

Illinois Finance Authority

January 9, 2007

11:30 AM

Board Meeting

The Mid America Club

200 E. Randolph Drive, 80th Floor

Chicago, Illinois



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**ILLINOIS FINANCE AUTHORITY
BOARD MEETING
January 9, 2007
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.

**Mid-America Club
200 E. Randolph Drive, 80th Floor
Chicago, Illinois**

AGENDA

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

AGRICULTURE

| Tab | Project | Location | Amount | New Jobs | Const Jobs | FM |
|---|---|-----------------|-------------------|-----------------|-------------------|-----------|
| Agricultural Participation Loan | | | | | | |
| 1 | David H. Borrowman Farms Inc. | Pleasant Hill | 30,000 | 0 | 0 | ER |
| Specialized Livestock Guarantee | | | | | | |
| 2 | Gregory L. Husser and Cynthia Eileen Meyers d/b/a Husser Dairy | Sublette | 292,000 | 0 | 0 | CM |
| Empowerment Zone Bonds & Taxable Revenue Bonds Preliminary | | | | | | |
| 3 | Renewable Energy Group | Cairo | 50,000,000 | 35 | 567 | ST / RP |
| Beginning Farmer Bonds | | | | | | |
| 4 | Richard and Janet Reed | Morrisonville | 200,000 | 0 | 0 | ER |
| | Daniel and Natalie Stine | Farina | 215,000 | 0 | 0 | ER |
| | Helen D. Jones | Biggsville | 162,000 | 0 | 0 | CM |
| | Michael Timmermann | Breese | 250,000 | 0 | 0 | ER |
| | Matthew Timmer | Breese | 250,000 | 0 | 0 | ER |
| | Gregory Husser | Sublette | 212,500 | 0 | 0 | CM |
| | Cynthia Meyers | Sublette | 212,500 | 0 | 0 | CM |
| | Joseph and Chandra Paschall | Rock Falls | 250,000 | 0 | 0 | CM |
| | Austin Meyer | Hillsboro | 180,000 | 0 | 0 | ER |
| TOTAL AGRICULTURE PROJECTS | | | 52,254,000 | 35 | 567 | |

HEALTHCARE

| Tab | Project | Location | Amount | New Jobs | Const Jobs | FM |
|--|---------------------------------------|------------|------------|----------|------------|-----|
| 501(c)(3) Bonds <i>Final</i> | | | | | | |
| 5 | Near North Health Service Corporation | Chicago | 5,200,000 | 0 | 0 | ST |
| 6 | North American Spine Society | Burr Ridge | 13,000,000 | 20 | 60 | SCM |
| TOTAL HEALTHCARE PROJECTS | | | 18,200,000 | 20 | 60 | |

COMMUNITIES AND CULTURE

| Tab | Project | Location | Amount | New Jobs | Const Jobs | FM |
|---|-----------------------------------|-------------|------------|----------|------------|-----|
| 501(c)(3) Bonds <i>Preliminary</i> | | | | | | |
| 7 | Fenwick High School | Oak Park | 15,000,000 | 2 | 100 | SCM |
| 8 | LHC, LLC | West Dundee | 20,000,000 | 23 | 300 | ST |
| 501(c)(3) Bonds <i>Final</i> | | | | | | |
| 9 | Chicago Charter School Foundation | Chicago | 50,000,000 | 210 | 67 | TA |
| TOTAL COMMUNITIES AND CULTURE PROJECTS | | | 85,000,000 | 235 | 467 | |

BUSINESS AND INDUSTRY

| Tab | Project | Location | Amount | New Jobs | Const Jobs | FM |
|---|------------------------------|------------|------------|----------|------------|----|
| Participation Loans | | | | | | |
| 10 | P & P Press | Peoria | 600,000 | 4 | 0 | JS |
| Industrial Revenue Bonds Preliminary | | | | | | |
| 11 | John Hofmeister & Sons, Inc. | Chicago | 4,000,000 | 65 | 6 | ST |
| 12 | 2643 Chicago Ave., LLC | Chicago | 4,000,000 | 19 | 5 | ST |
| Industrial Revenue Bonds Final | | | | | | |
| 13 | Aurora Bearing Company | Montgomery | 9,000,000 | 50 | 40 | ST |
| TOTAL BUSINESS AND INDUSTRY PROJECTS | | | 17,600,000 | 138 | 51 | |

HIGHER EDUCATION

| Tab | Project | Location | Amount | New Jobs | Const Jobs | FM |
|--|----------------------|----------|-------------|----------|------------|-----|
| 501(c)(3) Bonds Preliminary | | | | | | |
| 14 | Roosevelt University | Chicago | 67,900,000 | 23 | 40 | RKF |
| 15 | Elmhurst College | Elmhurst | 25,000,000 | 5 | 75 | RKF |
| TOTAL HIGHER EDUCATION PROJECTS | | | 92,900,000 | 28 | 115 | |
| GRAND TOTAL | | | 265,954,000 | 456 | 1,260 | |

Tab

Resolutions/Project Revisions/Amendatory Resolutions

| | | |
|----|---|-------|
| 16 | Amendatory Resolution to extend the original expiration date of IFA commitment to purchase a Participation Loan from Farm Credit Services of Illinois in the amount of \$1,000,000. | ER |
| 17 | A Resolution amending Resolution No. 2006-12-05 relating to the issuance by the Illinois Finance Authority (the "Authority") of not to exceed \$5,500,000 aggregate principal amount of it Bond Anticipation Notes, Series 2006 (Tallgrass at Mill Creek Project)(the "Notes"), for the purpose of approving Friendship Village of Mill Creek, doing business as Tallgrass at Mill Creek, as the borrower of the proceeds of the Notes; and related matters | PL/DS |

Other

Adjournment



**Illinois Finance Authority
Executive Director's Report
January 9, 2007**

To: IFA Board of Directors and Office of the Governor

From: Jill Rendleman, Interim Executive Director

I. Financial Performance

Illinois Finance Authority financial position remains strong with total assets of \$156,286,946 consisting of equity of \$89,881,028 and liabilities of \$66,305,970. This compares favorably to the December 2005 balance sheet of \$154,566,348 in total assets comprising of \$86,904,671 in equity and 67,661,677 in liabilities and bonds payable.

Gross Income YTD for December ended at \$6.9 million or slightly above plan. Operating expenses ended at \$5.1 million, generating year-to-date net income of \$1.8 million.

II. Sales Activities

In January, 2007 funding managers will be presenting 15 projects for approval totaling \$265,954,000. Activity was close in all sectors, with each sector contributing 3 to 4 projects. Higher Education is bringing the largest dollar amount of projects totaling \$92,900,000, with Healthcare and Communities & Culture contributing \$18,200,000 and \$85,000,000 respectively. Business & Industry is bringing \$17,600,000 and Agriculture is contributing a strong \$52,254,000 to IFA's totals. These projects are expected to create 456 new jobs and 1,260 construction jobs throughout Illinois. Projects continue to cover a diversity of regions, economies and market segments throughout the state.

Health Care: This month the Healthcare Team worked to update the healthcare program product bulletins and to create a healthcare survey which will be distributed to different organizations in the healthcare sector. Also this month, Funding Managers met with representatives from the Illinois Critical Access Hospital Network (ICAHN) to discuss details for the 2007 ICAHN Annual Conference, cosponsored by the IFA, and also to discuss the presentation that we will make at the ICAHN CFO Conference in January. The Healthcare Team also met with financial advisory firm, PFM, to discuss the launch of the Investment Management and Arbitrage Rebate Program. Healthcare staff made 28 in person business development calls during December.

Higher Education: Funding Managers continue to introduce the Energy Cost Containment Program to universities. Calling efforts have resumed in several new schools that are interested in being part of the pilot program. These interested parties are referred to the Energy Resources Center at the University of Chicago, which monitors the virtual pilot program. To date, the Energy Hedging pilot program has confirmed nine public universities and community colleges as participants. The Higher Education team, with the assistance of investment banking firm, Piper Jaffray, hosted seminars in Springfield and at Elmhurst College to market the College Revenue Anticipation Note Program which will come to market in March 2007. Funding Managers also met with the Associated Colleges and Universities of Illinois to discuss the IFA Lease and Bond Programs along with the Energy Hedging Pilot Program. Higher Education staff made 9 in person business development calls during December, 2006.

Agriculture: Primary activities during December focused on Beginning Farmer Bonds reflecting seasonal increases in winter farmland sales. Agriculture Funding Managers attended the Peoria Farm Show on Nov 30, 2006. IFA is currently working with three ethanol plant financings and a livestock expansion project, and has attended a meeting to discuss early plans for a biodiesel plant to be located in the southern part of the state. Ag Funding Managers are working with John May, Investment Banker with Stern Bros., and Rich Frampton to enhance their knowledge of Industrial Revenue Bonds and Solid Waste Disposal Bonds in an effort to better support renewable fuels project financings. IFA funding manager, Cory Mitchell, became a member of the Champaign County Chamber of Commerce and has been selected to serve on the Agriculture Council. Calls to banks continue with a total of 53 calls during December 2006.

Communities and Culture: IFA staff spoke about IFA financing programs at the Lt. Governor's Sustainable Cities Symposium hosted by DePaul University. The symposium focused on how to create a green environment and how to competitively finance green buildings in urban areas. Follow-up calls are planned for the 120 participants in attendance. Funding managers met with a Chicago near-north private school, and its bankers regarding a new money transaction that will be induced at the IFA February Board meeting. IFA funding managers are also working with a municipality on an upcoming Riverfront Infrastructure project. We also met with a firm to discuss ways we could partner on large not-for-profit and enhanced lease project financings. Funding Managers also made presentations to American Chartered Bank and World Financial Group. Preparations are being finalized to mail a letter to units of local government outlining IFA services, rates and timelines. Community and Culture staff made 30 in person business development calls for potential projects during December, 2006.

Industry and Commerce: IFA continues to further develop business relationships throughout the state. Funding managers met with mayors in Carbondale, West Frankfort and Mt. Vernon and made joint calls with DCEO. A meeting was held with the SI Connect Group in early December and IFA is co-chairing on an SI Connect committee which will explore financing needs from manufacturers in 21 surrounding counties. Continued calls with bankers, mayors, economic development people and legislators are producing results in terms of

new deals and awareness for the IFA. On December 4, 2006, IFA made a guest presentation at the December Board Meeting of the Rockford Local Development Corporation ("RLDC") to discuss the renewed viability of Industrial Revenue Bonds. The purpose of re-introducing IRB products to RLDC was to highlight new opportunities to use IRB financing on larger manufacturing projects, and particularly those that may not be good candidates for SBA 504. There will be additional follow-up in early 2007 with the commercial lending units of a few of the banks represented on RLDC's Board. Similar events will follow in Central and Southern Illinois during 2007, with plans currently in place for IRB seminars in the Fairview Heights area. Meetings were held with Chicago Community Ventures and Fifth Third Bank regarding the development of the Illinois State Minority Business Loan Fund. IFA staff and Executive Director made 83 personal calls or presentations to potential projects in December 2006.

Additionally, meetings were held with Chicago Community Ventures and Fifth Third Bank regarding the development of the Illinois State Minority Business Loan Fund, planned for presentation at the February, 2007 board meeting. Also, calls were made to 28 units of local government and 9 private business entities in regards to potential funding opportunities.

III. Marketing and Public Relations

The Investment Management and Arbitrage Rebate Program(IMARP) is now officially launched, in partnership with financial advisory firm PFM. This month PFM conducted a round of final training sessions with key Funding Managers. A website link, presentation, brochure and letter are available to Funding Managers for their calling efforts. In public relations, the Illinois Venture Capital Association Newsletter published a Q&A with CFO, Jose Garcia, on the subject of IFA's Venture Capital Programs. The Illinois Business Journal, a publication for Madison, St. Clair and Monroe counties, will cover the Waterloo school district project. In the area of Strategic Planning, IFA is integrating the planning process into other key performance "systems" of IFA – such as Performance Plans, Call Plans and Performance Reviews, and documenting the Executive Management component of our Strategic Plan. Ongoing monthly update calls are being held to review action plans in each of our market sectors. These calls are working well; progress is being made in all areas. During December, significant time has been spent updating the IFA website. The remainder of the site is scheduled for edits or restructuring. Over the last few weeks, Funding Managers have reviewed current content, including product information, program summaries and applications; made suggestions for revising content in home pages; and outlined "wish lists" for additional areas of content on the web.

IV. Human Resources and Operations

During December, IFA completed and submitted the following HR Compliance Reports: EEOC/AA Second Quarter Report, TA 2 Report, Ethics Training Compliance Report and Agency Workforce Report. The Fiscal Year 2007 Incentive Compensation Plan was rolled out to IFA staff. Significant progress was made on numerous projects, including Fiscal Year 2006 Performance Reviews, Fiscal Year 2007 Performance Review Criteria for Funding Managers, Fiscal Year 2007 Incentive Compensation Plan Criteria for Funding Managers, IFA's Individual Account Plan-401(a) Deferred Compensation Plan, Records

Retention, ACT, Telephony, and developing HR and Operations Action Plans for the IFA Strategic Plan.

V. **Legal and Legislative Issues**

For the 2007 legislative session the Illinois Finance Authority will seek the following amendments to the Illinois Finance Authority Act, 20 ILCS 3501/1 *et seq.* (the "IFA Act"):

The Economic Development Enhancement Amendment. This amendment authorizes the IFA to provide access to financing for projects located within and outside the State for organizations (such as higher education, industrial, cultural, agricultural, health care and other organizations) that either (1) have a significant presence in the State; or (2) are financing projects located both within and outside the State.

The Clean Coal Amendments. These amendments: (i) make a technical amendment to confirm that clean coal and energy bonds are able to be provided for projects that support the use of Illinois coal, including but not limited to construction of coal-fired electric generating facilities; (ii) make a technical amendment that conforms the IFA Act to recent (2005) amendments to the DCEO statute to authorize IFA to issue clean coal and energy bonds for coal gasification projects (and to establish reserve funds for such purposes); (iii) broadens the clean coal and energy bond authorization and financing limits to cover "new facilities," as defined in the DCEO statute, and alternative energy sources (including renewable energy projects) rather than solely "new electric generating facilities;" (iv) make a technical amendment to confirm that energy projects that advance clean coal technology and the use of Illinois coal may qualify for moral obligation credit enhancement, whether or not the facility is an energy "generation" project, such as a coal gasification project; and (v) provide that the IFA's designation of bonds to benefit from moral obligation conform to the procedures specified in Article 801 for issuance of other moral obligation bonds under the IFA Act.

Ethanol and Bio-Energy Amendments. These amendments: (i) expand the definition of "agribusiness" to include ethanol and other bio-energy businesses; (ii) permit the IFA to issue State guarantees for such ethanol and other bio-energy businesses in an aggregate amount not to exceed \$340,000,000; and (iii) provide that the maximum amount of any State guarantee for any energy-related agribusiness may not exceed \$10 million or for any bio-diesel project may not exceed \$20 million.

Broadband Deployment Assistance Act. The act permits the IFA to finance projects through the issuance of loans, bonds, guarantees or other forms of indebtedness for the purpose of expanding broadband services throughout the State of Illinois to promote economic and educational development throughout the State. The act also allows the IFA to issue State guarantees for such broadband projects in an aggregate amount not to exceed \$50,000,000 (not to exceed \$1,000,000 for any single project) and to issue bonds secured by the State moral obligation in an aggregate amount not to exceed \$100,000,000 (not to exceed \$5,000,000 for any single project).

Bond Authority Amendment. This amendment increases the amount of bonds that the IFA may have outstanding at any one time from \$25,200,000,000 to \$30,000,000,000. The IFA currently has bonds outstanding of \$22,000,000,000 and is projected to issue between \$5,000,000,000 and \$7,000,000,000 in calendar year 2007.

Ambulance/Fire Truck Revolving Fund Amendments. These amendments permit the IFA to use monies in the Fire Truck Revolving Loan Fund and the Ambulance Revolving Loan Fund to reimburse itself for all reasonable costs and expenses incurred in connection with administering the fire truck and ambulance revolving loan programs.

Technical Amendments. These amendments provide for the following amendments to the IFA Act for the purpose of providing clarifications and eliminating confusion:

- **Quorum/Affirmative Vote Amendment.** The amendment changes the quorum to require the physical presence of a "majority" of the appointed members of the Board and provides for approval of matters by a majority of the IFA's board members (rather than requiring eight members).
- **Amendment to Direct Loan Program.** The amendment deletes the requirement that a direct loan must be approved by at least eight members of the IFA Board as the voting requirements are set forth in another section of the IFA Act.
- **Swaps/Derivatives Amendment.** The amendment provides that the IFA may enter into swap and other derivative agreements for all of its programs rather than simply its local government programs.
- **Non-impairment Amendment.** The amendment provides that any pledge of revenues or other moneys made by the IFA or the State of Illinois will be binding and will not be impaired by future actions of the IFA or the State for all IFA programs rather than only its local government programs.

VI. Audit and Compliance

The FY06 audit field work is complete and work papers are being reviewed by the Auditor General. IFA expects the 2006 Financial Audit to be produced in January, 2007 and the Compliance Audit to be completed in April, 2007.

The status of the 9 findings from previous audits are as follows: (1) six are 100% complete, (2) two substantially complete, and (3) one under review.

**Illinois Finance Authority
Consolidated
Balance Sheet
for the Six Months Ending December 31, 2006**

| | December 2005 | December 2006 | December Budget | Variance to budget |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| ASSETS | | | | |
| CASH & INVESTMENTS, UNRESTRICTED | \$ 30,800,886 | \$ 32,204,776 | \$ 25,715,780 | \$ 6,488,996 |
| LOAN RECEIVABLE, NET | 81,090,327 | 85,280,830 | 81,788,212 | 3,492,618 |
| ACCOUNTS RECEIVABLE | 760,402 | 432,014 | 500,000 | (67,986) |
| OTHER RECEIVABLES | 1,188,412 | 1,291,476 | 680,177 | 611,299 |
| PREPAID EXPENSES | 37,813 | 72,350 | 170,329 | (97,979) |
| TOTAL CURRENT ASSETS | 113,877,840 | 119,281,446 | 108,854,498 | 10,426,948 |
| FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION | 108,064 | 132,573 | 142,271 | (9,698) |
| DEFERRED ISSUANCE COSTS | 1,092,476 | 884,357 | 955,108 | (70,751) |
| OTHER ASSETS | | | | |
| CASH, INVESTMENTS & RESERVES | 29,671,253 | 26,938,313 | 30,227,355 | (3,289,042) |
| VENTURE CAPITAL INVESTMENTS | 5,661,491 | 5,979,735 | 6,332,368 | (352,632) |
| OTHER | 4,155,223 | 3,070,522 | 4,079,328 | (1,008,806) |
| TOTAL OTHER ASSETS | 39,487,968 | 35,988,570 | 40,639,051 | (4,650,480) |
| TOTAL ASSETS | \$ 154,566,348 | \$ 156,286,946 | \$ 150,590,928 | \$ 5,696,019 |
| LIABILITIES | | | | |
| CURRENT LIABILITIES | \$ 933,760 | \$ 1,634,489 | \$ 949,498 | \$ 684,991 |
| LONG-TERM LIABILITIES | 66,727,916 | 64,771,430 | 59,985,412 | 4,786,016 |
| TOTAL LIABILITIES | 67,661,677 | 66,405,919 | 60,934,910 | 5,471,007 |
| EQUITY | | | | |
| CONTRIBUTED CAPITAL | 36,061,462 | 36,061,462 | 36,061,462 | (0) |
| RETAINED EARNINGS | 13,000,024 | 15,015,017 | 15,015,017 | - |
| NET INCOME / (LOSS) | 5,818,541 | 1,831,144 | 1,606,133 | 225,011 |
| RESERVED/RESTRICTED FUND BALANCE | 19,303,495 | 24,279,992 | 24,279,992 | 0 |
| UNRESERVED FUND BALANCE | 12,721,150 | 12,693,412 | 12,693,412 | (0) |
| TOTAL EQUITY | 86,904,671 | 89,881,028 | 89,656,017 | 225,011 |
| TOTAL LIABILITIES & EQUITY | \$ 154,566,348 | \$ 156,286,946 | \$ 150,590,928 | \$ 5,696,019 |

**Illinois Finance Authority
Consolidated - Detail
Balance Sheet
for the Six Month Ending
December 31, 2006**

| | General Fund | Bond Fund | Firetruck Revolving Fund | Non Major Funds YTD | YTD 2007 |
|--|-------------------|-------------------|--------------------------------|---------------------------|--------------------|
| Assets | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents – unrestricted | 6,778,434 | - | - | 14,741,493 | 21,519,927 |
| Investments – unrestricted | 2,947,631 | - | - | 1,992,995 | 4,940,626 |
| Restricted current assets: | | | | | |
| Cash and cash equivalents | - | 730,312 | 1,892,799 | - | 2,623,111 |
| Accrued interest receivable | - | 992,551 | 7,000 | 10,308 | 1,009,860 |
| Restricted investments | - | 61,372 | - | - | 61,372 |
| Receivables: | | | | | |
| Accounts | 432,014 | - | - | - | 432,014 |
| Interest and other | 166,949 | - | - | 37,878 | 204,827 |
| Prepaid expenses and deposits | 72,350 | - | - | - | 72,350 |
| Total Current Assets | 10,397,377 | 1,784,235 | 1,899,799 | 16,782,674 | 30,864,085 |
| Noncurrent assets: | | | | | |
| Restricted Noncurrent assets | | | | | |
| Cash and cash equivalents | - | - | - | 21,466,581 | 21,466,581 |
| Interest receivable | - | 83,789 | - | 79,000 | 162,789 |
| Guarantee payments receivable | - | - | - | 609,389 | 609,389 |
| Allowance for doubtful accounts | - | - | - | (538,866) | (538,866) |
| Deferred issuance costs, net of accumulated amortization | - | 226,747 | - | - | 226,747 |
| Investments | - | 8,445,473 | - | - | 8,445,473 |
| Bonds and notes receivable | - | 53,852,200 | - | - | 53,852,200 |
| Loans receivable | - | - | 8,247,715 | 691,196 | 8,938,911 |
| Allowance for doubtful accounts | - | - | - | (121,469) | (121,469) |
| Investments in partnerships and companies | - | - | - | 5,979,735 | 5,979,735 |
| Loans Receivable | 23,084,615 | - | - | 4,984,068 | 28,068,683 |
| Allowance for doubtful accounts | (2,457,495) | - | - | - | (2,457,495) |
| Due from other funds long term | 2,905,950 | - | - | 712,374 | 3,618,324 |
| Property and equipment, at cost | 373,438 | - | - | 5,500 | 378,938 |
| Accumulated depreciation | (242,057) | - | - | (4,308) | (246,365) |
| Deferred issuance costs, net of accumulated amortization | - | - | - | 657,610 | 657,610 |
| Total Noncurrent Assets: | 23,664,451 | 62,608,210 | 8,247,715 | 34,520,809 | 129,041,184 |
| Total Assets | 34,061,829 | 64,392,444 | 10,147,514 | 51,303,483 | 159,905,270 |
| Liabilities | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 158,222 | - | - | - | 158,222 |
| Accrued expenses | 677,155 | - | - | - | 677,155 |
| Accrued interest payable | - | 1,127,487 | - | 8,829 | 1,136,316 |
| Due to employees | 33,827 | - | - | - | 33,827 |
| Due to primary government | 237,490 | - | - | 25,000 | 262,490 |
| Current portion of Long term debt | - | - | - | 54,846 | 54,846 |
| Total Current Liabilities | 1,106,694 | 1,127,487 | - | 88,675 | 2,322,856 |
| Noncurrent liabilities: | | | | | |
| Long-term debt | - | - | - | 828,060 | 828,060 |
| Bonds payable | - | 62,010,000 | - | - | 62,010,000 |
| Deferred revenue net of accumulated amortization | 439,120 | - | - | 922,743 | 1,361,864 |
| Due to other funds - long term | - | - | - | 3,618,324 | 3,618,324 |
| Deferred loss on early extinguishment of Debt | - | (116,860) | - | - | (116,860) |
| Total Noncurrent Liabilities | 439,120 | 61,893,140 | - | 5,369,127 | 67,701,387 |
| Total Liabilities | 1,545,814 | 63,020,627 | - | 5,457,801 | 70,024,242 |
| Net Assets | | | | | |
| Invested in capital assets | 131,381 | - | - | 1,192 | 132,573 |
| Restricted | - | 1,371,818 | 10,147,514 | 21,313,104 | 32,832,436 |
| Unrestricted | 32,384,633 | - | - | 24,531,386 | 56,916,019 |
| Total Net Assets | 32,516,014 | 1,371,818 | 10,147,514 | 45,845,681 | 89,881,027 |

**Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
for Period Ending December 31, 2006**

| | Actual December 2006 | Budget December 2006 | Current Month Variance Actual vs Budget | Current % | Actual YTD FY 2007 | Budget YTD FY 2007 | Year to Date Variance Actual vs Budget | YTD % | Total Budget FY 2007 | % of Budget Expanded |
|--|----------------------------|----------------------------|---|-----------------|--------------------------|--------------------------|--|------------------|----------------------------|----------------------------|
| REVENUE | | | | | | | | | | |
| INTEREST ON LOANS | 285,601 | 295,949 | (10,348) | (3.50%) | 1,715,414 | 1,775,694 | (60,280) | (3.39%) | 3,478,413 | 49.32% |
| INVESTMENT INTEREST & GAIN(LOSS) | 200,724 | 177,172 | 23,552 | 13.29% | 1,342,085 | 1,063,027 | 279,058 | 26.25% | 2,128,056 | 63.13% |
| ANNUAL ISSUANCE & APPLICATION FEES | 622,202 | 742,350 | (120,148) | (16.18%) | 3,180,655 | 3,120,100 | 60,555 | 1.94% | 5,394,200 | 58.96% |
| OTHER INCOME | 85,019 | 38,533 | (27,690) | (71.67%) | 554,671 | 655,000 | (100,329) | (15.32%) | 1,310,000 | 42.34% |
| TOTAL REVENUE | 1,204,469 | 1,339,024 | (134,555) | (10.05%) | 6,897,143 | 6,845,138 | 52,005 | 0.76% | 12,771,303 | 54.01% |
| EXPENSES | | | | | | | | | | |
| EMPLOYEE RELATED EXPENSES | | | | | | | | | | |
| COMPENSATION & TAXES | 241,901 | 248,799 | (7,898) | (3.16%) | 1,520,870 | 1,497,283 | 23,587 | 1.58% | 2,986,075 | 50.76% |
| BENEFITS | 26,067 | 28,501 | (2,434) | (8.54%) | 160,858 | 171,001 | (10,043) | (5.87%) | 342,000 | 47.06% |
| TEMPORARY HELP | 14,372 | 8,494 | 5,878 | 69.20% | 39,831 | 42,470 | (2,639) | (6.21%) | 84,940 | 48.89% |
| EDUCATION & DEVELOPMENT | - | 5,900 | (5,900) | (100.00%) | 5,457 | 11,800 | (6,343) | (53.75%) | 23,600 | 33.12% |
| TRAVEL & AUTO | 28,238 | 10,000 | 18,238 | 182.38% | 90,199 | 85,000 | 5,199 | 38.77% | 135,000 | 66.81% |
| TOTAL EMPLOYEE RELATED EXPENSES | 308,578 | 302,694 | 5,884 | 1.94% | 1,817,315 | 1,787,554 | 29,761 | 1.66% | 3,581,615 | 50.74% |
| PROFESSIONAL SERVICES | | | | | | | | | | |
| CONSULTING, LEGAL & ADMIN | 124,469 | 134,868 | (10,200) | (7.57%) | 801,038 | 808,010 | (6,972) | (0.86%) | 1,116,000 | 71.78% |
| LOAN EXPENSE & BANK FEE | 228,015 | 223,897 | 4,118 | 1.84% | 1,373,575 | 1,343,382 | 30,193 | 2.25% | 2,612,319 | 52.68% |
| ACCOUNTING & AUDITING | 30,572 | 31,391 | (819) | (2.61%) | 165,599 | 188,348 | (22,750) | (12.09%) | 376,700 | 43.98% |
| MARKETING GENERAL | 4,014 | 20,834 | (16,820) | (80.73%) | 31,633 | 124,988 | (93,355) | (74.69%) | 250,000 | 12.65% |
| FINANCIAL ADVISORY | 26,761 | 28,187 | (1,426) | (5.06%) | 175,651 | 175,000 | 651 | 0.37% | 350,000 | 50.19% |
| CONFERENCE/TRAINING | 280 | 1,700 | (1,420) | (83.50%) | 8,394 | 12,200 | (3,806) | (31.19%) | 25,400 | 33.05% |
| MISCELLANEOUS PROFESSIONAL SERVICES | 8,567 | 5,250 | (3,317) | (64.32%) | 13,728 | 81,500 | (67,772) | (83.18%) | 113,000 | 12.15% |
| DATA PROCESSING | 422,678 | 450,107 | (27,429) | (6.09%) | 2,587,523 | 2,752,640 | (165,117) | (6.00%) | 4,881,819 | 46.64% |
| OCCUPANCY COSTS | | | | | | | | | | |
| OFFICE RENT | 25,663 | 26,709 | (1,046) | (3.92%) | 155,650 | 160,254 | (4,604) | (2.87%) | 320,508 | 46.56% |
| EQUIPMENT RENTAL AND PURCHASES | 4,151 | 3,750 | 401 | 10.69% | 24,642 | 22,500 | 2,142 | 9.52% | 45,000 | 54.76% |
| TELECOMMUNICATIONS | 4,588 | 5,666 | (1,078) | (19.05%) | 31,021 | 34,000 | (2,979) | (8.76%) | 66,000 | 45.02% |
| UTILITIES | 828 | 750 | 78 | 10.40% | 5,414 | 4,500 | 914 | 20.31% | 9,000 | 60.16% |
| DEPRECIATION | 3,788 | 4,750 | (962) | (20.24%) | 22,725 | 28,500 | (5,775) | (20.26%) | 57,000 | 39.67% |
| INSURANCE | 1,151 | 1,167 | (16) | (1.38%) | 6,907 | 7,001 | (94) | (1.34%) | 14,000 | 48.34% |
| TOTAL OCCUPANCY COSTS | 40,164 | 42,792 | (2,628) | (6.14%) | 246,360 | 256,755 | (10,395) | (4.05%) | 513,508 | 47.98% |
| GENERAL & ADMINISTRATION | | | | | | | | | | |
| OFFICE SUPPLIES | 10,531 | 7,833 | 2,698 | 34.45% | 48,403 | 48,989 | (586) | (1.27%) | 94,000 | 48.36% |
| BOARD MEETING - EXPENSES | 2,730 | 2,666 | 64 | 2.42% | 14,517 | 16,001 | (1,484) | (9.28%) | 32,000 | 45.38% |
| PRINTING | 1,004 | 1,168 | (162) | (13.87%) | 5,940 | 7,001 | (1,061) | (15.15%) | 14,000 | 42.43% |
| POSTAGE & FREIGHT | 1,843 | 2,918 | (1,075) | (36.84%) | 12,442 | 17,500 | (5,058) | (28.90%) | 35,000 | 35.55% |
| MEMBERSHIP DUES & CONTRIBUTIONS | 8,747 | 2,876 | 5,871 | 204.14% | 16,815 | 17,251 | (436) | (2.53%) | 34,500 | 54.54% |
| PUBLICATIONS | 115 | 187 | (72) | (38.45%) | 6,172 | 1,001 | 5,171 | 516.56% | 2,000 | 308.59% |
| OFFICERS & DIRECTORS INSURANCE | 13,500 | 13,500 | - | 0.00% | 81,000 | 81,000 | - | 0.00% | 162,000 | 60.00% |
| MISCELLANEOUS | 1,527 | 167 | 1,360 | 814.35% | 3,543 | 1,001 | 2,542 | 253.94% | 2,000 | 177.15% |
| TOTAL GENERAL & ADMINISTRATION EXPENSES | 39,796 | 31,291 | 8,505 | 27.19% | 186,831 | 187,754 | (923) | 0.57% | 375,500 | 50.29% |
| LOAN LOSS PROVISION | 52,296 | 25,000 | 27,296 | 109.19% | 256,507 | 150,000 | 106,507 | 72.34% | 300,000 | 86.17% |
| OTHER | 736 | 717 | 19 | 2.65% | 4,415 | 4,302 | 113 | 2.62% | 8,604 | 51.31% |
| INTEREST EXPENSE | 736 | 717 | 19 | 2.65% | 4,415 | 4,302 | 113 | 2.62% | 8,604 | 51.31% |
| TOTAL OTHER | 736 | 717 | 19 | 2.65% | 4,415 | 4,302 | 113 | 2.62% | 8,604 | 51.31% |
| TOTAL EXPENSES | 664,251 | 652,601 | 11,650 | 1.79% | 5,102,952 | 5,136,005 | (33,053) | (0.70%) | 9,661,048 | 52.82% |
| NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) | 340,218 | 486,424 | (146,206) | (30.08%) | 1,784,181 | 1,708,133 | 76,048 | 4.45% | 3,110,257 | 57.66% |
| NET UNREALIZED GAIN/(LOSS) ON INVESTMENT | (1,648) | (16,667) | 15,019 | (90.11%) | 36,953 | (100,000) | 136,953 | (136.95%) | (200,000) | (18.48%) |
| NET INCOME/(LOSS) | 338,570 | 469,757 | (131,187) | (27.93%) | 1,821,134 | 1,608,133 | 213,001 | 13.25% | 2,910,257 | 62.92% |

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

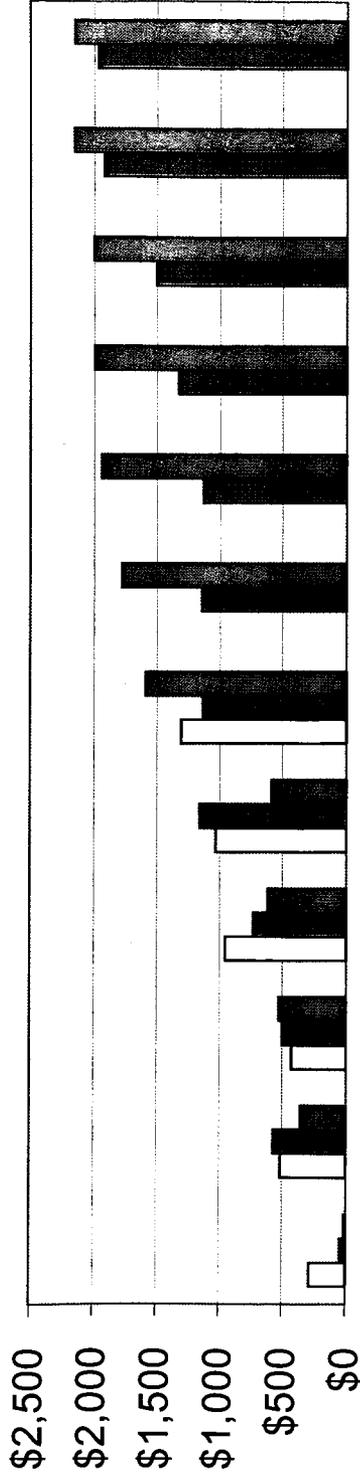
| | Actual December 2006 | Actual December 2005 | Current Month Variance Actual vs. Actual | Current % Variance | Actual YTD FY 2007 | Actual YTD FY 2006 | Year to Date Variance Actual vs. Actual | YTD % Variance |
|---|----------------------------|----------------------------|--|--------------------------|--------------------------|--------------------------|---|----------------------|
| REVENUE | | | | | | | | |
| INTEREST ON LOANS | 285,601 | 1,255,103 | (969,502) | (77.24%) | 1,715,414 | 1,632,678 | 82,737 | 5.07% |
| INVESTMENT INTEREST & GAIN(LOSS) | 200,724 | 390,962 | (190,138) | (48.65%) | 1,422,182 | 1,322,182 | 219,903 | 19.60% |
| ADMINISTRATIONS & APPLICATION FEES | 622,202 | 1,038,384 | (416,182) | (40.08%) | 3,180,655 | 2,781,989 | 398,666 | 14.33% |
| ANNUAL ISSUANCE & LOAN FEES | 85,019 | 85,747 | (728) | (0.85%) | 554,671 | 566,114 | (11,443) | (2.02%) |
| OTHER INCOME | 10,923 | 24,859 | (13,935) | (56.06%) | 104,318 | 3,901,573 | (3,797,255) | (97.33%) |
| TOTAL REVENUE | 1,204,469 | 2,794,954 | (1,590,484) | (56.91%) | 6,897,143 | 10,004,535 | (3,107,393) | (31.06%) |
| EXPENSES | | | | | | | | |
| EMPLOYEE RELATED EXPENSES | | | | | | | | |
| COMPENSATION & TAXES | 241,901 | 203,349 | 38,552 | 18.96% | 1,520,870 | 1,247,977 | 272,894 | 21.87% |
| BENEFITS | 26,067 | 19,185 | 6,872 | 35.80% | 160,959 | 125,131 | 35,827 | 28.63% |
| TEMPORARY HELP | 14,372 | 6,512 | 7,860 | 120.70% | 39,831 | 39,358 | 473 | 1.20% |
| EDUCATION & DEVELOPMENT | - | 2,175 | (2,175) | (100.00%) | 5,457 | 10,849 | (5,392) | (49.70%) |
| TRAVEL & AUTO | 26,238 | 10,701 | 15,537 | 145.19% | 90,199 | 78,004 | 12,195 | 15.63% |
| TOTAL EMPLOYEE RELATED EXPENSES | 308,578 | 241,932 | 66,646 | 27.55% | 1,817,315 | 1,501,318 | 315,998 | 21.05% |
| PROFESSIONAL SERVICES | | | | | | | | |
| CONSULTING, LEGAL & ADMIN | 124,469 | 103,645 | 20,824 | 20.09% | 801,036 | 403,171 | 397,865 | 98.68% |
| LOAN EXPENSE & BANK FEE | 228,015 | 1,230,760 | (1,002,775) | (81.47%) | 1,485,176 | 1,485,176 | (111,800) | (7.51%) |
| ACCOUNTING & AUDITING | 30,572 | 39,623 | (9,051) | (22.84%) | 165,589 | 227,393 | (61,794) | (27.16%) |
| MARKETING GENERAL | 4,014 | 1,936 | 2,078 | 107.29% | 31,633 | 42,307 | (10,674) | (26.28%) |
| FINANCIAL ADVISORY | 26,761 | 8,000 | 18,761 | 234.51% | 175,651 | 48,210 | 127,441 | 264.35% |
| CONFERENCE/TRAINING | 280 | 566 | (286) | (50.46%) | 8,394 | 5,296 | 3,098 | 58.50% |
| MISCELLANEOUS PROFESSIONAL SERVICES | - | - | - | #DIV/0! | 13,728 | 2,850 | 10,878 | 381.67% |
| DATA PROCESSING | 8,567 | 6,724 | 1,843 | 27.41% | 17,908 | 13,149 | 4,759 | 36.20% |
| TOTAL PROFESSIONAL SERVICES | 422,679 | 1,391,284 | (968,606) | (69.62%) | 2,587,523 | 2,228,152 | 359,371 | 16.13% |
| OFFICE COSTS | | | | | | | | |
| OFFICE RENT | 25,563 | 18,580 | 7,083 | 38.12% | 155,650 | 96,165 | 59,485 | 61.86% |
| EQUIPMENT RENTAL AND PURCHASES | 4,151 | 2,851 | 1,300 | 45.61% | 24,642 | 8,704 | 15,938 | 183.10% |
| TELECOMMUNICATIONS | 4,586 | 8,617 | (4,031) | (46.78%) | 31,021 | 35,697 | (4,677) | (13.10%) |
| UTILITIES | 825 | 825 | 0 | 0.05% | 5,414 | 4,093 | 1,322 | 32.29% |
| DEPRECIATION | 3,788 | 2,032 | 1,756 | 86.39% | 22,725 | 11,785 | 10,940 | 92.83% |
| INSURANCE | 1,151 | 630 | 521 | 82.74% | 6,907 | 3,885 | 3,022 | 77.80% |
| TOTAL OCCUPANCY COSTS | 40,164 | 33,535 | 6,629 | 19.77% | 246,390 | 160,330 | 86,030 | 53.66% |
| GENERAL & ADMINISTRATION | | | | | | | | |
| OFFICE SUPPLIES | 10,531 | 4,758 | 5,774 | 121.35% | 46,403 | 33,207 | 13,196 | 39.74% |
| BOARD MEETING - EXPENSES | 2,730 | 2,627 | 103 | 3.93% | 14,517 | 20,173 | (5,657) | (28.04%) |
| PRINTING | 1,004 | 2,240 | (1,235) | (55.16%) | 5,940 | 2,895 | 3,045 | 105.20% |
| POSTAGE & FREIGHT | 1,643 | 2,262 | (619) | (27.38%) | 12,442 | 15,036 | (2,594) | (17.25%) |
| MEMBERSHIP, DUES & CONTRIBUTIONS | 8,747 | 1,022 | 7,725 | 755.73% | 18,815 | 15,475 | 3,339 | 21.58% |
| PUBLICATIONS | 115 | 94 | 21 | 22.21% | 6,172 | 582 | 5,589 | 958.77% |
| OFFICERS & DIRECTORS INSURANCE | 13,500 | 8,699 | 4,801 | 55.18% | 81,000 | 52,183 | 28,807 | 55.19% |
| MISCELLANEOUS | 1,527 | 0 | 1,527 | 848,211.11% | 3,543 | 1,235 | 2,308 | 186.84% |
| TOTAL GENERAL & ADMINISTRATION EXPENSES | 39,796 | 21,702 | 18,096 | 83.39% | 188,831 | 140,797 | 48,034 | 34.12% |
| LOAN LOSS PROVISION | 52,298 | (57,461) | 109,758 | (191.01%) | 258,507 | 15,075 | 243,432 | 1,614.79% |
| OTHER | | | | | | | | |
| INTEREST EXPENSE | 736 | 781 | (45) | (5.79%) | 4,415 | 4,686 | (272) | (5.79%) |
| TOTAL OTHER | 736 | 781 | (45) | (5.79%) | 4,415 | 4,686 | (272) | (5.79%) |
| TOTAL EXPENSES | 864,251 | 1,631,773 | (767,521) | (47.04%) | 5,102,952 | 4,050,356 | 1,052,596 | 25.99% |
| NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) | 340,218 | 1,163,181 | (822,963) | (70.75%) | 1,784,191 | 5,954,177 | (4,159,986) | (69.87%) |
| NET UNREALIZED GAIN/(LOSS) ON INVESTMENT | (1,648) | 7,387 | (9,035) | (122.31%) | 36,953 | (135,636) | 172,589 | (127.24%) |
| NET INCOME/(LOSS) | 338,570 | 1,170,568 | (831,998) | (71.08%) | 1,821,144 | 5,818,541 | (3,997,397) | (68.53%) |

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

Total Number of 14

| Item Number | Description | Status | | Percentage Completed |
|-----------------------|---|---------------|------------------------|---|
| | | Action Items/ | Action Items Completed | |
| FY 04 Findings | | | | |
| 05-03 | Failure to Monitor Bond Compliance | 7/8 | |  |
| 05-04 | Non Compliance with Illinois Procurement Code and SAMS | 2/3 | |  |
| 05-05 | Voucher Processing Controls Need to be Improved | Complete | |  |
| FY 05 Findings | | | | |
| 05-01 | Noncompliance with the State Officers and Employees Money Disposition ACT | Complete | |  |
| 05-02 | Noncompliance with the Personnel Code | Under Review | | |
| 05-06 | Untimely Submission of Qrtly State Property Reports | Complete | |  |
| 05-07 | Untimely Submission of Receipt Deposits Transmittals | Complete | |  |
| 05-08 | Noncompliance with Printing Requirements of Procurement Code | Complete | |  |
| 05-09 | Lack of Interest Rate Risk and Credit Risk Policy | Complete | |  |
| | | 1 | | |
| | <50% = Partially Completed or under review | 2 | | |
| | 60% = Substantially Completed | 6 | | |
| | 100% = Completed | | | |

Cumulative Net Income Non-Appropriated



| | July | Aug | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May | Jun |
|------------------|-------|-------|-------|-------|---------|---------|---------|---------|---------|---------|---------|---------|
| □ FY 2007 Actual | \$285 | \$512 | \$428 | \$953 | \$1,036 | \$1,312 | \$1,142 | \$1,130 | \$1,332 | \$1,505 | \$1,920 | \$1,967 |
| ■ FY 2007 Plan | \$44 | \$570 | \$501 | \$733 | \$1,161 | \$1,136 | \$1,142 | \$1,130 | \$1,332 | \$1,505 | \$1,920 | \$1,967 |
| ■ Actual FY06 | \$12 | \$356 | \$524 | \$618 | \$586 | \$1,592 | \$1,778 | \$1,940 | \$1,998 | \$2,004 | \$2,157 | \$2,152 |

(In thousands)

**MINUTES OF THE DECEMBER 5, 2006 MEETING OF THE BOARD OF DIRECTORS
OF THE ILLINOIS FINANCE AUTHORITY**

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held a Board Meeting at 11:30 a.m., on December 5, 2006 at the Mid America Club, 200 E. Randolph Street, 80th floor, Chicago, Illinois:

Members present:

David C. Gustman, Chair
James J. Fuentes
Michael W. Goetz
Dr. Roger D. Herrin
Martin H. Nesbitt
Juan B. Rivera
Lynn F. Talbott
Joseph P. Valenti
Bradley A. Zeller

Members absent:

Magda M. Boyles
Ronald E. DeNard
Demetris A. Giannoulis
Terrence M. O'Brien
Andrew W. Rice

**Members participating by
telephone:**

Edward H. Leonard, Sr.

GENERAL BUSINESS

Call to Order and Roll Call

Chairman Gustman called the meeting to order at 11:55 a.m. with the above members present. Chairman Gustman apologized for the tardy start and noted that this was the last meeting of 2006. Chairman Gustman also thanked all of IFA's partners, including borrowers, counsels and bankers, for bringing transactions to the IFA. Chairman Gustman asked Carla Burgess Jones, Secretary, to call the roll. Ms. Burgess Jones called the roll. There being nine (9) members physically present and one (1) member participating via telephone, Ms. Burgess Jones declared a quorum present. Chairman Gustman noted special thanks to Member Leonard for participating via telephone because he resides in an area of the State affected by the power outages.

Interim Executive Director's Report

Chairman Gustman welcomed everyone present and asked Interim Executive Director Rendleman to give her report. Interim Executive Director Rendleman welcomed everyone and announced that the Board would be approving over \$700 million in projects that represent the diversity and value of the IFA market sectors, including a new project for a model health insurance program for small businesses. Interim Executive Director Rendleman also discussed that IFA revenues continue to exceed its fiscal year plan based in part on the partnerships that exist with the IFA.

Acceptance of Financial Statements

Financial statements for the five-month period ending November 30, 2006 were accepted by the Board. Chairman Gustman noted that the financial statements are reviewed by the Board at the 8:30 a.m. meeting of the Committee of the Whole of the Board.

Minutes

Chairman Gustman asked Carla Burgess Jones, Secretary to take a roll call vote for approval of the minutes of the November 14, 2006 Meeting of the Board. Minutes of the November 14, 2006 were approved with 10 ayes, 0 nays, and 0 abstentions.

Projects

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

- No. 1:** **A-AD-GT-6247 – Devan L. and Reta J. Harris**
Request for approval of the issuance of an Agri-Debt Guarantee in an amount not-to-exceed \$314,000 to provide refinancing of existing real estate and equipment loans related to the borrower's business. (06-12-01).
- No. 2:** **A-LL-TX-6251 – Clark B. Kelly**
Request for approval of the issuance of a participation loan in an amount not-to-exceed \$262,500 to provide permanent financing of a 2,400 head swine finishing building. (06-12-02).
- No. 3:** **A-LL-TX-6263 – Douglas R. and Brenda S. Dozier**
Request for approval of the issuance of a participation loan in an amount not-to-exceed \$100,000 to provide permanent financing for the purchase of 80 acres of farm land. (06-12-03).
- No. 4:** **A-FB-TE-CD-6238 – Kent Elmore**
Request for approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed \$250,000 for the purchase of 140 acres of farmland in Mason, Illinois. (06-12-04).
- A-FB-TE-CD-6239 – Scott Thorngren**
Request for approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed \$57,200 for the purchase of 22 acres of farmland in Milledgeville, Illinois. (06-12-04).
- A-FB-TE-CD-6240 – Matt and Felicia Duncan**
Request for approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed \$104,975 for the purchase of approximately 77 acres of farmland in Boston, Illinois. (06-12-04).

A-FB-TE-CD-6241 – Johnathon and Rhonda Bush

Request for approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed \$236,250 for the purchase of approximately 74 acres of farmland in Morrison, Illinois. (06-12-04).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 1 through 4. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Projects nos. 1 through 4. Motion moved by Mr. Rivera and seconded by Mr. Valenti. Leave was granted. Project nos. 1 through 4 were approved with 10 ayes, 0 nays, and 0 abstentions.

No. 5: H-SL-RE-TE-CD-6200 – Friendship Village of Mill Creek Illinois, LLC

Request for final approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$5,500,000 to fund pre-construction financing costs comprised primarily of the design, development, and marketing costs of the project. This project is expected to create 4 new jobs and 10 construction jobs. (06-12-05).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 5. Funding Manager Pamela Lenane introduced Bob Alston, CEO and President of Tallgrass at Mill Creek and Joe Xanthopoulos, Vice-President Tallgrass at Mill Creek. Bob Alston thanked the Board and IFA for consideration of the project. Chairman Gustman asked if the Board had any questions with respect to Project no. 5. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 5. Leave was granted. Project no. 5 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 6: H-HO-TE-CD-664 – Jackson Park Hospital Foundation

Project withdrawn from the Board agenda.

No. 7: N-NP-TE-CD-6253 – Northern Illinois Conference of the United Methodist Church

Request for preliminary approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$3,400,000 to i) construct a community facility, ii) purchase furniture fixtures and equipment, iii) construct a parking area and iv) fund legal and professional issuance costs. This project is expected to create 55 new jobs and 100 construction jobs over 8 months. (06-12-07).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 7. Funding Manager Townsend Albright introduced Lonnie Chafin, Treasurer of the Northern Illinois Conference of the United Methodist Church. Mr. Chafin thanked the Board and IFA for consideration of the project. Chairman Gustman asked if the Board had any questions with respect to Project no. 7. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 7. Leave was granted. Project no. 7 was approved with 10 ayes, 0 nays, and 0 abstentions.

- No. 8:** **N-NP-TE-CD-6237 – Occupational Development Center, Inc.**
Request for final approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$3,400,000 for the purchase and renovation of a 76,000 square foot facility and to pay costs of issuance. This project is expected to create 11 new jobs and 10 construction jobs. (06-12-08).
- No. 9:** **N-NP-TE-CD-6236 – Bridgeway, Inc.**
Request for final approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$2,100,000 to i) refinance two group homes located in Pekin, Illinois, ii) purchase and renovate two training facilities located in Oquawka and Pekin, Illinois and iii) construct a new facility in Macomb, Illinois. (06-12-09).
- No. 10:** **N-NP-TE-CD-6180 – Victor C. Neumann Association**
Request for final approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$7,000,000 to i) refinance existing debt, ii) renovate existing facilities and iii) pay certain costs of issuance. This project is expected to create 88 new jobs and 20 construction jobs. (06-12-10).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project nos. 8 through 10. Funding Manager Steve Trout introduced Fred Cornwall of the Illinois Association of Rehabilitation Facilities for Project no. 8. Mr. Cornwall thanked the Board and IFA for consideration of the project. Chairman Gustman asked if the Board had any questions with respect to Project nos. 8 through 10. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 8 through 10. Leave was granted. Project nos. 8 through 10 were approved with 10 ayes, 0 nays, and 0 abstentions.

- No. 11:** **E-NP-TE-CD-6214 – St. Ignatius College Prep**
Request for final approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$16,000,000 to finance land and building acquisition to expand athletic facilities and for various building and facility renovations at St. Ignatius's existing campus. This project is expected to create 1-2 new jobs and 20 construction jobs over 6 months. (06-12-11).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 11. Funding Manager Rich Frampton introduced Greg Gleason, Vice-President of Finance for St. Ignatius. Mr. Gleason thanked the Board and the IFA for consideration of the project.

Chairman Gustman asked if the Board had any questions with respect to Project no. 11. There being none, Chairman Gustman requested a motion for a roll call vote. Motion moved by Mr. Nesbitt and seconded by Mr. Valenti. Chairman Gustman asked Secretary Burgess Jones to take a roll call vote. Chairman Gustman abstained from voting on this project because his law firm has represented the letter of credit participant, The Northern Trust Company, in unrelated transactions. Project no. 11 was approved with 9 ayes, 0 nays, and 1 abstention (Gustman).

No. 12: **L-GP-6242 – Adams County Water District**
Request for final approval of a Local Government Interim Loan in an amount not-to-exceed \$185,000 to finance the purchase of land on which a new Regional Sanitary Sewer System will be constructed. (06-12-12).

No. 13: **L-GP-6244 – City of Eldorado**
Request for final approval of a Local Government Direct Loan in an amount not-to-exceed \$165,000 to finance the purchase of a new fire truck. (06-12-13).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 12-13. There being none, Chairman Gustman requested a motion for a roll call vote. Motion moved by Mr. Fuentes and seconded by Mr. Zeller. Chairman Gustman asked Secretary Burgess Jones to take a roll call vote. Project nos. 12-13 were approved with 10 ayes, 0 nays, and 0 abstentions.

No. 14: **B-LL-TX-6256 – Lostant Enterprises LLC, Dr. Eric Anderson & Dr. Rhonda J. Marty-Anderson**
Request for approval of the issuance of a participation loan in an amount not-to-exceed \$276,000 to finance the construction of a new 4,900 square foot professional building located in Lostant, Illinois. The project is expected to create 1 new job and 15 construction jobs. (06-12-14).

No. 15: **B-LL-TX-6257 – GFY Management Inc.**
Request for approval of the issuance of a participation loan in an amount not-to-exceed \$247,000 to finance the acquisition of an industrial building located in Peoria, Illinois and the acquisition of manufacturing equipment. The project is expected to create 1 new job. (06-12-15).

No. 16: **Power Holdings of Illinois, LLC**
P-SW-TE-CD-6261 – Environmental Improvement Facilities Bond
I-ID-TX-MO-6262 – Clean Coal and Energy Moral Obligation Bond
Request for preliminary approval of the issuance of Environmental Improvement Facilities Revenue Bonds in an amount not-to-exceed \$150,000,000 and the issuance of Clean Coal and Energy Moral Obligation Bonds in an amount not-to-exceed \$300,000,000 to i) purchase and construct a coal gasification facility, ii) purchase machinery and equipment and iii) fund legal and professional costs. The project is expected to create 251 new jobs over 1 year and 1,000 construction jobs over 36 months. (06-12-16).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project nos. 14-16. Funding Manager Steve Trout introduced Steve Shaw and Michael Levine of Power Holdings, Inc. for Project no. 16. Mr. Levine thanked the Board and the IFA for consideration of the project. The Board asked several questions about the gasification process.

Chairman Gustman asked if the Board had any questions with respect to Project nos. 14 through 16. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 14 through 16. Leave was granted. Project nos. 14 through 16 were approved with 10 ayes, 0 nays, and 0 abstentions.

No. 17: B-LL-TX-6252 – The Entrepreneurial Mutual Insurance Company
Request for an equity investment in an amount not-to-exceed \$500,000 to be used to capitalize a surplus to establish a new independent insurance company established to provide health insurance coverage to small businesses at a reduced and more predictable cost than is currently available from other insurance options. The project is expected to create 10 new years over 2 years. (06-12-17).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 17. Funding Manager Steve Trout introduced Jerry Roper, Executive Director of the Chicagoland Chamber of Commerce and Claire Gregoire, Interim President of The Entrepreneurial Mutual Insurance Company. Mr. Roper thanked the Board and IFA for consideration of the project. Ms. Gregoire noted that the insurance program was initiated because small businesses that provide insurance have an economic burden that prevents the businesses from providing economic resources to other areas of business like job retention and training. The insurance program will increase economic development for small businesses. Chairman Gustman asked if the Board had any questions with respect to Project no. 17. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 17. Leave was granted. Project no. 17 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 18: I-ID-TE-CD-6255 – American Ad Bag Company and/or Garmich, LLC
Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$7,000,000 to finance i) the construction and equipping of a new manufacturing facility, ii) the renovation and rehabilitation of an existing manufacturing facility, iii) the purchase of additional equipment and iv) legal and professional issuance costs. This project is expected to create 18 new jobs and 30 construction jobs over a 6-month period. The project will require \$7,000,000 of IFA Volume Cap. (06-12-18).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 18. Chairman Gustman asked if the Board had any questions with respect to Project no. 18. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 18. Leave was granted. Project no. 18 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 19: E-PC-TE-CD-6245 – University Educational Student Housing Corporation (Dwight Building Project)

Request for preliminary approval of the issuance of Conduit 501(c)(3) Student Housing Bonds in an amount not-to-exceed \$95,000,000 to finance i) the acquisition and demolition of certain existing structures and ii) the renovation of existing buildings that will assist with the development of a new student housing facility. This project is expected to create 18 new jobs and 150 construction jobs over an 18-month period. (06-12-19).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 19. Funding Manager Rich Frampton introduced Benjamin Noble and Robert Buono of Smithfield Properties. Mr. Buono thanked the Board and IFA staff for consideration of the project. Chairman Gustman asked if the Board had any questions with respect to Project no. 19. There being none, Chairman Gustman requested a motion for a roll call vote. Motion moved by Mr. Valenti and seconded by Mr. Nesbitt. Chairman Gustman asked Secretary Burgess Jones to take a roll call vote. Chairman Gustman abstained from voting on this project because his law firm represents Citigroup (underwriter on the transaction) on an unrelated matter. Project no. 19 was approved with 9 ayes, 0 nays, and 1 abstention (Gustman).

No. 20: E-NP-TE-CD-6258 – The Newman Foundation at the University of Illinois (Champaign-Urbana)

Request for final approval of the issuance of Conduit 501(c)(3) Revenue Bonds in an amount not-to-exceed \$45,000,000 to finance the construction and equipping of a student housing facility, deposit moneys in the Debt Service Reserve Fund to secure bonds, and pay certain costs of issuance of bonds. This project is expected to create 15 new jobs and 100 construction jobs. (06-12-20).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 20. There being none, Chairman Gustman asked if the Board had any questions with respect to Project no. 20. There being none, Chairman Gustman requested a motion for a roll call vote. Motion moved by Dr. Herrin and seconded by Mr. Zeller. Chairman Gustman asked Secretary Burgess Jones to take a roll call vote. Project no. 20 was approved with 10 ayes, 0 nays, and 0 abstentions.

Resolutions/Project Revisions/Amendatory Resolutions

No. 21: Wire Mesh Corporation (#B-LL-TX-6134)

Request to extend the IFA's commitment on its participation loan to Wire Mesh Corporation from December 13, 2006 to June 13, 2007. (06-12-21).

No. 22: Loyola University Health System

Request to amend and restate a resolution to provide for a bank letter of credit for a series of bonds. (06-12-22).

Resolutions/Project Revisions/Amendatory Resolutions (continued)

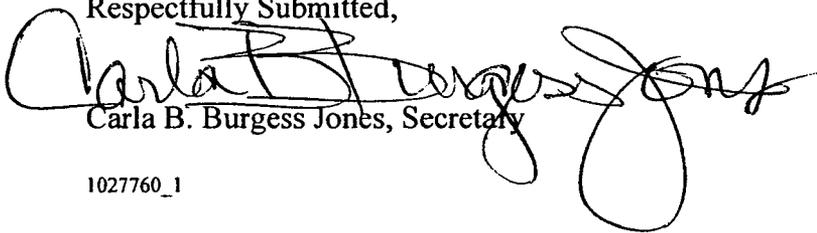
- No. 23: **Loyola University's Illinois Educational Facilities Authorities Commercial Paper Revenue Notes**
Request to amend provisions of certain bond documents related to the delivery of certain financial information. (06-12-23).
- No. 24: **West Central Illinois Educational Telecommunications Corporation Project**
Request to amend certain provisions of the trust indenture relating to the project to revise the qualification requirements for a successor remarketing agent. (06-12-24).

Chairman Gustman asked if the Board had any questions with respect to Resolutions and/or Amendatory Resolutions Nos. 21 through 24. There being none. Chairman Gustman requested leave to apply the last unanimous vote in favor of Resolutions and/or Amendatory Resolutions Nos. 21 through 24. Leave was granted. The resolutions were approved with 10 ayes, 0 nays, and 0 abstentions.

Chairman Gustman asked if there was any other business to come before the Board. Interim Executive Director Rendleman stated that the selection of the professionals that responded to the IFA's RFQ for Senior Financial Advisors was complete. Interim Executive Director Rendleman announced that D.A. Davidson and Scott Balice were selected as senior financial advisors to the IFA pursuant to the RFQ process.

There being no further business Chairman Gustman requested a motion to adjourn. Upon a motion by Mr. Fuentes and seconded by Mr. Goetz, the meeting adjourned at approximately 12:40 p.m.

Respectfully Submitted,



Carla B. Burgess Jones, Secretary

1027760_1

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

Project: David H. Borrowman Farms Inc.

STATISTICS

| | | | |
|-----------------|--------------------|------------|--------------------|
| Project Number: | A-LL-TX-6277 | Amount: | \$30,000 |
| Type: | Participation Loan | IFA Staff: | Eric Reed |
| Location: | Pleasant Hill | SIC Code: | 0191-Grain Farming |

BOARD ACTION

Approval to purchase a 50% participation loan from Bank of Jacksonville
\$30,000 of IFA funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.
***Exception to IFA loan policy based on advance rate of 65% on equipment.**

PURPOSE

To provide permanent financing for the purchase and construction of new grain storage.

IFA PROGRAM AND CONTRIBUTION

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

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

VOTING RECORD

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 | \$30,000 | Uses: Grain System | <u>\$70,000</u> |
| | Bank of Jacksonville | \$30,000 | | |
| | Borrower Equity | <u>\$10,000</u> | | |
| | Total | <u>\$70,000</u> | Total | <u>\$70,000</u> |

JOBS

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

BUSINESS SUMMARY

Background: David and Deborah Borrowman own and operate a 3,400 acre grain farm located in near Pleasant Hill. David, who has approximately 25 years of farming experience, has recently rented his farm out to the Dowson Family, located in Auburn. The Dowsons are a very large family farming corporation, who farm approximately 40,000 acres in Illinois and Missouri. David was forced to rent his farm to the Dowsons for the 2005 and 2006 farming seasons for health reasons. Mr. Borrowman's health has improved and until recently, he was ready to farm in the 2007 crop year; however the Dowsons have approached the Borrowmans about renting their farm again in 2007. David has decided to wait another year to resume farming operations. David and Deborah operate their farming operation under a family S-Corporation known as David Borrowman Farms, Inc. (DBF)

Project Rationale: DBF wishes to construct additional grain storage for their farming operation. With the current grain price outlook for 2007, many farmers are adding storage to benefit from higher prices expected next year. While the borrower could likely obtain financing without IFA participation, staff views the project as a service to a community bank, who has become a good client of IFA, to allow the bank to remain competitive in the market place.

Transaction: The Bank of Jacksonville will originate a 5 year fully amortized term loan for \$60,000, of which IFA will participate for \$30,000. The loan will be secured by the equipment purchased.

FINANCING SUMMARY

Borrower: David H. Borrowman Farms, Inc.

Collateral: 1st lien on Equipment purchased, crops, and personal guarantees from David and Deborah Borrowman. Collateral position will be "parri passu" with Bank of Jacksonville. *Based on IFA loan policy, the advance rate on equipment is 65%, leaving a shortfall of collateral of \$14,500. An exception to loan policy is noted as part of the board action for approval.*

Structure: 5 year term. 5 year amortization with annual P & I.

PROJECT SUMMARY

The borrower is purchasing 2 new grain bins \$70,000. The loan will be secured by a first lien on equipment, crops, and personal guarantees. The borrowers will pay \$10,000 toward the purchase.

ECONOMIC DISCLOSURE STATEMENT

Applicant: David H. Borrowman Farms, Inc.

Location: RR1 Box 15 County: Pike
Pleasant Hill, IL 62366

Organization: S-Corporation

State: Illinois

Ownership: David H. and Deborah A. Borrowman (60% and 40%, respectively)

PROFESSIONAL & FINANCIAL

Accountant: N/A
Attorney: N/A
Bank: Bank of Jacksonville Mike Halsne, Community President

LEGISLATIVE DISTRICTS

Congressional: Lane Evans-17th State Senate: Deanna Demuzio-49th Jim Watson-97th

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

Project: Gregory L. Husser and Cynthia Eileen Meyers

STATISTICS

| | | | |
|-----------------|---------------------------------|------------|---------------|
| Project Number: | A-SG-TX-GT-6281 | Amount: | \$292,000 |
| Type: | Specialized Livestock Guarantee | IFA Staff: | Cory Mitchell |
| Location: | Sublette | SIC Code: | Dairy Farming |

BOARD ACTION

Approval to initiate an 85% loan guarantee in favor of Community State Bank of Rock Falls in Fulton, IL. \$248,200 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 additional debt or lease obligations without prior Lender/IFA approval
Receipt of satisfactory appraisals to verify LTV of 80% or less
Receipt of necessary dairy operating permits
Assignment of Life Insurance Policy on Greg Husser equal to amount of loan
Joint payee on milk payment checks from milk purchaser

PURPOSE

The proposed loan fees will be used to purchase 110 milk cows with offspring, machinery, equipment and down payment for contract sale due to seller on real estate and buildings.

IFA PROGRAM AND CONTRIBUTION

The Authority's Specialized Livestock Guarantee Program guarantees up to 85% of a bank's loans to Illinois farmers and agribusiness owners. The Specialized Livestock Guarantee Program is available to assist farmers within livestock operations to expand or start new operations. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are backed by an IFA reserve funded for this program and are also full faith and credit obligations of the State of Illinois.

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

VOTING RECORD

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

SOURCES AND USES OF FUNDS

| | | | |
|------------------------|-------------------------|-----------------------|-------------------------|
| Sources: | | Uses: | |
| IFA Guaranteed Loan | \$248,200 | Purchase Livestock | \$187,000 |
| Unguaranteed Bank Loan | <u>\$43,800</u> | Contract Down Payment | \$65,000 |
| | | Purchase Equipment | <u>\$40,000</u> |
| Total | <u>\$292,000</u> | Total | <u>\$292,000</u> |

JOBS

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

BUSINESS SUMMARY

Background: Greg Husser and Cynthia Meyers jointly manage a dairy operation. They are currently milking a 40 cow herd at the proposed financed facility. Greg has a strong background in dairy and has done an excellent job in the past milking well over 125 head as a herdsman with a 40 cow ownership. The borrowers are purchasing the farm ground, facilities on a bond contract and the cattle, machinery and equipment from a neighbor who has decided to retire from the dairy business due to health reasons, but will stay on with the borrowers as a part-time employee. The facilities were constructed in 1996 and have been very well maintained. In addition to milking the cows, the borrowers have been, and will continue, raising heifers under contract (back grounding), creating additional income.

Project Rationale: By utilizing the Specialized Livestock Guarantee, the borrowers will be able to purchase the existing cows and equipment to supply milk to a local buyer. Greg has numerous years of experience raising and milking dairy cows. The credit enhancement provided by IFA in the form of a guarantee will allow the lender to approve financing for the borrower.

Transaction: Greg Husser and Cynthia Meyers will purchase 110 head of milk cows with off spring (\$187,000), equipment and machinery (\$40,000) and a contract down payment due to the seller in the amount of \$65,000. (Total of \$292,000) for real estate and buildings. Community State Bank of Rock Falls is seeking a Specialized Livestock Guarantee as a credit enhancement to make this loan to their borrower. The loan will be paid back with monthly P+I, after the first 6 months. The first six months will be interest only.

FINANCING SUMMARY

Borrower: Gregory L. Husser and Cynthia Eileen Meyers dba Husser Dairy

Structure: 10 year term. Monthly P&I. (first 6 months interest only)

PROJECT SUMMARY

The proceeds from the proposed loan will be used to purchase 110 dairy cows with offspring, machinery, equipment and down payment on the contract purchase for real estate and buildings. The balance of the financing for real estate is being funded by a contract for deed with the seller that is structured as a Beginning Farmer Bond contract that is also being presented to the Board at this meeting. That real estate is not collateral for this loan.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Gregory L. Husser and Cynthia Eileen Meyers dba Husser Dairy

Location: 582 US Highway 52
Sublette, IL 61367-9571 Lee County

Organization: Sole Proprietorship

State: Illinois

Ownership: Gregory L. Husser and Cynthia Eileen Meyers dba Husser Dairy

PROFESSIONAL & FINANCIAL

Accountant: Illinois Valley FBFM Association, Suzannah Hettel

Attorney: n/a

Bank: Community State Bank of Rock Falls, Fulton Facility, Don Beswick V.P.

LEGISLATIVE DISTRICTS

Congressional:
14th J. Dennis Hastert

State House:
90th Jerry L. Mitchell

State Senate:
45th Todd Sieben

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

Project: Renewable Energy Group

STATISTICS

| | | |
|-------------------------------------|------------------------|---------------------------|
| Project Number: EZ-I-EZ-TE-CD-6219 | Empowerment Zone Bonds | \$30,000,000 |
| TX-I-TRB-TX-CD-6220 | Taxable Revenue Bonds | \$20,000,000 |
| Location: Cairo | IFA Staff: | Steve Trout/ Rick Pigg |
| SIC Code: 311222 Soybean Processing | | |

BOARD ACTION

Preliminary Bond Resolution to Issue: Conduit Taxable Revenue Bonds
Conduit Federal Empowerment Zone Revenue Bonds

No IFA funds at risk
No extraordinary conditions
Staff recommends approval

PURPOSE

To finance the construction of a 60 million-gallon capacity biodiesel plant adjacent Bunge North America's soybean oil processing plant located at 304 34th Street in Cairo.

IFA CONTRIBUTION & PROGRAM

Congress created Federal Empowerment Zone Revenue Bonds to encourage private investment in capital projects that will create jobs for people living in designated Federal Empowerment Zones. IFA's issuance of Federal Empowerment Zone Revenue Bonds conveys federal income tax exemption on interest earned on the Bonds, which will reduce the borrower's interest expense. Pulaski County is evaluating the Renewable Energy Group's ("REG") request to contribute \$30,000,000 of its allocation for Federal Empowerment Zone Revenue Bonds to facilitate IFA's issuance of Empowerment Zone Bonds to finance a portion of the Project.

REG has asked IFA to issue an Agri-Industry Guarantee for up to \$20,000,000 of conventional debt financing. That request is not being presented at this time. Pending completion of additional due diligence, staff may recommend Board approval of that request at a future Board meeting to further encourage the Project to be located in Illinois. The Authority's issuance of a guarantee will reduce the Borrower's interest rate and improve the terms of financing for this project. Under the Agri-Industry Guarantee program, the Authority guarantees up to 85% of a bank's loans to Illinois farmers and agribusiness owners. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are backed by an IFA reserve funded for this program and are also full faith and credit obligations of the State of Illinois.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

| | | | | | |
|--------------|--------------------|----------------------------|--------------|----------------|----------------------------|
| Sources: | IF EZ Bonds: | \$30,000,000 | Uses: | Project Costs: | <u>\$77,000,000</u> |
| | IFA Taxable Bonds: | 20,000,000 | | | |
| | Investor Equity: | \$22,000,000 | | | |
| | DCEO Grant: | <u>\$5,000,000</u> | | | |
| Total | | <u>\$77,000,000</u> | Total | | <u>\$77,000,000</u> |

JOBS

| | | | |
|---------------------|---|---------------------|-----|
| Current employment: | 0 | Projected new jobs: | 35 |
| Jobs retained: | 0 | Construction jobs: | 567 |

BUSINESS SUMMARY

Description: REG was formed with the combination of West Central Cooperative's biodiesel business and REG LLC's biodiesel plant construction business. REG has produced and sold biodiesel for more than ten years through its predecessor companies. The Group is the nation's leading distributor of B100 (100% biodiesel) and is the only full-service biodiesel company offering plant management, risk management, raw material procurement, plant construction, biodiesel production and biodiesel sales and marketing services. REG serves hundreds of customers including on-highway fleets, original equipment manufacturers, maritime, military, home heating and agriculture industries.

REG's services include:

Pre-Construction: Site evaluation

Construction: contracts to build plants to produce B100 biodiesel which meets ASTM 6751 quality standard, with annual biodiesel production rates between 30 to 100 million gallons, using commercial scale continuous flow technology, and offering process design and engineering services.

Administrative Services: including accounting and credit services, insurance, payroll, IT and documentation services

Risk Management: including commodity price risk management and acquisition instruments

Feedstock and Chemical Procurement

Transportation Services

Research

Sales and Marketing

REG currently has three biodiesel plants in operation:

REG, INC, Ralston, Iowa: 12 million gallon plant using soybean oil as a feedstock

SoyMor, Glenville, Minnesota: 30 million gallon plant using soybean oil as a feedstock

Western Iowa Energy, Wall Lake, Iowa: 30 million gallon plant using soybean oil and animal fats as a feedstock

All of REG's planned facilities will utilize patented continuous-flow biodiesel production technology featuring water recycling and methanol recovery and will be BQ-9000 accredited.

REG currently manages two third-party facilities in the US and has agreements to construct several more over the next few years. REG will also construct 4 additional biodiesel plants that it will own and operate. As part of new partnership with Bunge, REG will co-locate some of those facilities with Bunge oil seed processing facilities. This arrangement will allow REG to obtain most of the soy oil needed for operations from the Bunge plant.

Overview: Biodiesel is renewable fuel derived from vegetable oil or animal fat. The principal feedstock in the US is soybean oil, with several plant built recently to utilize animal fat and/or waste oil as a primary or supplemental feedstock. Biodiesel in the US is typical produced from a chemical reaction of soybean oil and methanol and is commonly mixed with diesel fuel in blend 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.

Government
 Support:

Biodiesel and ethanol projects are supported by several federal and state programs. Key programs at the federal level include:

| Incentive | Government Entity |
|--|--|
| Tax Increment Financing | City of Cairo, Illinois |
| Economic Development Program, Truck Access Program | Illinois Department of Transportation |
| Agri-Business Loan Program | Illinois Department of Agriculture |
| EDGE Tax Credit | Illinois Department of Commerce and Economic Opportunity |
| Prime Sites Grant | Illinois Department of Commerce and Economic Opportunity |
| Renewable Energy Development Grant | Illinois Department of Commerce and Economic Opportunity |
| Employment Training Investment Program | Illinois Department of Commerce and Economic Opportunity |

The Energy Policy Act of 1992 (EPA Act 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 \$4,000,000 for this project, very soon.

Strategic Supply
 Partners:

Bunge North America - As a strategic investor, Bunge North America is providing capital, site locations, raw material supply, risk management and logistics expertise that are all critical capabilities and skills necessary for the rapid growth and expansion of REG Bunge North America (the North American operating arm of Bunge Limited (NYSE: BG), is a vertically integrated food and feed ingredient company, supplying raw and processed agricultural commodities and

specialized food ingredients to a wide range of customers in the livestock, poultry, food processor, foodservice and bakery industries. With headquarters in St. Louis, Missouri, Bunge North America and its subsidiaries operate grain elevators, oilseed processing plants, edible oil refineries and packaging facilities, and corn dry mills in the U.S., Canada and Mexico.

E D & F Man Holdings Ltd. - As a strategic investor E D & F Man Holdings Ltd. is providing capital, raw material supply agreements, bulk liquid storage, possible future site locations, risk management and logistics expertise that are all critical capabilities and skills necessary for the rapid growth and expansion of REG. E D & F Man Holdings Ltd. is an employee owned international trading company established in 1783 with 4,850 employees in 70 countries. A world leader in the trading of sugar, molasses, palm oil, coffee, cocoa and ethanol, E D & F Man Holdings Ltd. handles over six million tons of liquid products annually. Its North American subsidiary Westway Holdings Corporation consists of three operating divisions. Westway Terminal Company Inc. possesses 13 strategically located bulk liquid storage terminals throughout North America; these terminals have large tank farms that can provide feedstock and biodiesel storage and several could be used as biodiesel plant sites in the future. Westway Trading Corporation trades palm oil and fats and is the primary molasses supplier to the U.S. animal feed and fermentation industries. Westway Feed Products Inc. is the largest U.S. liquid feed manufacturer with 33 sites throughout North America. With its significant infrastructure and liquid handling capabilities, Westway is an ideal partner to the leaders in the biodiesel industry.

Business Partners

and Investors:

Todd & Sargent, Inc. - Todd & Sargent serves as REG construction partner designing, engineering and constructing commercial-scale, state-of-the-art biodiesel facilities. This construction partnership enables REG to begin two to three plants a quarter for REG or its customers. Established in 1958, Todd & Sargent, Inc. specializes in biodiesel facilities, feed mills, grain storage facilities, flour mills, pet food plants, and grain processing facilities. They offer "single source responsibility" from concept through completion and serve REG with construction capabilities, professional designers, engineers and field staff. Todd & Sargent, Inc. is headquartered in Ames, Iowa where they take pride in being responsible for keeping clients on the leading edge of technology.

Natural Gas Partners - Founded in 1988, Natural Gas Partners is a \$2.9 billion family of funds that invest private equity capital in oil and gas production, midstream and oilfield service companies. The firm also manages \$350 million in two co-investment funds that invest in direct oil and gas property interests alongside NGP portfolio companies. NGP Energy Technology Partners and Natural Gas Partners are affiliates of NGP Energy Capital Management, a \$3.6 billion firm based in Irving, Texas that invests in all sectors of the energy industry.

NGP Energy Technology Partners - NGP Energy Technology Partners, located in Washington, D.C., is a \$148 million private equity fund that invests growth equity in companies providing technology-related products and services to the oil and gas, power and alternative energy sectors. The principals of NGP ETP have an extensive track record of partnering with the management of energy technology companies to create significant value. NGP Energy Technology Partners is an affiliate of NGP Energy Capital Management.

Crown Iron Works - Crown Iron Works Company (Crown) and REG are joint owners of trade secrets for efficient continuous flow technology. The jointly owned technology is used in biodiesel plants that are designed for continuous operation for maximum efficiency and safety. The process is a two-stage transesterification reaction followed by ester washing, drying and alcohol recovery. Excess alcohol is recovered from all product streams to virtually eliminate discharge to the air and water, and allow water reuse in the process. This same process will be used in REG plants under construction and to be built.

Crown Iron Works: provides complete design and supply services for oilseed, vegetable oil and oleo chemical processing worldwide. Crown specializes in preparation, solvent extraction, oil and

fat refining, methyl ester (biodiesel) and glycerin refining technologies. Crown's engineered approach to reliable system design ensures its systems operate reliably at or above their required capacity with low steam/utility usage and high finish product quality. Headquartered in the United States with offices in England, Brazil, Honduras, India, Mexico, Russia and China, Crown can easily service their worldwide customer base.

Economic Benefits:

The proposed REG project in Illinois is expected to result in significant benefits. To begin with, the REG site will be co-located next to a Bunge oilseed crushing facility. By utilizing the soy oil produced from the crushing facility, REG may contribute towards the long-term retention of the estimated 60 employees at the location.

In addition, a significant fiscal impact is expected to result from the project. The potential impact is illustrated in the following table:

| Factor | Projected Impact |
|--|---------------------------|
| Estimated project investment | \$77,000,000 |
| New full-time employees | 30-35 |
| Estimated payroll resulting from new employees | \$1,440,000 - \$1,680,000 |
| New personal income tax with holdings related to new employees (10-year) | \$432,000 - \$504,000 |
| Estimated property tax for Cairo, Illinois (10-year) | \$6,000,000 |

FINANCING SUMMARY

Obligor: Renewable Energy Group
 Collateral: First Mortgage in real estate financed and first lien in all machinery, equipment and other business assets.
 Repayment: Gross revenue pledge of the Project and general obligation pledge of REG
 Lender: To be determined
 Financing: Up to \$30 million of Federal Empowerment Zone Bonds, and approximately of \$20 million in taxable revenue bonds or conventional bank financing.
 Maturity & Amortization: Expected to amortize over approximately 15 years

PROJECT SUMMARY

Bond proceeds will be used to finance the construction and equipping of a biodiesel plant with a 60,000,000 million gallon annual production capacity near the existing Bunge North America oil processing plant. Project costs are estimated as follows:

| | |
|------------------------|-------------------|
| Construction: | \$24,750,000 |
| Project Infrastructure | 3,500,000 |
| Machinery & Equipment | <u>48,750,000</u> |
| Total | \$77,000,000 |

ECONOMIC DISCLOSURE STATEMENT

Applicant: Renewable Energy Group, 426 First Avenue, Ralston, Iowa, contact: Nile Ramsbottom, President
 Project Location: 304 34th Street, Cairo, Illinois 62914
 Land Owners: The site is expected to be leased from Bunge North America.
 Bunge North America is wholly owned by Bunge Limited, which is a public Delaware corporation that is listed on the New York Stock Exchange.

PROFESSIONAL & FINANCIAL

| | | | |
|------------------------|-------------------------|-------------|----------------|
| Borrower's Counsel: | TBD | | |
| Underwriter: | Oppenheimer & Co. | Chicago, IL | Ralph McGinley |
| IFA Financial Advisor: | D. A. Davison | Chicago, IL | Bill Morris |
| Lender: | To be determined | | |
| Lender's Counsel: | To be determined | | |
| Issuer's Counsel: | Mayer Brown, Rowe & Maw | Chicago, IL | David Narefsky |
| Plant Manager | | | |
| General Contractor: | Todd & Sargent | Ames, IA | TBA |

LEGISLATIVE DISTRICTS

| | |
|----------------|----------------------------------|
| Congressional: | 12 th Jerry Costello |
| State Senate: | 59 th Gary Forby |
| State House: | 118 th Brandon Phelps |

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Eric Reed & Cory Mitchell/lk
Date: January 9, 2007
Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolutions for each attached project
- **Amounts:** Up to \$250,000 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **IFA Benefits:**
 - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
 - **New Money Bonds:**
 - convey tax-exempt status
 - will use dedicated 2007 IFA Volume Cap set-aside for Beginning Farmer transactions
- **IFA Fees:**
 - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
 - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's Bank
 - The Borrower's Bank will be secured by the Borrower's assets, as on a commercial loan
 - Interest rates, terms, and collateral are negotiated between the Borrower and the Participating Bank, just as with any commercial loan
 - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd**
Stephen F. Welcome, Esq.
Three First National Plaza, Suite 4300
Chicago, IL 60602

Project Number: A-FB-TE-CD-6266
Funding Manager: Eric Reed
Borrower(s): Reed, Richard and Janet
Town: Morrisonville, IL
Amount: \$200,000
Use of Funds: Farmland – 70 acres
Purchase Price: \$287,000 / (\$4,100 per ac)
%Borrower Equity: 30.3%
%Other Agency: 0%
%IFA: 69.7%
County: Christian
Lender/Bond Purchaser: First National Bank in Taylorville, Chris Phelps
Legislative Districts: Congressional: 19th, John Shimkus
State Senate: 49th, Deanna Demuzio
State House: 98th, Gary Hannig

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

*** Richard and Janet Reed :** Note shall bear simple interest at the expressed rate. The expressed rate shall be 6.25% fixed for the first 5 years and adjust every five years thereafter to 75% of the prime per The Wall Street Journal Rate as stated in the Wall Street Journal as of the adjustment date. The Lender will charge .50% points. **Fee: \$3,000**

Project Number: A-FB-TE-CD-6267
Funding Manager: Eric Reed
Borrower(s): Daniel and Natalie Stine
Town: Farina, IL
Amount: \$215,000
Use of Funds: Farmland – 180 acres
Purchase Price: \$410,000 / (\$2,278 per ac)
%Borrower Equity: 2%
%FSA Agency: 47.6%
%IFA: 52.4%
County: Fayette
Lender/Bond Purchaser: Fayette County Bank, Daniel Childress
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 Thirty year amortization schedule, with the first principal payment date to be on January 1, 2008 in the amount of \$2,866.34. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be on January 1, 2008 in the amount of \$12,900.00 with the thirtieth and final payment of all outstanding balances due on January 1, 2036.

*** Daniel and Natalie Stine :** Note shall bear simple interest at the expressed rate. The expressed rate shall be 6.0% fixed for the first 5 years, January 1, 2012 and adjust every five years thereafter to 2.00% below prime per The Wall Street Journal. The Lender will charge .0175% points. **Fee: \$3,225**

*** 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-6268
Funding Manager: Cory Mitchell
Borrower(s): Helen D. Jones
Town: Biggsville, IL
Amount: \$162,000
Use of Funds: Farmland – 151.45 acres
Purchase Price: \$288,150 / (\$1,901 per ac)
%Borrower Equity: 44%
%Other Agency: 0%
%IFA: 56%
County: Henderson
Lender/Bond Purchaser: Midwest bank of Western IL, Matt Gillen
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 date of closing. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be one year from the date of closing, with the twenty fifth and final payment of all interest then outstanding due twenty five years from the date of closing.

***Helen D. Jones:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 6.0% for the first five years of the loan. Then it shall adjust every five years on the anniversary date of the loan to 1.50% above the Treasury Floor of 4.00%. **Fee: \$2,430**

Project Number: A-FB-TE-CD-6269
Funding Manager: Eric Reed
Borrower(s): Michael Timmermann
Town: Breese, IL
Amount: \$250,000
Use of Funds: Farmland – 80 acres (½ of 160 acres)
Purchase Price: \$368,190 / (\$2,301 per ac)
%Borrower Equity: 32.1%
%Other Agency: 0%
%IFA: 67.9%
County: Bond
Lender/Bond Purchaser: Germantown Trust & Savings Bank, Floyd Trame
Legislative Districts: Congressional: 19th, John Shimkus
State Senate: 54th, John O 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 on December 31, 2007. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be on December 31, 2007 with the twentieth and final payment of all outstanding balances due on December 31, 2026.

***Michael Timmermann:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.75% fixed for the first 3 years and adjust every three years thereafter to 2.50% below the Germantown Trust & Savings Bank prime rate with a floor of 5%. **Fee: \$3,750**

Project Number: A-FB-TE-CD-6270
Funding Manager: Eric Reed
Borrower(s): Matthew Timmermann
Town: Breese, IL
Amount: \$250,000
Use of Funds: Farmland – 80 acres (½ of 160 acres)
Purchase Price: \$368,190 / (\$2,301 per ac)
%Borrower Equity: 32.1%
%Other Agency: 0%
%IFA: 67.9%
County: Bond
Lender/Bond Purchaser: Germantown Trust & Savings Bank, Floyd Trame
Legislative Districts: Congressional: 19th, John Shimkus
State Senate: 54th, John O 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 on December 31, 2007. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be on December 31, 2007 with the twentieth and final payment of all outstanding balances due on December 31, 2026.

***Matthew Timmermann:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.75% fixed for the first 3 years and adjust every three years thereafter to 2.50% below the Germantown Trust & Savings Bank prime rate with a floor of 5%. **Fee: \$3,750**

Project Number: A-FB-TE-CD-6272
Funding Manager: Cory Mitchell
Borrower(s): Gregory Husser
Town: Sublette, IL
Amount: \$212,500
Use of Funds: Farmland – 15 acres (½ of 15 acres)
Purchase Price: \$250,000 / (\$2,500 per ac)
%Borrower Equity: 15%
%Other Agency: 0%
%IFA: 85%
County: Lee
Lender/Bond Purchaser: Contract for Deed, Douglas Broers
Legislative Districts: Congressional: 14th, Dennis Hastert
State Senate: 90th, Jerry L. Mitchell
State House: 45th, Todd Sieben

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 month from the date of closing. Accrued interest on the unpaid balance hereof shall be paid monthly, with the first interest payment date to be one month from the date of closing with the twenty fifth and final payment of all outstanding balances of all principal and interest then outstanding due twenty five years from the date of closing.

***Gregory Husser:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 6.0% fixed for the first 10 years and adjust every five years thereafter to 2.0% below the Wall Street Journal prime thereafter not to go below 5.0%. **Fee: \$3,187**

Project Number: A-FB-TE-CD-6273
Funding Manager: Cory Mitchell
Borrower(s): Cynthia Meyers
Town: Sublette, IL
Amount: \$212,500
Use of Funds: Farmland – 15 acres (½ of 15 acres)
Purchase Price: \$250,000 / (\$2,500 per ac)
%Borrower Equity: 15%
%Other Agency: 0%
%IFA: 85%
County: Lee
Lender/Bond Purchaser: Contract for Deed, Douglas Broers
Legislative Districts: Congressional: 14th, Dennis Hastert
State Senate: 90th, Jerry L. Mitchell
State House: 45th, Todd Sieben

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 month from the date of closing. Accrued interest on the unpaid balance hereof shall be paid monthly, with the first interest payment date to be one month from the date of closing with the twenty fifth and final payment of all outstanding balances of all principal and interest then outstanding due twenty five years from the date of closing.

***Cynthia Meyers:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 6.0% fixed for the first 10 years and adjust every five years thereafter to 2.0% below the Wall Street Journal prime thereafter not to go below 5.0%. **Fee: \$3,187**

Project Number: A-FB-TE-CD-6274
Funding Manager: Cory Mitchell
Borrower(s): Joseph and Chandra Paschal
Town: Rock Falls, IL
Amount: \$250,000
Use of Funds: Farmland – 85 acres
Purchase Price: \$272,000 / (\$3,200 per ac)
%Borrower Equity: 8.1%
%Other Agency: 0%
%IFA: 91.9%
County: Whiteside
Lender/Bond Purchaser: Community State Bank, Donald Beswick
Legislative Districts: Congressional: 14th, J. Dennis Hastert
State Senate: 45th, Todd Sieben
State House: 90th, Jerry Mitchell

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 date of closing. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be one year from the date of closing with the twenty fifth and final payment of all outstanding balances of all principal and interest then outstanding due twenty five years from the date of closing.

***Joseph & Chandra Paschal:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 6.25% fixed for the first 5 years and adjust every five years thereafter to 2.0% below the Wall Street Journal prime on 5 year anniversary dates not to go below 5.0%. **Fee: 3,750**

| | |
|-------------------------------|---|
| Project Number: | A-FB-TE-CD-6275 |
| Funding Manager: | Eric Reed |
| Borrower(s): | Austin Meyer |
| Town: | Hillsboro, IL |
| Amount | \$180,000 |
| Use of Funds: | Farmland -118.9 |
| Purchase Price: | \$448,000 / (\$3,796 per ac) |
| % Borrower Equity | 20% |
| % FSA Agency | 40% |
| % IFA | 40% |
| County: | Montgomery |
| Lender/Bond Purchaser | Security National Bank, Jim Miller |
| Legislative Districts: | Congressional: 17 th , Lane Evans |
| | State Senate: 49 th , Deanna Demuzio |
| | State House: 98 th , Gary Hannig |

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

Austin Meyer: Note shall bear simple interest at the expressed rate. The expressed rate shall be 6.60% fixed for the first 5 years and adjust every five years thereafter to 80% of the Prime Rate of United Missouri Bank of St. Louis, MO. **Fee: \$2,700**

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

Project: Near North Health Service Corporation

STATISTICS

| | |
|---------------------------------|--|
| Project Number: N-NP-TE-CD-6198 | Amount: \$5,200,000 (not-to-exceed amount) |
| Type: 501(c)(3) Bonds | IFA Staff: Steve Trout |
| Location: Chicago | |

BOARD ACTION

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

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

Preliminary Resolution adopted on October 10, 2006 by the following vote:

| | | | | |
|---------|----------|-----------|---------------|---------------|
| Ayes -9 | Nays - 0 | Absent -6 | Vacancies - 0 | Abstention- 0 |
|---------|----------|-----------|---------------|---------------|

ESTIMATED SOURCES AND USES OF FUNDS (subject to change)

| | | | | | |
|-----------------|-----------------------|---------------------------|--------------|------------------------|---------------------------|
| Sources: | IFA Bonds | \$5,130,910 | Uses: | Project Costs | \$5,543,624 |
| | Existing Debt Service | | | Legal and Professional | 157,786 |
| | Reserve Contribution | <u>730,500</u> | | Debt Service Reserve | <u>160,000</u> |
| | Total | <u>\$5,861,410</u> | | Total | <u>\$5,861,410</u> |

JOBS

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

BUSINESS SUMMARY

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

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

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

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

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

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

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

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

FINANCING SUMMARY

Bonds: Tax-exempt 501(c)(3) Bonds fully amortizing over 10 years
Obligor: Near North Health Services Corporation
Collateral: General obligation pledge of the Borrower
First Mortgage on North North's Komed Building, 4259 South Berkley, and Winfield Building, 1276 North Clyburn, valued at approximately \$10,000,000
Structure: To be purchased by All Points Public Funding, LLC supported by a direct-pay letter of credit from a commercial bank.
Credit Rating: No rating will be sought, as the purchaser plans to hold Bonds to maturity.
Savings: The financial advisor estimates annual interest savings at \$75,000 over the next 10 years.

PROJECT SUMMARY

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

ECONOMIC DISCLOSURE STATEMENT

Applicant: Near North Health Service Corporation, 1276 North Clybourn Avenue, Chicago, IL 60610-2089
(Contact: Wahabi G. Tijani, Chief Financial Officer, 312/337-7136)

Location: 1276 North Clybourn Avenue, Chicago (Cook County), IL 60610

Organization: Illinois 501(c)(3) organization

Board Membership:

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

PROFESSIONAL & FINANCIAL

| | | | |
|-----------------------------|-----------------------------------|-----------------|--------------------|
| Accountant: | Washington, Pittman & McKeever | Chicago | Dorothy McLemore |
| Financial Advisor: | Griffin Kubik Stephens & Thompson | Chicago | Helena Burke-Bevan |
| Borrower's Counsel: | Miner, Barnhill & Galland | Chicago | Laura Tilly |
| Bond Counsel | Ice Miller | Chicago | Tom Smith |
| Bond Purchaser: | All Points Public Funding, LLC | Melville, NY | Jonathan Lewis |
| Purchaser's Counsel: | Karberg, Kurant & Wachter, LLC | Pepper Pick, OH | Marc Freimuth |
| Issuer's Counsel: | Law Office of Kevin Cahill | Chicago | Kevin Cahill |

LEGISLATIVE DISTRICTS

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

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

Project: North American Spine Society

STATISTICS

| | | | |
|--------------|-----------------|------------|-------------------------------------|
| Deal Number: | N-NP-TE-CD-6143 | Amount: | \$13,000,000 (not-to-exceed amount) |
| Type: | 501(c)(3) Bonds | IFA Staff: | Sharnell Curtis Martin |
| Location: | Burr Ridge | SIC Code: | 8099 |

BOARD ACTION

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

PURPOSE

Bond proceeds will be used to finance acquisition, construction, refinance existing debt and to pay bond issuance costs.

IFA PROGRAM and CONTRIBUTION

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

VOTING RECORD

Preliminary Bond Resolution, August 8, 2006

Ayes: 9 Nays: 0 Abstentions: 1 (Gustman)
Absent: 5 (DeNard, Giannoulis, Herris, Nesbitt, Rivera)

SOURCES AND USES OF FUNDS

| | | | | | |
|----------|---------------|---------------------|-------|---------------------|---------------------|
| Sources: | IFA Bond | \$12,500,000 | Uses: | Project Costs | \$9,850,000 |
| | Equity | <u>1,000,000</u> | | Refinancing | 3,300,000 |
| | Total Sources | <u>\$13,500,000</u> | | Bond Issuance Costs | <u>350,000</u> |
| | | | | Total Uses | <u>\$13,500,000</u> |

The source of equity is from internally generated funds.

JOBS

| | | | |
|---------------------|-----|---------------------|----|
| Current employment: | 40 | Projected new jobs: | 20 |
| Jobs retained: | N/A | Construction jobs: | 60 |

BUSINESS SUMMARY

Background: The North American Spine Society (“NASS”, or the “Applicant”) is an Illinois and was established in November 1995 as a 501(c)(3) corporation. The purpose of NASS is to improve the quality of scientific knowledge and the pursuit of excellence in patient care, clinical practice and related sciences among professionals in the field of spinal disorders.

The organization’s activities includes: the publication of a peer-reviewed research journal and other publication, hosts continuing education programs open to all affiliated with the spinal health community, awards research grants and instruction in hands-on courses for the surgical and non-surgical spinal care procedures.

Description: NASS serves all of North America but primarily focused in the United States. The organization’s membership totals 4,250 and are all spinal specialists. The new facility, the Spine Masters Institute (“SMI” or the ‘Institute”), will allow the organization’s membership to enhance the training in multi-disciplinary methods for treating spine conditions. Approximately 1,500 doctors are expected to use the new lab facilities annually.

The Institute’s goal is to host 5-10 courses per year. Facilities at the Institute will include ten lab stations that will accommodate 4 doctors per training station. Up to 130 participants can be accommodated per training session. The facility will also accommodate the NASS offices, the Institute, a multi-media center and the Spine Care Museum.

FINANCING SUMMARY

Security: Direct Pay Letter of Credit from Harris Bank, N.A.
Structure: 7 –day Variable Rate Demand Bonds
Maturity: 25 Years
Bank Collateral: First mortgage on the subject real estate and first lien on furnishings and equipment financed.
Credit Rating: The credit rating for this transaction will reflect that of the Letter of Credit provider, Harris N.A., AA2.

PROJECT SUMMARY

Bond proceeds will be used to finance the acquisition and construction of facility of a parcel of land located at 7075 Veterans Boulevard in Burr Ridge, Illinois (DuPage County), finance equipment, refinance existing debt and to pay certain bond issuance costs. Project costs are estimated as follows:

| | |
|----------------------------|---------------------------|
| Construction/Renovation | \$7,800,000 |
| Equipment | 1,050,000 |
| Contingency | <u>1,000,000</u> |
| Total Project Costs | <u>\$9,850,000</u> |

ECONOMIC DISCLOSURE STATEMENT

Applicant: North American Spine Society
22 Calendar Court, 2nd Floor
LaGrange, IL 60525
Eric J. Muehlbauer, Executive Director
Project name: Spine Masters Institute
Location: 7075 Veterans Boulevard
Burr Ridge, IL 60527-5614 (DuPage)
Organization: 501(c)(3) Corporation
State: Illinois

Board of Directors: Joel Press, MD

Richard D. Guyer, MD

Tom Faciszewski, MD

| | | | |
|---------------|-------------------------------|-----------------------------|-------------------------|
| | Hallet Mathews, MD | Robert J. Gatchel, PhD | Jean-Jacques Abitol, MD |
| | Ray Baker, MD | Michael Heggeness, MD | Greg Przybylski, MD |
| | J. Kenneth Burkus, MD | Jerome Schofferman, MD | Charles Mick, MD |
| | Stuart Weinstein, MD | Marjorie Eskay-Auerbach, MD | Eric Muehlbauer |
| Land Sellers: | Fair Oaks at County Line, LLC | | |
| | John Stoetzel – 100% | | |

PROFESSIONAL & FINANCIAL

| | | | |
|------------------------|-------------------------------|---------------|-------------------|
| Borrower's Counsel: | Freeborn & Peters | Chicago | Sara Lee Keller |
| Accountant: | Legacy Professionals | Chicago | Greg Wallenbecker |
| Bond Counsel: | Ungaretti & Harris | Chicago | Julie Seymour |
| LOC Bank: | Harris Bank, N.A. | Chicago | Greg Bins |
| Underwriter: | Harris Bank, N.A. | Chicago | Nick Knorr |
| Underwriter's Counsel: | Chapman and Cutler | Chicago | Bill Hunter |
| Issuer's Counsel: | Pugh Jones Johnson and Quandt | Chicago | Kim Barker Lee |
| Trustee: | U. S. Bank, N.A. | Milwaukee, WI | Peter Brennan |

LEGISLATIVE DISTRICTS

| | |
|----------------|------------------------|
| Congressional: | 13 – Judy Biggert |
| State Senate: | 41 – Christine Radogno |
| State House: | 82 – James Durkin |

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

Project: Fenwick High School

STATISTICS

| | | | |
|--------------|-------------------------|------------|-------------------------------------|
| Deal Number: | N-NP-TE-CD-6271 | Amount: | \$15,000,000 (not-to-exceed amount) |
| Type: | 501(c)(3) Revenue Bonds | IFA Staff: | Sharnell Curtis Martin |
| Location: | Oak Park | SIC Code: | 8211 |

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 finance construction and acquisition of equipment and land, capitalized interest and to pay certain bond issuance costs.

IFA PROGRAM and CONTRIBUTION

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

VOTING RECORD

This is a Preliminary Bond Resolution, no previous voting record.

SOURCES AND USES OF FUNDS

| | | | | | |
|---------------|----------|---------------------|------------|----------------------|---------------------|
| Sources: | IFA Bond | <u>\$15,000,000</u> | Uses: | Project Costs | \$14,170,000 |
| | | | | Capitalized Interest | 570,000 |
| | | | | Bond Issuance Costs | <u>260,000</u> |
| Total Sources | | <u>\$15,000,000</u> | Total Uses | | <u>\$15,000,000</u> |

JOBS

| | | | |
|---------------------|-----|---------------------|-----|
| Current employment: | 150 | Projected new jobs: | 1 |
| Jobs retained: | N/A | Construction jobs: | 100 |

BUSINESS SUMMARY

Background: Fenwick High School ("Fenwick" or the "Applicant") is a private, coeducational college preparatory high school serving grades nine through twelve. Fenwick was chartered in 1929 as Fenwick High School for Boys to provide a college preparatory senior high school education in the Dominican Catholic tradition; the school became coeducational in 1992. The Applicant incorporated as a 501(c)(3) in 1946 and is located at 505 Washington Boulevard in Oak Park, Illinois.

Description: The new LINK expansion project is a new 30,100 square foot building which will add nine new air-conditioned class rooms for science labs, an expanded library, girl's locker room, aerobics room and new visitor reception area.

Remarks: Fenwick is accredited by the North Central Association of Colleges and Schools and the Illinois State Board of Education. Fenwick is among 60 high schools honored by the United States Office of Education as the most exemplary in the nation. Recently, Fenwick was named one of the top ten private high schools in Illinois.

In addition to academics, Fenwick offers its 1200 students a strong interscholastic sports program and numerous other extracurricular and social activities available to its students.

FINANCING SUMMARY

Security: The Bonds will be secured by a Direct Pay Letter of Credit by Chase Bank.

Structure: Variable Rate Demand Bonds

Maturity: 30 Years

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

Credit Rating: The credit rating for this transaction will reflect that of the Letter of Credit provider, Chase Bank AA2.

PROJECT SUMMARY

Bond proceeds will be used to finance the construction of an approximately 30,100 square foot facility to be located at 505 Washington Boulevard in Oak Park, IL (Cook County), acquisition of approximately .25 acres of land, acquisition of equipment, capitalized interest and to pay certain bond issuance costs. Project costs are estimated as follows:

| | |
|---------------------|---------------------|
| Construction | \$13,530,000 |
| Contingency | 633,500 |
| Land | <u>6,500</u> |
| Total Project Costs | <u>\$14,170,000</u> |

ECONOMIC DISCLOSURE STATEMENT

Applicant: Fenwick High School
505 Washington Boulevard
Oak Park, IL 60302 (Cook County)
Ms. Janice Reedus, Vice President of Administration and Finance

Project name: Fenwick High School LINK Expansion Project

Location: 505 Washington Boulevard
Oak Park, IL 60302 (Cook County)

Organization: 501(c)(3) Corporation

State: Illinois

| | | | |
|---------------------|-----------------------------|---------------------|---------------------|
| Board of Directors: | Anita Alvarez | David Atchison | Robert J. Bingle |
| | Tracy Brooker | William Cahill | Dr. Daniel Campbell |
| | Joseph Canfora | Loretta Cooney | Robert Cooney |
| | Bernard Dan | Anthony Garippo | Rev. David Hynous |
| | Brian Herbstritt | Jaime Javors | Dennis Jones |
| | Rev. Richard LaPata | David Lies | Roxanne Martino |
| | Rev. Michael Mascari | Rev. John Meany | Emmett McEnery |
| | Walter Morrissey | William Napleton | Dr. Kenneth Nelson |
| | Rev. John O'Malley | Rev. Kevin O'Rourke | Sally Porter |
| | James Pruyn | Dr. James Quaid | Michael Rice |
| | Timothy Rooney | Jody Krug Schulte | Cynthia Stark |
| | Rev. Monsignor Kenneth Velo | Daniel Watts | Lawrence Wert |
| | Rev. Michael Winkels | Charles Wolande | David Yeager |
| Land Sellers: | Village of Oak Park | | |

PROFESSIONAL & FINANCIAL

| | | | |
|------------------------|---------------------------|-----------|------------------|
| Borrower's Counsel: | Gardener Carton & Douglas | Chicago | John Cusack |
| Accountant: | Clifton Gunderson LLP | Oak Brook | James Thomas |
| Bond Counsel: | Ungaretti & Harris | Chicago | Julie Seymour |
| LOC Bank: | Chase Bank | Chicago | Bruce Davis |
| Underwriter: | JP Morgan Securities | Chicago | Shelley Phillips |
| Underwriter's Counsel: | To Be Determined | | |
| Issuer's Counsel: | Chapman and Cutler | Chicago | Chuck Jarik |
| Trustee: | Amalgamated Bank | Chicago | Felipe Mendoza |

LEGISLATIVE DISTRICTS

| | |
|----------------|------------------------|
| Congressional: | 7 – Danny K. Davis |
| State Senate: | 4 – Kimberly Lightfoot |
| State House: | 7 – Karen Yarbrough |

WAREHOUSE DIRECT
1601 W. ALGONQUIN RD.
MT PROSPECT IL 60056

CHARGE
INVOICE
REPRINT

DATE 12/06/06
PAGE 1
NUMBER 873741-0

CUSTOMER # 40267 DEPT CHGO PO #3161
BILLING ADDRESS
ILLINOIS FINANCE AUTHORITY
SUITE 2555
180 NORTH STETSON
CHICAGO IL 60601

PH# 312-651-1300
SHIPPING ADDRESS
ILLINOIS FINANCE AUTHORITY
SUITE 2555
180 NORTH STETSON
CHICAGO IL 60601

| ITEM NBR. | CO. | DESCRIPTION | UNIT | ORDER QTY | B/O QTY | SHIP QTY | UNIT D PRICE T | EXTENDED |
|-----------|-----|-------------------------|------|-----------|---------|----------|----------------|----------|
| 10563-NN | HON | **Attention :MARIE RICE | EA | 1 | | | | |
| FRREIGHT4 | WHD | FILE, LATERAL, 2DWR, MY | EA | 1 | | 1 | 399.990 N | 399.99 |
| | | FREIGHT | EA | 1 | | 1 | 55.500 * | 55.50 |
| | | SHIPPED WEIGHT (| | 170.000) | | | | |

SUB-TOTAL 455.49

TOTAL 455.49

WAREHOUSE DIRECT
1601 W. ALGONQUIN RD.
MT PROSPECT IL 60056

CREDIT
INVOICE
REPRINT

DATE NUMBER
12/18/06 C 873741-0
PAGE 1

CUSTOMER # 40267 DEPT CHGO PO #3161
BILLING ADDRESS
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ILLINOIS FINANCE AUTHORITY
SUITE 2555
180 NORTH STETSON
CHICAGO IL 60601

| ITEM NBR. | CO. | DESCRIPTION | UNIT | ORDER QTY | B/O QTY | SHIP QTY | UNIT PRICE | D T | EXTENDED |
|-----------|-----|--|------|-----------|---------|----------|------------|-----|----------|
| 10563-NN | HON | FILE, LATERAL, 2DWR, MY EA | EA | 1 | | 1 | 354.190 | N | -354.19 |
| | | *** PICKUP *** | | | | | | | |
| | | FILE WAS WRONG COLOR...CUST NEEDED OAK | | | | | | | |
| | | CE | | | | | | | |

SEE MAURCE
1-312-651-1300
RA# 2561690 KR 12.12.06
CM 2561690-001
A 45.80 RESTOCK FEE HAS BEEN APPLIED
SHIPPED WEIGHT (170.000)

*** CREDIT MEMO ***

SUB-TOTAL 354.19
CREDIT -354.19

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

Deal: LHC, LLC

STATISTICS

| | | | |
|--------------|-----------------|------------|-------------------------------------|
| Deal Number: | N-NP-TE-CD-7002 | Amount: | \$20,000,000 (not-to-exceed amount) |
| Type: | 501(c)(3) Bond | IFA Staff: | Steve Trout |
| Location: | West Dundee | SIC Code: | 713940 |

BOARD ACTION

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

Exception: Requesting a Waiver to sell unrated, unenhanced bonds in minimum denominations below \$100,000
Staff recommends approval, pending review of the final feasibility study prepared by CH Johnson

PURPOSE

To 1) finance the acquisition of a 7.75 acre site on Route 72 approximately 1 mile west of Randall Road in West Dundee, and 2) finance the construction and equipping of a 105,600 square foot ice skating facility, and 3) fund a Capitalized Interest Reserve and 4) capitalize a Debt Service Reserve.

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

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

SOURCES AND USES OF FUNDS

| | | | | | |
|----------|--------------|---------------------|-------|----------------------|---------------------|
| Sources: | IFA Bonds | <u>\$18,380,000</u> | Uses: | Project Costs | \$15,970,480 |
| | | | | Capitalized Interest | \$1,123,806 |
| | | | | Debt Service Reserve | <u>1,285,714</u> |
| | Total | <u>\$18,380,000</u> | | Total | <u>\$18,380,000</u> |

JOBS

| | | | |
|---------------------|-----|---------------------|----------------|
| Current employment: | 0 | Projected new jobs: | 23 (2 Years) |
| Jobs retained: | N/A | Construction jobs: | 300 (6 months) |

BUSINESS SUMMARY

Background: The Leafs Hockey Club, Inc. is an Illinois 501(c)(3) corporation that was established July 10, 1973 to provide hockey programs in the community. The club has offered a supervised, competitive hockey program while implanting in the community's youth the ideals of good sportsmanship, honesty, loyalty, courage and reverence. These goals have lead to finer, stronger and happier youths who will grow up to be good, clean, and healthy adults. To this end, the Club offers and

develops programs that encourage both children and adults to participate in skating and hockey activities.

The Leafs operate a large program with 679 current members from the following communities in Chicago's Northwest suburbs: Algonquin, Huntley, Barrington, Lake in the Hills, Carpentersville, Lakewood, Cary, Marengo, Crystal Lake, McHenry, Elgin, Prairie Grove, Fox River Grove, Sleepy Hollow, Gilberts, West Dundee, Hampshire, and Woodstock.

The Project: Over the past 5 years, the Leafs' have ranged between 655 and 702 members, with many involved in multiple programs. The Leafs have fielded between 36 and 41 teams over the past 5 years. As a result, the Leafs have contracted for about 3,000 hours of ice time at the Crystal Ice House and 350 hours of ice time at the recently closed Polar Dome and the Hoffman Estates Park District rinks. Ice time, the Leaf's largest expense, has increased from \$195 an hour on average to \$220 an hour over the past 3 years, which has forced the Club to increase membership rates. More importantly, the lack of ice time effectively prevents the Leafs from adding new members.

To control growth in costs, obtain additional ice time and enhance the quality of facilities for its members, the Leafs are developing a facility very similar to the one that the Huskies Hockey Club developed in Romeoville. The IFA financed that facility through two issuances of 501(c)(3) Bonds in 2005 and in 2006. Most of the members of the financing team for the Huskies project have been engaged for this project.

The Project consists of the acquisition of a 7.75-acre site and the construction, design and engineering and equipping of an approximately 105,600 square foot ice-skating facility to be owned and operated by the borrower. This proposed ice facility will be located on Route 72, approximately 1 mile west of Randall Road in West Dundee. The site has excellent access to I-90 and many area suburbs, which Leafs officials believe will make the venue convenient for many hockey clubs, facilitate retention and attraction of high caliber instructors and coaches and offer an attractive venue for tournaments. The proposed facility will have three sheets of NHL-sized ice, a concession area, a pro shop, a synthetic ice goalie practice area, and off-ice training area, three divisible meeting rooms, seven office spaces, fifteen locker rooms, and various storage areas.

FINANCING SUMMARY

Bonds: The financing team contemplates that the Bonds will be structured as fixed-rate, unrated and unenhanced 501(c)(3) Bonds with maturities up to 30 years.

Collateral: First mortgage in the real estate financed and first lien in machinery and equipment and assignment of all rents and leases and corporate guarantee from the Leafs Hockey Club, Inc..

Payment: The Bonds will be paid from all income generated by the Project, including but not limited to leases, fees and charges and interest earned on reserves and surplus funds.

Borrower: LHC, LLC

Guarantor: Leafs Hockey Club, Inc.

Debt Reserve: The Financing Team contemplates that the Bonds will be structured with a Debt Service Reserve funded at closing in an amount equal to maximum annual debt service.

Capitalized Interest: The financing team contemplates that Bond proceeds will be used in part to capitalize an interest reserve equal to approximately one year of interest expense.

PROJECT SUMMARY

Bond proceeds will be used to 1) finance the acquisition of a 7.75 acre site on Route 72 approximately 1 mile west of Randall Road in West Dundee, and 2) finance the construction and equipping of a 105,600 square foot ice skating facility, and 3) fund a Capitalized Interest Reserve and 4) capitalized a Debt Service Reserve. Project costs are estimated as follows:

| | |
|-------------------|-------------|
| Land Acquisition: | \$2,000,000 |
| Construction | 13,235,280 |

Architectural and Engineering 735,200

Total \$15,970,480

ECONOMIC DISCLOSURE STATEMENT

Applicant: LHC, LLC., PO Box 671, Crystal Lake, Illinois 60039 (Contact: Michael Durkin, President, Phone: 312/286-1576)

Project name: Leafs Hockey Club Sports Facility

Location: Lots 12-22, Oakview Corporate Park, located near the intersection of . Rt. 72 and Randall Rd. West Dundee (Kane County), Illinois 60118

Organization: Borrower: (LHC, LLC) Illinois Limited Liability Company
Guarantor: (The Leafs Hockey Club, Inc.) Illinois 501(c)(3) Corporation.

Guarantor

Board Members: Michael Durkin President
Terry Nolan Vice President
John Willett Treasurer
Hailey Kenny Ice Scheduler
Jeanne Mchale Director of Mangers
Doug Pierce Director of Travel
Ken Hall Director of B Level
Doug MacDonald Director of Communications
Laura Allen Secretary

PROFESSIONAL & FINANCIAL

Borrower's Counsel: Greenberg Traurig Chicago Richard Sirus
Bond Counsel: Barnes & Thornberg Chicago Darren Collier
Allen Greenbaum
Underwriter: Oppenheimer & Co, Inc. Minneapolis, MN Bryan Nelson
Chicago Kathy Thomas
Underwriter's
Counsel: Peck, Shaffer & Williams Chicago George Buzard
Financial Advisor: Robert W. Baird & Co., Inc. Chicago Tod Miles
IFA Counsel: Burke, Burns & Pinelli, LTD Chicago Stephen Welcome
Feasibility
Consultant: CH Johnson Chicago Charles Johnson
Accountant: Eder Casella & Co. McHenry Terri Jo O'Donnel

LEGISLATIVE DISTRICTS

Congressional:
State Senate:
State House:

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

Project: Chicago Charter School Foundation

STATISTICS

| | | | |
|--------------|-----------------|------------|--|
| Deal Number: | N-NP-TE-CD-644 | Amount: | \$50,000,000 (not-to-exceed amount) |
| Type: | 501(c)(3) bonds | IFA Staff: | Townsend Albright |
| Locations: | Chicago | SIC Code: | 6111 Elementary & Secondary Schools |

BOARD ACTION

| | |
|----------------------------------|-----------------------------|
| Final Bond Resolution | Staff recommends approval |
| Conduit 501(c)(3) Bond Financing | No Extraordinary Conditions |
| No IFA funds at risk | |

PURPOSE

1. Advance refund the Applicant's Series 2002A Bonds issued through the IDFA
2. Finance (i) the purchase and renovation of buildings located on the Applicant's Northtown Academy Campus, Longwood Campus, Ralph Ellison Campus, Avalon Campus, and Wrightwood Campus, (ii) fund a debt service reserve fund, (iii) capitalize interest, and (iv) pay for bond issuance costs.

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

Voting record from IFA Preliminary Bond Resolution on September 13, 2005

Ayes: 10 Nays: 0 Abstentions: 0 Absent: 4, (DeNard, Giannoulis, Nesbitt, O'Brien)
Vacancy: 1

SOURCES AND USES OF FUNDS

| | | | | | |
|--------------|-----------|---------------------|--------------|----------------------|---------------------|
| Sources: | IFA Bonds | <u>\$41,754,000</u> | Uses: | Project Costs | <u>\$25,400,000</u> |
| | | | | Refunding | 15,620,000 |
| | | | | Reserve Fund | 254,000* |
| | | | | Capitalized Interest | 130,000* |
| | | | | Professional Costs | <u>350,000*</u> |
| Total | | <u>\$41,754,000</u> | Total | | <u>\$41,754,000</u> |

* Approximate

JOBS

| | | |
|--|---------------------|----------------------|
| Current employment: 10 (Foundation only) | Projected new jobs: | 210 (within 2 years) |
| The individual school management companies hire their own teachers and other FTEs. | | |
| Jobs retained: N/A | Construction jobs: | 67 (6 months) |

BUSINESS SUMMARY

Description: The Chicago Charter School Foundation is an Illinois 501(c)(3) corporation established in 1997 to provide educational and community opportunities for youths in pre-kindergarten through grade twelve. The Foundation operates its charter school at nine campuses – Bucktown, Prairie, Washington Park, West Belden, Longwood, Basil, Avalon, Wrightwood, and Northtown under a Charter Agreement with the Chicago Public Schools that was renewed through June 30, 2007. The Foundation has hired three management companies, American Quality School (“AQS”), Edison and Civitas Schools to implement a complete educational program and maintain and repair the campus facilities. The Foundation is responsible for providing the school facilities constituting the campuses and completing facilities improvements and capital repairs. Chicago Charter School Foundation had its charter renewed by the Chicago Board of Education on June 2002 for five years.

Background: Seventeen years ago, James K. Murphy and a group of civic-minded business and education leaders began awarding promising youth from poor Chicago neighborhoods scholarships to attend private high schools. Over the last decade, the Daniel Murphy Scholarship Foundation (DMSF) has grown to support approximately 400 scholars annually who attend 60 prominent high schools in Chicago and boarding schools nationwide. The foundation finances over \$1.2 million in tuition annually.

Today, CCSF operates the largest charter school in Illinois, with nine campuses serving approximately 5,000 students in grades preK-12. The Foundation is led by an active Board of Directors with expertise in educational research and scholarship, non-profit incorporation and management, contract creation and negotiation, special education and basic skills acquisition; law, school construction and real estate development and education philanthropy. Its mission is to provide, through innovation and choice, an attractive and rigorous college preparatory education that meets the needs of today’s student.

CCSF contracts with three school-management organizations to deliver instruction at its campuses:

- Edison Schools (Edison) is a publicly traded company that manages 157 schools in 20 states and serves approximately 72,000 students in grades K-12. Currently, Edison manages the Longwood Campus through a performance-based agreement with CCSF.
- American Quality Schools (AQS) is a Chicago-based non-profit firm led by Michael Bakalis, a Professor at the Kellogg Graduate School of Management at Northwestern University and past Illinois State Superintendent of Education. AQS manages Bucktown, Prairie, Washington Park, West Belden and the proposed Avalon/South Shore campuses.
- Civitas Schools is a wholly owned subsidiary of CCSF managed by Megan Quaile and Dr. Charles Venegoni. Civitas manages the Northtown Academy, Basil and the anticipated Wrightwood campuses.

CCSF is the nation’s only charter holder that contracts with multiple organizations to manage its campuses. CCSF has over 2,000 children on waiting lists for admission.

With the purchase and improvements to the Northtown Academy Campus and the development and purchase of additional campuses, the Foundation would increase its total enrollment by up to 1,200 students. It will establish footholds in new communities of Chicago and help CCSF to transform sites into vibrant learning centers offering a full range of educational programs to children and their families.

The Projects: **NORTHTOWN ACADEMY CAMPUS—Purchase and Renovation**

CCSF entered into a lease with an option to purchase property at 3900 West Peterson Avenue in the Northtown community for \$3.7 million. The property includes school buildings, a sanctuary and parking lot. CCSF now leases this property from the Felician Sisters. Acquisition and ADA work is budgeted at \$4.7 million.

PURCHASE AND RENOVATION OF RALPH ELLISON CAMPUS

In December, 2005, CCSF purchased an existing closed school from CBE which is located at 8000-8004 South Honore Street, Chicago. The school building is approximately 50,000 square feet, large enough to house a high school with approximately 600 students. Major construction projects at this site include a gym, and a new 15,000 sq. ft. administrative addition that will house support offices, the library, the computer lab, and the science labs. The main building will house all remaining classrooms. Total budget for the purchase and renovation, including new HVAC systems, of the school is budgeted at \$14.0 million.

PURCHASE AND RENOVATION OF CONVENT AND RECTORY LOCATED ON LONGWOOD CAMPUS

During the fall of 2006, CCSF received notification of the Sisters of Notre Dame's decision to vacate the Longwood Convent and rectory that reside within the Longwood Campus. The convent and rectory addresses are 9535 South Loomis Street and 9515 South Loomis Street, respectively. The renovated convent and rectory will provide 20 classrooms and a 5,000 sq. ft. gross motor room. Total project costs for purchase and renovation are budgeted at \$5.5 million.

RENOVATION OF THE AVALON AND WRIGHTWOOD CAMPUSES

Both campuses' renovations include electrical, kitchen, bathroom, and accessibility upgrades. Addresses for both campuses are 1501 East 83rd Place, Chicago; and 8130 South California, respectively. Total amounts budgeted for these renovations are \$1.2 million.

Remarks: (i) IDFA issued \$16,050,000 in 501(c)(3) and taxable bonds in June 2002 to finance the Foundation's purchase and renovation of the former St. Basil School and fund renovations to other campuses. CCSF desires to refund the outstanding par value of \$15,620,000 of its Series 2002A Bonds. CCSF desires to have the same covenants apply to both Series 2002A, and the proposed Series 2007A bonds, as well as achieve some interest savings. The refunding will not be executed unless the CCSF CFO and management feel it is worthwhile.

FINANCING SUMMARY

Bonds: Tax-exempt fixed-rate bonds amortizing over 30 years. The Applicant will advance refund its Series 2002A Bonds if management and the CFO determine it is worthwhile to do so.

Collateral: The Bank's facility will be secured by: (i), a first lien pledge of all legally available revenues collected by the Foundation and the management companies, (ii) a first mortgage interest in all real property and improvements financed, and (iii) a pledge of unspent project and cost of issuance funds and moneys held under the trust indenture.

1. Outstanding Series 2002A are rated BBB by Standard & Poors. The proposed bonds have received the BBB rating from Standard & Poors.
2. The Series 2007A Bonds will not be credit enhanced.

PROJECT SUMMARY

1. Possibly advance refund the Applicant's outstanding Series 2002A bonds issued through the IDFA.
2. Finance (i) the renovation of (i) the Applicant's Northtown Academy Campus, (ii) the purchase and renovation of the Longwood Convent and rectory, (iii) the purchase, construction and renovation of the now designated Ralph Ellison Campus, (iv) the renovation of both the Avalon and Wrightwood campuses, (v) fund a debt service reserve fund, (vi) capitalize interest, and (vii) pay for costs of issuance.

Estimated Project Costs \$25,400,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: Chicago Charter School Foundation, 228 South Wabash, Suite 600, Chicago, Illinois 60604
Contact: Thresa Nelson, PhD, Chief Operating Officer, Phone: (312) 455-7710

Project name: 1. Chicago International Charter School Northtown Academy Campus,
2. Chicago International Charter School Longwood Convent project
3. Chicago International Charter School Ralph Ellison Campus
4. Chicago International Charter School Avalon Campus,
5. Chicago International Charter School Wrightwood Campus

Locations: 1. 3900 West Peterson, Chicago, Illinois (Cook County) 60659
2. 9515 and 9535 South Loomis Street, respectively, Chicago, Cook County, Illinois 60643
3. 8000-8004 South Honore, Chicago, Cook County, Illinois 60620
4. 1501 East 83rd Place, Chicago, Cook Illinois 60619
5. 8130 South California, Chicago, Cook County, Illinois 60652

Organization: Illinois 501(c)(3) organization.
Board

Members:

| | |
|-----------------|----------------|
| Gregory White | President |
| Gary Gries | Vice President |
| Hellen DeBerry | Secretary |
| Janice Lucchesi | Treasurer |
| Ken Alpert | Director |
| Carole Brown | Director |
| Gary Garret | Director |
| Vinni Hall | Director |
| Burt Miller | Director |
| Marcia Osher | Director |
| David Schwartz | Director |

PROFESSIONAL & FINANCIAL

| | | | |
|-------------------------------|---|-------------|---|
| Counsel: | Goldberg, Kohn, Bell, Black, Rosenbloom & Moritz, Ltd. | Chicago, IL | Keith Sigale |
| Accountant: | Ostrow Reisen, Berk & Abrams | Chicago, IL | |
| Bond Counsel: | Mayer Brown Rowe & Maw LLP | Chicago, IL | David Narefsky Joanna Horsnail |
| Underwriter: | D.A. Davidson & Co. | Denver, CO | Russell Caldwell |
| Underwriter's Counsel: | Kutak Rock LLP | Chicago, IL | Bill Morris Robert M. Star Kevin Barney |
| Financial Advisor: | William Blair and Company | Chicago, IL | Thomas E. Lanctot |
| Issuer's Counsel: | Burke, Burns & Pinelli LTD | Chicago, IL | Stephen F. Welcome |
| Trustee: | LaSalle Bank N.A. | Chicago, IL | Anthony Brown |

LEGISLATIVE DISTRICTS

| Address: | Congressional | State Senate | State House |
|---|-------------------------------|---|-------------------------------------|
| 3900 West Peterson Ave. Chicago, IL 60659 | 5 th Rahm Emanuel | 8 th Ira I. Silverstein | 15 th John C. D'Amico |
| 9515 & 9535 South Loomis St. Chicago, IL 60643 | 1 st Bobby L. Rush | 14 th Emil Jones Jr. | 27 th Monique D. Davis |
| 8000-8004 South Honore Chicago, IL 60620 | 1 st Bobby L. Rush | 18 th Edward D. Maloney | 36 th James D. Brosnahan |
| 1501 E. 83 rd Place Chicago, IL 60619 | 1 st Bobby L. Rush | 17 th Donne E. Trotter | 33 rd Marlow H. Colvin |
| 8130 S. California Chicago, IL 60652 | 1 st Bobby L. Rush | 16 th Jacqueline Y. Collins | 31 st Mary E. Flowers |

Attachment A

CCSF currently oversees nine campuses.

| Campus | Address | Demographics | Ownership |
|---|---|--|--|
| EXISTING | | | |
| Chicago International Charter School Bucktown Campus | 2235 North Hamilton Street Chicago | <i>Enrollment:</i> 670 students <i>Grades:</i> K-8 <i>Racial:</i> 61% Hispanic 30% African-American 8% Anglo-American 2% Asian and Native-American <i>Income:</i> 80% Participation in Federal free and reduced lunch program | CCSF leases the campus from the Archdiocese of Chicago. |
| Chicago International Charter School Longwood Campus | 1309 West 95 th Street Washington Heights | <i>Enrollment:</i> 1,416 students <i>Grades:</i> K-12 <i>Racial:</i> 2% Hispanic 98% African-American <i>Income:</i> <u>80% Participation in Federal free and reduced lunch program</u> | CCSF owns the property and buildings. |
| Chicago International Charter School Prairie Campus | 11530 South Prairie Avenue Roseland | <i>Enrollment:</i> 413 students <i>Grades:</i> K-8 <i>Racial:</i> 37% Hispanic 63% African-American .24% Anglo-American <i>Income:</i> % Participation in Federal free and reduced lunch program | CCSF leases the campus from the Archdiocese of Chicago. |
| Chicago International Charter School Washington Park Campus | 6105 South Michigan Avenue Washington Park | <i>Enrollment:</i> 451 students <i>Grades:</i> K-8 <i>Racial:</i> 100% African-American <i>Income:</i> 91% Participation in Federal free and reduced lunch program | CCSF leases one building from the Archdiocese of Chicago and the other from St. Edmund's Episcopal Church. |
| Chicago International Charter School West Belden Campus | 2245 North McVicker Street Chicago | <i>Enrollment:</i> 513 students <i>Grades:</i> K-8 <i>Racial:</i> 84% Hispanic 14% African-American 1.8% Anglo-American .2% Asian and Native American <i>Income:</i> 91% Participation in Federal free and reduced lunch program | CCSF leases the campus from the Archdiocese of Chicago. |

| | | | |
|--|---|---|---|
| Chicago International Charter School Basil Campus | 1816 West Garfield Blvd Chicago | <i>Enrollment:</i> 413 students <i>Grades:</i> preK-7 <i>Racial:</i> 1% Hispanic 99% African-American <i>Income:</i> 82% Participation in Federal free and reduced lunch program | CCSF owns the property and buildings. |
| Chicago International Charter School Northtown Academy Campus | 3900 West Peterson Avenue Chicago | <i>Enrollment:</i> 556 students <i>Grades:</i> 9-12 <i>Racial:</i> 40% Hispanic 11% African-American 32% Anglo-American 5% Asian and Native American 12% Other <i>Income:</i> 36% Participation in Federal free and reduced lunch program | CCSF leases the campus from Felician Sisters. |
| | | | |
| Chicago International Charter School South Shore/Avalon Campus | 1501 E. 83 rd Place Chicago | <i>1st Year Enrollment:</i> 278 students <i>1st Year Grades:</i> K-4 <i>Enrollment:</i> 383 <i>Grades:</i> K-8 <i>Racial:</i> 100% African-American <i>Income:</i> 91% Participation in Federal free and reduced lunch program | CCSF leases the campus from the Archdiocese of Chicago. |
| Chicago International Charter School Wrightwood Campus | 8130 S. California Chicago | <i>1st Year Enrollment:</i> 483 students <i>1st Year Grades:</i> K-5 <i>Enrollment:</i> 730 <i>Grades:</i> K-8 <i>Racial:</i> Majority African-American <i>Income:</i> 91% Participation in Federal free and reduced lunch program | CCSF leases the campus from the Archdiocese of Chicago. |

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

Project: P & P Press, Inc.

STATISTICS

| | | | |
|-----------------|--------------------|------------|------------|
| Project Number: | B-LL-TX-6279 | Amount: | \$600,000 |
| Type: | Participation Loan | IFA Staff: | Jim Senica |
| Location: | Peoria | | |

BOARD ACTION

Purchase of Participation Loan from Heartland Bank and Trust Company
\$600,000 IFA funds at risk
Staff recommends approval

PURPOSE

Finance the acquisition of new printing equipment.

IFA PROGRAM AND CONTRIBUTION

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

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

VOTING RECORD

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

SOURCES AND USES OF FUNDS

| | | | | | |
|----------|--------------------|--------------------|-------|-----------------------|--------------------|
| Sources: | IFA Participation: | \$600,000 | Uses: | Equipment Acquisition | \$1,200,000 |
| | Heartland Bank: | <u>600,000</u> | | Total | <u>\$1,200,000</u> |
| | Total | <u>\$1,200,000</u> | | | |

JOBS

| | | | |
|---------------------|----|---------------------|-----|
| Current employment: | 64 | Projected new jobs: | 4 |
| Jobs retained: | NA | Construction jobs: | N/A |

BUSINESS SUMMARY

Background: P & P Press, Inc., an Illinois S corporation, was established by Larry and Sheila Perkins in 1970. Since Larry's death of a heart attack in 2002, the Company has been managed by Bill Starks who has been with the Company for 20 years.

Description: P & P Press, Inc. is a multi-faceted printing company providing high-speed, professional printing services to primarily commercial customers. Company services include color offset printing, graphic design and layout, custom binding and finishing, digital printing, electronic files and digital output and large format color prints. The Company publishes several periodicals such as Farm Week and the national publication Farm Bureau News (whose offices are located in Washington, DC).

P & P Press, Inc. had been able to provide its customers with state-of-the-art electronics and software for the past decade and was well ahead of its local competition in that area. P & P Press, Inc. has a reputation for assisting its customers in adapting to this technology. Most smaller customers would be unable to utilize this capability without P & P's assistance due to staff technical limitations inherent in the smaller operations.

The Project: Project proceeds will be used to finance the acquisition of new printing equipment that will enable the Company to increase capacity and maintain technological advantages over their competition in the industry. The total cost of the equipment being acquired is \$1.2 million. The Company recently signed a new five-year agreement with Farm Week magazine that will in essence provide payment for this equipment in five years.

It is important to note that this project is actually a continuation of the Company's comprehensive equipment upgrade and building acquisition program designed to significantly improve operations and significantly grow P & P's revenue. At the December 4, 2004 IFA Board meeting, the Board approved a \$650,000 Participation loan to P & P Press, Inc. to finance the acquisition of new printing machinery and equipment; this loan had been paid down to \$593,797 as of 12/21/06. Then, at the February 14, 2005, IFA Board meeting, the Board approved a \$185,000 Participation loan to Perkins and Perkins Limited Partnership (P & P's real estate owner) to acquire the building in which the Company operates to better control occupancy costs; this loan had been paid down to \$120,953 as of 12/21/06.

FINANCING SUMMARY

Obligor: P & P Press, Inc.

Guarantor: Sheila Perkins

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

ECONOMIC DISCLOSURE STATEMENT

Applicant: P & P Press, Inc.

Location: 6513 N Galena Road Peoria, IL 61615 (Peoria County)

Organization: Illinois S corporation 100% owned by Sheila Perkins

PROFESSIONAL & FINANCIAL

| | | | |
|--------------|--------------------------------|---------|-------------|
| Banker: | Heartland Bank & Trust Company | Peoria | Don Shafer |
| Accountant: | McGladrey & Pullen, LLP | Peoria | |
| IFA Counsel: | Dykema Gossett PLLC | Chicago | Greg Wright |

LEGISLATIVE DISTRICTS

Congressional: 18 – Ray LaHood
State Senate: 46 – George Shadid
State House: 93 – David R. Leitch

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

Project: John Hofmeister & Son, Inc.

STATISTICS

| | | | |
|-----------------|-------------------------|---------|-----------------------------|
| Project Number: | I-IR-TE-CD-6191 | Amount: | \$4,200,000 \$4M |
| Type: | Industrial Revenue Bond | FM: | Steve Trout |
| Location: | Chicago | | |

BOARD ACTION

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

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

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

SOURCES AND USES OF FUNDS

| | | | | | |
|----------|--------------|---------------------------|-------|----------------------|---------------------------|
| Sources: | IRB | \$4,000,000 | Uses: | Project Costs | \$4,600,000 |
| | Equity | <u>800,000</u> | | Legal & Professional | <u>200,000</u> |
| | Total | <u>\$4,800,000</u> | | Total | <u>\$4,800,000</u> |

JOBS

| | | | |
|---------------------|----|---------------------|---------------------|
| Current employment: | 50 | Projected new jobs: | 65 (within 2 years) |
| Jobs retained: | 0 | Construction jobs: | 6 (6 months) |

BUSINESS SUMMARY

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

Background: Since 1946, John Hofmeister & Son, Inc. has specialized in ham processing. This is accomplished in a variety of ways including: boiled, baked, smoked, and spiced. The product line includes a natural juice ham, a water added ham, a deli style ham, a cooked Virginia ham, luncheon loaves, and a boneless deli style ham to name a few. Sales are divided among hams (85%) and smoked

hams (15%). The company manufactures under various private labels such as Old Warsaw, Dinell, Hofmeister and Hofmeister Haus. The company's clients also buy product under their own private label, including Scott Petersen, Old Virginia, and Prestige.

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

The company currently employs approximately 50 employees, 65% of which are union employees. Union workers manage the floor and meat processing while non-union workers are typically in administration and distribution.

In December 2001, the company closed on an Industrial Revenue bond from the City of Chicago in the amount of \$6.5 million. The proceeds were used for the acquisition, rehabilitation and equipping of a manufacturing facility located at Blue Island. During 2002, the company started working with the federal government school lunch program. In the years 2003 and 2004, there was a significant increase in demand in ham products. Despite a decline in overall demand for ham in 2005, Hofmeister's sales continued to increase due to expanding relationships with the City of Kansas City and American Chef, Inc. Base on interim results, it appears that sales growth will continue in 2006.

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

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

PROJECT SUMMARY

Bond proceeds will be used to (1) acquire an approximately 10,000 square-foot building and site located at 2300 Block of South Winchester in Chicago, and (2) acquire and install new manufacturing machinery and equipment.

Estimated project costs are as follows:

| | |
|-----------------------|---------------------------|
| Land Acquisition | \$1,000,000 |
| Building Construction | 1,500,000 |
| Machinery & Equipment | <u>1,500,000</u> |
| Total | <u>\$4,000,000</u> |

ECONOMIC DISCLOSURE STATEMENT

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

PROFESSIONAL & FINANCIAL

| | | | |
|-------------------|-------------------------|----------|---------------|
| Bond Counsel: | Seyfarth Shaw, LLP | Chicago | Jim Schraidt |
| Bank Purchaser: | To be determined | | |
| Bank Counsel: | To be determined | | |
| Financial Advisor | Total Capital Solutions | Oak Park | Tony Grant |
| IFA Counsel: | Sanchez & Daniels | Chicago | Manny Sanchez |

LEGISLATIVE DISTRICTS

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

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

Project: 2643 Chicago Ave., LLC

STATISTICS

| | | | |
|-----------------|-------------------------|---------|-------------|
| Project Number: | I ID TE CD 6276 | Amount: | \$4,000,000 |
| Type: | Industrial Revenue Bond | FM: | Steve Trout |
| Location: | Chicago | | |

BOARD ACTION

| | |
|----------------------------------|-----------------------------|
| Preliminary Bond Resolution | No IFA funds at risk |
| Conduit Industrial Revenue Bonds | No extraordinary conditions |
| Staff recommends approval | SIC Code: 541920 |

PURPOSE

To finance: 1) the acquisition of a 1-acre site and 60,000 square-foot industrial building located at 222 Maplewood in Chicago, 2) renovations to the building and 3) the purchase and installation of printing and information technology equipment

IFA PROGRAM AND CONTRIBUTION

The Authority's Industrial Revenue Bond Program provides low interest rate financing for qualifying industrial projects. IFA's issuance of Industrial Revenue Bonds will exempt income earned on the Bonds from federal income tax and thereby enable the Borrower to obtain a lower interest rate on this debt. The Authority will contribute \$4,000,000 of Volume Cap, a prerequisite to issuing the Bonds.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

| | | | | | |
|----------|--------------|---------------------------|-------|----------------------|---------------------------|
| Sources: | IRB | <u>\$4,000,000</u> | Uses: | Project Cost | \$3,820,000 |
| | | | | Legal & Professional | \$150,000 |
| | | | | Architectural | <u>\$30,000</u> |
| | Total | <u>\$4,000,000</u> | | Total | <u>\$4,000,000</u> |

JOBS

| | | | |
|---------------------|----|---------------------|---------------------|
| Current employment: | 80 | Projected new jobs: | 19 (within 2 years) |
| Jobs retained: | NA | Construction jobs: | 5 |

BUSINESS SUMMARY

Description: Andrés Imaging and Graphics, Inc., is an Illinois corporation that was founded as a custom commercial photo lab to serve major advertising agencies. Andres is now one of Chicago's premier high-end digital and photographic printers, producing large format digital prints that are mounted on various structures and used in point of purchase displays and advertising campaigns.

2643 Chicago, LLC is an Illinois Limited Liability Company established to develop, own and finance real estate and lease it to Andre Imaging and Graphics, Inc.

Background: Andre Schellenberg began the company in January 1975 as custom photo lab known as The Foto Lab to serve major advertising agencies. André was a highly-trained technician who was one of the first commercial printers to offer large format digital display prints in 1990 when digital imaging was in its infancy. André's Imaging had a San Diego location, but the primary business location remained at Illinois Street and Michigan Avenue. Following Mr. Schellenberg's death in 1994, his former sales manager, Richard Cappelletti, took over the company, sold the San Diego location and continued André's vision for building a first-class digital imaging business. Andres Imaging has continued to grow, as its business has changed from photo prints to large format digitally-produced images that required more space for personnel, print handling and finishing.

Andrés has kept up with digital imaging technology that enabled the company to provide solution-oriented photo/graphics products and services for Fortune 500 companies. Andrés became known for serving major retail chains across the country, Abercrombie and Fitch, Levi Strauss, The GAP, Harley-Davidson, Alltel and others. Additionally, Andrés is one of the foremost graphics' suppliers for Chicago museums. Top designers, advertising agencies, exhibit houses, retailers select Andrés Imaging & Graphics for their digital photo imaging, and graphic solutions.

Project

Rationale: In 2001 the company moved to its current location at 2643 West Chicago Avenue. Acquiring 42,000 square-feet of space made it possible to purchase larger printing equipment and computer power to offer flatbed rigid substrate inkjet and grand-format printing. Access to additional space and additional printing capabilities caused business to grow much faster than anticipated. Since then, staffing has grown from 50 to 81 and sales have nearly tripled to \$14 million. Demand for ever larger digital images require the fabrication of frames, display and signage. Fulfilling orders for Andres' large graphic projects, requires extensive finishing as well as vast storage space for clients' inventory, as its sales philosophy is to print thousands of copies of an image and ship only as needed. This rapid growth coupled with demand for increasingly large images has caused to Andres Imaging to begin running out of space, even after it recently acquired an adjacent small building next door.

The Project: The project consists of two parts. The first is the acquisition of land and two story structure consisting of 60,000 square feet at 222 Maplewood. The structure will house storage space, production area, and office space for Andrés Images and Graphics. The growth of location will allow the organization to further grow. Currently, growth of the organization is only limited by the space which it currently operates in. The owners expect that Andre Imaging will gradually shift its operations to the new location during the next three years.

The second part of this project consists of equipment purchases that will occur over the period in which the move is going to take place. The expansion of workspace correlates to the machinery necessary to produce large scale digital images. Flat bed printers, turbo printer, roll out printer, and coating machines are all planned to be included within the 60,000 square-foot facility. Also the expansion will be able to house workspace for an anticipated hiring of 99 new employees.

PROJECT SUMMARY

Bond proceeds will be used to (1) acquire a one-acre site and an approximately 60,000 square-foot industrial building located at 222 Maplewood in Chicago, (2) acquire and install new printers, coaters and information technology equipment. Estimated project costs are as follows:

| | |
|----------------------------------|---------------------------|
| Land and Building Acquisition | \$1,850,000 |
| Renovation and Site Improvements | 400,000 |
| New Machinery and Equipment | <u>\$1,570,000</u> |
| Total | <u>\$3,820,000</u> |

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

Deal: LHC, LLC

STATISTICS

| | | | |
|--------------|----------------|------------|-------------------------------------|
| Deal Number: | N-NP-TE-CD-6 | Amount: | \$20,000,000 (not-to-exceed amount) |
| Type: | 501(c)(3) Bond | IFA Staff: | Steve Trout |
| Location: | West Dundee | SIC Code: | 713940 |

BOARD ACTION

Preliminary Bond Resolution
 Conduit 501(c)(3) Bond Financing
 No IFA funds at risk
 Exception: Requesting a Waiver to sell unrated, unenhanced bonds in minimum denominations below \$100,000
 Staff recommends approval, pending review of the final feasibility study prepared by CH Johnson

PURPOSE

To 1) finance the acquisition of a 7.75 acre site on Route 72 approximately 1 mile west of Randall Road in West Dundee, and 2) finance the construction and equipping of a 105,600 square foot ice skating facility, and 3) fund a Capitalized Interest Reserve and 4) capitalized Debt Service Reserve.

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

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

SOURCES AND USES OF FUNDS

| | | | | | |
|----------|--------------|---------------------|-------|----------------------|---------------------|
| Sources: | IFA Bonds | <u>\$18,380,000</u> | Uses: | Project Costs | \$15,970,480 |
| | | | | Capitalized Interest | \$1,123,806 |
| | | | | Debt Service Reserve | <u>1,285,714</u> |
| | Total | <u>\$18,380,000</u> | | Total | <u>\$18,380,000</u> |

JOBS

| | | | |
|---------------------|------------------|---------------------|--------------|
| Current employment: | 303 0 | Projected new jobs: | 23 (2 Years) |
| Jobs retained: | N/A | Construction jobs: | 300 |

BUSINESS SUMMARY

Background: The Crystal Lake Leafs Hockey Club, Inc. is an Illinois 501(c)(3) corporation that was established July 10, 1973 to provide hockey programs in the community. The club has offered a supervised, competitive hockey program while implanting in the community's youth the ideals of good sportsmanship, honesty, loyalty, courage and reverence. These goals have lead to finer, stronger and happier youths who will grow up to be good, clean, and healthy adults. To this end, the club

offers and develops programs that encourage both children and adults to participate in skating and hockey activities.

The Leafs is now one of Illinois' largest hockey clubs, with over 650 members from the following communities in Chicago's Northwest suburbs: Algonquin, Huntley, Barrington, Lake in the Hills, Carpentersville, Lakewood, Cary, Marengo, Crystal Lake, McHenry, Elgin, Prairie Grove, Fox River Grove, Sleepy Hollow, Gilberts, West Dundee, Hampshire, and Woodstock.

The Project: Over the past 5 years, the Leafs have averaged between 600 and 700 participants in its hockey programs, with many involved in multiple programs. The Leafs have fielded between 36 and 39 teams over the past 4 years. As a result, the Leafs have contracted for about 3,000 hours of ice time at the Crystal Ice House and 350 hours of ice time at the recently closed Polar Dome and the Hoffman Estates Park District rinks. Ice time, the Leaf's largest expense, has increased from \$195 an hour on average to \$220 an hour over the past 3 years, which has forced the Club to increase membership rates. More importantly, the lack of ice time effectively prevents the Leafs from adding new members.

To control growth in costs, obtain additional ice time and enhance the quality of facilities for its members, the Leafs are developing a facility very similar to the one that the Huskies Hockey Club developed in Romeoville. The IFA financed that facility through two issuances of 501(c)(3) Bonds in 2005 and in 2006. Most of the members of the financing team for the Huskies project have been engaged for this project.

The Project consists of the acquisition of a 7.75-acre site and the construction, design and engineering and equipping of an approximately 105,600 square foot ice-skating facility to be owned and operated by the borrower. This proposed ice facility will be located on Route 72, approximately 1 mile west of Randall Road in West Dundee. The site has excellent access to I-90 and many area suburbs, which Leafs officials believe this will make the venue convenient for many hockey clubs, facilitate retention and attraction of high caliber instructors and coaches and offer an attractive venue for ~~signage and naming rights~~ tournaments. The proposed facility will have three sheets of NHL-sized ice, a concession area, a pro shop, a synthetic ice goalie practice area, and ~~office~~ office off ice training area, three divisible meeting rooms, seven office spaces, fifteen locker rooms, and various storage areas.

FINANCING SUMMARY

Bonds: The financing team contemplates that the Bonds will be structured as fixed-rate, unrated and unenhanced 501(c)(3) Bonds with maturities up to 30 years.

Collateral: First mortgage in the real estate financed and first lien in machinery and equipment and assignment of all rents and leases and corporate guarantee from ~~Crystal Lake Leafs Hockey Club, Inc.~~ Crystal Lake Leafs Hockey Club, Inc.

Payment: The Bonds will be paid from all income generated by the Project, including but not limited to leases, fees and charges and interest earned on reserves and surplus funds.

Borrower: LHC, LLC

Guarantor: ~~Crystal Lake Leafs Hockey Club, Inc.~~ Crystal Lake Leafs Hockey Club, Inc.

Debt Reserve: The Financing Team contemplates that the Bonds will be structured with a Debt Service Reserve funded at closing in an amount equal to maximum annual debt service.

Capitalized Interest: The financing team contemplates that Bond proceeds will be used in part to capitalize an interest reserve equal to approximately one year of interest expense.

PROJECT SUMMARY

Bond proceeds will be used to 1) finance the acquisition of a 7.75 acre site on Route 72 approximately 1 mile west of Randall Road in West Dundee, and 2) finance the construction and equipping of a 105,600 square foot ice skating

facility, and 3) fund a Capitalized Interest Reserve and 4) capitalized a Debt Service Reserve. Project costs are estimated as follows:

| | |
|-------------------------------|----------------------------|
| Land Acquisition: | \$2,000,000 |
| Construction | 13,235,280 |
| Architectural and Engineering | <u>735,200</u> |
| Total | <u>\$15,970,480</u> |

ECONOMIC DISCLOSURE STATEMENT

Applicant: LHC, LLC., PO Box 671, Crystal Lake, Illinois 60039 (Contact: Michael Durkin, President, Phone: 312/286-1576)

Project name: Leafs Hockey Club Sports Facility

Location: Lots 12-22, Oakview Corporate park. Rt. 72 and Randall Rd. West Dundee (Kane County), Illinois 60118

Organization: Borrower (LHC, LLC) Illinois Limited Liability Company
Guarantor: (The Leafs Hockey Club) Illinois 501(c)(3) Corporation.

Guarantor: *J.H.C.*

Board Members:

| | |
|----------------|----------------------------|
| Michael Durkin | President |
| Terry Nolan | Vice President |
| John Willett | Treasurer |
| Hailey Kenny | Ice Scheduler |
| Jeanne Mchale | Director of Mangers |
| Doug Pierce | Director of Travel |
| Ken Hall | Director of B Level |
| Doug MacDonald | Director of Communications |
| Laura Allen | Secretary |

PROFESSIONAL & FINANCIAL

| | | | |
|-------------------------------|---|--------------------------------|------------------------------|
| Borrower's Counsel: | Greenberg Traurig | Chicago, IL | Richard Sirius |
| Bond Counsel: | To be determined <i>Kovars & Thornberg Chicago, IL</i> | | <i>Beren Collier</i> |
| Underwriter: | Oppenheimer Capital Markets | Minneapolis, MN Chicago, IL | Bryan Nelson Kathy Thomas |
| Underwriter's Counsel: | Peck, Shaffer & Williams | Chicago, IL | George Buzard |
| Financial Advisor: | Robert W. Baird & Co., Inc. | Chicago, IL | Tod Miles |
| Accountant: | Eder Casella & Co. | McHenry, IL | Terri Jo O'Donnel |

LEGISLATIVE DISTRICTS

Congressional:
State Senate:
State House:

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

ECONOMIC DISCLOSURE STATEMENT

Applicant: 2643 Chicago Ave, LLC and Andres Imaging and Graphics, Inc., 2643 Chicago Ave, Chicago
(Cook County) IL 60622, contact: Philip S. Marrone, Manager, (630-854-5003)
Project Location: 222 North Maplewood Ave., Chicago (Cook County), IL 60612-2110
Organization: **2643 Chicago Ave, LLC.** **Andres Imaging and Graphics, Inc.**
Illinois Limited Liability Company Illinois Corporation
Ownership Richard Capelletti, President: 33.34% Richard Capelletti, President: 65%
Daniel Scandige, VP: 33.33% Daniel Scandige, VP: 35%
Philip Marrone, CFO: 33.33%

PROFESSIONAL & FINANCIAL

| | | | |
|-------------------|---------------------------|------------|-------------------|
| General Counsel: | Much and Shelist | Chicago | Morie Much |
| Auditor: | Philip Rae & Co. CPA's PC | Naperville | Philip S. Marrone |
| Bond Underwriter: | LaSalle Capital Markets | Chicago | Peter Glick |
| Bond Counsel: | Chapman and Cutler, LLP | Chicago | |
| LOC Bank | American Chartered Bank | | |
| Wrap LOC Bank: | LaSalle Bank and Trust NA | Chicago | |
| Bank Counsel: | To be determined | | |
| IFA Counsel: | Ice Miller | Chicago | Tom Smith |

LEGISLATIVE DISTRICTS

Congressional: 7th Danny Davis
State Senate: 5th Rickey Hendon
State House: 10th Annazette Collins

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

Project: Aurora Bearing Company

STATISTICS

| | | | |
|--------------|-------------------------|------------|------------------------------------|
| Deal Number: | I-ID-TE-6120 | Amount: | \$9,000,000 (not-to-exceed amount) |
| Type: | Industrial Revenue Bond | IFA Staff: | Steven Trout |
| Location: | Montgomery | | |

BOARD ACTION

Final Resolution to Issue Conduit Industrial Revenue Bonds
Staff recommends approval
No Extraordinary Conditions
No IFA funds at risk

PURPOSE

To finance the acquisition and conversion of a 206,000 square-foot industrial building located at 901 Aucutt Road in Montgomery into a manufacturing plant and headquarters.

IFA PROGRAM AND CONTRIBUTION

The Authority's Industrial Revenue Bond Program provides low interest rate financing for qualifying industrial projects. IFA's issuance of Industrial Revenue Bonds will exempt income earned on the Bonds from federal income tax and thereby enable the Borrower to obtain a lower interest rate on this debt. The Authority will contribute \$9,000,000 of Volume Cap, a prerequisite to issuing the Bonds.

VOTING RECORD

Preliminary Resolution adopted on June 13, 2006 by the following vote:

| | | | | |
|---------|----------|-----------|---------------|---------------|
| Ayes -9 | Nays - 0 | Absent -6 | Vacancies - 0 | Abstention- 0 |
|---------|----------|-----------|---------------|---------------|

SOURCES AND USES OF FUNDS

| | | | | | |
|----------|--------------------------|--------------------|-------|---------------|--------------------|
| Sources: | Industrial Revenue Bonds | \$7,575,000 | Uses: | Project Costs | <u>\$8,575,000</u> |
| | Montgomery EDC Loan | <u>1,000,000</u> | | | |
| | Total | <u>\$8,575,000</u> | | Total | <u>\$8,575,000</u> |

JOBS

| | | | |
|---------------------|-----|---------------------|----|
| Current employment: | 215 | Projected new jobs: | 50 |
| Jobs retained: | N/A | Construction jobs: | 40 |

BUSINESS SUMMARY

Description: Aurora Bearing Company is a Delaware Corporation that was incorporated in January 1972 by experienced bearings professionals to manufacture rod ends and spherical bearings.

Background: Aurora Bearing began production by pioneering the application of mass production techniques to 2-piece rod end designs and introducing this type of bearing to many commercial and industrial applications. Since then, 2-piece, all-steel rod-end similar to the ones that Aurora Bearing produces are now the standard economy/commercial bearing in the US. As its reputation for highly engineered products and customer service grew, the company's product range and market coverage have grown. Today it serves nearly every industrial and aerospace market, such as textile and packaging machinery, machine tools, business machines recreation and exercise equipment, agricultural and off-highway vehicles, commercial transportation and high-performance racing vehicles, as well as military equipment and commercial air and space craft.

Aurora Bearing has remained committed to its original value proposition of high quality and competitive prices and offering prompt delivery and personal customer service. Aurora Bearing offer a complete line of standard rod end and spherical bearings and also designs and manufactures spherical bearing to meet a variety of applications that require custom-engineered units or special materials. Aurora Bearing has grown from its Midwest roots to market its products worldwide.

From design to manufacturing to testing, Aurora Bearing has the technology to produce the world's highest quality bearings. Utilizing 2-CAD packages and 3-D modeling capabilities, the company's engineers have the tools to design any part to meet a client's needs. Aurora Bearing's manufacturing facility uses CNC lathes, hydraulic presses, and laser markers to produce everything from the simplest to the most complex parts. The Company verifies the accuracy of its manufacturing methods with coordinate measuring machines, optical comparator, and other machines to ensure production of the highest quality. As part of this effort, Aurora Bearing maintains ISO 9001-2000 and AS 9100 quality certifications.

FINANCING SUMMARY

Obligor: Aurora Bearing Company
The Bonds: Industrial Revenue Bonds to be purchased by First Midwest Bank
Collateral: First Mortgage in the subject real estate and first security interest in the equipment financed.

PROJECT SUMMARY

Bond proceeds together with proceeds from a loan from the Village of Montgomery Economic Development Administration will be used to acquire a 206,000 square-foot industrial building and 18.5 acres of land located at 901 Aucutt Road in Montgomery, and rehabilitate the building for use as the company's manufacturing facility and headquarters. Improvements will include: increasing electrical capacity from approximately 200 amp to between 4,000 and 6,000 amps, installing additional plumbing and compressed air service to accommodate manufacturing needs, increasing office space from 6,000 square-feet to 24,000 square-feet, including cafeteria, restrooms, and laboratory facilities, upgrading lighting and HVAC systems to adopt the latest technologies and qualify for federal tax credits, replace windows and seal off unneeded dock doors, and expand parking capacity. Aurora Bearing will consolidate its existing operations in Aurora and Montgomery in this location after construction is completed in early to mid-summer 2007. Construction is planned to begin in January 2007. Project costs are estimated as follows:

| | |
|------------------------|-----------|
| * Land Acquisition | \$800,000 |
| * Building Acquisition | 2,950,000 |
| * Electric | 2,178,600 |
| * Plumbing | 226,000 |
| * HCAC | 124,000 |
| * Demolition | 56,000 |
| * Masonry | 205,000 |

| | |
|---|---------------------------|
| * Parking and Site Work | 125,000 |
| * Landscaping | 30,000 |
| * Office Build-out | 690,000 |
| * Core (QA, offices, restrooms, etc.) | 455,000 |
| * Tilt Wall Seam Maintenance | 26,400 |
| * Windows | 58,000 |
| * Structural Steel (Allowance) | 25,000 |
| * Fire Protection | 45,000 |
| * Architectural, Permits and Construction Mgmt. | 425,000 |
| * Contingency | 300,000 |
| * Federal Tax Credits | <u>144,000</u> |
| Total | <u>\$8,575,000</u> |

ECONOMIC DISCLOSURE STATEMENT

Applicant: Aurora Bearing Company, 970 South Lake Street, Aurora, IL 60506 (Contact: John Zinser, CFO/Treasurer, 630/859-2030)
 Project name: Aurora Bearing Company
 Project Location: 901 Aucott Road, Montgomery (Kane County), IL 60538
 Organization: Delaware Corporation
 Owners (Shareholders holding more than 1% of common stock):

| <u>Name</u> | <u>Address</u> | <u>% Ownership</u> |
|--------------------------------------|----------------------|--------------------|
| Irma Kackert | Thousand Oaks, CA | 1.68 |
| James David Lootens | West Chicago, IL | 5.45 |
| Donald F. Norton | St. Louis, MO | 2.1 |
| Charles Richard Jr. | North Aurora, IL | 6.52 |
| Florence Richard | North Aurora, IL | 6.52 |
| David Anthony Richard | North Aurora, IL | 1.32 |
| John Charles Richard | North Aurora, IL | 1.32 |
| Thomas James Richard | Yorkville, IL | 1.32 |
| Timothy Allen Richard | Palo Alto, CA | 1.32 |
| Renee Marie Richard-Kluber | Batavia, IL | 1.32 |
| Denise Ann Richard-Junk | Carthage, IL | 1.32 |
| Donald C. Schroeder | Oswego, IL | 10.27 |
| Martha E. Schroeder | Oswego, IL | 12.36 |
| Robert Sommerfeldt | Farmington Hills, MI | 2.22 |
| Calvin B. Thelin | Aurora, IL | 1.05 |
| Van Dee Mfg. Co. | Batavia, IL | 32.92 |
| Jeanine B. Walsh Living Trust | North Aurora, IL | 3.14 |
| Melvin B. Walsh Life Insurance Trust | North Aurora, IL | 1.05 |

PROFESSIONAL & FINANCIAL

| | | | |
|--------------------------------------|-----------------------------------|----------|------------------|
| Borrower's Counsel: | Dickson & Hasenbalg | Aurora | Craig Hasenbalg |
| Accountant: | Detterbeck Johnson & Monson, Ltd. | Palatine | Mary Pat Johnson |
| Architect & Construction Manager: | KS&A | Aurora | Mike Kluber |
| Bond Purchaser: | First Midwest Bank | Aurora | John Gorzak |
| Bank Counsel | Wildman Harrold | Chicago | David Hight |
| Bond Counsel: | Ice Miller | Chicago | Tom Smith |
| Issuer's Counsel | Wildman Harrold | Chicago | Jim Snyder |

LEGISLATIVE DISTRICTS

| | | |
|----------------|-------------------|-------------------|
| Congressional: | 19 th | John M. Shimkus |
| State Senate: | 58 th | David Luechtefeld |
| State House: | 115 th | Mike Bost |

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
January 9, 2007

Project: Roosevelt University

STATISTICS

| | |
|---------------------------------|--|
| Project Number: E-PC-TE-CD-6265 | Amount: \$67,900,000 (not-to-exceed amount for New Money and Refunding Series) |
| Type: 501(c)(3) Revenue Bonds | IFA Staff: Rich Frampton |
| Location: Chicago | |

BOARD ACTION

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

PURPOSE

This financing will consist of both a new project and a Refunding of Prior Bonds to reduce variable interest rate risk.

The Series 2007A New Money Project will benefit Roosevelt's Chicago/Loop Campus and consist of the acquisition and expansion of leased space that houses Roosevelt University's administrative offices, various HVAC and life safety improvements and other renovations at Roosevelt's Loop Campus, and the acquisition of additional property to facilitate future expansion. Significantly, because the majority of proceeds will be used to finance acquisition of leased space, this financing will enable Roosevelt to fix a substantial portion of its future occupancy expense without increasing net payments significantly.

The Series 2007B Refunding Bonds will be pursued if market conditions remain favorable. The Refunding Bonds would enable Roosevelt to convert approximately \$32.9 million of existing 7-day Variable Rate Demand Bonds to Fixed Rate Mode. The Prior Bonds were used to finance the original acquisition, renovation, and equipping of Roosevelt's Schaumburg campus in 1995 (the former Unocal Corporation Midwest Division Headquarters) and for a series of capital improvement projects at both Roosevelt's Chicago and Schaumburg campuses.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are municipal bonds authorized under the Internal Revenue Code that enable 501(c)(3) corporations to finance capital projects furthering support of their mission. IFA's issuance of these Bonds will convey federal tax-exempt status on the interest paid to bondholders, thereby enabling bondholders to accept a below market interest rate that is passed through to the Borrower.

VOTING RECORD

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

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

| | | | | | |
|----------|-----------------------|----------------------------|-------|-----------------------|----------------------------|
| Sources: | IFA New Money (2007A) | \$35,000,000 | Uses: | New Project Cost(p.3) | \$34,300,000 |
| | IFA Refunding (2007B) | 32,900,000 | | IFA Refunding Escrow | 32,900,000 |
| | Equity | <u>475,000</u> | | Issuance Costs | <u>975,000</u> |
| | Total | <u>\$68,175,000</u> | | Total | <u>\$68,175,000</u> |

JOBS

| | | | |
|---------------------|-------|---------------------|---------------------|
| Current employment: | 1,700 | Projected new jobs: | 23 |
| Jobs retained: | N/A | Construction jobs: | 25-40 (6-12 months) |

BUSINESS SUMMARY

Background: Roosevelt University ("Roosevelt", "the University", or the "Borrower") is incorporated under Illinois law and is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code.

Roosevelt University is governed by a 59-member Board of Trustees (see pp. 6-8).

Description: Roosevelt University was established in 1945 as a private, not-for-profit institution of higher education with campuses located in downtown Chicago (430 South Michigan and 425 South Wabash) and Schaumburg. In addition to providing education at the undergraduate and graduate levels, Roosevelt also performs research, training, and other services under grants and contracts with third-party sponsors.

Roosevelt's mission has been to make higher education available to all students who could qualify academically. Roosevelt's niche has been providing education to residents of the inner city, students who work full-time, and students who are the first in their families to attend college. Approximately 87% of the University's student enrollment for the 2006 Fall term was comprised of residents of the greater Chicago metropolitan area.

Roosevelt's current enrollment is approximately 7,200, comprised of approximately 3,960 undergraduate (55%) and 3,240 graduate students (45%). Although Roosevelt's enrollment has been stable in recent years, the mix has shifted to higher tuition graduate students from undergraduate students.

Roosevelt employs over 600 faculty members, including approximately 215 full-time faculty members and 412 part-time faculty members. Consistent with Roosevelt's mission, the faculty is primarily focused on classroom instruction rather than research. Roosevelt's student-faculty ration of 11:1 provides a significant opportunity for individualized instruction.

Roosevelt has benefited from several bond financings through IFA and its predecessors including:

- In 1995, IFA (IDFA) financed the acquisition and renovation of Roosevelt's Schaumburg campus (the former Midwest Regional Headquarters of Unocal (formerly Union Oil) Corporation) in 1995 with \$16,500,000 of bond financing.
- In 1999, IFA (IDFA) provided \$900,000 through a five-year capital lease agreement that was used to finance acquisition of a new telephone system at its Chicago campus.
- In 2000, IFA (IEFA) provided \$6.4 million to refinance existing debt, to equip new space at its Chicago campus and to build-out and furnish additional space at its Schaumburg campus.
- In 2002, IFA (IDFA) provided \$10.0 million of financing for infrastructure improvements at the landmark Auditorium Theatre Building at the Chicago Campus and for various improvements to expand its Schaumburg campus.

Collectively, these financings are referred to as the "Prior Bonds" and all currently are secured by a Direct Pay Letter of Credit from Chase Bank and currently bear interest in 7-day floating rate mode. All payments on the Prior Bonds were current as of 12/1/2006.

The proposed financing project will finance improvements at Roosevelt's Chicago Campus and would also refund all of the Prior Bonds and convert existing variable rate bonds to fixed rate mode.

FINANCING SUMMARY

Structure: The Bonds will be secured by either Aaa/AAA/AAA-rated municipal bond insurance (from an insurer to be determined) or will be sold on the direct rating of Roosevelt University. The Underwriter (Lehman Brothers) has scheduled meetings with the rating agencies in January. Lehman anticipates that Roosevelt will be rated Baa2/BBB/BBB or higher (Moody's/S&P/Fitch). (In the event that Roosevelt fails to secure a minimum rating of Baa2/BBB/BBB and/or bond insurance, Roosevelt would pursue a Bank LOC from Chase Bank to secure the proposed Bonds.)

**Security/
Collateral:** The Credit Enhancer or Bondholders will be secured by a first security interest in all revenues of the University. The Bonds will be a general unsecured liability of Roosevelt University (although, the Credit Enhancer or Bondholders would have a right to pursue claims against the University's real estate and other fixed assets in the event of default).

**Final Maturity
Date:** 3/1/2037 (30 years)

Interest Rates: The Bonds will initially be issued and priced as Multi Modal Bonds with an initial fixed interest rate. The estimated interest rate for Baa2/BBB/BBB rated Bonds was approximately 4.55% as of 12/29/2006 according to S&P Securities Evaluation Service. (If the proposed Bonds are ultimately secured with a Bank LOC, they could, instead, be sold as variable rate bonds and swapped to fixed.)

PROJECT SUMMARY (for IFA Preliminary Bond Resolution)

The proposed financing will consist of Bonds to be issued in one or more Series, possibly consisting of a New Money Series and a Refunding Series.

The New Money Bond Proceeds will be used to finance, refinance, or reimburse Roosevelt University for the following capital improvements: (i) to finance the acquisition, renovation, new construction/build-out, and equipping of certain floors (approximately 126,000 SF) of the Gage Building located at 18-28 S. Michigan Avenue, Chicago, IL 60603; (ii) the acquisition, demolition, and site clearing of structures related to the Fine Arts Annex building and the Herman Crown Center located at 421-425 S. Wabash Avenue, Chicago, IL 60605; (iii) various renovations including upgrades and replacements to the Auditorium Theatre's HVAC system located at 430 S. Michigan Ave., Chicago, IL 60605; (iv) various life safety improvements, as well as other renovations and remodeling, at the Auditorium Theatre Building, located at 430 S. Michigan Ave., Chicago, IL 60605; and, (v) various capital improvements at Roosevelt's Chicago campus locations. Additionally, New Money Bond Proceeds may also be used to pay (vi) capitalized interest with respect to certain portions of the New Money projects, and (vii) certain costs of issuance.

The Refunding Bond Proceeds would be applied to current refund outstanding IFA (IDFA/IEFA) Bonds, including but not limited to (viii) IFA (IDFA) Series 1995 Bonds, the proceeds of which were originally used to purchase and renovate Roosevelt University's Schaumburg campus site located at 1400 N. Roosevelt Blvd., Schaumburg, IL 60173; (x) IFA (IEFA) Series 2000 Bonds, the proceeds of which were used to finance the acquisition of equipment for use at both Roosevelt's Chicago and Schaumburg campuses and refinance certain taxable debt of Roosevelt University; and, (xi) IFA (IDFA) Series 2002 Bonds, the proceeds of which were used to finance the renovation, build-out, equipping, and expansion of facilities located at Roosevelt's Chicago and Schaumburg campuses. Additionally, Refunding Bond Proceeds may also be used to pay (xii) certain costs of issuance.

A summary of the New Project Costs to be financed through the Series 2007A New Money Bonds follows:

| | |
|---|----------------------|
| Gage Building Acquisition of Floors 1-8; 8 th floor build-out: | \$23,500,000 |
| Acquisition of Fine Arts Annex Building: | 2,750,000 |
| Demolition/Renovation for Henry Crown Center/Fine Arts Annex buildings: | 3,650,000 |
| Auditorium Theatre HVAC upgrades: | 1,000,000 |
| Auditorium Theatre Life Safety/ Sprinklers: | 2,250,000 |
| Misc. Renovations to Auditorium Theatre and Gage Building: | 500,000 |
| Other Loop Campus Renovations | <u>650,000</u> |
| Total New Project Cost: | \$ 34,300,000 |

ECONOMIC DISCLOSURE STATEMENT

Applicant: Roosevelt University (c/o , Beth Reissenweber, Associate Vice President, 430 S. Michigan Ave., Chicago, IL 60605; (T): 312-341-3584; (F): 312-341-3657; e-mail: breissen@roosevelt.edu)
Web Site: www.roosevelt.edu
Project name: Roosevelt University Series 2007A (New Money) and Series 2007B (Refunding Bonds)
Locations: 18-28 S. Michigan Avenue, Chicago (Cook County), IL 60603; 425 S. Wabash Avenue and 430 S. Michigan Ave., Chicago (Cook County), IL, 60605 and (Refunding Bonds only) 1400 N. Roosevelt Blvd., Schaumburg (Cook County), IL 60173
Organization: Illinois 501(c)(3) not-for-profit corporation
Board of Directors: Member of Roosevelt University's Board of Trustees are listed on pp. 6-8 of this report.
Current Property Owner: Seller Disclosure Information for the 18-28 S. Michigan Avenue (Gage Building) and 421 South Wabash Avenue (Fine Arts Annex Building) properties:

- Gage Building, 18-28 S. S. Michigan Avenue, Chicago, IL 60603
c/o The Tuckerman Group LLC (a joint venture State Street Global Alliance LLC Company and ABP, a Dutch pension fund)
Mr. Glen S. Weisberg
10 S. Wacker Drive, Suite 3250
Chicago, IL 60606
312-798-6500
- 421 S. Wabash Avenue Building (Fine Arts Annex) is currently owned by Fine Arts LLC.
Contact Information for Fine Arts LLC:
Mr. Craig A . Goode, Esq.
Berger Companies
40 East Oak Street
Chicago, IL 60611
312-335-3000

PROFESSIONAL & FINANCIAL

| | | | |
|-----------------------------------|---|--------------|---------------------------------------|
| Borrower's Counsel: | Holland & Knight LLP | Chicago, IL | Anne Hamblin Schiave |
| Auditor: | Crowe Chizek and Company LLC | Chicago, IL | |
| Bond Counsel: | Katten Muchin Rosenman LLP | Chicago, IL | Janet Goelz Hoffman, Mark Laughman |
| Financial Advisor to Borrower: | John S. Vincent & Co. | Chicago, IL | John Vincent, James McNulty |
| Senior Manager: | Lehman Brothers | New York, NY | Jim Costello, John Stevenson |
| Co-Manager: | TBD prior to Final Bond Resolution (will depend on whether Bonds are issued in one or more series, including a Refunding Series). | | |
| Underwriter's Counsel: | [Foley & Lardner] Lehman will engage prior to initiating documentation, after Roosevelt determines whether Bonds will be sold on a credit enhanced basis based on discussions with the rating agencies. | | |
| Credit Enhancement: | TBD if necessary. Depending on Roosevelt's rating, these Bonds could be sold either insured, or with a Direct Pay LOC from Chase Bank. (Chase Bank is Roosevelt's LOC provider on its outstanding IFA Bonds.) | | |
| Counsel to Enhancer: | TBD depending prior to initiating bond documentation if Roosevelt chooses to sell Bonds on credit enhanced basis. | | |
| Rating Agencies: | Moody's Investors Service | New York, NY | |
| Trustee: | Bank of New York | Chicago, IL | Rodney Harrington |
| Trustee Counsel: | The Bank of New York Trust Company, N.A. | Chicago, IL | John Prendiville |
| Architect/ General Contractor: | TBD. Roosevelt University intends to engage a General Contractor to undertake all proposed renovation and demolition work connected with the proposed project. | | |
| IFA Counsel: | Burke Burns & Pinelli, Ltd. | Chicago, IL | Mary Pat Burns |

LEGISLATIVE DISTRICTS (as of 1/1/2007)

| | | |
|----------------|-----------------------|--|
| | <u>Chicago Campus</u> | <u>Schaumburg Campus (Refunding Series Only)</u> |
| Congressional: | 7 Danny K. Davis | 8 Melissa Bean |
| State Senate: | 13 Kwame Raoul | 33 Cheryl Axley |
| State House: | 26 Elga L. Jeffries | 66 Carolyn H. Krause |

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

Project: Elmhurst College

STATISTICS

| | |
|---------------------------------|---|
| Project Number: E-PC-TE-CD-6243 | Amount: \$25,000,000 (not-to-exceed amount) |
| Type: 501(c)(3) Revenue Bonds | IFA Staff: Rich Frampton |
| Location: Elmhurst | |

BOARD ACTION

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

PURPOSE

To construct a new, 170-bed semi-suite style student housing facility and an adjacent surface parking lot on the southwest corner of Elmhurst College's campus adjacent to downtown Elmhurst. Additionally, bond proceeds will be used to finance other campus improvements, and costs of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

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

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

| | | | | | |
|----------|-------------------------|----------------------------|-------|----------------|----------------------------|
| Sources: | IFA Senior Series 2007A | \$25,000,000 | Uses: | Project Cost | \$ 26,028,765 |
| | Equity | <u>1,378,765</u> | | Issuance Costs | <u>350,000</u> |
| | Total | <u>\$26,378,765</u> | | Total | <u>\$26,378,765</u> |

JOBS

| | | | |
|---------------------|-----|---------------------|----------------|
| Current employment: | 435 | Projected new jobs: | 5 |
| Jobs retained: | N/A | Construction jobs: | 75 (21 months) |

BUSINESS SUMMARY

Background: Elmhurst College (the "College") is a 501(c)(3) organization originally established in 1871 and incorporated in 1942 under Illinois law.

The College is managed by a 39-member Board of Trustees (see pp. 5-7).

Day to day operations are managed by President and Professor of Political Science Bryant L. Cureton, who has served since 1994.

Description: The College is located in Elmhurst on a 38-acre, registered arboretum adjacent to downtown Elmhurst. Founded in 1871, the College is a private, four-year liberal arts college affiliated with the United Church of Christ.

The College currently offers 51 majors, four accelerated majors for adults, 15 pre-professional programs, and nine graduate programs. The student body is comprised of about 2,400 traditional undergraduate students, 270 adults pursuing an accelerated undergraduate degree, and 230 graduate students. Elmhurst College's students come from many states and countries and from many religious, racial, and ethnic backgrounds.

Elmhurst College ranks among the top colleges in the Midwest, according to U.S. News and World Report and the Princeton Review.

All classes at Elmhurst College are taught by professors. Approximately 90 percent of the College's 117 full-time faculty hold the highest degree in their field. The average class has 19 students – Elmhurst College's 13:1 student/faculty ratio is one of the best in higher education.

Over the past five years, Elmhurst's freshman enrollment has increased from 321 in Fall 2001 to 482 in Fall 2006 – a 50% increase.

Elmhurst College has benefited from several bond financings through IFA and its predecessors including the following:

- In 1998, IFA (IEFA) financed the construction of a new residence hall and parking lot, and the renovation of the Physical Education Center, Frick Center, and portions of Goebel Hall with \$15,000,000 of bond financing.
- In 1999, IFA (IEFA) provided \$5.0 million of tax-exempt bond financing which financed additional renovations of the Frick Center and also refinanced portions of prior outstanding IEFA tax-exempt bond issues.
- In 2003, IFA (IEFA) provided \$12.0 million of tax-exempt bond financing to construct a new academic building, install sprinklers in four residence halls, expand existing parking lots, and provide for other general renovations at Elmhurst College's campus.
- In 2006, Elmhurst College also borrowed \$4.37 million under IFA's/Illinois Federation of Independent College's Higher Education Working Capital Loan Program – this loan will be due as of 3/20/2007.

Collectively, the Series 1998, Series 1999, and Series 2000 financings are referred to as the "Prior Bonds". Each is secured by a Direct Pay Letter of Credit from Chase Bank and currently bear interest in 7-day floating rate mode. All payments on the Prior Bonds were current as of 12/1/2006.

The proposed financing project will finance construction of a new, 170-bed semi-suite style student housing facility, and construction of a new surface parking lot at Elmhurst College adjacent to the student housing facility. Additionally, bond proceeds will finance other on-campus renovations and improvements. The project site is located in the southwest corner of Elmhurst College's campus.

The proposed project will increase the number of on-campus beds to 975. The College plans to construct an energy-efficient building and seek "LEED" status from the U.S. Green Building Council – this would be the second student housing facility proposal considered by the IFA Board that would attain LEED standards (following Saint Xavier University of Chicago in 2006). Additionally, the College plans to use permeable paving, parking lot bioswales, rain gardens, cisterns, and native vegetation to minimize run-off into Elmhurst's storm sewers and, ultimately, into local waterways (e.g., Salt Creek).

For additional information of LEED (Leadership in Energy and Environmental Design) design standards, please see: <http://www.usgbc.org/DisplayPage.aspx?CategoryID=19>.

FINANCING SUMMARY

Structure: The Bonds will be secured by a Direct Pay Letter of Credit from Bank of America N.A. Bank of America's long-term credit ratings are Aa2/AA-/AA- (Moody's/S&P/Fitch) and all 3 rating agencies have positive outlooks. Bank of America's short-term debt ratings are VMIG1/A-1/F-1+ from Moody's/S&P/Fitch.

**Security/
Collateral:** Bank of America will be secured by a first security interest in all revenues of the College and will be secured by a first mortgage and a blanket first security interest in all equipment.

**Final Maturity
Date:** 3/1/2042 (35 years)

Interest Rates: The Bonds will initially be issued and priced in a Weekly Rate Mode by Banc of America Securities, LLC. The most recent average rate on IFA 7-day floaters was 3.89% as of 12/20/2006 (excludes anticipated Bank LOC Fee, Remarketing Agent, and Trustee fees). Additionally, the bond documents will enable Bonds to be converted to a Daily, Adjustable, and Fixed Rate Mode. [Additionally, Banc of America will sell these Bonds, regardless of interest rate mode, in minimum denominations of \$100,000 (i.e., sale of these Bonds will be targeted to institutional investors, a stricter standard that required by IFA's Bond Program Handbook).]

PROJECT SUMMARY (FOR IFA PRELIMINARY BOND RESOLUTION)

Bond proceeds will be used to finance, refinance, or reimburse all or a portion of the costs of (i) the construction and equipping of a new, three-story, approximately 83,595 SF, 170-bed residence hall, (ii) the construction of a surface parking lot adjacent to the subject residence hall, (iii) the completion of various other improvements to the College's Campus located at 190 Prospect Avenue, Elmhurst, Illinois (collectively, the "Improvements"), (iv) refinancing certain taxable indebtedness incurred by the College in connection with the Improvements, (v) pay a portion of the interest to accrue on the Bonds, if any, (vi) funding one or more debt serve reserve funds, if deemed necessary, (vii) paying bond issuance costs (including the costs of credit enhancement). Collectively these capital expenditures will comprise the "Project". The Campus is generally bounded by the area bordered by Prospect Avenue on the East, Park Avenue on the north, and by single family residences on the west and south.

A summary of project costs follows:

| | |
|---------------------------------|------------|
| Building Infrastructure: | \$570,280 |
| Building Construction: | 15,139,162 |
| Permeable Parking Lot | |
| Improvements/Site Work: | 3,051,159 |
| Building Security/Low Voltage: | 354,729 |
| Construction Soft Costs: | 2,700,834 |
| Furniture, Fixtures & Equipment | 801,700 |
| Contingency: | 1,060,901 |
| Biology Lab Upgrades | 200,000 |
| Boiler Replacement | 1,400,000 |

| | |
|---|-------------------|
| Handicapped Accessibility to Frick Center Patio: | 150,000 |
| Other Building & Infrastructure Improvements: | <u>600,000</u> |
| Total: | 26,028,765 |

ECONOMIC DISCLOSURE STATEMENT

Applicant: Elmhurst College (c/o Denise Jones, Vice President for Financial Affairs, Elmhurst College, 190 Prospect Avenue, Elmhurst, IL 60126; (P) 630-617-3012; (F) 630-617-3746; djones@elmhurst.edu)

Web Site: www.elmhurst.edu

Project name: Elmhurst College Series 2007 Bonds

Location: 190 Prospect Avenue, Elmhurst (DuPage County), IL 60126

Organization: Illinois 501(c)(3) Corporation (May 1942)

Board of Directors: Members of Elmhurst College's 2006-2007 Board of Trustees are listed on pp. 5-7.

Current Property Owner: Elmhurst College currently owns the subject properties.

PROFESSIONAL & FINANCIAL

| | | | |
|---|---|------------------------------|----------------------------------|
| Borrower's Counsel: | Bell Boyd & Lloyd, LLC | Chicago, IL | Ken Peterson |
| Auditor: | KPMG LLP | Chicago, IL | |
| Bond Counsel: | Chapman and Cutler, LLP | Chicago, IL | Nancy Burke |
| LOC Bank: | Bank of America | Chicago, IL | Mark Monroe |
| LOC Bank Counsel: | Chapman and Cutler, LLP | Chicago, IL | |
| Underwriter: | Banc of America Securities LLC | Chicago, IL | Ken Kerzner, Michelle Salomon |
| Underwriter's Counsel: | Foley & Lardner LLP | Chicago, IL Milwaukee, WI | Janet Zeigler, Dana Lach |
| Rating Agencies: | Moody's and Standard & Poor's | New York, NY Chicago, IL | Susan Carlson |
| Trustee: | The Bank of New York Trust Company, N.A. | Chicago, IL | Daryl Pomykala |
| Trustee Counsel: | The Bank of New York Trust Company, N.A. | Chicago, IL | John Prendiville |
| Printer: | To be determined | | |
| Architect/ General Contractor: | Wight & Company | Darien, IL | Kevin Havens |
| Construction Loan Servicer: | Project Control, Inc. | Chicago, IL | Tom Zintl |
| IFA Counsel: | Ungaretti & Harris | Chicago, IL | Julie Seymour |

LEGISLATIVE DISTRICTS (as of 1/1/2007)

Congressional: 6 Henry J. Hyde
State Senate: 23 Carole Pankau
State House: 46 Lee A. Daniels

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2006 – 2007

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Columbus, Ohio

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Chicago, Illinois

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St. Louis University
St. Louis, Missouri

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Illinois Finance Authority

Memorandum

Memo to: IFA Board of Directors
Date: January 9, 2007
From: Eric Reed, Senior Funding Manager
RE: Amendatory Resolution to extend the original expiration date of IFA commitment to purchase a Participation loan from Farm Credit Services of Illinois in the amount of \$1,000,000.

A participation loan in the total amount of \$1,000,000 was originally approved for Pitch Co. Inc. June 13, 2006 to fund 50% of the required financing for the remodeling of their current swine facilities and repopulate their herd. The loans are split into two loans split into two loans, which will require IFA to fund one loan for \$750,000 and one for \$250,000. This transaction has not yet closed or funded. Since the original approval, the borrower has notified the lender that the project experienced construction delays and herd health problems from disease. As a result, Farm Credit Services has requested that the IFA extend our commitment expiration from 12/13/06 to 6/13/07.

Project costs are as follows:

| | | | | | |
|----------|----------------------|---------------------------|-------|-----------------|---------------------------|
| Sources: | IFA | \$1,000,000 | Uses: | Building Const. | \$500,000 |
| | Farm Credit Services | <u>\$1,000,000</u> | | Livestock | <u>\$1,500,000</u> |
| | Total | <u>\$2,000,000</u> | | Total | <u>\$2,000,000</u> |

Confidential Information

The interest rate structure will remain the same as the original approval, with the lender passing on the 2.0% IFA rate benefit on each loan. (See bottom pg. 2 for rate detail)

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

The Debt Service Coverage ratio has not been affected to date. The projected debt coverage for the project is 1.49:1 for 2007.

YTD Income Statement 11/30/06

| | |
|----------------|-----------------|
| Gross Income: | \$2,329,672 |
| Cash Expenses: | \$1,878,225 |
| Depreciation: | \$180,652 |
| Interest: | <u>\$82,492</u> |
| Net Profit: | \$188,828 |
| EBITDA: | \$451,447 |

The disease problems experienced by the borrowers have been in their original 2,500 sow production unit. Their new 2,500 unit, for which the proposed IFA funding is committed, currently does not have disease issues. The units are segregated by location, so there is a positive outlook for containing the disease. The disease experienced by Pitch Co. is known as Porcine Reproductive and Respiratory Syndrome (PRRS) is a common disease is swine. As the name suggests, it affects the reproductive tracts and respiratory abilities of the animals. The animals are continuously sick and fail to thrive.

PRRS can be transmitted to livestock through entry of other livestock into the herd, from other neighboring livestock barns, through trucking and transportation, personnel entry, and through semen. For these reasons, producers generally segregate their barns, manage their own transportation, restrict who enters their swine facilities and provide showers prior to entry for those who do, and retain a veterinarian to monitor semen purchased from boar studs for breeding purposes.

Farm Credit Services has met with the producer on a weekly basis for updates on the disease situation, since the beginning of December. Since the initial diagnosis and corresponding injections for treatment, the herd has responded well and shown improvement each week. The producers have negotiated a change in their contract allowing them to sell the PRRS positive pigs at a \$4 discount, from their \$39/pig contracted price. The lender feels Pitch Co. will be able to achieve positive cash flow, since initial debt repayment was calculated at \$32/pig.

Farm Credit Services has also met with the borrower's veterinarian. He will provide them with a plan to eliminate the disease from the herd over the next 1 to 3 months. During this time, Farm Credit Services anticipates that they will continue with a policy of collecting interest only each month from the borrower. Originally, the new loans were scheduled for closing in December and principal payments starting in January 2007. The extension of commitment for IFA funding will allow the borrowers to work through the disease problems, maximize their production, and place them themselves in a position to service the new debt as scheduled.

In addition to the extension of commitment to fund the 2 loan requests, the IFA Board of Directors must decide whether to honor the original interest rate terms, which were 2% below the lender's rate. Currently, both loans are written as follows:

- \$1.5M term loan, 3 year term, fully amortized, fixed at 6.5%. Resulting interest to IFA would be 4.5% for 3 years on \$750K.
- \$500K real estate mortgage, 10 year term, fully amortized, adjustable monthly at Prime- 1.25%, currently 7%. The resulting interest rate for IFA would 5% variable on \$250K.

Certainly, IFA can choose to extend our commitment at a higher rate, which will obviously affect the borrower's cost of capital and further impact their cash flow. Farm Credit Services may or may not choose to participate this loan to IFA.

ILLINOIS FINANCE AUTHORITY
Memorandum

To: Jill Rendleman, Executive Director

From: Anne Donahoe

Date: January 2, 2007

Re: A Resolution amending Resolution No. 2006-12-05 relating to the issuance by the IFA of not to exceed \$5,500,000 aggregate principal amount of its Bond Anticipation Notes, Series 2006 (Tallgrass at Mill Creek Project), for the purpose of approving Friendship Village of Mill Creek, NFP, doing business as Tallgrass at Mill Creek, as the borrower of the proceeds of the Notes; and related matters.

- On December 5, 2006, the Authority approved a final resolution for Friendship Village of Mill Creek Illinois, LLC, an Illinois limited liability company, to borrow up to \$5,500,000. Proceeds from the sale of the Bond Anticipation Notes (BANs) will be used to fund the pre-construction costs of the Project, comprised primarily of the design, development, and marketing costs.
- When Resolution No. 2006-12-05 was adopted, the Borrower was identified as Friendship Village of Mill Creek Illinois, LLC, a newly formed Illinois limited liability company. It was anticipated that the documentation would reflect that Tallgrass at Mill Creek would assume the loan obligations once it received its 501(c) (3) determination letter.
- Subsequent to the adoption of that Resolution, Tallgrass at Mill Creek received its 501(c) (3) determination letter. As a result, the Board is being asked to amend the earlier Resolution with respect to the Borrower. The proceeds of the BANs will now be lent to Tallgrass at Mill Creek instead of Friendship Village of Mill Creek Illinois, LLC.
- Tallgrass at Mill Creek is a proposed continuing care retirement community to be built in Geneva, IL, and will consist of 174 independent living units, 20 assisted living units, and 24 skilled nursing beds. The current estimated total cost to develop the community is approximately \$122 million.
- Repayment of the principal and accrued interest on the BANs will be paid from the proceeds of long term bonds to be issued upon achieving pre-sales with respect to 65% to 70% of the independent living units. It is expected that this will be accomplished within the next two years.

CC: Kim Copp
Alan Bell
Credit Committee
Pamela Lenane
Dana Sodikoff

RESOLUTION NO. 2006-12-05

RESOLUTION amending Resolution No. 2006-12-05 relating to the issuance by the Illinois Finance Authority of not to exceed \$5,500,000 aggregate principal amount of its Bond Anticipation Notes, Series 2006 (Tallgrass at Mill Creek Project) (the "Notes"), for the purpose of approving Friendship Village of Mill Creek, NFP, doing business as Tallgrass at Mill Creek, as the borrower of the proceeds of the Notes;

WHEREAS, the Illinois Finance Authority (the "Authority"), a body politic and corporate operating under the Constitution and laws of the State of Illinois (the "State"), is authorized under the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq.*, as supplemented and amended (the "Act"), to issue its bonds, notes (including bond, grant or revenue anticipation notes), certificates and/or other evidences of indebtedness for its corporate purposes, including to finance, in whole or in part, the costs of the acquisition of land, buildings, improvements, furnishings, equipment and related property, the construction of improvements thereto, and the acquisition of furnishings, equipment and related property to be installed therein, all constituting a "project" as defined in the Act; and

WHEREAS, Friendship Village of Mill Creek Illinois, LLC, an Illinois limited liability company (the "LLC"), has requested the Authority to assist in financing the costs of the acquisition, construction, equipping and improvement of a continuing care retirement community consisting of approximately 174 independent living units, 20 assisted living units, 24 skilled nursing beds and related facilities (collectively, the "Project"), which will be located on approximately 18.5 acres of land situated in the County of Kane, Illinois; and

WHEREAS, in order to provide funds for payment of certain costs of the Project to be incurred prior to the commencement of construction and permanent financing (the "Preconstruction Costs"), the Authority pursuant to Resolution No. _____ adopted by the Authority at its regular meeting on December 5, 2006 (the "Original Resolution"), has authorized the issuance and sale of its Bond Anticipation Notes, Series 2006 (Tallgrass at Mill Creek Project) in the aggregate principal amount of \$5,500,000 (the "Notes"); and

WHEREAS, the Original Resolution provided for the Authority to loan the proceeds of the Notes to the LLC in order to finance the Preconstruction Costs of the Project and the LLC, in consideration of the issuance of the Notes, to covenant and agree pursuant to the Loan Agreement (as defined in the Original Resolution) to make payments sufficient to provide for the payment of the principal of and interest on, or accreted value of, the Notes, and other amounts payable with respect to the Notes, as and when the same become due and payable; and

WHEREAS, the Authority, the LLC and Friendship Village of Mill Creek, NFP, doing business as Tallgrass at Mill Creek ("Tallgrass"), an affiliate of the LLC, now desire that the loan of the proceeds of the Notes be made by the Authority to Tallgrass, instead of the LLC, in order to finance the Preconstruction Costs and for Tallgrass, instead of the LLC, to covenant and agree pursuant to the Loan Agreement to make payments sufficient to provide for the payment of and

interest on, or accreted value of, the Notes, and other amounts payable with respect to the Notes, as and when the same become due and payable;

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

SECTION 1: The foregoing recitals are hereby incorporated in this Resolution as if fully set forth herein.

SECTION 2: The Loan of the proceeds of the Notes by the Authority to Tallgrass, instead of the LLC, in order to finance the Preconstruction Costs is hereby approved. Tallgrass, instead of the LLC, shall be a party to the Loan Agreement, the Note Purchase Agreement and the Tax Agreement (as those terms are defined in the Original Resolution) authorized and approved by the Authority in the Original Resolution. References to the Borrower in the Original Resolution and in the Note Documents, the Preliminary Official Statement and the final Official Statement (as those terms are defined in or referred to in the Original Resolution) are deemed to refer to Tallgrass rather than the LLC.

SECTION 3: The Original Resolution, as amended by this Resolution, shall remain in full force and effect.

SECTION 4: The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

SECTION 5: All resolutions, orders or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby superseded.

SECTION 6: This Resolution shall be in full force and effect from and after its passage and approval, in accordance with law.

Adopted: January 9, 2007