

Illinois Finance Authority

September 11, 2007

11:30 AM

Board Meeting

The Mid America Club

200 E. Randolph Drive, 80th floor

Chicago, Illinois



IFA File Copy

**ILLINOIS FINANCE AUTHORITY
BOARD MEETING
September 11, 2007
Chicago, Illinois**

COMMITTEE OF THE WHOLE MEETING

8:30 a.m.

**Illinois Finance Authority
180 N. Stetson, Suite 2555**

- Opening Remarks
- Executive Director's Report
- Financials
- Staff Reports
- Project Reports
- Other Business
- 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	Estimated Amount	Estimated New Jobs	Estimated Const Jobs	FM
Participation Loan						
1	Worksaver, Inc.	Litchfield	\$153,050	2	0	ER
2	Gerald and Genevieve Roberts	Penfield	55,000	0	0	CM
Young Farmer Guarantee						
3	Michael L. and Shari D. Flannigan	Mt. Vernon	191,250	0	0	ER
Beginning Farmer Bonds						
4	Alan Bailey	Viriden	105,000	0	0	ER
	Steven and Emily Manning	Wayne City	55,000	0	0	ER
	Adam T. Bertolino	Witt	250,000	0	0	ER
	Jonathan Laue	Beecher City	65,000	0	0	ER
Solid Waste Disposal Facilities Bonds Exempt Water Facilities Bonds Preliminary						
5	Ethanex Energy, Inc.	Waltonville	50,000,000	65	400	ST/ER
TOTAL AGRICULTURE PROJECTS			\$50,874,300	67	400	

HEALTHCARE

Tab	Project	Location	Estimated Amount	Estimated New Jobs	Estimated Const Jobs	FM
501(c)(3) Bonds Preliminary						
6	Fairview Obligated Group	Downers Grove, Rockford	\$60,000,000	0	0	PL/DS
7	The Admiral at the Lake	Chicago	175,000,000		200	TA
8	Holy Cross Hospital	Chicago	16,000,000	0	0	PL/DS
501(c)(3) Bonds Final						
9	Advocate Health Care Network	Multiple	520,000,000	75	900	PL/DS
10	Sherman Health System and Sherman Hospital	Elgin	325,000,000	61	350	PL/DS
TOTAL HEALTHCARE PROJECTS			\$1,096,000,000	136	1,450	

COMMUNITIES AND CULTURE

Tab	Project	Location	Estimated Amount	Estimated New Jobs	Estimated Const Jobs	FM
501(c)(3) Bonds <i>Preliminary</i>						
11	Lake County Family YMCA	Waukegan	\$6,500,000	0	0	SCM
12	Construction & General Laborers District of Chicago and Vicinity Joint Training and Apprenticeship Fund a/k/a Chicagoland Laborers Training and Apprenticeship Fund	Chicago	25,000,000	9	50	TA
501(c)(3) Bonds <i>Final</i>						
13	Cornerstone Services, Inc.	Joliet	4,200,000	0	0	SCM
14	Community Action Partnership of Lake County	Multiple	4,000,000	0	0	TA
Taxable Industrial Revenue Bond <i>Preliminary</i>						
15	Theory and Computing Sciences Building Trust (Argonne National Laboratory)	Darien	70,000,000	80	100	TA
Local Government Direct Loan						
16	Village of Chatham	Chatham	1,000,000	0	0	EW
Rural Development Loan						
17	Tad Peter d/b/a South Fork Outfitting	Mendon	188,250	4	6	CM
18	Village of Pleasant Plains	Pleasant Plains	115,000	0	0	KC
TOTAL COMMUNITIES AND CULTURAL PROJECTS			\$111,003,250	93	156	

BUSINESS AND INDUSTRY

Tab	Project	Location	Estimated Amount	Estimated New Jobs	Estimated Const Jobs	FM
Participation Loans						
19	MPH II Land Trust (Hoerr Construction)	El Paso	\$300,000	3	75	JS
Industrial Revenue Bonds <i>Final</i>						
20	Stromberg Allen and Company and SACO Real Estate Company LLC	Tinley Park	8,000,000	8	10	RKF
21	Quality Metal Finishing Co.	Byron	1,300,000	53	0	SCM
22	American Ad Bag Company and Garmich-Illinois, LLC	Woodstock	2,150,000	18	30	TA
TOTAL BUSINESS AND INDUSTRY PROJECTS			\$11,750,000	82	115	

HIGHER EDUCATION

Tab	Project	Location	Estimated Amount	Estimated New Jobs	Estimated Const Jobs	FM
501(c)(3) Bonds <i>Preliminary</i>						
23	Robert Morris College	Chicago, Aurora, Schaumburg	\$30,000,000	62	0	TA
501(c)(3) Bonds <i>Final</i>						
24	Chicago School of Professional Psychology, Inc.	Chicago	14,000,000	30	50	SCM
25	McKinley Foundation at the University of Illinois Urbana-Champaign (Presbyterian Hall)	Champaign	27,500,000	12	50	TA/NM
TOTAL HIGHER EDUCATION PROJECTS			\$71,500,000	104	100	
GRAND TOTAL			\$1,341,127,550	482	2,221	

RESOLUTIONS

Tab	Project	FM
Resolutions		
26	Resolution authorizing amendments to the Illinois Finance Authority's 401(a) Contribution Plan.	NA
Amendatory Resolutions		
27	Resolution Authorizing the Amendment of Bond Documents in Connection with Lake Towers Associates II Limited Partnership, IDFA Series 1997 Affordable Housing Bonds (Cinnamon Lake Towers Project)	RKF
28	Amend a participation loan to Village Market, Inc. by changing borrower name to Brooks and Tammy Marsh (IFA Project B-LL-TX-7166)	CM
29	Resolution to Amend a Rural Development Loan to Darrel and Marilyn Mattingly (d/b/a Derel's BBQ) to Waive a Requirement to List Property with a Real Estate Agent (IFA Project B-LL-TX-658)	RP
30	Resolution Authorizing and approving (A) the prepayment, defeasance, and/or redemption of all or a portion of the outstanding Illinois Development Finance Authority Revenue Bonds (Adventist Health System/Sunbelt Obligated Group), Series 2000A; (B) the Amendment of Certain Provisions of the Trust Indenture; (C) the execution and delivery of a supplemental indenture and (D) certain related matters.	PL/DS
31	Resolution to Amend a Venture Capital Loan to Jaros Technologies to Increase the Interest Rate and Defer Principal Payments for An Additional Year (IFA Project V-TD-588)	ST

Other

Adjournment

Governor, Rod R. Blagojevich
Executive Director, Kym M. Hubbard



Illinois Finance Authority Executive Director's Report September 11, 2007

To: IFA Board of Directors and Office of the Governor

From: Kym M. Hubbard, Executive Director

Financial Performance

Consolidated Results:

Illinois Finance Authority's financial position remains strong with total assets of \$154,423,697 consisting of equity of \$94,712,863 and liabilities of \$59,710,834. This compares favorably to the August 2006 balance sheet of \$153,750,831 in total assets comprising of \$88,578,229 in equity and \$65,172,602 in liabilities and bonds payable.

Gross Income YTD for August ended at \$2,321,080 above plan. The above plan performance is primarily due to fee income. Total fees earned was \$661,667 which primarily come from the Healthcare sector. Total operating expenses ended at \$1,673,537 or \$63,206 below plan. Net income ended at \$2,673,630 including the \$2,000,000 grant received from the Illinois Clean Energy Foundation in July, 2007.

Sales Activities

Funding Managers will be presenting 28 projects totaling \$1,341,127,550 for approval in September, 2007. Agriculture projects total \$50,874,300; Healthcare projects total \$1,096,000,000; Communities and Culture projects total \$111,003,250; Business and Industry projects total \$11,750,000; and Higher Education projects total \$71,500,000. These projects are expected to create 482 new jobs and 2,221 construction jobs.

Agriculture: The Agricultural team attended various public relations functions across the State. IFA staff attended Ag Day at the Illinois State Fair, where IFA presented its annual outstanding Ag lender award at the luncheon. IFA staff also attended and provided a booth at the National Farm Progress Show in Decatur.

Other functions attended by the Ag team during the month of August were the Agronomy Day at the University of Illinois and the Half Century of Progress Farm Show.

HealthCare: During the month of August, 2007 the healthcare group closed Sedgebrook Retirement Community, OSF Healthcare System and Little Company of Mary Hospital transactions, resulting in the creation of over 3,000 jobs in Illinois. In conjunction with the OSF closing, Pamela Lenane and Dana Sodikoff participated in PFM's (Public Financial Management) presentation to OSF of the Illinois Finance Authority's new Investment Management and Arbitrage Rebate Program to invest approximately \$200 million of construction funds, approximately \$26 million of their capitalized interest fund and approximately \$36.5 million of their debt service reserve fund. The IFA is optimistic that some of this business will be awarded to PFM and IFA's new Program.

Pam and Dana have been speaking with Critical Access Hospitals around the state regarding timing, financing options, and other matters in relation to the financing process. Many of these hospitals are planning replacement facilities, which are set to start construction in the next 12-18 months. Also this month, Pam, Dana and Director Hubbard met with various healthcare sector participants to discuss the Authority's pending multi-state legislation and its positive effect on borrowers in Illinois.

Additionally, Pam and Dana have met with healthcare bankers and attorneys to discuss opportunities in the healthcare market, especially during this time of market uncertainty.

Communities and Culture: Strategic Planning meetings for Communities and Culture were held during the month of August. Meetings were attended by Funding Managers, Executive Staff and Director Hubbard. The group discussed innovative ways to implement the marketing of IFA products as well as ways to utilize the specific talents of staff and funding managers. The group discussed the possibility of going one step further than just presenting financing programs. But, also the possibility of offering debt service schedules and providing cash flow projections to clients and prospects. The IFA would not be construed as a Financial Advisor or Broker Dealer in offering these services.

IFA staff worked diligently to create an interim Appropriation Note financing to provide needed funds for Illinois School Districts should there be a delay in signing the state budget.

Townsend Albright is working with the Will County Exposition and Auditorium Authority to create a financial program which will enable the Exposition and Auditorium Authority to finance the renovation and expansion of the Rialto Theater and three other buildings located in Joliet. Additionally, Townsend represented the IFA at the Illinois Hispanic Chamber of Commerce Business Exposition which was well attended by over 1,000 business and not for profit leaders in the Hispanic community. The IFA also sponsored a booth at the Exposition.

Several Hispanic residential real estate firms expressed interest in the IFA's Single Family Mortgage Program and in the Participation Loan and Industrial Revenue Bond programs.

Additionally, Sharnell Curtis Martin is working with the Education Director of the Illinois Facilities Fund to explore the possibility of developing a program that addresses the needs of 501(c)(3) .

Also, The 2007 Series A Pooled Bond Issue closed last month, providing funding to 6 units of local government. Local Government Services staff, Eric Watson, Nona Myers and Kristi Conrad, has been working with many units of local government to discuss the funding of projects for items such as: rural broadband initiatives, water/lake dredging, road re-surfacing, and the majority of calls for water and sewer system improvements, including a \$20,000,000 new facility.

Finally, new legislation was recently signed by the Governor to establish a dedicated source of funds for the Fire Truck Revolving Loan Program. This additional funding will allow the IFA to expand the program and meet the increased demand from Fire Districts seeking funds for new fire trucks in the 0% interest rate program. We have two applications before the board for the upcoming month.

IFA Monthly Single Family Mortgage Revenue Program. At the end of the third week of August, 2007, there were \$2,545,859.00 in closed mortgages and \$118,146 in delivered but not purchased mortgages. One mortgage for approximately \$200,000.00 was returned to American Home Mortgage Corporation as the borrowers were unable to provide a current payment history. Subsequently, American Home Mortgage Corporation, the Program's only signed lender, filed for bankruptcy because of the sub-prime mortgage situation. At the Illinois Hispanic Chamber of Commerce exhibition Townsend Albright met with two mortgage lenders who have expressed strong interest in IFA's Program. Since that time Mortgage Clearing Corporation has contacted the lenders and walked them through the documentation process to enable them to take advantage of IFA's Program.

Industry and Commerce: Director Hubbard is working with the Governor's Office to evaluate the Authority's Volume Cap allocation policies and issuance fees. Input from members of the Industry and Commerce team is being requested on an ad hoc basis.

Similarly, Director Hubbard is also refining terms of the Authority's Participation Loan and Rural Development Loan Programs. Additionally, IFA is evaluating methods to capitalize, recapitalize, or leverage the assets of the Participation Loan Program to create a sustainable, ongoing funding source.

Given that demand for Industry and Commerce financings is oversubscribed, the Industry and Commerce group will be focusing marketing efforts on counties outside the Chicago Metropolitan Area. Efforts on new Industrial Revenue Bond projects are focused on generating projects for calendar year 2008.

Rich Frampton continues to work with CenterPoint Properties Trust and Ridge Property Services LLC and administrators for the U.S. Department of Transportation on financing three proposed Rail-to-Truck intermodal facilities located in Wilmington (Ridge), Crete (CenterPoint), and Joliet (CenterPoint). IFA has provided the U.S. Department of Transportation with additional background regarding the prospective structure, timing, and development timetables for these transactions several times within the past year. IFA has also offered assistance to both developers, going forward, on an as-needed basis.

Federal Legislation Update:

S. 1963 and H.R. 2091: This legislation would officially enable the Federal Home Loan Bank Letters of Credit to enhance Tax-Exempt Bond Issues for IRBs and 501(c)(3) Revenue Bond projects for the first time.

This legislation would improve access to Tax-Exempt Bond financing for manufacturers and 501(c)(3) entities. Additionally, this legislation would also improve the ability of Illinois banks to provide competitive rates to prospective IRB and 501(c)(3) Bond borrowers.

The Federal Home Loan Banks (“FHLBs”) are rated Aaa/AAA/AAA long-term by Moody’s/S&P/Fitch.

Rich Frampton is coordinating efforts with, (1) Council of Development Finance Agencies (“CDFA”), (2) the National Council of Higher Educational Facilities Authorities (“NAHEFA”), and (3) Illinois member banks of the Federal Home Loan Bank of Chicago to support this legislation.

This represents the best opportunity to advance this legislation in several years. IFA staff believes that this legislation would significantly improve access to tax-exempt financing for both IRB and 501(c)(3) borrowers.

For additional information please visit www.cdfa.net for additional information on current legislative activities.

Federal Regulatory Update

Rich Frampton is also continuing to work with CDFFA and NAHEFA on other technical and legislative matters including a financial reporting/definitional rule proposed by the Financial Accounting Standards Board (“FASB”) that could have a detrimental impact on IFA’s conduit borrowers (particularly small manufacturing and 501(c)(3) borrowers).

More specifically, FASB has proposed a technical rule (i.e., FAS 126A) that would Revise the Definition of a “Public Entity” to Include an Obligor for Conduit Debt Securities. As a result of several responses from participants in the industry, including one prepared by Rich Frampton of IFA (see link: <http://www.fasb.org/oc/fasb-getletters.php?project=FSPFAS126A>), FASB has

decided to further examine this proposed technical rule. Most of the responses are consistent with the position supported by IFA, CDFA, and NAHEFA.

Other members of CDFA and NAHEFA will be participating in the second FASB comment period on this subject.

Higher Education: Townsend Albright moderated the morning session and gave a financial presentation for the Lieutenant Governor's Green Government Council's "2007 Sustainable Energy Program" for green LEEDS-certified buildings on college campuses as well as for private, governmental, and commercial facilities. The Symposium was held at Illinois State University at Bloomington-Normal, and was well attended with more than 200 participants from public universities, local government units, and private colleges.

Additionally, Townsend moderated the afternoon plenum which centered on (1) how to obtain funding for green buildings, (2) HVAC, and other physical plant improvements, and (3) how to form a time line to accomplish these tasks.

Colleges continue to take advantage of the low interest rate environment to refund outstanding bond issues. Coming before the board in September will be a \$30.0 million transaction for Robert Morris College, of which approximately \$20.5 million of the proceeds will be used to refund the College's Series 1997 and 2000 bonds. Also, the Chicago School of Professional Psychology is coming before the Board in September for final approval of a new money project and to refund the remaining balance of an outstanding IFA bond issue. Sharnell Curtis Martin is the funding manager for this project.

Strategic Planning meetings were held to discuss innovative ways to provide financing to the higher education market sector. As with the communities and culture sector, one possible option is to provide debt service schedules and cash flow projections when applying the various IFA programs to provide a financial solution to a prospect or client's capital needs. Again, the IFA would not be construed as a Financial Advisor or Broker Dealer in offering these services. This type of advice could prove to be extremely helpful to private college Business Managers as it could offer insights as to how they could finance necessary HVAC improvements and sprinkler installations to their dorms and other buildings as mandated by law.

Marketing and Public Relations

Strategic planning market segment meetings were held in August for Higher Education and the Not-For-Profit segments. The Local Government segment meeting will be held September 12th. Executive Team strategic planning meetings are scheduled for September 20th and 25th.

The Ag team aired a radio commercial/interview with Max Armstrong, WGN, to support Ag presence at the Farm Progress Show and introduction of the Farm Purchase Guarantee.

Public Relations activity in August included several press releases and mentions in key stories around the state. IFA was named the top issuer in the Midwest first half 2007 according to data published by The Bond Buyer.

Key press coverage:

- Local School Notes Program "...Governor Rod Blagojevich directed the Illinois Finance Authority to make \$175 million available to the state's 900 school districts if no budget is settled this week..."
- Sedgebrook Retirement Community – "Gov. Blagojevich announces creation of 1,900 jobs through Sedgebrook Retirement Community development in Lake County"

OSF Healthcare System – "Gov. Blagojevich announces support for OSF Saint Francis Medical Center expansion in Peoria that will create nearly 1,000 jobs"

Emerald Ash Borer Bill – "Gov. Blagojevich creates loan program to replace ash trees destroyed by the Emerald Ash Borer... Communities eligible for low interest loans for reforestation projects"

Ag Lender of the Year Award – "Dana Wiegand, Goodfield Bank, honored by Illinois Finance Authority as Outstanding Ag Lender"

Other stories:

- Illinois Business Journal article featuring Executive Director Kym M. Hubbard
- Chatham to build its own water plant...
- Illinois Agency OK's \$2.5 Billion (August board approvals, Bond Buyer) Gov. signs bill to lure Future Gen...\$50 million in low interest loans from IFA

There were no FOIA requests during August.

Human Resources and Operations

Systems: The implementation of Microsoft Outlook was completed. Lotus Notes files were converted to Microsoft Outlook. This sets the stage for starting the implementation of IFA's new voice over internet protocol telephone system and as well as results in immediate improvements in email, calendaring, and access to IFA computers remotely for all staff.

Human Resources: Christopher B. Meister has joined the Authority serving as General Counsel. Additionally, an administrative assistant, Shannon Govia, has been hired to work with the finance department as well as an accounting clerk, Carlos Herrera.

The performance review process for fiscal year 2007 was completed. Salary increases and adjustments were proposed, reviewed and implemented. Reassignment of administrative support staff was reviewed and completed.

Fiscal Year 2007 Incentive Plan results for participating staff were prepared and submitted for final approval. Fourth Quarter and Year-End EEOC/AA reporting was completed and submitted to the Illinois Department of Human Rights. Meetings were held with the Illinois Department of Human Rights to review and sign off on final summaries of all quarterly and year-end reports submitted throughout the past fiscal year. Discretionary staff contributions have been processed for the Authority's retirement plan that were approved by the board at the inception of the plan.

The following projects remain in process:

- 1) Considerable progress was made on incentive plan modifications for IFA staff for Fiscal Year 2008.
- 2) Still obtaining review team feedback for the new employee handbook.
- 3) Still working on updating job descriptions and salary benchmarking.
- 4) Nearly completed insurance application for insurance coverage for trustees of the Authority's retirement plan.
- 5) Still working on recruiting for the position of Director, Financial Services.
- 6) Began laying the ground work for the new telephone system implementation.

Legal / Legislative Issues

Recent action by the Governor relating to IFA bills are as follows:

SB66 (Clean Coal) has been signed into law.

SB1617 (Emerald Ash Borer Fund) has been signed into law.

SB1592 (Electric Rates) has been signed into law.

HB277 (Underground Storage Tank Fund Priority List).

Amendatory Vetoes were placed on SB1317 (Multi-State Financing) and HB1497 (Urban Development Authority).

Audit and Compliance

The FY 2007 audit will begin on September 12th and is schedule to be completed by the end of the calendar year.

Attached is the status of the current audit findings for your review.

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

	Actual August 2007	Budget August 2007	Current Month Actual vs Budget	Current % Variance	Actual YTD FY 2008	Budget YTD FY 2008	Year to Date Actual vs Budget	YTD % Variance	Total Budget FY 2007	% of Budget Exceeded
REVENUE										
INTEREST ON LOANS	320,307	295,546	24,761	8.38%	631,493	590,849	42,644	7.22%	3,526,170	12.96%
INVESTMENT INTEREST & GAIN(LOSS)	216,347	205,500	10,847	5.07%	414,286	411,214	3,072	0.74%	2,493,176	16.88%
ADMINISTRATIONS & APPLICATION FEES	661,667	426,557	235,110	55.11%	1,119,534	817,834	301,700	36.90%	6,530,805	17.44%
ANNUAL ISSUANCE & LOAN FEES	70,204	85,762	(15,058)	-17.56%	171,758	171,758	(8,499)	-22.41%	1,038,859	12.83%
OTHER INCOME	9,767	14,947	(5,180)	-34.65%	20,489	29,894	(9,405)	-31.46%	179,364	11.42%
TOTAL REVENUE	1,278,293	1,028,222	250,071	24.32%	2,331,080	2,021,549	299,531	14.82%	13,774,524	16.85%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	284,336	330,624	(46,288)	-13.40%	548,968	638,800	(89,832)	-14.06%	3,732,896	14.71%
BENEFITS	20,578	25,710	(5,132)	-19.96%	41,845	50,686	(8,841)	-17.44%	310,439	13.48%
TEMPORARY HELP	10,202	2,500	7,702	308.07%	23,432	5,000	17,432	348.64%	30,000	74.73%
EDUCATION & DEVELOPMENT	300	500	(200)	-40.00%	300	1,000	(700)	-70.00%	6,000	5.00%
TRAVEL & AUTO	13,983	12,501	1,482	11.85%	26,135	25,002	1,133	4.53%	150,000	17.42%
TOTAL EMPLOYEE RELATED EXPENSES	331,399	371,835	(40,436)	-10.87%	639,680	720,485	(80,805)	-11.22%	4,229,335	15.12%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	116,835	87,132	49,703	56.83%	237,074	174,664	62,410	35.73%	1,048,000	22.62%
LOAN EXPENSE & BANK FEE	230,504	230,970	(467)	-0.20%	441,958	441,958	1,057	0.24%	2,578,138	17.18%
ACCOUNTING & AUDITING	3,974	29,229	3,645	12.43%	11,274	58,658	2,616	4.45%	351,946	17.41%
MARKETING GENERAL	2,676	20,833	(18,157)	-87.18%	41,666	41,666	(30,069)	-72.17%	250,000	4.64%
FINANCIAL ADVISORY	20,400	24,543	(4,143)	-16.88%	44,545	44,545	1,243	2.79%	290,000	15.79%
CONFERENCE/TRAINING	600	2,083	(1,483)	-71.20%	300	1,166	(866)	-92.80%	25,000	1.00%
MISCELLANEOUS PROFESSIONAL SERVICES	2,223	9,167	(6,942)	-75.73%	2,225	18,134	(16,109)	-87.86%	110,004	2.02%
DATA PROCESSING	3,658	2,917	741	25.40%	6,195	5,834	361	6.19%	35,000	17.00%
TOTAL PROFESSIONAL SERVICES	419,871	397,185	22,686	5.71%	807,468	789,825	17,643	2.23%	4,681,088	17.22%
OCCUPANCY COSTS										
OFFICE RENT	25,386	26,196	(811)	-3.09%	50,771	52,392	(1,621)	-3.09%	314,350	18.15%
EQUIPMENT RENTAL AND PURCHASES	6,293	4,000	2,293	57.32%	13,979	8,000	5,979	74.74%	49,680	28.14%
TELECOMMUNICATIONS	6,921	7,083	(162)	-2.29%	15,370	14,166	1,204	8.50%	85,000	18.08%
UTILITIES	1,016	983	33	3.36%	1,859	1,966	(107)	-5.46%	11,300	15.75%
DEPRECIATION	5,560	5,920	(360)	-6.08%	11,120	11,840	(720)	-6.08%	77,194	14.41%
INSURANCE	1,881	2,000	(119)	-5.94%	3,674	4,000	(326)	-8.14%	24,000	15.31%
TOTAL OCCUPANCY COSTS	47,076	46,182	894	1.94%	96,774	92,364	4,410	4.77%	362,024	17.22%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	7,429	8,750	(1,321)	-15.10%	14,809	17,500	(2,691)	-15.38%	105,000	14.10%
BOARD MEETING - EXPENSES	3,093	2,568	525	20.45%	4,437	5,136	(699)	-13.62%	39,000	11.38%
PRINTING	1,732	1,209	523	43.36%	3,222	2,400	822	34.27%	14,400	22.38%
POSTAGE & FREIGHT	3,070	2,067	1,003	48.52%	5,587	4,134	1,453	35.14%	24,800	22.53%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,337	3,333	(1,996)	-59.89%	1,920	6,666	(4,746)	-41.80%	40,000	9.80%
PUBLICATIONS	72	300	(228)	-76.00%	101	600	(499)	-83.12%	3,600	2.81%
OFFICERS & DIRECTORS INSURANCE	14,746	14,750	(4)	-0.02%	29,491	29,500	(9)	-0.02%	177,000	16.66%
MISCELLANEOUS	42	42	(42)	-100.00%	-	84	(84)	-100.00%	500	0.00%
TOTAL GENERAL & ADMINISTRATION EXPENSES	31,480	33,010	(1,530)	-4.64%	61,569	66,020	(4,451)	-6.74%	404,300	15.23%
LOAN LOSS PROVISION/BAD DEBT										
OTHER INTEREST EXPENSE	690	690	0	0.00%	66,666	66,666	0	0.00%	400,000	16.67%
TOTAL OTHER	690	690	0	0.01%	1,380	1,380	0	0.01%	8,004	17.24%
TOTAL EXPENSES	863,850	882,235	(18,385)	-2.08%	1,673,537	1,736,743	(63,206)	-3.64%	10,291,751	16.26%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN(LOSS)	414,443	145,987	268,456	183.89%	647,543	284,806	362,737	127.36%	3,482,773	18.59%
NET UNREALIZED GAIN(LOSS) ON INVESTMENT	26,087	(16,667)	42,754	-256.52%	26,087	(33,334)	59,421	-178.26%	(200,000)	-13.04%
REVENUE GRANT	-	-	-	0.00%	2,000,000	-	2,000,000	0.00%	-	0.00%
NET INCOME(LOSS)	440,530	129,320	311,210	240.65%	2,673,630	251,472	2,422,158	963.19%	3,282,773	81.44%

Illinois Finance Authority
Consolidated
Statement of Activities
Comparison
August 2007 and August 2008

	Actual August 2007	Actual August 2008	Current Month Variance Actual vs. Actual	Current % Variance	Actual FY 2008	Actual FY 2007	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	320,307	425,961	(105,654)	-24.80%	613,493	778,060	(164,567)	-18.58%
INVESTMENT INTEREST & GAIN(LOSS)	216,347	277,140	(60,793)	-21.94%	414,246	428,998	(14,752)	-3.44%
ADMINISTRATIONS & APPLICATION FEES	661,667	601,545	60,122	9.82%	1,119,593	1,097,211	22,382	2.04%
ANNUAL ISSUANCE & LOAN FEES	70,204	90,683	(20,479)	-22.58%	135,259	176,605	(41,346)	-24.54%
OTHER INCOME	9,767	36,176	(26,409)	-73.00%	20,489	47,099	(26,609)	-56.50%
TOTAL REVENUE	1,278,293	1,431,505	(153,212)	-10.70%	2,331,080	2,527,963	(206,883)	-8.18%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	286,336	281,101	5,236	1.86%	548,968	508,234	40,734	8.01%
BENEFITS	20,578	34,992	(14,413)	-41.19%	41,845	57,206	(15,441)	-26.95%
TEMPORARY HELP	10,002	4,399	5,603	131.93%	22,432	8,185	14,246	174.05%
EDUCATION & DEVELOPMENT	300	4,200	(3,900)	-92.85%	300	4,537	(4,237)	-91.39%
TRAVEL & AUTO	13,983	16,592	(2,609)	-15.72%	26,135	23,926	2,210	9.24%
TOTAL EMPLOYEE RELATED EXPENSES	331,399	341,283	(9,883)	-2.90%	639,680	602,168	37,512	6.23%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	136,835	220,874	(84,039)	-38.05%	237,074	285,264	(48,190)	-16.89%
LOAN EXPENSE & BANK FEE	220,504	1,546,080	(1,325,576)	-85.74%	441,015	671,151	(228,136)	-33.99%
ACCOUNTING & AUDITING	32,574	161,593	(128,619)	-79.59%	61,274	189,180	(127,906)	-67.61%
MARKETING GENERAL	2,076	3,872	(1,796)	-30.90%	11,597	7,495	4,102	54.73%
FINANCIAL ADVISORY	20,600	31,628	(11,028)	-35.50%	45,788	61,192	(15,404)	-25.17%
CONFERENCE/TRAINING	600	940	(340)	-36.17%	300	1,490	(1,190)	-79.87%
MISCELLANEOUS PROFESSIONAL SERVICES	2,225	9,375	(7,150)	-76.27%	2,225	11,133	(8,908)	-80.01%
DATA PROCESSING	3,658	1,362	2,296	168.60%	6,195	3,631	2,564	141.62%
TOTAL PROFESSIONAL SERVICES	419,871	1,975,721	(1,555,850)	-78.75%	807,468	1,229,468	(422,000)	-34.32%
OCCUPANCY COSTS								
OFFICE RENT	25,886	26,338	(953)	-3.62%	50,771	30,019	20,752	1.50%
EQUIPMENT RENTAL AND PURCHASES	6,293	1,725	4,568	264.83%	13,979	5,215	8,764	168.06%
TELECOMMUNICATIONS	6,921	3,666	3,255	88.80%	15,370	8,709	6,661	76.49%
UTILITIES	1,036	881	155	17.65%	1,859	1,522	337	22.11%
DEPRECIATION	5,560	3,788	1,771	46.76%	11,120	7,572	3,548	46.66%
INSURANCE	1,981	1,151	730	63.42%	3,674	2,502	1,172	59.59%
TOTAL OCCUPANCY COSTS	47,076	37,549	9,527	25.37%	96,774	75,339	21,434	28.45%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	7,429	7,391	39	0.52%	14,809	13,171	1,638	12.44%
BOARD MEETING - EXPENSES	3,093	3,882	(789)	-20.31%	4,437	7,619	(3,183)	-41.77%
PRINTING	1,732	1,732	0	#DIV/0!	3,222	1,174	2,049	174.54%
POSTAGE & FREIGHT	3,070	2,493	577	23.13%	5,587	4,936	651	13.19%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,337	3,004	(1,667)	-55.50%	3,920	3,896	23	0.60%
PUBLICATIONS	72	70	2	2.25%	101	23	(121)	-98.15%
OFFICERS & DIRECTORS INSURANCE	14,746	13,500	1,246	9.23%	29,493	27,000	2,493	9.23%
MISCELLANEOUS	-	-	1,246	0.00%	-	-	-	0.00%
TOTAL GENERAL & ADMINISTRATION EXPENSES	31,480	30,340	1,140	3.76%	61,569	63,274	(1,706)	-2.70%
LOAN LOSS PROVISION/BAD DEBT	33,333	25,000	8,333	33.33%	66,666	50,000	16,666	33.33%
OTHER								
INTEREST EXPENSE	690	736	(46)	-6.21%	1,380	1,472	(91)	-6.21%
TOTAL OTHER	690	736	(46)	-6.21%	1,380	1,472	(91)	-6.21%
TOTAL EXPENSES	863,850	2,410,629	(1,546,779)	-64.16%	1,673,537	2,021,721	(348,184)	-17.22%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	414,443	(979,124)	1,393,567	-142.33%	647,543	506,492	141,051	27.91%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	26,087	22,280	3,807	17.09%	26,087	22,104	3,983	18.02%
REVENUE GRANT	-	-	-	0.00%	2,000,000	-	2,000,000	0.00%
NET INCOME/(LOSS)	440,530	(956,844)	1,397,374	-146.04%	2,673,630	528,596	2,145,285	406.04%

**Illinois Finance Authority
Consolidated
Balance Sheet**

for the Two Months Ending August 31, 2007

	Actual August 2006	Actual August 2007	Budget August 2007	Variance to budget
ASSETS				
CASH & INVESTMENTS, UNRESTRICTED	\$ 31,912,789	\$ 26,879,546	\$ 26,513,402	\$ 366,145
LOAN RECEIVABLE, NET	82,422,378	87,228,087	85,690,260	1,537,827
ACCOUNTS RECEIVABLE	911,183	787,271	533,551	253,720
OTHER RECEIVABLES	543,921	1,690,701	1,359,086	331,615
PREPAID EXPENSES	139,385	146,765	174,064	(27,299)
TOTAL CURRENT ASSETS	115,929,656	116,732,371	114,270,363	2,462,008
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	145,236	250,219	265,530	(15,311)
DEFERRED ISSUANCE COSTS	881,182	785,773	791,817	(6,044)
OTHER ASSETS				
CASH, INVESTMENTS & RESERVES	27,039,933	28,075,720	27,835,094	240,627
VENTURE CAPITAL INVESTMENTS	5,678,735	5,554,091	5,804,091	(250,000)
OTHER	4,075,089	3,025,522	3,028,642	(3,120)
TOTAL OTHER ASSETS	36,794,757	36,655,334	36,667,827	(12,493)
TOTAL ASSETS	\$ 153,750,831	\$ 154,423,697	\$ 151,995,536	\$ 2,428,160
LIABILITIES				
CURRENT LIABILITIES	\$ 1,041,815	\$ 1,254,444	\$ 1,452,584	(198,140)
LONG-TERM LIABILITIES	64,130,787	58,456,391	58,252,246	204,144
TOTAL LIABILITIES	65,172,602	59,710,834	59,704,830	6,004
EQUITY				
CONTRIBUTED CAPITAL	36,061,462	36,061,462	36,061,462	-
RETAINED EARNINGS	15,015,018	17,921,049	17,921,049	0
NET INCOME / (LOSS)	528,346	2,673,630	251,472	2,422,158
RESERVED/RESTRICTED FUND BALANCE	24,279,992	25,491,190	25,491,190	-
UNRESERVED FUND BALANCE	12,693,412	12,565,531	12,565,531	-
TOTAL EQUITY	88,578,229	94,712,863	92,290,704	2,422,158
TOTAL LIABILITIES & EQUITY	\$ 153,750,831	\$ 154,423,697	\$ 151,995,536	\$ 2,428,162

**Illinois Finance Authority
Consolidated - Detail
Balance Sheet
for the Two Months Ending
August 31, 2007**

	General Fund	Bond Fund	Firetruck Revolving Fund	Non Major Funds YTD	YTD 2008
Assets					
Current assets:					
Cash and cash equivalents – unrestricted	1,825,671	-	-	14,575,211	16,400,882
Investments – unrestricted	2,799,412	-	-	2,000,160	4,799,572
Restricted current assets:					
Cash and cash equivalents	-	843,489	1,958,077	-	2,801,566
Accrued interest receivable	-	1,258,233	8,000	7,525	1,273,758
Restricted investments	-	62,056	-	-	62,056
Receivables:					
Accounts	530,175	-	-	-	530,175
Allowance for doubtful accounts	(66,146)	-	-	-	(66,146)
Interest and other	201,918	-	-	36,441	238,359
Prepaid expenses and deposits	146,765	-	-	-	146,765
Total Current Assets	5,437,796	2,163,778	1,966,077	16,619,338	26,186,989
Noncurrent assets:					
Restricted Noncurrent assets					
Cash and cash equivalents	-	-	-	22,357,844	22,357,844
Interest receivable	-	186,583	-	80,000	266,583
Guarantee payments receivable	-	-	-	459,048	459,048
Allowance for doubtful accounts	-	-	-	(433,526)	(433,526)
Deferred issuance costs, net of accumulated amortization	-	203,679	-	-	203,679
Investments	-	8,445,346	-	-	8,445,346
Bonds and notes receivable	-	47,234,300	-	-	47,234,300
Loans receivable	-	-	8,247,715	2,533,729	10,781,444
Allowance for doubtful accounts	-	-	-	(208,381)	(208,381)
Investments in partnerships and companies	-	-	-	5,554,091	5,554,091
Loans Receivable	31,302,360	-	-	4,323,242	35,625,602
Allowance for doubtful accounts	(2,881,636)	-	-	-	(2,881,636)
Due from other funds long term	2,271,561	-	-	712,374	2,983,935
Property and equipment, at cost	534,218	-	-	-	534,218
Accumulated depreciation	(283,999)	-	-	-	(283,999)
Deferred issuance costs, net of accumulated amortization	582,095	-	-	-	582,095
Total Noncurrent Assets:	31,524,599	56,069,908	8,247,715	35,378,421	131,220,643
Total Assets	36,962,395	58,233,686	10,213,792	51,997,759	157,407,632
Liabilities					
Current liabilities:					
Accounts payable	78,314	19,432	-	-	95,746
Accrued expenses	836,176	-	-	-	836,176
Accrued interest payable	-	1,450,290	-	5,520	1,455,810
Due to employees	42,396	-	-	-	42,396
Due to primary government	219,211	-	-	-	219,211
Current portion of Long term debt	-	-	-	55,394	55,394
Total Current Liabilities	1,174,097	1,469,722	-	60,914	2,704,733
Noncurrent liabilities:					
Long-term debt	-	-	-	772,666	772,666
Bonds payable	-	55,522,588	-	-	55,522,588
Deferred revenue net of accumulated amortization	821,161	-	-	-	821,161
Due to other funds - long term	-	-	-	2,983,935	2,983,935
Deferred loss on early extinguishment of Debt	-	(110,314)	-	-	(110,314)
Total Noncurrent Liabilities	821,161	55,412,274	-	3,756,601	59,990,036
Total Liabilities	1,995,258	56,881,996	-	3,817,515	62,694,769
Net Assets					
Invested in capital assets	250,219	-	-	-	250,219
Restricted	-	1,351,690	10,213,792	23,967,553	35,533,035
Unrestricted	34,716,918	-	-	24,212,690	58,929,608
Total Net Assets	34,967,137	1,351,690	10,213,792	48,180,244	94,712,863

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

as of 8/31/2007

Loan #	Borrower Name	Due Date	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 + Days
Participations									
10024	FOWLER PROPERTIES, LLC	8/7/2007	\$2,310.49	.00	.00	.00	.00	.00	.00
10049	SHULTS MACHINE	4/5/2007	\$0.00	.00	.00	.00	144,288.11	.00	.00
10061	YOUNG, CLINTON (PRECISION P	8/24/2007	\$1,683.32	.00	.00	.00	.00	.00	.00
10073	BAXTER, JAY & COLLEEN	8/29/2007	\$565.00	.00	.00	.00	.00	.00	.00
10121	WIRE MESH, LLC	8/30/2007	\$10,606.55	.00	.00	.00	.00	.00	.00
10122	MIDWAY BROADCASTING CO.	8/1/2007	\$1,621.20	.00	.00	.00	.00	.00	.00
10127	GFY MANAGEMENT	8/30/2007	\$670.56	.00	.00	.00	.00	.00	.00
10128	GFY MANAGEMENT	8/30/2007	\$2,215.92	.00	.00	.00	.00	.00	.00
10132	EX TECH PLASTICS	8/27/2007	\$7,732.26	.00	.00	.00	.00	.00	.00
9			\$27,405.30	.00	.00	.00	144,288.11	.00	.00

FMHA

10066	UTLRA PLAY SYSTEMS, INC.	8/1/2007	\$1,314.77	.00	.00	.00	.00	.00	.00
1			\$1,314.77	.00	.00	.00	.00	.00	.00
10			\$28,868.07	.00	.00	.00	144,288.11	.00	.00

MINUTES OF THE AUGUST 7, 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 August 7, 2007 at the Mid-America Club, 200 E. Randolph, Chicago, Illinois:

Members present:

David C. Gustman, Chair
Dr. William J. Barclay
Ronald E. DeNard
Michael W. Goetz
Edward H. Leonard, Sr.
Terrence M. O'Brien
Andrew W. Rice
Lynn F. Talbott
Joseph P. Valenti
Bradley A. Zeller

Members absent:

Magda M. Boyles
James J. Fuentes
Dr. Roger D. Herrin
Juan B. Rivera

Vacancies:

One (1)

Members participating by telephone:

None

GENERAL BUSINESS

Call to Order and Roll Call

Chairman Gustman called the meeting to order at 11:38 a.m. with the above members present. Chairman Gustman welcomed members of the Board and all guests and asked Secretary, Carla Burgess Jones to call the roll. There being ten (10) members physically present, Ms. Burgess Jones declared a quorum present.

Executive Director's Report

Director Hubbard first welcomed and thanked all guests for coming. Director Hubbard reported that the Illinois Finance Authority continues to see an increase in transactions and that for the month ending July 1, 2007 the IFA had net income of approximately \$200,000. Director Hubbard thanked all of the guests in attendance for their business during the past fiscal year and also for their continued support. Director Hubbard announced that the IFA staff would present 26 projects, totaling approximately \$2.5 billion, to the Board for its consideration at today's meeting. Director Hubbard noted that projects presented today are expected to create approximately 3,003 new jobs and 3,634 construction jobs.

Acceptance of Financial Statements

Financial statements for the period ending July 31, 2007 were accepted by the Board. Chairman Gustman noted that the Authority's financial position remains strong and that the Board reviewed the Authority's financial statements at the Committee of the Whole Meeting held at 8:30 a.m.

Minutes

Chairman Gustman announced that the next order of business was to approve the minutes of the July 7, 2007 Meeting of the Board. Chairman Gustman asked for a motion to approve the minutes. Motion was moved by Ms. Talbott and seconded by Mr. Goetz. Secretary, Carla Burgess Jones, took a roll call vote for approval of the minutes. The minutes were approved by a roll call vote with 10 ayes, 0 nays, and 0 abstentions.

Projects

Chairman Gustman asked Executive Director Hubbard 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 Meeting. Director Hubbard presented the following projects to the Board for approval:

- No. 1:** **A-AI-TX-GT-7164 – Roanoke Milling Co., Inc.**
Request for approval of the issuance of an Agri-Industry Guarantee in an amount not-to-exceed \$425,000 to provide permanent financing for a feed mill expansion. This project is expected to create 6 new jobs and 12 construction jobs. **(07-08-01).**
- No. 2:** **A-SG-TX-GT-7163 – Jonathan L. Hank**
Request for approval of the issuance of a Specialized Livestock Guarantee in an amount not-to-exceed \$334,475. Proposed loan funds will be used to provide permanent financing for a 2,400 head swine finishing facility. This project is expected to create 7 construction jobs. **(07-08-02).**
- No. 3:** **A-FB-TE-CD-7172 – Cullen Grainger**
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$220,800 to provide permanent financing for the purchase of farmland located in Carthage, Il. **(07-08-03).**
- A-FB-TE-CD-7173 – Scott D. Henson**
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$75,000 to provide permanent financing for the purchase of farmland located in Paris, Il. **(07-08-03).**
- A-FB-TE-CD-7174 – Brent and Brooke Bishop**
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$69,600 to provide permanent financing for the purchase of farmland located in Dennison, Il. **(07-08-03).**

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

No. 4: P-SW-TE-CD-6203 – Western Illinois Ethanol Project, LLC

Request for the approval of the issuance of Solid Waste Disposal Facilities Bonds in an amount not-to-exceed \$37,000,000 and Tax-Exempt Water Facilities Bonds in an amount not-to-exceed \$8,000,000 to: (1) provide permanent financing for the acquisition and improvement of a 70-acre site in Griggsville, Il., (2) construct a 57,750,000 gallon capacity ethanol plant at the site, (3) acquire and install machinery and equipment and (4) pay cost of issuance. Issuance of these bonds is subject to an allocation of Volume Cap. This project is expected to create 40 new jobs and 200 construction jobs over a 16 month period. (07-08-04).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 4. Funding Manager Steven Trout introduced representatives from the Western Illinois Ethanol Project, LLC to give a brief summary of the project. The guests thanked the Board and IFA staff for their consideration. 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: H-HO-TE-CD-7162 – Hoosier Care, Inc. and Hoosier Care II, Inc.

Request for the approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$39,850,000. Proceeds will be used to: (1) advance refund certain tax-exempt bonds issued in 1999 by a predecessor to the Authority, the City of Loves Park, Il, the City of Sterling, Il and the Indiana Health Facility Financing Authority, (2) finance new money projects located in Champaign, Loves Park and Sterling, Il. and in Wabash, Brazil, Winchester and Ellettsville, Indiana, (3) fund a debt service reserve fund and (4) pay costs of issuance. This project is expected to create 5 new jobs and 5 construction jobs. (07-08-05).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 5. Pamela Lenane introduced Vice-President Wayne Toush of Medical Rehabilitation Centers, the entity that manages Hoosier Care, Inc. Mr. Toush gave a brief summary of the project and thanked the IFA and the Board for their consideration. Chairman Gustman noted that this project will be the first Authority multi-state transaction and is subject to multi-state legislation becoming law. Chairman Gustman asked if the Board had any questions with respect to Project no. 5. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 5. Leave was granted. Project no. 5 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 6: H-HO-TE-CD-7160 – Advocate Health Care Network

Request for the approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$520,000,000 to provide permanent financing to: (1) fund new projects and reimburse Advocate Health Care Network for certain previous expenditures, (2) refinance certain existing outstanding bonds issued by a predecessor to the Authority, and (3) pay costs of issuance. This project is expected to create 75 new jobs and 900 construction jobs. (07-08-06).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 6. Pamela Lenane introduced guests from Advocate Health Care Network. The guests thanked the Board and IFA staff for consideration of the project and provided a brief summary of the project.

Chairman Gustman asked if the Board had any questions with respect to Project no. 6. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 6. Leave was granted. Project no. 6 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 7: H-HO-TE-CD-7165 – Sherman Health System and Sherman Hospital
Request for the approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$325,000,000 to provide permanent financing to: (1) fund the construction and equipping of a replacement hospital campus, (2) fund capitalized interest, (3) fund a reserve fund and (4) pay costs of issuance. This project is expected to create 61 new jobs and 350 construction jobs. (07-08-07).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 7. There being none, Chairman Gustman asked if the Board had any questions with respect to Project no. 7. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 7. Leave was granted. Project no. 7 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 8: H-HO-TE-CD-7137 – Sedgebrook Retirement Community
Request for the approval of the issuance of Conduit 501 (c)(3) Bonds in an amount not-to-exceed \$150,000,000 to provide permanent financing to: (1) finance the purchase deposit for the option to purchase Sedgebrook Retirement Community, (2) fund a debt service reserve fund, and (3) pay costs of issuance. This project is expected to create 1,000 new jobs and 960 construction jobs. (07-08-08).

Chairman Gustman asked if the Board had any questions with respect to Project no. 8. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 8. Leave was granted. Project no. 8 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 9: WITHDRAWN

No. 10: N-PS-TE-CD-7159 – Christian Heritage Academy
Request for the approval of the issuance of Conduit 501 (c)(3) Bonds in an amount not-to-exceed \$8,300,000 to provide permanent financing to: (1) refund outstanding debt, (2) finance the expansion and renovation of a campus gymnasium, a multi-purpose and other campus renovations, (3) fund capitalized interest, and (4) fund professional and bond issuance costs. This project is expected to create 14 new jobs and 50 construction jobs over 12 months. (07-08-10).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 10. Townsend Albright introduced Mr. Richard Lukianuk, the headmaster of Christian Heritage Academy. Mr. Lukianuk gave a brief description of the project and the academy and thanked the Board and the IFA for their consideration of the project.

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

No. 11: **N-NP-TE-CD-7112 – The Field House of Barrington, LLC**
Request for the approval of the issuance of Conduit 501(c)(3) Bonds in an amount not to exceed \$30,000,000 to provide permanent financing to: (1) purchase land, (2) construct and equip an approximately 175,000 square foot indoor sports complex, (3) fund a debt service reserve account, (4) pay capitalized interest and (5) pay professional and bond issuance costs. This project is expected to create 100 new jobs and 100 construction jobs. **(07-08-11).**

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 11. Funding Manager Townsend Albright introduced representatives from the Field House of Barrington. The guests provided a brief description of the project and thanked the Board and IFA for their consideration of the project.

Chairman Gustman asked if the Board had any questions with respect to Project no. 11. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 11. Leave was granted. Project no. 11 was approved with 10 ayes, 0 nays, and 0 abstentions

No. 12: **N-NP-TE-CD-7155 – Elim Christian Services**
Request for the approval of the issuance of Conduit 501(c)(3) Revenue Bonds in an amount not-to-exceed \$15,000,000 to provide permanent financing to: (1) construct, improve and renovate the Autism Comprehensive Education Center, the Main School, the Adult Services Building and the campus, all located in Palos Heights, Il., (2) construct, improve and renovate the Adult Services Buildings located in Orland Park, Il., (3) refinance a bank line of credit, (4) provide interim financing and (5) pay costs of issuance. This project is expected to create 19 new jobs and 50 construction jobs. **(07-08-12).**

No. 13: **N-NP-TE-CD-7156 – Institute for the International Education of Students**
Request for the approval of the issuance of Conduit 501(c)(3) Lease Financing in an amount not-to-exceed \$2,800,000 to provide permanent financing for the acquisition of equipment and Information Technology software and to pay certain lease issuance costs. This project is expected to create 20 new jobs. **(07-08-13).**

- No. 14:** **L-GP-7167 – Village of Leland**
Request for the approval of the issuance of a Rural Development Loan in an amount not-to-exceed \$60,000 to provide permanent financing for the purchase of a natural gas fired generator at the water treatment facility for the Village of Leland. (07-08-14).
- No. 15:** **L-GP-7168 – Village of Lincolnwood**
Request for the approval of the issuance of a Local Government Bond in an amount not-to-exceed \$5,000,000 to provide permanent financing for the storm-water sewer system for the Village of Lincolnwood. (07-08-15).
- No. 16:** **LSD-TE-CD-7158 – Waterloo Community Unit School District Number 5**
Request for the approval of the issuance of a Local Government Bond in an amount not-to-exceed \$6,500,000 to provide financing for the cost of building a new high school. This project is expected to create 15 construction jobs over a six-month period. (07-08-16).
- No. 17:** **L-GP-7153 – Village of Green Oaks**
Request for the approval of the issuance of Local Government Pooled Bonds in an amount not-to-exceed \$3,600,000 to provide permanent financing to rebuild and repair a Village road and accompanying drainage and sewer repair. This project is expected to create 10 construction jobs. (07-08-17).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 12 through 17. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 12 through 17. Leave was granted. Project nos. 12 through 17 was approved with 10 ayes, 0 nays, and 0 abstentions.

- No. 18:** **L-SD-TE-MO-7177 – Illinois Finance Authority (Local School District Funding Project Notes)**
Request for the approval of the issuance of School Funding Notes in an amount not-to-exceed \$175,000,000 to help fund targeted, local school districts facing financial difficulty associated with delays in the adoption of the State of Illinois budget for FY 2008. (07-08-18).

Chairman Gustman asked if the Board had any questions with respect to Project no. 18. There being none, Chairman Gustman requested a motion for a roll call vote. Motion moved by Ms. Talbott and seconded by Mr. Goetz. Project no. 18 was approved with 9 ayes, 1 nay (O'Brien), and 0 abstentions.

- No. 19:** **B-LL-7145 – 2046 Walnut LLC (Chicagoland Beverage Company)**
Request for the approval of the issuance of a participation loan in an amount not-to-exceed \$562,500 to provide permanent financing for the acquisition of a warehouse building and improvements immediately east of Chicagoland

Beverage's current location. This project is expected to create 8 new jobs within two years. (07-08-19).

Chairman Gustman asked if the Board had any questions with respect to Project no. 19. There being none, Chairman Gustman requested a motion for a roll call vote. Motion moved by Mr. DeNard and seconded by Mr. Goetz. Project no. 19 was approved with 9 ayes, 0 nays and 1 abstention (Valenti). Mr. Valenti abstained because he is an employee of MB Financial.

No. 20: **B-LL-TX-7169 – American Allied Railway Equipment Company**
Request for the approval of the issuance of a participation loan in an amount not-to-exceed \$340,000 to provide financing for the construction of a new manufacturing facility in El Paso, Il. This project is expected to create 6 new jobs and 75 construction jobs over 7 months. (07-08-20).

No. 21: **B-LL-TX-7166 – Village Market IGA, Inc.**
Request for the approval of the issuance of a participation loan in an amount not-to-exceed \$800,000 to provide permanent financing for the purchase of commercial buildings and real estate for expansion. This project is expected to create 35 new jobs and 50 construction jobs. (07-08-21).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 20 and 21. There being none, Chairman Gustman asked Secretary Carla Burgess Jones to do a roll call vote. Motion moved by Mr. Talbott and seconded by Mr. Valenti. Project nos. 20 and 21 were approved with 10 ayes, 0 nays, and 0 abstentions.

No. 22: **B-LL-7145 – Third Pancake LLC, an Illinois limited liability company to be formed (Intelligentsia Coffee and Tea, Inc.)**
Request for the approval of the issuance of a participation loan in an amount not-to-exceed \$1,000,000 to provide permanent financing for the acquisition of a building located at 1850 W. Fulton. This project is expected to create 5-10 new jobs over two years. (07-08-22).

At this time, Chairman Gustman requested a vote on Project no. 27 because Project nos. 22 and 27 require the abstention of the same member of the Board.

No. 27: **Amendatory Resolution to Authorize the Execution and Delivery of a Modification Agreement and related documents for W.M. Plastics, Inc.** (07-08-27).
Request for an amendatory resolution to authorize the execution and delivery of a modification agreement and related documents for W.M. Plastics, Inc. Project, a project which received bond financing from a predecessor of the Authority.

Chairman Gustman asked if the Board had any questions with respect to Project nos. 22 and 27. There being none, Chairman Gustman asked Secretary Carla Burgess Jones to do a roll call vote. Motion moved by Ms. Talbott and seconded by Mr. Goetz. Project nos. 22 and 27 were approved

with 9 ayes, 0 nays, and 1 abstention (Valenti). Member Valenti abstained because he is an employee of MB Financial.

No. 23: I-FRT-TE-CD-7170 – CenterPoint Joliet Terminal Railroad LLC and its successors, affiliates, and assigns

Request for the approval of the issuance of Freight Transfer Facilities Revenue Bonds in an amount not-to-exceed \$1,137,000,000 to provide permanent financing for the acquisition of land, construction of rail improvements, and the construction of all or a portion of an estimated 12-15 million sq. ft. of warehousing and distribution facilities and related infrastructure located on an approximately 4,000 acre site. This project is expected to create 1,600 new jobs and 500 construction jobs. (07-08-23).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 23. Funding Manager Rich Frampton introduced Mr. Daniel Hemmer, SVP and General Counsel for Centerpoint Properties Trust. Mr. Hemmer thanked the Board and the IFA staff for their consideration of the project. Mr. Hemmer also provided a brief overview of the project.

Chairman Gustman asked if the Board had any questions with respect to Project no. 23. There being none, Chairman Gustman asked Secretary Carla Burgess Jones to do a roll call vote. Motion moved by Mr. Goetz and seconded by Mr. DeNard. Project no. 23 was approved with 9 ayes, 0 nays, and 1 abstention. Chairman Gustman abstained because from time to time his law firm has done work for the borrower on unrelated matters.

No. 24: E-PC-TE-CD-7157 – Chicago School of Professional Psychology

Request for the approval of the issuance of Conduit 501(c)(3) Revenue Bonds in an amount not-to-exceed \$14,000,000 to provide financing to refund a previous bond issuance, refinance existing debt, finance construction and pay certain bond issuance costs. This project is expected to create 30 new jobs and 50 construction jobs. (07-08-24).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 24. Funding Manager Sharnell Curtis Martin introduced Mr. Jeff Keith, CFO, Chicago School of Professional Psychology. Mr. Keith gave a brief description of the project and thanked the Board and IFA for their consideration of the project.

Chairman Gustman asked if the Board had any questions with respect to Project no. 24. There being none, Chairman Gustman asked Secretary Carla Burgess Jones to do a roll call vote. Motion moved by Ms. Talbott and seconded by Mr. Goetz. Project no. 24 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 25: E-PC-TE-CD-7149 – Columbia College of Chicago

Request for the approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$55,000,000 to provide permanent financing to: (1) acquire and renovate two new buildings, (2) construct a new building, (3) renovate and equip a recently acquired building, (4) renovate and equip existing buildings, (5)

potentially refund bonds issued by a predecessor to the Authority and (6) pay certain cost of issuance. This project is expected to create 25 new jobs and 300 construction jobs over 30 months. (07-08-25).

No. 26: Resolution Delegating to the Executive Director Authority to Approve Certain Revisions to Participation Loans. (07-08-26).

Resolution delegating to the Executive Director the Authority to approve certain revisions to Participation Loans without obtaining Board Approval.

No. 28: Amendatory Resolution to Ratify the First Supplemental Trust Indenture and Approve the Execution and Delivery of a Second Supplemental Trust Indenture related to the DePaul University Series 2005B and 2005C Bonds. (07-08-28).

Resolution ratifying certain amendments with respect to \$22,275,000 aggregate principal amount of Auction Rate Revenue Refunding Bonds, DePaul University, Series 2005B, and \$35,675,000 Aggregate Principal Amount of Auction Rate Revenue Refunding Bonds, DePaul University, Series 2005C, of the Illinois Finance Authority made pursuant to a First Supplemental Trust Indenture; Authorizing and Approving the Execution and Delivery of a Second Supplemental Trust Indenture and Related Documents; Approving the Distribution of a Supplement to Reoffering Circular; and Authorizing and Approving Related Matters.

No. 29: WITHDRAWN

No. 30: Request to Release Collateral and Reduce the Amount of an Agri-Debt Guarantee for Farmers State Bank of Western Illinois to Mark and Brenda Dunn. (07-08-30).

Request to reduce an agri-debt guarantee and release collateral related to the agri-debt guarantee.

No. 31: Request to Release Collateral for a Young Farmer Guarantee for Farmers State Bank of Western Illinois to Mark and Brenda Dunn. (07-08-31).

Request to release collateral related to a young farmer guarantee.

Chairman Gustman asked if the Board had any questions with respect to Resolution nos. 26, 28, 30 and 31. There being no questions, Chairman Gustman requested leave to apply the last unanimous vote in favor of Resolution nos. 26, 28, 30 and 31. Leave was granted. Resolution nos. 26, 28, 30 and 31 were approved with 10 ayes, 0 nays, and 0 abstentions.

Chairman Gustman asked if there was any other business to come before the Board. There being no further business, Chairman Gustman requested a motion to adjourn. Upon a motion by Mr. DeNard and seconded by Mr. O'Brien, the meeting adjourned at approximately 12:30 p.m.

Respectfully Submitted,

Carla B. Burgess Jones, Secretary

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**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007**

Project: Worksaver Inc.

STATISTICS

Project Number:	A-LL-TX-7187	Amount:	\$153,050
Type:	Participation Loan	IFA Staff:	Eric Reed
Location:	Litchfield		

BOARD ACTION

Purchase of Participation Loan from First National Bank in Litchfield
\$153,050 IFA funds at risk
Staff recommends approval subject to compliance with all of the Bank's terms and conditions.

PURPOSE

Loan proceeds will be used to finance the purchase of new manufacturing equipment for the use in manufacturing small agricultural implements.

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. The Authority will participate in loans for up to 10 years at a rate of interest that is variable or fixed for up to 5 years at 100 basis points above the 3-month LIBOR. The Authority shares pro-rata in the Bank's collateral and generally in conjunction with the Bank's loan 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

There is no voting record on the project as this is the first time it is being presented to the Board for approval.

SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	\$153,050	Uses:	Equipment	\$314,900
	FNB Litchfield:	153,050		Total	<u>\$314,900</u>
	Equity	<u>8,800</u>			
	Total	<u>\$314,900</u>			

JOBS

Current employment:	73	Projected new jobs:	2
Jobs retained:	NA	Construction jobs:	0

BUSINESS SUMMARY

Background: Worksaver Inc. is a manufacturing company located in Litchfield, which began operations in 1980. The company has evolved from a small manufacturer with sales less than one million dollars annually, to a sizeable company that now produces 240 different products and multi-million dollar sales. The company is owned by Tom Burenga and Phillip Sams. Mr. Burenga is responsible for daily operations, along with company President Mike Kloster. The company currently manufactures small agricultural implements under twelve product lines, including rear box blades, rear grader blades, landscape rakes, bale unrollers, and hay spears. The company has contracts in place for some of their production with companies such as John Deere. Worksaver Inc. is a previous borrower through the IFA predecessor, IDFA. The company has been a customer of First National Bank in Litchfield for the past 5 years, while Tom Burenga has been a customer for over 20 years.

Project Rationale: With the purchase and installation of the new plasma cutting system, Worksaver Inc. will be able to cut key components in their manufacturing business. They will also be able to increase efficiency in producing these parts and reducing overall maintenance costs.

Transaction: First National Bank in Litchfield will originate a 5 year term loan in the amount of \$306,100. The note, which will be secured by a blanket lien on all equipment, will be fully amortized over 5 years with monthly P & I.

FINANCING SUMMARY

Obligor: Worksaver Inc.
Guarantors: Thomas Burenga and Phillip Sams
Collateral: Blanket Lien on all Equipment
Structure: 5 Year Term. Monthly P & I.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Worksaver Inc.
Location: 9 Worksaver Trail
Litchfield, IL 62056 County: Montgomery
Organization: Illinois Corporation
Ownership: Thomas Burenga-25% and Phillip Sams-75%

PROFESSIONAL & FINANCIAL

Lender:	First National Bank	Litchfield	Kevin Neuman
General Counsel:	Greenfelder Attorneys	Belleville	William Schmitt
Accountant:	Kerber, Eck, Braeckel	Springfield	Stephen Povse
IFA Counsel:	Dykema Gossett PLLC	Chicago	Gregory Wright
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: John Shimkus-19th State Senate: Deanna Demuzio-49th State House: Gary Hannig-98th

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007**

Project: Gerald and Genevieve Roberts

STATISTICS

Project Number:	A-LL-TX-7186	Amount:	\$55,000
Type:	Ag Loan Participation	IFA Staff:	Cory E. Mitchell
Location:	Penfield		

BOARD ACTION

Approval to purchase a 50% participation loan from The Gifford State Bank of Gifford, Illinois \$55,000 of IFA funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

Provide permanent financing for the purchase of a 9660 John Deere Combine.

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. (Rate can never be below the 3 month LIBOR plus 100 basis points) The Authority shares pro-rata in the Bank's collateral and generally advances funds at rates up to 80% of appraised fair market value for real estate, 65% of cost for new equipment and 65% of orderly appraised liquidated value for used equipment

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

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources: IFA	\$55,000	Uses: Purchase Equipment	<u>\$210,000</u>
Borrower Equity(trade allowance)	\$100,000		
The Gifford State Bank	<u>\$55,000</u>		
Total	<u>\$210,000</u>	Total	<u>\$210,000</u>

JOBS

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

BUSINESS SUMMARY

Background: Gerald and Genevieve Roberts have farmed in the Penfield area for well over 35 years. Their operation consists of approximately 1160 acres of corn and 866 acres of soybeans. They are on a 50/50 crop share basis with their son who also farms his own acreage. The majority of the corn acres is food grade and sold under contract to for Frito-Lay for corn chips.

Project Rationale: The borrowers are purchasing a new John Deere 9660 combine to harvest their corn and soybean crop. They will be trading their current debt free machine for the new machine, thus allowing for equity in the transaction. The purchase of the newer machine will allow the borrower to harvest more efficiently.

Transaction: The Gifford State Bank will originate a 5 year fixed rate and amortization for \$110,000 of which IFA will participate \$55,000.

FINANCING SUMMARY

Borrower: Gerald and Genevieve Roberts
Security: Blanket security agreement on all equipment
Structure: 5 year fixed rate with annual payments of P & I

PROJECT SUMMARY

The borrower is purchasing a John Deere 9660 combine to harvest their corn and soybean crop with. This purchase will allow the borrower to harvest more efficiently.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Gerald and Genevieve Roberts
Location: 3342 CR 2700 E
Penfield, IL 61862
State: Illinois
Ownership: Sole Proprietorship

PROFESSIONAL & FINANCIAL

Accountant: East Central FBFM, 900 S. Washington, Suite 7B, Tuscola, IL 61953
Attorney: N/A
Bank: The Gifford State Bank, Andy Buhr, Agri-Business Development

LEGISLATIVE DISTRICTS

Congressional: 15th, Timothy V. Johnson
State Senate: 52nd Michael W. Frerichs
State House: 104th William B. Black

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007**

Project: Michael L. and Shari D. Flannigan

STATISTICS

Project Number:	A-YF-GT-6248	Amount:	\$191,250
Type:	Young Farmer Guarantee	IFA Staff:	Eric Reed
Location:	Mt. Vernon	SIC Code:	Grain Farming

BOARD ACTION

Approval to initiate an 85% loan guarantee in favor of Peoples National Bank in Mt. Vernon
\$191,250 of State Treasurer's Agricultural Reserve Risk funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

Loan proceeds for the proposed loan will be used to provide permanent financing for the purchase of 105 acres of farm land.

IFA PROGRAM AND CONTRIBUTION

The Authority's Agriculture Guarantee Program guarantees up to 85% of a bank's loans to Illinois farmers and agribusiness owners. The Young Farmer Guarantee Program is available to enhance credit availability for young farmers to purchase capital assets. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are backed by an IFA reserve funded for this program and are also full faith and credit obligations of the State of Illinois.

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

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Guarantee	\$191,250	Uses:	Purchase Land	<u>\$273,000</u>
	Peoples National Bank	\$33,750			
	Borrower Equity	<u>\$48,000</u>			
	Total	<u>\$273,000</u>		Total	<u>\$273,000</u>

JOBS

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

BUSINESS SUMMARY

Background: Michael and Shari Flanigan currently help Michael's father farm 1,200 acres of corn and soybeans in Jefferson County. The Flanigans rent 100 acres, which they farm using his father's equipment. In addition to their grain farming operation, the borrowers also manage a 20 sow swine herd and a

small cow/calf herd. Both Michael and Shari are employed full time at the Walgreen's Distribution Center in Mt. Vernon.

Project Rationale: While Michael's father Cliff owns an established farming operation, he is nearing retirement age, at which time Michael will assume the farming operations. The Flanigans would like to start purchasing land of their own in order to expand the operation without requiring Cliff Flanigan to incur further debt at this stage of his career.

Transaction: The Flanigans purchased 105 acres of farmland in Jefferson County in late 2006. Peoples National Bank failed to complete an application for a Beginning Farmer loan through IFA or USDA, prior to the borrower taking title to the property. As a result, the borrowers were then ineligible for either program. Then bank now wishes to obtain a guarantee, which will allow them to make interest rate concessions to the borrower. The \$225,000 loan will be secured by a mortgage on 105 acres and amortized over 30 years with annual P & I.

FINANCING SUMMARY

Borrower: Michael L. and Shari D. Flanigan
Security: 1st Real Estate mortgage on 105 acres
Structure: 30 year amortization with annual P & I.

PROJECT SUMMARY

Loan proceeds will be used to finance the purchase of 105 acres of farmland in Jefferson County. IFA will provide an 85% loan guarantee, which will provide credit enhancement for the project.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Michael L. and Shari D. Flanigan
Location: 9889 E. Option Road County: Jefferson
Mt. Vernon, IL 62864
Organization: Sole-Proprietorship
State: Illinois
Ownership: Michael L. and Shari D. Flanigan

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Eric Reed & Cory Mitchell/lk
Date: September 11, 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-7189
Funding Manager: Eric Reed
Borrower(s): Bailey, Alan
Town: Virden, IL
Amount: \$105,000
Use of Funds: Farmland – 40 acres
Purchase Price: \$210,000 / (\$5,250 per ac)
%Borrower Equity: 0%
%Other Agency: 50%
%IFA: 50%
County: Sangamon
Lender/Bond Purchaser: First National Bank of Pawnee / Dean Stottler
Legislative Districts: Congressional: 17th, Phil Hare
State Senate: 49th, Deanna Demuzio
State House: 98th, Gary Hannig

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

***Alan Bailey:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.75% fixed for the first 5 years and adjust every 5 years thereafter to 2.5% under prime as quoted in the Wall Street Journal. A ceiling of 8.0% and a floor of 4% will be in place. **Fee: \$1,575**

Project Number: A-FB-TE-CD-7190
Funding Manager: Eric Reed
Borrower(s): Manning, Steven and Emily
Town: Wayne City, IL
Amount: \$55,000
Use of Funds: Farmland – 40 acres
Purchase Price: \$110,000 / (\$2,750 per ac)
%Borrower Equity: 0%
%Other Agency: 50%
%IFA: 50%
County: Jefferson
Lender/Bond Purchaser: Peoples National Bank / Ken Hayes
Legislative Districts: Congressional: 19th, John Shimkus
State Senate: 54th, John O Jones
State House: 108th, David Reis

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

***Steven & Emily Manning:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 7.25% fixed for the first year and adjust annually thereafter at a rate of .875% of National Prime on the anniversary date of the loan closing. Lender will charge .50 points. **Fee: \$825**

Project Number: A-FB-TE-CD-7191
Funding Manager: Eric Reed
Borrower(s): Bertolino, Adam T.
Town: Witt, IL
Amount: \$250,000
Use of Funds: Farmland – 84.5 acres
Purchase Price: \$250,000 / (\$2,959 per ac)
%Borrower Equity: 0%
%Other Agency: 0%
%IFA: 100%
County: Christian
Lender/Bond Purchaser: Peoples Bank & Trust / Nick Epley
Legislative Districts: Congressional: 17th, Phil Hare
State Senate: 49th, Deanna Demuzio
State House: 98th, Gary Hannig

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

***Adam Bertolino:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 6.50% fixed for the first 5 years and adjust every 5 years thereafter to the Wall Street Journal Prime. After 5 years rate will adjust to 1.00% below prime with 6% floor and 18% ceiling. **Fee: \$3,750**

Project Number: A-FB-TE-CD-7192
Funding Manager: Eric Reed
Borrower(s): Laue, Jonathon
Town: Beecher City, IL
Amount: \$65,000
Use of Funds: Farmland – 26 acres
Purchase Price: \$111,972 / (\$4,307 per ac)
%Borrower Equity: 42%
%Other Agency: 0%
%IFA: 58%
County: Effingham
Lender/Bond Purchaser: First State Bank of Beecher City / Thomas Pals
Legislative Districts: Congressional: 19th, John Shimkus
State Senate: 55th, Dale Righter
State House: 109th, Roger Eddy

Principal and interest shall be paid annually in equal installments determined pursuant to a Twenty year amortization schedule, with the first principal and interest payment due in April 2009 with the twentieth and final payment of all outstanding balances due twenty years from the first payment in April 2009.

***Jonathon Laue:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 6.25% fixed for the first 3 year and adjust every 3rd year thereafter at a rate of 2% below the Wall Street Journal Prime. Lender will charge .50 points. **Fee: \$975**

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007**

Project: Fairview Obligated Group

(Note: See descriptions of "Borrower", "Corporation" and "Obligated Group" under BUSINESS SUMMARY below.)

STATISTICS

Project Number:	H-HO-TE-CD-7193	Amount:	\$60,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pam Lenane and Dana Sodikoff
Locations:	Downers Grove, Rockford		

BOARD ACTION

Preliminary Bond Resolution	No extraordinary conditions
Conduit 501(c)(3) Bonds	Staff recommends approval
No IFA funds at risk	Requesting a waiver of IFA Policy regarding the sale of unrated and unenhanced debt, to be based on an analysis/forecast prepared by LarsonAllen LLP. The final analysis/forecast will be completed prior to the Final Bond Resolution.

PURPOSE

Bond proceeds will be used to: (i) current and advance refund approximately \$45.2 million of Series 2004 Bonds issued through a predecessor to the Illinois Finance Authority for the benefit of the Fairview Obligated Group ("FOG"); (ii) fund approximately \$6 million of new money projects at the Downers Grove campus; (iii) fund one or more Debt Service Reserve Funds; and (iv) fund financing 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 paid to bondholders and thereby reducing the borrower's interest expense. 501(c)(3) bond issues do not require Volume Cap.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

<u>Sources:</u>		<u>Uses:</u>	
IFA Bonds	\$54,165,000	Refunding of 2004 Bonds	\$45,708,732
Series 2004 Trustee-Held Funds	1,612,613	New Money Projects	6,000,000
		Debt Service Reserve Fund	2,617,525
		Costs of Issuance	1,451,356*
Total	<u>\$55,777,613</u>	Total	<u>\$55,777,613</u>

*Note – the Series 2007 Bonds will consist of both tax-exempt and taxable bonds. If the total cost of issuance exceeds 2.0% of the tax-exempt par amount, taxable bond proceeds will be used to pay such issuance costs.

JOBS

Current employment:	285 FTE's	Projected new jobs:	0
Jobs retained:	285 FTE's	Construction jobs**:	0

**Note: An insignificant number of construction jobs are expected to be created on a temporary basis as a result of the various new money projects at the Downers Grove campus. These projects are relatively small and will have various construction periods. If advantageous to the Borrower, a portion of the new money amount shown above may be used to reimburse the Borrower for prior capital expenditures (and therefore such funds would not create any future construction jobs).

BUSINESS SUMMARY

Background/Description: The Borrower for this financing will be Fairview Ministries, Inc. (the "Corporation" and the "Borrower"). However, Fairview Obligated Group ("FOG") will be responsible for the debt. FOG consists of the following entities:

- o Fairview Ministries, Inc.,
- o Fairview Baptist Home (the "Home"),
- o Fairview Village (the "Village"), and
- o Fairview Residence of Rockford ("FRR")

All of these entities are Illinois not-for-profit corporations organized under Section 501(c)(3) of the Internal Revenue Code. Fairview Ministries, Inc. is the sole corporate member of the Home, the Village, FRR and certain other affiliated corporations that are outside the Fairview Obligated Group.

Together, the Home and the Village are known as Fairview Village, a continuing care retirement community ("CCRC") located in Downers Grove, Illinois, approximately twenty-five miles west of downtown Chicago. The Village consists of approximately 218 independent living apartments, 56 town/garden homes, 142 skilled nursing beds and 56 assisted living beds. The Home was founded in 1902 as the Fridhem Home of Rest in the Morgan Park neighborhood of Chicago and moved to its current location in 1942. Additional phases were developed in the 1990's.

FRR is a 54,000 square-foot residential building with 73 assisted-living units, which opened in the autumn of 1999. The campus is designed to accommodate the physical, spiritual, emotional, recreational and other similar needs of aged persons in a Christian setting. FRR is located on a 3.2-acre campus in Rockford, Illinois, approximately 80 miles northwest of the Fairview Village campus.

FOG supports the charitable, educational, religious and other activities of its controlled affiliates, none of whom are part of the FOG or responsible for the Series 2007 Bonds. These affiliates include Fairview Foundation, Fairview Elder Enterprises, NFP, Fairview Management & Development Services, Inc. and Fairview Ministries NorthWest.

Fairview Ministries is responsible for providing management and oversight to the members of FOG and its affiliates. Fairview Ministries' additional responsibilities with respect to FOG relate to development/expansion plans, strategic planning, budgeting and financial reporting, personnel decisions, board of directors activities, capital planning, and other matters.

FOG is endorsed by the Baptist General Conference, an international denomination with 913 member churches in the United States.

Service Area: Both Fairview Village and FRR draw the majority of their residents from the primary market areas in which they reside. The primary market areas generally consist of the Chicago suburbs to the west, northwest and southwest of Chicago.

Existing Bonds: The existing bonds for FOG are listed below (actual par amounts currently outstanding are listed).

\$45,210,000

Illinois Finance Authority
Revenue Refunding Bonds
(Fairview Obligated Group)
Consisting of:

\$10,295,000

Series 2004A Fixed Rate Bonds

\$4,290,000

Series 2004B-1 Extendable Rate Adjustable Securities (EXTRAS)

\$4,250,000

Series 2004B-2 Extendable Rate Adjustable Securities (EXTRAS)

\$25,275,000

Series 2004C Variable Rate Demand Bonds

\$1,100,000

Series 2004D Taxable Variable Rate Demand Bonds

PROJECT SUMMARY

The proceeds of the proposed Series 2007 financing will primarily be used to refinance FOG's existing Series 2004 Debt, which makes up the majority of FOG's long-term capital structure. The refinancing will allow FOG to restructure its debt portfolio in the following ways:

- 1.) The final maturity date will be extended to 8/15/2042 (from 8/15/2034).
- 2.) Principal payments on the Series 2007 Bonds will be deferred until 8/15/2014. This will allow FOG to be in an interest-only mode for the first five years following the bond issuance. Under the existing Series 2004 financing, principal is being paid each year on a level debt service basis.
- 3.) FOG will reduce the amount of Variable Rate Demand Bonds ("VRDBs") by approximately \$6.4 million, to \$20 million. In connection with this reduction, the number of participant banks will be reduced to two rather than three (including the lead bank). The terms of the Letter of Credit, including pricing and covenants, will be renegotiated.
- 4.) To the extent interest rates return to the relatively low levels experienced in the first half of 2007, net present value savings on the refunding will be realized (to be determined prior to the Final Bond Resolution).

Series 2007 Bond proceeds will also be used for \$6 million of new money. While still under review with various parties, it is intended that the new money will be used for two purposes: to fund various future capital projects at the Downers Grove campus and to reimburse FOG for the prior expenditure of funds on eligible capital projects at the Downers Grove campus. At the present time, the new money has not been assigned to particular capital projects. Borrowing funds for new money purposes will enhance FOG's liquidity position and put it in a better position to grow in the future either within or outside of the obligated group.

FINANCING SUMMARY

Security/Collateral: The Series 2007 Bonds will be issued under a Master Trust Indenture. The Corporation will issue direct note obligations for each series of debt. Each member of the obligated group will be jointly and severally obligated on all obligations issued pursuant to the Master Indenture. A mortgage will be granted. The VRDBs will be further secured by a Direct-Pay Letter of

Credit from LaSalle Bank. Covenants and other legal provisions will be similar to those in use for comparable senior living borrowers (and similar to those contained in FOG's Series 2004 financing).

- Structure: The Series 2007 Bonds are expected to consist of tax-exempt fixed rate bonds, tax-exempt VRDBs and taxable VRDBs. Each series will be amortized on a pro-rata basis during 2014 through 2042. The taxable bonds are estimated to be approximately \$5.4 million, equal to the amount needed to comply with various IRS-related constraints. Depending on market conditions at the time of pricing, it may be beneficial for the Borrower to add a series of EXTRAS to the structure. This decision will be made prior to the Final Bond Resolution.
- Maturity: 35 years (8/15/2042)
- Credit Rating(s): The fixed rate bonds will not be rated. The Variable Rate Demand Bonds will carry the rating of LaSalle Bank, which is currently Moody's Aa3/P-1, S&P A+/A-1 and Fitch AA-/F1+.
- Waiver: The bonds will be sold in denominations less than \$100,000 (i.e. \$5,000). The Borrower has requested a waiver of our unrated and non-credit enhanced debt policy. They expect to meet the conditions for a waiver.
- Conditions for Waiver: The Borrower expects to secure a feasibility study** from an independent and qualified accounting or consulting firm acceptable to the Authority demonstrating the financial viability of the project

**The Borrower has engaged LarsonAllen LLP to prepare a limited use financial forecast to show the impact of the Series 2007 financing. While this forecast will not be published in the official statement, it is assumed that the format and content of the report will be acceptable to the IFA. The IFA will have ample opportunities to review draft reports and the final report before a Final Resolution is requested.

ECONOMIC DISCLOSURE STATEMENT

- Project name: Fairview Obligated Group
Locations: Downers Grove, Rockford
Applicant: Fairview Obligated Group
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois
Board of Trustees: *Fairview Ministries, Inc.*, Board of Directors
Rodney C. Dahlin, Chairperson
Bruce V. Erickson, Vice Chairperson
Carol Schaub, Secretary
James T. Whitman, Treasurer
Robert Carlson
James G. Erickson
Timothy S. Hultgren
Warren N. Jensen
Robert L. Smyth
Richard S. Walker
Douglas Walton
John Westra

Fairview Baptist Home, Board of Directors
Richard S. Walker, Chairperson
Timothy S. Hultgren, Vice-Chairperson
Warren N. Jensen
Donald E. Zimmerman

Fairview Village, Board of Directors

Warren N. Jensen, Chairperson
Timothy S. Hultgren, Secretary/Treasurer
Richard S. Walker
Donald E. Zimmerman

Fairview Residence of Rockford, Board of Directors
John Westra, Chairperson
Richard S. Walker, Vice-Chairperson
Bruce V. Erickson, Secretary/Treasurer
Mila G. Carlson
Robert Carlson
Carol E. Middleton
David Schleicher

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Katten Muchin Rosenman	Chicago	Elizabeth Weber
Bond Counsel:	Jones Day	Chicago	John Bibby
			Mary Kimura
Underwriter:	Ziegler Capital Markets	Chicago	Dan Hermann
			Steve Johnson
			Jennifer Lavelle
Underwriter's Counsel:	Ungaretti & Harris	Chicago	Julie Seymour
Letter of Credit Bank:	LaSalle Bank	Chicago	Jody Staszsky
			Feena Ward
LOC Bank Counsel:	Sonnenschein, Nath & Rosenthal	Chicago	Steve Kite
Bond Trustee:	Wells Fargo	Chicago	Katie Ashton
			Patricia Martirano
			Christopher Duncan
Accountant:	Wolf & Company LLP	Oak Brook, IL	Norbert Misiora
			Keith Friedlein
Issuer's Counsel:	Peck Schaffer	Chicago	George Buzard
Feasibility Consultant:	LarsonAllen	Atlanta	Ron Tinsley

LEGISLATIVE DISTRICTS

Congressional:	13- Judy Biggert 16- Donald A. Manzullo
State Senate:	24- Kirk W. Dillard 35- J. Bradley Burzynski
State House:	47- Patricia R. "Patti" Bellock 69- Ronald A. Wait

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007**

Project: The Admiral At The Lake

STATISTICS

Number:	H-HO-TE-CD-7182	Amount:	\$175,000,000
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Locations:	Chicago		

BOARD ACTION

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

PURPOSE

Proceeds will be used to (i) construct and equip a new Continuing Care Retirement Community, (ii) finance a bank loan that was used to finance pre-development costs, (iii) fund a Debt Service Reserve Fund, (iv) capitalize interest, and (v) fund professional and 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 paid to bondholders thereby reducing the borrower's interest rate.

VOTING RECORD

Preliminary Bond Resolution; no prior vote.

SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	\$175,000,000	Project Costs	\$142,000,000
Equity*	<u>16,735,000</u>	Capitalized interest	15,000,000
		Debt Service Reserve Fund	12,000,000
		Legal and professional costs*	<u>6,000,000</u>
Total	<u>\$191,735,000</u>	Total	<u>\$191,735,000</u>

* Equity consists of \$6,500,000 cash on hand and \$10,235,000 resident deposits.

JOBS

Current employment:	4	Projected new jobs:	To come
Jobs retained:	N/A	Construction jobs:	200 (22 months)

BUSINESS SUMMARY

Background: The Admiral (the “Admiral”, the “Applicant”) was founded in 1858 as The Home for the Aged and Indigent Females to care for Chicago’s homeless elderly women. When founded, it was the first and only institution in Chicago dedicated to the care of the elderly. In 1874, the Applicant revised its charter, changed its name to The Old People’s Home of the City of Chicago and became a non-sectarian institution for both women and men of all faiths and nationalities. In 1960, the Applicant moved to its current location at Foster Avenue and Marine Drive on Chicago’s north lakefront. The Admiral’s current facility, which is in the process of being demolished had 78 independent living apartments, 40 assisted living apartments, and 50 intermediate nursing beds.

In recent years, The Admiral has experienced increasing challenges with occupancy, which has fluctuated between 75.0% and 82.0%, with a peak of 82.0%. Though recently updated and well maintained, the aging physical plant no longer offered the larger apartments and amenities that today’s independent seniors want. Additionally, The Admiral has experienced increased pressure on financial performance as a result of operational inefficiencies due to its small scale. The Admiral has been dependent upon an annual draw from its endowment fund and cash reserves to cover operating deficits and fund capital improvements. The Admiral is governed by an 8-member Board, and the parent organization, The Old Peoples Home of the City of Chicago, is governed by a 16-member Board. Lists of Board members for each entity are attached to this report for IFA Board review.

In 2004, the Admiral’s Board developed and approved a Redevelopment Plan (the “Plan”) which outlined strategies to develop The Admiral into a financially viable facility for the next 50 years. Their Board selected Greystone Communities, Inc. (“Greystone”) as the developer of the new facility on the current facility site. Greystone is a recognized leader in developing senior living facilities and communities.

The management of The Admiral engaged in a resident relocation process during early 2007 by which it identified host facilities to house and provide services o all of its existing residents. A transition team was established and a methodology was developed to strategically move residents to their new host facilities, and begin to shut down the operations of The Admiral.

As of July 1, 2007, all of the residents of The Admiral have been relocated to host facilities and all employees were offered severance packages. Adjustment began on the existing independent and assisted living residents in May, 2007. Demolition of the existing facility began in August, 2007, and is expected to be completed in December, 2007. The former facility offered 79 independent living apartments, 40 assisted living apartments, and 50 intermediate care nursing beds.

The Project: The new Admiral will consist of 200 one, two, and three bedroom independent living apartments, including 12 garden town home apartments, 39assisted living units, and 17 memory support assisted living units, and 36 nursing beds. There will be a parking garage containing space for approximately 290 vehicles. As of June, 2007, 57 of the 121 independent living units had been reserved by applicants each making a reservation deposit equal to 10.0% of the required entrance fee. An additional 13 living units have been reserved for previous residents of The Admiral now at host facilities.

Independent living apartments are planned to range in size from 750 sq. ft. to 1,550 sq. ft. Independent garden town home apartments are planned to range from 1,025 sq. ft. to 1,350 sq. ft. Common areas are planned to include:

- Large club room
- Dining room offering three meals daily

- Café/bistro
- Private dining room for special occasions
- Library/Resource Center
- Salon/barber shop
- Creative arts center
- Wellness center
- Fitness center, and a
- Swimming pool.

It is anticipated that project construction will begin in January, 2008, and be completed by February, 2010. Initial occupancy for independent living units is planned to begin in December, 2009.

Admission to The Admiral generally will be open to persons at least 62 years of age who are able to live independently, and have assets and income that are sufficient to meet ordinary and customary living expenses after assuming occupancy.

Healthcare and other licensure: The Admiral is currently licensed as a life-care continuing care retirement community. Once the project is completed, The Admiral anticipates that it will obtain licensure as an assisted living facility under the Assisted Living and Shared Housing Act. The Admiral will be required to obtain licensure of the assisted living units from the Department of Health upon completion of construction. The Admiral currently holds a Life Care Facilities permit, and will apply for an amendment to its permit after issuance of the bonds. The application for the Certificate of Need ("CON") was submitted to the Illinois Health Facilities Planning Board in May, 2007, and was deemed complete as of June 1, 2007. Approval of the CON is anticipated to be received at the Planning Board's October, 2007 meeting.

Remarks: Tax exempt financing provides the lowest cost of funds, allowing the Fund to maximize the opportunities it can bring to the community. The redevelopment of the new Admiral with its proximity to restaurants, shops and parks in Chicago's Uptown neighborhood will restore the community and will redefine senior housing on the north side of Chicago.

FINANCING SUMMARY

Security: Either (a) gross revenue pledge and a first mortgage on the financed property, or (b) a Direct Pay Letter of Credit from a highly rated bank.

Structure: Option 1: Approximately \$90,100,000 Fixed rate Bonds,
Approximately \$84,000,000 Variable Rater Bonds
Option 2: Approximately \$175,000,000 Variable Rate Bonds
The variable rate debt will be initially in a weekly mode and secured by a letter of credit form a highly rated bank. The Fixed Rate Bonds will be non-rated, and would be issued in accordance with IFA policies and procedures.

Maturity: 30 years

Note: The proposed financing will close after The Admiral has received a minimum of 65.0% of the required deposits from independent living unit residents. It is expected that the percentage will be achieved by mid-November, 2007.

PROJECT SUMMARY

The Fund intends to use the net proceeds of the Authority loan to provide funds to (i) construct and equip a continuing care retirement community facility having 200 one, two, and three bedroom independent living apartments, including 12 garden town home apartments; 39 assisted living units, 17 memory support assisted living units, 36 nursing beds; common areas, and a parking garage containing space for 290 cars to be located on a 2.5 acre site at 909 West Foster Avenue, Chicago, Cook County, Illinois, (ii) finance a bank loan that was used to finance

pre-development costs, (iii) capitalize interest, (iv) fund a debt service reserve fund, and (v) fund professional and bond issuance costs.

Project Costs: \$142,000,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Admiral At The Lake
Project: New Facility Project
Locations: 99 West Foster Avenue, Chicago, Cook County, IL
Contact Person: Peter Ruff, Administrator, 630-653-0006
Organization: 501(c)(3) Corporation
State: Illinois
Board of Trustees:

**THE ADMIRAL AT THE LAKE
BOARD OF TRUSTEES**

<u>NAME</u>	<u>AFFILIATION</u>
Glenn Brichacek	President and CEO, The Admiral at the Lake
John A. Bross	Retired Trust Officer
Charles F. Clarke III	Principal, Kinzie Realty Corporation
Clark Fetridge	President, Ravenswood Corporation
Andrea Hasten	Senior Vice President, The Northern Trust Company
Carol Stitzer	Development Officer, Lyric Opera of Chicago
David Tolliver	Managing Director, Daniels & Associates
Michael Traynor	Self-employed Business Advisor

THE OLD PEOPLE'S HOME OF THE CITY OF CHICAGO
BOARD OF TRUSTEES

<u>NAME</u>	<u>AFFILIATION</u>
Henry B. Betts, M.D.	Physician
Glenn Brichacek	President and CEO, The Admiral at the Lake
John A. Bross	Retired Trust Officer
Robert F. Carr III	Retired Chairman and CEO, Fiduciary Management Associates
Charles F. Clarke III	Principal, Kinzie Realty Corporation
Cyndy A. Crider	Vice President, North Shore Community Bank
Clark Fetridge	President, Ravenswood Corporation
Lester E. Fisher	Retired, Lincoln Park Zoo
Frances R. Grossman	Executive Vice President, Shore Bank Corporation
Andrea Hasten	Senior Vice President, The Northern Trust Company
Ross H. Jannotta	Investment Manager, William Blair & Company
Carol A. Stitzer	Development Officer, Lyric Opera of Chicago
David Tolliver	Managing Director, Daniels & Associates
Michael Traynor	Self-employed Business Advisor
Edward R. Weed	Retired
James Paul Wilkin	Retired, Dettmers Company

PROFESSIONAL & FINANCIAL

Counsel:	Quarles & Brady	Chicago	Thomas Chomicz
Accountant:	Crowe Chizek & Company LLC	Chicago	
Bond Counsel:	TBD		
Underwriter:	William Blair & Company	Chicago	Thomas Lanctot
Placement Agent:			
Underwriter's Counsel:	TBD		
LOC Bank Counsel:	TBD		
Issuer's Counsel:	Greene & Letts	Chicago	Allen P. Walker
Trustee:	TBD		
IFA Financial Advisors:	Scott Balice Strategies, Inc.	Chicago	Lois Scott
	D. A. Davidson & Co.	Chicago	Bill Morris

LEGISLATIVE DISTRICTS

Congressional: 9th Janice Schakowsky
State Senate: 7th Karen Yarbrough
State House: 13th Kwame Raoul

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007**

Project: Holy Cross Hospital

STATISTICS

Project Number:	H-HO-TE-CD-7176	Amount:	\$16,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pam Lenane and Dana Sodikoff
Locations:	Chicago, IL		

BOARD ACTION

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

PURPOSE

Bond proceeds will be used to: (i) refinance existing Illinois Health Facilities Authority debt through a current refunding of the Series 1994 Holy Cross Hospital bond issue for cost savings; (ii) pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$16,000,000	Uses	Current Refunding	\$19,845,613
	Existing DSRF	2,022,387		Cost of Issuance(es)	542,500
	Equity Contribution	2,790,725		Debt Svc Reserve Fund	750,000
	Existing DSF	325,000			
	Total	<u>\$21,138,113</u>		Total	<u>\$21,138,113</u>

*Note –If the total cost of issuance exceeds 2.0% of the tax-exempt par amount, part of the equity contribution will be used to pay such issuance costs.

JOBS

Current employment:	FTE's 815.5	Projected new jobs:	0
Jobs retained:	FTE's 815.5	Construction jobs:	0

BUSINESS SUMMARY

Background/Description: Holy Cross Hospital is a 305 licensed bed “safety-net” general acute care healthcare institution sponsored by the Sisters of St. Casimir of Chicago Illinois and is an Illinois Not for Profit Corporation. The original 90 bed facility was built in 1928. Major expansions to the facilities occurred in 1937, 1960-62 and 1990. The Hospital provides inpatient, outpatient, and emergency care services to residents of Metropolitan Chicago.

Service Area: Holy Cross Hospital serves a diverse community of seven (7) Chicago neighborhoods; Chicago Lawn, West Englewood, Gage Park, Stockyards, Auburn Park, Englewood, and Garfield Ridge. The location at 2701 West 68th Street is unique, not only residing directly across from Marquette Park, but centrally located within these seven (7) neighborhoods at the intersection of Marquette Road (67th Street) and California Avenue. It is also just five (5) miles from Midway Airport and conveniently located to the surrounding businesses, including Nabisco Foods.

The Hospital continues to make significant progress on improving operational efficiency, achieving positive operating margins, and rebuilding the balance sheet while continuing to provide high quality Inpatient and Outpatient care to the 440,000 residents in the primary service area.

Existing Bonds: The \$19,800,000 existing debt consists of \$5,600,000 6.70% due 3/1/2014 and \$14,200,000 6.75% due 3/1/2024. The average remaining interest cost is 6.745%

PROJECT SUMMARY

Holy Cross Hospital borrowed \$24,000,000 through a 1994 Illinois Health Facilities Authority bond issue with a maximum coupon of 6.75% due in 2024. Currently \$19,800,000 of the bonds remain outstanding at an average interest cost of 6.745%. With the support of Lakeside Bank, Chicago the hospital has procured a Direct Pay Letter of Credit from LaSalle Bank, N.A. to serve as credit and liquidity for a \$16 million tax exempt variable rate demand bond issue. Calculated at historic variable rates, refinancing the existing high cost debt with variable rate will produce present value savings of approximately \$2,350,000 or 11.8% of the refunded debt (The savings calculation was made using a variable rate of 3.65% and a LOC fee of 95bps. The savings were calculated at PV of 4.85%, the expected arbitrage yield. The 3.65% rate compares with the BMA average for the following time frames: 5 years- 2.16%, 10 years 2.71%, 18 years (inception) 3.18%).

FINANCING SUMMARY

Security/Collateral: The bonds will be secured by a Direct Pay Letter of Credit from LaSalle Bank N.A. LaSalle Bank N.A. is rated long-term Aa3/A+ (Moody’s/S&P) and short-term P-1/A-1 (Moody’s/S&P).

Structure: Weekly Variable Rate Demand Bonds

Maturity: 2024

Credit Rating(s): The Series 2007 Bonds will carry the rating of LaSalle Bank N.A., rated long-term Aa3/A+ (Moody’s/S&P) and short-term P-1/A-1 (Moody’s/S&P).

ECONOMIC DISCLOSURE STATEMENT

Project name: Holy Cross Hospital
Locations: 2701 West 68th Street, Chicago, IL 60629
Applicant: Holy Cross Hospital
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois
Board of Trustees: John R. Ball, MD, JD, MACP
Howard Berman (Board Member)
Ramon Cepeda (Board Member)
Nicholas DiFilippo, D.O., (Board Member)
Sr. Regina Marie Dubickas, *Secretary*

Board of Trustees, cont.

Barbara Fahey, *Board Chairperson*
Edwin Hlavka (Board Member)
Diane Howard (Board Member)
Sr. Elaine Kuizinas (Board Member)
Wayne Lerner, D.P.H., F.A.C.H.E. (Board Member)
Larry Margolis (Board Member)
Dan Marquez, *Vice Chairperson*
Sr. Margaret Petcavage (Board Member)
Linus Sidrys, M.D. (Board Member)
Nancy Streitmatter, MD (Board Member)
Sivaramaprasad Tummala, M.D. (Board Member)
Sister M Immacula Wendt (Board Member)
Sr. Margaret Zalot (Board Member)

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Chuhak & Tecson	Chicago
Bond Counsel:	Chapman & Cutler	Chicago
Underwriter:	Cain Brothers	Chicago
Underwriter's Counsel:	Seyfarth Shaw, LLP	Chicago
Bond Trustee:	TBD	Chicago
Accountant:	McGladrey & Pullen	Chicago
Issuer's Counsel:	Perkins Coie	Chicago

LEGISLATIVE DISTRICTS

Congressional: 1- Bobby L. Rush
State Senate: 16- Jacqueline "Jacqui" Y. Collins
State House: 32- Milton "Milt" Patterson (Mary Flowers)

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007**

Project: Advocate Health Care Network

STATISTICS

Project Number:	H-HO-TE-CD-7160	Amount:	\$520,000,000 (Not to exceed amount)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane and Dana Sodikoff
Locations:	Multiple		

BOARD ACTION

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

Bond proceeds together with other available funds will be used to 1) fund new projects and reimburse Advocate Health Care Network for certain previous expenditures 2) refinance certain existing outstanding bonds issued by the Illinois Health Facilities Authority, a predecessor of the Illinois Finance Authority and the Illinois Finance Authority, and 3) pay costs of issuance

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on August 7, 2007 by the following vote:

Ayes: 10 Nays: 0 Abstentions: 0 Absent: 4 Vacancies: 1

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$505,000,000	Uses:	Escrow Deposit:	\$310,000,000
	Other funds	\$10,000,000		Project Fund Deposit:	198,000,000
				Bond Insurance:	3,000,000
				Costs of Issuance:	4,000,000
	Total	<u>\$515,000,000</u>		Total	<u>\$515,000,000</u>

JOBS

Current employment:	20,500 FTE's	Projected new jobs:	75
Jobs retained:	20,500 FTE's	Estimated construction jobs:	900

BUSINESS SUMMARY

Background/Description: Advocate Health Care Network, a not for profit corporation (“Advocate Network Corporation”) is the sole member of the not for profit Advocate Health and Hospitals Corporation (“Hospitals Corporation”). Advocate Network Corporation and the Hospitals Corporation are, in turn, the sole members of various not-for-profit corporations or the shareholders of various business corporations, the primary activities of which are the delivery of health care services or the provision of goods and services ancillary thereto. Such controlled corporations along with Advocate Network Corporation and the Hospitals Corporation constitute the Advocate Health Care System (the “System”). The System was created in January 1995 through the consolidation of two health systems, Evangelical Health System (the “Evangelical System”) and Lutheran General Health System (the “Lutheran System”). As the parent of the System, Advocate Network Corporation currently has no material operations or activities of its own, apart from its ability to control subsidiaries.

As a faith-based health care organization, sponsored by the United Church of Christ and Evangelical Lutheran Church in America, the mission, values and philosophy of the System form the foundation for its strategic priorities. The System’s mission is to serve the health care needs of individuals, families and communities through a wholistic philosophy rooted in the fundamental understanding of human beings as created in the image of God.

The System provides a continuum of care through its seven short term acute care hospitals with two integrated children’s hospitals and a specialty long term acute care hospital, with approximately 3,500 licensed beds, primary and specialty physician services, outpatient centers, physician office buildings, home health and hospice care throughout the metropolitan Chicago area. Through a long-term academic and teaching affiliation with the University of Illinois at Chicago Health Sciences Center, Advocate trains more resident physicians than any non-university teaching hospital in Illinois. In addition to owning and operating hospitals and other health care facilities, Advocate is affiliated with several large physician groups.

Service Area: Advocate Health Care Network has facilities in the following locations in Illinois: Chicago (Advocate Bethany Hospital), (Advocate Illinois Masonic Medical Center), (Advocate Trinity Hospital); Oak Lawn (Advocate Christ Medical Center and Advocate Hope Children’s Hospital); Downers Grove (Advocate Good Samaritan Hospital); Barrington (Advocate Good Shepherd Hospital); Park Ridge (Advocate Lutheran General Hospital and Children’s Hospital) and Hazel Crest (Advocate South Suburban Hospital, Hazel Crest)

Existing Bonds: Illinois Health Facilities Authority Series: 1993C, 1997A, 1997B, 1998A, 1998B, 2000, 2003A, 2003B, 2003C, Illinois Finance Authority Series 2005A-1, 2005A-2, 2005B-1, 2005B-2, 2005B-3.

PROJECT SUMMARY

The transaction consists of issuing approximately \$505 million of bond proceeds, which together with other available funds will finance approximately \$200 million of new money capital needs and redeem approximately \$306 million of existing debt. This planned financing is designed to provide additional resources to help fund construction projects, including but not limited to, the Lutheran General Hospital bed tower project, the Illinois Masonic Medical Center emergency department renovation, the Trinity Hospital cardiac catheterization lab renovation. **This financing is also being done to restructure certain of Advocate’s existing debt to create a new, lower average annual debt service by extending the average life of Advocate’s bonds from the current average of nine years to a projected nineteen years.**

FINANCING SUMMARY

Security/Collateral: General, unsecured obligations of the Members of the Obligated Group and any future Members of the Obligated Group. All Bonds will be insured by Ambac, a “AAA” rated municipal bond insurer, and regularly scheduled principal and interest will be secured by Ambac.

Structure: The financing will consist of all Ambac insured auction rate securities; all or a portion of which will be swapped to fixed to achieve a synthetic fixed rate structure (depending on market conditions at the time of the swap).

Maturity: Between 2038 and 2040 depending on final useful life determination

Credit Rating(s): All Series 2007 Bonds will be rated based upon the use of credit enhancement from Ambac, a "AAA" rated municipal bond insurer. Also, Advocate Health Care currently maintains long term ratings with all three rating agencies. Current long term ratings are as follows: Aa3/AA/AA- (Moody's/Standard and Poor's/Fitch). In connection with the Series 2003A, B and C bond issues the System obtained short-term credit ratings from each of the three rating agencies. S&P, Moody's and Fitch have assigned short-term credit ratings of "A-1+", "VMIG 1", and "F1+", respectively.

ECONOMIC DISCLOSURE STATEMENT

Project name: Advocate Health Care Network
Locations: Seven acute care hospitals with two integrated children's hospitals and a specialty long term acute care facility
Applicant: Advocate Health Care Network
2025 Windsor Drive
Oak Brook, IL 60521
Organization: 501(c)(3) Not-for-profit corporation
State: Illinois
Board of Trustees: John F. Timmer, *Chairperson*
Lynn Crump-Caine, *Vice Chairperson*

David Anderson
Alejandro Aparicio, M.D.
Jameson A. Baxter
Jon E. Christofersen, M.D.
Bruce E. Creger
William Graft
Rev. Dr. Donald M. Hallberg
Mark Harris
Rev. Jane Fisler Hoffman
Abe Tomas Hughes II
Rev. Wayne N. Miller (effective September 1, 2007)
Richard McAuliffe
Clarence Nixon, Jr. Ph.D.
Pankaj H. Patel, M.D.
Julie P. Schlueter
Joan Fowler Shaver, Ph.D., R.N., F.A.A.N.
James Skogsbergh, President and Chief Executive Officer, Advocate Health Care

Network
Carolyn Hope Smeltzer
Rev. Ozzie Smith, Jr.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Foley & Lardner LLP	Chicago	Robert Zimmerman
Bond Counsel:	Chapman & Cutler	Chicago	Jim Luebchow Nancy Burke
Underwriter:	Citi	Chicago	Jim Blake Efrain Zamora Amy Yang
Underwriter's Counsel:	Sonnenschein Nath & Rosenthal	Chicago	Steven Kite
Borrower Financial Advisor:	Kaufman Hall & Associates	Chicago	Ken Kaufman
Bond Trustee:	The Bank of New York	Chicago	Joseph Morand
Accountant:	Ernst & Young	Chicago	JoEllen Helmer
Issuer's Counsel:	Schiff Hardin	Chicago	Bruce Weisenthal

LEGISLATIVE DISTRICTS

Congressional: 7- Danny Davis, 3- Dan Lipinski, 6- Peter Roskam, 8- Melissa Bean, 5- Rahm Emanuel, 9- Jan Schakowsky, 2- Jesse Jackson, Jr.

State Senate: 5- Rickey Hendon, 18- Edward Maloney, 21- Dan Cronin, 26- William Peterson, 6- John Cullerton, 33- Dan Kotowski, 29- Susan Garrett, 19- M. Maggie Crotty, 17- Donne Trotter

State House: 10- Annazette Collins, 36- James Brosnahan, 42- Sandra Pihos, 52- Mark Beaubien, 12- Sara Feigenholtz, 65- Rosemary Mulligan, 57- Elaine Nekritz, 38- Al Riley, 33- Marlow Colvin

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007**

Project: Sherman Health System and Sherman Hospital

STATISTICS

Project Number: H-HO-TE-CD-7165	Amount:	\$325,000,000 (Not to exceed amount)
Type: 501(c)(3) Bond	IFA Staff:	Pamela Lenane and Dana Sodikoff
Locations: Elgin		

BOARD ACTION

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

PURPOSE

Proceeds will be used to: 1) fund the construction and equipping of a replacement hospital campus, 2) fund capitalized interest, 3) fund a reserve fund and 4) pay cost of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on August 7, 2007 by the following vote:

Ayes: 10 Nays: 0 Abstentions: 0 Absent: 4 Vacancies: 1

On October 10, 2006, a Final Bond Resolution was passed for Sherman Health System and Sherman Hospital for an interim financing to fund a portion of the construction and equipping of a replacement hospital campus, fund capitalized interest, and pay cost of issuance. The financing approved in October 2006 was delayed because of litigation contesting the validity of Sherman's CON; Sherman is now going forward with a larger financing consistent with the finance plan prior to litigation. This is the first time this Preliminary Bond Resolution has been presented to the Board for the permanent financing of the replacement hospital campus and related costs.

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA bonds	<u>\$311,125,000</u>	Uses:	Project Fund/CAP	\$157,795,987
			Refund 1997 Bonds	\$128,317,350 ¹
			Debt Service Reserve Fund	\$23,278,288
			Issuance Costs	\$1,733,375
Total	<u>\$311,125,000</u>	Total		<u>\$311,125,000</u>

¹ The refunding of the Series 1997 Bonds has fallen may or may not occur depending on market conditions.

JOBS

Current employment: 1,578 FTEs
Jobs retained: 1,578 FTEs

Projected new jobs: 61 FTEs
Construction jobs: 350 jobs

BUSINESS SUMMARY

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

The Hospital owns and operates the Hospital Facility, which is located in Elgin, Illinois, approximately 38 miles northwest of Chicago. The Hospital was formed in 1945 when the ownership and administration of the Hospital Facility was assumed by the Sherman Hospital Association. Over its history, the Hospital Facility has expanded its capacity to meet the growing demand for care; its present licensed capacity of 363 beds and 47 bassinets was established in 1996. The Hospital Facility currently has 258 staffed beds (234 acute beds and 24 sub-acute beds) and had an occupancy rate for staffed beds for the fiscal year ended April 30, 2006 of 64.7% for acute beds and 78.0% for sub-acute beds.

CON Litigation: On June 7, 2006, the Illinois Health Facilities Planning Board granted the Parent Corporation and the Hospital a permit (the "Permit") to build a 255-bed replacement hospital in Elgin, Illinois. Provena Health and Provena Hospitals filed suit on July 13, 2006 in the Circuit Court of Cook County, Illinois challenging the Permit. A hearing was scheduled on the challenge for October 25, 2006, and on July 5, 2007, the court ruled in favor of Sherman. The Plaintiff's motion to reverse the Board's grant of Sherman's Certificate of Need ("CON") was denied, and the Defendants' motion to affirm the CON Board's decision granting Sherman's Certificate of Need was granted.

On July 17, 2007, Provena filed notice to appeal the circuit court ruling.

The documents securing the notes (the "Notes") will provide for a special redemption of the Notes from unexpended Note proceeds deposited in the project account and from other funds of the Hospital in the event the litigation challenging the Permit is appealed and ultimately successful and, consequently, the tax-exempt bonds cannot remain outstanding. In the case that the litigation against Sherman is successful, Sherman would most likely use unspent bond proceeds, cash reserves and/or a taxable external financing to take out the debt.

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

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

PROJECT SUMMARY

On June 7, 2006, the Illinois Health Facilities Planning Board granted the Parent Corporation and the Hospital a permit (the "Permit") to build a 255-bed replacement hospital in Elgin, Illinois. The new money portion of the financing will be used to finance: the construction and equipping of a replacement hospital campus, on the property located on the northeast corner of the intersection of Big Timber Road and Randall Road, in Elgin, IL, approximately 4.5 miles from the existing hospital.

FINANCING SUMMARY

Security/Collateral: The Bonds will constitute Parity Obligations of the Sherman Health Obligated Group, secured by a note under Sherman Health's Master Trust Indenture. The Bonds will likely be secured by a mortgage on Sherman's facilities, and a fully funded Debt Service Reserve Fund.

Structure: The plan of finance contemplates a mix of Uninsured Fixed Rate Bonds and/or Uninsured Fixed Rate Put Bonds, which will carry the rating of the hospital (see below).

Maturity: 2047

Credit Rating: A+/Baa1, (S&P/Moody's) current ratings.*

ECONOMIC DISCLOSURE STATEMENT

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

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007**

Project: Lake County Family YMCA

STATISTICS

Deal Number:	N-NP-TE-CD-7181	Amount:	\$6,500,000
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Sharnell Curtis Martin
Location:	Waukegan	SIC Code:	8641 – Civic/Social Associations

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 existing IFA (IDFA) 2000 Bonds and to pay certain bond issuance costs.

VOTING RECORD

Preliminary Bond Resolution, no previous voting record.

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.

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	<u>\$6,500,000</u>	Uses:	Refunding Bonds	\$6,250,000
				Bond Issuance Costs	<u>250,000</u>
	Total Sources	<u>\$6,500,000</u>		Total Uses	<u>\$6,500,000</u>

JOBS

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

BUSINESS SUMMARY

Background: Lake County YMCA ("YMCA") is an Illinois 501(c)(3) not-for-profit corporation formed in 1893. Relocated to its present location in 1925, the facility is located at Clayton & County Streets in Waukegan provides more than 15 different programs including: Big Brothers/Big Sisters, Girl Scouts, Boy Scouts, Adult and Children Day Care, Summer Day Camp and a Health and Wellness Center that is open to the public.

The YMCA's service area is not limited to Lake County. Residents from DuPage, McHenry and Cook counties are included among the 17,000 individuals with 4,500 members and program participants. The YMCA has a staff of 215 full-time and part-time employees and volunteers.

Description: These bonds will refund outstanding bonds originally issued in 1993 and refunded in 2000, by the IFA's predecessor, the Illinois Development Finance Authority (IDFA). The original project was the construction of three day care centers and five after school facilities located in Waukegan. The project was completed and put into service in the January of 1995.

The proposed refunding and recent sale of a camp facility will allow the YMCA to reduce its overall debt and realize interest rate savings of approximately \$95,000 annually. This project represents the third financing transaction that the IFA and its predecessor have issued on behalf of the Lake County Family YMCA.

FINANCING SUMMARY

Security: The bonds will be secured by a Direct Pay Letter of Credit from Charter One Bank.
Structure: 7-day variable rate demand bonds
Maturity: 30 Year Term
Bank Collateral: First mortgage on subject real estate.
Credit Rating: The bonds will bear the credit rating of the credit enhancement securing the bonds, Charter One Bank Letter of Credit. Charter One has a credit rating of AA-.

PROJECT SUMMARY

Bond proceeds will be used to refund the outstanding principal balance of the IFA (IDFA) Series 2000 Bonds. The original Series 2000 bond proceeds were used to refund a 1993 IDFA bond issue. Project costs include refunding of previous bond issue in the amount of \$6,250,000 million.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Lake County Family YMCA
2000 Western Avenue
Waukegan, IL 60087 (Lake County)
Mr. Jim Morse, Chief Financial Officer

Project name: Lake County Family YMCA Refunding Project

Location: 2000 Western Avenue
Waukegan, IL 60087 (Lake County)

Organization: 501(c)(3) Corporation

State: Illinois

Board of Directors: Richard Ribando, Chairman Steven Henley, Vice-Chairman
Rick Teper, Secretary Robert Taylor, Treasurer
David Hall Susan Link Rafael Rivera
Dan Drury Geold Topcik Arnold Thomas
James Simonian

Land Sellers: Not Applicable

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	To Be Determined		
Accountant:	Craig & Associates, LLC	Northbrook	
Bond Counsel:	Chapman and Cutler	Chicago	Chris Walrath
LOC Bank:	Charter One Bank, N.A.	Chicago	Lucy Czyn
Underwriter:	Griffin, Kubik, Stephens & Thompson	Chicago	Michael Boisvert
Underwriter's Counsel:	To Be Determined		
Issuer's Counsel:	Burke Burns and Pinelli	Chicago	Stephen Welcome
Trustee:	To Be Determined		
IFA Financial Advisor:	D. A. Davidson	Chicago	Bill Morris
	Scott Balice Strategies	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 10 -- Mark Kirk
State Senate: 30 -- Terry Link
State House: 60 -- Eddie Washington

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007**

Project: Construction & General Laborers District of Chicago and Vicinity Joint Training and Apprentice Fund a/k/a Chicagoland Laborers Training and Apprentice Fund

STATISTICS

Number:	N-NP-TE-CD-7180	Amount:	\$25,000,000 (not to exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Location:	Chicago		

BOARD ACTION

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

PURPOSE

Proceeds will be used to (i) construct and equip an approximately 70,000 sq. ft. training facility, (ii) capitalize interest, and (iii) fund professional and 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 paid to bondholders thereby reducing the borrower's interest rate.

VOTING RECORD

Preliminary Bond Resolution; no prior vote.

SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	\$21,500,000	Project Costs	\$24,200,000
Equity*	<u>5,420,000</u>	Capitalized interest	2,000,000
		Legal and professional costs*	650,000
		Arch/Eng	<u>70,000</u>
Total	<u>\$26,920,000</u>	Total	<u>\$26,920,000</u>

* Equity consists of \$5,200,000 purchased land and \$200,000 cash injection to pay for \$220,000 legal and professional costs

JOBS

Current employment:	40	Projected new jobs:	9
Jobs retained:	N/A	Construction jobs:	50 (18 months)

BUSINESS SUMMARY

Background: On June 1, 1986 the Construction and General Laborers' District Council of Chicago and Vicinity Joint Training and Apprentices Fund (the "Fund"), (the "Applicant") was created to provide training and education for the laborers working under the Chicagoland District Council collective bargaining agreement.

In approximately 1990, the Fund constructed an 80,000 sq. ft. training facility in Carol Stream . The facility includes seven classrooms, four training bays that provide hands-on training in scaffold building, sewer and pipe work plus general construction programs. The combination of hands-on classroom instruction provides every student the opportunity to learn construction fundamentals and allows experienced laborers the opportunity to develop competence in a variety of specific job skills. The training programs address the continual change in equipment, construction techniques, and materials to provide skilled manpower in the Chicagoland construction industry.

In 1997, the Fund began offering on-site training to contributing contractors by means of a mobile classroom. The Mobile Teaching Unit is a customized coach bus capable of training one to ten persons at a time. Each student is seated in an individual work station where he or she can view training tapes. In 1999, an Apprentices Program was established and certified by the Department of Labor, Construction Craft Laborer Division.

Since inception the Fund has trained over 61,000 men and women in the skills and certification needed to be a laborer. Currently, 5000 individuals are trained annually at the Carol Stream facility, the mobile training unit, and a satellite training facility in Chicago Heights. The Academy is governed by a twelve-member Board whose members are listed in this report for IFA Board review.

Sources of revenue: The Fund operates pursuant to a collective bargaining agreement between the Construction and General Laborers' District Council of Chicago and Vicinity A.F.L.-C.I.O., representing its affiliated local unions and members thereof; the Builders Association of Chicago; the Contractors Development Association,; the Illinois Road Builders Association; and the Lake County Contractors Development Association, among others.

The collective bargaining agreement provides that participating employers make monthly contributions for each hour worked by their respective employees. Contribution amounts in place through fiscal year 2007 are: Training, \$0.12 Apprentices, \$0.05 Total, \$0.17. An employee who has worked or wishes to work for any employer under the collective bargaining agreement is eligible. The components of revenue consist of (i) employer's contributions, (ii) apprenticeship fees, and (iii) Flaggers fees.

Project

Description: The Fund will include construction and equipping of an approximately 70,000 sq. ft. training facility for the Fund. The facility will be located on 24 acres of land located on Chicago's West Side. The proposed project will bring the City of Chicago a state-of-the-art Union training facility which will be used to train members of the Laborers' Union. A Chicago site will make it easier for members to stay current with new construction practices and certifications needed to continue to be a productive construction laborer.

Remarks: Tax exempt financing provides the lowest cost of funds, allowing the Fund to maximize the opportunities it can bring to the community and to the member laborers it trains.

FINANCING SUMMARY

Security: Either (a) a gross revenue pledge and a first mortgage on the financed property, or (b) a Direct Pay Letter of Credit from a bank to be determined that carries at least an "A" rating from Standard and Poors.
 Structure: Either (a) weekly multi-mode floating rate bonds secured by a Direct pay Letter of Credit from a bank, or (b) fixed-rate non-rated bonds sold to sophisticated investors in accordance with IFA policies.
 Maturity: 30 years

PROJECT SUMMARY

The Fund intends to use the net proceeds of the Authority loan to provide funds to (i) construct and equip an approximately 70,000 sq. ft. training facility to be located at 1900 North Central Avenue, Chicago, Cook County, Illinois, and (ii) capitalize interest, and (iii) fund professional and bond issuance costs.

Project Costs:	
Land	\$ 5,200,000
New Construction and Renovation	<u>19,000,000</u>
Total	<u>\$24,200,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Chicagoland Laborers Training and Apprentices Fund Project names:
 Project: Construction and Renovation Project
 Locations: 1900 North Central Avenue, Chicago, Cook County, Cook County, IL
 Contact Person: Peter Ruff, Administrator, 630-653-0006
 Organization: 501(c)(3) Corporation
 State: Illinois

Board of Trustees:

Management	Affiliation	Labor	Laborers Local No.
Mr. Gerard Kenny	<i>Kenny Partners, LLC</i>	Liberato Naimoli	76
Donald Henderson		Toby Koth	582
Robert W. Krug	<i>K-five Construction Co.</i>	Timothy Riley	96
Thomas Nordeen	<i>Power Contracting & Engineering Co.</i>	J. Michael Lazzaretto	152
David Lorig	<i>Lorig Construction Co.</i>	Martin Flanagan	118
R. Lynn Treat	<i>Ryan Companies, US, Inc.</i>	James P. Connolly	<i>Laborers District Counsel</i>

PROFESSIONAL & FINANCIAL

Counsel:	Dowd, Black & Bennet	Chicago	Peter Dowd
Accountant:	Bansley and Kiener, L.L.P.	Chicago	
Bond Counsel:	Ungaretti & Harris	Chicago	Raymond Fricke
Underwriter:	William Blair & Company	Chicago	Peter Raphael
Underwriter's Counsel:	TBD		
LOC Bank Counsel:	TBD		
Issuer's Counsel:	Chapman and Cutler LLP	Chicago	Nancy Burke
Trustee:	Amalgamated Bank	Chicago	Gail Klewin
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 6th Peter J. Roskam State Senate: 2th William Delgado State House: 3rd Luis Arroyo

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007**

Project: Cornerstone Services, Inc.

STATISTICS

Deal Number:	N-NP-TE-CD-7126	Amount:	\$4,200,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Sharnell Curtis Martin
Location:	Joliet	SIC Code:	8322 – Individual and Family Social Services

BOARD ACTION

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

PURPOSE

Bond proceeds will be used to refund existing IFA (IDFA) 1998 and 2002 Bond issues, refinance existing conventional debt, and pay for certain bond issuance costs.

IFA CONTRIBUTION

501(c)(3) Bonds is 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: June 12, 2007

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

SOURCES AND USES OF FUNDS

Sources:	Village of Rockdale Bonds	\$10,000,000	Uses:	Refunding Bonds	\$15,350,000
	IFA Bonds	4,000,000		Refinancing	1,000,000
	Equity	2,200,000		Bond Issuance Costs	<u>350,000</u>
	Bank Loan	500,000			
	Total Sources	<u>\$16,700,000</u>		Total Uses	<u>\$16,700,000</u>

The sources of equity are from the proceeds from a real estate transaction and reserve funds from the previous bond issues. The bond issue will have two issuers: the Village of Rockdale will be issuing \$10 million in bank qualified refunding bonds and the IFA will issue the remaining \$4 million.

JOBS

Current employment:	375	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

Background: Cornerstone Services, Inc. was organized as a 501(c)(3) organization in 1969. The organization is a provider of services to persons with mental retardation and other developmental disabilities.

Description: Cornerstone provides services at 41 locations, primarily in Chicago's Southwest Suburbs. The organization's clients reside in Chicago and various Chicago's Southern and Southwestern suburbs. Cornerstone employs approximately 350 trained professionals including psychiatrists, nurses, social workers, therapists, counselors, teachers and paraprofessionals.

Cornerstone provides residential assisted living facilities for individuals with developmental disabilities. Additional existing programs Cornerstone provides include Case Management, Psychosocial Rehabilitation, Developmental Training and Client/Family Support.

FINANCING SUMMARY

Security: The bonds will be purchased and held as an investment by First Midwest Bank.

Structure: The Bonds will bear a fixed interest rate of 5.25%.

Maturity: 25 Years

Bank Collateral: First Mortgage on subject real estate, blanket lien on subject machinery and equipment

Credit Rating: First Midwest Bank, the purchaser of the bonds is an unrated bank and therefore does not have a credit rating.

Remarks: Tax-exempt savings will reduce the cost of financing by approximately 2.25% relative to a taxable financing. This will translate to approximately \$2.7 million in gross debt service payments throughout the refinancing period as a result of refunding the previous bond issues.

PROJECT SUMMARY

Bond proceeds will be used to refund a 1998 and 2002 bond issues. Refinance six bank loans presently held at First Midwest Bank and pay for certain bond issuance costs. Project costs are estimated at \$16,700,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Cornerstone Services, Inc.
777 Joyce Road
Joliet, IL 60436 (Will County)
Mr. Ben Stortz, Vice President/Chief Administration Officer

Project name: Cornerstone Services Refinancing Project
Location: 777 Joyce Road, Joliet, IL 60436 (Will County)

Organization: 501(c)(3) Corporation

State: Illinois

Board of Directors:	Judith A. Block	Robert A. Rogina	John R. Rogers
	Vincent A. Benigni	Stanley Adams	James B. Harvey
	Jean A. Hansen	Daniel W. Hecht	Stephen M. Klafter
	Alex Ledesma	Priscilla Lynch	Ruth A. Mertz
	J. D. Ross	Betsy Ruettiger	LeRoy Shepherd
	John A. Sheridan	Gregory M. Wernert	

Land Sellers: Not Applicable

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	McKeown Law Firm	Joliet	Dave Ruttie
Accountant:	Senesac & Lennon, Ltd.	Joliet	
Bond Counsel:	Chapman and Cutler	Chicago	Nancy Burke
Bank:	First Midwest Bank	Joliet	Dave Schutter
Bank's Counsel:	Greenberg Traurig, LLP	Chicago	Matthew Lewin
Financial Advisor:	Griffin Kubik Stephens & Thompson	Chicago	Helena Burke-Bevan
Issuer's Counsel:	Law Offices of Kevin Cahill	Chicago	Kevin Cahill
IFA Financial Advisor:	D. A. Davidson	Chicago	Bill Morris
	Scott Balice Strategies	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	18 – Ray LaHood
State Senate:	43 – A. J. Wilhelmi
State House:	86 – Jack McGuire

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 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

Final Bond Resolution	No Extraordinary conditions
Conduit Not for Profit Bonds	Staff recommends approval
No IFA funds at risk	

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, February 13, 2007
Ayes: 11, Nays: 0, Abstentions: 0, Absent: 3 (R. Herrin, M.H.Nesbitt, J.P. Valenti) Members Resigned: 1

SOURCES AND USES OF FUNDS

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

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 the new facility enabled CAP to consolidate its Waukegan Head Start activities in one location. 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 to purchase and refurbish properties in the Lake County area to rent to low income residents, 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. CAP 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.
- 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 its debt service payments as the proposed bonds will carry level debt service for 30 years. This is a debt restructuring and taxable working capital injection which will produce no NPV savings. This financing will enable CAP to continue to support its non-profit mission.

FINANCING SUMMARY

- Security: Direct Pay Letter of Credit from Harris Bank & Trust Company, Chicago, Illinois
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

PROJECT SUMMARY

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

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

ECONOMIC DISCLOSURE STATEMENT

- Applicant: Community Action Partnership of Lake County
Project: Financial Restructuring Initiative
Location: 1200 Glen Flora, Waukegan, Lake County, Illinois
Property locations: 1413, 1417, 1427, 1440, 1444, 1444, 1501, 1505, and 1509 Hervey, North Chicago, Lake County, IL
587 Main, Antioch, Lake County, IL
574 McAlister, Waukegan, Lake County, IL
321 Woodland, Round Lake Beach, Lake County, IL
420 Fairlawn, Round Lake Beach, Lake County, IL
931 Morningside, Round Lake Beach, Lake County, IL
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:

Accountants:	R.W. Hickman, P.C., CPA (2006) Diehl, Banwart, Bolton, Jarred & Bledsoe, Chartered, CPAs (2004-2005)	Springfield, IL Chanute, KS	Philip A. Jarred, CPA
Bond Counsel:	IceMiller	Chicago, IL	James Snyder
Issuer's Counsel:	Sanchez & Daniels	Chicago, IL	John Cummins
Underwriter/ Placement Agent:	William Blair & Company.	Chicago, IL	John Peterson
LOC Bank:	Harris Bank & Trust Company	Chicago, IL	
Financial Advisor:	E. L. Barnes & Company	Afton, VA	Ellen Barnes
Trustee:	US Bank	Milwaukee, WI	Peter Brennan
IFA Financial Advisors:	D.A. Davidson & Co Scott Balice Strategies, Inc.	Chicago, IL Chicago, IL	Bill Morris Lois Scott

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	Name	Address & Phone Number	Office Address & Phone Number	In Which Sector: Represents	CR	PS	PO	Appointed
	Bill McNevery, President-Active	2410 Washington Street Waukegan, IL 60085	847-625-1925 847-625-1767 fax	Paul Cole Early Childhood (Partners in Business Assn)			X	September 1997
	Deborah Lewis, Vice President-Active		2534 Elgin Avenue Zion, IL 60099 847-746-8435 847-746-1744 fax	Sheridan Health Care RSVP Advisory Council			X	March 2001
	Stephanie Smith, Secretary-Active	324 Kirkwood Drive Winthrop Herbo, IL 60096			X			July 2000
	Beverly Hood	2211 N Youtan P.O. Box 524 Waukegan, IL 60079 847-495-0249 (C)	1850 Lewis Avenue North Chicago, IL 60064 847-395-8610 847-395-8619 fax	Weston House	X			November 2005
	Cynthia Hawkins, Director	1316 N Berwick Blvd, Wlgn IL 60083	3235 Belvedere Rd, Wlgn IL	Department of Human Services Lake County Sheriff Department	X		X	March 1974
	Sheriff Gary Dal Rio, Director	25 S. Union Street, Waukegan, IL 60083						
	Phillip Carrigan, Director - Active	1944 Ash Waukegan, IL 60085	847-625-0981		X			March 1998
	Willard Helander County Clerk Active		18 N. County Street Waukegan, IL 60085 Ph: 847-377-2400 Fax: 847-360-3608 email: ccr@lcc@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 Meil, Director, Active		2808 Glensd Avenue Zion, IL 60099 Ph: 847-938-3173	Abbott Industries Head Start Policy Council		X		January 2005
	Commissioner Mary Cunningham, active	405 McKelley 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 Addelie Oso-Kurtz	P.O. Box 33 Zion, IL 60099	847-872-7500	Public				
	Alternates: Anthony Ward, Alternates, Active Treasurer	643 West John-Marville Waukegan, IL 60083	847-244-3630	Sheriff Dal Rio				
	Transitional Housing Advisory Board: Beverly Hood- Chair Sylvia Vasquez-Chair		1807 Grand Ave. Waukegan, IL 60085 847-775-1818 2612 Sheridan Road Zion, IL 60099 (847) 746-2901	American Family Life			X	
	Arbee Martin		16680 Applewood Court Gurnee, IL 60031 847-221-8082	National City Bank of the Midwest			X	
	Rich Diesterheif			North West News Group of the Greater Chicago			X	
	Brittana McCarthey	6533 - 126 th Pl. Pleasant Prairie, WI 53158		Sheridan Health & Rehab	X			

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007**

Project: Theory and Computing Sciences Building Trust (Argonne National Laboratory – a federally-owned property under the jurisdiction of the U.S. Department of Energy)

STATISTICS

Project Number: I-ID-TX-CD-618	Amount: \$70,000,000 (not to exceed)
Type: Taxable Bond	FM: Townsend Albright
Location: Darien	

BOARD ACTION

Preliminary Bond Resolution	Staff recommends approval
Taxable conduit revenue Bonds	No IFA funds at risk
No extraordinary conditions	

PURPOSE

Bond proceeds will be used to (i) to finance the construction of an office and light duty laboratory facility, and surface parking lot, (ii) capitalize interest, and (iii) fund legal and professional costs.

VOLUME CAP

Volume Cap is not required for taxable bonds

VOTING RECORD

Preliminary Bond Resolution, July 12, 2005

Ayes: 8, Nays: 0, Abstentions: 0, Absent: Goetz, O'Brien, Rice, Valenti, Vacancies: 3

The Project is requesting a current Board inducement because (a) the scope of the Project has changed, and (b) more than 24 months have passed since the IFA Board induced the Project

SOURCES AND USES OF FUNDS

Sources: IFA bonds	<u>\$70,000,000</u>	Uses: Project costs	\$62,900,000
		Legal and Professional	300,000
		Capitalized Interest	<u>6,800,000</u>
Total	<u>\$70,000,000</u>	Total	<u>\$70,000,000</u>

JOBS

Current employment:4,000 (Argonne)	Projected new jobs:	80
Jobs retained: N/A	Construction jobs:	100 (12 months)

BUSINESS SUMMARY

- Background:** The Theory and Computing Sciences Building Trust (the “Trust”, the “Applicant”) is a trust that will be established under the laws of the State of Delaware. The Trust is a special purpose entity whose sole purpose will be to lease certain real property from the Department of Energy (the “DOE”) so that it can secure financing, develop a research office building on such property, and upon completion of construction, lease the building to the UChicago Argonne LLC (“UOC LLC”) in connection with its operation of the Argonne national Laboratory (“Argonne”).
- Argonne is a federally-owned property under the jurisdiction of the U.S. Department of Energy (“DOE”). It is the nation’s first national laboratory, chartered in 1946, and a direct descendent of the University of Chicago’s (“UOC”) Metallurgical laboratory, a part of the WWII Manhattan Project to build the atomic bomb. After the war, Argonne was given the mission of developing nuclear reactors for peaceful purposes. Argonne’s research has expanded to include many other areas of science, engineering, and technology. Argonne currently has more than 4,000 employees; including approximately 1,000 scientists and engineers, of whom approximately 750 hold PhDs. Argonne has an annual operating budget of more than \$475 million that supports upwards of 200 research projects ranging from sub-nuclear research to global climate change. Since 1990, Argonne has worked with more than 600 companies, and with numerous federal agencies and other organizations.
- Argonne occupies 1,500 wooded acres in DuPage County. The site is surrounded by forest preserve approximately 25 miles southwest of Chicago’s Loop. The site also houses the U.S. Department of Energy’s Chicago Operations Office. Argonne is managed by UOC LLC under prime contract with the U.S. Department of Energy.
- Argonne has established the strategic objective to increase scientific productivity in the 21st century by providing intellectual and technical leadership in the computing sciences-computer science, applied computation mathematics, and computation science.
- Description:** The project is an approximately 190,000 sq. ft. office and light-duty laboratory facility and surface parking lot. The facility would house approximately 750 occupants in gross program space as well as a controlled environment space to house supercomputing equipment and associated hardware and software development labs, visualization facilities, a library, and collaboration facilities. The intended site is approximately 15 acres on the campus, and is adjacent to the main Argonne entry gate off Cass Avenue and west of the Argonne Information Center. The Project will help fill the need for advanced computational capabilities to grow with the development of increasingly sophisticated theories, such as in the areas of nanotechnology, climate change, protein modeling, and structural biology.
- Remarks:** The proposed borrowing will enable Argonne and UOC LLC to advance America’s scientific leadership through the development of world-class facilities within the State of Illinois, and continue Argonne’s leadership position in the exploration and investigation of emerging information technologies, engineering applications, and other computational infrastructure in support of its scientific mission. It is anticipated that Argonne’s continued leadership in science, technology and engineering will stimulate the growth of attendant high tech industries that will interface with and provide services to the Argonne activities, and result in positive economic growth in Illinois.
- The Department of Energy has formed trusts and entered into leases in which the lessee has obtained financing for facilities development through the taxable municipal bond market. The availability this source of low-cost financing for project finance has resulted in significant savings for the Department. The availability of municipal bond market financing has encouraged the Department to enter into mutually advantageous ventures with state and local entities which, in turn, has fostered ventures that not only advance the Department’s mission but also benefit local government entities and local communities.**
- The Department used a similar financing structure to finance an expansion and renovation of its Oak Ridge, TN facility in 2005. Additionally, the IDFA financed approximately \$140 million in projects

using the Trust- lease structure for the Department of Veterans (“DVA”) Affairs Regional Administration Building at the Illinois Medical District, and two co-generating plants at the DVA’s North Chicago site between 2002 and 2004. The co-generating plants provide electricity for the DVA’s hospital and Great Lakes Naval Training Center. Both the DOE and the DVA use the same financing team.

Financials: The Trust is a Delaware statutory trust called the Theory and Computing Sciences Building Trust that will lease property from DOE for the purposes of developing, financing, and supervising operation of an office and light-duty laboratory facility. The DOE will appropriate sufficient funds to pay debt service on the proposed bonds through the Trust, which will reimburse the UOL LLC. As this special purpose entity was established in April, 2007, and has no operations, there are no financial statements available.

The UOL LLC will charge rents sufficient to cover debt service on the bonds and pay for operating expenses. The revenue will provide debt service coverage of 1.0x on the bonds. Under its prime contract with DOE, DOE will reimburse UOL LLC for debt service payments on the bonds and operating expenses.

DOE’s obligation to make payments under the prime contract is subject to annual appropriations of the necessary funds by the United States Congress. There is no guarantee that the United States Congress will continue to make an appropriation to enable the DOE to make payments in accordance with the prime contract with UOL LLC. As a matter of practice, Congress makes a lump sum appropriation that covers all of DOE’s operational costs for the entire year based on annual proforma operation statements submitted by the Department of Energy.

FINANCING SUMMARY

Security: The bonds will be insured either by MBIA or AMBAC, and will be “Aaa-rated” and “AAA-rated” by Moodys Investors Service and Standard and Poors, respectively. The Trust will pledge to the Bond Trustee lease revenue from the operation of the to-be constructed facility.

Structure: Fixed rate taxable bonds.

Collateral: Borrower will pledge all revenues from UOC LLC in connection with its operation of the Argonne National Laboratory.

Maturity 25 years

PROJECT SUMMARY

Proceeds will be used to (i) construct an approximately 190,000 sq. ft. office and light duty laboratory facility, and surface parking lot to be located at the Argonne campus which is located at 9700 South Cass Avenue, Darien, DuPage County, Illinois, (ii) capitalize interest, and (iii) fund legal and professional costs.

Project Costs:	Construction	\$59,900,000
	Machinery/Equipment	<u>3,000,000</u>
	Total	<u>\$62,900,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Theory and Computing Sciences Building Investment Trust

Project names: Theory and Computing Sciences Building Investment Trust Project

Location: 9700 South Cass Avenue, Darien, DuPage County, Illinois

Organization: Trust

State: Delaware

PROFESSIONAL & FINANCIAL

Special Counsel:	Patton Boggs, LLP	Washington, DC	Anatolij Kushnir Michael Simmons
Accountant:	TBD		
Bond Counsel:	Chapman and Cutler	Chicago, IL	William Libit
Issuer's Counsel:	Law Offices of Kevin Cahill	Chicago, IL	Kevin Cahill
Underwriter:	A.G. Edwards & Sons, Inc.	Atlanta, GA	Dick Layton
Underwriter's Counsel:	McKenna Long & Aldridge LLP	Atlanta, GA	Maggie Joslin
Development Consultant:	Fioretti Associates, Inc.	Chicago, IL	Michael Yurkovic
Trustee (Corporate):	Wells Fargo Bank, NA	Chicago, IL	Patricia Martirano
Trustee's Counsel: (Corporate)	Patton Boggs, LLP	Washington, DC	Anatolij Kushnir
Trustee (Individual):	Starshak Winzenberg & Co.	Chicago, IL	Joseph Starshak Michael Simmons
Trustee's Counsel: (Individual)	Patton Boggs, LLP	Washington, DC	Anatolij Kushnir Michael Simmons
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	13	Judy Biggert
State Senate:	41	Christine Radogno
State House:	82	Jim Durkin

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007**

Project: Village of Chatham

STATISTICS

Number:	L-GP- 7196	Amount:	\$1,000,000 (not to exceed)
Type:	Direct Loan	Location:	Chatham, Illinois
IFA Staff:	Eric Watson		

BOARD ACTION

Final Approval	No extraordinary conditions
Direct Purchase of Debt Certificates	IFA funds at risk
Staff recommends approval	

PURPOSE

Provide interim (not to exceed) one year financing for Village water system infrastructure expenses.

IFA PROGRAM AND CONTRIBUTION

The IFA's Local Government Direct Purchase Program was inherited from a program established by the Illinois Rural Bond Bank. The IFA will purchase local government debt directly with the intention that the term will be short (less than two years) in order for the local government to "bridge" their long-term borrowing needs. The local governments are provided funds from the Authority's Local Government Special Reserve, which was established by the IRBB with funds appropriated by the General Assembly in 1990.

The IFA will enter into an Installment Purchase Contract with the Village with the intent that the Village will pay the entire debt within two years (via issuance of bonds).

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Direct Loan	\$1,000,000	Uses: Village Water System Costs	\$1,000,000
	Total	<u>\$1,000,000</u>	Total	<u>\$1,000,000</u>

JOBS

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

BUSINESS SUMMARY

- Background:** The Village of Chatham, located in Sangamon County has a population of 8,583 as of the 2000 census. Chatham is a “bedroom” community for the City of Springfield and is located approximately 10 miles south of the City.
- Project:** The Village of Chatham currently purchases its water from the City of Springfield. For more than ten years, the Village has researched and pursued the creation of its own water facility and water main that will serve Chatham and surrounding areas. It is the intent of the Village to issue \$20 million of Alternate Revenue Bonds no later than October, 2009 for the eventual facility. The IFA will serve as a conduit for the eventual bond issue, with Edward Jones being the expected underwriter.

Until now, project planning expenses have been cash expenses for the Village. However, as the project nears fruition, expenses are accelerating and becoming more difficult to pay directly. The Village wishes to enter into a \$1.0 million installment contract with the IFA in order to finance the anticipated project costs that will accumulate between now and when the Village issues (\$20 million) Alternate Revenue Bonds. The Alternate Revenue Bonds will pay off the \$1.0 million installment contract.

Although the installment contract will have a twenty year maturity, the intent of the Village is to pay off the contract with Alternate Revenue Bond Proceeds within the year. The debt structure (specified in the Financing Summary) encourages complete debt repayment within two years by accelerating the interest rate substantially after year two of the installment contract.

FINANCING SUMMARY

- Obligor:** Village of Chatham
- Debt:** The Village of Chatham will enter into an installment contract with the IFA and will issue debt certificates evidencing the indebtedness. Specifically, section 17(b) of the Debt Reform Act authorizes municipalities to purchase real or personal property pursuant to an installment contract with a maximum term of 20 years. Municipalities are authorized to issue debt certificates evidencing the indebtedness incurred under such an installment contract. The payment obligation under such an installment contract and on such certificates constitutes a binding and enforceable promise to pay the amount borrowed plus the interest thereon. The municipality will be expected to agree to annually appropriate amounts sufficient to pay the principal and interest on the installment contract and the debt certificates. There is no separate levy available for the purpose of making such payments.
- Repayment:** The Village will pledge net revenues from the Water / Sewer Fund for debt repayment.
- The intent is for the entire debt to be paid within two years of the installment agreement issuance. The debt will be paid by the issuance of approximately \$20 million of Alternate Revenue Bonds which is anticipated to close in October 2008.
- Security:** The debt will be payable from Water / Sewer Fund net revenues. Should there be insufficient funds to meet debt requirements, there will be an Intercept Agreement between the IFA and the Village. The Agreement provides that State Revenues received by the Village can be intercepted, should debt payment requirements not be met.
- Structure:** The rate will be 5.5%, with biannual interest payments and annual principal payments for the first two years of the installment agreement. After two years, the rate will increase to 9%. The debt will be amortized over 20 years, with no penalty for prepayment. The intent of the structure is that the Village will pay of the installment contract within two years with proceeds from a large bond issue (anticipated in October 2008). If the Village fails to issue bonds that will repay the installment contract, the Village will be penalized with an accelerated rate structure.

Maturity: The installment contract will have a twenty year term. The intent (previously indicated) is that the Village will pay-off the entire debt within two years.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Village of Chatham
Project names: Village of Chatham
Location: 116 East Mulberry St., Chatham 62629
Organization: Illinois Municipality
Village President: Tom Gray
Director of Admin: Del McCord

PROFESSIONAL & FINANCIAL

Accountant: Sikich Gardner & Co. LLP
Local Bond Counsel: Mike Southworth

LEGISLATIVE DISTRICTS

Congressional: 17th – Phil Hare, 18th - Ray LaHood, 19th – John Shimkus
State Senate: 50th - Larry K. Bomke
State House: 100th - Rich Brauer

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007**

Project: Tad Peter d/b/a South Fork Outfitting

STATISTICS

Project Number: L-GP-7194	Amount: \$188,250
Type: Rural Development	IFA Staff: Cory Mitchell
Location: Mendon, IL	

BOARD ACTION

\$188,250 of IFA funds at risk.
Staff recommends approval, subject to satisfying all conditions as listed below:
*Assignment of Life Insurance Policy on borrower for amount of loan
*Flood determination on subject property
*Title work providing clear title to borrower
*Proof of Property and Casualty/Liability Insurance

PURPOSE

To provide permanent financing for an outfitting lodge.

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.

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: Borrower Equity	\$62,750	Uses: Purchase Real estate/ improvements	\$249,000
IFA	<u>188,250</u>	Engineering and Legal	<u>2,000</u>
Total	<u>\$251,000</u>	Total	<u>\$251,000</u>

JOBS

Current employment:	4	Projected new jobs:	4
Jobs retained:	4	Construction jobs:	6

BUSINESS SUMMARY

Background: South Fork Outfitting is a whitetail deer and turkey outfitting enterprise operating in northern Adams County and southern Hancock County, near Mendon Illinois. It is owned and operated by Tad Peter and began in 2004 as a part-time operation on family owned lands with the actual financial monitoring of the business beginning in calendar year 2006. In its first two years of business the borrower housed all hunters in 4 different farm houses spread out over the county making it difficult to coordinate larger groups of hunters for specific hunts and creating inefficiencies and higher expenses for the borrower. Currently the borrower has been leasing the outfitting lodge under a 3 year contract-to-purchase option. He would now like to purchase the building and real estate with the proposed funds. Housing all of the hunters in the lodge will minimize a lot of expenses and allow a better return for the borrower (electricity, rent, gas etc.) The borrower has supplemented his personal income for several years by working on his parents hog farm and will continue to do so in the slow times of the outfitting year.

**Business
Operations/
Rationale:**

South Fork Outfitting will host approximately 30 archery hunters and 65 shotgun hunters for the 2007 deer hunting season which runs from October 1 through December. These hunts average approximately \$2000 per hunt. Turkey hunts are in April and May and average \$400. To meet the need for housing the hunters, the borrower is purchasing a 9800 square foot commercial building in Mendon, Illinois. Features of the lodge included in the .86 acre tract are sleeping rooms for 30, large common room, kitchen/dining area, laundry facilities, multiple shower and restroom facilities and a large 40'X70' reception hall for rental that will double as a hunters lounging area during the hunting season. There is an adjoining 40'X20' one story brick building which will be utilized as a rental property residence.

The subject property is centrally located within a short driving distance of the 6000+ acres in Mendon, Keene, Lima and Honey Creek townships in Adams County and four farms in Hancock County that South Fork Outfitting has under lease for 2007. Although lease values are not yet as high as the higher-profile hunting areas to the immediate south, this northern part of the county has a large supply of timbered and set-aside land that supports a good supply of trophy caliber deer. In addition, a sizable supply of family held land offers South Fork Outfitting a stable, affordable supply of hunting lands and an economic advantage for long-term success in the outfitting business.

The borrower's clientele has been built with excellent service, comfortable lodging, quality guiding and site preparation. Many of the hunters are repeat customers and bring new customers on subsequent hunts. Advertising efforts to date have been through the use of an internet site, trade show exhibits and repeat customer's recommendations. The large comfortable, convenient lodge is a key component in maintaining a high-level client base and has been moving up to corporate accounts that rent the hunting packages for employee sponsored contests and treat clients to a well guided hunting excursion. Additionally, the transformation of a portion of the building into a reception/meeting room will serve the dual purpose of improving the quality of the hunters' stay at the lodge as well as provide a first class facility for the community's use during the remainder of the year. (some area businesses have already inquired about renting the facility for business holiday functions.). The banquet hall will add additional cash flow to the business in non-hunting times of the year.

Transaction: Loan proceeds will be used to provide the permanent financing of an outfitting lodge. The loan will be structured on a 20 year amortization with annual payments of interest and principal. A 1st REM will be used as collateral to secure the loan along with personal guarantees from Mark and Jill Peter and an assignment of life insurance policy on the borrower in the amount of the loan.

FINANCING SUMMARY

Borrower: Tad Peter, d/b/a South Fork Outfitting

Security: 1st REM on buildings, assignment of life insurance policy on borrower in the amount of the loan, personal guarantees from Mark and Jill Peter.

Structure: 20 year fixed rate with semi-annual payments of principal and interest.

PROJECT SUMMARY

Loan proceeds will be used to provide the permanent financing of an outfitting lodge. The loan will be structured on a 20 year amortization with semi-annual payments of interest and principal. A 1st REM will be used as collateral to secure the loan along with personal guarantees from Mark and Jill Peter and an assignment of life insurance policy on the borrower in the amount of the loan.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Tad Peter
1969 E. 1250th Street
Mendon, IL 62351

Location: Mendon, IL 62351

Organization: Sole Proprietorship

State: Illinois

Ownership: Tad Peter

PROFESSIONAL & FINANCIAL

Accountant: Tom Leeper, 226 N. 6th. Quincy, IL 62301

Attorney: Tom Arnold, 1420 Harrison, Quincy, IL 62301

LEGISLATIVE DISTRICTS

Congressional:	State Senate:	State House:
17 th Phil Hare	47 th John M. Sullivan	93 rd Jil Tracy

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007**

Project: Village of Pleasant Plains

STATISTICS

Number:	L-GP- 7195	Amount:	\$115,000 (not to exceed)
Type:	Rural Development Loan	Location:	Pleasant Plains, Illinois
IFA Staff:	Kristi Conrad		

BOARD ACTION

Final Approval	No extraordinary conditions
Rural Development Loan	IFA funds at risk
Staff recommends approval	

PURPOSE

Provide financing for Village storm sewer improvements.

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.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	RD Loan	\$113,000	Uses: Pleasant Plains Project	\$150,000
	Village Equity Cont.	<u>40,000</u>	Costs of Issue	<u>3,000</u>
	Total	<u>\$153,000</u>	Total	<u>\$153,000</u>

JOBS

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

BUSINESS SUMMARY

Background: The Village of Pleasant Plains, located in Sangamon County has a population of 777 as of the 2000 census. Pleasant Plains is approximately 15 miles northwest of Springfield.

Project: The Village of Pleasant Plains wishes to fund (via the IFA's Rural Development Program) storm sewer improvements. The improvements will benefit the east-central area of the Village to alleviate significant (and chronic) flooding and drainage problems.

FINANCING SUMMARY

Obligor: Village of Pleasant Plains

Debt: The Village of Pleasant Plains and the IFA will enter into an Installment Contract. Section 11-61-3 of the Municipal Code permits a municipality to purchase real or personal property pursuant to an installment contract. This form of installment contract has the following conditions: the maximum term of the contract is 10 years, the installment payments of principal and interest are solely payable from general funds; there is no separate tax levy to support the installment payments; the municipality is not permitted to issue its own certificates evidencing the installment payments due under the contract; no backdoor referendum is required in order to enter into the installment contract.

Repayment: Revenues from the Village's General Revenue Fund

Security: The Village will pledge General Revenues for debt repayment. Should there be insufficient funds to meet debt requirements, there will be an Intercept Agreement between the IFA and the Village. The Agreement provides that State Revenues received by the Village can be intercepted, should debt payment requirements not be met.

Structure: The rate will be 4%, with biannual interest payments and annual principal payments.

Maturity: The contract will have a 10 year term, with no penalty for early payment. Bi-annual interest payments and one annual principal payment will be enforced.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Village of Pleasant Plains
Project names: Village of Pleasant Plains
Location: PO Box 77, Pleasant Plains, 62677-0077
Organization: Illinois Municipality
Mayor: Jim Verkuilen

PROFESSIONAL & FINANCIAL

Accountant: Pehlman & Dold, P.C.
Local Bond Counsel: TBD

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007**

Project: MPH II Land Trust (Hoerr Construction)

STATISTICS

Project Number:	B-LL-TX-7197	Amount:	\$300,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	El Paso		

BOARD ACTION

Purchase of Participation Loan from National City Bank in Peoria
\$300,000 IFA funds at risk
Staff recommends approval subject to compliance with all of the Bank's terms and conditions.

PURPOSE

Loan proceeds will be used to finance the acquisition of land and the construction of a new industrial facility in Congerville, Illinois and the acquisition of new machinery and equipment for use therein.

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. The Authority will participate in loans for up to 10 years at a rate of interest that is variable or fixed for up to 5 years at 100 basis points above the 3-month LIBOR. The Authority shares pro-rata in the Bank's collateral and generally in conjunction with the Bank's loan 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

There is no voting record on the project as this is the first time it is being presented to the Board for approval.

SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	\$300,000	Uses:	Land acquisition	\$165,000
	Heartland Bank:	330,000		Building	475,000
	Woodford County RLF	50,000		New equipment	<u>150,000</u>
	Equity	<u>110,000</u>		Total	<u>\$790,000</u>
	Total	<u>\$790,000</u>			

JOBS

Current employment:	15*	Projected new jobs:	3
Jobs retained:	NA	Construction jobs	75 (average over 7 months)

* In addition the permanent 15 full-time employees, the Company hires up to an additional 60 to 70 full-time employees during the construction season.

BUSINESS SUMMARY

- Background:** MPH II Land Trust is the entity recently established to own and maintain the real estate on which Hoerr Construction, Inc. will operate in Congerville, Illinois. Hoerr Construction was started by Mr. Max Hoerr II in 1994 after heading up the utility division of P.J. Hoerr Construction, Inc. for over 20 years. (P.J. Hoerr Construction continues to be one of the largest general contractors in Central Illinois and continues to be run by members of the Hoerr family).
- Description:** Hoerr Construction, Inc. operates as a utility contractor, placing and repairing sewer pipe, telephone lines, water pipe and electrical conduit. Hoerr Construction, Inc. for the past four years has specialized in offering a trenchless sewer rehabilitation option for its sanitary sewer clients. The majority of these clients are municipalities and other governmental entities along with a few individual homeowners. Hoerr Construction, Inc. utilizes the "cured in place pipelining" (CIPP) process in this rehabilitation and is a licensed contractor of this procedure.
- The CIPP process involves placing a felt based liner into existing damaged sewer pipe. Hoerr cleans the existing sewer and further prepares it for installation. The liner is cut with a resin then applied to it in a manufacturing facility in Eastern Iowa. Hoerr transports the liner from Iowa to the job site where the liner is to be installed. Once on the site, water heated to 140 degrees is then pressurized into the liner, curing the resin and hardening the liner. This process is completed by a visual inspection of the entire sewer line through CCTV cameras.
- The Project:** As Hoerr Construction, Inc. has increased its usage of the CIPP process, the Company has determined that driving to and from Eastern Iowa for each job is costly and time consuming. Although these costs are built into each bid, the reduction in crew work time is a major concern for the Company and Max Hoerr has determined that production of the felt liner and insertion of the resin (wet-out process) could be done by his own employees at a location in Central Illinois.
- The project as presented constitutes permanent financing for the acquisition of land and construction of a new industrial building to house the production in Congerville, a community of approximately 400 residents located 15 miles west of Bloomington-Normal on Interstate 74.
- The project real estate will be owned by MPH II Trust which is owned by Max Hoerr and then leased to the operating company, Hoerr Construction, Inc. Debt service will be paid via rent payments from Hoerr Construction to MPH II.

FINANCING SUMMARY

- Obligor:** MPH II Land Trust
- Guarantors:** Max Hoerr II and Hoerr Construction, Inc.
- Collateral:** Pro-rata first mortgage on subject real estate and pro-rata first position on new equipment, aggregate LTV not to exceed 85% of assets:
- | <u>Assets:</u> | <u>Value</u> |
|----------------|--|
| Real Estate | \$640,000 per as-if-completed appraisal |
| Equipment | \$97,500 (discounted to 65% of purchase price) |
- Structure:** Bank portion – Bank's Cost of Funds at time of closing + 200 basis points; IFA portion – 3-Month LIBOR + 100 basis points

ECONOMIC DISCLOSURE STATEMENT

- Applicant:** MPH II
- Location:** Congerville, IL (Woodford County)
- Organization:** Illinois Land Trust
- Ownership:** Max Hoerr II – 100%

PROFESSIONAL & FINANCIAL

Banker:	National City Bank Bank - Peoria	Peoria, IL	Tom Schlink
Accountant:	Clifton Gunderson LLP	Peoria, IL	Dennis Bailey
IFA Counsel:	Dykema Gossett PLLC	Chicago	Gregory Wright
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 18 – Ray LaHood
State Senate: 53 – Dan Rutherford
State House: 106 – Keith P. Sommer

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007**

Project: Stromberg Allen and Company and SACO Real Estate Company LLC

STATISTICS

Project Number: I-ID-CD-TE-6217	Amount: \$8,000,000 (not-to-exceed amount for Resolution)
Type: Industrial Revenue Bonds	IFA Staff: Rich Frampton
Location: Tinley Park	

BOARD ACTION

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

PURPOSE

Purchase and renovation of an existing, vacant manufacturing facility in Tinley Park that will enable Stromberg Allen and Company to expand, while also retaining its operations in Illinois.

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. **Issuance of these bonds will be subject to obtaining sufficient Volume Cap from the Village of Tinley Park, the State Agency Pool, and other Home Rule Volume Cap sources, as necessary.**

As anticipated, issuance of these Bonds will require \$7.5 million of Volume Cap. The Village of Tinley Park approved a Resolution that transferred its entire 2007 Volume Cap allocation of to IFA (i.e., \$4,885,545) to support this project. As a result, the net Volume Cap required from IFA to finance this transaction will only be \$2,614,455.

VOTING RECORD

Preliminary Bond Resolution: November 14, 2006

Ayes: 9 Nays: 0 Abstentions: 0
Absent: 6 (Boyles, DeNard, Herrin, Nesbitt, Rice, Rivera) Vacancies: None

SOURCES AND USES OF FUNDS

Sources:	IRB	\$7,500,000	Uses:	Project Cost	\$8,335,000
	Equity	<u>2,085,000</u>		Issuance/Soft Costs	<u>250,000</u>
	Total	\$9,585,000		Total	\$9,585,000

Equity for this project will be provided from (1) corporate cash, (2) equity and, ultimately, proceeds from the sale of the current facility, and (3) if necessary, equity from the principals of Stromberg Allen and Company.

JOBS

Current employment:	41	Projected new jobs:	8 (initially) + 2 to 8 more within 2 yrs.
Jobs retained: 41 (retention in Illinois)		Construction jobs:	10 (3-5 months)

This Company had previously considered relocating to NW Indiana in late 2006. Prospective availability of IRB financing was one factor that led the Company to retain its operations in Illinois. Tinley Park's Resolution to transfer its entire 2007 allocation for this project helped convince the Company to undertake its relocation and expansion in Illinois. The Company anticipates that 100% of the Company's current workforce will transfer from the existing facility in Chicago to the new facility in Tinley Park. This project will result in the renovation and reuse of an existing, vacant manufacturing facility.

BUSINESS SUMMARY

Organization: **Stromberg Allen and Company (the "Company")**, was originally founded in Chicago in 1889. The Company was purchased by the Kruchko family and also incorporated under Illinois law in 1959. The Company is owned equally by eight Kruchko family members (see Economic Disclosure Statement section on p. 3).

SACO Real Estate Company LLC ("SACO") is an Illinois limited liability company formed by the principal shareholders of Stromberg Allen and Company in 2007, to purchase, finance, renovate, and own a vacant, existing manufacturing facility located in Tinley Park, Illinois.

Stromberg Allen will be the obligor on the equipment portion of the bond issue and SACO will be the obligor on the real estate portion of the bond issue. Collectively, Stromberg Allen and SACO will be referred to herein as the "Co-Borrowers".

Description of

Stromberg Allen: Stromberg Allen and Company is an educational publisher, formed in 1889 in the Printer's Row District of Chicago. The Company's original focus was printing tickets and stationery.

Since that time, Stromberg Allen has evolved into a specialty printer of supplemental learning materials primarily for grades K-8. These specialty items include: flip charts for reading, math, and science; overhead transparencies; math, reading, and science kits; flash cards; other card sets, laminated books, and spiral bound books.

Stromberg Allen is a supplier for several of the largest educational publishers (proprietary). Stromberg Allen provides full service, in-house, custom design, printing (8-color presses), laminating, die-cutting, and spiral binding services.

The Company's competition is comprised of the educational divisions of large, publicly-held companies. Two of Stromberg Allen's primary competitors are RR Donnelley and Quebecor World, Inc.

Stromberg Allen has been located at its current 58,000 SF facility in Chicago (3333 W. 47th Street) since 1962. The Company's recent sales growth has led the Company to lease outside warehouse space and to also outsource certain jobs to competitors. By relocating to the proposed facility in Tinley Park, Stromberg Allen will be able to (1) consolidate its operation at a single location, thereby reducing material handling expenses and improving operating efficiencies, (2) eliminate outsourced jobs, which should improve profit margins, (3) expand its operations from 58,000 SF currently to 85,000 SF at the new location, and (4) provide additional land to accommodate future building expansion. The subject facility in Tinley Park was originally constructed in 1993 and is currently vacant.

Stromberg Allen had also been considering alternate sites in Indiana. IFA has been involved in discussions with the Illinois Department of Commerce and Economic Opportunity ("DCEO"), the Village of Tinley Park, and the Will County Center for Economic Development since Fall 2006 with the Company to retain its operations in Illinois. IFA staff has been discussing the financing of this project with the Company since late 2005. As noted previously, the Village of Tinley Park is supporting this project through the transfer of the Village's entire 2007 Home Rule Volume Cap

allocation of approximately \$4.89 million to IFA. The Company expects all 41 current employees will transfer to the new location in Tinley Park.

FINANCING SUMMARY

Bondholder
Security: Bondholders will be secured by a Direct Pay Letter of Credit from JPMorgan Chase Bank.
Structure: Bonds will be sold initially as 7-date variable rate demand bonds. The most current average effective rate on 7-day floaters was 4.05% as of 8/29/2007 (excludes annual LOC and ongoing remarketing and trustee expenses).

**Amortization/
Final Maturity**
Date: 30 years on real estate; 7 years on machinery and equipment

LOC Bank
Security: First Mortgage on subject real estate. Blanket first security interest in machinery and equipment (existing and hereinafter acquired), receivables, inventory, and intangible (patents and trademarks). JPMorgan Chase Bank will also be secured with a collateral assignment of rents and leases, and a corporate guarantee from the Company on the real estate assets. JPMorgan Chase's LOC will be cross-collateralized and cross-defaulted with any future term bank debt and the Company's Line of Credit. Stromberg Allen and Company will be the direct obligor on the equipment portion of the JPMorgan Chase LOC.

PROJECT SUMMARY

Bond proceeds will be used to finance the acquisition, renovation, and equipping of an existing, approximately 85,000 SF manufacturing facility located on an approximately 4.83 acre site located at 18504 West Creek Drive, Tinley Park (Will County), Illinois 60477-6242. Additionally, Bond proceeds may also be used to pay capitalized interest, costs of issuance, and other professional fees (collectively, these expenditures comprise the "Project").

Estimated project costs are as follows:

Land and Building Acquisition:	\$3,540,000
Renovation/Architectural:	900,000
Equipment	<u>\$3,895,000</u>
Total	<u>\$8,335,000</u>

ECONOMIC DISCLOSURE STATEMENT

Co-Borrowers: Stromberg Allen and Company and SACO Real Estate LLC, 3333 West 47th Street, Chicago, IL 60632-2940 (*Note: This will be the ailing address until late 2007 relocation from the City of Chicago to the subject Tinley Park facility.*)

Web Site: www.strombergallen.com

Contact: Mr. William Kruchko, President, Stromberg Allen and Company; Ph. 773-847-7131; Fax: 773-847-6673;
E-mail: bill@strombergallen.com

Project name: Stromberg Allen and Company

Location: 18504 West Creek Drive, Tinley Park (Will County), Illinois 60477-6242 (*Note: this will be the Company's new address upon relocation from Chicago in Late 2007.*)

Stromberg Allen and Company:

Organization:	Illinois (S Corporation)	
Shareholders:	8 equal family shareholders:	
	G. William (Bill) Kruchko, President (Hinsdale, IL)	12.5%
	Peter Kruchko, Exec. VP-Sales (Hinsdale, IL)	12.5%
	David Kruchko (LaGrange Highlands, IL)	12.5%
	Steven Kruchko (Western Springs, IL)	12.5%
	Mary Burnstine (Chicago, IL)	12.5%
	Stefanie Kruchko Hanson (Deckerville, MI)	12.5%
	Catherine Kruchko (New York, NY)	12.5%
	Laura Kruchko Rich (Normal, IL)	12.5%

SACO Real Estate LLC:

Organization:	Illinois Limited Liability Company	
Members:	G. William (Bill) Kruchko, Manager (Hinsdale, IL)	
	Peter Kruchko, Member (Hinsdale, IL)	12.5%
	David Kruchko, Member (LaGrange Highlands, IL)	12.5%
	Steven Kruchko, Member (Western Springs, IL)	12.5%
	Mary Burnstine, Member (Chicago, IL)	12.5%
	Stefanie Kruchko Hanson, Member (Deckerville, MI)	12.5%
	Catherine Kruchko, Member (New York, NY)	12.5%
	Laura Kruchko Rich, Member (Normal, IL)	12.5%

Current Owner of the Subject

Property: The subject property was purchased by the SACO Real Estate LLC in February 2007. As noted previously, Stromberg Allen and Company and SACO have identical shareholders/members.

PROFESSIONAL & FINANCIAL

General Counsel:	Sugar Friedberg Felsenthal LLP	Chicago, IL	Richard Sugar
Accountant:	Plant & Moran, PLLC	Elgin, IL	David Misura
LOC Bank:	JPMorgan Chase Bank	Chicago, IL	Dan Harvey
Counsel to LOC Bank:	Schiff Hardin LLP	Chicago, IL	Scott Pickens
Underwriter:	JPMorgan Securities, Inc.	Chicago, IL	Shelley Phillips
Underwriter's Counsel:	Schiff Hardin LLP	Chicago, IL	Paul Marengo
Bond Counsel:	Ungaretti & Harris, LLP	Chicago, IL	Ray Fricke
Architect:	Provence Development Group, Ltd.	Chicago, IL	Allen Olsen
General Contractor:	Stromberg Allen and Company is serving as its own general contractor on HVAC improvements, electrical upgrades, and concrete footing improvements pursuant to architectural plans developed by Provence Development Group.		
Trustee/Fiscal Agent:	Bank of New York	Chicago, IL	
IFA Counsel:	Charity and Associates, P.C.	Chicago, IL	Alan Bell

LEGISLATIVE DISTRICTS

Congressional:	11	Gerald C. ("Jerry") Weller
State Senate:	19	M. Maggie Crotty
State House:	37	Kevin A. McCarthy

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007**

Project: Quality Metal Finishing Co.

STATISTICS

Deal Number:	I-ID-TE-CD-7178	Amount:	\$1,300,000
Type:	Conduit Industrial Revenue Bonds	IFA Staff:	Sharnell Curtis Martin
Location:	Byron	SIC Code:	3364 (Nonferrous Die-Castings)

BOARD ACTION

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

PURPOSE

Bond proceeds will be used to refund the outstanding principal balance of IFA (IDFA) Series 1996 Industrial Revenue Bonds.

IFA 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 the debt.

No Volume Cap is required for refunding Industrial Revenue Bonds.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$1,300,000	Uses:	Refunding Bonds	\$1,300,000
	Equity	<u>100,000</u>		Bond Issuance Costs	<u>100,00</u>
	Total Sources	<u>\$1,400,000</u>		Total Uses	<u>\$1,400,000</u>

The source of equity is from internally generated funds.

JOBS

Current employment:	264	Projected new jobs:	53
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

Background: Quality Metal Finishing Co. (The "Company" or the "Applicant") was established in 1947. Its principal business has been the production of plated zinc die castings for use by customers in the plumbing industry. Quality supplies products to some of the leading suppliers of faucet handles in the plumbing industry.

In addition to plumbing supplies, the Company began to diversify its product lines to include automotive and motorcycle parts when Chinese competition began to have a negative impact on their sales. The new product line includes accounts for Harley Davidson and Illinois Tool Works.

Description: Bond proceeds will be used to refund the outstanding principal balance of the IFA (IDFA) Series 1996 Bonds. The original Series 1996 bond proceeds were used to finance the construction and equipping of a 65,000 square foot manufacturing facility located in Byron, Illinois.

Remarks: The proposed financing will extend the maturity of the bonds until 2017 which will have a positive impact on the Company's cash flows. As a result of the projected increase in production for the new customer contracts, the Company hopes to add 53 new jobs. These 53 jobs had been positions that the Company reduced over the last five years and is optimistic that the new contracts will support the return of these 53 former employees.

FINANCING SUMMARY

Security: The Bonds will be secured by a Direct Pay Letter of Credit from LaSalle Bank N.A.
Structure: Variable Rate Demand Bonds
Maturity: 10 Years
Bank Collateral: First mortgage on subject real estate.
Credit Rating: LaSalle Bank has a credit rating of AA from Standard and Poor's.

PROJECT SUMMARY

Bond proceeds will be used to refund the outstanding principal balance of the IFA (IDFA) Series 1996 Bonds. The original Series 1996 bond proceeds were used to finance the construction and equipping of a 65,000 square foot manufacturing facility located at 421 North Walnut Street in Byron (Ogle County), Illinois. Refunding bonds are estimated at \$1,300,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Quality Metal Finishing Co.
421 North Walnut Street
Byron, IL 61010 (Ogle County)
Mr. David Riggins, Controller

Project name: Quality Metal Finishing Refunding Project

Location: 421 North Walnut Street
Byron, IL 61010 (Ogle County)

Organization: Corporation

State: Illinois

Ownership: Mario Bortoli 49.5%
Mary Bortoli 49.5%
Matthew Bortoli 1.00%

Land Sellers: Not Applicable

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Oliver, Close, Worden, Winkler	Rockford	Curt Worden
Accountant:	Farrell & Associates	Rockford	Robert Farrell
Bond Counsel:	Ungaretti and Harris	Chicago	Ray Fricke
LOC Bank:	LaSalle Bank	Chicago	Kent Kohlbacher
Underwriter:	LaSalle Capital Markets	Chicago	Peter Glick
Underwriter's Counsel:	Ungaretti and Harris	Chicago	Angela Williams-Walker
Issuer's Counsel:	Greene and Letts	Chicago	Allan Walker
IFA Financial Advisor:	D. A. Davidson	Chicago	Bill Morris
	Scott Balice Strategies	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	16 – Donald Manzullo
State Senate:	45 – Todd Sieben
State House:	89 – Jim Saica

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007**

Project: American Ad Bag Company and Garmich-Illinois, LLC

STATISTICS

Project Number:	I-ID-TE-CD-6255	Amount:	\$2,150,000 (not to exceed)
Type:	Industrial Revenue Bond	IFA Staff:	Townsend Albright
Location:	Woodstock	SIC Code:	32311 (Printing)

BOARD ACTION

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

PURPOSE

Proceeds will be used to (i) to construct and equip a new manufacturing facility, (ii) and 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. **Issuance of the Bonds is subject to an allocation of Volume Cap.**

VOTING RECORD

Voting record from Preliminary IFA Bond Resolution on December 5, 2006:

Ayes: 10 Nays: 0 Abstentions: 0 Absent: 5 (Boyles, DeNard, Giannoulis, O'Brien, Rice)

SOURCES AND USES OF FUNDS

Source:	IFA Bonds	<u>\$2,150,000</u>	Uses:	Project Costs	\$2,107,000
				Legal and professional costs	<u>43,000</u>
	Total	<u>\$2,150,000</u>	Total		<u>\$2,150,000</u>

JOBS

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

BUSINESS SUMMARY

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

Description: Proceeds of the proposed financing will be used to construct and equip an approximately 50,000 sq. ft. manufacturing facility on five acres of land Garmich-Illinois LLC previously purchased in Woodstock, Illinois. AdBag plans to purchase three flexographic presses, computer to plate graphic equipment, and three hot stamp presses for the new facility. Garmich-Illinois, LLC will own the land and facility, and lease the facility to AdBag which will operate the facility.

This is Phase I of the proposed project. Phase II will consist of renovating and equipping its 20,000 sq. ft. existing facility which is also located in Woodstock, Illinois. The existing facility is too small, and needs extensive rehabilitation and renovation including significant structural modification, upgrading HVAC, new manufacturing equipment, and computer systems.

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

FINANCING SUMMARY

Structure: Fixed rate bonds to be held to maturity as an investment by American Community Bank & Trust Company, Woodstock, Illinois in accordance with IFA policies.
Collateral: First Mortgage on the property, and corporate guarantee of the Applicants.
Rating: Non-rated
Maturity: 25 years

PROJECT SUMMARY

Proceeds will be used to (i) construct and equip an approximately 50,000 sq. ft. manufacturing facility to be located at 1510 Lamb Road, Woodstock, McHenry County, Illinois, and (ii) fund legal and professional costs.

Project Costs:	Building	\$1,360,000
	Equipment/fixtures	<u>747,000</u>
	Total	<u>\$2,107,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicants: American AdBag Co. and Garmich-Illinois, LLC
Project Name: New Facility and Renovation Projects
Project Location: 1510 Lamb Road, Woodstock, McHenry County, IL
Land Owner: Garmich-Illinois LLC, an Illinois LLC
Shareholder Ownership: Virginia Semrow 51.0%
Gary D. Semrow 40.0%
Other shareholders, individually, own less than less than 3.0% of the outstanding shares.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Law Office of Jeffrey J. Keck	Woodstock, IL	Jeffrey J. Keck
Accountant:	Jarvis & Associates, Ltd.	Woodstock, IL	Ronald W. Jarvis
Bond Counsel:	Whyte Hirschboeck Dudek, S.C.	Milwaukee, WI	Lynda R. Templen
Underwriter/			
Purchasing Bank:	American Community Bank & Trust Co.	Woodstock, IL	Daniel J. Dreher
Counsel to Bank:	Whyte Hirschboeck Dudek, S.C.	Milwaukee, WI	Lisa R. Lange
Trustee:	American Community Bank & Trust Co.	Woodstock, IL	
Issuer's Counsel:	IceMiller LLP	Chicago	James M. Snyder
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007**

Project: **Robert Morris College**

STATISTICS

Number:	E-PC-TE-CD-7183	Amount:	\$30,000,000 (not to exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Townsend S. Albright
Location:	Aurora, Chicago, Schaumburg		

BOARD ACTION

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

PURPOSE

Proceeds will be used to (i) refund outstanding indebtedness, (ii) expand and renovate its Chicago campus, (iii) design and construct a new medical and science wing for the DuPage Campus, (iv) construct and equip new classrooms for the Schaumburg Graduate School, (v) plan and design a new suburban graduate school at a location to be determined, and (vi) fund legal and professional 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 paid to bondholders and thereby reducing the borrower's interest expense.

VOTING RECORD

Preliminary Bond Resolution; no prior vote.

SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Revenue Bonds	\$29,600,000	Project Costs	\$10,054,801
Equity	1,608,576	Debt refunding	20,478,775
(Existing Debt Reserve Fund Applied to refunding)		Arch.Eng	500,000
Total	<u>\$31,208,576</u>	Legal/Professional	<u>175,000</u>
		Total	<u>\$31,208,576</u>

JOBS

Current employment:	818	Projected new jobs:	62 (over 2 years)
Jobs retained:	818	Construction jobs:	TBD

BUSINESS SUMMARY

- Background:** Robert Morris College (the “College”, the “Applicant”, “RMC”) is a private, independent, not-for-profit institution of higher education located in Chicago, Illinois with suburban campuses. Robert Morris College bears the name of an outstanding American of the Revolutionary War who has been called the “Financier of the Revolution.” Robert Morris helped the movement for freedom by securing the financial assistance — including his own personal resources — for the patriots during the Colonial struggle.
- Robert Morris College is a private not-for-profit, associate, baccalaureate, and master's degree-granting institution, accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. RMC serves over 6,500 students interested in getting an education that meets the demands of today's business, graphic arts, health care, culinary, and technical world at its main campus in Chicago as well as at locations in DuPage, Orland Park, Bensenville, Springfield, Peoria and Lake County. With over a 90-year history of excellence, Robert Morris College offers professional, career-focused education in a collegiate setting to diverse communities. As Illinois' leading independent, not-for-profit college, RMC's accredited degrees, accelerated programs and year round scheduling allow students to earn the education they deserve while benefiting from one of the lowest tuition rates in the state.
- Robert Morris College is accredited by the Higher Learning Commission of the North Central Association, of which it is a member. Robert Morris College is approved by the Illinois Board of Higher Education and is authorized to award the Master of Business Administration Degree, Master of Information Systems Degree, Bachelor of Business Administration Degree, Bachelor of Applied Science Degree in Graphic Design, Bachelor of Applied Science Degree in Computer Studies and the Associate in Applied Science Degree. The College's Medical Assistance Program is accredited by the Commission on Accreditation of Allied Health Education Programs (CAAHEP). Students who complete the Professional Diploma or Associate Degree program are eligible to sit for the national qualifying examination for certification as a Certified Medical Assistant (CMA). RMC is the fifth largest not for profit college in Illinois. The College is governed by an eleven member Board of which a member list is included for IFA Board review.
- Project Description:** Proceeds from the proposed financing will be used to (i) expand and remodel RMC's Chicago campus including the library, Graduate Center Architectural Studies, and Medical and Science Laboratories, (ii) design and construct a new medical wing at RMC's DuPage campus including general science and nursing labs, surgery labs, and faculty areas, (iii) construct two new , and open computer lab, plus fixtures and equipment, and (iv) design a new business school campus in a suburban area to be determined, (v) refund outstanding Series 1997 and Series 2000 Bonds issued through the IDFA, a predecessor Authority merged into the IFA on January 2, 2004, and (vi) fund legal and professional costs.
- Remarks:** Tax exempt financing results in a significantly lower cost of capital than commercial financing and enables the College to increase the resources that can be devoted to student programs and services. Additionally, the ability of the College to current refund outstanding bonds from its Series 1997 and Series 2000 Bonds will produce a net present value saving of approximately \$1.2 million.

FINANCING SUMMARY

Structure: Fixed rate, credit enhanced, with a Direct pay Letter of Credit from a bank to be determined. Prior issues of the College have been insured by MBIA (Series 1997 and 2000) and JP Morgan Letter of Credit (Series 2004)

Security: Operating revenue of the College will be the source of repayment.

Maturity: 2030

PROJECT SUMMARY

Bond proceeds will be used to (i) refund approximately \$20,478,775 of outstanding indebtedness, (ii) expand and renovate existing Chicago Campus areas located at 401 South State Street, Chicago, Cook County, Illinois, (iii) design and construct a new medical and science wing plus ancillary facilities for the DuPage Campus located at 905 Meriden Lake Drive, Aurora, DuPage County, Illinois, (iv) construct and equip new classrooms for the Schaumburg Graduate School located at 1000 East Woodfield Road, Schaumburg, Cook County, Illinois, and (v) fund design and planning expenses for a new business school campus to be located at a suburban site to be determined, and (vi) fund legal and professional costs.

Project Costs:	
New Construction/Renovation:	\$10,054,801
Architectural/Engineering:	500,000
Total	<u>\$10,554,821</u>
Refunding	<u>\$20,478,775</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Robert Morris College

Project names: 2007 Refunding and Facility Expansion, Chicago, IL and other campuses

Locations:	Chicago Campus 401 S. State Street Chicago, IL 60605	DuPage Campus 905 Meridian Lake Drive Aurora, IL 60504	Schaumburg Campus 1000 East Woodfield Drive Schaumburg, IL 60173
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Contact Person: Ronald Arnold, VP for Business Affairs, 312-935-6646

Organization: 501(c)(3) Corporation

State: Illinois

Board of Trustees:	Donald J. Andorfer Randall B. Becker Marcia Burke Thomas H. Donohoe <i>Secretary</i> Roland I. Finkelman <i>Chairman</i> Claudia Freed Jack Gonder Gladys Jossell Nick Mavros Michael P. Violtt Joseph D. Wright	President Managing Director President Partner Vice President, retired Executive Director Associate President Owner President Vice President, Partner	Indiana Institute of Technology U.S. Corporate Banking Group LewisBurke Consulting Group, Inc. McDermott, Will & Emery GATX Corporation Educational Assistance, Ltd. RSM Equico Company A-Pro Temporaries, Inc. Mavros Computer Services Robert Morris College Performance Communications Group
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PROFESSIONAL & FINANCIAL

Counsel:	McDermott, Will & Emery	Chicago	Thomas Donohoe
Accountant:	McClintock & Associates CPA	Bridgeville, PA	Mike Wherry
Bond Counsel:	Chapman & Cutler	Chicago	James Luebchow
Underwriter:	<i>To be determined</i>		
Financial Advisor:	Norton Scott LLC	Great Falls, VA	Michael Scott
Underwriter's Counsel:	<i>To be determined</i>		
Issuer's Counsel:	Sonnenschein Nath & Rosenthal LLP	Chicago, IL	Mary G. Wilson
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

	Chicago Campus	DuPage Campus	Schaumburg Campus
Congressional:	7 Danny D. Davis	13 Judy Biggert	8 Melissa Bean
State Senate:	5 Mattie Hunter	48 Randall M. Hultgren	28 John Millner
State Senate	3 Kenneth Dunkin	96 Joe Dunn	56 Paul Froehlich

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 11, 2007

Project: Chicago School of Professional Psychology

STATISTICS

Deal Number:	E-PC-TE-CD-7157	Amount:	\$14,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Sharnell Curtis Martin
Location:	Chicago	SIC Code:	8221 (Colleges, Universities and Professional Schools)

BOARD ACTION

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

PURPOSE

Bond proceeds will be used to refund a previous bond issue, refinance existing debt, finance acquisition and renovations 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: August 7, 2007

Ayes: 10	Nays: 0	Abstentions: 0	Vacancy: 1
Absent: 4	(Boyles, Fuentes, Herrin, Rivera)		

SOURCES AND USES OF FUNDS

Sources:	IFA Bond	<u>\$14,000,000</u>	Uses:	Refund Bond Issue	\$7,500,000
				Project Costs	3,200,000
				Refinancing	3,050,000
				Issuance Costs	<u>250,000</u>
	Total Sources	<u>\$14,000,000</u>		Total Uses	<u>\$14,000,000</u>

JOBS

Current employment:	130	Projected new jobs:	30
Jobs retained:	N/A	Construction jobs:	50

BUSINESS SUMMARY

Background: The Chicago School of Professional Psychology (the “School” or the “Applicant”) is an Illinois 501(c)(3) corporation established in 1979 as a school specializing in psychology training operated by practicing psychologists.

Description: The School offers Master’s Degrees in Industrial/Organizational, Clinical Counseling, Forensic, Applied Behavioral Analysis and School Psychology; as well as Doctoral Degrees in Business and Clinical Psychology.

The mission of the School is integrating theory, professional practice and innovation in the field of psychology while providing excellent education for careers in psychology and related behavioral and health sciences.

Currently serving more than 1020 students from the United States and internationally, more than 70% of its enrollment are students based in the Midwest. The new project expansion will allow the School to acquire space and make necessary renovations to accommodate the projected student growth of approximately 250 – 300 students over the next three years.

Remarks: The bond financing will finance the acquisition and renovation of a condo unit located within the School’s current building located at 325 N. Wells Street, 10th Floor in Chicago, refinance a \$3.5 million taxable bank loan and refund the outstanding balance of a \$7.5 million bond issued by IFA predecessor, the Illinois Development Finance Authority. The original proceeds from both debt issuances provided funds to finance the cost of the acquisition, renovations, and improvements of real estate at the School’s current location, 325 N. Wells in Chicago, and to finance the acquisition and installation of furnishings and equipment.

FINANCING SUMMARY

Security: The Bonds will be purchased and held as an investment by All Points Public Funding, a division of Capital One.
Structure: The bonds will bear a fixed interest rate of approximately 5.11%
Maturity: 20 Years
Bank Collateral: First Mortgage on subject real estate and first lien on furnishings and equipment financed.
Credit Rating: All Points Public Funding, the purchaser of the bonds is an unrated lender and therefore does not have a credit rating.

PROJECT SUMMARY

Bond proceeds will be used to refund a previous bond issue, refinance existing conventional debt, finance acquisition and renovation of a facility to be located at 325 N. Wells Street in Chicago (Cook County) and to pay certain bond issuance costs. Project costs are estimated as follows:

Condo Acquisition	\$1,600,000
Construction/Renovations	<u>\$1,600,000</u>
Total Project Costs	<u>\$3,200,000</u>

Applicant: The Chicago School of Professional Psychology
325 N. Wells Street - 3rd Floor
Chicago, IL 60610 (Cook County)
Mr. Jeff, Keith, Chief Financial Officer

Project name: The Chicago School of Professional Psychology Project 2007

Location: 325 N. Wells Street – 10th Floor
Chicago, IL 60610 (Cook County)

Organization: 501(c)(3) Corporation

State: Illinois

Board of Directors: Richard Grinstein, Chair Louise Lane, Vice-Chair R. Edward Bergmark, Ph.D.
Dean Chung, MBA Ronald Decker, JD Paul Dillon, CMC, M.S.
Brian Fabes, Ph.D. Kathy Ford, M.A. Bruce Fox, JD
Linda Harvard, MBA Michael Horowitz, Ph.D. William Houston
Betty Laston, M.A. George Mitchel David I. Scott
Frank Seever, Ph.D. Rev. Mary Tudela, MBA Theodore Weber, CPA
Harold Wilson Daniel Broadhurst

Land Sellers: GL Wells, LLC
Member: George Lubrich II

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Neal, Gerber & Eisenberg	Chicago	Bruce Fox
Accountant:	Virchow Krause & Co.	Chicago	
Bond Counsel:	Ice Miller	Indianapolis, IN	Jeffrey Lewis
Placement Agent:	Bank of America Securities	Chicago	Jason Borman
Bond Purchaser:	All Points Public Funding	Melville, NY	Jonathan Lewis
Bond Purchaser's Counsel:	Kutak Rock	Atlanta, GA	Paul Smith
Issuer's Counsel:	Law Offices of Kevin Cahill	Chicago	Kevin Cahill
IFA Financial Advisor:	D. A. Davidson	Chicago	Bill Morris
	Scott Balice Strategies	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 7 -- Danny Davis
State Senate: 5 – Kenneth Dunkin
State House: 3 – Mattie Hunter

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September, 11, 2007**

**Project: McKinley Foundation at the University of Illinois Urbana-Champaign
(Presbyterian Hall)**

STATISTICS

Number:	E-NP-TE-CD-7095	Amount:	\$27,500,000 (not to exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Townsend S. Albright and Nona R. Myers
Location:	Champaign		

BOARD ACTION

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

PURPOSE

Proceeds will be used to finance (i) remodeling of existing buildings and construction of a new building for student housing (264 students) as well as study, recreational, and parking space, (ii) deposit moneys in the Debt Service Reserve Fund to secure the Series 2007 Bonds, (iii) capitalize interest, and (iv) pay certain costs of 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.

VOTING RECORD

Voting record from Preliminary IFA Bond Resolution on June 12, 2007:

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

SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Revenue Bonds	\$25,000,000	Project Costs	\$27,850,000
Equity (Land)	<u>5,000,000</u>	Capitalized Interest	1,800,000
		Costs of Issuance	<u>350,000</u>
Total	<u>\$30,000,000</u>	Total	<u>\$30,000,000</u>

JOBS

Current employment:	9	Projected new jobs:	12
Jobs retained:	21	Construction jobs:	50 (15 months)

BUSINESS SUMMARY

Description: McKinley Presbyterian Church & Foundation (the “Applicant”, the “Foundation”) is an Illinois 501(c)(3) corporation, and is located on the campus of the University of Illinois at Champaign-Urbana. Founded in 1906, McKinley Presbyterian Church was the first church established expressly for students at a state university in the United States. In 1910 the Presbyterian Synod purchased property near the campus at 5th and John Streets to be used as a site for a church building and a house on the site that was used as a student center and living unit for men. In 1911 the student center house was moved to a location south of the new church on 5th street, and converted into a residence for Presbyterian women. A campaign for funds was initiated in 1924 to construct and maintain a Foundation building which led to the establishment of the McKinley Foundation on October 16, 1924 as a separate Corporation.

The Service Area: The building master plan provides a creative and thoughtful model of a mixed-use urban village. The plan follows the programmatic guidance of McKinley Foundation staff and Board, City of Champaign Planning Department staff and the US Green Building Council’s LEED project checklist. The new residential structure will be a 6-story steel and concrete building totaling approximately 75,725 square feet of gross building area with a 2-level parking structure underneath the building containing 66 parking spaces on the parcel now occupied by Presby House fronting at 405 John Street. The new structure will be integrated into the McKinley campus with two existing buildings containing 49,224 square feet. The finished project will blend the existing heritage buildings with the new 6-story structure.

Background: McKinley has offered Private Certified Housing for approximately 50 young men and women, on an annual basis, for nearly eighty years. This residential capacity is a small scale in comparison to other housing sponsors on campus. Student residential life for men has been provided in the Foundation building at 809 S. Fifth Street. Women are housed in a residence, known as “Presby House”, which was originally a nearby farmhouse bequeathed to the Foundation by Livia Ball, then relocated to a former fraternity house at 405 E. John, adjacent to McKinley Church.

Marketing: McKinley is one of 15 Private Certified Housing facilities included as part of the University’s housing program. Private Certified Housing meets standards set by UIUC for all students, including freshmen. Within any given year over 25% of the entering freshmen class chooses to live in one of these facilities. Freshman enrollment for the fall of 2006 was 7,172 and undergraduate enrollment was reported at 30,935. Total enrollment was 41,342. Freshmen are required to spend their first 30 academic hours in University or University Certified Housing. Students may transfer to Private Certified Housing as vacancies occur without penalty. The University’s Private Certified Housing requires standards are met for safety, space/amenities, equal enrollment opportunity, and programming/supervision. All students are eligible to apply for housing at McKinley, regardless of religion.

Project Description:

New Presby Hall Residential Building-Floors 1-6 will contain 8 housing suites per floor, with 3 or 4 bedrooms, 2 bathrooms, kitchen, dining area and living room and an outdoor balcony in each apartment. There are a total of 168 bedrooms in the residential building providing housing for 264 students in a mix of double and single occupancy. An entry and elevator lobby will be placed in a connector between the new building and the Foundation building serving both structures with vertical transportation, creating handicap accessibility to the Foundation building that heretofore has not been available. A drop off and pick up area next to this building entry lobby will be incorporated to the site plan. The new building is an improved utilization of land space and will replace the old building on existing land owned by the Foundation. Geothermal heating/cooling will be installed to reduce utility and environmental impact.

Existing Heritage McKinley Foundation and Sanctuary Buildings-As a part of this project, the McKinley Foundation and Sanctuary buildings will be remodeled. The Foundation building will continue to serve

as a student center and common area for the residents in the new building featuring the main Great Hall heavily used by students as a study hall, a computer lab, a fitness center, music rehearsal space, meeting and conference rooms, bathrooms with shower and dressing area in both, and staff offices. The first floor will also contain a student serving 1,500 square foot deli/coffee shop with a new entry to Daniel Street leased to third party tenant. An outdoor courtyard area will be shared with McKinley Presbyterian Church for outdoor student gatherings and events. The second floor Westminster Hall and stage will be restored, and the associated commercial kitchen will be reconstituted to allow large group events with food service to occur. The basement level of the Sanctuary will be renovated to provide for a Nursery and Pre-school rooms and a social gathering place with a church type kitchen. The Sanctuary will be air conditioned throughout. An elevator will be installed to provide handicapped accessibility. An allocation of the cost of the religious use improvements will be assessed by bond council and financed with a Series B taxable tail of the bond funds issued.

The Design provides for:

1. 48 fully furnished units containing a total of 168 bedrooms, each in a 3 or 4 bedroom suite with 2 bathrooms, living/study lounge, kitchen and dining area. The unit design allows for 30% single occupancy bedrooms and 70% double occupancy for total of 264 beds.
2. An environmental state of the art building for the McKinley Foundation Student Center with office and conference facilities and associated student activity and study common areas on the ground floor.
3. An outdoor room featuring a seating arena and an inviting place for students to relax and mingle- a people place for students to meet and hang out at the gateway to campus.
4. Mixed-use public and commercial space create an active, pedestrian friendly, campus environment.
5. Green building initiatives and socially sustainable development near the heart of the Campus. The building is designed to achieve LEED Silver Certification.

The availability of Tax-Exempt financing will improve the Net Operating Income of the project by reducing interest expense, thereby facilitating development of the Project. This will enable the McKinley Foundation to offer quality housing and residential life to a diverse student population of all backgrounds and interests at an affordable rate.

FINANCING SUMMARY

Structure: As proposed, IFA would issue one Series of Bonds, Series 2007. Multi-Mode Variable Rate Revenue Bonds to be sold by George K. Baum & Company, (“the Underwriter”) with credit enhancement in accordance with IFA’s Bond Program Handbook.

Security/ Direct Pay Letter of Credit from Key Bank, N.A., Bellevue, Washington
Collateral: The Bonds will be solely secured by a first mortgage on said property.
Maturity: 30 years

PROJECT SUMMARY

Bond proceeds will be used to (i) finance the demolition of structures currently existing at 809 South 5th Street, Champaign, Champaign County, Illinois, (ii) to finance the design, construction, and equipping of a multi-story student housing facility (the "Facility") to be located at 405 East John Street, Champaign, Champaign County, Illinois, (iii) to capitalize a Debt Service Reserve Fund, (iv) to make an initial deposit in the Operations and maintenance Fund, (v) to provide for the payment of initial operating expenses, (vi) to pay capitalized interest during construction, and (vii) to pay certain costs of issuance relating to the proposed Series 2007 Bonds.

A summary of project costs follows:

New Construction:	\$21,533,000
Renovations:	2,500,000
Machinery & Equipment:	480,000
Architectural/Engineering:	1,167,000
Construction Soft Costs:	1,490,000
Contingency:	<u>680,000</u>
Total	<u>\$27,850,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant:	McKinley Foundation at the University of Illinois		
Project names:	Presbyterian Hall		
Locations:	405 E. John St., Champaign, IL 61820, Champaign County		
Contact Person:	Gary Chamberlain, Director, Finance & Operations, 217-344-0297		
Organization:	501(c)(3) Corporation		
State:	Illinois		
Board of Directors:	David Bechtel	Cindy Shepherd	
	Sara Cain, President	Kathie Spegal	
	Dan Grayson	Clyde Sweet	
	Scott Larimer	Colleen Vojak	
	Ruth McCauley	Rev. Heidi Weatherford, Director	

PROFESSIONAL & FINANCIAL

Counsel:	Holland & Knight	San Francisco	Steve Taber
Accountant:	P.J. Patterson	Decatur, IL	Linda Wolfe
Bond Counsel:	Holland & Knight	San Francisco	Steve Taber
Underwriter:	George K. Baum & Company	Denver, CO	Trinidad Rodriguez
Financial Advisor:	First Busey Trust & Investment Co.	Champaign, IL	Elizabeth A. Krchak
Underwriter's Counsel:	Patton Boggs, LLP	Denver, CO	Greg Johnson
LOC Bank Counsel:	Barnes & Thornburg	Indianapolis, IN	
Trustee:	Wells Fargo	Indianapolis, IN	Chris Carrera
Issuer's Counsel:	Hart Southworth & Witsman	Springfield, IL	Samuel Witsman
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	15th	Timothy V. Johnson
State Senate:	52nd	Michael W. Frerichs
State House:	103rd	Naomi D. Jakobsson

RESOLUTION 2007-09-___

**RESOLUTION APPROVING AMENDMENTS TO THE ILLINOIS FINANCE
AUTHORITY'S 401(a) CONTRIBUTION PLAN**

WHEREAS, the Illinois Finance Authority (the "Authority") has been created by the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. (the "Act"); and

WHEREAS, employees of the Authority participate in the Illinois Finance Authority 401(a) Contribution Plan (the "Plan"); and

WHEREAS, at its regularly scheduled meeting held on July 11, 2006, the Authority approved the Plan and authorized the Plan to remain in effect until June 30, 2007; and

WHEREAS, at its regularly scheduled meeting held on June 12, 2007, the Authority adopted a resolution extending the term of the Plan until such time as the Board, or the Compensation Committee of the Board, determines it is in the best interest of the Authority to terminate the Plan; and

WHEREAS, the Authority has determined it is necessary and desirable to amend Section 4.5 of the Plan to further define and clarify those persons who are eligible to receive employer contributions under the Plan;

WHEREAS, the amendment to the Plan will be in substantially the same form as set forth in the First Amendment to the Illinois Finance Authority 401(a) Contribution Plan (the "First Amendment") attached hereto as Exhibit A; and

WHEREAS, the Members of the Authority have the power to adopt this Resolution pursuant to the provisions of Sections 801-25, 801-30 and 801-40 of the Act.

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

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

Section 2. Approval of First Amendment. The First Amendment providing for an amendment to Section 4.5 of the Plan is approved in the form substantially similar to that attached hereto as Exhibit A, together with such changes that the Executive Director and Trustees of the Plan (the "Trustees") executing the same may approve as necessary and appropriate, such approval to be conclusively evidenced by such officer's or officers' execution and delivery thereof.

Section 3. Execution and Delivery of First Amendment. The Executive Director and Trustees (the "Designated Persons") be, and each of them acting alone, is hereby authorized to: (i) execute and deliver, in the name of, and on behalf of, the Authority the First Amendment and any other documents required or necessary to effectuate the amendment to the Plan as contemplated herein, with such changes therein as such Designated Persons executing the same

shall approve, the execution and delivery thereof by such Designated Persons to be conclusive evidence of the approval thereof by such Designated Persons; and (ii) take or cause to be taken any and all such other and further actions in order to carry out the purpose and intent of this Resolution.

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

This Resolution 2007-09-_____ is adopted this 11th day of September 2007 by a vote of:

Ayes:

Nays:

Abstain:

Absent:

Vacancy: 1

Chairman

Attested to:

1058315_1

Exhibit A

**FIRST AMENDMENT TO THE
ILLINOIS FINANCE AUTHORITY 401(A) CONTRIBUTION PLAN**

BY THIS AGREEMENT, the Illinois Finance Authority 401(a) Contribution Plan (the "Plan") is hereby amended as follows:

Revise Section 4.5 to read as follows:

4.5 Allocation Requirements for Employer Contributions

A person who was an Eligible Employee at any time during a Contribution Period shall be eligible to receive an allocation of Employer Contributions for such Contribution Period; provided however, with respect to Discretionary Contributions, such person shall be eligible to receive an allocation for such Contribution Period only if he was employed for at least 1,000 hours during the Contribution Period and he was employed on the last day of such Contribution Period.

IN WITNESS WHEREOF, this Amendment has been executed and is effective as of this _____ day of September, 2007.

Plan Trustees:

Illinois Finance Authority:

Jose Garcia

Kym M. Hubbard, Executive Director

J. Stuart Boldry, Jr.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: September 11, 2007

Re: Resolution Authorizing the Amendment of Bond Documents in Connection with
Lake Towers Associates II Limited Partnership, IDFA Series 1997 Affordable Housing Bonds
(Cinnamon Lake Towers Project)
IDFA Project 1551-HB

This memorandum and the accompanying Resolution will enable Lake Towers II Associates Limited Partnership, an Illinois limited partnership (the "Borrower"), to authorize certain amendments to the Bond documents relating to the existing IFA (IDFA) Series 1997 Bonds (the "Bonds") for the Cinnamon Lake Towers Project (the "Project"). These amendments will authorize the execution and delivery of certain new agreements that will enable the Borrower to (1) replace the existing credit enhancement provider, (2) replace the Bond Trustee, and (3) replace the Remarketing Agent.

The Bonds have been secured by a Letter of Credit issued by JPMorgan Chase Bank, N.A. ("Chase"). Chase has indicated to the Borrower that it will not be extending its Letter of Credit upon its current scheduled expiration date in February, 2008. Accordingly, it has been necessary for the Borrower to obtain a new source of credit enhancement for the Bonds. As of August 30, 2007, the Borrower and Federal Home Loan Mortgage Corporation ("Freddie Mac") have entered into a commitment for Freddie Mac to issue its credit facility (the "Alternate Credit Facility") pursuant to a Credit Enhancement Agreement, which will secure the Bonds, effective on September 17, 2007. Under the Indenture, the Bonds will be subject to mandatory tender on the substitution date.

Freddie Mac has requested that, in connection with the issuance of the Alternate Credit Facility, certain amendments to the Indenture and the Loan Agreement be made to conform those documents with Freddie Mac's credit enhancement requirements. Additionally, the amendments will constitute a "reissuance" of the Bonds for federal income tax purposes. Accordingly, it will be necessary for the Authority to enter into a new Tax Agreement and Regulatory Agreement as if the Bonds were being refunded. Finally, the Freddie Mac credit enhancement program requires that the Borrower give a mortgage on the property directly to the Authority (which will be assigned to the Trustee), and thus the Authority will need to enter into an Intercreditor Agreement with Freddie Mac giving Freddie Mac rights to control remedies in the event of default (assuming Freddie Mac is performing under the Alternate Credit Facility).

The Bonds will be subject to mandatory tender under the Indenture on September 17, 2007, on which date the Remarketing Agent will consent to the amendments as the owner of the Bonds immediately prior to their remarketing to the public. The Official Statement will be supplemented to describe the amendments and the other changes described herein.

Finally, in connection with these events, the Borrower is requesting that the Remarketing Agent and Trustee be changed, with the new Remarketing Agent being Mesirov Financial, Inc. and the new Trustee being U.S. Bank National Association.

The existing Chase Bank Direct Pay Letter of Credit will be replaced with a Credit Enhancement Agreement from the Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac").

The requested change in credit enhancement would result in an improved rating on the Bonds. Chase Bank's Direct Pay LOC is currently rated "AA/Stable/A-1+" by S&P. FHLMC credit enhancement is currently rated "AAA/Stable/A-1+" by S&P. Accordingly, since the requested change will maintain the short-term rating on the Bonds at A-1+, the Bonds will maintain their A-1+ rating while in 7-day floating rate mode.

Proceeds of the original Series 1997 Bonds were used to finance the acquisition and renovation of the 274-unit Cinnamon Lake Towers rental housing project in Waukegan, Illinois. Of the 274 units within the Project, 115 are designated Section 8 units. Of the 115 Section 8 units, 110 of which are rented to Low Income (for Section 8 purposes) elderly tenants, and the remaining five to low income (for Section 8 purposes) families. The unit mix is comprised (1) twenty four studio apartments (432 SF each), (2) 155 1-bedroom apartments (704 SF each), (3) five 900 SF 2-bedroom units (900 SF each), and (4) 95 2-bedroom units (920 SF each).

Payments on the subject Bonds were current as of 8/1/2007.

Staff recommends approval of this Resolution contingent upon on IFA Counsel's review and sign-off on the underlying amendments and related documents.

VOTING RECORD

None. This is the first time this project has been considered by the IFA Board of Directors.

OWNERSHIP DISCLOSURE

Operating General Partners:	DRE, Inc. 800 S. Milwaukee Avenue, Suite 170 Libertyville, IL 60048-3255	0.045%
	Virtual Realty, Inc. 308 W. Erie Street, Suite 700 Chicago, IL 60610	0.045%
Administrative General Partner:	National Corporate TC (Tax Credit), Inc. VII Ogden, UT	0.010%
Limited Partner:	National Corporate Tax Credit Fund VII 6100 Center Drive, Suite 800 Los Angeles, CA 90045	99.00%

PROFESSIONAL & FINANCIAL

Lake Tower Associates II L.P.:	Dennis Egidi	Libertyville, IL	
Borrower's Counsel:	The Newbanks Law Firm	Cincinnati, OH	Ronal Newbanks
Bond Counsel:	Greenberg Traurig, LLP	Chicago, IL	Matt Lewin
Credit Enhancement: Counsel to Credit Enhancer:	FHLMC Kutak Rock LLP	McLean, VA Washington, DC	
Remarketing Agent:	Mesirow Financial, Inc.	Chicago, IL	Bill Carney

Counsel to Remarketing

Agent.:	Greenberg Traurig, LLP	Chicago, IL	Matt Lewin
Trustee:	US Bank	Chicago, IL	Grace Gorka
Management Agent:	Ludwig and Company	Gurnee, IL	
IFA Counsel:	Shefsky & Froelich, Ltd.	Chicago, IL	Leslie Carey
IFA Financial			
Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, LLC	Chicago, IL	Lois Scott

-
- Attachment: IFA Resolution

RESOLUTION NO. 07-09-__

RESOLUTION AUTHORIZING THE AMENDMENT OF BOND DOCUMENTS IN CONNECTION WITH THE ILLINOIS DEVELOPMENT FINANCE AUTHORITY \$9,765,000 ORIGINAL PRINCIPAL AMOUNT VARIABLE RATE DEMAND AFFORDABLE HOUSING REVENUE BONDS, SERIES 1997 (CINNAMON LAKE TOWERS PROJECT); AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN NEW AGREEMENTS IN CONNECTION WITH THE SUBSTITUTION OF THE CREDIT FACILITY FOR THE BONDS; AUTHORIZING THE REPLACEMENT OF REMARKETING AGENT AND TRUSTEE FOR THE BONDS; AND RELATED MATTERS.

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 3501/801-1, as supplemented and amended (the "Act"), is authorized by the laws of the State of Illinois, including without limitation the Act, to issue its bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to defray, among other things, the cost of the acquisition and improvement of "industrial projects" as defined in the Act; and

WHEREAS, Lake Towers Associates II Limited Partnership, an Illinois limited partnership (the "Borrower") entered into a Loan Agreement dated as of October 1, 1997 (the "Loan Agreement") with the Illinois Development Finance Authority, a predecessor to the Authority (hereinafter also referred to as the "Authority"), under which proceeds of the Authority's \$9,765,000 original principal amount Variable Rate Demand Affordable Housing Revenue Bonds, Series 1997 (Cinnamon Lake Towers Project) (the "Bonds") were loaned to the Borrower to finance costs of acquisition of a multifamily housing apartment development located at 2701 Glen Flora, Waukegan, Illinois (the "Project"); and

WHEREAS, the Bonds were issued pursuant to an Indenture of Trust dated as of October 1, 1997 (the "Indenture") between the Authority and The Bank of New York Trust Company, N.A. (successor to The Bank of New York), as trustee (the "Trustee") and are supported by a Letter of

Credit (the "Letter of Credit") issued by JPMorgan Chase Bank, N.A. (as successor to The First National Bank of Chicago) (the "Bank");

WHEREAS, pursuant to the terms of the Indenture, the Borrower is causing there to be issued an Alternate Credit Facility (the "Alternate Credit Facility") by Federal Home Loan Mortgage Corporation ("Freddie Mac") in substitution for the Letter of Credit and, in connection therewith, Freddie Mac and the Borrower are requesting that certain amendments to the existing Bond documents and certain new Bond documents be entered into by the Authority and the other parties thereto, the amendments consisting of a First Amendment to Trust Indenture and a First Amendment to Loan Agreement, and the new documents consisting of a Regulatory Agreement and Declaration of Restrictive Covenants, a Tax Exemption Certificate and Agreement and an Intercreditor Agreement and a Supplement to the original Official Statement delivered in connection with the initial marketing of the Bonds; and

WHEREAS, forms of the amendments, agreements and documents referenced in the preceding paragraph are before the Authority at this meeting and are collectively referred to herein as the "Authority Agreements"; and

WHEREAS, in connection with the Authority Agreements, the Borrower may mortgage the financed property to the Authority and the Authority will assign its rights thereunder to the Trustee as security for the Bonds.

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

Section 1. The Authority Agreements, in substantially the forms presented at this meeting and containing substantially the terms and provisions (including repayment provisions)

set forth therein, are hereby authorized, approved and confirmed, and the forms, terms and provisions of the Authority Agreements are hereby approved, with such changes and revisions therein as shall be approved by the officers of the Authority executing and attesting the same, their signatures thereon to constitute conclusive evidence of such approval, and the Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority are hereby authorized and directed to execute and deliver the Authority Agreements to the other parties thereto and, as necessary, the Secretary or Assistant Secretary of the Authority are hereby authorized to attest the Authority Agreements (to the extent execution and/or attestation is so required).

Section 3. The authorization set forth in section 1 hereto is subject to the following; in no event shall the Bonds (a) bear interest at a rate in excess of 15% per annum, (b) mature later than April 15, 2037, or (c) be in a principal amount greater than the outstanding principal amount of the Bonds on the date of and immediately prior to the amendment.

The Bonds and interest thereon shall continue to be a limited obligation of the Authority, payable solely out of the revenue and receipts derived by the Authority pursuant thereto as described in the Loan Agreement and the Indenture, as amended. The Bonds shall not in any respect be a general obligation of the Authority, nor shall they be payable in any manner from funds raised by taxation. No holder of the Bonds has the right to compel any exercise of the taxing power of the State of Illinois or any political subdivision thereof to pay the Bonds, the interest or premium, if any, thereon. The Bonds do not constitute in any respect an indebtedness of the Authority or loan of credit thereof within the meaning of any constitutional or statutory provision.

Section 4. The Authority hereby authorizes and approves the replacement of the existing Remarketing Agent for the Bonds by Mesirow Financial, Inc. and, if requested by the Borrower, the replacement of the existing Trustee for the Bonds by U.S. Bank National Association.

Section 5. The Chairman, the Treasurer, the Executive Director, the Secretary and Assistant Secretary of the Authority are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the amendments described herein, the release of the Letter of Credit and the substitution of the Alternate Credit Facility, the execution and delivery of the Authority Agreements, the filing of a Form 8038, as necessary, with the Internal Revenue Service, the release and/or termination of any other documents relating to the Letter of Credit or the Bank, the mandatory tender and remarketing of the Bonds on the date of substitution of the Alternate Credit Facility and the replacement of the Remarketing Agent and the Trustee, and to carry out the intent and purposes of this Resolution, including the preambles hereto.

Section 6. All acts of the officials of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance of the amendments referenced herein be, and the same hereby are, in all respects, approved and confirmed.

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

Section 8. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

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

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Cory E. Mitchell

Date: September 11, 2007

Re: **Resolution to Amend a Participation Loan to Village Market IGA, Inc. by changing borrower name to owners Brooks and Tammy Marsh in place of being guarantors IFA Project B-LL-TX-7166**

The Request

Village Market IGA, Inc., a grocery store in Mahomet, Illinois, wishes to amend the Participation Loan between them, The Farmer City State Bank and the Illinois Finance Authority by changing the borrowing name of Village Market IGA, Inc. to Brooks and Tammy Marsh. .

The IFA Board approved the Village Market IGA, Inc. loan request on August 7, 2007. The loan request was made to Village Market IGA, Inc. and Brooks and Tammy Marsh as personal guarantors. Since that time Brooks and Tammy Marsh have been instructed by their accountant to borrow the money individually and lease the grocery store back to Village Market IGA, Inc.

Background

The IFA Board approved an \$800,000 Participation Loan with The Farmer City State Bank to Village Market IGA, Inc. The purchase is for the current grocery store building, adjacent and connecting buildings and real estate for expansion of their current operation.

Staff Analysis

No financial or relevant project information has changed for Village Market IGA, Inc. or Brooks and Tammy Marsh since the loan application was approved by the Illinois Finance Authority Board of Directors on August 7, 2007.

RESOLUTION 2007-09-02

RESOLUTION OF THE ILLINOIS FINANCE AUTHORITY (THE "AUTHORITY") AUTHORIZING AND APPROVING (A) THE PREPAYMENT, DEFEASANCE AND/OR REDEMPTION OF ALL OR A PORTION OF THE OUTSTANDING ILLINOIS DEVELOPMENT FINANCE AUTHORITY REVENUE BONDS (ADVENTIST HEALTH SYSTEM/SUNBELT OBLIGATED GROUP), SERIES 2000-A; (B) THE AMENDMENT OF CERTAIN PROVISIONS OF THE TRUST INDENTURE SECURING SUCH BONDS RELATING TO THE DEBT SERVICE RESERVE FUND HELD THEREUNDER AND, IN CONNECTION THEREWITH, THE RELEASE OF CERTAIN MONEYS FROM SUCH DEBT SERVICE RESERVE FUND; (C) THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL INDENTURE TO EFFECT SUCH PREPAYMENT, DEFEASANCE AND/OR REDEMPTION AND SUCH AMENDMENT AND RELEASE OF MONEYS; AND (D) CERTAIN RELATED MATTERS.

WHEREAS, the Illinois Development Finance Authority ("IDFA") has heretofore issued its Illinois Development Finance Authority Variable Rate Demand Revenue Bonds (Adventist Health System/Sunbelt Obligated Group), Series 1997-A, in the original aggregate principal amount of \$128,365,000 (the "Series 1997-A Bonds"), and its Illinois Development Finance Authority Variable Rate Revenue Bonds (Adventist Health System/Sunbelt Obligated Group), Series 1997-B (MILES), in the original aggregate principal amount of \$31,415,000 (the "Series 1997-B Bonds"); and

WHEREAS, a portion of the Series 1997-A Bonds, in the aggregate principal amount of \$66,420,000, was converted to fixed interest rate bonds and designated as Illinois Development Finance Authority Revenue Bonds (Adventist Health System/Sunbelt Obligated Group), Series 2000-A (the "Series 2000-A Bonds"), and a portion of the Series 1997-A Bonds in the aggregate principal amount of \$60,000,000 was converted to auction rate bonds and designated as Illinois Development Finance Authority Revenue Bonds (Adventist Health System/Sunbelt Obligated Group), Series 2000-B Periodic Auction Reset Securities (PARSsm) (the "Series 2000-B Bonds" and, together with the Series 1997-B Bonds and the Series 2000-A Bonds, the "Bonds"); and

WHEREAS, the Bonds were issued under, and are secured by, a Trust Indenture dated as of May 1, 1997, as heretofore supplemented by a First Supplemental Trust Indenture dated as of April 1, 2000 (collectively, the "Existing Indenture"), between the Illinois Finance Authority, as successor to IDFA, and U.S. Bank National Association, as successor trustee (the "Trustee"); and

WHEREAS, IDFA loaned the net proceeds from the original sale of the Series 1997-A Bonds and the Series 1997-B Bonds to Adventist Health System/Sunbelt, Inc., a Florida not-for-profit corporation ("Sunbelt"), pursuant to the provisions of, respectively, (i) the Loan Agreement dated as of May 1, 1997, between IDFA and Sunbelt relating to the Series 1997-A Bonds, and (ii) the Loan Agreement dated as of May 1, 1997, between IDFA and Sunbelt relating to the Series 1997-B Bonds; and

WHEREAS, MBIA Insurance Corporation (the “Bond Insurer”) has issued its financial guaranty insurance policies insuring the regularly scheduled payments of principal of and interest on the Bonds; and

WHEREAS, Sunbelt desires to (a) prepay, defease and/or redeem all or a portion of the Series 2000-A Bonds (the “Defeased Series 2000-A Bonds”), (b) provide for the release of certain moneys relating to the Defeased Series 2000-A Bonds from the Debt Service Reserve Fund and (c) amend certain provisions of the Existing Indenture relating to the Debt Service Reserve Fund to permit releases therefrom in connection with future prepayments, defeasances and/or redemptions of Bonds; and

WHEREAS, Sunbelt has requested the Authority to authorize and approve the execution and delivery of a supplement to the Existing Indenture (the “Supplemental Indenture”) to effect the foregoing and to provide for any related changes to the other provisions of the Existing Indenture as may be necessary or desirable in connection therewith; and

WHEREAS, the Trustee has determined that those portions of the Supplemental Indenture providing for the prepayment, redemption and/or defeasance of the Defeased Series 2000-A Bonds are, in its judgment, not to the detriment of the holders of the Bonds, and, as such, may be entered into without the consent of the holders of the Bonds; and

WHEREAS, the Trustee has been informed that those portions of the Supplemental Indenture providing for the release of moneys from the Debt Service Reserve Fund and the amendment of the provisions of the Indenture relating to future such releases will be consented to by the Bond Insurer, and, accordingly, may be entered into without the consent of the holders of the Bonds; and

WHEREAS, Sunbelt has requested that the Authority authorize and approve the execution and delivery of all other necessary documentation required to effect the foregoing; and

WHEREAS, the Authority desires to approve the matters hereinabove set forth and to authorize and approve the execution and delivery of the Supplemental Indenture and any other necessary or appropriate documentation to effect the foregoing;

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

Section 1. That the Authority hereby approves (a) the prepayment, defeasance and/or redemption of all or a portion of the Defeased Series 2000-A Bonds, (b) the release of certain moneys relating to the Defeased Series 2000-A Bonds from the Debt Service Reserve Fund and (c) the amendment of certain provisions of the Existing Indenture relating to the Debt Service Reserve Fund to permit releases therefrom in connection with future prepayments, defeasances and/or redemptions of Bonds; subject, however, to the Trustee obtaining the consent of the Bond Insurer with respect to the matters in clauses (b) and (c) above.

Section 2. That the Authority is hereby authorized to enter into the Supplemental Indenture with the Trustee, in the form to be approved by bond counsel and by counsel for the Authority; that the Chairman, the Vice Chairman, the Executive Director and the Treasurer or any person serving in any such office on an interim basis (each, an “Authorized Officer”) be, and each of them hereby is, authorized, empowered and directed to execute and deliver the Supplemental Indenture in the form so approved, and the Secretary or any Assistant Secretary of the Authority be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to the Supplemental Indenture in the name, for and on behalf of the Authority, and thereupon to cause the Supplemental Indenture to be executed, acknowledged and delivered to the Trustee, in the form so approved; that when the Supplemental Indenture is executed and delivered on behalf of the Authority as hereinabove provided, such Supplemental Indenture will be binding on the Authority; that from and after the execution and delivery of the Supplemental Indenture, 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 or desirable to carry out and comply with the provisions of the Supplemental Indenture as executed.

Section 3. That the Authorized Officers and the other members, officers, agents and employees of the Authority be, and each of them hereby is, authorized to execute and deliver such other documents, certificates, and undertakings of the Authority, and to take such other actions, including the execution of notices, written directions (including any written directions necessary to facilitate a subscription for United States Treasury Securities - State and Local Government Series), receipts, releases and other closing documents as may be necessary or desirable in connection with the execution, delivery and performance of the Supplemental Indenture and the effecting of the other matters provided for herein, all as authorized by 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.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Jaros

Deal: Jaros Technologies

544 Niedringhaus Avenue, Suite B Granite City, IL 62040
Project Number: V-TD-588 Amount: \$250,000
Type: Venture Capital FM: Christopher Vandenberg
Location: Granite City, IL

BOARD ACTION

Voting Record: This is the first time before the Board of Directors.

IFA Funds at Risk? YES: NO: Amount: \$250,000

JOBS

Current Employment: 16 Projected new jobs: 7 (within 18 months)
Jobs Retained: N/A Construction jobs: N/A

COMPANY SUMMARY

Jaros Technologies (www.jarostech.com), located in Granite City, Illinois, was founded in 1999 by Paul Scheibal. Mr. Scheibal built the company to offer mid-sized manufacturers customized business intelligence solutions. While larger companies offer business intelligence solutions, none adequately meet the needs of the mid-sized manufacturer. Jaros Analytics helps manufacturing companies "See the Picture, Not the Puzzle," by integrating disparate information systems to help clients make better decisions and create efficiencies, thereby increasing profitability. Governor Blagojevich mentioned Jaros in his Governor's Opportunity Returns plan for its region and in the 2005 State of State address.

With minimum capitalization, Jaros has built the first version of its product and has attracted a number of marquee customers, including: Arvin Meritor, GE Transportation, Snap-tite, Minuteman International and Juniper Networks. Jaros intends to use the current round of funding to continue commercialization and expand its sales force.

Jaros is contemplating a \$500,000 loan consisting of:

- \$250,000 loaned from IFA
- \$125,000 loaned from DCEO
- \$ 62,500 loaned from Madison County
- \$ 62,500 loaned from Jaros investors

These funds are expected to fund operations approximately 6 months. Jaros anticipates raising another round of capital to bring the company to profitability. The Company is currently in discussion with several venture firms, but the discussions are extremely preliminary.

STATISTICS

IFA Investment:	\$250,000	IFA Ownership	N/A
Investment Leveraged:	\$250,000	Security Type:	Senior Debt
Pre-Money Valuation:	N/A	# of Shares:	N/A
Post-Money Valuation:	N/A	Price Per Share:	N/A

TERM SHEET

The company is seeking \$500,000 from the following:

- \$250,000 loaned from IFA
- \$125,000 loaned from DCEO
- \$ 62,500 loaned from Madison County
- \$ 62,500 loaned from Jaros investors

Illinois Ventures for Community Actions will service the loan, but will not have any funds at risk in the loan. DCEO's portion will only be funded if they are appropriated funds for the project.

Terms of loan:

- The notes will have an interest rate of 7%. The lenders will receive 6% and Illinois Ventures for Community Actions will take a 1% servicing fee.
- The loan will be interest only for the first year, with level principal and interest payments for the following four years. Payments will be quarterly.
- All existing loans from the investors (\$800,000 will be subordinated to the existing DCEO/Madison County loan (\$400,000) and the new loan.
- 3% prepayment penalty for the first two years.
- DCEO/IFA consent is required to sell/merge the company.
- Default conditions include moving the company from Illinois, default on investor notes and other customary provisions.
- There will be an Equity Risk Premium of 8% if revenues exceed \$300,000 in the first year and \$1,000,000 any other year.

Loans

The company currently has outstanding loans totaling approximately \$1,200,000. The investors have \$800,000 in loans outstanding. These notes will be subordinated to the new loan and the existing \$400,000 loan from DCEO and Madison County.

Use of funds

Proceeds of the proposed investment will be used to scale the sales and marketing team to bring on the Vice-President, Marketing, 3 account executives, 1 sales consultant and several programmers and architects to continue development on the product.

Future Funding needs:

Jaros anticipates raising another round of capital in to bring the company to profitability. The company is

currently in discussion with several venture firms, but the discussions are extremely preliminary.

Burn Rate:

The current burn rate of the company is approximately \$80,000/month. Management salaries currently are approximately \$28,000 or 35% of the monthly burn. As new employees are hired, the burn is expect to increase to approximately \$145,000.

Co-Investor

Illinois Ventures for Community Action (IVCA) is an organization whose membership is comprised of Community Action Agencies throughout the state. IVCA is a not-for-profit corporation whose purpose is to undertake job creation and economic development activities, and to distribute any profit therefrom to its member agencies to finance activities designed to eliminate poverty in Illinois. IVCA is a long standing associate of the Illinois Community Action Association (ICAA). ICAA along with its 40 member agencies serve the people of Illinois through programs and activities that include representation, education, information exchange, advocacy and various other services. The services provided promote the core beliefs and values of ICAA which include reducing suffering through organized structure, raising awareness of the plight of the poor, replacing despair with opportunity, focusing on people, and facilitating working together. Due to the various needs of the people of Illinois from community to community, the decision of which services are provided is made by each separate Community Action Agency. To find out more about Illinois Community Action Association and to learn about the services provided in your area, please visit them online at www.icaanet.org. **NOTE: THIS IS NOT THE ILLINOIS VENTURES THE AUTHORITY NORMALLY WORKS WITH.**

Department of Commerce and Economic Opportunity

Madison County

Richard Ford is a former principal and founder of Gateway Ventures, a St. Louis, MO-based venture fund. See the Key Personnel section for more detail.

PRODUCT

Jaros sells business intelligence software products as well as related implementation services. Jaros's initial two products are Jaros Analytics and Jaros Dashboard.

Jaros Analytics is a reporting and analysis solution for manufacturing companies that provides fast, easy access to historical and real-time detailed corporate data from disparate legacy systems. This enterprise software solution is unique from other business intelligence solutions because it is specifically focused on the needs of medium-sized manufacturing companies, which permits the installation time is greatly reduced. Specifically, 95% of the solution is standard and only 5% must be customized for each customer. Currently, Jaros Analytics is compatible with companies running Oracle Applications and QAD's MFG Pro. The Company is currently expanding the product to be compatible with a number of other platforms.

The completed version of Jaros Analytics consists of modules for analysis of financials, purchase orders, orders and shipments, inventory, manufacturing and costing. These areas are offered in various sub-modules. The Company is continually adding sub-modules in response to customer requests.

Jaros Dashboard is a low-cost, web-based report development and delivery tool that provides an efficient mechanism to distribute reports to employees, customers and suppliers. The tool and the associated services are with **Jaros Analytics** to provide the customer with a reporting tool when the customer does not currently have one. Currently, Jaros is using an OEM solution from Informatica.

BUSINESS MODEL/SALES CYCLE

According to IDC, the business intelligence market is growing at a compound annual growth rate of approximately 27% and is expected to be an \$11.9 billion market in 2005.

Jaros earns revenue through a combination of up-front licensing fees, annual service fees and professional services for installation of their software. Jaros has four pricing tiers: 1) below \$250M in revenues; 2) \$250-500M, 3) \$500M to \$2B, and 4) above \$2B. The price for the analytics modules range from \$25,000 to \$125,000, increasing progressively over each tier. Each user costs \$700 and \$350 per seat for the Analytics and Dashboard packages, respectively. Annual licensing fees are approximately 20% of the total.

Jaros plans to use a direct sales force to sell its product. From their experience, Jaros believes that the average sales cycle will be approximately 6-12 months. Initially, they begin by talking to low level IT or analysts. They rely on these "evangelists" to bring the solution to the "C" level executives for purchasing.

Current customers include Arvin Meritor, Minuteman International, Mitek Industries, Chromalloy and others. Below please see the existing pipeline, as provided by Jaros:

Pipeline – 1st Half 2005	Revenue Potential	Odds of Closing	Revenue Classification
Juniper Networks	35,000	100%	Support
Minuteman International	15,000	100%	Support
Mitek Industries	200,000	75%	New License and Services
Arvin Meritor	300,000	90%	New License and Services
Chromalloy	20,000	100%	Support
GE Transport (GE)	200,000	50%	Services
Ingersoll-Rand	500,000	75%	New License and Services
USP	300,000	50%	New License and Services
Lion Apparel	300,000	50%	New License and Services
Butler Manufacturing	375,000	50%	New License and Services
1 st Half Potential	2,245,000		

KEY PERSONNEL

Management

Paul J. Scheibal, President and CEO - The founder and President and CEO of Jaros, Paul Scheibal has over 25 years of experience with over 10 years experience in business intelligence and data warehousing. Paul has a B.A. degree in mathematics and a B.A. degree in computer science from Southern Illinois University at Carbondale and a Master of Science degree in mathematics specializing in computer science from Southern Illinois University at Edwardsville. Paul founded Jaros Technologies in 1999 and has led many business intelligence solutions at companies like General Electric, Sigma Chemical, and Juniper Networks. Prior to 1999, Paul worked for Oracle Corporation and won many awards for performance, including "consultant of the year" in 1996 for the Oracle Central Region.

Stan Choflet, Vice President of Sales - Stan Choflet has a 19 year track record of success in sales and sales management in the high tech industry. Prior to leading sales and marketing at Jaros, Stan held sales and sales management positions at Cisco, Oracle and Amdahl during high growth periods at each of these companies. Over his career, Stan has specialized in working with large, strategic accounts and is known for his ability to win competitive accounts and open new markets. Stan's sales leadership accounted for over \$75M in sales in the 5 years prior to joining Jaros averaging over 100% annual revenue growth in his territories. Stan holds a B.S. degree in Electrical Engineering from the University of Missouri, Rolla.

Shawn Curtiss, Vice President of Marketing - Shawn comes from an early-stage enterprise software company, MetaMatrix, for over five years. In his position, he has built international brand awareness and have positioned the company as the sector leader in the press and with analyst groups. Based partly on the position, reputation, and awareness he has generated for the company, MetaMatrix has raised over \$42 million in Venture Capital. He has developed marketing programs that achieve and surpass revenue goals. Over the past five years, MetaMatrix has grown from virtually zero revenue to over \$11 million. He has developed budget-conscious programs for lead generation, awareness, market penetration and others to support the sales team.

Board of Directors

Jaros currently has a five member board of directors - 3 from the management team and 2 investor representatives. At this time, the Company does not have any independent directors but they are contemplating putting together an advisory board.

Paul Scheibal

Stan Choflet

Shawn Curtiss

Richard F. Ford - The founder of Gateway Ventures, Dick Ford has consistently demonstrated over his 30+ years of business experience a talent for identifying high growth market opportunities, assessing and motivating management, establishing strategic direction and monitoring operating performance. Although involved in a full range of investment areas, Mr. Ford has been especially active in the areas of financial services; healthcare services and products; and distribution services. He has served on the Board of Directors of many public and private companies, including CompuCom Systems (NASDAQ: CMPC), D&K Healthcare Resources (NASDAQ: DKWD), NextCare, RehabCare (NASDAQ: RHBC), Rockwood Capital Advisors, and Stifel Financial (NYSE: SF). Mr. Ford graduated from Princeton University with a B.A. degree in economics and is a graduate of the Executive Program in Business Administration of Columbia University.

Eugene M. Toombs - Eugene M. Toombs is Chairman, President, and Chief Executive Officer of MiTek, Inc. MiTek, the majority of which is owned by Berkshire Hathaway, is the world's leading supplier of engineered connector products, engineering services and design software for the building components industry with operations on five continents. Prior to being CEO and President, he was President and Chief Operating Officer since 1991, and a Corporate Vice President from 1989 when he first joined MiTek.

Prior business experience includes three years with Sonoco Products Company as a Vice President, and President of a joint venture company, and fifteen years at Boise Cascade Corporation where he held a variety of general management positions.

He serves on the Board of Directors of MiTek, TALX Corporation, Tarlton Corporation, AAA (The Automobile Club of Missouri), Boys Hope/Girls Hope, Junior Achievement, and the Metropolitan YMCA. He is a member of the Bogey Club, St. Louis Club, Greenbriar Hills Country Club, and the Longboat Key Country Club in Florida. Mr. Toombs holds a Bachelor of Science Degree from Fairleigh Dickinson University and an Executive Education Degree from Harvard Business School.

COMPETITION

The business intelligence market is very crowded and includes a range of players from small niche companies (similar to Jaros) to large enterprise software companies. It is very difficult to identify the number of niche companies. Large players in this market include consulting companies, such as IBM and Accenture, and enterprise software companies including Cognos, Business Objects and Oracle. Each of these large players are multi-billion dollar companies. Since the manufacturing portion of this market is relatively "small," Jaros believes that these large companies would prefer to purchase smaller niche players to expand into those markets.

Competitive Advantages:

Jaros believes that they have a competitive advantage because:

- product is relatively low cost;
- the management team understands the needs of manufacturers and have designed a unique platform in this segment; and
- they provide timely access to information, resulting in better decisions and improving profitability.

EXIT STRATEGY

Jaros expects to exit via acquisition within three to five years. The Company expects the investors to achieve a 5X return on their investment. Since the Authority is not purchasing an equity interest in the Company, it will not enjoy in this return – the return will be limited to the interest earned on the loan.

FINANCIAL PROJECTIONS

	Actual <u>2003</u>	Actual <u>2004</u>	Projected <u>2005</u>	Projected <u>2006</u>	Projected <u>2007</u>	Projected <u>2008</u>
Total Revenues	\$ 189,840	\$ 1,035,140	\$ 2,545,000	\$ 6,119,000	\$ 8,000,000	\$ 12,000,000
COGS	\$ (91,500)	\$ (129,000)	\$ (677,250)	\$ (938,500)	\$ (1,500,000)	\$ (2,000,000)
Gross Profit	\$ 98,340	\$ 906,140	\$ 1,867,750	\$ 5,180,500	\$ 6,500,000	\$ 10,000,000
Total Expenses	\$(514,374)	\$(1,045,145)	\$(2,769,550)	\$(4,895,135)	\$(5,250,000)	\$(7,500,000)
Net Income	\$(416,034)	\$(139,005)	\$(901,800)	\$ 285,365	\$ 1,250,000	\$ 2,500,000

Jaros Technologies, Inc.
 May 10, 2005

CAPITALIZATION AND SALARIES

	Total # Shares	Total % (Dil)
Investors		
Dick Ford IRA	137.5	6.18%
Kathy Ford	37.5	1.69%
J. Hord Armstrong, III	138	6.18%
Zinsmeyer Trust	163	7.30%
Patrick Behan	175	7.87%
Sam Davis, Jr.	175	7.87%
Eugene Toombs	175	7.87%
Investors Sub-Total	1,000	44.94%
Other Equity holders		
Paul Scheibal	333	14.98%
Stanley Choflet	333	14.98%
Michael Spencer	333	14.98%
Option pool	225	10.11%
Others Sub-Total	1,225	55.06%
Total	2,225	100.00%

Salaries:

Paul Scheibal – President/CEO (FOUNDER)	110,000 + Commissions
Stan Choflet – Vice-President, Sales (FOUNDER)	108,000 + Commissions
Shawn Curtiss – Vice-President, Marketing	120,000 + Commissions

ECONOMIC DISCLOSURE INFORMATION

Company	Firm	Location	Contact
General Counsel	Jaros Technologies, Inc.	Granite City, IL	Paul Schiebel
Accountant			

LEGISLATIVE DISTRICTS

Congressional:	12 Jerry Costello
State Senate:	58 David Luechtefeld
State House:	116 Dan Reitz

Jaros Technologies, Inc.
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Apr 27, 05

ASSETS

Current Assets	
Total Checking/Savings	123,085.39
Total Accounts Receivable	189,001.87
Total Other Current Assets	<u>400.53</u>
Total Current Assets	312,487.79
Fixed Assets	
Acc. Depr. Computers & Furniture	-66,734.78
Computers & Furniture	47,535.94
Jaros Dashboard Res & Dev	69,970.33
Acc. Amortization License	-25,682.80
License Agreement	<u>25,682.80</u>
Total Fixed Assets	<u>50,771.49</u>
TOTAL ASSETS	<u><u>363,259.28</u></u>

LIABILITIES & EQUITY

Liabilities	
Current Liabilities	
Total Accounts Payable	17,410.62
Total Other Current Liabilities	<u>4,844.96</u>
Total Current Liabilities	22,255.58
Long Term Liabilities	
Deferred Income	59,916.78
Note Payable Investors	800,000.00
State of Illinois	<u>400,000.00</u>
	1,259,916.78
Total Long Term Liabilities	<u>8</u>
	1,282,172.36
Total Liabilities	6
Equity	
Capital Stock	3,000.00
Paid in Surplus	124,073.66
Retained Earnings	-778,795.76
Net Income	<u>-267,190.98</u>
Total Equity	<u><u>-918,913.08</u></u>
TOTAL LIABILITIES & EQUITY	<u><u>363,259.28</u></u>