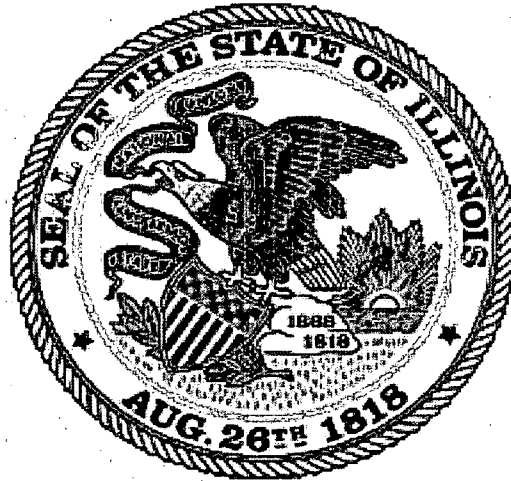


Illinois Finance Authority

July 11, 2006
11:30 AM
Board Meeting
Plaza Club
130 E. Randolph, 40th Floor
Chicago, Illinois



Jose Garcia

**ILLINOIS FINANCE AUTHORITY
BOARD MEETING
July 11, 2006
Chicago, Illinois**

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

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

**BOARD MEETING
11:30 a.m.
One Prudential Plaza
130 E. Randolph, Plaza Club
40th Floor**

AGENDA

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

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Agri-Debt Guarantee						
1	Gordon R. and Denise A. McClure	Newton	518,000	0	6	ER
2	Lloyd E. Stribling II	Ashland	199,043	0	0	CM
3	Mark A.Komnick	New Berlin	150,000	0	0	ER
Agri-Debt Guarantee and Industrial Revenue Bond Preliminary						
4	Biodiesel Investment Group, LLC	Danville	30,000,000	15	90	ST
Agricultural Participation Loan						
5	Mark and Linda Priest	Capron	332,500	1	0	CM
6	Tony Nohl	Deercreek	90,000	0	0	CM
Agricultural Participation Loan RED Fund						
7	Agri-Wind LLC, Agri-Wind Project LLC	Tiskilwa	2,000,000	0	12	ER
8	Oak Prairie Wind Farm LLC	Lena	2,000,000	3	40	ER
Industrial Revenue Bonds Final						
9	Sunrise Ag Service Company	Havana	5,500,000	9	35	ER
Beginning Farmer Bonds						
10	Scott E. Campbell	Aledo	129,500	n/a	n/a	CM
	Robert Maulding	Mt. Vernon	72,000	n/a	n/a	ER
	Bruce & Teresa Ochs	Jasper	90,000	n/a	n/a	ER
TOTAL AGRICULTURE PROJECTS			41,081,043	28	183	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds						
<i>Final</i>						
11	Kewanee Hospital	Kewanee	✓ 45,000,000	0	150	PL/DS
12	Lutheran Hillside Village	Peoria	✓ 50,000,000	0	0	PL/DS
13	Three Crowns Park	Evanston	✓ 65,000,000	40	125	PL/DS
14	Rush University Medical Center Obligated Group	Chicago, Skokie and Aurora	✓ 250,000,000	n/a	n/a	PL/DS
TOTAL HEALTHCARE PROJECTS			410,000,000	40	275	

COMMUNITIES AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds						
<i>Preliminary</i>						
15	Victory Gardens Theater	Chicago	✓ 6,000,000	3	170	TA
16	Oak Park Residence Corporation	Oak Park	3,000,000	n/a	n/a	SCM
17	Lawrence Hall Youth Services	Chicago	✓ 15,000,000	n/a	150	SCM
501(c)(3) Bonds						
<i>Final</i>						
18	Chicago Christian Industrial League	Chicago	11,000,000	11	95	SCM
Local Government Revenue Bonds						
19	Local Government 2006 Series B Pool	Long Creek, Maeystown and Magnolia	5,000,000	0	0	EW
20	Waterloo CUSD No. 5	Waterloo	41,000,000	0	40	NM
			✓ 91,000,000	14	455	

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Participation Loans						
21	Richards Excavating	Zion	✓ 72,500	3	0	CM
22	The Bank of Edwardsville, Trust No. 1104	Belleville	✓ 714,000	7	45	RP
Industrial Revenue Bonds						
<i>Preliminary</i>						
23	Ezine, Inc. and 4243 W. Belmont LLC	Chicago	✓ 4,500,000	150	25	RKF
TOTAL BUSINESS AND INDUSTRY PROJECTS			5,286,500	160	70	

HIGHER EDUCATION

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds						
<i>Final</i>						
24	Northern Illinois University Foundation	DeKalb	✓ 15,495,000	1	19	ST
TOTAL HIGHER EDUCATION PROJECTS			15,495,000	1	19	

GRAND TOTAL			552,862,543	243	1002	
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Tab

Resolutions/Project Revisions/Amendatory Resolutions

✓ 25	Noble Network of Charter Schools. Request to increase the bond size and add a taxable bond issue. Project No. N-NP-TE/TX-CD-6032.	SCM
✓ 26	Aspira, Inc. of Illinois. Request to increase the bond size and add a taxable bond issue. Project No. N-NP-TE/TX-CD-6031.	SCM
✓ 27	UNO Charter School Network. Request to increase the bond size and add a taxable bond issue. Project No. N-NP-TE/TX-CD-6030.	SCM
✓ 28	Clinton L. Young. Request to extend a participation loan. Project No. 9672-PL.	JS
✓ 29	Excel Foundry and machine, Inc. Request to allow FFE Minerals USA to assume a Participation Loan.	JS
✓ 30	Richard A. Mehall & Catherine L. Allen. Request to extend the term of a Participation Loan. Project No. B-LL-TX-6100.	JS
✓ 31	Long Creek Township. Request to increase bonding amount.	EW
✓ 32	Excel Crusher Technologies, LLC. Request to allow FFE Minerals to assume a Participation Loan.	JS

Other

Adjournment



**Illinois Finance Authority
Executive Director's Report
July 11, 2006**

To: IFA Board of Directors and Office of the Governor

From: Jill Rendleman, Interim Executive Director

I. Financial Performance

The Illinois Finance Authority ended fiscal year 2006 with net income of \$2.1M, representing an 18% increase over 2005 results and \$71k over 2006 planned performance. Below target expenses in investment management and compensation more than compensated for gross revenue variations to plan. Despite continued downturns in bond volume nationwide and considerable disruption in health care capital markets, IFA transaction volume remained strong throughout fiscal year 2006, allowing the Authority to complete its plan to fund significant investment in infrastructure necessary to insure proper risk management and compliance regulation. These investments have been critical to the improvements in calling programs, accounting procedures, expense control, and overall administration, which have resulted in a greater reliability and consistency in financial performance.

Illinois Finance Authority's overall financial position improved during the year with total equity increasing by \$2.4M from year end 2005 to \$58.2M at year end 2006. The IFA's balance sheet is comprised of \$61M of assets and \$2.9M of liabilities.

In the July 11 meeting of the Board of Directors, Chief Financial Officer, Jose Garcia, will be presenting for board consideration and approval the financial performance plan for Fiscal Year 2007, including both basic and consolidated financial performance planning models.

II. Sales Activities

This month's performance is one of IFA's strongest months, with 26 projects totaling \$553M to be presented for approval. The projects positively reflect the strength and diversity of the Illinois economy, with market totals of \$41M in agriculture, \$410M in health care, \$81M in communities and culture, \$5M in business and industry, and \$16M in higher education.

The Illinois Finance Authority Executive Director was invited, along with the Governors Office of Management and Budget Director, and the Cook County CFO, to participate in the Midwest Bond Buyer Annual Conference held in Detroit Michigan to discuss opportunities for economic expansion in the State of

Illinois and leveraging state resources with consolidation efficiencies of the IFA. In addition, the Executive Director was active in the Council of Development Finance Authorities' annual conference as an active board member in strategic planning and panel moderator on Best Practices in Tax Increment Financing.

Health Care: Healthcare funding managers attended the Illinois Hospital Association Small and Rural Hospital Constituency Conference in Springfield, Illinois this month and successfully networked with many small, rural and critical access hospitals. Pam Lenane and Dana Sodikoff worked with investment banking firms to discuss a financing program for senior supportive living facilities in central and southern Illinois. This month marks the first month for an Illinois hospital transaction to close with insurance since the introduction of the Charity Care Act in the Illinois Legislature. Health care funding managers made 5 in-person new business development calls in June.

Higher Education: The Higher Education Revenue Anticipation Program was reactivated this month after more than 3 years of inactivity. IFA staff was invited to speak at the Sustainable University Symposium in Springfield, which addressed the environmental and expansion needs of Illinois public and private universities and community colleges. In addition to addressing the symposium, Townsend Albright reported one in-person new business development call in June. Jim Senica reported making 5 new in-person business development calls in June.

Agriculture: Board members active in the Agricultural Committee and IFA staff met with representatives of one of the top 3 international grain processing corporations to review the potential for a bio-diesel project to be located in Danville. The agricultural staff sponsored, coordinated, and moderated a panel of experts on the topic of Alternative Energy Financing at the annual Community Bankers Association Agricultural Lenders Conference. Eric Reed and Corey Mitchell made 17 in-person business development calls for potential projects in the month of June.

Communities and Culture: IFA staff focused on partnering with other economic development organizations including DCEO, USDA, and the Illinois Community Action Association by presenting at various conferences. In addition, IFA staff attended a meeting in Galesburg hosted by Lt. Governor Patrick Quinn to focus on a \$10M project that would link towns from Galesburg to Chicago with high speed internet access. Planning sessions have been developed with the State Fire Marshal's Office for the Ambulance Loan Program. Community and Culture staff member, Kristi Conrad, participated in the Annual Conference of Community Development Finance Authorities. Staff made 32 in-person business development calls or presentations in June.

Industry and Commerce: Funding Managers continue to focus on building relations with independent bankers and local economic development professionals and the Department of Commerce and Economic Opportunity. Industry and Commerce staff member, Rich Frampton, participated in the Annual Conference of Development Finance Authorities. Business and industry staff made over 50 calls to project developers, lenders and underwriters in June.

III. Marketing and Public Relations

Marketing resources have been used this month to support the development of strategic planning sessions for all market sectors. Planning sessions for all market segments took place in May-June and will be presented for board input and consideration at the beginning of Fiscal Year 2007. Management of articles critical to Request for Qualifications for Senior Financial Advisor and General Counsel has taken considerable marketing management. Public relations efforts this month continue to focus on a large number of Freedom of Information Act requests surrounding past activity in the bond markets. Marketing has supported sales staff in developing IFA presentations for numerous conferences in June. The IFA web site is being upgraded to provide improved links and listings with the more robust search engines such as Google and Yahoo. Preparations are underway to support the Illinois State Fair, August 11-20th, with an IFA commercial presentation on an LED screen at the state fairgrounds.

IV. Human Resources and Operations

Chief Administrative Officer, Stuart Boldry, has completed several major projects this month including hiring of IFA summer interns to support completion of key strategic issues, recruitment of an additional agricultural funding manager, proposed changes and updates to employee benefits programs, proposed changes to IFA's deferred compensation plan, and proposed final recommendations for incentive compensation program for Fiscal Year 2007.

V. Legal and Legislative Issues

The bill to increase IFA bonding authority to \$25.2 Billion, HB 1625, has passed the House of Representatives and the Senate and is scheduled to be signed into law by the Governor. The Ambulance Loan Program Bill, SB623, which creates a revolving loan fund for communities to borrow funds through IFA to purchase ambulances, has been signed into law by the Governor. Funding has yet to be approved for the ambulance program.

VI. Audit and Compliance

The Financial and Compliance Audit Planning Session with the Auditor General took place in June and the Fiscal Year 2006 Audit will begin in July. The Executive Director has had numerous conversations with the Auditor General Manager, John Fox, concerning the timeliness and the efficiency of the 2006 Audit Schedule. The AG has agreed to aggressively move forward the time frames of the IFA Audit to accommodate the requests of the legislature and the capital markets industry partners who follow IFA management, standings, and capabilities. In June, IFA fully responded to the requests of Senate Republicans on the Appropriations Committee concerning the Illinois Medical District transaction.

Will Provide
Final F-106
at next BOD MTS.

**Illinois Finance Authority
Balance Sheet
for the Twelve Months Ending June 30, 2006**

	May 2006	June 2006
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	\$ 23,536,679	\$ 22,008,473
LOAN RECEIVABLE, NET	16,469,719	17,812,327
ACCOUNTS RECEIVABLE	431,741	387,154
OTHER RECEIVABLES	95,457	91,650
PREPAID EXPENSES	<u>169,202</u>	<u>170,586</u>
TOTAL CURRENT ASSETS	40,702,799	40,470,190
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	112,310	147,227
DEFERRED ISSUANCE COSTS	837,319	827,729
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES	10,019,959	10,067,080
VENTURE CAPITAL INVESTMENTS	5,364,735	5,364,735
OTHER	<u>4,000,000</u>	<u>4,000,000</u>
TOTAL OTHER ASSETS	19,384,695	19,431,815
TOTAL ASSETS	<u>\$ 61,037,124</u>	<u>\$ 60,876,960</u>
		61,038,825
LIABILITIES		
CURRENT LIABILITIES	\$ 1,055,793	\$ 915,321
LONG-TERM LIABILITIES	<u>1,979,479</u>	<u>1,967,497</u>
TOTAL LIABILITIES	3,035,272	2,882,818
		3,055,078
EQUITY		
CONTRIBUTED CAPITAL	23,828,249	23,828,249
RETAINED EARNINGS	13,062,404	13,062,404
NET INCOME / (LOSS)	2,156,469	2,148,760
RESERVED/RESTRICTED FUND BALANCE	6,268,199	6,268,199
UNRESERVED FUND BALANCE	<u>12,686,528</u>	<u>12,686,528</u>
TOTAL EQUITY	58,001,851	57,994,141
TOTAL LIABILITIES & EQUITY	<u>\$ 61,037,124</u>	<u>\$ 60,876,960</u>

57,963,088

**Illinois Finance Authority
Loan Loss Analysis Summary
As of June 30, 2006**

	Loan Balance	Current Balance	Delinquency > 90 days
Participation Loans	17,387,129 ✓	16,783,818	603,311
FMHA Loans	307,576 ✓	307,576	-
Direct Loans	107,808 ✓	0	107,808
SBA Loans	3,170	-	3,170
Non Performing loans **	751,599	-	751,599
Loans to Municipalities *	149,250 ✓	-	-
Loan Illinois Facilities Fund	1,000,000 ✓	-	-
Totals	19,706,532	17,091,394	1,465,887

Reserve Requirement (Policy 30.30.000)	5.00%	100.00%
Reserved Required	854,570	1,465,887
Total Required Reserve		2,320,457
General Ledger Balance		2,159,131
Adjustment Needed		161,326

** These loans are submitted to the Auditor General Office to be written off.

*Loans to the Municipalities 0% is reserve

Loans greater than 90 days	Amount	Notes
Specialty Machine & Tool, Inc.	71,943	
Wilson, Michael L. Sr.	269,811	
Lincoln Tool Company	101,891	
Act Bending & Steel Company, Inc.	143,236	
Big Picture Chicago, LLC	16,430	
Walters Trucking	-	
T.K.G. Inc.	107,808	
E.E. Medical Services, Inc.	3,170	
Tallman, Jack & Associates	130,518	Submitted to Atty. Gen for write off
Advanced Thermal	91,484	Submitted to Atty. Gen for write off
Frank Alexander Enterprises	25,000	Submitted to Atty. Gen for write off
Cool Temptations, Inc.	12,379	Submitted to Atty. Gen for write off
Energy Savings Associates	25,000	Submitted to Atty. Gen for write off
Martin, Karen Ann	15,286	Submitted to Atty. Gen for write off
Symonds, Ronald (Deceased)	16,932	Submitted to Atty. Gen for write off
Hughes Industries	200,000	Submitted to Atty. Gen for write off
Washington Terrace	235,000	Submitted to Atty. Gen for write off
Total	1,465,886	

ILLINOIS FINANCE AUTHORITY

FISCAL YEAR 2007

BUDGET

**Illinois Finance Authority
Balance Sheet
FY07 Budget**

	June 2005	Projected June 2006	Budget June 2007	Dollar Change	Percent Change
ASSETS					
CASH & INVESTMENTS, UNRESTRICTED	27,274,025	24,043,650	16,436,224	(7,607,426)	-31.64%
LOANS RECEIVABLES, NET	12,982,143	15,810,419	25,810,419	10,000,000	63.25%
OTHER RECEIVABLES	754,239	575,791	550,791	(25,000)	-4.34%
PREPAID EXPENSES	82,201	202,120	170,000	(32,120)	-15.89%
TOTAL CURRENT ASSETS	41,092,607	40,631,980	42,967,434	2,335,454	5.75%
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	71,200	126,873	134,873	8,000	6.31%
DEFERRED ISSUANCE COSTS	942,817	837,319	739,019	(98,300)	-11.74%
OTHER ASSETS - RESTRICTED					
CASH, INVESTMENTS & RESERVES	7,458,743	10,032,699	10,082,699	50,000	0.50%
VENTURE CAPITAL INVESTMENTS	5,318,237	5,364,735	5,300,000	(64,735)	-1.21%
OTHER	4,000,000	4,000,000	4,000,000	0	0.00%
TOTAL OTHER ASSETS	16,776,981	19,397,434	19,382,699	(14,735)	-0.08%
TOTAL ASSETS	58,883,605	60,993,607	63,224,026	2,230,419	3.66%
LIABILITIES					
CURRENT LIABILITIES	975,638	1,014,154	900,000	(114,154)	-11.26%
LONG-TERM LIABILITIES	2,062,585	1,979,479	1,856,846	(122,633)	-6.20%
TOTAL LIABILITIES	3,038,223	2,993,633	2,756,846	(236,787)	-7.91%
EQUITY					
CONTRIBUTED CAPITAL	23,828,249	23,828,249	23,828,249	0	0.00%
RETAINED EARNINGS	11,242,481	13,000,024	15,154,615	2,154,591	16.57%
NET INCOME / (LOSS)	1,819,924	2,154,591	2,467,207	312,616	14.51%
RESERVED/RESTRICTED FUND BALANCE	6,268,199	6,295,959	6,295,959	0	0.00%
UNRESERVED FUND BALANCE	12,686,528	12,721,150	12,721,150	0	0.00%
TOTAL EQUITY	55,845,382	57,999,973	60,467,180	2,467,207	4.25%
TOTAL LIABILITIES & EQUITY	58,883,605	60,993,606	63,224,026	2,230,420	3.66%

**Illinois Finance Authority
IFA Consolidated - Budget Summary
FY 2007**

	Forecast FY 2006	Budget FY 2007	\$ Change	% Change
REVENUE				
INTEREST ON LOANS	779,348	1,200,000	420,652	53.97%
INVESTMENT INTEREST & GAIN(LOSS)	1,250,099	855,100	(394,999)	-31.60%
ADMINISTRATIONS & APPLICATION FEES	4,456,390	5,394,200	937,810	21.04%
ANNUAL ISSUANCE & LOAN FEES	1,228,061	1,310,000	81,939	6.67%
OTHER INCOME	425,506	402,634	(22,872)	-5.38%
TOTAL REVENUE	8,139,404	9,161,934	1,022,530	12.56%
EXPENSES				
EMPLOYEE RELATED EXPENSES				
COMPENSATION & TAXES	2,555,931	2,996,075	440,144	17.22%
BENEFITS	247,951	342,000	94,049	37.93%
TEMPORARY HELP	55,433	81,040	25,607	46.19%
EDUCATION & DEVELOPMENT	10,893	23,600	12,707	116.66%
TRAVEL & AUTO	149,567	135,000	(14,567)	-9.74%
TOTAL EMPLOYEE RELATED EXPENSES	3,029,774	3,581,615	551,841	18.21%
PROFESSIONAL SERVICES				
CONSULTING, LEGAL & ADMIN	1,016,157	616,000	(400,157)	-39.38%
LOAN EXPENSE & BANK FEE	16,417	18,000	1,583	9.64%
ACCOUNTING & AUDITING	422,218	346,700	(75,518)	-17.89%
MARKETING GENERAL	119,806	250,000	130,194	108.67%
FINANCIAL ADVISORY	96,815	350,000	253,185	261.51%
VENTURE CAPITAL CONFERENCE/TRAINING	15,981	25,400	9,420	58.94%
MISCELLANEOUS PROFESSIONAL SERVICES	85,055	71,000	(14,055)	-16.52%
DATA PROCESSING	43,106	38,400	(4,706)	-10.92%
TOTAL PROFESSIONAL SERVICES	1,815,555	1,715,500	(100,055)	-5.51%
OCCUPANCY COSTS				
OFFICE RENT	191,502	320,508	129,006	67.37%
EQUIPMENT RENTAL AND PURCHASES	29,854	45,000	15,146	50.73%
TELECOMMUNICATIONS	67,182	68,000	818	1.22%
UTILITIES	8,944	9,000	56	0.63%
DEPRECIATION	33,860	57,000	23,140	68.34%
INSURANCE	11,924	14,000	2,077	17.42%
TOTAL OCCUPANCY COSTS	343,265	513,508	170,243	49.60%
GENERAL & ADMINISTRATION				
OFFICE SUPPLIES	90,841	94,000	3,159	3.48%
BOARD MEETING - EXPENSES	41,754	32,000	(9,754)	-23.36%
PRINTING	12,108	14,000	1,892	15.63%
POSTAGE & FREIGHT	33,725	35,000	1,275	3.78%
MEMBERSHIP, DUES & CONTRIBUTIONS	40,988	34,500	(6,488)	-15.83%
PUBLICATIONS	1,879	2,000	121	6.44%
OFFICERS & DIRECTORS INSURANCE	118,089	162,000	43,911	37.18%
MISCELLANEOUS	7,995	2,000	(5,995)	-74.98%
TOTAL GENERAL & ADMINISTRATION EXPENSES	347,378	375,500	28,122	8.10%
LOAN PROVISION EXPENSE	220,138	300,000	79,862	36.28%
OTHER				
INTEREST EXPENSE AND OTHER	9,101	8,604	(497)	-5.46%
TOTAL OTHER	9,101	8,604	(497)	-5.46%
TOTAL EXPENSES	5,765,211	6,494,727	729,516	12.65%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	2,374,193	2,667,207	293,014	12.34%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	(219,602)	(200,000)	19,602	-8.93%
NET INCOME/(LOSS)	2,154,591	2,467,207	312,616	14.51%

Growth in Loan Portfolio

Increase in state Grid Deferral Program and Results

Recess Project

*Level Fees
Audit related marketing plan
FA RFQ*

Possible FY06

New expenditures

Interest Coverage

Illinois Finance Authority
STATEMENT OF ACTIVITIES
BUDGET 2007

	July 2006	August 2006	September 2006	October 2006	November 2006	December 2006	January 2007	February 2007	March 2007	April 2007	May 2007	June 2007	Total FY 07
REVENUE	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,200,000
INTEREST ON LOANS	71,258	71,258	71,258	71,258	71,258	71,258	71,258	71,258	71,258	71,258	71,258	71,258	855,100
INVESTMENT INTEREST & GAIN(LOSS)	287,350	660,350	496,350	496,350	889,350	742,350	233,350	251,350	471,350	498,350	663,350	318,350	5,194,200
ADMINISTRATIONS & APPLICATION FEES	85,000	230,000	85,000	85,000	85,000	85,000	230,000	85,000	85,000	85,000	85,000	85,000	1,310,000
ANNUAL ISSUANCE & LOAN FEES	33,552	33,552	33,552	33,552	33,552	33,552	33,552	33,552	33,552	33,552	33,552	33,552	402,834
OTHER INCOME	587,160	1,101,161	518,160	786,161	979,160	1,032,162	558,161	541,162	781,161	726,162	973,161	598,162	9,161,834
TOTAL REVENUE	248,045	248,045	248,789	248,789	248,789	248,789	248,789	248,789	248,789	248,789	248,789	248,789	2,998,075
EMPLOYEE RELATED EXPENSES	28,499	28,500	28,500	28,500	28,500	28,500	28,500	28,500	28,500	28,500	28,500	28,499	342,000
COMPENSATION & TAXES	0	8,494	8,494	8,494	8,494	8,494	8,494	8,494	8,494	8,494	8,494	8,494	84,940
BENEFITS	0	0	0	0	0	0	0	0	0	0	0	0	0
TEMPORARY HELP	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	135,000
EDUCATION & DEVELOPMENT	0	0	0	0	0	0	0	0	0	0	0	0	0
TRAVEL & AUTO	288,544	297,059	303,663	297,784	297,793	302,694	297,793	298,783	303,663	297,792	299,764	298,168	3,581,615
TOTAL EMPLOYEE RELATED EXPENSES	51,335	51,335	51,335	51,335	51,335	51,335	51,335	51,335	51,335	51,335	51,335	51,335	618,000
PROFESSIONAL SERVICES	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
CONSULTING, LEGAL & ADMIN	28,892	28,891	28,892	28,891	28,891	28,891	28,891	28,891	28,891	28,891	28,891	28,891	348,700
LOAN EXPENSE & BANK FEE	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	250,000
ACCOUNTING & AUDITING	28,167	28,167	28,167	28,167	28,167	28,167	28,167	28,167	28,167	28,167	28,167	28,167	350,000
MARKETING GENERAL	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000
FINANCIAL ADVISORY	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	38,000
CONFERENCE/TRAINING	138,377	181,876	188,877	138,376	137,377	138,377	137,377	137,387	138,376	138,378	141,372	138,378	1,715,500
MISCELLANEOUS PROFESSIONAL SERVICES	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	38,000
DATA PROCESSING	28,709	28,709	28,709	28,709	28,709	28,709	28,709	28,709	28,709	28,709	28,709	28,709	320,568
TOTAL PROFESSIONAL SERVICES	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
OCCUPANCY COSTS	5,987	5,987	5,987	5,987	5,987	5,987	5,987	5,987	5,987	5,987	5,987	5,987	68,000
OFFICE RENT/RENTAL AND PURCHASES	750	750	750	750	750	750	750	750	750	750	750	750	9,000
TELECOMMUNICATIONS	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	57,000
UTILITIES	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	14,000
DEPRECIATION	42,783	42,783	42,783	42,782	42,782	42,782	42,783	42,782	42,782	42,782	42,782	42,782	513,508
INSURANCE	7,833	7,833	7,833	7,834	7,833	7,833	7,834	7,833	7,834	7,833	7,834	7,833	94,000
TOTAL OCCUPANCY COSTS	2,687	2,687	2,687	2,687	2,687	2,688	2,687	2,688	2,687	2,688	2,687	2,688	32,000
GENERAL & ADMINISTRATION	1,167	1,167	1,167	1,167	1,167	1,168	1,167	1,168	1,167	1,168	1,167	1,168	14,000
OFFICE SUPPLIES	2,917	2,917	2,917	2,918	2,917	2,918	2,917	2,918	2,917	2,918	2,917	2,917	35,000
BOARD MEETING - EXPENSES	2,875	2,875	2,875	2,878	2,874	2,878	2,874	2,878	2,874	2,878	2,874	2,875	34,500
POSTAGE & FREIGHT	167	167	167	166	167	167	168	167	168	167	168	167	2,000
MEMBERSHIP, DUES & CONTRIBUTIONS	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	162,000
PUBLICATIONS	187	187	187	187	187	187	187	187	187	187	187	187	2,000
OFFICERS & DIRECTORS INSURANCE	187	187	187	187	187	187	187	187	187	187	187	187	2,000
MISCELLANEOUS	31,293	31,293	31,293	31,294	31,290	31,291	31,291	31,291	31,291	31,291	31,291	31,291	375,500
TOTAL GENERAL & ADMINISTRATION EXPENSES	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	300,000
LOAN LOSS PROVISION	717	717	717	717	717	717	717	717	717	717	717	717	8,804
OTHER INTEREST EXPENSE	717	717	717	717	717	717	717	717	717	717	717	717	8,804
TOTAL OTHER	528,723	528,717	528,717	528,717	528,717	528,717	528,717	528,717	528,717	528,717	528,717	528,717	6,494,727
TOTAL EXPENSES	60,437	542,444	-52,212	248,189	444,192	481,202	23,181	4,203	218,287	189,103	432,198	63,787	2,667,207
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	-16,887	-16,887	-16,887	-16,887	-16,887	-16,887	-16,887	-16,887	-16,887	-16,887	-16,887	-16,887	-200,000
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	43,770	535,777	-68,876	232,522	427,525	474,825	6,224	-12,484	202,830	172,528	415,529	47,120	2,487,207
NET INCOME/(LOSS)	26,883	518,890	-85,763	215,635	410,638	457,938	-10,663	185,641	185,641	155,641	298,642	30,233	2,287,207

**Illinois Finance Authority
Consolidated
Balance Sheet
FY07 Budget**

	June 2005	Projected June 2006	Budget June 2007	Dollar Change	Percent Change
ASSETS					
CASH & INVESTMENTS, UNRESTRICTED	36,261,493	33,212,148	23,507,270	(9,704,878)	-29.22%
LOANS RECEIVABLES, NET	73,734,483	76,520,452	84,056,833	7,536,381	9.85%
OTHER RECEIVABLES	2,043,703	638,027	615,791	(22,236)	-3.49%
PREPAID EXPENSES	82,201	202,120	170,000	(32,120)	-15.89%
TOTAL CURRENT ASSETS	112,121,879	110,572,747	108,349,894	(2,222,853)	-2.01%
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	71,200	126,873	134,873	8,000	6.31%
DEFERRED ISSUANCE COSTS	1,164,700	1,071,403	969,019	(102,383)	-9.56%
OTHER ASSETS - RESTRICTED					
CASH, INVESTMENTS & RESERVES	26,165,077	29,819,036	30,576,132	757,096	2.54%
VENTURE CAPITAL INVESTMENTS	5,318,237	5,364,735	5,300,000	(64,735)	-1.21%
OTHER	4,193,178	4,079,656	4,079,000	(656)	-0.02%
TOTAL OTHER ASSETS	35,676,493	39,263,427	39,955,132	691,705	1.76%
TOTAL ASSETS	149,034,271	151,034,450	149,408,917	(1,625,532)	-1.08%
LIABILITIES					
CURRENT LIABILITIES	977,167	1,015,683	901,529	(114,154)	-11.24%
LONG-TERM LIABILITIES	66,970,974	61,966,991	57,045,357	(4,921,634)	-7.94%
TOTAL LIABILITIES	67,948,141	62,982,674	57,946,886	(5,035,788)	-8.00%
EQUITY					
CONTRIBUTED CAPITAL	36,061,462	36,061,462	36,061,462	0	0.00%
RETAINED EARNINGS	11,242,481	13,000,024	15,154,615	2,154,591	16.57%
NET INCOME / (LOSS)	8,736,773	6,813,349	3,410,257	(3,403,091)	-49.95%
RESERVED/RESTRICTED FUND BALANCE	12,358,885	19,455,790	24,114,547	4,658,757	23.95%
UNRESERVED FUND BALANCE	12,686,528	12,721,150	12,721,150	0	0.00%
TOTAL EQUITY	81,086,130	88,051,775	91,462,031	3,410,257	3.87%
TOTAL LIABILITIES & EQUITY	149,034,271	151,034,449	149,408,917	(1,625,531)	-1.08%

**Illinois Finance Authority
Consolidated
Balance Sheet
FY07 Budget**









IFA Funds	Funds with previous Appropriation					Total IFA Budget
	Bond Bank	Fire Truck Fund	Agriculture Loan Fund	Agribusiness Loan Fund		
ASSETS						
CASH & INVESTMENTS, UNRESTRICTED	16,436,224	7,071,046	0	0	0	23,507,270
LOANS RECEIVABLES, NET	25,810,419	49,346,413	8,900,000	0	0	84,056,833
OTHER RECEIVABLES	550,791	65,000	0	0	0	615,791
PREPAID EXPENSES	170,000	0	0	0	0	170,000
TOTAL CURRENT ASSETS	42,967,434	56,482,459	8,900,000	0	0	108,349,894
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	134,873	0	0	0	0	134,873
DEFERRED ISSUANCE COSTS	739,019	230,000	0	0	0	969,019
OTHER ASSETS - RESTRICTED	10,082,699	72,000	1,282,415	10,914,783	8,224,235	30,576,132
CASH, INVESTMENTS & RESERVES	5,300,000	0	0	0	0	5,300,000
VENTURE CAPITAL INVESTMENTS	4,000,000	0	0	0	79,000	4,079,000
OTHER	19,382,699	72,000	1,282,415	10,914,783	8,303,235	39,955,132
TOTAL OTHER ASSETS	63,224,026	56,784,459	10,182,415	10,914,783	8,303,235	149,408,917
LIABILITIES						
CURRENT LIABILITIES	900,000	1,529	0	0	0	901,529
LONG-TERM LIABILITIES	1,856,846	55,188,511	0	0	0	57,045,357
TOTAL LIABILITIES	2,756,846	55,190,040	0	0	0	57,946,886
EQUITY						
CONTRIBUTED CAPITAL	23,828,249	0	0	4,123,213	8,110,000	36,061,462
RETAINED EARNINGS	15,154,615	0	0	0	0	15,154,615
NET INCOME / (LOSS)	2,467,207	175,050	72,000	396,000	300,000	3,410,257
RESERVED/RESTRICTED FUND BALANCE	6,295,959	1,419,369	10,110,415	6,395,570	(106,765)	24,114,547
UNRESERVED FUND BALANCE	12,721,150	0	0	0	0	12,721,150
TOTAL EQUITY	60,467,180	1,594,419	10,182,415	10,914,783	8,303,235	91,462,031
TOTAL LIABILITIES & EQUITY	63,224,026	56,784,459	10,182,415	10,914,783	8,303,235	149,408,917

Illinois Finance Authority
IFA Consolidated - Budget Summary
FY 2007

	Forecast FY 2006	Budget FY 2007	\$ Change	% Change
REVENUE				
INTEREST ON LOANS	2,278,669	3,478,413	1,199,744	52.65%
INVESTMENT INTEREST & GAIN(LOSS)	2,357,228	2,126,056	(231,172)	-9.81%
ADMINISTRATIONS & APPLICATION FEES	4,456,390	5,394,200	937,810	21.04%
ANNUAL ISSUANCE & LOAN FEES	1,228,061	1,310,000	81,939	6.67%
OTHER INCOME	4,378,037	462,634	(3,915,403)	-89.43%
TOTAL REVENUE	14,698,384	12,771,303	(1,927,081)	-13.11%
EXPENSES				
EMPLOYEE RELATED EXPENSES				
COMPENSATION & TAXES	2,555,931	2,996,075	440,144	17.22%
BENEFITS	247,951	342,000	94,049	37.93%
TEMPORARY HELP	55,433	84,940	29,507	53.23%
EDUCATION & DEVELOPMENT	10,893	23,600	12,707	116.66%
TRAVEL & AUTO	149,567	135,000	(14,567)	-9.74%
TOTAL EMPLOYEE RELATED EXPENSES	3,029,774	3,581,615	551,841	18.21%
PROFESSIONAL SERVICES				
CONSULTING, LEGAL & ADMIN	1,026,157	616,000	(410,157)	-39.97%
LOAN EXPENSE & BANK FEE	1,726,539	2,612,319	885,780	51.30%
ACCOUNTING & AUDITING	444,237	376,700	(67,537)	-15.20%
MARKETING GENERAL	119,806	250,000	130,194	108.67%
FINANCIAL ADVISORY	96,815	350,000	253,185	261.51%
VENTURE CAPITAL CONFERENCE/TRAINING	15,981	25,400	9,420	58.94%
MISCELLANEOUS PROFESSIONAL SERVICES	97,055	113,000	15,945	16.43%
DATA PROCESSING	43,106	38,400	(4,706)	-10.92%
TOTAL PROFESSIONAL SERVICES	3,569,696	4,381,819	812,123	22.75%
OCCUPANCY COSTS				
OFFICE RENT	191,502	320,508	129,006	67.37%
EQUIPMENT RENTAL AND PURCHASES	29,854	45,000	15,146	50.73%
TELECOMMUNICATIONS	67,182	68,000	818	1.22%
UTILITIES	8,944	9,000	56	0.63%
DEPRECIATION	33,860	57,000	23,140	68.34%
INSURANCE	11,924	14,000	2,077	17.42%
TOTAL OCCUPANCY COSTS	343,265	513,508	170,243	49.60%
GENERAL & ADMINISTRATION				
OFFICE SUPPLIES	90,841	94,000	3,159	3.48%
BOARD MEETING - EXPENSES	41,754	32,000	(9,754)	-23.36%
PRINTING	12,108	14,000	1,892	15.63%
POSTAGE & FREIGHT	33,725	35,000	1,275	3.78%
MEMBERSHIP, DUES & CONTRIBUTIONS	40,988	34,500	(6,488)	-15.83%
PUBLICATIONS	1,879	2,000	121	6.44%
OFFICERS & DIRECTORS INSURANCE	118,089	162,000	43,911	37.18%
MISCELLANEOUS	7,995	2,000	(5,995)	-74.98%
TOTAL GENERAL & ADMINISTRATION EXPENSES	347,378	375,500	28,122	8.10%
LOAN PROVISION EXPENSE	220,138	300,000	79,862	36.28%
OTHER				
INTEREST EXPENSE AND OTHER	9,101	8,604	(497)	-5.46%
TOTAL OTHER	9,101	8,604	(497)	-5.46%
TOTAL EXPENSES	7,519,353	9,161,046	1,641,693	21.83%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	7,179,031	3,610,257	(3,568,774)	-49.71%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	(156,269)	(200,000)	(43,731)	27.98%
NET INCOME/(LOSS)	7,022,763	3,410,257	(3,612,506)	-51.44%

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

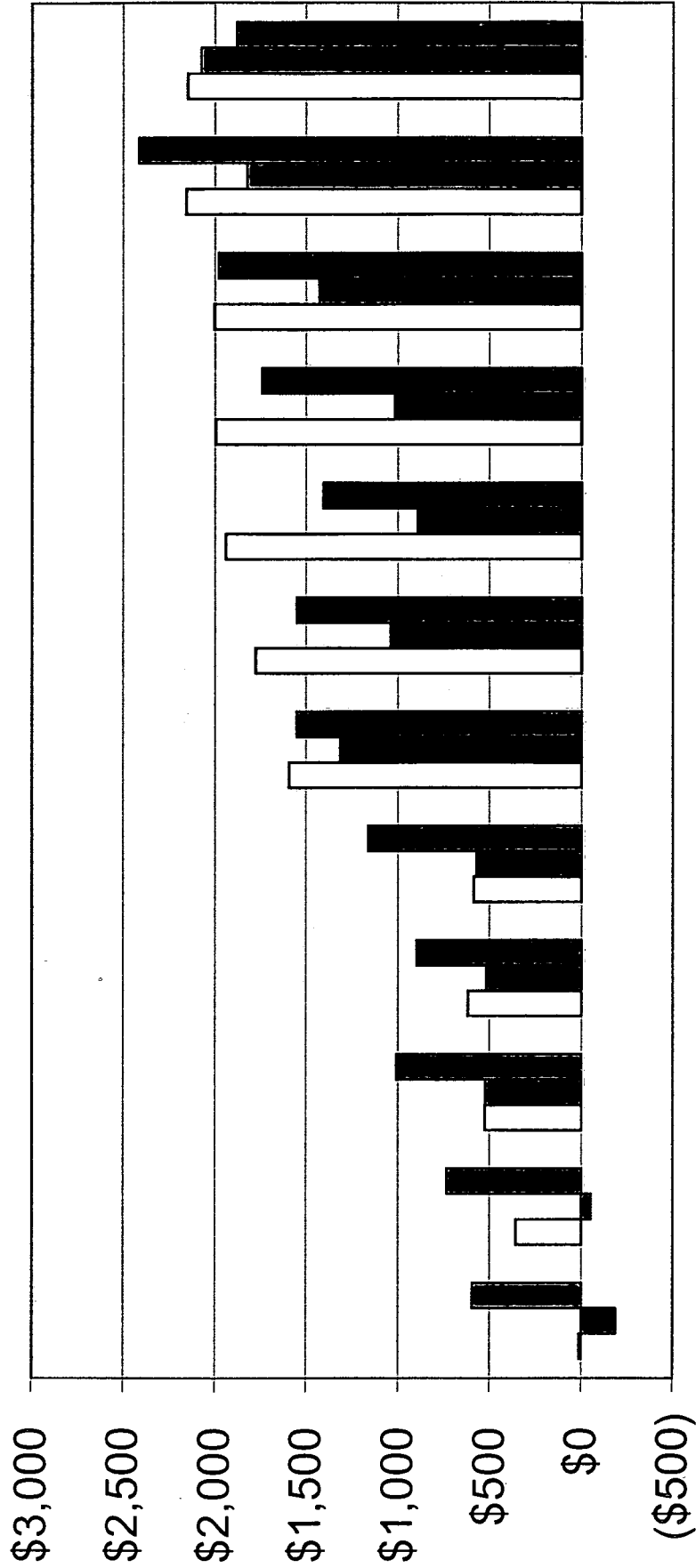
Total Number of 14

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

1
2
6

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

Cumulative Net Income



(In thousands)

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

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held its regularly scheduled meeting at 11:30 a.m., on June 13, 2006 at the Illinois State Library, 300 S. Second Street, Rooms 403-404, Springfield, Illinois:

Members present:

David C. Gustman, Chairman
Magda M. Boyles
James J. Fuentes
Demetris A. Giannoulis
Michael W. Goetz
Edward H. Leonard, Sr.
Juan B. Rivera
Joseph P. Valenti
Bradley A. Zeller

Members absent:

Dr. Roger D. Herrin
Martin H. Nesbitt
Terrence M. O'Brien

**Members participating by
telephone:**

Ronald E. DeNard
Andrew W. Rice
Lynn F. Talbott

GENERAL BUSINESS

Call to Order and Roll Call

Chairman Gustman called the meeting to order at 11:30 a.m. with the above members present. Chairman Gustman asked Carla Burgess Jones, Secretary, to call the roll. Ms. Burgess Jones called the roll. There being nine (9) members physically present and three (3) members present by telephone, Ms. Burgess Jones declared a quorum present.

Interim Executive Director's Report

Chairman Gustman welcomed everyone present and asked Interim Executive Director Rendleman to give her report. Interim Executive Director Rendleman announced that the Authority continued to outperform its goal relating to the number and dollar amount of bond transactions. Ms. Rendleman thanked everyone for their continued support of the Authority. Director Rendleman then announced that there would be 38 projects presented to the Board for approval at the meeting.

Acceptance of Financial Statements

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

Minutes

Upon a motion by Mr. Leonard and seconded by Mr. Rivera, Chairman Gustman requested a roll call vote to approve the minutes of the IFA's board meeting held on May 9, 2006. The motion was approved with 12 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. Chairman Gustman asked Director Rendleman to present the projects to the Board for approval. In an effort to accommodate the schedule of certain guests appearing at the meeting, Chairman Gustman asked Director Rendleman to begin with project No. 28 - Quad County Ready Mix Corp. and thereafter to proceed with the other projects. Director Rendleman presented the following projects to the Board for approval:

No. 28: I-ID-TE-6097 – Quad County Ready Mix Corp.

Request for final approval of the issuance of industrial revenue bonds in an amount not-to-exceed \$1,100,000 for the purpose of financing the acquisition of ten concrete ready-mix trucks. This project is expected to create seven new jobs. Volume cap in the amount of \$1,100,000 will be required for the project. (06-06-28).

Chairman Gustman asked if there were any guests attending the meeting with respect to this project. Funding manager, Steve Trout, introduced Mr. Herbert Hustedde, President of Quad County Ready Mix Corp., and Ms. Miyun Cho, GE Capital, to the Board. Mr. Hustedde thanked the Board for consideration of the project. Chairman Gustman asked if the Board had any questions. After all questions were asked and answered, Chairman Gustman requested leave to record the last unanimous vote in favor of this project. Leave was granted. The project was approved with 12 ayes, 0 nays, and 0 abstentions.

No. 1: A-DR-GT-6123 – Tony and Marsha Snow

Request for approval of the issuance of an Agri-Debt Guaranty of a loan in an amount not-to-exceed \$499,000, the proceeds of which will be used to fund the consolidation of existing real estate mortgages and equipment loans. (06-06-01).

No. 2: A-LL-TX-6111 – Trainor Elevator Limited Partnership

Request for approval of a participation loan in an amount not-to-exceed \$293,580 for the purpose of funding the acquisition and construction of additional storage facilities, large capacity grain legs and unloading facilities. (06-06-02).

No. 3: A-LL-TX-6115 – Darrell Runge

Request for approval of a participation loan in an amount not-to-exceed \$92,500 for the purpose of financing the purchase of 60 acres of farmland. (06-06-03).

No. 4: A-LL-TX-6118 – Phillip and Carla Lehman

Request for approval of a participation loan in an amount not-to-exceed \$205,000 for the purpose of purchasing 155.5 acres of farm land for corn and/or soybean production. (06-06-04).

No. 5: A-LL-TX-6124 & A-LL-TX-6125 – PitchCo. Inc.

Request for approval of a participation loan in an amount not-to-exceed \$750,000 for the purpose of financing additional sows and a second participation loan in an amount not-to-

exceed \$250,000 (for a total participation of \$1,000,000) for the purpose of financing improvements and renovations of an existing hog facility. This project is expected to create three new jobs and six construction jobs. (06-06-05).

No. 6: A-LL-TX-6126 – Sunrise Ag Service Company

Request for approval of a participation loan in an amount not-to-exceed \$1,000,000 for the purpose of funding the acquisition of various equipment related to the construction of a bulk petroleum plant. This project is expected to create 9 new jobs and 35 construction jobs. (06-06-06).

Chairman Gustman asked if there were any guests attending the meeting with respect to this project. Funding manager, Townsend Albright, introduced representatives of Sunrise Ag Service Company to the Board who provided the Board an overview of the Sunrise Ag Service Company project (see also project No. 9).

No. 7: B-LL-TX-6110 – Vern Stade d/b/a Stade Dairy Farm

Request for approval of a participation loan in an amount not-to-exceed \$200,000 for the purpose of financing construction of a farm building to house hay and vegetables for resale. This project is expected to create 24 new jobs. (06-06-07)

No. 8: A-SG-TX-GT-6114 – Christopher R. and Peggy Fredrickson

Request for approval of issuance a Specialized Livestock Guaranty for a loan in an amount not-to-exceed \$740,000, the proceeds of which will be used for the purpose of consolidating existing IFA guaranteed debt along with debt incurred by the borrower to make certain improvements. (06-06-08)

No. 9: A-ID-TE-CD-6103 – Sunrise Ag Service Company

Request for preliminary approval of the issuance of industrial revenue bonds in an amount not-to-exceed \$5,500,000 for the purpose of (i) purchasing land, machinery and equipment; (ii) funding building costs; and (iii) paying legal, professional, engineering and other costs. This project is expected to create nine new jobs and 35 construction jobs. Volume cap in the amount of \$5,500,000 will be required for the project. (06-06-09)

No. 10: A-FB-TE-CD-6012 – Matthew & Marva Schilling

Request for approval of issuance of a Beginning Farmer Bond in an amount not-to-exceed \$70,000 for the purpose of acquiring farmland. This project will use dedicated 2006 Volume Cap set-aside for Beginning Farmer Bond transactions. (06-06-10).

A-FB-TE-CD-6104 – Kevin Ikemire

Request for approval of issuance of a Beginning Farmer Bond in an amount not-to-exceed \$99,750 for the purpose of acquiring farmland. This project will use dedicated 2006 Volume Cap set-aside for Beginning Farmer Bond transactions. (06-06-10).

A-FB-TE-CD-6108 – Michael Kistner

Request for approval of issuance of a Beginning Farmer Bond in an amount not-to-exceed \$40,000 for the purpose of purchasing farmland. This project will use dedicated 2006 Volume Cap set-aside for Beginning Farmer Bond transactions. (06-06-10).

Chairman Gustman asked if there were any other guests attending the meeting with respect to project Nos. 1 through 10. There being none, Chairman Gustman asked if the Board had any questions with respect to project Nos. 1 through 10. After all questions were asked and answered, Chairman Gustman requested leave to record the last unanimous vote in favor of the projects. Leave was granted. The projects were approved with 12 ayes, 0 nays, and 0 abstentions.

No. 11: H-HO-TE-CD-6133 – Kewanee Hospital

Request for preliminary approval of the issuance of 501(c)(3) Bonds in an amount not-to-exceed \$40,000,000 for the purpose of: (i) funding new projects; (ii) reimbursing prior capital expenditures; (iii) refinancing certain outstanding debt; (iv) funding a debt service reserve fund; (v) funding capitalized interest and (vi) paying costs of issuance. This project is expected to create 150-175 construction jobs. (06-06-11).

No. 12: H-SL-RE-TE-CD-6109 – Lutheran Hillside Village

Request for preliminary approval of the issuance of 501(c)(3) Bonds in an amount not-to-exceed \$50,000,000 for the purpose of: (i) funding an escrow to advance refund outstanding Series 2001A and Series 2001B Bonds; (ii) funding a debt service reserve fund; and (iii) paying costs of issuance relating to the bonds. (06-06-12).

No. 13: H-SL-RE-TE-CD-6012 – Three Crowns Park

Request for preliminary approval of the issuance of 501(c)(3) Bonds in an amount not-to-exceed \$65,000,000 for the purpose of: (i) paying for development, marketing, construction and other related costs associated with the redevelopment project; (ii) establishing debt service reserve funds; (iii) funding interest payments, letter of credit, remarketing and other fees and ongoing issuance costs for a period of approximately 24 months and (iv) paying certain costs of issuance related to the bonds. This project is expected to create 40 new jobs and 125 construction jobs. (06-06-13).

Chairman Gustman asked if there were any guests attending the meeting with respect to project Nos. 11 through 13. There being none, Chairman Gustman asked if the Board had any questions. After all questions were asked and answered, Chairman Gustman requested leave to record the last unanimous vote in favor of project Nos. 11 through 13. Leave was granted. The projects were approved with 12 ayes, 0 nays, and 0 abstentions.

No. 14: H-HO-TE-CD-6013 – Delnor Community Hospital

Request for final approval of the issuance of 501(c)(3) Bonds in an amount not-to-exceed \$60,000,000 for the purpose of: (i) funding new projects; (ii) funding capitalized interest during the construction period, if necessary; and (iii) paying costs of issuance related to the bonds. This project is expected to create 100 new jobs and 200 construction jobs. (06-06-14).

Chairman Gustman asked if there were any guests attending the meeting with respect to this project. There being none, Chairman Gustman asked if the Board had any questions. After all questions were asked and answered, Chairman Gustman requested a roll call vote to approve project No.14. The project was approved with 11 ayes, 0 nays, and 1 abstention (Boyles). Ms.

Magda Boyles abstained from voting on the project because from time to time her law firm, Vedder Price, provides legal services to Delnor Community Hospital.

No. 15: H-SL-RE-TE-CD-6088 – Tabor Hills

Request for final approval of the issuance of 501(c)(3) Bonds in an amount not-to-exceed \$12,000,000 for the purpose of: (i) paying the cost of construction of a 95-unit supportive living facility; (ii) paying for letter of credit expenses; and (iii) paying for certain costs of issuance relating to the bonds. This project is expected to create 40 new jobs and 85 construction jobs. (06-06-15).

No. 16: H-HO-TE-CD-6022 – Beloit Memorial Hospital

Request for final approval of the issuance of 501(c)(3) Bonds in an amount not-to-exceed \$54,000,000 for the purpose of: (i) funding new projects; (ii) reimbursing capital expenditures; (iii) refinancing certain outstanding debt; (iv) funding a debt service reserve fund; (v) funding capitalized interest and (vi) paying costs of issuance relating to the bonds. This project is expected to create 95 new jobs and 155 construction jobs. (06-06-16).

Chairman Gustman asked if there were any guests attending the meeting with respect to project Nos. 15 and 16. There being none, Chairman Gustman asked if the Board had any questions. After all questions were asked and answered, Chairman Gustman requested a roll call vote to approve project Nos. 15 and 16. The projects were approved with 12 ayes, 0 nays, and 0 abstentions.

No. 17: N-NP-TE-CD-6105 – Jewish Federation of Metropolitan Chicago, Jewish Charities Revenue Anticipation Note Program, Series 2006-2007A/B

Request for final approval of the issuance of revenue anticipation notes in an amount not-to-exceed \$35,000,000 for the purpose of providing cash management savings to the Jewish Federation of Metropolitan Chicago to be used to expand services provided to its affiliated organizations. (06-06-17).

No. 18: M-MH-TE-CD-6033 – Concordia Place Apartments, L.P.

Request for final approval of the issuance of affordable rental housing bonds in an amount not-to-exceed \$800,000 for the purpose of financing cost overruns associated with unforeseen structural repairs to augment existing financing that financed the acquisition and substantial rehabilitation of an existing multi-family rental property in Chicago, IL. (06-06-18).

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

Request for final approval of the issuance of Local Government Bonds in an amount not-to-exceed \$1,370,000 for the purpose of advance refunding outstanding bonds issued by the Illinois Rural Bond Bank and paying issuance costs related to the bonds. (06-06-19).

Chairman Gustman asked if there were any guests attending the meeting with respect to project Nos. 17 through 19. There being none, Chairman Gustman asked if the Board had any questions. After all questions were asked and answered, Chairman Gustman requested leave to record the

last unanimous vote in favor of project Nos. 17 and 19. Leave was granted. The projects were approved with 12 ayes, 0 nays, and 0 abstentions.

No. 20: LSD-TE-CD-6122 – Waterloo Community Unit School District Number 5

Request preliminary approval of the issuance of tax exempt bonds in an amount not-to-exceed \$45,000,000 for the purpose of financing costs of building a new high school and refinancing existing long-term debt. (06-06-20).

Chairman Gustman asked if there were any guests attending the meeting with respect to this project. Ms. Nona Myers introduced the Superintendent of the Waterloo Community Unit School District Number 5 and other representatives of the project who provided the Board with an overview of the project. Chairman Gustman asked if the Board had any questions. After all questions were asked and answered, Chairman Gustman requested a roll call vote to approve project No. 20. The project was approved with 11 ayes, 0 nays, and 1 abstention (Boyles). Ms. Magda Boyles abstained from voting on the project because from time to time her law firm, Vedder Price, provides legal services to Waterloo Community Unit School District Number 5.

No. 21: B-LL-TX-6113 – BP Professional Building LLC

Request for approval of a participation loan in an amount not-to-exceed \$675,000 for the purpose of financing acquisition of a medical office building. This project is expected to create two new jobs. (06-06-21).

No. 22: B-LL-TX-6129 – Sonnenberg Asphalt Co., Inc./KKLL, Inc. with operating company Sonnenberg Paving & Landscaping Materials Company

Request for approval of a participation loan in an amount not-to-exceed \$718,000 for the purpose of financing the purchase of land, construction of a building and purchase of equipment. This project is expected to create 10 new jobs and 15 construction jobs. (06-06-22).

No. 23: B-LL-TX-6107 – Dale and Connie Carlton

Request for approval of a participation loan in an amount not-to-exceed \$402,750 for the purpose of financing the renovation and acquisition of a manufacturing facility in Danville, IL. This project is expected to create nine new jobs and six construction jobs. (06-06-23).

No. 24: B-LL-TX-6134 – Wire Mesh Corporation

Request for approval of a participation loan in an amount not-to-exceed \$1,000,000 for the purpose of financing the acquisition of land, construction of a new industrial building and acquisition of new equipment. This project is expected to create 100 new jobs and 75 construction jobs over a nine month period. (06-06-24).

No. 25: B-LL-TX-6135 – Paul and Susan Cimaroli

Request for approval of a participation loan in an amount not-to-exceed \$60,000 for the purpose of financing the acquisition of a commercial building in Princeton, IL. This project is expected to create one new job. (06-06-25)

Chairman Gustman asked if there were any guests attending the meeting with respect to this project. There being none, Chairman Gustman asked if the Board had any questions. After all questions were asked and answered, Chairman Gustman requested a roll call vote to approve project Nos. 21 through 25. The projects were approved with 12 ayes, 0 nays, and 0 abstentions.

No. 26: B-LL-TX-6063 – Bitwise Communications, Inc. d/b/a OmniLEC

Request for approval of a direct loan in an amount not-to-exceed \$250,000 for the purpose of financing the acquisition of new telecommunications equipment. This project is expected to create five new jobs. (06-06-26)

Chairman Gustman asked if there were any guests attending the meeting with respect to this project. Mr. Jim Senica introduced principals of Bitwise Communications to the Board who provided the Board with an overview of the project. Chairman Gustman asked if the Board had any questions. After all questions of the Board were asked and answered, Chairman Gustman requested leave to record the last unanimous vote in favor of this project. Leave was granted. The project was approved with 12 ayes, 0 nays, and 0 abstentions.

No. 27: I-ID-TE- 6120 – Aurora Bearing Company

Request for preliminary approval of the issuance of industrial revenue bonds in an amount not-to-exceed \$6,750,000 for the purpose of financing the acquisition and conversion of an industrial building located in Montgomery, IL. This project is expected to create 50 new jobs and 40 construction jobs. Volume cap in the amount of \$6,750,000 will be required for the project. (06-06-27)

No. 29: I-ID-TE- 6119 – DD Leasing, LLC

Request for final approval of the issuance of industrial revenue bonds in an amount not-to-exceed \$1,900,000 for the purpose of financing the acquisition of an asphalt grinder, concrete batch plant and auxiliary equipment for the manufacture of concrete. This project is expected to create five new jobs and 10 construction jobs. Volume cap in the amount of \$1,900,000 will be required for the project. (06-06-29)

No. 30: I-IRD-TX-CD-580/I-TX-LL-6127 – Beecher Sexton Energy, LLC

Request for final approval of the issuance of taxable industrial revenue bonds in an amount not-to-exceed \$2,700,000 for the purpose of financing the acquisition and installation of blowers, electric power generation and transmission equipment and facilities at a landfill and costs of issuance related to the bonds. In connection with the project, the Authority will fund an amount equal to the lesser of \$600,000 or 200% of the maximum annual debt service in a reserve to pay principal and interest on the bonds in the event that project cashflows are insufficient. This project is expected to create four new jobs and 25 construction jobs over a period of six months. (06-06-30)

No. 31: I-ID-TE-CD-680 – Meyer Industries, LLC

Request for final approval of the issuance of industrial revenue bonds in an amount not-to-exceed \$7,000,000 for the purpose of financing the acquisition of land and to construct and equip an industrial facility to manufacture air and bulk dry solids processing

equipment. This project is expected to create ten new jobs and 100 construction jobs. Volume cap in the amount of \$7,000,000 will be required for the project. (06-06-31)

No. 32: E-PC-TE-CD-6096 – The Federation of Independent Illinois Colleges and Universities Revenue Anticipation Note Program (Elmhurst College, Eureka College and Lincoln College)

Request for final approval of the issuance of revenue anticipation notes in an amount not-to-exceed \$12,700,000 for the purpose of providing working capital and funding issuance costs relating to the bonds. (06-06-32)

Chairman Gustman asked if there were any guests attending the meeting with respect to project Nos. 27 and 29 through 32. There being none, Chairman Gustman asked if the Board had any questions with respect to the above projects. After all questions of the Board were asked and answered, Chairman Gustman requested leave to record the last unanimous vote in favor of project Nos. 27 and 29 through 32. Leave was granted. The projects were approved with 12 ayes, 0 nays, and 0 abstentions.

No. 33: E-PC-TE-CD-6121 – Northern Illinois University Foundation

Request for preliminary approval of the issuance of 501(c)(3) bonds in an amount not-to-exceed \$15,495,000 for the purpose of financing construction of a new academic and athletic performance center for Northern Illinois University. This project is expected to create one new job and 19 construction jobs over a 13 month period. (06-06-33)

No. 34: E-PC-TE-CD-6128 – Northwestern University

Request for preliminary approval of the issuance of 501(c)(3) bonds in an amount not-to-exceed \$155,000,000 for the purpose of refunding outstanding Series 1997 Revenue Bonds. (06-06-34)

Chairman Gustman asked if there were any guests attending the meeting with respect to project Nos. 33 and 34. There being none, Chairman Gustman asked if the Board had any questions. After all questions were asked and answered, Chairman Gustman requested a roll call vote to approve project Nos. 33 and 34. The projects were approved with 11 ayes, 0 nays, and 1 abstention (Boyles). Ms. Magda Boyles abstained from voting on the project because from time to time her law firm, Vedder Price, provides legal services to Northern Illinois University and Northwestern University.

No. 35: E-PC-TE-CD-6085 – Educational Advancement Fund, Inc. (University Center Project)

Request for final approval of the issuance of 501(c)(3) student housing revenue refunding bonds in an amount not-to-exceed \$45,000,000 for the purpose of refunding a maximum of \$45,000,000 of the outstanding principal balance of Illinois Educational Facilities Authority, Series 2002 Student Housing Revenue Bonds in an effort to achieve interest rate savings on bonds eligible to be called in 2007. (06-06-35)

Chairman Gustman asked if there were any guests attending the meeting with respect to this project. Funding manager, Rich Frampton, introduced representatives of the Educational

Advancement Fund, Inc. to the Board. The representatives provided to the Board an overview of the project.

Resolutions/Project Revision/Amendatory Resolutions

No. 36: B-LL-TX-6041 - KK Stevens Publishing Company

Request approval to increase the Authority's participation in a loan from the originally-approved not-to-exceed amount of \$600,000 to \$700,000. (06-06-36).

No. 37: B-LL-TX-674 – Macon Metal Products Co., Inc.

Request approval to extend the Authority's commitment to participant in a loan in an amount not-to-exceed \$100,000 with Midland State Bank of Eflingham for the benefit of Macon Metal Products Co., Inc. to October 2006. (06-06-37).

No. 38: Resolution 2006-25.

Request approval of Resolution 2006-25 which will amend the Authority's Healthcare Initiative Private Placement Program (the "Program") for Small and Mid-Size Rural and Urban Not-For-Profit Hospitals, Critical Access Hospitals and Community Providers of Behavioral Healthcare Services in the State of Illinois to permit the public offering (as well as private placement) of bonds for those facilities designates as "critical access hospitals" under the Program.

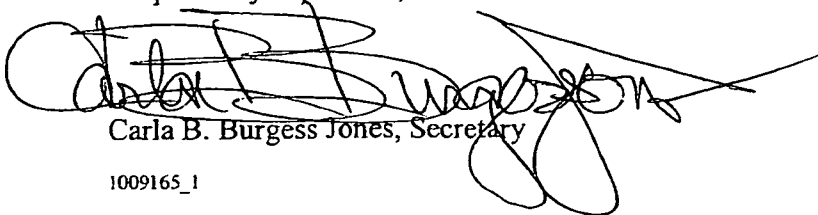
Day One Network (handout)

Request approval for the Authority to make a participation loan for Day One Network with Valley Bank rather than The Private Bank as originally approved by the Authority. (06-06-39).

Chairman Gustman asked if there were any other guests attending the meeting with respect to project Nos. 35 through 39. There being none, Chairman Gustman asked if the Board had any questions. After all questions were asked and answered, Chairman Gustman requested a roll call vote to approve project Nos. 35 through 39. The projects were approved with 12 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. Leonard and seconded by Mr. Goetz, the meeting adjourned at approximately 12:00 p.m.

Respectfully Submitted,



Carla B. Burgess Jones, Secretary

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ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 11, 2006

Project: Gordon R. and Denise A. McClure

STATISTICS

Project Number:	A-SG-TX-6145	Amount:	\$518,000
Type:	Specialized Livestock Guarantee	IFA Staff:	Eric Reed
Location:	Newton, IL	SIC Code:	Swine

BOARD ACTION

Approval to initiate an 85% loan guarantee in favor of Peoples State Bank in Newton.
\$440,300 of State Treasurer's Agricultural Reserve Risk Funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.
Additional Conditions: Receipt of necessary permits for construction of facilities.
Receipt of executed contract between borrowers and Leading Edge Pork.
Assignment of Life insurance on the borrowers.

PURPOSE

The proposed loan will provide for the permanent financing of a 2000 head swine finishing building. Peoples State Bank will finance the construction of the facilities.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Guarantee	\$440,300	Uses:	Construct building	\$455,000
	Peoples Bank	<u>\$77,700</u>		Refinance Debt	\$57,765
				Other Costs	<u>\$5,235</u>
	Total	<u>\$518,000</u>		Total	<u>\$518,000</u>

JOBS

Current employment:	N/A	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs:	6

BUSINESS SUMMARY

Background: Gordon and Denise McClure currently operate a family farming operation in partnership with Gordon's father Paul know as McClure Farms. McClure Farm is 52% owned by Paul McClure and 48% owned by Gordon McClure. The McClure's have been in the hog business for the past 30 years. McClure Farm has operated an 11,000 head nursery unit on contract with Leading Edge Pork since 2000. In addition to their swine operations, they also farm 1,050 acres of corn and soybeans. Most of their land base is owned by various family members, while 340 acres is rented from other landlords. McClure Farms is also a prior user of the IFA guarantee program.

Project Rationale: With the additional swine building, the borrowers will be able to improve their efficiencies, utilize on farm labor and increase their cash flow.

Transaction: The proposed loan will be amortized over 15 years with monthly P&I payments. The loan will be secured by a 1st REM on 40 acres, including the proposed facilities. Additional collateral will also consist of an assignment of life insurance, and the existing improvements.

FINANCING SUMMARY

Borrower: Gordon R. and Denise A. McClure

Security: 1st REM on 40 acres and a new 2000 head swine finishing buildings
Assignment of life insurance on borrower

Structure: The loan will be amortized over 15 years with monthly P&I.

PROJECT SUMMARY

The proposed loan will provide for the permanent financing of a 2000 head swine finishing building. Peoples State Bank will finance the construction of the facilities. In addition to the new project financing, the borrowers will refinance a small existing real estate mortgage to in order to provide a better lien position for the bank. The borrowers will contract to produce finished market hogs with Leading Edge Pork. The new facilities will allow the borrowers to eliminate the use of older facilities and improve efficiencies in their operation.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Gordon R. McClure
Denise A. McClure

Location: 7840 N. 1375th St. County: Jasper
Newton, IL 62448

Organization: Sole Proprietorship

State: Illinois

Ownership: Gordon R. McClure
Denise A. McClure

PROFESSIONAL & FINANCIAL

Accountant: Galloway Financial Service, Olney, IL

Attorney: N/A

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

LEGISLATIVE DISTRICTS

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

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**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 11, 2006**

Project: Lloyd E. Stribling, II

STATISTICS

Project Number: A-DR-TX-GT-6121
Type: Restructuring Ag Debt Guaranty
Location: Ashland

Amount: \$199,043
IFA Staff: Cory Mitchell

BOARD ACTION

Approval to Extend an 85% loan guarantee in favor of State Bank of Ashland of Ashland, Illinois.
\$169,186.55 of IFA funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

Extend prior Agri-Debt guarantee loan in the amount of \$199,043 with IFDA for additional 10 years as loan has ballooned. Original loan balance was \$300,000.

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	\$169,186.55	Uses: Land	\$199,043
State Bank of Ashland	<u>\$29,856.45</u>		
Total	<u>\$199,043.00</u>	Total	<u>\$199,043.00</u>

JOBS

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

BUSINESS SUMMARY

Background: Mr. Stribling continues to raise corn and soybeans with son Shawn on 1100 acres in Cass County near Ashland, IL. He is 10% owner in a hog operation with his son Shawn as well. The hog income has been a sufficient source of family living income for Mr. Stribling as he is single and doesn't lead an extravagant lifestyle. Mr. Stribling had applied for a 10 year extension on the final 10 years of his 30 year amortization through the State Bank of Ashland. This guarantee will allow him to continue to improve his cash-flow position

Project

Rationale: This loan was originally used to re-finance land and farm debt in 1986 due to poor crop conditions and prices. The extension for the final 10 years of the 30 year amortization will allow Mr. Stribling to cash flow his operation efficiently and meet all debt obligations.

Transaction: The proposed loan extension on Real Estate for \$199,043.00 will continue to aid in the overall cash flow structure of Mr. Stribling. The loan will be over 10 years annually adjustable with annual principal and interest payments

FINANCING SUMMARY

Borrower: Lloyd E. Stribling II
Security: 1st REM on 378 acres of raw farm land
Structure: 10 year term, annually adjustable to 2.5 over the 1 year treasury with annual principal and interest payments

PROJECT SUMMARY

Extended loan will be for the renewal of a Real Estate mortgage for 10 years. This loan was originated in 1986 and is in its final 10 years of the amortization. Collateral on the loan is 378 acres in Cass County near Ashland, Illinois. This extension will help Mr. Stribling continue his efficient cash flow he has been able to maintain through the use of the Agri-Debt Guarantee over the past 20 years.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Mr. Lloyd E. Stribling
Location: P.O. Box 599 County: Cass
Organization: Sole-Proprietor
State: Illinois
Ownership: Mr. Lloyd E. Stribling

PROFESSIONAL & FINANCIAL

Accountant: N/A
Attorney: Michael Barton
Bank: State Bank of Ashland

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 11, 2006**

Project: Mark A. Komnick

STATISTICS

Project Number: A-DR-GT-6144	Amount: \$150,000
Type: Agri-Debt Guarantee	IFA Staff: Eric Reed
Location: New Berlin, IL	SIC Code: Grain Farm

BOARD ACTION

Approval to initiate an 85% guarantee in favor of Illinois National Bank, in Springfield.
\$127,500 of State Treasurer's Agricultural Reserve Risk Funds at risk.
Staff recommends approval, subject to satisfying all conditions of the bank loan.
Additional Covenants: No capital expenditures without prior lender and IFA approval.

PURPOSE

Loan proceeds will refinance three existing equipment loans into one loan, which will improve cash flow for the borrower.

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	\$127,500	Uses:	Refinance Debt	\$150,000
	Illinois National Bank	<u>\$22,500</u>			
	Total	<u>\$150,000</u>		Total	<u>\$150,000</u>

JOBS

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

BUSINESS SUMMARY

Background: Mark Komnick operates a grain farming operation and excavating business west of Springfield. Mark, who has farmed for the past 25 years, operates a grain farm consisting of 1,360 acres. He cash rents approximately 500 acres, most of which is owned by his parents. He has also operated an excavating business since 1997. Mark has a son and son-in-law, which help with both of his business operations.

After a recent divorce, Mark has refinanced most of his farm debts in order to consolidate his payments. The bank, which refinanced his operating and machinery loan, did not include the equipment debt related to his excavating business. As a result, he has approached Illinois National Bank concerning the possibility of refinancing these loans.

Project Rationale: By combining the three existing loans into one loan, the borrower will be able to improve his cash flow with an extended amortization on the loan. The proposed loan will complete the refinancing of Mr. Komnick's commercial loans.

Transaction: Illinois National Bank will combine three existing equipment loans into one loan. The loan will carry 6-year term with semi-annual payments. The loan will be secured by specific equipment.

FINANCING SUMMARY

Borrower: Mark A. Komnick
Security: Specific Equipment
Structure: 6 year term with semi-annual payments of P & I.

PROJECT SUMMARY

Illinois National Bank will consolidate three existing equipment loans for Mark Komnick. As part of the proposed refinancing, the bank has proposed extending the term to 6 years, in order to lengthen the amortization and improve the borrower's cash flow. The loan will be secured by the equipment currently financed. A recent appraisal was performed on the borrower's equipment.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Mark A. Komnick
Location: 4818 S. Farmingdale County: Sangamon
New Berlin, IL 62670
Organization: Sole-Proprietor
State: Illinois
Ownership: Mark A. Komnick

PROFESSIONAL & FINANCIAL

Accountant: Sangamon Valley FBFM Assoc.
Attorney: N/A
Bank: Illinois National Bank, Springfield, IL Rick Schramm, VP

LEGISLATIVE DISTRICTS

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

Mark Komnick

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Agri-Debt Guarantee
July 2006
FM: Eric Reed

AGRI-INDUSTRY GUARANTEE TERMS

Program
Modifications: *The Borrower has asked the Authority to provide a guarantee with terms that deviate from Authority's standard terms for this project. Those deviations and staff's rationale for recommending the Board's approval for those changes for this project is summarized in italics below. Provision of this Facility shall be subject to IFA's counsel's completion of legal review to confirm that it conforms to the Authority's statutes and guidelines for Agri-Industry guarantees.*

Facility: Agri-Industry Guarantee to support IFA's issuance of taxable revenue bonds or a lender's extension of a loan to finance this project.

Obligor: Biodiesel Investment Group

Amount: 50% of total Senior Debt, for an amount up to \$12,500,000. *IFA's standard guarantee is 85% of debt but has been reduced to limit the Authority's exposure for this project.*

Purpose: To reduce the Bank's credit risk by providing a source of funds to pay 50% of principal and interest on outstanding Bonds or loans to the Bank in event that BIG defaults on the debt.

Availability: Up to 15 years from closing on the debt, subject to the Authority's annual review. The Authority may revoke this facility based only on objective criteria that are acceptable to the lender.

Timing: The Authority shall provide the Bank with funds owed under the guarantee within 90 days of the Bank's declaration of default.

Repayment: The Bank is responsible for foreclosing on the collateral within 14 months of default for the benefit of itself and the Authority. The Bank shall disburse funds from the liquidation of collateral to the Bank and the Authority on an equal, parity basis, so that the Authority receives 50% of the value of all collateral up the guarantee amount paid. If the lender fails to liquidate collateral within 14 months, the lender shall be liable to for interest on the guarantee amount paid equal to the interest rate charged on the Guarantee prior to default. *The Authority's standard guarantee provides for IFA to receive the first 85% of any recovery. While this arrangement is appropriate when IFA is guaranteeing most of the debt, we believe that sharing any recovery on a parity basis may be appropriate when the bank is receiving a guarantee from IFA for only 50% of the debt.*

Interest: The Bank must agree to charge an interest rate on any loans to the borrower that IFA determines is less than the market rate that is generally available to the Obligor.

Fees: The Authority shall receive a closing fee of 0.50% on the Bond issue or Loan amount. Thereafter a fee of 0.25% shall be paid annually in advance on the outstanding amount of Bonds or the Loan.

Security: *The Authority shall share on a parity basis in the Bank's security (described above).*

PROJECT SUMMARY

Bond proceeds together with equity contributed by BIG, will used to finance the construction and equipping of a biodiesel plant with a 45,000,000 million gallon annual production capacity on the northeast corner of an existing Bunge North America oil processing plant that is located at 321 East North Street, in Danville. BNA will lease the project site to BIG on a long-term basis. The cost of the project is currently estimated at \$40,000,000. The project is expected to take 16 months to complete, including 4 months for preliminary engineering work.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Biodiesel Investment Group, LLC, 530 Oak Court Drive, Suite 210, Memphis, Tennessee 38117 (Contact: Mr. Mark Burke, President; Phone: (901) 529-5703)

Project Name: Biodiesel Investment Group, LLC

Location: 321 East North Street, Danville (Vermillion County), Illinois 61832

Land Owners: Bunge North America and others to be determined.

Organization: BIG: Delaware Limited Liability Company Bunge: Delaware Corporation

Ownership: Biodiesel Investment Group (80%) and Bunge North America (20%)
BIG is a Delaware Limited Liability Company that is owned by:
Joseph Orgill Director (Former President and Chairman) Orgill Inc.
John Bondurant President and Director Bondurant Futures Inc.
Willis Wiley Vice President National Cotton Council
Bunge North America is wholly owned by Bunge Limited. Bunge Limited is a public corporation that is listed on the New York Stock Exchange.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

Project: Biodiesel Investment Group, LLC

STATISTICS

Project Number: A-ID-TX-CD-6119
 A-AI-TX-GT-6120
 Type: Taxable Industrial Revenue Bonds Amount: \$30,000,000 (not-to-exceed amount)
 Agri-Industry Guarantee \$15,000,000 (not-to-exceed amount)
 Location: Danville IFA Staff: Steven Trout
 SIC Code: 311222 Soybean Processing

BOARD ACTION

Preliminary Resolution
 Conduit Taxable Industrial Revenue Bonds No IFA Funds at Risk
 50% Agri-Industry Guarantee Up to \$15,000,000 of State of Illinois Funds at Risk
 Staff recommends approval, subject to:
 Receipt of a commitment for a letter of credit to enhance the Bonds with terms satisfactory to the Authority
 The Borrower meeting the bank's terms for the letter of credit or loan.

PURPOSE

To finance the construction of a 45 million-biodiesel plant on the northeast corner of Bunge North America's existing soy oil processing plant in Danville.

IFA CONTRIBUTION

The Authority issuance of bonds and its guarantee will reduce the Borrower's interest rate and improve the terms of financing for this project. The guarantee is being offered together with incentives offered by DCEO to encourage the Borrower to locate the plant in Illinois.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Taxable Bonds	Uses:	Project Costs	<u>\$42,000,000</u>
	or Bank Loan: \$25,000,000			
	Investor Equity: \$12,500,00			
	DCEO Grant: \$4,500,000			
	Total		Total	<u>\$42,000,000</u>

JOBS

Current employment:	300	Projected new jobs:	15	
Jobs retained:	100	Construction jobs:	TBD	(6 months)

BUSINESS SUMMARY

Description: The Biodiesel Investment Group, LLC ("BIG" or "the Borrower") is a Delaware Limited Liability Company that was established in 2005 to develop a biodiesel plant in the Midwest. BIG is comprised of several Memphis investors. The four investors and the President & CEO are residents of Tennessee. The geographic positioning and agricultural environment in Illinois brought the company to the state in order to pursue the construction and operation of a biodiesel plant. The founding members each have strong ties to the manufacturing and agricultural industries. All have been determined to be creditworthy and dedicated to the project's success.

Shortly after its formation BIG entered into a partnership with Bunge North America ("BNA"), the North American operating arm of Bunge Limited. Bunge Limited is an integrated, global agribusiness and food company, which is founded in 1818 and is headquartered in White Plains, New York. Bunge has 23,500 employees in 32 countries. Bunge is the world's leading oilseed processing company, the largest supplier of fertilizer in South America, and leading seller of vegetable oil to consumers. Bunge Europe has been active in biodiesel production for over 10 years. In December 2005, Diester Industrie International ("D2i") was formed by Diester Industrie (60%) and Bunge (40%) joining biodiesel businesses and assets in France, Italy, Austria and Germany. The joint venture combines technical expertise, operating assets, oil crushing and refining sourcing and knowledge. Bunge has two additional biodiesel projects underway in Spain.

Bunge North America is a vertically integrated food and feed ingredient company, supplying raw and processed agricultural commodities and specialized food ingredients to the livestock, poultry, food processor, foodservice and bakery industries. BNA is headquartered in St. Louis. BNA and its subsidiaries operate grain elevators, oilseed processing plants, edible oil refineries and packaging facilities in the US, Canada and Mexico. BNA has soybean crushing plants in Ohio (3), Indiana (2), Illinois (2), Iowa, Alabama, Kansas, Mississippi, Louisiana, and Ontario in addition to 4 soft seed crushing plants western Canada. BNA's participation as a leading crusher and refiner of oilseeds should ensure a stable supply of soy oil for this project.

Background: Biodiesel is renewable fuel derived from vegetable oil or animal fat. The principal feedstock in the US is soybean oil, with several plants built recently to utilize animal fat and/or waste oil as a primary or supplemental feedstock. Biodiesel in the US is typically produced from a chemical reaction of soybean oil and methanol and is commonly mixed with diesel fuel in blends ranging from 2% ("B2") and 20% ("B20"). Biodiesel has been used extensively in Europe since the 1990s. Use in the US has been limited by production capacity because its cost of production has not been competitive with diesel fuel until recently.

Biodiesel offers significant environment benefits over traditional diesel fuel. Burning B20 versus diesel, results in a 10% reduction in carbon monoxide, 15% reduction in particulates, 10% reduction in hydrocarbons and a 20% reduction in sulfate. Biodiesel has been approved for use by major truck, car and equipment manufacturers and is readily useable in blends up to 20% for most diesel engines used in the US. Biodiesel has earned an ASTM quality designation for many blends that are commonly used today. Biodiesel blends as low as 2% offer superior lubricity conventional diesel, a trait, which will become increasingly valuable as federal mandates requiring use of ultra-low sulfur diesel are implemented over the next several years.

The Project: The plant will be located on the northeast corner of an existing BNA soybean crushing plant in Danville. The plant will receive degummed soybean oil via pipes directly from BNA's storage tanks. The City of Danville has secured commitment letters from individual property owners for land that BNA does not currently own.

Fagen Inc., of Granite Falls, Minnesota, will be the general contractor for the plant. Fagen is the nation's leading builder of ethanol project with 30 years of experience and is nearing completion of a biodiesel plant in Delaware. Desmet

DeSmet Ballestra is a world leader in engineering oils and fats, oleo chemical technologies, detergent and surfactant technologies and soap technologies. DeSmet and its 15 affiliates have installed over 220 oleo chemical processes around the world over the past 40 years. DeSmet and Ballestra began operating as an integrated entity in early 2004. Bunge has used DeSmet Ballestra process equipment for oilseed processing and refining in the US and Europe for many years as well as biodiesel processing in Europe. They recently provided process equipment to Bunge's Livorno, Italy biodiesel plant that was constructed in 1992 and expanded in 2004.

Ambitech Engineering has engaged a project manager for the engineering and construction phases of the project. This person is now working under the direction of BNA's VP of Engineering and Operations.

The partnership has contracted with Fagen and DeSmet Ballestra to conduct a preliminary engineering study commencing in March 2006 with plans to move to detailed engineering and construction phase within 4 months. Fagen expects construction to take 11 to 13 months with production of biodiesel to begin in mid-2007. Fagen will provide a turn-key approach to this project using Desmet process technology.

**Government
Support:**

Biodiesel and ethanol projects are supported by several federal and state programs.

Key programs at the federal level include:

The Energy Policy Act of 1992 (EPAct of 1992), which requires state, federal and fuel provider fleets operating in metropolitan areas to use cleaner burning fuels, such as biodiesel. President Bush recently signed into law a renewable fuel standard that is designed to increase renewable use from a target of 4 billion gallons in 2006 to 7.5 billion gallons in 2012.

The US Treasury administers a \$1 per gallon tax 'blender credit' that effectively reduces the price of biodiesel by \$1 per gallon. This project will also qualify for producer tax credit of \$0.10 per gallon for up to 15 million gallons a year.

Key programs at the State level include:

The Department of Revenue exempts retailers from State sales tax (currently 6.25%) on sales of B11 (diesel fuel blended with 11% biodiesel). The Department of Commerce and Economic Opportunity ("DCEO") offers a capital grant for up to \$0.10 per gallon or \$6,500,000 for the construction of new biofuels plants. DCEO is expected to announce its grants for FY 2007, including Biodiesel's application for \$4,500,000 in funding very soon.

IFA staff is seeking Board approval for a guarantee for up to 50% or \$12,500,000 of debt for this project as to encourage Biodiesel to locate this project in Illinois. The Group is also considering locating the plant in Mississippi, Indiana or Ohio, where Bunge has similar oil processing plants. Fagen has provided Biodiesel with capital cost estimates indicating that this plant could be built for \$4 million to \$6 million less and operated less expensively elsewhere because of reduced costs for labor and materials. A guarantee from IFA, together with the capital grant from DCEO, would significantly reduce the Group's cost of capital and eliminate this site's cost disadvantage.

**Benefits to
Illinois:**

The Danville plant has operated at only around 80% of capacity in recent years because its economics are not competitive with similar plants located in the Western US cornbelt and South America. As a result, Bunge has had difficulty competitively pricing the soy oil produced there. With this project, biodiesel will replace soy oil as the plant's primary liquid product. Bunge anticipates that the plant will operate at much higher capacity and thereby solidify the long-term viability of its soy crushing operations and the 100 jobs that are currently devoted this activity.

Increased demand for soy oil, the feedstock for biodiesel, will increase demand for soybeans, which should result in higher soybean prices and income for area farmers. Biodiesel production requires 10% more inbound volume in the form of methanol and 10% more outbound volume in the form of glycerin. The group anticipates an additional 1,000 to 1,500 in additional truck shipments per year out of Danville to distribute biodiesel within its 200-mile target market. Other economic benefits include direct and indirect impact of 15 new, high-paying full-time jobs, and approximately \$340,000 in annual spending for spare parts, repairs, maintenance and machinery.

Until now, most biodiesel fuel sold in Illinois has been produced outside the state. As a result non-Illinois farmers and biodiesel producers realize most of the benefit of the State's waiver of sales tax on biodiesel. The Group anticipates that over \$3 million in sales taxes waived will remain in Illinois when production at this plant stabilizes.

Competitive Advantages:

According to the National Biodiesel Board, there are currently 35 active biodiesel plants nationwide, with an average annual production capacity of 6,500,000 gallons. Another 54 plants, including several in Illinois are being planned. The Group has carefully evaluated the region's current production capacity and announcements of pending projects and believes that current estimates of production capacity are overstated and that most developers lack sufficient resources to built plants within the next several years.

The Group, underwriter and staff from DCEO and IFA believe that this project is one of the region's strongest currently under development. This project's strengths include:

- Commitment from a leading international oilseed processor to provide sufficient soybean oil at a competitive price over the project's life
 - Highly efficient operations by locating the plant at the site of a major soy oil production facility that provides direct access to feedstocks and rail, barge and truck modes of transportation.
 - Access to Bunge's expertise in managing oilseed complexes, such as sourcing soybeans and other oilseed, processing, refining, marketing crude and refined oils, commodity/financial risk management, and logistics.
 - Access to Bunge's expertise in operating biodiesel plants for over 10 years in Europe.
 - Access to professional business management and Bunge's existing support services, such as safety, regulatory and environmental compliance, quality assurance, engineering and operations, maintenance and other key plant functions.
 - Interest in committing to distribute significant shares of the plant's production of biodiesel fuel from a leading national and regional distributor of diesel fuel.
 - Proven contractors with expertise in oil pretreatment and biofuels production within demanding quality specifications.
- A wealthy investment group with a long history of successful businesses, including commodity trading and risk management.

FINANCING SUMMARY

Obligor:	Biodiesel Investment Group, LLC
Financing:	Taxable Variable Rate Demand Notes or Construction Loan plus Term Loan
Maturity & Amortization	LOC: 5 Years, with evergreen renewal options, to accommodate amortization over 10 to 20 years. Construction and Term Loan: Up to 2 years for the construction loan. Term loan with an initial term of 10 to 15 years.
Bank Security:	Assignment of all rents and leases Pledge of all project revenues Leasehold mortgage provided by BIG, pursuant to a long-term land lease from BNA First security interest in equipment and other business assets IFA Agri-Industry Guaranty
Loan to Value:	An "as-completed" appraisal will be obtained prior to closing. We estimate that the project will have a loan to value ratio of approximately 60%, if it appraises for its cost of development.

AGRI-INDUSTRY GUARANTEE TERMS

Program
Modifications: *The Borrower has the asked the Authority to provide a guarantee with terms that deviate from Authority's standard terms for this project. Those deviations and staff's rationale for recommending the Board's approval for those changes for this project is summarized in italics below. Provision of this Facility shall be subject to IFA's counsel's completion of legal review to confirm that it conforms to the Authority's statutes and guidelines for Agri-Industry guarantees.*

Facility: Agri-Industry Guarantee to support IFA's issuance of taxable revenue bonds or a lender's extension of a loan to finance this project.

Obligor: Biodiesel Investment Group

Amount: 50% of total Senior Debt, for an amount up to \$12,500,000. *IFA's standard guarantee is 85% of debt but has been reduced to limit the Authority's exposure for this project.*

Purpose: To reduce the Bank's credit risk by providing a source of funds to pay 50% of principal and interest on outstanding Bonds or loans to the Bank in event that BIG defaults on the debt.

Availability: Up to 15 years from closing on the debt, subject to the Authority's annual review. The Authority may revoke this facility based only on objective criteria that are acceptable to the lender.

Timing: The Authority shall provide the Bank with funds owed under the guarantee within 90 days of the Bank's declaration of default.

Repayment: The Bank is responsible for foreclosing on the collateral within 14 months of default for the benefit of itself and the Authority. The Bank shall disburse funds from the liquidation of collateral to the Bank and the Authority on an equal, parity basis, so that the Authority receives 50% of the value of all collateral up the guarantee amount paid. If the lender fails to liquidate collateral within 14 months, the lender shall be liable to for interest on the guarantee amount paid equal to the interest rate charged on the Guarantee prior to default. *The Authority's standard guarantee provides for IFA to receive the first 85% of any recovery. While this arrangement is appropriate when IFA is guaranteeing most of the debt, we believe that sharing any recovery on a parity basis may be appropriate when the bank is receiving a guarantee from IFA for only 50% of the debt.*

Interest: The Bank must agree to charge an interest rate on any loans to the borrower that IFA determines is less than the market rate that is generally available to the Obligor.

Fees: The Authority shall receive a closing fee of 0.50% on the Bond issue or Loan amount. Thereafter a fee of 0.25% shall be paid annually in advance on the outstanding amount of Bonds or the Loan.

Security: *The Authority shall share on a parity basis in the Bank's security (described above).*

PROJECT SUMMARY

Bond proceeds together with equity contributed by BIG, will used to finance the construction and equipping of a biodiesel plant with a 45,000,000 million gallon annual production capacity on the northeast corner of an existing Bunge North America oil processing plant that is located at 321 East North Street, in Danville. BNA will lease the project site to BIG on a long-term basis. The cost of the project is currently estimated at \$40,000,000. The project is expected to take 16 months to complete, including 4 months for preliminary engineering work.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Biodiesel Investment Group, LLC, 530 Oak Court Drive, Suite 210, Memphis, Tennessee 38117
(Contact: Mr. Mark Burke, President, Phone: (901) 529-5703)

Project Name: Biodiesel Investment Group, LLC

Location: 321 East North Street, Danville (Vermillion County), Illinois 61832

Land Owners: Bunge North America and others to be determined.

Organization: BIG: Delaware Limited Liability Company Bunge: Delaware Corporation

Ownership: Biodiesel Investment Group (80%) and Bunge North America (20%)
BIG is a Delaware Limited Liability Company that is owned by:
Joseph Orgill Director (Former President and Chairman) Orgill Inc.
John Bondurant President and Director Bondurant Futures Inc.
Willis Wiley Vice President National Cotton Council
Bunge North America is wholly owned by Bunge Limited. Bunge Limited is a public corporation that is listed on the New York Stock Exchange.

PROFESSIONAL & FINANCIAL

Corporate Counsel:	Wyatt, Tarant & Combs	Louisville, KY	Robert Heath
Financial Advisor:	Stern Brothers	Chicago, IL	John May
Feasibility Consultant:	Frazier, Barnes and Associates, LLC	Memphis, TN	
General Contractor:	Fagen, Inc.	Granite Falls, MN	
Equipment Supplier:	DeSmet Ballestra		
Plant Manager	Bunge North America	St. Louis, MO	Blair Picard
Issuer's Counsel:	Law Office of Kevin Cahill	Chicago, IL	Kevin Cahill

LEGISLATIVE DISTRICTS

Congressional:	15
State Senate:	104
State House:	52

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 11, 2006**

Project: Mark and Linda Priest

STATISTICS

Project Number: B-LL-TX-XXX	Amount: \$332,500
Type: Ag Loan Participation	IFA Staff: Cory Mitchell
Location: Capron, IL	
SIC Code:	

BOARD ACTION

Approval to purchase (2) Participation Loans from First Midwest Bank, McHenry, Illinois
\$332,500 of total IFA funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.
Additional Conditions: Appraisal on 115 acres of farmland meeting the 80% LTV guideline

PURPOSE

To provide permanent financing on two participation loans: 1.) Farm Equipment, 2.) 75 acre farm land purchase.

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	\$332,500	Uses: Purchase Land	\$525,000
Borrower Equity	\$46,682		
First Midwest Bank	<u>\$332,500</u>	Purchase Equipment	<u>\$140,000</u>
Total	<u>\$711,682</u>	Total	<u>\$711,682</u>

JOBS

Current employment:	5	Projected new jobs:	01
Jobs retained:	5	Construction jobs:	0

BUSINESS SUMMARY

Background: Mark has been farming on his own since his father passed away in the early 1980's. Initially Mark farmed only the land his mom owned and what he inherited which was about 800 acres. Mark has purchased several hundred acres and increasingly rented more land to increase his acreage to over 3000 acres raising corn, soybeans and wheat. Mark has also added a trucking business, excavating business and rental storage units over the past 11 years to further diversify his operation and allow additional off-farm income to supplement his cash-flow

Project

Rationale:

Mark is purchasing three pieces of equipment to improve planting timeliness, improve seed placement, and to have the wide row (15") rows for beans that are best to reduce mold and rust issues. Mark is also purchasing a seed tenderer that will allow for quicker and safer handling of seed in bulk rather than in bags. The third purchase is another semi truck to help improve timeliness of the harvest by being able to haul more corn to the elevator and this will also enable him to add another full time employee as this truck will also haul grain, gravel or block when it is slow on the farm. He also wants to expand his acreage by purchasing an additional 75 acres adjacent to land he already farms.

The first loan request is for a machinery loan of \$140,000. The retail price of the planter is \$121,590, the seed tenderer retails for \$12000, and the semi truck \$52,292 for a total of \$186,682

The second loan request is to finance the purchase of 75 acres of vacant farmland for \$525,000. Mark will pledge an additional 40+ acres with the purchased property to provide additional collateral. (Approximate value conservatively \$175,000) This property adjoins other land that Mark farms and owns which is part of the reason for the premium price that he paid for this land of \$7000/acre.

Transaction: Loan proceeds will provide permanent financing for 1.) Purchase of farm equipment, 2.) Purchase of 75 acres of farmland. Mr. Priest has \$46,682 in equity on the trade-in of the farm equipment and will pledge an additional 40 acres of farm land on the real estate transaction.

FINANCING SUMMARY

Borrower: Mark and Lisa Priest, dba Priest Farms
Security: 1.) Machinery for machinery purchase loan
2.)1st REM on 115 acres of farm land.
Structure: 1.) Machinery—5 years fixed rate with annual P&I payments of \$34,000
2.) Land—5 year term, 25 year amortization with annual P&I payments

PROJECT SUMMARY

The borrower is borrowing money for two different projects:

- 1.) Purchase 3 pieces of farm equipment for \$140,000.
- 2.) Purchase 75 acres of farm land for \$525,000.

ECONOMIC DISCLOSURE STATEMENT

Mark and Lisa Priest

Participation Loan
July 2006
FM: Cory Mitchell

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Applicant: Mark and Lisa Priest, dba Priest Farms

Location: 17025 Stimes Rd.
Capron, IL 61012

Organization: Sole-Proprietorship

State: Illinois County: Boone

Ownership: Mark and Lisa Priest

PROFESSIONAL & FINANCIAL

Accountant: Bruce Gerloff Marengo, IL

Attorney:

Bank: First Midwest Bank McHenry, IL Mike Morris, VP

LEGISLATIVE DISTRICTS

Congressional:

State Senate:

State House:

16th Donald Manzullo

35th J. Bradley Burzynski

69th Ronald A. Wait

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 11, 2006**

Project: Tony Nohl

STATISTICS

Project Number: B-LL-TX-6147	Amount: \$90,000
Type: Loan Participation	IFA Staff: Cory Mitchell
Location: Deercreek, IL	

BOARD ACTION

Approval to purchase a 50% participation loan from Goodfield State Bank, Goodfield, Illinois.
\$ 90,000 of IFA funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

To provide permanent financing for a 72' X 160' farm shed

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	\$90,000	Uses:	
Goodfield State Bank	<u>\$90,000</u>	Purchase Equipment	<u>\$180,000</u>
Total	<u>\$180,000</u>	Total	<u>\$180,000</u>

JOBS

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

BUSINESS SUMMARY

Background: Mr. Nohl started farming at his current location in Deercreek, IL in 1994. He purchased the farmstead from family members via a contract for deed. The final contract for deed payment was made in January 2005. He currently farms 233 full share acres of corn and soybeans. In addition, Mr. Nohl custom farms 200 acres for his father-in-law. Mr. Nohl purchases feeder pigs and currently feeds out close to 1000 pigs per year. Off the farm, Mr. Nohl works construction in the off-season of farming.

Project

Rationale: Mr. Nohl has the opportunity to obtain final financing on a farm shed that has been constructed on his farm site. Mr. Nohl will be able to utilize the farm shed for machinery storage and shop area to service his equipment

Transaction: Loan proceeds will provide permanent financing for the purchase of the farm shed. Mr. Nohl has pledged a 1st REM on 169 acres, new shed, farmstead and personal residence around the building site as additional collateral

FINANCING SUMMARY

Borrower: Mr. Tony Nohl
Security: 1st REM on 169 acres of farm land, including new tool shed, farmstead and personal residence.
Structure: 5 year fixed rate, 30 year amortization with annual P&I

PROJECT SUMMARY

The borrower is obtaining fixed financing on a newly constructed 72' X 160' farm shed for \$180,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Tony R. Nohl
Location: 33813 Nohl Road
Deercreek, IL 61733
Organization: Sole-Proprietorship
State: Illinois County: Tazewell
Ownership: Tony R. Nohl

PROFESSIONAL & FINANCIAL

Accountant: Stoller Law Office El Paso, IL
Attorney: Stoller Law Office El Paso, IL
Bank: Goodfield State Bank Goodfield, IL Dana Wiegand Vice President

LEGISLATIVE DISTRICTS

Tony Nohl

Loan Participation
July 2006
FM: Cory Mitchell

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Congressional:
18th Ray Lahood

State Senate:
44th Bill Brady

State House:
87th Bill Mitchell

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 11, 2006**

Project: Agri-Wind LLC, Agri-Wind Project LLC

STATISTICS

Project Number:	A-LL-TX-6112	Amount:	\$2,000,000
Type:	Participation Loan (RED Fund)	IFA Staff:	Eric Reed
Location:	Tiskilwa	SIC Code:	4911 (Electric Services)

BOARD ACTION

Approval to initiate purchase of a participation loan from John Deere Credit.

*No IFA funds at risk. Funds to purchase the loan will be funded by the Renewable Energy Development program funded by the grant from the Illinois Clean Energy Community Foundation.

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

- Receipt of necessary permits and easements to construct the proposed turbines.
- Review of proposed power purchase agreement from Electric Co. to be approved by IFA legal counsel.
- Personal Guarantees from Principals
- Determination of collateral structure to be approved by IFA and IFA legal counsel.

PURPOSE

To provide permanent financing for the purchase and installation of four Suzlon S88 2100 Kilowatt Wind Turbines.

VOTING RECORD

This project was approved by the IFA Board of Directors at their July 2005 Board of Directors meeting for \$712,500 for the acquisition of one Suzlon S88 turbine.

SOURCES AND USES OF FUNDS

Sources:	IFA	\$2,000,000	Uses:	Development Costs	\$170,600
	John Deere Credit	\$8,589,403		Purchase Turbines	\$8,800,000
	USDA 9006 Grant	\$495,373		Construction/Other	<u>\$2,214,176</u>
	Borrower Equity	<u>\$100,000</u>			
	Total	<u>\$11,184,776</u>		Total	<u>\$11,184,776</u>

JOBS

Current employment:	N/A	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs:	12

BUSINESS SUMMARY

Background: Agri-Wind LLC was formed by Todd and Sherri Sears, and Matt and Joy Kauffman in 2005 for the purpose constructing and managing a single wind turbine on their family farm. Since that time, Agri-Wind LLC has expanded into providing consulting services for other community scale wind projects. Along with their parents, Todd and Sherri operate a 1,975 acre cash grain farm near Tiskilwa, IL in Bureau County. Matt and Joy Kauffman have recently moved back to Tiskilwa from Maryland where Matt was employed in renewable energy technology. He holds an MBA in Environmental Science, while Joy has a Masters Degree in Public Health Science.

Since their original proposed project of one 2.1 MW Wind Turbine, the family has decided to seek an investor in their project to increase the size of their project. They have negotiated a power purchase agreement to sell the electricity generated from the turbine to a local electric co-op. The project has been researched extensively by the family over the past three years, during which time they have evaluated the economic and technical aspects of the project to insure that it will be both profitable and sustainable.

The wind turbines will be mounted on an 80 meter tower located in one of the strong Class IV wind resources in Illinois. The turbines will be located on property 2 miles from the Sears' family farm. This location is near a wind turbine constructed a few years ago for the Bureau County Schools. The project is fully permitted by all necessary State and Federal authorities.

Transaction: Agri-Wind LLC and Agri-Wind Project LLC will jointly construct, manage, and operate (4) 2.1MW wind turbines near Tiskilwa, IL, in Bureau County. John Deere Credit will finance the majority of the transaction with an 11 year term loan in the amount of \$8.5M. IFA will utilize a portion of the RED fund, which will provide for financing in the amount of \$2M at 2.0% interest. John Deere Credit will take a 99% ownership interest in each of the LLC's, which will give them control of the project for the first 11 years. JD Credit will finance their portion of the project on a separate note from the IFA portion of financing; however they have agreed to underwrite and service the IFA loan and submit payments to IFA each month.

RED Fund: The RED Fund is a pool of funds within the IFA originating from a \$4M grant from the Illinois Clean Energy Community Foundation. The grant was given to the IFA in 2005 for the purpose of providing low cost financing for community scale wind projects in Illinois. As a result of the grant, IFA has the ability to loan the funds at a significantly below market interest rate, with no direct IFA funds at risk.

FINANCING SUMMARY

Borrower: Agri-Wind LLC and Agri-Wind Project, LLC

Security: Collateral structure is yet to be determined. Will be one of the following: 1) Lease hold improvements, which include (4) Suzlon 2.1 MW Wind Turbines; 2) Unsecured with Negative pledge agreement from John Deere Credit or parent company, which warrants to IFA that no collateral for either LLC will be pledged during the life of the loan.

Structure: 10 year Term with monthly P & I and 20 year amortization.

PROJECT SUMMARY

Agri-Wind LLC and Agri-Wind Project, LLC will construct and operate 4 Suzlon 2.1 MW wind turbines in Bureau County. Agri-Wind LLC will own 1 turbine, while Agri-Wind Project, LLC will own the other three. Agri-Wind LLC will be responsible for managing all of the turbines. The power generated will be sold to an electric Co-op through a negotiated power purchase agreement. In order to finance the project, the developers have formed a partnership with John Deere Credit, who will invest in both LLC's and retain a 99% ownership in them. In exchange for investing in the project, JD Credit will receive the Production Tax Credits for 10 years, as well as all depreciation on the towers. At the end of 11 years, the Sears and Kauffmans will purchase JD Credit's ownership interest at a depreciated rate.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Agri-Wind LLC, Agri-Wind Project LLC

Location: 14385 600 North Ave., Tiskilwa, IL 61368 **County:** Bureau

Organization: Limited Liability Corporation

State: Illinois

Agri-Wind LLC

RED Fund Participation Loan

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FM: Eric Reed

Ownership: Matt and Joy Kauffman, Todd and Sherri Sears (1%) John Deere Credit (99%) Each entity

PROFESSIONAL & FINANCIAL

Legal/Accounting:	Nepple Law PLC	Davenport, IA	Mr. James Nepple
Engineering:	Patrick & Henderson	Bakersfield, CA	Mr. Allen Henderson
Lender:	John Deere Credit	Johnston, IA	Mr. Brian Conrad

LEGISLATIVE DISTRICTS

Congressional: Gerald Weller-111th State Senate: Dale Risinger-37th State House: David Leitch-73rd

John Deere Credit:

John Deere Credit is one of the largest equipment finance companies in the United States, with more than 2.0 million accounts and a managed asset portfolio of more than \$20 billion. It provides retail, wholesale and lease financing for agricultural, construction and forestry, commercial and consumer equipment - including lawn and grounds care - and revolving credit for agricultural inputs and services. John Deere Credit also provides financing in Argentina, Australia, Brazil, Canada, Finland, France, Germany, Italy, Luxembourg, Mexico, New Zealand, Portugal, Spain, Sweden and the United Kingdom.

Deere & Company, which was incorporated in 1868, is the world's leading manufacturer of agricultural and forestry equipment, a major manufacturer of construction equipment, as well as leading supplier of lawn and turf equipment, and employs 47,000 people worldwide in 160 countries. The company's stock is traded on the New York Stock Exchange. Deere & Company's Senior Debt ratings are listed as A3 by Moody's Investor Service and A- by Standard & Poor's. The company, which is headquartered in Moline, IL, operates three equipment divisions, John Deere Credit, and four support operations.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 11, 2006**

Project: Oak Prairie Wind Farm LLC

STATISTICS

Project Number: A-LL-TX-6149	Amount: \$2,000,000
Type: Participation Loan (RED Fund)	IFA Staff: Eric Reed
Location: Lena	SIC Code: 4911 (Electric Services)

BOARD ACTION

Approval to initiate purchase of a participation loan from a lender to be determined.
*No IFA funds at risk. Funds to purchase the loan will be funded by the Renewable Energy Development program funded by the grant from the Illinois Clean Energy Community Foundation.
Staff recommends approval, subject to satisfying all conditions of the bank loan.

- Receipt of necessary permits and easements to construct the proposed turbines.
- Review of proposed power purchase agreement from ComEd by IFA legal counsel.
- Execution of proposed guarantees.
- Determination of lead lender and approval by IFA.

PURPOSE

To provide permanent financing for the purchase and installation of Four Fuhrlander 2.5MW wind turbines on the borrower's property. The project will generate and sell electricity to ComEd.

VOTING RECORD

This is the first time that this project has been presented to the IFA board of directors.

SOURCES AND USES OF FUNDS

Sources:	IFA RED Fund	\$2,000,000	Uses:	Construction Costs	\$2,040,000
	USDA 9006 Grant	\$390,000		Equipment Cost	\$15,700,000
	DCEO Grant	\$25,000		Engineering & Legal	\$200,000
	Borrower Equity	\$12,301,880		Other Costs	<u>\$1,526,880</u>
	Bank Financing	<u>\$4,750,000</u>			
	Total	<u>\$19,466,880</u>		Total	<u>\$19,466,880</u>

JOBS

Current employment:	N/A	Projected new jobs:	3
Jobs retained:	N/A	Construction jobs:	40/4 months

BUSINESS SUMMARY

Background: Oak Prairie Wind Farm LLC is was formed in 2005 for the purpose of developing and managing a community scale wind farm to be located on the farm owned by John and Denise Creighton. The wind farm is fully permitted for the installation of turbines totaling 10MW of capability. Both an interconnection and feasibility study for the connection to ComEd's power line located 1.5 miles east of the proposed project have been performed and completed.

The project has received all necessary permits from the FAA, JoDaviess County, and all environmental from state agencies. The turbines will be located on land owned either by the

Creighton's or John's father. John Creighton has negotiated the necessary easements from his father to locate the turbines on his property.

Transaction: Oak Prairie Wind Farm LLC will construct (4) 2.5MW wind turbines near Lena to generate electricity, which will be sold to ComEd. After receiving grants in the amount of \$415,000 and injecting \$12.3M in equity into the project, the developers require financing of \$6.7M. IFA will fund \$2M of the required project financing with the Renewable Energy Development Fund. A lead lender for the project is yet to be selected from a list of potential lenders. The borrowers anticipate a 10 year amortization for the financing.

RED Fund: The RED Fund is a pool of funds within the IFA originating from a \$4M grant from the Illinois Clean Energy Community Foundation. The grant was given to the IFA in 2005 for the purpose of providing low cost financing for community scale wind projects in Illinois. As a result of the grant, IFA has the ability to loan the funds at a significantly below market interest rate, with no direct IFA funds at risk.

FINANCING SUMMARY

Borrower: Oak Prairie Wind Farm LLC

Security: Lease hold improvements, which include (4) Fuhrlander 2.5 MW Wind Turbines. 308 acres of real estate will be pledged by John and Denise Creighton.

Structure: 10 year Term with monthly P & I and 20 year amortization.

PROJECT SUMMARY

Oak Prairie Wind Farm LLC will construct (4) 2.5MW wind turbines near Lena to generate electricity, which will be sold to ComEd. The developers will inject \$12.3M in equity along with \$415K in grants. With the approval of IFA funding in the amount of \$2M, the borrowers will be seeking \$4.75M in project financing. Costs of the project are as follows:

Construction Costs	\$2,040,000
Equipment Cost	\$15,700,000
Engineering & Legal	\$200,000
Other Costs	<u>\$1,526,880</u>
Total	\$19,466,880

ECONOMIC DISCLOSURE STATEMENT

Applicant: Oak Prairie Wind Farm LLC

Location: 14203 E. Greenvale Rd. County: JoDaviess
Lena, IL 61048

Organization: Limited Liability Corporation

State: Illinois

Ownership: John and Denise Creighton-51% EcoEnergy LLC, Freeport, IL-49%

PROFESSIONAL & FINANCIAL

Accountant: Dan Fishburn

Attorney: Dan Fishburn

General Contractor: Morse Energy LLC Elgin, IL Ed Englert

Electrical Engineer: Industrial Electrical Engineers Inc. Elgin, IL Rick Gungel

Civil Engineer: Fuhr-Graham Engineers

Wind Study: WindLogics

Lender: TBD (See potential list below)

Oak Prairie Wind Farm LLC

Page 3

RED Fund Participation Loan
July 2006
FM: Eric Reed

Potential Lenders:

Wells Fargo
Tim Wells
121 West 1st ST
Geneseo, IL 61254
309-944-5664

M&I Bank
Kirt Soukup
1 W. Main Street
Madison, WI 53703
608-283-5713

National City Bank
Chicago, IL

LEGISLATIVE DISTRICTS

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

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

Project: Sunrise Ag Service Company

STATISTICS

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

BOARD ACTION

Final Bond Resolution	Conduit Industrial Revenue Bonds
No IFA funds at risk	Staff recommends approval
Approval is subject to a TEFRA hearing with no objections.	

PURPOSE

Proceeds will be used to (i) purchase land, (ii) purchase machinery and equipment, (iii) building costs, and (iiii) fund legal, professional, and engineering costs.

VOLUME CAP

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

VOTING RECORD

Preliminary Bond Resolution, June 13, 2006:
Ayes: 12 Nays: 0 Abstentions: 0 Absent: 3 (Herrin, Nesbitt, O'Brien)

SOURCES AND USES OF FUNDS

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

JOBS

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

BUSINESS SUMMARY

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

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

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

FINANCING SUMMARY

Security/Collateral: 1st Real estate mortgage on 18 acres site with proposed improvements in Havana, IL.

Structure: Monthly Mode Variable Rate Bonds; The bonds will contain a one time fixed rate conversion option for the borrower. Bonds to be privately placed with an institutional investor, Clayton Holdings, LLC, a wholly owned subsidiary of Commerce Bank, NA.

Maturity: 15 year maturity.

PROJECT SUMMARY

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

ECONOMIC DISCLOSURE STATEMENT

Applicant: Sunrise Ag Service Company

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

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

Organization: Non Exempt Illinois Cooperative

State: Illinois

Ownership: Farmer Owned Cooperative (Approximately 2,000 members)

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Eric Reed & Cory Mitchell/lk
Date: July 11, 2006
Re: Overview Memo for Beginning Farmer Bonds

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

Project Number: A-FB-TE-CD-6130
Funding Manager: Cory Mitchell
Borrower(s): Scott E. Campbell
Town: Aledo, IL
Amount: \$129,500
Use of Funds: Farmland – 79 acres
Purchase Price: \$259,000 /\$3,278 per ac
 %Borrower Equity 50%
 %Other Agency 0%
 %IFA 50%
County: Mercer
Lender/Bond Purchaser: Midwest Bank of Western IL/Brad Ray
Legislative Districts: Congressional: 17th, Lane Evans
 State Senate: 47th, John Sullivan
 State House: 94th, Richard Myers

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

*** Scott E. Campbell:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.50% variable for the first five years of the loan and remain variable and adjust every five years on the anniversary date of the loan to 1.00% above the corresponding 5 year Treasury Bond at the time of the rate adjustment, as quoted in the Wall Street Journal thereafter. .50% points will be charged by the Lender. Fee: \$1,942.50

Project Number: A-FB-TE-CD-6131
Funding Manager: Eric Reed
Borrower(s): Robert Maulding
Town: Mt. Vernon, IL
Amount: \$72,000
Use of Funds: Farmland – 35.6 acres
Purchase Price: \$90,000/\$2,528 per ac
 %Borrower Equity 20%
 %Other Agency 0%
 %IFA 80%
County: Jefferson
Lender/Bond Purchaser: Midland State Bank/Brad Shull
Legislative Districts: Congressional: 19th, John Shimkus
 State Senate: 54th, John Jones
 State House: 107th, Kurt Granberg

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

*** Robert Maulding:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.625% variable for the first five years of the loan and remain variable and adjust annually every year on the anniversary date of the loan to 2.00% below the Wall Street Journal thereafter. \$350.00 points will be charged by the Lender. Fee: \$1,080

*** 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-6132
Funding Manager:	Eric Reed
Borrower(s):	Bruce & Teresa Ochs
Town:	Jasper, IL
Amount:	\$90,000
Use of Funds:	Farmland – 40 acres
Purchase Price:	\$106,000/\$2,650 per ac
%Borrower Equity	16%
%Other Agency	0%
%IFA	84%
County:	Jasper
Lender/Bond Purchaser	Peoples State Bank/Brain Bohnhoff
Legislative Districts:	Congressional: 19 th , John Shimkus State Senate: 54 th , John Jones State House: 108 th , David Reis

Principal shall be paid annually in installments determined pursuant to a Twenty one year amortization schedule, with the first principal payment date beginning February 1, 2008. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment to be February 1, 2007 with the twenty first and final payment of all outstanding balances due on the anniversary date of the close of the loan.

* **Bruce & Teresa Ochs:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.25% variable for the first five years of the loan and remain variable and adjust every five years on the anniversary date of the loan to 2.00% below the Wall Street Journal with a minimum rate to the customer of 5.00% and a maximum rate to the customer of 12.99%. .25% points will be charged by the Lender.
Fee: \$1,350

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 11, 2006**

Project: Kewanee Hospital

STATISTICS

Project Number: H-HO-TE-CD-6133	Amount:	\$45,000,000 (Not to exceed amount)
Type: Not-for-Profit Bond	IFA Staff :	Pamela Lenane and Dana Sodikoff
Locations: Kewanee		

BOARD ACTION

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

PURPOSE

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

IFA CONTRIBUTION

Conveys Federal income tax-exempt status on bond interest.

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on June 13, 2006 by the following vote:

Ayes – 12	Nays – 0	Absent – 3	Vacancies – 0
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ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$33,395,000	Uses:	Land	\$520,000
	Hospital Contribution	\$751,001		Site Improvements.& Utilities	\$887,130
	Foundation Contribution	\$2,400,000		Project Fund Interest	(\$855,636)
				New Construction	\$25,894,345
				Contingency	\$1,281,555
				Equipment.& Furniture	\$2,832,000
				Capitalized Interest Fund	\$2,641,209
				Financing Costs	\$811,925
				Debt Service Reserve	\$2,530,472
				Miscellaneous	<u>\$3,000</u>
	Total	<u>\$36,546,001</u>		Total	<u>\$ 36,546,001</u>

JOBS

Current employment: 350 FTEs
Jobs retained: 350 FTEs

Projected new jobs: 0
Construction jobs: 150-175

BUSINESS SUMMARY

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

PROJECT SUMMARY

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

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

FINANCING SUMMARY

- Security:** The bonds are expected to be secured by a pledge of gross revenues of the Obligated Group as well as a mortgage on the property. In addition the bonds will be secured with a debt service reserve fund.
- Structure:** 25-Year Unrated Fixed Rate Bonds
- Maturity:** Final maturity is expected to be September 1, 2031.

ECONOMIC DISCLOSURE STATEMENT

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

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

Congressional: 14 – J. Dennis Hastert
State Senate: 37 – Dale E. Risinger
State House: 74 – Donald L. Moffitt

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 11, 2006**

Project: Lutheran Hillside Village

STATISTICS

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

BOARD ACTION

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

Proceeds will be used to: 1) fund an escrow to advance refund the existing Series 2001A and 2001B Bonds, 2) fund a debt service reserve fund, 3) and pay for certain costs of issuance relating to the Series 2006 Bonds.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on June 13, 2006 by the following vote:

Ayes – 12	Nays – 0	Absent – 3	Vacancies – 0
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ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$46,445,000	Uses:	Refunding Escrow Deposits	\$47,002,520
	Series 2001 Funds	<u>4,452,186</u>		2006 DSRF	3,153,125
				Issuance Costs	<u>741,541</u>
	Total	<u>\$50,897,186</u>		Total	<u>\$50,897,186</u>

JOBS

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

BUSINESS SUMMARY

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

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

In addition, LHV is having discussions about an affiliation with Lutheran Senior Services ("LSS"), a St. Louis-based Lutheran senior living provider. LSS is currently rated "A-" by Fitch Ratings. LSS consulted for LHV from May 1 2004 to 2005 and has been managing LHV since May 1, 2005. LSS will provide a full debt service guaranty on the 2006 Bonds. To the extent an affiliation were to occur, the formal affiliation between LHV and LSS would not occur until approximately six months following the closing of the Series 2006 Bonds. The effect of the possible affiliation will be that LHV's debt will essentially be on parity with the LSS Obligated Group debt.

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

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

PROJECT SUMMARY

The 2006 Bonds will refund the outstanding LHV Series 2001 Bonds. The Series 2001A Bonds consist of \$34,115,000 of fixed rate bonds and the Series 2001B Bonds consist of \$10,650,000 of Variable Rate Demand Bonds with a Letter of Credit from LaSalle Bank. Approximately \$24,500,000 of the Series 2001A Bonds will be *advance* refunded, with a call date of August 15, 2011. The balance of the Series 2001 Bonds will be refunded on a current basis. Due to the expected rating on the bonds (reflecting the credit strength of LSS, the guarantor), the refunding is expected to generate annual cash flow savings of at least \$500,000 per year, equal to approximately \$3.7 million on a net present value basis (8.49% of the refunded bonds). The savings in the first two years following issuance will be somewhat higher than the remaining years due to the deferral of principal until 2009. These significant cash flow savings will be extremely beneficial in LHV's goal of creating dramatically improved financial performance.

LHV is a continuing care retirement community ("CCRC") originally sponsored by 25 Peoria area Evangelical Lutheran Church of America and Lutheran Church-Missouri Synod congregations. The current unit mix consists of 175 independent living units, 44 assisted living units, 20 dementia units and 85 nursing care beds. Upon formal affiliation, LHV will be identified more closely with the highly regarded LSS system of quality senior living communities, and LHV will continue to receive the benefits of LSS's senior living expertise and resources. Since LSS began managing LHV, financial and utilization performance has improved significantly. LHV currently has occupancy levels of 95%-100% for all levels of care.

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

FINANCING SUMMARY

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

Security: Security consists of a gross revenue pledge and master notes under a master indenture. A mortgage will be provided as security to the 2006 bondholders, but the mortgage is structured to be released if and when LHV formally affiliates with LSS. LSS does not provide a mortgage in connection with its outstanding bond issues. Legal provisions are expected to be consistent with those in use for similar financings.

Maturity: 30 years

ECONOMIC DISCLOSURE STATEMENT

Project name: Lutheran Hillside Village

Project Address: 6901 North Galena Road Peoria, IL
Applicant: Lutheran Hillside Village
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois

Board of Directors for LHV:

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

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

Board of Directors for LSS:

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

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

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 11, 2006**

Project: Three Crowns Park

STATISTICS

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

BOARD ACTION

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

Proceeds will be used to: 1) Pay for development, marketing, construction and other related costs associated with the redevelopment project, 2) Establish Debt Service Reserve Funds for the Series 2006 Bonds, 3) Fund interest payments, letter of credit and remarketing fees, and ongoing issuance costs of the Series 2006 Bonds for approximately 24 months, and 4) Pay certain costs for the issuance of the Series 2006 Bonds.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on June 13, 2006 by the following vote:

Ayes – 12	Nays – 0	Absent – 3	Vacancies – 0
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ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds \$60,445,000	Uses:	New Money	\$ 49,933,000
	Entrance Fees \$ 717,000		Funded Interest	\$ 7,197,000
	Interest Earnings \$ 1,940,000		Reserve Funds	\$ 4,056,000
			Issuance Costs	\$ 1,916,000
	Total		Total	<u>\$ 63,102,000</u>
	<u>\$ 63,102,000</u>			

JOBS

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

BUSINESS SUMMARY

Overview of the Borrower:

Three Crowns Park (the "corporation") is an Illinois not-for-profit corporation which owns and operates a senior living community located on 7.5 acre campus in Evanston, Illinois called Three Crowns Park (the Community). The Corporation changed its name from the Swedish Retirement Corporation in 2004. The Corporation has been

providing housing and health care services to the residents of Evanston and surrounding communities since the early 1900s.

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

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

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

The mission statement of Three Crowns Park is as follows:

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

PROJECT SUMMARY

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

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

Level of Care:	Approximate Current	Difference	Approximate Proposed
	Operations		Project
Independent Living Apartments	31	87	118
Assisted Living Apartments	40	-4	36
Memory Support Assisted Living	0	18	18
Skilled Nursing Beds			
Private	8	24	32
Semi-Private	40	-20	20
Total Units:	119	105	224

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

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

FINANCING SUMMARY

Structure: The Series 2006C bonds will be tax-exempt variable rate demand bonds that will be secured by a direct pay letter of credit from a to be determined letter of credit bank(s). The Series 2006A bonds

will be non-rated fixed rate term bonds. The Series 2006B bonds will be adjustable rate securities, Ziegler EXTRASSM.

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

Maturity: 33 years (Not more than 33 years)

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

Conditions for Waiver:

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

ECONOMIC DISCLOSURE STATEMENT

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

Applicant: Three Crowns Park

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

State: Illinois

Board of Directors: Marvin Lofquist, Ph.D.
Janet Goelz Hoffman
Susan J. Morse
Richard Hoffman
Glenn Johnson
James E. Elsass
Jeff Engle
Dale Johanson
David Johnson

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 11, 2006**

Project: Rush University Medical Center Obligated Group

STATISTICS

Project Number: H-HO-TE-CD-6014 Amount: \$250,000,000 (Not to exceed amount)
Type: Not-for-Profit Bond IFA Staff : Pamela Lenane and Dana Sodikoff
Locations: Chicago (Rush University Medical Center)
 Skokie (Rush North Shore Medical Center)
 Aurora (Copley Memorial Hospital, Inc. and affiliates)

BOARD ACTION

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

PURPOSE

Proceeds will be used to: 1) refinance all or a portion of the following outstanding IHFA bonds: Series 1983, Series 1989A, Series 1993, 1996A and Series 1998B; 2) reimbursement of prior capital expenditures; 3) fund a debt service reserve fund; and 4) pay costs of issuance.

IFA CONTRIBUTION

Conveys Federal income tax-exempt status on bond interest.

VOTING RECORD

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

Ayes - 8 Nays - 0 Absent - 6 Absentation- 1 Vacancies - 0

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$ 202,400,000	Uses:	Refunding Escrow	\$187,488,000
	Prior DSRF			Reserve Fund	\$ 14,320,000
	and DSF	10,080,000		Issuance Costs	<u>\$ 10,847,000</u>
	Equity contribution	<u>175,000</u>			
	Total	<u>\$ 212,655,000</u>	Total		<u>\$ 212,655,000</u>

JOBS

Current employment: 7,367 (RUMC, including Rush Oak Park Hospital) Projected new jobs: N/A
 984 (Rush-Copley Medical Center)
 1,157 (Rush North Shore Medical Center)

Jobs retained: N/A

Construction jobs: N/A

BUSINESS SUMMARY

Background: The Members of the Obligated Group include:

- Rush University Medical Center ("RUMC");
- Rush North Shore Medical Center ("RNS");
- Rush-Copley Medical Center, Inc. ("Rush-Copley");
- Copley Memorial Hospital ("Copley");
- Copley Memorial Hospital Health Care Foundation ("Copley Foundation"); and
- Copley Ventures, Inc. ("Copley Ventures, Inc.")

Simultaneously with the issuance of the Series 2006 bonds Rush-Copley Services Corporation ("Services Corporation") is expected to become a member of the Obligated Group. Each current member of the Obligated Group is an Illinois not-for-profit corporation.

Description: **Rush University Medical Center ("RUMC")**

Rush University Medical Center, previously known as Rush-Presbyterian-St. Luke's Medical Center, is an academic medical center in Chicago, Illinois. The mission of Rush University Medical Center is to provide the very best care for its patients. Its education and research endeavors, community programs, and relationships with other hospitals are dedicated to enhancing excellence in patient care for the diverse communities of the Chicago area now and in the future.

The clinical and academic facilities are primarily located in the northeast portion of the Illinois Medical Center District. RUMC's clinical operations include a total of 851-staffed beds. Major operations of RUMC include:

- Rush University Hospital;
- Rush Oak Park Hospital;
- Rush University; and
- Rush University Medical Group

The Medical Center has been part of the Chicago landscape longer than any other health care institution in the city. Rush Medical College was the first institution of higher learning chartered in Illinois. Rush University is home to one of the first medical colleges in the Midwest and one of the nation's top-ranked nursing colleges.

The nursing program was awarded Magnet Designation in 2002, the highest honor a hospital can receive for outstanding achievement in nursing services. It was the first medical center in Illinois caring for both adults and children to receive the Magnet Status. Rush University Medical Center provides a full range of medical and surgical services. In U.S. News & World Report's 2005 issue showcasing "America's Best Hospitals", RUMC ranked in 11 of 17 categories. RUMC was ranked higher than any other Illinois hospital in orthopedics, neurology and neurosurgery, geriatrics, and kidney disease. There are currently 451 part time and full time employed physicians in 74 practices.

Rush University includes Rush Medical College, the College of Nursing, the College of Health Sciences and The Graduate College. Total enrollment for the 2004-2005 academic year was 1,451 students. RUMC is also the site of more than 70 residency and fellowship programs in medical and surgical specialties. Total research expenditures for FY2005 totaled \$115.4 million. Research is focused on improving day-to-day lives of patients through community-based studies.

Service Area: Rush University Medical Center is located in the City of Chicago, Illinois. Due to its specialty and subspecialty programs, its patients are primarily from the contiguous 8-county service area, and other areas of Illinois and the Midwest.

Description: **Rush North Shore Medical Center ("RNS")**
Rush North Shore Medical Center is a 224-staffed bed hospital in Skokie, Illinois. The hospital was founded in 1955 and commenced operations under the name Skokie valley Community Hospital in 1963. Rush North Shore Medical Center became affiliated with RUMC in 1987 and joined the Obligated Group in 1989. RNS provides comprehensive quality primary and secondary health care services to its community. RNS also provides select tertiary subspecialty services and provides a link to the complete range of tertiary services through its affiliation with Rush University Medical Center.

Acute care services include the major specialties of medicine, surgery, critical care, gynecology and obstetrics and psychiatric services. It also provides a full range of outpatient diagnostic and therapeutic services to its patients.

Service area: RNS defines its primary service area (PSA) to include Skokie, Glenview, Morton Grove, Wilmette, Evanston and the northern parts of Chicago. During FY05, 63.7% of inpatient non-newborn discharges originated from the PSA. The secondary service area includes Des Plaines, Kenilworth, Northbrook, Park Ridge, Winnetka, and parts of Chicago.

Description: **Rush-Copley, Copley, Copley Foundation, Copley Ventures and Services Corporation (collectively referred to as the "Copley Members")**.

The Copley Members include:

- Rush-Copley, the parent holding corporation;
- Copley Memorial Hospital, a 148-staffed bed hospital in Aurora;
- Copley Foundation, organized exclusively to engage in charitable fundraising activities which promote the interests of Copley;
- Copley Ventures, organized to establish and operate real estate properties; and
- Services Corporation, organized to operate and manage hospital-based physician practices.

The Copley Members became affiliated with RUMC in 1987 and joined the Obligated Group in 1993. Copley Memorial Hospital was founded in 1888 when it began operations as Aurora City Hospital. In 1995, Copley transferred its operations to a new replacement facility located on a 98-acre parcel of land. Copley Memorial Hospital provides a full range of inpatient and outpatient healthcare programs and services, with Institutes of Medicine including a Heart Institute, Cancer Care Center, Women's Health Center and Neuroscience Center. In U.S. News & World Report's 2005 issue showcasing "America's Best Hospitals", Copley ranked as one of the best hospitals in neurology and neurosurgery.

Service area: Copley defines its primary service area (PSA) to include the City of Aurora and the surrounding communities of Oswego, Montgomery and Western Naperville. Copley's secondary service area includes other areas in DuPage, Kane, Kendall, and Will Counties.

PROJECT SUMMARY

Refinancing existing debt, including all or a portion of, Series 1983, Series 1989A, Series 1993, Series 1996A and Series 1998B, and reimbursement of prior capital expenditures.

FINANCING SUMMARY

Security: Underwriters expect that the Bonds will be backed by credit enhancement, which could include bond insurance and bank credit facilities.

Structure: Debt structure to be determined prior to final IFA resolution

Maturity: Maturity to be determined prior to final IFA resolution

ECONOMIC DISCLOSURE STATEMENT

Project name: Rush University Medical Center Obligated Group
Location: 1653 W. Congress Parkway
Chicago, IL 60612
Applicant: Rush University Medical Center Obligated Group
Organization: Obligated Group Members are 501(c)(3) Not-for-Profit Corporations
State: Illinois
Board of Directors: See attached

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Sonnenschein Nath & Rosenthal	Chicago	Steve Kite
Bond Counsel:	Chapman and Cutler	Chicago	James Luebchow
Co-Underwriter:	Citigroup	Chicago	Lisa Conley
Co-Underwriter:	Morgan Stanley	Chicago	Bruce Gurley
Underwriter's Counsel:	Jones, Day	Chicago	John Bibby
Bond Trustee:	TBD		
Accountant	Deloitte & Touche	Chicago	Robert Clarke
Issuer's Counsel:	Charity & Associates	Chicago	Alan Bell

LEGISLATIVE DISTRICTS

RUMC:

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

Rush North Shore:

Congressional: 9 – Jan Schakowsky
State Senate: 9 – Jeff Schoenberg
State House: 17 – Beth Coulson

Copley Memorial Hospital, Inc.:

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

Rush University Medical Center Board of Trustees		Years of Service
<u>Trustee</u>	<u>Professional Affiliation</u>	
Edward A. Brennan (1,2) <i>Chairman</i>	Retired Chairman, President and CEO, Sears, Roebuck and Co.	19
Richard M. Jaffee (1,2) <i>Vice-Chairman</i>	Chairman, Oil-Dri Corporation of America	15
Michael Simpson (1) <i>Vice-Chairman</i>	Chairman Emeritus, A.M. Castle & Co.	27
Larry J. Goodman, M.D. (1)	President and Chief Executive Officer, Rush University Medical Center	3
Connie Busse Ashline (1)	CEO, President and Board Chairman, Mercon, Inc., and Secure Care	9
W.H. Clark (1)	Retired Chairman of the Board and Chief Executive Officer, Nalco Chemical Company	19
Susan Crown (1)	Vice President, Henry Crown & Company	19
Robert J. Darnall (1)	Retired Chairman, President and Chief Executive Officer, Inland Steel Industries, Inc.	6
James W. DeYoung (1)	President, Winston Partners Incorporated	28
W. James Farrell (1)	Chairman and Chief Executive Officer, Illinois Tool Works Inc.	8
Ronald J. Gidwitz (1)	Partner, GCG Partners	12
William M. Goodyear (1,3)	Chairman and Chief Executive Officer, Navigant Consulting, Inc.	10
Joan M. Hall (1)	Retired Partner, Jenner & Block	22
William R. Hayden, M.D. (1)	Director, Rush University Medical Center-Stroger Hospital of Cook County Pediatric Critical Care Program	2
Silas Keehn (1,2)	Retired President, Federal Reserve Bank of Chicago	23
Beverly J. Kroll (1)	President, Peryam & Kroll Research Corporation	1
Donald G. Lubin (1)	Partner, Sonnenschien Nath & Rosenthal	28
John H. McEachern (1)	Retired President – Wayne Circuits	1
Richard M. Morrow (1)	Retired Chairman, Amoco Corporation	25
Sheli Z. Rosenberg (1,3)	Retired President and Chief Executive Officer, Equity Group Investments	9
Mary Hudson Smart (1)	President, Woman's Board of RUMC	1
Harold Byron Smith, Jr. (1)	Chairman of the Executive Committee, Illinois Tool Works Inc.	37
S. Jay Stewart (1)	Retired Chairman and Chief Executive Officer, Morton International, Inc.	18
Pamela B. Strobel (1)	Executive Vice President and Chief Administrative Officer, Exelon Corporation	8
Richard L. Thomas (1)	Retired Chairman, First Chicago NBD Corporation	34

**Rush University Medical Center
 Board of Trustees**

<u>Trustee</u>	<u>Professional Affiliation</u>	<u>Years of Service</u>
Thomas J. Wilson (1)	President and Chief Operating Officer, The Allstate Corporation	5
Thomas A. Donahoe (2)	Retired Vice Chairman, Price Waterhouse LLP	24
Christine A. Edwards (2)	Partner, Winston & Strawn	4
Gloria Santona (2)	Executive Vice President, General Counsel and Secretary, McDonald's Corporation	2
E. David Coolidge III (3)	Vice Chairman, William Blair & Company L.L.C. ...	19
Larry Field (3)	Chief Executive Officer, Field Container Company L.P.	
Robert F. Finke (3)	Senior Partner, Mayer, Brown, Rowe & Maw	5
Jay L. Henderson (3)	Managing Partner, PricewaterhouseCoopers LLP	2
Perry R. Pero (3)	Retired Vice Chairman, Northern Trust Corporation and The Northern Trust Company	4
William H. Strong (3)	Vice Chairman – Investment Banking, Morgan Stanley	2
Richard L. Wambold (3)	Chairman and Chief Executive Officer, Pactiv Corporation	2
Hall Adams, Jr.	Retired Chairman of the Board and Chief Executive Officer, Leo Burnett Company, Inc.	17
Michael J. Alter	President, The Alter Group Ltd.	1
Joseph P. Bernardini, M.D.	South Jersey Center for Orthopedics & Sports Medicine	4
John M. Boler	Chairman of the Board, The Boler Company	1
Donald D. Boroian	Chairman, Francorp, Inc.	9
John C. Bowling, EdD, Dmin	President, Olivet Nazarene University	9
William G. Brown	Attorney, Bell, Boyd and Lloyd	14
John A. Buck	Chairman and Chief Executive Officer, The John Buck Company	1
Peter C. B. Bynoe	Partner, DLA Piper Rudnick Gray Cary US LLP	12
Pastora San Juan Cafferty	Professor, The University of Chicago	12
Donald B. Davidson	Managing Director, Integro Ltd.	27
Howard M. Dean	Retired Chairman, Dean Foods	2
John H. Dick	President, Dicksbridge, Inc.	17
Sharon Partington Dixon	Immediate Past President, Woman's Board of RUMC	3
Margaret-Faut-Callahan, DNSc, CRNA, FAAN	Rush University Medical Center	2
Wade Fetzer III	Retired Partner, Investment Banking Division, The Goldman Sachs Group, L.P.	31
Marshall Field	Chairman of the Board, The Field Corporation	35
Cyrus F. Friedheim, Jr.	Retired Chairman and Chief Executive Officer, Chiquita Brands International, Inc.	24

Rush University Medical Center Board of Trustees		
<u>Trustee</u>	<u>Professional Affiliation</u>	<u>Years of Service</u>
William J. Friend	President, Core Capital Management, LLC	7
Jorge O. Galante, MD, DMSc	The Grainger Director, Rush Arthritis and Orthopedics Institute	2
Sue Ling Gin	Owner and Chief Executive Officer, Flying Food Group	5
Robert Hixon Glore	Managing Partner, Pioneer Ventures	51
Catherine B. Grotelueschen, M.D.	Westside Medical Associates	2
William J. Hagenah	Retired Senior Vice President, Bank One Corporation	1
William K. Hall	Chairman and Chief Executive Officer, Procyon Technologies	2
Christie Hefner	Chairman and Chief Executive Officer, Playboy Enterprises, Inc.	12
Robert L. Heidrick	Vice Chairman and Managing Director, Global Industrial Practice	5
Ronald M. Hem	Member, Alschuler, Simantz & Hem, LLC	1
Marvin J. Herb	Herbco L.L.C.	9
John W. Higgins	Chairman and Chief Executive Officer, Higgins Development Partners	2
Anthony D. Ivankovich, M.D.	Chairman, Department of Anesthesiology	1
John E. Jones	Retired Chairman, CBI Industries	12
John P. Keller	Chairman, Keller Group, Inc.	21
Herbert B. Knight	Member, Leadership Committee for Rush Neuroscience Institute	18
Fred A. Krehbiel	Co-Chairman, Molex Incorporated	21
Karen Van Dyke Lamb, ND, RN	Associate Professor, College of Nursing, Rush University Medical Center	9
John W. Madigan	Retired Chairman and Chief Executive Officer, Tribune Company	26
Marcie H. Mervis	President, Carolyn Foundation	2
Robert S. Morrison	Retired Chairman, President and Chief Executive Officer, Quaker Oats Company	6
Abby McCormick O'Neil	Member, Rush University Board of Overseers	7
The Right Reverend William D. Persell	Bishop of Chicago, Episcopal Diocese of Chicago	6
Karen C. Reid	Past President, Rush Woman's Board	19
John W. Rogers, Jr.	Chairman and Chief Executive Officer, Ariel Capital Management LLC	15
Patrick G. Ryan	Chairman, President and Chief Executive Officer, Aon Corporation	27

**Rush University Medical Center
Board of Trustees**

<u>Trustee</u>	<u>Professional Affiliation</u>	<u>Years of Service</u>
John M. Sachs, DDS	Retired Dentist	13
John F. Sandner	Special Policy Advisor and Retired Chairman, Chicago Mercantile Exchange	13
The Honorable Anne O. Scott	Retired Judge, Circuit Court of Cook County	13
Carole Browe Segal	Vice President, Civic Affairs, Crate & Barrel	14
Richard Sharfstein	Chairman of the Board, Pride Container Corporation	5
Carl W. Stern	Co-Chairman of the Board, The Boston Consulting Group	5
Frank J. Techar	President and Chief Executive Officer, Harris Bankcorp, Inc.	2
John R. Willis	Managing Partner, Willis Stein & Partners	5
Robert A. Wislow	Chairman and Chief Executive Officer, U.S. Equities Realty, Inc.	16

**Rush North Shore Medical Center
 Board of Trustees**

<u>Trustee</u>	<u>Professional Affiliation</u>	<u>Years of Service</u>
Beverly J. Kroll (1) <i>Chairman</i>	Principal and CEO, Peryam & Kroll Research Corporation	9
E. David Coolidge, III (1,3) <i>Vice Chairman</i>	Chief Executive Officer, William Blair & Company, L.L.C.	18
Donald P. Perille (1) <i>Vice Chairman</i>	Trustee, Village of Skokie	14
Earl B. Abramson (1,3)	President, Rapid Displays	29
James T. Frankenbach (1)	President and Chief Executive Officer, Rush North Shore Medical Center	11
Andy Mills (1,3)	President, Medline Industries, Inc.	3
Harvey Pyes (1,2)	Partner, Pyes and Cherin	14
Richard A. Sharfstein (1,3) Howard L. Stone (1,3)	President, Pride Container Corporation Semi-Retired Executive, RSM McGladrey Tax and Business Services	13 2
James DeYoung (2)	President, Winston Partners, Inc.	3
Lawrence Gilford (2)	Director, MB Financial, Inc.	6
Marvin Lederman (2,3)	Retired, Financial Executive	28
William Meltzer, M.D. (2)	Orthopedic Specialist, Lake Shore Orthopedics	15
Michael Oberman (2)	President, Omeda Communications	4
Leonard Berlin, M.D. (3)	Chairman, Department of Radiology, Rush North Shore Medical Center	29
Peter W. Butler (3)	Executive Vice President and COO, Rush University Medical Center	4
James Coleman (3)	Executive, Honeywell	1
Ike Hong (3)	President, Pacific Construction Services, Inc.	1
Carolyn Anthony	Director, Skokie Public Library	1
Dorothy Pitner Healy	President, Midwest Palliative & Hospice CareCenter	1
Jean Herreman	Housewife	16
Aaron Karsen	President, Carpet Cushions & Supplies, Inc.	11
Nancy L. Kaszak	Associate, Regional Director of Development	1
Renee Reich, M.D.	President, Medical Staff, Rush North Shore Medical Center	2

**Rush-Copley Medical Center
 Board of Governors**

<u>Governors</u>	<u>Professional Affiliation</u>	<u>Years of Service</u>
John Lies (1) <i>Chairman</i>	President - Arnold Lies Company	21
Ronald M. Hem (1) <i>Vice-Chairman</i>	Partner - Alschuler, Simantz & Hem, LLC	21
Michael Beilman (1) (3)	Partner - Mueller & Co. LLP	22
Richard Edelman (1)	President - PMR, Inc.	10
John H. McEachern (1) (2)	Retired President - Wayne Circuits	24
Mark Metzger (1) (2)	Attorney & Mediator - Law Offices of Mark Metzger	8
William Skoglund (1)	Chairman - Old Second Bancorp	6
Susan Barnes (2)	President & CEO - The Landmark Group of IL, Inc.	9
Kenneth L. Bertrand (2)	President - Allied First Bank	2
Kathleen Tollaksen (2)	Partner - Sikich LLP	8
Bruce Dienst (3)	President & COO - Simpson Technologies Corp.	7
Gary Flori (3)	Partner - Sikich LLP	1
Dave Mead (3)	President - Bufka & Rodgers, LLC	8
Frank Voris (3)	Retired executive - Merchants National Bank	26
Jack E. Wells (3)	Vice President - VanKampen Funds	12
Thomas S. Alexander	CFO - Alexander Lumber Company	24
Ed Bonifas	Vice President - Alarm Detection Systems, Inc.	7
Elizabeth Brundadge	Director - MedSurg Billing	1
Patrick Carmody	President - Innovative Modular Solutions	2
Cati Cederroth	Senior Executive - Accenture	7
Lisa Coffey	Attorney - Law Office of Lisa Coffey, PC	7
Henry Cowherd, Jr.	Retired executive - Burgess Norton Manufacturing	32
Tom Cross	Illinois State Representative & Attorney	8
Howard Crouse	Superintendent - Indian Prairie School Dist. #204	2
Suzanne Deuchler	Retired Illinois State Representative	18
Lynn Dubajic	Executive Director - Yorkville Economic Development Corporation	2
Kent Duncan	Branded Pricing Analyst - BP	2
Jim Eccher	President & CEO - Old Second National Bank	2
Kris Fauske	Vice President, Operations - Fauske & Associates, Inc.	4
Barry C. Finn	President & CEO - Rush-Copley Medical Center	4

**Rush-Copley Medical Center
Board of Governors**

<u>Governors</u>	<u>Professional Affiliation</u>	<u>Years of Service</u>
Sandra Goeken Miles	Vice Chairman - The Goeken Group	9
David Harrison	Publisher - The Beacon News	5
James P. Hughes, Jr.	Executive Vice President – Wiseman-Hughes	8
Sherman L. Jenkins	Executive Director - Aurora Economic Development Commission	4
Wade Joyner	Attorney - Wade R. Joyner, P.C.	5
Joe Lies	Vice President - Arnold Lies Company	4
D. Chet McKee	Vice President, Special Projects - Rush-Copley Medical Center	28
Michael Ochenschlager	Vice President - Wine, Sergi & Co., LLC	23
Scott Palmer	Chief of Staff - Office of Rep. Dennis Hastert	20
James D. Pearson	Retired President & CEO – Aurora Metals, LLC	26
Linda Pilmer	Owner & Director - Pilmer Real Estate, Inc.	18
Jason Poppen	Executive Vice President - Smith Engineering Consultants	1
Betty Reed	Former Executive Director – YWCA	8
Robert Schillerstrom	Partner - Ice Miller Law Firm and DuPage County Board Chairman	12
Christine Sobek	Provost - Waubensee Community College	5
Christine Suppes	Vice President, Sales & Customer Care - NICOR	8
Arturo Venecia II	Consultant – self employed	2
Frank Vermaat	Retired executive - NICOR	26

**Copley Memorial Hospital
 Board of Directors**

<u>Members</u>	<u>Professional Affiliation</u>	<u>Years of Service</u>
John Lies (1) <i>Chairman</i>	President - Arnold Lies Company	12
Ronald M. Hem (1) <i>Vice-Chairman</i>	Partner - Alschuler, Simantz & Hem, LLC	7
Michael Beilman (1) (3)	Partner - Mueller & Co. LLP	12
Richard Edelman (1)	President - PMR, Inc.	7
John H. McEachern (1) (2)	Retired President - Wayne Circuits	21
Mark Metzger (1) (2)	Attorney & Mediator - Law Offices of Mark Metzger	5
William Skoglund (1)	Chairman - Old Second Bancorp	6
Bruce Dienst (3)	President & COO - Simpson Technologies Corp.	5
Herbert Knight (3)	Member, Leadership Committee for Rush Neuroscience Institute	14
James Ferlmann, M.D.	Immediate Past Chief of Staff - Rush-Copley Medical Center	6
Barry C. Finn	President & CEO - Rush-Copley Medical Center	4
Sandra Goeken Miles	Vice Chairman - The Goeken Group	6
Bob Manam, M.D.	Chief of Staff - Rush-Copley Medical Center	4
Bryan Rubach, M.D.	Vice Chief of Staff - Rush-Copley Medical Center	2
Christine Sobek	Provost - Waubensee Community College	4
Christine Suppes	Vice President, Sales & Customer Care – NICOR	5

**Rush-Copley
 Foundation Board Members**

<u>Members</u>	<u>Professional Affiliation</u>	<u>Years of Service</u>
Richard Edelman (1) <i>Chairman</i>	President - PMR, Inc.	8
TBD <i>Vice-Chairman</i>		
Susan Barnes (2)	President & CEO - The Landmark Group of IL, Inc.	13
Thomas S. Alexander	CFO - Alexander Lumber Company	6
Elizabeth Brundage	Director - MedSurg Billing	1
Lynn Dubajic	Executive Director - Yorkville Economic Development Corporation	2
Jim Eccher	President & CEO - Old Second National Bank	2

**Rush-Copley
Foundation Board Members**

<u>Members</u>	<u>Professional Affiliation</u>	<u>Years of Service</u>
Kris Fauske	Vice President, Operations - Fauske & Associates, Inc.	4
Barry C. Finn	President & CEO - Rush-Copley Medical Center	4
Sherman L. Jenkins	Executive Director - Aurora Economic Development Commission	4
Joe Lies	Vice President – Arnold Lies Company	1
D. Chet McKee	Vice President, Special Projects - Rush-Copley Medical Center	
Jason Poppen	Executive Vice President - Smith Engineering Consultants	1
Arturo Venecia II	Consultant - self employed	2

Board of Copley Ventures and Rush-Copley Services Corporation

<u>Members</u>	<u>Professional Affiliation</u>	<u>Years of Service</u>
Barry C. Finn	President and Chief Executive Officer, Rush-Copley Medical Center	9
Lisa Brady	Vice President, Strategy, Rush-Copley Medical Center	7
Mac Salazar	Vice President, Finance and Chief Financial Officer, Rush-Copley Medical Center	6

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 11, 2006**

Project: Victory Gardens Theater

STATISTICS

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

BOARD ACTION

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

PURPOSE

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

IFA CONTRIBUTION

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

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS (subject to change)

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

JOBS

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

BUSINESS SUMMARY

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

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

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

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

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

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

Fundraising:

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

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

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

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

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

Expanding Horizons Campaign:

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

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

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

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

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

- The current facility is inefficient and inadequate. The stage lacks wingspace, flyspace, backstage space, adequate lighting and sound systems – all severely restricting the playwrights' and designers' creativity and the scale and scope of their work.
- The restrooms, lobby, and traffic flow in the current building are sorely lacking and outdated. Today's audiences expect a more user-friendly, comfortable space.

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

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

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

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

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

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

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

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

FINANCING SUMMARY

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

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

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

PROJECT SUMMARY

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

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

ECONOMIC DISCLOSURE STATEMENT

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

Project name: Victory Gardens Theater (Biograph Theater Project)

Location: Chicago, Illinois, Cook County

Organization: Illinois 501(c)(3) organization

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

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

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

Land Owner: Victory Gardens Theater

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

Project: Oak Park Residence Corporation

STATISTICS

Deal Number:	N-NP-TE-CD-6136	Amount:	\$3,000,000
Type:	Not For Profit Bonds	IFA Staff:	Sharnell Curtis Martin
Location:	Oak Park	SIC Code:	6513

BOARD ACTION

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

PURPOSE

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

IFA CONTRIBUTION

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

VOTING RECORD

Preliminary Bond Resolution, no previous voting record.

SOURCES AND USES OF FUNDS

Sources:	IFA Bond	<u>\$3,000,000</u>	Uses:	Refinance Existing Debt	\$1,950,000
				Project Costs	1,000,000
				Bond Issuance Costs	<u>50,000</u>
	Total Sources	<u>\$3,000,000</u>		Total Uses	<u>\$3,000,000</u>

JOBS

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

BUSINESS SUMMARY

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

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

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

FINANCING SUMMARY

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

PROJECT SUMMARY

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

Building and Land	<u>\$1,000,000</u>
Total Projects Costs	<u>\$1,000,000</u>

ECONOMIC DISCLOSURE STATEMENT

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

Project name: Village of Oak Park Residence Corporation

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

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

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

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

Project: Lawrence Hall Youth Services

STATISTICS

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

BOARD ACTION

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

PURPOSE

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

IFA CONTRIBUTION

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

VOTING RECORD

Preliminary Bond Resolution, no previous voting record.

SOURCES AND USES OF FUNDS

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

JOBS

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

BUSINESS SUMMARY

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

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

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

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

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

FINANCING SUMMARY

Security:	The Bonds will be secured by a Direct Pay Letter of Credit from Fifth Third Bank
Structure:	Variable rate
Maturity:	40 Years

PROJECT SUMMARY

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

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

ECONOMIC DISCLOSURE STATEMENT

Applicant: Mr. Mark Nufer, Executive Vice President of Finance
Lawrence Hall Youth Services
4833 North Francisco Avenue
Chicago, IL 60625 (Cook County)

Project name: Campus Redevelopment Residential Treatment Center
Location: 4833 North Francisco Avenue
Chicago, IL 60625 (Cook County)

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

Board Members:

Alaina Anderson	Candice Beinlich	Hon. Paul P. Biebel
Susan Bigg	Yuri Brown	Danielle Burton
Lois Colberg	Dana Connell	Pamela Coster
Jayne Coyne	Lynne Franklin	Tim Graham
Elisha Gray III	Steven Groot	Bronson Hall
Eloise Harris	Thomas Jackson	Eric Joost
Patrick Kennedy	Marcia Kladder	David Lamb
Edwin Lennox	T. Gerald Magner	R. Mark McCareins
William McNally	Albert Meers	Annemarie Munana
Andrew Oleszczuk	John Peterson	Marguerite Quinn
Glori Rosenson	Charles Sample	Peter Saravis
Charles Shaw	Jeffrey Singleton	John Strothman
Barton Tretheway	Ken Ulrich	Patti Van Cleave

Land Sellers: Not Applicable

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	O'Keefe Lyons & Hynes	Chicago	Danie Coyne
Accountant:	Altschuler Melvoin & Glasser	Chicago	William J. O'Brien
Bond Counsel:	Chapman and Cutler	Chicago	Nancy Burke
LOC Bank:	Fifth Third Bank	Chicago	Lovetta Spencer
Underwriter:	Fifth Third Securities	Chicago	Douglas DeAngelis
Underwriter's Counsel:	To Be Determined		
Issuer's Counsel:	Requested		
Trustee:	To Be Determined		

Lawrence Hall Youth Services
Not-For-Profit Revenue Bond
Page 4

Preliminary Bond Resolution
July 11, 2006
FM: Sharnell Curtis Martin

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

Project: Chicago Christian Industrial League

STATISTICS

Deal Number:	N-NP-TE/TX-CD-6068	Amount:	\$11,000,000 (not-to-exceed amount)
Type:	Not-For-Profit Bonds		\$400,000 Taxable Bonds (not-to-exceed amount)
	Debt Service Reserve Fund		\$500,000 (not-to-exceed amount)
Location:	Chicago	IFA Staff:	Sharnell Curtis Martin
		SIC Code:	8222

BOARD ACTION

Final Bond Resolution	Staff recommends approval
Conduit Qualified 501(c)(3) Revenue Bonds	No extraordinary conditions
Up to \$500,000 IFA funds at risk	

PURPOSE

Bond proceeds will be used to finance the acquisition of land, construction and pay certain bond issuance costs. The Authority's reserve will serve credit enhancement for the bond issue.

IFA CONTRIBUTION

The Borrower has requested the Authority fund a debt service reserve for \$500,000 as additional credit enhancement for this transaction. These funds will be held on deposit at ShoreBank and will earn a market rate of interest in a reserve account.

VOTING RECORD

Preliminary Bond Resolution: April 11, 2006

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bond	\$10,000,000	Uses:	Project Costs	\$22,400,000
	IFA Taxable Bond	200,000		Bond Issuance Costs	1,550,000
	Equity	<u>15,300,000</u>		Refinancing	1,200,000
				Capitalized Interest	<u>350,000</u>
	Total Sources	<u>\$25,500,000</u>		Total Uses	<u>\$25,500,000</u>

CCIL's sources of equity include the sale of its present location for \$6 million as well as numerous grants including: TIF grants, empowerment zone grants, HUD/McKinney grant funds, IHDA tax credits, and the Illinois Clean Energy grant.

JOBS

Current employment:	173	Projected new jobs:	11
Jobs retained:	N/A	Construction jobs:	95

BUSINESS SUMMARY

Background: Chicago Christian Industrial League ("CCIL" or the "Applicant") is an Illinois not-for-profit organization established in 1909 as a rescue mission and incorporated as a not-for-profit corporation in 1989. CCIL is a non-sectarian, social service agency that helps individuals and families overcome the obstacles of homelessness and poverty. Each year the organization provides program services to more than 800 individuals annually needing assistance in the Chicago metropolitan area.

The organization's mission and charitable purpose is to provide resources, opportunities and support necessary to become self-sufficient, attain affordable housing and rejoin the workforce. Towards that end, CCIL uses a holistic approach to meet basic human needs by providing food shelter, clothing and medical care; social service needs by providing counseling and case management and training and employment needs by providing skills training, job readiness and personal development. The populations that CCIL serves are the poor, homeless and severely economically disadvantaged having little to no income. And many have experienced severe poverty, chronic unemployment, low skills, limited literacy, addictions and violence.

CCIL's residents commit to stay for one year or more and spend ten hours a day educating themselves, developing new habits and changing their lives. Programs that residents utilize include: Transitional Living Program, Healthy Body/Healthy minds, Education Services, Job Training, and the Center for Workforce Development.

Description: The new project will bring a new 100,000 square foot facility to the North Lawndale Community on Chicago's west side. The facility will include expanded residential/transitional housing services as well as daily services to individuals who have permanent housing within the community.

The Reserve: To ensure sufficient collateral, CCIL has requested the IFA to fund a debt service reserve in the amount of \$500,000 to be available for up to five years. The account will be held in an investment account by ShoreBank in a reserve account. Any draws against the reserve account shall pay an interest rate of Prime plus 2%.

FINANCING SUMMARY

Security: The Bonds will be secured by a Direct Pay Letter of Credit from ShoreBank with a Standby Letter of Credit provided by Fifth Third Bank. The bonds will be secured by a first mortgage in the subject property.

Structure: Bonds are expected to be sold as a variable rate demand bonds.

Maturity: 30 Years

IFA Security: CCIL's obligation to repay draws on the reserve account will be subordinated to its obligations to repay Bonds and any draw's on the Bank's letter of credit:

The Authority's security shall include the following:

- Second mortgage on subject facility, assignment of rents and leases, and security agreement-fixture
- Security agreements encumbering all Borrowers' assets

PROJECT SUMMARY

Bond proceeds will be used to finance a portion of the construction of 100,000 square foot facility to be located at 2750 W. Roosevelt Road in Chicago, IL 60608 (Cook County), refinance existing debt, acquisition of machinery and equipment and machinery and equipment for use therein, and to pay certain bond issuance costs. Project costs are estimated as follows:

Construction	\$19,000,000
Architectural and Engineering	1,499,999
Rehabilitation	1,100,000
Machinery and Equipment	800,000
Land	1
Total Project Costs	<u>\$22,400,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Chicago Christian Industrial League
123 South Green Street, Chicago, IL 60607-2636
Ms. Addie McCaskell, Director of Finance & Administration
Telephone: (312) 421-0588
Fax: (312) 421-7463

Project name: Chicago Christian Industrial League New
Location: 2750 W. Roosevelt Road, Chicago, IL 60608
Organization: 501(c)(3) Organization
State: Illinois

Board Members: Annette C. Calderwood
Dr. Paul F. Camenisch
Lorraine B. Clark
Yolanda Deen
Kathryn Hamilton Fink, Secretary
William Fitzgerald
James L. Foorman, Treasurer
Michael Frigo, President

Conrad J. Hunter
Marilyn Graber
William A. Good
Kenneth A. McHugh
Sandra C. Ottinger, Vice President
B.R. Sefton
William Warman
Rev. Judith Watt

Land Sellers: City of Chicago

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Michael Best	Chicago	Leslie Richards-Yellen
Accountant:	Resnick Group, P.C.		
Bond Counsel:	Chapman and Cutler	Chicago	Nancy Burke
LOC Bank:	ShoreBank	Chicago	Tony Smith
Standby LOC Bank:	Fifth Third Bank	Chicago	Pat Horne
Underwriter:	Stern Brothers	St. Louis, MO.	James Luebchow
Underwriter's Counsel:	Chapman and Cutler	Chicago	Nancy Burke
Issuer's Counsel:	Law Offices of Kevin Cahill	Chicago	Kevin Cahill
Trustee:	Amalgamated Bank	Chicago	Christine Linde

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 11, 2006**

Project: Local Government 2006 B Pool

STATISTICS

Number:	L-G-MO-	Amount:	\$5,000,000 (not to exceed)
Type:	Local Government Pooled Bond Program 2006 B		
IFA Staff:	Eric Watson	Location:	Long Creek Township Village of Maeystown Village of Magnolia

BOARD ACTION

Final Bond Resolution to purchase bonds from the following communities:
 Long Creek Township
 Village of Maeystown
 Village of Magnolia
 No extraordinary conditions
 Local Government Pooled Bond
 Staff recommends approval

IFA CONTRIBUTION

No IFA contribution – bonds backed with the State’s moral obligation

VOTING RECORD

This is the first time the 2006 B pool has been presented to the Board in its entirety.

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	<u>\$2,500,000</u>	Uses:	Underwriter’s Discount	\$42,500
				Project Amounts	2,390,000
				Local Bond Counsel	12,000
				Other Fees	30,000
				IFA Fee	22,500
				Other	<u>3,000</u>
	Total	<u>\$2,500,000</u>	Total		<u>\$2,500,000</u>

FINANCING SUMMARY

The Bonds: The Bonds will be Alternate Revenue Bonds, with the revenues from the borrowing entities Water and/or Sewer Systems pledged as the primary revenue source. The entities must document that the primary revenues are sufficient to provide 1.25 times debt service coverage on the bonds.

Security: The Bonds are payable from the municipalities (i) net revenues of the Water and/or Sewer System Funds and (ii) interceptable state revenues (State Income Tax, State Sales Tax, and State Replacement Tax).

Structure: Principal is expected to be due on February 1, with a final maturity of all bonds 2036. Interest will be fixed rate and payable each August 1 and February 1, beginning February 1, 2007. The bonds are subject to redemption prior to maturity.

ECONOMIC DISCLOSURE STATEMENT

Applicants Long Creek Township 2550 South 70th Street, Decatur, Illinois 62521
And Village of Maeystown PO Box 54, Maeystown IL 62256
Locations: Village of Magnolia 204 W. Lafayette St., Magnolia, IL 61336

Project name: Local Government 2006 B Pool

Organizations: Illinois Municipalities

Officials: Long Creek Township Kevin Greenfield
Village of Maeystown Terryl Walster
Village of Magnolia Laurie Smith

PROFESSIONAL & FINANCIAL

Issuer's Counsel: Brooks, Cahill & Hanley Chicago, Illinois Kevin Cahill
IFA Bond Counsel: Chapman & Cutler, LLP Chicago, Illinois Chuck Jarik
Underwriter: AG Edwards & Co., LLP St. Louis, Missouri Anne E. Noble

Trustee:

US Bank

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 11, 2006**

Project: Waterloo Community Unit School District Number 5

STATISTICS

Project Number:	LSD-TE-CD 6122	Amount: \$41,000,000 (Not to exceed)
Type:	School District	IFA Staff: Nona Myers
Location:	Waterloo	

BOARD ACTION

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

PURPOSE

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

IFA CONTRIBUTION

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

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS (subject to change)

Sources:	IFA Bonds	\$41,000,000	Uses:	Refunding:	\$ 5,100,000
				Capital Costs:	35,000,000
				Issuance Costs:	900,000
Total		\$41,000,000	Total	\$	41,000,000

JOBS

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

BUSINESS SUMMARY

Background:

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

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

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

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

Waterloo Senior High School: Grades 9 to 12

200 Bellafontaine Drive, Waterloo

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

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

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

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

Description:

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

State and nation. More than 70% of all graduates enter some form of higher education including vocational schools, community colleges and four-year colleges and universities.

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

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

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

Remarks:

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

MEDIAN HOUSEHOLD INCOME

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

TAXES EXTENDED AND COLLECTED, ASSESSED VALUATIONS AND TAX RATES

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

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

FINANCING SUMMARY

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

PROJECT SUMMARY

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

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

ECONOMIC DISCLOSURE STATEMENT

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

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 11, 2006**

Project: Richards Excavating Inc.

STATISTICS

Project Number:	B-LL-TX-6146	Amount:	\$72,500
Type:	Loan Participation	IFA Staff:	Cory Mitchell
Location:	Zion, IL		
SIC Code:			

BOARD ACTION

Approval to purchase \$72,500 participation loan from First Midwest Bank, McHenry, IL.
\$72,500 of IFA funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

Loan proceeds will be used to purchase a Case CX 210 Excavator for farm waterway work and excavating company uses

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	\$72,500	Uses:		
	First Midwest Bank	\$72,500		Purchase Equipment	<u>\$168,443</u>
	Borrower Equity	\$23,443			
	Total	<u>\$168,443</u>		Total	<u>\$168,443</u>

JOBS

Current employment:	N/A	Projected new jobs:	3
Jobs retained:	N/A	Construction jobs:	0

BUSINESS SUMMARY

Background: The Richards are very good farmers who raise corn on 720 acres, soybeans on 481 acres and wheat on 100 acres. The family also raises sheep and performs custom work for neighbors. Richards Excavating was established in 1990 and has grown from a father and son to 8 employees and another son and wife for a total of 10 employees. This business is ran side by side their farming operation and has provided additional off farm income. Sales for the Excavating work have continued to grow as the development of Lake County, IL continues marching north toward Zion. The company's profits have been slightly erratic as it is a weather related business that thrives in drier years when less work is interrupted due to wet weather. Dave is the hands-on owner and manager of the business. His sons Dave Jr. and Mike also work in the company and are increasing their responsibilities over the next few years.

Project

Rationale: The Richard's would like to purchase a Case CX210 Excavator they have been renting for the past several months. This machine is an excavator used daily in their business to dig holes for home construction, sewer lines for septic fields and subdivision sewer lines. The machine has just as many ag uses for the Richards as they perform water way and tile work on their tillable acres they farm. By obtaining a participation loan from IFA they would be able to lower their interest expense for cash flow purposes.

Transaction: Richards Excavating would like to purchase a Case CX210 Excavator for uses mentioned above under "project rationale". The purchase of this excavator with warranty would allow the Richard's to become more efficient with their work with updated technology the Case CX210 offers.

FINANCING SUMMARY

Borrower: Richards Excavating
Security: 1st lien on Case CX 210 Excavator, 2nd lien on all equipment owned by Richards Excavating, personal guarantees from David and Susan Richards
Structure: 5 year fixed term at 7.5%. Monthly P&I

PROJECT SUMMARY

The loan proceeds will fund the purchase of a Case CX210 Excavator. This purchase will allow the company to add another crew and be able to do more work in a day with the updated technology this piece of equipment offers. Urban sprawl and farm drainage work keep the Richards very busy. Richards Excavating Inc. will be obligor with David and Susan Richards as personal guarantors.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Richards Excavating Inc.
Location: 42645 Delany Road
Zion, Illinois
Organization: Corporation
State: Illinois County: Lake
Ownership: David and Susan Richards

Richards Excavating

Page 3

Participation
July 2006
FM: Cory Mitchell

PROFESSIONAL & FINANCIAL

Accountant: Jeffrey Baer and Associates Grayslake, IL

Attorney: n/a

Bank: First Midwest Bank, McHenry, IL Mike Morris, Loan officer

LEGISLATIVE DISTRICTS

Congressional:
8th Melissa Bean

State Senate:
31st Adelin Jay Geo-Harris

State House:
58th Karen May

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 11, 2006**

Project: The Bank of Edwardsville, Trust No. 1104
(Guarantors Steve & Sandra Dickerson, Stan Dickerson, Allison & James Fournier and Gerard & Patricia Schuetzenhofer)

STATISTICS

Project Number: B-LL-TX-6148
Type: Participation Loan
Location: Belleville, IL
NAICS Code: 531120

Amount: \$714,000
IFA Staff: Rick Pigg

BOARD ACTION

Purchase of Participation Loan from Bank of Belleville, Belleville Illinois
\$714,000.00 IFA funds at risk
Staff recommends approval subject to compliance with all bank's terms and conditions.

PURPOSE

Permanent financing of the new building

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	\$ 714,000	Uses: Land	\$ 109,000
	Bank of Belleville	\$ 714,000	Site Improvements	\$ 271,250
	Equity Contribution	\$ 252,932	Building	\$1,189,682
			Arch/Eng/Per/Other	\$ 111,000
Total:		<u>\$ 1,680,932</u>	Total:	<u>\$1,680,932</u>

JOBS

Current employment: 225
Jobs retained: 225

Projected new jobs: 7
Construction jobs: 45

BUSINESS SUMMARY

Description: The purpose of the loan will provide funds for the construction of a new office building to house a branch of the Coldwell Banker Brown franchise owned by the guarantors. Trust No. 1104 was established June 30, 1994 to own the real estate and lease the buildings to Schuetzenhofer /Dickerson Coldwell Banker franchise. This is the sole operation and purpose of the Trust.

Background: The Dickersons have been in the petroleum business on a wholesale and retail level for 25+ years and have been in the real estate brokerage business for 15+ years with the Schuetzenhofers. Bank of Belleville (BoB) management has been very familiar with all parties involved for over 15 years. The Dickersons, Schuetzenhofers and their related companies are among BoB's largest shareholders.

Mr. and Mrs. Schuetzenhofer have been in the real estate brokerage business for over 20 years, the past 15 or so with the Dickersons. Schuetzenhofers manage the day-to-day operation of the Coldwell Banker franchise.

The Project: Trust No. 1104 is building a new office building into which an existing Coldwell Banker Brown office will move. The new office space is less than ¼ mile from the existing facility which is currently leased from an unrelated third party. The new building will be approximately 10,000 square feet, with a class "A" interior finish. The building will be one story with a brick exterior. Coldwell Banker Brown will occupy 100% of the space.

This project is being built in a TIF district which will help revitalize the Belleville area. This area has been behind in development as compared to the surrounding metro east/ O'Fallon area. This area is also designated as an Empowerment Zone. Enterprise Zones were established to stimulate development in economically-depressed areas. Businesses operating or investing within an Enterprise Zone are entitled to special tax incentives this is a federal designation.

Bank Request: The bank is requesting IFA to participate in a \$1,428,000 loan. The IFA loan amount will be \$714,000. The participation will prevent the bank from exceeding the bank's legal lending limit.

FINANCING SUMMARY

Obligor: The Bank of Edwardsville Trust No. 1104
Guarantor: Steve & Sandra Dickerson, Stan Dickerson, Allison & James Fournier and Gerard & Patricia Schuetzenhofer
Collateral: 1st mortgage on ground plus improvements, along with an assignment of rents / leases
Structure: The Bank's interest rate on this loan will be Prime - 1%, adjusted annually. Based on the guidelines of the Participation Loan Program, IFA's interest rate will be 200 basis points below what the Bank is charging the customer.

PROJECT SUMMARY

Trust No. 1104 is building a new office building into which an existing Coldwell Banker Brown office will move. The new office space is less than ¼ mile from the existing facility which is currently leased from an unrelated third party. The new building will be approximately 10,000 square feet, with a class 'A' interior finish. The building will be a one story with brick exterior. Coldwell Banker Brown will occupy 100% of the space.

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Bank of Edwardsville Trust No. 1104
Organization: Land Trust

PROFESSIONAL & FINANCIAL

Accountant:	Voellinger & Assoc.	James S Voellinger	Belleville, IL
Bank:	Bank of Belleville	Ron Stephens	Belleville, IL
IFA Counsel:	Dykema Gossett	David T. Cellitti	Chicago, IL

LEGISLATIVE DISTRICTS

Congressional: John M. Shimkus, 19th
State Senate: William R. Haine, 56th
State House: Jay C. Hoffman, 112th

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 11, 2006**

Project: Ezine, Inc. and 4243 W. Belmont LLC

STATISTICS

IFA Project #:	I-ID-TE-CD-6142	Amount:	\$4,500,000 (not-to-exceed amount)
Type:	Industrial Revenue Bond	FM:	Rich Frampton
Locations:	Chicago (2 sites)		

BOARD ACTION

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

PURPOSE

(1) Construction and equipping of a building addition to Ezine's existing manufacturing facility in Chicago, and (2) to finance and refinance the acquisition, renovation, and equipping of an adjacent building that will enable Ezine to both consolidate and expand Ezine's operations at a single location.

IFA CONTRIBUTION

The proposed Bonds will require up to \$4,500,000 of IFA Volume Cap. This financing is most likely to close in early 2007, following completion of construction.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IRB	\$4,405,000	Uses:	Project Cost	\$7,374,000
	Equity	<u>3,578,000</u>		Capitalized Interest	549,000
				Issuance Costs	<u>60,000</u>
	Total	<u>\$7,983,000</u>		Total	<u>\$7,983,000</u>

The financial summary section of this report explains the sources of project equity (see Page 6).

JOBS

Current employment:	250	Projected new jobs:	150 (within 2 years)
Jobs retained:	Not applicable	Construction jobs:	25 (average over 10 months)

BUSINESS SUMMARY

Description: Ezine, Inc., ("Ezine" or the "Company") is an Illinois Corporation established in 1989 by Mr. Ridvan Tatargil, CEO, and his wife Ms. Siw Tatargil, VP and Chief Designer. The Company is 100%-owned by Mr. Tatargil. Ezine is organized as an S Corporation.

4243 W. Belmont LLC (the "LLC") is an Illinois Limited Liability Company formed as a special purpose entity by the Tatargil's to purchase, renovate, and equip 4243 W. Belmont Ave. for lease to Ezine, Inc. (Collectively, Ezine, Inc. and the LLC will be referred to as the "Borrower".)

Background: Ezine designs and manufactures luxury bedding and decorative home accessories. Ezine's initial product line was decorative pillows. The Company has gradually expanded its product lines to include bedding materials (e.g., shams, bed skirts, duvet covers), ottomans, table runners, and linens. Ezine introduced draperies in 2005 and will introduce headboards and quilts in 2006.

Ezine currently employs over 250 people in Chicago and serves over 2,000 customers across the U.S. and Canada, including furniture stores, home accessory stores, department stores and catalog companies.

Ezine's large customer base is also diversified -- no single customer comprises more than 9% of accounts receivable (i.e., Thomasville Furniture). Most of Ezine's other large accounts are high-end, regional furniture store chains (including Walter E. Smithe in the Chicago area).

Ezine generally reaches new customers through trade shows held in New York, Los Angeles, San Francisco, Atlanta, High Point, NC, and Las Vegas. Ezine employs independent sales representatives working on a commission basis, direct mailings, and in-house sales/customer service representatives to serve its commercial customers. Ezine also sells directly to independent designers through its Belmont Home Décor division.

In addition to its Chicago production/headquarters facility, Ezine operates showrooms in the Chicago (Merchandise Mart), Atlanta, High Point, NC, and will open a new showroom in Las Vegas in January 2007.

Ezine offers its products under several trade names including: (1) Eastern Accents, (2) FeatherSound, (3) Leyla's, (4) Western Accents, and (5) Belmont Home Décor (retail sales to independent designers).

Ezine's began advertising its Eastern Accents and FeatherSound product lines in 2005 in several magazines, including Architectural Digest, Elle Décor, Metropolitan Home, Veranda, and Chicago Magazine. Copies of these advertisements are featured on the Company's web site at www.easternaccents.com/advertisements.

Ezine purchases most raw materials directly from fabric mills worldwide (primarily Turkey, Italy, and China). Ezine introduces new collections twice a year and its catalog includes hundreds of items. Ezine competes with importers and closely-held domestic manufacturers. Management believes that its local design and manufacturing presence enables Ezine to more rapidly adjust to changing market demand than its competitors. Additionally, the Company's focus on the high-end consumer and its quick turnaround of customer orders helps protect the Company from price-oriented competitors.

This project will enable Ezine, Inc. to both expand and consolidate its Chicago-area facilities at a single location. The new facilities will facilitate material handling, and expand and centralize facilities for warehousing raw materials and semi-finished product. The Company expects its net profit margin will improve substantially after completion of the expanded facility as production efficiencies improve.

FINANCING SUMMARY

Security: Bonds will be purchased directly and held as a portfolio investment by MB Financial Bank, Rosemont, Illinois (the "Bank") until maturity.

Structure: Bonds will be sold initially with a 10-year initial term (with the bond interest rate to be reset according to market rates after 10 years).

Interest Rate: 5.61% Fixed for 10 years (estimated as of 6/30/2005).

Amortization: 20 Years

Bank/Bondholder

Security: The Bank will be secured by a blanket first security interest in all Company and LLC assets, with a collateral assignment of rents and leases on the 4243 W. Belmont property. The IRB will be cross collateralized with all other Bank debt to Ezine, Inc. and its affiliates.

PROJECT SUMMARY

Bond proceeds will be used to finance (1) construction and equipping of a new, approximately 59,750 SF addition to the Company's existing approximately 60,500 SF manufacturing facility located at 4201 W. Belmont Ave., in Chicago (Cook County), IL 60641-4621, (2) construction of an employee parking lot and other capital improvements both located on, and adjacent to, the 4201 W. Belmont Ave. site, (3) the financing and refinancing of the acquisition, renovation, and equipping of an approximately 14,110 SF building, located at 4243 W. Belmont Ave., in Chicago (Cook County), IL 60641-4642 for use as a manufacturing and prototyping/design facility. Additionally, bond proceeds will be used to pay capitalized interest, costs of issuance, and other qualified professional fees. (Collectively, these capital expenditures will comprise the "Project".)

Estimated project costs are as follows:

Building Acquisition/New Construction/Renovation/ Site Improvements/Site Preparation	\$6,814,000
Equipment	<u>560,000</u>
Total	<u>\$7,374,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Ezine, Inc. and 4243 W. Belmont, LLC (Contact: Mr. Ridvan Tatargil, CEO, 4201 W. Belmont Ave., Chicago, IL 60641-4621; Ph.: 773-286-5050; Fax: 800-998-3278)

Web site: www.easternaccents.com

Project name: Ezine, Inc.

Locations: 4201 W. Belmont Ave. Chicago, IL 60641-4621, and 4243 W. Belmont, Chicago, IL 60641-4642

Organization: Ezine, Inc. 4243 W. Belmont LLC
Illinois S Corporation Illinois Limited Liability Company

Ownership: Mr. Ridvan Tatargil, Chicago, IL: 100% Mr. Ridvan Tatargil, Member: 50%
Ms. Siw Tatargil, Member: 50%

PROFESSIONAL & FINANCIAL

General Counsel:	Field & Golan LLP	Chicago, IL	
Outside			
Accountant:	Blackman Kallick Bartelstein LLP	Chicago, IL	
Bond Purchaser:	MB Financial Bank	Rosemont, IL	John Sarris
Bond Counsel:	Chapman and Cutler, LLP	Chicago, IL	Matt Lewin
Bank Counsel:	Burke Burns & Pinelli, Ltd.	Chicago, IL	Mary Ann Murray
Architect:	Thelander Nelson and Assoc., Inc.	Lincolnshire, IL	
General Contractor:	Valenti Builders, Inc.	Northfield, IL	
Structural Engineer:	Robert L. Miller Associates	Des Plaines, IL	
Bank's Inspecting			
Architect:	Graphics Support Services	Chicago, IL	Victor Zaveduk
Appraiser:	Appraisal Associates, Inc.	Riverside, IL	
Trustee/Fiscal Agent:	Not applicable - Direct Purchase Bonds		
IFA Counsel:	Peck Shaffer & Williams, LLP	Chicago, IL	George Buzard

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 11, 2006**

Project: Northern Illinois University Foundation

STATISTICS

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

BOARD ACTION

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

PURPOSE

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

IFA CONTRIBUTION

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

VOTING RECORD

The IFA Board adopted a preliminary bond resolution for this project on June 13, 2006 the following vote:

Ayes – 12	Nays – 0	Absent – 3	Vacancies – 0
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ESTIMATED SOURCES AND USES OF FUNDS (subject to change)

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

JOBS

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

BUSINESS SUMMARY

Description: Northern Illinois University Foundation ("the Foundation") is an Illinois 501(c)(3) corporation established in 1949 to secure and manage private support to benefit Northern Illinois University (the University" or "NIU"). The Northern Illinois University was chartered in 1895 and is a public, comprehensive teaching and research institution with a total enrollment of 20,501 full-time equivalent

students. The University primarily serves Illinois residents with 92% of the student body hailing from in-state. Twenty-six percent of the students represent an ethnic minority. For every dollar the state invests in public universities there is a 4:1 return, which is a great return on investment in any economy. This is especially true at NIU, where 90 percent of its graduates remain in state and contribute to the Illinois economy as taxpayers, property owners, employers and employees.

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

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

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

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

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

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

The project will have benefits for both the University and the surrounding community. The Center is expected to draw additional qualified students to Northern Illinois University and will also improve the

University's retention of the existing student athletes. While immeasurable, increasingly successful athletic programs promote additional interest in NIU by prospective students and their parents and alumni.

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

FINANCING SUMMARY

Bonds: 10-year, fully amortizing fixed rate tax-exempt bonds to be purchased by the National Bank and Trust Company of Sycamore with a maturity in August 2016.

Security: General obligation pledge of all legally available funds of the Foundation and an assignment of an operating lease between the Foundation and the University.

PROJECT SUMMARY

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

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

ECONOMIC DISCLOSURE STATEMENT

Applicant: Northern Illinois University Foundation, Altgeld Hall 138, DeKalb, IL 60115
(Contact: Ms. Jean Jagodzinski, Chief Financial Officer, 815/753-0282)

Project name: Northern Illinois University Foundation (Academic and Athletic Training Performance Center)

Location: DeKalb (DeKalb County), IL 60115

Organization: Illinois 501(c)(3) organization

Board

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

Richard Ryan	Consultant	Director	2008
Jaymie Simmon	Owner, Twinbrook, LTD	Director	2006
Valeria Stokes		Director	2007
Timothy Struthers	President & CEO, Castle Bank	Director	2008
William Taylor	Ret. Partner, Deloitte and Touche	Director	2008
Kristina Valaitis	Exec. Director, IL Humanities Council	Director	2007
Jeffrey Yordon	COO, American Pharmaceutical Partners	Director	2007

Land Owner: Northern Illinois University

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

Illinois Finance Authority
Memorandum

To: IFA Board of Directors

From: Sharnell Curtis-Martin

Date: July 11, 2006

Re: **Request to increase the Bond Size and add a Taxable Bond Issue for Noble Network of Charter Schools (IFA File # N-NP-TE/TX-CD-6032)**

The IFA Board approved a \$14.5 million 501(c)(3) final bond resolution for Noble Network of Charter Schools at the March 2006 IFA Board Meeting. The Applicant requests the addition of a \$200,000 taxable bond issue to provide for additional costs of issuance.

Bond proceeds will be used to finance renovations/construction at two facilities; located at 1337 W. Ohio Street in Chicago, and at 4131 W. Cortland Avenue in Chicago, refinancing existing debt, capitalize a debt service fund and to pay certain bond issuance costs.

Staff has reviewed the financial condition of the applicant with the lender and concluded that the financial condition of the operating company has not adversely changed since March 7, 2006, when the bond was originally presented to the IFA Board. 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 approval at the March 7, 2006, Board meeting is as follows:

Ayes:	9
Nays:	0
Abstentions:	0
Absent:	6 (DeNard, Fuentes, Gianoulias, Nesbitt, O'Brien, Valenti)

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

Project: Noble Network of Charter Schools

STATISTICS

Deal Number:	N-NP-TE/TX-CD-6032	Amount:	\$14,500,000 (not-to-exceed amount)
Type:	Not-For-Profit Bonds	PA:	Sharnell Curtis Martin
Location:	Chicago	SIC Code:	8211

BOARD ACTION

Final Amendatory 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 finance renovations/construction, refinancing existing debt, fund a debt service reserve and to pay certain bond issuance costs.

IFA CONTRIBUTION

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

VOTING RECORD

Final Bond Resolution: March 7, 2006

Ayes: 9 Nays: 0 Abstentions: 0
Absent: 6 (DeNard, Fuentes, Gianoulas, Nesbitt, O'Brien, Valenti)

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$14,500,000	Uses:	Project Costs	\$10,260,000
	IFF Grant	1,450,000		Refinancing	2,500,000
	IFA Taxable Bonds	200,000		Debt Service Reserve	1,450,000
				Common Debt Serv. Res.	1,450,000
				Cost of Issuance	<u>490,000</u>
Total Sources		<u>\$15,950,000</u>	Total Uses		<u>\$15,950,000</u>

JOBS

Current employment:	51	Projected new jobs:	80
Jobs retained:	N/A	Construction jobs:	35

BUSINESS SUMMARY

Background: Noble Network Charter Schools ("NNCS" or the "Applicant") began as a partnership between Noble Network Charter School and the Northwestern University Settlement House in 1998. NNCS admitted its first students in the fall of 1999. The NNCS's mission is to provide a quality education to a largely low-income, Latino population to improve the quality their quality of life.

Tax-Exempt Bonds were issued in the name of the Northwestern University Settlement House on behalf of Noble Street Charter School since NNCS was a start up organization in 1999 and a Letter of Credit would be needed in order to obtain credit enhancement for the \$3 million bond issue to build the NNCS building located at 1010 Noble Street In Chicago, Illinois.

Description: NNCS's first charter high school Noble Street Charter High School ("Noble Street") is among one of the highest ranked public high schools in Chicago. Noble Street's current enrollment is approximately 480 students, most of whom come from surrounding neighborhoods. Noble Street provides a rigorous college preparatory curriculum requiring four years in five core subjects including: English, Math, Science, History and Foreign Language. Noble Street is housed in the Northwestern University Settlement House.

The school is open to all students in Chicago but the selection process is determined by lottery. 82% of the school's students are Hispanic, 10% African American, 7% Caucasian, and 1% Asian American.

Project: The new campuses will open in August 2006, and will be located at 1337 W. Ohio and 4131 W. Cortland Avenue in Chicago, Illinois. Each campus will enroll approximately 500 students and employ 40 staff members. The campuses will utilize the same academic model as the original Noble Street School

Over the last five years, NNCS has paid rent to the Northwestern University Settlement House and the Noble Street location assets and debt were carried on the Northwestern University Settlement House's financial statements. NNCS will sever their partnership with the Northwestern University Settlement House and assume all assets and debt associated with the 1999 bond issue that financed construction of the existing Noble Street location.

FINANCING SUMMARY

Security: Then Bonds will be secured by ACA Insurance
Structure: Fixed interest rate bonds at a rate to be determined
Maturity: 30 years

PROJECT SUMMARY

Bond proceeds will be used to finance renovations/construction at two facilities; located at 1337 W. Ohio Street in Chicago, and at 4131 W. Cortland Avenue in Chicago, refinancing existing debt, capitalize a debt service fund and to pay certain bond issuance costs. Project costs are renovations and construction in the amount of \$10, 260,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Noble Network of Charter Schools
1010 Noble Street
Chicago, IL 60622
Telephone (773) 862-1449 Fax (773) 278-7536
Mr. Ron Manderschied, President

Project name: Noble Network of Charter Schools New Facilities

Locations: 1337 W. Ohio Street 4131 W. Cortland Avenue
Chicago, IL 60622 Chicago, IL 60639

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

Board of Directors: Kathleen Elliott Marj Lundy Allan B. Muchin
Karen Howland Ron Manderschied Anne Mueller
Sherry John Michael Milkie Jean Sheridan
Patricia M. Johnson Dr. Sylvia Manning Daniel W. Vittum, Jr.
Ema Lopez Robert M. Montgomery David Weinberg

Land Sellers: Not Applicable

PROFESSIONAL & FINANCIAL

Sponsor: Illinois Facilities Fund Chicago Jill Levine
Sponsor's Counsel: Sidley Austin Brown & Wood Washington, DC Peter Canzano
Borrower's Counsel: Mayer Brown Rowe & Maw LLP Chicago Steven Washington
Accountant: Ostrow, Reisin, Berk & Adams, Ltd Chicago Jim Quaid
Bond Counsel: Chapman and Cutler LLP Chicago Matt Lewin
Credit Enhancement: ACA Insurance Chicago
Underwriter: RBC Capital Markets Chicago James Pass
Underwriter's Counsel: Katten Muchin & Rosenman LLP Chicago Janet Hoffman
Issuer's Counsel: Ice Miller, LLP Chicago Tom Smith
Trustee: Cole Taylor Bank Chicago Ann Logino

LEGISLATIVE DISTRICTS

Congressional: 4 - Luis V. Gutierrez
State Senate: 2 - Miguel del Valle
State House: 4 - Cynthia Soto

Illinois Finance Authority
Memorandum

To: IFA Board of Directors

From: Sharnell Curtis-Martin

Date: July 11, 2006

Re: **Request to Increase the Bond Size and Add a Taxable Bond Issue for Aspira Inc. of Illinois (IFA File # N-NP-TE/TX-CD-6031)**

The IFA Board approved a \$12 million 501(c)(3) final bond resolution for Aspira Inc. of Illinois at the March 2006 IFA Board Meeting. The Applicant requests the addition of a \$400,000 taxable bond issue to provide for additional costs of issuance.

Bond proceeds will be used to finance the acquisition, renovations/construction of a campus facility located at 3119 N. Pulaski Road in Chicago, Illinois (Cook County), fund a debt service reserve and to pay certain bond issuance costs.

Staff has reviewed the financial condition of the applicant with the lender and concluded that the financial condition of the operating company has not adversely changed since March 7, 2006, when the bond was originally presented to the IFA Board. 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 approval at the March 7, 2006, Board meeting is as follows:

Ayes:	9
Nays:	0
Abstentions:	0
Absent:	6 (DeNard, Fuentes, Gianoulias, Nesbitt, O'Brien, Valenti)

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

Project: ASPIRA Inc. of Illinois

STATISTICS

Deal Number:	N-NP-TE/TX-CD-6031	Amount:	\$13,000,000 (not-to-exceed amount)
Type:	Not-For-Profit Bonds	PA:	Sharnell Curtis Martin
Location:	Chicago	SIC Code:	8211

BOARD ACTION

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

PURPOSE

Bond proceeds will be used to finance acquisition, renovation/construction, fund a debt service reserve and to pay certain bond issuance costs.

IFA CONTRIBUTION

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

VOTING RECORD

Final Bond Resolution: March 14, 2006

Ayes: 9 Nays: 0 Abstentions: 0 Absent: 6 (DeNard, Fuentes, Giannoulis, Nesbitt, O'Brien)

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$12,000,000	Uses:	Project Costs	\$10,560,000
	IFA Taxable Bonds	400,000		Debt Service Reserve	1,200,000
	IFF Grant	<u>1,200,000</u>		Common Debt Ser. Res.	1,200,000
	Total Sources	<u>\$13,600,000</u>		Cost of Issuance	<u>640,000</u>
				Total Uses	<u>\$13,600,000</u>

JOBS

Current employment:	45	Projected new jobs:	36
Jobs retained:	N/A	Construction jobs:	50 (6 months)

BUSINESS SUMMARY

Background: ASPIRA Inc. of Illinois ("Aspira" or the "Applicant") is a Puerto Rican not-for-profit organization committed to the development and self-determination of the Latino community through education, leadership and the intellectual development of Latinos living in the State of Illinois. The mission of ASPIRA Charter School ("ACS") is to provide a rigorous and comprehensive 6-12 education, based in a holistic project based learning approach that teaches critical thinking and builds leadership skills.

Project: Mr. Jose Rodriguez serves as Aspira's President and CEO. Aspira's present location at 2435 N. Western Avenue in Chicago, Illinois accommodates 500 students.

The new Antonia Pantoja Early College Campus will serve 200 students when the campus opens in Fall of 2007 and increase to 250 students by 2008. The new campus will have an initial staff of 19 employees and will grow 36 new full-time employees when enrollment reaches full capacity.

Description: The specific mission of the proposed Antonia Pantoja Early College Campus, is to provide a high quality secondary school education, leading to high school diploma and providing dual enrollment/early college opportunities to Puerto Rican, Latino and other at risk youth who have faced difficulties in traditional high school settings. The Antonia Pantoja Early College Campus is in partnership with Northeastern Illinois University's El Centro satellite campus.

FINANCING SUMMARY

Security: Then Bonds will be secured by ACA Insurance
Structure: Fixed interest rate bonds at a rate to be determined
Maturity: 30 years

PROJECT SUMMARY

Bond proceeds will be used to finance the acquisition, renovations/construction of a campus facility located at 3119 N. Pulaski Road in Chicago, Illinois (Cook County), fund a debt service reserve and to pay certain bond issuance costs. Project costs are outlined as follows:

Building	\$8,000,000
Renovations and Construction	<u>2,560,000</u>
Total Project Costs:	\$10,560,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: ASPIRA Inc. of Illinois
2435 N. Western Avenue, Chicago, IL 60647 (Cook County)
Telephone: (773) 252-0970 Fax: (773) 342-8615
Mr. Jose E. Rodriguez, President and CEO

Project name: ASPIRA Charter School @ Antonio Pantoja Early College Campus

Location: 3119 N. Pulaski Road, Chicago, IL 60622 (Cook County)

Organization: 501(c)(3) Organization

State: Illinois

Board of Directors: Sonia Sanchez, Chair
Luz Calderon Croswell, Treasurer
Beatriz Santiago, Vice Chair
Gustavo Varlela

Patricia A. Rangel
Carlos Claudio, Secretary
Clara Diaz, Vice Chair
Jessica Rodriguez

Land Sellers: The Nagle Group
 Owners: David Nagle 25%
 Thomas McDonnell 25%
 Slobeodan Pavlovic 25%
 James Nagle 12.5%
 Kimberly Nagle 12.5%

PROFESSIONAL & FINANCIAL

Sponsor:	Illinois Facilities Fund	Chicago	Jill Levine
Sponsor's Counsel	Sidley Austin Brown & Wood	Washington, DC	Peter Canzano
Borrower's Counsel:	Mayer Brown Rowe & Maw LLP	Chicago	David Narefsky
Accountant:	Williams & Co., LLC	Chicago	Charles Watson
Bond Counsel:	Chapman and Cutler LLP	Chicago	Matt Lewin
Credit Enhancement:	ACA Insurance	New York, NY	
Underwriter:	RBC Capital Markets	Chicago	James Pass
Underwriter's Counsel:	Katten Muchin & Rosenman LLP	Chicago	Janet Hoffman
Issuer's Counsel:	Ice Miller	Chicago	Tom Smith
Trustee:	Cole Taylor Bank	Chicago	Ann Logino

LEGISLATIVE DISTRICTS

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

Illinois Finance Authority
Memorandum

To: IFA Board of Directors

From: Sharnell Curtis-Martin

Date: July 11, 2006

Re: **Request to increase the Bond Size and add a Taxable Bond Issue for UNO Charter School Network (IFA File # N-NP-TE/TX-CD-6030)**

The IFA Board approved a \$7.5 million 501(c)(3) final bond resolution for UNO Charter School Network at the March 2006 IFA Board Meeting. The Applicant requests the addition of a \$1.5 million in taxable bond issue to provide for additional costs of issuance and refinance existing conventional debt.

Bond proceeds will be used to finance renovations/construction at two facilities; the Bartolomé de Las Casas Campus located at 1641 W. 16th Street in Chicago, and the Carlos Fuentes Campus located at 2845 W. Barry in Chicago, refinancing existing debt, fund a debt service reserve and to pay certain bond issuance costs.

Staff has reviewed the financial condition of the applicant with the lender and concluded that the financial condition of the operating company has not adversely changed since March 7, 2006, when the bond was originally presented to the IFA Board. 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 approval at the March 7, 2006, Board meeting is as follows:

Ayes: 9
Nays: 0
Abstentions: 0
Absent: 6 (DeNard, Fuentes, Gianoulis, Nesbitt, O'Brien, Valenti)

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

Project: UNO Charter School Network

STATISTICS

Deal Number:	N-NP-TE/TX-CD-6030	Amount:	\$7,500,000 (not-to-exceed amount)
Type:	Not-For-Profit Bond	PA:	Sharnell Curtis Martin
Location:	Chicago	SIC Code:	8211

BOARD ACTION

Final Amendatory 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 finance renovations/construction, refinancing existing debt, fund a debt service reserve and to pay certain bond issuance costs.

IFA CONTRIBUTION

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

VOTING RECORD

Final Bond Resolution: March 7, 2006

Ayes:	9	Nays:	0	Abstentions:	0
Absent:	6 (DeNard, Fuentes, Gianoulis, Nesbitt, O'Brien, Valenti)				

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$6,000,000	Uses:	Project Costs	\$3,880,000
	IFA Taxable Bonds	1,500,000		Refinancing	2,700,000
	IFF Grant	600,000		Debt Service Reserve	600,000
				Common Debt Ser. Res.	600,000
				Cost of Issuance	<u>320,000</u>
Total Sources		<u>\$8,100,000</u>	Total Uses		<u>\$8,100,000</u>

JOBS

Current employment:	76	Projected new jobs:	60
Jobs retained:	N/A	Construction jobs:	50

BUSINESS SUMMARY

Background: The UNO Charter School Network ("UCSN" or the "Applicant") was founded in 1998 and is a co-educational, public charter school that provides a comprehensive K-8 program serving approximately 1,025 students at three campus locations Octavio Paz located at 2401 W. Congress Parkway and 2651 W. 23rd Street and Rufino Tamayo located at 5135 S. California Boulevard. The Octavio Paz campuses opened in 1998 and its second campus in 2001 and the Rufino Tamayo campus opened in 2005.

The UNO Charter School Network is managed by the United Neighborhood Organization ("UNO"), a nonprofit community based organization dedicated to revitalizing and improving Chicago's immigrant neighborhoods.

UCSN's strategic plan consists of expanding its charter network in Hispanic area of Chicago to assist the overcrowding in the Chicago Public School system while providing school choices to area parents. All UCSN campuses follow the Structured English Immersion program which requires that all instruction be conducted in English.

Description: The proposed campuses will open Fall 2006 at full capacity as K-8 elementary schools and will lease unused Chicago Archdiocese school facilities. Bartolomé de Las Casas will operate at 1641 W. 16th Street (formerly St. Adalbert Catholic School) and Carlos Fuentes will operate at 2845 W. Barry (formerly Resurrection Catholic Academy). The Bartolomé de Las Casas campus will accommodate between 225 and 297 students while the Carlos Fuentes campus will accommodate between 450 and 576 students. The two campuses will employ 60 new full-time permanent positions once the two campuses are operating at full capacity.

FINANCING SUMMARY

Security: ACA Insurance
Structure: Fixed interest rate bonds at a rate to be determined
Maturity: 30 years

PROJECT SUMMARY

Bond proceeds will be used to finance renovations/construction at two facilities; the Bartolomé de Las Casas Campus located at 1641 W. 16th Street in Chicago, and the Carlos Fuentes Campus located at 2845 W. Barry in Chicago, refinancing existing debt, fund a debt service reserve and to pay certain bond issuance costs. Project costs are renovations and construction in the amount of \$3,880,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant: UNO Charter School Network
954 W. Washington Blvd., 3rd Floor, Chicago, IL 60607
Telephone: (312) 432-6301 Fax: (312) 432-0077
Mr. Andrew Alt, Director, Charter School Operations

Project name: Bartolomé de Las Casas Campus Carlos Fuentes Campus
Location: 1641 W. 16th Street 2845 W. Barry
Chicago, IL 60608 Chicago, IL 60618

Organization: 501(c)(3) Corporation

State: Illinois
Board of Directors: Juan Rangel, President
Guadalupe Gallo-Brinkman, Vice-President
Timothy Fidler, Treasurer
Dan Sichelski, Secretary
Father George Schopp
Veronica Alanis
Fred d'Escoto
Mary Jane Castro Solis
Land Sellers: Not Applicable

PROFESSIONAL & FINANCIAL

Sponsor:	Illinois Facilities Fund	Chicago	Jill Levine
Sponsor's Counsel	Sidley Austin Brown & Wood	Washington, DC	Peter Canzano
Borrower's Counsel:	Michael Best & Friedrich LLP	Chicago	Leslie Richards-Yellen
Accountant:	Ostrow, Reisin, Berk & Adams, Ltd	Chicago	Jim Quaid
Bond Counsel:	Chapman and Cutler LLP	Chicago	Matt Lewin
Credit Enhancement:	ACA Insurance	Chicago	
Underwriter:	RBC Capital Markets	Chicago	James Pass
Underwriter's Counsel:	Katten Muchin & Rosenman LLP	Chicago	Janet Hoffman
Issuer's Counsel:	Ice Miller	Chicago	Tom Smith
Trustee:	Cole Taylor Bank	Chicago	Ann Logino

LEGISLATIVE DISTRICTS

	Bartolomé de Las Casas Campus	Carlos Fuentes Campus
Congressional:	4 – Luis V. Gutierrez	7 – Danny K. Davis
State Senate:	5 – Ricky R. Hendon	20 – Iris Y. Martinez
State House:	40 – Richard T. Bradley	9 – Arthur L. Turner

MEMORANDUM

TO: IFA Board of Directors

FROM: Jim Senica

DATE: July 11, 2006

RE: **Request to Extend a Participation Loan for Clinton L. Young (Precision Pattern, Template & Shoe, Inc.)
Project No. 9672-PL**

Clinton L. Young started precision Pattern, Template and Shoe, Inc. in 1990 to manufacture steel profile grinding templates and conformed hold-down pressure shoes for the wood molding manufacturing industry. The Company name has been recently changed to "Machining and Moulder Concepts" to better reflect the Company's broader product and service offerings.

Alpha Community Bank in Spring Bay and Clinton L. Young are requesting that IFA approve an additional 5-year term for its participation loan which will expire on July 24, 2006. The Bank approved an additional 5-year term at the rate of 9.25% for their portion of the financing. The Bank's portion of the original loan carried an interest rate of 8.5% fixed for the 5-year term of the loan, a 30-year amortization and a balloon payment due at the end of the original 5-year term. IDFA's rate on its loan approved at the April 19, 2001, IDFA Board meeting was set at 1.50% below the Bank's rate and would remain so in a new 5-year term which would be amortized on a 25-year basis. The original \$150,000 IDFA/IFA loan has been paid down to \$136,884 as of May 31, 2006. All collateral on the original loan remaining intact for the new term include a pro-rata first mortgage "*pari passu*" with Alpha Community Bank on the project real estate with a March 2005 appraised value of \$393,500 and the corporate guaranty of the Company.

While the Company had experienced some operating difficulties over the years, the owner has worked diligently under some very difficult market conditions to maintain profitability. Staff has reviewed the 2005 federal income tax return of the borrower which shows 2005 Company revenues of \$138,459 and net income of \$13,165. Debt service on the new loan would be approximately \$32,000. Adding back depreciation of \$40,344 and interest expense of \$45,217 to the net income of \$13,165 would provide debt service coverage to IFA and the Bank of 3.09 times. 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.

MEMORANDUM

TO: IFA Board of Directors

FROM: Jim Senica & Steve Trout

DATE: July 11, 2006

RE: **Request to Allow FFE Minerals USA to Assume a Participation Loan for Excel Foundry and Machine, Inc.**

Excel Foundry and Machine, Inc. has requested Commerce Bank, N.A. – Peoria and the Illinois Finance Authority allow FFE Minerals USA to purchase 100% of Excel Foundry and Machine, Inc., an Illinois S corporation that operates as an air set foundry utili IFA has \$1,000,000 loan participation for Excel Crusher with Pekin Savings Bank that closed on April 7, 2005.

FFE Minerals USA was recently formed to significantly expand its 100% owner's (FFE Minerals Corp.) U.S. manufacturing of cone crushers for the aggregate industry. FFE Minerals Corp., is owned by FLS-US Holdings Inc., the U.S. subsidiary of FLSmidth & Co. of Denmark. The purchase of 51% of Excel Crusher Technologies, Inc. is designed to provide Excel Crusher with the additional financial resources to expand its Pekin crusher manufacturing operation while providing FFE Minerals USA with Excel's advanced technology and U.S. marketing resources.

IFA's participation loan was originally secured by a pro-rata first mortgage "*pari passu*" with Pekin Savings Bank on the project real estate with an as-if-completed appraised fair market value of \$1,850,000 and a pro-rata first position "*pari passu*" on project equipment with a discounted (60%) cost value of \$540,000 providing collateral coverage of 1.07 times (93.3% LTV). Under the 51% purchase scenario, this collateral remains intact. IFA's participation loan was also secured by the corporate guaranty of Excel Foundry and Machine, Inc. with a net worth of \$7.5 million as of February, 2004 and the personal guaranties of Excel Crusher's owners, Doug and Rick Parsons.

Under the FFE Minerals USA purchase of 51% of Excel Crusher, the Excel Foundry corporate guaranty and the personal guaranties will be restricted to 49% of the debt and will be replaced by the corporate guarantees of 51% of the debt by FFE Minerals USA Inc., FFE Minerals Corporation and FLS-US Holdings, Inc. Additionally, FLS-US Holdings, Inc. has agreed to maintain a net worth of no less than \$10,000,000.

The ultimate guarantor, FLS-US Holdings Inc., had a net worth of \$83.1 million as of December 31, 2004, generated revenue of \$347.2 million for the year then ended and posted income from operations of \$3.2 million for the same period.

MEMORANDUM

TO: IFA Board of Directors

FROM: Jim Senica

DATE: July 11, 2006

RE: **Request to Extend the Term of a Participation Loan to Richard A. Mehall & Catherine L. Allen**
Project No. B-LL-TX-6100

Richard A. Mehall & Catherine L. Allen are partners in the certified public accounting firm of Guthoff, Mehall, Allen & Co. which is a full-service accounting firm providing complete tax, bookkeeping, compilation, review and audit services to a wide array of individual and business clients primarily in the Bloomington-Normal area.

Commerce Bank – Bloomington and Richard A. Mehall & Catherine L. Allen are requesting that IFA approve an increase in the term of its participation loan from 5 years to 10 years. The bank had changed its term to 10 years but had not changed the information on the material provided to IFA staff. The bank's interest rate will remain at 6.60% and the amortization period will remain at 10 years as originally approved. Debt service coverage will remain the same as originally presented, but the loan will now be fully paid-off at the end of 10 years. The Board approved this project on May 9, 2006, with a 5-year term and the usual six-month commitment, expiring on November 9, 2006. The Company has completed its acquisition of the city lot and the commercial building located at 2710 E. Lincoln St. in Bloomington, and IFA's loan is expected to close shortly after the July Board meeting.

Staff has re-reviewed the financial condition of the accounting firm with borrower Richard A. Mehall who stated that both 2006 revenues and 2006 net income are up from 2005 results. 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 May 9, 2006, Board meeting is as follows:

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 9, 2006**

Project: Richard A. Mehall & Catherine L. Allen

STATISTICS

Project Number: B-LL-TX-6100	Amount: \$191,000
Type: Participation Loan	IFA Staff: Jim Senica
Location: Bloomington	

BOARD ACTION

Purchase of Participation Loan from Commerce Bank - Bloomington
\$191,000 IFA funds at risk
Staff recommends approval

PURPOSE

Finance the acquisition of a city lot and a commercial building located at 2710 E. Lincoln St. in Bloomington.

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:	\$191,000	Uses:	Land	\$ 80,000
	Citizens First Nt'l Bank:	192,000		Building	<u>370,000</u>
	Equity	<u>67,000</u>		Total	<u>\$450,000</u>
	Total	<u>\$450,000</u>			

JOBS

Current employment:	9	Projected new jobs:	2
Jobs retained:	NA	Construction jobs:	N/A

BUSINESS SUMMARY

Background: Richard A. Mehall and Catherine L. Allen, partners in the Certified Public Accounting firm of Guthoff, Mehall, Allen & Co., (originally founded in 1972 as Guthoff & Co. Ltd.) will be the joint owners of the commercial building in which the CPA practice operates in Bloomington, Illinois. The accounting business has operated at this location since 1986.

Operations: Guthoff, Mehall, Allen & Co. is a full-service accounting firm providing complete bookkeeping compilation, review, and audit services to a wide array of individual and business clients. The firm also provides asset management services, tax preparation and planning for individuals corporations and partnerships as well as estate planning. Additionally, the CPA firm provides complete consulting services including such areas as new business startups and business feasibility studies.

Rich Mehall became the managing partner of Guthoff, Mehall, Allen & Co. in 2003 and under his leadership, significant improvements have been made in the Company because of his willingness to continually expand and explore new opportunities.

Guthoff, Mehall, Allen & Co. is a driving force for economic development in the Bloomington Normal area, working extensively with twin cities banks and other development organizations such as local chamber of commerce. Many area bankers consult the accounting firm first when analyzing financing for new ventures looking to locate in the area.

The Project: The project presented in this report entails financing the acquisition of land and a commercial building located at 2710 East Lincoln in Bloomington, Illinois. The accounting firm has been leasing the facility since the eighties and the borrowers feel now is the time to purchase the building to better control their occupancy costs. The 5,768 square foot building, in excellent condition, is approximately 35 years old and is located in a highly visible, high-traffic area in Bloomington. There have been a number of improvements over the last few years including new HVAC, windows, roof, siding and gutters.

FINANCING SUMMARY

Obligors: Richard A. Mehall & Catherine L. Allen

Guarantor: Guthoff, Mehall, Allen & Co.

Repayment: In the event of a liquidation of our collateral (real estate and Certificates of Deposit), proceeds will be applied first to repay the subject loan before paying any other credit facility.

ECONOMIC DISCLOSURE STATEMENT

Applicants: Richard A. Mehall & Catherine L. Allen

PROFESSIONAL & FINANCIAL

Accountant:	Guthoff, Mehall, Allen & Co.	Bloomington	Rick Mehall
Banker:	Commerce Bank	Bloomington	Byron Blotcky

LEGISLATIVE DISTRICTS

Congressional: 11 – Jerry Weller
State Senate: 44 – Bill Brady
State House: 88 – Dan Brady



MEMO

To: Members of the Board

From: G. Eric Watson

Date: June 27, 2006

RE: Request to Increase the Bonding Amount for Long Creek Township

At the June 2006 meeting of the Board, Long Creek Township was presented and approved to participate in the Local Government Pooled Bond Program for \$1,340,000. Since that approval, it has been determined that an additional \$160,000 is eligible for refunding.

Therefore, I want to request the original \$1,340,000 approved for Long Creek Township be amended to allow for \$1,500,000 of Long Creek Township Bonds to be refunded. This approval will further benefit Long Creek Township by providing **additional savings** to the community.

Your approval and support of this request is appreciated.

MEMORANDUM

TO: IFA Board of Directors

FROM: Jim Senica & Steve Trout

DATE: July 11, 2006

RE: Request to Allow FFE Minerals USA to Assume a Participation Loan for Excel Crusher Technologies, LLC

The IFF Board approved on September 13, 2005 Excel Crusher Technologies, LLC's request that Pekin Savings Bank and the Illinois Finance Authority allow FFE Minerals USA to purchase 51% of Excel Crusher Technologies, Inc., an Illinois limited liability company established in Pekin by Doug and Rick Parsons to engage in the manufacture of cone crushers for use by the aggregate industry. IFA has a \$1,000,000 loan participation for Excel Crusher with Pekin Savings Bank that closed on April 7, 2005. FFE Minerals USA is now planning to purchase the remaining 49% of Excel Crusher Technologies, LLC and Excel Crusher Technologies, LLC is seeking approval from IFA and Pekin Savings Bank to allow the purchase and full assumption of IFA's \$1,000,000 loan participation with Pekin Savings Bank.

FFE Minerals USA was formed to significantly expand its 100% owner's (FFE Minerals Corp.) U.S. manufacturing of cone crushers for the aggregate industry. FFE Minerals Corp., is owned by FLS-US Holdings Inc., the U.S. subsidiary of FLSmidth & Co. of Denmark. The purchase of the remaining 49% of Excel Crusher Technologies, Inc. is designed to provide FFE Minerals USA with unlimited access to Excel's advanced technology and U.S. marketing resources.

IFA's participation loan was originally secured by a pro-rata first mortgage "*pari passu*" with Pekin Savings Bank on the project real estate with an as-if-completed appraised fair market value of \$1,850,000 and a pro-rata first position "*pari passu*" on project equipment with a discounted (60%) cost value of \$540,000 providing collateral coverage of 1.07 times (93.3% LTV). Under both the 51% purchase scenario and the remaining 49% purchase scenario, this collateral remains intact. IFA's participation loan was also secured by the corporate guaranty of Excel Foundry and Machine, Inc. with a net worth of \$7.5 million as of February, 2004 and the personal guaranties of Excel Crusher's owners, Doug and Rick Parsons.

Under the FFE Minerals USA purchase of both the 51% and 49% shares of Excel Crusher, the Excel Foundry corporate guaranty and the personal guaranties will be replaced by the corporate guarantees of the entire debt by FFE Minerals USA Inc., FFE Minerals Corporation and FLS-US Holdings, Inc. Additionally, FLS-US Holdings, Inc. has agreed to maintain a net worth of no less than \$10,000,000.

The ultimate guarantor, FLS-US Holdings Inc., had a net worth of \$40.4 million as of December 31, 2005, generated revenue of \$205.5 million for the year then ended and posted a profit \$16 million for the same period.