ILLINOIS FINANCE AUTHORITY
BOARD MEETING
February 13, 2007
Chicago, Illinois

1

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
Agri-Debt Guarantee						
1	Paul D. and Lynn R. Schneider	Flanagan	500,000	0	0	CM
Agricultural Participation Loan						
2	Daniel A. Callahan/L.P. and Devin M. Callahan/L.P.	Seaton	213,500	0	5	CM
3	Midland States Bank Trust #1780: Darrell Runge, dba Runge Farms	Mason	96,000	0	0	ER
Solid Waste Disposal Revenue Bonds *Preliminary*						
4	Alternative Energy Sources, Inc.	Kankakee	50,000,000	40	250	RKF/CM
Beginning Farmer Bonds						
5	Joseph Young and Sheena Androvandi	Olney	85,000	0	0	ER
	Blake Meisner	Raymond	160,000	0	0	ER
	Brian Burris	Opdyke	70,000	0	0	ER
	Scott Poettker	Aviston	242,077	0	0	ER
	Eric Poettker	Aviston	129,920	0	0	ER
	Ronald and Rhonda Deters	Teutopolis	250,000	0	0	ER
	Jeffrey Bassett	Oglesby	250,000	0	0	CM
	Robert and Cynthia Haggard	Rockford	250,000	0	0	CM
	John and Deborah Green	Little York	150,000	0	0	CM
	W. Daniel and Kristi Green	Smithshire	190,312	0	0	CM
TOTAL AGRICULTURE PROJECTS			52,586,809	40	255	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds *Preliminary*						
6	OSF Healthcare System	Peoria	300,000,000	100	644	PL/DS
501(c)(3) Bonds *Final*						
7	Hospital Sisters Services, Inc	Springfield	250,000,000	150	625	PL
8	Edward Hospital	Naperville	250,000,000	57	145	PL/DS
TOTAL HEALTHCARE PROJECTS			800,000,000	307	1,414	

COMMUNITIES AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds *Preliminary*						
9	Northshore Hockey Club	Northbrook	5,500,000	6	50	ST
10	The Catherine Cook School	Chicago	6,100,000	0	0	TA
11	Holy Family Ministeries	Chicago	4,500,000	17	300	SCM
12	Association House of Chicago	Chicago	6,000,000	8	40	SCM
501(c)(3) Bonds *Final*						
13	LHC, LLC	West Dundee	20,000,000	23	300	ST
14	Northern Illinois Annual Conference of the United Methodist Church (Hilltop Ministry Center)	Machesney Park	3,400,000	55	100	TA
15	Community Action Partnership of Lake County	Waukegan	4,000,000	0	0	TA
Housing Bonds *Preliminary*						
16	Liberty Towers Associates II L.P., an Illinois limited partnership (Liberty Towers Apartments)	Libertyville	5,500,000	0	0	RKF
501(c)(3) Cultural Pool Loan *Final*						
17	National Opinion Research Center	Chicago	1,200,000	0	0	RKF
Local Government Pooled Bond Bond Program						
18	Central Macoupin County Rural Water District	Medora	220,000	0	0	EW
19	Village of Cooksville	Cooksville	280,000	0	0	EW
20	Village of Kingston Mines	Kingston Mines	200,000	0	0	EW
21	Village of Kane	Kane	470,000	0	0	EW
22	City of Bunker Hill	Bunker Hill	410,000	0	0	EW
23	Village of Bulpitt	Bulpitt	265,000	0	0	EW
Local Government Loan Program						
24	City of Girard	Girard	475,000	0	0	EW
Rural Development Loan						
25	Jersey County Rural Water Company	Jersey County	110,000	0	0	EW
TOTAL COMMUNITIES AND CULTURAL PROJECTS			58,630,000	109	790	

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Loans						
26	Chicago Community Ventures (Illinois State Minority Business Loan Fund)	Statewide	500,000	4	0	SCM
Industrial Revenue Bonds *Preliminary*						
27	Cleveland Hardware and Forging Co.	Aurora	4,000,000	4	15	TA
28	Globe EnergyECO-System LLC	Peoria	10,000,000	600	15	JS
29	Optima LLC/Plochman's Mustard	Manteno	2,000,000	6	0	SCM
30	Ozinga Bros., Inc. and Subsidiaries	Various	9,800,000	105	0	ST
Industrial Revenue Bonds *Final*						
31	700 Hickory Hills Drive, LLC for its Affiliate Lessee Precision Resource, Inc.	Vernon Hills	10,000,000	21	140	TA
32	Magnetic Inspection Laboratory, Inc. and Schiewe Partnership	Elk Grove Village	8,000,000	22	15	RKF
33	Gusto Packing Inc. and 2125 Rochester Property, L.L.C.	Montgomery	8,500,000	50	40	SCM
34	Bohler Uddelholm Corporation	Elgin	10,000,000	10	75	ST
TOTAL BUSINESS AND INDUSTRY PROJECTS			62,800,000	822	300	

HIGHER EDUCATION

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds *Preliminary*						
35	Bradley University	Peoria	90,000,000	0	50	JS
501(c)(3) Bonds *Final*						
36	Roosevelt University	Chicago and Schaumburg	68,000,000	23	40	RKF
37	Loyola University Chicago	Chicago	27,635,000	0	0	TA
38	Elmhurst College	Elmhurst	25,000,000	5	75	RKF
TOTAL HIGHER EDUCATION PROJECTS			210,635,000	28	115	
GRAND TOTAL			1,184,651,809	1306	2874	

Tab

Resolutions/Project Revisions/Amendatory Resolutions

39	Amendatory Resolution to extend the original expiration date of the IFA comitment to purchase a Participation Loan from Bank of Belleville in the amount of $714,000.	RP
40	Amendatory Resolution to extend the original expiration date of the IFA comitment to purchase a Participation Loan from Bank of Belleville in the amount of $886,000 for MAR Business Forms Company.	RP
41	Amendatory Resolution to extend the original expiration date of the IFA comitment to purchase a Participation Loan from Banterra Bank in the amount of $701,000 for Midwest Fabrication and Repair, Inc..	RP
42	Amendatory Resolution to extend the original expiration date of the IFA comitment to purchase a Participation Loan from Bank of Belleville in the amount of $718,000 for Sonnenberg Asphalt Co., Inc.	RP
43	Amendatory Resolution to extend the original expiration date of the IFA comitment to purchase a Participation Loan from Community First Bank of Fairview Heights in the amount of $239,020 for Suria LLC (or The Early Years Child Care Center, Inc.).	RP
44	Amendatory Resolution to amend certain provisions and remove certain administrative responsibilities of the program administrator, Illinois Facilities Fund, in association with Illinois Charter Schools Project (Noble Network of Charter Schools and Uno Charter School Network Inc.).	SCM
45	Amendatory Resolution to revise collatoral securing a participation loan for P&P Press, Inc.	JS
46	Amendatory Resolution authorizing and approving the termination of a self-insurance trust and the appointment of an actuary in connection with such termination relating to the Illinois Health Facilities Authority Revenue Bonds, Series 1978 (Loyola University of Chicago)	TA
47	Amendatory Resolution authorizing and ratifying the execution and delivery of a Second Supplement to Second Amended and Restated Trust Indenture relating to the Illinois Health Facilities Authority's Bonds, Series 1995 B (Revolving Fund Pooled Financing Program)	PL/DS

Other

Adjournment

Illinois Finance Authority
Executive Director's Report
February 13, 2007

To: IFA Board of Directors and Office of the Governor

From: Jill Rendleman, Interim Executive Director

I. Financial Performance

Illinois Finance Authority's financial position remains strong with total assets of $155,369,496 consisting of equity of $89,961,884 and liabilities of $66,407,612. This compares favorably to the January 2006 balance sheet of $154,566,348 in total assets comprising of $86,904,671 in equity and 66,661,677 in liabilities and bonds payable.

Gross Income YTD for January 2007 ended at $7.8 million or slightly above plan. Operating expenses ended at $5.9 million, generating a current net income of $1.9 million.

II. Sales Activities

A continued upward trend in project approvals complements the increase in gross revenues as an indication that calling efforts are bringing results. Funding managers will be presenting 47 projects totaling $1,184,651,809 for approval in February 2007. Community & Culture contributed the largest number of projects with 17 totaling $58,630,000. The next highest number of projects comes from Business & Industry with 9 projects and $62,800,000. Healthcare is bringing the largest dollar amount of projects totaling $800,000,000 with Higher Education contributing $210,635,000. Agriculture is contributing another strong month with $52,586,809. These projects will create 1,303 new jobs and 2,874 construction jobs throughout Illinois. Projects continue to cover a diversity of regions, economies and market sectors throughout the state.

Health Care: This month the Healthcare Group hosted a meeting to discuss the 1985 Revolving Fund Pooled Financing Program, including topics regarding current loans outstanding and maturing, extending the term of the letter of credit, extending the pool, and hospitals in the queue. The meeting clarified the goals for this upcoming calendar year in regard to the 1985 Pool. Also this month Funding Managers completed a Healthcare market survey focused on small rural hospitals which was conducted at the Illinois Critical Access Hospital Network CFO Forum. The Healthcare Group is now working to tailor the survey for distribution to large hospital systems. The Healthcare Group also met to discuss potential hospital participants for the Investment Management and Arbitrage Rebate Program. Funding Managers met with several large hospitals to discuss the timing of their future financings. Funding Managers and Executive Director made 62 business development contacts during January.

Higher Education: Higher Education staff continues to work on several programs with both public and private colleges and universities, including the College Revenue Anticipation Note (RAN) program, the Energy Hedging program and the Higher Education Sprinkler program. Currently four participants are expected to finance with the RAN program which is offered via the Federation of Independent Illinois Colleges and Universities (FIICU). The RAN Program will come before the IFA Board in March for approval. Nine universities and community colleges are participating in the Energy Hedging pilot. Two additional private universities are considering participation. We are assessing the need for a Higher Education Sprinkler Program as legislation mandates that all post-secondary educational institutions must install sprinkler systems in their dormitory structures by 2013. Compliance could also lead to major renovations and new living facilities at some colleges and universities. Higher Education volume appears to be strong with several institutions presenting transactions for Board inducement at the February meeting. Funding Managers and Executive Director made 7 new business development contacts during January.

Agriculture: Business development efforts in the Agri-Business area include meetings with ethanol facilities, a tri-county Energy Co-Op development effort, a gas company, wineries, a dairy farm expansion and a swine facility. Ag Funding Managers attended the Northern IL Farm Show and Expo in Dekalb, a Farm Show in Gordyville and a land sale. We continue with an aggressive call schedule that includes banks; representatives with the Farm Service Agency, Corn Growers Association, and Pork Producers Association; Farm Program Directors; and the University Of Illinois College Of Agriculture. We continue to receive a variety of inquiries for Guarantees, Participations, and Beginning Farmer Bonds. Presentations are scheduled at the upcoming Renewable Energy and Efficiency Conference in mid-March in conjunction with the University of Illinois and the IL Electric Council. We are exploring opportunities to continue our participation with the IL Clean Energy Community Foundation (ICECF) for wind and renewable energy projects. Funding Managers and Executive Director made 70 business development contacts during January.

Communities and Culture: In the Local Government segment, IFA is presenting eight applications for the Pooled Bond Program at the February Board meeting, with four additional applications to follow. We are now using a preliminary, short-version application to make it easier for municipalities to express interest. Mailings to 4000 municipalities, and to engineers involved in local government and infrastructure projects are planned. In other areas of local government, we are working with five school districts to assist with short-term borrowing needs through Tax Anticipation Warrants; and have requested an additional $5 million for the Fire Truck Revolving Loan Fund and $2 million for the newly established Ambulance Revolving Loan Fund. IFA spoke about financing options at a conference sponsored by the Lieutenant Governor on Sustainable Cities. 120 follow-up letters were mailed to attendees. We're also working with a diverse group of municipal and state resources to develop a

financing program for handling the municipal cost of tree removal and recycling related to emerald ash borer infestation.
As a result of IFA's work with the Energy Hedging program in Higher Education, a similar pre-paid natural gas program for municipalities was presented to IFA for discussion for which 63 municipal utilities in IL would be eligible. A focus group meeting is being planned to determine interest and, if interest exists, to share information about this program with the eligible communities.

In the Nonprofit segment, we are in discussion with Chase to support new program development, a ribbon cutting ceremony was held for Midway Broadcasting, and we participated on a panel at the Charter School Workshops where we discussed financing options. The City of Waukegan has interest in the Single Family Mortgage Program for a large condo complex and for dilapidated and foreclosed homes. Funding Managers and the Executive Director made 25 business development contacts during January.

Industry and Commerce: Interest in Industrial Revenue Bonds continues to grow around the state due to more favorable interest rate spreads and the new $20 million Capex limit. IFA is conducting presentations at key banks/prospective borrowers to explain the regulatory changes in the IRB program and the opportunity they now provide to small to mid-size manufacturers. Funding Managers also formalized a calling effort targeting all EDC and Regional DCEO Directors, including joint calls on key prospects. Work continues with Chicago Community Ventures and 5th Third Bank to develop a new Illinois Statewide Minority Business Loan Fund. IFA received another inquiry regarding financing a proposed Intermodal Facility. Although IFA is likely to receive many inquiries regarding Intermodal Facilities Bonds, most bond counsel and underwriters anticipate that only one Illinois-based intermodal project will receive an allocation of Intermodal Bond Volume Cap from the Secretary of the US Department of Transportation. Funding Managers and Executive Director made 68 business development contacts during January.

III. Marketing and Public Relations

Strategic planning meetings for market sectors are scheduled to take place around the February board meeting. Web updates continue: current product and application updates are completed; new programs and home page content for each market sector is underway. In the Ag sector, Funding Managers finalized a letter that promotes IFA accomplishments in agriculture. This letter will be sent to Legislators and Bankers. They also created a radio spot that will run in the AG Cromwell syndicated network in southern Illinois and Eric Reed published an article that appeared in Farm Week. IFA is producing a documentary film that will be shown at the March Board event at the Executive Mansion. Which showcases projects around the state. Presentations were created to support business development for higher education, energy projects, legislator calls, and for the Southernmost Illinois Development Empowerment Zone (SIDEZ). IFA worked with DCEO and GOMB to prepare a response to the study "Gold Collar: How State Job Subsidies in the Chicago Region Favor Affluent Suburbs" published by Good Jobs First. Several articles appeared in the news about IFA programs and projects. A new equipment financing program sponsored by IFA is being created and marketed by LaSalle Bank's Healthcare Division. IFA is discussing joint communication efforts when the program is ready to launch. In the area of Freedom of Information Act (FOIA) requests, IFA responded to two this month which dealt with contracts. A number of media inquiries related to IRB's were also addressed.

V. Human Resources and Operations

Items completed in the area of HR include the plan enrollment for the IFA Individual Account Plan (401(a) Deferred Compensation Plan), a comparison of IFA's deferred compensation plan with the state's retirement pension plan, a first draft of the new IFA's Human Resources manual, a quarterly IT update and strategy meeting, the RFQ for a new telephone system, and hiring new part-time staff for the Springfield office. Additionally, we attended the Benefits Symposium in advance of the Benefits Plan Annual Enrollment Period.

Items currently in process include reviews and incentive plan documents for Funding Managers, job description inventory updates for FY 2007, the Disaster Recovery Operation Plan, and formalizing ACT as a part of our Strategic Planning process, finalizing the schedule for the review and compensation process for FY 2007, compliance with the Personal Information Protection Act, and Records Retention.

V. Legal and Legislative Issues

Legislators are back in session and IFA is in the process of seeking sponsors for and introducing legislation. A legislation summary as well as the status of all proposed legislation is attached to this report.

VI. Audit and Compliance

IFA appeared before the Legislative Audit Commission on February 6, 2007 in Springfield, Illinois. The IFA was represented by Interim Executive Director Jill Rendleman, Stuart Boldry, Chief Operations Officer and Jose Garcia, Chief Financial Officer. The purpose of the meeting was to review the FY 2005 audit ending June, 30, 2005. The Auditor General Holland's summary was followed by the Interim Executive Director's report. Most of the feedback pertained to the Personnel Code for which the Auditor General has recommended an Opinion from the Attorney General's Office. The Interim Executive Director's report and follow-up were well received covering the points brought-up by Commission.

EXECUTIVE SUMMARY OF IFA'S 2007 LEGISLATIVE AGENDA

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

1. **Economic Development Amendment** - The amendment authorizes the IFA to provide access to financing for projects located outside of the State for organizations (such as higher education, industrial, cultural, housing, healthcare and other organizations) that have a significant presence in the State or are financing a project located within the State.

2. **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 bio-energy agribusiness may not exceed \$10 million or for any bio-diesel project may not exceed \$20 million.

3. **Broadband Deployment Assistance Amendments** - The amendments permit 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 amendments also allow the IFA to issue State guarantees for such broadband projects in an aggregate amount not to exceed \$50,000,000 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).

4. **Increased Bonding Authority Amendment** – The 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.

5. **Technical Amendments** – These amendments provide for the following amendments to the Act for the purpose of providing clarification and consistency:

   (a) **Clean Coal Amendments** - The Clean Coal Amendments conform the Act to certain amendments that were made to the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois (the "DCEO Statute") by the Illinois General Assembly's enactment of P.A. 94-65 (eff. 6/21/05). The conforming amendments authorize the IFA to issue clean coal and energy bonds for "new facilities" as defined in the DCEO Statute which includes, among others, coal gasification projects. The Clean Coal Amendments will also clarify that projects for such "new facilities" may qualify for moral obligation credit enhancement and provide that IFA clean coal and energy bonds that benefit from a moral obligation designation conform to the existing procedures set forth in the Act (Article 801) that relate to the issuance of other moral obligation bonds issued under the Act.

   (b) **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 funds and programs.

   (c) **Quorum/Affirmative Vote Amendment** - The amendment provides that a quorum of the IFA Board of Directors (the "Board") is established if a "majority" of the appointed members of the Board are physically present at a meeting. In addition, the amendment provides that a matter will be deemed approved by the Board if it is approved by a "majority" of the members of the Board.

(d) **Direct Loan Program Amendment** - The amendment deletes from Section 801-40(r) of the Act the requirement that a direct loan under the Direct Loan Program be approved by at least eight members of the IFA Board because Board quorum and voting approval requirements are already set forth in Section 801-25 of the Act.

(e) **Swaps/Derivatives Amendment** – The amendment copies Section 820-20(n) of the Act (Powers and Duties; Illinois Local Government Financing Assistance Program) to Section 801-40 of the Act (General Powers and Duties) to clarify that the IFA may enter into swaps and other derivative agreements in connection with all IFA programs.

(f) **Non-impairment Amendment** – The amendment copies Section 820-45 of the Act (Pledge of Revenues by the Authority) to a "new" section, Section 801-50, of the Act to clarify 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.

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ILLINOIS FINANCE AUTHORITY ACT LEGISLATIVE AMENDMENTS
20 ILCS 3501/801-1 ET SEQ. (the "Act")

ILCS Code Sec. (§)	Amend. and Type of Amend. (S – Substantive) (T – Technical)	Sponsor(s)	Suggested Legislative Amendment	Effect of Amendment	Bill No.
§801-5, §801-10 and New §801-50	Economic Development (S)	Sen. James Clayborne, Jr. (D) (57th District, East St. Louis, IL) [1]	Amendment authorizes the IFA to provide access to financing for projects located outside the State for organizations (i.e. higher education, industrial, cultural, etc.) that have a significant presence in the State or are financing a project located within the State.	Legislation will reduce overall financing costs related to bond issuances for Illinois businesses; increase employment opportunities for State residents; allow the State to control usage of its initiatives (i.e., "prevailing wage") that assist State residents; and allow the IFA to be competitive with jurisdictions that have the authority to issue bonds outside of their jurisdiction.	
§801-10, §830-25 and §830-35	Bio-Energy (S)	Sen. Deanna Demuzio (D) (49th District, Carlinville, IL)	Amendments expand the definition of "agribusiness" to include ethanol and other bio-energy businesses; 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 provide maximum limits for state guarantees for energy related agribusinesses in the amount of $10 million and bio-diesel projects in the amount of $20 million.	Investing in bio-energies supports the State's economy and agricultural community; increases energy independence in the State; increases the State's ability to entice bio-energy facilities to locate in Illinois and promotes economic development for the benefit of agri-business throughout the State.	SB0057 Referred to the Rules Comm. on 1/31/07.

[1] *Potential Additional* Sponsors: Sen. Michael Frerichs (D) (52nd District), Sen. David Koehler (D) (46th District, Pekin, IL), Rep. Brandon Phelps (D) (118th District, Harrisburg, IL), and Rep. Dan Reitz (D) (116th District, Sparta, IL).

ILCS Code Sec. (§)	Amend. and Type of Amend. (S – Substantive) (T – Technical)	Sponsor(s)	Suggested Legislative Amendment	Effect of Amendment	Bill No.
§801-1, §801-10, §801-40, §825-60, §825-65, §830-25 and New § 850-5, §850-10, §850-15, §850-20, §850-25, §850-30, §850-35, §850-40 and §850-45	Broadband Deployment Assistance (S)	Rep. George Scully (D) (80th District, Crete, IL) Rep. Constance Howard (D) (34th District, Chicago, IL)	Amendments permit the IFA to finance projects through the issuance of loans, bonds, guarantees or other forms of indebtedness to expand broadband services throughout the State. The IFA will be authorized to issue state guarantees in an aggregate amount not to exceed $50,000,000 and to issue bonds secured by the State moral obligation in an aggregate amount not to exceed $100,000,000 (not to exceed $5 million for any single project).	Increases State's ability to expand its broadband infrastructure and provide access to broadband services to underserved areas in the State which will improve educational opportunities for State residents.	
§845-5	Total Debt/Bond Limit is $25,200,000 (S)	Sen. Jeff Schoenberg (D) (9th District, Evanston, IL)	Increases Authority's general debt limit from $25,200,000 to $30,000,000.	Increases Authority's ability to provide economic assistance to State businesses, institutions and organizations for projects that promote the IFA's mission.	
§825-65 and §825-75	Clean Coal (T)	Sen. Susan Garrett (D) (29th District, Highwood, IL)	Amendments will conform the Act to certain amendments that were made to the DCEO Statute by the General Assembly's enactment of P.A. 94-651 (eff. 6/21/05). The conforming amendments authorize the IFA to issue clean coal and energy bonds for "new facilities" as defined in the DCEO Statute. Amendments will also clarify that projects for such "new facilities" may qualify for moral obligation credit enhancement and provide that IFA clean coal and energy bonds that benefit from a moral obligation designation conform to the existing procedures set forth in the Act that relate to the issuance of other moral obligation bonds issued under the Act.	Provides conformity between the Act and the DCEO Statute.	SB0066 Referred to the Rules Comm. on 1/31/07.

ILCS Code Sec. (§)	Amend. and Type of Amend. (S – Substantive) (T – Technical)	Sponsor(s)	Suggested Legislative Amendment	Effect of Amendment	Bill No.
§825-85(b) and §825-80(c)	Ambulance & Fire Truck Revolving Fund (T)	Sen. Susan Garrett (D) (29th District, Highwood, IL)	Amendments permit the IFA to use monies in the Fire Truck and Ambulance Revolving Loan Funds (the "Funds") to reimburse itself for all reasonable costs and expenses incurred in connection with administering the Funds and related programs.	Provides the IFA with the ability to reimburse itself for overseeing the Funds and the programs.	SB0066 Referred to the Rules Comm. on 1/31/07.
§801-25	Quorum/ Affirmative Vote (T)	Sen. Susan Garrett (D) (29th District, Highwood, IL)	Amendment provides that a quorum of the Board is established if a "majority" of the appointed members of the IFA Board are physically present at a meeting; also provides that a matter is deemed approved by the Board if it is approved by a majority of the members of the Board.	Allows the IFA to establish a quorum and vote on matters with a majority of the appointed board members; IFA will not be hampered in conducting business if number of members fall below 15.	SB0066 Referred to the Rules Comm. on 1/31/07.
§801-40(r)	Direct Loan Program (T)	Sen. Susan Garrett (D) (29th District, Highwood, IL)	Amendment deletes from Section 801-40(r) of the Act the requirement that a direct loan be approved by at least eight members of the IFA Board because Board quorum and voting approval requirements are set forth in Section 801-25 of the Act.	Makes the Direct Loan approval consistent with approval requirements in other sections of the IFA Act.	SB0066 Referred to the Rules Comm. on 1/31/07.
New §801-40(x)	Swap/ Derivatives (T)	Sen. Susan Garrett (D) (29th District, Highwood, IL)	Amendment copies Section 820-20(n) of the Act to Section 801-40(x) of the Act to clarify that the IFA may enter into Swap's and other derivative agreements for all IFA programs.	Clarifies that the IFA may enter into swap and other derivative agreements for all IFA programs.	SB0066 Referred to the Rules Comm. on 1/31/07.
New §801-50	Non-impairment (T)	Sen. Susan Garrett (D) (29th District, Highwood, IL)	Amendment copies Section 820-45 of the Act to a "new" Section 801-50 of the Act to clarify that any pledge of revenues or other moneys made by the IFA or the State will be binding and will not be impaired by future actions of the IFA or the State for all IFA programs.	Provides comfort to bondholders and other finance professionals that pledges of the State and the IFA will not, subsequently, be negatively affected.	SB0066 Referred to the Rules Comm. on 1/31/07.

ILCS Code Sec. (§)	Amend. and Type of Amend. (S – Substantive) (T – Technical)	Sponsor(s)	Suggested Legislative Amendment	Effect of Amendment	Bill No.
§845-40	Signing Authority (T)	This amendment has not yet been presented.	Expand signatory authority to include the Executive Director.	Provides flexibility in the event certain parties are not available to sign necessary IFA documents.	
§801-30	Borrowing Authority (T)	This amendment has not yet been presented.	Amendment will grant the IFA the authority to borrow money and make grants.	Will clarify that the IFA may borrow money and make grants instead of relying upon implied powers granted via corporate powers.	
§801-40(c)	Bond Issuance Authorizations (T)	This amendment has not yet been presented.	Amendment will provide that interest rates on IFA bond issuances may be implemented or established by a participating health institution, a private institution of higher learning or a cultural institution, in addition to the IFA, but only to the extent of an authorizing resolution approved by the IFA Board; the authorizing resolution may also provide for conversion of the interest rate(s) on bonds upon the stated conditions of the resolution or upon the direction of the IFA, the participating health institution, a private institution of higher education, a cultural institution or a provider of credit or liquidity support for the bonds.	Provides flexibility for interest rate changes under the authorizing bond resolution, as approved by the IFA Board.	
§845-40	Secretary and Treasurer (T)	This amendment has not yet been presented.	Amendment will provide that the Authority may invest and reinvest any moneys that are held pursuant to a trust agreement, trust indenture, indenture of mortgage or deed of trust or any agreement with a participating health institution, a private institution of higher education or a cultural institution to which the IFA is a party, in such obligations or investments as are provided in or permitted by such instrument.	Clarifies that IFA bond proceeds deposited into certain accounts established under various trust indentures and other agreements may be invested as provided in such trust indentures and agreements.	

AMENDMENTS THAT WILL AFFECT THE ILLINOIS FINANCE AUTHORITY ACT (NOT INTRODUCED BY THE ILLINOIS FINANCE AUTHORITY) 20 ILCS 3501/801-1 ET SEQ. (the "Act")

ILCS Code Sec. (§)	Amend. and Type of Amend. (S – Substantive) (T – Technical)	Sponsor(s)	Suggested Legislative Amendment	Effect of Amendment	Bill No.
§825-80	Ambulance & Fire Truck Revolving Fund (T)	Rep. David Reis (R) (108th District, Olney, IL)	Amendment will expand the fire truck revolving loan program to include EMS service vehicles. Also amends the State Finance Act to make conforming changes.	Allows the IFA to grant loans to EMS vehicles under an existing financing program.	HB0188 Assigned to State Government Administration Committee on 1/31/07.
§830-50	Specialized Livestock Guarantee Program (T)	Rep. Jim Watson (R) (97th District, Jacksonville, IL)	Amendment will provide that specialized livestock operations include livestock operations using anaerobic digestors that will generate electricity for livestock operations.	Expands the definition of specialized livestock operation to include such operations that use anaerobic digestors.	HB0176 Assigned to Agriculture and Conservation Committee on 1/31/07.

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Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
for Period Ending January 31, 2007

	Actual January 2007	Budget January 2007	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2007	Budget YTD FY 2007	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2007	% of Budget Expended
REVENUE										
INTEREST ON LOANS	306,307	295,949	12,358	4.18%	2,043,667	2,071,643	(27,976)	(1.35%)	3,476,413	58.75%
INVESTMENT INTEREST & GAIN(LOSS)	193,984	177,171	16,793	9.48%	1,666,265	1,240,198	426,067	34.36%	2,126,056	78.37%
ADMINISTRATIONS & APPLICATION FEES	182,445	123,350	59,095	47.91%	3,363,100	3,243,450	119,650	3.69%	5,394,200	62.35%
ANNUAL ISSUANCE & LOAN FEES	103,426	230,000	(126,574)	(55.03%)	658,097	885,000	(226,903)	(25.64%)	1,310,000	50.24%
OTHER INCOME	11,203	38,552	(27,349)	(70.94%)	115,521	269,869	(154,349)	(57.19%)	462,634	24.97%
TOTAL REVENUE	799,345	865,022	(65,678)	(7.59%)	7,846,669	7,710,160	136,509	1.77%	12,771,303	61.44%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	256,279	249,799	8,481	3.40%	1,779,150	1,747,082	32,068	1.84%	2,996,075	59.38%
BENEFITS	34,225	28,500	5,725	20.09%	195,183	199,501	(4,318)	(2.16%)	342,000	57.07%
TEMPORARY HELP	8,107	8,494	(387)	(4.56%)	47,938	50,964	(3,026)	(5.94%)	84,940	56.44%
EDUCATION & DEVELOPMENT	-	-	-	#DIV/0!	5,457	11,800	(6,343)	(53.75%)	23,600	23.12%
TRAVEL & AUTO	5,203	11,000	(5,797)	(52.70%)	95,402	76,000	19,402	25.53%	135,000	70.67%
TOTAL EMPLOYEE RELATED EXPENSES	305,815	297,793	8,022	2.69%	2,123,130	2,085,347	37,783	1.81%	3,581,615	59.28%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	76,072	51,335	24,737	48.19%	877,108	859,345	17,763	2.07%	1,116,000	78.59%
LOAN EXPENSE & BANK FEE	266,361	223,897	42,464	18.97%	1,666,100	1,567,279	98,821	6.31%	2,612,319	63.78%
ACCOUNTING & AUDITING	27,105	31,392	(4,287)	(13.66%)	212,283	219,741	(7,458)	(3.39%)	376,700	56.35%
MARKETING GENERAL	2,236	20,833	(18,597)	(89.27%)	33,868	145,832	(111,964)	(76.78%)	250,000	13.55%
FINANCIAL ADVISORY	29,291	29,167	124	0.43%	204,942	204,167	775	0.38%	350,000	58.55%
CONFERENCE/TRAINING	2,670	700	1,970	281.43%	11,064	12,900	(1,836)	(14.23%)	25,400	43.56%
MISCELLANEOUS PROFESSIONAL SERVICES	-	5,250	(5,250)	(100.00%)	13,726	86,750	(73,023)	(84.18%)	113,000	12.15%
DATA PROCESSING	5,251	3,200	2,051	64.09%	23,169	22,400	759	3.39%	38,400	60.31%
TOTAL PROFESSIONAL SERVICES	408,986	365,774	43,213	11.81%	3,042,253	3,118,414	(76,161)	(2.44%)	4,881,819	62.32%
OCCUPANCY COSTS										
OFFICE RENT	25,304	26,709	(1,405)	(5.26%)	180,956	186,963	(6,008)	(3.21%)	320,508	56.46%
EQUIPMENT RENTAL AND PURCHASES	3,629	3,750	(121)	(3.23%)	28,271	26,250	2,021	7.70%	45,000	62.83%
TELECOMMUNICATIONS	9,227	5,667	3,560	62.82%	40,248	39,667	581	1.46%	68,000	59.19%
UTILITIES	1,163	750	413	55.12%	6,577	5,250	1,327	25.28%	9,000	73.08%
DEPRECIATION	3,768	4,750	(982)	(20.24%)	26,514	33,250	(6,736)	(20.26%)	57,000	46.52%
INSURANCE	2,353	1,167	1,186	101.64%	9,260	8,168	1,092	13.37%	14,000	66.14%
TOTAL OCCUPANCY COSTS	45,465	42,793	2,672	6.25%	291,825	299,548	(7,723)	(2.58%)	513,508	56.83%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	11,777	7,834	3,943	50.34%	58,180	54,833	3,347	6.10%	94,000	61.89%
BOARD MEETING - EXPENSES	2,353	2,667	(314)	(11.76%)	16,870	18,668	(1,798)	(9.63%)	32,000	52.72%
PRINTING	1,042	1,167	(125)	(10.70%)	6,982	8,168	(1,186)	(14.52%)	14,000	49.87%
POSTAGE & FREIGHT	970	2,917	(1,947)	(66.75%)	13,412	20,417	(7,005)	(34.31%)	35,000	38.32%
MEMBERSHIP, DUES & CONTRIBUTIONS	11,942	2,874	9,068	315.51%	30,756	20,125	10,631	52.83%	34,500	89.15%
PUBLICATIONS	464	166	298	179.61%	6,636	1,167	5,469	468.66%	2,000	331.81%
OFFICERS & DIRECTORS INSURANCE	13,500	13,500	-	0.00%	94,500	94,500	-	0.00%	162,000	58.33%
MISCELLANEOUS	1,863	166	1,697	1,022.02%	5,406	1,167	4,239	363.20%	2,000	270.28%
TOTAL GENERAL & ADMINISTRATION EXPENSES	43,912	31,291	12,621	40.33%	232,743	219,045	13,698	6.25%	375,500	61.98%
LOAN LOSS PROVISION	25,000	25,000	-	0.00%	283,507	175,000	108,507	62.00%	300,000	94.50%
OTHER										
INTEREST EXPENSE	690	717	(27)	(3.75%)	5,105	5,019	86	1.71%	8,604	59.33%
TOTAL OTHER	690	717	(27)	(3.76%)	5,105	5,019	86	1.71%	8,604	59.33%
TOTAL EXPENSES	829,866	763,367	66,501	8.71%	5,978,563	5,902,373	76,190	1.29%	9,661,046	61.88%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	(30,523)	101,655	(132,179)	(130.03%)	1,868,106	1,807,788	60,319	3.34%	3,110,257	60.06%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	5,942	(16,667)	23,609	(141.65%)	43,895	(116,667)	160,561	(137.62%)	(200,000)	(21.95%)
NET INCOME/(LOSS)	(23,581)	84,988	(108,570)	(127.75%)	1,912,001	1,691,121	220,880	13.06%	2,910,257	65.70%

Consolidated
Statment of Activities
Comparasion
January 2007 and January 2006

	Actual January 2007	Actual January 2006	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	306,307	240,555	67,752	28.16%	2,043,667	1,873,232	170,435	9.10%
INVESTMENT INTEREST & GAIN(LOSS)	193,964	97,661	96,304	98.61%	1,666,285	1,219,843	446,441	36.60%
ADMINISTRATIONS & APPLICATION FEES	182,445	168,706	13,739	8.14%	3,363,100	2,950,695	412,405	13.98%
ANNUAL ISSUANCE & LOAN FEES	103,426	89,156	14,270	16.01%	658,097	655,270	2,826	0.43%
OTHER INCOME	11,203	236,369	(225,166)	(95.26%)	115,521	4,137,942	(4,022,421)	(97.21%)
TOTAL REVENUE	799,345	832,447	(33,102)	(3.98%)	7,846,669	10,836,982	(2,990,313)	(27.59%)
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	258,279	233,622	24,657	10.55%	1,779,150	1,481,599	297,551	20.08%
BENEFITS	34,225	23,781	10,444	43.92%	195,183	148,911	46,271	31.07%
TEMPORARY HELP	8,107	7,380	727	9.85%	47,938	46,737	1,200	2.57%
EDUCATION & DEVELOPMENT	-	-	-	0.00%	5,457	10,849	(5,392)	(49.70%)
TRAVEL & AUTO	5,203	9,632	(4,429)	(45.98%)	95,402	87,636	7,766	8.86%
TOTAL EMPLOYEE RELATED EXPENSES	305,815	274,415	31,400	11.44%	2,123,130	1,775,733	347,397	19.56%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	76,072	107,577	(31,504)	(29.29%)	877,108	510,748	366,360	71.73%
LOAN EXPENSE & BANK FEE	266,361	(1,074,073)	1,340,435	(124.80%)	1,666,100	411,102	1,254,998	305.28%
ACCOUNTING & AUDITING	27,105	33,291	(6,186)	(18.58%)	212,283	260,684	(48,401)	(18.57%)
MARKETING GENERAL	2,236	24,916	(22,680)	(91.03%)	33,868	67,823	(33,955)	(50.06%)
FINANCIAL ADVISORY	29,291	8,155	21,136	259.18%	204,942	58,365	146,577	263.60%
CONFERENCE/TRAINING	2,670	2,545	126	4.93%	11,064	7,841	3,224	41.12%
MISCELLANEOUS PROFESSIONAL SERVICES	-	6,663	(6,663)	(100.00%)	13,728	9,513	4,215	44.30%
DATA PROCESSING	5,251	3,701	1,550	41.90%	23,159	16,849	6,310	37.45%
TOTAL PROFESSIONAL SERVICES	408,986	(887,227)	1,296,214	(146.10%)	3,042,253	1,340,925	1,701,328	126.88%
OCCUPANCY COSTS								
OFFICE RENT	25,304	12,454	12,851	103.19%	180,955	108,619	72,336	66.60%
EQUIPMENT RENTAL AND PURCHASES	3,629	1,394	2,234	160.24%	28,271	10,099	18,172	179.94%
TELECOMMUNICATIONS	9,227	5,656	3,571	63.13%	40,248	41,354	(1,106)	(2.67%)
UTILITIES	1,163	773	390	50.41%	6,577	4,866	1,711	35.17%
DEPRECIATION	3,788	3,805	(16)	(0.42%)	26,514	15,590	10,924	70.07%
INSURANCE	2,353	630	1,723	273.55%	9,260	4,515	4,746	105.12%
TOTAL OCCUPANCY COSTS	45,465	24,712	20,753	83.98%	291,825	185,042	106,783	57.71%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	11,777	3,262	8,515	261.03%	58,180	36,469	21,711	59.53%
BOARD MEETING - EXPENSES	2,353	2,296	57	2.48%	16,870	22,470	(5,600)	(24.92%)
PRINTING	1,042	42	1,001	2,411.20%	6,982	2,936	4,046	137.80%
POSTAGE & FREIGHT	970	2,529	(1,559)	(61.64%)	13,412	17,565	(4,153)	(23.64%)
MEMBERSHIP, DUES & CONTRIBUTIONS	11,942	469	11,473	2,447.66%	30,756	15,944	14,812	92.90%
PUBLICATIONS	464	427	38	8.87%	6,636	1,009	5,627	557.69%
OFFICERS & DIRECTORS INSURANCE	13,500	8,699	4,801	55.19%	94,500	60,892	33,606	55.19%
MISCELLANEOUS	1,863	1,500	363	24.17%	5,406	2,735	2,670	97.63%
TOTAL GENERAL & ADMINISTRATION EXPENSES	43,912	19,223	24,689	128.43%	232,743	160,020	72,722	45.45%
LOAN LOSS PROVISION	25,000	25,000	-	0.00%	283,507	40,075	243,432	607.44%
OTHER								
INTEREST EXPENSE	690	736	(46)	(6.20%)	5,105	5,422	(317)	(5.85%)
TOTAL OTHER	690	736	(46)	(6.20%)	5,105	5,422	(317)	(5.85%)
TOTAL EXPENSES	829,868	(543,141)	1,373,009	(252.79%)	5,978,563	3,507,217	2,471,346	70.46%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	(30,523)	1,375,588	(1,406,111)	(102.22%)	1,868,106	7,329,765	(5,461,659)	(74.51%)
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	6,942	-	6,942	0.00%	43,895	(135,636)	179,531	(132.36%)
NET INCOME/(LOSS)	(23,581)	1,375,588	(1,399,169)	(101.71%)	1,912,001	7,194,129	(5,282,128)	(73.42%)

Illinois Finance Authority
Consolidated - Detail
Balance Sheet
for the Seven Months Ending
January 31, 2007

	General Fund	Bond Fund	Firetruck Revolving Fund	Non Major Funds YTD	YTD 2007
Assets					
Current assets:					
Cash and cash equivalents – unrestricted	6,342,126	-	-	14,748,591	21,090,717
Investments – unrestricted	2,954,191	-	-	1,996,045	4,950,236
Restricted current assets:					
Cash and cash equivalents	-	734,711	1,900,863	-	2,635,574
Accrued interest receivable	-	1,208,438	7,000	5,154	1,220,592
Restricted investments	-	62,070	-	-	62,070
Receivables:					
Accounts	531,800	-	-	-	531,800
Interest and other	121,094	-	-	27,487	148,581
Prepaid expenses and deposits	74,139	-	-	-	74,139
Total Current Assets	10,023,350	2,005,219	1,907,863	16,777,277	30,713,709
Noncurrent assets:					
Restricted Noncurrent assets					
Cash and cash equivalents	-	-	-	21,512,910	21,512,910
Interest receivable	-	197,046	-	79,000	276,046
Guarantee payments receivable	-	-	-	609,389	609,389
Allowance for doubtful accounts	-	-	-	(538,866)	(538,866)
Deferred issuance costs, net of accumulated amortization	-	219,058	-	-	219,058
Investments	-	8,445,473	-	-	8,445,473
Bonds and notes receivable	-	53,852,200	-	-	53,852,200
Loans receivable	-	-	8,247,715	683,305	8,931,020
Allowance for doubtful accounts	-	-	-	(121,469)	(121,469)
Investments in partnerships and companies	-	-	-	5,979,735	5,979,735
Loans Receivable	23,196,517	-	-	4,984,068	28,180,585
Allowance for doubtful accounts	(2,482,495)	-	-	-	(2,482,495)
Due from other funds long term	2,908,857	-	-	712,374	3,621,231
Property and equipment, at cost	387,438	-	-	5,500	392,938
Accumulated depreciation	(245,754)	-	-	(4,400)	(250,154)
Deferred issuance costs, net of accumulated amortization	-	-	-	649,418	649,418
Total Noncurrent Assets:	23,764,564	62,713,777	8,247,715	34,550,963	129,277,019
Total Assets	33,787,914	64,718,996	10,155,578	51,328,240	159,990,727
Liabilities					
Current liabilities:					
Accounts payable	129,344	-	-	-	129,344
Accrued expenses	591,536	-	-	-	591,536
Accrued interest payable	-	1,373,865	-	690	1,374,555
Due to employees	33,827	-	-	-	33,827
Due to primary government	252,490	-	-	25,000	277,490
Current portion of Long term debt	-	-	-	55,394	55,394
Total Current Liabilities	1,007,196	1,373,865	-	81,084	2,462,146
Noncurrent liabilities:					
Long-term debt	-	-	-	772,666	772,666
Bonds payable	-	62,010,000	-	-	62,010,000
Deferred revenue net of accumulated amortization	365,658	-	-	911,820	1,277,479
Due to other funds - long term	-	-	-	3,621,231	3,621,231
Deferred loss on early extinguishment of Debt	-	(114,678)	-	-	(114,678)
Total Noncurrent Liabilities	365,658	61,895,322	-	5,305,717	67,566,697
Total Liabilities	1,372,855	63,269,188	-	5,386,801	70,028,843
Net Assets					
Invested in capital assets	141,684	-	-	1,100	142,784
Restricted	-	1,449,808	10,155,578	21,403,672	33,009,058
Unrestricted	32,273,376	-	-	24,536,666	56,810,042
Total Net Assets	32,415,060	1,449,808	10,155,578	45,941,438	89,961,884

Illinois Finance Authority
Consolidated
Balance Sheet
for the Seven Months Ending January 31, 2007

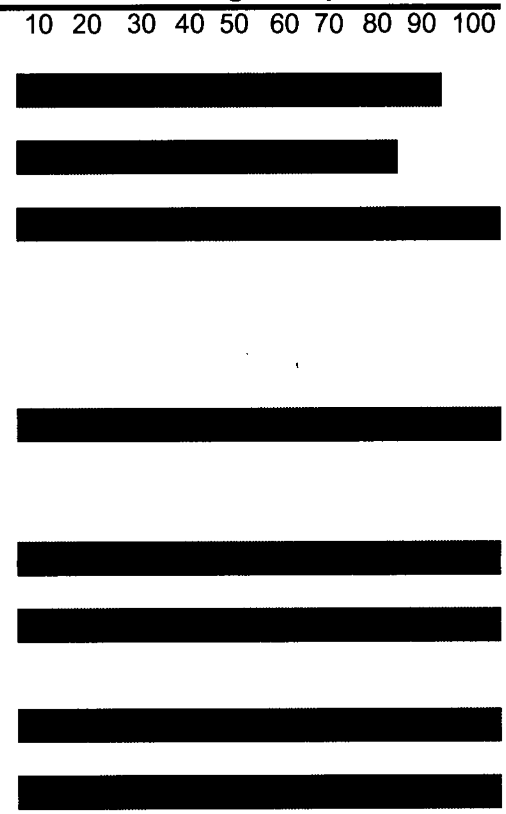
	January 2005	January 2006	January Budget	Variance to budget
ASSETS				
CASH & INVESTMENTS, UNRESTRICTED	$ 42,485,317	$ 31,786,482	$ 24,544,221	$ 7,242,261
LOAN RECEIVABLE, NET	72,169,864	84,855,841	82,416,262	2,439,579
ACCOUNTS RECEIVABLE	925,061	531,800	500,000	31,800
OTHER RECEIVABLES	116,512	2,063,219	586,113	1,477,106
PREPAID EXPENSES	26,727	74,139	170,275	(96,136)
TOTAL CURRENT ASSETS	115,723,481	119,311,481	108,216,871	11,094,610
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	108,395	142,784	141,038	1,746
DEFERRED ISSUANCE COSTS	1,038,689	868,476	957,426	(88,950)
OTHER ASSETS				
CASH, INVESTMENTS & RESERVES	29,747,819	26,996,498	30,287,772	(3,291,274)
VENTURE CAPITAL INVESTMENTS	5,437,487	5,979,735	6,493,640	(513,904)
OTHER	4,155,223	3,070,522	4,079,273	(1,008,751)
TOTAL OTHER ASSETS	39,340,530	36,046,755	40,860,685	(4,813,929)
TOTAL ASSETS	$ 156,211,094	$ 156,369,496	$ 150,176,020	$ 6,193,477
LIABILITIES				
CURRENT LIABILITIES	$ 986,834	$ 1,453,939	$ 941,504	$ 512,435
LONG-TERM LIABILITIES	66,944,001	64,953,673	59,493,510	5,460,161
TOTAL LIABILITIES	67,930,835	66,407,612	60,435,014	5,972,596
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)	7,194,129	1,912,001	1,691,121	220,880
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	88,280,259	89,961,884	89,741,005	220,880
TOTAL LIABILITIES & EQUITY	$ 156,211,094	$ 156,369,496	$ 150,176,020	$ 6,193,478

Illinois Finance Authority
FY 04/05 Audit Findings
Update as of January 31, 2007

Total Number of 14

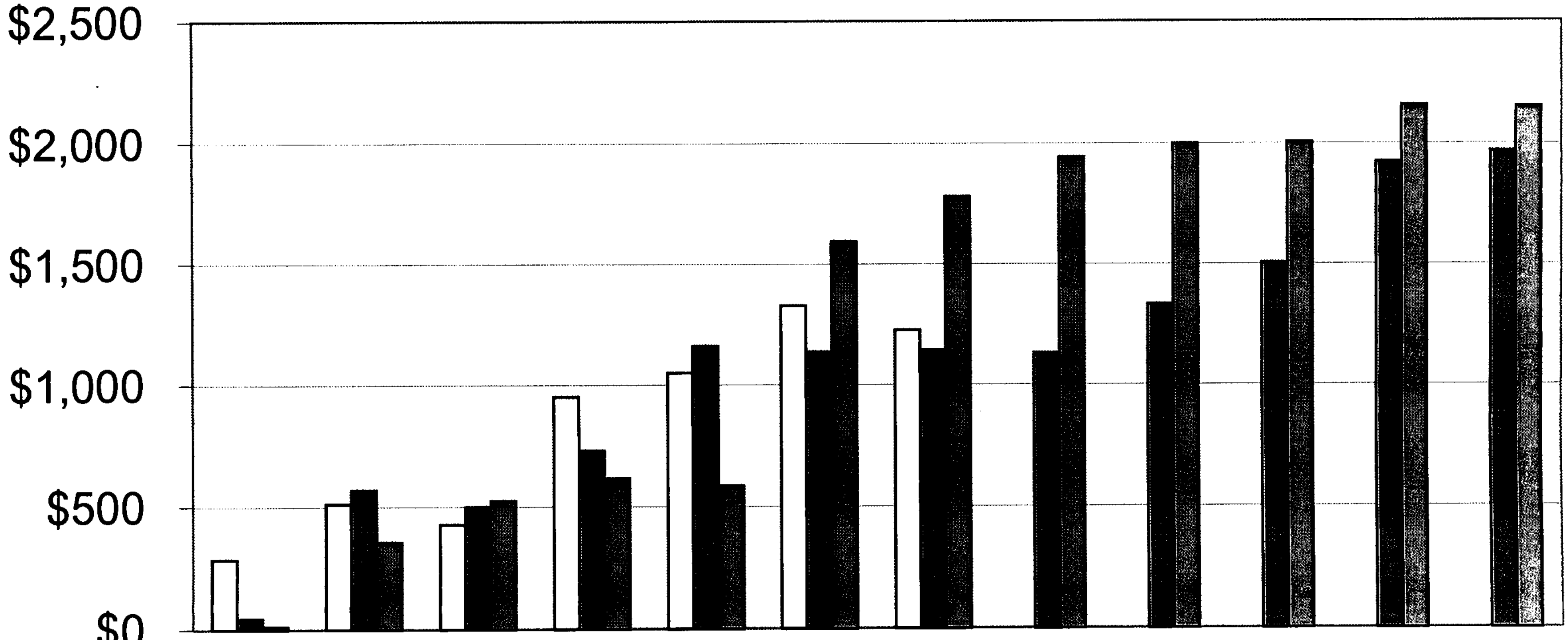
Item Number	Description	Status Action Items/ Action Items Completed
FY 04 Findings		
05-03	Failure to Monitor Bond Compliance	7/8
05-04	Non Compliance with Illinois Procurement Code and SAMS	2/3
05-05	Voucher Processing Controls Need to be Improved	**Complete**
FY 05 Findings		
05-01	Noncompliance with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

Percentage Completed



Cumulative Net Income

Non-Appropriated



	July	Aug	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun
FY 2007 Actual	$285	$512	$428	$953	$1,050	$1,326	$1,226					
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 JANUARY 9, 2007 MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held a Board Meeting at 11:30 a.m., on January 9, 2007 at the Mid America Club, 200 E. Randolph Drive, 80th floor, Chicago, Illinois:

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

GENERAL BUSINESS

Call to Order and Roll Call

Chairman Gustman called thc meeting to order at 11:35 a.m. with the above members present. Chairman Gustman noted that this was a less robust meeting as far as number of projects seeking approval and thanked everyone for attending and continuing to support the state by providing projects and business for the IFA and, in turn, increasing economic development in the State. 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.

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 $267 million in projects. Ms. Rendleman also noted that IFA has continued to remain self-funded. Interim Executive Director Rendleman also noted that the IFA has equity of around $90 million. Ms. Rendleman thanked professionals in the public finance community for their continued support of 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 and also noted that the Board receives board packages for review a week prior to the meeting which allows the Board time to review pertinent information in advance of the Board Meeting.

Minutes

Chairman Gustman asked Carla Burgess Jones, Secretary to take a roll call vote for approval of the minutes of the December 5, 2006 Meeting of the Board. Motion moved by Ms. Talbott and seconded by Mr. O'Brien. Minutes of the December 5, 2006 Meeting of the Board 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 for Board approval:

No. 1: <u>**A-LL-TX-6277 – David H. Borrowman Farms Inc.**</u>
Request for approval of the issuance of a participation loan in an amount not-to-exceed $30,000 to provide permanent financing for the purchase and construction of new grain storage. **(07-01-01).**

No. 2: <u>**A-SG-TX-GT-6281 – Gregory L. Husser and Cynthia Eileen Meyers**</u>
Request for approval of the issuance of a specialized livestock guarantee in an amount not-to-exceed $292,000 to provide financing for the purchase of 110 milk cows with offspring, machinery, equipment and down payment assistance for contract sale due to the seller on real estate and buildings. **(07-01-02).**

Chairman Gustman asked if the Board had any questions with respect to Project nos. 1 and 2. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Projects nos. 1 and 2. Leave was granted. Project nos. 1 and 2 were approved with 10 ayes, 0 nays, and 0 abstentions.

No. 3 **Renewable Energy Group**
EZ-I-EZ-TE-CD-6219 – Empowerment Zone Bonds
TX-I-TRB-TX-CD-6220 – Taxable Revenue Bonds

Request for preliminary approval of the issuance of Empowerment Zone Revenue Bonds in an amount not-to-exceed $30,000,000 and the issuance of Taxable Revenue Bonds in an amount not-to-exceed $20,000,000 to finance the construction of a 60 million-gallon capacity bio-diesel plant adjacent to Bunge North America's soybean oil processing plant located in Cairo, Illinois. The project is expected to create 35 new jobs and 567 construction jobs. **(07-01-03).**

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 6. Funding Manager Steven Trout introduced representatives from Oppenheimer & Co. and other representatives of the project. The guests thanked the Board and IFA for consideration of the project. Chairman Gustman asked if the Board had any questions with respect to Project no. 3. Member Goetz noted that the project team had worked diligently with the local labor unions to enter into a project labor agreement. There being no further questions or comments, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 3. Leave was granted. Project no. 3 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 4: **A-FB-TE-CD-6266 – Richard and Janet Reed**

Request for approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed $200,000 for the purchase of 70 acres of farmland in Morrisonville, Illinois. **(07-01-04).**

A-FB-TE-CD-6267 – Daniel and Natalie Stine

Request for approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed $215,000 for the purchase of 180 acres of farmland in Farina, Illinois. **(07-01-04).**

A-FB-TE-CD-6268 – Helen D. Jones

Request for approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed $162,000 for the purchase of approximately 151 acres of farmland in Biggsville, Illinois. **(07-01-04).**

A-FB-TE-CD-6269 – Michael Timmerman

Request for approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed $250,000 for the purchase of approximately 80 acres of farmland in Breese, Illinois. **(07-01-04).**

A-FB-TE-CD-6270 – Matthew Timmerman

Request for approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed $250,000 for the purchase of approximately 80 acres of farmland in Breese, Illinois. **(07-01-04).**

A-FB-TE-CD-6272 – Gregory Husser
Request for approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed $212,500 for the purchase of approximately 15 acres of farmland in Sublette, Illinois. **(07-01-04).**

A-FB-TE-CD-6273 – Cynthia Meyers
Request for approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed $212,500 for the purchase of approximately 15 acres of farmland in Sublette, Illinois. **(07-01-04).**

A-FB-TE-CD-6274 – Joseph and Chandra Paschal
Request for approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed $250,000 for the purchase of approximately 85 acres of farmland in Rock Falls, Illinois. **(07-01-04).**

A-FB-TE-CD-6275 – Austin Meyer
Request for approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed $180,000 for the purchase of approximately 118 acres of farmland in Hillsboro, Illinois. **(07-01-04).**

Chairman Gustman asked if the Board had any questions with respect to Project no. 4. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 4. Leave was granted. Project no. 4 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 5: **N-NP-TE-CD-6198 – Near North Health Service Corporation**
Request for final approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed $5,200,000 to refinance prior bonds (issued by the Illinois Development Finance Authority) and pay costs of issuance. **(07-01-05).**

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: **N-NP-TE-CD-6143 – North American Spine Society**
Request for final approval of the issuance of Conduit 501(c)(3) Revenue Bonds in an amount not-to-exceed $13,000,000 to finance acquisition and construction, to refinance existing debt and to pay bond issuance costs for a project located in Burr Ridge, Illinois. This project is expected to create 20 new jobs and 60 construction jobs. **(07-01-06).**

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 6. Funding Manager Sharnell Curtis Martin introduced Eric Muehlbauer, Executive Director of the North American Spine Society, Nick Knorr (representing the Underwriter, Harris Bank, N.A.) and Julie Seymour (representing Bond Counsel, Ungaretti & Harris). Mr. Muehlbauer thanked the Board and IFA for consideration of the project. Chairman Gustman asked if the Board had any questions with respect to Project no. 6. There being none, Chairman Gustman requested a motion for a roll call vote. Motion moved by Mr. Valenti and seconded by Mr. Fuentes. 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 the borrower in the project. Project no. 6 was approved with 9 ayes, 0 nays, and 1 abstention (Gustman).

No. 7: **N-NP-TE-CD-6271 – Fenwick High School.**

Request for preliminary approval of the issuance of Conduit 501(c)(3) Revenue Bonds in an amount not-to-exceed $15,000,000 to finance construction and acquisition of equipment and land, finance a capitalized interest account and to pay certain bond issuance costs for a project located in Oak Park, Illinois. This project is expected to create 1 new job and 100 construction jobs. **(07-01-07).**

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 7. Funding Manager Sharnell Curtis Martin introduced Janice Reedus, Vice President of Administration and Finance of Fenwick High School and Star Lanigan, Comptroller of Fenwick High School. Ms. Reedus thanked the Board and IFA for consideration of the project and explained the importance of the project to Fenwick High School. Chairman Gustman asked if the Board had any questions with respect to Project no. 6. There being none, Chairman Gustman requested a motion for a roll call vote. Motion moved by Mr. Goetz and seconded by Mr. Zeller. Chairman Gustman asked Secretary Burgess Jones to take a roll call vote. Project no. 7 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 8: **N-NP-TE-CD-7002 – LHC, LLC**

Request for preliminary approval of the issuance of Conduit 501(c)(3) Revenue Bonds in an amount not-to-exceed $20,000,000 to i) finance the acquisition of a 7.75 acre site located in West Dundee, ii) finance the construction and equipping of a 105,600 square foot ice skating facility, iii) fund a Capitalized Interest Reserve and iv) capitalize a Debt Service Reserve. This project is expected to create 23 new jobs over 2 years and 300 construction jobs over 6 months. **(07-01-08).**

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 8. Funding Manager Steve Trout introduced Michael Durkin, President of The Leafs Hockey Club, Inc. and John Willett, Treasurer of The Leafs Hockey Club, Inc. Mr. Durkin thanked the Board and IFA for consideration of the project and gave a brief presentation of the project, including its purpose. Chairman Gustman asked if the Board had any questions with respect to Project no. 8. There being none, Chairman Gustman Chairman requested leave to apply the last unanimous vote in favor of Project no. 8. Leave was granted. Project no. 8 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 9: **N-NP-TE-CD-644 – Chicago Charter School Foundation**
Request for final approval of the issuance of Conduit 501(c)(3) Revenue Bonds in an amount not-to-exceed $52,000,000 to i) advance refund a prior series of bonds, ii) finance the purchase and renovation of buildings located on various campuses, iii) fund a debt service reserve fund, iv) fund capitalized interest and v) pay for bond issuance costs. This project is expected to create 210 new jobs within 2 years and 67 construction jobs over 6 months. **(07-01-09).**

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 9. Funding Manager Townsend Albright introduced Theresa Nelson, Chief Operating Officer for the Chicago Charter School Foundation. Ms. Nelson thanked the Board and the IFA for consideration of the project and explained the use of the bond proceeds and provided artist renderings of the project

Chairman Gustman once again stated that the Board reviews all projects in detail at the Committee of Whole Meeting. Chairman Gustman asked if the Board had any questions with respect to Project no. 9. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 9. Leave was granted. Project no. 9 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 10: **B-LL-TX-6279– P & P Press, Inc.**
Request for approval of the issuance of a participation loan in an amount not-to-exceed $600,000 to finance the acquisition of new printing equipment. The project is expected to create 4 new jobs. **(07-01-10).**

No. 11: **I-IR-TE-CD-6191 – John Hofmeister & Son, Inc.**
Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed $4,000,000 to finance land acquisition, building construction and machinery and equipment acquisition and installation. This project is expected to create 65 new jobs over 2 years and 6 construction jobs over a 6-month period. The project will require $4,000,000 of IFA Volume Cap. **(07-01-11).**

No. 12: **I-ID-TE-CD-6276 – 2643 Chicago Ave., LLC**
Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed $4,000,000 to finance i) the acquisition of a 1-acre site and 60,000 square-foot industrial building, ii) renovations to the building and iii) the purchase and installation of printing and information technology equipment. This project is expected to create 19 new jobs over 2 years and 5 construction jobs. **(07-01-12).**

No. 13: **I-ID-TE-CD-6120 – Aurora Bearing Company**

Request for final approval of the issuance of Conduit Industrial Revenue Bonds in an amount not-to-exceed $9,000,000 to finance the acquisition and conversion of a 206,000 square foot industrial building. This project is expected to create 50 new jobs and 40 construction jobs. **(07-01-13).**

Chairman Gustman asked if there were any guests attending the meeting with respect to Project nos. 10 through 13. Chairman Gustman asked if the Board had any questions with respect to Project nos. 10 through 13. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 10 through 13. Leave was granted. Project nos. 10 through 13 were approved with 10 ayes, 0 nays, and 0 abstentions.

No. 14: **E-PC-TE-CD-6265 – Roosevelt University**

Request for preliminary approval of the issuance of Conduit 501(c)(3) Revenue Bonds and Refunding Bonds in an amount not-to-exceed $67,900,000 to finance the acquisition and expansion of leased space that houses certain Roosevelt University facilities and to refund prior bonds, if necessary. This project is expected to create 23 new jobs and 25-40 construction jobs over 6-12 months. **(07-01-14).**

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 14. Funding Manager Rich Frampton introduced Beth Reissenweber, Associate Vice-President of Roosevelt University. Ms. Reissenweber gave a brief description of the project. Chairman Gustman asked if the Board had any questions with respect to Project no. 14. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 14. Leave was granted. Project no. 14 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 15: **E-PC-TE-CD-6243 – Elmhurst College**

Request for preliminary approval of the issuance of Conduit 501(c)(3) Revenue Bonds in an amount not-to-exceed $25,000,000 to finance the construction of a new, 170-bed semi-suite style student housing facility and an adjacent parking lot as well as other campus improvements and costs of issuance. This project is expected to create 5 new jobs and 75 construction jobs over 21 months. **(07-01-15).**

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 14. Funding Manager Rich Frampton introduced Denise Jones, Vice-President of Finance of Elmhurst College. Ms. Jones gave a brief description of the project. Ms. Jones also explained that the project was a "green" project and described the "LEAD" certification process. Chairman Gustman asked if the Board had any questions with respect to Project no. 15. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 15. Leave was granted. Project no. 15 was approved with 10 ayes, 0 nays, and 0 abstentions.

Resolutions/Project Revisions/Amendatory Resolutions

No. 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** This project was withdrawn and was not considered by the Board. **(07-01-16).**

No. 17: **Amendatory Resolution 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.** Request to amend and restate a resolution to provide for the loan to be made to an affiliate of the original borrower. **(07-01-17).**

Chairman Gustman asked if the Board had any questions with respect to Amendatory Resolution No. 17. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Amendatory Resolution No. 17. Leave was granted. The resolution was 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 & Co. and Scott Balice Strategies, L.L.C. 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 Ms. Talbott and seconded by Mr. Leonard, the meeting adjourned at approximately 12:40 p.m.

Respectfully Submitted,

Carla B. Burgess Jones, Secretary

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ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: Paul D. and Lynn R. Schneider

STATISTICS

Project Number:	A-AI-TX-GT-7024	Amount:	$500,000
Type:	Agri-Debt Guarantee	IFA Staff:	Cory Mitchell
Location:	Flanagan		

BOARD ACTION

Approval to initiate an 83% loan guarantee in favor of Flanagan State Bank of Flanagan, IL.
$500,000 of State Treasurer's Agricultural Reserve Risk funds at risk.
Staff recommends approval, subject to satisfying all conditions of the bank loan.

<u>Additional Conditions</u>:

Receipt of satisfactory appraisals confirming loan to value ratio of 80% or less.
Assignment of Life Insurance on borrower for at least the amount of loan.
No additional debts or leases incurred without consent of lender and IFA.

PURPOSE

The proposed loan funds will be used to refinance the borrower's term debt in order to reduce debt service and increase cash flow

IFA PROGRAM AND CONTRIBUTION

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

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

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	Bank Loan (Guaranteed by IFA)	$500,000	Uses:	Refinance Debt	$600,000
	Bank Loan (Unguaranteed)	$100,000			
	Total	**$600,000**		**Total**	**$600,000**

JOBS

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

February 2007
FM: Cory E. Mitchell

BUSINESS SUMMARY

Background:	Paul and Lynn Schneider reside two miles south of Flanagan, Illinois and presently farm 653 full share acres of conventional corn and soybean production of which 58.3 acres are owned. All of the farms are located in Woodford and Livingston Counties. The Schneider's also purchase and finish out around 14,400 SEW pigs annually. Lynn works as a doctor's assistant in Bloomington, IL on a full time basis. The Schneider's generate non farm income from custom trucking, purebred dog sales and farm equipment brokering.
Project Rationale:	The proposed loan will consolidate intermediate term debt along with real estate debt. Combining and extending the amortization on the loans will improve the Schneider's cash flow.
Transaction:	The financing will refinance an existing IFA guaranteed loan and other term loans (4) secured by machinery and real estate. The new loan for $600,000 will be secured by machinery and a 1st REM on farm land with buildings. **The guarantee will be 83% instead of 85% of the total loan to comply with the Authority's $500,000 Agri-Debt guarantee limit.**

FINANCING SUMMARY

Borrower:	Paul D. and Lynn R. Schneider
Security:	Security interest in all farm equipment and a 1st REM on 18.5 acres with buildings, life insurance policy for at least the amount of the loan
Structure:	10 year term. 10 year amortization with monthly P & I

PROJECT SUMMARY

The proposed loan will refinance and existing IFDA guaranteed loan with other existing term debt loans. By combining the loan and increasing the amortization of the loan, the borrower's cash flow will be improved.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Paul D. and Lynn R. Schneider	
Location:	3517 E. 1500 N. RD. Flanagan, IL 61740	County: Livingston
Organization:	Sole Proprietorship	
State:	Illinois	
Ownership:	Paul D. and Lynn R. Schneider	

PROFESSIONAL & FINANCIAL

Accountant:	Farm Business Farm Managment	
Attorney:	N/A	
Bank:	Flanagan State Bank	Richard Ritter Sr. Vice President

LEGISLATIVE DISTRICTS

Congressional:	State Senate:	State House:
15th, ~~Timothy V. Johnson~~	53rd, ~~Dan Rutherford~~	106th, ~~Keith P. Sommer~~

CONFIDENTIAL INFORMATION

Est. fee: $4,500 Tax ID: 381-54-3071

LOAN STRUCTURE

Interest: 7.75% fixed for 5 years, adjusted to 281 basis points over the cmt rate at the 5 year anniversary date for the final 5 years of the loan

Repayment: Primary: Sale of Crops and Livestock
Secondary: Liquidation of Collateral

Maturity: 5 year term, 10 year amortization

Collateral: Security interest in farm equipment and 1st REM on 18.5 acres with buildings. Appraisals will be supplied for equipment, real estate and buildings and will confirm a loan to value of 80% or less.

FINANCIAL SUMMARY

Discussion: Balance sheets submitted by Flanagan State Bank and were prepared jointly by Farm Business Farm Management and Flanagan State Bank.

Current Ratio/position did rebound in 2006 minimally, however was less than desirable being under a 1:1 ratio. Proforma projections reflect a larger intermediate term balance for the upcoming year with a lower projected current position to support a stronger cash flow in the future. (1.22:1 ratio)

Net Worth has continued to climb over the three years reported. Debt-to-asset ratio has remained acceptable by averaging a .52 ratio.

Debt coverage has always been maintained by the borrower and averages 1.99:1.

Tax returns have reflected stable sales over the last two years, while net income and repayment capacity have been increasing slightly. With the proposed re-financing, liquidity and debt service coverage will still be acceptable. As a result, the borrower's repayment capacity is expected to be 2.16x.

Collateral coverage is excellent for the proposed loan. Adjusted LTV is very acceptable at 53% and a current appraisal will be performed to verify loan to value ratio of 80% or less.

Lender feels that the borrower had too many intermediate loans to manage and tried paying off intermediate debts before taking care of reducing current debt. By consolidating all intermediate and long term loans with one monthly payment, the borrower will be able to manage their debt and budget increased debt reduction on their overall debt load.

Expenditures for a new home and tuition and other costs for 4 children enrolled in college contributed to the Borrowers' working capital shortfalls in 2005 and 2006.

CONFIDENTIAL

Borrower hedges all market hogs with a broker buyer. By doing this he is able to lock in feed costs for each group of hogs he purchases, thus providing a known profit on the group of hogs at the time of purchase.

FINANCIAL DATA FOR:				
Paul and Lynn Schneider	**Year**	**Year**	**Year**	**Proforma**
	12/31/2004	**12/31/2005**	**11/16/2006**	
Cash	0	0	8,000	10,000
Crops/Livestock	832,003	535,604	795,909	796,000
Other Current Assets	92,246	98,700	38,000	39,000
Total Current Assets	**924,249**	**634,304**	**841,909**	**845,000**
Farm Machinery/Equipment	575,000	701,000	701,000	701,000
Real Estate/Improvements	1,273,900	1,498,900	1,514,400	1,541,400
Other LT Assets	47,000	154,900	137,700	136,000
Total Non-Current Assets	**1,895,900**	**2,354,800**	**2,353,100**	**2,378,400**
Total Assets	**2,820,149**	**2,989,104**	**3,195,009**	**3,223,400**
Notes Payable	704,000	622,774	791,811	543,357
Current Maturities LT debt		0	0	0
Other Current Liabilities	90,103	123,604	108,202	150,426
Total Current Liabilities	**794,103**	**746,378**	**900,013**	**693,783**
Equipment debt	303,399	344,553	266,515	600,000
Real Estate Debt	439,849	405,223	498,014	387,000
Other LT Liabilities	0	0	0	0
Total Non-Current Liabilities	**743,248**	**749,776**	**764,529**	**987,000**
Total Liabilities	**1,537,351**	**1,496,154**	**1,664,542**	**1,680,783**
Net Worth	**1,282,798**	**1,492,950**	**1,530,467**	**1,542,617**
Working Capital	**130,146**	**(112,074)**	**(58,104)**	**151,217**
Current Ratio	**1.16**	**0.85**	**0.94**	**1.22**
Debt-to-asset ratio	**0.55**	**0.50**	**0.52**	**0.52**
Debt-to-worth Ratio	**1.20**	**1.00**	**1.09**	**1.09**

February 2007
FM: Cory E. Mitchell

CONFIDENTIAL

Cash Basis Accounting					
	2004	**2005**	**2006**	**Average**	**Proj**
Crop/Livestock Sales	1,248,994	1,225,512	1,950,000	1,474,835	1,988,008
Other Farm Income	125,045	302,620	58,000	161,888	71,971
Total Farm Income	**1,374,039**	**1,528,132**	**2,008,000**	**1,636,724**	**2,059,979**
General Operating Expen	1,136,623	939,443	1,300,000	1,125,355	1,449,872
Depreciation	173,870	275,946	310,000	253,272	311,000
Interest Expense	78,402	94,000	109,630	94,011	110,500
Total Farm Expenses	**1,388,895**	**1,309,389**	**1,719,630**	**1,472,638**	**1,871,372**
Net Cash Farm Income	**(14,856)**	**218,743**	**288,370**	**164,086**	**188,607**
Accrual Adjustments					
Stored Crops Adj.	**0**	**0**	**0**	0	**0**
Accounts Rec. Adj.	**0**	**0**	**0**	0	**0**
Prepaid Exp. Adj.	**0**	**0**	**0**	0	**0**
Accounts Payable Adj.	**0**	**0**	**0**	0	**0**
Accrual Adj. Income	**(14,856)**	**218,743**	**288,370**	**164,086**	**188,607**
Repayment Margin Analysis					
	2004	**2005**	**2006**	**Average**	**Proj**
Net Farm Operating Inc	(14,856)	218,743	288,370	164,086	188,607
Add: Non-farm Income	46,392	40,896	32,000	39,763	34,500
Add: Depreciation Expe	173,870	275,946	310,000	253,272	311,000
Add: Annual Term Debt	78,402	94,000	109,630	94,011	110,500
Less: Income Taxes	(2,447)	(22,654)	(83,000)	(4,366)	(100,000)
Less: Family Living W/I	(40,000)	(44,000)	(45,000)	(43,000)	(46,000)
Balance Available for Te	**241,361**	**562,931**	**612,000**	**503,765**	**498,607**
Principal on Term Debt	155,000	168,373	150,742	159,558	120,000
Interest on Term Debt	78,402	94,000	109,630	94,011	110,500
Total Principal and Inte	**233,402**	**262,373**	**260,372**	**253,568**	**230,500**
Equals Term Debt Cover	**1.03**	**2.15**	**2.35**	**1.99**	**2.16**
Equals Term Debt Repa	**7,959**	**300,558**	**351,628**	**250,197**	**268,107**
COLLATERAL ANALYSIS:					
Collateral Description	**Value**	**Advance**	**Adj. Value**		
Equipment	$ 701,000	0.65	$ 455,650		
Real estate	$ 1,127,536	0.80	$ 902,029		
Total Collateral	$ 1,828,536		$ 1,357,679		
Total Loans Outstanding:		$ 714,580			
(pledged for this loan request)					
Adjusted LTV:		53%			
Excess Collateral:		$ 643,099			

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: Daniel A Callahan/L.P. and Devin M. Callahan/L.P.

STATISTICS

Project Number:	A-LL-TX-7020	Amount:	$213,500
Type:	Participation Loan	IFA Staff:	Cory Mitchell
Location:	Seaton, IL		

BOARD ACTION

Approval to purchase a 50% participation loan from Midwest Bank of Western Illinois.
$213,500 of IFA funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

To provide permanent financing for the purchase of farm equipment and purchase/construction of new grain storage bins.

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 to10 years at a fixed rate for up to 5 years 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	$213,500	Uses:	Purchase Grain Bins	$300,000
Trust Bank	$213,500		Purchase Equipment	$127,000
Total	**$427,000**		**Total**	**$427,000**

JOBS

Current employment:	N/A	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs:	5

BUSINESS SUMMARY

Background: Daniel and Devin Callahan are brothers that have been involved in their grain farming operation all of their adult life, which spans the past 20 years. They currently farm a land base of 236 owned acres, 1600 crop share acres and 1100 cash rented acres. Corn and soybeans are the crops grown on all of their acres which are based in Seaton, Illinois in Mercer County. Daniel and Devin provide most of the labor for this operation, but will hire seasonal labor when the crop is planted and harvested

Project Rationale: Daniel and Devin wish to construct an additional 200,000 bushels of grain storage for their farming operation. With the current grain price outlook for 2007 and beyond, many farmers are adding on farm storage to benefit from the higher sales prices offered on farm stored grain. This transaction will also purchase a tractor, ripper tillage tool and an auto-steer unit. The newer equipment will replace older, less efficient equipment.

Transaction: Midwest Bank of Western Illinois will originate a 5 year fully amortized term loan for $427,000 of which IFA will participate $213,500. The loan will be secured with all farm equipment currently owned as well as purchased equipment.

FINANCING SUMMARY

Borrower: Daniel A. Callahan, LP/ Devin M. Callahan, LP

Security: 1st lien on equipment/grain facility purchased and equipment currently owned, personal guarantees from borrowers.

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

PROJECT SUMMARY

The borrower is purchasing a 200,000 bushel grain storage bin for $300,000, a John Deere 4 wheel drive tractor, John Deere Auto Steer Unit, and a Ripper Tillage Tool for $127,000. The loan will be secured by a first lien on all equipment now owned and the above mentioned pieces. Personal guarantees will also be provided by Devin and Daniel Callahan.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Daniel A. Callahan, LP / Devin M. Callahan, LP	
Location:	105 110th Street	County: Mercer
	Seaton, IL 61476	
Organization:	Limited Partnership	
State:	Illinois	
Ownership:	Each limited partnership is owned 99% by the individual and 1% by the individual's corporation (Daniel A. Callahan and Devin M. Callahan)	

PROFESSIONAL & FINANCIAL

Accountant:	N/A
Attorney:	N/A
Bank:	Midwest Bank of Western Illinois, Brad Ray, Vice President

LEGISLATIVE DISTRICTS

Congressional:	State Senate:	State House:
17^{th}, ~~Lane A. Evans~~	~~36^{th} Mike Jacobs~~	71^{st} ~~Mike Boland~~

February 2006
FM: Cory E. Mitchell

CONFIDENTIAL INFORMATION

Est. fee: $13,664 (1st Year's interest) Tax ID: 37-1454243 / 38-3669586

LOAN STRUCTURE

Interest: Midwest Bank of Western Illinois will offer a 5 year fixed interest rate of 7.6%, passing on1% to the borrower and keeping 20 basis points as servicing. IFA's interest rate will be 6.4% fixed for 5 years, resulting in a blended rate of 7% to the borrower.

Repayment: Primary: Sale of harvested crops
Secondary: Liquidation of Collateral
Tertiary: Personal Guarantees

Maturity: 5 years, 5 year amortization

Collateral: 1st lien on equipment previously owned (equity of $941,500) and equipment purchased in this transaction. (Grain Storage Bins, $300,000, Farm Equipment $127,000). Personal guarantees from borrower. Total collateral discounted at the IFA's discounted rate of 65% results in a 57% LTV.

FINANCIAL SUMMARY

Discussion: Financial Statements for the Partnership and individuals were prepared and submitted by Midwest Bank of Western Illinois. One year financials have been provided on behalf of the borrower and 3 years of tax returns and financial statements provide for Callahan Farms.
(Discussion will be referencing Callahan Farms unless otherwise noted)

Balance Sheets for 2004-2006 show very acceptable trends with working capital always above $200,000. Current ratio has averaged 2.45 displaying very strong liquidity. Debt/asset ratio has averaged .18 and to reinforce the borrowers strong financial position.

The borrowers both have acceptable personal financial statements with Daniel showing a net-worth of over $1 million and Devin at just under $1 million with no debt.

Tax returns show lower than average crop income in 2004 compared to '03 and '05, due to low crop yields that growing season. Family living W/D represents paid wages to the two borrowers and any labor they have hired throughout the year.

Debt coverage has always been acceptable with an average of 2.29:1. Debt repayment margin has also been maintained at an average of $127,626 over the three years reported.

Projections for the 2007 year are very aggressive due to the price of grain and the borrower being conservative on input costs. Overall debt coverage is projected at 1.85:1 compared to the three year average of 2.29:1

As stated earlier, the Bank utilized the IFA Participation to obtain the Callahan's business within a very competitive market and wouldn't have received the business without this IFA program.

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FINANCIAL DATA FOR:				
Callahan Farms	Year	Year	Year	Proforma
	12/31/2004	12/31/2005	12/31/2006	
Cash	18,500	27,000	10,000	10,000
Crops/Livestock	230,314	430,422	430,422	420,000
Other Current Assets	100,000	100,000	0	
Total Current Assets	**348,814**	**557,422**	**440,422**	**430,000**
Farm Machinery/Equipment	995,200	985,000	1,099,500	1,500,000
Real Estate/Improvements	67,200	67,200	0	0
Other LT Assets	0	0	0	70,000
Total Non-Current Assets	**1,062,400**	**1,052,200**	**1,099,500**	**1,570,000**
Total Assets	**1,411,214**	**1,609,622**	**1,539,922**	**2,000,000**
Notes Payable	172,240	125,810	76,315	65,000
Current Maturities LT debt	25,000	25,000	59,500	65,000
Other Current Liabilities	33,400	23,703	30,975	25,000
Total Current Liabilities	**230,640**	**174,513**	**166,790**	**155,000**
Equipment debt	75,000	50,000	128,500	500,000
Real Estate Debt		0	0	0
Other LT Liabilities	0	0	0	0
Total Non-Current Liabilities	**75,000**	**50,000**	**128,500**	**500,000**
Total Liabilities	**305,640**	**224,513**	**295,290**	**655,000**
Net Worth	**1,105,574**	**1,385,109**	**1,244,632**	**1,345,000**
Working Capital	**118,174**	**382,909**	**273,632**	**275,000**
Current Ratio	**1.51**	**3.19**	**2.64**	**2.77**
Debt-to-asset ratio	**0.22**	**0.14**	**0.19**	**0.33**
Debt-to-worth Ratio	**0.28**	**0.16**	**0.24**	**0.49**

Daniel A. Callahan Balance Sheet (12-31-06)

Total Current Assets	$31,500	Total Current Liabilities	$11,597
Intermediate Assets	$130,500	Intermediate Liabilities	$6,001
Long Term Assets	$954,239	Long Term Liabilities	$51,928
Total Assets	**$1,116,239**	**Total Liabilities**	**$69,526**
Net Worth	**$1,046,713**		

Devin M. Callahan Balance Sheet (12-31-06)

Total Current Assets	$51,800	Total Current Liabilities	$0
Intermediate Assets	$108,000	Intermediate Liabilities	$0
Long Term Assets	$815,500	Long Term Liabilities	$0
Total Assets	**$974,900**	**Total Liabilities**	**$0**
Net Worth	**$974,900**		

February 2006
FM: Cory E. Mitchell

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Cash Basis Accounting					
	2003	**2004**	**2005**	**Average**	**Proj**
Crop/Livestock Sales	1,210,574	977,536	1,117,160	1,101,757	1,126,882
Other Farm Income	13,410	8,594	98,948	40,317	6,472
Total Farm Income	**1,223,984**	**986,130**	**1,216,108**	**1,142,074**	**1,133,354**
General Operating Expenses	705,955	685,217	901,160	764,111	710,000
Depreciation	127,986	82,069	129,750	113,268	104,355
Interest Expense	24,207	36,450	33,375	31,344	59,186
Total Farm Expenses	**858,148**	**803,736**	**1,064,285**	**908,723**	**873,541**
Net Cash Farm Income	**365,836**	**182,394**	**151,823**	**233,351**	**259,813**
Accrual Adjustments					
Stored Crops Adj.	**0**	**0**	**0**	0	**0**
Accounts Rec. Adj.	**0**	**0**	**0**	0	**0**
Prepaid Exp. Adj.	**0**	**0**	**0**	0	**0**
Accounts Payable Adj.	**0**	**0**	**0**	0	**0**
Accrual Adj. Income	**365,836**	**182,394**	**151,823**	**233,351**	**259,813**

Repayment Margin Analysis					
	2003	**2004**	**2005**	**Average**	**Proj**
Net Farm Operating Income	365,836	182,394	151,823	233,351	259,813
Add: Non-farm income	-	-	-	0	0
Add: Depreciation Expense	127,986	82,069	129,750	113,268	104,355
Add: Annual Term Debt Interest	24,207	36,450	33,375	31,344	59,186
Less: Income Taxes	(70,000)	(32,000)	(16,800)	(39,600)	(30,000)
Less: Family Living W/D	(123,172)	(106,431)	(106,076)	(111,893)	(118,076)
Balance Available for Term Debt R	**324,857**	**162,482**	**192,072**	**226,470**	**275,278**
Principal on Term Debt	50,000	75,000	60,000	67,500	90,000
Interest on Term Debt	24,207	36,450	33,375	31,344	59,186
Total Principal and Interest Pymts	**74,207**	**111,450**	**93,375**	**98,844**	**149,186**
Equals Term Debt Coverage Ratio	**4.38**	**1.46**	**2.06**	**2.29**	**1.85**
Equals Term Debt Repayment Mar	**250,650**	**51,032**	**98,697**	**127,626**	**126,092**

COLLATERAL ANALYSIS:

Collateral Description	**Value**	**Advance**	**Adj. Value**
Equipment	$ 1,497,000	0.65	$ 973,050
Total Collateral	$ 1,497,000		$ 973,050
Total Loans Outstanding:		$ 555,500	
Adjusted LTV:		57%	
Excess Collateral:		$ 417,550	

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **Midland States Bank Trust #1780**
Darrell Runge, dba Runge Farms

STATISTICS

Project Number:	A-LL-TX-7030	Amount:	$96,000
Type:	Participation Loan	IFA Staff:	Eric Reed
Location:	Mason, IL	SIC Code:	0191-Grain Farming

BOARD ACTION

Approval to purchase a 50% participation loan from Midland States Bank, Effingham, IL
$96,000 of IFA funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

IFA's participation reduces the borrower's interest expense and provides a service to community banks.

VOTING RECORD

None. This is the first time that this project has been presented to the IFA Board of Directors. Mr. Runge is a repeat customer, who has utilized the IFA participation loan program through Midland States Bank prior to this transaction.

SOURCES AND USES OF FUNDS

Sources:	IFA	$96,000	Uses: Land Purchase	$240,000
	Midland States Bank	$96,000		
	Borrower Equity	$48,000		
	Total	**$240,000**	**Total**	**$240,000**

JOBS

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

BUSINESS SUMMARY

Background: Darrell Runge is a lifelong farmer who operates a 2,600-acre, cash corn and soybean operation located in southern Effingham County. In addition to the grain farm, Darrell and his family own and operate RC Buildings Inc, a business that constructs commercial storage and office buildings. All four of Darrell's children are actively employed by the farming operation and construction company.

Project Rationale: Mr. Runge has the opportunity to further expand his farming operation with the purchase of 80 acres and has expanded his farming operation in recent years to ensure that it remains a viable operation for his children in the future. Mr. Runge has aggressively purchased land to expand operations in the past. This purchase continues that strategy. Mr. Runge is a longtime, valued customer of Midland States Bank, which requires them to provide competitive rates to him. As Midland States Bank is a valued, and repeat user of IFA programs, the approval of this transaction provides a service to the bank.

Transaction: Loan proceeds will provide permanent financing for the purchase of 80 acres of farmland. The borrowers will pay a 20% cash down payment toward the purchase of the property. The loan will be executed by Midland States Bank Trust #1780, which is a beneficial land trust for Darrell Runge Sr. and his four children. Mr. Runge will personally guarantee the loan.

FINANCING SUMMARY

Borrower: Midland States Bank Trust #1780

Security: 1st Real estate mortgage on 80 acres of farmland. Collateral position will "*parri passu*" with Midland States Bank.

Structure: 10 year term. 20 year amortization with annual P & I.

PROJECT SUMMARY

The borrower is purchasing 80 acres of farmland for $240,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Midland States Bank Trust #1780 Darrell Runge Sr., dba Runge Farms
Location:	2624 E. 475th Avenue Mason, IL 62443
Organization:	Beneficial Land Trust
State:	Illinois
Ownership:	Midland States Bank Trust #1780

PROFESSIONAL & FINANCIAL

Accountant:	Henley, Reece & Associates, LLC	
Attorney:	Bruce Burkey, Effingham, IL	
Bank:	Midland States Bank, Effingham, IL	Brad Shull, Vice-President

LEGISLATIVE DISTRICTS

Congressional: ~~John Shimkus 19th~~ State Senate: ~~Frank Watson 51st~~ State House: ~~Ron Stephens 102nd~~

CONFIDENTIAL INFORMATION

Est. fee: $6,240 (1st year's Int.) Tax ID: 334-40-3891

LOAN STRUCTURE

Interest: Midland States Bank will charge 7.5% interest on their portion of the loan, while the IFA portion of the loan will be at 6.5%. This would yield an interest rate of 7.0% to the borrower.

Repayment: Primary: Sale of harvested crops and construction income
Secondary: Liquidation of collateral

Maturity: 10 years. 20 year amortization.

Collateral: 1st REM on 80 acres of farmland. An appraisal has been performed on the property, which indicates a value of $274,000. **Overall LTV is excellent at 70%.**

FINANCIAL SUMMARY

Discussion: Financial statements submitted by Midland States Bank are borrower prepared. The statements reflect a general trend of increasing liquidity and net worth over the past three years.

Stored crops have increased due to increased yields. Fixed assets have increased due to the borrower purchasing additional equipment and farm real estate. According to the lender, the borrower has historically maintained an aggressive growth strategy in the business. Total liabilities have increased in relation to capital purchases.

Net worth has increased by $600K in the past two years due to the large asset purchases and the appreciation in real estate values. A major portion of the borrower's long term assets listed in the balance sheet is the owner's value of RC Building Inc. It should be notes that this value is listed at 3 x book value as the company lists a net worth of $655,493 as of 11/30/06. If the value of the company was listed at book value, the borrower's net worth would be approximately $7.2M.

Tax returns for the prior 3 years indicated a steady trend of increased sales. Other farm income has also increased year over year with the additional government payments received as the farm has increased the amount of acres owned.

Net income has been influenced by aggressive machinery purchases, which have increased depreciation and interest expense. Off farm income consists of the borrower's salary, as well as rental income, and income from RC Buildings Inc. Debt service coverage has fluctuated over the past 3 years; however it remains strong with a 3 year average of 1.54 xs.

A YTD P&L was provided by the borrower for 2006 for the farming operation. Non-Farm income and income taxes were projected base on prior years for calculations. 2006 sales appear to have increased 36% over FYE 2005, due to increased yields and market prices.

Debt service coverage is projected at 1.19 times, which is a bit weak. However, both the farm and building enterprises have historically generated significant cash flow and demonstrated sufficient debt coverage. Forecasts include the additional acres and assume that the borrower realizes prices and yields consistent with recent market conditions.

February 13, 2007
FM: Eric Reed

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LTV is adequate for the project at 80%, with the borrower paying $48,000 or 20% of the purchase price in cash.

FINANCIAL DATA FOR: Darrell Runge	**11/21/05 Year**	**2/8/2006 Year**	**12/18/2006 Year**	**Proforma**
Cash	5,380	12,217	1,940	1,940
Crops/Livestock	694,701	113,600	774,659	774,659
Other Current Assets	44,619	235,653	145,876	145,876
Total Current Assets	**744,700**	**361,470**	**922,475**	**922,475**
Farm Machinery/Equipment	1,671,500	1,671,500	1,622,030	1,622,030
Real Estate/Improvements	7,290,000	7,770,200	8,097,200	8,337,200
Other LT Assets	1,819,500	1,764,623	2,118,411	2,118,411
Total Non-Current Assets	**10,781,000**	**11,206,323**	**11,837,641**	**12,077,641**
Total Assets	**11,525,700**	**11,567,793**	**12,760,116**	**13,000,116**
Notes Payable	167,700	125,000	224,000	224,000
Current Maturities LT debt	208,233	0	0	0
Other Current Liabilities	0	0	0	0
Total Current Liabilities	**375,933**	**125,000**	**224,000**	**224,000**
Equipment debt	374,808	412,568	325,739	325,739
Real Estate Debt	2,749,233	3,222,414	3,550,523	3,742,523
Other LT Liabilities	0	0	0	0
Total Non-Current Liabilities	**3,124,041**	**3,634,982**	**3,876,262**	**4,068,262**
Total Liabilities	**3,499,974**	**3,759,982**	**4,100,262**	**4,292,262**
Net Worth	**8,025,726**	**7,807,811**	**8,659,854**	**8,707,854**
Working Capital	**368,767**	**236,470**	**698,475**	**698,475**
Current Ratio	**1.98**	**2.89**	**4.12**	**4.12**
Debt-to-asset ratio	**0.30**	**0.33**	**0.32**	**0.33**
Debt-to-worth Ratio	**0.44**	**0.48**	**0.47**	**0.49**

February 13, 2007
FM: Eric Reed

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Cash Basis Accounting

	2004	2005	2006	Average	Proj
Crop/Livestock Sales	560,703	591,007	805,502	652,404	866,052
Other Farm Income	131,406	192,950	168,416	164,257	165,000
Total Farm Income	**692,109**	**783,957**	**973,918**	**816,661**	**1,031,052**
General Operating Expenses	277,065	391,848	505,975	391,629	510,000
Depreciation	284,452	213,819	234,032	244,101	220,000
Interest Expense	140,448	174,385	265,169	193,334	251,992
Total Farm Expenses	**701,965**	**780,052**	**1,005,176**	**829,064**	**981,992**
Net Cash Farm Income	**(9,856)**	**3,905**	**(31,258)**	**(12,403)**	**49,060**
Accrual Adjustments					
Stored Crops Adj.	**0**	**59,357**	**79,958**	46,438	**0**
Accounts Rec. Adj.	**0**	**0**	**0**	0	**0**
Prepaid Exp. Adj.	**0**	**0**	**101,257**	33,752	**0**
Accounts Payable Adj.	**0**	**43,619**	**(99,000)**	(18,460)	**0**
Accrual Adj. Income	**(9,856)**	**106,881**	**50,957**	**49,327**	**49,060**

Repayment Margin Analysis

	2002	2003	2004	Average	Proj
Net Farm Operating Income	(9,856)	106,881	50,957	49,327	49,060
Add: Non-farm Income	98,913	112,130	100,000	103,681	100,000
Add: Depreciation Expense	284,452	213,819	234,032	244,101	220,000
Add: Annual Term Debt Interest	140,448	174,385	265,169	193,334	251,992
Less: Income Taxes	(14,231)	(17,063)	(8,153)	(13,149)	(7,849)
Less: Family Living W/D	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)
Balance Available for Term Debt R	**439,726**	**530,152**	**582,005**	**517,294**	**553,203**
Principal on Term Debt	117,973	102,024	208,233	142,743	212,800
Interest on Term Debt	140,448	174,385	265,169	193,334	251,992
Total Principal and Interest Pymts	**258,421**	**276,409**	**473,402**	**336,077**	**464,792**
Equals Term Debt Coverage Ratio	**1.70**	**1.92**	**1.23**	**1.54**	**1.19**
Equals Term Debt Repayment Mai	**181,305**	**253,743**	**108,603**	**181,217**	**88,411**

COLLATERAL ANALYSIS:

Collateral Description	Value	Advance	Adj. Value
Real estate	$ 240,000	0.80	$ 192,000
Total Collateral	$ 240,000		$ 192,000

Total Loans Outstanding: $ 192,000

Adjusted LTV: 100%

Excess Collateral: $ -

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

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FINANCIAL DATA FOR:	**12/31/2004**	**12/31/2005**	**11/30/2006**	
RC Buildings Inc	**Year**	**Year**	**Interim**	
Total Current Assets	**379,436**	**350,075**	**450,160**	
Total Assets	**1,029,770**	**932,273**	**1,153,221**	
Total Current Liabilities	**124,203**	**325,026**	**236,121**	
Total Liabilities	**451,358**	**504,003**	**487,728**	
Net Worth	**578,412**	**428,270**	**665,493**	
Working Capital	**255,233**	**25,049**	**214,039**	
Current Ratio	**3.05**	**1.08**	**1.91**	
Debt-to-asset ratio	**0.44**	**0.54**	**0.42**	
Debt-to-worth Ratio	**0.78**	**1.18**	**0.73**	
Net Income	76,274	(61,023)	237,263	
Depreciation	171,328	158,860	108,807	
Interest	3,925	21,684	4,958	
Cash Available	251,527	119,521	351,028	
Debt Requirement	82,356	102,024	93,522	
DSC Ratio	3.05	1.17	3.75	

Financial statements for RC Buildings Inc. for year end 2004, 2005, and an interim 2006 were submitted by Midland States Bank. The statements are accrual basis financial statements. The financial data for RC Buildings Inc. is reported for informational purposes only. As the major shareholder in the company, the income from the company is reported on Mr. Runge's tax return. In recent years, he has been dependent on cash flow generated by the company to maintain debt service coverage over 1.0 times.

Until 2005, the company had demonstrated stable growth in assets and net worth. With the exception of the NOL experienced in 2005, RC Buildings has maintained a very strong liquidity position with current working capital in excess of $200K. They have historically had a strong current ratio as well.

Again, with the exception of FYE 2005, leverage has also remained steady and acceptable.

Net income has continued to increase with the increase in sales, with the exception of 2005. While the company experienced an NOL in 2005, debt coverage remained positive.

Debt Service coverage has historically been very strong for RC Buildings Inc. While declining in 2005, it appears to have recovered nicely in 2006, and in fact increasing over the 2004 FYE ratio of 3:1

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **Alternative Energy Sources, Inc.**

STATISTICS

Project Number:	P-SW-TE-CD-6264	Amount:	$50,000,000 (not-to-exceed amount)
Type:	Solid Waste Disposal Revenue Bonds	IFA Staff:	Rich Frampton/Cory Mitchell
Location:	Kankakee		

BOARD ACTION

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

PURPOSE

To finance solid waste treatment and disposal facilities and related improvements necessary in connection with a new, 110 million gallon ethanol plant in Kankakee (Kankakee County). Additionally, bond proceeds may be used to finance related improvements, capitalized interest, and bond issuance costs.

IFA CONTRIBUTION & PROGRAM

IFA's issuance of Solid Waste Disposal Facilities Revenue Bonds conveys federal income tax exemption on interest paid to Bondholders. Because of this tax-exemption, Bondholders are willing to accept a below-market interest rate, which is passed through directly to the Borrower. IFA may provide Carryforward Volume Cap to facilitate issuance of the Solid Water Disposal Bonds (subject to availability).

No additional IFA (i.e., Moral Obligation or IFA-funded Project Reserves) financial support has been requested (nor contemplated) by the Applicant for this project. The proposed financing would be structured as a standard, credit enhanced conduit bond issue.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Solid Waste Bonds	$47,000,000	Project Cost	$250,500,000
Equity	89,650,000	Reserves/Working Capital	16,220,000
DCEO Renewable Fuels Grant	7,000,000	Bond Issuance Costs	780,000
Kankakee County Grant	850,000		
Bank Financing/Lines	123,000,000		
Total	**$267,500,000**	**Total**	**$267,500,000**

JOBS

Current Jobs: 0 (at project site)	New Jobs: 40-45
Jobs Retained: Not applicable	Construction Jobs: 250 (16 months)

BUSINESS SUMMARY

Background: **Alternative Energy Sources, Inc. ("AENS" or the "Company")** was formed on June 12, 2006 and is based in Kansas City, MO. AENS was formed as the result of a reverse merger between Beemer Energy, LLC and Alternative Energy Sources, Inc. (an inactive public company originally incorporated in 2002).

AENS is a publicly-traded company incorporated under Delaware law. Based on AENS's market capitalization (approximately $80 million as of 1/25/2007), AENS's stock has been traded on the OTC Bulletin Board under the ticker symbol "AENS.OB" since its inception. As an over-the-counter stock, units in AENS stock were sold in an offering as of 6/12/2006 with purchases restricted to "accredited investors" as defined under Rule 501 of Regulation D.

AENS' two principal shareholders are Mark Beemer, President and CEO (19.54% owner), and Lee Blank, EVP and COO (12.64% owner) [also see Economic Disclosure Statement Section of this report on p. 7].

History: Alternative Energy Sources, Inc. is a development stage company engaged in the development, construction, financing, and operations of fuel-grade ethanol plants located on "Greenfield" sites. Management executives Mark Beemer, CEO, and Lee Blank, COO, were previously executives with Decatur-based, Archer Daniels Midland Company ("ADM"), and have over 37 years of combined experience in agricultural processing, grain trading, railroad negotiations, logistics management, and corporate acquisitions. Additional background information on the professional accomplishments of AENS' management team follows in the section below.

AENS' corporate objective is to develop ethanol plants that focus on the sale of fuel-grade ethanol to gasoline refiners and blenders, with secondary sales of Dried Distillers Grains for the agricultural market. Structural demand for ethanol is anticipated to continue to increase due to: (1) the nationally stated goal of replacing 75% of imported oil by 2025, (2) the production of more than 700,000 flexible fuel motor vehicles that can burn E-85 (85% ethanol blend) in 2006, and (3) federal energy law now includes a renewable fuels standard requiring the use of 7.5 billion gallons of ethanol and biodiesel by 2012.

To date, AENS has announced plans to build two plants: (1) a 110 million gallon ethanol plant in Boone County, Iowa, and (2) a 110 million gallon ethanol plant located approximately 65 miles south of Chicago, near Kankakee, Illinois. Both plants have been designed to produce 100 railtank cars of ethanol weekly and 70 cars of Dried Distillers Grains for resale to feedlots in Kansas, Oklahoma, and Texas.

AENS has a purchase option on the entire 248 acre Kankakee Industrial Park in Kankakee. The project site is located just west of I-57; approximately 2.5 miles south of the I-57 interchange with US 45 and US 52 (the southernmost interchange in Kankakee). The project site is also located southwest of the junction of the Canadian National/Illinois Central main line (Chicago – New Orleans) with the westbound Canadian National spur line to Herscher, Illinois.

AENS announced development of the Kankakee Plant on August 21, 2006.

AENS estimates local payroll at the Kankakee plant of $2.0 million to $2.5 million upon completion.

AENS' proposed project site is located in the DCEO-designated 's Kankakee Enterprise Zone. Accordingly, the project will be eligible for sales tax exemptions for building materials purchased in the Zone and for job training funds.

Management Team: AENS is led by a management team with extensive and complementary experience in corn and commodities trading, railroad contract negotiations, logistical economics, and manufacturing plant operating experience with Archer Daniels Midland Company. Highlights of the pertinent experience of the management team prior to AENS follows below.

- **Mark A. Beemer – President and Chief Executive Officer**

  Mr. Beemer has 18 years experience in grain and agricultural processing, beginning with Louis Dreyfus Corporation and then joined The Archer Daniels Midland Company in 1993 as manager of corn trading for 18 western facilities. While at ADM, Mr. Beemer served as Assistant VP of Corporate Transportation, where he negotiated freight rates with numerous railroads, including the BNSF, Union Pacific, Norfolk Southern, CSX, Canadian National, and also with several short-line railroads.

  Additionally, Mr. Beemer developed several unit-train programs with BNSF that provided for just-in-time inventory supply-chain shipments that resulted in a significant reduction in ADM's transportation costs.

  Beginning in 2001, Mr. Beemer was appointed VP of Strategic Planning, Transportation and Operations for ADM's joint venture with 23 elevators/terminals from the Farmland Grain Division. Mr. Beemer was also responsible for overseeing logistical upgrades at existing processing facilities, and the construction of new facilities, including an ADM Dried Distillers Grain (DDG) unloading facility in Texas.

  In late 2005, Mr. Beemer joined Penford Products Company of Cedar Rapids, Iowa where he served as VP of Commodities. At Penford, Mr. Beemer traded corn futures, corn basis, natural gas, and corn wet mill by-products, oversaw all risk management activities, and proposed the addition of coal-fired steam sources to replace natural gas-fired facilities.

- **Lee L. Blank – Executive VP and Chief Operating Officer**

  Mr. Blank joined the Company in 2006. Mr. Blank brings 19 years of management experience with ADM to AENS. Early in his career with ADM, Mr. Blank served as manager for soybean crushing plants located in three states and was responsible for soybean procurement, by-product trading, risk management, collaborating with operations and commercial desks and overseeing sales of $150,000,000.

  Mr. Blank also served as Director of Rates for ADM Corporate Transportation where he negotiated more than $700,000,000 in freight contracts with major railroads. In addition, Mr. Blank served as Western Sales Manager of Bio-Products Division where he had approximately $50,000,000 in annual sales. Most recently, Mr. Blank was the Sales Manager and Director of Exports for ADM Milling where he had $90,000,000 domestic sales and $80,000,000 export sales under management.

- **John J. Holland – Executive VP and Chief Financial Officer**

  John J. Holland joined AENS as EVP and CFO on 8/16/2006. Mr. Holland is a Certified Public Accountant with a 24-year career with Butler Manufacturing Co. including serving as Butler's CEO and Chairman of the Board from 2001-2004. Mr. Holland led the strategic evaluation process that culminated in the sale of Butler Manufacturing Company for $223 million to BlueScope Steel, Australia's largest steel company. Mr. Holland will oversee financing and cash management, including raising capital and debt financing for AENS' proposed ethanol plants.

  Before joining Butler Manufacturing Company, Mr. Holland was a senior accountant at Arthur Andersen and Controller at Saint Luke's Hospital System of Kansas City, MO. Mr. Holland currently serves as a director for Cooper Tire and Rubber Co., Inc., SCS Transportation, Inc., and Saint Luke's Health System. In addition, Mr. Holland serves as a consultant with Greentree Ventures, a venture capital firm located in Olathe, Kansas. Mr. Holland holds B.S. and M.B.A. degrees from the University of Kansas.

- **Dr. John A. Ward – Executive VP and Director of Operations**

  Dr. Ward joined the Company in September, 2006. Dr. Ward has over 29 years of engineering and managerial experience in food and fine chemicals processing, most recently as ADM's Vice President and Director of Group Operations for Corn Products and Bio-Products, a position he held since 2001.

  Dr. Ward began his career with Pfizer Chemical Corporation in 1977, eventually becoming the Director of Production - Chemicals in 1990. In 1991 he left Pfizer following an acquisition, and joined ADM as the Director of Production for a Citric Acid facility. In March, 1999, Dr. Ward became the General Manager of Citric Acid Operations for ADM, including facilities in Ireland and the United States. In 2000, he became the Vice President of Fermentation Products Manufacturing, overseeing ADM's bio-products complex in the United States in addition to the citric acid plants in the United States and Ireland. Beginning in 2001, Dr. Ward served as Vice President and Director of Group Operations for Corn Products and Bio-Products for five years.

  Dr. Ward holds a Bachelor of Science degree with honors in Chemical Engineering and a Ph.D. in Industrial Chemistry from Queens University in Belfast, Northern Ireland.

- **J. B. Voss – VP of Business Development**

  Joining AENS as Vice President of Business Development is JB Voss, a former ADM executive with 17 years' experience in commodity merchandising. Mr. Voss joined ADM's grain export facility in Havana, Illinois, in 1989 where he mastered the basics of grain origination and merchandising along with barge freight and export economics. After joining ADM's Soybean Processing Division in 1990, Mr. Voss spent two years in South Carolina and then moved to ADM's Fredonia, Kansas, facility. In Fredonia he helped develop two new ADM accounts that generated $23 million in annual sales and also contributed to reviving the local economy.

  During his career with ADM, Mr. Voss initiated and maintained profitable long-term customer relationships, frequently with companies previously unaffiliated with ADM. One Oklahoma-based entity now generates over $75 million in annual sales volume for ADM.

  From 2001 until he joined AENS in 2006, Mr. Voss worked at ADM's Kansas City area operations. In his initial assignment in Northern Kansas City, Mr. Voss managed over $30 million in key account sales while overseeing junior merchandisers' activities totaling more than $150 million annually. Mr. Voss' most recent assignment in Overland Park, Kansas involved responsibility for maintaining all ADM customer contacts for the southwestern United States, including management of $70 million in sales for ADM's western soy processing interests.

  Mr. Voss is a graduate of Millikin University in Decatur, Illinois.

Development Team Profiles:

- **Design/Technology Contractor:** Delta-T Corporation, Williamsburg, Virginia. Delta-T Corporation of Williamsburg, Virginia, is a design-build firm that provides technology, plants, systems, and services to the fuel, beverage, industrial, and pharmaceutical alcohol markets. Delta-T has provided alcohol production, dehydration, and purification solutions to more than 115 clients worldwide on five continents.

- Delta-T will provide proprietary technology licenses, plant design, equipment, operator training, and startup services.

- Delta-T has designed the following ethanol facilities using the technology to be used for the proposed Kankakee ethanol plant:

Delta-T has used this technology in 7 plants, that are operating or under construction including:

- Corn Plus, Winnebago, MN
- Chippewa Valley Ethanol Cooperative: Benson, MN
- Ace Ethanol: Stanley, WI
- Utica Energy: Oshkosh, WI
- Pine Lake Corn Processors: Steamboat Rock, IA
- Wyoming Ethanol: Torrington, WY
- Pacific Ethanol: Madera, CA

Additional information on Delta-T and their ethanol plant design achievements may be found on the Company's web site: www.deltatcorp.com .

IEPA Permits: The proposed facility will require both air emissions and wastewater discharge permits under the U.S. Clean Air and Clean Water Acts. AENS is currently preparing a permit application for the Kankakee air and water discharge and treatment facilities and will be filed on 2/9/2007.

Additionally, after the facility becomes operational, AENS must test storm water runoff and adhere to standards relating to storm water runoff.

Sales Plan: The Project will produce two main products: fuel grade ethanol and high-protein Distillers Grain and Solubles (HP-DDGS). The nameplate capacity of the ethanol plant will be 110 million gallons per year of denatured fuel-grade ethanol meeting the American Society of Testing and Materials (ASTM) specifications. The owners anticipate that its ethanol will be sold into regional and national markets by rail and truck. The site is located adjacent to I-57 and the Canadian National railroad's Chicago/New Orleans main line. The plant will be designed with rail and truck facilities and its own belt railroad to accommodate loading of 100-car bulk alcohol for sale to refiners.

The Company plans to a sell a portion of its HP-DDGS and bran to area feedlots and livestock operations in East Central Illinois and Western Indiana. Additionally, the majority of the distiller's grain to be sold locally is expected to be sold in the wet form as high-protein wet distiller's grain (HP-WDGS), which would avoid the expense of drying this product. AENS plans to sell the majority of the HP-DDGS outside the plant's local marketing area by rail. As noted previously, AENS' J.B. Voss has direct experience selling HP-DDGS to feedlots in Oklahoma and Texas.

Government Incentives: Demand for ethanol is bolstered by a number of governmental programs regulations and incentives which are described below.

Federal and State Use Incentives Provided or Proposed	Impact
▪ Partial exemption from federal excise tax on gasoline through 2011.	▪ Allows ethanol to compete successfully with gasoline with MTBE, produced by oil industry.
▪ Federal renewable fuels standard (RFS) that will double use of ethanol and biodiesel to 7.5 billion gallons per year by 2012.	▪ Mandates increase in ethanol demand nationally.
▪ Illinois HB 387: tax credits for buyers of E85 ethanol powered vehicle; tax credits for ethanol dispensing pumps at retail stores.	▪ Stimulates increase in ethanol demand in Illinois.
▪ Illinois Alternative Fuel Vehicle Rebates for converting vehicle to ethanol.	▪ Stimulates increase in ethanol demand in Illinois.

▪ Illinois Sales and Use Tax Exemptions for ethanol-blended fuels.	▪ Lowers cost of ethanol to consumer at the pump. Allows ethanol to be price competitive with gasoline.

State/Local Financing Incentives Requested	**Impact**
▪ IFA issuance of approximately $47 million of tax-exempt solid waste disposal bonds.	▪ Lowers the Company's cost of debt capital. Partial tax-exempt capital structure provides a competitive advantage with respect to other ethanol producers.
▪ $850,000 Grant from Kankakee County to finance road improvements to the project site.	▪ Reduces equity requirements by $850,000.
▪ $7,000,000 DCEO Renewable Energy Grant Program requested.	▪ Reduces equity requirements by $7 million.
▪ Project site in Kankakee/DCEO Enterprise Zone will enable sales tax exemption on construction materials purchased within the Enterprise Zone and make the project potentially eligible for job training funds.	▪ Reduction in construction material costs and potential to reduce upfront job training expenses.

FINANCING SUMMARY

Bondholder Security:	Bonds will be secured by a Direct Pay Letter of Credit from a bank to be determined.
Structure:	Fixed Rate Bonds for an initial period co-terminous with the Letter of Credit Term. Current estimated initial 5-year rate of 3.60%, assumes an "Aa/AA" rated LOC (excludes anticipated Bank LOC fee).
Collateral:	The Letter of Credit Bank and any other senior lender will be secured by a first mortgage on corporate properties and a blanket first security interest in all receivables, inventory, and equipment.
Maturity:	Not to exceed 30 years
Ratings:	The Bonds will be rated based on the rating of the prospective Letter of Credit Bank. Although a public company, AENS is a non-rated, development stage company whose stock is traded on the Over the Counter bulletin board.

These Bonds will be issued under the Illinois Environmental Facilities Financing Act and will not use any of the Illinois Finance Authority's recently approved $1.2 Billion debt limit increase (to $25.2 Billion) for general Industrial Development and 501(c)(3) financings.

PROJECT SUMMARY FOR PRELIMINARY BOND RESOLUTION

Tax-Exempt Bond proceeds, together with contributed equity and other sources of long-term debt, will be used to finance (i) the acquisition of approximately 248 acres of land at the Kankakee Industrial Park, located near the northwest corner of Otto Road and S1400W Road (and near the southwest junction of the Canadian National Railroad's main line and the Canadian National's Herscher spur line) in Kankakee, Illinois, (ii) construction of a new 110 million gallon ethanol plant and various infrastructure improvements thereon, (iii) the purchase of machinery and equipment for use therein, (iv) construction of an on-site rail spur to the Canadian National Herscher line that will encircle the site, (v) to finance capitalized interest during construction, and (vi) to pay certain costs of issuance. (Collectively, these capital expenditures and related costs will comprise the "Project".)

Project costs are estimated as follows:

Land Acquisition/Improvements	$5,700,000
Design/Engineering/Permitting	8,500,000
Construction/Fixtures	170,000,000
Equipment	43,300,000
Rail Cars	23,000,000
Total	**$250,500,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant/ Contact:	Alternative Energy Sources, Inc. (Contact: Mark A. Beemer, President and Chief Executive Officer, Alternative Energy Sources, Inc., 1919 Central Avenue, Kansas City, MO 64108-2005; (T) 816-842-3835 or 866-496-3835; (F) ; e-mail: beemer@aensi.com)
Web site:	www.aensi.com
Location:	Kankakee Industrial Park, located near the NW corner S1400W Road and Otto Road (near I-57), Kankakee (Kankakee County), Illinois
Organization:	Delaware Corporation
Principal Shareholders:	According to 10/4/2006 Proxy Statement: o Mark A Beemer, President and CEO: 19.54% o Lee L. Blank, Executive Vice President and COO: 12.64%
Land Owner:	Town and Country Utilities, Inc. 523 Brown St. Wauconda, IL 60084 Contact: Mr. Thomas A. Volini, President and CEO, 847-526-3304 or 219-397-4444

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Bryan Cave, LLP	Kansas City, MO St. Louis, MO	Robert M Barnes
Auditor:	Bagell, Josephs, Levine & Co., LLC	Gibbsboro, NJ	Neil Levine
Bond Counsel:	Currently Negotiating/Interviewing the following firms (and potentially others):		
	Chapman and Cutler LLP	Chicago, IL	
	Katten Muchin Rosenman LLP	Chicago, IL	
	Kutak Rock LLP	Chicago, IL	
	Mayer Brown Rowe and Maw LLP	Chicago, IL	
Letter of Credit Bank:	To be determined		
Counsel to LOC Bank:	To be selected by LOC Bank		
Underwriter:	Raymond James & Associates, Inc.	Chicago, IL	Clip Kniffin, Aaron Cook
Underwriter's Counsel:	Schiff Hardin LLP	Chicago, IL	Bruce Weisenthal
Bond Trustee:	To be determined		
Design/Engineering:	Delta-T Corporation	Williamsburg, VA	
General Contractor:	Currently Negotiating/Interviewing 3 firms:		
	AECOM	Los Angeles, CA	
	Aker Kveaemer, Inc.	Houston, TX	
	Kiewit Energy Company	Houston, TX	
IFA Counsel:	Kevin Cahill	Chicago, IL	Kevin Cahill
IFA Financial Advisor:	To be assigned		

LEGISLATIVE DISTRICTS

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

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Estimated fee:	$361,900 (assumes estimated $47 million issue)
SIC Code:	325193: Ethanol, non-potable, manufacturing
Federal ID #:	74-3038728

OPERATIONS

Competitive Advantages:

Experienced Management: As noted in the management profiles on pp. 2-4, AENS has strong management, multi-disciplinary experience in commodity procurement trading, railroad logistics management, railroad contract negotiation, ethanol and dried distiller grain marketing, and experience raising equity and debt in the capital markets are all strong competitive factors for AENS as it pursues development of its Illinois and Iowa plants..

Site Logistics: This site has good access to local corn supplies and excellent access to rail and highway, natural gas, electricity, water and water treatment. The site also has excellent access to Mobil's Joliet refinery, BP's Whiting, IN refinery, and Citgo Petroleum's Lemont Refinery. AENS' ability to deliver 100-car loads will also increase efficiencies for these end refiners and blenders. The site's location in the Corn Belt and adjacent to the Canadian National main line should provide the Project with excellent access to large markets on the East Coast and Gulf Coast.

Ethanol Plant Design Technology: Delta-T's design will provide for molecular-sieve dehydration, zero discharge of process wastewater, and more efficient refining and purification systems to produce high quality alcohols. Delta-T has used this technology in 7 plants, that are operating or under construction including:

- Corn Plus, Winnebago, MN
- Chippewa Valley Ethanol Cooperative: Benson, MN
- Ace Ethanol: Stanley, WI
- Utica Energy: Oshkosh, WI
- Pine Lake Corn Processors: Steamboat Rock, IA
- Wyoming Ethanol: Torrington, WY
- Pacific Ethanol: Madera, CA

High Energy Dryers: The developers are planning to install a specialty distiller's grain dryer co-developed by the Barr-Rosin Company and Delta-T Corporation. The dryer will be powered indirectly by steam from a boiler and will also capture steam produced when water is evaporated from the distiller's grains during the drying process. The developers believe that this dryer will cut energy costs by 25% versus a comparable traditional dryer. These savings will be in addition to savings derived from reduced drying requirements resulting from reduced production of distiller's grains discussed above. This is another proprietary advantage associated with Delta-T's technology, in addition to the elimination of wastewater treatment cited above.

General Contractor: Negotiations and interviews are currently in process with three prospective general contractors, including AECOM of Los Angeles, CA (www.aecom.com); Aker Kveaerner, Inc. of Houston, TX (www.akerkvaerner.com); or,

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Kiewit Energy Company of Houston, TX (www.kiewit.com/energy). All three companies have units have extensive construction experience with chemical and refining facilities generally, and ethanol plants, specifically.

Reduced Capital Costs: Use of Solid Waste Disposal Revenue Bonds should generate annual interest rate savings averaging 2% over the life of the Bonds, thereby reducing annual interest expense by approximately $840,000 on the proposed $47 million tax-exempt, IFA Solid Waste Disposal Revenue Bond issue.

Strong Project Development/Finance Team: AENS is assembling a strong project development and finance team comprised of general contractors with substantial experience developing ethanol plants and other chemical processing facilities.

Risks:

Development Stage Company: AENS will be subject to risks common to development stage ventures as well as specific to the development and operation of ethanol facilities. Although AENS has a strong management team with significant operational experience, and management experience in the capital markets that helps mitigate operating and development risks, the Company itself is a development-stage company, with no completed projects or revenues at present.

Access to Capital Markets and Credit Enhancement: Although AENS' stock is already traded in the public markets, the liquidity of the stock is somewhat limited given that it trades on the over-the-market bulletin board (Ticker: AENS.OB) with total market capitalization of approximately $74.9 million as of 1/29/2007. Due to AENS' lack of operating history. AENS is likely to face significant challenges in negotiating credit enhancement commitments to facilitate the sale of investment grade-rated bonds to support this project.

Construction Risk: AENS will manage construction risk by entering into a Guaranteed Maximum Price ("G-MAX") Contract with (as anticipated as of 1/28/2007) either AECOM, Aker Kveaerner, Inc., or Kiewit Energy Company. This G-MAX Contract will included customary provisions for protections to AENS (and the prospective Letter of Credit Bank), including adequate wrap, liquidated damages, performance, and timing guarantees, performance bonds and other provisions typical for a project of this type and scale. As currently proposed, the Letter of Credit Bank would be responsible for monitoring construction disbursements and would presumably engage an independent construction loan servicer to monitor construction.

Technology Risk: As noted previously (pp. 4-5), AENS will be using Delta-T Corporation's designs used at 7 plants in operation or under development.

Operating Risk: AENS's (Dr. John Ward) will be responsible for operating the subject plant. As noted previously (see p. 4). Dr. Ward has substantial operational experience overseeing several processing plants that employed a total of approximately 3,000 people while employed ADM.

Corn Supply Risk: AENS plans to procure corn supply both by truck and rail by Illinois producers. Mark Beemer's experience at corn trading and general commodities will facilitate development of the Company's strategy for procuring corn.

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Marketing/Off-take Risk: Again, this is a specific strength of AENS' management team. AENS's strategy to sell 100-car trainloads of ethanol provides volume leverage with prospective refiners and should strengthen AENS' negotiating position with refiners.

Commodity Price Risk: This is another documented strength of AENS' management team. AENS' prior experience managing commodity price risks at ADM should help mitigate AENS' exposure to these risks

Assessment: To mitigate these risks, AENS has: (1) assembled a competent and experienced management team; (2) retained reputable experts in relevant fields including project design/engineering (Delta-T Corporation), and Legal (Bryan Cave LLP); (3) retained recognized equity and debt capital markets professionals, including Raymond James and Associates, Inc., the Underwriter of the proposed bonds; and, (4) through the anticipated engagement of a qualified General Contractor (AECOM, Aker Kvaerner, or Kiewit Energy) to construct and guaranty performance of the plant.

FINANCIAL SUMMARY

Financials: Unaudited Financial Statements from inception (5/10/2006) to Quarter Ended 9/30/2006 pursuant to Form 10-QSB filing with the US Securities and Exchange Commission ("SEC").

- Income Statements from Inception (5/10/2006) through 9/30/2006 and for the Quarter Ended 9/30/2006 (from Form 10-QSB filing). Balance Sheet for the Quarter ended 9/30/2006.
- No projections on either the Company (or underlying project) are presented here pursuant to SEC regulations, since AENS is a public company (Ticker: AENS.OB). AENS intends that the subject project will be owned directly by AENS, and the related debt will be a direct, full recourse, obligation of AENS to the LOC Bank.

	Period Ended *(Dollars in Thousands)*	
	5/10/2006- 9/30/2006 (from start-up of Beemer Energy, LLC)	Quarter Ended 9/30/2006
	Historical	
Income statement:		
Sales	$0	$0
Net income	(1,135)	(1,091)
EBITDA	(1,135)	(1,091)

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Period Ended *(Dollars in Thousands)*	5/10/2006- 9/30/2006 (from start-up)	Quarter Ended 9/30/2006
Balance sheet:		
Current Assets		$9,933
PP&E		31
Other Assets		205
Total Assets		**$10,169**
Current Liabilities		$167
Long Term Liabilities		0
Other Non-Cur. Liab.		0
Equity		10,002
Total Liabilities & Equity		**$10,169**
Ratios:		
Debt/Fixed Oblig Cov.		0.00x
**2006 Pro Forma Debt/Fixed Oblig. Cov.*		*0.00x*
Current Ratio		59.48
Debt/Equity		0.02

Discussion: AENS is a development stage company with no operating history in the production of ethanol. AENS has been engaged in product development and pre-operational activities since its formation in June 2006. The Company has recorded no revenues since inception. The financial results presented above and discussed herein, reflect operations subsequent to the reverse merger effective as of 6/19/2006.

Unlike most other ethanol and energy projects considered by the Authority, AENS intends to operate and own its facilities as direct operating businesses of the Company. AENS intends to leverage and pledge facility resources across projects according to the Company's growth plans.

All losses accumulated since the inception of business have been considered part of AENS' development stage activities. Since inception, AENS has been engaged in project development and pre-operational activities related to business planning, development, and raising capital, and has not generated any revenue.

As of 9/30/2006, AENS had approximately S1.14 million of net operating loss carryforwards that will expire in 2021.

The Company's current capital and other existing resources will be sufficient only to provide a limited amount of working capital. According to the Management Discussion and Analysis and Plan of Operation Section of the Company's Form 10-QSB Filing as of 9/30/2006 (and signed and certified by the CEO and CFO as of 11/13/2006), AENS' ability to continue as a going concern will be dependent upon obtaining the necessary financing to acquire, construct, or enter into other venture activities and generate profitable operations from its ethanol facilities in the future.

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To address the Company's ability to continue as a going concern, AENS intends to raise additional capital through the sale and issuance of common shares and debt financing. AENS is currently preparing information to prospective equity investors and LOC banks.

AENS intends to complete permitting for two corn-based ethanol plants in Iowa and Kankakee, Illinois by the first quarter of 2007 and anticipates opening these plants for commercial production by Fall 2008. Development of these plants will require that AENS raise additional financing in order to implement the Company's business plan. The Company's 9/30/2006 Form 10-QSB indicates that the Company acknowledges that there is a possibility that AENS may not be able to obtain the additional capital or secure the financing on commercially viable terms.

AENS' liquidity resulted from the Public Offering. The Company has funded operating expenditures from cash balances received through the Offering. As of 9/30/2006, AENS' had cash balances of approximately $325,000 and short-term investment balances of approximately $8.42 million (thereby providing total short-term liquidity of approximately $8.75 million).

AENS has indicated that the Company's initiatives to raise equity or obtain debt financing to fund capital expenditures and other development opportunities may be affected by the market value of AENS' Common Stock. In particular, if AENS' Common Stock price declines, the Company's ability to use its stock either directly or indirectly through convertible instruments for raising capital could be negatively affected. Additionally, raising funds by issuing stock or other equity securities would further dilute AENS' existing stockholders, and this dilution would be exacerbated by any reduction in AENS' stock price. Borrowing money may also require (and is likely to require) AENS to pledge some or all of the Company's assets.

AENS had no off-balance sheet financing arrangements disclosed in its Form 10-QSB as of 9/30/2006.

Note: The financial discussion and summary financial information presented herein were excerpted directly from AENS's 10-QSB Report for the quarter ended 9/30/2006 (and released 11/14/2006), and other SEC filings.

- AENS' public filings may be found both at:
  (1) the Company's web site (www.aensi.com), and
  (2) from the Company's SEC filings, which may be found at EDGAR Online through various sources (including: http://finance.yahoo.com/q/sec?s=AENS.OB).

- More general information on AENS may also be found at: http://finance.yahoo.com/q?s=AENS.ob .

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Reed & Cory Mitchell/lk

Date: February 13, 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-7006**
Funding Manager:	Eric Reed
Borrower(s):	**Young, Joseph & Androvandi, Sheena**
Town:	Olney, IL
Amount:	$85,000
Use of Funds:	Farmland – 55 acres
Purchase Price:	$85,000 / ($1,545 per ac)
%Borrower Equity	0%
%Other Agency	0%
%IFA	100%
County:	Lawrence
Lender/Bond Purchaser	First Bank, Stacy Moore
Legislative Districts:	Congressional: 19th~~, John Shimkus~~
	State Senate: 54th~~, John O Jones~~
	State House: 108th~~, David Reis~~

Principal shall be paid monthly in installments determined pursuant to a Twenty year amortization schedule, with the first principal payment date to be on March 20, 2007 Accrued interest on the unpaid balance hereof shall be paid monthly, with the first interest payment date to be on March 20, 2007 with the two hundred and fortieth and final payment of all outstanding balances of all principal and interest then outstanding due twenty years from February 20, 2007.

* Joseph Young & Sheena Androvandi : 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: $1,275**

Project Number:	**A-FB-TE-CD-7007**
Funding Manager:	Eric Reed
Borrower(s):	**Meisner, Blake**
Town:	Raymond, IL
Amount:	$160,000
Use of Funds:	Farmland – 80 acres
Purchase Price:	$320,000 / ($4,000 per ac)
%Borrower Equity	0%
%Other Agency	50%
%IFA	50%
County:	Montgomery
Lender/Bond Purchaser	First National Bank, Neil Jordan
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 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 twentieth and final payment of all outstanding balances of all principal and interest then outstanding due twenty years from the date of closing.

*Blake Meisner: Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.90% fixed for the first 5 years and adjust every five years thereafter to 2.35% under prime as quoted in the Wall Street Journal on April 1, 2012 and every 5th April 1st thereafter. A ceiling of 8% and a floor of 4% are established for the life of the loan. Periodic rate caps of 1% are set for each rate change. **Fee: $2,400**

*** 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-7008**
Funding Manager:	Eric Reed
Borrower(s):	**Burris, Brian**
Town:	Opdyke, IL
Amount:	$70,000
Use of Funds:	Farmland – 30.83 acres
Purchase Price:	$77,075 / ($2,500 per ac)
%Borrower Equity	10%
%Other Agency	0%
%IFA	90%
County:	Jefferson
Lender/Bond Purchaser	Peoples National Bank, Terry Drone
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 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.

***Brian Burris:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 7.25% fixed for the first 10 years and adjust annually thereafter to 1.0% under prime as quoted in the Wall Street Journal. Lender will charge .50% points. **Fee: $1,050**

Project Number:	**A-FB-TE-CD-7009**
Funding Manager:	Eric Reed
Borrower(s):	**Poettker, Scott**
Town:	Aviston, IL
Amount:	$242,077.50
Use of Funds:	Farmland – 150 acres
Purchase Price:	$298,125 / ($1,987.50 per ac)
%Borrower Equity	19%
%Other Agency	0%
%IFA	81%
County:	Bond
Lender/Bond Purchaser	Germantown Trust & Savings, Floyd Trame
Legislative Districts:	Congressional: 19th~~, John Shimkus~~
	State Senate: 51st~~, Frank Watson~~
	State House: 102nd~~, Ron Stephens~~

Principal shall be paid monthly in installments determined pursuant to a Twenty year amortization schedule, with the first principal payment date to be 30 days from the date of closing. Accrued interest on the unpaid balance hereof shall be paid monthly, with the first interest payment date to be 30 days from the date of closing with the twentieth and final payment of all outstanding balances of all principal and interest then outstanding due twenty years from 30 days of the date of closing.

***Scott Poettker:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.50% fixed for the first 3 years and adjust every 3 years thereafter to 1.0% above the 3 year Government Bond rate on extension date, marked to the nearest 1/8%. There will be a floor of 4.5% and a ceiling of 6.50%. Lender will charge a $500.00 fee. **Fee: $3,631**

*** 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-7010**
Funding Manager:	Eric Reed
Borrower(s):	**Poettker, Eric**
Town:	Aviston, IL
Amount:	$129,920
Use of Funds:	Farmland – 40 acres
Purchase Price:	$150,000 / ($3,750 per ac)
%Borrower Equity	14%
%Other Agency	0%
%IFA	86%
County:	Bond
Lender/Bond Purchaser	Germantown Trust & Savings, Floyd Trame
Legislative Districts:	Congressional: 19th~~, John Shimkus~~
	State Senate: 51st, ~~Frank Watson~~
	State House: 102nd~~, Ron Stephens~~

Principal shall be paid monthly in installments determined pursuant to a Twenty year amortization schedule, with the first principal payment date to be 30 days from the date of closing. Accrued interest on the unpaid balance hereof shall be paid monthly, with the first interest payment date to be 30 days from the date of closing with the twentieth and final payment of all outstanding balances of all principal and interest then outstanding due twenty years from 30 days of the date of closing.

*__Eric Poettker:__ Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.50% fixed for the first 3 years and adjust every 3 years thereafter to 1.0% above the 3 year Government Bond rate on extension date, marked to the nearest 1/8%. There will be a floor of 4.5% and a ceiling of 6.50%. Lender will charge a $500.00 fee. **Fee: $1,949**

Project Number:	**A-FB-TE-CD-7011**
Funding Manager:	Eric Reed
Borrower(s):	**Deters, Ronald & Rhonda**
Town:	Teutopolis, IL
Amount:	$250,000
Use of Funds:	Farmland – 70 acres
Purchase Price:	$285,390 / ($4,077 per ac)
%Borrower Equity	13%
%Other Agency	0%
%IFA	87%
County:	Cumberland
Lender/Bond Purchaser	Teutopolis State Bank, Rhonda Meyer
Legislative Districts:	Congressional: 19th~~, John Shimkus~~
	State Senate: 54th, ~~John O Jones~~
	State House: 108th~~, David Reis~~

Principal shall be paid semi-annually in installments determined pursuant to a Twenty year amortization schedule, with the first principal payment date to be on July 1, 2007. Accrued interest on the unpaid balance hereof shall be paid semi-annually, with the first interest payment date to be on July 1, 2007 with the twentieth and final payment of all outstanding balances due on July 1, 2026.

*__Ronald & Rhonda Deters:__ Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.18% fixed for the first 3 years and adjust every three years thereafter to .50% over prime per the Three Year Treasury Bond Rate. **Fee: $3,750**

*** 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-7012**
Funding Manager:	Cory Mitchell
Borrower(s):	**Bassett, Jeffrey**
Town:	Oglesby, IL
Amount:	$250,000
Use of Funds:	Farmland – 72.32 acres
Purchase Price:	$303,744 / ($4,200 per ac)
%Borrower Equity	18%
%Other Agency	0%
%IFA	82%
County:	LaSalle
Lender/Bond Purchaser	Illini State Bank, Alan Stremlau
Legislative Districts:	Congressional: ~~11th, Gerald "Jerry" Weller~~
	State Senate: ~~38th, Gary Dahl~~
	State House: ~~76th, Frank Mautino~~

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 due one year from the date of closing.

***Jeffrey Bassett:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.12% fixed for the first 5 years and adjust every 5 years thereafter. Not to exceed 1.00% above the Weekly Average Yield on US Treasury Securities at the Five Year Constant Maturity, rounded up to the next 0.01%.
Fee: $3,750

Project Number:	**A-FB-TE-CD-7013**
Funding Manager:	Cory Mitchell
Borrower(s):	**Haggard, Robert & Cynthia**
Town:	Rockford, IL
Amount:	$250,000
Use of Funds:	Farmland – 45.3 acres
Purchase Price:	$340,000/ ($4,966 per ac)
%Borrower Equity	9%
%Other Agency	18%
%IFA	73%
County:	Winnebago
Lender/Bond Purchaser	Belvidere Bank, Carl Dumoulin
Legislative Districts:	Congressional: 16th, ~~Donald Manzullo~~
	State Senate: 34th, ~~Dave Syverson~~
	State House: 68th, ~~Dave Winters~~

Principal shall be paid monthly in installments determined pursuant to a Thirty 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 thirtieth and final payment of all outstanding balances of all principal and interest then outstanding due thirty years one month from the date of closing.

***Robert & Cynthia Haggard:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.0% fixed for the first 5 years and adjust every five years thereafter to .50 basis points above the 5-year Treasury Bond Rate. There will be a floor rate of 4.25%. The Lender will charge .50 points.
Fee: $3,750

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Project Number:	**A-FB-TE-CD-7014**
Funding Manager:	Cory Mitchell
Borrower(s):	**Green, John & Deborah**
Town:	Little York, IL
Amount:	$150,000
Use of Funds:	Farmland – 57.1 acres
Purchase Price:	$299,250/ ($5,241 per ac)
%Borrower Equity	0%
%FSA Agency	50%
%IFA	50%
County:	Warren
Lender/Bond Purchaser	Midwest Bank of Western IL, Les Allen
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 outstanding balances due one year from the date of closing.

*<u>John & Deborah Green</u>: Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.50% fixed for the first 5 years and adjust every 5 years thereafter. The rate will be equal to the 5 years Treasury notes with a floor of 5.0%. Lender will charge .25% points. **Fee: $2,250**

Project Number:	**A-FB-TE-CD-7015**
Funding Manager:	Cory Mitchell
Borrower(s):	**Green, W. Daniel & Kristi**
Town:	Smithshire, IL
Amount:	$190,312.50
Use of Funds:	Farmland – 72.5 acres
Purchase Price:	$380,625/ ($5,250 per ac)
%Borrower Equity	0%
%FSA Agency	50%
%IFA	50%
County:	Warren
Lender/Bond Purchaser	Midwest Bank of Western IL, Les Allen
Legislative Districts:	Congressional: 17th, ~~Lane Evans~~
	State Senate: 47th ~~, John Sullivan~~
	State House: 94th ~~, Richard My~~ers

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 one year from the date of closing.

*<u>Daniel & Kristi Green</u>: Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.50% fixed for the first 5 years and adjust every 5 years thereafter. The rate will be equal to the 5 years Treasury notes with a floor of 5.0%. Lender will charge .25% points. **Fee: $2,855**

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: OSF Healthcare System

STATISTICS

Project Number:	H-HO-TE-CD-7035	Amount:	$300,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pamela Lenane and Dana Sodikoff
Location:	Peoria, IL		

BOARD ACTION

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

No extraordinary conditions
Staff recommends approval

PURPOSE

Bond proceeds will be used to: (i) finance new construction on the campus of St. Francis Medical Center in Peoria; (ii) fund capitalized interest; (iii) fund a debt service reserve fund; and, (iv) pay the costs of issuance including bond insurance.

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

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

OSF Healthcare System came before the IFA in 2005 and issued $107,750,000 Illinois Finance Authority Revenue Refunding Bonds, Series 2005.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$300,000,000	Uses:	
			Project	$236,000,000
			Capitalized Interest	28,000,000
			Debt Service Reserve Fund	30,000,000
			Bond insurance and other costs of issuance	6,000,000
	Total	$300,000,000	Total	$300,000,000

JOBS

Current employment:	10,282 FTE's	Projected new jobs:	100
Jobs retained:	N/A	Construction jobs:	644

BUSINESS SUMMARY

Background: OSF Healthcare System ("OSF" or the "Corporation") is an Illinois not-for-profit corporation, exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. OSF was incorporated in 1880 as The Sisters of the Third Order of St. Francis. The Corporation's current name was adopted as part of a corporate restructuring in 1989. The sole corporate member of OSF is The Sisters of the Third Order of St. Francis, a religious congregation founded in 1877 in Peoria, Illinois. The Corporation operates it health care facilities as a single corporation, with each health care facility functioning as an operating division of the Corporation.

Description: OSF is headquartered in Peoria. Six of the Corporation's facilities (five hospitals and one continuing care and nursing home center) are located in Illinois. One hospital is located in Michigan. OSF has 1305 licensed acute care beds and 110 licensed long term care beds. The Corporation's largest hospital, St. Francis Medical Center in Peoria, is a 616-licensed bed tertiary care teaching center providing numerous specialty services and extensive residency programs for physicians. The array of health services provided by OSF also includes 37 hospital-based outpatient facilities, approximately 72 physician office facilities of employed physicians, six home health agencies and five hospices. Multi-institutional membership status has been conferred on the Corporation by the Illinois Hospital Association and the American Hospital Association. Similar membership status exists with the Catholic Health Association of the United States and the Illinois Catholic Health Association.

Service Area: OSF has facilities in the following locations in Illinois: Peoria (St. Francis Medical Center); Rockford (Saint Anthony Medical Center); Bloomington (St. Joseph Medical Center); Galesburg (St. Mary Medical Center); Pontiac (Saint James Hospital); Peoria Heights (Saint Clare Home). The facility in Michigan, St. Francis Hospital, is located in Escanaba.

Existing Bonds: Series 1985B, Series 1999, Series 2001, Series 2002, Series 2004, Series 2005

PROJECT SUMMARY

The proceeds of the proposed bond issue will be used to construct a new patient tower adjacent to St. Francis Medical Center in Peoria. The Project will add bed capacity to both the adult and children's hospitals; increase bed capacity for adult, neonatal and pediatric intensive care services; expand capacity and consolidate the Emergency Department; expand, integrate and consolidate surgical interventional services; establish a new campus entry for patients and visitors; provide consolidation of children's healthcare services to enhance the pediatric patient experience; consolidate and improve alignment of cardiovascular diagnostic, treatment and interventional services; and, construct a parking garage. OSF has received the required CON for the Project.

FINANCING SUMMARY

Security/Collateral: Bond insurance will be purchased for a portion of the bonds. All of the bonds will be secured by a master indenture note.

Structure: The Series 2007 bonds will be a combination of fixed and variable rate bonds in several series. A portion of the bonds will be insured or otherwise credit enhanced with bank credit and/or liquidity. A portion of the bonds may be sold based on the System's credit rating.

Maturity: Up to 30 years.

Credit Rating(s): OSF currently maintains ratings with all three rating agencies. Current ratings are as follows: A2/A/A (Moody's/Standard and Poor's/Fitch);

ECONOMIC DISCLOSURE STATEMENT

Project name:	OSF Healthcare System
Location:	800 North East Glen Oak Avenue; Peoria, Illinois 61603
Applicant:	OSF Healthcare System
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois
Board of Directors:	Sister Judith Ann Duvall, O.S.F., Chairperson
	James M. Moore, Chief Executive Officer
	Sister Diane Marie McGrew, O.S.F., President and Treasurer
	Sister Theresa Ann Brazeau, O.S.F., Secretary
	Sister Mary Ellen Flannery, O.S.F.
	Sister Mary John Harvey, O.S.F.
	Sister Maria Elena Padills, O.S.F.
	Sister Agnes Joseph Williams, O.S.F.
	Sister Rose Therese Mann, O.S.F.
	Mr. Leonard E. Nevitt
	Mr. Vance C. Parkhurst
	James W. Girardy, M.D.
	Gerald J. McShane, M.D.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Hinshaw & Culbertson	Rockford	Charles Thomas
Accountant:	KPMG LLP	Chicago	John Depa
Bond Counsel:	Jones Day	Chicago	John Bibby
Underwriter:	Merrill Lynch.	New York	Neil Mathews
Underwriter's Counsel	Sonnenschein Nath & Rosenthal	Chicago	Steve Kite
Financial Advisor to OSF:	Anne Donahoe	Chicago	Anne Donahoe
Bond Trustee:	Wells Fargo	Chicago	Chitra Patel
Issuer's Counsel:	Ungaretti & Harris	Chicago	Tom Fahey

LEGISLATIVE DISTRICTS

Congressional:	1~~8- Ray LaHood,~~ 15~~- Timothy V. Johnson~~, 16~~- Donald A. Manzullo~~, 17~~- Phil Hare~~
State Senate:	~~46- David Koehler~~, 37~~- Dale E. Risinger, 5~~3- Dan Rutherford, 44~~- Bill Brady~~
State House:	~~92- Aaron Schock~~, 73- ~~David R. Leitch~~, 106~~- Keith P. Sommer~~, 6~~9- Ronald A. Wait,~~ 74- ~~Donald L. Moffitt, 88- Dan Brady~~

CONFIDENTIAL INFORMATION

Estimated fee: $ 211,000

FINANCIALS

Financials: Audited Financial Statements for Fiscal Year End September 30:

($ in millions)	Fiscal Years Ended September 30,		
	2004	2005	2006
Income Statement			
Support and Revenues	$1,285	$1,398	$1,482
Revenue Over Expenses – Operating Income	34	50	59
*EBIDA	106	125	139
Balance Sheet			
Current Assets	400	387	393
PP&E	460	462	500
Investments	279	357	405
Other Assets	119	182	200
Total Assets	**1,258**	**1,388**	**1,498**
Current Liabilities	176	183	175
Debt	421	466	477
Other Liabilities	124	210	148
Total Net Assets	537	529	698
Total Liabilities and Net Assets	**1,258**	**1,388**	**1,498**
Ratios*			
Debt Service Coverage (x)	4.54	5.29	5.57
Current Ratio	2.27	2.11	2.25
Debt / Capitalization	45	48	41
Days Cash on Hand	143	156	160

Discussion: OSF's positive financial results in recent years reflect the Corporation's commitment towards execution of its strategies to provide healthcare services to the residents of Northern and Central Illinois and the Upper Peninsula of Michigan. The key strategies are to solidify the strength of the acute care hospitals, enhance the financial performance of the OSF Medical Group, and continue to provide services and products through OSF Health Plans in support of OSF's vertically integrated healthcare strategy. Other strategies include strengthening the relationship with specialty care physicians that utilize the Corporation's facilities and solidifying the development of the independent affiliated regional community hospitals and allied health providers.

*OSF Healthcare System anticipates ratios will remain stable and consistent with current coverage following completion of the project.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: Hospital Sisters Services, Inc.

STATISTICS

Project Number:	H-HO-TE-CD-6229	Amount:	$250,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pamela Lenane
Locations:	Springfield		

BOARD ACTION

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

No extraordinary conditions
Staff recommends approval

PURPOSE

The proceeds of the proposed bond issue will be used to (i) finance, reimburse and refinance the costs of construction, renovation, improvement, furnishing and equipping certain of the System's health facilities, located in Illinois, (ii) finance costs related to the issuance of the Series 2007 bonds.

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

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

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$180,500,000	Uses:	New Moncy	$175,000,000
				Bond Insurance	3,000,000
				Costs of Issuance	2,500,000
	Total	$180,500,000	Total		$180,500,000

JOBS

Current employment:	14,282 FTE's	Projected new jobs:	150
Jobs retained:	N/A	Construction jobs:	625

BUSINESS SUMMARY

Background: Hospital Sisters Services, Inc. (HSSI), an Illinois not for profit corporation, was incorporated on November 4, 1983, when the Hospital Sisters Health System (HSHS), an Illinois not for profit corporation, reorganized its corporate structure. HSSI is the sole member of thirteen not for profit or nonprofit corporations that own and operate acute care hospitals, eight located in Illinois and five located in Wisconsin. Each hospital is separately incorporated and has a seven to nine member Board of Directors, composed of members of the Hospital Sisters of the Third Order of St. Francis (the Order), an order of the Roman Catholic Church, HSHS employees and local citizens. The hospitals located in Illinois currently are licensed to operate 2,372 acute care beds, and the hospitals located in Wisconsin currently are approved for 1,451 acute care beds. HSSI and all of the hospitals are Members of the Obligated Group established under the Master Indenture.

The Order was founded in Germany in 1844 and is dedicated to the service of the sick and those in need. In 1875, twenty-one Sisters of the Order arrived in the United States and several years later established their Motherhouse in Springfield, Illinois. The residents of Illinois and Wisconsin were among the first served by the Order.

Description: The primary mission of Hospital Sisters Health System is to provide a structure and the means whereby the Hospital Sisters of the Third Order of St. Francis continue their healing mission in the Roman Catholic Church. Hospitals and other institutionally-based programs are the primary means of responding to those in need. Service is regarded as a ministry of healing which exemplifies the Gospel values of compassion, justice, and reverence for life throughout its continuum.

Service Area: The Hospital Facilities in Illinois have as their primary market service area St. Clair County (St. Elizabeth's-Belleville), Clinton County (St. Joseph's-Breese), Macon County (St. Mary's-Decatur), Effingham County (St. Anthony's-Effinham), Madison County (St. Joseph's-Highland), Montgomery and Macoupin Counties (St. Francis-Litchfield), Sangamon County (St. John's-Springfield), and LaSalle County (St. Mary's-Streator). As of June 30, 2006, these Hospital Facilities (other than St. Elizabeth's-Belleville, St. Mary's-Decatur, and St. John's-Springfield) had (according to information received from the Illinois Health Care Cost Containment Council) the largest market share for their primary service areas. St. Elizabeth's-Belleville had approximately 27.2% of the market share in its primary service area for the same period, St. Mary's-Decatur had a 22.1% market share, and St. John's-Springfield had a 44.8% market share.

The Hospital Facilities in Wisconsin have as their primary market service area Barron, Chippewa, Dunn and Eau Claire Counties (St. Joseph's-Chippewa Falls and Sacred Heart-Eau Claire), Brown County (St. Mary's-Green Bay and St. Vincent-Green Bay), and Sheboygan County (St. Nicholas-Sheboygan). As of December 31, 2004, these Hospital Facilities (other than St. Nicholas) had (according to information received from the State of Wisconsin's Office of Healthcare Information) the largest market share in their primary service areas. St. Nicholas had approximately 42% of the market share in Sheboygan County, according to the Wisconsin Bureau of Health Care Financing, as of June, 2006.

Existing Bonds*:

Series	Outstanding Par
1998A (Illinois)	$138,940,000
1998B (Wisconsin)	$21,950,000
2003A (Illinois)	$65,550,000
2003B (Wisconsin)	$69,850,000
2003C (Illinois)	$4,835,000
2003D (Wisconsin)	$14,730,000
Total	$315,855,000

It is currently anticipated that HSSI will issue only new money, therefore it is not anticipated that these taxable bonds will be refunded.

PROJECT SUMMARY

The proceeds of the proposed bond deal will be used to renovate medical/surgical units at six of the eight Illinois Hospitals; construct a parking ramp at St. Elizabeth's Hospital-Belleville, renovate the ancillary services department at St. Joseph's-Breese and St. Mary's-Decatur; construct an outpatient facility at St. Joseph's Hospital-Breese; expand and renovate the emergency department at St. Mary's-Decatur and St. Francis Hospital-Litchfield; renovate the intensive care and critical care units at St. John's Hospital-Springfield, as well as construct and relocate the information technology department, and reimburse the hospital for routine capital expenditures.

FINANCING SUMMARY

Security/Collateral:	HSSI is an Obligated Group, all members of the Group (the thirteen hospitals in Illinois and Wisconsin), are liable for this debt. These bonds will be issued on a parity basis with the existing indebtedness of Hospital Sisters Services, Inc., with covenants relating to additional debt; consolidation, merger, sale or disposition of property; and senior liens.
Structure:	Depending on current market conditions, HSSI expects to issue either insured (FSA) auction rate bonds, uninsured fixed rate bonds (carrying the Borrower's ratings of AA-/AA-/AA3: S&P/Fitch/Moody's), or a combination of the two. This structure will be determined prior to pricing, which is expected to occur the week of February 12th.
Maturity:	Maturities not to exceed 35 years; debt service will be structured to achieve level annual payments.
Credit Rating(s):	The Borrower anticipates ratings from Standard & Poor, Fitch and Moody's, AA-,AA- and AA3 respectively (ratings will be confirmed prior to pricing, which is expected to occur the week of February 12th) and is contemplating the use of a credit enhancement in the form of bond insurance from FSA.

ECONOMIC DISCLOSURE STATEMENT

Project name:	Hospital Sisters Services, Inc.
Locations:	Belleville, Breese, Decatur, Effingham, Highland, Litchfield, Springfield and Streator. Hospital Sisters Services, Inc. also operates five hospitals in Wisconsin.
Applicant:	Hospital Sisters Services, Inc.
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois

Board of Directors: **HOSPITAL SISTERS SERVICES, INC.**

Sister Joan Winkler .... Chairperson
Sister Maureen O'Connor .... Secretary
Sister Ann Pitsenberger .... Member
Sister Mary Morin .... Member
Sister MaryAnn Falbe .... Member
Sister Bernice Coreil, DC .... Member
Sister Mary Mollison, CSA .... Member
Mr. Leo "Lee" J. Dondanville .... Member
Mr. John E. Staudt .... Member
Mr. John R. Combes, MD .... Member

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Graham & Graham, Ltd.	Springfield	Hugh Graham, III
Bond Counsel:	Jones Day	Chicago	Lynn Coe
Underwriter:	Merrill Lynch	Chicago	Terry Mieling
Underwriter's Counsel:	Foley & Lardner	Chicago	Robert Zimmerman
Bond Trustee:	Bank of New York	Indianapolis	Lynda Hanna
Accountant:	KPMG	Chicago	John Depa
Issuer's Counsel:	Office of Kevin Cahill	Chicago	Kevin Cahill

LEGISLATIVE DISTRICTS

Congressional: 18- ~~Ray LaHood~~
State Senate: 50- ~~Larry K Bomke~~
State House: 99- ~~Raymond Poe~~

CONFIDENTIAL INFORMATION

Estimated fee: $211,000

FINANCIALS

Financials: Audited Financial Statements for Fiscal Year End June 30

($ in thousands)	2003	2004	2005	2006
Income Statement				
Support and Revenues	1,178,487	1,241,220	1,360,883	1,363,756
Revenue Over Expenses – Net Income	117,397	98,425	112,784	31,362
EBIDA	201,307	186,757	204,598	130,319
Balance Sheet				
Current Assets	277,554	282,555	309,042	304,757
PP&E	604,020	642,364	661,141	709,031
Other Assets	1,069,887	1,260,631	1,334,284	1,323,099
Total Assets	1,951,461	2,185,550	2,304,467	2,336,887
Current Liabilities	136,093	136,017	134,786	137,954
Debt	221,415	338,516	324,087	312,407
Other Liabilities	74,914	58,396	82,742	94,770
Total Liabilities	432,422	532,929	541,615	545,131
Total Net Assets	1,519,039	1,652,621	1,762,852	1,791,756
Total Liabilities and Net Assets	1,951,461	2,185,550	2,304,467	2,336,887

Ratios**	2003	2004	2005	2006
Debt Service Coverage	7.3	6.93	7.36	4.69
Days Cash	314	314	312	308
Current Ratio	2.04	2.08	2.29	2.21
Debt / Total Net Assets	14.58%	20.48%	18.38%	17.44%

** Annualized data.

Pro Forma Maximum Annual Debt Service: $43,000,000

Pro Forma Maximum Annual Debt Service Coverage: 3.03x

Discussion:

Support and Revenues. Support and revenue increased 15% from 2003 to 2005, and .2% in 2006. The small change in revenue in the most recent year is attributable to a 12% decline in net revenue in 2006 for St John's Hospital, the largest HSHS hospital affiliate. Resumption of trauma services and implementation of an operational improvement plan is expected to address the revenue and profitability decline at St John's in the current year. The total increase in net revenue for the other hospital affiliates in 2006 was 5.1%.

CONFIDENTIAL

Revenue over Expenses. Net income as a percent of revenue averaged 8.7% from 2003 to 2005 and decreased to 2.3% in 2006. The decline in System profitability in 2006 is attributable to a revenue decline for St John's Hospital and reduced investment earning for the period. The reduction in investment earnings is reflective of the System's conservative investment policy and heavy position in fixed income securities that experienced market declines in 2006.

Cash, Investments, and Assets Limited as to Use (Other Assets). Investment income is a significant source of additional revenue for the Obligated Group, and is included in both operating revenue and other (non-operating) income. Investment policy guidelines are established for investment advisors, and all investments are separately managed by outside investment advisors. Performance measurement is conducted by a third party and is reviewed quarterly. The asset allocation for investments adopted by the Board in June, 2006 is 55% fixed income securities, 30% common and preferred stocks, and 15% international common stocks.

Ratio Analysis. Debt Service Coverage remains very strong, although it dropped in 2006 due mainly to weak operating performance. HSSI continues to have a strong balance sheet as shown by the Days Cash at 308 days, well above AA/Aa medians. The current ratio has remained steady over the four year period. Debt to Total Net Assets has dropped in the last three years from a high of 20.48% in 2004 to 17.44% in 2006. This percent is just over half of the AA/Aa medians.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: Edward Hospital

STATISTICS

Project Number:	H-HO-TE-CD-701	Amount:	$250,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pamela Lenane and Dana Sodikoff
Locations:	Naperville		

BOARD ACTION

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

No extraordinary conditions
Staff recommends approval

PURPOSE

Proceeds will be used to: 1) fund new money projects, 2) full or partial refinancing of existing IHFA series 1993, 1997, and 2001 bonds, 3) fund capitalized interest 4) pay costs of issuance.

IFA PROGRAMS & CONTRIBUTION

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

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on December 6, 2005 by the following vote:

Ayes – 14 Nays – 0 Absent – 1 Vacancies – 0 Absentations- 0

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$221,145,000	Uses:	New Money	$ 64,427,671
	2001B DSRF	5,036,488		Refunding Escrow	152,130,641
				Reserve Fund/CAPI	3,585,615
				Issuance Costs	1,230,960
				Underwriter's Disc.	534,386
				Bond Insurance	4,272,215
	Total	$ 226,181,488		Total	$ 226,181,488

JOBS

Current employment: 4,600 employees
Jobs retained: N/A

Projected new jobs: 57
Construction jobs: 145

BUSINESS SUMMARY

Background:	Edward Hospital, an Illinois not for profit corporation ("Edward Hospital" and "the Corporation"), together with Edward Health Services Corporation, an Illinois not for profit corporation, Edward Health Ventures, an Illinois not for profit corporation, and Edward Health and Fitness Center, an Illinois not for profit corporation, comprise the current "Obligated Group."
Description:	The Obligated Group is headquartered in Naperville, Illinois. Edward Hospital has 236 licensed acute care beds. All of the beds are located in private rooms. The licensed acute-care bed complement consists of 171 medical-surgical beds, 7 pediatrics beds, 8 neonatal intensive care beds, 25 intensive care beds and 25 obstetrics/gynecology beds. Edward Hospital provides a full range of medical, surgical, obstetrics/gynecology, pediatric and ancillary and support services, including but not limited to the following: cardiology and cardiovascular surgery, thoracic and vascular surgery, orthopedics, diagnostics radiology, oncology, physical and occupational health, emergency medicine and trauma services, neonatology, infectious disease, pulmonary medicine, gastroenterology, internal medicine, hemodialysis, neurology and neurosurgery and urology. Edward Hospital is designated as a Level II Trauma Center by the State of Illinois. Edward Hospital was designated as a Level III Perinatal Center by the Illinois Health Facilities Planning Board in November 2000. Edward Hospital is a member of the Illinois Hospital Association and the American Hospital Association.
Service Area:	Edward Hospital is located in the City of Naperville, Illinois, a western suburb approximately 25 miles outside Chicago. The Hospital's primary service area (76% of patient discharges) includes the cities of Naperville, Bolingbrook, Lisle, Warrenville, Woodridge, Plainfield, Oswego, Romeoville, and Yorkville. Its secondary service area (6% of patient discharges) includes a number of surrounding communities. The Obligated Group has facilities in the following locations: a) Naperville: Edward Hospital, Edward Cancer Center, Edward Healthcare Center, Linden Oaks Hospital, Edward Women's Imaging Center, Edward Center for Diabetes Education; b) Bolingbrook: Edward Healthcare Center / Bolingbrook; and c) Plainfield: Edward Healthcare Center / Plainfield.

PROJECT SUMMARY

The new money portion of the financing will be used to finance (1) the construction of a 3 story addition comprised of 42 patient rooms (2) the expansion of the south parking deck (3) the replacement of two MRI units on the main hospital campus and (4) future routine capital expenditures.

FINANCING SUMMARY

Security/Collateral:	AAA bond insurance from Ambac will be purchased for all of the bonds. Also, all of the bonds will be secured by a master indenture note.
Structure:	The structure will include a combination of synthetic fixed rate and variable rate Bonds. Series 2007A Bonds, approximately $90 million, will be sold as Auction Rate Bonds. Series 2007B Bonds, approximately $131 million, will be VRDO's, of which approximately $114 million will use a synthetic fixed rate swap structure. All Series 2007 Bonds will have insurance from Ambac, a AAA rated municipal bond insurer.
Maturity:	35 year final maturity.
Rating/: Credit Enhancement	The bonds are expected to be rated "AAA" based upon the use of bond insurance from Ambac, a AAA rated municipal bond insurer. Edward Hospital will also have an underlying rating of A2/A+ (Moody's/S&P).

ECONOMIC DISCLOSURE STATEMENT

Project name:	Edward Hospital
Location:	801 W. Washington, Naperville, Illinois 60566
Applicant:	Edward Hospital
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois
Board of Directors:	Joseph Beatty Kathryn Birkett, Vice-Chairperson Pamela Davis Joseph DePaulo Thomas Gruenwald, PhD Francine Long, MD Rocco Martino David McElligott, MD Richard Pehlke, Chairperson Thom Rooke, MD Alison Ballew Smith William Wheeler Herman White Jr., PhD
Officers:	Richard Pehlke, Chairperson Kathy Birkett,, Vice-Chairperson John Mordach, Treasurer Nanette Bufalino, Secretary

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	McDermott Will & Emery	Chicago	Bob Hoban
Bond Counsel:	Chapman & Cutler	Chicago	James Leubchow
Co-Underwriter:	Citigroup	Chicago	Dave Johnson Mike Brown
Co-Underwriter:	Goldman Sachs	Chicago	Jay Sterns Patrick McCarthy
Underwriter's Counsel:	Sonnenschein Nath & Rosenthal LLP	Chicago	Steve Kite
Bond Trustee:	Deutsche Bank	Chicago	Kathy Cokic
Accountant	Ernst & Young		
Issuer's Counsel:	Burke Burns & Pinelli	Chicago	Mary Pat Burns

LEGISLATIVE DISTRICTS

Congressional: 13- Judy Biggert
State Senate: 48- Randy Hultgren
State House: 96- Joe Dunn

CONFIDENTIAL INFORMATION

Estimated fee: $211,000

FINANCIALS

Financials: Audited Financial Statements for Fiscal Years ended June 30 2002, 2003, 2004, 2005, & 2006

($ in millions)	2002	2003	2004	2005	2006
Income Statement					
Support and Revenues	$273	$310	$370	$425	$450
Revenue Over Expenses – Operating Income	5	9	15	16	19
*EBIDA					
Balance Sheet					
Current Assets	56	54	70	77	85
PP&E	254	264	272	281	312
Other Assets	206	228	246	288	311
Total Assets	516	546	589	646	708
Current Liabilities	55	69	77	91	106
Debt	249	247	238	234	230
Other Liabilities	0	0	2	11	22
Total Net Assets	212	230	272	310	350
Total Liabilities and Net Assets	516	546	589	646	708

Ratios					
Debt Service Coverage	3.3x	3.9x	4.4x	4.9x	5.3x
Days Cash	172	208	224	219	207
Current Ratio	2.9	3.1	3.3	3.5	3.4

Discussion: The Hospital's positive financial results in recent years reflect management's commitment in executing its strategies to provide healthcare services to the residents of the greater Naperville area. Management's key strategies are solidifying the strength of the acute care hospital, strengthening its relationships with specialty care physicians that utilize the Obligated Group's facilities and developing allied health providers.

Present Value Savings: Series 2007B1-2 Bonds and Series 2007C Bonds are expected to generate PV Savings of approximately $7.96mm (7.3%) and $1.03mm (6.3%), respectively.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project Name: Northshore Hockey Club, LLC

STATISTICS

Number:	N-NP-TE-CD-7039	Amount:	$5,500,000 (not-to-exceed amount)
Type:	501(c)(3) Bond	IFA Staff:	Steve Trout
Location:	Northbrook		

BOARD ACTION

Preliminary Bond Resolution
Conduit 501(c)(3) Bond Financing
No IFA funds at risk
Issuance of Unrated and Unenhanced Bonds to be sold consistent with IFA Policy for the issuance of such bonds.

PURPOSE

To finance the construction and equipping of an approximately 47,134 square foot ice skating facility at the corner of Techny and Founders roads in Northbrook.

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	$5,135,000	Uses:	Project Costs	$7,800,000
	Equity Contribution	3,000,000		Costs of Issuance	235,000
	Total	$8,135,000		**Total**	$8,135,000

JOBS

Current employment:	0	Projected new jobs:	6
Jobs retained:	N/A	Construction jobs:	50

BUSINESS SUMMARY

Description: Northshore Hockey Club, LLC is a Illinois 501(c)(3) Limited Liability Company to be formed to develop, own and finance a one sheet NHL-sized ice rink in Northbrook.

The Members: The Borrower will be owned by three members, Wilmette Hockey Association, Winnetka Hockey Club and the New Trier High School Hockey Club. All of the members currently lease ice time for their members. The Members are planning to enter into multi-year agreements to lease space at the Project cover the Project's operating and capital costs including debt service on the Bonds.

Wilmette Hockey Association - The Wilmette Hockey Association ("WHA") is a not-for-profit organization that was established in 1955 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 Wilmette Hockey Club has 466 members from about 300 families and fields 32 teams. Its teams use the Warriors mascot name. The Wilmette Hockey Club is affiliated with: the USA Hockey Association, the Hockey Association of Illinois, the Northern Illinois Hockey League, the Girls Central Hockey League, the North Shore Youth Hockey League, the Illinois Spring Hockey League, and the Spring League. Being part of these numerous organization allows the Wilmette Hockey Club to open its doors a larger segment of the community. Wilmette is taking the lead in developing the Project.

Winnetka Hockey Club – The Winnetka Hockey Club ("WHC") is a not-for-profit organization promoting youth ice hockey to approximately 600 boys and girls living in Winnetka, Glencoe, Kenilworth, and Northfield. The Club is run through the combined efforts of a Board of Directors, professional staff, the Winnetka Park District and volunteer coaches. WHC offers programs for children ages 5 through 15 at both the recreational (House League) and competitive (Travel) levels and its teams use the Braves mascot name. This season, the Winnetka Hockey Club will field 29 house league teams, 12 All-Star teams, 3 Mite A-2 teams, 3 house select teams, and 3 girls travel teams encompassing close to 700 children.

New Trier High School Hockey Club – The club is a volunteer organization that has been producing Illinois State Championship teams since 1977. The Club's purpose is to promote, train, teach and develop organized youth hockey and develop the physical, mental and emotional well being of participants, including developing personal character traits of aggressiveness, self-esteem, self-discipline, perseverance, respect for authority, cooperative relationships and sportsmanship. The High School was founded in 1901 and known for its large spending per student, academic excellence and its athletic, drama and music programs. The school serves North Shore suburbs of Wilmette, Glencoe, Winnetka, Kenilworth, Northfield and part of Glenview and Northbrook. New Trier's Hockey Club has operated one the state's most successful hockey programs over the past ten years, winning six of the last eight State titles including five in a row. Much of its success stems from the feeder clubs that developed its players, namely Wilmette Warriors and the Winnetka Braves.

The Project: The Project consists of the acquisition of a site and the construction, design, engineering and equipping of an approximately 47,134 square foot ice-skating facility to be owned and operated by the Borrower for the benefit of its Members. This proposed ice facility will be located in Northbrook and will be easily accessible via I-294 and I-94 to the North Shore region and many area suburbs. NHC officials believe that this site 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 one sheet of NHL-sized ice, a concession area, a pro shop, a synthetic ice goalie practice area, four public locker rooms, one locker room dedicated to New Trier varsity teams and two girls' locker rooms.

To control growth in costs, obtain additional ice time and enhance the quality of facilities for its members, the NHC is developing a facility that has been designed by the same architect that designed the one that the Huskies Hockey Club developed in Romeoville. The IFA financed that facility, which has three sheets of NHL-sized ice through two issuances of 501(c)(3) Bonds in 2005 and in 2006. IFA has been asked to issue 501(c)(3) bonds to finance a similar facility in West Dundee for The Leafs, Inc.

FINANCING SUMMARY

Bonds:	The financing team contemplates that the Bonds will be structured as fixed-rate, 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.
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:	Northshore Hockey Club, LLC
Guarantor:	Wilmette Hockey Association. Depending on investor requirements, corporate guarantees for additional Members may be required.
Rating:	The Financing Team contemplates that no rating will be sought on the Bonds.
No Exception:	As the Financing Team contemplated that the Bonds will be sold in minimum denominations of $100,000 to Accredited Investors, no exception to IFA's policy regarding issuance on unrated and unenhanced bonds will be sought.

PROJECT SUMMARY

To finance the construction and equipping of an approximately 47,134 square foot ice skating facility at the corner of Techny and Founders roads in Northbrook. Project costs are estimated at $7,800,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Wilmette Hockey Association. 2118 Elmwood Ave, Wilmette, Illinois 60091 (Contact: Charles O. Smith , President, Phone: 847/456-1642)	
Project name:	Northshore Hockey Club, ("NHC")	
Location:	The corner of Techny Road and Founders Drive, Northbrook, Illinois, 60062-5419	
Borrower:	Northshore Hockey Club, LLC, an Illinois Limited Liability Company to be formed	
Board Members:	To be determined upon inception	
Members:	Wilmette Hockey Association	
	Winnetka Hockey Club	
	New Trier High School Hockey Club	
Guarantor:	Wilmette Hockey Association	
Guarantor Board Members:	Chuck Smith	President
	Al Roth	Vice President
	Joe Wyse	Secretary
	Harry Jones	Treasurer
	Mike Glynn	NIHL Representative
	Kevin Grant	Travel Director
	Lisa Carlton	Girl's Director
	Don Kemp	House Director
	Caroline Kennedy	Sponsorship Director
	Rick McMahon	Past President, at large member
Land Lessor:	Society of the Divine Word, a religious order affiliated with the Roman Catholic church.	

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Greenberg Traurig	Chicago	Richard Sirus
Bond Counsel:	Barnes & Thornberg	Chicago	Darren Collier
Underwriter:	Robert W. Baird & Co., Inc.	Chicago	Tod Miles
Underwriter's Counsel:	Greenberg Traurig		
IFA Counsel:	Burke Burns & Pinelli	Chicago	Stephen Welcome

LEGISLATIVE DISTRICTS

Congressional:	10th ~~Mark Steven Kirk~~
State Senate:	9th ~~Jeffrey M. Schoenberg~~
State House:	17th ~~Elizabeth Coulson~~

CONFIDENTIAL INFORMATION

Est. fee: $25,000

FINANCIAL SUMMARY

Borrower Financials: Project Budget prepared by CH Johnson, Inc. with estimates of debt service coverage prepared by staff the Underwriter's estimates of annual debt service requirements. All dollars are in thousands.

	Growth Rate	Years of Operation 1	2	3	4	5
Revenues						
Ice Sales	3.0%	944	972	1,001	1,032	1,062
Goalie Training	3.0%	225	232	239	246	253
Off Ice Training	3.0%	150	155	159	164	169
Pro Shop	3.0%	18	19	19	20	20
Concession	3.0%	15	15	16	16	17
Vending/Arcade	3.0%	18	19	19	20	20
Summer Camp	3.0%	75	77	80	82	84
Total, Revenues		1,445	1,488	1,533	1,579	1,626
Expenses						
Property Taxes	3.0%	180	185	191	197	203
Land Lease	3.0%	200	206	212	219	225
Personnel	3.0%	159	163	168	173	179
Office Supplies	3.0%	8	8	8	9	9
Utilities	3.0%	91	94	97	99	102
Legal and Marketing	3.0%	12	12	12	13	13
Insurance	3.0%	52	53	55	56	58
Advertising	3.0%	0	0	0	0	0
Zamboni Lease and Maintenance	3.0%	19	20	20	21	22
Cleaning, Grounds and Security	3.0%	31	32	33	34	35
Building Maintenance and Repairs	3.0%	22	23	23	24	25
Other	3.0%	0	0	0	0	0
Total Operating Expenses		773	796	820	845	870
Net Operating Income		672	692	713	734	756
Calculation of Debt Service Coverage						
Interest Expense		243	239	235	231	227
Principal Amortization (30 years)		85	100	110	125	140
Annual Debt Service Requirements		328	339	345	356	367
Debt Service Coverage		2.05	2.04	2.07	2.06	2.06

Discussion: The operating budget summarized above was prepared by CH Johnson, Inc., as part of a draft feasibility study that it prepared for the prospective Members. CH Johnson Consulting, is a Chicago-based consulting firm that has developed feasibility studies for numerous convention, sports, and real estate projects in the Midwest. The firm cites experience consulting for 30 projects involving ice surface facilities, such as:

Albuquerque Downtown Arena

Alcoa Proposed Arena Feasibility (Tennessee)
American Airlines Center, Dallas Texas
Beijing Olympics Facility-2008
Bloomington, IL Arena Feasibility
Conseco Fieldhouse, Indianapolis
Dover Arena Feasibility
Erie Civic Center (Tulio Arena) Feasibility
Holland Arena Feasibility, Michigan
Kemper Arena/New Sprint Center, Kansas City, Missouri
Nationwide Arena, Columbus Ohio
Olympic Center Modernization, Lake Placid, New York
Peoria Civic Center, Illinois
Savannah Proposed Arena, Georgia
University of Northern Iowa Arena Feasibility, Cedar Falls, Iowa
US Cellular Arena, Milwaukee
Wyandotte County Proposed Arena

CH Johnson also served as feasibility consultant for the Internationale Ice Centre that the Huskies Hockey Club developed and IFA financed via two issues of 501(c)(3) bonds in 2005 and 2006, and a similar facility for The Leafs, that has applied to IFA for the issuance of 501(c)(3) bonds.

CH Johnson reviewed the recent membership, program and participation trends of all three of the proposed Members, and the numbers of youth hockey players and figure skaters in the metropolitan area, as well as nationwide. To gauge demand for this facility, the consultants identified 27 ice skating centers in Chicagoland and compiled information on their fees, facilities and programs and proximity to the proposed facility.

To assist in evaluating the proposed project, CH Johnson identified 6 facilities operating in the Chicagoland area that host programs that are similar to those contemplated for this facility. These included:

Crystal Ice House, Crystal Lake
Darien Sportsplex, Darien
Glacier Ice House, Vernon Hills
Glenview Ice Arena, Glenview
Seven Bridges Ice Arena, Woodridge
The Edge Ice Arena, Bensenville

CH Johnson also reviewed the facilities, programs and recent finances of 5 comparable facilities nationwide:

Novi Ice Arena, Novi Michigan
McMillen Ice Arena, Fort Wayne, Indiana
Braemer Arena, Edina Minnesota
Dover Ice Arena, Dover, New Hampshire
National Sports Center, Blaine, Minnesota

All five offer various youth and adult hockey, figure and public skating programs, with some operated in-house and other by outside organizations. All have been successful in generating significant revenues and have been consistently profitable.

CH Johnson's evaluation of the feasibility of the Project included a market review of Northbrook and the region, including, accessibility, population, demographic, household income, employment trends, and proximity of other ice rinks in the area. CH Johnson indicated that the site appears to be very attractive for the project, because of its excellent access to a large regional population, diverse economy, significant household income, strong mix of employers, educational institutions and well defined tourism infrastructure. CH Johnson noted that the current supply of existing facilities is not sufficient to enable the prospective Members to grow and fully serve their respective communities. The Clubs have curtailed advertising and stopped to trying to increase membership because of recent loss of ice time.

CH Johnson's assumptions for the operating budget presented on the following page are summarized below.

Ice Rentals to be paid by the three Members comprise approximately 65% of total revenues. All of the Member lease ice time for their programs. While the Clubs generally receive discounts and preferences in leasing time from their home rinks (Winnetka Ice Arena for Winnetka Warriors and the New Trier teams and the Centennial Ice Arena for the Wilmette Hockey Association), they do not when leasing time at other area arenas. This means that they must pay between $350 and $385 per hour during the Fall season and between $250 and $275 an hour during the Spring season and often are unable to book preferred times. The Member have each agreed to lease sufficient time to collectively lease 74 hours of ice time at $350 an hour for the full 30 week Fall season and $262.50 an hour during the 8 week Spring season. Doing so will enable each Club to secure first class facilities at more convenient times, reduce commute times and gain capacity to expand their programs. While the allocation of time has not been assigned, CH Johnson that the Facility will be fully used during these seasons. The forecast include no income from ice rentals during the Summer, public skate or figure skating use because the Club do not plan to pursue this option.

Goalie Training, using the Clubs' coaches and a state-of-the-art training facility that is available at only a few facilities nationwide. Income has been estimated, based on demand at similar facilities.

Off-Ice Training, an advanced facility for weight training, conditioning and skill development for individuals, groups and teams. Income has been estimated, based on demand at similar facilities.

Pro Shop Lease, estimated based on a letter of intent with Gunzo's Sports Center, which operates in the Huskies' facility and has contracted to operate in the Leafs' facility.

Concession, estimated based on a similar lease negotiated by the Huskies for their facility.

Expense estimates were developed by the Clubs and its consultants, based on their experience and operating costs for similar programs operating in the area, and verified by CH Johnson, based on levels incurred at similar facilities.

Staff prepared the estimates of debt service coverage based on CH Johnson's forecast of net operating income during the first five years of operations together with the Underwriter's estimates of debt service required to service the Bonds. The estimates were developed assuming issuance of $5,135,000 in bonds that amortize over 30 years.

The operating budget summarized above is subject to revision as business arrangements are still being negotiated. Final approval will be subject to review of the final feasibility study, which will provide IFA with a much more definitive operating budget and estimate of debt service coverage.

Guarantor Financials: Financial summary for the Wilmette Hockey Association, prepared from audited financial statements for the fiscal years ended June 30, 2004 through 2006. Dollars are in thousands.

	2004	2005	2006
Statement of Operations			
Revenues	753	761	860
Ice Rental Expense	319	354	333
Other Operating Expense	434	437	443
Change in Net Assets	0	(30)	84
Earnings Before Interest, Taxes, Depreciation & Amortization	1	(29)	85
Statement of Financial Position			
Cash	83	52	151
Other Current Assets	44	44	19
Net Property, Plant and Equipment	4	4	3
Total Assets	131	100	173
Current Liabilities	14	13	2
Long-term Debt	0	0	0
Other Liabilities	0	0	0
Net Assets	117	87	171
Total Liabilities and Net Assets	131	100	173
Ratios			
Debt Service Coverage (X)	NA	NA	NA
Current Ratio	9.07	7.38	85.00
Days Cash on Hand	40.29	24.03	71.12
Debt to Net Assets	0.00	0.00	0.00

Discussion: The Association has generated increasing revenues over the period reviewed. It broke even in fiscal year 2004 and then lost money in fiscal year 2005 because of increased ice rental costs. WHA realized a significant gain in net assets (similar to net income for a for-profit venture) because increase fee income and success in curtailing growth in ice rental costs.

The Association is highly liquid, with $151,000, equivalent to 71 days of operating expenses, as of June 30, 2006. WHA leases all of its ice time. Its fixed assets are limited to office furniture and computer equipment. The Association has reported no indebtedness in recent years.

Other Member Finances: Financial summary for the Winnetka Hockey Club, prepared from federal income returns (Form 990) for fiscal years ended May 31 2003 through 2005. Dollars are in thousands

	2003	2004	2005
Statement of Operations			
Revenues	785	808	812
Program Expense	663	694	724
Management and General Expense	18	21	26
Change in Net Assets	104	93	62
Earnings Before Interest, Taxes, Depreciation & Amortization	104	93	62
Statement of Financial Position			
Cash	191	290	350
Other Current Assets	1	4	0
Net Property, Plant and Equipment	0	0	0
Other Assets	0	0	0
Total Assets	192	294	350
Current Liabilities	5	14	8
Long-term Debt	0	0	0
Other Liabilities	0	0	0
Net Assets	187	280	342
Total Liabilities and Net Assets	192	294	350
Ratios			
Debt Service Coverage (X)	NA	NA	NA
Current Ratio	38.40	21.00	43.75
Days Cash on Hand	102.37	148.04	170.33
Debt to Net Assets	0.00	0.00	0.00

Discussion: The Winnetka Hockey Club has generated modestly increasing revenues over the period reviewed. It has generated gain in net assets each year reviewed.

The Club is highly liquid, with $350,000, equivalent to 170 days of operating expenses, as of May 31, 2006. WHC leases all of its ice time. It has reported no fixed assets and no indebtedness in recent years.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **The Catherine Cook School**

STATISTICS

Number:	E-PS-TE-CD-7017	Amount:	$6,100,000 (not to exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Location:	Chicago	SIC Code:	8211

BOARD ACTION

Preliminary Bond Resolution
Conduit
No IFA funds at risk

No Extraordinary conditions
Staff recommends approval

PURPOSE

Proceeds will be used to (i) refund an outstanding series of bonds issued through the Illinois Development Finance Authority, a predecessor agency to the Illinois Finance Authority, (ii) to refinance a mortgage issued through the Harris Bank and Trust Company, Chicago, Illinois, (iii) refinance the Applicant's Series 1998 bonds, and (iii) fund legal and professional costs.

IFA PROGRAM and CONTRIBUTION

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

VOTING RECORD

Preliminary Bond Resolution, no prior Board vote

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$6,100,000	Uses:	Refund/mortgage payoff	$6,000,000
				Bond issuance costs	100,000
	Total	$6,100,000		Total	$6,100,000

JOBS

Current employment:	64	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

Background: The Catherine Cook School ("the Applicant", the "School") was established in 1975 as the Melrose Cooperative Nursery, Center, Inc., and is now located in the Old Town neighborhood of Chicago. It is an Illinois not-for-profit corporation and is now located in the old B and B Shoe Company building located on West Schiller Street. The building owner agreed to sell the building to the School if the School if the trustees would name the school after his mother who was a Greek immigrant and the first woman in Illinois to pass the bar without attending law school. The renovated building was opened in 1992 and the School changed its name in 1995. A playground was added on the lot adjacent to the School, and in 1998 another expansion added a computer lab, a library, a lunchroom, and additional classrooms. In 2006, a newly constructed gym was opened replacing the adjacent playground.

The School currently employs 36 full time faculty members and 11 teaching assistants. The School-wide student teacher ratio is 9.5:1, with an average class size of 16 students. The School's faculty members have an average teaching experience of 11 years, with an average of four years at the School. Over 56.0% of faculty holds masters degrees or PhDs. Every member of the faculty holds an appropriate degree or credential for the subject taught. The School does not grant tenure status for faculty.

The School is the only school in the area that offers a transition program for early childhood and one of two that offers a half-day preschool program. School graduates matriculate up to local private schools such as The Latin School of Chicago, Francis W. Parker School, Sacred Heart, The University of Chicago Laboratory Schools, Bernard Zell Anshe Emet Day School, and The North Shore Country Day School.

The School's tuition is at or near the bottom across the range of grades which allows for future increases that will not price the School above the market.

2006-2007 Tuition Comparison	Transition 3 day	PS Half day	JK Half day	SK full day	1st	3rd	6th	8th
Chicago Area Competitor Schools								
Bernard Zell Anshe Emet Day School	$0	$0	$14,148	$17,125	$17,125	$17,125	$19,735	$19,735
Francis W. Parker School	$0	$0	$16,704	$17,516	$18,738	$18,768	$21,842	$22,092
Lycee Francais de Chicago	$0	$0	$10,300	$11,600	$11,600	$12,050	$12,350	$12,350
Sacred Heart	$0	$0	$0	$12,700	$12,700	$12,700	$12,900	$12,900
The Ancona School	$0	$9,450	$9,450	$12,600	$12,600	$12,600	$13,745	$14,470
The Latin School of Chicago	$0	$0	$16,825	$19,575	$19,575	$19,575	$21,955	$21,955
The North Shore Country Day School	$0	$0	$11,565	$17,255	$17,255	$17,255	$17,870	$18,485
The University of Chicago laboratory Schools	$0	$0	$9,937	$14,472	$16,290	$16,290	$18,066	$18,066
Summary								
Mean	$0	$0	$12,707	$15,355	$15,735	$15,795	$17,308	$17,507
Max Value	$0	$9,450	$16,825	$19,575	$19,575	$19,575	$21,955	$22,092
Min Value	$0	$9,450	$9,450	$11,600	$12,600	$12,600	$12,900	$12,900
75th Percentile	$0	$0	$14,981	$17,581	$17,831	$17,831	$19,691	$19,794
50th Percentile (Median)	$0	$0	$13,137	$15,587	$16,087	$16,087	$17,427	$17,496
25th Percentile	$0	$0	$11,293	$13,593	$14,343	$14,343	$15,163	$15,198
Number of Schools	$0	3	2	8	8	8	8	8
Total Number of Schools	8	8	8	8	8	8	8	8
CCS 2006-2007 Tuition	**$3,434**	**$8,829**	**$9,585**	**$12,078**	**$12,078**	**$12,078**	**$12,709**	**$12,709**

For example, the tuition mean for area private schools for Grades one and eight is $15,735 and $17,507, respectively. The School's tuition for those grades is $12,078 and $12,709, respectively. The School's tuition rates are determined during the budgeting and planning process in conjunction with an analysis of projected expenses and revenues necessary to satisfy such expenses and long range capital and growth strategies. Tuition rates have been increasing at a rate of approximately five-eight percent per year. The table presents tuition rates for the School for the past five academic years.

CCS Tuition-Historical											
Year	PS	JK	SK	1st	2nd	3rd	4th	5th	6th	7th	8th
02-03	$7,415	$8,050	$10,145	$10,145	$10,145	$10,145	$10,675	$10,675	$10,675	$10,675	$10,675
03-04	$7,415	$8,050	$10,145	$10,145	$10,145	$10,145	$10,675	$10,675	$10,675	$10,675	$10,675
04-05	$7,712	$8,372	$10,551	$10,551	$10,551	$10,551	$10,551	$11,102	$11,102	$11,102	$11,102
05-06	$8,175	$8,875	$11,183	$11,183	$11,183	$11,183	$11,183	$11,768	$11,768	$11,768	$11,768
06-07	$8,829	$9,585	$12,078	$12,078	$12,078	$12,078	$12,078	$12,709	$12,709	$12,709	$12,709

The School's enrollment has been robust. In the 2002-03 academic year their were 280 students enrolled in Preschool and Grades one through eight with a selectivity ratio of 90.0%. In the 2006-2007 academic year the School's enrollment has increased to 438 students in Preschool and Grades one through eight with a selectivity ratio of 58.0%. The School currently has four sections in Preschool through Grade one, two sections in Grades two through five, and one section in Grades six through eight. The present facilities, with some reconfiguration, will accommodate up to 550 students. The number of applications is increasing, and the quality reputation of the school will insure it realizes its enrollment goals.

The School provides tuition assistance to students based on economic need. Financial awards are made independent of admissions decisions. For the academic year 2006-07 the School is providing $400,000 in assistance, excluding tuition remissions for children of faculty and staff.

The School has an annual fund raising campaign in support of the annual operating budget. In addition, the School hosts an auction. The School receives annual support from approximately 70.0% of the families whose children attend the School, and 100.0% from the Board of Trustees. The following table sets forth the annual fund raising results for the past five years.

Fiscal Year Ended August 31	Fund Raising Results
2003	$701,000 *(includes $376,000 capital campaign contributions)*
2004	$583,000 *(includes $250,000 capital campaign contributions)*
2005	$498,000
2006	$670,000
2007	$670,000 *(projected)*

The School is governed by a 14-member Board of Directors. A list of current Board members is attached for IFA Board review. The School is fully accredited by ISACS (Independent School Association of the Central States) and the State of Illinois.

Project Description: The School plans to use Bond proceeds to (i) refund $2,875,000 outstanding par value of its Series 1996 Variable Rate Bonds issued through the Illinois Development Finance Authority, and (ii) refinance a $2,800,000 taxable fixed-rate mortgage completed with Harris bank and Trust, Chicago, Illinois in March, 2006 having Sinking Fund payments quarterly. It is calculated that the present value saving of converting the outstanding bonds and taxable mortgage into 30-year Variable Rate Bonds with a Letter of Credit enhancement will produce a present value savings of approximately $314,000.

Remarks: Tax-exempt financing will lower the School's borrowing costs and its annual debt service payments. By reducing the amount of money spent of debt service the School will be able to spend more money on educational services and "state-of-the-art" facility improvements so the School can continue to (i) provide quality education, and (ii) remain competitive with other independent private day schools.

FINANCING SUMMARY

Security:	Direct pay Letter of Credit from a bank to be determined.
Structure:	Multi-mode Variable Rate Demand Bonds
Maturity:	30 years

PROJECT SUMMARY

Proceeds will be used to (i) refund the School's 1996 Series Variable Rate Demand Bonds issued through the Illinois Development Finance Authority, (ii) refinance a taxable fixed-rate mortgage issued through Harris bank and Trust, Chicago, Illinois, and (iii), fund legal and professional costs.

Refunding	Total	<u>$6,000,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The Catherine Cook School	
Project names:	The Catherine Cook School Refunding Project	
Location:	226 West Schiller Street, Chicago, Cook County, Illinois 60610-1808	
Organization:	501(c)(3) Corporation	
State:	Illinois	
Board of Directors:	Deb Keegan, President	Elli Montgomery
	Max DeZara, Vice President	Carol Sabransky
	Catherine Fournier, Treasurer	Victor Mowatt
	Susan Lovejoy, Secretary	Cecil Booth
	James A. Erwin	Thomas McDonough
	David Laurenson	Dr. Michael Roberts, *ex officio*

PROFESSIONAL & FINANCIAL

Counsel:	Schiff Hardin LLP	Chicago, IL	
Accountant:	Dam, Snell & Tavirne, Ltd.	Libertyville, IL	
Bond Counsel:	IceMiller	Chicago, Ill	Thomas E. Smith
Issuer's Counsel	Dykema Gossett PLLC	Chicago, IL	I. Walter Deitch
Underwriter: Placement Agent	William Blair & Company	Chicago, IL	John Peterson
Underwriter's Counsel:	TBD		
LOC Bank Counsel:	TBD		
Financial Advisor:	Piper Jaffray & Co.	Chicago, IL	Keith Morgan
Trustee:	TBD		
Trustee Counsel:	TBD		

LEGISLATIVE DISTRICTS

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

CONFIDENTIAL INFORMATION

Est. fee: $30,500 Tax ID: 36-2836473

FINANCIALS

Financials: Audited financial statements for fiscal years ending 8-31-2004– 2006.

	(Dollars in 000s)		
	2004	2005	2006
Income Statement			
Total Revenues	$3,500	$3,946	$4,715
Operating expenses	(3,291)	(3,636)	(4,392)
Change in Net Assets	209	310	323
EBIDA	418	620	646
Balance Sheet			
Current Assets	2,249	3,030	3,770
PP&E	5,391	7,250	8,486
Other Assets	279	296	280
Total	7,919	10,576	12,536
Current Liabilities	3,398	4,309	4,717
Other LT Liabilities	100	52	25
Debt	2,875	4,359	5,614
Net Assets	1,546	1,856	2,180
Total	$7,919	$10,576	$12,536
Ratios:			
Debt coverage	4.00x	4.05x	2.71x
Current Ratio	0.66	0.70	0.80
Debt/Net Assets	1.86	2.35	2.58

Note: The School includes in its Current Liabilities deferred tuition in the amounts of $3,119,777, $3,642,609, and $4,443,914 for fiscal years 2004, 2005, and 2006, respectively.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **Holy Family Ministries**

STATISTICS

Deal Number:	N-NP-TE-CD-7005	Amount:	$4,500,000
Type:	Not-For-Profit Bonds	IFA Staff:	Sharnell Curtis Martin
Location:	Chicago	SIC Code:	8211 – Elementary and Secondary Schools 8299 – Schools and Educational Services, Not Elsewhere Classified

BOARD ACTION

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

Staff recommends approval
No extraordinary conditions

PURPOSE

Bond proceeds will be used to finance the acquisition of land, construction, acquisition of machinery and equipment, professional expenses and to pay certain bond issuance costs.

IFA PROGRAM and CONTRIBUTION

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

VOTING RECORD

Preliminary Bond Resolution, no previous voting record.

SOURCES AND USES OF FUNDS

Sources:	IFA Bond	$4,500,000	Uses:	Project Costs	$8,835,500
	Equity	4,485,000		Bond Issuance Costs	150,000
	Total Sources	$8,895,000		Total Uses	$8,895,000

The Applicant expects the source of equity to be the result of fundraising proceeds. Approximately $3.5 million has been collected with the remaining pledges to be collected during 2007.

JOBS

Current employment:	23	Projected new jobs:	17
Jobs retained:	N/A	Construction jobs:	300

BUSINESS SUMMARY

Background: Holy Family Ministries ("HFM" or the "Applicant") is an independent 501(c)(3) Corporation incorporated in 1999. HFM is affiliated with the Evangelical Lutheran Church in America, Lutheran Services in America, and the Schools That Can Network but operates independently from these organizations in governance and receives no financial support from them.

The Applicant's charitable purpose is to operate academically-focused youth development programs targeting low-income families residing in Chicago's near north and near west neighborhoods. The HFM operates the Holy Family Lutheran School ("HFLS" or the "School") located at 4256 West Walton in Chicago's West Humboldt Park neighborhood. HFLS is a K-8 elementary school in its 22nd year of operation. HFM also operates Hope Alive, a before and after school hours program for the children and families of the target communities.

HFM's programs serve children and families located within the Cabrini Green, Austin, West Humboldt Park, West Garfield Park and North Lawndale communities on the City of Chicago's near north and near west sides.

Description: The new building, Holy Family Ministries Center (the "Center") will be constructed and located at 3415 W. Arthington in Chicago in the North Lawndale neighborhood. The Center will serve as the new home of the Holy Family Lutheran School and Hope Alive. The school will expand from 150 to 312 students while the after school program will expand from 75-200 students. A pre-school class serving 40 students will open in 2008 and a summer camp program will be added and accommodate 110 children.

Other HFM programs and outreach services will also be located within the Center including the weekend algebra enrichment program. HFM is also exploring partnering with other area not-for-profits to offer adult education and job training classes in the evening hours.

FINANCING SUMMARY

Bondholder's Collateral:	The Bonds are expected to be secured by a Direct Pay Letter of Credit by one of the following banks to be determined (Bank of America, Charter One, LaSalle and National City).
Structure:	Variable Rate Demand Bonds
Maturity:	To Be Determined
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 to be determined.

PROJECT SUMMARY

Bond proceeds will be used to finance the acquisition of 1.2 acres of land and construct a 45,000 square foot educational facility to be located at 3415 W. Arthington in Chicago (Cook County), Illinois, finance the acquisition of furnishings and equipment for use therein and to pay certain bond issuance costs. Project costs are estimated as follows:

Construction	$8,120,500
Land	406,000
Machinery and Equipment	215,000
Contingency	94,000
Total Project Costs	$8,835,500

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Holy Family Ministries 790 Frontage Road, Suite 415 Northfield, IL 60093 (Cook County)		
Project name:	Holy Family Ministries Center		
Location:	3415 West Arthington Chicago, IL 60624 (Cook County)		
Organization:	501(c)(3) Corporation		
State:	Illinois		
Board Membership:	John Mjoseth, Board Chair	Dan Badovinac	Rev. Alvin Bergh
	Jackie Quern Berry	Kendric Berry	Roxanne Busey
	Mildred Campbell	Jeffrey Clark	Carlton Fisher
	Pastor Glen Gronlund	Marilyn Hawkins	Rev. Charles Infelt
	Bernie Labovitch	Bill McMahon	Sal Melilli
	Dr. David Nahrwold	Ron Phemister	Joe Pringle
	Joan Sherman	Richard Tribble	Dr. Susan Work
Land Seller:	Homan Arthington Foundation		

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Hinshaw and Culbertson	Chicago	Carlton Fisher
Accountant:	CFO Services, Inc.	Chicago	David C. Watt
Bond Counsel:	Sonnenschien Nath and Rosenthal	Chicago	Steven Kite
LOC Bank:	To Be Determined		
Underwriter:	LaSalle Capital Markets	Chicago	Kristyn Harrell
Underwriter's Counsel:	To Be Determined		
Issuer's Counsel:	Ice Miller	Chicago	Tom Smith
Trustee:	To Be Determined		

LEGISLATIVE DISTRICTS

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

CONFIDENTIAL

CONFIDENTIAL INFORMATION

Est. fee: $22,500 Tax IDs: 36-4320533

Financials: Audited Financial Statements 12/31/04 – 12/31/05
Internally Prepared Financial Statements 12/31/06
Internally Prepared Financial Projections 12/31/07 – 12/31/09

	Year Ended Dec 31			Year Ending Dec 31		
	2004	2005	2006	2007	2008	2009
	(Dollars in 000's)					
Income statement:						
Total Support and Revenue	$1,530	$2,872	$3,448	$1,479	$1,899	$2,334
Change in Net Assets	196	1,436	1,971	1,063	184	250
Balance sheet:						
Current assets	$526	$1,789	$3,475	$930	977	943
PP&E	40	199	68	8,725	8,644	8,502
Other assets/Investments	211	223	636	240	314	622
Total assets	777	2,211	4,179	9,895	9,935	10,067
Current liabilities	53	51	49	202	153	196
Non Current liabilities	0	0	0	4,500	4,405	4,244
Net Assets	724	2,160	4,130	5,193	5,377	5,627
Total liabilities/Net Assets	$777	$2,211	$4,179	$9,895	$9,935	$10,067
Ratios:						
Debt coverage	11.80x	73.90x	100.65x	7.42x	1.56x	2.00x
Current ratio	9.92	35.08	70.92	4.60	6.39	4.81
Debt/equity	N/A	N/A	N/A	0.90	0.84	0.78

Discussion: HFM has had positive change in net assets every year since it began operating in 2000 and has no debt. Revenues are generated from parent fees, contributions from individuals, foundations and corporations and government contracts and grants.

The Applicant has been very successful at fundraising. Approximately $3.5 of a $4.5 million capital campaign has been collected with the remaining pledges to be collected during 2007. HFM's Board of Directors collectively has contributed $2 million of the total capital campaign.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **Association House of Chicago**

STATISTICS

Deal Number:	N-NP-TE-CD-7003	Amount:	$6,000,000
Type:	Not-For-Profit Bonds	IFA Staff:	Sharnell Curtis Martin
Location:	Chicago	SIC Code:	8399 (Social Services)

BOARD ACTION

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

PURPOSE

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

IFA CONTRIBUTION

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

VOTING RECORD

Preliminary Bond Resolution, no previous voting record.

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$6,000,000	Uses:	Refunding Bonds	$3,515,000
				Project Costs	2,400,000
				Bond Issuance Costs	85,000
	Total Sources	$6,000,000		Total Uses	$6,000,000

JOBS

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

BUSINESS SUMMARY

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

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

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

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

FINANCING SUMMARY

Bondholder's Collateral:	The Bonds are expected to be secured by Direct Pay Letter of Credit by a bank to be determined.
Structure:	To Be Determined
Maturity:	To Be Determined
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 to be determined.

PROJECT SUMMARY

Bond proceeds will be used to refund the outstanding principal of IFA (IDFA) Series 1997 (Association House Project). The original Series 1997 Bond Proceeds were used to finance the acquisition and renovation of the current Association House headquarters located at 1116 N. Kedzie in Chicago, Illinois (Cook County) and to pay certain bond issuance costs. Project costs are estimated as follows:

Renovations	$2,000,000
Refinancing	400,000
Project Costs	$2,400,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Association House of Chicago 1116 N. Kedzie Avenue Chicago, IL 60651 Ms. Harriet Sadauskas, Executive Director			
Project name:	Association House Project 2007			
Location:	1116 N. Kedzie Avenue Chicago, IL 60651			
Organization:	501(c)(3) Organization			
State:	Illinois			
Board Members	Mark Allen	Rosie Bean	Charles Bley	CarrieCamino
	Richard Glau	Barbara Healy	Nancy Hill	Tad Ingles
	Ronald Kurz	Shamar Lott	Joseph Matthews	Paul Metzger
	Elise Parsons	Edwin Rivera	Annette Stover	Maria Sanchez
	Dolores Schroeder	Cynthia Ulrich	Nile Wendorf, President	Myrna Zoros
Land Sellers:	Not Applicable			

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	To Be Determined		
Accountant:	Altschuler, Melvoin and Glasser		
Bond Counsel:	To Be Determined		
LOC Bank:	To Be Determined		
Financial Advisor:	Griffin Kubik	Chicago	Helena Burke-Bevans
Underwriter:	To Be Determined		
Underwriter's Counsel:	To Be Determined		
Issuer's Counsel:	Law Offices of Kevin Cahill	Chicago	Kevin Cahill
Trustee:	To Be Determined		

LEGISLATIVE DISTRICTS

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

CONFIDENTIAL

CONFIDENTIAL INFORMATION

Est. fee: $15,000 Tax IDs: 36-2166961

Financials: Audited Financial Statements 6/30/04 – 6/30/06
Internally Prepared Projections 6/30/07 – 6/30/09

	Year Ended June 30				Year Ending June 30	
	2004	2005	2006	2007	2008	2009
	(Dollars in 000's)					
Income statement:						
Total Support and Revenue	$10,606	$10,643	$11,148	$10,230	$10,553	$10,896
Change in Net Assets	686	1,017	6,481	544	577	620
Balance sheet:						
Current assets	$2,107	$2,139	$2,367	$2,722	$3,130	$3,443
PP&E	5,591	5,702	5,731	7,840	7,448	7,076
Investments	2,675	3,176	8,377	9,691	10,119	10,751
Total assets	10,373	11,017	16,475	20,253	20,697	21,270
Current liabilities	2,237	2,138	1,297	2,649	2,516	2,691
Non Current liabilities	4,489	4,315	4,132	6,237	6,015	5,793
Net Assets	3,547	4,564	11,045	11,589	12,166	12,786
Total liabilities/Net Assets	$10,373	$11,017	$16,474	$20,253	$20,697	$21,270
Ratios:						
Debt coverage	2.84x	3.77x	15.51x	2.69x	2.81x	2.95x
Current ratio	0.94	1.00	1.82	1.03	1.24	1.28
Debt/equity	1.31	0.98	0.39	0.56	0.51	0.47

Discussion: The last three fiscal years show a pattern of steady improvement in the financial condition of Association House. The improvement is a result of several factors including: the sale of the organization's former headquarters for $4.7 million, the completion of a successful capital campaign, reduction of expenses and improvement on collections of accounts receivables.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 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 Taxable Revenue Bond	IFA Staff:	Steve Trout
Location:	West Dundee	SIC Code:	713940

BOARD ACTION

Final Bond Resolution
Conduit 501(c)(3) and Taxable Revenue 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

PURPOSE

To 1) finance the acquisition of a 7.95 acre site located at 2000 Wesemann Drive 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

Preliminary Resolution adopted on January 9, 2007 by the following vote:

10 ayes 0 nays 0 abstentions
Absent: 4 (DeNard, Giannoulias, Herrin, Nesbitt and Valenti)

SOURCES AND USES OF FUNDS

Sources:	IFA 501(c)(3) Bonds	$18,810,000	Uses:	Project Costs	$15,260,596
	Taxable Bonds	1,125,000		Debt Service Reserve	1,668,125
				Capitalized Interest	$1,151,804
				Costs of Issuance	1,854,475
	Total	$19,935,000		**Total**	$19,935,000

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

501(c)(3) Bonds: The Underwriter contemplates that the Bonds will be structured as term bonds with the first sinking fund payment for principal due March 1, 2015 and final maturity due March 1, 2037, and paying a fixed rate of interest that is currently estimated between 5.5% and 6.25%.

Taxable Bonds: The Underwriter contemplates that the Bonds will be structured as s term bond paying maturing March 1, 2014, with the first sinking fund payment for principal due March 1, 2010 and paying a fixed rate of interest that is currently estimated at 10%. The Bonds will finance costs of issuance that exceed the maximum allowable for 501(c)(3) Bonds.

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

Rating: The Underwriter contemplates that neither the 501(c)(3) Bonds nor the Taxable Bonds will be rated or credit enhanced.

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 Underwriter 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 Underwriter contemplates that Bond proceeds will be used in part to capitalize an interest reserve sufficient to pay interest through March 1, 2008 (one year).

PROJECT SUMMARY

Bond proceeds will be used to 1) finance the acquisition of a 7.95 acre site at 2000 Wesemann Drive in West Dundee, and 2) finance the construction and equipping of a 105,600 square foot ice skating facility, 3) fund a Capitalized Interest Reserve, 4) capitalize a Debt Service Reserve and 5) pay costs of issuance. Project costs are estimated as follows:

Land Acquisition:	$2,100,000
Construction	12,425,396
Architectural and Engineering	735,200
Total	$15,260,596

The Borrower has entered into a real estate purchase and lump sum design/build contract with Opus North Corporation for the purchase of the land and construction of the Project. Opus North Corporation, a member of the The Opus Group, is a full-service design-build development firm that is headquartered in Chicago and has offices in Milwaukee, Columbus, OH and Indianapolis. The Designer/Builder will provide certain construction management services and complete the construction and associated site work for a lump sum price estimated at $15,260,999. The site is subject to purchase agreement, which contemplates closing the purchase on the date of closing on the Bonds. Construction is expected to begin in February 2007 and to be completed in September 2007.

The Borrower applied to the Village of West Dundee for permits for the foundation and structure for the Project in January. The Borrower submitted a request for zoning amendments to the Village's executive branch on January 8, 2007, which the Board approved on January 22.

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, 2000 Wesemann Drive, West Dundee (Kane County), Illinois 60118

Land Owneer: Opus North Corporation, which is owed by The Opus Group.

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

Borrower Board Members: Michael Durkin — President
John Willett — Treasurer
Manager of the facility to be appointed by Underwriter
Management of the facility to be appointed by Borrower
Representative of the facilities management company to be determined

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 Chicago	Bryan Nelson 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
Architect	Economou Partners Architecture	Park Ridge	
General Contractor:	Opus North Corporation	Chicago	

LEGISLATIVE DISTRICTS

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

CONFIDENTIAL INFORMATION

Est. fee: $69,307.50 Tax ID: 20-5854566

FINANCING SUMMARY

Exception: To facilitate marketing of the Bonds, the Underwriter has asked the Authority to waive its policy pertaining to non-rated bonds. IFA policy requires the Underwriter to: 1) sell the bonds in minimum $100,000 denominations, 2) sell the bonds to persons or entities that qualify as sophisticated investors, as defined under federal securities law and 3) deliver to the Authority a letter from each investor certifying that he or she is an "accredited investor".

The Underwriter plans to sell the Bonds in $25,000 minimum denominations and will certify to the Authority that it offered the Bonds only to accredited investors. Board policy permits the Authority to waive this exception if:

1. the Borrower has obtained a published feasibility study from an independent and qualified accounting or consulting firm acceptable the Authority that supports the viability of the project,
2. the Borrower has no Bonds in default and has not missed a payment date relative to any such bonds in the immediately preceding three years, and
3. the Credit Review Committee determines that the Project meets the foregoing criteria and the financial condition of the borrower that the Borrower appears reasonably likely to make timely debt service payments on the Bonds.

The Borrower has provided IFA with a final feasibility study dated January 17, 2007 and prepared by CH Johnson that supports the viability of the Project. Key findings of the study are summarized below. The Borrower and Guarantor have no bonds in default and have not missed any payment dates relative any such bonds within the past three years. The financial condition of the Guarantor and the Borrower and the feasibility of the project indicate that that the Borrower should be able to make timely payments on the Bonds.

OPERATIONS

The Leafs have maintained a relatively stable level of participation in recent years, as summarized below:

Year	Individuals	Teams
2002	702	41
2003	656	38
2004	655	39
2005	662	41
2006	679	36

The Leafs have significantly reduced their promotional efforts because they lack capacity to take on additional members. The Leafs reduced the number of teams and increased their size for the 2006/2007 season because of lack of weekday ice time after the Polar Dome closed. Once the Leafs have access to expanded facilities, management expects to renew promotional efforts and to attract new members from residents moving into the area.

FINANCIALS

Guarantor Financials: Financial summary for the Leafs Hockey Club, Inc,, prepared from federal income tax returns (Form 990) for fiscal years ended June 30, 2003 through 2006. Dollars are in thousands.

	Actual			
	2003	2004	2005	2006
Statement of Operations				
Net Sales	1,034	1,171	1,145	1,185
Change in Net Assets	78	170	(12)	18
Earnings Before Interest, Taxes, Depreciation & Amortization	78	170	(11)	20
Statement of Financial Position				
Current Assets	451	621	590	587
Net Property, Plant and Equipment	0	0	19	40
Other Assets	0	0	0	0
Total Assets	451	621	609	627
Current Liabilities	0	0	0	0
Long-term Debt	0	0	0	0
Other Liabilities	0	0	0	0
Net Assets	451	621	609	627
Total Liabilities and Net Assets	451	621	609	627
Ratios				
Debt Service Coverage (X)	NA	NA	NA	NA
Current Ratio	NA	NA	NA	NA
Debt to Net Assets	0.00	0.00	0.00	0.00

Discussion: The statements above summarize operating results and financial position for the Leafs Hockey Club, Inc. The Leafs generate significant revenues and have maintained significant financial flexibility. Revenues consist of membership fees (97%), sponsor contributions (1%), tournament and league fees (1%) and other (1%). Expenses include ice rental (59%), coach and director stipends and instructor and referee fees (19%), league fees (11%), uniforms (7%) and other (4%).

Ice rental is the Club's largest expense and has been growing over 10% a year during the period reviewed. Rates have been increasing as ice time becomes increasingly difficult to secure. As a result, the Leafs have had to limit the number of new players that it can accept this year. Building the new facility is expected to eliminate capacity concerns and reduce the future cost of ice time.

The Leafs generated significant earnings in FY 2003 and 2004 but have operated at break-even levels in FY 2005 and 2006. The Leafs opted not to increase membership fees to generate large operating surpluses. The Leafs' current membership fees are significantly below those charged by other area clubs (Falcons—Highland Park, Red Wings--Barrington, Flames—Glen Ellyn, Cyclones--Geneva, and Chargers—Rolling Meadows), as summarized below:

	Mites Ages 5-8	Squirt Ages 9-10	Pee Wee Ages 11-12	Bantam Ages 13-14
The Leafs	$1,720	$1,985	$2,050	$2,310
Average Price	$2,618	$2,903	$2,953	$3,074

Source: The Leafs

Assets consist primarily of cash held in checking, savings and money market accounts. Fixed assets are limited to $19,000 as of June 30, 2006. The Leafs have reported no indebtedness or other liabilities over the period reviewed.

Project Budget: Operating budgets summarized below were prepared by CH Johnson Consulting, together with estimates of debt service requirements estimated by the Underwriter based on current market conditions.

The operating budget summarized below was prepared by CH Johnson, Inc., as part of a draft feasibility study that it prepared for the Leafs Hockey Club. CH Johnson Consulting, is a Chicago-based consulting firm that has developed feasibility studies for numerous convention, sports, and real estate projects in the Midwest. The firm cites experience consulting for 30 projects involving ice surface facilities, such as:

Albuquerque Downtown Arena
Alcoa Proposed Arena Feasibility (Tennessee)
American Airlines Center, Dallas Texas
Beijing Olympics Facility-2008
Bloomington, IL Arena Feasibility
Conseco Fieldhouse, Indianapolis
Dover Arena Feasibility
Erie Civic Center (Tulio Arena) Feasibility
Holland Arena Feasibility, Michigan
Kemper Arena/New Sprint Center, Kansas City, Missouri
Nationwide Arena, Columbus Ohio
Olympic Center Modernization, Lake Placid, New York
Peoria Civic Center, Illinois
Savannah Proposed Arena, Georgia
University of Northern Iowa Arena Feasibility, Cedar Falls, Iowa
US Cellular Arena, Milwaukee
Wyandotte County Proposed Arena

CH Johnson also served as feasibility consultant for the Internationale Ice Centre that the Huskies Hockey Club developed and IFA financed via two issues of 501(c)(3) bonds in 2005 and 2006.

CH Johnson reviewed the Leafs recent membership, program and participation trends, and numbers of youth hockey players and figure skaters in the metropolitan area , as well as nationwide. To gauge demand for this facility, the consultants identified 27 ice skating centers in Chicagoland and compiled information on their fees, facilities and programs and proximity to the proposed facility.

To assist in evaluating the proposed project, CH Johnson identified 6 facilities operating in the Chicagoland area that host programs that are similar to those contemplated for this facility. These included:

Crystal Ice House, Crystal Lake
Darien Sportsplex, Darien
Glacier Ice House, Vernon Hills
Glenview Ice Arena, Glenview
Seven Bridges Ice Arena, Woodridge
The Edge Ice Arena, Bensenville

CH Johnson also reviewed the facilities, programs and recent finances of 5 comparable facilities nationwide:

Novi Ice Arena, Novi Michigan
McMillen Ice Arena, Fort Wayne, Indiana
Braemer Arena, Edina Minnesota
Dover Ice Arena, Dover, New Hampshire
National Sports Center, Blaine, Minnesota

All five offer various youth and adult hockey, figure and public skating programs, with some operated in-house and other by outside organizations. All have been successful in generating significant revenues and have been consistently profitable.

The Leafs are developing a facility that will be very similar to one that the Huskies developed in Romeoville. The Leafs plan to offer a similar set of programs as those offered by the Huskies. The operating budget developed for this project is largely derived from the one that the Huskies developed for their facility, which CH Johnson recently confirmed as realistic in November 2006 prior to IFA's issuance a second series of bonds to fund minor additions to, and completion of, that project. That facility is in its first year of operation since its opening in September 2006.

Both projects contemplate having the host hockey club serve as major tenant and guarantor for the financing. CH Johnson noted that the Leafs have more members but that the Huskies generated more revenues ($1.4 to $1.6 million versus $1 million to $1.2 million) for the Leafs. CH Johnson believes that this variance can be explained by the following:

- The Leafs have operated from several venues and have not been able to grow their program as desired, which has required the Club to restrict growth and refer potential members to other clubs and consolidate teams.
- The Leafs fee structure is the lowest in its region, with annual fees almost $1,000 below the area average for most age groups.

CH Johnson noted that a project's feasibility is largely determined by the supply of competing facilities and the number of households with children and sufficient disposable income to afford participation in youth hockey. In comparing the attractiveness of the Romeoville and West Dundee area for a new ice rink, CH Johnson noted: "When one considers both the demographic data and the inventory of competitive rinks, its is concluded that the West Dundee market is stronger than the Romeoville market given the saturation of ice rinks within such a close proximity to the Huskies arena." The study noted that communities within 10, 20 and 30-mile radii of the West Dundee site have a higher household income than is the case for the Romeoville site. CH Johnson also noted the West Dundee area is also growing faster than the Romeoville area.

CH Johnson's assumptions for the operating budget presented on the following page are summarized below.

Ice Rentals to be paid by the Leafs and area clubs under multiyear agreements are expected to pay approximately 90% of principle and interest on the Bonds in year 1, with that amount increasing to 100% by the fifth year of operation. The forecast assumes that the Leafs will pay $800,000 in annual rent, a 26% increase above the amount paid in FY 2006. The Leafs have verbal commitments from Northern Illinois University Hockey Club, St. Charles North High School, ,Burlington/Hampshire High School and ELS High School. The Leafs are in discussion with Huntley High School and Rockford, Elgin, Dundee Crown (CCM) High School. The Leafs have a letter of intent tent to lease ice time from Advanced Arenas, AHAI and NIHL and are in discussions with the NIWHL.

Leafs-run Programming provides revenue when the facility is not used for hockey. The estimates are based on levels currently generated by the Leaf or by the Huskies at the Internationale Ice Centre.

Other Revenues include in-fill program and income earned off ice. In-fill programming includes:

- Goalie Training, using Leafs coaches and a state-of-the-art training facility that is available at only a few facilities nationwide. Estimates are based on current activity at the Huskies facility.
- Figure Skating, consisting of skate schools for publicly available skating lessons, contract ice time for competitive skaters and their coaches, program ice for park districts and groups and precision ice for precision ice skating teams.
- Public Skating, consisting of time leased to park districts and others for recreational skaters.
- Off-Ice Training, space available for weight training, condition and skill development for teams, groups and individuals.
- Pro Shop Lease: Based on a letter of intent
- Concession: Based on a a letter of intent from Gunzo's Sports Center, Inc.

Off-ice revenues include pro shop income, concessions, naming rights, advertising and sponsorships, estimated based on levels achieved at comparable facilities.

Expense estimates were developed by the Leafs, based on their experience and operating costs for similar programs operating in the area, and verified by CH Johnson, based on levels incurred at similar facilities. The consultant anticipates that the availability of a third ice surface will generate increased profitability because the associated variable and fixed costs are modest compared to potential revenues.

Staff prepared the estimates of debt service coverage based on CH Johnson's forecast of net operating income during the first five years of operations and the Underwriter's estimate of debt service requirements. The Underwriter's estimates assume issuance of $18,810,000 of 501(c)(3) bonds and $1,250,000 of taxable revenue bonds with terms outlined in the Financing Summary.

	Growth Rate	Years of Operation 1	2	3	4	5
Operating Budget						
Rent (Contractually Obligated)						
Leafs	3.0%	800	824	849	874	900
Advanced Arena	3.0%	270	278	286	295	304
High School	3.0%	164	169	174	179	185
Amateur Hockey Association Illinois	3.0%	14	14	15	15	16
North West House League	3.0%	10	10	11	11	11
Northern Illinois Hockey League	3.0%	13	13	14	14	15
Total, Rent		1,271	1,309	1,348	1,389	1,431
Leafs Programming						
Camps	3.0%	90	93	95	98	101
Clinics	3.0%	67	69	71	73	75
Learn to Skate	3.0%	30	31	32	33	34
Pre-Hockey	3.0%	68	70	72	74	77
Mite Mouse League	3.0%	113	116	120	123	127
Spring 3 on 3	3.0%	40	41	42	44	45
Summer 3 on 3	3.0%	40	41	42	44	45
Learn to Skate Adult	3.0%	11	11	12	12	12
Men's League and Tournaments	3.0%	180	185	191	197	203
Adult 3 on 3	3.0%	32	33	34	35	36
Total, Leafs Programming		671	691	712	733	755
Other Building Revenue						
Goalie Training Facility	3.0%	221	228	234	241	249
Figure Skating		429	615	678	817	880
Public Skate	3.0%	191	197	203	209	215
Off-Ice Training	3.0%	150	155	159	164	169
Pro Shop Lease	3.0%	48	49	51	52	54
Concession/Party Room Lease	3.0%	72	74	76	79	81
Naming Rights	3.0%	30	31	32	33	34
Sponsorship/Advertising	3.0%	95	98	101	104	107
Total, Other Revenue		1,236	1,446	1,534	1,699	1,788
Total Revenue		3,178	3,446	3,594	3,821	3,974
Expenses						
Personnel	3.0%	598	616	634	653	673
Office Supplies	3.0%	24	25	25	26	27
Utilities	5.0%	244	256	269	282	297
Financial Services	3.0%	40	41	42	44	45
Insurance	3.0%	96	99	102	105	108
Advertising	3.0%	60	62	64	66	68
Zamboni Lease and Maintenance	4.5%	32	33	35	37	38
Other	6.0%	107	113	120	127	135
Reserve for Replacement	0.0%	50	50	50	50	50
Total Operating Expenses		1,251	1,296	1,342	1,390	1,440
Management Fee	2.5%	76	78	80	82	84
Net Operating Income		1,851	2,073	2,173	2,349	2,450
Calculation of Debt Service Coverage						
Interest Expense	6.25%	595	1,191	1,183	1,165	1,146
Principal Amortization (30 years)		0	0	165	185	200
Annual Debt Service Requirements		595	1,191	1,348	1,350	1,346
Debt Service Coverage		3.11	1.74	1.61	1.74	1.82

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **Northern Illinois Annual Conference of the United Methodist Church**
(Hilltop Ministry Center)

STATISTICS

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

BOARD ACTION

Final Bond Resolution	Conduit Not For Profit Bonds
No IFA funds at risk	Staff recommends approval
Extraordinary condition:	Unrated Bonds to be sold in minimum $100,000 denominations

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

This project does not require IFA Volume Cap.

VOTING RECORD

Preliminary bond resolution, December 5, 2006:
10 ayes, 0 nays, 0 abstentions
Members Absent: 5 (M. Boyles, R DeNard, D. Giannoulias, T. O'Brien, A. Rice)

SOURCES AND USES OF FUNDS

Source:	IFA Bonds	$3,400,000	Uses:	Project Costs	$3,145,000
				Capitalized interest	215,000
				Legal and professional costs	40,000
Total		$3,400,000	Total		$3,400,000

JOBS

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

BUSINESS SUMMARY

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

The Conference launched many agencies and programs that serve communities of Northern Illinois. Agencies include:

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

A list of the Applicant's Board of Directors is included in this report for IFA Board review.

Description: Proceeds of the proposed financing will be used to construct an approximately 26,210 sq. ft. all-purpose community center on 20 acres of land that is owned by the Applicant. The proposed center will include (i) a full-size gym and workout facility for adults and which will support lessons and sports activities for children, (ii) a coffee shop and lounge, (iii) classrooms, (iv) a daycare center, (v) a counseling center, and (vi) fund legal and professional issuance costs. The Machesney Park community (population 22,246) has no other licensed daycares or preschools.

Non-profit partners (tenants) will include (i) Building Blocks Learning Center serving 150 children, (ii) the Beloit Memorial Hospital, which will provide counseling services, (iii) the Roscoe United Methodist Church, and (iv) the Harlem Community Center which will organize athletic programs for children and youth. The Applicant plans to hold worship services in the gym area of the facility. Bond Counsel has determined that the use of the gym for weekly worship services will not affect the tax-exemption of the bonds. The purpose of the facility is to serve the entire community.

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

FINANCING SUMMARY

Collateral:	Direct purchase for portfolio by Northwest Bank, Rockford, Illinois.
Structure:	$3,400,000 Tax-exempt Series 2007A bonds, which will be Fixed Rate bonds having a five-year interest rate reset provision with a single maturity and sinking fund provisions.
Collateral:	First Mortgage on the property, and corporate guarantee of the Conference.
Rating:	Non-rated
Maturity:	25 years

PROJECT SUMMARY

Proceeds will be used to (i) construct an approximately 26,210 sq. ft. multi-purpose community center including a gym on a parcel of 30 acres consisting of 20 acres of land owned by the Applicant, and 10 acres of land which will be purchased by the Applicant, all of which is located at 8301 Mitchell Road, Machesney Park, Winnebago County, Illinois, (ii) purchase and install fixtures, equipment and furniture, (iii) construct a parking area, and (iv) fund legal and professional issuance costs.

Project Costs:	Building and parking area	$3,000,000
	Equipment/fixtures	145,000
	Total	$3,325,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Northern Illinois Annual Conference of the United Methodist Church
Project Name:	Hilltop Center
Project Location:	8301 Mitchell Road, Machesney Park, Winnebago County, Illinois
Land Owner:	Northern Illinois Annual Conference of the United Methodist Church

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

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

CONFIDENTIAL INFORMATION

Est. fee: $17,000 Tax ID: 36-2182099

FINANCIALS

Financials: Audited, financial statements for Northern Illinois Annual Conference (guarantor) for calendar years ending 12-31 2003, 2004, and 2005; and unaudited interim financial statements for ten months ending 10-31-2006.

(Dollars in 000's)

	2003	2004	2005	10/31/2006
Income Statement				
Total Revenues	$14,523	$16,581	$18,172	$11,484
Operating expenses	(14,832)	(15,159)	(16,700)	(12,777)
Change in Net Assets	(309)	1,422	1,472	(1,293)
EBIDA	(141)	1,556	1,736	(1,068)
Balance Sheet				
Current Assets	14,449	15,965	16,112	13,387
PP&E	4,456	4,614	6,097	6,719
Other Assets	271	172	202	377
Total	19,176	20,751	22,411	20,483
Current Liabilities	2,717	2,817	3,150	2,525
Other LT Liabilities	1,424	1,489	1,354	1,354
Debt	196	187	177	167
Net Assets	14,839	16,258	17,730	16,437
Total	$19,176	$20,751	$22,411	$20,483
Ratios:				
Debt coverage	N/A	158.0x	142.2x	N/A
Current Ratio	5.32	5.67	5.11	5.30
Debt/Net Assets	0.01	0.01	0.00	0.01

Notes:

1. The Conference is maintains a strong financial position. (i) Retiree pension obligations are fully funded. (ii) Revenues from operations have been consistent and reliable. (iii) The Conference outstanding indebtedness consists only of a mortgage on one home and several automobiles.
2. The project will be supported by revenues form the partners and from programs of the Hilltop Center. The Conference will provide additional revenues as needed to maintain operations at the facility. The Conference holds approximately $750,000 in escrow for assuring the success of the project and payment of the debt.
3. 2006 interim financials show a deficit of approximately $1.1 million. The Conference spends approximately $1 million annually, made in monthly payments, supporting health insurance for retired clergy. These payments are eventually reimbursed by a related (not-for-profit) entity to the Conference that manages the Conference's defined benefit pension plan. The entity donates approximate $1.1 million annually to the Conference to as a reimbursement for retiree expenses. Additionally, the Conference has its hest revenue month in December, and typically receives approximately $2 million in donations. It is anticipated the Conference will finish calendar year 2006 with a contribution to net assets of approximately $700,000.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: Community Action Partnership of Lake County

STATISTICS

Number:	N-NP-TE-CD-7032	Amount:	$4,000,000
Type:	501(c)(3) Bonds	PA:	Townsend Albright
Locations:	Waukegan, Antioch North Chicago, Round Lake Beach	SIC:	8351

BOARD ACTION

Preliminary Bond Resolution
Conduit Not for Profit Bonds
No IFA funds at risk

No Extraordinary conditions
Staff recommends approval

PURPOSE

Proceeds will be used to (i) refinance the Applicant's outstanding mortgage notes and bank loans, (ii) provide working capital, and (iii) pay bond issuance costs.

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

Preliminary Bond Resolution, no prior Board approval.

SOURCES AND USES OF FUNDS

Sources:	IDFA bonds	$4,000,000	Uses:	Project	$3,840,000
				Legal/Professional	160,000
	Total	$4,000,000		Total	$4,000,000

JOBS

Current employment:	137	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

Background: An Act of Congress passed in 1966 declared a war on poverty and created not-for-profit community action agencies. Community Action Partnership of Lake County (the "Applicant", "CAP") is one of those agencies and was incorporated in 1965 as an Illinois 501(c)(3) corporation. CAP's mission is to alleviate poverty and its causes and consequences by linking its services with all available resources for the purpose of coordinating and delivering comprehensive human services that lead to individual and family self-sufficiency. On March 1, 2004 the Applicant borrowed $6,250,000 through a conduit bond financing with the IFA to finance the construction of a 30,000 sq. ft. administration center to house its Head Start activities in Waukegan. The facility provides classrooms, playgrounds, offices, community event space, meeting rooms. and a commercial kitchen that produces 1,200 meals per day. This facility is the first of two phases: the second of which has completed architectural and engineering drawings and completed foundation work for the time when future expansion is required. The Applicant is governed by a nine-member Board of Directors. A list is attached for IFA Board review.

Description: The completion of this facility has enabled CAP to consolidate its Waukegan Head Start activities in two locations. This, in turn, permitted CAP to vacate all leased and donated premises as well as to free up a 14,000 sq. ft. building that it owns. In the course of the facility development, CAP financed working capital and equity injections through its local banks and now proposes a consolidation of the various loans and mortgage notes CAP has outstanding. CAP proposes to use its 12 affordable housing complexes having 52 units, and its former Head Start building as collateral for the proposed bonds.

Remarks: The outstanding loans and notes carry market or above market rates. Tax-exempt financing will make it possible for CAP to significantly lower its cost of capital and smooth it debt service payments as the proposed bonds will carry level debt service for 30 years. This financing will enable CAP to continue to support its non-profit mission.

FINANCING SUMMARY

Security: Direct Pay Letter of Credit from a bank to be determined*

Structure: Multi-mode weekly floating rate bonds consisting of $3,105,000 tax-exempt Series 2007-A Bonds, and $895,000 taxable 2007 Series-B Bonds.

Maturity 30 years

* The Applicant pledges to rent only to "income-qualified" tenants in its housing units, and to rent/lease only to not-for-profit entities in its former Head Start building.

PROJECT SUMMARY

Proceeds will be used to Proceeds will be used to (i) refinance the Applicant's outstanding mortgage notes and loans, (ii) provide working capital, and (iii) pay bond issuance costs.

Project Costs:	Refinance notes/loans	$3,746,850
	Working Capital	93,150
	Total	$3,840,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Community Action Partnership of Lake County
Project names:	Early Childhood Development Center
Location:	1200 Glen Flora, Waukegan, Lake County, Illinois
Organization:	501(c)(3) Corporation
State:	Illinois
Board:	List attached for IFA Board review
Collateral:	List of real estate property to be used as collateral for the proposed bond financing:

PROFESSIONAL & FINANCIAL

Counsel:	TBD		
Accountant:	Swartztrauber & Co., CPA (2006)	Waukegan, IL	John Blackburn
	Diehl, Banwart, Bolton, Jarred & Bledsoe, Chartered, CPAs (2003-2005)	Chanute, KS	Philip A. Jarred, CPA
Bond Counsel:	IceMiller	Chicago, IL	Tom Smith
Issuer's Counsel:	Sanchez & Daniels	Chicago, IL	John Cummins

Underwriter/ Placement Agent:	William Blair & Company.	Chicago, IL	John Peterson
LOC Bank:	TBD		
LOC Bank Counsel:			
Financial Advisor:	E. L. Barnes & Company	Afton, VA	Ellen Barnes
Trustee:	US Bank	Milwaukee, WI	Peter Brennan

LEGISLATIVE DISTRICTS

Congressional:	~~10, Mark S. Kirk~~
State Senate:	~~30, Terry Link~~
State House:	59~~, Susan Garrett~~

Community Action Partnership of Lake County
Board of Directors Membership
February 1, 2006

Updated: October 2006

Number of Vacancies: 0			In Which Sector:				
Name	**Address & Phone Number**	**Office Address & Phone Number**	**Represents**	**CK**	**PS**	**PO**	**Appointed**
Bill McNeely, President-Active	2410 Washington Street Waukegan, IL 60085	847 625-1525 847 625-1767 fax	Patti Cake Early Childhood (Partners in Business Assn)			X	September 1997
Deborah Lewis, Vice President-Active		2534 Elim Avenue Zion, IL 60099 847 746-8435 847 746-1744 fax	Sheridan Health Care RSVP Advisory Council			X	March 2001
Stephanie Smith, Secretary-Active	824 Kirkwood Drive Winthrop Harbor, IL 60096			X			July 2000
Beverly Hood	2211 N Yeoman P.O. Box 524 Waukegan, IL 60079 847 456-0249 (C)	1850 Lewis Avenue North Chicago, IL 60064 847 596-8610 847 596-8619 fax	Weston House	X			November 2005
Cynthia Hawkins, Director	1316 N Berwick Blvd, Wkgn IL	3235 Belvedere Rd, Wkgn IL	Department of Human Services	X			
Sheriff Gary Del Re, Director	25 S. Utica Street, Waukegan, IL 60085 847-377-4210		Lake County Sheriff Department		X		March 1974
Phillip Carrigan, Director – Active	1944 Ash Waukegan, IL 60085	847-625-0381		X			March 1998
Willard Helander County Clerk Active		18 N. County Street Waukegan, IL 60085 Ph: 847-377-2400 Fax: 847-360-3608 email: cayclk@co.lake.il.us	Lake County Clerk		X		May 2004
Mayor Leon Rockingham, Director -Active		1850 Lewis Ave. North Chicago, IL 60064 ph: 847-596-8610 Fax: 847-596-8619	Mayor City of North Chicago		X		February 1998
Beverly Ann Mull, Director, Active		2808 Gilead Avenue Zion, IL 60099 Ph: 847-938-3173	Abbott Industries Head Start Policy Council		X		January 2005
Commissioner Mary Cunningham, active	405 McKinley Avenue Waukegan, IL 60085 Ph: 847-244-4314 Fax: 847-599-8852	Email: mcunningham@co.lake.il.us	Lake County Board District #9		X		May 2004
Honorary Member:							
Senator Adeline Geo-Karis	P.O. Box 33 Zion, IL 60099	847-872-7500	Public				
Alternates:							
Anthony Ward, Alternate, Active Treasurer	643 West John-Manville Waukegan, IL 60085	847-244-5630	Sheriff Del Re				
Transitional Housing Advisory Board:							
Beverly Hood- Chair							
Sylvia Vasquez-Chacon		1807 Grand Ave. Waukegan, IL 60085 847-775-1818	American Family Life			X	
Arlene Martin		2612 Sheridan Road Zion, IL 60099 (847) 746-2901	National City Bank of the Midwest			X	
Rich Diesterhelf		16680 Apple wood Court Gurnee, IL 60031 847-223-8082	North West News Group of the Greater Chicago			X	
Brittani McCafferty	6533 – 126th PL Pleasant Prairie, WI 53158		Sheridan Health & Rehab	X			

CONFIDENTIAL INFORMATION

FINANCIALS

Financials: Applicant's audited financial statements for calendar years 2003 – 2005 and nine-month interim for calendar year 2006.

(Dollars in 000's)

	2003	2004	2005	9-Month 2006
Income Statement				
Total Income	$14,049	$12,167	$13,849	$10,468
Less: expenses	(12,997)	(12,310)	(14,046)	(10,688)
Change in Net Assets	1,052	(143)	(197)	(220)
EBIDA	1,427	(11)	155	368
Balance Sheet				
Current Assets	408	262	1,084	831
PP&E	6,841	8,133	10,472	9,711
Other Assets	104	570	534	378
Total	7,353	8,965	12,090	10,920
Current Liabilities	3,853	1,893	3,803	1,623
Other LT Liabilities	0	0	0	34
Debt	2,752	6,357	7,929	9,125
Net Assets	748	715	358	138
Total	$7,353	$8,965	$12,090	$10,920
Ratios:				
Debt Service	3.68x	0.0x	0.11x	0.34x
Current Ratio	0.11	0.14	0.29	0.51
Debt/Net Assets	3.68	8.89	22.15	66.12

The Applicant's Federal and State sources of revenue for calendar year 2005 included:

Federal:		
1. US Dept. of Health and Human Services	Head Start	$ 4,658,270
2. National and Community Services		48,768
3. US Dept. of Human Services	Prevention	48,634
State:		
1. IL Dept. of Healthcare and Family Services	LIHEAP/WX	4,918,993
2. DECO	CSBG	769,423
3. IL Department of Aging	RSVP-State	23,337
Total		$9,237,000

Notes: (i) Included in the Applicant's Current Liabilities for fiscal years 2003, 2004, and 2005 are current maturities of notes payable of approximately $136,000, $385,000; and $1,156,000, respectively. (ii) The Applicant's financial position was impacted as a result of multiple borrowings through local lenders which matured in calendar years 2004, 2005, and 2006. The situation necessitated the Applicant to (i) draw down its lines of credit, (ii) borrow through conventional bank loans, and (iii) shrink its net assets. The proposed financing will refinance the outstanding obligations under more favorable terms and extend maturities to smooth future cash flow. The taxable portion of the proposed financing will provide the Applicant with necessary working capital.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **Liberty Towers Associates II L.P., an Illinois limited partnership (Liberty Towers Apartments)**

STATISTICS

IFA Project:	M-MH-TX-CD-7001	Amount:	$5,500,000 (not-to-exceed amount)
Type:	Taxable Housing Bonds	IFA Staff:	Rich Frampton
Location:	Libertyville		

BOARD ACTION

Preliminary Bond Resolution
Conduit Taxable Affordable Rental Housing (Refunding) Bonds
No IFA Funds at risk
Staff recommends approval
Condition:

- The Inducement Resolution will be subject to the condition that by taking action to either induce or at a later time issue the proposed Series 2007 Bonds for Liberty Towers Associates II L.P. (the "Applicant"), the IFA Board of Directors is in no way obligated to approve the anticipated reissuance of any of the proposed IFA Series 2007 Bonds on a Tax-Exempt basis, as presently contemplated by the Applicant in 2009.

PURPOSE

The IFA Series 2007 Taxable Affordable Rental Housing Bonds will be used to defease the outstanding principal balance (approximately $5.3 million) of Series 1999 Village of Libertyville Tax-Exempt Bonds originally issued to purchase and renovate the Liberty Towers senior apartment project.

Additionally, reserves released from the Series 1999 Bonds would be used to finance (a) certain new reserves as required by the LOC Bank (Harris Bank), (b) appraisal, environment audit, bank counsel, and other costs related to obtaining credit enhancement, and (c) pay bond issuance costs.

The Applicant presently contemplates refinancing the IFA Series 2007 Bonds with a tax-exempt bond issue within 90 days of the 11/1/2009 call date (thereby current refunding the Series 1999 Bonds in Tax-Exempt Mode). The current interest rate borne on the Series 1999 Bonds is approximately 7.0%, while the anticipated interest rate on the proposed IFA Taxable Bonds is 6.5%.

The Liberty Towers project is a 121 unit, seven-story, affordable senior rental housing project subsidized under a Housing Assistance Payment contract from the U.S. Department of Housing and Urban Development (term through 2009). The original Series 1999 Bonds financed the acquisition and renovation of the Project, with project equity generated from the sale of 4% Low Income Housing Tax Credits to tax credit investors.

IFA CONTRIBUTION AND PROGRAM

IFA will issue conduit Taxable Affordable Rental Housing Revenue Bonds to defease existing tax-exempt bonds issued by the Village of Libertyville at a lower interest rate. Because the IFA Series 2007 Bonds will be issued in Taxable mode, no Volume Cap will be required.

The proposed IFA Series 2007 Bonds are expected to be reissued on a Tax-Exempt basis in 2009 to current refund the Series 1999 Bonds. Furthermore, the Developer would not need to acquire Volume Cap in order to reissue IFA's Taxable Series 2007 Bonds on a Tax-Exempt basis in 2009.

VOTING RECORD

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

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Taxable Series 2007A Bonds:	$5,055,000	Uses:	Series 1999 Libertyville Defeasance Escrow:	$5,440,000
	IFA Taxable Series 2007B Bonds:	245,000			
	Existing Reserves:	1,348,636		Appraisal, Env. Audit, Reserve Funds, Credit Enh. Fee, Escrowed R/E Taxes	1,040,686
				IFA Series 2007 Bond Issuance Costs	167,950
	Total	**$6,648,636**		**Total**	**$6,648,636**

JOBS

Current employment:	5 FTE's	Projected new jobs:	N/A (Refinancing)
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

Organization: **Liberty Towers Associates II, L.P. (the "Applicant")** is an Illinois limited partnership and special purpose entity established in 1999 for the express purpose of acquiring, financing, renovating, and owning **Liberty Towers** (the "**Project**" or the "**Property**") in Libertyville, Illinois, an existing 121-unit affordable, senior housing property originally constructed in 1979.

There are three **General Partners that own 0.1% beneficial interest in the Project. The two Operating (Managing) General Partners are (1) DRE, Inc., Libertyville, IL (0.045%), and (2) Synergic, Inc., Chicago, IL (0.045%).** The President of DRE, Inc. is **Mr. Dennis R. Egidi.** The President of Synergic, Inc. is **Mr. Barry L. Weinstein**, a partner in the law firm of Horowitz & Weinstein in Chicago. **The Administrative General Partner and 0.001% owner is National Corporate Tax Credit, Inc. IX, Beverly Hills, CA** (an entity that manages and syndicates ownership interests in low income housing tax credits).

The Limited Partner (and 99.0% owner) is National Corporate Tax Credit Fund IX, a California special purpose limited partnership established by the National Corporate Tax Credit, Inc. of Beverly Hills, CA to own and syndicate tax credits to other tax credit investors.

Background: Liberty Towers is a seven (7) story, masonry, 121-unit, rental apartment building located in downtown Libertyville (central Lake County), approximately one block east of Illinois 21 (Milwaukee Avenue) and four blocks north of Illinois 176 (Park Avenue). The units are age restricted (i.e., 62 years and older) and subject to a Section 8 HAP Contract (expires 10/13/2009) and Section 42 Low Income Housing Tax Credit income limits. Liberty Towers is located within walking distance to downtown shops, restaurants, the public library, public parks, and the Metra passenger train station.

The subject property was originally constructed in 1979 and was purchased by its current owners in 1999. The current owners financed both the acquisition and substantial renovation of the Project with $5.4 million of Affordable Rental Housing Bonds issued by the Village of

Libertyville (and supplemented with 4% Low Income Housing Tax Credit equity). The scope of the renovations, completed in 2000, included the remodeling of all apartments, common areas, and roof replacement.

Liberty Towers' affordable units are comprised of 114 one bedroom units, 6 two bedroom units. There is one additional two bedroom unit that is leased to an on-site employee as a market rate unit.

The Project's common facilities include two elevators, 52 parking spaces, a laundry room, lobby area, community room with full kitchen, and a hobby/recreation room.

The Series 1999 Village of Libertyville Bonds were sold without credit enhancement and are rated A2 by Moody's. Because the Series 1999 Bonds were financed without credit enhancement, there are approximately $1.35 million of reserves that will be freed up as a result of defeasance of the Series 1999 Bonds. As proposed, the IFA Series 2007 Bonds will be secured by a Direct Pay LOC from Harris Bank.

Background on Developer and Affiliates:

DRE, Inc. is a Libertyville-based real estate investment, development, and management firm established in 1993 and specializing in the acquisition, rehabilitation, and development of multi-family residential communities in the Chicago metropolitan area. DRE, Inc. has developed eight projects in the Chicago metropolitan area, totaling 1,215 units. Mr. Dennis R. Egidi is the President of DRE and also serves as the managing general partner for 13 limited partnerships organized from 1973 to present. These partnerships include a total of 1,772 units of Section 8 Housing and Tax Credit projects completed with either DRE, Inc. as the General Partner or Mr. Egidi, through his role as Managing Partner of The Egidi Group II.

The current property manager for Liberty Towers Apartments is Promex Midwest Corporation ("Promex"), of Libertyville, Illinois, which is approximately 60%-owned by Mr. Egidi, who serves as its President and Chairman. Promex currently manages commercial and multifamily housing properties in the Midwest, South Carolina, and Florida. Promex currently manages 13 affordable rental properties (both multifamily and senior), including 11 located in Illinois.

Promex' 11 Illinois affordable residential rental housing projects under management include a mix of multifamily and senior properties. All eleven properties have been supported with tax credits and require compliance with Low Income Housing Tax Credit requirements. All projects, except for two (Meadow View Apartments and Sheridan Plaza) were financed with Tax Exempt Bonds.

- **Liberty Towers II (Subject),** Libertyville (121 units – Section 8 Elderly)
- *Concordia Place Apartments Chicago (297 units – Section 8 Multifamily)*
- Meadow View Apartments, Blue Island (99 units – Multifamily)
- *Galesburg Towers,* Waukegan (274 units – Partial Section 8; Multifamily and Seniors)
- *Sterling Towers II,* Sterling (111 units – Section 8 Elderly)
- Hyde Park Apartments, Chicago (73 units – Section 8 Elderly)
- *Mattoon Towers II,* Mattoon (81 units – Section 8 Elderly)
- *Spring Creek Towers II,* Decatur (137 units – Section 8 Elderly)
- *Pontiac Towers,* Pontiac (111 units – Section 8 Elderly)
- *Rome Meadows Apartments,* Dix (95 units – Section 8 Elderly)
- Sheridan Plaza, Chicago (140 units – Section 8 Vouchers)

Previously, IFA (IDFA) has provided tax-exempt bond financing for 9 projects developed by entities affiliated with Mr. Egidi including (1) Concordia Place Apartments (July 2006), (2) Galesburg Towers, (2) Mattoon Towers, (3) Sterling Towers, (4) Pontiac Towers, (5) Rome Meadows in Dix, (6) Cinnamon Lake Towers in Waukegan, and (7) Sandwich Apartments in Sandwich. These IFA-financed projects are noted in italics above.

The Galesburg Towers, Cinnamon Lake Towers, and Concordia Place Apartments bonds are the only IFA bond issues that remain outstanding (with all payments current as of 1/1/2007). The Sterling, Mattoon, Pontiac, Sandwich, and Rome Meadows projects were subsequently refinanced or sold without IFA (IDFA) involvement and were repaid in full.

Accessibility: Although this project was constructed prior to implementation of the Americans with Disabilities Act, and is exempted, the project has 14 handicap-accessible (i.e., wheelchair accessible) units located throughout the building.

FINANCING SUMMARY

Security: The IFA Series 2007A and Series 2007B Bonds will be secured by a Direct Pay Letter of Credit from Harris Trust and Savings Bank on a *parri passu* basis.

Structure:

- The Series 2007A Bonds will be sold as Taxable Fixed Rate Bonds at an initial estimated effective rate of 6.50% (inclusive of a 1.0% LOC Fee) for a fixed period through 10/1/2009. The IFA Series 2007A Taxable Bonds will be issued to defease the outstanding balance of the Series 1999 Village of Libertyville Bonds. Note: the Borrower contemplates a reissuance of these Bonds in 2009 to current refund the Series 1999 Village of Libertyville Bonds within 90 days of their scheduled November 1, 2009 call date as 7-day variable rate demand bonds with an interest rate cap (see Project Description below).
- The Series 2007B Taxable Bonds will be sold as Taxable Fixed Rate Bonds and will be scheduled to mature in 2011. The Series 2007B Bonds will be used to pay taxable bond costs of issuance and to purchase an interest rate lock for the contemplated Series 2007A reissuance as Tax-Exempt 7-day floaters in 2009 (Harris Bank and the Tax Credit Investor will both require the purchase of an interest rate lock for the 2009 reissuance).

Collateral: Harris Bank will be secured by a first mortgage, and a collateral assignment of rents, leases, and contracts on the subject property. There will be no personal guarantees provided by the Operating General Partners.

Maturities/ Est. Interest Rates:

- 11/1/2029 for the IFA Series 2007A Bonds and sold for an initial term through 11/1/2009 (estimated interest rate of 5.50%; effective rate of 6.50% after adding Harris Bank LOC Fee)
- 11/1/2011 for the IFA Series 2007B Taxable Bond used to pay costs of issuance (estimated interest rate of 5.40% -- effective rate of 6.40% after adding LOC Fee). Note: these Bonds will not be subject to the proposed reissuance as Tax-Exempt Bonds in 2009.

PROJECT DESCRIPTION FOR IFA BOND RESOLUTION

Bond proceeds will be used to (i) defease Series 1999 Village of Libertyville Bonds that were originally issued to finance the acquisition and renovation of Liberty Towers Apartments, a 7-story, 121-unit, multifamily rental property with approximately 92,880 SF (and a net rentable area of approximately 65,100 SF), located on an approximately 1.65 acre site at 130 East Cook Street, Libertyville (Lake County), IL 60048-2036. Additionally, bond proceeds will be used to (ii) pay taxable bond costs of issuance and (iii) purchase an interest rate cap. Finally, reserves released from the Series 1999 Bonds will used to (iv) capitalize various reserves, (v) pay costs of credit enhancement, (vi) pay certain costs of bond issuance, and (vii) purchase an interest rate lock on the contemplated 2009 reissuance of the IFA Series 2007A Bonds..

The Series 2007A Bonds will initially bear interest in Taxable Mode and will be issued with features that will enable the Series 2007A Bonds to be subject to mandatory tender within 90 days of the next call date (i.e., 11/1/2009) on the existing Series 1999 Bonds. At that time, it is contemplated that the IFA Series 2007A Bonds would be subject to a prospective reissuance as Tax-Exempt Current Refunding Bonds.

The IFA Series 2007B Bonds will remain in taxable mode until scheduled maturity in 2011 (and will finance taxable bond costs of issuance and an interest rate cap for the 2009 reissuance).

ECONOMIC DISCLOSURE STATEMENT

Applicant: Liberty Towers Associates II, L.P., an Illinois limited partnership, c/o Mr. Dennis R. Egidi, General Partner, c/o DRE, Inc., 800 S. Milwaukee Avenue, Suite 170, Libertyville (Lake County), IL 60048; Ph.: 847-816-6400; Fax: 847-816-6783; e-mail: DRE6400@aol.com

Alternate Contact: Pat Zinovik, Corporate Field Supervisor, Promex Midwest Corporation: Ph.: 847-816-6400; Fax: 847-816-6783; e-mail: PLZinovik@aol.com

Project name: Liberty Towers Apartments

Location: 130 East Cook Avenue, Libertyville (Lake County), IL 60048-2036

Organization: Limited Partnership

State: Illinois

Ownership of Applicant: Liberty Towers Associates II, L.P., an Illinois limited partnership:

- **General Partners (0.1%):**
  - *Operating General Partners:*
    - DRE, Inc.,: Mr. Dennis R. Egidi, President, 800 S. Milwaukee Avenue, Suite 170, Libertyville (Lake County), IL 60048: 0.45%
      - Mr. Egidi also has a 60% ownership interest in Promex Midwest, the Managing Agent for Liberty Towers
    - Synergic, Inc., an Illinois corporation: Barry L. Weinstein, President, c/o Horowitz & Weinstein, 311 W. Superior St., Chicago (Cook County), IL 60610: 0.45%
  - *Administrative General Partner:*
    - National Corporate Tax Credit, Inc. IX, a California corporation (Tax Credit Investor), 9090 Wilshire Blvd., Suite 201, Beverly Hills, CA 90211
- **Limited Partner (99.9% - Tax Credit Investor):** National Corporate Tax Credit Fund IX, a California limited partnership, 9090 Wilshire Blvd., Suite 201, Beverly Hills, CA 90211

Owner: Liberty Towers Associates II, L.P.

PROFESSIONAL & FINANCIAL

Counsel:	Krasnow Saunders Cornblath	Chicago, IL	Henry Krasnow
Accountant:	Rockoff Harlan Rasof, Ltd.	Skokie, IL	Michael Harlan
Bond Counsel:	Greenberg Traurig, LLP	Chicago, IL	Matt Lewin
Underwriter:	Mesirow Financial Inc.	Chicago, IL	Bill Carney
Underwriter's Counsel:	Newbanks Law Firm LLC	Cincinnati, OH	Ron Newbanks
Credit Enhancement:	Harris Bank	Chicago, IL	Steve Quasny
LOC Bank Counsel:	Charity & Associates	Chicago, IL	Elvin Charity
Trustee:	Bank of New York	Chicago, IL	
Management Agent:	Promex Midwest Corporation	Libertyville, IL	Gale Loding
Appraiser:	Appraisal Research Counselors	Chicago, IL	Ron De Vries
Issuer's Counsel:	Burke Burns & Pinelli, Ltd.	Chicago, IL	Steve Welcome

LEGISLATIVE DISTRICTS

Congressional:	10	~~Mark Steven Kirk~~
State Senate:	26	~~William E. Peterson~~
State House:	51	Ed Sullivan, Jr.

CONFIDENTIAL INFORMATION

Est. Closing Fee: $9,300 Borrower's Tax ID: 36-4259699

Estimated Savings from Taxable IFA Series 2007 Bond Issue: The Village of Libertyville Series 1999 Bonds currently bear an effective tax-exempt interest rate of 7.0%. The proposed IFA Series 2007A-BTaxable Refunding Bonds will bear an effective estimated interest rate of approximately 6.5%. As presently contemplated by the Borrower, approximately $5.05 million of the IFA Series 2007 Taxable Bonds would be reissued as Tax-Exempt Bonds within 90 days of the 11/1/2009 call date and would current refund the existing Village of Libertyville Series 1999 Bonds at that time. This refinancing, although cash flow neutral, will free up reserves that will enable the Borrower to purchase an interest rate cap for the contemplated 2009 reissuance.

Financials: Historical Net Operating Income Statements for FYE 8/31/2004-8/31/2007 (based on audited results)
Projected Net Operating Income Statements for FYE 8/31/2007-8/31/2009 (prepared by Promex Midwest Corporation, the Management Agent for Liberty Towers)

($ in Thousands)	8/31/04	8/31/05	8/31/06	8/31/07	8/31/08	8/31/09
Income:						
Gross Rental Income	$1,140	$1,175	$1,163	$1,172	$1,195	$1,219
Vacancy/Coll. Loss	(9)	(2)	(6)	(6)	(6)	(6)
Other Income (Net):	6	20	47	14	14	14
Project Income:	1,137	1,193	1,204	1,180	1,203	1,227
Operating Expenses:						
Payroll & Insurance	82	105	111	95	98	100
General Administrative	77	102	91	71	73	75
Operating & Maintenance	110	118	158	98	101	103
Utilities	60	54	54	55	56	58
R/E Taxes	153	147	139	142	145	149
Insurance	44	40	42	43	44	45
Mgmt. Fees	56	58	57	58	59	61
Replacement Reserve	--	--	--	--	--	--
Other Exp.	83	92	91	88	90	93
Total Oper. Expenses & Repl. Reserve:	665	716	743	650	666	684
Net Operating Income Before Debt Service:	472	477	461	530	537	543
Maximum 2007 Bond Debt Svc. Payments	350	350	350	350	350	350
2007 Pro Forma Bond Debt Svc. Coverage (x)	**1.35**	**1.36**	**1.32**	**1.51**	**1.53**	**1.55**

Discussion: The forecasted financial results were prepared by IFA Staff based on assumptions prepared by Promex Midwest Corporation, Management Agent for the Liberty Towers project.

Key forecast assumptions include the following:

- Estimated Effective Interest Rate: 6.50% fixed
- Amortization: level debt service payments over 30 years
- 0.5% vacancy and collection loss rate (2007-2009). This vacancy rate primarily represents vacancies attributable to clean-up/renovation following lease expirations. Because of the effective below-market rental rates, full occupancy is essentially assured.
- Projected rent escalation of approximately 2.0% in 2008 through 2009
- Projected operating expense escalation of approximately 2.5% in 2008 and 2009

Based on the assumed maximum debt service payments on the proposed Series 2007 Bonds, Liberty Towers generated sufficient historical Net Operating Income over the past three years to cover Maximum Annual Debt Service payments on the IFA Series 2007 Bonds by multiples of 1.32 times or better over the last 3 years (i.e., *pro forma basis*).

Based on the Net Operating Income Statements forecasts for 2007-2009 prepared by Promex Midwest (Management Agent for Liberty Towers), the Project will generate sufficient Net Operating Income to cover the proposed IFA Series 2007 Debt Service Payments by multiples of 1.53 times or better beginning in 2008.

Market Facts: The Developer has designated 99% of the 121 units as low income (i.e., affordable) according to the unit allocation reported below.

# Units	Unit Type	Approximate Ave. SF	Estimated Effective Monthly Rents (includes utilities) to Tenants
114	LI 1 BR	525	$854
6	LI 2 BR	750	$955
1	2 BR Market	750	
121	**Total Units**		**$96,678**

Promex Midwest, the Management Agent, has reported that the property has a current waiting list of approximately 6 months as of January 2007, as typical with properties that have Section 8 HAP Contracts.

Although the unit mix is heavily weighted towards one-bedroom units in comparison with the apartment market in general, they are within market norms for comparable senior buildings. According to the property appraisal, the unit and common amenities are also within market norms for comparable senior buildings in the Lake County market.

Subsidies: As noted previously, this project was financed with (1) $5.45 million of Tax-Exempt Multifamily Housing Bonds issued by the Village of Libertyville in 1999, and (2) syndication proceeds generated by the sale of 4% Low Income Housing Tax Credits that generated upfront equity for the project.

100% of the 120 units designated for rental are designated as low income and the property has a Section 8 contract with 2 years remaining (i.e., the contract is through 10/13/2009). The contract is subject to extension by HUD.

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **National Opinion Research Center (Cultural Pool Program Loan Program)**

STATISTICS

Project Number:	N-NP-TE-CD-7034	Amount:	$1,200,000 (not-to-exceed amount)
Type:	Cultural Pool Loan Program	IFA Staff:	Rich Frampton
Location:	Chicago		

BOARD ACTION

Final Cultural Pool Loan Resolution
Conduit 501(c)(3) Cultural Pool Loan
Staff recommends approval

No IFA funds at risk
No extraordinary conditions

PURPOSE

To finance, refinance, and/or reimburse the National Opinion Research Center for all or a portion of the costs of new equipment, computer equipment, video conferencing facilities and office furnishings to refurbish NORC's survey research facility located both at the University of Chicago and at two satellite facilities located in the Chicago Loop. The proposed upgrades will retain jobs at these facilities.

IFA CONTRIBUTION

Federal Tax-Exempt interest on recycled Cultural Loan Pool bond proceeds.

VOTING RECORD

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

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Cultural Pool Loan	$1,200,000	Uses:	Project Cost	$1,200,000
	Equity/Line of Credit	15,000		Costs of Issuance	15,000
	Total	$1,215,000		Total	$1,215,000

JOBS

Current employment:	400 FT; 800 PT	Projected new jobs:	None
Jobs retained:	Upgrades will retain existing jobs.	Construction jobs:	None

BUSINESS SUMMARY

Background: The National Opinion Research Center ("NORC" or the "Borrower") is a 501(c)(3) organization established in 1941 and incorporated under Colorado law. NORC received its original 501(c)(3) Letter of Determination from the IRS in 1943. NORC is governed by a 15-member Board of Trustees (see pp. 5-6).

Description: Since its 1941 inception, The National Opinion Research Center has served a unique role among survey research organizations. NORC's mission has been to pursue objective social science and business research that serves the public interest. NORC's early survey work provided the first rigorous empirical standard for analyzing opinion on public policy matters through the application of advanced statistical and analytical techniques. Throughout its history, NORC has been a recognized innovator in improving the speed and accuracy of survey results through the application of computer and information technology.

NORC has pioneered studies in health, education, labor, mental health, housing, alcohol and drug abuse, and other areas of public policy interest. These studies have included program evaluation, social experiments, needs assessments, and epidemiological case control studies. Additionally, NORC has monitored the attitudes and behavior of the U.S. population. NORC serves an array of clients including government agencies, educational institutions, foundations, and private corporations. Examples include: AC Nielsen, the American Medical Association, Columbia University, Harvard University, the Illinois Departments of Employment Security and Human Services, the National Bureau of Economic Research, and the National Science Foundation.

NORC is organized to provide research in five major specialty areas: (1) Economics, Labor, and Population, (2) Education and Child Development, (3) Health Survey, Program, and Policy Research, (4) Information Technology, (5) Statistics and Methodology, and (6) Substance Abuse, Mental Health, and Criminal Justice.

NORC policy studies have included such topics as:

- What school children have learned by the time they finish 8th grade
- How Americans pay for health care
- The advantages and disadvantages for young children with working mothers
- Whether drug treatment programs work
- How Americans cope with the problems of aging

NORC has been affiliated with the University of Chicago for over 50 years and both institutions have benefited from collaborative research design including direct collaboration with: (1) the University's School of Social Service Administration, (2) the Joint Center for Policy Research, the University of Chicago Hospitals, (3) the Irving B. Harris Graduate School of Public Policy Studies, and (4) the School of Medicine.

NORC conduct its surveys and research studies throughout the United States and operates facilities located in (1) the Chicago Loop at 55 E. Monroe Street and 1 North State Street, (2) 1155 E. 60th Street, Chicago, on the University of Chicago campus, and (3) Washington, DC. NORC currently maintains approximately 165 client relationships.

The proposed project would represent IFA's (IDFA's) second financing for NORC. IFA (IDFA) provided $325,000 of conduit tax-exempt financing on behalf of NORC in December 1999. NORC paid off this financing in three years, as scheduled, in December 2002.

FINANCING SUMMARY

Structure/ Bondholder Security:	The Bonds that fund this 501(c)(3) Cultural Pool Loan will be secured by a Direct Pay Letter of Credit from Chase Bank (JPMorgan Chase).
Collateral to LOC Bank:	Chase Bank will continue to be secured by a blanket first security interest in all of NORC's assets, accounts receivable, and a pledge of contract revenues. This proposed Letter of Credit obligation will also be cross collateralized with NORC's other working capital and term loans from Chase Bank.
Term/ Interest Rate:	The interest rate will reflect market 7-day Variable Rate Demand Bond interest rates borne in the market. The most current average weekly interest rate was 3.70% as of 1/24/2007.
Maturity:	10 years.

PROJECT SUMMARY

Proceeds of the Cultural Pool Loan will be used by the National Opinion Research Center ("NORC") to finance, refinance, and/or reimburse NORC for all or a portion of the costs of upgrades in furniture and equipment, including, but not limited to, the acquisition of office furniture, fixtures, and computer equipment (including, but not limited to, certain video conferencing hardware and software) for use at all three of NORC's facilities in Chicago, including (i) NORC's headquarters on the University of Chicago Campus, 1155 E. 60th Street, Chicago (Cook County), IL 60637-2745, and NORC's downtown Chicago facilities located at (2) 55 E. Monroe St., Suite 3000, Chicago (Cook County), IL 60603-5713; and (3) 1 North State Street, Suite 1600, Chicago (Cook County), IL 60602-3340. Proceeds of the Cultural Pool Loan will also be used to pay fiscal, legal, engineering, construction, and other incidental costs and charges, and cultural pool loan origination expenses, including, but not limited to legal, banking, accounting, and trustee fees and expenses, and the application and origination fees of the Authority. Collectively, these capital improvements and related costs will comprise the "Project".

The proposed Project cost is estimated at $1,200,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant	National Opinion Research Center, 55 E. Monroe Street, Suite 1840, Chicago, IL 60603-5713
Web site:	www.norc.org
Contact:	Jim Dunne, Executive VP and Chief Administrative Officer, (T) 312-759-4022; e-mail: dunne-jim@norc.org
Project name:	National Opinion Research Center 2007 Cultural Pool Loan
Locations:	(1) 1155 W. 60th Street, Chicago, IL 60637-2745; (2) 55 E. Monroe Street, Suite 3000, Chicago, IL 60603-5713; and, (3) 1 N. State Street, Suite 1600, Chicago, IL 60602-3340
Organization:	Colorado 501(c)(3) corporation
Board Membership:	See Board of Trustees on pp. 5-6.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Stevens Law Office	Chicago, IL	Tom Stevens
Accountant:	Grant Thornton, LLP	Chicago, IL	
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke
Direct Pay LOC:	Chase Bank	Chicago, IL	Elizabeth May
LOC Counsel:	Grossman Law Office	Chicago, IL	Joan Grossman
Architect:	Not applicable		
General Contractor:	Not applicable		
IFA Counsel:	Cahill Law Office	Chicago, IL	Kevin Cahill

LEGISLATIVE DISTRICTS

	1155 E. 60th Street	55 E. Monroe Street	1 N. State Street
Congressional:	1 ~~Bobby L. Rush~~	7 ~~Danny K. Davis~~	7 ~~Danny K. Davis~~
State Senate:	13 ~~Kwame Raoul~~	13 ~~Kwame Raoul~~	3 ~~Mattie Hunter~~
State House:	25 ~~Barbara Flynn Currie~~	26 ~~Elga L. Jeffries~~	5 ~~Kenneth Dunkin~~

National Opinion Research Center Board of Trustees

CONFIDENTIAL INFORMATION

Est. fee: $6,000 (assumes $1.2 million Cultural Pool Loan) Borrower's Tax ID: 36-2167808

FINANCIALS

Financials: Audited Financial Statements: 2003-2005. Internally-prepared, unaudited, Statement of Activities (Income Statement) for the eleven month period ended 11/30/2006.

	Year Ended December 31			Interim – 11 months
	2003	2004	2005	11/30/2006
	($ in Thousands)			
Statement of Activities/Changes in Net Assets:				
Revenues	$65,267	$97,339	$97,375	$85,257
Change in Net Assets	1,935	4,208	2,889	2,998
* EBIDA	3,776	6,345	5,722	5,267
Balance sheet:				
Current assets	$17,953	$22,560	$23,165	
Net PP&E	3,485	6,832	6,302	
Other Assets	728	832	745	
Total Assets	22,166	30,224	30,212	
Current liabilities	14,260	17,079	15,215	
LT Debt	1,687	2,748	1,739	
Other LT Liabilities	237	207	179	
Net Assets	5,982	10,190	13,079	
Total Liabs & Net Assets	22,166	30,224	30,212	
Ratios:				
Debt Service/Fixed Obligation Coverage	5.09x	8.22x	4.84x	5.12x
2005 Pro Forma Coverage based On 2007 Bonds:			*4.39x*	*4.58x*
Current ratio	1.26	1.32	1.52	
LT Debt/Net Assets	0.52	0.36	0.21	

* Earnings Before Interest, Depreciation and Amortization

Discussion: Over the last three years, agencies of the federal government provided approximately 71% of NORC's revenues. In 2005, the five largest sources of federal agency revenues as a percentage of total revenues were: (1) the Centers for Disease Control (22.4%), (2) Department and Health and Human Services (7.7%) (3) the Bureau of Labor Statistics (7.1%), (4) Agency for Toxic Substances (6.9%) and (5) National Science Foundation (6.5%).

NORC's 2004 revenues increased by approximately 49% in 2004, reflecting approximate $15 million increases in both (1) federal government revenues and (2) offshore government revenues.

NORC did not increase hiring necessary to engage workers for these contracts until 2005. In 2005, Salaries and General/Administrative Expenses as a percentage of Revenues returned to levels consistent with 2003.

NORC appears to have managed its recent revenue growth effectively since Net Income has increase proportionally to the increase in Revenues over the last three years. Additionally, NORC has posted strong operating cash flow (as indicated by EBIDA), which has been sufficient to cover NORC's fixed charges by strong multiples of 4.84 times or better over the last 3 years.

In 2005, NORC generated sufficient cash flow (as indicated by EBIDA) to cover both NORC's existing obligations at 12/31/2005 and the proposed IFA Cultural Pool Loan on a *pro forma* basis by a multiple of 4.39 times, indicating strong debt coverage capacity for the proposed 2007 Cultural Pool Loan.

For the eleven months ended 11/30/2006, NORC posted $85.3 million of revenues (approximately $7.2 million over budget) and recorded net income of approximately $2.99 million. Both NORC's net income and EBIDA were consistent with 2005's results. NORC's 11-month performance through 11/30/2006 generated sufficient cash flow (EBIDA), to cover its fixed obligations by a multiple of 5.12 times. After adding the proposed payments on the 2007 IFA Cultural Pool Loan, NORC generated sufficient cash flow to cover both its existing and the proposed Cultural Pool Loan debt service payments by a multiple of 4.58 times, also consistent with 2005 results.

Because NORC leases its real estate facilities, its primary fixed assets consist of furniture, leasehold improvements, and computer equipment and related software, all of which depreciate rapidly. Accordingly, EBIDA (an indicator of operating cash flow) is high relative to net income.

Over 90% of NORC's current assets represent contract receivables. Given NORC's reliance on federal government contracts (which comprised approximately 71% of 2003-2005 revenues), NORC's has a $5 million Line of Credit with Chase Bank available to provide additional liquidity, if needed. Based on NORC's strong operating cash flows, NORC has had no draws outstanding against this line over the past three years, which indicates effective cash management.

Overall, the relatively small size of this Cultural Pool Loan financing and strong debt coverage provides Chase Bank with low credit exposure and risk on its Direct Pay Letter of Credit supporting this financing.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **Central Macoupin County Rural Water District**

STATISTICS

Number:	L-GP-7018	Amount:	$220,000 (not to exceed)
Type:	Local Government Pooled Bond Program		
IFA Staff:	Eric Watson	Location:	Medora, Illinois

BOARD ACTION

Preliminary Resolution
Local Government Pooled Bond Program
Staff recommends approval

No extraordinary conditions
No IFA funds at risk

PURPOSE

Provide financing to complete the third phase of the District's water distribution system expansion project.

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$220,000	Uses:	Water System Updates	$210,000
				Cost of Issue	$10,000
	Total	$220,,000		Total	$220,000

JOBS

Current employment: 0
Jobs retained: 0

Projected new jobs: 0
Construction jobs: 0

BUSINESS SUMMARY

Background: Central Macoupin County Water District, located in Jersey County.

Project: The Central Macoupin County Rural Water District proposes to utilize financing for the third phase of its water distribution system expansion project. Specifically, funds will be used towards the installation of approximately 14.5 miles of 3-inch and 6-inch PVC water main and related appurtenance to serve and additional 38 users. No additional land sites will be required for the expansion.

FINANCING SUMMARY

The Bonds: The Bonds will be Revenue Bonds, with the District's net revenues from its Water System pledged as the primary revenue source. As part of their bond ordinance, the District must document that the System's net revenues are sufficient to provide 1.25 times debt service coverage on the bonds. If coverage is not met, the District will take necessary steps (i.e. by raising rates or cutting operating expenditures) to ensure coverage.

Structure: Principal is expected to be due on February 1, beginning in 2008 with a final maturity in 2027. Interest will be fixed rate and payable each August 1 and February 1, beginning February 1, 2008. The bonds have a ten-year call date.

Maturity: 20 years

PROJECT SUMMARY

The Central Macoupin County Rural Water District will use the proceeds of the bonds to (i) expand is current water system to 38 additional users and for certain costs associated with the issuance of the Local Government Securities and the Bonds.

Total costs are estimated at $220,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: Central Macoupin County Rural Water District
Project names: Central Macoupin County Rural Water District
Location: 1004 State Highway 16, Jerseyville, 62052
Organization: Illinois Rural Water District
Supervisor:

PROFESSIONAL & FINANCIAL

Underwriter:	AG Edwards	St Louis, MO	Anne Noble
Issuers Counsel:	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
IFA Counsel:	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
Trustee:	US Bank	St. Louis, MO	Brian Kabbes

LEGISLATIVE DISTRICTS

Congressional: 19th – ~~John M. Shimkus~~
State Senate: 49th - ~~Deanna Demuzio~~
State House: 97th – ~~Jim Watson~~

CONFIDENTIAL INFORMATION

Est. fee: $ 550

FINANCIAL SUMMARY

Central Macoupin County Rural Water District Water System Fund
Fiscal Year Ending December 31 200Y

Statement of Revenues and Expenses

	2003	2004	2005	2006	2007
Service Charges	277,840	348,109	381,292	427,047	491,104
Miscellaneous	25,943	1,473	1,077	1,100	1,100
Total Revenues	303,783	349,582	382,369	428,147	492,204
Current Operating	159,745	188,109	218,506	253,467	294,022
Depreciation & Amortization	57,563	64,428	120,890	125,000	135,000
Total Expenses	217,308	252,537	339,396	378,467	429,022
Operating Income	86,475	97,045	42,973	49,680	63,182
Grant Proceeds	720,687	123,659	-	-	-
Interest Expense	(112,254)	(116,012)	(113,744)	(114,000)	(118,000)
Interest Income	634	659	1,717	1,500	1,500
Net Interest	(111,620)	(115,353)	(112,027)	(112,500)	(116,500)
Net Income	695,542	105,351	(69,054)	(62,820)	(53,318)
Beg Net Assets	57,564	32,419	14,111	2,042,325	1,979,505
Contributed Capital	(720,687)	(123,659)	2,097,268		
End Net Assets	32,419	14,111	2,042,325	1,979,505	1,926,188

	2003	2004	2005	2006	2007
Income Available for Debt Service	144,672	162,132	165,580	176,180	199,682
Current Debt Service	132,000	146,000	144,000	145,000	145,000
New Max Annual Debt Service	-	-	-		16,000
Total Debt Service	132,000	146,000	144,000	145,000	161,000
Debt Service Coverage	1.10	1.11	1.15	1.22	1.24

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

CONFIDENTIAL

Balance Sheet

	2003	2004	2005	2006	2007
Assets					
Total Current Assets	95,724	101,218	122,410	125,000	130,000
Property, Plant and Equipment	4,427,354	4,452,836	4,336,546	4,293,181	4,357,898
Total Assets	4,523,078	4,554,054	4,458,956	4,418,181	4,487,898
Liabilities					
Total Current Liabilites	40,588	42,675	41,631	50,549	54,522
Long-term Debt	2,420,000	2,400,000	2,375,000	2,345,000	2,520,000
Total Liabilities	2,460,588	2,442,675	2,416,631	2,395,549	2,574,522
Contributed Capital	2,030,071	2,097,268			
Unrestricted	32,419	14,111	2,042,325	1,979,505	1,926,188
Total Equity	2,062,490	2,111,379	2,042,325	1,979,505	1,926,188
Total Liabilities and Equity	4,523,078	4,554,054	4,458,956	4,375,055	4,500,709

Discussion:
The District's net assets decreased between 2004 and 2005 by $69,054. In comparison, net assets increased by $48,889 a year earlier. Unrestricted net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, decreased from $2,11,379 at December 31, 2004 to $2,042,325 in 2005. The District generally can only use these net assets to finance the continuing operations of the water system.

The District's revenues have increased by 9.4%, or $32, 787 between FY 2004 and 2005 and the cost of services increased by $30,417 or 12%. Even with this growth in expenses, the District covered FY 2005 year's costs. The factors driving theses results included:

- The operating revenues have increased due to increased usage demand in the geographic area of the system.
- Variable operating expenses, such as water purchases, billing fees, and operator fees have also increased
- Depreciation expense increased as a function of the increase in fixed assets used to serve the increased customer base.

At the end of 2005, the District had $4.84 million invested in capital assets, including property, plant and equipment. This amount represents an increase of $4,600.

At FY 2005 end, the District had $2,395,000 bonds outstanding versus $2,420,000 in FY 2004 (decreasing 1%).

It is projected if current trends continue, the District will be able to meet debt service coverage with the additional IFA financed debt. Should the District be unable to meet 1.25X mandated coverage, they will have to raise current water rates.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **Village of Cooksville**

STATISTICS

Number:	L-GP-7026	Amount:	$280,000 (not to exceed)
Type:	Local Government Pooled Bond Program		
IFA Staff:	Eric Watson	Location:	Cooksville, Illinois

BOARD ACTION

Preliminary Resolution
Local Government Pooled Bond Program
Staff recommends approval

No extraordinary conditions
No IFA funds at risk

PURPOSE

Provide matching fund financing to replace the Village of Cooksville's water treatment plant and to make improvements to its water system.

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$280,000	Uses:	Water System Updates	$595,000
	CDAP Grant	330,000		Cost of Issue	$15,000
	Total	$610,,000		Total	$610,000

JOBS

Current employment: 0
Jobs retained: 0

Projected new jobs: 0
Construction jobs: 0

BUSINESS SUMMARY

Background: The Village of Cooksville, located in McLean County, covers approximately .2 square miles. The Village has a population of 213 and is approximately 55 miles southeast of Peoria. Cooksville serves as a bedroom community for the cities of Bloomington and Normal.

Project: The Village of Cooksville wishes to obtain "matching funds" from the IFA (via the Pooled Bond Program) that will compliment their application for the Community Development Assistance Program (CDAP). The combined IFA financing and the Grant funds will enable the Village to replace its water treatment plant. In addition, pooled bond proceeds will be utilized to make improvements to Cooksville's water system that are not CDAP or compliance related.

The Village will construct a new water treatment plant and construct a water main to loop the system on a Village street. The new plant is needed because the existing one does not remove arsenic which now exceeds maximum contaminant levels (MCL) and because the by-product of its chlorination process is the production of trihalomethanes (THMs) and holoacetic acids (HAAs) that are put into the distribution system. The Village must correct the system's deficiencies per the IEPA as they pose a health threat. The plant will be on property the Village already owns. The looping is necessary to improve water quality for those residents on the specified Village street. The entire Village will benefit from the project as they will be able to drink safe water (essentially) for the first time.

FINANCING SUMMARY

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

Collateral: The bonds are general obligations of the Village and are payable from (i) net revenues of the Water System and (ii) ad valorem property taxes levied against all of the taxable property in the Village without limitation as to rate or amount. The bonds will also be secured by the Village's interceptable State revenues.

Structure: Principal is expected to be due on February 1, beginning in 2008 with a final maturity in 2037. Interest will be fixed rate and payable each August 1 and February 1, beginning February 1, 2008. The bonds have a ten-year call date.

Maturity: 30 years

PROJECT SUMMARY

The Village of Cooksville will use the proceeds of the bonds to (i) replace its water treatment plant, make improvements to its water system, and for certain costs associated with the issuance of the Local Government Securities and the Bonds.

Total costs are estimated at $280,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Village of Cooksville
Project names: The Village of Cooksville
Location: P.O. Box 118 Cooksville, IL 61730
Organization: Illinois Municipality
Village President: Roger Clark

PROFESSIONAL & FINANCIAL

Underwriter:	AG Edwards	St Louis, MO	Anne Noble
Issuers Counsel:	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
IFA Counsel:	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
Trustee:	US Bank	St. Louis, MO	Brian Kabbes

LEGISLATIVE DISTRICTS

Congressional:	15th – ~~Timothy V. Johnson~~
State Senate:	53rd – ~~Dan Rutherford~~
State House:	106th – ~~Keith P. Sommer~~

CONFIDENTIAL INFORMATION

Est. fee: $ 700

FINANCIAL SUMMARY

Village of Cooksville Water System Fund
FY Ending April 30, 200Y

Statement of Revenues and Expenses

					w/o rate inc.	w/ rate inc.
	2004	**2005**	**2006**	**2007**	**2008**	**2008**
Service Charges	13,635	17,698	15,905	17,496	19,245	60,000
CDAP Grant					329,000	329,000
Miscellaneous	2,000	2,144	2,000	2,200	2,200	2,200
Total Revenues	15,635	19,842	17,905	19,696	350,445	391,200
Current Operating	17,733	24,860	37,519	38,645	39,804	39,804
Expensed One-time Updates					178,000	178,000
Depreciation & Amortization				-	10,000	10,000
Total Expenses	17,733	24,860	37,519	38,645	227,804	227,804
Operating Income	(2,098)	(5,018)	(19,614)	(18,949)	122,641	163,396
Net Transfers	(1,155)	(9,513)	4,895	-	-	-
Interest Expense					(10,000)	(10,000)
Interest Income	1,891	1,518	952	1,500	1,500	1,500
Net Interest	1,891	1,518	952	1,500	(8,500)	(8,500)
Net Income	(1,362)	(13,013)	(13,767)	(17,449)	114,141	154,896
Beg Net Assets	30,021	28,659	66,545	52,778	35,329	35,329
Prior Period Adjustment		50,899				-
End Net Assets	28,659	66,545	52,778	35,329	149,470	190,225

					w/o rate inc.	w/ rate inc.
	2004	**2005**	**2006**	**2007**	**2008**	**2008**
Income Available for Debt Service	(207)	(3,500)	(18,662)	(17,449)	(16,859)	23,896
Current Debt Service						-
New Max Annual Debt Service	-	-	-		19,000	19,000
Total Debt Service	-	-	-	-	19,000	19,000
Debt Service Coverage					(0.89)	1.26

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

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Balance Sheet	2004	2005	2006	2007	w/o rate inc. 2008	w/ rate inc. 2008
Assets						
Cash and Investments	69,603	66,590	5,806	4,500	9,475	50,230
Accounts Receivable			1,133			
Due from other Funds						
Inventory						
Total Current Assets	69,603	66,590	6,939	4,500	9,475	50,230
Property, Plant and Equipment			45,844	40,000	420,000	420,000
Total Assets	69,603	66,590	52,783	44,500	429,475	470,230
Liabilities						
Accounts Payable	45	45	5	5	5	5
Current Portion LTD		-	-			
Total Current Liabilities	45	45	5	5	5	5
Long-term Debt					280,000	280,000
Total Liabilities	45	45	5	5	280,005	280,005
Contributed Capital		10,000	10,000			
Unrestricted	28,659	14,720	6,934	35,329	149,470	190,225
Restricted	40,899	41,825	35,844			
Total Equity	69,558	66,545	52,778	35,329	149,470	190,225
Total Liabilities and Equity	69,603	66,590	52,783	35,334	429,475	470,230

Other Financial Information

Interceptable State Payments - Government Funds	2004	2005	2006
Sales Taxes (General Fund)	12,743	13,034	13,593
State Income Taxes	13,869	14,056	16,175
Personal Property Replacement Taxes	2,490	2,813	3,647
State Motor Fuel Tax	6,525	6,178	6,159
	11,164		
Total	46,791	36,081	39,574

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

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Discussion:

Note: It is important to note that local governments financing with the IFA are required to stipulate in their certifying ordinances that they will maintain 1.25X maximum debt service coverage.

The Village of Cooksville plans to fund almost half of the proposed project with CDAP revenues. However, a commitment of matching revenues is necessary in order to acquire CDAP funding. Therefore, the Village has requested IFA financing for the remainder of the needed project.

Income Statement: The Village experienced a significant increase and then a decrease in overall service charges, with an average increase of 9.8% between FY 2004 and 2006. It is anticipated that if rates do not increase, the Village will experience rather stagnant service charge growth within the next two years. Also contributing significantly to overall revenue growth is the anticipation of a one-time influx of CDAP grant dollars that will be spent on some one-time expenses as well as on property, plant, and equipment.

A major contributor to the lack of income available to service potential new debt service is the significant growth in operating expenses. Between FY 2004 and 2005 expenses grew by over 40% and between FY 2005 and 2006 they increase a whopping 50.9%. Without a rate increase to accompany this dramatic increase in expenses, the Village has seen a constant and significant decline in income from operations.

It is imperative that the Village increase water rates in order to maintain the water system fund's viability and also to meet future debt service obligations.

Balance Sheet: Cooksville maintains a healthy balance cash and investments. A significant decrease is noted between FY 2005 and FY 2006, with an accompanying increase in the property, plant, and equipment line. This indicates a conservative approach by the Village to purchase needed assets with cash, when the need arises. The Village currently carries no significant reportable debt on its balance sheet; however, long-term debt is anticipated to increase in FY 2008, in the anticipation of IFA related financing.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **Village of Kingston Mines**

STATISTICS

Number:	L-GP-7027	Amount:	$200,000 (not to exceed)
Type:	Local Government Pooled Program		
IFA Staff:	Eric Watson	Location:	Kingston Mines, Illinois

BOARD ACTION

Preliminary Resolution
Local Government Pooled Bond Program
Staff recommends approval

No extraordinary conditions
No IFA funds at risk

PURPOSE

Provide financing for the Village of Kingston Mines water system updates.

IFA CONTRIBUTION

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

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$200,000	Uses:	Water System Updates	$195,000
				Costs of Issue	5,000
	Total	$200,000		Total	$200,000

JOBS

Current employment: 0
Jobs retained: 0

Projected new jobs: 0
Construction jobs: 0

BUSINESS SUMMARY

Background: The Village of Kingston Mines, located in Peoria County, covers a geographical area of 1.4 square miles. The community is approximately 15 miles southwest of the City of Peoria and has a current population of 251.

Project: The Village of Kingston Mines wishes to establish financing to make needed upgrades to its water system. The current system's radiation levels exceed both Illinois and US EPA standards. Specifically, the Village proposes to construct 3,500 lineal feet of water main from the terminus of the Timber-Logan Water District to the Village's water treatment plant. The update will ensure that the Village's water system is compliant with both state and federal regulations.

FINANCING SUMMARY

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

Collateral: The bonds are general obligations of the Village and are payable from (i) net revenues of the Water System and (ii) ad valorem property taxes levied against all of the taxable property in the Village without limitation as to rate or amount. The bonds will also be secured by the Village's interceptable State revenues.

Structure: Principal is expected to be due on February 1, beginning in 2008 with a final maturity in 2027. Interest will be fixed rate and payable each August 1 and February 1, beginning February 1, 2008. The bonds are subject to redemption prior to maturity.

Maturity: 20 years

PROJECT SUMMARY

The Village of Kingston Mines will use the proceeds of the bonds to construct a new 3,500 lineal feet water main and certain costs associated with the issuance of the Local Government Securities and the Bonds.

Total costs are estimated at $200,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Village of Kingston Mines
Project names: The Village of Kingston Mines
Location: 209 Washington St., Kingston Mines, 61539
Organization: Illinois Municipality
Village President: Charlette Hancock

PROFESSIONAL & FINANCIAL

Underwriter:	AG Edwards	St Louis, MO	Anne Noble
Issuers Counsel:	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
IFA Counsel:	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
Trustee:	US Bank	St. Louis, MO	Brian Kabbes

LEGISLATIVE DISTRICTS

Congressional:	18th ~~- Ray Lahood~~
State Senate:	~~46th - Dave Koehler~~
State House:	91st ~~- Michael Smith~~

CONFIDENTIAL INFORMATION

Est. fee: $ 500 (IFA fee)

FINANCIAL SUMMARY

Village of Kingston Mines Water System Fund
FY Ending April 30, 200Y

Statement of Revenues and Expenses

	2004	2005	2006	2007	2008
Service Charges	45,358	46,634	49,030	53,576	56,000
Total Revenues	46,871	47,840	50,322	55,076	57,500
Current Operating	29,106	28,389	32,177	33,928	35,773
Depreciation & Amortization	-	5,397	5,397	5,400	5,400
Total Expenses	29,106	33,786	37,574	39,328	41,173
Operating Income	17,765	14,054	12,748	15,748	16,327
Interest Expense	(2,400)	(2,150)	(1,900)	(6,000)	(6,000)
Interest Income	151	124	106	120	120
Net Interest	(2,249)	(2,026)	(1,794)	(5,880)	(5,880)
Net Income	15,515	12,029	10,954	9,868	10,447
Beginning Retained Earnings	(8,526)	6,989	66,804	77,758	90,626
Prior Period Adjustment		47,786			
Ending Retained Earnings	6,989	66,804	77,758	90,626	101,073
Income Available for Debt Service	17,915	19,575	18,251	21,268	21,847
Maximum Projected Debt Service	-	-	-	17,000	17,000
Debt Service Coverage	N/A	N/A	N/A	1.25	1.29

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Balance Sheet

	2004	2005	2006	2007	2008
Assets					
Cash and Investments	55,528	68,396	79,538	95,232	97,613
Property, Plant and Equipment	-	42,390	36,993	122,554	120,060
Total Assets	55,528	110,786	116,531	217,786	217,673
Liabilities					
Current Liabilities	5,540	6,382	7,113	16,500	16,600
Long-term Debt	43,000	37,600	31,660	110,660	100,000
Total Liabilities	48,540	43,982	38,773	127,160	116,600
Total Equity	6,989	66,804	77,758	90,626	101,073
Total Liabilities and Equity	55,528	110,786	116,531	217,786	217,673

Other Financial Information

Interceptable State Revenues	2004	2005	2006
Sales Tax	3,101	3,616	3,877
Replacement Taxes	5,786	6,558	8,490
State Income Taxes	17,835	20,003	22,508
Total	26,721	30,178	34,875
Estimated Maximum Annual Debt Service	17,000	17,000	17,000
Intercept Revenue Coverage	1.57	1.78	2.05

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Discussion:

Income Statement: The Village of Kingston Mine's service charge revenues (from the water system proprietary fund) are consistently 97% of total system revenues. Service charge revenues grew at increasing rate between all fiscal years reviewed (2.81% and 5.1% for 2004-05 and 2005-06, respectively). It is projected that the service charge revenues will grow by at least 3% for the next two fiscal years.

Operating expense growth outpaced total revenue growth for the years reviewed and thus operating income declined for all years evaluated. It is anticipated that the growth in total expenses will slow, allowing the City to still maintain positive net income in the next two fiscal years.

There will be adequate income available for debt service, with calculations yielding an anticipated coverage of 1.25X in 2007 and 1.29X in 2008.

Balance Sheet: The water system's cash and investments make up the entirety of total current assets. The historical trend has been a healthy average growth rate of over 19%. The Village has only 37,000 of depreciable assets reported in 2006, with a projected growth anticipated in 2007 in anticipation of the IFA financed project.

The entity has a negligible amount of current liabilities, with the major portion being the current portion of long term debt. Long term debt has also been minimal, and decreasing as Kingston Mines continues to pay it off. It is projected that it will increase significantly, as soon as FY 2007 is about to end, in anticipation of the IFA financed debt.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **Village of Kane**

STATISTICS

Number:	L-GP-7041	Amount:	$470,000 (not to exceed)
Type:	Local Government Pooled Program		
IFA Staff:	Eric Watson	Location:	Kane, Illinois

BOARD ACTION

Preliminary Bond Resolution
Local Government Pooled Bond Program
Staff recommends approval

No extraordinary conditions
No IFA funds at risk

PURPOSE

Provide financing for the Village of Kane water system updates.

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$470,000	Uses:	Water System Updates	$450,000
				Costs of Issue	20,000
	Total	$470,000		Total	$470,000

JOBS

Current employment: 0
Jobs retained: 0

Projected new jobs: 0
Construction jobs: 0

BUSINESS SUMMARY

Background: The Village of Kane, located in Green County, covers a geographical area of .5 square miles. The community is approximately 57 miles north of St. Louis and has a population of 459 (as of the 2000 census).

Project: The Village of Kane wishes to establish financing to make needed upgrades to its water system. Kane proposes to demolish their existing 50,000 gallon elevated water storage tank and replace it with a new 100,000 gallon elevated tank. Also, the Village would like to install two new water wells and related appurtenances. The Land site for the elevated tank is already owned by the Village. The easements or purchase of land site(s) for the wells is pending final site selection.

FINANCING SUMMARY

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

Collateral: The bonds are general obligations of the Village and are payable from (i) net revenues of the Water System and (ii) ad valorem property taxes levied against all of the taxable property in the Village without limitation as to rate or amount. The bonds will also be secured by the Village's interceptable State revenues.

Structure: Principal is expected to be due on February 1, beginning in 2008 with a final maturity in 2027. Interest will be fixed rate and payable each August 1 and February 1, beginning February 1, 2008. The bonds are subject to redemption prior to maturity.

Maturity: 20 years

PROJECT SUMMARY

The Village of Kane will use the proceeds of the bonds to construct a 100,000 gallon elevated water storage tank, install two new water wells and pay certain costs associated with the issuance of the Local Government Securities and the Bonds.

Total costs are estimated at $470,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Village of Kane
Project names: The Village of Kane
Location: P.O. Box 167, Kane, 62054
Organization: Illinois Municipality
Village President: Max DeWitt

PROFESSIONAL & FINANCIAL

Underwriter:	AG Edwards	St Louis, MO	Anne Noble
Issuers Counsel:	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
IFA Counsel:	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
Trustee:	US Bank	St. Louis, MO	Brian Kabbes

LEGISLATIVE DISTRICTS

Congressional:	19th – ~~John. M. Shimkus~~
State Senate:	~~49th – Deanna Demuzio~~
State House:	97st- ~~Jim Watson~~

CONFIDENTIAL INFORMATION

Est. fee: $ 1,175 (IFA fee)

FINANCIAL SUMMARY

Village of Kane Water & Sewer Systems Fund
FY Ending April 30, 200Y

Statement of Revenues and Expenses	2004	2005	2006	2007	w/o rate inc 2008	w/rate inc 2008
Service Charges	55,162	55,884	56,960	58,071	59,203	91,000
Current Operating	47,062	55,249	50,356	51,867	53,423	53,423
Depreciation & Amortization	-	8,749	8,749	8,749	13,000	13,000
Total Expenses	47,062	63,998	59,105	60,616	66,423	66,423
Operating Income	8,100	(8,114)	(2,145)	(2,545)	(7,220)	24,577
Transfer In/Out	3,800	2,426	(1,100)	-	-	-
Net Interest	(409)	(42)	-	-	(10,000)	(10,000)
Net Income	11,491	(5,730)	(3,245)	(2,545)	(17,220)	14,577
Beginning Retained Earnings	(1,189)	10,302	326,759	323,514	320,969	320,969
Prior Period Adjustment		322,187				
Ending Retained Earnings	10,302	326,759	323,514	320,969	303,749	335,546
Income Available for Debt Service	8,100	635	6,604	6,204	5,780	37,577
Maximum Projected Debt Service	-	-	-	30,000	30,000	30,000
Debt Service Coverage	N/A	N/A	N/A	0.21	0.19	1.25

CONFIDENTIAL

Balance Sheet	2004	2005	2006	2007	w/o rate inc 2008	w/rate inc 2008
Assets						
Cash and Investments	10,120	11,855	17,359	22,877	30,000	61,797
Property, Plant and Equipment	174,957	314,904	306,155	300,032	743,749	743,749
Total Assets	185,077	326,759	323,514	322,909	773,749	805,546
Current Liabilities	1,284	-	-	-	-	
Long-term Debt				-	470,000	470,000
Total Liabilities	1,284	-	-	-	470,000	470,000
Total Equity	183,793	326,759	323,514	320,969	303,749	335,546
Total Liabilities and Equity	185,077	326,759	323,514	320,969	773,749	805,546

Other Financial Information

Interceptable State Revenues	2004	2005	2006
Sales Tax	8,563	13,055	15,480
Replacement Taxes	194	440	285
State Motor Fuel Tax	12,174	14,273	13,272
State Income Taxes	32,163	29,941	37,065
Total	53,094	57,709	66,102
Estimated Maximum Annual Debt Service	30,000	30,000	30,000
Intercept Revenue Coverage	1.77	1.92	2.20

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

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Discussion: It is important to note that local governments financing with the IFA are required to stipulate in their certifying ordinances that they will maintain 1.25X maximum debt service coverage.

The Village of Kane plans to fund almost half of the proposed project with CDAP revenues. However, a commitment of matching revenues is necessary in order to acquire CDAP funding. Therefore, the Village has requested IFA financing for the remainder of the needed project.

Income Statement: The Village of Kane's service charge revenues (from the water & sewer system proprietary fund) are 100% of total system revenues. Service charge revenues grew at a modest rate for all fiscal years reviewed (1.31% and 1.93% for 2004-05 and 2005-06, respectively). It is projected that the service charge revenues will grow by at least 1.95% for the next two fiscal years.

Operating expense growth outpaced total revenue growth for the years reviewed and thus operating income declined for all years evaluated. It is anticipated that unless the Village increases water and sewer charges, there will be a net loss over the next two fiscal years.

It is imperative that the Village increase water rates in order to maintain the water system fund's viability and also to meet future debt service obligations.

Balance Sheet: The system's cash and investments make up the entirety of total current assets and 5% of total assets. The remainder of total assets rests with fixed assets. The Village has $306,000 of depreciable assets reported in 2006, with a projected growth anticipated in 2008 in anticipation of the IFA financed project.

The Village currently carries no significant reportable debt on its balance sheet; however, long-term debt is anticipated to increase in FY 2008, in the anticipation of IFA related financing.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **City of Bunker Hill**

STATISTICS

Number:	L-GP-7042	Amount:	$410,000 (not to exceed)
Type:	Local Government Pooled Program		
IFA Staff:	Eric Watson	Location:	Bunker Hill, Illinois

BOARD ACTION

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

PURPOSE

Provide financing for the City of Bunker Hill's water system updates.

IFA CONTRIBUTION

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

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$410,000	Uses:	Water System Updates	$390,000
				Costs of Issue	20,000
	Total	$410,000		Total	$410,000

JOBS

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

BUSINESS SUMMARY

Background: The City of Bunker Hill, located in Macoupin County, covers a geographical area of 1.2 square miles. The community is approximately 42 miles north of St. Louis and has a population of 1,801 (as of the 2000 census).

The site of the present town of Bunker Hill was once known to the early settlers of Macoupin County as Wolf Ridge. It was thus named because wolves lived in the area. The choice of the name, Bunker Hill, was not due to the existence of any great elevation, but rather to the fact that there is a hill that somewhat resembles the one upon which the famous battle of the Revolution was fought and because those who gave the name came from a section of the country in which Bunker Hill was familiar and held in great reverence.

In the neighborhood of the Springfield road, leading from Springfield to St. Louis, several settlements were made. In 1830, the first settler in this immediate vicinity was Elijah Lincoln, occupying the prairie about a mile and a half south-west of the present site of Bunker Hill. In 1834, Luke Knowlton, the county surveyor, entered 80 acres of land covering the central position of Bunker Hill.

Project: The City of Bunker Hill wishes to establish financing to make needed upgrades to its water system. Bunker Hill proposes to demolish their existing 60,000 gallon elevated water storage tank and replace it with a new 150,000 gallon elevated tank. The land site for the elevated tank is already owned by the City.

FINANCING SUMMARY

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

Collateral: The bonds are general obligations of the City and are payable from (i) net revenues of the Water System and (ii) ad valorem property taxes levied against all of the taxable property in the City without limitation as to rate or amount. The bonds will also be secured by the City's interceptable State revenues.

Structure: Principal is expected to be due on February 1, beginning in 2008 with a final maturity in 2027. Interest will be fixed rate and payable each August 1 and February 1, beginning February 1, 2008. The bonds are subject to redemption prior to maturity.

Maturity: 20 years

PROJECT SUMMARY

The City of Bunker Hill will use the proceeds of the bonds to construct a 150,000 gallon elevated water storage tank, install two new water wells and pay certain costs associated with the issuance of the Local Government Securities and the Bonds.

Total costs are estimated at $410,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: The City of Bunker Hill
Project names: The City of Bunker Hill
Location: 801 S. Franklin St., Bunker Hill, 62014
Organization: Illinois Municipality
Village President: Ray Chapman

PROFESSIONAL & FINANCIAL

Underwriter:	AG Edwards	St Louis, MO	Anne Noble
Issuers Counsel:	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
IFA Counsel:	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
Trustee:	US Bank	St. Louis, MO	Brian Kabbes

LEGISLATIVE DISTRICTS

Congressional: 17th – ~~Phil Hare~~
State Senate: ~~49th – Deanna Demuzio~~
State House: 98th – Gary Hannig

CONFIDENTIAL INFORMATION

Est. fee: $ 1,025 (IFA fee)

FINANCIAL SUMMARY

City of Bunker Hill Water System Fund
FY Ending April 30, 200Y

Statement of Revenues and Expenses

	2004	2005	2006	2007	2008
Service Charges	416,090	412,503	430,058	442,960	451,819
Miscellaneous	1,378	2,718	3,409	4,261	5,327
Total Revenues	417,468	415,221	433,467	447,221	457,145
Current Operating	344,213	333,825	321,573	311,926	311,926
Depreciation & Amortization	58,179	60,589	74,583	82,041	100,245
Total Expenses	402,392	394,414	396,156	393,967	412,171
Operating Income	15,076	20,807	37,311	53,254	44,974
Net Interest	150	567	474	-	-
Net Income	15,226	21,374	37,785	53,254	44,974
Beginning Retained Earnings	1,358,011	1,373,237	1,394,611	1,432,396	1,485,650
Ending Retained Earnings	1,373,237	1,394,611	1,432,396	1,485,650	1,530,624
Income Available for Debt Service	73,255	81,396	111,894	135,295	145,220
Maximum Projected Debt Service	-	-	-	30,000	30,000
Debt Service Coverage	N/A	N/A	N/A	4.51	4.84

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

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Balance Sheet

	2004	2005	2006	2007	2008
Assets					
Cash and Investments	161,483	199,810	164,424	226,616	326,275
Total Current Assets	198,624	237,888	201,162	263,047	362,401
Property, Plant and Equipment	1,229,284	1,221,170	1,300,609	1,287,603	1,633,223
Total Assets	1,427,908	1,459,058	1,501,771	1,550,650	1,995,624
Current Liabilities	54,671	64,447	69,375	65,000	65,000
Long-term Debt		-	-	-	400,000
Total Liabilities	54,671	64,447	69,375	65,000	465,000
Total Equity	1,373,237	1,394,611	1,432,396	1,485,650	1,530,624
Total Liabilities and Equity	1,427,908	1,459,058	1,501,771	1,550,650	1,995,624

Other Financial Information

Interceptable State Revenues	2004	2005	2006
Sales Tax	239,256	262,157	254,825
Replacement Taxes	1,914	2,233	2,803
State Motor Fuel Tax	55,124	52,747	53,498
State Income Taxes	126,619	143,983	147,399
Total	422,913	461,120	458,525
Estimated Maximum Annual Debt Service	30,000	30,000	30,000
Intercept Revenue Coverage	14.10	15.37	15.28

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Discussion: It is important to note that local governments financing with the IFA are required to stipulate in their certifying ordinances that they will maintain 1.25X maximum debt service coverage.

The City of Bunker Hill plans to fund almost half of the proposed project with CDAP revenues. However, a commitment of matching revenues is necessary in order to acquire CDAP funding. Therefore, the City has requested IFA financing for the remainder of the needed project.

Income Statement: The City of Bunker Hill's service charge revenues are 99% of the total water system revenues. Service charge revenues grew by over 4% between 2005 and 2006 and it is conservatively projected that revenues will grow by at least 3% for the next two fiscal years.

The City managed to decrease operating expenses (by over -3%) over the past two consecutive years and it is anticipated that this trend will continue, although at a more modest rate. Because revenue growth increased and operating expenses decreased, overall net income grew at an increasing rate (40% between 2004-05 and 77% between 2005-06).

It appears from the analysis that the City will be able to easily maintain 1.25X debt service coverage.

Balance Sheet: The system's cash and investments make up over 80% of current assets between 2004 and 2006 and over 11% of total assets. The remainder of total assets rests with fixed assets. The City has over $1.3 million of depreciable assets reported in 2006, with a projected growth anticipated in 2008 in anticipation of the IFA financed project.

The City's water system currently carries no long-term debt on its balance sheet; however, this is anticipated to change in FY 2008, with the addition of IFA related financing.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **Village of Bulpitt**

STATISTICS

Number:	L-GP-7040	Amount:	$265,000 (not to exceed)
Type:	Local Government Pooled Program		
IFA Staff:	Eric Watson	Location:	Bulpitt, Illinois

BOARD ACTION

Preliminary Bond Resolution
Local Government Pooled Bond Program
Staff recommends approval upon the following conditions:

- The establishment of an Enterprise Fund
- The Village establishing a rate/feasibility study that determines the necessary sewer fees and / or other dedicated revenues needed to maintain 1.25X debt service coverage
- The Village passing an ordinance certifying dedicated revenues sufficient to meet 1.25X debt service coverage on the financed sewer project

No extraordinary conditions
No IFA funds at risk

PURPOSE

Provide financing for the Village of Bulpitt's storm sewer repairs.

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$265,000	Uses:	Water System Updates	$250,000
				Costs of Issue	15,000
	Total	$265,000		Total	$265,000

JOBS

Current employment: 0
Jobs retained: 0

Projected new jobs: 0
Construction jobs: 0

BUSINESS SUMMARY

Background: The Village of Bulpitt located in Christian County, covers a geographical area of .1 square miles. The community is approximately 95 miles northeast of St. Louis and has a population of 206 (as of the 2000 census).

Project: The Village of Bulpitt wishes to establish financing in order to install approximately 5,700 linear feet of storm sewer main, and related inlets and manholes to replace the existing, failing storm sewer. No additional land sites will be required.

FINANCING SUMMARY

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

Collateral: The Bond are general obligations of the Village and are payable from (i) net revenues of the Sewer Fund and (ii) ad valorem property taxes levied against all of the taxable property in the Village without limitation as to rate or amount. The bonds will also be secured by the Village's interceptable State revenues.

Structure: Principal is expected to be due on February 1, beginning in 2008 with a final maturity in 2027. Interest will be fixed rate and payable each August 1 and February 1, beginning February 1, 2008. The bonds are subject to redemption prior to maturity.

Maturity: 20 years

PROJECT SUMMARY

The Village of Bulpitt will use the proceeds of the bonds to finance the installation of a storm sewer main, to replace the existing failing storm system, and pay certain costs associated with the issuance of the Local Government Securities and the Bonds.

Total costs are estimated at $265,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Village of Bulpitt
Project names: The Village of Bulpitt
Location: P.O. Box 47, Kincaid, 62540
Organization: Illinois Municipality
Village President: Iris Anderson

PROFESSIONAL & FINANCIAL

Underwriter:	AG Edwards	St Louis, MO	Anne Noble
Issuers Counsel:	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
IFA Counsel:	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
Trustee:	US Bank	St. Louis, MO	Brian Kabbes

LEGISLATIVE DISTRICTS

Congressional:	19th – ~~John. M. Shimkus~~
State Senate:	~~49th – Deanna Demuzio~~
State House:	~~98th Gary Hannig~~

CONFIDENTIAL INFORMATION

Est. fee: $ 665 (IFA fee)

FINANCIAL SUMMARY

Village of Bulpitt
FY Ending April 30, 200Y

Statement of Revenues and Expenditures: Government Funds (General Fund & Motor Fuel Fund)

Taxes	2004	2005	2006
Property Taxes	2,230	2,288	2,418
Intergovernmental Taxes	24,410	23,260	25,679
Sewer Grant	-	-	18,000
Other	1,835	2,104	2,148
Total Program Revenues	28,475	27,652	48,245
Current Operating	30,760	36,914	36,258
Sewer	-	-	18,000
Capital Outlay	-	-	44,415
Total Expenses	30,760	36,914	98,673
Net Revenues	(2,285)	(9,262)	(50,428)
Interest Income	5,186	4,268	5,118
Net Revenues & Interest	2,901	(4,994)	(45,310)
Beginning Fund Balance	286,057	288,958	283,964
Ending Fund Balance	288,958	283,964	238,654

Statement of Assets and Liabilities for Government Funds

	2004	2005	2006
Assets			
Cash and Investments	288,958	283,964	238,654
Total Liabilities	-	-	-
Unrestricted Fund Balance	288,958	283,964	238,654
Total Liabilities and Fund Balance	288,958	283,964	238,654

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

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Other Financial Information

Interceptable State Payments - Government Funds	2004	2005	2006
Sales Taxes (General Fund)	5,944	3,410	3,762
State Income Taxes	12,467	13,594	15,644
Personal Property Replacement Taxes	105	281	317
State Motor Fuel Tax	5,894	5,975	5,956
Total	24,410	23,260	25,679
Estimated Maximum Annual Debt Service	20,000	20,000	20,000
Coverage	1.22	1.16	1.28

Discussion: It is important to note that local governments financing with the IFA are required to stipulate in their certifying ordinances that they will maintain 1.25X maximum debt service coverage.

The Village of Bulpitt plans to fund half of the proposed project with CDAP revenues. However, a commitment of matching revenues is necessary in order to acquire CDAP funding. Therefore, the Village has requested IFA financing for the remainder of the needed project.

The above financials are of the Government Funds (General and Motor Fuel) which are an appropriate reflection of the Village's accounting of operations. However, going forward, it is recognized that a Sewer Enterprise Fund will be necessary to account for the dedicated revenues necessary for the issuance of Alternate Revenue Bonds. A feasibility study may be necessary in order for the Village to determine the sewer fees that will be adequate to cover operational expenses as well as debt service coverage of 1.25X.

Statement of Revenues and Expenses: The Village of Bulpitt's government funds net revenues have decreased at an increasing rate, yielding an ever-greater net loss. This is primarily due to the fact that revenues derived from property taxes, income taxes, sales taxes, motor fuel taxes, and personal property replacement taxes have not increased enough to cover expenses. Operating expenses increased dramatically between 2004 and 2005 and in 2006, the Village made a Capital Outlay of $44,000. It is estimated that the Village will continue to see a net loss in future fiscal years, as the cost of operations continue to increase, but tax revenues remain modest.

Statement of Assets, Liabilities, and Fund Balance: The Village clearly is conservative, maintaining all of their assets in cash, and having no reportable liabilities. Historically, the Village paid cash for capital projects, thus not having any reportable long-term debt. The entire fund balance is unrestricted.

Although the fund balance of the government funds remains healthy and unrestricted, it is not sufficient to pay for the proposed financed project. Moreover, historical net revenues do not appear sufficient to meet estimated maximum annual debt service coverage requirements of 1.25X/ It will be necessary for the Village to establish a Sewer System Fund and to charge its users a "fee" in order to have dedicated funds for the payment of annual debt service.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **City of Girard**

STATISTICS

Number:	L-GP-7019	Amount:	$475,000 (not to exceed)
Type:	Local Government Interim Loan		
IFA Staff:	Eric Watson	Location:	Girard, Illinois

BOARD ACTION

Final Resolution
Local Government Interim Loan
Staff recommends approval

No extraordinary conditions
IFA funds at risk

PURPOSE

Provide interim financing for the construction of a new water storage tank.

IFA PROGRAM AND CONTRIBUTION

IFA's Local Government Interim Loan Program was authorized by the Authority's Board to provide units of local government that intend to participate in IFA's Local Government Pool with short-term financing until the Pool closes. These loans are funded from the Authority's Local Government Debt Service Reserve, which was established by the Illinois Rural Bond Bank with funds appropriated by the General Assembly in 1990. The IFA will provide an interim loan at 5.3% and expects to repaid from proceeds from the Pool bond issue, which is expected to close in 2007.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Interim Loan	$475,000	Uses:	Water Storage Tank	$450,000
				Costs of Issue	25,000
	Total	$475,000		Total	$475,000

JOBS

Current employment: 0
Jobs retained: 0

Projected new jobs: 0
Construction jobs: 0

BUSINESS SUMMARY

Background: The City of Girard, located in northern Macoupin County, covers approximately 1 square mile. The City was incorporated in 1855 and boasts a current population of 2,245. Girard is approximately 25 miles southwest of Springfield and serves as a bedroom community for the city.

Project: The proposed project consists of construction of a new water storage tank.

FINANCING SUMMARY

The Loan: The interim loan will be at a rate of 5.3% and will be provided to Girard no later than May, 2007. Therefore, the IFA will purchase the City's bonds at a rate of 5.3%. The City will participate in the IFA's next local government pooled bond issuance and will reimburse the IFA (in its entirety) from pooled bond proceeds. The bonds will be Alternate Revenue Bonds, with the Water Systems's net revenues pledged as the primary revenue source. In the event that the net revenues are insufficient to pay principal and interest on the bonds, the City has committed to collect ad valorem property taxes levied to pay debt service on the bonds. The City must document that the primary revenues are sufficient to provide 1.25 times debt service coverage on the bonds in order to pledge ad valorem property taxes to repay the bonds without passing a voter referendum to do so. The City will pass a "backdoor referendum" authorizing issuance of the bonds unless a sufficient number of voters petition to require referendum approval. In the event that there are not adequate funds for debt service payment, the City will pledge its interceptable state revenues (State Income Tax, State Sales Tax, State Replacement Tax, and Motor Fuel Tax).

Collateral: The bonds are general obligations of the City and are payable from (i) net revenues of the Water System and (ii) ad valorem property taxes levied against all of the taxable property in the City without limitation as to rate or amount. The bonds will also be secured by the City's interceptable State revenues.

Structure: Principal is expected to be due on February 1, beginning in 2008 with a final maturity in 2037. Interest will be fixed rate and payable each August 1 and February 1, beginning August 1, 2007. The bonds are subject to redemption prior to maturity.

Maturity: 30 years

PROJECT SUMMARY

The City of Girard will use the proceeds of the interim loan to (i)construct a new water storage tank and certain costs associated with the issuance of the Local Government Securities and the Bonds.

Total costs are estimated at $475,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The City of Girard
Project names:	The City of Girard
Location:	P.O. Box 115 Girard, IL 62640
Organization:	Illinois Municipality
Mayor:	Bruce Pitchford
City Clerk:	Larry Herron

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

Congressional:	17th ~~Phillip Hare~~
State Senate:	~~49th Deanna Demuzio~~
State House:	~~98th Gary Hannig~~

CONFIDENTIAL INFORMATION

Est. fee: $23,585 (first year of interest)

FINANCIAL SUMMARY

City of Girard Water System Fund
FY Ending April 30, 200Y

Statement of Revenues and Expenses

	2004	2005	2006	2007	2008
Total Revenues	337,794	511,378	356,425	391,967	419,334
Current Operating	267,439	289,673	278,824	287,189	295,804
Depreciation & Amortization	49,975	49,252	49,252	59,000	59,000
Total Expenses	317,414	338,925	328,076	346,189	354,804
Operating Income	20,380	172,453	28,349	45,778	64,530
Net Transfers	(203,927)	(240,928)	(21,255)	(30,000)	(30,000)
Interest Expense	(15,500)	(26,438)	(23,813)	(28,000)	(33,000)
Interest Income	898	486	817	1,000	1,000
Net Interest	(14,602)	(25,952)	(22,996)	(27,000)	(32,000)
Net Income	(198,149)	(94,427)	(15,902)	(11,222)	2,530
Beginning Retained Earnings	644,023	445,874	351,447	335,545	324,323
Ending Retained Earnings	445,874	351,447	335,545	324,323	326,853

	2004	2005	2006	2007	2008
Income Available for Debt Service	71,253	222,191	78,418	105,778	124,530
Current Debt Service	69,000	69,000	69,000	69,000	69,000
New Max Annual Debt Service	-	-	-	28,500	28,500
Total Debt Service	69,000	69,000	69,000	97,500	97,500
Debt Service Coverage	1.03	3.22	1.14	1.08	1.28

CONFIDENTIAL

Balance Sheet

	2004	2005	2006	2007	2008
Assets					
Total Current Assets	172,350	55,645	42,721	32,441	32,966
Property, Plant and Equipment	748,488	699,237	649,985	1,049,985	989,985
Total Assets	920,838	754,882	692,706	1,082,426	1,022,951
Liabilities					
Total Current Liabilities	51,964	22,435	21,161	20,103	19,098
Long-term Debt	423,000	381,000	336,000	738,000	677,000
Total Liabilities	474,964	403,435	357,161	758,103	696,098
Total Equity	445,874	351,447	335,545	324,323	326,853
Total Liabilities and Equity	920,838	754,882	692,706	1,082,426	1,022,951

Other Financial Information

Interceptable State Payments - Government Funds	2004	2005	2006
Sales Taxes (General Fund)	-	149,980	173,885
State Income Taxes	295,040	166,420	161,111
Personal Property Replacement Taxes	6,098	2,360	2,204
State Motor Fuel Tax	54,249	65,119	66,549
Miscellaneous State Sources	288,448	23,095	13,612
Total	643,835	406,974	417,361

Note: FY 2004 – 2006 data was provided from the City of Girard's Annual Financial Reports. FY 2007-2008 are IFA projections based on previous years financial trends and assuming adding the financed project in FY 2007.

CONFIDENTIAL

Discussion:

Income Statement: It appears from historical Income Statement figures that customer service charges represent a growing portion of total revenues for the water system. This is evidenced by the fact that in 2004, 95% of total revenues were from service charges and by 2006, almost 100% of total revenues were from service charges, with less than 1% obtained from real estate taxes. In making FY 2007 and 2008, it was assumed that this trend would continue. In addition, it appears that service charge revenues grew by over 55% between 2004 and 2005, and then decreased (by 28%) between 2005 and 2006. Because of the recent historical swing in revenues an average growth rate of no greater than 10%, ultimately yielding to total revenues available for dent service of $419,334 in FY 2008.

The historical trend of total operating expenses mirrored total revenues, in that they increased (by 8%) between 2004 and 2005, and then decreased by half as much (-3.75%) between 2005 and 2006. An average increase of 3% was utilized to make 2007 and 2008 projections.

Historically, the City has maintained debt service coverage by at least 1X. When adding the additional debt in 2007, the City's coverage decreases from 1.14X to 1.08X. However, coverage is above 1.25X in 2008, indicating the an increase in rates may not be necessary to maintain mandated coverage.

Balance Sheet: Total current assets have continually decreased between FY 2004 and FY 2006 and it is anticipated that the trend will continue. The property plant and equipment line also decreased, as assets were depreciated over the years reviewed, with little significant additions made.

Current liabilities have maintained a continuous decline between FY 2004 and FY 2006 with an anticipation of the decrease to continue between FY 2006 and 2007. Long term debt decreased between 2004 and 2006, as Girard paid of its only existing bond issue. Of course the trend will be reversed with the anticipated issue of the IFA sponsored debt.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **Jersey County Rural Water Company**

STATISTICS

Number:	L-GP- 7038	Amount:	$110,000 (not to exceed)
Type:	Rural Development Loan		
IFA Staff:	Eric Watson	Location:	Jersey County, Illinois

BOARD ACTION

Preliminary Approval
Rural Development Loan
Staff recommends approval

No extraordinary conditions
No IFA funds at risk

PURPOSE

Provide financing to update Jersey County Rural Water Company's water system.

IFA PROGRAM AND CONTRIBUTION

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

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

The IFA's Rural Development Loan Program, in participation with the Rural Development Administration's Intermediary Relending Program, finances business facilities and community development projects in rural areas with populations under 25,000. The Program finances up to 75% of fixed asset project costs, with a maximum of loan amount of $250,000 at a 6% capped interest rate.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	RD Loan	$108,000	Uses: Water System Updates	$467,000
	Jersey County	9,000		
	CDAP Grant	350,000		
	Total	$467,000	Total	$467,000

JOBS

Current employment: 0
Jobs retained: 0

Projected new jobs: 0
Construction jobs: 0

BUSINESS SUMMARY

Background: The Jersey County Rural Water Company, Inc. a not for profit corporation, began operations on April 1, 1972. The Company , for a fee, provides water services to the rural residents of Jersey and neighboring counties. The Company is exempt from taxes under Section 501 (c) (12) of the Internal Revenue Code and is classified as other than a private foundation.

Project: The Jersey County Rural Water Company wishes to obtain "matching funds" from the IFA (via the Rural Development Program) that will compliment their application for the Community Development Assistance Program (CDAP). The combined IFA financing and the Grant funds will enable the company to update its water system.

Specifically, the company wishes to install approximately 9.9 miles of 4-inch PVC water main and related appurtenances to serve and additional 21 users. No additional land sites will be required fro the water distribution system expansion project.

FINANCING SUMMARY

Obligor: Jersey County Rural Water Company, Inc.

~~Repayment: Cash flow from operations~~

Structure: Based on the guidelines of the Rural Development Loan Program, IFA's interest rate will be fixed at 6%.

Maturity: The subject loan will have a 20-year term, with monthly P & I, and will be fully amortized over that period.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Jersey County Rural Water Company
Project names: Jersey County Rural Water Company
Location: 1009 State Highway 16, Jerseyville 62052
Organization: Illinois Nonprofit Organization

Board of Directors:	Allen Davenport	President
	Dave Elliott	Vice-President
	John Maher	Secretary
	William Mithchell	Treasurer
	William Finkes	
	Craig Nilsson	
	Michael Wayne Kiel	
Other Personnel:	Greg Bates	Manager
	Rebecca J. Myers	Clerical Supervisor
	Scott W. Schultz	Attorney

PROFESSIONAL & FINANCIAL

Accountant:	Croxford & Company, P.C.	Alton, IL	
IFA Counsel:	Dykema Gossett	Chicago, IL	David Cellitti

LEGISLATIVE DISTRICTS

Congressional: 19th ~~- Shimkus~~
State Senate: 49th ~~- Deanna Demuzio~~
State House: 97th - Jim Watson

CONFIDENTIAL INFORMATION

Est. fee: $

FINANCIAL SUMMARY

Jersey County Rural Water Company
FY Ending September 30, 200Y

Statement of Revenues and Expenses	2004	2005	2006	2007	2008
Service Charges	2,755,361	2,564,278	2,641,808	2,694,644	2,721,591
Grants	1,728,877	18,955	-	350,000	-
Miscellaneous	1,121	13,633	22,311	25,000	25,000
Total Revenues	4,485,359	2,596,866	2,664,119	3,069,644	2,746,591
Current Operating	1,812,986	1,861,335	1,876,751	1,909,594	1,943,012
Depreciation & Amortization	294,026	386,879	407,334	448,067	492,874
Total Expenses	2,107,012	2,248,214	2,284,085	2,357,662	2,435,886
Operating Income	2,378,347	348,652	380,034	711,983	310,704
Unrealized Loss	(2,635)	(221)	(259)	(375)	(300)
Temporarily Restricted Assets	-	-	129,410	-	-
Net Interest	(112,001)	(173,578)	(162,706)	(166,000)	(166,000)
Net Income	2,263,711	174,853	346,479	545,983	144,704
Beginning Retained Earnings	4,567,064	6,830,775	7,005,628	7,352,107	7,898,090
Ending Retained Earnings	6,830,775	7,005,628	7,352,107	7,898,090	8,042,794
	2004	**2005**	**2006**	**2007**	**2008**
Income Available for Debt Service	950,418	725,917	800,841	825,050	818,579
Existing Debt Service	474,000	474,000	474,000	474,082	471,674
Maximum Projected Debt Service				11,000	11,000
Debt Service Coverage	2.01	1.53	1.69	1.70	1.70

CONFIDENTIAL

Balance Sheet

	2004	2005	2006	2007	2008
Assets					
Cash and Investments	714,839	914,697	833,939	911,849	991,570
Total Current Assets	1,023,401	1,320,699	1,280,864	1,450,237	1,557,380
Other Assets	49,308	51,146	46,379	46,843	47,311
Property, Plant and Equipment	9,955,763	9,846,025	10,027,985	10,494,985	10,484,490
Total Assets	11,028,472	11,217,870	11,355,228	11,945,222	12,041,870
Liabilities					
Current Liabilities	480,514	562,285	504,006	510,000	515,000
Long-term Debt	3,717,183	3,649,957	3,499,115	3,537,133	3,484,076
Total Liabilities	4,197,697	4,212,242	4,003,121	4,047,133	3,999,076
Unrestricted	6,830,775	7,005,628	7,252,107	7,898,090	8,042,794
Restricted	-	-	100,000	-	-
Total Equity	6,830,775	7,005,628	7,352,107	7,898,090	8,042,794
Total Liabilities and Equity	11,028,472	11,217,870	11,355,228	11,945,222	12,041,870

CONFIDENTIAL

	2005	2006
Change in Net Assets	174,853	346,479
Depreciation	386,879	407,334
(Increase) decrease in AR	21,591	41,673
(Increase) decrease in other current assets	(9,947)	(20,229)
(Increase) decrease in inventory	(109,084)	(62,367)
(Increase) decrease in AP	35,638	(30,467)
Increase decrease in accrued wages	(4,456)	641
Increase (decrease) in accrued int	(29,334)	(9,465)
Increase (decrease) in accrued taxes	(4,633)	3,217
Increase (decrease) in other accrued exp & payables	397	(3,900)
Net Cash Provided from Operating Activities	461,904	672,916
Net Cash Used by Investing Activities	(280,957)	(745,730)
Net Cash from Financing Activities	16,934	(185,125)
Net Increase (Decrease) in Cash and Cash Equivalents	197,881	(257,939)
Beginning Cash	628,127	826,007
End Cash	826,008	568,068

Discussion:
Income Statement: Jersey County Rural Water Company's revenues from service charges and hook-up fees has been 99% of total revenues for the past two years. These revenues increased by over 3% during the past year, after decreasing by almost 7% between FY 2004 and FY 2005. Operating expenses increased by 2.67% and .83% between FY 2004-2005 and FY 2005-2006, respectively. The two year average operating expense growth of 1.75% exceeded the two year average revenue decline of (1.96%); however, the Company has maintained adequate operating net income and net income. Ending Net Assets has shown consistent growth. Also, indicated in the Income Statement is the Company's pursuance of Grant Income. It is anticipated that this will continue in FY 2007, with the request for CDAP funds.

There appears to be adequate income available to meet current debt service obligations as well as future obligations, with projected debt service coverage with IFA financed debt to be in excess of 1.7X.

Balance Sheet: The Company's Balance Sheet indicates adequate maintenance of cash and investments as well as total current assets, with large growth reported between FY 2004 and FY 2005, and then a small decline between FY 2005 and FY 2006. Current Liabilities do not exceed 505,000, yielding a current ratio that exceeds over 2X in FY 2006. Long term debt has steadily declined, indicating the entity has continued to pay-off debt. This is anticipated to increase modestly in the anticipation of the addition of the RD Loan in FY 2007.

Cash Flows: The Statement of Cashflows indicates that the company generated additional cash flows from operations in 2006, as compared to 2005. Jersey County chose to invest more cash in its property, plant & equipment and CDs and bonds in 2006. In addition, the Company paid off a greater amount of principal debt in 2006 as compared to 2005 and did not receive any additional loans. Therefore, although cash flow from operations increased at a healthy rate, the Company's choice to invest in PP&E and bonds as well as its pay-down of long-term debt contributed to its over decrease in cash and cash equivalents in FY 2006.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: Chicago Community Ventures
Illinois Statewide Minority Business Loan Fund ("ISMBLF")

STATISTICS

Deal Number:	B-LL-TX-6259	Amount:	$500,000
Type:	Direct Loan	IFA Staff:	Sharnell Curtis Martin and Steven Trout
Location:	Statewide	SIC Code:	6159: Miscellaneous Business Credit Institution

BOARD ACTION

Direct Loan Resolution to fund loans Illinois Statewide Minority Business Loan Fund
$500,000 of IFA funds at risk
Staff recommends approval subject to compliance with all terms and conditions listed in the program term sheet

PURPOSE

Loan proceeds will be used to capitalize a loan fund available to minority business owners of Illinois.

IFA PROGRAM AND CONTRIBUTION

The IFA will loan Chicago Community Ventures up to $500,000 to fund and operate the Illinois Statewide Minority Business Loan Fund "ISMBLF", with $250,000 will be available initially with an additional $250,000 available with the Executive Director's approval. If demand and operation of a successful program are evidenced, IFA Staff will request an additional $500,000 be made available for the program per IFA Board approval.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA	$500,000	Uses:	ISMBLF Capitalization	$1,000,000
	Fifth Third Bank	550,000		Technical Assistance	100,000
	DCEO	50,000			
	Total Sources	$1,100,000		Total Uses	$1,100,000

Funds provided by Fifth Third Bank will consist of an equity contribution to partially fund the ISMBLF; additionally Fifth Third will also be providing additional resources (approximately $50,000) for upfront and ongoing technical assistance to borrowers and potential borrowers. DCEO will also contribute $50,000 for upfront and ongoing technical assistance needs.

JOBS

Current employment:	12	Projected new jobs:	4
Jobs retained:	N/A	Construction jobs:	N/A

The four new jobs will be associated with administering the proposed ISMBLF program.

BUSINESS SUMMARY

Background: Chicago Community Ventures ("CCV" or the "Applicant") is a not-for-profit business development organization that provides financing, consulting, and community building strategies to businesses in Chicago's disinvested Low to Moderate Income ("LMI") communities. CCV targets both businesses in LMI areas including Chicago's south and west sides and businesses owned by minorities and women.

CCV was originally formed in August of 1999 as a Chicago One Stop Capital Shop by the Chicago Empowerment Zone (EZ) to function as a business development center for EZ businesses. In 2001, the One Stop Capital Shop became Chicago Community Ventures with an expanded mission, programs and geographic reach.

As a full-service Community Development Financial Institution (CDFI), CCV operates three complementary business units – Business Advisory Services, Economic Development Initiatives and the Neighborhood Transformation Loan Fund – to achieve its goal of job and wealth creation in Chicago's LMI communities.

Description: CCV proposes the creation of the Illinois State Minority Business Loan Fund (ISMBLF), a partnership between the Illinois Department of Commerce and Economic Opportunity, the Illinois Finance Authority, Fifth Third Bank and Chicago Community Ventures. The goal of the ISMBLF will be to facilitate the growth and sustainability of minority-owned businesses (MBEs) of scale in Illinois through the provision of capital and linked upfront and ongoing technical assistance.

CCV's proposal attempts to provide a product that will serve minority business owners throughout Illinois who experience difficulty gaining access to capital. The ISMBLF is designed to address two primary obstacles to minority business growth:

- Lack of access to capital necessary for growth
- Need for associated upfront and ongoing technical assistance to help qualifying businesses plan for and manage growth

The demand for such a product is supported by a report released in 2005 by the Boston Consulting Group entitled "A New Agenda for Minority Business Development". It goes on to state minority businesses are disproportionately represented in the low-growth and no-growth sectors.

Chicago Community Ventures, building on its track record of providing both financing and technical assistance to growing minority-owned businesses, has been asked to prepare a proposal creating the Illinois Statewide Minority Business Loan Fund. This fund is comprised of a combination of public and private funds representing the power of innovative partnerships. This proposal outlines both the management of the loan fund, including the underwriting, monitoring and treatment of problem loans, and the provision of linked technical assistance.

Remarks: The success of this fund is reinforced with strong support from Cheryle Jackson, President & CEO of the Chicago Urban League ("CUL") who was instrumental in its genesis during her tenure in the Governor's Press Office. A representative of the CUL will sit on the ISMBLF's Loan Committee, along with a representative from IFA, Fifth Third Bank and CCV.

Program Design: The programs process begins with technical assistance. CCV will use a proven comprehensive screening and assessment process to select not only loan recipients but also those clients who may not need or qualify for financing, but may nonetheless benefit from intensive technical assistance.

Eligibility
Applicants must meet all of the criteria to be considered:

- Majority minority-owned (greater than 50%) businesses located in the state of Illinois
- Have fewer than 100 employees
- Have revenues of at least $250,000
- Be a CCV client that has undergone a Business Model Assessment performed by CCV
- Meet CCV's general underwriting criteria (see ISMBLF Underwriting)

Businesses which are NOT eligible, but may not be limited to: fast-food chain restaurants; national chain businesses (as defined by the Department of Planning and Development); branch banks; employment agencies; currency exchanges, pay day loan stores; pawn shops; astrology, palm-reading; liquor stores, bars; adult bookstores, massage parlors; hotels or motels; track wagering facilities; trailer-storage yards; and junkyards, or any uses similar to those listed.

Loan Amounts
The ISMBLF would make loans from $25,000 to $150,000. This is consistent with the loan size typically offered by CCV.

Loan Purposes
Eligible loan purposes include the following:

- Equipment
- Leasehold improvements
- Inventory
- Expansion
- Contract financing

CCV's loans are intended to finance a company's future growth. The loan must finance a purpose that will lead to the growth of the business (i.e., increased revenues/income; an expansion; tapping new markets; otherwise taking the business to the next level or advancing the business model), as opposed to financing past expenditures.

ISMBLF Loan Structure
The rate and terms of each transaction vary. CCV would customize each loan deal to fit the individualized need and ability of the client. It should also be noted that CCV tend to extend longer terms than one would normally expect to see a bank to extend. Loan terms range from one to seven years, up to 10 years with strong justification, with an average term of 5.1 years. Currently, CCV's rates on the loans outstanding range from 7.25% to 9%. Given recent interest rate increases these loans will range from prime +1% to prime + 5% depending on the level of risk associated with the loan. CCV also will consider giving a company an interest only period of up to one year.

ISMBLF Underwriting
The ISMBLF underwriting process, similar to all loans for CCV's Neighborhood Transformation Loan Fund, begins with a comprehensive application, which requires the following information:

1. Three years' of historical financial statements (or for every year of operation, if business has been in operation less than three years) and most recent quarterly financial statements or for every year of operation.
2. Interim financial statements dated within ninety (90) days of application
3. Aging of Accounts Receivable and Accounts Payable
4. Copy of the most recent statement for any business loan(s) or note(s)
5. Three years of projections, or for the term of the loan if term is less than three years, showing loan amortization
6. Personal financial statements of business owners
7. All company banking statements for the last 12 months

8. Articles of incorporation
9. Copy of Business Insurance Policy
10. Copy of Business Lease
11. Copy of all Business Licenses
12. Sources and uses of the project funds
13. A full business plan is required as part of the application
14. Review of personal credit report
15. Completed and signed application

As with every loan it makes, CCV will conduct a thorough risk analysis before any investment is made. This analysis ranks companies on their performance in seven key risk categories. These categories include: management, cash flow, market, competitive advantage, balance sheet strength, entrepreneurial character, and collateral. Each company is given a score from 1 to 5 (five being the lowest risk and highest quality). Relative weights are applied to each score to arrive at an aggregate deal score.

Loan Documentation, Closings And Funding
CCV documents and closes all loans internally using Laser Pro software which produces standard loan documents. Loan documents will be reviewed by IFA's outside counsel prior to closing and funding.

Key Staff: CCV's culturally diverse staff has professional experience in finance, law, consulting, and domestic and international economic development. We currently have 12 full time employees and one part time employee.

CCV will hire or contract with an experienced small business or microloan lender with at least three years of experience. Key staff members are listed below:

Susan Alnaqib, Co-President
Susan Alnaqib is Co-President of Chicago Community Ventures. In this role, Susan is responsible for fundraising and marketing strategy for the organization. She also oversees the delivery of all client services and the development of strategic initiatives.

Susan has spent the majority of her career in community development, first with the Lions Clubs International Foundation as Project Coordinator for Africa and the Middle East, where she was responsible for public health programming totaling over $20 million. She then took the role of Director of Foundation Programs and Administration for Zonta International, a global association of female executives. More recently she worked as an analyst with a venture capital firm in London, and provided business-planning consulting to start-up for-profit and not-for-profit organizations in Chicago.

Susan was an American Marshall Memorial Fellow of the German Marshall Fund in 2000 and sits on that organization's Midwest Selection Committee. She holds an undergraduate degree in English with honors from the University of Michigan, a Master's in public service management from DePaul University and an International MBA from the University of Chicago. Susan has lived, worked or traveled in over 40 countries.

Anita Hollins, Co-President
Anita Hollins is Co-President of CCV and joined the organization in 2001. Prior to assuming her current position she was CCV's CFO responsible for all financial, information technology, and operational matters for the organization. Her responsibilities have included management of financial-related programs, human resources, networking and technology, database management and overall operations and administration. Anita has developed web-based applications for in-house portfolio management and client usage, managed client contact management software, maintained CCV's computer network, and provided client support. Prior to joining CCV, Anita gained years of experience working as a Systems Engineer. In her prior roles as a Management Specialist, Database Manager, and Senior Systems Engineer, she provided network support and

developed a client-tracking database. Anita holds a B.S. in Computer Science from Spelman College and an M.S. in Nonprofit Management from Spertus College. She also is a member of the National Association of Spelman College, Chicago Chapter.

Dominic Melone, Director Community Lending
Dominic Melone is director of the $2 million dollar NTLF. Dominic began his tenure with CCV as a Community Lending Officer where he managed a portfolio of clients, evaluated loan applications, and underwrote loans. Dominic was also responsible for leading EDI and developing the SBDI programs that will improve business opportunities in Chicago's LMI communities.

Dominic has been involved in the small business development arena since 1995, beginning his career as a Peace Corps Community Development Volunteer stationed in Togo, West Africa. In 1998, his interest in helping businesses led him to Bank One in Chicago, where he took the role of Relationship Banker. In this capacity, he was very successful helping both individuals and small businesses meet their financial needs. Dominic holds a B.A. in political science from Southern Illinois University at Carbondale and an International M.B.A. from the University of Chicago, Graduate School of Business.

CCV Current Portfolio:

In CCV's proposal dated October 24, 2006, CCV outlined the following information on its Loan existing Neighborhood Transformation Loan Fund ("NTLF") loan portfolio which was launched in May 2002. NTLF was initially capitalized in 2002 with grants from the City of Chicago Empowerment Zone and in 2004 by the Illinois Department of Commerce and Economic Opportunity. In 2006, CCV was selected to administer the City of Chicago Small Business Development Loan Fund which is capitalized with $2 million in 2006 and $1 million each year from 2007 to 2009.

The NTLF finances high-growth businesses in Chicago's LMI neighborhoods that show potential for revenue and job creation but are still building a track record or lacking resources needed to meet important milestones. With greater access to capital and business resources, these businesses will in turn create living-wage jobs with benefits and community wealth in disinvested communities.

Since May of 2002, CCV has closed $2.4 million in loans ranging from $75,000 to $505,800 to ten borrowers. Of these, one borrower remains after three full repayment and six defaults and or workouts (for which nearly 85% of potential losses have been or are expected to be recovered). Loan pricing has ranged from Prime + 2% to +4.75%, depending on risk, for terms between one and seven years, depending on the business type.

These loans have been made in manufacturing, retail, construction, distribution, and services industries located in the LMI neighborhoods of Englewood, North Lawndale, Bronzeville, Chinatown, Near Westside, Austin, Morgan Park, and Humboldt Park. Eligible uses for the loans are: working capital, equipment, inventory, business expansion, contract financing, franchises and not for profit social ventures.

CCV Due Diligence:

CCV conducts a thorough risk analysis before any investment is made. This analysis ranks companies on their performance in seven key risk categories. These categories include: management, cash flow, market, competitive advantage, balance sheet strength, entrepreneurial character and collateral. Each company is given a score from 1 to 5 (five being the lowest risk and highest quality). Relative weights are applied to each score to arrive at an aggregate deal score. The Loan Portfolio as a whole has a targeted risk score of 3.5 or higher.

In addition to performing risk analysis, the NTLF evaluates the potential social benefits created by each prospective loan. This measure considers job creation, employee wealth creation, benefits, livable wages, environmental impact, corporate social responsibility, and worker safety, among other factors. In order to quantify the level of social impact of each potential deal, CCV has developed a Social Return Matrix. For each category on the Matrix, the company is assigned a ranking from 1 to 5, and the deal is evaluated on an aggregate basis.

Recommended ISMBLF Parameters:

While the concept of having a program for minority business owners is admirable, some elements of the ISMBLF program design are not consistent with some IFA stated policies and program parameters. The following would allow the IFA to participate while implementing safeguards to insure a better quality of credits and improve portfolio performance:

- Applicants must have a minimum of three years operating history documented.
- No loan to values that exceed 90%
- Ability to "veto" or not participate in a loan that is not consistent with IFA stated policies
- Maximum loan term of seven years (up to ten with strong justification)
- Must have at least a 10% collateral contribution evidenced.
- Redesign of application scoring matrix to put more emphasis on business plan, personal credit background, first hand professional experience and equity contribution. It is outlined as follows:

Application Scoring:		
	Business Plan	10 (Required)
	Character/Credit	20 (Required)
	Cash Flow	10
	Collateral	10 (Required)
	Management Experience	15 (Required)
	Management Support	10
	Equity	10 (Required)
	Social Responsibility	8
	Industry	5
	Product	2
	Total Points	100
	Minimum Acceptable Score	75

These recommendations are in part based on experiences evaluating similar credits while administering the Small Business Administration's Microloan Program, offered by a predecessor of IFA, Illinois Development Finance Authority. This program experienced similar challenges when initially implemented, however the program was re-designed to put a strong emphasis on production of a business plan, first-hand work experience in the area of business being considered and personal credit background. There was more than a 20% improvement in non-performing loans when these parameters were implemented.

Program Evaluation:

A strength and weakness assessment of CCV's proposal is as follows:

Strengths

- Ability of CCV to attract additional partners to continue to fund the ISMBLF
- Program has a funding and commitment from Fifth Third Bank and technical assistance support from Fifth Third Bank and Department of Commerce and Equal Opportunity
- Consideration for loan program is after potential borrowers have completed rigorous technical assistance evaluation and three years of operating history
- Fifth Third Bank will assist CCV with collections on all loans that are delinquent 60 days or more

Weaknesses

- CCV staff lacks experience in evaluating such credits
- CCV does not have a statewide focus/presence outside of the Chicago land area
- CCV has a high loss experience and amount of non performing loans in its current loan portfolio

We have addressed these weaknesses by requiring CCV to hire or engage an individual with lending experience with at least 3 years of "micro" and "small business" lending experience to administer the program. If the program is successful, CCV will be required to partner with an organization located in central or southern Illinois to achieve a statewide presencc and outreach. To reduce the risk of credit lossed, IFA has modified CCV's proposed scoring matrix to improve the quality of loan candidates. Fifth Third will provide funds for technical assistance, evaluate prospective loans as a member of the Credit Committee and assist in managing delinquent loans.

FINANCING SUMMARY

IFA Collateral:	This loan will be an unsecured Direct Loan to Chicago Community Ventures.
Structure:	The loan will have an interest rate of LIBOR plus 2%. The interest rate is set to acknowledge the "risk rate" associated with the profile of potential borrowers that this program will target.
Maturity:	Ten Year Term. Principal and interest payments will have a moratorium for years one and two. Principal and Interest due beginning in Year 3 through Year 10.

PROJECT SUMMARY

Loan proceeds will be used to fund $500,000 into the Illinois Statewide Minority Business Loan Fund managed by Chicago Community Ventures.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Chicago Community Ventures (CCV) 700 N. Sacramento Boulevard, Chicago, IL 60612 Susan Alnaqib, Co-President Dominic Melone, Director Economic Development Initiatives	
Project name:	Illinois Statewide Minority Business Loan Fund	
Location:	Statewide	
Organization:	501(c)(3) Organization	
State:	Illinois	
Board Members:	Cynthia Johnson, President Terrence Moore, Secretary & Treasurer Leon Jackson Clifford Perry III Lisa Thompson	Steve Lawrence, Vice President Derrick Collins Joseph Kennedy Jeffery Roberts

PROFESSIONAL & FINANCIAL

Bank:	Cliff Kelly, Senior Vice President and Manager of Community Development, Fifth Third Bank Michael Spitler, Senior Vice President and Chief Credit Officer, Fifth Third Bank Nicole Johnson-Scales, Vice President of Community Development, Fifth Third Bank
Accountant:	Selden Fox, Ltd Oak Brook

LEGISLATIVE DISTRICTS

Congressional: All State Senate: All State House: All

CONFIDENTIAL INFORMATION

Est. fee:	$35,000 (first year's interest)	Tax IDs:	36-4329849

OPERATIONS

Program Term Sheet

Program Lending Parameters

IFA Loan Amount:	$500,000 ($250,000 initially available and additional $250,000 available with Executive Director's approval.) If demand and operation of a successful program are evidenced, staff will request an additional $500,000 be made available for the program per IFA Board approval.
Interest Rate:	LIBOR plus 2% (Will establish reserves of 5% of loan amount at the time of funding. Reserves will be reviewed and adjusted as deemed necessary on an annual basis by IFA Management)
Loan Term:	Principal and Interest moratorium for 2 years. Principal and Interest due beginning in Year 3 through Year 10.

Individual Loan Parameters

Maximum Loan:	Not to Exceed $150,000
Loan to Value:	Not to Exceed 90% of adjusted value based on IFA policy (80% for real estate, 65% for equipment; office equipment is excluded, Up to 20% for Accounts Receivables and Inventory)
Term:	Not to Exceed 7 Years (10 years for exceptionally strong projects)
Interest Rate:	Ranging from Prime +1% through Prime +5% depending on risk associated with the application.
Borrower Contribution:	At least 10% of Collateral for Loan and must provide evidence (i.e. bank statement in the organization's name or bill of sale for assets). Security Interest in any personal real estate.
Working Capital Loan Limits:	Working Capital is not allowed under the program. The borrower may obtain a subordinated working line of credit through another entity for working capital needs.

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Application Scoring:

Business Plan	10 (Required)
Character/Credit	20 (Required)
Cash Flow	10
Collateral	10 (Required)
Management Experience	15 (Required)
Management Support	10
Equity	10 (Required)
Social Responsibility	8
Industry	5
Product	2
Total Points	100
Minimum Acceptable Score	75

Required Items:

Business Plan

Borrower Background: Minimum management experience of at least 3 years in the same or related industry.

Borrowers Credit Rating: CCV will obtain a Credit Report for each borrower which will demonstrate:

- Payments of all debts within 60 days over the past 12 months
- Minimum credit score of 575
- No personal or business bankruptcy within the past 5 years

Evidence of Equity /Collateral: At least 10% of Loan Amount. Must provide evidence (i.e. bank statement in the organization's name or bill of sale). Security Interest in any personal real estate. Same discounted values outlined in Loan-to-Value will apply to in valuing collateral as equity contribution.

Loan Documentation and Closings: CCV documents and closes all loans internally using Laser Pro software which produces standard loan documents. Loan documents will be reviewed by IFA's outside counsel prior to closing.

Funds Disbursement: IFA funds to be disbursed at loan closing.

IFA Veto or Non-Participation: IFA Right to Veto or Not Participate in Loans

Purpose: To be used to fund loans, not cover operating expenses of CCV

Staffing: CCV to hire or contract with a lender with at least 3 years of experience in small business or microloan lending

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FINANCIAL SUMMARY

Borrower
Financials: Audited Financial Statements for Chicago Community Ventures 12/31/03 – 12/31/05
Internally Prepared Financial Statements 12/31/06
2007 Proposed Budget

	Year Ended Dec 31				Year Ending Dec 31
	2003	2004	2005	2006	2007
	(Dollars in 000's)				
Income statement:					
Total Support and Revenue	$1,226	$1,776	$1,255	$1,338	$1,672
Change in Net Assets	(536)	(97)	(765)	(240)	90
Balance sheet:					
Current assets	$2,463	$2,192	$1,623	$1,393	$1,424
PP&E	239	153	90	91	91
Total assets	2,702	2,345	1,714	1,484	1,515
Current liabilities	332	151	285	223	164
Non Current liabilities	119	40	40	390	390
Net Assets	2,251	2,154	1,389	871	961
Total liabilities/Net Assets	$2,702	$2,345	$1,714	$1,484	$1,515
Ratios:					
Debt coverage	-2.57x	0.78x	-5.18x	-0.38x	1.51x
Current ratio	7.42	14.52	5.69	6.25	8.68
Debt/equity	0.02	0.03	0.03	0.52	0.47

Discussion: CCV's support and revenue are primarily derived from annual contracts and grants administered through the City of Chicago Empowerment Zone/Enterprise Community Title XX Funds and the Department of Commerce and Community Affairs.

CCV has been able to obtain funding participation from LaSalle Bank in the amount of $250,000 for its NTLF fund and intends to secure similar funding to expand its pool of available for the ISMBLF.

CCV's 2005 historical financial statements reflect write-off of three loans that were categorized as in default or workout. Current financials include an allowance for doubtful accounts that is approximately 40% of the loans receivable in 2004 and 2005.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **Cleveland Hardware and Forging Co.**

STATISTICS

Project Number:	I-ID-TE-CD-7031	Amount:	$5,000,000 (not to exceed)
Type:	IRB	FM:	Townsend Albright
Location:	Aurora	NAICS Code:	332111 (Fabricated Metal Products)

BOARD ACTION

Preliminary Bond Resolution
No IFA funds at risk
Extraordinary conditions: None

Conduit Industrial Revenue Bonds
Staff recommends approval

PURPOSE

Proceeds will be used to (i) purchase a forging press and related materials handling and heating equipment, and the installation thereof, in an existing facility owned by the Applicant, and (ii) fund legal and professional issuance costs.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

IFA to provide $4,000,000 of IFA Volume Cap, and convey tax-exemption on the Industrial Revenue Bonds.

VOTING RECORD

Preliminary Bond Resolution - No prior vote

SOURCES AND USES OF FUNDS

Source:	IFA Bonds	$4,000,000	Uses:	Project Costs	$3,925,000
				Legal and professional costs	75,000
Total		$4,000,000	Total		$4,000,000

JOBS

Current employment:	200 (Parent and Division) 70 (Fox Valley Division)	Projected new jobs:	4
Jobs retained:	N/A	Construction/installation jobs:	15 (12 months)

BUSINESS SUMMARY

Background: Cleveland Hardware and Forging Co. (the "Applicant"), ("Cleveland"), was established in 1968 as an Ohio S Corporation. In 1984 William Hoban of Green Bay, Wisconsin, and a group of shareholders purchased Cleveland. In 1994, Mr. Hoban bought out the shareholders of Cleveland. Mr. Hoban is the 100.0% shareholder of Cleveland. Cleveland's principal office is located in Green Bay, Wisconsin. Cleveland manufactures trailers and trailer equipment, truck and bus bodies, relays and industrial controls, and metal forgings. The Fox Valley Division of Cleveland Hardware and Forging Co. ("Fox Valley") produces gears, spindles and other component parts for the heavy truck, construction/off-highway, and industrial machinery markets. Major customers include Dana Corporation, John Deere, and Sistemas Automotrices (JV of Arvin Meritor). Major suppliers include Republic Steel and Eaton Steel Company.

The Applicant's business is cyclical in nature. Class 8 heavy truck production is forecasted to decline 25 to 35 % in 2007 after coming off a record year in 2006. Years 2008 and 2009 are forecasted to be strong production years for this market. The Fox Valley Division has experienced heavy demand for its products over the last five years.

Description: Proceeds of the proposed financing will be used to purchase of (i) an hydraulic forging press, (ii) heating equipment, (iii) a pre-coating and weighing system, (iv) a robotic handling and lubrication system, and for (v) installation and renovation costs related to the equipment into a 70,000 sq. ft. manufacturing facility owned by the Applicant in Aurora, Illinois. Proceeds of the proposed financing will also fund professional and legal costs.

Remarks: The state of the art equipment will keep the Applicant on its projected growth path, and help it maintain its competitive edge in a highly competitive and cyclical industry. Tax-exempt financing will lower the cost of capital for the Applicant.

FINANCING SUMMARY

Collateral:	Direct pay Letter of Credit from a bank to be determined.
Structure:	Multi-Mode Floating Rate Bonds.
Collateral:	First lien on the equipment and corporate guarantee.
Maturity:	25 years

PROJECT SUMMARY

Proceeds will be used to purchase (i) an hydraulic forging press, (ii) required heating equipment, (iii) a pre-coating and weighing system, (iv) a robotic handling and lubrication system, and to fund (v) costs related to the installation of the equipment into a 70,000 sq. ft. manufacturing facility located at 138 Pierce Street, Aurora, Kane County, Illinois which is owned by the Applicant, and (vi) fund professional and legal costs.

Project Costs:	Equipment/Installation/ Construction/Renovation	$3,925,000
Total		$3,925,000

ECONOMIC DISCLOSURE STATEMENT

Applicant/Contact:	Cleveland Hardware and Forging Co., 3270 East 79th Street, Cleveland, OH 44104, Contact: James R. Socha, CFO, (920) 432-6401
Project Name:	Fox Valley Forge Press #2
Project Location:	138 Pierce Street, Aurora, Kane County, Illinois 60505
Land Owner:	Cleveland Hardware and Forging Co.
Shareholder Ownership:	William E. Hoban 100.0% 1341 South State Street, Green Bay, WI 54304

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Moriarty & Jaros	Pepper Pike, OH	Stanley T. Jaros
Accountant:	Wypfli, LLP	Green Bay, WI	Kurt Gresens
Bond Counsel:	Whyte, Hirschboeck, Dudek S.C.	Milwaukee, WI	Cynthia Klots
Underwriter/ Placement Agent:			
Underwriter/ Placement Agent: Counsel	TBD		
Trustee:	TBD		
Issuer's Counsel:	Wildman Harrold	Chicago, IL	Jim Snyder

LEGISLATIVE DISTRICTS

Congressional:	14th	~~J. Dennis Hastert~~
State Senate:	42nd	~~Linda Holmes~~
State House:	83rd	~~Linda Chapa-La~~Via

CONFIDENTIAL INFORMATION

Est. fee: $30,800 Tax ID: 34-1028784

FINANCIALS

Financials: Applicant's audited, financial statements for fiscal years ending 8-31 2004, 2005, and 2006.

(Dollars in 000's)

	2004	2005	2006
Sales	$20,334	$28,130	$30,497
NI	418	(116)	1,157
EBIDA	558	93	1,543
CA	5,809	6,611	6,351
PP&E	4,272	4,220	4,040
Other Assets	906	490	398
Total	10,987	11,321	10,789
CL	2,759	3,575	2,043
Debt	3,500	3,500	3,500
Other LT Liabilities	357	338	308
Equity	401	401	401
Retained Earnings	3,970	3,507	4,537
Total	$10,987	$11,321	$10,789
Ratios:			
Debt Service ratio	7.97x	0.59x	7.49x
CA/CL	2.11	1.85	3.11
Debt/Equity Ratio	0.80	0.90	0.71

The sum of corporate equity and retained earnings was used to compute the Debt/Equity Ratio.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **Globe Energy ECO-System LLC**

STATISTICS

Project Number	I-ID-TE-CD-7037	Amount:	$10,000,000 (not-to-exceed amount)
Type:	Industrial Revenue Bonds	FM:	Jim Senica
Location:	Peoria		

BOARD ACTION

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

PURPOSE

Bond proceeds will be used for the acquisition of and addition to an industrial building at 1610 Altorfer Drive in Peoria, acquisition of new manufacturing machinery and equipment for use therein and to pay bond issuance costs.

IFA PROGRAM AND CONTRIBUTION

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

The proposed Bonds are expected to require $10,000,000 of 2007 Volume Cap from IFA.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IRB	$10,000,000	Uses:	Project Cost	$12,660,000
	DCEO Loan	750,000		Issuance costs	250,000
	Equity	2,160,000		Total	$12,910,000
	Total	$12,910,000			

JOBS

Current employment:	50	Projected new jobs:	600 (within 5 years)
Jobs retained:	N/A	Construction jobs:	15 (average over 7 months)

BUSINESS SUMMARY

Description: Globe Energy ECO-System LLC is a Delaware Limited Liability Company formed in March 2005 to establish a U.S. presence and serve as the Company's base of global operations and center of manufacturing for the Company's Advanced Energy Technology ("AET") high efficiency products. Globe Energy has operated in the United Kingdom in excess of 12 years and is now building on its European success to enter the North American market.

Background: Globe Energy ECO-System LLC is engaged in the development, design, manufacturing, installation, financing and management of world-leading, energy-saving radiant heating systems for industrial applications. The Company holds the sole American rights to unique, patented AET Advanced Energy Technology which represents the worlds most advanced commercial building heating technology. As much as 80% of the heat generated by conventional industrial heating systems ends up in the roof of the building, high above the heads of the people they are designed to heat. The basic premise of Globe Energy's AET Advanced Technology System is to turn 76% and more of the primary energy consumed into heat on the floor of industrial buildings, where the people are, achieving savings of up to 90% of the cost of heating high volume industrial buildings such as hangars, factories and warehouses. Together with temperature and consumption performance guarantees, Globe Energy operates, maintains and manages their new systems for customers delivering fixed cost energy-saving profits by reducing customers' energy consumption of their existing "conventional" radiant and warm air systems.

The technology being utilized by the Company was invented by Mr. David Jones, President and Chief Technology Officer of Globe Energy ECO-System LLC. Mr. Jones, President of the Company's U.K. business for the past 12 years, has spent over 30 years developing and obtaining patent protection (over 150 individual patents!) for the AET industrial Heating System. The Company's heating equipment systems have been successfully designed, manufactured, installed and serviced for several large, well-known customers in Europe including BMW, the Dublin, Ireland International Airport, Peugot and Caterpillar, Inc., and it is poised to enter the North American market.

It is important to note that the Company's European owners have invested over $1.8 million of equity capital and reinvested $1.65 million of retained earnings to establish the U.S. business. The global growth potential is extremely strong with product manufactured in Peoria initially serving not only the North American market but also the burgeoning Asian markets. (Traditionally, the Company's products had been manufactured in the U.K. on a contract basis). Additionally, establishment of the Company's global headquarters in Peoria will add significantly to Peoria's reputation as an attractive location for technology-based business.

FINANCING SUMMARY

Security: Bonds will either be purchased directly and held as a portfolio investment by a banking institution or publicly placed with an underwriter and secured by a letter of credit from a banking institution.

Collateral: Real estate: It is anticipated that the bank/bond purchasers will be secured by a first mortgage on the subject facility

Equipment: It is anticipated that the bank/bond purchasers will be secured by a blanket first security interest in all machinery and equipment

Structure: It is anticipated that bonds will be sold with a 10-year initial term

Amortization: It is anticipated 25 years on the subject real estate; 10 years for the subject equipment

PROJECT SUMMARY

Bond proceeds will be used to finance the acquisition of and an addition to an industrial building located at 1610 Altorfer Drive in the Pioneer Industrial Park in Peoria, Illinois, acquisition of new manufacturing machinery and equipment for use therein. Additionally, bond proceeds will be used to pay for the costs of issuance.

Estimated project costs are as follows:

Acquisition	$650,000
Building Construction/Renovation/Development	5,190,000
Equipment	6,820,000
Total	$12,660,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Globe Energy ECO-Systems LLC
Project name:	Globe Energy ECO Systems LLC Building and Equipment
Location:	1610 Altorfer Drive Peoria, Illinois 61615 (Peoria County)
Organization:	Delaware limited Liability Company
Shareholders:	Joan P. Jones – 45% Globe Energy ECO-Systems LTD (The British company which is owned 90% by Joan P. Jones) – 45% Other minority shareholders – 10%

PROFESSIONAL & FINANCIAL

General Counsel:	Howard & Howard Attorneys, P.C.	Peoria	William M. Shay
Accountant:	Clifton Gunderson LLP	Peoria	Dennis Bailey
Bond Purchaser:	To be determined		
Bond Counsel:	Chapman & Cutler	Chicago	Matthew R. Lewin
IFA Counsel:	Hart Southworth and Witsman	Springfield	Sam Witsman

LEGISLATIVE DISTRICTS

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

CONFIDENTIAL INFORMATION

Est. fee: $77,000 Tax ID: 59-3800990

FINANCIALS

Financials: Compiled financial statements of Globe Energy ECO-System LLC for years ending 5/31/05 & 5/31/06
Interim financial statements of Globe Energy ECO-System LLC for the six-month period ending 11/30/06
Staff-prepared projected financial information for years ending 5/31/07 through 5/31/09

	Actual		Projected		
	2005	2006	2007	2008	2009
	All dollars in thousands				
Income Statement					
Net Sales	-0-	547	5,704	6,560	7,544
Cost of Goods Sold	3	663	3,534	3,608	4,149
Gross Profit	(3)	(116)	2,170	2,952	3,395
Operating Expense	78	802	2,392	1,969	2,264
Net Income	(81)	(918)	(222)	983	1,131
Earnings Before Interest, Taxes, Depreciation & Amortization	(81)	(863)	(20)	1,785	1,928
Balance Sheet					
Current Assets	234	960	523	1,211	2,427
Net Property, Plant and Equipment	231	1,595	2,369	15,161	14,402
Other assets	500	506	506	506	506
Total Assets	965	3,061	3,398	16,878	17,335
Current Liabilities	-0-	1,523	146	1,514	1,560
Long-term Debt	-0-	767	893	12,022	11,302
Stockholder's Equity	965	771	2,359	3,342	4,473
Total Liabilities and Stockholder's Equity	965	3,061	3,398	16,878	17,335
Ratios					
Debt Service Coverage	N/A	0.00	0.00	1.33	1.43
Current Ratio	234.0	0.63	3.58	0.80	1.56
Long-term Debt to Equity	N/A	0.99	0.38	4.00	2.83

Discussion: As shown in the financial information presented above, Globe Energy Eco-System LLC is clearly an operation in the late stages of development ready to embark on full production and marketing of its products. The related British Company has enjoyed substantial success with its patented radiant heating systems and given the current activity and interest generated in the U.S., Company management firmly believes that the Company will perform well in the North American market. Projected amounts shown represent a conservative estimate of expected operating results for fiscal years 2008 and 2009, while results for fiscal year 2007 are based on the annualized actual six-month results as presented in the interim financial statements.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **Optima L.L.C. and Plochman Inc.**

STATISTICS

Deal Number:	I-ID-TE-CD-7004	Amount:	$2,000,000
Type:	Industrial Revenue Bond	IFA Staff:	Sharnell Curtis Martin
Location:	Manteno	SIC Code:	2035

BOARD ACTION

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

Staff recommends approval
No extraordinary conditions

PURPOSE

Proceeds will be used to refund the outstanding principal of IFA (IDFA) Series 1996 Industrial Revenue Bonds.

IFA CONTRIBUTION

IFA will convey tax-exempt status on the Refunding Bonds. No Volume Cap is required for IRB Refundings.

VOTING RECORD

Preliminary Bond Resolution, no previous voting record.

SOURCES AND USES OF FUNDS

Sources:	IFA Refunding	$2,000,000	Uses:	Refund Series 1996 Bonds	$2,000,000
	Equity	80,000		Bond Issuance Costs	80,000
	Total Sources	$2,080,000		Total Uses	$2,080,000

JOBS

Current employment:	44	Projected new jobs:	6
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

Background: Premium Mustard Mills, the predecessor of Plochman Inc., was founded in 1852 in Chicago. In 1883, Premium Mustard Mills was purchased by the Plochman family and later incorporated as an Illinois corporation. Plochman Inc. is a premium mustard manufacturer and among the top five brands of mustard in the United States and is the only brand that is still family-owned.

Description: Plochman has become the leading retail mustard product in many markets and is carried by approximately 60% of US retail food stores. Developing new product lines targeted at the non-yellow segment of the mustard market is one of Plochman's primary long-term goals.

Plochman's products consist of nine different varieties of yellow and non-yellow mustards packaged in a variety of retail and food service packages. Plochman sells its products through a national sales force of company employees and commissioned food brokers. According to the Company no single customer represents a significant percentage of Plochman sales.

Currently located in Manteno, Illinois the original bond issue assisted Plochman with constructing a 105,000 square foot facility. Prior to 1996, Plochman was located at 36th & California Avenue in Chicago, Illinois since 1961.

Plochman is managed by Carl M. Plochman, III, President & CEO; Glenn Kutzer, Vice President of Manufacturing; and Diane Kintz, Comptroller.

Remarks: Some varieties of Plochman's mustards include: yellow, stone ground, honey, spicy brown, dijon, honey dijon and beer.

FINANCING SUMMARY

Security:	The Bonds will be purchased by American Chartered Bank and held until maturity as an investment
Structure:	Private Placement with a fixed rate to be determined
Maturity:	20- year term with a 20-year amortization
Bank Collateral:	First mortgage on subject real estate.
Credit Rating:	Not Applicable

PROJECT SUMMARY

Bond proceeds will be used to current refund 100% of the outstanding principal of IFA (IDFA) Series 1996 Bonds (Optima, LLC Project). The original Series 1996 Bond Proceeds were used to finance the acquisition of nine acres of land, the construction of a 105,000 square foot manufacturing facility and to acquire machinery and equipment for use therein located at 1333 Boudreau in Manteno (Kankakee County), Illinois. Project costs are estimated as follows:

Refinance Series 1996 Bonds	$2,000,000
Total Project Costs	$2,000,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Optima, LLC and Plochman, Inc.		
Project name:	Plochman, Inc. Project		
Location:	1333 Boudreau Road		
Organization:	Limited Liability Company and Illinois Corporation		
State:	Illinois		
Ownership:	Optima, LLC	Carl Plochman	17%
		Barbara Plochman	17%
		Sajidah Kazmi	13.43%
		Christine Dowling	13.43%
		Carol Ricker	13.43%
		Barbara Plochman Trust	25.70%
	Plochman's Inc.	Carl (Terry) M. Plochman III	99.96%
		Carl Plochman	.04%
Land Sellers:	Not Applicable		

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Gordon Rappold	Chicago	Peter Miller
Accountant:	Detterbeck Johnson & Monsen Ltd.	Palatine	
Bond Counsel:	Perkins Coie LLP	Chicago	Bob Stephan
Bond Purchaser:	American Chartered Bank	Chicago	Peter Harrison
Bond Purchaser's Counsel:	Horwood Marcus & Berk	Chicago	Scott Josephson
Issuer's Counsel:	Wildman Harrold	Chicago	Jim Snyder

LEGISLATIVE DISTRICTS

Congressional:	11 – ~~Jerry Weller~~
State Senate:	40 – ~~Debbie DeFrancesco Halvorson~~
State House:	~~79 – Lisa M. Dugan~~

CONFIDENTIAL

CONFIDENTIAL INFORMATION

Est. fee: $10,4000

Tax IDs: Optima 36-4074290
Plochmans 36-2531092

Financials: Audited Financial Statements 12/31/04 – 12/31/05
Internally Prepared Financial Projections 12/31/06
Financial Projections 12/31/07 – 12/31/08

	Year Ended Dec. 31			Year Ending Dec 31		
	2004	2005	2006	2007	2008	2009
	(Dollars in 000's)					
Income statement:						
Sales	$11,440	$10,995	$12,485	$13,081	$14,389	$15,828
Net income	(526)	(721)	(308)	(72)	207	529
EBITDA	218	48	523	747	1,013	1,317
Balance sheet:						
Current assets	$2,719	$2,699	$2,610	$1,939	$1,800	$1,600
PP&E	4,498	4,021	3,881	4,341	4,287	4,616
Total assets	7,217	6,720	6,491	6,280	6,087	6,216
Current liabilities	1,136	1,260	1,939	1,800	1,600	1,400
Non Current liabilities	3,500	3,600	3,000	3,000	2,800	2,600
Equity	2,581	1,860	1,552	1,480	1,687	2,216
Total liabilities/equity	$7,217	$6,720	$6,491	$6,280	$6,087	$6,216
Ratios:						
Debt coverage	0.30x	0.06x	0.65x	0.79x	1.03x	1.37x
Current ratio	2.39	2.14	1.35	1.08	1.13	1.15
Debt/equity	1.43	2.04	2.32	2.00	1.53	1.07

Discussion: The Company realized net losses in 2004, 2005 and 2006. Three new varieties of mustard were added to the product line in 2004. In 2005, Plochman's lost several sales people and as a result lost two major accounts. The Company was able to recover one of these accounts and experienced an increase in Sales of approximately $1.5 million.

Adjusted Net Income if non-cash expenses are added back to earnings have adjusted net income of approximately $218,000 in 2004, $48,000 in 2005 and $523,000 in 2006.

The Company anticipates an increase in cash flows as a result of the proposed refunding of the bond issue. The original bond issue had a Letter of Credit through American National Bank and maturity in 2016. The new bond issue will be a direct purchase with American Chartered Bank and as a result will not have ongoing Letter of Credit Fees. Additionally, the term on the refunded bonds will extend maturity to 2026 thereby reducing annual debt service by 50%

The Company has a $2 million operating line of credit with American Chartered Bank with $1.2 million currently available.

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **Ozinga Bros., Inc. and Subsidiaries**

STATISTICS

Project Number:	I-IR-TE-CD-7033	Amount:	$9,800,000 (not-to-exceed)
Type:	Industrial Revenue Bond	IFA Staff:	Steve Trout
Location:	Various		

BOARD ACTION

Preliminary Bond Resolution	No IFA funds at risk
Conduit Industrial Revenue Bonds	No extraordinary conditions
Staff recommends approval	SIC Code: 3273: Ready-mix concrete

PURPOSE

To finance the acquisition of ready-mix concrete trucks and 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 $9,800,000 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.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IRB	$9,615,000	Uses:	Project Costs	$9,500,000
				Legal & Professional	115,000
	Total	**$9,615,000**		**Total**	**$9,615,000**

JOBS

Current employment:	712	Projected new jobs:	105 (within 2 years)
Jobs retained:		Construction jobs:	N/A

BUSINESS SUMMARY

Description: Ozinga Bros., Inc. and Subsidiaries ("Ozinga") is a privately-held Illinois corporation that was founded in 1928 and incorporated in 1956. Ozinga manufactures ready-mix concreted and related products that are sold to the Chicago area construction industry

Company Highlights: On March 2, 1928 Martin Ozinga. and Bill Conrad established the Conrad & Ozinga Coal & Coke Company' in Evergreen Park, Illinois. Within a year, they upgraded their horse and wagon operation by purchasing their first truck, an International, for coal delivery to Evergreen Park homes. Later in 1929, Martin Ozinga Sr. bought Bill Conrad's share of the business to become sole owner of "Martin Ozinga Coal & Coke Co.". In 1942 Martin Sr. transferred the business to his sons, Martin Jr., Rich, & Norman, which became known as "Ozinga Bros. Coal & Building

Material". The brothers continued growing the business, expanding the fleet by more than a dozen trucks, to focus on building materials and fuel oil as the demand for coal beings to decline. In 1952 the Ozinga brothers began production of ready-mix concrete, which soon became Ozinga's exclusive product. A plant was opened in Alsip, following population growth to the Southwest suburbs. In 1956, the company was re-organized as an incorporated partnership, called "Ozinga Bros., Inc."

Prior to the 1980's, the Chicago area's ready-mix industry had been predominantly comprised of family-owned companies. Ozinga began buying these companies, upgrading the facilities and operating the purchased plants. Retaining the employees of the original plants preserved the family atmosphere of the company and contributed to Ozinga's success by utilizing the skills and experience of valuable employees. By the 1980's the company built cement plants in Lemont, Mokena, and Chicago Heights, as well as a handful of other locations throughout the Southwest suburbs and Northwest Indiana.

2003, Ozinga Bros., Inc. celebrated its 75th anniversary. With a fleet of over 400 ready mix trucks and 700 employees, Ozinga has become one of the Midwest's leading material supply companies. More than ever, Ozinga continues in its commitment to provide customers with high quality, great service, and a fair price, while upholding the spiritual and philosophical convictions upon which the company was founded.

Project Rationale: Company growth necessitates acquisition of additional ready-mix concrete trucks and related equipment which will be used in the manufacture of concrete. The project will further allow the company to supply the construction industry with an even greater level of service and responsiveness. It is expected to create an additional 100 permanent jobs over the next two years.

FINANCING SUMMARY

The Bonds:	Industrial Revenue Bonds to be purchased by GE Capital
Structure:	The Bonds are expected to be fixed-rate obligations that will amortize and mature over 60 to 84 months.
Collateral:	The Bonds are expected to be secured by a first lien in the financed equipment.
Rating:	No credit rating will be sought.

PROJECT SUMMARY

Bond proceeds will be used to (1) acquire 32 ready-mix trucks, and (2) acquire and install new manufacturing machinery and equipment. Estimated project costs are as follows:

Ready-mix trucks (Evanston, Mokena and Hampshire)	$4,381,216
Machinery & Equipment (Montgomery and Henry)	5,118,784
Total	**$9,500,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Ozinga Bros., Inc and Subsidiaries. 15959 South 108th Avenue, Orland Park, IL 60467 (Contact: Donald L. Van Dyk, Vice President Finance & Administration, Telephone: 708/362.8250)
Project Locations:	2525 Oakton, (Cook County) Evanston, IL 60202 – 2759 401 Brier Hill Road Hampshire, IL 60140-1825 Old Lagrange Road, Mokena, IL 60448-8350 1220 South Lake Street, Montgomery, IL 60538-1400 Intersection of CR 1500E & CR 1400N, Henry Township (Montgomery County), IL
Organization:	Illinois Corporation (1956)

PROFESSIONAL & FINANCIAL

Bond Counsel:	Perkins Coie	Chicago	Robert Stephan
General Counsel:	Ozinga Bros., Inc	Orland Park	Barry N. Voorn
Bank Purchaser:	GE Capital Public Finance, Inc.	Oak Brook	Brian J Riordan
Bank Counsel:	Kutak Rock	Chicago	
IFA Counsel:	Wildman Harrold	Chicago	Jim Snyder
Accountant:	BDO Seidman LLP	Chicago	Michael Becker

LEGISLATIVE DISTRICTS

Evanston	Janice D. Schakowsky	9th, US Representative
	Jeffrey M. Schoenberg	9th, State Senator
	Elizabeth Coulson	17th, State Representative
Mokena	Gerald C. "Jerry" Weller	11st, US Representative
	Christine Radogno	41st, State Senator
	Renee Kosel	81st, State Representative

Hampshire	J. Dennis Hastert	14th, US Representative
	Chris Lauzen	25th, State Senator
	Timothy L. Schmitz	49th, State Representative
Montgomery	J. Dennis Hastert	14th, US Representative
	Linda Holmes	42nd, State Senator
	Linda Chapa-LaVia	83rd, State Representative
Henry Township	Ray LaHood	18th, US ~~Representative~~ Congressman
	Dale E. Risinger	37th, State Senator
	David R. Leitch	73rd, State Representative

CONFIDENTIAL INFORMATION

Estimated Fee: $74,000

Tax ID: 36-233299

ECONOMIC DISCLOSURE STATEMENT

Ownership:		
	Ozinga Children's Investment Trust	84%
	Martin Ozinga, III	8%
	Jeffrey Ozinga	8%

FINANCIAL SUMMARY

Financials: Audited financial statements for fiscal years ending December 31, 2003, 2004 and 2005 for Ozinga Bros., Inc. and Subsidies. Interim financial statements as of September 30, 2006 (9 months). Projections prepared by staff. All dollars are in thousands.

	Actual			Estimate	Forecast	
	2003	2004	2005	2006	2007	2008
Income Statement						
Net Sales	171,325	174,544	201,755	232,689	244,324	256,540
Net Income	19,083	15,030	10,204	9,981	8,703	9,560
Earnings Before Interest, Taxes, Depreciation & Amortization	32,301	29,904	25,894	23,333	28,810	30,250
Balance Sheet						
Current Assets	41,691	40,611	51,425	76,257	80,970	85,344
Net Property, Plant and Equipment	59,299	77,177	77,205	76,116	74,480	69,583
Other Assets	18,528	11,828	13,019	12,393	13,013	13,663
Total Assets	119,518	129,616	141,649	164,766	168,464	168,590
Current Liabilities	30,102	37,231	82,629	37,438	36,244	37,596
Long-term Debt	42,911	58,356	20,728	82,259	81,494	74,054
Other Liabilities	0	0	0	0	0	0
Stockholder's Equity	46,505	34,029	38,292	45,069	50,726	56,940
Total Liabilities and Stockholder's Equity	119,518	129,616	141,649	164,766	168,464	168,590
Ratios						
Debt Service Coverage (x)	2.23	2.40	1.42	1.52	1.71	1.91
Current Ratio	1.38	1.09	0.62	2.04	2.23	2.27
Debt to Equity	1.13	2.12	2.04	2.11	1.81	1.48

Discussion: Ozinga has generated rapidly increasing sales over the past several years. The business generated significant net income, although margins have been declining recent years. The company generates substantial operating cashflow, as indicated by trends in earnings before interest, taxes, depreciation, and amortization (EBITDA). Operating cashflow has been sufficient to provide ample coverage of annual debt service requirements.

Ozinga supplements its liquidity with a large revolver with a multiyear term. Current liabilities increased dramatically in FY 2005, largely because Ozinga's revolver and installment note with LaSalle Bank and $48 million outstanding at year-end, was in its final year. Those facilities were renegotiated and balances are now reported as long-term debt.

Ozinga increased its net indebtedness by $20 million in FY 2004 and an additional $5 million in FY 2005, primarily to finance additional capital assets. The company maintains a significant inventory of capital assets, consisting primarily of buildings and improvements, ready-mix plants, mixers, trucks, cars and delivery and earth moving equipment. Ozinga depreciates these assets relatively quickly (roughly 12 years on average over the period reviewed).

The forecast was prepared by staff. It assumes 5% growth in sales (much slower than recent performance) and in general operating expenses. Debt service coverage is estimated assuming $9.6 million in additional debt for this project, with a 6 year average amortization schedule and modest growth in draws on its line of credit. The forecast indicates that Ozinga should generate sufficient cashflow to cover operating costs and annual debt requirements and continue to invest in capital assets.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **700 Hickory Hills Drive, LLC for its Affiliate Lessee Precision Resource, Inc.**

STATISTICS

Project Number:	I-ID-TE-CD-6215	Amount:	$10,000,000 (not to exceed)
Type:	IRB	FM:	Townsend Albright
Location:	Vernon Hills	SIC Code:	3469 (Metal stampings)

BOARD ACTION

Final Bond Resolution	Conduit Industrial Revenue Bonds
No IFA funds at risk	Staff recommends approval
Extraordinary conditions: None	

PURPOSE

Proceeds will be used to (i) purchase land and one building located on such land, (ii) renovate and construct an addition to an existing manufacturing facility, (iii) capitalize interest, and (iv) fund legal and professional issuance costs.

IFA PROGRAM AND CONTRIBUTION

The Authority's Industrial Revenue Bond Program provides low interest rate financing for qualifying industrial projects. IFA's issuance of Industrial Revenue Bonds will exempt income earned on the Bonds from federal income tax and thereby enable the Borrower to obtain a lower interest rate on this debt. The Authority will contribute up to $10,000,000 of Volume Cap, a prerequisite to issue the Bonds.

VOLUME CAP

IFA to provide up to $10,000,000 of IFA Volume Cap, and convey tax-exemption on the Industrial Revenue Bonds.

VOTING RECORD

Preliminary bond resolution, November 14, 2006:
9 ayes, 0 nays, 0 abstentions
Members Absent: 6 (M. Boyles, R DeNard, Dr. R. Herrin, M. Nesbitt, A. Rice, J. Rivera)

SOURCES AND USES OF FUNDS

Source:	IFA Bonds	$10,000,000	Uses:	Project Costs	$9,365,000
				Capitalized interest	460,000
				Legal/professional costs	175,000
Total		$10,000,000	Total		$10,000,000

JOBS

Current employment:	95 (Tenant)	Projected new jobs:	21 (Tenant)
Jobs retained:	N/A	Construction jobs:	140 (10 months)

BUSINESS SUMMARY

Background: 700 Hickory Hills Drive, LLC (the "Applicant") is a newly established (September 15, 2006) real estate holding entity. The Applicant is a Connecticut Limited Liability Corporation. The Applicant will acquire the land and build out the property to be leased to, and used by the Illinois division of an affiliated company, Precision Resource, Inc. ("Precision"). Precision, is a Connecticut C Corporation, was founded in 1953, and has approximately 900 employees. Annual sales of its Illinois division approximate $20 million, with 95 employees. The Applicant and its affiliate, Precision, are owned in totality by JCP Holdings Company, LLC, ("JCP"), a Connecticut Limited Liability Corporation. Peter Wolcott is the 100.0% shareholder of JCP and its affiliates.

Precision is a global leader in fineblanking technology serving local, national, and international markets for more than 50 years. Fineblanking is a metal forming process that combines the technologies of stamping and cold extrusion to produce high volumes of consistent, close tolerance component parts that would otherwise require more expensive, value-added operations to produce. Markets served include automotive, construction/off highway, general industry machinery, cutlery, hand tools, and farm and garden.

The Tenant, Precision, Illinois Division, is primarily a 2/tier 3 metal parts supplier to the automotive community. Raw material used is typically low carbon steel, stainless steel, and aluminum in coil form. Metal is fed into fineblanking presses ranging from 50 tons to 100 tons of pressure. Major customers include International Truck and Engine Corp., Honeywell, Robert Bosch Corporation, Borg Warner Automotive, Indiana Mills & Manufacturing Company, and Caterpillar.

Description: Proceeds of the proposed financing will be used to purchase approximately 5.5 acres of land and an existing 30,300 sq. ft. building in Vernon Hills, Cook County, Illinois. Proceeds of the proposed financing will also pay for an existing building renovation, including an approximately 77,500 sq. ft. addition, and legal and professional issuance costs.

Remarks: The state of the art facility will keep Precision on its projected growth path and help it maintain its competitive edge in a highly innovative and competitive industry. Tax-exempt financing will lower the cost of capital for the Applicant.

FINANCING SUMMARY

Collateral:	Direct pay Letter of Credit from Bank of America, Stamford, CT.
Structure:	Multi-Mode Variable rate Demand Bonds.
Collateral:	First Mortgage on the property, and corporate guarantee of Precision Resource, Inc.
Rating:	If rated, the Bonds would be rated based on the rating on the Letter of Credit.
Maturity:	25 years

PROJECT SUMMARY

Proceeds will be used to (i) purchase approximately 5.503 acres of land located at 700 Hickory Hills Drive, Vernon Hills, Cook County, Illinois, and an approximately 30,300 sq. ft. building located on such land, (ii) renovate and construct an approximately 77,500 sq. ft. addition to an existing manufacturing facility, (iii) capitalize interest, and (iv) fund legal and professional costs.

Project Costs:	Land	$1,896,000
	Building	2,454,000
	Construction/Renovation	4,809,000
	Arch/ Eng	206,000
Total		$9,365,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	700 Hickory Hills Drive, LLC
Project Name:	Precision Resource, Inc. New Facility
Project Location:	700 Hickory Hills Drive, Vernon Hills, Cook County, IL 60061-3104
Land Owner:	700 Hickory Hills Drive, LLC
Shareholder Ownership:	Peter Wolcott 100.0%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	In house	Shelton, CT	Joseph R. Tristine
Accountant:	UHY	New Haven, CT	Barry Fischman, CPA
Bond Counsel:	Chapman and Cutler, LLP.	Chicago, IL	Andrea Bacon
Underwriter/ Placement Agent:	J.P. Morgan Securities, Inc.	Chicago, IL	Shelly B. Phillips
Underwriter's Counsel:	Wildman Harrold, LLP	Chicago, IL	James M. Snyder
LOC Bank:	Bank of America, N.A.	Hartford, CT	John M. Tuohy
Counsel to Bank:	Robinson & Cole, LLP	Hartford, CT	Michael F. Maglio
Trustee:	US Bank N.A.	Hartford, CT	Elizabeth Hammer
Trustee Counsel:	LeBoeuf, Lamb, Greene & MacRae LLC	Hartford, CT	Jeffrey R. MacDonald
Issuer's Counsel:	Katten, Muchin, Zavis, Rosenman	Chicago, IL	Mark Laughman

LEGISLATIVE DISTRICTS

Congressional:	10th ~~Mark Steven Kirk~~
State Senate:	30th ~~Terry Link~~
State House:	59th ~~Kathleen A. Ryg~~

CONFIDENTIAL

CONFIDENTIAL INFORMATION

Est. fee: $77,000 Tax ID: 20-5569191

FINANCIALS

Financials: Audited, financial statements for fiscal years ending 3-31 2004, 2005, and 2006, interim financial statements for five months ending 8-31-2006, and *Pro forma* financial statements for fiscal years ending3-31-2007, 2008, and 2009 for Precision Resource, Inc. (Corporate guarantor)

(Dollars in 000's)

	2004	2005	2006	8/31/2006	2007	2008	2009
Sales	$129,641	$151,789	$163,133	$73,978	$183,000	$194,000	$215,000
NI	13,330	18,319	13,432	6,515	12,828	13,730	14,633
EBITDA	19,563	32,444	19,928		20,873	26,390	29,003
CA	49,997	63,486	72,252	73,452	67,044	69,605	75,075
PP&E	42,316	50,308	57,395	57,666	63,099	63,149	62,699
Other Assets	4,891	4,503	6,227	4172	5,274	5,074	5,074
Total	97,204	118,297	135,874	135,290	135,417	137,828	142,848
CL	17,159	20,880	23,773	23,055	25,014	24,796	25,018
Debt	33,394	31,457	39,546	35,777	34,187	29,586	26,252
Equity	4,743	4,675	4,675	4,707	4,704	4,704	4,703
Retained Earnings	45,083	61,285	67,880	71,751	71,512	78,742	86,875
Treasury Stock	-3,175						
Total	$97,204	$118,297	$135,874	$135,290	$135,417	$137,828	$142,848
Ratios:							
Debt Service ratio	5.164x	5.164x	3.67x		4.13x	2.45x	2.62x
CA/CL	2.91	3.04	3.04		2.68	2.81	3.00
Debt/Equity Ratio	0.67	0.48	0.54		0.44	0.35	0.29

700 Hickory Hills Drive, LLC	2007	2008	2009
Total Operating Income	$236	$944	$944
Projected Annual Debt Service	(666)	(887)	(887)
Income available for debt service	(430)	57	57
Equity Contribution from Parent Company	500	0	0
Net	$0	$57	$57

Note: (i) This is a triple net lease. (ii) 700 Hickory Hills Drive, LLC is the borrower and assumes the debt; hence the debt is not reflected on the *proforma* balance sheets of the parent company Precision Resource, Inc., which is the Tenant/Guarantor.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2006

Project: Magnetic Inspection Laboratory, Inc. and Schiewe Partnership

STATISTICS

Project Number	I-ID-TE-CD-6213	Amount:	$8,000,000 (not-to-exceed amount)
Type:	Industrial Revenue Bonds	FM:	Rich Frampton
Location:	Elk Grove Village		

BOARD ACTION

Final Bond Resolution
Conduit Industrial Revenue Bonds
No extraordinary conditions

Staff recommends approval
No IFA funds at risk

PURPOSE

Construction and equipping of an addition to the Company's existing manufacturing facility in Elk Grove Village. Additionally, bond proceeds will also be used to pay bond issuance costs.

IFA CONTRIBUTION

The proposed Bonds are expected to require $8,000,000 of 2007 Volume Cap. The Village of Elk Grove is considering a transfer of all or a portion of its 2007 Volume Cap allocation (approximately $3.0 million) to the Authority in support of this project (and other prospective manufacturing projects in Elk Grove Village).

As a result of this Elk Grove Village 2007 Volume Cap transfer, the net Volume Cap required from IFA is expected to range from approximately $6.5 million to $8.0 million.

VOTING RECORD

Preliminary Bond Resolution: November 17, 2006:

Ayes: 9 Nays: 0 Abstentions: 0

Absent: 6 (Boyles, DeNard, Herrin, Nesbitt, Rice, Rivera) Vacancies: 0

SOURCES AND USES OF FUNDS

Sources:	IRB	$8,000,000	Uses:	Project Cost	$8,850,000
				Capitalized Interest	500,000
	* Equity	1,500,000		Issuance/Costs	150,000
	Total	**$9,500,000**		**Total**	**$9,500,000**

- See p. 6 for explanation of Sources of Equity.

JOBS

Current employment:	84	Projected new jobs:	22 (within 2 years)
Jobs retained:	Not applicable	Construction jobs:	15 (average over 7 months)

BUSINESS SUMMARY

Description: Magnetic Inspection Laboratory, Inc. ("MIL" or the "Borrower") is an Illinois S Corporation. MIL was originally established in 1942 by Mr. Robert L. Schiewe, Sr. The Company is now in its second generation of family ownership – and is currently owned and managed by the founder's two sons, Robert L. Schiewe, Jr., and Timothy D. Schiewe. MIL will be the obligor on the equipment portion of the subject project.

Schiewe Partnership is an Illinois general partnership formed in 1989 as a special purpose entity to own and lease the subject real estate to MIL. The Schiewe Partnership is wholly-owned by Robert L. Schiewe and Timothy Schiewe and their families. Accordingly, Schiewe Partnership will be the obligor on the real estate portion of this financing and will lease the subject facility to MIL.

Background: Magnetic Inspection Laboratory is a manufacturing service company that provides custom metal finishing, welding, and powder coating services to original equipment manufacturers (OEMs). The proposed project will expand MIL's existing manufacturing facility in Elk Grove Village. The project will involve construction and equipping of an approximately 24,000 SF addition to MIL's existing 34,000 SF facility. The proposed expansion will expand MIL's metal finishing lines. The project will enable MIL to meet increased demand for parts fabricated for aerospace, military, and commercial applications.

MIL has been located at its present location in Elk Grove Village since 1989. Since that time, MIL's annual sales have increased approximately six-fold, while employment has grown from approximately 30 to 84. MIL also operates a second, stand-alone 5,000 SF powder coating facility, also in Elk Grove Village.

MIL has reached full capacity in its existing facility and must construct this addition to install new process lines in order to satisfy growing customer demand.

MIL specializes in providing the following services:

- <u>Coatings:</u> MIL's coatings include dry film lubricant priming and painting, Teflon coating (for acid resistance) parts, epoxy finishes (electrical insulators), resin coatings, nylon coatings, and powder coatings (aerospace, agricultural, and general commercial uses).

- <u>Metal Finishing Services:</u> etching, cadmium plating, stainless steel picking, brass/copper brightening, chemical milling (for upgrading castings and forgings), electro-polishing (stainless steel), and anodizing. MIL can provide chemical milling for parts that weigh up to 1 ton and can mill to one-thousandth inch tolerances.

- <u>Welding Services:</u> can solder and braze silver and other difficult-to-solder metals. MIL can weld aluminum, steel, titanium, stainless steel, magnesium, bronze, copper, nickel, and other metal alloys.

Additionally, MIL has received quality supplier approval awards from the following customers: Allied Signal, AM General (Humvee), BAE Systems, Inc., Beaver Aerospace, Boeing Corporation (including aircraft, aerospace, and helicopter divisions), Borg-Warner Corp., Curtiss Wright Flight Systems, Eaton, General Dynamics, General Electric, Goodrich Aerospace (formerly BF Goodrich Tire), Gulfstream, Honeywell, Lockheed, Northrop Grumman, Raytheon, Rolls Royce Aerospace, Textron (Bell Helicopter, Cessna), United Technologies (Hamilton Sundstrand, Pratt & Whitney, Sikorsky Helicopter), and Woodward Governor.

FINANCING SUMMARY

Security: Bonds will be purchased directly and held as a portfolio investment by First Midwest Bank N.A. (Des Plaines, IL) (the "Bank").

Bank Collateral:

- Real Estate: Because Schiewe Partnership will own the subject real estate for lease to MIL, First Midwest Bank will be secured by a first mortgage on the subject facility, a collateral assignment of rents and leases, and the corporate guarantee of Magnetic Inspection Laboratory, Inc. The real estate portion of this financing will be cross collateralized and cross defaulted with all of MIL's bank debt.
- Equipment: The equipment portion of the bond issue will be a direct obligation of MIL. Accordingly, First Midwest Bank will be secured by a blanket first security interest in all machinery and equipment, receivables, and inventory. The proposed bonds will also be cross collateralized and cross defaulted with all other bank debt to MIL and Schiewe Partnership (the obligor/owner of the real estate),

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

Interest Rate: 5.25% Fixed for initial term 10 years (based on 10 year rate lock).

Amortization: 25 years on the subject real estate; 10 years for the subject equipment

PROJECT SUMMARY

Bond proceeds will be used to finance the costs of the design, construction and equipping of a new, approximately 24,000 SF addition to the Company's existing approximately 34,000 SF manufacturing facility located at 1401 Greenleaf Avenue in Elk Grove Village (Cook County), IL 60007-5536, and to pay costs of issuance on the Bonds. Collectively, these capital expenditures will be referred to as the "Project".

Estimated project costs are as follows:

Building Construction/Renovation/Development	$ 2,100,000
Equipment	6,650,000
Architectural/Engineering	100,000
Total	**$ 8,850,000**

ECONOMIC DISCLOSURE STATEMENT

Co-Borrowers: Magnetic Inspection Laboratory, Inc. and Schiewe Partnership (Contact: Mr. Steve Breitenstein, Controller, 1401 Greenleaf Avenue, Elk Grove Village, IL 60007-5536; Phone: (847) 437-4488; e-mail: sbreitenstein@milinc.com)

Web site: www.milinc.com

Project name: Magnetic Inspection Laboratory, Series 2007 Bonds

Location: 1401 Greenleaf Avenue, Elk Grove Village, IL 60007-5536

Organizations:	Magnetic Inspection Laboratory	Schiewe Partnership
	Illinois S Corporation	Illinois General Partnership

Shareholders (Partners): Robert L Schiewe, Jr., (President), Barrington, IL: 50%
Timothy D. Schiewe (Vice President), Wayne, IL: 50%

PROFESSIONAL & FINANCIAL

General Counsel:	Maurides & Foley LLC	Chicago, IL	George Maurides
Accountant:	Ulbrich & Company P.C.	Arlington Heights, IL	Norm Ulbrich
Bond Purchaser:	First Midwest Bank N.A.	Des Plaines, IL	Paul Ebert
Bond Counsel:	Wildman Harrold, LLP	Chicago, IL	Jim Snyder
Bank Counsel:	Wildman Harrold, LLP	Chicago, IL	David Hight
Architect:	Itasca Construction Associates	Itasca, IL	David Crane
General Contractor:	Itasca Construction Associates	Itasca, IL	David Crane
Appraiser:	Peter son Appraisal Group	Chicago, IL	Gary Peterson
Trustee/Fiscal Agent:	Not applicable – Direct Purchase Bonds		
IFA Counsel:	Bell Boyd & Lloyd LLC	Chicago, IL	Pawel Chudzicki

LEGISLATIVE DISTRICTS (as of 2/1/2007)

Congressional:	6	~~Peter J. Roskam~~
State Senate:	33	~~Dan Kotowski~~
State House:	66	~~Carolyn H. Krause~~

CONFIDENTIAL INFORMATION

Est. fee: $61,600 ($8.0 million Par) Tax ID: 36-2814092 (MIL, Inc.)

SIC/
NAICS Code: 332813

Financials: Compiled financial statements of Magnetic Inspection Laboratory, Inc. and subsidiaries for the fiscal years ended 12/31/2003-12/31/2005. Projected financial statements for the fiscal years ending 12/31/2007-12/31/2009 are based on projections prepared by the Borrower. Projected financial statements for the fiscal year ending 12/31/2006 were prepared by IFA staff based on interim financial statements for the six months ended 6/30/2006.

	Actual			Forecasted			
	December 31			December 31			
	2003	2004	2005	2006	2007	2008	2009
	(Dollars in 000's)			(Dollars in 000's)			
Income statement:							
Sales	$8,369	$9,952	$12,368	$14,283	$16,000	$18,000	$20,000
Net income (before S Corp. distributions)	1,211	1,505	2,508	2,637	2,157	1,560	1,847
EBITDA	1,488	1,749	2,737	2,976	3,131	3,076	3,397
Balance sheet:							
Current assets	1,005	1,446	2,187	2,539	2,927	3,425	3,841
Net PP&E	933	797	730	891	6,638	6,153	5,780
Other assets	117	116	231	230	230	230	230
Total assets	2,055	2,359	3,148	3,660	9,795	9,808	9,851
Current liabilities	912	1,136	1,310	1,155	1,564	1,723	1,887
Long-Term Debt	460	116	70	62	5,520	4,989	4,431
Other LT Liabilities	--	--	--	--	--	--	--
Equity	683	1,107	1,768	2,505	2,711	3,096	3,533
Total Liab & Equity	2,055	2,359	3,148	3,660	9,795	9,808	9,851
Ratios:							
Debt coverage (x)	2.92	3.30	5.61	6.75	4.21	2.26	2.40
Current ratio	1.10	1.27	1.67	2.32	1.87	1.99	2.03
Debt/equity	1.02	0.24	0.10	0.03	2.22	1.78	1.41

Discussion: MIL posted compound sales growth of approximately 21.5% from 2003 to 2005, reflecting management's success from meeting customer quality and testing requirements. MIL's net income and net profit margins have also improved since 2003, indicating that the Company has successfully managed its sales growth.

Additionally, MIL has continued to report strong debt service/fixed charge coverage every year. The 5.61 times coverage posted in 2005 indicates that MIL has considerable unused debt repayment capacity available for the proposed bond financing.

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

MIL sales are derived from a large, diversified customer base. No single customer presently comprises more than 5% of MIL's annual sales volume.

MIL has a $1,500,000 Line of Credit ("Line") from First Midwest Bank (Des Plaines, IL). The Company had no draws outstanding against this Line as of 12/31/2006.

The forecasts assume: (1) 2006 sales results and expenses were projected from 6 month results; (2) 12% sales growth in 2007, 12.5% sales growth in 2008, and 11.1% sales growth in 2009; (3) 11.5% expense growth in 2007, 16.7% expense growth in 2008, and 14.3% expense growth in 2009; (4) the proposed IFA Bonds will close as of 4/30/2007, (5) the Bonds will be sold at a 5.25% fixed interest rate, (6) MIL will be the obligor on approximately $6 million of bonds associated with the acquisition and financing of the equipment and will be amortized over 10 years (with the related assets capitalized on MIL's balance sheet), and (7) Schiewe Partnership will be the obligor on the $2 million of proceeds allocated to the real estate portion of the project and amortized over 25 years (these payments have been reflected as rent payments by MIL on the accompanying forecasted financial results).

Based on the foregoing assumptions, MIL is projected to continue to generate strong operating cash flow sufficient to cover its fixed obligations by multiples of 2.26 times or better beginning in 2008, the first full fiscal year in which the new project will be operating.

* Explanation on Equity Contribution (from Page 1): In order to generate the required equity for this transaction, Schiewe Partnership has approximately $1.5 million of net equity in real estate leased to MIL that, in part, collateralizes MIL's $1.5 million Line of Credit with First Midwest Bank. MIL had no draws outstanding against this Line of Credit as of 10/31/2006. Furthermore, MIL has accumulated deposits of $850,000 with First Midwest Bank that will be used to fund a portion of the required down payment.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **Gusto Packing Company, Inc. and 2125 Rochester Property, L.L.C.**

STATISTICS

Deal Number:	I-ID-TE-CD-6185	Amount:	$8,500,000 (not-to-exceed amount)
Type:	Industrial Revenue Bond	IFA Staff:	Sharnell Curtis Martin
Location:	Montgomery	SIC Code:	2013

BOARD ACTION

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

PURPOSE

To finance the expansion of a manufacturing facility, acquisition of equipment and to pay certain bond issuance costs.

IFA CONTRIBUTION

The Applicant will be seeking approximately $8.25 million in IFA Volume Cap.

VOTING RECORD

Preliminary Bond Resolution: September 27, 2006.

Ayes: 9 Nays: 0 Abstentions: 0 Absent: 5 (Boyles, DeNard, Nesbitt, O'Brien, Talbott)

SOURCES AND USES OF FUNDS

Sources:	IFA Bond	$8,250,000	Uses:	Project Costs	$10,000,000
	Equity	2,000,000		Bond Issuance Costs	250,000
Total Sources		$10,250,000	Total Uses		$10,250,000

The source of equity is from internally generated funds.

JOBS

Current employment:	150	Projected new jobs:	50
Jobs retained:	N/A	Construction jobs:	40

BUSINESS SUMMARY

Background: Gusto Packing Company, Inc. "Gusto" or the "Company" was established and incorporated as an "S Corporation" in December 1972 by Rafael Caballero. Mr. Caballero also established 2125 Rochester Property, LLC as a limited liability company in 2006 for the purpose of holding real estate associated with Gusto Packing Inc. Gusto produces cooked and smoked meats to be used in the food service industry and retail grocery stores.

Mr. Caballero serves as the President, and manages the day to day operations of the company. The Company is a family owned business and in addition to Mr. Caballero, his sons Rafael Caballero, Jr. serves as the Vice President; Antonio Caballero serves as the Director of Operations and Daniel Caballero serves as the Director of Finance.

Gusto operates one 12 hour shift and produces various ham, turkey and bacon products. Products are packaged under the Gusto name as well as Butcher's Cut, Heartland Harvest, and Gadansk food labels. Gusto's five major customers include: US Food Service, Safeway Co., Bush Baked Beans, Cameco and North Gate Markets. No customer represents more than 8% of Gusto's annual sales.

Description: The new project consists of a 90,000 square foot addition built onto the existing building and the acquisition of machinery and equipment. The facility currently sits on 15 acres of land owned by Mr. Rafael Caballero, Sr. The Company will acquire ten acres of land and the existing facility from Mr. Caballero and complete the new expansion. Once completed, all of the business assets will be owned by the Company. The existing facility presently operates at full capacity.

The new project will double the existing capacity of the more than 65 million pounds of meat products annually. Historically, Gusto has experienced 12-15% growth annually over the last five years.

FINANCING SUMMARY

The Bonds: Industrial Revenue Bonds to be enhanced with a direct letter of credit provided by LaSalle Bank

Bondholder's Collateral: Collateral will consist of a first mortgage on the subject real estate, assignment of rents and leases and first lien on equipment financed.

Security: The Bonds will be secured by a Direct Pay Letter of Credit from LaSalle Bank, N.A..

Structure: The Bonds will be structured as either Weekly Variable Rate Demand Bonds or Flexible Rate Demand Bonds

Maturity: 20 Years

PROJECT SUMMARY

Bond proceeds will be used to finance the addition of a 90,000 square foot addition to a manufacturing facility located at 2125 Rochester Road in Montgomery, Illinois (Kane County), and acquisition of machinery and equipment for use therein. Project costs are estimated as follows:

Machinery and Equipment	$5,200,000
Construction	2,800,000
Land	2,000,000
Total Project Costs	$10,000,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Gusto Packing Company, Inc. 2125 Rochester Road Montgomery, Illinois 60538 (Kane County) Daniel Caballero, Director of Finance		
Project name:	Gusto Packing Company, Inc. Expansion Project		
Location:	2125 Rochester Road Montgomery, Illinois 60538 (Kane County)		
Organization:	Corporation and Limited Liability Corporation		
State:	Illinois		
Ownership:	Gusto Packing, Inc.	Rafael Caballero, Sr.	72%
		Rafael Caballero, Jr.	7%
		Antonio Caballero	7%
		Daniel Caballero	7%
		Enrique Diaz, Jr.	7%
	2125 Rochester Property, LLC	Rafael Caballero, Sr.	100%
Land Sellers:	Rafael Caballero, Sr.		

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Law Offices of Duggan and Associates	North Aurora, IL	John P. Duggan
Accountant:	Steve Mazzoni, CPA	Aurora	Steve Mazzoni
Bond Counsel:	Pugh Jones Johnson and Quandt	Chicago	Scott Bremer
LOC Bank:	LaSalle Bank, N.A.	Chicago	David Rooney
Underwriter:	LaSalle Capital Markets	Chicago	Peter Glick
Underwriter's Counsel:	Scott & Krauss, LLC	Chicago	Drew Scott
Issuer's Counsel:	Charity & Associates	Chicago	Allan Bell
Trustee:	U.S. Bank, N.A.	Chicago	Grace Gorka

LEGISLATIVE DISTRICTS

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

CONFIDENTIAL

CONFIDENTIAL INFORMATION

Est. fee: $61,600 Tax IDs: 36-2801676

Financials: Compiled Financial Statements 12/31/04 - 12/31/06
Internally Prepared Financial Projections 12/31/07 – 12/31/09

	Year Ended Dec.30			Year Ending Dec. 30		
	2004	2005	2006	2007	2008	2009
	(Dollars in 000's)					
Income statement:						
Sales	$44,473	$68,989	$77,242	$100,000	$120,000	$144,000
Net income	3,375	2,178	3,474	4,738	5,632	6,434
EBITDA	5,178	5,864	5,716	7,664	9,224	10,488
Balance sheet:						
Current assets	$7,175	$10,405	$12,461	$14,090	$15,790	$17,490
PP&E	2,369	3,682	4,225	4,220	12,350	12,400
Other assets	2,631	643	0	0	0	0
Total assets	12,175	14,731	16,686	18,310	28,140	29,890
Current liabilities	2,641	5,429	6,615	6,800	8,400	9,500
Non Current liabilities	1,499	862	917	560	8,000	7,500
Equity	8,035	8,440	9,153	10,950	11,740	12,890
Total liabilities/equity	$12,175	$14,731	$16,686	$18,310	$28,140	$29,890
Ratios:						
Debt coverage	3.68x	4.14x	3.56x	4.14x	4.05x	4.60x
Current ratio	2.72	1.92	1.88	2.07	1.88	1.84
Debt/equity	0.26	0.18	0.19	0.13	0.77	0.66

Discussion: The Company's historical financial statements indicate strong annual sales growth in excess of 10-20% annually. In 2004, sales revenue grew considerably based on new contracts for Gusto products as well as the fact that hogs were being sold at premium prices. This type of market fluctuation tends to be common in businesses that produce commodity products.

Based on conversations with existing customers and several contracts with new customers, the projected financial statements expect that sales growth to increase to approximately 20% annually over the next three to four years.

Interim financial statements through June 30, 2006 have generated approximately 41.1 million in sales. Due to the increased demand for ham and turkey products in November and December of each year, Gusto expects to achieve annual sales of $100 million by the end of 2006.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: Bohler-Uddelholm Corporation

STATISTICS

IFA Project #:	I-ID-TE-CD-6187	Amount:	$10,000,000 (not-to-exceed amount)
Type:	Industrial Revenue Bond	FM:	Steven Trout
Locations:	Elgin		

BOARD ACTION

Final Bond Resolution	No IFA funds at risk
Conduit Industrial Revenue Bonds	No extraordinary conditions
Staff recommends approval	Processor and distributor of tool steel

PURPOSE

To finance and reimburse Bohler-Uddelhom for costs to construct a 128,000 square-foot industrial building, acquire and install machinery and equipment to process, grind, cut, store and distribute tool steel and pay architectural and engineering costs to design and develop the building.

IFA PROGRAM AND CONTRIBUTION

The Authority will contribute up to $10,000,000 of Volume Cap and issue Industrial Revenue Bonds, which will reduce the Borrower interest expense because interest earned on the Bonds is exempt from federal income tax. The Borrower is seeking to induce the project now to preserve its right to issue up to $10,000,000 in Industrial Revenue Bonds after December 31, 2006 when new IRS guidelines permit developers of qualifying Small Manufacturing projects with up to $20,000,000 in capital expenditures within 6 years of the closing date of the Bonds (3 years before and after) to use proceeds of up to $10,000,000 Industrial Revenue Bonds to finance project costs.

VOTING RECORD

Preliminary Resolution adopted September 27, 2006 by the following vote:

Ayes:	8
Nays:	0
Abstentions:	1 (Gustman)
Absent:	5 (Boyles, DeNard, Nesbitt, O'Brien, Talbott)

SOURCES AND USES OF FUNDS

Sources:	IRB	$10,000,000	Uses:	Project Cost	$14,847,310
	Bank Financing	4,847,310			
	Total	**$14,847,310**		**Total**	**$14,847,310**

JOBS

Current employment:	154	Projected new jobs:	10 (within 2 years)
Jobs retained:	Not applicable	Construction jobs:	75 (average over 9 months)

BUSINESS SUMMARY

Description: Bohler-Uddelholm Corporation ("Bohler-Uddelholm" or "the Borrower") is a New York Corporation that is the US Subsidiary of Bohler- Uddelholm AG ("the Parent"). The Parent was established in May 1991 with the merger of the Austrian Bohler Group and Swedish Uddeholm group to form the Bohler-Uddeholm Group, the world's largest tool steel manufacturer with a dedicated specialty steel products sales network. The beginnings of the production sites of Bohler and Uddeholm date back many centuries.

Background: Following the merger, the Company undertook an extensive reorganization and completed a turnaround in 1994. Up to this point, Bohler-Uddeholm AG was 100% subsidiary of Osterreichische Industrieholding AG ("OIAG") which, in turn, is owned by the Republic of Austria. In April 1995, Bohler-Uddelholm AG completed an initial public offering on the Vienna Stock Exchange. OIAG reduces its holding to 72.7%, and 27.3% of share capital sold to international and Austrian investors. From a business standpoint 1995 was one of the most successful years in the history of the Group, with significant growth in sales and earnings. Bohler-Uddeholm also started a program for innovation throughout the Group.

In 1996, the Company completed a secondary public offering that reduces OIAG's holding to a minority share of 25% and increases public ownership to 75%. By this time, Bohler Uddeholm has sold all non-core operations and now concentrates on four core businesses:

- High performance Metals
- Welding Consumables
- Precision Strip
- Special Forgings

The Company maintains production in Austria, Sweden, Germany, Belgium, USA, Brazil and Mexico and heat treatment operations throughout Europe, Asia and North America. The Company's sales subsidiaries operate in 46 companies and work with 100,000 customers including automotive and automotive parts suppliers, tool and machine tool manufacturers, consumer goods and electronics industries, chain saw industries, textile and paper industries, steel and appliance manufacturing, power station and plant construction.

At present, Bohler – Uddeholm continues to grow and set new records for sales, earnings and orders. Recently the Company completed acquisitions of Edelstrahwerke Buderus AG (Germany) and Avesta Welding AB (Sweden) and opened new sales offices in Russia, Poland, Romania, and China. In June 2005, the Company completed another successful public offering of stock and sale of treasury stock, which increased public ownership to nearly 80%. Since then, the Company's shares have hit a historic high of 142.99 Euros.

FINANCING SUMMARY

Bonds: Bonds will be offered as Variable Rate Demand Notes

Bondholder Security: The Bonds will be secured with a letter of credit issued by Hypovereinsbank

Bank Collateral: First Mortgage in the subject real estate and first lien in the financed machinery and equipment.

Interest Rate: The interest rate will reset ever 7 days. Similar bonds were paying 3.45% for 7 days beginning August 30, 2006.

Amortization: 25 Years (expected)

Rating: The Bonds will be rated based on the rating of the letter of credit issued by Hypovereinsbank. Letters of Credit provided by that Bank are currently rated "A2" by Moody's Investor Service and "A" by both Standard & Poor's Corporation and Fitch IBCA.

PROJECT SUMMARY

Bond proceeds, together with bank financing, will be used to: 1) reimburse the Bohler –Uddelholm for costs to acquire a site located at the southwest corner of Gateway Road and Millennium Drive, in Elgin (Kane County), 2) finance the construction of a 127,000 square-foot industrial building, 3) finance the acquisition and installation of new and used equipment, and 5) pay for architectural and engineering services to design and develop the project.

Estimated project costs are as follows:

Land Acquisition	$2,035,000
Construction	9,372,720
New Equipment	5,064,590
Used Equipment	150,000
Architectural and Engineering	260,000
Total	**$14,847, 310**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Bohler – Uddeholm Corporation (Contact: Mr. Al Pilli, Corporate Secretary, 4902 Tollview Drive, Rolling Meadows, IL 60008; Ph.: 847-577-2220 x 450)
Web site:	www.bucorp.com
Project name:	World Class Project Center
Locations:	Elgin, Illinois
Organization:	New York Corporation
Ownership:	Uddholms AB: 100%

PROFESSIONAL & FINANCIAL

Bond Underwriter	Morgan - Keegan	Chicago	Tom Whitman
Bond Counsel:	Wildman Harrold	Chicago	Jim Snyder
Underwriter's Counsel:	Wildman Harrold	Chicago	Jim Snyder
Letter of Credit Bank:	Hypo Vereinsbank AG	New York, NY	Maggie Gomes
Issuer's Counsel:	Law Offices of Kevin Cahill	Chicago	Kevin Cahill
Greenbraum			
General Counsel:	Freeborn & Peters LLP	Chicago	Richard J Traub
Accountant:	BDO Seidman LLP	Chicago	Scott Fitzgerald
Developer:	Carlson Brothers Construction	Chicago	

LEGISLATIVE DISTRICTS

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

CONFIDENTIAL INFORMATION

Est. fee: $77,000 Tax ID: 13-1420260

FINANCIAL SUMMARY

Financials: Summary of financial statements for 2003, 2004 and 2005 prepared by management for Bohler-Uddelholm Corporation. Operating forecast for 2007 prepared by management. Pro forma income statement and balance for 2007, 2008, 2009 and 2010 prepared by IFA staff. All dollars are in thousands.

	Actual			Forecast			
	2003	2004	2005	2007	2008	2009	2010
Income Statement							
Net Sales	88,852	117,563	153,749	162,600	170,730	179,267	188,230
Net Income	(7)	5,644	(265)	111	(65)	82	238
Earnings Before Interest, Taxes, Depreciation & Amortization	2,174	5,553	2,478	4,743	5,149	5,332	5,535
Balance Sheet							
Current Assets	51,199	67,418	82,531	88,897	93,978	100,106	106,699
Net Property, Plant & Equipment	18,314	15,846	15,702	26,630	25,042	23,649	22,437
Other Assets	0	2,340	2,459	2,601	2,731	2,785	2,841
Total Assets	69,513	85,604	100,692	118,127	121,752	126,539	131,976
Current Liabilities	42,938	37,685	53,613	57,260	62,197	68,239	74,882
Long-term Debt	9,287	25,171	25,228	38,905	37,657	36,320	34,876
Other Liabilities	0	0	0	0	0	0	0
Stockholder's Equity	17,288	22,748	21,851	21,962	21,897	21,980	22,218
Total Liabilities & Stockholder's Equity	69,513	85,604	100,692	118,127	121,751	126,539	131,976
Ratios							
Debt Service Coverage (x)	1.78	3.67	1.70	1.42	1.32	1.56	1.61
Current Ratio	1.19	1.79	1.54	1.55	1.51	1.47	1.42
Debt to Equity	0.54	1.11	1.15	1.77	1.72	1.65	1.57

Discussion: Sales have grown rapidly over the period reviewed. Profitability has been impaired over this period by high costs for steel, the Company's primary product. Costs for steel have declined since then, which should improve profitability in the future. Gains on the sale of fixed assets partially account for improved profitability in 2004. Debt service coverage has been adequate during this period, despite muted profitability because of the Company's manageable debt load and access to low cost capital from the Parent Company and its European banks.

Staff prepared pro forma income statements based on an operating statement prepared by management for 2007. The forecast assumes that sales for 2008 through 2010 grow by 5% annually and that costs of good sold and selling, general and administrative expenses grow in line historical ratios to sales. Interest expense is estimated assuming a 6.5% average rate on existing lines of credit and long-term debt and the new bank debt and 5.5% on the Bonds. Staff assumes that the Bonds amortize over 25 years and that the new bank loan amortizes over 10 years.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **Bradley University**

STATISTICS

Project Number:	E-PC-TE-CD-7036	Amount:	$90,000,000 (not-to-exceed amount)
Type:	501(c) (3) Bonds	FM:	Jim Senica
Location:	Peoria		

BOARD ACTION

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

PURPOSE

Bond proceeds will be used to refund certain of the University's outstanding bonds and to finance the costs of constructing and equipping of a student recreation center, athletic support facility, parking structure, constructing, renovating and equipping academic and academic support facilities and student housing, pay capitalized interest during the construction period and pay certain costs of issuance.

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

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

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS (subject to change)

Sources:	IFA New Money Bonds	$80,000,000	Uses:	New Project Cost	$79,400,000
	IFA Advance Ref. Bonds	10,000,000		Refunding	10,000,000
	Total	$90,000,000		Issuance Costs	600,000
				Total	$90,000,000

JOBS

Current employment:	1,200	Projected new jobs:	0
Jobs retained	1,200	Construction jobs:	50 (12 months)

BUSINESS SUMMARY

Background: Bradley University ("BU" or the "University") is a 501(c)(3) organization incorporated under Illinois law. The University was founded in 1897 by Lydia Moss Bradley as a polytechnic institute and became a university in 1946. A list of the University's current Board of Trustees is presented on pp. 4 and 5 of this report.

Day to day operations are managed by President Dr. David C. Broski, who has served since June 15, 2000. The President serves as Bradley's chief executive officer.

Description: Bradley University is a private, non-profit, non-sectarian, coeducational, master I, comprehensive university located on an approximately 75 acre site on Peoria's west side, only minutes from the city's downtown.

The University is accredited as a baccalaureate and masters-level degree-granting institution by the Commission of Institutions of Higher Education and by the North Central Association of Colleges and Schools. The University offers approximately sixty-five undergraduate fields of study and awards twelve undergraduate degrees. At the graduate level, approximately twenty-four fields of study may be undertaken with thirteen degree designations.

In recent years, BU has been recognized for the strength and quality of its instruction by several independent publications. Bradley University was recently ranked 7th among Midwestern comprehensive masters-degree-granting universities in the 2006 edition of *America's Best Colleges* published by U.S. News & World Report. In addition, Bradley's Department of Industrial Engineering was ranked second among colleges that do not grant PhDs. Additionally, Bradley University was named 24th on the list of "Top 25 Most Connected Campuses" and "Top 25 Most Entrepreneurial Campuses" in the nation by The Princeton Review and Forbes magazine. Finally, of the nation's 3,623 colleges and universities, Bradley University's Foster College of Business Administration is one of only 160 schools whose business and accounting programs are both accredited by AACSB International.

The University addresses renewal and replacement projects on an ongoing, systematic basis and typically incurs major capital expenditures annually to upgrade and refurbish residence halls and academic buildings and to provide general infrastructure improvements.

Remarks: Bradley University's current student body consists of approximately 5,190 undergraduates and 908 graduate students for a total student headcount of 6,098. Approximately 5,038 (83%) of these students are full time. Bradley's undergraduate population is drawn mainly from Illinois (86.4%) but includes both national (12%) and international (1.6%) students as well.

FINANCING SUMMARY

Structure:	The Bonds will most likely be secured with municipal bond insurance.
Bondholder Security:	The Bonds will be secured with municipal bond insurance and will be a general obligation of the University.
Collateral to Bond Insurer:	The bond insurer will not be secured by a mortgage or security interest in any of the University's assets, properties or funds.
Term/ Interest Rate:	Variable rate term and serial bonds

PROJECT SUMMARY FROM THE RESOLUTION OF THE BOARD OF TRUSTEES OF BRADLEY UNIVERSITY

The proposed project will include the issuance of bonds to (i) finance all or a portion of the costs of constructing and equipping a student recreation center, athletic support facility, parking structure, and constructing or renovating and equipping academic and academic support facilities and student housing facilities, (ii) pay capitalized interest during the construction period and (iii) pay certain of the costs of issuance of the bonds.

The University may also refund some or all of its outstanding bonds in order to (i) modify bond covenants contained in the bond documents for some or all of the outstanding bonds, (ii) restructure the debt service payments for some or all of the outstanding bonds and/or (iii) achieve debt service savings for some or all of the outstanding bonds.

Proposed new money project costs include the following:

Constructing/renovating/equipping University structures	$79,400,000
Total	$79,400,000

ECONOMIC DISCLOSURE STATEMENT

Applicant/	Bradley University 1501 West Bradley Avenue Peoria, IL 61625
Contact:	Gary Anna, Vice President for Business Affairs and Treasurer; (T) 309/677-3150
Project name:	Bradley University Series 2007 Bonds
Location:	Bradley University, Peoria, Illinois 61625
Organization:	Illinois 501(c)(3) organization
Board Membership:	*See list of Board of Trustees on pages 4 and 5*
Current Land Owner:	Bradley University

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Miller, Hall & Triggs	Peoria, IL	Robert Hall
Bond Counsel:	Chapman and Cutler	Chicago, IL	Kelly Kost
Bond Insurance:	To be determined		
Underwriter:	NatCity Investments, Inc.	Cleveland, OH	John Petty
Underwriter's Counsel:	Thompson Coburn LLP	St. Louis, MO	Sara E. Kotthoff

Trustee:	To be determined		
Rating Agency:	Standard & Poor's	San Francisco, CA	Jessica Matsumori
Issuer's Counsel:	Ungaretti & Harris	Chicago, IL	Ray Fricke

LEGISLATIVE DISTRICTS

Congressional:	18 – ~~Ray LaHood~~
State Senate:	46 – ~~David Koeh~~ler
State House:	~~92 – Aaron Schock~~

OFFICERS OF THE UNIVERSITY

Dr. David C. Broski
President

Dr. Peter B. Johnson
Provost and Vice President for
Academic Affairs

Mr. Gary Anna
Vice President for Business Affairs

Mr. William D. Engelbrecht
Vice President for Advancement

BUSINESS AFFAIRS

Mrs. Pratima Gandhi
Controller

Mrs. Allyn Kosenko
Assistant Controller – General
Accounting

Mr. Dennis Koch
Assistant Controller – Grants &
Treasury Management

Mrs. Janis Lillard
Internal Auditor

CONFIDENTIAL INFORMATION

Est. fee: $130,000

FINANCIALS

Financials: Audited Financial Statements for FYE 5/31/2003-5/31/06.

	Year Ended July 31 ($ in Thousands) 2003	2004	2005	2006
Income Statement				
Revenues/Support Before Inv. Gain/Loss	107,029	118,214	118,939	129,535
Net Gain (Loss) on Investments	(19,357)	21,110	9,809	22,932
Change in Net Assets	(17,166)	31,334	19,458	41,707
* EBIDA	(6,515)	41,671	29,528	52,320
Balance sheet:				
Current assets	54,517	58,289	49,391	54,609
Net PP&E	143,722	145,335	153,968	163,293
Other Assets	145,384	173,091	194,735	218,390
Total assets	343,623	376,715	398,094	436,292
Current liabilities	18,262	15,702	17,592	18,624
LT Debt	83,645	81,042	79,067	76,977
Other Liabilities	23,884	30,805	32,811	30,360
Net Assets	217,832	249,166	268,624	310,331
Total Liabs & Net Assets	343,623	376,715	398,094	436,292
Ratios:				
Debt Service Coverage (x)	1.37	8.01	6.06	9.88
Current ratio	2.99	3.71	2.81	2.93
LT Debt/Net Assets	0.40	0.33	0.30	0.25

* EBIDA = Earnings Before Interest, Depreciation and Amortization

Discussion: Historically, the University's revenue sources have been comprised of tuition and fees, auxiliary income (room, dining, parking, entertainment and other services, government and private grants, investment income and other sources. As indicated by the above revenue/support amounts the University has experienced yearly increases in these revenue sources and has enjoyed very strong financial health.

Overall, Bradley's successful investment results over the last three years have strengthened Both the University's operating results and balance sheet.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **Roosevelt University**

STATISTICS

Project Number: E-PC-TE-CD-6265

Type: 501(c)(3) Revenue Bonds

Locations: Chicago and Schaumburg

Amount: $68,000,000 (not-to-exceed amount for New Money and Refunding Series)

IFA Staff: Rich Frampton

BOARD ACTION

Final 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

Preliminary Bond Resolution, January 9, 2007:

Ayes: 10 Nays: 0 Abstentions: 0

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

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

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

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 contacts 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 sold based on the direct rating of Roosevelt University. The Underwriter (Lehman Brothers) has scheduled a site visits with Moody's and anticipates that Roosevelt will be rated Baa2 or higher.
Security/ Collateral:	The 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.
Final Maturity Date:	3/1/2037 (30 years)
Interest Rates:	The estimated interest rate for Baa2 rated Bonds was approximately 4.60% as of 2/1/2007 (as estimated by the Underwriter).

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 (ACI/Cultural Pooled Financing Program), 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 "Series 2002 Bonds", and together with the Series 1995 Bond and the Series 2000 Bonds, the "Prior 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.

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; 8th 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	650,000
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	Chicago, IL	Chris Knight
Rating Agency:	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 2/1/2007)

	Chicago Campus	Schaumburg Campus *(Refunding Series Only)*
Congressional:	~~7 Danny K. Davis~~	8 ~~Melissa Bean~~
State Senate:	13 ~~Kwame Raoul~~	33 ~~Dan Kotowski~~
State House:	26 ~~Elga L. Jeffries~~	66 ~~Carolyn H. Krause~~

Roosevelt University Board of Trustees

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Professor of Biology
College of Arts and Sciences
Roosevelt University

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Combined Investments, LP

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Executive Officer, External Affairs
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John M. Licht
President, CEO, and Chairman of the Board
Duraco Products, Inc.

George W. Lofton
Vice President, Economic Development
ComEd

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Professor of Biology
College of Arts and Sciences
Roosevelt University

Carlette McMullan
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William Blair & Company, L.L.C.

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President, Specialty Banking
LaSalle Bank Corporation

Paul W. Oliver Jr.
Managing Director
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Paddock Publications, Inc.

Anthony R. Pasquinelli
Executive Vice President
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CONFIDENTIAL INFORMATION

Est. Closing Fee: $122,900 (pro rata over 2 series)   Borrower's Tax ID: 36-2167854

Refunding Purpose:

The proposed Refunding Bonds are being undertaken to (1) eliminate restrictive covenants on Roosevelt's existing Bank debt from Chase, and (2) to reduce the University's interest rate risk by converting variable rate debt into fixed rate debt. The current market rate borne on Roosevelt's existing LOC-secured 7-day floaters was approximately 3.70% as of 1/31/2007 (excluding Chase's LOC Fee, JPMorgan Remarketing Agent Fees, and the Trustee Fee). As noted previously, the anticipated long-term fixed interest rate based on market conditions as of 2/1/2007 for Baa-rated Higher Education debt was approximately 4.60%. Thus, the proposed refunding bonds are not being pursued to achieve interest rate savings, but, rather to eliminate variable interest rate risk and to negotiate relaxed debt and financing covenants going forward.

Financials: Audited Financial Statements. Balance Sheets as of 8/31/2004 – 8/31/2006 and Income Statements for FYE 4/30/2004 and 8/31/2005-8/31/2006.

	Fiscal Year Ended		
	2004	2005	2006
	($ in Thousands)		
Income Statement			
Revenues/Support	$83,251	$86,586	$88,017
Change in Net Assets	7,693	9,741	6,685
* EBIDA	13,253	15,591	12,886
Balance sheet:			
Current assets	$28,541	$33,183	$36,873
Net PP&E	73,420	72,580	71,585
Other assets	53,761	65,401	71,972
Total Assets	155,722	171,164	180,430
Current liabilities	16,208	26,066	27,014
LT Debt	32,900	32,900	32,900
Other LT Liabilities	80	97	84
Net Assets	106,534	112,101	120,432
Total Liabs & Net Assets	155,722	171,164	180,430
Ratios:			
Debt Service/Fixed Obligation Coverage (x)	4.29	5.00	4.30
Pro Forma Debt Svc. Cov. for 2004-2006:	*2.51*	*2.91*	*3.73*
Current ratio	1.76	1.27	1.36
LT Debt/Net Assets	0.39	0.37	0.34

* EBIDA = Earnings Before Interest, Depreciation and Amortization

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

Discussion: Over the last 3 years, Roosevelt University's four primary revenue sources were: tuition and fees (81.2%), private gifts (4.4%), governmental grants (2.8%) (*comprised primarily of federal grants from the US Department of Education, the US Department of Housing and Urban Development, and the National Science Foundation),* and auxiliary enterprise income, including student housing revenues (2.4%).

Roosevelt balance sheet and income statement have increasingly benefited from significant investment balances. As of 8/31/2006, Roosevelt's short term investment balances totaled approximately $10.0 million and long-term investment balances totaled approximately $69.1 million. Combined with Roosevelt's cash balance of $18.2 million as of 8/31/2006, Roosevelt's combined cash and investment balances of $97.3 million at 8/31/06 were sufficient to cover approximately 412 days of Roosevelt's 2006 operating expenses.

Although Roosevelt's second largest source of revenue over the last 3 years has been investment income, Roosevelt's Board of Trustees has allocated the majority of the University investment income to non-operating purposes.

More specifically, Roosevelt posted investment income of approximately $6.8 million in 2004, $10.1 million in 2005, and $7.5 million in 2006, of which the University applied $1.6 million to operations in 2004, and $2.3 million in 2005, and $3.4 million in 2006. The University has allocated investment income in excess of amounts used for current operations to capital expenditures and to strengthen the liquidity of Roosevelt's balance sheet (these amounts totaled approximately $5.2 million in 2004, $9.7 million in 2005, and $4.2 million in 2006).

Roosevelt's tuition revenues have increased by 2.2% in 2005 and 2.4% in 2006 (from $68.2 million in 2004 to $71.3 million in 2006). These tuition revenue increases have reflected annual tuition increase rather than enrollment increases.

The consistency of Roosevelt's growth in investment balances has strengthened the University's balance sheet and is gradually reducing leverage, as indicated by trends in the University's Debt/Net Asset Ratio, which has declined from 0.39 to 0.34 from 8/31/2004 to 8/31/2006.

Roosevelt's Balance Sheet has generally strengthened over the past three years. In 2006, Roosevelt retained 100% of its Net Income (i.e., Change in Net Assets) to provide additional liquidity for its balance sheet. Over the last two years, Roosevelt's combined cash, and investment balances increased from approximately $72.6 million as of 8/31/2004 (325 days cash) to $97.3 million as of 8/31/2006 (412 days cash).

Significantly, much of the debt associated with the proposed bond issue will simply represent a replacement of existing rent expense with bond debt service payments. Roosevelt University is currently leasing Floors 1-7 of the Gage Building. Annual rent payment for this space totaled $1.99 million in 2006. Proposed debt service on the proposed $25 million of New Money Bonds (which includes the acquisition and renovation of Floors 1-7, plus additional contemplated space in the Gage Building) will increase to approximately $2.52 million after closing. Thus, the proposed project will result in a net increase of annual cash flow required to cover the University's occupancy by only $530,000. Thus, the proposed $35 million new money IFA Bonds will not require a significant increase in operating cash flow since Roosevelt has historically paid rent for the subject space.

In fact, Roosevelt's 2006 historic revenues and cash flow would have been sufficient to cover the University's proposed fixed obligations (including rent) and proposed debt service payments associated with the proposed IFA Series 2007A New Money Bonds by a multiple of 3.73 times. Additionally, Roosevelt's historical cash flows would have been sufficient to cover both

Roosevelt's existing obligations and the new Series 2007 Bonds by multiples of 2.51 times or better.

Roosevelt does not currently rely on a Bank Line of Credit to fund its operations, further evidence of the University's strong operating cash flow and strong, increasingly liquid, balance sheet. Roosevelt has indicated that they were in compliance with all required operational and financial covenants as of 11/30/2006.

Roosevelt changed its fiscal year end from April 30th to August 31st in 2004. The income statement for the four month "stub" period is not reported above. Instead, Roosevelt's Income Statement for FYE 4/30/2004 and Balance Sheet as of 8/31/2004 were presented, consistent with prior year comparisons provided in Roosevelt's 2005 audit report.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 2007

Project: **Loyola University Chicago**

STATISTICS

Number:	E-PC-TE-CD-7028	Amount:	$27,635,000 (not to exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Location:	Chicago	SIC Code:	8221

BOARD ACTION

Preliminary Bond Resolution
Conduit
No IFA funds at risk

No Extraordinary conditions
Staff recommends approval

PURPOSE

Proceeds will be used to current refund $27,635,000 outstanding par value of the Applicant's IEFA* Series 1997-A Bonds.

*Illinois Educational Finance Authority

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

Preliminary Bond Resolution, no prior Board vote

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$ 27,635,000	Uses:	Project costs	$ 27,635,000
	Applicant equity	1,930,470		Contingency	1,420,470
				Legal/Professional	510,000
Total		$29,565,470	Total		$29,565,470

JOBS

Current employment: 2430 FTEs, 1012 PTEs
Jobs retained: N/A

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

BUSINESS SUMMARY

Background: Loyola University, (the "Applicant", the "University") is a private, co-educational not-for-profit institution of higher education, research, and healthcare founded in 1870 by the Society of Jesus (Jesuits) as St. Ignatius College. The University is the third largest independent institution of higher education in Illinois on the basis of its total enrollment of approximately 15,000 full time and part time students, of whom approximately 60.0% are from Illinois and approximately 40.0% who are from other states and foreign countries on four campuses, including three in Chicago and one in Rome, Italy. The University is a coeducational institution offering undergraduatc, graduate, and professional degree-granting programs.

The University's controlled affiliate, Loyola University Health System (Health System), is an Illinois not for profit corporation which controls various health-related entities including Loyola University Medical Center, an Illinois not for profit corporation (LUMC), which was created in 1995 and owns and operates the Foster G. McGraw facility on the Medical Center campus. Through agreements with the University, LUMC provides clinical and teaching facilities for the University's health sciences education programs. In addition to the Health Systems, the University controls Loyola Management Company, which holds certain real estate, and Mundelein College, which is largely inactive, but also holds certain real estate. Loyola University Health System (LUHS) has a wholly-owned subsidiary, Loyola University of Chicago Insurance Company (LUCIC), which is a for-profit insurance company domiciled in the Cayman Islands which is not exempt from federal income taxes. LUCIC provides medical malpractice insurance for LUHS, which is a wholly-owned subsidiary of the University. The University is governed by a 38-member Board. A list of members is included for IFA Board review.

Description: The proposed financing will current refund approximately $27,635,000 of the University's Illinois Education Facilities Authority Series 1997-A Bonds. There are no new money projects associated with this transaction.

Remarks: Tax exempt financing allows the University to provide education in state-of-the-art facilities while maintaining an affordable pricing structure. The current refunding will enable the University to take advantage of historically low interest rates, standardize bond covenants, and smooth cash flow.

FINANCING SUMMARY

Security: The Bonds will be General Obligations of the University and will either be insured by a major bond insurer or be sold based upon the Applicant's bond ratings. The Applicant's outstanding bond issues are rated S & P "A-".

Structure: Approximately $27,635,000 Series 2007-A Tax-Exempt Fixed Rate Refunding Bonds.

Maturity: 2025

Note: The University will conduct a cost-benefit analysis to determine whether or not to obtain bond insurance.

PROJECT SUMMARY

Proceeds will be used to current refund the University's outstanding 1997-A Bonds issued through the Illinois Educational Facilities Authority (a predecessor authority combined into the Illinois Finance Authority).

Project Cost:	Current Refunding	<u>$27,635,000</u>
Total		<u>$27,635,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Loyola University
Project names:	Series 2007-A Refunding Bonds
Locations:	820 N. Michigan Avenue, and 1050 W. Sheridan Road, Chicago, Cook County, Illinois
Organization:	501(c)(3) Corporation
State:	Illinois
Board:	List attached for IFA Board review.

PROFESSIONAL & FINANCIAL

Counsel:	In House	Chicago, IL	Ellen Kane Munro
	Jones Day	Chicago, IL	William J. Harmon
Accountants:	Deloitte & Touche LLP	Chicago, IL	Chris Terhark
Bond Counsel:	Chapman and Cutler	Chicago, IL	Nancy Burke
Issuer's Counsel	Mayer Brown Row	Chicago, IL	David Narefsky
Underwriter/: Placement Agent	Bank of America Securities LLC	Chicago, IL	Michelle Salomon
Underwriters' Counsel:	TBD		
Trustee:	TBD		

LEGISLATIVE DISTRICTS

Congressional:	07, ~~Danny K. Davis;~~ 9, Janice Schakowsky
State Senate:	03, ~~Mattie Hunter~~; 07, ~~Carol Ronen~~
State House:	05, ~~Kenneth Duncan;~~ 14, ~~Harry Osterman~~

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CONFIDENTIAL

Tax ID: 36-1408475 Est. fee: $82,635

Financials: Audited financial statements for fiscal years ending 6-30-2003 – 2005.
(Dollars in 000s)

	2004	2005	2006
Income Statement			
Total Revenues	$1,036,102	$1,118,471	$1,145,178
Operating Expenses	(944,659)	(1,046,864)	(1,040,754)
Change in Net Assets	91,443	71,607	104,424
EBIDA	160,867	148,192	186,382
Balance Sheet			
Current Assets	875,287	977,985	1,017,540
PP&E	622,649	681,557	748,497
Other Assets	7,781	7,555	8,464
Total	1,505,717	1,667,097	1,774,501
Current Liabilities	337,067	332,326	340,565
Other LT Liabilities	30,100	31,250	34,084
Debt	504,756	568,120	560,027
Net Assets	633,794	735,401	839,825
Total	$1,505,717	$1,667,097	$1,774,501
Ratios:			
Debt coverage	1.25x	2.51x	5.38x
Current Ratio	2.60	3.00	2.99
Debt/Net Assets	0.80	0.77	0.66

*(i) During 2005, the University entered into an unsecured revolving bank line of credit with the Student Loan Corporation under which the University can borrow $20-million related to the University's graduate and professional student loan program. Borrowings under the line of credit bear interest at the commercial paper rate plus 0.40%. There was no outstanding balance under this line of credit as of December 31, 2006

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 13, 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

Final 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

Preliminary Bond Resolution, January 9, 2007:

Ayes: 10 Nays: 0 Abstentions: 0

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

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Senior Series 2007A	$25,000,000	Uses:	Project Cost	$ 26,028,765
	Equity	1,378,765		Issuance Costs	350,000
	Total	**$26,378,765**		**Total**	**$26,378,765**

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, Dr. 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 reports published by 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 strong compared to its peers.

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 is scheduled to be repaid 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 proposed 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. Moody's has been engaged to rate the subject bonds based on Bank of America's ratings, as LOC Provider.

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 3.70% as of 1/24/2007 (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:	600,000
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	Bill Hunter
Underwriter:	Banc of America Securities LLC	Chicago, IL	Michelle Salomon
Underwriter's Counsel:	Foley & Lardner LLP	Chicago, IL Milwaukee, WI	Janet Zeigler, Dana Lach
Rating Agency:	Moody's	New York, NY	Joann Hempel
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:	Wold Printing	Volo, IL	Tim Wold
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 2/1/2007)

Congressional:	6 ~~Peter J. Roskam~~
State Senate:	23 ~~Carole Pankau~~
State House:	46 ~~Dennis Reboletti~~

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2006 – 2007

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CONFIDENTIAL INFORMATION

Est. Closing Fee: $80,000 Borrower's Tax ID: 36-2169145

Financials: Audited Financial Statements for FYE 6/30/2004-6/30/2006.

	Year Ended June 30		
	2004	2005	2006
	($ in Thousands)		
Income Statement			
Revenues/Support	$44,936	$47,298	$60,489
Change in Net Assets	4,431	3,616	10,633
* EBIDA	6,955	6,895	14,591
Balance sheet:			
Current assets	$2,670	$3,326	$3,998
Net PP&E	57,902	58,563	58,318
Other assets	89,405	86,099	100,179
Total Assets	149,977	147,988	162,495
Current liabilities	19,113	7,475	12,376
LT Debt	27,070	32,000	32,000
Other LT Liabilities	1,757	2,861	3,006
Net Assets	102,037	105,652	115,113
Total Liabs & Net Assets	149,977	147,988	162,495
Ratios:			
Debt Service/Fixed Obligation Coverage (x)	3.54	1.54	8.58
***Pro Forma Debt Svc. Cov. for 2004-2006:*	*2.01*	*1.15*	*4.56*
Current ratio	0.14	0.43	0.32
LT Debt/Net Assets	0.33	0.37	0.33

- *EBIDA = Earnings Before Interest, Depreciation and Amortization
- ** Pro Forma Debt Service Coverage for projects payments associated with the 2007 IFA Bonds onto prior year results

Discussion: Elmhurst College has increased its revenues by a compound growth rate of 16% annually from 2004 to 2006, reflecting (1) an approximately 15.7% compound increase in net tuition and fee revenues from $27.2 million in 2004 to $36.5 million in 2006, and (2) a $1 million increase in governmental grants and contracts in 2006, resulting from a State construction grant. (Both 2006 EBIDA and debt service coverage have been reduced to reflect this one-time State construction grant.)

Elmhurst's growth in tuition and fee revenues has reflected increases in both enrollment and annual tuition of approximately 5% in both 2005 and 2006. As noted previously, Elmhurst College's freshman student enrollment has increased by 50% since 2001, thereby driving overall revenue increases.

Elmhurst's 2006 results also indicated strong management control over operating expenses – General Instruction Expenses remained at 30.7% of revenues in 2006. The only operating expense category that increased disproportionately as a percentage of revenues was Institutional Support, which increased from $9.1 million in 2005 to $12.0 million in 2006. This increase provided for general salary and benefit increases and the addition of new faculty and staff to enhance course offerings at the College.

Over the last 3 years, Elmhurst College's five primary revenue sources have been: tuition and fees (62.7%), investment returns (18.9%), auxiliary enterprises (7.3%), and private gifts (4.1%), and government grants and contracts (3.0%).

Elmhurst College's Balance Sheet has strengthened over the past three years. The College has retained most of its Net Income (i.e., Change in Net Assets) to provide additional liquidity for its balance sheet. Over the last two years, Elmhurst College's combined cash, and long-term investment balances have increased from approximately $77.3 million as of 6/30/2004 to $90.7 million as of 6/30/2006. The College's Days Cash/Investments as of 6/30/2006 were sufficient to cover approximately 681 days of operating expenses. Average Days/Cash Investments as of the fiscal year end of the last 3 years also averaged 681 days.

Elmhurst College has generated operating cash flow (as measured by EBIDA) sufficient to cover the College's debt service and fixed charges by a ratio of 1.54 times or better over the last three years. Variances in reported debt coverage have primarily reflected variances in principal amortization each year. That being said, Elmhurst College's strong 2006 revenues, profitability, and debt/fixed charge coverage were a substantial improvement compared to prior years, even after deducting the one-time state construction grant..

Elmhurst College's 2006 historic revenues and cash flow would have been sufficient to cover its combined (1) existing debt obligations and (2) proposed IFA Series 2007 Bond debt service payments on a *pro forma* basis by a multiple of 4.56 times in 2006 (and 1.15 times or better over the last three years – in compliance with the College's existing financial covenants with its lenders).

Elmhurst College has generated sufficient cash flows from operations to fund its operations without requiring draws on a $3.0 million unsecured Line of Credit from Fifth Third Bank. Elmhurst College had no draws outstanding against this Fifth Third Line of Credit as of 6/30/2006.

As of 12/31/2006, Elmhurst College was in compliance with all repair and replacement reserve requirements and debt service coverage requirements under its various borrowing arrangements.

To Members of the Board of Directors

From: Rick Pigg and Steven Trout

Date: February 7, 2007

Re: **Bank of Belleville's Request to Extend Participation Loan Commitments**

The Bank of Belleville, a recently established bank serving the Belleville area, received commitments from IFA for three participation loans that expired between October 2006 and January 2007. Key details are as follows:

Project	Participation Amount	IFA Rate	Expiration
MAR Business Forms	$886,000	4.9%	10/06
Sonneburg Asphalt	$718,000	4.55%	12/06
Bank of Edwardsville Trust #1104	$714,000	5.25%	1/07
Total	$2,135,000	4.90% (weighted avg)	

The participations were expected to provide permanent financing after construction was completed. Construction is just now being completed on these projects.

The Bank is now seeking to close on the permanent financing. It committed funding to its customers at rates that depended on IFA funding at the rates indicated above.

The Bank's officers believed that IFA would extend its commitments at the original rates.

The Bank is asking IFA to extend funding at the rates that IFA originally committed. We have advised the Bank that any extension is subject to Board approval and that the Board has recently been approving extensions at the Authority's cost of funds (3-month LIBOR 1% or 6.36% at present).

IFA Counsel has advised us that it believes that the Board is under no legal obligation to extend its commitment or agree to renew expired commitments at the original funding rates, based on the fact that the Bank received documentation from Dykema Gossett explaining the IFA's 6 month commitment policy.

We agreed to seek an extension at a reduced rate for the following reasons:

- Participation loans are an important product Downstate.
- Bank of Belleville is an importance referral source for IFA
- The Bank committed to funding that relied on IFA's participation
- The Bank anticipated at the outset that construction would extend beyond the original commitment period but that IFA would extend at the original rate

In recognition of this situation, we agreed to seek the Board's approval for extensions at a rate of 5.5%, which was essentially midway between IFA's original rate commitment and the rate. To assist in keeping funding rates as near to the original terms, the Bank has asked us to seek approval to extend these participations at different rates, which would provide IFA with a weighted average return of 5.5%. The new rates that we are recommending are summarized in the far right column below.

Project	Participation Amount	Original IFA Rate	New IFA Rate
MAR Business Forms	$886,000	4.9%	5.53% (equipment) 5.37% (RE)
Sonneburg Asphalt	$718,000	4.55%	5.13% 4.97%
Bank of Edwardsville Trust #1104	$714,000	5.25%	5.9%
Total	$2,135,000	4.90% (weighted avg)	5.5% (weighted avg)

Illinois Finance Authority

Memorandum

Memo to: IFA Board of Directors

Date: February 13, 2007

From: Rick Pigg, Funding Manager

RE: **Amendatory Resolution to extend the original expiration date of IFA commitment to purchase a Participation loan from Bank of Belleville in the amount of $714,000.**

A participation loan in the total amount of $714,000 was originally approved for The Bank of Edwardsville, Trust No. 1104 July 11, 2006. The loan will finance the acquisition of land, the construction of a new building and associated site improvements. The building will house a branch of the Coldwell Banker Brown franchise. This transaction has not yet closed or funded due to the fact that construction projects and associated loans often take longer than six months to complete. As a result, Bank of Belleville has requested that the IFA extend our commitment expiration from 1/11/07 to 7/11/07.

Project costs are as follows:

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

Confidential Information

The Borrower's interest rate will change because of the change in rate of IFA's Participation from from the originally approved rate of 4.55% (the Bank's rated less 200 basis points).

The Board has recently been approving Participation Loans at fixed rates for up to 5 years at the current 3 month LIBOR plus 100 basis points, which would be 6.36%. These rates are reflected in the following estimated updated forecast.

Income Statement Figures	**PROJECTED 2006**	**PROJECTED 2007**	**PROJECTED 2008**
Net Sales	400	405	410
Net Income	262	260	255
EBITDA	372	370	365
Previous Calculated Debt Service (7.25% blended rate)	341.3	341.3	341.3
Newly Calculated Debt Service (7.31%)	341.8	341.8	341.8
Original Debt Service Coverage	1.09	1.08	1.07
New Debt Service Coverage	1.09	1.08	1.07

	Loan Amount	Term	Annual Payment
Bank Rate : Prime less 100 basis points	8.25%	5	
IFA Rate	6.25%	5	
Original Blended Rate	7.25%	5	341,338
IFA "Floor" Rate	6.36%	5	
New Blended Rate	7.31%	5	341,825

To preserve funding as close as possible to rates committed to the Borrower, the Bank has asked IFA to extend its participation for this Borrower at the following rates:

Purpose	Amount	Proposed Rate	Term/Amortization
Real Estate	$714,000	5.65%	5 years/20 years

This request is being sought as part of a request to extend participations at a 5.5 % weighted average rate for three participations.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 11, 2006

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

STATISTICS

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

Amount: $714,000
IFA Staff: Rick Pigg

BOARD ACTION

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

PURPOSE

Permanent financing of the new building

VOTING RECORD

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

SOURCES AND USES OF FUNDS

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

JOBS

Current employment: 225
Jobs retained: 225

Projected new jobs: 7
Construction jobs: 45

BUSINESS SUMMARY

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

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

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

Date: 7/11/06
FM: Rick Pigg

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

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

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

FINANCING SUMMARY

Obligor: The Bank of Edwardsville Trust No. 1104

Guarantor: Steve & Sandra Dickerson, Stan Dickerson, Allison & James Fournier and Gerard & Patricia Schuetzenhofer

Collateral: 1st mortgage on ground plus improvements, along with an assignment of rents / leases

Structure: The Bank's interest rate on this loan will be Prime – 1%, adjusted annually. Based on the guidelines of the Participation Loan Program, IFA's interest rate will be 200 basis points below what the Bank is charging the customer.

PROJECT SUMMARY

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

ECONOMIC DISCLOSURE STATEMENT

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

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

CONFIDENTIAL INFORMATION

Est. Fee: $ **35,700.00 (first year interest)** Tax ID#: 37-1328862

OPERATIONS

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

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

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

Trust 1104 is building a new office building into which an existing Coldwell Banker Brown office will move. The new office space is less than ¼ mile from the existing facility which is currently leased from an unrelated third party. The new building will be approximately 10,000 square feet, with a class A interior finish. The building will be one story with a brick exterior. Coldwell Banker Brown will occupy 100% of the space.

LOAN STRUCTURE

Security: Mortgage on ground plus improvements, along with an assignment of rents / leases

Structure: The Bank's interest rate on this loan with be Prime – 1%, adjusted annually. Based on the guidelines of the Participation Loan Program, IFA's interest rate will be 200 basis points below what the Bank is charging the customer.

Maturity: 5 years

FINANCIALS

Borrower: Bank of Edwardsville Trust No. 1104
Financials:

	ACTUAL				*ESTIMATED*			
Balance Sheet	**12/31/03**	**12/31/04**	**12/31/05**		**12/31/06**	**12/31/07**	**12/31/08**	**12/31/09**
Cash	285	375	353		400	450	510	575
A/R	-	-	-					
Total Current Assets	285	375	353		400	450	510	575
Net Fixed Assets	1,747	1,725	3,130		4,820	5,035	5,230	5,425
Other	100	97	-		-			
Total Assets	2,132	2,197	3,483		5,220	5,485	5,740	6,000
Total Current Liabilities	100	96	82		75	80	80	80
Total Liabilities	1,125	1,021	2,100		3,500	3,500	3,500	3,500

Net Worth	1,007	1,176	1,383	1,645	1,905	2,160	2,420
Total Liabilities & Worth	2,132	2,197	3,483	5,220	5,485	5,740	6,000
Income Statement							
Revenues	378	380	391	400	405	410	420
Depreciation	42	62	44	50	50	50	50
Other Operating Expenses	23	27	32	38	45	55	60
Net Operating Income	313	291	315	312	310	305	310
Interest Expense	38	34	70	60	60	60	60
Interest Income	11	11	9	10	10	10	10
Total Interest Inc (Exp)	(27)	(23)	(61)	(50)	(50)	(50)	(50)
Total Net Income	286	268	254	262	260	255	260
Capital Gain	-	-	254	-	-	-	-
Net Income with Capital Gains	286	268	508	262	260	255	260
Debt Service Coverage	1.36	1.37	1.23	1.24	1.23	1.22	1.23
Current Ratio	2.85	3.91	4.30	5.33	5.63	6.38	7.19
Days Cash on Hand	1,600	1,538	1,695	1,659	1,729	1,773	1,908
Debt to Equity	1.22	0.95	1.58	2.17	1.88	1.66	1.48

Discussion:

Trust 1104 is a company with a strong balance sheet, with high liquidity and low leverage. At year end this company typically has over two years worth of loan payments on hand, and has considerable equity on the books, with its depreciated assets. Most, if not all, of the long term assets are prime commercial real estate located in prime locations throughout the St. Louis metro-east area. In 2005, the company acquired additional real estate, which has resulted in a \$1.4 million increase in LT assets, with an offsetting \$1 million increase in long term debt. Overall the liquidity and leverage positions are still very strong at 12/31/05.

The company receives rents from various office buildings it owns and leases to a related entity, Coldwell Banker Brown, a Coldwell Banker realty franchise. On a historical basis, the rents received are more than sufficient to cover the existing and requested debt obligations, without an increase in collections, prior to distributions. The company manages its cash flow so that it will always meet its debt obligations, but will also payout any excess profits to the shareholders. Once Brown Realtors moves into the new facility, it is anticipated that the rental revenue and resulting cash flow will increase, thus causing a related increase in the debt service ability above the 2005 results.

Guarantor Financials:

GUARANTORS	22%	22%	22%	34%
	Steve / Sandra Dickerson	**Stan Dickerson**	**Allison / James Fournier**	**Gerard / Patricia Schuetzenhofer**
(000's)				
	6/1/2005	6/15/2005	6/14/2005	11/4/2005
Cash	$ 80	$ 740	$ 150	$ 100
Marketable Securities (Sandra Trust)	$ 1,952	$ -	$ -	$ -
Marketable Securities	$ -	$ 624	$ 546	$ 511
Retirement accounts	$ -	$ 95	$ -	$ 405
Notes Receivable	$ 2,427	$ 2,433	$ 2,104	$ 60
Residences (Sandra Trust)	$ 555	$ -	$ -	$ -
Business Ventures	$ 9,836	$ 7,465	$ 9,836	$ 2,673
Residences	$ -	$ 615	$ 1,290	$ 1,116
Personal Property	$ 250	$ 430	$ 500	$ 164
Total Assets	$ 15,100	$ 12,402	$ 14,426	$ 5,029
Residence mortgages	$ -	$ -	$ -	$ 437
Other real estate mortgages	$ -	$ -	$ -	$ -
Total Liabilities	$ -	$ -	$ -	$ 437
Net Worth	$ 15,100	$ 12,402	$ 14,426	$ 4,592
Credit Scores	825/836	784	793/823	778/798

Discussion: Each guarantor will be providing a limited guaranty based upon the ownership percentage (as shown). On a combined basis, the guarantors are extremely liquid, totaling $4.7 million, including Sandra's Trust and none of the retirement accounts. The notes receivable are due from their businesses. Each of the guarantors is considered extremely strong, with excellent liquidity. The Dickersons report no personal debt obligations, while all of Schuetzenhofer's debt is mortgages on real estate investment properties.

Collateral: **Item:** 1.5 acres of ground plus improvements **Value:** $1,680,932 **Basis:** Cost
Liq Value: $1,428,792 (85% of Cost)

ECONOMIC DISCLOSURE

Ownership: The Bank of Edwardsville, Trust No. 1104
Steve & Sandra Dickerson – 22%; Stan Dickerson – 22%; Allison & James Fournier – 22%; Gerard & Patricia Schuetzenhofer – 34%

Illinois Finance Authority

Memorandum

Memo to: IFA Board of Directors

Date: February 13, 2007

From: Rick Pigg, Funding Manager

RE: Amendatory Resolution to extend the original expiration date of IFA commitment to purchase a Participation loan from Bank of Belleville in the amount of $886,000.

A participation loan in the total amount of $886,000 was originally approved for the MAR Business Forms Company April 11, 2006. Proceeds of the loan will be used for the purchase of new equipment and building expansion. The property purchased encompasses a new printing press and a 10,000 square foot expansion of the company's manufacturing facility. This transaction has not yet closed or funded due to the fact that construction projects and associated loans often take longer than six months to complete. As a result, Bank of Belleville has requested that the IFA extend our commitment expiration from 10/11/06 to 4/11/07.

Project costs are as follows:

Sources:		Uses:	
Equipment Loan #1			
Bank of Belleville	$636,500	Equipment	2,290,000
IFA Participation	636,500	Real Estate Expansion	500,000
SBA 504 Loan	1,017,000	Real Estate Refinance	110,000
Real Estate Loan		CD Term Loan Refi	250,000
Bank of Belleville	360,000	Cons. Exist. Eq Debt	913,777
IFA Participation	250,000	New Money	254,000
CD			
Bank of Belleville	250,000		
Equipment Loan #2			
Bank of Belleville	1,167,777		
Total	**$4,317,777**	**Total**	**$4,317,777**

Confidential Information

The Borrower's interest rate will change because of the change in rate of IFA's Participation from from the originally approved rate of 4.55% (the Bank's rated less 200 basis points).

The Board has recently been approving Participation Loans at fixed rates for up to 5 years at the current 3 month LIBOR plus 100 basis points, which would be 6.36%. These rates are reflected in the following estimated updated forecast.

Income Statement Figures	ACTUAL 2005	ESTIMATED 2006	ESTIMATED 2007
Total Revenues	3,314	4,167	4,494
Operating Expenses	2,759	2,339	2,433
Net Income	555	1,828	2,061
EBITDA	1,568		
Original Debt Service	458.0	924.0	924.0
Newly Calculated Debt Service		929.9	929.9
Original Debt Service Coverage	3.42**	1.98*	2.23*
Newly Calculated Debt Service Coverage		1.97*	2.22*

*estimated coverage = NI / Debt Service
**coverage = EBITDA / Debt Service

	Loan Amount	Term
Bank Rate : Prime less 100 basis points	7.25%	5
IFA Rate	5.25%	5
Original Blended Rate	6.25%	5
IFA "Floor" Rate	6.36%	5
New Blended Rate	6.81%	5
Newly Calculated Annual Debt Service for IFA Participation Loans	445,404	
Original Annual Debt Service for IFA Participation Loans	439,475	
Annual Effect of Rate Change on Debt Service	5,929	

To preserve funding as close as possible to rates committed to the Borrower, the Bank has asked IFA to extend its participation for this Borrower at the following rates:

Purpose	Amount	Proposed Rate	Term/Amortization
Equipment	$603,101.65	5.53%	5 years/19 years
Real Estate	$250,981.35	5.37%	5 years/20 years

This request is being sought as part of a request to extend participations at a 5.5 % average rate.

CONFIDENTIAL

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 11, 2006

Project: **MAR Business Forms Company**

STATISTICS

Project Number:	B-LL-TX-6052	Amount:	$886,000.00
Type:	Participation Loan	IFA Staff:	Rick Pigg
Location:	Valmeyer, IL		
NAICS Code:			

BOARD ACTION

Purchase of Participation Loan from Bank of Belleville
$886,000 IFA funds at risk
Staff recommends approval

PURPOSE

Loan proceeds will be used for the purchase of new equipment and building expansion.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:		Amount	Uses:	Amount
Loan #1 Equipment -			Equipment purchase	$2,290,000.00
	Bank of Belleville	$636,500.00	Real Estate Expansion	500,000.00
	IFA Participation	636,500.00	Real Estate Refinance	110,000.00
	SBA 504 Loan	1,017,000.00	CD Term Loan Refi	250,000.00
Loan #2 Real Estate –			Consolidate existing equipment debt	913,777.00
	Bank of Belleville	360,000.00	New money	254,000.00
	IFA Participation	250,000.00		
Loan #3 CD -				
	Bank of Belleville	250,000.00		
Loan #4 Equipment –				
	Bank of Belleville	1,167,777.00		
Total:		**$4,317,777.00**	**Total:**	**$4,317,777.00**

JOBS

Current employment:	95	Projected new jobs:	4
Jobs retained:	95	Construction jobs:	15-20

BUSINESS SUMMARY

Description: MAR Business Forms Company a/k/a MAR Graphics (MAR) was started in 1961 by Myron Roever near E. St. Louis, IL. MAR operates as an "S" Corporation incorporated 1/02/78. MAR provides printing services to a variety of brokers on a national scale. MAR is located in Valmeyer, IL, a village of approximately 2,500 residents located in Monroe County, IL. Monroe County is considered part of the St. Louis Metropolitan area, which reports approximately

April 11, 2006
FM: Rick Pigg

2,000,000 residents. Monroe County has 25,000 residents, with two major municipalities, Columbia and Waterloo. Valmeyer is located two miles west of Waterloo which is situated on a four lane state highway, approximately twenty miles from a regional interstate that easily connects to three major interstates, 64, 70 and 55.

MAR Properties is a related partnership started in 12/93 which holds the real estate and some equipment and rents it to MAR Graphics for its operations.

Background: MAR is in its second generation of ownership and management operating in a 50,000 square foot office warehouse building with 40 non-union employees. Rick Roever, CDC/President and Scott Roever, CFO are the two sons of the founder working in the company, the remaining children do not work in the company. These two men and their five siblings own 99% of the company; their mother owns the remaining 1%. Over the past forty years the company has provided a high level of service and product quality to its customers. The company offers both web and sheet fed presses, including flexographic label printing and digital printing. They also offer direct mail and commercial printing capabilities that expand the product mix for their customers. MAR operates 14, 17 and 22 inch presses capable of printing up to eight colors, and their extensive bindery department offers a multitude of ancillary value. With the approval of this financing request, a 24 inch press will be added, printing up to ten colors, allowing MAR to expand services and products with existing customers and to provide MAR with an additional tool to sell to new customers.

Industry: The United States printing industry generates approximately $100 billion in gross product annually. The printing industry is comprised of Lithographic (47%), Gravure (19%), Flexographic (17%), Letterpress (11%), Screen (3%) and other (3%). There are nearly 100,000 print shops throughout the country, with 57% being located in these 10 states, California (12%), New York (8%), Illinois (7%), Texas (6%), Florida (4%), Pennsylvania (4%), Ohio (4%), New Jersey, Massachusetts and Michigan each having 3.5%. The industry employs nearly one million people, with most shops having less than 20 employees. The Flexographic and Gravure shops typically have the largest number of employees, between 50 and 100, and the largest physical plants.

Lithographic printing accounts for as much as 47% of all conventionally printed material, via either sheetfed or web fed presses. Web lithography is designed to print large jobs and is used for newspapers, books, catalogs, periodicals, advertising and business forms. Sheetfed lithography is used mostly for short runs of books, periodicals, posters advertising flyers, brochures, greeting cards, packaging and fine art reproduction.

Flexographic printing (MAR Graphics) uses a flexible printing plate made of rubber, plastic or some other flexible material. Flexography makes it ideal for printing on materials like plastics and foils. This is the predominant method used for printing flexible bags, wrappers and similar forms of packaging. The soft rubber plates are also well-suited to print on thick, compressible surfaces such as cardboard packaging. Flexography also uses both sheetfed and web fed presses.

The Graphic printing process is used for long runs of multi-colored, high quality at high press speeds. Examples of gravure printed products included art books, greeting cards, advertising, currency, stamps, wall paper, magazines, wood laminates and some packaging.

Screen printing and textile printing shops number around 40,000 in the U.S. The small shops in this category can commonly be seen in strip centers and shopping malls and can print small batches of greeting cards, art books, clothing and posters. Additionally, the larger operations use the same methods to print billboard advertisements and have the capability to print on such diverse materials as plastics, fabrics, metals, papers as well as exotic materials such as leather, masonite, glass, ceramics, wood and electronic circuit boards.

Computers and other quickly changing technologies are having a huge impact on the printing industry both at the prepress and actual printing stages. The advances in desktop publishing programs have drastically changed the prepress process in the printing industry, with reductions in labor hours and enhancements in the quality of the product. Additionally computers are further automating the actual production/printing process. However, these advances in labor saving techniques require significant upfront costs in new equipment, which will be difficult for small shops to absorb.

The following information was obtained from the November/December 2005 issue of Management Portfolio.

During the first half of 2005 ink-on-paper print grew at a 2.4% pace, while toner-based print grew at a 4.5% pace and ancillary services increased at a 4.2% pace. It is anticipated that the fourth quarter of 2005 was stagnant due to the affects of Katrina. Looking ahead to 2006, it is projected that the printing industry will realize a growth rate of 3.4%.

The Project: MAR has requested $2,544,000 in new funds for the purchase of a new printing press and $500,000 in new funds for a 10,000 square foot expansion of the company's manufacturing facility.

The printing press will be purchased from Muller Martini, a German company. The press is a web fed machine capable of continuous printing through an automated process that changes the rolls of paper, eliminating up to 45 minutes of labor expense and downtime per run. Following the manufacturing and installation of the press, the Small Business Administration (SBA) through their 504 Program will reduce the bank debt by $1,017,600 (40% of the purchase price) secured by a junior lien on the equipment, resulting in a balance of $1,272,000 of which 50% or $636,000 will be participated to the Illinois Finance Authority (IFA), netting the Bank of Belleville $636,000. The Loan-To-Value (LTV) on the $1,272,000 is 50% of the purchase price.

MAR has also requested a loan of $1,166,000 to refinance existing debt of $912,000 and provide new funds of $254,000. This loan will be secured by a first lien on all existing equipment and will be sold to CBC affiliate banks.

A related company, MAR Properties, has requested a loan of $610,000 to refinance existing debt of $110,000 and to provide new funds of $500,000 to fund the expansion of the operating plant used by MAR Graphics. The new space is necessary to house the new equipment. After completion of construction, 50% of the new funds or $250,000 will be sold to IFA, leaving Bank of Belleville with a loan of $360,000.

Bank of Belleville will also be providing a $250,000 interest only loan secured by a Bank of Belleville certificate of deposit to MAR Properties.

Bank Request: The Bank of Belleville has requested the IFA to participate in the loans aforementioned with the participated amount totaling $886,000. The loan requests came from Wyatt Rawlings, a board member and long-time accountant for MAR. Ron Stephens, EVP and commercial banker, at the Bank of Belleville contacted the IFA for the participation.

FINANCING SUMMARY

Obligor: MAR Business Forms Company and MAR Properties

Guarantor: Rick Roever, Scott Roever, Gina Gunn, Lisa Arnold, Anita Redohl, Bobbie Klinkardt and Linda Coats

Security: Loan #1: First mortgage on real property that houses the offices and manufacturing space for MAR.
Loan #2: A PMSI in the new press being purchased.

Structure: Loan #1: Total $610,000; BoB $360,000; IFA $250,000
5 yr maturity amortized over 20 years at a rate of 5.25% (IFA rate) with monthly principal and interest payments
Loan #2: Total $2,290,000; BoB $636,500; IFA $636,500; SBA $1,017,000
5 yr maturity amortized over 19 years at a rate of 5.25% (IFA rate) with monthly principal and interest payments

ECONOMIC DISCLOSURE STATEMENT

Applicant:	MAR Business Forms Company	MAR Properties
Organization:	Illinois S Corporation	Partnership

PROFESSIONAL & FINANCIAL

Accountant:	Wyatt Rawlings, III, CPA		Belleville, IL
Bank:	Bank of Belleville		Belleville, IL
IFA Counsel:	David Celletti	Dykema Gosset PLLC	Chicago, IL

LEGISLATIVE DISTRICTS

Congressional:	12th—Jerry F. Costello
State Senate:	58th—David Luechtefeld
State House:	116th—Dan Reitz

CONFIDENTIAL INFORMATION

Est. Fee: $ 44,300.00

Tax ID#:37-1038580 & 37-1317749

OPERATIONS

LOAN STRUCTURE

Security: Loan #1: First mortgage on real property that houses the offices and manufacturing space for MAR.
Loan #2: A PMSI in the new press being purchased.

The Facility: Loan #1: Total $610,000; BoB $360,000; IFA $250,000
5 yr maturity amortized over 20 years at a rate of 5.25% (IFA rate) with monthly principal and interest payments
Loan #2: Total $2,290,000; BoB $636,500; IFA $636,500; SBA $1,017,000
5 yr maturity amortized over 19 years at a rate of 5.25% (IFA rate) with monthly principal and interest payments

Conditions: Quarterly Company Prepared Financial Statements and A/R aging (MAR Business Forms Company)
Annual Accountant Reviewed Financial Statements (MAR Business Forms Company)
Annual Business Tax Return (MAR Business Forms Company & MAR Properties)
Annual Personal Financial Statement and Tax Return from Guarantors
DSCR > 1:1 (Calculated annually by MAR Business Forms Company & MAR Properties, individually)
Keyman life insurance on Rick Roever in the amount of at least $1,000,000
MAR Business Forms Company or MAR Properties maintain a depository relationship with BoB
Subordination of related party debt to BoB and SBA (Interest only allowed)
Receipt and Review of appraisal on all major pieces of equipment
Prior bank consent to annual capital expenditures above $500,000 and/or new term debt in excess of $250,000 annually
Satisfactory LTV of 80% on the real estate loan

FINANCIALS

Borrower Financials: MAR Business Forms Company provided four years financial statements from 12/31/2002 to 12/31/05 and Tax Returns for 2003, 2004 and 2005. Projections were provided by the company.

MAR Business Forms Company	Actual			Forecast	
	2003	2004	2005	2006	2007
Income Statement					
Net Sales	2,998	2,910	3,255	4,167	4,494
Other Income	58	85	59		
Total Income	3,057	2,995	3,314		
Operating Expenses	2,949	3,046	2,759	2,339	2,433
Net Income	107	(51)	555	1,828	2,321
Earnings Before Interest, Taxes, Depreciation & Amortization	1,403	1,287	1,568		
Balance Sheet					
Current Assets	2,480	2,586	2,716	3,464	4,152
Net Property, Plant & Equipment	2,647	2,537	3,318	4,284	3,784
Other Assets	37	37	21	150	150
Total Assets	5,164	5,160	6,055	7,898	8,086
Current Liabilities	1,723	1,959	2,102	1,767	1,932
Long-term Debt	1,592	1,383	1,694	3,526	3,133
Other Liabilities					
Stockholder's Equity	1,786	1,818	2,259	2,605	5,065
Total Liabilities & Stockholder's Equity	5,164	5,160	6,055	7,898	8,086
Ratios					
Debt Service Coverage (X)					
Current Ratio	1.44	1.32	1.29	1.96	3.10
Days Cash on Hand					
Debt to Equity	1.9	1.8	1.7	2.03	1.68

Discussion: Balance Sheet -

As of 12/31/05 the company reported $6.1MM in assets with $3.8MM in liabilities, resulting in a net worth of $2.3MM. Current assets of $2.7MM are concentrated in receivables of $2.2MM and inventory of $523M, increases of26% and 44%, respectively over this four year period. Receivable days have remained static over the past four years, ranging between 55 and 58.

Inventory days have also remained relatively static, ranging from 14 to 22 during the periods reviewed. The stable turnover days represent that these dollar increases are due to sales growth.

The 12/31/05 long term assets are concentrated in net fixed assets of $3.2MM, an increase of 99% from $1.6MM at 12/31/02. The increase is due to the purchase of additional manufacturing equipment. Capital expenditures have averaged $1.5MM over the past three years. The capital expenditures have historically been financed with a majority of the cash generated by the company, average loan financing sources of $638M and cash funding of $862M. Thus, the three year average cash capital expenditure is in excess of $800M. Management has noted that after the purchase of the subject piece of equipment they have no major capital expenditures planned for fiscal 2006 and 2007.

The company reported 12/31/05 liabilities of $3.8MM, with a near equal balance between short and long term financing sources. Short term liabilities totaled $2.1MM, which is comprised of a RLOC balance of $642M, CMLTD of $423M, trade payables of $710M and accruals of $329M. Long term liabilities are concentrated in long term financing debt of $1.7MM. Overall liabilities have increased 49% over the past four years. This increase can be attributed to increases in working capital obligations (rloc and payables) to support the increase in sales and a $723M increase in long term obligations, which was used to finance the purchase of additional equipment.

The financial picture of the company has remained relatively stable over the past four fiscal years, with average receivable days of 57, average inventory days at 17 and average payable days of 23. Also, the debt to worth ratio has remained below 2x at each fiscal year end, averaging 1.8x. Furthermore the liquidity ratios have been satisfactory, averaging 1.45x for the current ratio. However, please note that the working capital of the company has decreased nearly $300M since year end 12/31/02 to $630M at 12/31/05. This decrease in the working capital position of the company can be attributed to higher CMLTD and accruals, as a percentage of assets. The accruals are deferred compensation to the company officers and accrued vacation and sick leave.

The RMA industry average for Flexographic printing show an average current ratio of 1.4x, an average number of receivable days at 52, inventory days at 38 and payable days at 30. MAR is in line with the current ratio, receivable days and beats the industry with its inventory and payable days. Also, the RMA industry average debt to worth ratio is 3.1x, thus MAR is historically well below this average.

Income Statement -

MAR has grown well over the past four years, with sales increasing 21% over four years to a corporate high of $13.9MM during FY05. This sales increase has also translated into a doubling of the net profit from $225M in FY02 to $441M in FY05. The company's gross margin has remained relatively stable at 20%, prior to depreciation expense and 15% after depreciation. Operating expenses have also been a stable percentage of sales at 11.6%, which results in a favorable profit margin. Along with the growth in sales and net profit, the EBITDA figure has increased from $851M in FY02 to a high of $1.3MM in FY05.

Notable operating expenses for FY05 include officer's compensation of $112M, personnel expense of $696M, bad debt expense of $102M and depreciation of $30M. FY05 operating expenses totaled $1.5MM, which are considered stable and in-line with previous periods. Historically the company has averaged bad debt expense of $51M, with a noticeable increase to $102M in FY05. The higher bad debt expense is due to increasing the reserve allowance for doubtful accounts for Data Manufacturing, Inc.

The FY05 operating profit was $534M, prior to reporting interest expense of $152M and other income of $59M resulting in a net profit of $441M. For tax purposes the company is structured as a Sub "S" Corporation and the profits are taxed on the personal tax returns of the owners. It should be noted that the company's interest expense has nearly doubled over the past four years, which is due to increased borrowing and the increasing interest rate environment.

The FY04 net profit of $32M is substantially below the FY05 results of $441M and the historical average of the company. The lower FY04 net profit can be attributed to higher COGS, primarily a $162M increase in material costs, a $200M increase in labor costs, manufacturing supplies increase of $58M and a $157M increase in depreciation expense over 2003 levels. The 2005 results show that the company has returned each of these expenses to the pre2004 level, which is demonstrated by the 2005 net profit being above the historical average for the company. Furthermore, MAR has explained that the lower 2004 results are due to one-time costs related to the installation of the new equipment, the learning curve associated with the new equipment and the ramping up time to get the new equipment and its operations functioning smoothly.

Related Party Transactions -

MAR Graphics rents its facility and some presses from MAR Properties. It pays rent on the building of $258,000 and rent on the presses of $60,000 annually. A portion of the building rent is listed in the SG&A expenses with the balance of $232,000 accounted for in the manufacturing expense in a manner similar to the equipment rent. Per the lease, the building rent is set to increase in April to account for the last three year increase in the CPI, or approximately 8-10%. With the addition of the building, the rent will also increase by approximately 14% of the capital expenditures, or $70,000.

Cash Flow Discussion –

Over the past three fiscal years the combined (Graphics & Properties) EBITDA has averaged $1.6MM, which was more than sufficient to cover the average debt obligations of $466M with a DSCR of 3.4X, a very strong level. Under the requested loan structure, as outlined above, annual loan obligations will increase by $458M to $924M, leaving the company with a margin of $661M and DSCR of 1.71X. This DSCR of 1.71X is based upon the three year historical average combined EBITDA of Graphics & Properties, thus, on a historic basis the company generates sufficient funds to service the new debt without any increase in business.

Projections -

On the projected balance sheet the receivables have remained a constant percentage of sales, inventory & payables are a constant percentage of cost of sales, while long term assets and liabilities have been adjusted to reflect the new obligations as outlined in this loan package. Increases in the net worth are due to the net income of the company which is projected to remain stable at 2% of sales. Sales growth will occur in two forms, organic growth from historic sources at the company's historical average of 7% and through the projected sales provided by the company for the new equipment. The historical gross profit is equal to 20% of sales prior to depreciation and the sales generated from the new equipment are projected to be at 25%. The gross margin on the new equipment is anticipated to be above that of the old equipment due to the above mentioned operating efficiencies that will be realized which will result in lower labor costs and lower opportunity costs due to down time between production runs. The operating expenses are projected to remain at approximately 11.5% of sales.

Guarantor Financials: All assets listed below are in the guarantors' individual name with the exception of the residences. In the case of a jointly held residence, the guarantor reported 50% of the asset and the corresponding liability. The MAR Properties reported by each individual is their prorate share of the $250,000 CD loan and the $110,000 balance on the building. Both of these are direct debts of MAR Properties and only contingent debt of the guarantors. Other contingent debts consist of a prorata share of each and every debt of each company.

(000's)	Rick Roever	Scott Roever	Gina Gunn	Lisa Arnold	Anita Redohl	Bobbie Klinkardt	Linda Coats	Grand Total	
Statement Date	2/28/2006	1/31/2006	1/31/2006	1/31/2006	1/31/2006	1/31/2006	1/31/2006		
Credit Score	766	787	682	684	776	796	774		
Cash	12	4	4	1	6	6	1	34	
Mkt Sec	30	25					1	56	
CSVLI	44	6						50	
Retirement	205	53	59	4	6	82	7	416	50%
Total Current	291	88	63	5	12	88	9	556	
Residence	325	130	104		240	150	75	1,024	50%
MAR Graphics	321	321	321	321	321	321	321	2,247	99%/7 ea - Mom 1%
MAR Properties	265	265	265	265	265	265	265	1,855	100%/7ea
R & C	150							150	
Bluff	25							25	
Autos	125	17	8	125	5	25	16	321	
Other									
Total Assets	**1,502**	**821**	**761**	**716**	**843**	**849**	**686**	**6,178**	
Home Loan	118	81	35		156	67		457	
First Bank									MAR Properties GTY
Audrey Roever	23	23	23	23	23	23	23	161	MAR Graphics Stock
Autos		14					10	24	
Other				3		19	1	23	
Total Liabilities	**141**	**118**	**58**	**26**	**179**	**109**	**34**	**665**	
Net Worth	**1,361**	**703**	**703**	**690**	**664**	**740**	**652**	**5,513**	
Ratios:									
Current Ratio	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
Cash & Marketable Securities to Total Liabilities	.30	.24	.07	.04	.03	.05	.06		
Liabilities to Net Worth	.10	.17	.08	.04	.27	.15	.05		
Liabilities to Total Assets	.09	.14	.08	.04	.21	.13	.05		

Collateral:

Item	Value	Basis	Advance Rate	Adj Value
Real Estate	1,500,000		80%	$1,200,000
New Equipment	2,544,000	Purchase	80%	$2,035,200

To Members of the Board of Directors

From: Rick Pigg and Steven Trout

Date: February 7, 2007

Re: **Bank of Belleville's Request to Extend Participation Loan Commitments**

The Bank of Belleville, a recently established bank serving the Belleville area, received commitments from IFA for three participation loans that expired between October 2006 and January 2007. Key details are as follows:

Project	Participation Amount	IFA Rate	Expiration
MAR Business Forms	$886,000	4.9%	10/06
Sonneburg Asphalt	$718,000	4.55%	12/06
Bank of Edwardsville Trust #1104	$714,000	5.25%	1/07
Total	$2,135,000	4.90% (weighted avg)	

The participations were expected to provide permanent financing after construction was completed. Construction is just now being completed on these projects.

The Bank is now seeking to close on the permanent financing. It committed funding to its customers at rates that depended on IFA funding at the rates indicated above.

The Bank's officers believed that IFA would extend its commitments at the original rates.

The Bank is asking IFA to extend funding at the rates that IFA originally committed. We have advised the Bank that any extension is subject to Board approval and that the Board has recently been approving extensions at the Authority's cost of funds (3-month LIBOR 1% or 6.36% at present).

IFA Counsel has advised us that it believes that the Board is under no legal obligation to extend its commitment or agree to renew expired commitments at the original funding rates, based on the fact that the Bank received documentation from Dykema Gossett explaining the IFA's 6 month commitment policy.

We agreed to seek an extension at a reduced rate for the following reasons:

- Participation loans are an important product Downstate.
- Bank of Belleville is an importance referral source for IFA
- The Bank committed to funding that relied on IFA's participation
- The Bank anticipated at the outset that construction would extend beyond the original commitment period but that IFA would extend at the original rate

In recognition of this situation, we agreed to seek the Board's approval for extensions at a rate of 5.5%, which was essentially midway between IFA's original rate commitment and the rate. To assist in keeping funding rates as near to the original terms, the Bank has asked us to seek approval to extend these participations at different rates, which would provide IFA with a weighted average return of 5.5%. The new rates that we are recommending are summarized in the far right column below.

Project	Participation Amount	Original IFA Rate	New IFA Rate
MAR Business Forms	$886,000	4.9%	5.53% (equipment) 5.37% (RE)
Sonneburg Asphalt	$718,000	4.55%	5.13% 4.97%
Bank of Edwardsville Trust #1104	$714,000	5.25%	5.9%
Total	$2,135,000	4.90% (weighted avg)	5.5% (weighted avg)

Illinois Finance Authority

Memorandum

Memo to: IFA Board of Directors

Date: February 13, 2007

From: Rick Pigg, Funding Manager

RE: Amendatory Resolution to extend the original expiration date of IFA commitment to purchase a Participation loan from Bank of Belleville in the amount of $886,000.

A participation loan in the total amount of $886,000 was originally approved for the MAR Business Forms Company April 11, 2006. Proceeds of the loan will be used for the purchase of new equipment and building expansion. The property purchased encompasses a new printing press and a 10,000 square foot expansion of the company's manufacturing facility. This transaction has not yet closed or funded due to the fact that construction projects and associated loans often take longer than six months to complete. As a result, Bank of Belleville has requested that the IFA extend our commitment expiration from 10/11/06 to 4/11/07.

Project costs are as follows:

Sources:		Uses:	
Equipment Loan #1			
Bank of Belleville	$636,500	Equipment	2,290,000
IFA Participation	636,500	Real Estate Expansion	500,000
SBA 504 Loan	1,017,000	Real Estate Refinance	110,000
Real Estate Loan		CD Term Loan Refi	250,000
Bank of Belleville	360,000	Cons. Exist. Eq Debt	913,777
IFA Participation	250,000	New Money	254,000
CD			
Bank of Belleville	250,000		
Equipment Loan #2			
Bank of Belleville	1,167,777		
Total	**$4,317,777**	**Total**	**$4,317,777**

Confidential Information

The Borrower's interest rate will change because of the change in rate of IFA's Participation from the originally approved rate of 4.55% (the Bank's rated less 200 basis points).

The Board has recently been approving Participation Loans at fixed rates for up to 5 years at the current 3 month LIBOR plus 100 basis points, which would be 6.36%. These rates are reflected in the following estimated updated forecast.

Income Statement Figures	**ACTUAL 2005**	**ESTIMATED 2006**	**ESTIMATED 2007**
Total Revenues	3,314	4,167	4,494
Operating Expenses	2,759	2,339	2,433
Net Income	555	1,828	2,061
EBITDA	1,568		
Original Debt Service	458.0	924.0	924.0
Newly Calculated Debt Service		929.9	929.9
Original Debt Service Coverage	3.42**	1.98*	2.23*
Newly Calculated Debt Service Coverage		1.97*	2.22*

*estimated coverage = NI / Debt Service
**coverage = EBITDA / Debt Service

	Loan Amount	Term
Bank Rate : Prime less 100 basis points	7.25%	5
IFA Rate	5.25%	5
Original Blended Rate	6.25%	5
IFA "Floor" Rate	6.36%	5
New Blended Rate	6.81%	5
Newly Calculated Annual Debt Service for IFA Participation Loans	445,404	
Original Annual Debt Service for IFA Participation Loans	439,475	
Annual Effect of Rate Change on Debt Service	5,929	

To preserve funding as close as possible to rates committed to the Borrower, the Bank has asked IFA to extend its participation for this Borrower at the following rates:

Purpose	Amount	Proposed Rate	Term/Amortization
Equipment	$603,101.65	5.53%	5 years/19 years
Real Estate	$250,981.35	5.37%	5 years/20 years

This request is being sought as part of a request to extend participations at a 5.5 % average rate.

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 11, 2006

Project: **MAR Business Forms Company**

STATISTICS

Project Number:	B-LL-TX-6052	Amount:	$886,000.00
Type:	Participation Loan	IFA Staff:	Rick Pigg
Location:	Valmeyer, IL		
NAICS Code:			

BOARD ACTION

Purchase of Participation Loan from Bank of Belleville
$886,000 IFA funds at risk
Staff recommends approval

PURPOSE

Loan proceeds will be used for the purchase of new equipment and building expansion.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:			Uses:	
Loan #1 Equipment -				
	Bank of Belleville	$636,500.00	Equipment purchase	$2,290,000.00
	IFA Participation	636,500.00	Real Estate Expansion	500,000.00
	SBA 504 Loan	1,017,000.00	Real Estate Refinance	110,000.00
Loan #2 Real Estate –			CD Term Loan Refi	250,000.00
	Bank of Belleville	360,000.00	Consolidate existing	
	IFA Participation	250,000.00	equipment debt	913,777.00
Loan #3 CD -			New money	254,000.00
	Bank of Belleville	250,000.00		
Loan #4 Equipment –				
	Bank of Belleville	1,167,777.00		
Total:		**$4,317,777.00**	**Total:**	**$4,317,777.00**

JOBS

Current employment:	95	Projected new jobs:	4
Jobs retained:	95	Construction jobs:	15-20

BUSINESS SUMMARY

Description: MAR Business Forms Company a/k/a MAR Graphics (MAR) was started in 1961 by Myron Roever near E. St. Louis, IL. MAR operates as an "S" Corporation incorporated 1/02/78. MAR provides printing services to a variety of brokers on a national scale. MAR is located in Valmeyer, IL, a village of approximately 2,500 residents located in Monroe County, IL. Monroe County is considered part of the St. Louis Metropolitan area, which reports approximately

2,000,000 residents. Monroe County has 25,000 residents, with two major municipalities, Columbia and Waterloo. Valmeyer is located two miles west of Waterloo which is situated on a four lane state highway, approximately twenty miles from a regional interstate that easily connects to three major interstates, 64, 70 and 55.

MAR Properties is a related partnership started in 12/93 which holds the real estate and some equipment and rents it to MAR Graphics for its operations.

Background: MAR is in its second generation of ownership and management operating in a 50,000 square foot office warehouse building with 40 non-union employees. Rick Roever, CDC/President and Scott Roever, CFO are the two sons of the founder working in the company, the remaining children do not work in the company. These two men and their five siblings own 99% of the company; their mother owns the remaining 1%. Over the past forty years the company has provided a high level of service and product quality to its customers. The company offers both web and sheet fed presses, including flexographic label printing and digital printing. They also offer direct mail and commercial printing capabilities that expand the product mix for their customers. MAR operates 14, 17 and 22 inch presses capable of printing up to eight colors, and their extensive bindery department offers a multitude of ancillary value. With the approval of this financing request, a 24 inch press will be added, printing up to ten colors, allowing MAR to expand services and products with existing customers and to provide MAR with an additional tool to sell to new customers.

Industry: The United States printing industry generates approximately $100 billion in gross product annually. The printing industry is comprised of Lithographic (47%), Gravure (19%), Flexographic (17%), Letterpress (11%), Screen (3%) and other (3%). There are nearly 100,000 print shops throughout the country, with 57% being located in these 10 states, California (12%), New York (8%), Illinois (7%), Texas (6%), Florida (4%), Pennsylvania (4%), Ohio (4%), New Jersey, Massachusetts and Michigan each having 3.5%. The industry employs nearly one million people, with most shops having less than 20 employees. The Flexographic and Gravure shops typically have the largest number of employees, between 50 and 100, and the largest physical plants.

Lithographic printing accounts for as much as 47% of all conventionally printed material, via either sheetfed or web fed presses. Web lithography is designed to print large jobs and is used for newspapers, books, catalogs, periodicals, advertising and business forms. Sheetfed lithography is used mostly for short runs of books, periodicals, posters advertising flyers, brochures, greeting cards, packaging and fine art reproduction.

Flexographic printing (MAR Graphics) uses a flexible printing plate made of rubber, plastic or some other flexible material. Flexography makes it ideal for printing on materials like plastics and foils. This is the predominant method used for printing flexible bags, wrappers and similar forms of packaging. The soft rubber plates are also well-suited to print on thick, compressible surfaces such as cardboard packaging. Flexography also uses both sheetfed and web fed presses.

The Graphic printing process is used for long runs of multi-colored, high quality at high press speeds. Examples of gravure printed products included art books, greeting cards, advertising, currency, stamps, wall paper, magazines, wood laminates and some packaging.

Screen printing and textile printing shops number around 40,000 in the U.S. The small shops in this category can commonly be seen in strip centers and shopping malls and can print small batches of greeting cards, art books, clothing and posters. Additionally, the larger operations use the same methods to print billboard advertisements and have the capability to print on such diverse materials as plastics, fabrics, metals, papers as well as exotic materials such as leather, masonite, glass, ceramics, wood and electronic circuit boards.

Computers and other quickly changing technologies are having a huge impact on the printing industry both at the prepress and actual printing stages. The advances in desktop publishing programs have drastically changed the prepress process in the printing industry, with reductions in labor hours and enhancements in the quality of the product. Additionally computers are further automating the actual production/printing process. However, these advances in labor saving techniques require significant upfront costs in new equipment, which will be difficult for small shops to absorb.

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The printing press will be purchased from Muller Martini, a German company. The press is a web fed machine capable of continuous printing through an automated process that changes the rolls of paper, eliminating up to 45 minutes of labor expense and downtime per run. Following the manufacturing and installation of the press, the Small Business Administration (SBA) through their 504 Program will reduce the bank debt by $1,017,600 (40% of the purchase price) secured by a junior lien on the equipment, resulting in a balance of $1,272,000 of which 50% or $636,000 will be participated to the Illinois Finance Authority (IFA), netting the Bank of Belleville $636,000. The Loan-To-Value (LTV) on the $1,272,000 is 50% of the purchase price.

MAR has also requested a loan of $1,166,000 to refinance existing debt of $912,000 and provide new funds of $254,000. This loan will be secured by a first lien on all existing equipment and will be sold to CBC affiliate banks.

A related company, MAR Properties, has requested a loan of $610,000 to refinance existing debt of $110,000 and to provide new funds of $500,000 to fund the expansion of the operating plant used by MAR Graphics. The new space is necessary to house the new equipment. After completion of construction, 50% of the new funds or $250,000 will be sold to IFA, leaving Bank of Belleville with a loan of $360,000.

Bank of Belleville will also be providing a $250,000 interest only loan secured by a Bank of Belleville certificate of deposit to MAR Properties.

Bank Request: The Bank of Belleville has requested the IFA to participate in the loans aforementioned with the participated amount totaling $886,000. The loan requests came from Wyatt Rawlings, a board member and long-time accountant for MAR. Ron Stephens, EVP and commercial banker, at the Bank of Belleville contacted the IFA for the participation.

FINANCING SUMMARY

Obligor: MAR Business Forms Company and MAR Properties

Guarantor: Rick Roever, Scott Roever, Gina Gunn, Lisa Arnold, Anita Redohl, Bobbie Klinkardt and Linda Coats

Security: Loan #1: First mortgage on real property that houses the offices and manufacturing space for MAR.
Loan #2: A PMSI in the new press being purchased.

Structure: Loan #1: Total $610,000; BoB $360,000; IFA $250,000
5 yr maturity amortized over 20 years at a rate of 5.25% (IFA rate) with monthly principal and interest payments
Loan #2: Total $2,290,000; BoB $636,500; IFA $636,500; SBA $1,017,000
5 yr maturity amortized over 19 years at a rate of 5.25% (IFA rate) with monthly principal and interest payments

ECONOMIC DISCLOSURE STATEMENT

Applicant:	MAR Business Forms Company	MAR Properties
Organization:	Illinois S Corporation	Partnership

PROFESSIONAL & FINANCIAL

Accountant:	Wyatt Rawlings, III, CPA		Belleville, IL
Bank:	Bank of Belleville		Belleville, IL
IFA Counsel:	David Celletti	Dykema Gosset PLLC	Chicago, IL

LEGISLATIVE DISTRICTS

Congressional:	12th—Jerry F. Costello
State Senate:	58th—David Luechtefeld
State House:	116th—Dan Reitz

CONFIDENTIAL INFORMATION

Est. Fee: $ 44,300.00

Tax ID#:37-1038580 & 37-1317749

OPERATIONS

LOAN STRUCTURE

Security:

Loan #1: First mortgage on real property that houses the offices and manufacturing space for MAR.
Loan #2: A PMSI in the new press being purchased.

The Facility:

Loan #1: Total $610,000; BoB $360,000; IFA $250,000
5 yr maturity amortized over 20 years at a rate of 5.25% (IFA rate) with monthly principal and interest payments
Loan #2: Total $2,290,000; BoB $636,500; IFA $636,500; SBA $1,017,000
5 yr maturity amortized over 19 years at a rate of 5.25% (IFA rate) with monthly principal and interest payments

Conditions:

Quarterly Company Prepared Financial Statements and A/R aging (MAR Business Forms Company)
Annual Accountant Reviewed Financial Statements (MAR Business Forms Company)
Annual Business Tax Return (MAR Business Forms Company & MAR Properties)
Annual Personal Financial Statement and Tax Return from Guarantors
DSCR > 1:1 (Calculated annually by MAR Business Forms Company & MAR Properties, individually)
Keyman life insurance on Rick Roever in the amount of at least $1,000,000
MAR Business Forms Company or MAR Properties maintain a depository relationship with BoB
Subordination of related party debt to BoB and SBA (Interest only allowed)
Receipt and Review of appraisal on all major pieces of equipment
Prior bank consent to annual capital expenditures above $500,000 and/or new term debt in excess of $250,000 annually
Satisfactory LTV of 80% on the real estate loan

FINANCIALS

Borrower Financials: MAR Business Forms Company provided four years financial statements from 12/31/2002 to 12/31/05 and Tax Returns for 2003, 2004 and 2005. Projections were provided by the company.

MAR Business Forms Company	Actual			Forecast	
	2003	2004	2005	2006	2007
Income Statement					
Net Sales	2,998	2,910	3,255	4,167	4,494
Other Income	58	85	59		
Total Income	3,057	2,995	3,314		
Operating Expenses	2,949	3,046	2,759	2,339	2,433
Net Income	107	(51)	555	1,828	2,321
Earnings Before Interest, Taxes, Depreciation & Amortization	1,403	1,287	1,568		
Balance Sheet					
Current Assets	2,480	2,586	2,716	3,464	4,152
Net Property, Plant & Equipment	2,647	2,537	3,318	4,284	3,784
Other Assets	37	37	21	150	150
Total Assets	5,164	5,160	6,055	7,898	8,086
Current Liabilities	1,723	1,959	2,102	1,767	1,932
Long-term Debt	1,592	1,383	1,694	3,526	3,133
Other Liabilities					
Stockholder's Equity	1,786	1,818	2,259	2,605	5,065
Total Liabilities & Stockholder's Equity	5,164	5,160	6,055	7,898	8,086
Ratios					
Debt Service Coverage (X)					
Current Ratio	1.44	1.32	1.29	1.96	3.10
Days Cash on Hand					
Debt to Equity	1.9	1.8	1.7	2.03	1.68

Discussion: Balance Sheet -

As of 12/31/05 the company reported $6.1MM in assets with $3.8MM in liabilities, resulting in a net worth of $2.3MM. Current assets of $2.7MM are concentrated in receivables of $2.2MM and inventory of $523M, increases of26% and 44%, respectively over this four year period. Receivable days have remained static over the past four years, ranging between 55 and 58.

Inventory days have also remained relatively static, ranging from 14 to 22 during the periods reviewed. The stable turnover days represent that these dollar increases are due to sales growth.

The 12/31/05 long term assets are concentrated in net fixed assets of $3.2MM, an increase of 99% from $1.6MM at 12/31/02. The increase is due to the purchase of additional manufacturing equipment. Capital expenditures have averaged $1.5MM over the past three years. The capital expenditures have historically been financed with a majority of the cash generated by the company, average loan financing sources of $638M and cash funding of $862M. Thus, the three year average cash capital expenditure is in excess of $800M. Management has noted that after the purchase of the subject piece of equipment they have no major capital expenditures planned for fiscal 2006 and 2007.

The company reported 12/31/05 liabilities of $3.8MM, with a near equal balance between short and long term financing sources. Short term liabilities totaled $2.1MM, which is comprised of a RLOC balance of $642M, CMLTD of $423M, trade payables of $710M and accruals of $329M. Long term liabilities are concentrated in long term financing debt of $1.7MM. Overall liabilities have increased 49% over the past four years. This increase can be attributed to increases in working capital obligations (rloc and payables) to support the increase in sales and a $723M increase in long term obligations, which was used to finance the purchase of additional equipment.

The financial picture of the company has remained relatively stable over the past four fiscal years, with average receivable days of 57, average inventory days at 17 and average payable days of 23. Also, the debt to worth ratio has remained below 2x at each fiscal year end, averaging 1.8x. Furthermore the liquidity ratios have been satisfactory, averaging 1.45x for the current ratio. However, please note that the working capital of the company has decreased nearly $300M since year end 12/31/02 to $630M at 12/31/05. This decrease in the working capital position of the company can be attributed to higher CMLTD and accruals, as a percentage of assets. The accruals are deferred compensation to the company officers and accrued vacation and sick leave.

The RMA industry average for Flexographic printing show an average current ratio of 1.4x, an average number of receivable days at 52, inventory days at 38 and payable days at 30. MAR is in line with the current ratio, receivable days and beats the industry with its inventory and payable days. Also, the RMA industry average debt to worth ratio is 3.1x, thus MAR is historically well below this average.

Income Statement -

MAR has grown well over the past four years, with sales increasing 21% over four years to a corporate high of $13.9MM during FY05. This sales increase has also translated into a doubling of the net profit from $225M in FY02 to $441M in FY05. The company's gross margin has remained relatively stable at 20%, prior to depreciation expense and 15% after depreciation. Operating expenses have also been a stable percentage of sales at 11.6%, which results in a favorable profit margin. Along with the growth in sales and net profit, the EBITDA figure has increased from $851M in FY02 to a high of $1.3MM in FY05.

Notable operating expenses for FY05 include officer's compensation of $112M, personnel expense of $696M, bad debt expense of $102M and depreciation of $30M. FY05 operating expenses totaled $1.5MM, which are considered stable and in-line with previous periods. Historically the company has averaged bad debt expense of $51M, with a noticeable increase to $102M in FY05. The higher bad debt expense is due to increasing the reserve allowance for doubtful accounts for Data Manufacturing, Inc.

The FY05 operating profit was $534M, prior to reporting interest expense of $152M and other income of $59M resulting in a net profit of $441M. For tax purposes the company is structured as a Sub "S" Corporation and the profits are taxed on the personal tax returns of the owners. It should be noted that the company's interest expense has nearly doubled over the past four years, which is due to increased borrowing and the increasing interest rate environment.

The FY04 net profit of $32M is substantially below the FY05 results of $441M and the historical average of the company. The lower FY04 net profit can be attributed to higher COGS, primarily a $162M increase in material costs, a $200M increase in labor costs, manufacturing supplies increase of $58M and a $157M increase in depreciation expense over 2003 levels. The 2005 results show that the company has returned each of these expenses to the pre2004 level, which is demonstrated by the 2005 net profit being above the historical average for the company. Furthermore, MAR has explained that the lower 2004 results are due to one-time costs related to the installation of the new equipment, the learning curve associated with the new equipment and the ramping up time to get the new equipment and its operations functioning smoothly.

Related Party Transactions -

MAR Graphics rents its facility and some presses from MAR Properties. It pays rent on the building of $258,000 and rent on the presses of $60,000 annually. A portion of the building rent is listed in the SG&A expenses with the balance of $232,000 accounted for in the manufacturing expense in a manner similar to the equipment rent. Per the lease, the building rent is set to increase in April to account for the last three year increase in the CPI, or approximately 8-10%. With the addition of the building, the rent will also increase by approximately 14% of the capital expenditures, or $70,000.

Cash Flow Discussion –

Over the past three fiscal years the combined (Graphics & Properties) EBITDA has averaged $1.6MM, which was more than sufficient to cover the average debt obligations of $466M with a DSCR of 3.4X, a very strong level. Under the requested loan structure, as outlined above, annual loan obligations will increase by $458M to $924M, leaving the company with a margin of $661M and DSCR of 1.71X. This DSCR of 1.71X is based upon the three year historical average combined EBITDA of Graphics & Properties, thus, on a historic basis the company generates sufficient funds to service the new debt without any increase in business.

Projections -

On the projected balance sheet the receivables have remained a constant percentage of sales, inventory & payables are a constant percentage of cost of sales, while long term assets and liabilities have been adjusted to reflect the new obligations as outlined in this loan package. Increases in the net worth are due to the net income of the company which is projected to remain stable at 2% of sales. Sales growth will occur in two forms, organic growth from historic sources at the company's historical average of 7% and through the projected sales provided by the company for the new equipment. The historical gross profit is equal to 20% of sales prior to depreciation and the sales generated from the new equipment are projected to be at 25%. The gross margin on the new equipment is anticipated to be above that of the old equipment due to the above mentioned operating efficiencies that will be realized which will result in lower labor costs and lower opportunity costs due to down time between production runs. The operating expenses are projected to remain at approximately 11.5% of sales.

Guarantor Financials: All assets listed below are in the guarantors' individual name with the exception of the residences. In the case of a jointly held residence, the guarantor reported 50% of the asset and the corresponding liability. The MAR Properties reported by each individual is their prorate share of the $250,000 CD loan and the $110,000 balance on the building. Both of these are direct debts of MAR Properties and only contingent debt of the guarantors. Other contingent debts consist of a prorata share of each and every debt of each company.

(000's)	Rick Roever	Scott Roever	Gina Gunn	Lisa Arnold	Anita Redohl	Bobbie Klinkardt	Linda Coats	Grand Total	
Statement Date	2/28/2006	1/31/2006	1/31/2006	1/31/2006	1/31/2006	1/31/2006	1/31/2006		
Credit Score	766	787	682	684	776	796	774		
Cash	12	4	4	1	6	6	1	34	
Mkt Sec	30	25					1	56	
CSVLI	44	6						50	
Retirement	205	53	59	4	6	82	7	416	50%
Total Current	291	88	63	5	12	88	9	556	
Residence	325	130	104		240	150	75	1,024	50%
MAR Graphics	321	321	321	321	321	321	321	2,247	99%/7 ea - Mom 1%
MAR Properties	265	265	265	265	265	265	265	1,855	100%/7ea
R & C	150							150	
Bluff	25							25	
Autos	125	17	8	125	5	25	16	321	
Other									
Total Assets	**1,502**	**821**	**761**	**716**	**843**	**849**	**686**	**6,178**	
Home Loan	118	81	35		156	67		457	
First Bank									MAR Properties GTY
Audrey Roever	23	23	23	23	23	23	23	161	MAR Graphics Stock
Autos		14					10	24	
Other				3		19	1	23	
Total Liabilities	**141**	**118**	**58**	**26**	**179**	**109**	**34**	**665**	
Net Worth	**1,361**	**703**	**703**	**690**	**664**	**740**	**652**	**5,513**	
Ratios:									
Current Ratio	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
Cash & Marketable Securities to Total Liabilities	.30	.24	.07	.04	.03	.05	.06		
Liabilities to Net Worth	.10	.17	.08	.04	.27	.15	.05		
Liabilities to Total Assets	.09	.14	.08	.04	.21	.13	.05		

Collateral:	Item	Value	Basis	Advance Rate	Adj Value
	Real Estate	1,500,000		80%	$1,200,000
	New Equipment	2,544,000	Purchase	80%	$2,035,200

Illinois Finance Authority

Memorandum

Memo to: IFA Board of Directors

Date: February 13, 2007

From: Rick Pigg, Funding Manager

RE: Amendatory Resolution to extend the original expiration date of IFA commitment to purchase a Participation loan from Banterra Bank in the amount of $701,000.

A participation loan in the total amount of $701,000 was originally approved for Midwest Fabrication & Repair, Inc. February 7, 2006. Loan proceeds were to be used to purchase new equipment and to acquire and improve of a 43,000 square-foot industrial building. The building would be utilized to manufacture three-point agricultural implements and refinance existing indebtedness. This transaction has not yet closed or funded due to delays in the receipt of grant funding as well as equipment installation. As a result, Banterra Bank has requested that the IFA extend our commitment expiration from 8/7/06 to 8/7/07.

Project costs are as follows:

Sources:	IFA	701,000	Uses:	Refi Equip. Loan	137,000
	Banterra Real Estate Loan	380,000		Refi R Estate Loan	322,000
	Banterra Equip Loan	321,000		Refi Banterra LOC	758,000
	City of Harrisburg Loan	150,000		Refi City of Harrisburg	185,000
	DCEO Loan	630,000		Project Costs	780,000
	Total	**$2,182,000**		**Total**	**$2,182,000**

The above sources and uses of funds was originally reflected in the February 2006 Board Summary. The originally approved project included IFA's participation in the refinancing of debt as well as new project funding.

Confidential Information

The interest rate structure will change from the originally approved structure of:

- The IFA will participate in loans for up to 10 years at a rate of interest up to 200 basis points below the lender.

to the newly adopted structure of:

- The IFA will participate in loans for up to 5 years fixed at a rate of interest up to 200 basis points below the lender. However, this interest rate will not fall below 100 basis points above the 3 month LIBOR (which currently calculates to 6.36%).

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

The newly adopted participation loan structure *will* affect total debt service and associated coverage. The bank's loan documentation indicates their final rate to be 7.3%; therefore, yielding an IFA original participation loan rate of (5.3%) which exceeds the newly adopted rate "floor" (which is currently 6.36%). The figures are reflected in the following analysis.

Income Statement Figures	2006	Estimated 2007	2008
Net Sales	3,807	6,500	6,700
Net Income	(74)	159	225
EBITDA	219	579	678
Balance Sheet			
Current Assets	2,061	2,252	2,554
Net Property, Plant and Equipment	1,437	1,190	1,124
Other Assets	-	-	-
Total Assets	3,498	3,442	3,676
Current Liabilities	959	1,091	1,252
Long-term Debt	2,204	1,908	1,754
Other Liabilities	185	170	155
Stockholder's Equity	150	273	515
Total Liabilities and Stockholder's Equity	3,498	3,442	3,676
Ratios			
Fixed Charge Coverage	0.72	1.90	2.22
Current Ratio	2.15	2.06	2.04
LT Debt to Equity	15.93	7.61	3.71
Original Debt Service Coverage	0.72	1.90	2.22
New Debt Service Coverage	0.70	1.87	2.18

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

	Rate Calculations
Bank Rate :	7.30%
IFA Rate	5.30%
Original Blended Rate	6.30%
IFA "Floor" Rate	6.36%
New Blended Rate	6.83%

The IFA received interim financial statements for Midwest as of 9/30/06. The information provided was annualized in order to calculate 2006 income statement year-end figures. As indicated in the above Income Statement, it appears that Midwest is growing rapidly, with an estimated 68% increase in net sales between 2005 and 2006 annualized.

Although revenue growth was exceptional between 2005 and 2006, it was not what the company anticipated. Committed dollars from financing sources that were supposed to be received in March, 2006, were not received by Midwest until May, 2006. The company lost almost $90,000 in revenues in March due to slowing production in anticipation of moving facilities (which did not occur). In fact, the new facility, complete with the newly purchased equipment began production in mid-November, five months after originally projected. This delay has caused the company undo hardships in the form of lost revenues, increased freight costs (to transport the product between three different locations), and delayed use of newly purchased equipment that can manufacture the product in a fraction of the current manufacture time.

Finally, 2006 annualized expenses make up a much larger portion of revenues than what is anticipated in 2007. Midwest hired 25 (a 80% increase) additional employees between July and August in order to train them for work to be done in the new facility. These expenses are reflected in the 2006 financial statements, but revenues that the employees will be facilitating will not be realized until December.

During July, 2006, Midwest estimated that it cost the company $39 per hour to make a unit of their product. In December (upon the fully functional facility), it cost $24 per hour.

It is estimated that in 2007, Midwest will be able to meet the demand its customer base, by realizing the efficiencies that one facility and new equipment will offer. Commitments are in place from current customers which have revenues exceeding $6.5 million in 2007 and net income conservatively projected at $159,000.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 7, 2006

Project: **Midwest Fabrication & Repair, Inc**

STATISTICS

Project Number:	B-LL-TX-6020	Amount:	$701,000
Type:	Participation Loan	IFA Staff:	Rick Pigg
Location:	Harrisburg, IL	SIC Code:	3599

BOARD ACTION

Participation loan
IFA funds at risk
IFA staff recommends approval

PURPOSE

Finance the purchase of new equipment and the acquisition and improvement of a 43,000 square-foot industrial building to be used to manufacture 3-point agricultural implements and refinance existing indebtedness.

VOTING RECORD

No voting record. This is the first time that this project has been presented to the IFA Board.

EXPECTED SOURCES AND USES OF FUNDS

Sources:		Uses:	
Banterra Real Estate Loan	$380,000	Refinance Banterra Equipment Loan	$137,000
Banterra Equipment Loan	321,000	Refinance Banterra Real Estate Loan	322,000
IFA Participation	701,000	Refinance Banterra Line of Credit	758,000
City of Harrisburg Loan	150,000	Refinance City of Harrisburg Loan	185,000
DCEO Loan	630,000	Project Costs	780,000
Total	$2,182,000	Total	$2,182,000

The loans provided by the City of Harrisburg and DCEO will be subordinate to the Banterra Bank/IFA loans.

JOBS

Current employment:	26	Projected new jobs:	5
Jobs retained:	NA	Construction jobs:	0

BUSINESS SUMMARY

Description: Midwest Fabrication and Repair, Inc. (MWF) is a diversified metal fabricator located in Harrisburg, IL that was founded by James and Mary Ozee in 1991. Midwest Fabrication and Repair, Inc. was established as an Illinois S-Corporation in 1995.

Background: The firm operated from 1991 to 1997 as a small repair/fabrication company. IN 1998 the company began diversifying into larger automotive and power plant projects. Today, MWF's primary focus is farm implement manufacturing. MWF manufactures a growing line of three point farm implements for the compact and sub-compact tractor market. These products are currently manufactured and private labeled for manufacturers such as Bush Hog and Kioti Tractors and implement distributors such as Rankin Equipment Company, Ford Distributing and

Courhier Implements. MWF also distributes agricultural implements under its own label, Midwest Equipment, to tractor dealers in 15 states.

The company has in-house engineering and automated equipment which allows MWF to produce products for a variety of industries. With the addition of the in-house machine shop in October of 2004, the capabilities again expanded.

The Project: The Ozee's are acquiring a 43,000 square foot industrial building 2 blocks from MWF's existing operation to expand capacity and consolidate manufacturing, warehousing and distribution facilities for the agricultural implement segment into a single building. MWF currently operates in 4 older buildings that capacity to simultaneously operate its agricultural, automotive and power plant segments, which complicates work scheduling and requires excessive material handling. The owners are planning to install a trolley system and robotic welding equipment to reduce labor expense for production and warehousing.

PROJECT SUMMARY

The proposed project consists of purchasing and improving a 43,000 square foot industrial building, acquiring and installing new equipment and refinancing existing debt. Project costs are estimated below:

Building Acquisition	$230,000
3 CNC Welding Robots	150,000
CNC Plasma Cutter	75,000
90 Ton Iron Worker	24,000
CNC Machining Center	49,000
Powder Oven	30,000
Vibratory Tumbler	12,000
Miscellaneous Small Equipment	38,000
New Trolley system and real estate improvements	172,000
Total	**$780,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Midwest Fabrication and Repair, Inc.
Organization:	Illinois S Corporation
Ownership:	Mary Ozee – 51%, James Ozee – 49%

PROFESSIONAL & FINANCIAL

Bank:	Banterra Bank		Ridgeway
Accountant:	Ron Emery Accounting	409 E. Poplar St.	Harrisburg

LEGISLATIVE DISTRICTS

Congressional:	19th
State Senate:	59th
State House:	118th

CONFIDENTIAL INFORMATION

Est. Fee: $40,658 (first year"s interest) Tax ID: 37-1341467

FINANCING SUMMARY

Structure: Real Estate Loan: $760,000 total; Banterra $380,000, IFA $380,000
3-year initial term, amortizing over 20 years with level monthly principal and interest payments at 7.80% fixed
Secured by a first mortgage interest in all business real estate

Equipment Loan: $642,000 total; Banterra $321,000, IFA $321,000
3-year initial term, amortizing over 7 years with level monthly principal and interest payments at 7.80% fixed
Secured by a first lien on existing and new equipment.

COLLATERAL ANALYSIS

Collateral	Gross Value	Discount	Adj. Value	Source of Value Est.
Collateral securing the Real Estate Loan:				
All business real estate	$1,305,000	80%	$1,044,000	Appraisals by Ron Abell
Loans Amount	$760,000		$760,000	
Loan to Value	58%		73%	

MWF's existing business real estate is titled under James and Mary Ozee and reflects a value of $595,000 on their personal financial statement.

Collateral	Gross Value	Discount	Adj. Value	Source of Value Est.
Collateral securing the Equipment Loan:				
1st lien on existing equipment	$1,000,000	65%	$650,000	Estimated by the borrower An appraisal will be done on the equipment
1st lien on new equipment	$400,000	65%	$260,000	Purchase price
Total Collateral	$1,400,000		$960,000	
Loan Amount	$642,000		$642,000	
Loan to Value	39%		67%	

FINANCIALS

Borrower Financials: Compiled financial statements of Midwest Fabrication and Repair, Inc. for 2001 through 2004 with interim statements for 2005. Bank prepared proformas for 2006. All dollars are in thousands.

	Actual			Forecast		
	2003	2004	2005	2006	2007	2008
Income Statement						
Net Sales	2,179	2,547	2,262	2,941	3,088	3,242
Net Income	(17)	18	166	111	42	42
Earnings Before Interest, Taxes, Depreciation & Amortization	81	114	364	391	412	433
Balance Sheet						
Current Assets	388	1,013	1,629	2,142	2,252	2,353
Net Property, Plant and Equipment	196	244	639	1,287	1,190	1,124
Other Assets	0	0	0	0	0	0
Total Assets	584	1,257	2,268	3,428	3,443	3,475
Current Liabilities	210	836	1,550	959	1,091	1,252
Long-term Debt	329	243	421	2,053	1,908	1,754
Other Liabilities	152	210	177	185	170	155
Stockholder's Equity	(107)	(32)	120	231	273	315
Total Liabilities and Stockholder's Equity	584	1,257	2,268	3,428	3,442	3,475
Ratios						
Fixed Charge Coverage	0.87	2.14	3.16	1.35	1.38	1.40
Current Ratio	1.85	1.21	1.05	2.23	2.06	1.88
Debt to Equity	(4.99)	(26.66)	13.24	10.89	9.09	7.81

Discussion: MWF's sales have steadily increased from $653,000 in 2000 to a peak of $2,547,000 in 2004. Sales declined 11% in 2005. The company operated without an automotive industry sales representative for most of the year but have since engaged a very productive sales agent. MWF also discontinued relationships with several smaller implement dealers to focus efforts on building relationships with regional distributors. Profitability has been improving from modest losses in 2001, 2002 and 2003. High steel prices cut into profits in the past. Management has cut rates paid for steel by 29% from 2004 averages due to recent declines in steel prices and sourcing steel from regional rather than local suppliers. Increased sales to regional distributors have resulted in fewer but larger orders, which increased efficiency by simplifying production, account management, shipments and billing. Closing a sales office for the automotive industry has cut overhead and sales expense.

MWF depends on lines of credit to finance accounts receivable and inventory. Outstanding balances totaled $1,039,000 on its $1,100,00 line as of December 31, 2005. Accounts receivables and inventory have both grown rapidly (105% and 43%, respectively) from prior yearend levels. This growth, while dramatic, are in line with sales realized in November in December, which if sustained would generate $3.8 million in annual sales. The ratio of accounts receivable, inventory and accounts payable as of December 31, 2005, to daily sales realized in December equals, 55, 99 and 35 days, respectively, which is consistent with recent historic ratios.

MWF had negative equity in 2003 and 2004 primarily because the company expensed approximately $650,000 of tooling costs rather than capitalizing them. As a result, the company's leverage ratios have been very poor. Fixed charge ratios have been solid except in 2003.

Management is projecting $3.8 million of sales in 2006 (69% growth from prior year levels) and $5 million of sales in 2007. Management had originally forecast $5 million of sales but has reduced its forecast because the new building and equipment is not expected to be operational until May or June 2006. Once MWF has relocated to the new facility management expect to quickly able to generate sales at an annual rate of $5 million from the following customers:

Rankin Equipment	$250,000
Ford Distributing	250,000
Gearmore, Inc.	750,000
Edney Distibuting	250,000
Kioti	1,000,000
Mahindra	250,000
Montana	1,000,000
Bush Hog	250,000
Automotive (Toyota, Nissan, Benetech)	1,000,000
Total	**$5,000,000**

Management is expecting to maintain operating and net income margins at least at levels achieved in 2005 (16% and 7%, respectively) in 2006. Management expects margins to continue improving with growth, based on expectations that automation will require hiring only 15 additional people to grow to $5 million in annual sales. (The company currently maintains a staff of 26 to generate sales of $2.3 million.) Banterra Bank has underwritten the loan assuming that MWF will generate in 2006 Earnings Before Interest, Depreciation and Amortization ("EBIDA") of $480,000 and a 1.6 times fixed charge coverage ratio.

Staff has conservatively projected sales at $2.9 million (30% growth from prior year levels) and reduced projected operating margins to 12% and net income margin to 1.5% to 3.5%. Management has sizable backorders for agricultural implements and automotive projects and is anticipating increased power project sales as interest in coal power builds. Cheaper prices for steel and components coupled with success in generating larger orders and plan to automate the new facility support our assumption that margins will remain improved from 2003 and 2004 levels.

For 2006, we are projecting EBIDA at $362,000 (similar to 2005 levels on increased sales), which should generate an acceptable 1.37 times fixed charge coverage ratio for the year. We project 5% annual sales growth in 2007 and 2008. Our forecast indicates that maintaining improved margins is critical to maintaining acceptable fixed coverage ratios, while the company's failure to achieve forecasted sales levels should have only a modest affect on future coverage ratios.

Banterra is planning to extend its line for another year for $750,000, which together with a $250,000 line from DCEO will provide $1,000,000 in available lines of credit. These lines are secured by accounts receivable and inventory. Banterra's line is prices at Prime plus 0.25% floating, now 7.5%. The forecast assumes an 8% average rate on lines of credit. Banterra is projecting a maximum draw of $700,000 in 2006 based on management's forecast.

Guarantor's Financials: The 2004 tax returns for James and Mary Ozee list an AGI of $90,000, which consists of $80,000 in W-2 wages, $1,000 in interest, $6,000 in rental income, and $8,000 in pass through income from Midwest Fabrication. Deductions totaled $5,000. A credit bureau report dated 10/27/05 lists an empirical score of 696 for James and 695 for Mary. Presented below is a balance sheet prepared by staff from the Ozees' personal financial statement as of January 23, 2006. This statement excludes all assets from MWF other than a $38,000 short-term loan to the company. The Ozees report substantial net worth, significant liquidity and manageable indebtedness.

Assets	
Cash	85,435
Marketable Securities & Bonds	46,050
Note Receivable from MWF	38,000
Cash Value of Life Insurance	6,820
Total Current Assets	176,305
Real Estate	799,000
Personal Property: Vehicles, Farm Equipment, Boats, Etc.	195,600
Livestock: Cattle	12,350
Total Assets	1,183,255

Liabilities	
Bills Payable	600
Total Current Liabilities	600
Bank Loans & Credit Cards	59,000
Mortgage Loans	358,000
Total Liabilities	417,600
Net Worth	765,655
Total Liabilities & Net Worth	1,183,255

Ratios:	
Cash & Marketable Securities to Total Liabilities	0.31
Current Ratio (CA/CL)	293.84
Liabilities to Net Worth	0.55
Liabilities to Total Assets	0.35

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

Illinois Finance Authority

Memorandum

Memo to: IFA Board of Directors

Date: February 13, 2007

From: Rick Pigg, Funding Manager

RE: Amendatory Resolution to extend the original expiration date of IFA commitment to purchase a Participation loan from Bank of Belleville in the amount of $718,000.

A participation loan in the total amount of $718,000 was originally approved for the Sonnenberg Asphalt Co., Inc. June 13, 2006. The loan will finance the acquisition of land, the construction of a new building, and purchase of equipment. The property purchased encompasses two developed commercial lots where Mr. Sonnenberg (who is in the paving and landscaping material business) intends to construct a prefabricated metal building that will house office and repair space. The location will also include various bins to house material along with asphalt storage areas and parking. This transaction has not yet closed or funded due to the fact that construction projects and associated loans often take longer than six months to complete. As a result, Bank of Belleville has requested that the IFA extend our commitment expiration from 12/13/06 to 6/13/07.

Project costs are as follows:

Sources:	IFA	$718,000	Uses: Land	$700,000
	Bank of Belleville	718,000	Equipment	500,000
	Equity Contribution	349,000	Building	585,000
	Total	**$1,785,000**	**Total**	**$1,785,000**

Confidential Information

The Borrower's interest rate will change because of the change in rate of IFA's Participation from from the originally approved rate of 4.55% (the Bank's rated less 200 basis points).

The Board has recently been approving Participation Loans at fixed rates for up to 5 years at the current 3 month LIBOR plus 100 basis points, which would be 6.36%. These rates are reflected in the following estimated updated forecast.

	Asphalt Co		Paving & Landscaping
Income Statement Figures	**Year Ending 12/31/05**	**April 2006 (Annualized)**	**Year Ending 3/31/06**
Gross Profit	821	408	1,151
Operating Expenses	830	282	1,086
Net Income	(9)	126	65
EBITDA	161	357	199
Original Debt Service		192	
Newly Calculated Debt Service		201	
Original Debt Service Coverage	1.80	1.27	
Newly Calculated Debt Service Coverage		1.23	

	Loan Amount	Term
Bank Rate : Prime less 100 basis points	6.55%	5
IFA Rate	4.55%	5
Original Blended Rate	5.55%	5
IFA "Floor" Rate	6.36%	5
New Blended Rate	6.46%	5

Newly Calcluated Annual Debt Service for IFA Participation Loans	200,762
Original Annual Debt Service for IFA Participation Loans	192,326
Annual Effect of Rate Change on Debt Service	8,436

To preserve funding as close as possible to rates committed to the Borrower, the Bank has asked IFA to extend its participation for this Borrower at the following rates:

Purpose	Amount	Proposed Rate	Term/Amortization
Real Estate (KKLL, Inc., related entity)	$468,000	5.13%	5 years/20 years
Equipment	$250,000	4.97%	5 years/5 years

This request is being sought as part of a request to extend participations at a 5.5 % average rate.

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006

Project: **Sonnenberg Asphalt Co., Inc.**
KKLL, Inc. with operating company Sonnenberg Paving & Landscaping Materials Company

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STATISTICS

Project Number: B-LL-TX-6129
Type: Participation Loan
Location: Belleville IL 62223
NAICS Code: 42132

Amount: $718,000
IFA Staff: Rick Pigg

BOARD ACTION

Purchase of Participation Loans from Bank of Belleville, Belleville Illinois
$718,000.00 IFA funds at risk
Staff recommends approval, subject to compliance with all of the bank's loan terms and conditions.

PURPOSE

Participation in two loans: 1) permanent financing of the purchase of land and the construction of a building; 2) purchase of equipment

---

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Participation	$ 718,000	Uses:	Purchase of Land	$ 700,000
	Bank of Belleville	$ 718,000		Purchase of Equipment	$ 500,000
	Borrower Equity	$ 349,000		Construction & Improv.	$ 585,000
	Total:	$1,785,000	Total:		$1,785,000

JOBS

Current employment: 35
Jobs retained: 35

Projected new jobs: 10
Construction jobs: 15

BUSINESS SUMMARY

Description: Sonnenberg Asphalt Co., Inc. is a corporation established in 1983 which performs paving and sealing. KKLL, Inc. is a corporation being established to act as the real estate holding company. Sonnenberg Paving & Landscaping Materials Company is a corporation established in 1991 which provides landscaping design & work along with materials. Kirk and Kelly Sonnenberg are the sole owners of all the companies.

Background: Kirk Sonnenberg founded a paving company in 1983. After nearly a decade in the paving business he started Sonnenberg Paving & Landscaping Materials Company in 1991 on 3 acres of ground, the current Belleville location. Sonnenberg Landscaping was named the #1 landscaping company in the Metro-East by the readers of the Belleville News Democrat. Sonnenberg is probably the largest landscape supply company in the Belleville area. Sonnenberg Landscaping is not a nursery and does not sell "live" landscaping items, only hardscape items. Sonnenberg's business plan is to provide material to other landscaping professionals as well as material for the do-it-yourselfers, and also provides full design and installation services.

Management: The facility is staffed by various family and non-family members. Ray Sonnenberg manages the day –to-day operations of the Belleville facility related to sales, delivery and inventory control, while Andy Stephens is the manager of the design and installation services. Kirk oversees the overall business operation.

The Project: Sonnenberg is purchasing 2 developed commercial lots in a commercial/industrial development for a total of $700,000, with a total area of 5.95 +/- acres. The lots front Illinois Highway 3 between the communities of Waterloo and Columbia. This is a 4 lane divided highway. Sonnenberg is planning to construct a Cleary prefabricated metal building, with 6,000 square feet of gross space, which will house office space (2,000) and repair space (4,000). The location will also include various bins to house material along with asphalt storage areas and parking. The proposed construction will fit well with the other buildings in the development. The budget for the land, building and improvements totals $1,283,600. The Columbia property will be an extension of the Sonnenberg Paving & Landscaping Materials Company.

Bank Request: The bank has requested the IFA to participate in two loans. The first loan is to facilitate the permanent financing of the purchase of the land and construction of the building. The second loan is to purchase equipment. The lender is Ron Stephens, EVP of Bank of Belleville. The IFA has an established working relationship with this bank.

FINANCING SUMMARY

Obligor: Sonnenberg Asphalt Co., Inc. and KKLL, Inc.

Guarantor: Kirk and Kelly Sonnenberg

Security: First mortgage and assignment of rents on Lots 3 & 4 w/improvements at "Hanover Road Tracts" and a first lien on purchased equipment.

Structure:

Equipment:			
Sonnenberg Asphalt Co., Inc.	$250,000	4.55% (2% less than bank rate)	5 year term/ 5 year amortization
Real Estate:			
KKLL, Inc.	$468,000	4.55% (2% less than bank rate)	5 year term/ 20 year amortization

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Sonnenberg Asphalt Co., Inc.	KKLL, Inc.
Organization:	Corporation	S Corporation

PROFESSIONAL & FINANCIAL

Accountant: Rice, Sulli , Belleville
Bank: Bank of Belleville, Ron Stephens, EVP; 720 W Main Street, Belleville, IL 62220; PH# 618-233-6400
IFA Counsel: Dykema Gossett, David Cellitti;10 South Wacker Dr, Chicago, IL; PH# 312-627-2177

LEGISLATIVE DISTRICTS

Congressional: 12th
State Senate: 57th
State House: 113th

CONFIDENTIAL INFORMATION

Est. Fee: $ **32,669 (first year interest)** Tax ID#: 37-1189406

OPERATIONS

Kirk Sonnenberg founded a paving company in 1983. After nearly a decade in the paving business he started Sonnenberg Paving & Landscaping Materials Company in 1991 on 3 acres of ground, the current Belleville location. Sonnenberg Landscaping was named the #1 landscaping company in the Metro-East by the readers of the Belleville News Democrat. Sonnenberg is probably the largest landscape supply company in the Belleville area. Sonnenberg is not a nursery and does not sell "live" landscaping items, only hardscape items. Sonnenberg's business plan is to provide material to other landscaping professionals as well as material for the do-it-yourselfers, and also provides full design and installation services.

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LOAN STRUCTURE

Security: First mortgage on Lots 3 & 4 w/improvements and a first lien on purchased equipment.

The Facility:
Equipment:
Sonnenberg
Asphalt Co., Inc. $250,000 5 year term/ 5 year amortization

Real Estate:
KKLL, Inc. $468,000 5 year term/ 20 year amortization

Interest: 4.55% (2% less than bank rate)

Conditions: Seller to provide a Phase I environmental on real estate
Due to the financial strength of the guarantors net worth of $2.7 million, the bank and IFA feel comfortable with the LTV of 85% on the real estate and 80% LTV on the new equipment. This exceeds the standard LTV's of 80% on real estate and 60% on the cost of new equipment.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 13, 2006

Project: **Sonnenberg Asphalt Co., Inc.**
KKLL, Inc. with operating company Sonnenberg Paving & Landscaping Materials Company

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STATISTICS

Project Number: B-LL-TX-6129
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Location: Belleville IL 62223
NAICS Code: 42132

Amount: $718,000
IFA Staff: Rick Pigg

BOARD ACTION

Purchase of Participation Loans from Bank of Belleville, Belleville Illinois
$718,000.00 IFA funds at risk
Staff recommends approval, subject to compliance with all of the bank's loan terms and conditions.

PURPOSE

Participation in two loans: 1) permanent financing of the purchase of land and the construction of a building; 2) purchase of equipment

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VOTING RECORD

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SOURCES AND USES OF FUNDS

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	Bank of Belleville	$ 718,000		Purchase of Equipment	$ 500,000
	Borrower Equity	$ 349,000		Construction & Improv.	$ 585,000
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FINANCING SUMMARY

Obligor: Sonnenberg Asphalt Co., Inc. and KKLL, Inc.

Guarantor: Kirk and Kelly Sonnenberg

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Structure:

Equipment:

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Real Estate:

KKLL, Inc.	$468,000	4.55% (2% less than bank rate)	5 year term/ 20 year amortization

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Sonnenberg Asphalt Co., Inc.	KKLL, Inc.
Organization:	Corporation	S Corporation

PROFESSIONAL & FINANCIAL

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Bank: Bank of Belleville, Ron Stephens, EVP; 720 W Main Street, Belleville, IL 62220; PH# 618-233-6400
IFA Counsel: Dykema Gossett, David Cellitti;10 South Wacker Dr, Chicago, IL; PH# 312-627-2177

LEGISLATIVE DISTRICTS

Congressional: 12th
State Senate: 57th
State House: 113th

CONFIDENTIAL INFORMATION

Est. Fee: $ **32,669 (first year interest)** Tax ID#: 37-1189406

OPERATIONS

Kirk Sonnenberg founded a paving company in 1983. After nearly a decade in the paving business he started Sonnenberg Paving & Landscaping Materials Company in 1991 on 3 acres of ground, the current Belleville location. Sonnenberg Landscaping was named the #1 landscaping company in the Metro-East by the readers of the Belleville News Democrat. Sonnenberg is probably the largest landscape supply company in the Belleville area. Sonnenberg is not a nursery and does not sell "live" landscaping items, only hardscape items. Sonnenberg's business plan is to provide material to other landscaping professionals as well as material for the do-it-yourselfers, and also provides full design and installation services.

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LOAN STRUCTURE

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The Facility: Equipment:
Sonnenberg
Asphalt Co., Inc. $250,000 5 year term/ 5 year amortization

Real Estate:
KKLL, Inc. $468,000 5 year term/ 20 year amortization

Interest: 4.55% (2% less than bank rate)

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Due to the financial strength of the guarantors net worth of $2.7 million, the bank and IFA feel comfortable with the LTV of 85% on the real estate and 80% LTV on the new equipment. This exceeds the standard LTV's of 80% on real estate and 60% on the cost of new equipment.

FINANCIALS

Borrower Financials:

Sonnenberg Asphalt Co., Inc. tax returns for 12/31/2004 & 12/31/2005 and a company prepared year to date statement dated 4/25/2006. Sonnenberg Paving & Landscaping Materials Company tax returns for fiscal year end 3/31/2004, 3/31/2005, and 3/31/2006 Company prepared statements.

(000's)	Asphalt Co. Actual			Paving & Landscaping Co Actual		
	12/31 2004	12/31 2005	4/25 2006	3/31 2004	3/31 2005	3/31 2006
Income Statement						
Revenues	1,711	2,273	230	1,445	1,682	2,033
Cost of Revenues	954	1,452	94	619	741	882
Gross Profit	757	821	136	826	941	1,151
Operating Expenses	769	830	27	862	974	1,086
Net Operating Income	-12	-9	109	-36	-33	65
Interest Expense	-5	-10	0	0	0	0
Interest Income	1	2	0	0	0	0
Other Income	26	25	0	49	42	0
Total Other Income (Expense)	22	17	0	49	42	0
Net Income	10	8	109	13	9	65
Earnings Before Interest, Taxes, Depreciation & Amortization	182	161	119	213	237	199
Balance Sheet						
Current Assets	296	220	346	265	335	410
Net Property, Plant & Equipment	579	646	685	0	0	0
Other Assets	0	0	9	35	38	6
Total Assets	875	866	1,040	300	373	416
Current Liabilities	98	211	143	117	183	153
Long-term Debt	140	38	149	0	0	0
Other Liabilities	0	0	0	0	0	0
Stockholder's Equity	637	617	748	183	190	263
Total Liabilities & Stockholder's Equity	875	866	1,040	300	373	416
Ratios						
Debt Service Coverage (X)	3.22	1.80	n/a	n/a	n/a	n/a
Current Ratio	3.02	1.04	2.42	2.26	1.83	2.68
Debt to Equity	.37	.40	.39	.64	.96	.58

Discussion: Projected sales for the Columbia operations is $923M based upon a debt coverage ratio of 1.0:1.0, a gross profit margin of 45% and operating expenses of $220M. If a gross profit margin of 55% were used which is the actual margin of the Belleville operation for the last 3 years along with the

$923M in sales and the same operating expenses of $220M, the DSCR would be 1.48:1.0. The Belleville operation has experienced sales in excess of $1.4MM for the past 3 years.

Guarantor
Financials:

Kirk and Kelly Sonnenberg
Balance Sheet as of

Assets		**Liabilities**	
Cash	2,000		
Kelly's Trust Accounts	784,000		
Retirement Accounts	1,401,000		
Total Current Assets	2,187,000	Total Current Liabilities	0
Real Estate: Residence	614,000	Mortgage: Residence	304,000
Real Estate: Business	300,000	Total Liabilities	304,000
Personal Assets	63,000		
Total Assets	3,101,000	**Net Worth**	2,797,000
		Total Liabilities & Net Worth	3,101,000

Ratios:

Annual Debt Service to 2005 Income		
Current Ratio (CA/CL)	n/a	
Cash & Marketable Securities to Total Liabilities		2.59
Liabilities to Net Worth		0.11
Liabilities to Total Assets		0.10

Collateral:

Item	**Value**	**Basis**	**Advance Rate**	**Adj Value**
New Equipment	500,000	cost	80%	400,000
Real Estate	1,100,000	Appraisal Randy Carron 5/19/06	85%	935,000

ECONOMIC DISCLOSURE

Ownership:	Sonnenberg Asphalt Co., Inc. Corporation	KKLL, Inc. S Corporation

To Members of the Board of Directors

From: Rick Pigg and Steven Trout

Date: February 7, 2007

Re: **Bank of Belleville's Request to Extend Participation Loan Commitments**

The Bank of Belleville, a recently established bank serving the Belleville area, received commitments from IFA for three participation loans that expired between October 2006 and January 2007. Key details are as follows:

Project	Participation Amount	IFA Rate	Expiration
MAR Business Forms	$886,000	4.9%	10/06
Sonneburg Asphalt	$718,000	4.55%	12/06
Bank of Edwardsville Trust #1104	$714,000	5.25%	1/07
Total	$2,135,000	4.90% (weighted avg)	

The participations were expected to provide permanent financing after construction was completed. Construction is just now being completed on these projects.

The Bank is now seeking to close on the permanent financing. It committed funding to its customers at rates that depended on IFA funding at the rates indicated above.

The Bank's officers believed that IFA would extend its commitments at the original rates.

The Bank is asking IFA to extend funding at the rates that IFA originally committed. We have advised the Bank that any extension is subject to Board approval and that the Board has recently been approving extensions at the Authority's cost of funds (3-month LIBOR 1% or 6.36% at present).

IFA Counsel has advised us that it believes that the Board is under no legal obligation to extend its commitment or agree to renew expired commitments at the original funding rates, based on the fact that the Bank received documentation from Dykema Gossett explaining the IFA's 6 month commitment policy.

We agreed to seek an extension at a reduced rate for the following reasons:

- Participation loans are an important product Downstate.
- Bank of Belleville is an importance referral source for IFA
- The Bank committed to funding that relied on IFA's participation
- The Bank anticipated at the outset that construction would extend beyond the original commitment period but that IFA would extend at the original rate

In recognition of this situation, we agreed to seek the Board's approval for extensions at a rate of 5.5%, which was essentially midway between IFA's original rate commitment and the rate. To assist in keeping funding rates as near to the original terms, the Bank has asked us to seek approval to extend these participations at different rates, which would provide IFA with a weighted average return of 5.5%. The new rates that we are recommending are summarized in the far right column below.

Project	Participation Amount	Original IFA Rate	New IFA Rate
MAR Business Forms	$886,000	4.9%	5.53% (equipment) 5.37% (RE)
Sonneburg Asphalt	$718,000	4.55%	5.13% 4.97%
Bank of Edwardsville Trust #1104	$714,000	5.25%	5.9%
Total	$2,135,000	4.90% (weighted avg)	5.5% (weighted avg)

Illinois Finance Authority

Memorandum

Memo to: IFA Board of Directors

Date: February 13, 2007

From: Rick Pigg, Funding Manager

RE: **Amendatory Resolution to extend the original expiration date of IFA commitment to purchase a Participation loan from Community First Bank of Fairview Heights in the amount of $239,020.**

A participation loan in the total amount of $239,020 was originally approved for Suria LLC (or The Early Years Child Care Center, Inc.) May 9, 2006. Proceeds of the loan were to be used to purchase land, construct a 6,800 square foot child care center and furnish it with the necessary equipment and fixtures. The Center was originally scheduled to open in August, 2006. The loan has not yet closed (or funded) due to construction permit and product delays. As a result, Community First Bank has requested that the IFA extend our commitment expiration from 10/11/06 to 4/11/07.

Project costs are as follows:

Sources:		Uses:	
IFA Participation	$239,020	Land	$200,000
Community First Bank	239,020	Construction Costs	956,080
SBA 504 Loan	462,432		
St. Clair County IGD	100,000		
Equity	115,608		
Total	**$1,156,080**	**Total**	**$1,156,080**

Confidential Information

The interest rate structure will change from the originally approved structure of:

- The IFA will participate in loans for up to 10 years at a rate of interest up to 200 basis points below the lender.

to the newly adopted structure of:

- The IFA will participate in loans for up to 5 years fixed at a rate of interest up to 200 basis points below the lender. However, this interest rate will not fall below 100 basis points above the 3 month LIBOR (which currently calculates to 6.36%).

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

It appears that the newly adopted participation loan structure *will not* affect the first five years of debt service and associated coverage, because the original participation loan IFA rate structure (of 6.75%) exceeds the newly adopted rate "floor" (which is currently 6.36%). The IFA's rate in not be fixed below the current floor of 6.36%, the current 3-month LIBOR plus 100 basis points. The original interest rates are reflected in the following analysis.

Projected Figures

	Loan Amount	Term	Annual Payment
Bank Loan	478,040	20	46,212
SBA	462,432	20	41,376
St. C IGD	100,000	10	11,592
Total Debt Service			99,180

Income Statement Figures	**PROJECTED 2007**	**PROJECTED 2008**
Occupancy	82 kids or 80%	103 kids or 100%
Revenues	688,800	794,880
Operating Expenses	547,712	574,856
Net Income	141,088	220,024
Debt Service Coverage	1.42	2.22

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 9, 2006

Project: **Suria LLC and/or The Early Years Child Care Center, Inc**

STATISTICS

Project Number: B-LL-TX-6092
Type: Participation Loan
Location: Fairview Heights, Illinois
NAICS Code:8211

Amount: $239,020
IFA Staff: Rick Pigg

BOARD ACTION

Purchase of a Participation Loan from Community First Bank of Fairview Heights, Illinois
$239,020 IFA funds at risk
Staff recommends approval, subject to compliance with all of the Bank's loan terms and conditions

PURPOSE

Participation in the permanent financing of a daycare center

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Participation	$239,020	Purchase Land	$200,000
Bank loan	$239,020	Construction Costs	$956,080
SBA 504 loan	$462,432		
St. Clair County IGD	$100,000		
Equity	$115,608		
Total:	$1,156,080	Total:	$1,156,080

JOBS

Current employment:	n/a	Projected new jobs:	24
Jobs retained:	n/a	Construction jobs:	15

BUSINESS SUMMARY

Description: The Early Years Child Care Center, Inc. ("the Center") is a child care center in Fairview Heights, IL that will be formed by Ricardo and Laura Suria. Suria LLC is a holding company that will be formed by Laura and Ricardo Suria that will own the project and lease it to the Center. Suria is expected to assume the role of borrower for the project.

Background: The Center will offer childcare for children between six weeks to twelve years of age. Many families with young children have more than one child under school age and would prefer placing all young children in the same facility. This option is not currently available in the area as there are no infant and toddler slots open in any of the few centers that offer this care. The proposed center will have capacity for 103 children.

May 9, 2006
FM: Rick Pigg

The Surias plan to have the Center fully licensed and operational by August 2006. The 6,800 square feet facility will be located in a residential neighborhood on Fountain Parkway in Fairview Heights and is targeted to serve Fairview Heights, O'Fallon Hollywood Heights and Collinsville. The site is located within easy access to Rt.159 and I-64, which are major commuter routes to businesses in all directions. The area has various types of retail businesses and schools as well as professional offices and a proposed shopping center being built down the street.

The Surias plan to offer expanded services for community and family education with special features such as weekend workshops for parents and children and monthly parents night out child care.

Laura Suria will serve as administrator and will have an assistant to serve as facility operation manager. Laura has both the educational background and relevant work experience necessary to effectively perform the duties required of an administrator of a childcare center. Laura holds a Master of Science in Education and Bachelor of Science in the field of Early Childhood Education from Southern Illinois University of Edwardsville. During the last 17 years of experience and college education, Laura studied developmental appropriate practices, child development, and various family/child issues. Laura is currently a director at the local community college and teaches Early Educational Classes. Throughout her career, she has taught Pre-Kindergarten At-Risk Student, Kindergarten and Early Childhood Special Education. Laura has written several grants which include: Child Care Access Means Parent In School Program $46,000 for four years, Illinois State Food Program -$10,000, National Arts Endowments -$15,000 and local grants.

Also, during this time Laura is working on National Association for the Education of Young Children Accreditation Program. Laura has operated from her home since 2002 as a developmental therapist. This service was by referral from the local Child and Family Connection. Laura would test and provide therapy for children age birth to three years. Laura is a Certified and Accredited through the National Organization for Child Development Associates (CDA). This gives her the ability to train and retain staff that will be recognized on a national level. Laura has experience in all facets of the daily operations of a small business, as well as many resources she can draw from by being a member of National Association of Education for Young Children, National Child Care Professional and National Child Care Association as well as other local chapters.

The Project: The Early Years Child Care Center, Inc has requested financing to purchase land, construct a 6,800 square foot child care center and furnish it with the necessary equipment and fixtures. Community First Bank will provide interim financing during construction. IFA has been asked to participate in the permanent financing of the project.

Bank Request: Todd Neighbors, Vice President of Community First Bank; Fairview Heights, IL.

FINANCING SUMMARY

Obligor: Suria LLC and/or The Early Years Child Care Center, Inc.

Security: Pro-rata, shared first mortgage on a 68,000 square-foot commercial building and 2 acre site to be located at 750 Fountains Parkway, Fairview Heights, IL, first lien on furnishings and equipment, and assignment of rents and leases.

Structure: IFA will participate in the permanent financing upon completion of construction. Pursuant to Participation Loan guidelines, IFA will lend at a rate of interest that is 200 basis points below the Bank's rate, for a term that will not exceed 10 years, including extensions.

PROJECT SUMMARY

Project Costs

	Construction		Permanent
Land Purchase	200,000		
Construction	956,080		
Borrower Equity	115,608		115,608
		Bank Loan	239,020
		IFA	239,020
		SBA 504	462,432
		St. Clair IGD	100,000
Total	1,156,080		1,156,080

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The Early Years Child Care Center, Inc., 20 Wheatridge Drive, Collinsville, IL; Laura Suria; 618-344-2406
Organization:	IL Corporation

PROFESSIONAL & FINANCIAL

Accountant:	Carol M. Padgett	Belleville, IL	
Bank	Community First Bank	Fairview Heights, IL	Todd Neighbors
IFA Counsel:	Dykema Gosset	Chicago, IL	David Cellitti

LEGISLATIVE DISTRICTS

Congressional: 12th
State Senate: 57th
State House: 113th

CONFIDENTIAL INFORMATION

Est. Fee: $14,341 (first year's interest)

LOAN STRUCTURE

Interest Rate: The Bank will charge Prime plus 0.50%, which is currently 8.25%. The Authority will receive a rate of interest that is 2.00% below the Bank's rate of interest, or Prime less 1.50%.

Amortization: The loan will amortize over 20 years. The Authority's participation will not exceed 10 years, at which time the Bank will pay off of the Authority's outstanding balance.

Guarantor: Ricardo and Laura Suria

FINANCIAL SUMMARY

Borrower Financials: The projections for the 2006 through 2008 years were provided by the borrower.

Income Calculations				
Age Group	# of Children	Weekly Rate		Weekly Payments
6 weeks – 15 months	12	190.00	=	2,280.00
Toddlers	15	180.00	=	2,700.00
2 years	16	180.00	=	2,880.00
3-4 years	20	170.00	=	3,400.00
4-5 years	20	170.00	=	3,400.00
Kindergarten/School	20	95.00	=	1,900.00
	103	Total Weekly		16,560.00
		Total Monthly		66,240.00
		Yearly Fee		7,725.00
		Total Annual		**802,605.00**

		2006	**2007**	**2008**
	Occupancy	65% or 67 kids	80% or 82 kids	100% or 103 kids
Income Statement				
Revenues		546,720	688,800	794,880
Operating Expenses		521,864	547,712	574,856
Net Income		24,856	141,088	220,024

Discussion: Revenues are forecast with the following occupancy percentages: 65%, 80% and 100%, respectively, for years 2006, 2007 and 2008. The expense forecast assumes 100% occupancy for all three years, with a 5% inflation factor. The expense estimate includes $6,410 in monthly rent paid to Suria LLC, the owner and borrower. The payroll forecast assumes annual salaries of $50,000 for the director and $20,640.00 for the assistant director. Total annual debt service requirements are estimated at $99,180, comprised of the following liabilities:

Bank	$478,040	20 yr	monthly pmt $3,851
SBA	$462,432	20 yr	monthly pmt $3,448
St. C IGD	$100,000	10 yr	monthly pmt $966

The lender, Todd Neighbors, has reviewed the business plan and has confidence in the projections. Laura Suria developed the projections based on assumptions for revenues and expenses using estimates provided by several area day operators who were former students of hers. Ms. Suria engaged her accountant to review the assumptions and assist in preparing the projections. The lender has compared the forecast to another care facility that operates in this market and borrows from the bank and found Ms. Suria's projections to be consistent with the financial performance of that center. Laura is currently the administrator of the daycare program at Southwestern Illinois College in Belleville. She is also a certified grant writer for the college and will be able to use her knowledge to secure grants for the Center, which will fund salaries for 3 teachers and several aides.

Guarantor
Financials:

Ricardo and Laura Suria
Balance Sheet as of 8/09/05

Assets		**Liabilities**	
Cash	3,500	Notes Payable-bank	59,000
Total Current Assets	3,500	Notes Payable-others	4,000
		Total Current Liabilities	63,000
Real Estate: Residence 20 Wheatridge, Collinsville	440,000		
Real Estate: Lake House	55,000		
Personal Property: Auto	53,500	Mortgage: Residence	163,000
		Total Liabilities	226,000
Total Assets	552,000	**Net Worth**	326,000
		Total Liabilities & Net Worth	552,000

Ratios:

Current Ratio (CA/CL)	0.06
Cash & Marketable Securities to Total Liabilities	0.02
Liabilities to Net Worth	0.69
Liabilities to Total Assets	0.41

Discussion: Ricardo is an engineer with Metaltek Inc. in St. Louis. The combined annual salaries for Ricardo and Laura have been $70,559 in 2003 and $78,569 in 2004. While the Suria's have little liquidity at present, it appears that they could easily raise cash for opening a home equity line.

Collateral: The loan will be secured by a first mortgage on the subject property. The lender has obtained an appraisal from DJ Howard & Associates, Inc., a certified appraiser based in Fairview Heights, which estimates the fair market of the property "as completed" at $1,020.000. This appraisal was dated March 17, 2006.

Item	**Value**	**Basis**	**Advance Rate**	**Adj. Value**
Child Care Center at 750 Fountains Blvd., Fairview Heights (2.0 acres with proposed one-story, frame building with brick exterior 7,050SF)	1,275,000	as improved	80%	1,020,000

Illinois Finance Authority
Memorandum

To: IFA Board of Directors

From: Sharnell Curtis-Martin

Date: February 13, 2007

Re: Amendatory Resolution to amend certain provisions and remove certain administrative responsibilities of the program administrator, Illinois Facilities Fund, in association with the Illinois Charter Schools Project (Noble Network of Charter Schools and UNO Charter School Network Inc.)

The Applicants, Noble Network of Charter Schools and UNO Charter School Network Inc. are requesting the amendment of certain provisions regarding the duties and rights of the administrator under the Loan Agreements relating to: (A) $11,250,000 Illinois Finance Authority Education Revenue Bonds (Illinois Charter Schools Project - Noble Network of Charter Schools) Series 2006C, (B) $275,000 Illinois Finance Authority Education Revenue Bonds (Illinois Charter Schools Project - Noble Network of Charter Schools) Taxable Series 2006D, (C) $6,065,000 Illinois Finance Authority Education Revenue Bonds (Illinois Charter Schools Project - UNO Charter School Network, Inc.) Series 2006E and (D) $1,155,000 Illinois Finance Authority Education Revenue Bonds (Illinois Charter Schools Project - UNO Charter School Network, Inc.) Taxable Series 2006F.

RESOLUTION NO. – ________

RESOLUTION PROVIDING FOR THE AMENDMENT OF CERTAIN PROVISIONS REGARDING THE DUTIES AND RIGHTS OF THE ADMINISTRATOR UNDER THE LOAN AGREEMENTS RELATING TO: (A) $11,250,000 ILLINOIS FINANCE AUTHORITY EDUCATION REVENUE BONDS (ILLINOIS CHARTER SCHOOLS PROJECT - NOBLE NETWORK OF CHARTER SCHOOLS) SERIES 2006C, (B) $275,000 ILLINOIS FINANCE AUTHORITY EDUCATION REVENUE BONDS (ILLINOIS CHARTER SCHOOLS PROJECT - NOBLE NETWORK OF CHARTER SCHOOLS) TAXABLE SERIES 2006D, (C) $6,065,000 ILLINOIS FINANCE AUTHORITY EDUCATION REVENUE BONDS (ILLINOIS CHARTER SCHOOLS PROJECT - UNO CHARTER SCHOOL NETWORK, INC.) SERIES 2006E AND (D) $1,155,000 ILLINOIS FINANCE AUTHORITY EDUCATION REVENUE BONDS (ILLINOIS CHARTER SCHOOLS PROJECT - UNO CHARTER SCHOOL NETWORK, INC.) TAXABLE SERIES 2006F.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the *"Authority"*), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801, et seq., as supplemented and amended (the *"Act"*), issued the above captioned bonds (the *"Bonds"*) on August 30, 2006 pursuant to an Indenture of Trust between the Authority and Cole Taylor Bank, as Trustee, dated as of August 1, 2006; and

WHEREAS, the Authority and Noble Network of Charter Schools (*"Noble"*) entered into a Loan Agreement, dated as of August 1, 2006 (the *"Noble Loan Agreement"*), relating to the $11,250,000 Illinois Finance Authority Education Revenue Bonds (Illinois Charter Schools Project - Noble Network of Charter Schools) Series 2006C and the $275,000 Illinois Finance Authority Education Revenue Bonds (Illinois Charter Schools Project - Noble Network of Charter Schools) Taxable Series 2006D (collectively, the *"Noble Bonds"*); and

WHEREAS, Noble desires to amend certain provisions regarding the duties and certain rights of the Administrator with respect to Section 6.03 of the Noble Loan Agreement; and

WHEREAS, the Authority and UNO Charter School Network, Inc. (*"UCSN"*) entered into a Loan Agreement, dated as of August 1, 2006 (the *"UCSN Loan Agreement"*), relating to the $6,065,000 Illinois Finance Authority Education Revenue Bonds (Illinois Charter Schools Project - UNO Charter School Network, Inc.) Series 2006E and the $1,155,000 Illinois Finance Authority Education Revenue Bonds (Illinois Charter Schools - UNO Charter School Network, Inc.) Taxable Series 2006F (collectively, the *"UCSN Bonds"*); and

WHEREAS, UCSN desires to amend certain provisions regarding the duties of the Administrator with respect to Section 6.03 of the UCSN Loan Agreement; and

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

Section 1. The Authority is hereby authorized to enter into the First Amendment to Loan Agreement with Noble relating to the Noble Bonds (the *"Noble First Amendment"*) and the First Amendment to Loan Agreement with UCSN relating to the UCSN Bonds (the *"UCSN First Amendment"* and, together with the Noble First Amendment, the *"First Amendments"*), in substantially the same forms now before the Authority; that the forms, terms and provisions of the First Amendments be, and they hereby are, in all respects approved; that the Chairman, the Treasurer, the Interim Executive Director or the Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and if required, the Secretary or any Assistant Secretary of the Authority be and each of them hereby is, authorized, empowered and directed to attcst and to affix the official seal of the Authority to, the First Amendments in the name, for and on behalf of the Authority, and thereupon to cause the First Amendments to be executed, acknowledged and delivered to the other party or parties thereto, in substantially the forms now before the Authority or with such changes therein as the individual or individuals executing such First Amendments on behalf of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the forms of such First Amendments now before the Authority; that when the First Amendments are executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, the First Amendments shall be binding on the Authority; that from and after the execution and delivery of the First Amendments, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the First Amendments as executed; and that the First Amendments shall constitute, and hereby are made, a part of this Resolution, and a copy of the First Amendments shall be placed in the official records of the Authority, and shall be available for public inspection at the office of the Authority.

Section 2. The Chairman, the Treasurer, the Interim Executive Director, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized to execute and deliver such documents, certificates, and undertakings of the Authority and to take such other actions as may be required in connection with the execution, delivery and performance of the First Amendments authorized by this Resolution.

Section 3. All acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

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

Section 5. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 6. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Illinois Finance Authority

Memorandum

Memo to: IFA Board of Directors

Date: February 13, 2007

From: Jim Senica, Funding Manager

RE: Amendatory Resolution to revise collateral securing participation loan to P&P Press, Inc. previously approved by IFA Board of Directors on January 9, 2007

A participation loan in the amount of $1,200,000 was originally approved for P&P Press, Inc. (the "Borrower") on January 9, 2007 to fund 50% of the required financing for the purchase of new printing equipment that will enable the borrower to increase capacity and maintain technological advantages over its competition in its industry. This transaction has not yet closed or funded.

The Board Summary as approved by the IFA Board of Directors on January 9, 2007 (the "Board Summary") indicated that this loan would be cross-collateralized with two others loans previously extended by Heartland Bank & Trust Company (the "Bank") in which the IFA has purchased a participation interest: an equipment loan to the Borrower, and a mortgage loan to Perkins and Perkins Limited Partnership, the entity which owns the land on which the Borrower's principal place of business is located. Since the original approval, IFA staff has learned that the lead lender did not intend for the this loan to be cross-collateralized with the mortgage loan to Perkins and Perkins Limited Partnership. As a result, in the event of a default by the Borrower on the proposed participation, the IFA will not have recourse to the mortgage which secures the loan to Perkins and Perkins Limited Partnership.

Confidential Information

When the Perkins and Perkins loan amount of $241,906 and the corresponding collateral of $825,000 are removed from the calculations on page 4 of the Board Summary, remaining collateral of $2,512,800 secures loans of $2,387,594 with coverage remaining quite good at 1.05 times. Additionally, the equipment loans are further secured by the personal guaranty of 100% owner, Sheila Perkins, with a net worth of $1.77 million exclusive of any interest in the Borrower and the property in which it operates.

The interest rate structure will remain the same as the original approval, with the Bank's interest rate fixed at 7.75% for the first five years of the loan and adjusting at the end of five years to 3% over the 5-year U.S. treasury rate in effect at the time of the readjustment. IFA's interest rate will be fixed at 6.25% for the first five years of the loan and then will adjust to 150 bps below the Bank's adjusted rate at the end of the first five years.

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:	600,000		Total	$1,200,000
	Total	$1,200,000			

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

CONFIDENTIAL INFORMATION

Est. Fee: $ 37,500 (first year's interest)

LOAN STRUCTURE

Security: In addition to the collateral associated with the cross-collateralization of the two additional IFA participations referenced on page 2 of this write-up, IFA will also have a pro-rata first position ***parri passu*** with Heartland Bank & Trust Company on the project machinery and equipment with collateral based on IFA's discounted 65% of cost basis of $780,000. As is the case with the prior loan to P & P Press, Inc., IFA and the Bank will also share in the unlimited personal guaranty of P & P Press, Inc's 100% owner, Sheila Perkins. Analysis of total collateral available as presented on a global basis is as follows:

Collateral Description	Cost/Appraised Value	Adjusted Value
Equipment	$1,072,000	$696,800 (65% of cost)
Land (appraised value)	236,000	236,000
Land & Building (appraised value)	825,000	825,000
Blanket on Inventory & Receivables	1,000,000	800,000 (80% of cost)
Equipment	1,200,000	780,000 (65% of cost)
Total	$4,333,000	$3,337,800
Less existing loan liens –		
P & P IFA/Bank loan (12/21/06 balance)		1,187,594
Perkins & Perkins IFA/Bank loan (12/21/06 balance)		241,906
New P & P IFA/Bank loan		1,200,000
Total existing liens on loans outstanding		2,629,500
Total excess collateral		$708,300
Adjusted LTV		78.77%

Please note that in addition to the collateral presented above, IFA and the bank will also share in the personal guaranty of P & P Press, Inc.'s owner with a net worth of $1,700,000 as well as in the assignment of two life insurance policies in the amounts of $1,000,000 on Sheila Perkins and $650,000 on Bill Starks.

Structure: The Bank's interest rate on this loan will fixed at 7.75% for the first five years of the loan and then adjust at the end of five years to 3% over the 5-year U.S. treasury rate in effect at time of closing for the 10-year term of the loan. IFA's interest rate will be fixed at 6.25% for the first five years of the loan and then will adjust to 150 basis points below the bank's adjusted rate the end of the first five years.

Maturity/Term: The subject loan will have a 10-year term and a 10-year amortization.

FINANCIALS

Financials: Compiled financial statements of P & P Press, Inc. for years 2003 through 2005
Interim financial statements for the 10-month period ending 10/31/06
Projected financial information for 2006 through 2008 prepared by staff
All dollars in thousands

	Actual			Projected		
	2003	2004	2005	2006	2007	2008
Income Statement						
Net Sales	4,904	4,942	5,518	6,078	6,403	6,503
Cost of Goods Sold	3,708	4,073	4,536	4,658	4,907	4,983
Gross Profit	1,196	869	982	1,420	1,496	1,520
Operating Expense	1,109	753	782	1,158	1,216	1,236
Net Income	87	116	200	262	280	284
Earnings Before Interest, Taxes, Depreciation & Amortization	504	527	727	777	794	1,082
Balance Sheet						
Current Assets	700	896	1,344	1,661	2,497	3,321
Net Property, Plant and Equipment	1,040	1,897	1,743	1,513	2,347	1,781
Other Assets	160	36	54	53	53	53
Total Assets	1,900	2,829	3,141	3,227	4,897	5,155
Current Liabilities	265	1,421	515	403	604	621
Long-term Debt	1,530	1,187	2,292	2,313	3,502	3,459
Stockholder's Equity	105	221	334	511	791	1,075
Total Liabilities and Stockholder's Equity	1,900	2,829	3,141	3,227	4,897	5,155
Ratios						
Debt Service Coverage	1.23x	1.19x	1.52x	1.84x	1.26x	1.66x
Current Ratio	2.64	0.63	2.61	4.12	4.13	5.35
Long-term Debt to Equity	16.04	6.92	7.11	4.69	4.53	3.26

Discussion: The positive effects of P & P Press, Inc.'s comprehensive equipment upgrade and building acquisition program are evident as the Company has experienced revenue growth in each of the last four years. Sales rose slightly in 2004. Notably, after the first phase of the upgraded equipment financed by IFA was installed in 2004, sales rose 12% from $4.942 million in 2004 to $5.518 million in 2005 and then another 10% in 2006 to a projected $6.078 million based on the 10-month operating results shown in the interim financial statements. Bottom-line net income has also improved, increasing from $87,000 in 2003 to a projected $262,000 in 2006, again based on 10-month operating results.

Projected revenues reflect an additional $125,000 in income that Farm Week will be paying as well as an additional $200,000 in 2007 and an additional $300,000 in 2008 that the Company is anticipating based on increased activity related to the installation of the new equipment. The new equipment will allow the Company to bid on new projects on which they have previously been unable to bid. The company is also projecting annual cost savings of approximately $200,000 for work currently outsourced that will now be done internally. This amount along with the additional approximate $84,000 in additional interest expense were both included in computations for projected net income amounts in 2007 and 2008. Additionally, as referenced in the project write-up for IFA's loan to Perkins and Perkins Limited Partnership, the Company will also be saving an approximate $33,000 annually in the difference between the rent that had been paid and the debt service associated with the building purchase.

The $1.2 million in new equipment as well as the associated debt likewise are included in the 2007 and 2008 projected balance sheets. Although the debt level does appear somewhat high on the balance sheet, the Company is generating more than enough cash flow to comfortably service the additional $182,000 debt service associated with the new equipment purchase. The Company's leverage position will continue to improve, however, as the Company adds to its retained earnings.

Guarantor Financial

The loan is secured by unlimited personal guaranty from P & P Press, Inc. owner Sheila D. Perkins of 5608 W. Grande Circle in Peoria.

Sheila's personal financial statement shows a net worth of $1,767,000 on assets of $1,810,000, Not including her interest in P & P Press, Inc. Sheila's largest property holding is real estate valued at $492,000. Her assets also include cash on hand and in savings accounts of $509,000, IRA/401K accounts valued at $347,000, notes receivable of $115,000, marketable securities of $72,000, cash surrender value of life insurance of $26,000, personal property of $114,000 and other assets of $135,000. Her only liability a $43,000 loan payable.

Sheila D. Perkins
Balance Sheet as of 3/13/06

Assets		Liabilities	
Cash	$509,000	Loan Payable	$43,000
Real estate	492,000		
Marketable securities	72,000		
Cash Val of Life Ins.	26,000		
Retirement Accounts	347,000		
Personal Property	114,000		
Other assets	135,000		
Notes receivable	115,000	Net Worth	1,767,000
Total assets	$1,810,000	Total Liab. & NW	$1,810,000

In recognition of this situation, we agreed to seek the Board's approval for extensions at a rate of 5.5%, which was essentially midway between IFA's original rate commitment and the rate. To assist in keeping funding rates as near to the original terms, the Bank has asked us to seek approval to extend these participations at different rates, which would provide IFA with a weighted average return of 5.5%. The new rates that we are recommending are summarized in the far right column below.

Project	Participation Amount	Original IFA Rate	New IFA Rate
MAR Business Forms	$886,000	4.9%	5.53% (equipment) 5.37% (RE)
Sonneburg Asphalt	$718,000	4.55%	5.13% 4.97%
Bank of Edwardsville Trust #1104	$714,000	5.25%	5.9%
Total	$2,135,000	4.90% (weighted avg)	5.5% (weighted avg)

To Members of the Board of Directors

From: Rick Pigg and Steven Trout

Date: February 7, 2007

Re: **Bank of Belleville's Request to Extend Participation Loan Commitments**

The Bank of Belleville, a recently established bank serving the Belleville area, received commitments from IFA for three participation loans that expired between October 2006 and January 2007. Key details are as follows:

Project	Participation Amount	IFA Rate	Expiration
MAR Business Forms	$886,000	4.9%	10/06
Sonneburg Asphalt	$718,000	4.55%	12/06
Bank of Edwardsville Trust #1104	$714,000	5.25%	1/07
Total	$2,135,000	4.90% (weighted avg)	

The participations were expected to provide permanent financing after construction was completed. Construction is just now being completed on these project, consistent with the Bank's original expectations.

The Bank is now seeking to close on the permanent financing. It committed funding to its customers at rates that depended on IFA funding at the rates indicated above.

The Bank's officers believed that IFA would extend its commitments at the original rates, consistent with recent practice.

The Bank is asking IFA to extend funding at the rates that IFA originally committed. We have advised the Bank that any extension is subject to Board approval and that the Board has recently been approving extensions at the Authority's cost of funds (3-month LIBOR 1% or 6.36% at present).

IFA Counsel has advised us that the Board is under no legal obligation to extend its commitment or agree to renew expired commitments at the original funding rates. The Bank received documentation from Dykema Gossett explaining this provision.

We agreed to seek an extension at a reduced rate for the following reasons:

- Participation loans are an important product Downstate.
- Bank of Belleville is an importance referral source for IFA
- The Bank committed to funding that relied on IFA's participation
- The Bank anticipated at the outset that construction would extend beyond the original commitment period but that IFA would extend at the original rate, based on IFA's practice at the time

FINANCIALS

Borrower Financials:

Sonnenberg Asphalt Co., Inc. tax returns for 12/31/2004 & 12/31/2005 and a company prepared year to date statement dated 4/25/2006. Sonnenberg Paving & Landscaping Materials Company tax returns for fiscal year end 3/31/2004, 3/31/2005, and 3/31/2006 Company prepared statements.

(000's)	Asphalt Co. Actual			Paving & Landscaping Co Actual		
	12/31 2004	12/31 2005	4/25 2006	3/31 2004	3/31 2005	3/31 2006
Income Statement						
Revenues	1,711	2,273	230	1,445	1,682	2,033
Cost of Revenues	954	1,452	94	619	741	882
Gross Profit	757	821	136	826	941	1,151
Operating Expenses	769	830	27	862	974	1,086
Net Operating Income	-12	-9	109	-36	-33	65
Interest Expense	-5	-10	0	0	0	0
Interest Income	1	2	0	0	0	0
Other Income	26	25	0	49	42	0
Total Other Income (Expense)	22	17	0	49	42	0
Net Income	10	8	109	13	9	65
Earnings Before Interest, Taxes, Depreciation & Amortization	182	161	119	213	237	199
Balance Sheet						
Current Assets	296	220	346	265	335	410
Net Property, Plant & Equipment	579	646	685	0	0	0
Other Assets	0	0	9	35	38	6
Total Assets	875	866	1,040	300	373	416
Current Liabilities	98	211	143	117	183	153
Long-term Debt	140	38	149	0	0	0
Other Liabilities	0	0	0	0	0	0
Stockholder's Equity	637	617	748	183	190	263
Total Liabilities & Stockholder's Equity	875	866	1,040	300	373	416
Ratios						
Debt Service Coverage (X)	3.22	1.80	n/a	n/a	n/a	n/a
Current Ratio	3.02	1.04	2.42	2.26	1.83	2.68
Debt to Equity	.37	.40	.39	.64	.96	.58

Discussion: Projected sales for the Columbia operations is $923M based upon a debt coverage ratio of 1.0:1.0, a gross profit margin of 45% and operating expenses of $220M. If a gross profit margin of 55% were used which is the actual margin of the Belleville operation for the last 3 years along with the

$923M in sales and the same operating expenses of $220M, the DSCR would be 1.48:1.0. The Belleville operation has experienced sales in excess of $1.4MM for the past 3 years.

Guarantor
Financials:

Kirk and Kelly Sonnenberg
Balance Sheet as of

Assets		Liabilities	
Cash	2,000		
Kelly's Trust Accounts	784,000		
Retirement Accounts	1,401,000		
Total Current Assets	2,187,000	Total Current Liabilities	0
Real Estate: Residence	614,000	Mortgage: Residence	304,000
Real Estate: Business	300,000	Total Liabilities	304,000
Personal Assets	63,000		
Total Assets	3,101,000	**Net Worth**	**2,797,000**
		Total Liabilities & Net Worth	3,101,000

Ratios:

Annual Debt Service to 2005 Income		
Current Ratio (CA/CL)	n/a	
Cash & Marketable Securities to Total Liabilities		2.59
Liabilities to Net Worth		0.11
Liabilities to Total Assets		0.10

Collateral:

Item	Value	Basis	Advance Rate	Adj Value
New Equipment	500,000	cost	80%	400,000
Real Estate	1,100,000	Appraisal Randy Carron 5/19/06	85%	935,000

ECONOMIC DISCLOSURE

Ownership:	Sonnenberg Asphalt Co., Inc. Corporation	KKLL, Inc. S Corporation

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

RESOLUTION __________

RESOLUTION AUTHORIZING AND APPROVING THE TERMINATION OF A SELF-INSURANCE TRUST AND THE APPOINTMENT OF AN ACTUARY IN CONNECTION WITH SUCH TERMINATION RELATING TO THE ILLINOIS HEALTH FACILITIES AUTHORITY REVENUE BONDS, SERIES 1978 (LOYOLA UNIVERSITY OF CHICAGO), ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000; AUTHORIZING THE EXECUTION AND DELIVERY OF ANY NECESSARY DOCUMENTS REQUIRED TO EFFECT THE FOREGOING; AND AUTHORIZING AND APPROVING RELATED MATTERS.

WHEREAS, the Illinois Health Facilities Authority ("IHFA") has heretofore issued its Revenue Bonds, Series 1978 (Loyola University of Chicago) (the "Bonds"), in the original aggregate principal amount of $25,000,000, pursuant to the terms of that certain Trust Indenture dated as of January 1, 1978 between the IHFA and The Bank of New York Trust Company, National Association, as successor bond trustee; and

WHEREAS, the net proceeds from the sale of the Bonds were loaned to Loyola University of Chicago, an Illinois not for profit corporation (the "University"), pursuant to the terms of the Mortgage and Security Agreement dated as of January 1, 1978 (the "Mortgage") between the IHFA and the University; and

WHEREAS, the University used the proceeds from the sale of the Bonds to, among other things, finance or reimburse itself for all or a portion of the costs of the acquisition, construction, renovation, improving and equipping of certain health care facilities (the "Hospital Facilities") at the Foster G. McGaw Hospital, then owned by the University and now owned by the University's affiliates, Loyola University Medical Center and Loyola University Health System (together, the "Hospital System"); and

WHEREAS, the Mortgage required that the University maintain certain insurance with respect to the Hospital Facilities; and

WHEREAS, the University satisfied certain of those insurance obligations relating to medical malpractice and general liability through a self-insurance trust fund established pursuant to the General/Professional Liability Loss Fund Trust Agreement dated as of November 1, 1977, as amended (the "Trust"), between the University and Bank of America, N.A., as successor trustee (the "Trustee"); and

WHEREAS, the Trust provided insurance for medical malpractice and general liability claims relating to the Hospital Facilities until 1986; and

WHEREAS, currently insurance coverage relating to the Hospital Facilities, including medical malpractice and general liability, is provided by the Hospital System through arrangements other than the Trust; and

WHEREAS, the University desires to terminate the Trust; and

WHEREAS, in connection with such termination, the University is required under the Trust to deliver to the Trustee a report of an independent actuary satisfying the requirements set forth in the Trust; and

WHEREAS, the Trust requires the IHFA to consent to any termination of the Trust and the appointment of an actuary, which actuary must be acceptable to the IHFA; and

WHEREAS, the Bonds have heretofore been legally defeased to maturity, with the final payment on the Bonds to occur on July 1, 2008; and

WHEREAS, the University has requested that the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "Authority"), as successor to the IHFA, consent to the termination of the Trust and the appointment of an actuary to deliver such report; and

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

WHEREAS, the Authority desires to consent to such termination and appointment of such actuary and authorize and approve the execution and delivery of any necessary or appropriate documentation to effect the foregoing;

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

Section 1. That the Authority hereby consents to the termination of the Trust as described in this Resolution.

Section 2. That the Authority hereby consents to the appointment of an actuary to deliver the report required by the Trust in connection with the termination of the Trust. The actuary shall be an independent actuary experienced in the field of medical malpractice and general liability insurance and shall satisfy the requirements of the Trust. Such actuary shall be selected by the University and shall be acceptable to the Authority. The Members of the Authority hereby delegate to each of the Chairperson, the Vice Chairperson, the Treasurer and the Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim basis, including, without limitation, the Interim Executive Director) (each an "Authorized Officer") the authority to determine whether the actuary selected by the University is acceptable to the Authority. Such Authorized Officer shall evidence that the actuary so selected is acceptable to the Authority by delivering a written statement to such effect to the Trustee and the University.

Section 3. That the Chairman, the Vice Chairman, the Treasurer, the Secretary, any Assistant Secretary, any of the other Members of the Authority and the Executive Director (and for purposes of this Resolution, any person duly appointed to such office on an interim basis, including, without limitation, the Interim Executive Director) are each hereby authorized to execute and deliver such documents, certificates, and undertakings of the Authority, including, if necessary, any written consents or approvals, and to take such other actions as may be required in connection with the termination of the Trust and the appointment of the actuary, all as authorized by and described in this Resolution.

Section 4. That all acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 5. That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 6. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 7. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

RESOLUTION NUMBER 2007-____

RESOLUTION authorizing and ratifying the execution and delivery of a Second Supplement to Second Amended and Restated Trust Indenture relating to the Illinois Health Facilities Authority's $75,000,000 Variable Rate Demand Revenue Bonds, Series 1985B (Revolving Fund Pooled Financing Program) OSF Healthcare System; and authorizing, approving and ratifying certain other matters.

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

WHEREAS, the Illinois Health Facilities Authority issued its $75,000,000 Variable Rate Demand Revenue Bonds, Series 1985B (Revolving Fund Pooled Financing Program) OSF Healthcare System (the "Bonds") pursuant to that Trust Indenture dated as of December 1, 1985, as previously supplemented, amended and restated by that certain Second Amended and Restated Trust Indenture dated as of September 15, 1999 (collectively, the "Trust Indenture") between the Authority, as successor to the Illinois Health Facilities Authority and Wells Fargo Bank, N.A., as successor to American National Bank and Trust Company of Chicago, as trustee (the "Trustee"), and loaned the proceeds of the Bonds to OSF Healthcare System ("OSF"), a not for profit healthcare institution;

WHEREAS, the Authority desires to amend the definition of "Qualified Investments" contained in the Trust Indenture;

WHEREAS, a Second Supplement to Second Amended and Restated Trust Indenture dated as of March 1, 2007, between the Authority and the Trustee, provides for the desired amendment to the definition of "Qualified Investments" contained in the Trust Indenture, as described above, subject to approval of such amendment by the Authority; and

WHEREAS, Section 13.02 of the Trust Indenture provides that the Trust Indenture may be amended with the consent of not les than a majority in aggregate principal amount of the owners of the Bonds; and

WHEREAS, simultaneously with the amendment to the definition of "Qualified Investments", OSF has requested that the Authority exercise its option to convert all the outstanding Bonds from the Weekly Mode to the Daily Mode on March 1, 2007 (the "Mode Adjustment Date"); and

WHEREAS, pursuant to the Trust Indenture, the Bonds are subject to mandatory tender on the Mode Adjustment Date; and

WHEREAS, the owners of the Bonds after the mandatory tender on the Mode Adjustment Date will be deemed to have consented to the amendments set forth in the Second Supplement to the Second Amended and Restated Trust Indenture, thereby providing the Authority, the Trustee and the Corporation with the Bondholder consent required by the Trust Indenture;

WHEREAS, the Authority wishes to authorize, approve and ratify all actions of the officers and employees of the Authority undertaken in connection with the execution and delivery of the Second Supplement to Second Amended and Restated Trust Indenture and the interest rate mode change as described above;

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

Section 1. Second Supplement to Second Amended and Restated Trust Indenture. The Authority does hereby authorize, approve and ratify the execution by its Chairperson, Vice Chairperson, any of its other Members, Executive Director, Interim Executive Director, Treasurer or any officer or employee designated by the Executive Director (each an "Authorized Officer") and the delivery of a Second Supplement to Second Amended and

Restated Trust Indenture dated as of March 1, 2007, supplementing and amending that certain Second Amended and Restated Trust Indenture dated as of September 15, 1999, which previously amended and restated that certain Trust Indentured dated as of December 1, 1985, as previously amended and restated on June 14, 1995, providing for the amendment of the definition of "Qualified Investments" contained therein, in the form attached hereto and marked *Exhibit A* and hereby approved, or with such changes thereto as shall be approved by the Authorized Officer of the Authority executing the same with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of any changes or revisions to the form of the Second Supplement to Second Amended and Restated Trust Indenture attached hereto.

Section 2. Authorization and Ratification of Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including, without limitation all documents necessary to implement the interest rate mode change described herein) as may be necessary to carry out and comply with the provisions of these resolutions, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved.

ADOPTED this 13th day of February, 2007.