386)	(22.72%)	25,400	31.94%
MISCELLANEOUS PROFESSIONAL SERVICES	-	5,250	(5,250)	(100.00%)	13,728	76,250	(62,523)	(82.00%)	113,000	12.15%
DATA PROCESSING	1,761	3,200	(1,439)	(44.98%)	9,341	16,000	(6,659)	(41.62%)	38,400	24.32%
TOTAL PROFESSIONAL SERVICES	447,130	365,774	81,356	22.24%	2,164,845	1,885,866	278,979	14.79%	4,381,819	49.41%
OCCUPANCY COSTS										
OFFICE RENT	25,663	26,709	(1,046)	(3.92%)	129,988	133,545	(3,557)	(2.66%)	320,508	40.56%
EQUIPMENT RENTAL AND PURCHASES	3,270	3,750	(480)	(12.79%)	20,492	18,750	1,742	9.29%	45,000	45.54%
TELECOMMUNICATIONS	4,936	5,667	(731)	(12.89%)	26,435	28,334	(1,899)	(6.70%)	68,000	38.87%
UTILITIES	851	750	101	13.43%	4,589	3,750	839	22.37%	9,000	50.99%
DEPRECIATION	3,788	4,750	(962)	(20.24%)	18,937	23,750	(4,813)	(20.27%)	57,000	33.22%
INSURANCE	1,151	1,166	(15)	(1.27%)	5,758	5,834	(76)	(1.34%)	14,000	41.11%
TOTAL OCCUPANCY COSTS	39,660	42,792	(3,132)	(7.32%)	206,196	213,963	(7,767)	(3.63%)	513,508	40.15%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	7,793	7,833	(40)	(0.52%)	35,871	39,166	(3,295)	(8.41%)	94,000	38.16%
BOARD MEETING - EXPENSES	992	2,667	(1,675)	(62.81%)	11,786	13,335	(1,549)	(11.61%)	32,000	36.83%
PRINTING	1,030	1,167	(137)	(11.78%)	4,936	5,835	(899)	(15.41%)	14,000	35.26%
POSTAGE & FREIGHT	2,102	2,917	(815)	(27.93%)	10,800	14,584	(3,784)	(25.95%)	35,000	30.86%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,794	2,874	(1,080)	(37.57%)	10,068	14,375	(4,307)	(29.97%)	34,500	29.18%
PUBLICATIONS	299	166	133	80.17%	6,057	834	5,223	626.25%	2,000	302.84%
OFFICERS & DIRECTORS INSURANCE	13,500	13,500	-	0.00%	67,500	67,500	-	0.00%	162,000	41.67%
MISCELLANEOUS	-	166	(166)	(100.00%)	2,016	834	1,182	141.73%	2,000	100.80%
TOTAL GENERAL & ADMINISTRATION EXPENSES	27,509	31,290	(3,781)	(12.08%)	149,033	156,463	(7,430)	(4.75%)	375,500	39.69%
LOAN LOSS PROVISION	25,000	25,000	-	0.00%	206,209	125,000	81,209	64.97%	300,000	68.74%
OTHER										
INTEREST EXPENSE	736	717	19	2.62%	3,679	3,585	94	2.62%	8,604	42.76%
TOTAL OTHER	736	717	19	2.62%	3,679	3,585	94	2.62%	8,604	42.76%
TOTAL EXPENSES	847,738	763,365	84,372	11.05%	4,238,700	3,869,738	368,962	9.53%	9,161,048	46.27%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	142,369	522,657	(380,288)	(72.76%)	1,453,973	1,636,375	(182,403)	(11.15%)	3,610,257	40.27%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	1,410	(16,667)	18,077	(108.46%)	38,600	(83,333)	121,934	(146.32%)	(200,000)	(19.30%)
NET INCOME/(LOSS)	143,779	505,990	(362,211)	(71.58%)	1,492,573	1,553,042	(60,469)	(3.89%)	3,410,257	43.77%

Illinois Finance Authority
Consolidated
Statement of Activities
Comparison
November 2005 and November 2006

	Actual November 2006	Actual November 2005	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2007	Actual YTD FY 2006	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	286,460	32,819	253,641	772.86%	1,429,813	377,576	1,052,238	278.68%
INVESTMENT INTEREST & GAIN(LOSS)	216,219	111,560	104,660	93.81%	1,141,361	731,321	410,040	56.07%
ADMINISTRATIONS & APPLICATION FEES	386,626	230,890	155,736	67.45%	2,558,453	1,743,605	814,848	46.73%
ANNUAL ISSUANCE & LOAN FEES	78,802	89,813	(11,011)	(12.26%)	469,652	480,367	(10,715)	(2.23%)
OTHER INCOME	22,000	19,642	2,358	12.01%	93,395	3,876,714	(3,783,319)	(97.59%)
TOTAL REVENUE	990,107	484,723	505,384	104.26%	5,692,673	7,209,582	(1,516,908)	(21.04%)
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	256,566	213,697	42,870	20.06%	1,278,970	1,044,628	234,342	22.43%
BENEFITS	25,310	19,437	5,873	35.36%	134,891	105,936	28,955	27.33%
TEMPORARY HELP	11,184	6,549	4,635	70.77%	25,459	32,846	(7,387)	(22.49%)
EDUCATION & DEVELOPMENT	-	1,085	(1,085)	(100.00%)	5,457	8,674	(3,217)	(37.08%)
TRAVEL & AUTO	13,643	18,371	(4,727)	(25.73%)	63,961	67,302	(3,342)	(4.97%)
TOTAL EMPLOYEE RELATED EXPENSES	307,703	259,138	48,565	18.74%	1,508,736	1,259,386	249,352	19.80%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	153,203	58,427	94,776	162.21%	676,567	299,526	377,041	125.88%
LOAN EXPENSE & BANK FEE	226,206	1,272	224,934	17,683.37%	1,145,560	254,386	891,174	350.32%
ACCOUNTING & AUDITING	31,368	39,711	(8,343)	(21.01%)	135,026	187,770	(52,744)	(28.09%)
MARKETING GENERAL	2,556	23,177	(20,621)	(88.97%)	27,619	40,971	(13,352)	(32.60%)
FINANCIAL ADVISORY	29,366	8,210	21,156	257.69%	148,890	40,210	108,680	270.28%
CONFERENCE/TRAINING	2,670	-	2,670	#DIV/0!	8,114	4,730	3,384	71.54%
MISCELLANEOUS PROFESSIONAL SERVICES	-	2,850	(2,850)	(100.00%)	13,728	2,850	10,878	381.67%
DATA PROCESSING	1,761	994	767	77.14%	9,341	6,425	2,916	45.39%
TOTAL PROFESSIONAL SERVICES	447,130	134,640	312,489	232.09%	2,164,845	836,868	1,327,977	158.68%
OCCUPANCY COSTS								
OFFICE RENT	25,663	15,852	9,810	61.88%	129,988	77,585	52,402	67.54%
EQUIPMENT RENTAL AND PURCHASES	3,270	919	2,351	255.88%	20,492	5,854	14,638	250.06%
TELECOMMUNICATIONS	4,936	4,585	352	7.67%	26,435	27,080	(646)	(2.38%)
UTILITIES	851	656	195	29.77%	4,589	3,268	1,321	40.43%
DEPRECIATION	3,788	2,032	1,756	86.39%	18,937	9,753	9,184	94.17%
INSURANCE	1,151	630	521	82.74%	5,756	3,255	2,501	76.85%
TOTAL OCCUPANCY COSTS	39,660	24,674	14,986	60.73%	206,196	126,795	79,401	62.62%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	7,793	4,646	3,147	67.74%	35,871	28,449	7,422	26.09%
BOARD MEETING - EXPENSES	992	3,549	(2,558)	(72.08%)	11,786	17,546	(5,760)	(32.83%)
PRINTING	1,030	-	1,030	#DIV/0!	4,936	655	4,281	653.33%
POSTAGE & FREIGHT	2,102	1,739	363	20.88%	10,800	12,774	(1,975)	(15.46%)
MEMBERSHIP, DUES & CONTRIBUTIONS	1,794	1,393	402	28.84%	10,068	14,453	(4,386)	(30.34%)
PUBLICATIONS	299	160	139	87.00%	6,057	488	5,569	1,140.23%
OFFICERS & DIRECTORS INSURANCE	13,500	8,699	4,801	55.19%	67,500	43,494	24,006	55.19%
MISCELLANEOUS	-	962	(962)	(100.00%)	2,016	1,235	781	63.24%
TOTAL GENERAL & ADMINISTRATION EXPENSES	27,509	21,148	6,362	30.08%	149,033	119,096	29,938	25.14%
LOAN LOSS PROVISION	25,000	25,000	-	0.00%	206,209	72,536	133,673	184.29%
OTHER								
INTEREST EXPENSE	736	781	(45)	(5.80%)	3,679	3,905	(226)	(5.80%)
TOTAL OTHER	736	781	(45)	(5.80%)	3,679	3,905	(226)	(5.80%)
TOTAL EXPENSES	847,738	465,382	382,356	82.16%	4,238,700	2,418,586	1,820,114	75.26%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	142,369	19,342	123,028	636.08%	1,453,973	4,790,996	(3,337,023)	(69.65%)
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	1,410	-	1,410	0.00%	38,600	(143,023)	181,624	(126.99%)
NET INCOME/(LOSS)	143,779	19,342	124,438	643.37%	1,492,573	4,647,972	(3,155,399)	(67.89%)

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

as of 11/30/2006

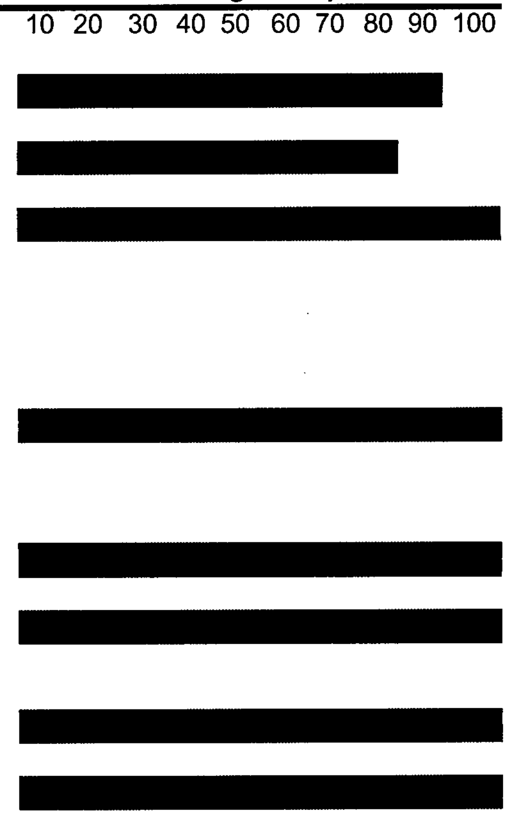
Loan #	Borrower	Due Date	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 + Days
Participations									
10018	EAGLE THEATER	11/18/200	$2,169.52	.00	.00	.00	.00	.00	.00
10025	FREEPORT AREA	11/28/200	$1,340.00	.00	.00	.00	.00	.00	.00
10030	HAGEL & LEONG	11/16/200	$1,658.82	.00	.00	.00	.00	.00	.00
10031	KROSSE, KEVIN	11/28/200	$1,000.00	.00	.00	.00	.00	.00	.00
10089	VELDE-SAURS LA	11/14/200	$17,709.39	.00	.00	.00	.00	.00	.00
10049	SHULTS MACHIN	11/5/2006	$2,700.00	.00	.00	.00	.00	.00	.00
10068	MACON METAL P	11/14/200	$1,500.00	.00	.00	.00	.00	.00	.00
10073	BAXTER, JAY & CO	/29/200	$619.80	.00	.00	.00	.00	.00	.00
8			$28,697.53	.00	.00	.00	.00	.00	.00
FMHA									
10090	BITWISE COMMU	11/1/2006	$4,815.57	.00	.00	.00	.00	.00	.00
10064	GRAYSON HILL E	11/1/2006	$1,443.27	.00	.00	.00	.00	.00	.00
10065	SUBLETTE DEVEL	11/1/2006	$1,108.39	.00	.00	.00	.00	.00	.00
10066	UTLRA PLAY SYS	11/1/2006	$1,314.77	.00	.00	.00	.00	.00	.00
10067	DEREL'S BBQ	11/1/2006	$1,147.36	.00	.00	.00	.00	.00	.00
10088	JEFFREY LANDSC	11/1/2006	$563.79	.00	.00	.00	.00	.00	.00
6			$10,393.15	.00	.00	.00	.00	.00	.00
14			$39,090.68	.00	.00	.00	.00	.00	.00

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

Total Number of 14

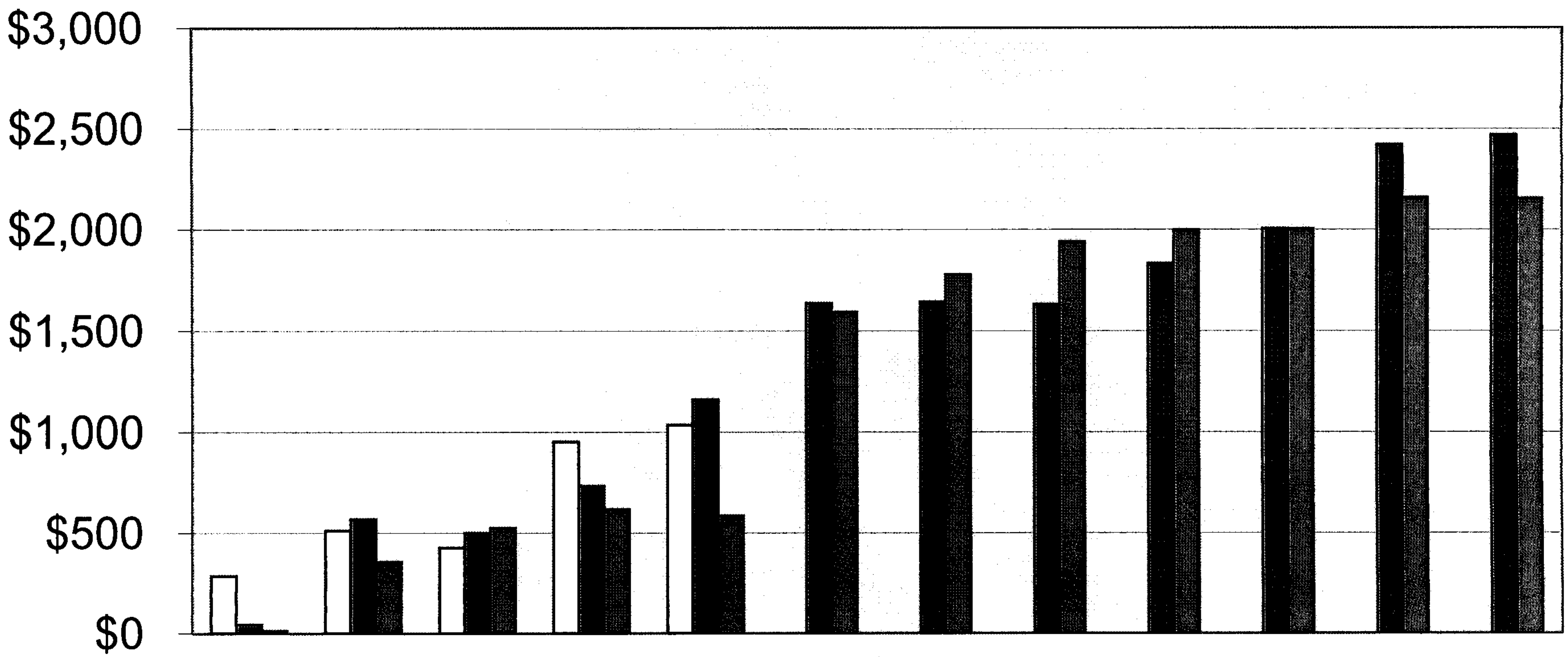
Item Number	Description	Status Action Items/ Action Items Completed
FY 04 Findings		
05-03	Failure to Monitor Bond Compliance	7/8
05-04	Non Compliance with Illinois Procurement Code and SAMS	2/3
05-05	Voucher Processing Controls Need to be Improved	**Complete**
FY 05 Findings		
05-01	Noncompliance with 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

Percentage Completed



Cumulative Net Income

Non-Appropriated



	July	Aug	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun
FY 2007 Actual	$285	$512	$428	$953	$1,036							
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 NOVEMBER 14, 2006 MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held a Board Meeting at 11:30 a.m., on November 14, 2006 at the Mid America Club, 200 E. Randolph Drive, 80th floor, Chicago, Illinois:

Members present:	Members absent:	Members participating by telephone:
David C. Gustman, Chair	Magda M. Boyles	None
James J. Fuentes	Ronald E. DeNard	
Demetris A. Giannoulias	Dr. Roger D. Herrin	
Michael W. Goetz	Martin H. Nesbitt	
Edward H. Leonard, Sr.	Andrew W. Rice	
Terrence M. O'Brien	Juan B. Rivera	
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 11:46 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, 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 the Board would be reviewing over 1 billion in project across IFA's various market sectors, including projects for coal gasification facilities, higher education institutions and small manufacturers. Interim Executive Director Rendleman also discussed that IFA revenues are exceeding its fiscal year plan and that the IFA had a positive audit.

Acceptance of Financial Statements

Financial statements for period ending October 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 October 10, 2006 Meeting of the Board. Minutes of the October 10, 2006 were approved with 9 ayes, 0 nays, and 0 abstentions.

Projects

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

No. 1: **A-DR-GT-6222 – Dennis & Tammy Grah and Donald & Patsy Grah**
Request for approval of the issuance of an Agri-Debt Guarantee Restructuring Guarantee in an amount not-to-exceed $99,010 to provide refinancing and extension of an existing Agri-Debt Guarantee. **(06-11-01).**

No. 2: **A-LL-TX-6223 – David A. and Patricia A. Becker**
Request for approval of the issuance of a participation loan in an amount not-to-exceed $145,500 to provide permanent financing for purchase of 108 acres of farmland. **(06-11-02).**

No. 3: **A-LL-TX-6225 – Ryan D. McClure**
Request for approval of the issuance of a participation loan in an amount not-to-exceed $275,000 to provide permanent financing for a 2,400 head swine finishing building. **(06-11-03).**

No. 4: **A-LL-TX-6226 – Merlin D. and Nancy J. McClure**
Request for approval of the issuance of a participation loan in an amount not-to-exceed $825,000 to provide permanent financing of two 2,400 head swine finishing buildings and purchase of 235 acres of farmland. **(06-11-04).**

No. 5: **A-FB-TE-CD-6212 – Jon and Carlyn McAvoy**
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $79,000 for purchase of 38.77 acres of farmland. **(06-11-05).**

A-FB-TE-CD-6216 – Jeffrey Briggs
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed $103,302 for purchase of 34.5 acres of farmland. **(06-11-05).**

Chairman Gustman asked if the Board had any questions with respect to project Nos. 1 through 5. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of projects nos. 1 through 5. Leave was granted. Project nos. 1 through 5 were approved with 9 ayes, 0 nays, and 0 abstentions.

No. 6: **H-HO-TE-CD-6229 – Hospital Sisters Health System**

Request for preliminary approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed $250,000,000 to finance, reimburse and refinance the costs of construction, renovations, improvement, furnishing and equipping certain facilities, potentially refund outstanding IHFA bonds and finance issuance costs. This project is expected to create 300 construction jobs. **(06-11-06).**

Chairman Gustman asked if the Board had any questions with respect to Project no. 6. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 6. Leave was granted. Project no. 6 was approved with 9 ayes, 0 nays, and 0 abstentions.

No. 7: **H-HO-TE-CD-6228 – Elmhurst Memorial Hospital / Elmhurst Memorial Healthcare**

Request for preliminary approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed $50,000,000 to pay or reimburse the borrower or one or more of its corporate affiliates for the payment of the cost of acquiring, constructing, renovating, remodeling and equipping certain facilities and to finance issuance costs. This project is expected to create 6 new jobs and 40 construction jobs. **(06-11-07).**

Chairman Gustman asked if there were any guests attending the meeting with respect to the project. Pamela Lenane introduced Jerry Berg and Kevin Fitch of Elmhurst Memorial Hospital. Mr. Berg thanked board members and IFA and did not give an overview of the project. Chairman Gustman asked if the Board had any questions with respect to project No. 7. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of project No. 7. Leave was granted. Project no. 7 was approved with 9 ayes, 0 nays, and 0 abstentions.

No. 8: **H-SL-RE-TE-CD-6200 – Friendship Village of Mill Creek d/b/a Tallgrass at Mill Creek**

Request for amended preliminary approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed $5,500,000 to fund pre-construction financing costs, comprised primarily of design, development and marketing costs through the issuance of bond anticipation notes. This project is expected to create 4 new jobs and 10 construction jobs. **(06-11-08).**

Chairman Gustman asked if the Board had any questions with respect to Project no. 8. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of project no. 8. Leave was granted. Project no. 8 was approved with 9 ayes, 0 nays, and 0 abstentions.

No. 9: **H-SL-RE-TE-CD-6042 – Franciscan Communities, Inc.**

Request for final approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed $50,000,000 to refund all or a portion of variable rate demand bonds, to fund a small portion of new money projects for certain facilities and to establish debt service reserve fund and pay issuance costs. **(06-11-09).**

Chairman Gustman asked if there were any guests attending the meeting with respect to Franciscan Communities, Inc. Pamela Lenane introduced Chet Labus, CFO & Senior VP of Franciscan. Mr. Labus gave an overview of the project. Chairman Gustman asked if the Board had any questions with respect to Project no. 9. There being none, Chairman Gustman Chairman requested leave to apply the last unanimous vote in favor of Project no. 9. Leave was granted. Project no. 9 was approved with 9 ayes, 0 nays, and 0 abstentions.

No. 10: **H-HO-TE-CD-6234 – Riverside Medical Center and Riverside Senior Living Center**

Request for final approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed $45,000,000 to advance refund prior bonds and to fund a debt service reserve and to pay issuance costs. **(06-11-10).**

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

No. 11: **H-HO-TE-CD-6201 – Loyola University Health System**

Request for final approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed $250,000,000 to fund new money projects, advance refund a portion of Series 2001A IHFA bonds and pay issuance costs. This project is expected to create 375 new jobs and 85 construction jobs. **(06-11-11).**

Chairman Gustman asked if there were any guests attending the meeting with respect to Loyola University Health System. Pamela Lenane introduced Michael Scheer, Sr. VP & CFO and Martin Gilbert, Director of Planning and Development. Messrs. Scheer and Gilbert thanked the board and the Authority's staff for consideration of the project and did not give an overview of the project.

Chairman Gustman asked if the Board had any questions with respect to Project no. 11. There being none, Chairman Gustman requested a motion for a roll call vote. Motion moved by Ms. Talbott and seconded by Mr. Goetz. Chairman Gustman asked Secretary Burgess Jones to take a roll call vote. Chairman Gustman abstained from voting on this project because his law firm has represented the underwriter, Citigroup Global Markets, Inc., on matters unrelated to this transaction. Project no. 11 was approved with 8 ayes, 0 nays, and 1 abstention (Gustman).

No. 12: **N-NP-TE-CD-6236 – Bridgeway, Inc.**

Request for preliminary approval of the issuance of Conduit Tax-Exempt 501(c)(3) Revenue Bonds in an amount not-to-exceed $2,100,000 to refinance the purchase and renovation of two training facilities and refinance the construction of a new facility. **(06-11-12).**

No. 13: **N-NP-TE-CD-6237 – Occupational Development Center**

Request for preliminary approval of the issuance of Conduit Tax-Exempt 501(c)(3) Revenue Bonds in an amount not-to-exceed $3,400,000 to finance the purchase and renovation of a 76,000 sq. ft. facility and to pay issuance costs. The project is expected to create 11 new jobs and 10 construction jobs. **(06-11-13).**

No. 14: **N-NP-TE-CD-6210 – The Center: Resources for Teaching and Learning**

Request for preliminary approval of the issuance of Conduit Tax-Exempt 501(c)(3) Revenue Bonds in an amount not-to-exceed $1,900,000 to finance the acquisition and renovation of a building and to pay certain issuance costs. The project is expected to create 9 new jobs and 15 construction jobs. **(06-11-14).**

Chairman Gustman asked if the Board had any questions with respect to Project No. 14. There being none, Chairman Gustman requested a motion for a roll call vote. Motion moved by Mr. Valenti and seconded by Mr. Talbott. Chairman Gustman asked Secretary Burgess Jones to take a roll call vote. Project No. 14 was approved with 9 ayes, 0 nays, and 0 abstentions.

No. 15: **N-NP-TE-CD-6211 – SOS Children's Village Illinois, Inc.**

Request for preliminary approval of the issuance of Conduit Tax-Exempt 501(c)(3) Revenue Bonds in an amount not-to-exceed $11,000,000 to finance the acquisition of land, construction and renovation, acquisition of machinery and equipment, professional expenses and to pay certain issuance costs. The project is expected to create 46 new jobs and 125 construction jobs. **(06-11-15).**

Chairman Gustman asked if there were any guests attending the meeting with respect to the project. Sharnell Curtis Martin introduced Tim McCormick, CEO and Dina Tsourdinas, CFO of SOS Children's Village Illinois, Inc. Mr. McCormick and Ms. Tsourdinas thanked the board and the Authority's staff for consideration of the project and did not give an overview of the project.

Chairman Gustman asked if the Board had any questions with respect to Project no. 15. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Projects no. 15. Leave was granted. Project no. 15 was approved with 9 ayes, 0 nays, and 0 abstentions.

No. 16: **N-NP-TE-CD-6214 – St. Ignatius College Prep**

Request for preliminary approval of the issuance of Conduit Tax-Exempt 501(c)(3) Revenue Bonds in an amount not-to-exceed $17,000,000 to finance land and building acquisition and various building and facility renovations. The project is expected to create 1-2 new jobs and 20 construction jobs over 6 months. **(06-11-16).**

Chairman Gustman asked if the Board had any questions with respect to Project no. 16. There being none, Chairman Gustman 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. 17: **L-GP-6230 – Village of Big Rock**

Request for final approval of the issuance of a Local Government Direct Loan in an amount not-to-exceed $95,000 to finance the repair and resurfacing of roads. The project is expected to create 18 construction jobs. **(06-11-17).**

Chairman Gustman asked if the Board had any questions with respect to Project no. 17. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 17. Leave was granted. Project no. 17 was approved with 9 ayes, 0 nays, and 0 abstentions.

No. 18: **I-ID-TE-CD-6215 – 700 Hickory Hills Drive, LLC for its Affiliate Lessee Precision Resource, Inc.**

Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed $9,540,000 to finance the purchase of land, renovations and construction of an addition to the existing manufacturing facility and to fund legal and professional costs. This project is expected to create 21 new jobs and 140 construction jobs over a 10-month period. IFA will provide $9,540,000 of IFA Volume Cap and convey tax-exemption on the Industrial Revenue Bonds. **(06-11-18).**

No. 19: **I-ID-TE-CD-6213 – Magnetic Inspection Laboratory, Inc. and Schiewe Partnership**

Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed $8,100,000 to finance the construction and equipping of an addition to the existing manufacturing facility. This project is expected to create 22 new jobs within 2 years and an average of 15 construction jobs over a 7-month period. IFA Volume Cap in the amount of $8,000,000 is expected to be provided in 2007, which will include a transfer from the Village of Elk Grove of approximately $3,000,000 of its 2007 Volume Cap to the IFA. **(06-11-19).**

No. 20: **I-ID-TE-CD-6217 – Stromberg Allen and Company, and its affiliates, successors and assigns**

Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed $10,000,000 to finance the purchase and renovation of an existing, vacant manufacturing facility. This project is expected to create 10 new jobs and 10 construction jobs over a 3-5 month period. IFA Volume Cap in the amount of $8,000,000 is expected to be provided in 2007, which will include a transfer from the Village of Tinley Park of approximately $3,600,000 of its 2007 Volume Cap to the IFA. **(06-11-20).**

No. 21: **B-LL-TX-6020 – Midwest Fabrication & Repair, Inc.**

Request for a rural development loan in the amount of $157,000 to finance the purchase of new equipment to be used to manufacture 3-point agricultural implements. The project is expected to create 5 new jobs. **(06-11-21).**

No. 22: **I-ID-TX-MO-6221 – Rentech Energy Midwest Corp**

Request for preliminary approval of the issuance of Clean Coal and Energy Moral Obligation Bonds in an amount not-to-exceed $150,000,000 to finance i) the construction and rehabilitation of real estate; ii) the acquisition and installation of machinery and equipment; iii) legal and professional costs; iv) capitalized interest and v) a debt service reserve fund. The project is expected to create 110 new jobs over a one-year period and 1,500-2,000 construction jobs over 42 months. **(06-11-22).**

Chairman Gustman asked if the Board had any questions with respect to Projects no. 18 through 22. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 18 through 22. Leave was granted. Project nos. 18 through 22 were approved with 9 ayes, 0 nays, and 0 abstentions.

No.23: **SW-PSW-TE-CD-6218; EZ-I-EZ-TE-CD-6219; TX-1-TRB-TX-CD-6220 – MOR Energy, LLC**

Request for preliminary approval of the issuance of Solid Waste Disposal Bonds in an amount not-to-exceed $60,000,000, Empowerment Zone Bonds in an amount not-to-exceed $60,000,000 and Taxable Solid Waste Bond in an amount not-to-exceed $55,000,000 to finance the construction of a 121,000,000 gallon ethanol plant. The project is expected to create 50 new jobs and 400 construction jobs. **(06-11-23).**

Chairman Gustman asked if there were any guests attending the meeting with respect to the project. Steve Trout introduced Curt Jones, President & Owner; Kevin Ulrich, Project Manager and Owner; Brad Ulrich, Director, Technology and Project Development; Tom Kelty, Co-Bond Counsel, Law Offices of Tom Kelty; Sherry Olson, Accountant, Christianson & Associates; Lori Bockman, Co-Bond Counsel, Armstrong Teasdale; and Mary Kane, Underwriter, Stifel Nicolaus. Mr. Ulrich thanked the board and Authority staff for consideration of the project and provided a detailed overview of the project.

Chairman Gustman asked if the Board had any questions with respect to Project no. 23. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 23. Leave was granted. Project no. 23 was approved with 9 ayes, 0 nays, and 0 abstentions.

No. 24: **B-LL-TX-6231 – 218 West Main LLC**
Request for the issuance of a participation loan in the amount of $425,000 to finance the purchase and renovation of a 48,000 square foot building. The project is expected to create 10 new jobs and 15 construction jobs. **(06-11-24).**

No. 25: **B-LL-TX-6232– JA Holding Inc.**
Request for the issuance of a participation loan in the amount of $240,000 to facilitate the purchase of real property. The project is expected to create 5 new jobs and 20 construction jobs. **(06-11-25).**

No. 26: **B-LL-TX-6233– Tater's Trucking**
Request for the issuance of a participation loan in the amount of $122,500 to finance the purchase of land and building construction. The project is expected to create 8 new jobs and 15 construction jobs. **(06-11-26).**

No. 27: **B-LL-TX-6224– Precision Laser Manufacturing, Inc.**
Request for the issuance of a participation loan in the amount of $250,000 to finance the acquisition of new laser equipment. The project is expected to create 2 new jobs. **(06-11-27).**

No. 28: **E-PC-TE-CD-6235 – Illinois Wesleyan University**
Request for final approval of the issuance of Conduit Tax-Exempt 501(c)(3) Revenue Bonds in an amount not-to-exceed $35,000,000 to finance new life safety improvements and to advance refund all or a portion of prior IDFA bonds. This project is expected to create 5-10 construction jobs over a 12-24-month period. IFA will convey tax-exempt status on the bonds. **(06-11-28).**

Resolutions/Project Revisions/Amendatory Resolutions

No. 29: **BP Professional Building LLC (#B-LL-TX-6113)**
Request to increase the principal amount of the participation loan to be made by the Authority from $675,000 to $775,000 for the benefit of BP Professional Building LLC. **(06-11-29).**

No. 30: **Elmhurst Hotel Corporation d/b/a Holiday Inn Elmhurst (Mayan Adventure Indoor Water Park by Holiday Inn) (#B-LL-TX-665)**
Request to extend until March 1, 2007 the Authority's commitment to make a participation loan to Elmhurst Holiday Hotel Corporation d/b/a Holiday Inn Elmhurst (Mayan Adventure Indoor Water Park by Holiday Inn). **(06-11-30).**

No. 31: **Midway Broadcasting Company (#B-LL-TX-668)**
Request to extend until March 11, 2007 the Authority's commitment to make a participation loan to Midway Broadcasting Company. **(06-11-31).**

No. 32: **Jackson Park Hospital Foundation (#N-NP-TE-CD-664)**

Request to increase the principal amount of bonds to be issued by the Authority for the benefit of Jackson Park Hospital Foundation from not-to-exceed $10 million to not-to-exceed $80 million. **(06-11-32).**

No. 33: **<u>Thomas E. Walbaum Agri-debt Guarantee (#A-DR-GT-6199)</u>**
Request to increase the original agri-debt guarantee extension loan previously approved by the Board at its October 10, 2006 meeting from $193,043 to $199,043 for the benefit of Thomas E. Walbaum. **(06-11-33).**

No. 34: **<u>CoBatCo Participation Loan (#B-LL-TX-689)</u>**
Request to extend for a period of six months (until May 7, 2007) the Authority's commitment to make a participation loan to CoBatCo. **(06-11-34).**

No. 35: **<u>IMT Real Estate, L.L.C. (#B-LL-TX-6090)</u>**
Request to extend for a period of six months (until May 9, 2007) the Authority's commitment to make a participation loan to IMT Real Estate, L.L.C. **(06-11-35).**

No. 36: **<u>Pere Marquette Hotel Associates, L.P. (#B-LL-TX-582)</u>**
Request to extend for a period of six months (until April 12, 2007) the Authority's commitment to make a participation loan to Pere Marquette Hotel Associates, L.P. **(06-11-36).**

No. 37: **<u>Wisconsin Tool Project/9521 Associates, LLC (IDFA No. 9865 – IRB)</u>**
Amendatory bond resolution to authorize an amended and restated Trust Indenture, Loan Agreement and Offering Circular to, among other things, change the letter of credit provider from Chase Bank to Wachovia Bank N.A. **(06-11-37).**

No. 38: **<u>Resolution to Modify the Fee Schedule of the Illinois Finance Authority</u>**
Resolution to modify the fee schedule of the Illinois Finance Authority for the Authority's issuance of moral obligation local government bonds. **(06-11-38).**

Chairman Gustman asked if the Board had any questions with respect to Resolutions and/or Amendatory Resolutions Nos. 29-38. There being none. Chairman Gustman requested leave to apply the last unanimous vote in favor of Resolutions and/or Amendatory Resolutions Nos. 29-38. 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 Mr. Goetz and seconded by Mr. O'Brien, the meeting adjourned at approximately 12:32 p.m.

Respectfully Submitted,

Carla B. Burgess Jones, Secretary

1026714_1

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 5, 2006

Project: Devan L. and Reta J. Harris

STATISTICS

Project Number:	A-AD-GT-6247	Amount:	$314,000
Type:	Agri-Debt Guarantee	IFA Staff:	Eric Reed
Location:	Mt. Vernon	SIC Code	Grain Farming

BOARD ACTION

Approval to initiate an 85% loan guarantee in favor of Peoples National Bank in Mt. Vernon
$266,900 of State Treasurer's Agricultural Reserve Risk funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.
Additional Covenant: No further capital purchases without prior bank and IFA approval.

PURPOSE

The proposed loan proceeds will refinance existing real estate and equipment loans related to the borrower's business. The debt consolidation will improve the borrower's cash flow.

IFA PROGRAM AND CONTRIBUTION

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

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

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Guanteed Loan	$266,900	Uses:	Refinance Debt	$314,000
	Peoples Bank	$47,100			
	Total	**$314,000**		**Total**	**$314,000**

JOBS

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

BUSINESS SUMMARY

Background:	Devan and Rita Harris operate a small farming operation near Mt. Vernon. Prior to 2006, the borrower has rented 700 acres owned by his father and father-in-law, however in 2006 they rented an additional 155 acres, bringing the borrower's total to 855 acres of corn and soybeans. The borrowers have also operated a trucking business for many years, with little success. Recently the borrower had entered into a successful trucking contract, which has provided positive net income to their overall operations.
Project Rationale:	By consolidating the borrower's existing loans, their cash flow will be improved. The borrower also plans to sell $45,000 in existing equipment, which will further reduce the balance of their new loan. The loan officer has dealt with the borrower's for the past 15 years. He states that they are reputable borrowers, with a strong work ethic, and cooperative in negotiating a debt reduction plan.
Transaction:	The proposed loan will be secured by a 1st lien $315K of trucks, equipment, and real estate.

FINANCING SUMMARY

Borrower:	Devan L. and Reta J. Harris
Security:	1st lien on trucks, equipment, and real estate
Structure:	15 year term. Annual P& I.

PROJECT SUMMARY

The proceeds from the proposed loan will refinance existing (i) real estate debt of $216K and (ii) equipment debt of $98K. By combining these loans with prior year's carryover debt, the borrower's cash flow will be improved dramatically.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Devan L. and Reta J. Harris	
Location:	10413 E. Savanna Road Mt. Vernon, IL 62864	County: Jefferson
Organization:	Sole-Proprietorship	
State:	Illinois	
Ownership:	Devan L. and Reta J. Harris	

PROFESSIONAL & FINANCIAL

Accountant:	N/A	
Attorney:	N/A	
Bank:	Peoples National Bank, Mt. Vernon	Kent Hayse, Loan Officer

LEGISLATIVE DISTRICTS

Congressional: John Shimkus-19th   State Senate: John O. Jones-54th   State House: Kurt Granberg-107th

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 5, 2006

Project: Clark B. Kelly

STATISTICS

Project Number:	A-LL-TX-6251	Amount:	$262,500
Type:	Participation Loan	IFA Staff:	Cory Mitchell
Location:	Biggsville, IL	SIC Code:	Swine 0213

BOARD ACTION

Approval to purchase a 50% participation loan from Midwest Bank of Western Illinois, Monmouth, IL.
$262,500 of IFA funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.
Additional Conditions: **No additional debt or lease obligations without prior Lender/IFA approval**
Receipt of satisfactory appraisals to verify LTV of 80% or less
Receipt of necessary permits for construction of facilities.
Receipt of executed contract between borrowers and Tri-Oak Foods, Inc.
Assignment of Life Insurance Policy on Borrower

PURPOSE

The proposed loan will provide permanent financing of a 2400 head swine finishing building

IFA PROGRAM AND CONTRIBUTION

Under its Participation Loan Program, the Authority participates in bank loans financing capital projects for business, industry, farmers and agri-industry, and not-for-profit corporations. The Authority will participate in loans for up to 5 years fixed at a rate of interest 100 basis points above the 3 month LIBOR, or 200 basis points below the originating bank's rate. (Rate can never be below the 3 month LIBOR plus 100 basis points) The Authority shares pro-rata in the Bank's collateral and generally advances funds at rates up to 80% of appraised fair market value for real estate, 65% of cost for new equipment and 65% of orderly appraised liquidated value for used equipment

IFA's participation reduces the borrower's interest expense.

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	$262,500	Uses:	Purchase: Land	$15,500
Midwest Bank of Western IL.	$262,500		Building	$484,000
			Equipment	$18,000
			Engineering and Legal Fees	$7,500
Total	$525,000		**Total**	$525,000

JOBS

Current employment:	N/A	Projected new jobs:	0
Jobs retained:	1	Construction jobs:	13

BUSINESS SUMMARY

Background: Clark Kelly has farmed in the Biggsville, IL area for over 20 years. His farming operation has concentrated on the grain side while also managing a small cow/calf operation and experience of over 12 years raising hogs. His acres have increased from 616 acres in 2003 to 1452 acres in 2006. Clark has been able to manage the acreage increase and stay profitable. Hogs fed will be under contract with Tri-Oak Foods.

Project Rationale: Clark Kelly has been considering constructing a swine finishing facility for sometime. The facility will be backed by a contract feeding agreement, which will provide guaranteed income and sufficient cash flow for the borrower. The credit enhancement provided by IFA in the form of a participation will allow the lender to approve financing at a lower interest rate for the borrower.

Transaction: Clark Kelly will purchase a 2400 head swine finishing facility, 4.4 acres of land and equipment for a total of $525,000. Midwest Bank of Western Illinois is seeking a participation loan with IFA to meet competition's rate, allowing lower cost of capital for the borrower. The loan will be paid back with monthly interest and principal payments.

FINANCING SUMMARY

Borrower: Clark B. Kelly

Collateral:
1st REM on 2400 head swine finishing building, $509,000
2nd REM on Residence $130,000, ($49,300 equity.)
2nd REM on 115 acres $342,000($184,000 equity.)
2nd lien position on equipment $376,450($203,397 equity)
Assignment of Contract Payments from Tri-Oak Foods, Inc.
Assignment of Life Insurance Policy in the amount of $525,000.

Structure: 5 years fixed rate. 15 year amortization with monthly P&I

PROJECT SUMMARY

The proposed loan will provide for the permanent financing of a 2400 head swine finishing building. The borrower will contract to produce finished market hogs.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Clark B. Kelly

Location: P.O. Box 287
Biggsville, IL 61418 (Henderson County)

Organization: Sole Proprietorship

State: Illinois

PROFESSIONAL & FINANCIAL

Accountant:	Cavanaugh, Davies, Blackman and Cramblet	Monmouth, IL	
IFA Counsel:	Dykema Gossett	Chicago	David Cellitti
Bank:	Midwest Bank of Western Illinois,		Matt Gillen, Loan Officer

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 5 , 2006

Project: Douglas R. and Brenda S. Dozier

STATISTICS

Project Number:	A-LL-TX-6263	Amount:	$100,000
Location:	Bloomington	IFA Staff:	Cory Mitchell
SIC Code:	0191-Grain Farming		

BOARD ACTION

Approval to purchase a 50% participation loan from Goodfield State Bank, Goodfield, IL.
$100,000 of IFA funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

To provide permanent financing for the purchase of 80 acres of farmland.

IFA PROGRAM AND CONTRIBUTION

Under its Participation Loan Program, the Authority participates in bank loans financing capital projects for business, industry, farmers and agri-industry, and not-for-profit corporations. The Authority will participate in loans for up to 5 years fixed at a rate of interest 100 basis points above the 3 month LIBOR, or 200 basis points below the originating bank's rate. (Rate can never be below the 3 month LIBOR plus 100 basis points) The Authority shares pro-rata in the Bank's collateral and generally advances funds at rates up to 80% of appraised fair market value for real estate, 65% of cost for new equipment and 65% of orderly appraised liquidated value for used equipment

IFA's participation reduces the borrower's interest expense.

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	$100,000	Uses:		
	Goodfield State Bank	$100,000			
	Borrower Down Payment	$143,140		Purchase Land	$343,140
	Total	**$343,140**		**Total**	**$343,140**

JOBS

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

BUSINESS SUMMARY

Background: Doug has worked in the crop insurance field for the past 10 years. Before that he taught agriculture education at El Paso High School for more than 15 years. From the time he left the family farm to go to college, he has maintained an interest by helping his brother-in-law on the farm by assisting with labor and purchasing some farming equipment. Brenda is also in the crop insurance industry as a territory manager and was raised on a grain and livestock farm. This proposed loan will be the first piece of farm land the borrowers will own.

Project Rationale: The Doziers have been looking for their first tract of farmland for quite some time. They recently purchased 80 acres at auction for $4,300/ acre for a total purchase price of $343,140. Doug Dozier will be farming the farmland himself. He will purchase some additional equipment over time to plant the crop and will hire a custom applicator for the spraying of fertilizers and chemicals. Labor will be traded with his brother-in-law for harvesting expense.

Transaction: The borrowers will purchase 80 acres of farmland for $343,140 paying $143,140 towards the purchase price. Goodfield State Bank is seeking a participation loan with IFA in order to meet competition, which lower the cost of capital for the borrower. The loan will be serviced with annual principal and interest payments.

FINANCING SUMMARY

Borrower: Douglas R. and Brenda S. Dozier

Security: 1st Real Estate Mortgage on 80 acres of farmland. Collateral position will be "parri passu" with Goodfield State Bank.

Structure: 5 year term. 20 year amortization with annual Principal and Interest payments

PROJECT SUMMARY

The borrower's are purchasing 80 acres of farmland for $343,140. The loan will be secured by a first mortgage on the subject property.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Douglas R. and Brenda S. Dozier

Location: Rural Route, El Paso, IL (Woodford County, McLean County)

Organization: Sole-Proprietorship

State: Illinois

Ownership: Douglas R. and Brenda S. Dozier

PROFESSIONAL & FINANCIAL

Accountant: Ernst-Tyler PC, 705 E. Lincoln Stree, Suite 104, Normal, IL 61761

Attorney: n/a

Bank: Goodfield State Bank — Dana Wiegand, Senior Vice President

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Reed & Cory Mitchell/lk

Date: December 5, 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 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

December 5, 2006
FM: Eric Reed & Cory Mitchell/lk

Project Number:	**A-FB-TE-CD-6238**
Funding Manager:	Eric Reed
Borrower(s):	**Kent Elmore**
Town:	Mason, IL
Amount:	$250,000
Use of Funds:	Farmland – 140 acres
Purchase Price:	$329,000 / ($2,350 per ac)
%Borrower Equity	25%
%Other Agency	0%
%IFA	75%
County:	Effingham
Lender/Bond Purchaser	Peoples State Bank / Brian Bohnhoff
Legislative Districts:	Congressional: 19th, John Shimkus
	State Senate: 51st, Frank Watson
	State House: 102nd, Ron Stephens

Principal shall be paid annually in installments determined pursuant to a Fifteen year amortization schedule, with the first principal payment date to be on January 15, 2008. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be on January15, 2008 with the fifteenth and final payment of all outstanding balances due on January 15, 2022.

Kent Elmore: Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.25% variable until January 15, 2012 and adjust every five years thereafter to 2.00% below the Wall Street Journal prime with a minimum rate to the customer of 5.00% and a maximum rate to the customer of 12.99%. **Fee: $3,750**

Project Number:	**A-FB-TE-CD-6239**
Funding Manager:	Cory Mitchell
Borrower(s):	**Scott Thorngren**
Town:	Milledgeville, IL
Amount:	$57,200
Use of Funds:	Farmland – 22 acres
Purchase Price:	$57,000 / ($2,591 per ac)
%Borrower Equity	0%
%Other Agency	0%
%IFA	100%
County:	Carroll
Lender/Bond Purchaser	Contract for Deed / Judy Meyers
Legislative Districts:	Congressional: 16th, Donald Manzullo
	State Senate: 45th, Todd Sieben
	State House: 89th, Jim Sacia

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

Scott Thorngren: Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.0% fixed for the term of the loan with equal principal payments plus accrued interest in the amount of $5,720.00.
Fee: $885

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

Project Number:	**A-FB-TE-CD-6240**
Funding Manager:	Cory Mitchell
Borrower(s):	**Matt and Felicia Duncan**
Town:	Boston, IL
Amount:	$104,975
Use of Funds:	Farmland – 77.47 acres
Purchase Price:	$123,500 / ($1,594 per ac)
%Borrower Equity	15%
%Other Agency	0%
%IFA	85%
County:	Mercer
Lender/Bond Purchaser	Joy State Bank / Bryan Hofmann
Legislative Districts:	Congressional: 17th, Lane Evans
	State Senate: 36th, Michael Jacobs
	State House: 72nd, Patrick Verschoore

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to be on December 1, 2007. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be on December 1, 2007 with the thirtieth and final payment of all outstanding balances due on December 1, 2036.

<u>Matt & Felicia Duncan:</u> Note shall bear simple interest at the expressed rate. The expressed rate shall be 6.5% fixed for the first 5 years and adjust every three years thereafter to .50% below prime per the highest New York Prime Rate as quoted in the Midwest Edition of the Wall Street Journal or similar publication with a minimum of 5.5%. The Lender will charge .50% points. **Fee: $1,575**

Project Number:	**A-FB-TE-CD-6241**
Funding Manager:	Cory Mitchell
Borrower(s):	**Jonathon and Rhonda Bush**
Town:	Morrison, IL
Amount:	$236,250.00
Use of Funds:	Farmland – 74.84 acres
Purchase Price:	$262,500 / ($3,507 per ac)
%Borrower Equity	10%
%Other Agency	0%
%IFA	90%
County:	Whiteside
Lender/Bond Purchaser	Community State Bank
Legislative Districts:	Congressional: 16th, Donald Manzullo
	State Senate: 36th, Michael Jacobs
	State House: 71st, Mike Boland

Principal shall be paid annually in installments determined pursuant to a Twenty five year amortization schedule, with the first principal payment date to be on January 1, 2008. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be on January 1, 2008 with the twenty fifth and final payment of all outstanding balances due on January 1, 2031.

<u>Jonathon & Rhonda Bush:</u> Note shall bear simple interest at the expressed rate. The expressed rate shall be 6.25% fixed for the first 5 years and adjust every five years thereafter to 1.25% below prime per The Wall Street Journal with a floor of 5.0% and a cap of 12.00%. The Lender will charge .25% points. **Fee: $3,544**

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 5, 2006

Project: Friendship Village of Mill Creek Illinois, LLC

STATISTICS

Project Number:	H-SL-RE-TE-CD-6200	Amount:	$5,500,000 (Not to exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pamela Lenane and Dana Sodikoff
Locations:	Geneva		

BOARD ACTION

Final Bond Resolution
Conduit 501(c)(3) Bonds*
(See below in **IFA PROGRAM AND CONTRIBUTION**)

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, with the investment letter attached to this board summary

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.

Bond Anticipation Notes ("BANs") 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

The IFA gave its approval for a Preliminary Bond Resolution on October 10, 2006 by the following vote:

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

The IFA gave its approval for an Amended Preliminary Bond Resolution on November 14, 2006 by the following vote:

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

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 sponsor of Friendship Village of Mill Creek Illinois, LLC .

JOBS

Current employment: 4
Jobs retained: 4

Projected new jobs: 4
Construction jobs: 10

PROJECT SUMMARY

Overview of the Project:

Friendship Village of Mill Creek Illinois, LLC ("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 ILLINOIS, LLC DERIVES ITS 501(c)(3) STATUS FROM ITS SOLE CORPORATE MEMBER, EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC., D/B/A FRIENDSHIP VILLAGE OF SCHAUMBURG, WHICH IS AN EXISTING 501(c)(3) (SEE ATTACHED IRS DETERMINATION LETTER). MILL CREEK WILL PAY LOCAL REAL ESTATE TAXES, AS IT DOES ON ITS EXISTING SISTER CORPORATION'S CCRC, EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC.,D/B/A FRIENDSHIP VILLAGE OF SCHAUMBURG ("FVS").

Friendship Village of Mill Creek Illinois, LLC 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 anticipated project developer, Retirement Living Services (RLS), is one of the nationally recognized leaders 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): FVS, a sister corporation, is located in the primary market area; a strong management/development team in place; the successful track record of RLS in developing and marketing similar communities; the 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.

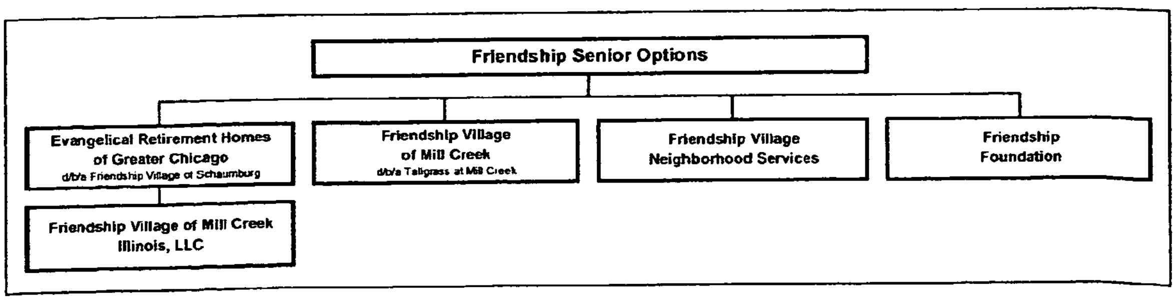
The BAN's will only be secured by the assets of Friendship Village of Mill Creek Illinois, LLC and repayment of the BAN's is dependent on the successful development of the project and the eventual completion of the bond sale. Assets of Friendship Senior Options, Evangelical Retirement Homes of Greater Chicago, Inc., d/b/a 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 Illinois, LLC , including the principal and interest on the BANs.

Friendship Village of Mill Creek Illinois, LLC 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. The project costs for Friendship Village of Mill Creek Illinois, LLC would include a portion of the costs associated with the design, development, and marketing of the project. The BANs would be structured with up to a five-year maturity, and will be issued with a fixed interest rate. Interest on the BANs accrues and is payable, along with principal, at maturity 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 Illinois, LLC would issue bonds through the Illinois Finance Authority to finance the construction of the project and redeem the bonds.

Overview of the Organization:

Evangelical Retirement Homes of Greater Chicago, Inc. has successfully operated a Continuing Care Retirement Community ("CCRC") with approximately 500 independent living units, 100 assisted living & dementia units and 250 nursing beds on a 60 acre campus known as Friendship Village of Schaumburg since the late 1970's. As part of a carefully planned growth strategy, the organization implemented a new corporate structure in conjunction with its $125,500,000 IFA financing in June, 2005.

The new corporate structure included the creation of a new not-for-profit Parent Corporation to be known as Friendship Senior Options ("FSO") and provided for the development of a second campus through a subsidiary not-for-profit corporation to be known as Friendship Village of Mill Creek d/b/a Tallgrass at Mill Creek ("Tallgrass"). IRS 501(c)(3) applications have been submitted and are currently in process for both of the new entities. Once the anticipated 501(c)(3) determination letters are received from the IRS, it is expected that the new Parent Corporation, FSO, will become the Sole Corporate Member of both CCRC campuses – Friendship Village of Schaumburg ("FVS") and Friendship Village of Mill Creek ("Tallgrass"). This new corporate structure is illustrated below:



Mill Creek will be the borrower in the documentation for the bond anticipation notes. The documentation will anticipate that Mill Creek will assume the loan obligations once it receives its 501(c)(3) determination letter, receipt of a confirming bond counsel opinion and after an approving resolution of the Authority.

Friendship Senior Options, Evangelical Retirement Homes of Greater Chicago, Inc., d/b/a 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 Illinois, LLC , including the principal and interest on the BANs.

The sponsor, Friendship Senior Options has agreed, however, to provide up to $1,000,000 of indemnification to the Authority as part of language included in the Bond Purchase Agreement and the Loan Agreement. Further, Friendship Senior Options will agree to maintain liquidity (either in unrestricted cash and/or a line of credit), in an amount equal to or in excess of the $1,000,000 as long as the bonds are outstanding.

Please note on the attached Consolidating Financial Statements, that this newly formed Parent Corporation (Friendship Senior Options) was funded initially through an affiliate transfer of in excess of $7.4 million from Evangelical Retirement Homes of Greater Chicago, Inc., d/b/a Friendship Village of Schaumburg. This unrestricted cash will be held at the Parent and a portion will be available to pay the $1,000,000 indemnification as long as the bonds are outstanding.

Past Borrowings of Related Entities:
While the Project before the Board is new, its parent corporation, Evangelical Retirement Homes of Greater Chicago, Inc., d/b/a Friendship Village of Schaumburg, has been in existence since the late 1970's and has successfully financed and developed at least three similar financings 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. However, Friendship Senior Options, Evangelical Retirement Homes of Greater Chicago, Inc., d/b/a 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 Illinois, LLC , 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 Illinois, LLC, an entity which at that time will have limited assets. Investors in the BAN's will have no recourse to Friendship Senior Options, Evangelical Retirement Homes of Greater Chicago, Inc., d/b/a 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 AND PROJECT MONITOR

Indemnification:	Friendship Senior Options, the sponsor of Mill Creek , will provide up to $1,000,000 of indemnification to the Authority as part of the indemnification language included in the Loan Agreement and in the Bond Purchase Agreement. Further, Friendship Senior Options will agree to maintain liquidity (either in unrestricted cash and/or a line of credit), in an amount equal to or in excess of the $1,000,000 as long as the bonds are outstanding.

Project Monitor: The Loan Agreement between the Authority and Mill Creek (the "Borrower") and Friendship Senior Options shall require that a project monitor acceptable to the Authority (the "Project Monitor") be engaged, at the Borrower's expense, prior to the closing on the BAN's until the BAN's are repaid in full. **THE BORROWER WILL ALSO SUBMIT TO THE AUTHORITY PRIOR TO THE CLOSING A CONSTRUCTION AND DEVELOPMENT SCHEDULE WITH DATES AND REQUIREMENTS FOR THE DISBURSEMENTS FROM THE PROJECT FUND, THE FORM AND SUBSTANCE OF SUCH SCHEDULE TO BE APPROVED BY THE AUTHORITY.**

The Loan Agreement shall provide that the Project Monitor shall have certain rights and obligations relating to the Project, including, but not limited to, the following rights and obligations: (i) to monitor and inspect the presales and sales relating to the Project; (ii) to monitor and inspect the construction of the Project; (iii) to receive copies of the project budget and related back-up documentation and any subsequent amendments to such documentation; (iv) to receive copies any sales or development plans and any subsequent amendments to such documentation; (v) to receive notice of any plans to delay or abandon the Project; (vi) to receive notice of any change in law that may negative impact the Project; (vii) the right to approve all disbursement from any project fund held by a bond trustee for the Project; (viii) to review and approve the presales and sales milestones for the Project; (ix) to receive notice of any project cost overruns and proposed remedies for such condition; (x) to receive copies of the monthly sales and marketing reports for the Project; (xi) to receive copies of the monthly and year-to-date statements of income and development expenses; (xii) to receive copies of the annual audited financial statements of the Borrower; (xiii) to receive copies of a monthly narrative and statistical assessment of the progress of the Project in achieving sales and project milestones; and (xiv) any other right or obligation reasonably required by the Authority. **THE LOAN AGREEMENT WILL PROVIDE FOR REGULAR REPORTING TO THE AUTHORITY.**

ECONOMIC DISCLOSURE STATEMENT

Project name:	Friendship Village of Mill Creek Illinois, LLC Home Office: 350 West Schaumburg Road, Schaumburg, Illinois	
Applicant:	Friendship Village of Mill Creek Illinois, LLC	
Organization:	Illinois not-for-Profit Corporation (IRS 501(c)(3) application filed and in process);	
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:	Smith, Hemmesch, Burke Brannigan & Guerin	Chicago	Don Hemmesch
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, Jennifer Lavelle
Underwriter's Counsel:	Katten, Muchin, Rosenman, LLP	Chicago	Janet Hoffman
Issuer's Counsel:	Charity & Associates	Chicago	Alan 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 Illinois, LLC
Congressional: 14- J. Dennis Hastert
State Senate: 25- Chris Lauzen
State House: 50- Patricia Reid Lindner

Internal Revenue Service
District Director

Department of the Treasury

Date: JUL 2 9 1976

Our Letter Dated: August 7, 1975

Person to Contact: Mr. J. Postelnik

Contact Telephone Number: 353-3212

Evangelical Retirement Homes of
Greater Chicago Incorporated
(Friendship Village of Schaumburg)
c/o William L. Smith, Jr.
29 South La Salle Street - Suite 930
Chicago, Illinois 60603

Gentlemen:

This modifies our letter of the above date in which we stated that you would be treated as an organization which is not a private foundation until the expiration of your advance ruling period.

Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Internal Revenue Code, because you are an organization of the type described in section 509(a)(2). Your exempt status under section 501(c)(3) of the code is still in effect.

Grantors and contributors may rely on this determination until the Internal Revenue Service publishes notice to the contrary. However, a grantor or a contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section 509(a)(2) status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(2) organization.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any [illegible] telephone number are shown above.

Sincerely yours,

District Director

230 S. Dearborn St., Chicago, Ill. 60604

Form L-399 (Rev. 1-76)

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **Jackson Park Hospital Foundation**

STATISTICS

Deal Number:	H-HO-TE-CD-664	Amount:	$80,000,000 (not-to-exceed amount)
Type:	501(c)(3) Bonds	IFA Staff:	Sharnell Curtis Martin
Location:	Chicago	SIC Code:	8060 (Hospitals)

BOARD ACTION

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

Staff recommends approval
Conditions: Minimum $100,000 Denominations
Sophisticated Investor Letter

PURPOSE

Bond proceeds will be used to finance the acquisition of land and equipment, construction and renovations, fund debt service reserve, pay capitalized interest and pay certain bond issuance costs.

IFA CONTRIBUTION

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

VOTING RECORD

Preliminary Bond Resolution: October 11, 2005

Ayes: 10 Nays: 0 Abstentions: 0 Vacancies: 1
Absent: 4 (DeNard, Fuentes, Goetz, Nesbitt)

Amendatory Bond Resolution: November 14, 2006

Ayes: 9 Nays: 0 Abstentions: 0
Absent: 6 (Boyles, DeNard, Herrin, Nesbitt, Rice, Rivera)

SOURCES AND USES OF FUNDS

Sources:	IFA Bond	$75,000,000	Uses: Project Costs	$59,550,000
			Capitalized Interest	8,600,000
			Debt Service Reserve	6,000,000
			Bond Issuance Costs	850,000
Total Sources		$75,000,000	**Total Uses:**	$75,000,000

JOBS

Current employment:	607	Projected new jobs:	66
Jobs retained:	N/A	Construction jobs:	250 (42 months)

BUSINESS SUMMARY

Background: Jackson Park Hospital Foundation ("JPH" or "Hospital") is an Illinois not-for-profit cooperation established in 1913 and received its not-for-profit classification in April 1967. Jackson Park Hospital was originally a 75 bed private community hospital. Presently JPH is a 336 bed facility that serves the southeast side of Chicago. The day to day operations of the hospital are managed by Merritt J. Hasbrouck, President and G. Randall Smith, Executive Vice President. Mr. Hasbrouck has been a member of JPH management for more than 30 years.

On April 1, 1967 the hospital was purchased by the Jackson Park Hospital Foundation at which time JPH became a 501(c)(3) organization. From 1969 through 1981 JPH undertook capital improvement projects including: addition of a psychiatric wing and the construction of a 177 bed medical surgical wing.

The proposed project will now provide for the renovation of the hospital's Emergency Room, Medical/Surgical Unit, Behavioral Health Unit, various interior renovations, a new 400 car parking structure, construction of a new building addition which will house the area of obstetrics/gynecology and neonatal care, the acquisition of land and equipment which includes diagnostic radiology equipment, communications equipment and life safety equipment. In addition to project costs, bond proceeds will also fund a debt service reserve, pay capitalized interest and to pay bond issuance costs.

FINANCING SUMMARY

Security: The bonds will be secured by a mortgage on the subject property as well as a collateral pledge of payments the Hospital is entitled to receive from the Illinois Department of Public Aid. The CHAP (Critical Hospital Adjustment Payments) program is part of a broader program through which the Department reimburses hospitals throughout the State of Illinois for various services provided to the poor. Historical CHAP payments have totaled approximately $7 million in 2003, $11.3 million in 2004, 9.7 million in 2005 and $11.1 million in 2006. JPH has received approximately $6.8 million of a $12 million allocation to date for fiscal year 2007.

Structure: The Bonds will be unrated and uninsured and sold in minimum $100,000 denomination to Sophisticated Investors. The transaction will be a Limited Public Offering at a fixed at a rate 6%.

Maturity: 30 Years

PROJECT SUMMARY

Bond proceeds will be used to finance the renovation and construction of facilities to be located at 7531 Stony Island Avenue, Chicago, IL (Cook County), acquisition of land located at 1637 East 75th Street, in Chicago (Cook County) finance the acquisition of equipment, fund a debt service reserve, pay capitalized interest and pay certain bond issuance costs. Project costs are estimated as follows:

Construction/Renovations	$49,630,000
Equipment	6,200,000
Contingency	3,000,000
Land	720,000
Total Project Costs	$59,550,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Jackson Park Hospital Foundation 7531 Stony Island Avenue, Chicago, IL 60649 (Cook County) Mr. Randall Smith, Executive Vice President, Phone (773) 947-7830, Fax (773) 947-7962	
Location:	7531 Stony Island Avenue, Chicago, IL 60649	
Organization:	501(c)(3) Organization	
State:	Illinois	
Board Members:	Dr. Arol Augsburger	Dr. Bangalore R. Murthy
	James I Clark	Dr. Haroon Olomi
	Dr. Lakshmi Dodda	Dr. Cristina Padlan
	Dr. William O. Dorsey, III	Alderman Todd Stroger
	Dr. Harshad Mehta	Dr. Elmer Washington
	Kay L. Murray	
Land Sellers:	City of Chicago and Mr. Jack Batuello	

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Seyfarth Shaw Fairweather & Geraldson	Chicago	Alvin Kruse
Accountant:	Hill Taylor, LLC	Chicago	Kenneth Yu
Bond Counsel:	Schiff Hardin Waite	Chicago	Don Kreger
Underwriter:	SBK Brooks Investment Corp.	Chicago	Wayne Pierce
Underwriter's Counsel:	Katten Muchin and Rosenman	Chicago	Lew Greenbaum
Issuer's Counsel:	Burke Bums & Pinelli	Chicago	Mary Anne Murray
Trustee:	Amalgamated Bank	Chicago	Christine Linde

LEGISLATIVE DISTRICTS

Congressional:	1 – Bobby L. Rush
State Senate:	17 – Donne Trotter
State House:	25 – Barbara Flynn Currie

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 5, 2006

Project: **Northern Illinois Conference of the United Methodist Church**

STATISTICS

Project Number:	N-NP-TE-CD-6253	Amount:	$3,400,000
Type:	501(c)(3) Revenue Bonds	FM:	Townsend Albright
Location:	Machesney Park		

BOARD ACTION

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

PURPOSE

Proceeds will be used to (i) construct a community facility, (ii) purchase furniture fixtures and equipment, (iii) Construct a parking area, and (iv) fund legal and professional issuance costs.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

This project does not require IFA Volume Cap.

VOTING RECORD

Preliminary Bond Resolution - No prior vote

SOURCES AND USES OF FUNDS

Source:	IFA Bonds	$3,400,000	Uses:	Project Costs	$3,325,000
				Legal and professional costs	75,000
Total		$3,400,000		Total	$3,400,000

JOBS

Current employment:	N/A	Projected new jobs:	55 (Partner/Tenants)
Jobs retained:	N/A	Construction jobs:	100 (8 months)

BUSINESS SUMMARY

Background: The Northern Illinois Conference (the "Applicant", the "Conference") was incorporated in 1873. The Conference's mission is to serve the community and the world. In that tradition, the Conference supports community development efforts, the Bishop's initiative on Children and Poverty, and service to adults and children through the Conference's churches and community centers. The Conference encompasses 19 counties in the northern third of Illinois. It is bordered by the Mississippi River on the West, Lake Michigan on the East, Wisconsin on the North, and I-80 and the Illinois River on the South. The Conference provides a wide range of social services to communities within its borders, but has no services in the Machesney Park area. Hilltop Center will be one of the Conference's newest venues for serving in the Rockford area.

The Conference launched many agencies and programs that serve communities of Northern Illinois. Agencies include:
Childserve: a DCSF-licensed child sell-being agency that serves 4,000 children and their families at 22 sites in Cook, DuPage, and Lake counties.
Marcy-Newberry Association: The Association was established in 1883 to provide direct social services to children, youths, and low-income families. The agency serves the needs of Chicago's west and south side communities in 14 sites offering comprehensive residential and social services. Other Conference agencies include the **Methodist Youth Services, Rosencrance Health Network, Prisoner Release Ministry, Inc.**, and the **Mental Health Awareness Task Force.** A list of the Applicant's Board of Directors is included in this report for IFA Board review.

Description: Proceeds of the proposed financing will be used to construct an approximately 26,210 sq. ft. all-purpose community center on 30 acres of donated land that is presently being farmed. The proposed center will include (i) a full-size gym and workout facility for adults and which will support lessons and sports activities for children, (ii) a coffee shop and lounge, (iii) classrooms, (iv) a daycare center, (v) a counseling center, and (vi) fund legal and professional issuance costs. . The Machesney Park community (population 22,246) has no other licensed daycares or preschools.

Non-profit partners (tenants) will include (i) Building Blocks Learning Center serving 150 children, (ii) the Beloit Memorial Hospital, which will provide counseling services, (iii) the Roscoe United Methodist Church, and (iv) the Harlem Community Center which will organize athletic programs for children and youth. The Applicant plans to hold worship services in the gym area of the facility. That portion of the proposed bond issue which funds the gym will be issued as taxable debt. The purpose of the facility is to serve the entire community.

Remarks: The state of the art facility will serve the current Machesney Park residents and the approximately 25,000 new residents that are projected to move into a three-mile radius of this area within three years. Low interest tax-exempt financing will help make it possible for the Conference to provide Machesney Park and surrounding residents with these necessary activities and services

FINANCING SUMMARY

Collateral:	Direct purchase for portfolio by North West Bank, Rockford, Illinois.
Structure:	Either Multi-Mode Variable Rate or Fixed Rate bonds. The bonds could include one year's capitalized interest and/or a Debt Service Reserve to be negotiated with North West bank.
Collateral:	First Mortgage on the property, and corporate guarantee of the Conference.
Rating:	Non-rated
Maturity:	Expected to be either 20 or 30 years,

PROJECT SUMMARY

Proceeds will be used to (i) construct an approximately 26,210 sq. ft. multi-purpose community center including a gym on 30 acres of donated land located at 8309 Mitchell Road, Machesney Park, Winnebago County, Illinois, (ii) purchase and install fixtures, equipment and furniture, (iii) construct a parking area, and (iv) fund legal and professional issuance costs.

Project Costs:	Building and parking area	$3,000,000
	Equipment/fixtures	300,000
	Arch/ Eng	25,000
	Total	$3,325,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Northern Illinois Conference of the United Methodist Church
Project Name:	Hilltop Center
Project Location:	8309 Mitchell Road, Machesney Park, Winnebago County, Illinois
Land Owner:	Northern Illinois Conference of the United Methodist Church

Conference Board:	Bishop Hee-Soo Jung, President	
	Phyllis Tholin, Vice President	Derrick Malone
	Harriet McCabe, Secretary	Ron Kamykowski
	Lonnie Chafin, Treasurer	Norma Lee Barnhart
	Pat Beal	Lana Sutton
	Doris Rudy	Gessel Berry
	Jamie Falconer	Judith Glese
	Alan Spillner	

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Wilwer and Waldren	Evanston, IL	Brian Wilwer
Accountant:	Givens & Barnes	Arlington Hts., IL	
Bond Counsel:	McGuirewoods LLP	Chicago, IL	Darryl Davidson
Underwriter/ Placement Agent:	North West Bank	Rockford, IL	Allen Godin
Counsel to Bank:	Wilwer and Waldren	Evanston, IL	Brian Wilwer
Trustee:	North West Bank	Rockford, IL	
Issuer's Counsel:	IceMiller	Chicago, IL	Thomas Smith

LEGISLATIVE DISTRICTS

Congressional:	16th	Donald A. Manzullo
State Senate:	34th	Dave Syverson
State House:	68th	Dave Winters

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 14, 2006

Project: Occupational Development Center, Inc.

STATISTICS

Project Number:	N-NP-TE-CD-6237	Amount:	$3,400,000 (not-to-exceed amount)
Type:	501(c)(3) Bonds	IFA Staff:	Steve Trout
Location:	Normal, IL		

BOARD ACTION

Final Bond Resolution as a participant in a $5.210 million pooled financing

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

PURPOSE

To finance the purchase and renovation of a 76,000 square-foot facility and to pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

Voting Record for Preliminary Bond Resolution: 11/14/2006

Ayes: 9 Nays: 0 Abstentions: 0
Absent: 6 (Boyles, DeNard, Herrin, Nesbitt, Rice, Rivera)

ESTIMATED SOURCES AND USES OF FUNDS (subject to change)

Sources:	IFA Bonds	$3,265,000	Uses:	Project Costs	$2,915,000
				Debt Service Reserve	253,000
				Costs of Issue	97,000
	Total	$3,265,000		**Total**	$3,265,000

JOBS

Current employment:	59	Projected new jobs:	11
Jobs retained:	NA	Construction jobs:	10

BUSINESS SUMMARY

Description: The Occupational Development Center (ODC) is an Illinois 501(c)(3) corporation that was established in 1965. ODC provides comprehensive services for individuals with disabilities to help them live and work independently in the community. Their training services, janitorial services, and placement services offer 14 unique programs that all work towards community employment. ODC customizes its services to meet each person's individual needs, regardless of ability.

Background: The ODC has provided employment and training for individuals with disabilities or vocational barriers since it was incorporated as a non-profit sheltered workshop in 1965. Originally known as McLean County Workshop, the operation became a United Way agency in 1965 and by 1967 had a board of directors and two staff members in place. At that time, the agency had approximately 3,500 square feet of operating space in a building at 223 Douglas St. in Bloomington.

Original customers included: The Admiral Corp. (Maycor); Bloomington Offset Printing; Bloomington Public Schools; Eureka-Williams; General Telephone Co.; Illinois State University and State Farm Insurance. In 1969 the board of directors changed the name to The Occupational Development Center and the operation moved to 300 S. Center St., Bloomington.

Steady growth necessitated another move in 1976 – this time to the former U.S. Post Office building at 400 N. East St., Bloomington. The ODC Auxiliary was formed in 1977, and in 1978, the organization opened the ODC Thrift Shop. With the help of volunteers, the shop offered donated items for sale to help fund ODC programs and services. The shop closed in 2001, but the Auxiliary continues to aid the agency in other ways.

ODC moved to 2016 Warehouse Road in Normal in 1988. Increased operating space led to rapid growth, a greater variety of business services and additional employment opportunities.

ODC moved to new quarters in remodeled space in the former Eureka-Williams building 1201 E. Bell St in Bloomington in August 2000. The location alloOwed ODC to offer consumers and business clients improved levels of service and programs.

Program: The ODC is one of two participants in a $5.210 million pooled financing, sponsored by the Illinois Association of Rehabilitation Facilities (IARF). IARF serves as a pool coordinator, by bringing two or more Illinois rehabilitation facilities borrowing needs together in order to benefit from economies of scale of issuance costs, as well as to achieve a rated bond issue ("BBB"), which would not otherwise be achieved, if issued autonomously. Although this is the first time the IFA has been used as a conduit for this type of pool, the IDFA had a long-standing relationship with IARF and had been the conduit issuer for these pools for many years.

FINANCING SUMMARY

Bonds:	Tax-exempt 501(c)(3) Bonds fully amortizing over 10 years
Obligor:	Occupational Development Center
Security / Collateral:	General obligation pledge of the Borrower. Shared 1st of the financed facility, pro-rata with Illinois Finance Fund.
Credit Rating:	BBB rating anticipated

PROJECT SUMMARY

Proceeds of the financing will be used towards the purchase of real property that was once part of an outdoor outlet mall. The property is approximately 49,000 square feet and will have a multi-purpose use. ODC intends to utilize 15% of the space for administrative purposes, 70% for a workshop area, and 15% for day training.

The workshop area will allow ODC clients additional space to participate in recreational activities and to work on projects that are a result of contractual relationships with Hallmark and Mitsubishi. Also, the space will be utilized to train clients on basic living skills that are needed for day-to-day activities. Skills taught may include: loading a dishwasher, setting a table, paying bills, making a bed, etc. Currently, ODC has more client referrals than can be accommodated for its Day Training Program. This expansion will allow ODC to serve some of the clients now waiting for services.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Occupational Development Center, 1201 East Bell St., Bloomington, IL 61701
Project name:	Occupational Development Center
Location:	1201 East Bell St., Bloomington, IL 61701
Organization:	Illinois 501(c)(3) organization
Board Membership:	

Name	Board Position
Mark Clauss	Chairman
Jeff Bakken	Vice-Chair
Gene Cronkright	
Jeff Hartweg	
Bill Hertter	
Linda Jones	
Pat Kuebrich	
Robert Nickrent	
Jason Potts	
Don Shippy	Secretary / Treasurer
Brenda Simpkins	
Paul Trumbull	

PROFESSIONAL & FINANCIAL

Sponsor / Administrator:	Illinois Assoc. of Rehabilitation Facilities (IARF)	Bridget Ganey	Springfield, IL
Issuer Counsel:	Law Office of Kevin Cahill	Kevin Cahill	Chicago, IL
Bond Counsel:	Pugh Jones & Johnson, PC	Scott Bremer	Chicago, IL
Participant's Counsel:			
Underwriters:	Municipal Capital Markets Group	Kendal Cornwall	Dallas, TX
Underwriters Counsel:	Glast Phillips & Murray	John Stasney	Dallas, TX
Trustee:	Marine Bank George Laubner	Springfield, IL	
Trustee's Counsel:	Hart, Southfield, & Witsman	Samuel J. Witsman	Springfield, IL

LEGISLATIVE DISTRICTS

Congressional:	15th Timothy V. Johnson
State Senate:	44th Bill Brady
State House:	88th Dan Brady

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 14, 2006

Project: **Bridgeway, Inc.**

STATISTICS

Project Number:	N-NP-TE-CD-6236	Amount:	$2,100,000 (not-to-exceed amount)
Type:	501(c)(3) Bonds	IFA Staff:	Steve Trout
Location:	Macomb, IL		

BOARD ACTION

Final Bond Resolution
Conduit Tax-Exempt 501(c)(3) Revenue Bonds
No extraordinary conditions

Staff recommends approval
No IFA funds at risk

PURPOSE

To refinance two group homes (located in Pekin), the purchase and renovation two training facilities (located in Oquawka and Pekin), and the construction of a new facility.

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

Voting Record for Preliminary Bond Resolution: 11/14/2006

Ayes: 9 Nays: 0 Abstentions: 0
Absent: 6 (Boyles, DeNard, Herrin, Nesbitt, Rice, Rivera)

ESTIMATED SOURCES AND USES OF FUNDS (subject to change)

Sources:	IFA Bonds	$2,000,000	**Uses:**	Project Costs	$1,742,000
				Debt Service Reserve	198,000
				Issuance Costs	60,000
	Total	$2,000,000		**Total**	$2,000,000

JOBS

Current employment:	450	Projected new jobs:	0
Jobs retained:	NA	Construction jobs:	0

BUSINESS SUMMARY

Description: Bridgeway is a 501 c (3) corporation founded in 1993 that provides social services across 13,400 square miles which includes 10 Illinois and 3 Iowa counties. Bridgeway employs 450 individuals and serves approximately 8,900 clients per year.

Background: Bridgeway was formed October 1, 1993 by the merger of McDonough County Rehabilitation Center (MCRC) and Spoon River Incorporated (SRI) and its affiliate corporations, Harrington Family Services and Soon River Center. In July 1998 a vocational program for disabled persons expanded into eastern Iowa. These human service corporations, having served west-central Illinois and eastern

Iowa for decades, meet the growing needs and challenges of providing community-based health and human services. These services are designed to assist and empower people in maximizing their potential for personal development and growth in all areas of human functioning.

Bridgeway serves any person who can benefit from its array of services without regard to disability, dependent status, race color, national origin or age. Bridgeway is a CARF accredited organization, funded in part through contributions from the United Way, United Fund and Community Chest.

Bridgeway provides the following services to its participants: Childcare and Pre-School services, Family Services, Behavioral Health Services, Rehabilitation, Recovery and Day Services, Residential Services, Substance Abuse Services, Vocational Services.

Program: Bridegway is one of two participants in a $5.210 million pooled financing, sponsored by the Illinois Association of Rehabilitation Facilities (IARF). IARF serves as a pool coordinator, by bringing two or more Illinois rehabilitation facilities borrowing needs together in order to benefit from economies of scale of issuance costs, as well as to achieve a rated bond issue ("BBB"), which would not otherwise be achieved, if issued autonomously. Although this is the first time the IFA has been used as a conduit for this type of pool, the IDFA had a long-standing relationship with IARF and had been the conduit issuer for these pools for many years.

FINANCING SUMMARY

Bonds:	Tax-exempt 501(c)(3) Bonds fully amortizing over 10 years
Obligor:	Bridgeway Foundation
Collateral:	General obligation pledge of the Borrower
	First Mortgage on Bridgeway's financed properties
Credit Rating:	BBB rating anticipated

PROJECT SUMMARY

Proceeds of the financing will be used to refinance the following projects:

Facility	Purpose	Project Cost
2705 Persimmon Pekin, IL	Group Home	$200,000
809 Audubon Pekin, IL	Group Home	$180,000
2077 Edgewater Pekin, IL	Facility Purchase / Renovate	$550,000
2079 Edgewater Pekin, IL	Facility New Construction	$630,000
Hwy 164 Oquawka, IL	Facility Purchase / Renovate	$182,000
Total Project Costs		$1,742,000

Currently, Bridgeway has two group homes that they wish to refinance in the pool, in order to achieve a lower interest rate and thus additional debt service payment savings. In addition, Bridgeway has purchased adjacent properties at 2077 & 2079 Edgewater in Pekin that they wish to refinance. The 2077 Edgewater property is currently used for 20% of administration and 80% for workshop purposes. The renovated entities will be used as 100% for administration purposes at the 2079 Edgewater facility and 100% workshop at the 2077 property. Finally, Bridgeway wishes to refinance the purchase of the Oquawka sight that provides additional workshop facility for its clients.

Bridgeway Foundation will report the facilities and the associated debt on their balance sheet as well as be responsible debt service payments (and coverage). It should be noted that Bridgeway, Inc. receives interceptable state revenues (in the form of grants and contractual fees) and will utilize these revenues to make facility rent payments to Bridgeway Foundation. Thus, the combined entities are ultimately responsible for the financed facilities and the associated debt.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Bridgeway, Inc., 900 South Deer Road, Macomb, IL 61455
Project name:	Bridgeway, Inc.
Location:	South Deer Road, Macomb, IL 61455
Organization:	Illinois 501(c)(3) organization
Board Membership:	

Name	**Board Position**
James E. Gray	Chairman

PROFESSIONAL & FINANCIAL

Sponsor / Administrator:	Illinois Assoc. of Rehabilitation Facilities (IARF)	Bridget Ganey	Springfield, IL
Issuer Counsel:	Law Office of Kevin Cahill	Kevin Cahill	Chicago, IL
Bond Counsel:	Pugh Jones & Johnson, PC	Scott Bremer	Chicago, IL
Participant's Counsel:			
Underwriters:	Municipal Capital Markets Group	Kendal Cornwall	Dallas, TX
Underwriters Counsel:	Glast Phillips & Murray	John Stasney	Dallas, TX
Trustee:	Marine Bank George Laubner	Springfield, IL	
Trustee's Counsel:	Hart, Southfield, & Witsman	Samuel J. Witsman, Esq	Springfield, IL

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: Victor C. Neumann Association

STATISTICS

Deal Number:	N-NP-TE-CD-6180	Amount:	$7,000,000
Type:	501c)(3) Revenue Bond	IFA Staff:	Sharnell Curtis Martin
Location:	Chicago	SIC Code:	8322

BOARD ACTION

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

PURPOSE

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

IFA CONTRIBUTION

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

VOTING RECORD

Preliminary Bond Resolution: September 27, 2006

Ayes: 9 Nays: 0 Abstentions: 0
Absent: 6 (Boyles, DeNard, Nesbitt, O'Brien, Talbott, Zoeller)

SOURCES AND USES OF FUNDS

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

JOBS

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

BUSINESS SUMMARY

Background:	Victor C. Neumann Association (the "Association" or the "Applicant") was incorporated as 501(c)(3) organization and has been operating in the Chicago area since 1949. Neumann's mission is to integrate persons with developmental disabilities and mental illness, helping them integrate into the community and enriching their quality of life with choice and independence. Today the Association offers a continuum of innovative, high quality services in its primary and in 19 residential homes in Chicago.
Description:	The Applicant provides various program services including: Developmental Training Program, Psychosocial Rehabilitation Program, Case Management Services, Medical Services, Clinical Services, Residential Program and Career Services Program. Currently, more than 350 adults with developmental disabilities receive quality care that fosters personal growth and self-respect. The Association is licensed to operate by the Illinois Department of Human Services.
Remarks:	This project represents the second transaction the Authority has issued ob behalf of Victor C. Neumann Association. The Illinois Development Finance Authority, a predecessor to IFA, issued a $9 million bond transaction on behalf of the organization in 1997.

FINANCING SUMMARY

Security:	The bonds will be purchased by Bridgeview Bank and held until maturity as an investment
Structure:	Private Placement with a fixed interest rate of 5.10%
Maturity:	10 year term with a 30 year amortization
Bank Collateral:	First mortgage on subject real estate and blanket lien on business assets
Credit Rating:	Not Applicable

PROJECT SUMMARY

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

Refinancing	$4,965,000
Renovations	1,850,000
Total Project Costs	$6,815,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Victor C. Neumann Association		
Project name:	Victor C. Neumann Association Project		
Location:	5547 N. Ravenswood Chicago, IL 60640		
Organization:	501(c)(3) Corporation		
State:	Illinois		
Board of Directors:	Helena Burke-Bevan	Thomas Jakunczyk	Stephen Jacob
	Brannon Lambert	Chrisann Schiro-Geist	John Lenckos
	Paul Coyle	Alexandra Carey	Sylvia Stuart
	Michael Munro	Judith Hollander	James Watts
Land Sellers:	Not Applicable		

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Law Offices of Kevin Cahill	Chicago	Kevin Cahill
Accountant:	Blackmnan Kallick Bartelstein		
Bond Counsel:	Perkins Coie	Chicago	Bill Corbin
Bond Purchaser:	Bridgeview Bank	Chicago	Nerma Bajramovic
Bond Purchaser's Counsel:	Vedder Price Kaufman & Kammolz	Chicago	Richard Saunders
Financial Advisor:	Griffin Kubik Stephen & Thompson	Chicago	Michael Boisvert
Issuer's Counsel:	Ice Miller	Chicago	Tom Smith

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 5, 2006

Project: St. Ignatius College Prep

STATISTICS

Project Number:	E-NP-TE-CD-6214	Amount:	$16,000,000
Type:	501(c)(3) Revenue Bonds	FM:	Rich Frampton
Location:	Chicago		

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 finance land and building acquisition to expand athletic facilities, and for various building and facility renovations at St. Ignatius' existing campus (see Project Summary on p. 3 for complete description).

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

Voting Record for Preliminary Bond Resolution: 11/14/2006

Ayes: 9 Nays: 0 Abstentions: 0
Absent: 6 (Boyles, DeNard, Herrin, Nesbitt, Rice, Rivera)

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$16,000,000	Uses:	Project costs	$15,680,000
				Issuance costs	320,000
	Total	**$16,000,000**		**Total**	**$16,000,000**

See financial summary section. If necessary, St. Ignatius will draw down existing cash balances, to provide additional equity as required by the LOC Bank (i.e., Chase Bank).

JOBS (preliminary, subject to change)

Current employment:	145	Projected new jobs:	1-2
Jobs retained:	Not applicable	Construction jobs:	20 (6 months)

BUSINESS SUMMARY

Background: St. Ignatius College Prep ("St. Ignatius") was established in 1869 and is an Illinois not for profit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. St. Ignatius is governed by a 25 member Board of Trustees comprised of Jesuits and laymen.

Description: St. Ignatius was founded in 1869 and is the oldest school in the center of Chicago. The school is on the National Register of Historic Places and is one of 5 structures to have survived the Great Chicago Fire.

St. Ignatius was founded in 1869 and is a private, four-year college preparatory secondary school comprising grades 9-12. St. Ignatius' campus is located approximately one mile southwest of the Chicago Loop, near the NW corner of Roosevelt Rd. and Morgan St., and has been in the same location since its founding. St. Ignatius is the oldest school in central Chicago.

The Jesuits founded St. Ignatius to educate the children of Irish and German immigrants in Chicago. Although St. Ignatius' student profile was primarily Catholic for many years, the School encourages students of all religious backgrounds to apply and accepts students of any race, color, religion, creed, or national origin.

By remaining in the inner city, St. Ignatius continues to attract children of immigrants – many of these students are the first generation of their family to pursue a college education. St. Ignatius extends financial aid to accommodate students with financial need.

St. Ignatius has a diverse co-educational body of 1,350 students and 145 faculty and staff. St. Ignatius' student body is comprised of students from more than 200 grade schools and is made up of approximately 50% boys and 50% girls. St. Ignatius students consistently post among the region's highest scores on standardized college admissions tests. Nearly 100% of St. Ignatius' students go on to college.

St. Ignatius is accredited by the North Central Association of Colleges and Secondary Schools.

IFA (IDFA) has issued two prior bond issues in 1994 ($12 million) and 2002 ($8 million) to finance prior capital projects. IFA (IDFA) issued $12 million of bonds in May 1994 to finance the acquisition of several parcels near St. Ignatius and to complete a major renovation and construction project on the campus. IFA (IDFA) also issued $8 million of bonds in June 2002 which financed various renovations, improvements, and additions, including an Arts and Science Center, and the acquisition of adjacent land for use as athletic facilities. All payments on St. Ignatius' Series 1994 and Series 2002 Bonds have been made as scheduled as of 10/1/2006.

The proposed project will involve the purchase of the Duncan Family YMCA located at 1001 W. Roosevelt Road (i.e., SW corner of Roosevelt Rd. and Morgan St.) from the YMCA of Metropolitan Chicago. Ultimately, St. Ignatius plans to replace the current YMCA building and redevelop the surrounding property to enhance the School's athletic facilities. Management of St. Ignatius believes that this expansion of its athletic and educational facilities will help maintain its competitive position for select students. St. Ignatius also plans to allow community groups and members/alumni to use the facilities following acquisition.

FINANCING SUMMARY

Bondholder Security:	The Bonds will be secured by a Direct-Pay Letter of Credit from Chase Bank. [Although The Northern Trust Company will be purchasing a participation in Chase Bank's LOC commitment, the Bonds will be solely secured by Chase Bank's Direct Pay LOC.] Chase Bank USA is currently rated Aa2 (Stable) long-term and MIG 1 by Moody's short-term (reviewed 9/14/2006).
LOC Bank Collateral:	The Bonds will be a direct, full recourse, general obligation of St Ignatius College Prep that will be further secured by a mortgage on the real property and improvements, and a pledge of equipment financed with Bond proceeds.
Structure:	Bonds will be Underwritten by William Blair & Company, L.L.C. and sold initially as 7-day variable rate demand bonds. The most recent effective average weekly rate Fixed Rate Tax-Exempt Bonds was 4.40% as of 11/23/2006, inclusive of anticipated LOC and other ongoing financing fees.
Maturity:	30 years (interest only with sinking fund)

PROJECT SUMMARY

Bond proceeds will be loaned to St. Ignatius (1) to finance and reimburse the cost of (a) the acquisition, renovation, and improvement of land and an existing athletic building and related facilities located at in the area generally bounded by Roosevelt Road on the north, Blue Island Avenue on the west, Maxwell Street on the south, and Morgan Avenue on the east, (b) the construction, renovation, and remodeling of various facilities located at 1001 West Roosevelt Road and 1019 S. May, Chicago, Illinois, 60608, (2) to pay capitalized interest on the Bonds, and (3) to pay certain bond issuance costs. Collectively, these capital expenditures will comprise the "Project".

Preliminary estimated project costs are as follows:

Acquisition of Duncan YMCA:	$11,700,000
Renovations:	
Atrium in Arts & Sciences Bldg.	750,000
Theatre Expansion	1,000,000
West Campus Site Work	500,000
May Street Park	400,000
Ground Floor – 1869 Building	650,000
Air Handling Units	150,000
Security Systems	100,000
1019 S. May renovation	430,000
Total	**$15,680,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	St. Ignatius College Prep (Contract Greg Gleason, Vice President of Finance (312) 432-8310 1076 West Roosevelt Road, Chicago, Illinois 60608-1594)
Project name:	IFA Series 2006 Bonds, St. Ignatius College Prep Project
Locations:	1076 W. Roosevelt Road, Chicago, Illinois 60608-1594, 1001 W. Roosevelt Road, Chicago, Illinois 60608, and 1019 S. May St., Chicago, IL 60608.
Board of Trustees:	For list of St. Ignatius College Prep's 2006-2007 Board of Trustees – see p. 5.
Seller of R/E:	YMCA of Metropolitan Chicago 801 North Dearborn Chicago, IL (312) 932-1200 For list of YMCA's Board of Managers and Board of Trustees – see pp. 6-7.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Ungaretti & Harris LLP	Chicago, IL	Tom Fahey
Accountant:	RSM McGladrey	Chicago, IL	
Bond Counsel:	Perkins Coie LLP	Chicago, IL	Bill Corbin
Underwriter:	William Blair & Company, L.L.C.	Chicago, IL	Tom Lanctot
Underwriter's Counsel:	Perkins Coie LLP (waiver pending)	Chicago, IL	Bob Capizzi
LOC Bank:	Chase Bank (secures Bonds)	Chicago, IL	Krenna Weiss
LOC Participation:	The Northern Trust Company	Chicago, IL	Lisa Derezinski
LOC Bank Counsel:	Burke Burns & Pinelli, Ltd.	Chicago, IL	Mary Pat Burns
Trustee:	Bank of New York Trust Company	Chicago, IL	Daryl Pomykala
Rating Agency	Moody's Investors Service, Inc.	New York, NY	
Architect:	Solomon Cordwel Buenz	Chicago, IL	
General Contractor:	To be determined		
IFA Counsel:	Pugh Jones Johnson & Quandt, P.C.	Chicago, IL	Kim Barker Lee

LEGISLATIVE DISTRICTS

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

2006-2007 St. Ignatius College Prep Board of Trustees

Disclosure on Seller of Real Estate:

YMCA of Metropolitan Chicago -- Board of Managers

William E. Bennett, Chairman
A. Steven Crown, Vice Chairman
General Partner
Henry Crown and Company
David W. Fox, Jr., Vice Chairman
Managing Director
JPMorgan Chase & Co.
Linda H. Heagy, Vice Chairman
Regional Managing Partner
Heidrick & Struggles
John E. Neal, Vice Chairman
William A. Osborn, Vice Chairman
Chairman and CEO
Northern Trust Corporation
~~**Donald J. Gralen**, Recording Secretary~~
Retired Partner
Sidley Austin Brown & Wood
Paul L. Snyder, Treasurer
Midwest Area Managing Partner
KPMG

Bruce Baker
Baker & McKenzie LLP
Charles Henry Beck, Jr. (Chip)
Mentor Financial
Thomas M. Begel
President, CEO and Chairman
TMB Industries, Inc.
William E. Bennett
David C. Blowers
President
Personal Financial Services, Illinois
The Northern Trust Co.
Kevin Buggy
Rock Capital Markets
Christopher T. Carley
Chairman
The Fordham Development Company
Arthur W. Catrambone
President
Coldwell Banker Stratford Place
Henry T. Chandler
Allen J. Cizner
Stephen S. Cole
President & CEO
YMCA of Metropolitan Chicago
A. Steven Crown
General Partner
Henry Crown and Company

Thomas M. Goldstein
Chairman, President & CEO of
ABN AMRO Mortgage Group, Inc.
LaSalle Bank Corporation
Scott Gordon
Chief Executive Officer
Rosenthal Collins Group
Donald J. Gralen
Retired Partner
Sidley Austin LLP
Donald C. Grenesko
Senior Vice President
Finance & Administration
Tribune Co.
Richard A. Hanson
Principal
Mesa Development, LLC
Linda H. Heagy
Managing Partner, Talent
Management
Heidrick & Struggles
Saul Hernandez
President, Xavier Development
Bruce A. Heyman
Managing Director
Goldman, Sachs & Co.
Roger P. Hickey
President

Peter McNitt
Vice Chair of Harris Bankcorp and
Head of Business Banking
Harris Bank
William C. Mitchell
Retired Chair/CEO
Lake Shore Bancorp, Inc.
John M. Moysey
Principal
V3 Realty Company
Michael A. Murray
President
Recycled Paper Greetings, Inc.
John E. Neal
Gregory A. Nickele
President and CEO
The Martin-Brower Company, LLC
William A. Osborn
Chairman and CEO
Northern Trust Corporation
S. James Perlow
President
Perlow Steel Corp.
Joseph R. Ponteri
Managing Director
TMB Industries, Inc.
Bruce V. Rauner
Chairman

YMCA of Metropolitan Chicago -- Board of Trustees

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 5, 2006

Project: **Adams County Water District**

STATISTICS

Number:	L-GP-6242	Amount:	$185,000 (not to exceed)
Type:	Local Government Interim Loan		
IFA Staff:	Eric Watson	Location:	Coatsburg, Illinois

BOARD ACTION

Final Resolution	No extraordinary conditions
Local Government Interim Loan	IFA funds at risk
Staff recommends approval	

PURPOSE

To provide interim financing to purchase land on which a new Regional Sanitary Sewer System will be constructed.

IFA CONTRIBUTION

IFA's Local Government Interim Loan Program was authorized by the Authority's Board to provide units of local government that intend to participate in IFA's Local Government Pool with short-term financing until the Pool closes. These loans are funded from the Authority's Local Government Debt Service Reserve, which was established by the Illinois Rural Bond Bank with funds appropriated by the General Assembly in 1990. The IFA will provide an interim loan at 5% and expects to repaid from proceeds from the Pool bond issue, which is expected to close in early 2007.

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	$185,000	Uses:	Land Acquisition	160,000
	Wastewater Infrastructure Revolving Loan	1,448,815		Construction / Engineering/ Renov	4,325,500
	Unsewered Comm Grant, IL First Grant, CDAP	3,394,685		Equipment	250,000
				Working Capital – Contingency	162,500
				Costs of Issue	130,500
	Total	$5,028,,500		Total	$5,028,500

JOBS

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

BUSINESS SUMMARY

Background: In March of 2002, Honey Creek Township officials held a public meeting to discuss the possibility of seeking financial assistance for the design and construction of a public sanitary sewer system for the Paloma community. Since the meeting was well attended and public comment was uniformly positive, Honey Creek Twonship officials decided to apply for a CDAP planning grant to study the feasibility of construction of a public wastewater collection and treatment system. However, residents of the nearby communities of Coatsburg, Columbus and Fowler attended the public meeting as well, and voiced similar problems with their on-site sewage disposal systems. Due to the overwhelming response from residents outside of Paloma, Honey Creek Twonship decided to evaluate a regional sanitary district as a solution not only for the residents of Paloma, but also for the four communities as a whole.

The communities of Fowler and Paloma and the villages of Coatsburg and Columbus are located in the central part of Adams County, Illinois. The community of Paloma and the Village of Coatsburg are located in the southeastern portion of Honey Creek Township.

Currently, each building within the District is served by a private waste disposal system for the treatment of sanitary sewage. The majority of the systems consist of a septic tank that drains to a leach field. Considering the density of the housing units in these communities, problems with any of the on-site systems could be detrimental to a sizable fraction of the population. Since roughly 55% of the housing was constructed prior to 1960, it is likely that many of the existing private waste disposal systems were installed in a manner that would not meet current accepted practices. While individual septic tanks clearly provide reliable primary treatment of wastes, disposal of septic tank effluent is difficult in these communities:

- Due to the small lots, poor soil conditions and seasonally high water tables, the use of subsurface seepage fields or beds for disposal of septic tank effluent is not effective;
- The size of the residential lots precludes surface discharges; and
- There are no surfaces waters of sufficient size or flow to accept septic tank effluent.

Project: The proposed project consists of construction of Regional Sanitary Sewer System to serve the rural communities of Coatsburg, Columbus, Fowler, and Paloma and includes the purchase of 40 acres for a lagoon site and construction of gravity flow mains and force mains.

The new system will address current public health concerns. The aforementioned four communities share a common problem with safe disposal of domestic waste water. The current private waste disposal systems are ineffective due to the native soil characteristics, high groundwater table and small lot sizes.

Adams County Water District is requesting IFA funding for the purchase of additional land where the sewer system will be located.

FINANCING SUMMARY

The Loan: The interim loan will be at a rate of 5% and will be provided to Adams County Water District no later than January, 2007. The District 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 Revenue Bonds, with the District's net revenues from the Water and Sewer System pledged as the primary revenue source. The District must document that the primary revenues are sufficient to provide 1.25 times debt service coverage on the bonds.

Collateral: The Loan will be secured by a first lien of net revenues of the District's Water and Sewer System fund, of which the District must verify that 1.25X debt service coverage will exist.

Structure:	Principal is expected to be due on February 1, beginning in 2008 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

Adams County Water District will use the proceeds of the interim loan to (i) purchase land on which a new sewer system will be constructed and certain costs associated with the issuance of the Local Government Securities and the Bonds.

Total costs are estimated at $185,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Adams County Water District
Project names:	Adams County Water District
Location:	1804 E. 1650th Street, Paloma, IL 62359-2015
Organization:	Illinois Water District
Chairman:	Doug Curtis

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 5, 2006

Project: **City of Eldorado**

STATISTICS

Number:	L-GP-6244	Amount:	$165,000 (not to exceed)
Type:	Local Government Direct Loan		
IFA Staff:	Eric Watson	Location:	Eldorado, Illinois

BOARD ACTION

Final Bond Resolution
Local Government Direct Loan
Via Installment Purchase
Staff recommends approval

No extraordinary conditions

IFA funds at risk

PURPOSE

To provide financing purchase a new fire truck.

IFA PROGRAM AND CONTRIBUTION

IFA's Local Government Direct Loan Program was inherited from a program established by the Illinois Rural Bond Bank to make direct loans to units of local government. These loans are funded from the Authority's Local Government Reserve, which was established by the IRBB with funds appropriated by the General Assembly in 1990. The IFA will enter into an Installment Purchase Contract with the City to provide a loan for 7 years at 5%.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Loan	$165,000	Uses:	Fire Truck	160,000
				Costs of Issue	5,000
	Total	$165,,000		Total	$165,000

JOBS

Current employment: 0
Jobs retained:0

Projected new jobs:0
Construction jobs:0

BUSINESS SUMMARY

Background: The City of Eldorado, located in Saline County, encompasses 2.3 square miles and has a population of 4,534. The City's top five employers include Ferrell Hospital (179 employees), Init 4 School System (161 employees), Egyptian Health Department (140 employees), Fountain View Nursing Home (100 employees), an Banterra Bank Corporation (70 employees).

Project: The City proposes to finance the purchase of a new fire truck.

FINANCING SUMMARY

The Loan: The loan will be in the form of an Installment Purchase agreement between the IFA and the City of Eldorado. The City's general revenues pledged as the primary revenue source. The City must document that the primary revenues are sufficient to provide 1.25 times debt service coverage on the bonds.

Colllateral: The loan is secured by a first lien in the net revenues of the City's General Fund. The City must document that the net revenues are sufficient to provide 1.25 times debt service coverage on the Bonds.
Should the net revenues be insufficient for debt service, interceptable revenues are pledged.

Structure: Principal is expected to be due on February 1, beginning in 2008 with a final maturity in 2014.
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: 7 years

PROJECT SUMMARY

The City of Eldorado will use the proceeds of the loan to (i) pay for the costs of a new fire truck and certain costs associated with the issuance.

Total costs will not exceed $165,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	City of Eldorado
Project names:	City of Eldorado
Location:	901 Fourth St., Eldorado, IL 62930-1203
Organization:	Illinois Municipality
Mayor:	Bob Briddick
City Clerk:	Pat Mahoney

PROFESSIONAL & FINANCIAL

Bond Counsel	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik

LEGISLATIVE DISTRICTS

Congressional:	15th	Timothy V. Johnson
State Senate:	59th	Gary Forby
State House:	118th	Brandon W. Phelps

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 5, 2006

Project: **Lostant Enterprises LLC,**
Dr. Eric Anderson & Dr. Rhonda J. Marty-Anderson

STATISTICS

Project Number:	B-LL-TX-6256	Amount:	$276,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Lostant		

BOARD ACTION

Purchase of Participation Loan from Centrue Bank
$276,000 IFA funds at risk
IFA's interest rate will be fixed at 6.25% for the first five years then reset to float 1.25 points below the Bank's reset rate after the first five years.
Staff recommends approval

PURPOSE

Finance the construction of a new 4,900 square foot professional building located at the intersection of Illinois Routes 251 and 18 adjacent to the Exit 41, I-39 interchange in Lostant, Illinois.

IFA PROGRAM AND CONTRIBUTION

Under its Participation Loan Program, the Authority participates in bank loans financing capital projects for business, industry, farmers and agri-industry, and not-for-profit corporations. The Authority will participate in loans for up to 5 years fixed at a rate of interest 100 basis points above the 3 month LIBOR. The Authority shares pro-rata in the Bank's collateral and generally advances funds at rates up to 80% of appraised fair market value for real estate, 65% of cost for new equipment and 65% of orderly appraised liquidated value for used equipment

IFA's participation reduces the borrower's interest expense.

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:	$276,000	Uses:	Building Construction	$690,000
	Centrue Bank:	276,000		Total	$690,000
	Equity*	138,000			
	Total	$690,000			

*Equity contributed will be in the form of land owned by Dr. Eric Anderson and Dr. Rhonda Marty-Anderson

JOBS

Current employment:	3	Projected new jobs:	1
Jobs retained:	NA	Construction jobs:	(15)

BUSINESS SUMMARY

Background: Dr. Rhonda Marty-Anderson joined the Marty Chiropractic Wellness Center (an Illinois C corporation) in October, 1993 upon graduation from chiropractic college. Marty Chiropractic Wellness Center was started by Dr. E.G. Marty Sr. in 1923 in Spring Valley, Illinois where he practiced for 57 years. In 1961, E.G. Marty Jr. started a satellite clinic in Lostant, Illinois, primarily to better serve patients southwest of the Spring Valley/Illinois River Valley area. He continued practicing at this facility until 1995. In 1997, Dr. Rhonda and Dr. Eric Anderson (Rhonda's husband) purchased the business from Rhonda's mother, with Dr. Eric joining the practice in 1998. Lostant Enterprises LLC is the Illinois limited liability company which owns the property in which the chiropractic center operates.

Operations: The Marty Chiropractic Wellness Center offers state-of-the-art chiropractic care for children and adults. The practice serves patients in the Illinois Valley area in addition to clients from Bloomington-Normal, Pontiac, Streator, Ottawa and Mendota, many traveling significant distances to receive services. Dr. Rhonda graduated from the Palmer College of Chiropractic with a Doctorate in Chiropractic Medicine in 1993, has been practicing for 13 years and was raised in Lostant, Illinois. Dr. Eric is also a graduate of Palmer College of Chiropractic with the same degree and has been practicing for nearly 15 years.

The Project: This project represents major economic development activity for the village of Lostant with a population of 400 located on Interstate 39, 32 miles north of Bloomington-Normal and 18 miles south of LaSalle-Peru. Lostant Enterprises LLC is constructing a new professional building at the corner of Illinois routes 251 and 18 adjacent to the I-39 interchange in Lostant, Illinois on land contributed to the project by Dr. Eric and Dr. Rhonda. The new building will enable the practice to significantly expand the number of patients served and will enable the practice to attract Interstate 39 travelers. The cost of the project is expected to approximate $690,000.

FINANCING SUMMARY

Obligors: Lostant Enterprises LLC, Dr. Eric Anderson & Dr. Rhonda J. Marty-Anderson

Guarantor: Marty Chiropractic Wellness Center

Repayment: In the event of a liquidation of our collateral, proceeds will be applied first to repay the subject loan before paying any other credit facility.

ECONOMIC DISCLOSURE STATEMENT

Applicants: Lostant Enterprises LLC, Dr. Eric Anderson & Dr. Rhonda J. Marty-Anderson
Organization: Illinois limited liability company and individual owners
Ownership: Dr. Eric Anderson – 50% and Dr. Rhonda J. Marty-Anderson – 50%

PROFESSIONAL & FINANCIAL

Banker:	Centrue Bank	Streator	Tricia Kilburn-Zehr

LEGISLATIVE DISTRICTS

Congressional: 11 – Jerry Weller
State Senate: 53 – Dan Rutherford
State House: 106 – Keith P. Sommer

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 5, 2006

Project: **GFY Management Inc.**

STATISTICS

Project Number:	B-LL-TX-6257	Amount:	$247,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Peoria		

BOARD ACTION

Purchase of Participation Loan from JP Morgan Chase Bank
$247,000 IFA funds at risk
IFA's interest rate will be fixed at 6.00 % for the five year term of the loan.
Staff recommends approval

PURPOSE

Loan proceeds will be used to finance the acquisition of an industrial building located at 1715 West Chanute Road in Peoria's Pioneer Industrial Park and the acquisition of manufacturing equipment.

IFA PROGRAM AND CONTRIBUTION

Under its Participation Loan Program, the Authority participates in bank loans financing capital projects for business, industry, farmers and agri-industry, and not-for-profit corporations. The Authority will participate in loans for up to 5 years fixed at a rate of interest 100 basis points above the 3 month LIBOR, or 200 basis points below the originating bank's rate. (Rate can never be below the 3 month LIBOR plus 100 basis points) The Authority shares pro-rata in the Bank's collateral and generally advances funds at rates up to 80% of appraised fair market value for real estate, 65% of cost for new equipment and 65% of orderly appraised liquidated value for used equipment

IFA's participation reduces the borrower's interest expense.

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:	$247,000	Uses:	Project Costs	$598,500
	JP Morgan Chase Bank:	248,000		Total	$598,500
	Equity	103,500			
	Total	$598,500			

JOBS

Current employment:	13	Projected new jobs:	1
Jobs retained:	13	Construction jobs:	N/A

BUSINESS SUMMARY

Background: Sandy Arnold and Sue Dellavalle started Prima Pasta Shop, Inc., an Illinois S Corporation, in 1994 to engage in the manufacture of fresh gourmet-quality pasta. In 2003, Sandy and her husband Michael received a **$150,000 IDFA participation loan** to combine with Associated Bank's loan of $150,000 to finance the construction of the 4,100 square foot building in which the Company operates; IDFA/IFA's participation loan has recently been repaid in full by the Arnolds. Within the last year, Sandy Arnold became seriously ill and had to sell the business. The applicant, GFY Management Inc., has purchased the business and will be using proceeds of this loan to finance the acquisition of the building and equipment used by the Prima Pasta Shop, Inc.

Description: Prima Pasta Shop, Inc. manufactures fresh, gourmet pasta for the commercial food industry, including restaurants and institutional food services. The Company's products include several lines of gourmet ravioli as well as various other types of pastas usually served in specialty restaurants. Distribution of the pasta had been done primarily through two distributors, SYSCO Foods, Chicago and Thomas Proestler, Rock Island. (In fact, Prima Pasta Shop, Inc. has been the number two supplier for SYSCO, Chicago.) GFY Management Inc.'s owners, Nicholas R. Owens and Donald Q. Welch, are planning to expand the business through the use of more distributors. Donald Welch's spouse, Deborah, will be managing the day-to-day operations of the Company

Prima Pasta Shop, Inc. has a wide array of customers, including major chains such as Biaggi's (an upscale Italian restaurant), The Olive Garden and prior to a menu change, Ned Kelly's. Additionally, the Company supplies numerous individual restaurants and institutional food service operations. Since the Company does ship throughout the U.S., it is subject to federal food inspection laws and has a USDA inspector on the premises three days per week.

The Project: The project entails the acquisition of the land, building and equipment of Prima Pasta Shop, Inc at a total cost of $598,500.

FINANCING SUMMARY

Obligor: GFY Management Inc.

Guarantors: Nicholas R. Owens and Donald Q. Welch

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: GFY Management Inc.
Organization: Illinois S corporation
Ownership: Nicholas R. Owens 50% and Donald Q. Welch 50%

PROFESSIONAL & FINANCIAL

Banker:	JP Morgan Chase	Peoria	Jeffrey Ulrich

LEGISLATIVE DISTRICTS

Congressional: 18 – Ray LaHood
State Senate: 46 – Dave Koehler
State House: 93 – David R. Leitch

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 5, 2006

Project: **Power Holdings of Illinois, LLC**

STATISTICS

Project Number:	P-SW-TE-CD-6261		
	I-ID-TX-MO-6262		
Type:	Environmental Improvement Facilities Bond	Amount:	$300,000,000
	Clean Coal and Energy Moral Obligation Bond		$150,000,000
Location:	Jefferson County	IFA Staff:	Steve Trout

BOARD ACTION

Preliminary Bond Resolution
Conduit Tax-Exempt Environmental Improvement Facilities Revenue Bonds
Taxable Clean Coal and Energy Moral Obligation Bonds
Staff recommends approval

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

Environmental Improvement Facilities Bonds include Solid Waste Disposal Facilities Revenue Bonds ("SWDBs") and Waste Water Treatment Facilities Bonds ("WWTBs"). 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. WWTBs are municipal bonds that finance qualifying, privately owned facilities that treat wastewater. Interest earned on both types of bonds is exempt from federal income tax liability. **Issuance of these bonds is subject to an allocation of Volume Cap from the Governor's Office of Management and Budget ("GOMB").**

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 to appropriate funds sufficient to pay debt service as soon as practicable. The General Assembly has no legal obligation to make such an appropriation. **Issuance of Moral Obligation Bonds for this and other projects is subject to written approval from GOMB.**

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 Waste Bonds	150,000,000	Uses:	Project Costs	1,473,033 000
	Moral Ob Bonds	300,000,000			
	Bank Financing	573,000,000			
	DCEO Grants				
	Equity	450,034,000			
	Total	$1,473,034,000		Total	1,773,000,000

JOBS

Current employment:	4	Projected new jobs:	251 (1 year)
Jobs retained:	N/A	Construction jobs:	1,000 (36 months)

BUSINESS SUMMARY

The Borrower: Power Holdings of Illinois LLC is an Illinois Limited Liability Company that was formed three years ago to develop energy projects. Power Holdings three partners each have substantial experience and expertise in the energy industry, and in their respective fields within the industry.

Robert Gilpin has more than 20 years of energy experience in the natural gas and electric industries. He has held executive positions at NICOR and Excelon and was responsible for several successful unregulated start-ups. Mr. Gilpin has worked with ChevronTexaco for over two years to incorporate their technology into a large gasification proposal in the Chicago area. He holds an MBA in Entrepreneuralism from DePaul University and a BS in Economics from the University of Missouri.

Stephen Shaw is an energy industry executive with over 20 years of experience in finance, accounting, strategic planning and human resources. He is the founding member of enStatalytics LLC, a consulting firm established to help energy clients develop strategy and enhance performance. He has held executive positions at ANR Pipeline Company and Michigan Consolidated Gas Company/MCN and has consulted to the energy industry as a Principal at CSC Planmetrics. He holds an MBA in Finance from Eastern Michigan University, an MA in Economics from Wayne State University and BA in Economics and Business Administration from Albion College.

Mark McGuire has over 30 years of experience in the energy industry and is co-chair of McGuireWoods' energy law practice. Prior to joining McGuireWoods in 2002, he practices energy law as a partner at Jenner & Block and as in-house counsel for two of the nation's largest natural gas distributors. He has extensive experience at the Federal Energy Regulatory Commission and state public utility commissions and has representing several large energy concerns in such matters. He has served as counsel to large distribution companies, retail energy providers, natural gas service companies, renewable energy project companies, and developers of electric power, natural gas, liquids and coal projects. Much of Mr. McGuire's recent practice focuses on the development of renewable and alternative energy project finance development. He holds a JD from St. Louis University, and a BA in Mathematics from Southern Connecticut State University.

The Project: Power Holdings' Southern Illinois Coal-to-SNG gasification facility (GF) will be a mine-mouth plant located on surface land adjacent to a coalmine operation. The gasification facility will use GE Gasification technology to produce pipeline-quality synthetic natural gas (SNG). Power Holdings' has designed its facility a five gasifier-plus-one spare configuration to produce approximately 150,000 MMbtu of pipeline-quality SNG daily. This level of SNG production will consume over 12,000 tons of washed coal daily. Power Holdings anticipates that as it gains operation experience, coal consumption will increase to more than 12,000 tons per day. Power Holdings plans to begin construction of the facility in 2007, with shake down in 2010 and full operation in 2011.

The Site: The Project will be located on a 160 to 200 acre site in Jefferson County near Rend Lake. Power Holdings is evaluating several sites within several miles of each other and expects to select the site based on its proximity to coal, water, rail and interstate natural gas transmission lines. The site is located in one of the nation's richest coal regions, adjacent to a new coal mine, close to the mine mouth to reduce coal-shipping costs. The site is expected to be located close to Rend Lake, which offers ample water for the gasification facility. The site will be located less than 20 miles from NGPL, the interstate pipeline that serves PH's customers.

The sites considered currently consist of raw, undeveloped land and farmland, which will require minimal demolition of existing structures and facilities and relatively simple site preparation common to use of raw land. The site is expected to be located less than 10 miles from one of several rail lines serving the area, which will provide readily access to construction and operating supplies and materials and simplify transportation of by products, such as sulfuric acid (H_2SO_4) and slag.

Power Holdings has executed a comprehensive purchase option for several different potential sites within the county, and currently controls most of the required land necessary for the Plant.

Feedstock: The Project is designed to operate solely with Illinois Basin coal as a feedstock, and will be a mine mouth plant located adjacent to the new Rend Lake coal mine operation. Illinois Basin coal will comprise 100% of the total fuel input for the project in order to comply with legislation passed by the Illinois General Assembly. The GF will use approximately 4.5 million tons of Illinois Basin coal per year to fuel the GF. PH is currently reviewing proposals from Illinois coal providers to open a new mine at the site. The Company expects to finalize its coal supply and provider in the fourth quarter of 2006, under a long-term, fixed-price contract that matches the duration and terms of the current sales agreements.

Project Team: **GE Gasification:** GE Gasification will be the technology provider to the project. The gasification technology owned by GE Gasification is the world's leading gasification technology.

Black and Veatch: Black and Veatch has been contracted with to act as Owner's Engineer. As such, Black and Veatch will oversee, coordinate, and manage the engineering and design activities in the development of the project. Black and Veatch personnel have substantial experience with the Great Plains Synfuels facility in North Dakota.

Eastman Chemical: Eastman has achieved world-class success in coal gasification with over 21 years of experience. Eastman will participate in the process design work and is expected to contract to operate the facility once it commences commercial operation.

Bechtel: One of the world's premier engineering, procurement, and construction companies with over half a century of experience designing and/or constructing more than 400 generating units of all types, fuels, and sizes, including coal, oil, and gas-fired plants that generate many hundreds of megawatts and can light entire cities. Bechtel delivers pace-setting technology utilizing the latest standards in plant design and construction. Bechtel has a global agreement with GE Gasification for the engineering and construction of GE Gasification based projects. It is anticipated that Bechtel will participate in the engineering and design effort of Power Holdings' Southern Illinois Coal-to-SNG facility and, in addiction, will be strong competitors to become the LSTK EPC contractor for the facility.

Lurgi: gas cleanup and methanation technology. Lurgi is an international technology and engineering firm that has worked extensively with gasification, including with the Rectisol process. Lurgi will supply the technology and equipment used for removing CO_2 and acid gas from the synthetic gas stream produced in gasification and the process technology for changing this remaining gas into methane for sale.

Haldor Topsoe: catalyst supplier. Haldor Topsoe (HT) HT is an international energy technology firm with substantial experience with gasification catalyst technology. HT will supply the catalyst technology and equipment used for sulfur recovery.

Air Liquide: air technology supplier. Air Liquide (AL) is an international technology and air commodity supplier. AL will supply the technology and equipment used to provide pure oxygen to the gasification plant.

Development Benefits:

The Project will significantly enhance the Illinois economy, demonstrate gasification's capability for commercial-scale Illinois coal-fired projects, and benefit Illinois natural gas utility customers.

Benefits to the Illinois Economy:

- The Project is expected to require approximately $1.5 billion in capital. Management expects to make approximately $1 billion in additional expenditures to operate the plant over the next 20 years. Management plans to spend an additional $2 billion for coal mining facility over the next 20 years of operations.
- Virtually all payments for natural gas currently go out of state, as Illinois currently produces essentially no natural gas. Purchases for natural gas from this facility will remain in Illinois and will be recirculated in the state economy.
- Many economic development analysts estimate that new expenditures typically have an overall impact (multiplier) of 2 or 3 three times the direct spending impact as dollars spent by employees, investors and vendors are spent (secondary or indirect impact) in the economy. Accordingly, the Project's overall impact is probably $7 to $10 billion over its 20-year expected life.
- Management expects that the Project will create 247 new jobs in a region has been economically depressed for many years
- The new coal mining operation will create an additional 300 jobs. In addition, the facility will employ over 200 full time employees to run the plant over its 20-year life. Power Holdings' Southern Illinois Coal-to-SNG facility will take over three years to construct. It is estimated that over 1000 workers will be required to construct the facility.

Proving Gasification's Suitability for Illinois Coal

- Management believes that Illinois coal is particularly well-suited for gasification.
- The Project will demonstrate the market opportunity for Illinois coal-to-SNG facilities.
- The Successful completion and operation of this Project may spur construction of additional facilities as the concept, technology, and market are proven, which would multiply the positive economic impacts estimated above.
- Gasification is particularly well suited to sequestration of carbon dioxide, one of the leading approaches for reducing emission of a major greenhouse gas. Management is currently evaluating the feasibility of injected captured carbon dioxide generated by the Plant's production process to enhanced oil recovery in depleted oil wells. The Illinois Geological Survey estimates that Illinois has more than 1 billion barrels of oil that is recoverable through enhanced recovery methods.

Benefits to Illinois Natural Gas Customers

- Illinois coal-to-SNG creates a new source of natural gas supply and reduces gas customer reliance on increasing foreign supply.
- Over the 20 year life of Power Holdings' Southern Illinois Coal-to-SNG facility, the plant will produce approximately 1 TCF of SNG. Currently, the estimated $5.50 price is at least $1 and $2 less than the long-term price of natural gas. If this price disparity prevailed for the 20-year operating life of the facility, Illinois natural gas customers would save an additional $1 to $2 billion in natural gas payments.
- The fixed price offered in Power Holdings' customer contracts creates price stability and reduces price volatility for Illinois natural gas customers.
- The creation of a new source of natural gas supply ensures supply portfolio diversification protection for consumers.
- Power Holdings' Southern Illinois coal-to-SNG project will identify opportunities to recover coal bed methane and coal mine methane, potentially adding yet another source of natural gas supply for customers.

Governmental Support:

Power Holdings has invested over $6 million in the development of the facility, encompassing engineering analysis, legal research, and commercial contracting. Power Holdings has been the recipient of several grants, from both the Clean Coal Review Board ($2.5 million) and DCEO's Office of Coal Development ($500,000). These grants have been very important in allowing Power Holdings to reach its current advanced stage of development.

Environmental Impact: Power Holdings engaged Mostardi & Platt to complete an initial detailed study of the Project's environmental impact. The evaluation included a BACT study of the process, a wetlands impact study, endangered species assessment and an initial air modeling of the overall process of the plant. Each study indicated that the Project should have minimal impacts on the environment versus a standard coal plant operation of equal or even significantly smaller size.

The Project will be sited on unused farm property. The wetlands delineation study identified minor wetland issues in border areas of the proposed site. These areas will be left in their current state. Power Holdings has met with the Illinois Department of Natural Resources ("DNR") and reviewed the delineation and site plan. The IDNR determined that the Project will not impact the bald eagle, the only endangered species in the county and will have no impact on archaeological sites.

The production process will generate minimal particulate emissions. To limit the release of coal dust when transferring coal from the mine and to an on-site coal pile, the coal will be dampened when outside and will processed in an enclosed building.

Management anticipates that the gasification process, from feedstock injection into the gasifiers through methanation of the syngas will have virtually no emissions. The Plant is expected to capture 99.8% of the sulfur and more than 99.9% of the mercury in the coal. Management is evaluating the opportunity to capture and use carbon dioxide (CO_2) produced in the process for Enhanced Oil Recovery ("EOR") in nearby oil fields rather than releasing it into the atmosphere.

Several production processes will use water from Rend Lake. The facility will treat wastewater produced by the process to enable re-use of this water, rather than releasing wastewater to the local watershed. Power Holdings has designed the facility as a zero-liquid discharge facility.

FINANCING SUMMARY

Obligor: Power Holdings of Illinois, LLC

The Bonds: The Environment Improvement Facilities Bonds are expected to be issued with a bank letter of credit or insurance policy from a municipal bond insurer. The Moral Obligation Bonds will be sold based on the State's Moral Obligation pledge.

Purpose: The Environmental Improvement Facilities Bonds will be used to finance qualifying Solid Waste Disposal Facilities, Water and Wastewater Treatment Facilities. The Moral Obligation Bonds will be used to finance general project assets.

GOMB Approval: Issuance of Environment Improvement Facilities Bonds is subject to an allocation of Volume Cap from GOMB. Issuance of Moral Obligation Bonds is subject to GOMB's written approval.

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

Bond and other debt proceeds and equity raised will be used to finance the Project. The Project's costs are estimated as follows:

Air Separation Unit	226,000

Gasification	53,055
Rectisol	122,345
WSA	41,156
Methanation	97,136
Power Plant	67,746
Pollution Control	116,256
Balance of Plant	332,147
EPC	217,193
Owner Costs	200,000
	1,473,034

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Power Holdings of Illinois (Contact: Stephen Shaw, CFO, PMB 145, 2112 W. Galena Blvd. Aurora, Illinois. 60506; Ph.: 847/784-9172
Project Name:	Power Holdings
Project Location:	Near Rend Lake, Jefferson County
Land Owner:	To be determined upon selection of the site. The sites considered are owned by various private parties, consisting primarily of individuals and families.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	McGuire Woods	Chicago, IL	Mark McGuire
Accountant:	TBD		
Bond Counsel:	TBD		
Financial Advisor:	Morgan Stanley	Chicago, IL	Ian Radomski
Bond Underwriter:	TBD		
Underwriter's Counsel:	TBD		
IFA Advisor:	DA Davidson	Chicago	Bill Morris
Issuer's Counsel:	Mayer Brown Rowe & Maw	Chicago	David Narefsky

LEGISLATIVE DISTRICTS

Congressional: 19
State Senate: 54
State House: 107

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 5, 2006

Project: **The Entrepreneurial Mutual Insurance Company**

STATISTICS

Project Number:	B-LL-TX-6252	Amount	$500,000 (not to exceed)
Type:	Equity Investment	IFA Staff:	Steven Trout
Location:	Statewide		

BOARD ACTION

Resolution to Purchase a Guarantee Fund Certificate from a to be formed Illinois Business Mutual Insurance Company under the terms of an Indenture with LaSalle Bank as Indenture Trustee.
$500,000 of IFA funds at risk
Staff recommends approval

PURPOSE

Proceeds will be used to capitalize a surplus to establish a new independent insurance company established to provide health insurance coverage to small businesses at a reduced and more predictable cost than is currently available from other insurance options. This program represents a new approach to health insurance for small businesses by pooling risk across employers and using risk management tools (self-insurance and stop-loss coverage) used by many of the nation's large employers.

IFA PROGRAM AND CONTRIBUTION

IFA is authorized under its statute to make direct equity investments in qualified securities issued by enterprises for the purpose of providing venture or seed capital, provided that the investment shall not exceed 49% of the cost of development, testing, and initial production and marketing and associated working capital for the technology, product, process or invention, or $750,000, whichever is less.

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:	LaSalle Investment	$750,000	Uses::	Surplus Capital	3,500,000
	IFA Investment	500,000		Start-up Costs	1,325,892
	Other Bank Investment	1,500,000			
	DCEO Loan (Surbord.)	750,000			
	DCEO Grant	235,000			
	CIGNA Grant	300,000			
	CIGNA Loan	700,000			
	Grants TBD	90,892			
	Total	$4,825,892		Total	$4,825,892

JOBS

Current employment:	0	Projected new jobs:	10 (year 2)
Jobs retained:	0	Construction jobs:	0

BUSINESS SUMMARY

Description: The Illinois Business Mutual Insurance Company ("the Mutual" or "the Company") is intended to be an Illinois mutual insurance company established with the support of the Chicagoland Chamber of Commerce ("CCOC") in cooperation with the State of Illinois. The Mutual will be a start-up company intended to create a new health insurance option for small businesses with the advantages – more affordable and predictable premiums – of health insurance that is typically available only to large employer benefit plans. This insurance will be targeted to Illinois-based companies with 2 to 150 employees.

The Project: The Company will need to obtain $3.5 million in capital to establish a surplus to satisfy the risk based capital requirements established by the Illinois Department of Insurance. This surplus capital investment is intended to be in the form of a **Guaranty Fund Certificate (Certificate)** – an investment form unique to the insurance industry – the proceeds of which when funded will be carried as an asset of the Mutual to establish surplus capital required to operate as a mutual health insurance company under Illinois rules and regulations. The Mutual intends to issue Certificates to a consortium of public (Illinois Department of Commerce and Economic Opportunity (**DCEO**) and Illinois Finance Authority (**IFA**) and private (CIGNA, LaSalle Bank & other) investors through a **Trust Indenture (Indenture)**. $1.5 million of this $3.5 million in capital, will be held in escrow by the Illinois Division of Insurance (**DOI**) and the remainder of which will be held by the Mutual in a conservative investment portfolio.

DOI requires that the Mutual maintain a surplus that is at least 200% of its risk-based capital requirement. An insurance company's **risk-based capital (RBC)** requirement is the method used to measure the minimum amount of capital that an insurance company needs to support its overall business operations. An insurance company's risk based capital is calculated by applying factors to various asset, premium, claim, expense and reserve items. State insurance departments use risk based capital calculations to determine trigger points for regulatory action against companies with insufficient capital and surplus levels.

The Need: CCOC recognized the need for such a Company to assist small businesses obtain:

- more affordable health insurance products
- more stable and predictable health care costs
- employee access to medical and health expenditures information to facilitate informed decisions

Nationwide, the percentage of small businesses offering health benefits has decreased from 68% to 63%, with Illinois lagging the national average with only 57% of Illinois small businesses providing health insurance coverage. In 2005, CCOC performed a market study that found member health insurance premiums had increased 15% on average in 2004. Nearly 100% of 700 market study respondents were concerned about the cost of health insurance and would consider purchasing health insurance products from CCOC. A series of focus groups held in June, 2006 with small employers echoed substantial interest in this alternative health care product.

Economic Benefits: Small businesses have an average of nine employees per firm and create 75% of new jobs in the US. Small businesses account for most of the nation's new products, technologies and processes, which keeps our economy competitive and serve as a source of innovation for larger business organizations. Offering health insurance is critical to attracting and retaining a competitive workforce. Health benefits are most employers' fastest growing and second largest expense (behind only payroll). As employers drop health benefits to remain competitive, costs borne by

CONFIDENTIAL

employers continuing to provide health benefits, health care providers and government soar as uncompensated costs for healthcare provided to the uninsured are shifted throughout the system.

Company Design:

In developing the conceptual model for a company like the Mutual, CCOC and the State of Illinois jointly sought to develop a new model for addressing health insurance needs of small businesses. The proposed model combines self insurance with the purchase of stop-loss coverage.

Self Insurance: By self-insuring part of its risk, each small business client can gain more control over its costs while potentially improving coverage and limits, enhancing claims management and loss control, and gaining cash flow advantages. In traditional fully insured products, the insurer charges high premiums on an entire pool because little is known about individual risks in the pool.

In contrast, a self-insured company may set aside smaller reserves based on both its experience of its own insured pool and its investments in health and wellness programs. Also, self-insurance costs less because premium taxes are eliminated and the 'risk charge' or profit charged by traditional insurance carriers is reduced or eliminated.

Stop-Loss Coverage: The proposed role of the Mutual once it is formed is to provide stop-loss coverage. In traditional small business insurance plans, premiums increase exponentially when even just one employee incurs extremely high health care costs. With stop-loss coverage, these catastrophic claims are either absorbed by the mutual or by the reinsurance. The Mutual will be:

- 100% owned by policyholders
- fully regulated by the IL Division of Insurance
- Required to meet all state-mandated reserve, financial and reporting requirements
- Governed by an independent Board of Directors comprised of policyholders
- Reinsured through A-rated carriers until sufficient surplus volume is built

The Mutual will serve to stabilize costs because a portion of its reserves can be drawn upon in lieu of increasing premiums. The Board of Directors directs excess surplus to reduce future premiums, to be distributed to policyholders or to retire debt.

The Mutual's cost advantage is expected to be gained through reduced administrative costs due to:

1. utilizing an outsourcing model, until sufficient scale is achieved;
2. a smaller profit load added to the premium rates; and
3. lower anticipated claim costs resulting from the implementation and utilization of wellness and disease management programs that have been effective in reducing the claims cost of large self-insured employers.

Each small business client of the proposed Company will have potential access to a wide range of health insurance options – all offered by CIGNA – to tailor its own plan offerings:

- Six PPOs
- Four consumer-driven plans that are high-deductible health plan compatible
- Two HMOs
- Two drug cards
- Wellness programs and education, including incentives to use preventative health services.

Management:

The Mutual will be initially managed by a transitional company, Metropolitan Administrative Services (**MAS**), a subsidiary corporation of CCOC. MAS is not staffed but has contract relationships with several consulting firms and insurance industry-related vendors. As it reaches operating stability, the Mutual leadership will begin building staff for the Mutual itself.

Interim CEO: Claire Gregoire, is currently President and CEO of KAMDEN Strategy Group, a strategy consulting firm that she founded that serves the banking, insurance, manufacturing, technology, civil engineering and telecommunications industries. CCOC has frequently engaged Ms. Gregoire as a consultant and selected her to lead the implementation of the Mutual in

February, 2006. Prior to starting her own company in 2000, Ms. Gregoire served as group vice president for CNA Financial Corporation from 1996 to 1999, where she developed strategies for revenue and profit growth with the major business segments. Previously she served as SVP and Chief Administrative Officer at Coregis Insurance Group from 1990 to 1995. Ms. Gregoire holds a BA degree from Ripon College (1977) and an MBA from the Kellogg School of Management at Northwestern University (1991). As Interim CEO, Ms. Gregoire will plan and direct all aspects of the program's policies, objectives and initiatives during the launch and initial operating period.

Interim CFO. Ron Kruskol currently works as an outsourced CFO for the Chicagoland Chamber of Commerce. In this capacity he manages the accounting functions for the separate entities of the Chicagoland Chamber of Commerce Foundation and the Chicagoland Entrepreneurial Center. He also serves as Treasurer and Director of Metropolitan Administrative Services, a for-profit organization and subsidiary of CCOC that facilitates the development and formation of key Chamber initiatives. He has extensive experience in the for-profit area regarding finance and tax requirements as well as corporate tax reporting. Mr. Kruskol is a Certified Public Account and holds a BS degree in Accounting from Northern Illinois University. As Interim CFO, Mr. Kruskol will manage the Mutual's accounting functions and staff.

Interim COO: Kevin Gregory is President of Symmetric Solutions, LLC, a strategy consulting firm serving the insurance industry. Mr. Gregory has both operational and strategic knowledge of health insurance brokerage, employee benefits consulting and association health insurance management and underwriting, Kevin Gregory is President of Symmetric Solutions, LLC, a strategy consulting firm targeted at the insurance industry. Mr. Gregory has both operational and strategic knowledge of health insurance brokerage, employee benefits consulting and association health insurance management and underwriting, gained from twelve years of insurance industry work experience. He has worked with associations in Michigan, Kentucky and Ohio to establish health insurance plans for small business owners, including Ohio's Council of Smaller Enterprises (COSE). Mr. Gregory holds a BS degree in Accounting from the University of Cincinnati. As Interim COO, Mr. Gregory is working to integrate the systems of the Mutual's service providers – CIGNA, MCS and Donlon & Associates and is also responsible for establishing underwriting guidelines, plan design and applications to the Illinois Division of Insurance.

Governance: The Company willl be governed by a board comprised of policy holders. By statute, the Board can not include any outsiders. The Company intends to establish an Advisory Board consisting of insurance executives, actuaries, business leaders and lawyers to advise the Board.

Partners: **Insurance Administration: CIGNA HealthCare** will serve as the Mutual's Administrative Services Organization (ASO) and will manage the broker distribution network, employee wellness plans, plan design and claims processing. Through this program, CIGNA hopes to expand its business in Illinois and its ASO business nationwide. CIGNA was awarded this contract after a competitive bidding process managed by CCOC.

Actuary: Tom Donlon, President of Donlon & Associates, Inc., will serve as the Company's independent actuary. Donlon is an actuarial consulting firm providing strategic planning advice for insurers, employers, health care providers and public sector clients regarding the design, pricing, funding and administration of health and welfare plans, including clients with large group self-insured plans, small group insured plans, dental plans, disability plans and group life insurance plans. Mr. Donlon served as Executive VP and National Practice Leader for Aon Consulting's (a subsidiary of Aon Corporation) Health & Welfare consulting practice, where he worked for eight years. Previously he was a Principal with Mercer consulting to large employers and health care providers. Mr. Donlon holds a BS in Mathematics from Loyola University.

Third Party Administrator: MCS Administrative Solutions will be responsible for front-end quoting, customer service and service delivery (with CIGNA). With its underwriting facility, **AMF Risk Management Solutions**, MCS has served over 140 clients with a full range of administrative, underwriting and communication services, ranging from third party administration of self-insured benefit plans to consolidated billing and accounting. The following individuals will be managing the Mutual's account:

> **Teresa Powell, Underwriting Manager, AMF Risk Management Solutions.** Ms. Powell is responsible for the day-to-day operations of AMF's underwriting facility and is responsible for developing and maintaining our quality processes and procedures and is active in ensuring that AMF complies with both underwriting guidelines and the state and federal regulations governing reinsurance. Ms. Powell has a B.S. in Accounting from West Virginia University.

> **Matt Robinson, Lead Underwriter, AMF Risk Management Solutions.** Mr. Robinson has supported all areas of reinsurance underwriting, financing, and risk control and is an expert in self-funded group health, dental, and deductible reimbursement plans ranging in size from groups with less than ten employees to several thousand employees. Mr. Robinson holds a B.S. degree from Ohio State University in Actuarial Science.

Consulting: Symmetric Solutions, LLC will include marketing and operational support Symmetric is a led by Kevin Gregory that advises organizations on the strategic and operational aspects of association health plan management and health insurance underwriting areas, Symmetric has completed extensive work for a comparable small business health insurance program – the Council of Smaller Enterprises (COSE).

Independent Risk Assessment: The Company intend to engage an independent consultant to audit the financial model, evaluate the program's underlying risks and validate the model's conclusions.

Marketing and Distribution:

Focus groups held with small employers (including both CCOC members and non-CCOC members), identified the following highly desired attributes for a new health insurance product:

- The product should offer initial savings of at least 10% to 15% versus existing alternatives
- The product should over price stability after year one
- The product should be co-sponsored by CCOC and CIGNA because both are strong brands
- The product should offer a variety of flexible plan offerings that can be mixed and matched
- The product should offer An extensive network of doctors and hospitals
- The product should be to be owned by employers and provide employers with some ability to control plan costs
- The product's risks should clearly identified and be minimal and controlled
- The power of combining small employers creates access to the same benefits as available to Fortune 500 companies

The marketing plan includes two parallel tracks, a marketing/public relations campaign and building a broker distribution channel.

Marketing and Public Relations Campaign: The Company's marketing campaign will involve:

i. a short-term plan for the official 'launch' and first six months of operations; focusing on the initial targeted market segment of current CCOC members with 2 to 150 employees.

ii. a longer-term plan to roll out this product throughout the rest of the Illinois business community through affiliations with other metro, regional and statewide business groups, especially other Chambers of Commerce.

iii. an ongoing plan to drive continued membership growth.

Intended audiences of the campaign will include:

- Chicagoland Chamber members with 2 to 150 employees
- Non-Chamber small businesses within the Chamber's region
- Chamber Board and all members
- Small businesses statewide

- Metro, regional and statewide business groups, especially other Chambers
- Insurance brokers
- Media

Marketing Timeline:

January 1 – March 1, 2007:	Pre-Launch: to Develop brand identity Develop marketing print collateral and online materials Conduct media training for identified participants Develop Media Relations Program Develop and refine key messages Plan Launch Event (press conference(s) Develop media relations contact list & materials Develop Outreach Plan Develop Issues Management Plan
March 1, 2007:	Official 'Launch' Date and first day of the Sales Period
May 1, 2007	First Policy Effective Date
March 1 – September 1	Marketing Campaign
September 1 –ongoing	Ongoing Marketing

Distribution: The Company after its formation and licensing approval by DOI plans to distribute its products primarily through a preferred broker network that will be trained in its products and incented to promote this product.

The timeline for developing the distribution channel is:

Completed	Peliminary Identification of Initial Preferred Broker Network
January 1, 2007	Meet with firms individually Solicit commitment Review terms of Producer Agreement
February 1, 2007	Conduct a group meeting Review final provisions of Program Receive signed Producer Agreements
Weeks of February 12 & 19, 2007	Conduct Broker Education Meetings in city and suburbs
Ongoing	Expand Preferred Broker Network Solicit and meet with interested broker firms Conduct additional education sessions as needed Monitor and Manage Broker Performance

---

FINANCING SUMMARY

Instrument: Guaranty Fund Certificate (a form of financing that is unique to the insurance industry)

Bank Approval: LaSalle Bank has approved a $750,000 loan/investment commitment and is serving as lead investor and intial Indenture Trustee. It has been approved as a high risk Community Investment Act ("CRA") loan/investment by the Bank's community development division. Other area banks, including, Chase, Cole Taylor, Cosmopolitan, First Midwest, FifthThird, Harris, MB Financial, MidAmerica, Northern Trust, Private Bank, and Pullman Bank are being contacted for expressions of interest in as potential Certificate Holders in amounts of $250,000 to $500,000.

DCEO Approval: DCEO has been contacted for a $750,000 participation in a subordinate tranche of Certificates, which will be subordinate to the Banks and IFA. A decision on this request is expected by December 15, 2006.

Interest: 7% fixed rate of interest (2% below the Bank's rate of interest), payable annually at the end of the first year and semiannually thereafter

Repayment: Principal and interest return is to be repaid out of the Mutual's surplus in excess of the ongoing surplus required, as determined by the Mutual's Board of Directors and the DOI. **All repayment of principal and interest to Certificate holders must be approved by the DOI.** To satisfy DOI requirements, the Indenture documentation is likely to include the following statutory covenants:

- No payment of accrued interest or repayment of the principal can be made or authorized if such payment would reduce the capital and surplus of the Mutual to less than that required under Section 43 of the IL Insurance Code.
- No default on the part of the Mutual shall give Certificate holders any right to declare the unpaid principal or accrued interest to be due and payable immediately.

Amortization: No stated amortization provisions. Notwithstanding the limitations noted above, the Mutual intends to repay its Certificates as soon as excess surplus is produced through operating profits DOI permits the Mutual to make Certificate payments. Best efforts by Certificate holders will be made to attach a good faith projected repayment plan to the Indenture applicable to the Certificate holders pending approval by the DOI. The Mutual's projected repayment plan, in the event of an inability to repay principal within the first five years, is to begin repaying principal on a fifteen year amortization schedule beginning in year six with a balloon payment at the end of year ten, all subject to accumulated excess surplus and DOI approval.

Collateral: **None: DOI forbids insurance companies to guaranty the repayment of risk-based capital.**

Additional Debt: To ensure the Mutual's ability to continue to operate and pay claims to policy holders, **DOI is expected to permit no limits on the amount of additional indebtedness that the Mutual may incur, which may be senior to the Certificates.**

DOI Approval: The actual Indenture, policies, procedures, governance and by-laws and incorporation of the Company is and remains subject to DOI's review and approval. While DOI has been consulted by the Company and reviewed drafts of documentation, including the Indenture, DOI's final approval will not be provided until the Company has been fully capitalized.

Payment of interest and principal on the Certificates is subject to DOI's review and approval. DOI's fiduciary duty is to the Company's policyholders. DOI has no fiduciary duty to IFA and other holders of the Certificates.

PROJECT SUMMARY

Proceeds generated and received by the Company through the Certificates will be used to capitalize a reserve to satisfy DOI's Risk-Based Capital requirements for a mutual health insurance company. DOI will hold $1.5 million in escrow, with the balance to be held by the Company in a conservative investment portfolio.

CONFIDENTIAL

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The Entrepreneurial Mutual Insurance Company (TEMIC), 950 North Michigan Avenue, Chicago, (Cook Couty) Illinois 60601 (contact Claire Gregoire, Interim CEO, 312/494-6710)
Organization:	Illinois mutual insurance company
Project Location:	Statewide

PROFESSIONAL & FINANCIAL

Lead Bank:	LaSalle Community Development Corporation	Chicago	Jodi Gingiss
Bank Counsel:	Lewis & Gellen	Chicago	James Froberg
IFA Counsel:	McGuireWoods	Chicago	Larry Samuels
Corporate Counsel:	Mayer Brown Rowe	Chicago	Tish Gentry Larry Hamilton
Service Provider	CIGNA Health Services	Chicago	Patrick Boughey
Actuary	Donlon and Associates	Chicago	Tom Donlon
Third Party Administrator:	MCS Administrative Services	Chicago	

LEGISLATIVE DISTRICTS

Congressional:	7th	Danny Davis
State Senate:	13th	Kwame Raoul
State House:	26th	Elga Jeffries

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 5, 2006

Project: **American Ad Bag Company and/or Garmich, LLC**

STATISTICS

Project Number:	I-ID-TE-CD-6255	Amount:	$7,000,000
Type:	Insudstrial Revenue Bond	IFA Staff:	Townsend Albright
Location:	Woodstock	SIC Code:	32311 (Printing)

BOARD ACTION

Preliminary Bond Resolution — Conduit Industrial Revenue Bonds
No IFA funds at risk — Staff recommends approval
Unrated Bonds to be sold in minimum $100,000 bond denominations

PURPOSE

Proceeds will be used to (i) to construct and equip a new manufacturing facility, (ii) renovate and rehabilitate an existing manufacturing facility, (iii) purchase additional equipment and (iv) fund legal and professional issuance costs.

IFA PROGRAM AND CONTRIBUTION

The Authority's Industrial Revenue Bond Program provides low interest rate financing for qualifying industrial projects. IFA's issuance of Industrial Revenue Bonds will exempt income earned on the Bonds from federal income tax and thereby enable the Borrower to obtain a lower interest rate on this debt. The Authority will contribute $7,000,000 of Volume Cap, a prerequisite to issue the Bonds.

VOLUME CAP

IFA to provide $7,000,000 of IFA Volume Cap, and convey tax-exemption on the Industrial Revenue Bonds. Because of the existing $10 million Capital Expenditure requirement, this financing will not close until calendar year 2007, when the new $20 million Capital Expenditure Limitation becomes effective.

VOTING RECORD

Preliminary Bond Resolution - No prior vote

SOURCES AND USES OF FUNDS

Source:	IFA Bonds	$7,000,000	Uses:	Project Costs	$6,860,000
				Legal and professional costs	140,000
Total		$7,000,000	Total		$7,000,000

JOBS

Current employment:	124	Projected new jobs:	18
Jobs retained:	N/A	Construction jobs:	30 (6 months)

BUSINESS SUMMARY

Background: American Ad Bag Company and/or Garmich, LLC (the "Applicant", "Ad Bag") was incorporated on September 29, 1992 in the State of Illinois. The AdBag is an Illinois S Corporation. Garmich, LLC is an Arizona Limited Liability Corporation. Ad Bag is a post print bag company, which sells to national and global clients. Since its inception, the Applicant has been growing at an annualized rate of 18.0%. AdBag imprints corporate and every other type of logo on every conceivable type of plastic bag, including plastic aprons, hospital gowns, and jackets for its worldwide clientele. In 2002, AdBag constructed a second manufacturing facility in Glendale, Arizona to satisfy increasing demand for its products. AdBag enjoys a wide diversity of customer base and is not reliant on a small number of customers. AdBag sells to mainly wholesalers rather than end users. AdBag is owned by Virginia Semrow (51.0% shareholder) and by Gary D. Semrow (49.0% shareholder).

Description: Proceeds of the proposed financing will be used to construct and equip an approximately 50,000 sq. ft. manufacturing facility on five acres of land AdBag previously purchased in Woodstock, Illinois. AdBag plans to purchase three flexographic presses, computer to plate graphic equipment, and three hot stamp presses for the new facility. This is Phase I of the proposed project. Phase II consists of renovating and equipping its 20,000 sq. ft. existing facility which is also located in Woodstock, Illinois. The existing facility is too small, and needs extensive rehabilitation and renovation including significant structural modification, upgrading HVAC, new manufacturing equipment, and computer systems.

Remarks: The construction and equipping of a state of the art facility will keep AdBag competitive in a high volume industry and assure that AdBag maintains it s annual growth rate of 18.0%. Rehabilitation of its existing facility for use in production of one specific product line will allow meaningful production gains. The new and upgraded facilities will significantly increase Woodstock's tax base and provide local employment. Tax exempt financing will lower the cost of capital for the Applicant.

FINANCING SUMMARY

Collateral:	Direct purchase for portfolio by American Community Bank & Trust.
Structure:	To be determined.
Collateral:	First Mortgage on the property, and corporate guarantee of the Applicants.
Rating:	Non-rated
Maturity:	It is anticipated the final maturity of the bonds will be either 20 or 25 years.

PROJECT SUMMARY

Proceeds will be used to (i) construct and equip an approximately 50,000 sq. ft. manufacturing facility to be located at Rose farm Road, Woodstock, McHenry County, Illinois, (ii) renovate and rehabilitate an existing approximately 20,000 sq. ft. manufacturing facility located at 218 North Madison Street, Woodstock, McHenry County, Illinois, (iii) purchase additional equipment including three flexographic presses, computer to plate graphic equipment, three hop stamp presses and additional fixtures, and (iv) fund legal and professional costs.

Project Costs:	Building	$2,454,000
	Construction/Renovation	4,500,000
	Equipment/fixtures	2,100,000
	Arch/ Eng	260,000
Total		$6,860,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	American AdBag Co. and/or Garmich, LLC
Project Name:	New Facility and Renovation Projects
Project Locations:	Rose Farm Road, Woodstock, McHenry County, IL (new facility, and 218 North Madison, Woodstock, McHenry County, Illinois (existing facility)
Land Owner:	American AdBag Company, Inc., (existing facility), and/or Garmich LLC, an Arizona LLC, and/or a related limited liability entity or trust to be created (new facility).
Shareholder Ownership:	Virginia Semrow 51.0% Gary D. Semrow 40.0%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Law Office of Jeffrey J. Keck	Woodstock, IL	Jeffrey J. Keck
Accountant:	Jarvis & Associates, Ltd.	Woodstock, IL	Ronald W. Jarvis
Bond Counsel:	Whyte Hirschboeck Dudek, S.C.	Milwaukee, WI	Lynda R. Templen
Underwriter/ Placement Agent:	American Community Bank & Trust	Woodstock, IL	Dan Dreher
Counsel to Bank:	TBD		
Trustee:	TBD		
Issuer's Counsel:	Wildman, Harrold, Allen & Dixon	Chicago, IL	James M. Snyder

LEGISLATIVE DISTRICTS

Congressional:	08th	Melissa Bean
State Senate:	32th	Pamela Althoff
State House:	63th	Jack D. Franks

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 5, 2006

Project: **University Educational Student Housing Corporation (Dwight Building Project)**

STATISTICS

Project Number:	E-PC-TE-CD-6245	Amount:	$95,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton
Location:	Chicago		

BOARD ACTION

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

1. Because the Senior Series 2007 A Bonds are expected to be sold with an investment grade rating from Fitch (i.e., BBB or higher), the Senior Series 2007A Bonds would be sold in denominations of $5,000. [In the event that the Senior Series 2007 A Bonds fail to attain a minimum rating of BBB, the Senior Series 2007A Bonds must be sold consistent with policies stated in IFA's Bond Program Handbook (i.e., in minimum $100,000 denominations to Accredited Investors, or subject to satisfying the applicable permitted exceptions).]
2. The Subordinate Series 2007B Bonds will be sold in minimum denominations of $100,000 and will be privately placed (and sold to Accredited Investors consistent with provisions of IFA's Bond Program Handbook).

PURPOSE

To finance the acquisition and demolition of certain existing structures located at 646 S. Clark St., and the renovation of existing buildings at 626 S. Clark St. leading to development of a new student housing facility to be located at 626 and 646 S. Clark St. in Chicago, near Columbia College Chicago. The proposed facility will provide additional student housing beds for Columbia College Chicago, Roosevelt University, and other Loop-area higher education institutions.

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

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

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Senior Series 2007A	$68,990,000	Uses:	Project Cost	$ 67,759,466
	IFA Subord. Series 2007B	11,580,000		Debt Service Reserve	4,802,885
	Investment Earnings on			Capitalized Interest	7,487,392
	Bond Proceeds	$1,579,743		Issuance Costs	2,100,000
	Total	**$82,149,743**		**Total**	**$82,149,743**

JOBS

Current employment:	0	Projected new jobs:	18
Jobs retained:	N/A	Construction jobs:	150 (18 months)

BUSINESS SUMMARY

Background and Prior Experience: **University Educational Student Housing Corporation ("UESHC" or the "Borrower")** is a non-stock California 501(c)(3) nonprofit public benefit corporation formed in 1999 that received its 501(c)(3) determination letter as a tax-exempt organization from the IRS in April, 2000. Its mission is to (i) provide student housing to college and university students, (ii) own, acquire, develop, lease, and manage student housing facilities.

UESHC's Board Members are listed in the Economic Disclosure Statement section of this report (see Page 5).

UESCHC is currently negotiating with several prospective private colleges (and entities that support private colleges in Chicago and Illinois) to serve as the prospective recipient of residual cash flows (i.e., charitable donations) from the project and UESHC.

UESHC has not undertaken any mission-related activity prior to development of this student housing project in Chicago's South Loop. Board Members of UESHC have been involved with other non-profits formed specifically to own and develop student housing to college and university students.

Specifically, UESHC Board Member Ben Noble is also President of the **MJH Education Assistance Foundation**, a 501(c)(3) entity that has completed the development of four student housing facilities for DePaul University since 1999. MJH's most recent project with DePaul was for development of **Loft-Right Apartments,** located at 1237 W. Fullerton in Chicago, adjacent to DePaul's Lincoln Park campus. Mr. Noble has substantial experience serving as a management consultant in the student housing industry.

Development of the Loft-Right Apartments was financed with approximately $85 million of IFA Bonds in December 2004. The Loft-Right project was completed ahead of schedule in June 2006, in advance of scheduled occupancy on August 15, 2006. The Loft-Right Apartments were constructed and developed by an affiliate of **Smithfield Properties, LLC** (i.e., Smithfield Construction Group, Ltd.), which has also been engaged to serve as the proposed General Contractor and Developer of this project for UESHC.

Additional information regarding performance of the Loft-Right facility is described on p. 3 under the "Property Manager" Section on The Scion Group, LLC.

Description of the Dwight Building Project: **The Dwight Building Project** will comprise (1) the demolition of the 646 S. Clark St. building and replacement with a 15-story student housing building that will also include (2) the purchase, substantial renovation, and construction of a 5-story addition to the (adjacent) 10-story, 626 S. Clark St. building (commonly known as the "Dwight Building"). Upon completion, the Dwight Building Project will be a 15-story student housing facility with ground floor retail space located at 626-646 S. Clark Street.

The Dwight Building Project will provide a convenient housing option to students attending colleges and universities in Chicago's South Loop including Columbia College Chicago, Roosevelt University, DePaul University – Loop Campus, Robert Morris College, IIT Graduate and Law School, The School of the Art Institute of Chicago, John Marshall Law School, Kendall College, East-West University, and the University of Illinois-Chicago. The Dwight Building Project is located approximately two blocks west of the IFA-financed, 18-story, 1,720 bed, **University Center** (a/k/a Educational Assistance Fund, Inc.) student housing project located at the NE corner of Harrison Street and State Street. The University Center project opened in August 2004, and provides housing to students at Columbia College Chicago, DePaul University, Robert Morris College, and Roosevelt University

According to UESHC, the property currently has appropriate zoning for use as student housing. UESHC has also indicated that Construction Permit plans have been completed and submitted to the City of Chicago for review and approval. The Applicant expects a building permit to construct the Facility to be received by approximately January 31, 2007.

Upon completion of the Dwight Building project, UESHC will provide housing for approximately 750 students in Downtown Chicago. The Dwight Building will include 178 units on 15 floors, and will include approximately 8,000 SF of ground floor retail space. This project will continue the redevelopment of the western edge of Chicago's South Loop neighborhood.

Availability of Tax-Exempt financing will improve project Net Operating Income by reducing interest expense significantly, thereby facilitating development of this Project.

Development Agreement with General Contractor: Upon closing of the proposed IFA Bond Issue, UESHC will purchase the subject property from **Smithfield Properties XLI LLC (the "Seller")** and simultaneously enter into a Development Agreement with **Smithfield Construction Group Ltd. (the "General Contractor")** (an affiliate of the Seller and also of Smithfield Properties LLC of Chicago) to (i) demolish 646 S. Clark Street, (ii) renovate the existing 10-story "Dwight Building" at 626 S. Clark St., and (iii) build a 15-story addition adjacent to, and on top of the existing structure and newly cleared properties located at 626-646 S. Clark Street in Chicago. Upon completion, the Dwight Building Project will consist of 178 residential units containing approximately 750 beds for lease as an undergraduate and graduate student housing facility, and approximately 8,000 SF of street-level retail space.

As proposed, the Bonds will close in February 2007, with demolition and construction beginning immediately thereafter and continuing for 18 months. The projected completion date is August 1, 2008, in time for the 2008-2009 academic year.

Property Manager: **The Scion Group LLC ("Scion" or the "Property Manager")** will be the Development Consultant and Property Manager. Scion has previously served as the Development Consultant for the University Center Project in which Columbia College Chicago, DePaul University, and Roosevelt University hold ownership interests. Additionally, Scion has managed three properties for DePaul, including the recently completed Loft-Right Apartments (1235-1257 W. Fullerton Avenue) which opened in August 2006 (with construction completed ahead of schedule and under budget).

The Loft-Right Apartments project was chosen among 200 entries to win the "Project of the Year-Student" category award in the 2006 Multifamily Executive Awards sponsored by *Multifamily Executive Magazine* announced in October 2006.

All payments on outstanding IFA (IEFA) bond issues for the five non-recourse student housing project financings to date have been made as scheduled as of 11/1/2006. IFA's five non-recourse student housing project financings the Loft-Right Apartments, three other MJH Education Assistance Foundation projects, and the University Center Project.

FINANCING SUMMARY

Structure: As proposed IFA would issue two Series of Bonds, Series 2007A (Senior) Bonds and Series 2007B (Subordinate) Bonds. A summary of the key terms of each series follows:

- Series 2007A (Senior) Bonds:
  - Fixed rate bonds to be sold by Citigroup Global Markets, Inc. (the "Underwriter") without credit enhancement in accordance with IFA's Bond Program Handbook. The anticipated rating from Fitch is "BBB", which would enable the Senior Series 2007A Bonds to be sold in $5,000 denominations. (If Fitch rates the Bonds as sub investment grade, Citigroup would either sell bonds in minimum denominations of $100,000 to Accredited Investors or sell bonds subject to satisfying the applicable permitted exceptions noted in IFA's Bond Program Handbook.)
  - Limited recourse obligation of the Borrower payable solely from the "Mortgaged Property", including all income and revenues derived by the Institution from the operation of the Project, and all moneys and securities on deposit in any fund created under the Trust Indenture. Accordingly, Senior Bondholders will be secured by a 1st Mortgage on the subject property and an assignment of rents, leases, and contract revenues (including 9 and 12-month student housing leases).
  - Additionally, Senior Bondholders will also be secured by (1) a rate covenant test in order to assure minimum coverage of 1.20 times on the Senior Series 2007A Bonds and (2) a Debt Service Reserve Fund that must be appropriately funded over the life of the Bonds.
- Series 2007B (Subordinate) Bonds:
  - Interest on the Subordinate, Series 2007B Bonds will be subordinate to the Series 2007A Bonds and subject to availability of residual cash flows after all payments, coverage tests, and reserve tests relating to the Senior Series 2007A Bonds have been satisfied.
  - The Series 2007B Bonds will be issued as a bullet maturity – there will be no scheduled principal payments with respect to the Series 2007B Bonds.

Security/
Collateral: Senior Series 2007A Bonds: The Bonds will be solely secured by (i) a First Mortgage on Project Assets, and (ii) an assignment of rents, leases, and revenues that is senior to the Subordinate Series 2007B Bonds.

Subordinate Series 2007B Bonds: The Bonds will be solely secured by (i) a Second Mortgage on Project Assets, and (ii) an assignment of rents, leases, and revenues that is subordinate to the Senior Series 2007A Bonds.

Final Maturity
Dates: Senior Series 2007A Bonds: 9/1/2043 (estimated), with mandatory sinking payments from 9/1/2009-9/1/2042.

Subordinate Series 2007B Bonds: 9/1/2023 as proposed (with no scheduled principal payments; subject to extension contingent on bond counsel review/approval).

Interest Rates: Senior Series 2007A Bonds: Fixed Rate Bonds for the Series 2007A Bonds with level debt service payments. Estimated Interest Rate of 6.15% on the Series 2007A Senior Bonds as of 10/24/2006 (with True Interest Cost of 6.25%).

Subordinate Series 2007B Bonds: Estimated interest rate of 8.25% on the Series 2007B Subordinate Bonds.

Construction Financing Mechanics: As currently proposed, Smithfield will submit disbursements to the Bond Trustee for payment from the Bond Fund. Disbursements will be subject to review and approval by an independent construction loan servicer (or consulting architect) to be determined prior to closing and satisfactory to Fitch Ratings.

Smithfield Construction Group, Ltd., the General Contractor, will provide performance bonds to assure the project is delivered on time and consistent with specifications pursuant to a Guaranteed Maximum Price Contract ("GMP Contract") to be executed between Smithfield Construction Group and UESHC. Bonds will be issued in an amount sufficient, along with interest earnings thereon, to make all required payments specified under the GMP Contract.

PROJECT SUMMARY

Bond proceeds will be used (i) to finance the demolition of structures currently existing at 646 South Clark Street, located near Columbia College Chicago, (ii) to finance the design, construction, and equipping of a multi-story student housing facility (the "Facility") to be located at 626-646 S. Clark Street, Chicago, IL, (iii) to capitalize a Debt Service Reserve Fund, (iv) to make an initial deposit to the Operation and Maintenance Fund, (v) to provide for the payment of initial operating expenses, (vi) to pay capitalized interest during construction, and (vii) to pay certain costs of issuance relating to the proposed Series 2007A-B IFA Bonds. Collectively, these capital expenditures will comprise the "Project".

A summary of project costs follows:

Building Acquisition:	$9,500,000
Renovations:	15,112,158
New Construction:	20,632,145
Machinery & Equipment:	2,406,000
Architectural/Eng.:	810,000
Construction Soft Costs:	5,044,780
Contingency:	2,674,383
Land Acquisition (Series B):	6,000,000
Developer Fee/Expenses (Series B):	5,580,000
Total:	**$ 67,759,466**

ECONOMIC DISCLOSURE STATEMENT

Applicant: University Educational Student Housing Corporation (c/o Ben Noble, Secretary, University Educational Student Housing Corporation, 603 Great Springs Road, Bryn Mawr, PA, 19010; (P) 610-525-8185; (F) 610-525-8186; blnoble@cfainc.net

Project name: Dwight Building Project

Location: 626-646 S. Clark Street, Chicago (Cook County), IL 60605-1711 and 60605-1702

Organization: California Corporation (November 16, 1999)

Board of Directors: University Educational Student Housing Corporation Board of Directors:
Sharon Green, San Francisco, CA, Director & Chief Financial Officer
Benjamin L. Noble, Philadelphia, PA, Director & Secretary

Current Property Owner: Smithfield Properties XLI LLC, 200 W. Huron Street, Chicago, IL 60610.
NorWol Corporation, Manager (Robert Buono, President)

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Hinshaw & Culbertson, LLP	Chicago, IL	Dean Parker
Real Estate Counsel:	Kirkland and Ellis LLP	Chicago, IL	Greg Spitzer
Developer:	Smithfield Properties XLI LLC c/o Smithfield Properties, LLC	Chicago, IL	Rob Buono
Developer's Counsel:	McGuireWoods LLP	Chicago, IL	Darryl Davidson
Auditor:	Isdaner & Company, LLC	Bala Cynwyd, PA	Michael Troped
Bond Counsel:	Chapman and Cutler, LLP	Chicago, IL	Jim Luebchow, Nancy Burke
Senior Manager:	Citigroup Global Markets, Inc.	Philadelphia, PA	Ken Becker, Jessica Donnelly
Co-Senior Manager:	RBC Capital Markets	Chicago, IL	Jim Pass, Chris Cochran
Underwriter's Counsel:	Mayer Brown Rowe & Maw LLP	Chicago, IL	David Narefsky, Lorraine Tyson
Rating Agency (Senior Bonds only):	Fitch Ratings	New York, NY	
Trustee:	U.S. Bank, National Association	Chicago, IL	Grace Gorka
Trustee Counsel:	To be determined		
Printer:	To be determined		
Facility Manager/ Development Consultant:	The Scion Group LLC	Chicago, IL	Rob Bronstein
Architect:	Booth Hansen	Chicago, IL	Charlie Stetson
Appraiser:	To be determined		
General Contractor:	Smithfield Construction Group, Ltd.	Chicago, IL	Bill Smith
Independent Consulting Architect/ Construction Loan Servicer:	To be determined		
IFA Counsel:	Sonnenschein Nath & Rosenthal LLP	Chicago, IL	Steve Kite

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 5, 2006

Project: **The Newman Foundation at the University of Illinois (Champaign-Urbana)**

STATISTICS

Number:	E-NP-TE-CD-6258	Amount:	$45,000,000 (Not to exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Nona R. Myers
Location:	Champaign		

BOARD ACTION

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

PURPOSE

Bond proceeds will be used to (i) finance the construction and equipping of a student housing facility (Newman Hall will be expanded from an occupancy of 297 beds to 600 beds); (ii) deposit moneys in the Debt Service Reserve Fund to secure the Series 2006 Bonds; and (iii) pay certain costs of issuance of the Series 2006 Bonds.

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$45,000,000	**Uses:**	Project Costs	$36,000,000
				Capitalized Interest	3,750,000
				Debt Service Reserve	4,500,000
				Cost of Finance	750,000
	Total	$45,000,000		Total	$45,000,000

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

JOBS

Current employment:	55	Projected new jobs:	15
Jobs retained:	70	Construction jobs:	100

BUSINESS SUMMARY

Background: In 1905, students attending the University of Illinois at Urbana-Champaign (UIUC) founded the first organization for Catholic students, named for John Henry Newman, a Roman Catholic Cardinal from the 19th century. Today, Newman Centers can be found at most large public universities. Of the estimated 1,700 Catholic ministries located on public university and non-Catholic private campuses, the Newman Foundation is the 3rd oldest. The Newman Foundation (a 501 c (3) organization) is the only Newman campus presence with three focuses: St. John's Catholic Chapel (conducts masses for Catholics), Newman Hall (provides student housing), and the Institute of Catholic Thought (conducts theology courses for both college credit and non credit classes).

In 1927, a complex was built at UIUC consisting of St. John's Catholic Chapel (seating of 1,000) and Newman Hall (a student residence). The Newman Center is located in the heart of the UIUC Campus: directly across from the Library and the Armory; less than one block from the Quad, Foelinger Auditorium, and most classroom buildings; and only two blocks from the heart of campus. It was and is the only Newman Center to have a residence hall. Land is available for the housing expansion adjacent to the existing hall.

Newman Hall is one of 15 Private Certified Housing facilities included as part of the University's housing program. Private Certified Housing meets standards set by UIUC for all students, including freshmen. Within any given year over 25% of the entering freshmen class chooses to live in one of these facilities. Freshman enrollment for the fall of 2006 was 7,172; undergraduate enrollment was 30, 935; and total enrollment was 41,342. Freshmen are required to spend their first 30 academic hours in University or University Certified Housing. Students may transfer to Newman Hall (when there is a rare vacancy) without penalty. The University's Private Certified Housing requires standards be met for safety, space/amenities, and programming/supervision. All students must be eligible to apply for private certified housing, regardless of religion.

The Project: As the largest Newman Center, St. John's Catholic Newman Center is embarking on a $45 million building expansion that will provide for additional student housing (from 297 beds to 600 beds). Due to increasing enrollments in past years, capacity challenges are growing. Newman Hall has been at 100% capacity since 1999 when it became co-ed and retention is between 40 and 50%. Each year there is a waiting list of 150 students. Compared to other Private Certified Housing facilities, Newman Hall is the least expensive and offers more meals per week as part of the cost. Information regarding Newman Hall is readily available on the UIUC website with a link to the Newman Center. Also, UIUC mails every incoming student housing information on Newman Hall as part of the orientation materials and Newman Center staff follow-up on each application. The Newman Center expansion has been approved by UIUC as Private Certified Housing and community leaders of Champaign-Urbana support the effort.

FINANCING SUMMARY

Security: Municipal Bond Insurance Policy/Rated "AA" by Standard & Poor's

Structure: Fixed rate revenue bonds

Maturity: 30 Years

PROJECT SUMMARY

Project Costs:

Land/Buildings	-0-
New Construction:	24,000,000
Machinery/Equipment	10,000,000
Architectural/Engineering	2,000,000
Total	$36,000,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The Newman Foundation at the University of Illinois (Champaign-Urbana)
Project name:	St. John's Catholic Newman Center at the University of Illinois (Urbana-Champaign)
Location:	604 East Armory Avenue, Champaign, IL
Organization:	501(c)(3) Corporation
State:	Illinois
Board Members:	Daniel R. Jenky, President Paul Showalter, Vice President Patricia Gibson, Secretary Gregory Ketcham, Treasurer

PROFESSIONAL & FINANCIAL

Borrower's Counsel: *General*:	Catholic Diocese of Peoria	Peoria	Patricia Gibson
Real Estate:	Meyer Capel, PC	Champaign	Jenny H. Park
Borrower's Consultant:	Catholic Diocese of Peoria	Peoria	Charles Hanson
Bond Counsel:	Thompson Coburn LLP	St. Louis	Sara E. Kotthoff
Bond Insurer:	Radin Asset Assurance	New York	Kathryn D'Angio
Counsel to the Bond Insurer:	Kutuk Rock, LLP	Omaha, NE	Raymond J. Fehringer
Underwriter:	NatCity Investments, Inc.	Pittsburg, PA	Linda D. Eremita
Underwriter's Counsel:	Chapman & Cutler	Chicago	Susan Shallenberger
Issuer's Counsel:	Ungarreti & Harris	Chicago	Ray Fricke
Auditor:	Clifton Gunderson LLP	Peoria	
Trustee:	The Bank of New York Trust Company, N.A.	Chicago	Lena Mopsik
Rating Agency:	Standard and Poor's		
Financial Printer:	McElwee & Quinn	Bryn Mawr, PA	Mary McElwee

LEGISLATIVE DISTRICTS

Congressional:	15^{th}, Timothy V. Johnson
State Senate	52^{nd}, Richard "Rick" J. Winkel
State House:	103^{rd} Naomi D. Jakobsson

MEMORANDUM

TO: IFA Board of Directors

FROM: Jim Senica

DATE: December 5, 2006

RE: Wire Mesh Corporation
Project No. B-LL-TX-6134

Wire Mesh Corporation is a Mexico City-based manufacturer of welded wire fabric screening that is utilized in the production of concrete slabs commonly used in construction and agricultural applications. Significantly, the applicant is a Mexico-based company that is in the process of building its second U.S. plant in Oglesby, Illinois, projecting a creation of 100 new jobs in the community of 3,700.

Citizen's First National Bank and Wire Mesh Corporation have requested that IFA approve a 6-month extension to June 13, 2007, on IFA's commitment to its Participation Loan. IFA is committed to the financing after the Company's construction of the new manufacturing facility is completed and the long-term financing is established. The Board originally approved this project on June 13, 2006, with the usual six-month commitment, expiring on December 13, 2006. The Company is currently engaged in the construction process but delays in obtaining required materials have extended the construction period. The banker, Jeff Ellis of Citizens First National Bank in Peru, has indicated that the project is 75% complete with construction now centered on indoor work during the winter months. It is anticipated that this loan will close in the spring of 2007.

It is important to note that while IFA's rate at 4.35% is below market rate, this project is of extreme importance to economic development in the Illinois Valley area as the project will create 100 new manufacturing jobs in a community of 3,700 which had previously lost a large number of manufacturing jobs, the new plant will complement the product offerings of the two cement manufacturing plants located in the immediate area and the borrower is a Mexico-based company building a new plant in and creating jobs in the U.S.

Staff has re-reviewed the financial projections for the new plant with the banker, Jeff Ellis, who indicated that they indeed appear accurate. A copy of the original project summary presented for Board approval is included with this memorandum to provide a complete overview of the project.

Staff recommends approval of the request.

The voting record of this Participation Loan as originally approval at the June 13, 2006, Board meeting is as follows:

Ayes:	12	Absent:	3 (Herrin, Nesbitt & O'Brien)
Nays:	0	Abstentions:	0

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006

Project: **Wire Mesh Corporation**

STATISTICS

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

BOARD ACTION

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

PURPOSE

Finance the acquisition of land, construction of a new industrial building and acquisition of new equipment

---

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	$1,000,000	Uses:	Land Acquisition	$367,000
	Citizens 1st Nt'l Bank:	1,500,000		Building Construction	4,282,993
	Equiy	3,149,993		Equipment	1,000,000
	Total	$5,649,993		Total	$5,649,993

JOBS

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

BUSINESS SUMMARY

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

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

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

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

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

FINANCING SUMMARY

Obligor: Wire Mesh Corporation

Guarantors: Carlos and Jose Sala, unlimited personal guaranties

Repayment: In the event of a liquidation of our collateral, proceeds will be applied first to repay the subject loan before paying any other credit facility.

ECONOMIC DISCLOSURE STATEMENT

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

PROFESSIONAL & FINANCIAL

Banker:	Citizen's First National Bank	Peru	Jeff Ellis

LEGISLATIVE DISTRICTS

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

AMENDED AND RESTATED
RESOLUTION NUMBER 2006-0706

RESOLUTION authorizing the issuance of not to exceed $250,000,000 in aggregate principal amount of (i) Variable Rate Demand Revenue Bonds, Series 2006A (Loyola University Health System) (the "Series 2006A Bonds"), (ii) Variable Rate Demand Revenue Bonds, Series 2006B (Loyola University Health System) (the "Series 2006B Bonds"), and (iii) Revenue Bonds, Series 2006C (Loyola University Health System) (the "Series 2006C Bonds" and, together with the Series 2006A Bonds and the Series 2006B Bonds, the "Series 2006 Bonds") of the Illinois Finance Authority (the "Authority"), the proceeds of which are to be loaned to Loyola University Health System (the "Corporation"), an Illinois not for profit corporation, to provide the funds necessary to (a) advance refund a portion of the $91,500,000 aggregate principal amount Illinois Health Facilities Authority Revenue Bonds, Series 2001A (Loyola University Health System) (the "Series 2001A Bonds"), (b) pay or reimburse, or refinance certain indebtedness the proceeds of which were used to pay or reimburse, the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Corporation and Loyola University Medical Center ("LUMC") (the "Project"), (c) pay a portion of the interest accruing on the Series 2006 Bonds, (d) fund a debt service reserve fund, if deemed necessary or desirable by the Authority or the Borrower, (e) fund working capital for the Project, if deemed necessary or desirable by the Authority or the Borrower and (f) paying certain expenses incurred in connection with the issuance of the Series 2006 Bonds and the advance refunding of a portion of the Series 2001A Bonds; authorizing and approving the execution and delivery of three Bond Trust Indentures between the Authority and U.S. Bank National Association, as bond trustee (the "Bond Trustee"), to secure the Series 2006 Bonds; authorizing and approving the execution and delivery of three Loan Agreements between the Corporation and the Authority pursuant to which the Authority will loan the proceeds of the Series 2006 Bonds to the Corporation; authorizing and approving the execution and delivery of three Bond Purchase Agreements for the sale of the Series 2006 Bonds (the "Purchase Contracts") among the Authority, the Corporation and Citigroup Global Markets Inc., providing for the purchase and sale of the Series 2006 Bonds; approving the delivery of one or more Official Statements relating to the Series 2006 Bonds; approving the execution and delivery of a Tenth Supplemental System Trust Indenture, supplementing and amending that certain System Trust Indenture dated as of June 1, 1997, as heretofore supplemented and amended, among the Corporation, LUMC and U.S. Bank National Association, as successor system trustee (the

"System Trustee"), pursuant to which the Corporation will issue its Series 2006 Obligations (as defined herein) to the Authority as security for the Series 2006 Bonds; approving the delivery of one or more Remarketing Agreements between the Corporation and Citigroup Global Markets Inc. with respect to the Series 2006A Bonds; approving the delivery of a Reimbursement Agreement among JPMorgan Chase Bank, National Association, the Corporation and LUMC relating to the Series 2006A Bonds; approving the delivery of a Reimbursement Agreement among Harris N.A., the Corporation and LUMC relating to the Series 2006B Bonds; approving the delivery of a Reimbursement Agreement among the Corporation, LUMC and a bank or banks with a credit rating in one of the three highest rating categories (without regard to refinements or gradations) approved by the Authority and the Corporation relating to the Series 2006C Bonds; approving the execution and delivery of three Use Agreements among the Corporation and LUMC; authorizing and approving the execution and delivery of a Supplemental Bond Trust Indenture providing for the refunding of a portion of the Series 2001A Bonds, between the Authority and U.S. Bank National Association, as successor trustee for the Series 2001A Bonds; and authorizing and approving certain other matters.

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

WHEREAS, LOYOLA UNIVERSITY HEALTH SYSTEM, an Illinois not for profit corporation (the "Corporation"), has requested that the Authority issue not to exceed $250,000,000 in aggregate principal amount of its revenue bonds consisting of (i) Variable Rate Demand Revenue Bonds, Series 2006A (Loyola University Health System) (the "Series 2006A Bonds"), (ii) Variable Rate Demand Revenue Bonds, Series 2006B (Loyola University Health System) (the "Series 2006B Bonds"), and (iii) Revenue Bonds, Series 2006C (Loyola University Health System) (the "Series 2006C Bonds" and, together with the Series 2006A Bonds and the Series 2006B Bonds, the "Series 2006 Bonds"), the proceeds of which are to be loaned to Loyola University Health System (the "Corporation"), an Illinois not for profit corporation, to provide the funds necessary to (a) advance refund a portion of the $91,500,000 aggregate principal amount Illinois Health Facilities Authority Revenue Bonds, Series 2001A (Loyola University Health System) (the "Series 2001A Bonds"), (b) pay or reimburse, or refinance certain indebtedness the proceeds of which were used to pay or reimburse, the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Corporation and Loyola University Medical Center ("LUMC") (the "Project"), (c) pay a portion of the interest accruing on the Series 2006 Bonds, (d) fund a debt service reserve fund, if deemed necessary or desirable by the Authority or the Borrower, (e) fund working capital for the Project, if deemed necessary or desirable by the Authority or the Borrower and (f) paying certain expenses incurred in connection with the issuance of the Series 2006 Bonds and the advance refunding of a portion of the Series 2001A Bonds; and

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

(a) three Bond Trust Indentures (the "Bond Indentures") each between the Authority and U.S. Bank National Association, as bond trustee (the "Bond Trustee"), a form of which is attached hereto as Exhibit A, each providing for the issuance thereunder of a series of the Series 2006 Bonds and setting forth the terms and provisions applicable to the Series 2006 Bonds, including securing the related Series 2006 Bonds by an assignment thereunder of the Authority's right, title and interest in and to the related Series 2006 Obligation (as hereinafter defined) and certain of the Authority's rights in and to the related Loan Agreement (as hereinafter defined) and related Use Agreement (as hereinafter defined);

(b) three Loan Agreements (the "Loan Agreements") each between the Authority and the Corporation, a form of which is attached hereto as Exhibit B, under which the Authority will loan the proceeds of the Series 2006 Bonds to the Corporation, all as more fully described in the Loan Agreements;

(c) three Bond Purchase Agreements (the "Purchase Contracts") each among the Authority, Citigroup Global Markets Inc., as purchaser of the Series 2006 Bonds (the "Purchaser"), and the Corporation, a form of which is attached hereto as Exhibit C, providing for the sale by the Authority and the purchase by the Purchaser of the Series 2006 Bonds;

(d) a First Supplemental Bond Trust Indenture between the Authority and U.S. Bank National Association, as successor bond trustee for the Series 2001A Bonds, a form of which is attached hereto as Exhibit D, providing for the payment of the Series 2001A Bonds; and

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

(a) two Official Statements, substantially in the form of the draft Official Statements (the "Official Statements") attached hereto as Exhibit E, relating to the offering of the Series 2006 Bonds;

(b) Tenth Supplemental System Trust Indenture (the "Tenth Supplemental System Indenture"), supplementing and amending that certain System Trust Indenture dated as of June 1, 1997, as heretofore supplemented and amended (the "Original System Indenture" and, together with the Tenth Supplemental System Indenture, the "System Indenture") among the Corporation, LUMC and U.S. Bank National Association, as successor system trustee (the "System Trustee"), providing for, among other things, the issuance thereunder of the Series 2006 Obligations (as hereinafter defined), the form of which is attached hereto as Exhibit F;

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

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

(e) Direct Note Obligation, Series 2006C of the Corporation (the "Series 2006C Obligation" and, together with the Series 2006A Obligation and the Series 2006B Obligation, the "Series 2006 Obligations"), which will be pledged as security for the Series 2006C Bonds, in a principal amount equal to the aggregate principal amount of the Series 2006C Bonds and with prepayment, maturity and interest rate provisions similar to the Series 2006C Bonds;

(f) Reimbursement Agreement among JPMorgan Chase Bank, National Association ("JPMorgan"), the Corporation and LUMC, pursuant to which JPMorgan will agree to provide funds to pay the principal of, premium, if any, and interest on the Series 2006A Bonds and the purchase price of tendered Series 2006A Bonds which are not remarketed, the form of which is attached hereto as Exhibit G;

(g) Reimbursement Agreement among Harris N.A. ("Harris"), the Corporation and LUMC, pursuant to which Harris will agree to provide funds to pay the principal of, premium, if any, and interest on the Series 2006B Bonds and the purchase price of tendered Series 2006B Bonds which are not remarketed, the form of which is attached hereto as Exhibit H;

(h) Reimbursement Agreement among the Corporation, LUMC and a bank or banks with a credit rating in one of the three highest rating categories (without regard to refinements or gradations) as approved by the Authority and the Corporation, pursuant to which such bank will agree to provide funds to pay the principal of, premium, if any, and interest on the Series 2006C Bonds and the purchase price of tendered Series 2006C Bonds which are not remarketed, the form of which is attached hereto as Exhibit H;

(i) one or more Remarketing Agreements between the Corporation and Citigroup Global Markets Inc. related to the Series 2006 Bonds, a form of which is attached hereto as Exhibit I; and

(j) three Use Agreements (the "Use Agreements"), between the Corporation and LUMC, a form of which is attached hereto as Exhibit J, under which LUMC will make certain covenants relating to the use of a portion of the proceeds of the Series 2006 Bonds, all as more fully described in the Use Agreements; and

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

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

(a) Each of the Corporation and LUMC is a not for profit corporation organized under the laws of the State of Illinois and is qualified to do business in the State of Illinois;

(b) Each of the Corporation and LUMC is a "participating health institution" (as defined in the Act); and LUMC owns and operates a bed acute care academic medical center located in Maywood, Illinois;

(c) The Corporation is affiliated with LUMC;

(d) The Corporation has properly filed with the Authority its request for assistance in providing funds to the Corporation which the Corporation and LUMC will use for the purposes aforesaid, and the facilities financed or refinanced with the proceeds of the Series 2006 Bonds are included within the term "project" as defined in the Act and will be owned or operated by the Corporation and LUMC;

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

(f) The indebtedness to be refinanced with the proceeds of the Series 2006 Bonds was issued for purposes which constitute valid purposes under the Act, and such refinancing is in the public interest, is in connection with other financings by the Authority for the Corporation and LUMC and is permitted and authorized under the Act; and

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

Section 2. Series 2006 Bonds. In order to obtain the funds to loan to the Corporation to be used for the purposes aforesaid, the Authority hereby authorizes the issuance of the Series 2006 Bonds. The Series 2006 Bonds shall be issued under and secured by and shall have the terms and provisions set forth in the Bond Indentures and shall be in an aggregate principal amount not exceeding $250,000,000. Each series of the Series 2006 Bonds may be issued in two or more subseries.

The Series 2006 Bonds shall have a final maturity date no later than April 1, 2045 and shall have maturities or mandatory bond sinking fund redemptions commencing no later than April 1, 2015. The Series 2006 Bonds shall bear interest at initial rates not to exceed 8% per annum and a maximum interest rate not to exceed 12% per annum, be subject to purchase and tender and be payable all as provided in the Bond Indentures; provided that as of the date of issuance and delivery of the Series 2006 Bonds, the Series 2006 Bonds shall bear interest in the Weekly Rate Period (as defined in the Bond Indentures) to be specified in the related Purchase Contract, unless the Executive Director of the Authority shall determine that the Series 2006 Bonds shall initially bear interest in another period permitted under the Bond Indentures.

The Series 2006 Bonds shall be issued only as fully registered bonds without coupons. The Series 2006 Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairperson or its Vice Chairperson and attested by the manual or facsimile signature of its Interim Executive Director, Treasurer, Secretary or Assistant Secretary and may have the corporate seal of the Authority impressed manually or printed by facsimile thereon.

The Series 2006 Bonds shall be issued and sold by the Authority and purchased by the Purchaser at a purchase price of not less than 98% of the principal amount of the Series 2006 Bonds. The Purchaser shall receive total underwriting compensation, including underwriting discount, not in excess of 2% of such principal amount of the Series 2006 Bonds, in connection with the sale of the Series 2006 Bonds.

The Authority hereby delegates to the Executive Director of the Authority, the Treasurer of the Authority or any two Members of the board of the Authority ("Members") the power and duty to make final determinations as to the principal amount, the uses of the proceeds of the Series 2006 Bonds, maturities, purchase price, any mandatory sinking fund redemption dates and amounts, optional and extraordinary redemption provisions and the interest rates of the Series 2006 Bonds, all within the parameters set forth herein.

Section 3. Authority Documents. The Authority does hereby authorize and approve the execution by its (i) Chairperson, Vice Chairperson or any of its other Members, (ii) Executive

Director and Treasurer or any person duly appointed by the Members to serve in such office on an interim basis, or (iii) any officer or employee designated by the Executive Director (each an "Authorized Officer") and the delivery and use of the Authority Documents. The Authority Documents shall be substantially in the forms attached hereto and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such person's approval and the Authority's approval of any changes or revisions therein from the forms of such Authority Documents attached hereto and to constitute conclusive evidence of such person's approval and the Authority's approval of the terms of the Series 2006 Bonds and the purchase thereof.

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

Section 5. Authorization and Ratification of Subsequent Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including without limitation the execution and delivery of one or more documents setting forth the agreement and certification of the parties thereto relating to certain federal tax matters, any subscription for the purchase of United States Treasury Obligations-State and Local Government Series necessary for the refunding of a portion of the Series 2001A Bonds) as may be necessary to carry out and comply with the provisions of these resolutions, the Authority Documents and the Additional Transaction Documents and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Authority Documents or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by the Executive Director or Treasurer of the Authority, or in the event of the unavailability, inability or refusal of the Executive Director and the Treasurer to act, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the applicable Authority Document.

Adopted this 5th day of December, 2006 by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Interim Executive Director

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

TO: IFA Board of Directors

FROM: Townsend S. Albright

DATE: December 5, 2006

RE: Amendments to documents relating to Loyola University's Illinois Educational Facilities Authorities Commercial Paper Revenue Notes, Series 1997A, 1997B , and 1997C

Loyola University of Chicago (the "University") is requesting amendments to (1) its Security Agreement (the "CP Security Agreement") relating to the Illinois Educational Facilities Authority Commercial Paper Revenue Notes (Pooled Financing Program), issued in varying aggregate principal amounts from time to time (the "CP Notes"); (2) its Loan Agreement (the "Series 1997 Loan Agreement") relating to the Illinois Educational Facilities Authority Revenue Bonds, Loyola University of Chicago, Series 1997A, 1997B, and 1997C, issued in the original aggregate principal amount of $84,570,000 (the "Series 1997 Bonds") and (3) its Loan Agreement (the "Series 2003 Loan Agreement") relating to the Illinois Educational Facilities Authority Revenue Bonds, Loyola University of Chicago, Series 2003A and Series 2003B, issued in the original aggregate principal amount of $65,405,000 (the "Series 2003 Bonds").

With respect to the CP Notes, the University desires to amend the CP Security Agreement (1) to provide for delivery of audited financial statements of the University to the trustee and the Illinois Finance Authority (the "Authority") within 150 days after the last day of each fiscal year, instead of 120 days, (2) to provide for delivery of "no default" certificates of the President or the Vice President-Finance or other authorized officer of the University within 150 days after the last day of each fiscal year, instead of 120 days and (3) to delete the requirement that either its audited financial statements or a status report from its independent certified public accountants also be delivered to the trustee and the Authority not later than the first Friday in October, which requirement was a standard bond document requirement of the Illinois Educational Facilities Authority (the "IEFA") and is no longer required.

With respect to the Series 1997 Bonds and the Series 2003 Bonds, the University desires to amend the Series 1997 Loan Agreement and the Series 2003 Loan Agreement to delete the requirement that either its audited financial statements or a status report from its independent certified public accountants be delivered to the bond trustee and the Authority not later than the first Friday in October, which requirement was a standard bond document requirement of the IEFA and is no longer required.

RESOLUTION 2006-0707

RESOLUTION AUTHORIZING EXECUTION AND DELIVERY OF AMENDMENTS TO (1) THE SECURITY AGREEMENT RELATING TO THE ILLINOIS EDUCATIONAL FACILITIES AUTHORITY COMMERCIAL PAPER REVENUE NOTES (POOLED FINANCING PROGRAM), ISSUED IN VARYING AGGREGATE PRINCIPAL AMOUNTS FROM TIME TO TIME; (2) THE LOAN AGREEMENT RELATING TO (I) THE ILLINOIS EDUCATIONAL FACILITIES AUTHORITY CONVERTIBLE REVENUE BONDS, LOYOLA UNIVERSITY OF CHICAGO, SERIES 1997A, (II) THE ILLINOIS EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS, LOYOLA UNIVERSITY OF CHICAGO, SERIES 1997B, AND (III) THE ILLINOIS EDUCATIONAL FACILITIES AUTHORITY TAXABLE REVENUE BONDS, LOYOLA UNIVERSITY OF CHICAGO, SERIES 1997C, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $84,570,000; AND (3) THE LOAN AGREEMENT RELATING TO (I) THE ILLINOIS EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS, LOYOLA UNIVERSITY OF CHICAGO, SERIES 2003A AND (II) THE ILLINOIS EDUCATIONAL FACILITIES AUTHORITY TAXABLE REVENUE BONDS, LOYOLA UNIVERSITY OF CHICAGO, SERIES 2003B, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $65,405,000; AUTHORIZING THE EXECUTION AND DELIVERY OF ANY OTHER NECESSARY DOCUMENTS REQUIRED TO EFFECT SUCH AMENDMENTS; AND AUTHORIZING AND APPROVING RELATED MATTERS.

WHEREAS, the Illinois Educational Facilities Authority (the "IEFA"), which was consolidated into the Illinois Finance Authority (the "Authority"), has heretofore issued its Illinois Educational Facilities Authority Commercial Paper Revenue Notes (Pooled Financing Program), in varying aggregate principal amounts from time to time (the "CP Notes"), which CP Notes are issued under and secured by that certain Trust Indenture dated as of November 1, 1995, as supplemented and amended (collectively, the "CP Indenture"), between the IEFA and The Bank of New York Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association and its predecessors) (the "CP Trustee"), as trustee; and

WHEREAS, the IEFA loaned from time to time certain of the proceeds from the sale of the CP Notes to Loyola University of Chicago, an Illinois not for profit corporation (the "University"), through the purchase of the University's Promissory Note (Illinois Educational Facilities Authority Commercial Paper Revenue Notes Pooled Financing Program), issued by the University pursuant to the terms of the Security Agreement dated as of June 1, 1996, as supplemented and amended (the "CP Security Agreement") between the University and the IEFA; and

WHEREAS, a portion of the proceeds of the CP Notes were used by the University to, among other things (i) refund all or a portion of certain outstanding revenue bonds of the IEFA, issued for the benefit of the University to finance and refinance certain of the University's educational facilities and (ii) finance, refinance and reimburse the University for all or a portion of the costs of the acquisition, construction, renovation, improvement and equipping of certain of the University's educational facilities; and

WHEREAS, the University now desires to amend the CP Security Agreement (i) to provide for delivery of audited financial statements of the University to the CP Trustee and the Authority within 150 days after the last day of each fiscal year, instead of 120 days, (ii) to provide for delivery of "no default" certificates of the President or the Vice President-Finance or other authorized officer of the University within 150 days after the last day of each fiscal year, instead of 120 days and (iii) to delete the requirement that either its audited financial statements or a status report from its independent certified public accountants also be delivered to the CP Trustee and the Authority not later than the first Friday in October; and

WHEREAS, the Authority has been informed that the CP Trustee has concluded that such amendments to the CP Security Agreement, in its judgment, are not to the prejudice of the CP Trustee or the Owners (as such term is defined in the CP Indenture) of the CP Notes, and as such, the CP Trustee has determined that such amendments to the CP Security Agreement may be accomplished without the consent of or notice to the Noteholders (as such term is defined in the CP Indenture); and

WHEREAS, in order to effectuate such amendments, the University desires that the Authority and the University enter into a Second Supplemental Security Agreement dated as of December 1, 2006 (the "CP Supplemental Security Agreement"), supplementing and amending the CP Security Agreement; and

WHEREAS, the IEFA has heretofore issued (i) its Illinois Educational Facilities Authority Convertible Revenue Bonds, Loyola University of Chicago, Series 1997A (the "Series 1997A Bonds"), in the original aggregate principal amount of $37,540,000, (ii) its Illinois Educational Facilities Authority Revenue Bonds, Loyola University of Chicago, Series 1997B (the "Series 1997B Bonds"), in the original aggregate principal amount of $4,600,000, and (iii) its Illinois Educational Facilities Authority Taxable Revenue Bonds, Loyola University of Chicago, Series 1997C (the "Series 1997C Bonds," and, collectively with the Series 1997A Bonds and the Series 1997B Bonds, the "Series 1997 Bonds"), in the original aggregate principal amount of $42,430,000, pursuant to the terms of that certain Bond Trust Indenture dated as of June 1, 1997 (the "Original Series 1997 Indenture") between the IEFA and U.S. Bank Trust National Association (as successor to First Trust National Association) (the "Series 1997 Trustee"), as bond trustee; and

WHEREAS, the proceeds from the sale of the Series 1997 Bonds were loaned to the University pursuant to the terms of the Loan Agreement dated as of June 1, 1997 (the "Original Series 1997 Loan Agreement") between the University and the IEFA; and

WHEREAS, the proceeds of the Series 1997A Bonds were used by the University to, among other things, (i) provide a portion of the funds necessary to advance refund those outstanding Illinois Educational Facilities Authority Revenue Bonds, Loyola University of Chicago, Series 1991-A (the "Series 1991-A Bonds"), that were subject to optional redemption prior to their stated maturities and (ii) pay certain costs relating to the issuance of the Series 1997A Bonds; the proceeds of the Series 1997B Bonds were used by the University to, among other things, provide the funds necessary to refinance an outstanding taxable note of the University issued in connection with the refunding of all outstanding Illinois Independent Higher

Education Loan Authority Demand Revenue Bonds, Loyola University of Chicago, Series 1983; and the proceeds of the Series 1997C Bonds were used by the University to, among other things, (i) provide a portion of the funds necessary to advance refund those outstanding Series 1991-A Bonds that were not subject to optional redemption prior to their stated maturities, (ii) provide a portion of the funds necessary to advance refund all outstanding Loyola University of Chicago Direct Obligation Refunding Notes, Series 1993, and (iii) pay certain costs relating to the issuance of the Series 1997C Bonds; and

WHEREAS, under the terms of the Original Series 1997 Loan Agreement, the University is required to deliver its audited financial statements to the Authority and the Series 1997 Trustee within 150 days after its fiscal year end; and

WHEREAS, under the terms of the Original Series 1997 Loan Agreement, the University is also required to deliver either its audited financial statements or a status report from its independent certified public accountants to the Series 1997 Trustee and the Authority not later than the first Friday in October; and

WHEREAS, the University now desires to amend the Original Series 1997 Loan Agreement to delete the requirement that either its audited financial statements or a status report from its independent certified public accountants also be delivered to the Series 1997 Trustee and the Authority not later than the first Friday in October; and

WHEREAS, the Authority has been informed that the Series 1997 Trustee has concluded that such amendment to the Original Series 1997 Loan Agreement, in its judgment, will not materially adversely affect the rights of the Series 1997 Trustee or the Owners (as such term is defined in the Original Series 1997 Indenture) of the Series 1997 Bonds, and as such, the Series 1997 Trustee has determined that such amendment to the Original Series 1997 Loan Agreement may be accomplished without the consent of or notice to the Owners of the Series 1997 Bonds or the Bond Insurer (as such term is defined in the Original Series 1997 Indenture); and

WHEREAS, in order to effectuate such amendment, the University desires that the Authority and the University enter into a First Supplemental Loan Agreement dated as of December 1, 2006 (the "Series 1997 Supplemental Loan Agreement"), supplementing and amending the Original Series 1997 Loan Agreement; and

WHEREAS, the IEFA has heretofore issued (i) its Illinois Educational Facilities Authority Revenue Bonds, Loyola University of Chicago, Series 2003A (the "Series 2003A Bonds"), in the original aggregate principal amount of $28,155,000 and (ii) its Illinois Educational Facilities Authority Taxable Revenue Bonds, Loyola University of Chicago, Series 2003B (the "Series 2003B Bonds," and, together with the Series 2003A Bonds, the "Series 2003 Bonds"), pursuant to the terms of that certain Bond Trust Indenture dated as of July 1, 2003 (the "Original Series 2003 Indenture") between the IEFA and LaSalle Bank National Association (the "Series 2003 Trustee"), as bond trustee; and

WHEREAS, the proceeds from the sale of the Series 2003 Bonds were loaned to the University pursuant to the terms of the Loan Agreement dated as of July 1, 2003 (the "Original

Series 2003 Loan Agreement," and, together with the CP Security Agreement and the Original Series 1997 Loan Agreement, the "Original Loan Documents") between the University and the IEFA; and

WHEREAS, the proceeds of the Series 2003A Bonds were used by the University to, among other things, (i) finance, refinance or reimburse the University for the costs of the acquisition, construction, improvement and equipping of certain of its facilities constituting educational facilities, including the construction and equipping of a new student residence hall and the renovation and expansion of certain dining hall facilities, and including capitalized interest, if any, and (ii) pay certain costs relating to the issuance of the Series 2003A Bonds; and the proceeds of the Series 2003B Bonds were used by the University to, among other things, (i) refinance a portion of the University's Direct Note Obligations Medium-Term Notes (Taxable Series A) consisting of a portion of the $53,030,000 in principal amount Medium-Term Notes due July 18, 2003 (the "Medium-Term Notes"), issued by the University to finance, refinance and reimburse the costs of certain of its facilities constituting educational facilities, (ii) refinance the outstanding principal amount of the Master Note (Fixed and Floating Rates) dated July 9, 2002 (the "Bank One Note") and delivered by the University to Bank One, N.A., as line issuer, to evidence the University's payment obligations with respect to funds borrowed by it from Bank One, N.A. for the purpose of financing, refinancing and reimbursing the costs of certain educational facilities, and (iii) pay certain costs relating to the issuance of the Series 2003B Bonds and the refinancing of a portion of the Medium-Term Notes and the Bank One Note; and

WHEREAS, under the terms of the Original Series 2003 Loan Agreement, the University is required to deliver its audited financial statements to the Authority and the Series 2003 Trustee within 150 days after its fiscal year end; and

WHEREAS, under the terms of the Original Series 2003 Loan Agreement, the University is also required to deliver either its audited financial statements or a status report from its independent certified public accountants to the Series 2003 Trustee and the Authority not later than the first Friday in October; and

WHEREAS, the University now desires to amend the Original Series 2003 Loan Agreement to delete the requirement that either its audited financial statements or a status report from its independent certified public accountants also be delivered to the Series 2003 Trustee and the Authority not later than the first Friday in October; and

WHEREAS, the Authority has been informed that the Series 2003 Trustee has concluded that such amendment to the Original Series 2003 Loan Agreement, in its judgment, will not materially adversely affect the rights of the Series 2003 Trustee or the Owners (as such term is defined in the Original Series 2003 Indenture) of the Series 2003 Bonds, and as such, the Series 2003 Trustee has determined that such amendment to the Original Series 2003 Loan Agreement may be accomplished without the consent of or notice to the Owners of the Series 2003 Bonds; and

WHEREAS, in order to effectuate such amendment, the University desires that the Authority and the University enter into a First Supplemental Loan Agreement dated as of

December 1, 2006 (the "Series 2003 Supplemental Loan Agreement," and, collectively with the CP Supplemental Security Agreement and the Series 1997 Supplemental Loan Agreement, the "Supplemental Loan Documents"), supplementing and amending the Original Series 2003 Loan Agreement; and

WHEREAS, the University has requested that the Authority (as successor to the IEFA) (a) authorize and approve the aforementioned amendments to the Original Loan Documents, which amendments are reflected in drafts of the Supplemental Loan Documents, respectively, copies of which have been prepared and presented to the members of the Authority, and (b) authorize and approve the execution and delivery of the Supplemental Loan Documents; and

WHEREAS, the University has requested that the Authority also authorize and approve the execution and delivery of all other necessary documentation required to effect such amendments; and

WHEREAS, the Authority desires to approve such amendments and authorize and approve the execution and delivery of the Supplemental Loan Documents and any other necessary or appropriate documentation to effect the foregoing;

NOW THEREFORE, Be It Resolved by the members of the Illinois Finance Authority, as follows:

Section 1. That the Authority hereby approves the amendments to the CP Security Agreement, the Original Series 1997 Loan Agreement and the Original Series 2003 Loan Agreement as described above.

Section 2. That the Authority is hereby authorized to enter into the CP Supplemental Security Agreement with the University in substantially the same form now before the Authority; that the form, terms and provisions of the CP Supplemental Security Agreement be, and they hereby are, in all respects approved; that the Chairman, the Vice Chairman, the Treasurer or the Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim basis, including, without limitation, the Interim Executive Director) of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and the Secretary or any Assistant Secretary of the Authority be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the CP Supplemental Security Agreement in the name, for and on behalf of the Authority, and thereupon to cause the CP Supplemental Security Agreement to be executed, acknowledged and delivered to the University and the CP Trustee, in substantially the form now before the Authority or with such changes therein as the Chairman the Vice Chairman, the Treasurer or the Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim basis, including, without limitation, the Interim Executive Director) shall approve, his/her execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the form of such CP Supplemental Security Agreement now before the Authority; that when the CP Supplemental Security Agreement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such CP Supplemental Security Agreement shall be binding on the Authority; that from and after the execution and delivery of the CP Supplemental Security Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such CP Supplemental Security Agreement as executed.

Section 3. That the Authority is hereby authorized to enter into the Series 1997 Supplemental Loan Agreement with the University in substantially the same form now before the Authority; that the form, terms and provisions of the Series 1997 Supplemental Loan Agreement be, and they hereby are, in all respects approved; that the Chairman, the Vice Chairman, the Treasurer or the Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim basis, including, without limitation, the Interim Executive Director) of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and the Secretary or any Assistant Secretary of the Authority be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the Series 1997 Supplemental Loan Agreement in the name, for and on behalf of the Authority, and thereupon to cause the Series 1997 Supplemental Loan Agreement to be executed, acknowledged and delivered to the University and the Series 1997 Trustee, in substantially the form now before the Authority or with such changes therein as the Chairman the Vice Chairman, the Treasurer or the Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim basis, including, without limitation, the Interim Executive Director) shall approve, his/her execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the form of such Series 1997 Supplemental Loan Agreement now before the Authority; that when the Series 1997 Supplemental Loan Agreement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such Series 1997 Supplemental Loan Agreement shall be binding on the Authority; that from and after the execution and delivery of the Series 1997 Supplemental Loan Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such Series 1997 Supplemental Loan Agreement as executed.

Section 4. That the Authority is hereby authorized to enter into the Series 2003 Supplemental Loan Agreement with the University in substantially the same form now before the Authority; that the form, terms and provisions of the Series 2003 Supplemental Loan Agreement be, and they hereby are, in all respects approved; that the Chairman, the Vice Chairman, the Treasurer or the Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim basis, including, without limitation, the Interim Executive Director) of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and the Secretary or any Assistant Secretary of the Authority be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the Series 2003 Supplemental Loan Agreement in the name, for and on behalf of the Authority, and thereupon to cause the Series 2003 Supplemental Loan Agreement to be executed, acknowledged and delivered to the University and the Series 2003 Trustee, in substantially the form now before the Authority or with such changes therein as the Chairman the Vice Chairman, the Treasurer or the Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim basis, including, without limitation, the Interim Executive Director) shall approve, his/her execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the form of such Series 2003 Supplemental Loan Agreement now before the Authority; that when the Series 2003 Supplemental Loan Agreement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such Series 2003 Supplemental Loan Agreement shall be binding on the Authority; that from and after the execution and delivery of the Series 2003 Supplemental Loan Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such Series 2003 Supplemental Loan Agreement as executed.

Section 5. That the Chairman, the Vice Chairman, the Treasurer, any of the other Members, the Executive Director, the Secretary, any Assistant Secretary and any other officer of the Authority (and for purposes of this Resolution, any person duly appointed to such office on an interim basis, including, without limitation, the Interim Executive Director) be, and each of them hereby is, authorized to execute and deliver such documents, certificates, and undertakings of the Authority, including, if necessary, any related amendment or supplement to the Original Loan Documents, and to take such other actions as may be required in connection with the execution, delivery and performance of each of the Supplemental Loan Documents and the effecting of the amendments to each of the Original Loan Documents as provided herein, all as authorized by this Resolution.

Section 6. That all acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 7. That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 8. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 9. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

RESOLUTION 2006-0708

RESOLUTION TO AMEND CERTAIN PROVISIONS OF THE TRUST INDENTURE RELATING TO THE WEST CENTRAL ILLINOIS EDUCATIONAL TELECOMMUNICATIONS CORPORATION PROJECT

WHEREAS, the Illinois Development Finance Authority (as predecessor to the Illinois Finance Authority) (the "Authority") previously issued its $4,800,000 Illinois Finance Authority Variable Rate Demand Revenue Bonds (West Central Illinois Educational Telecommunications Corporation Project) Series 2002 (the "Bonds") for the benefit of West Central Illinois Educational Telecommunications Corporation, an Illinois nonprofit corporation (the "Borrower"), pursuant to a Trust Indenture dated as of September 1, 2002 (the "Indenture") between the Issuer and The Bank of New York Trust Company, as successor to J.P. Morgan Trust Company, National Association, as successor to Bank One, National Association, as trustee (the "Trustee");

WHEREAS, the Borrower has requested the Authority, subject to obtaining the consent and approval of the Trustee and JPMorgan Chase Bank, N.A., as issuer of the Letter of Credit securing the Bonds (the "Bank"), to enter into a First Supplemental Trust Indenture (the "Supplemental Indenture") (a form of which is attached hereto) to amend the qualification requirements for a successor Remarketing Agent under Section 710 of the Indenture; and

WHEREAS, Section 801(g) of the Indenture permits the Authority and the Trustee, with the consent of the Bank, but without the consent of or notice to any Bondowners, to enter into an indenture supplemental to the Indenture for the purpose of making any change which, in the judgment of the Trustee, is not materially adverse to the Trustee or the Bondowners, and

WHEREAS, subject to the conditions precedent set forth herein, the Authority desires to execute and deliver the Supplemental Indenture;

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

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

Section 2. Execution and Delivery of First Supplemental Indenture. The Supplemental Indenture, in substantially the form presented at this meeting and containing substantially the terms and provisions set forth therein, subject to the satisfaction of the conditions precedent set forth in Section 3 hereof, is hereby authorized, approved and confirmed, and the Chairman, the Vice Chairman, the Treasurer or the Interim Executive Director (each an "Authorized Officer") is hereby authorized, empowered and directed to execute and deliver the Supplemental Indenture in the name and on behalf of the Authority and any other documents, agreements, certificates or instruments necessary to carry out the provisions of the Supplemental Indenture. The

Supplemental Indenture, as executed and delivered, shall be in substantially the form thereof now before this meeting and hereby approved or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, the Authorized Officer's execution thereof to constitute conclusive evidence of the Authorized Officer's approval of any and all changes or revisions therein from the form of the Supplemental Indenture now before this meeting; and from and after the execution and delivery of the Supplemental Indenture, the officers, agents and employees of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents, agreements, certificates or instruments as may be necessary to carry out the intent and accomplish the purposes of this Resolution and to comply with and make effective the provisions of the Supplemental Indenture as executed.

Section 3. Conditions Precedent. The execution and delivery of the Supplemental Indenture and any related document, agreement, instrument or certificate as provided in Section 2 above, is expressly conditioned upon the following: (1) approval of the Supplemental Indenture and any related document, agreement, instrument or certificate by the Bank and Trustee; and (2) the Authority's counsel must approve final copies of the Supplemental Indenture and all related documents, agreements, instruments or certificates at or prior to their execution and delivery.

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

This Resolution 2006-0708 is adopted this 5th day of December by roll vote as follows:

Ayes:

Nays:

Abstention:

Abstain:

Absent:

____
Chairman

Attested to:

____
Secretary

1026705_1