

Illinois Finance Authority

April 11, 2006

11:30 AM

Board Meeting

Plaza Club

130 E. Randolph, 40th Floor

Chicago, Illinois



Jose Garcia

**ILLINOIS FINANCE AUTHORITY
BOARD MEETING**

**April 11, 2006
Chicago, Illinois**

EXECUTIVE SESSION

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

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

BOARD MEETING

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

AGENDA

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

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Participation Loan						
1	Steven D. and Carol L. Birch	Ipava	\$ 126,760	0	0	ER
Agri-Debt Guarantee						
2	Robert J. and Julie M. Printz	Fairbury	485,000	0	0	ER
3	Ronald, Rick and Julie Schleder	Hartsburg	500,000	0	0	ER
4	Carson Hanner	Kansas	262,000	0	0	ER
5	David W. and Melissa DeBacker	Aledo	234,000	0	0	ER
Beginning Farmer Bonds						
6	Eric and Barbara Inskeep	Greenup	70,000	0	0	ER
	Clayton and Ashlyn Becker	DeKalb	45,000	0	0	ER
	Shea O'Rorke	Steward	250,000	0	0	ER
	Jacob Higginbotham	Paris	40,000	0	0	ER
	Matthew Quattlander	Morrisonville	146,250	0	0	ER
	Matthew Killam	Carlinville	120,658	0	0	ER
	Tony Burnett Jr.	Opdyke	42,500	0	0	ER
	Brock Shull	Hidalgo	70,000	0	0	ER
TOTAL AGRICULTURE PROJECTS			\$ 2,392,168	0	0	

HEALTHCARE ✓

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds <i>Final</i>						
7	Proctor Hospital	Peoria	\$ 50,000,000	5	10	PL/DS
8	Franciscan Communities – (The Village at Victory Lakes)	Lindenhurst	30,000,000	0	0	PL/DS
TOTAL HEALTHCARE PROJECTS			\$ 80,000,000	5	10	

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Participation Loans						
9	MAR Business Forms Company	Valmeyer	\$ ✓ 886,000	4	15-20	RP
10	Transfer Company, Inc.	Jacksonville	✓ 82,000	2	50	JS
11	TCI Manufacturing and Equipment Sales, Inc.	Walnut	✓ 500,000	5	50	JS
12	Quincy Hotel, L.L.C.	Quincy	✓ 1,000,000	35	50	JS
13	TRH Properties	Walnut <i>\$150k</i>	✓ 285,000	10	50	JS
14	Day One Network	Geneva	✓ 575,000	5	10	ST
Venture Capital <i>Final</i>						
15	Lemko Corporation	Schaumburg	✓ 300,000	98	n/a	ST
501(c)(3) Bonds <i>Preliminary</i>						
16	Prebyterian Home	Evanston	✓ 30,000,000	n/a	n/a	SCM
17	Chicago Christian Industrial League	Chicago	✓ 10,000,000	11	95	SCM
TOTAL BUSINESS AND INDUSTRY PROJECTS			\$ 43,628,000	170	320-325	

COMMUNITIES AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Local Government Pooled Bond Program						
18	Rochester Fire Protection District	Rochester	\$ 370,000	0	0	EW ✓
19	Westville-Belgium Sanitary District	Westville	2,500,000	0	0	EW ✓
20	Village of Magnolia Water Tower	Magnolia	625,000	0	0	EW ✓
21	Village of Maeystown Water Well	Maeystown	215,000	0	0	EW ✓
22	City of Ashley	Ashley	685,000	0	0	EW ✓
Local Government Loan Program						
23	Village of Montrose Sewer System Update	Montrose	✓ 80,000	0	0	EW ✓
501(c)(3) Bonds <i>Preliminary</i> <i>you're loan not a loan</i>						
24	Baker Demonstration School	Evanston	✓ 7,300,000	12	30	TA
25	UCAN (Uhlich Children's Advantage Network)	Chicago	✓ 6,100,000	24	30	TA
26	Nazareth Academy	LaGrange Park	✓ 11,000,000	3	30	TA
TOTAL COMMUNITIES AND CULTURE PROJECTS			\$ 28,875,000	39	90	

side note

No discount utilized since 1990

Why not Fire Truck Loan - Brown

Back

HIGHER EDUCATION

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds Preliminary						
27 ✓	Saint Xavier University	Chicago and Oak Lawn	\$ 10,000,000	10	35-100	RKF
TOTAL HIGHER EDUCATION PROJECTS			\$ 10,000,000	10	35-100	

GRAND TOTAL	\$ 164,895,168	224	455-525	
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Resolutions/Project Revisions/Amendatory Resolutions

Tab	<u>Amendatory Resolutions</u>	
28 ✓	Request to reset interest rate in a participation loan to S & B Investments.	ST
29	Excel Foundry and Machine, Inc.: Request to extend a commitment until October 11, 2006, for a Participation Loan.	JS
30 ✓	Pere Marquette Hotel Associates: Request to extend a commitment until October 12, 2006, for a Participation Loan.	JS
31 ✓	Resolution: Mt. Sinai Amendment. Resolution making Mt. Sinai Hospital the sole obligor on the debt and Sinai Health System an unsecured guarantor of the debt.	PL/DS

Other

Adjournment



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

To: IFA Board of Directors and Office of the Governor

From: Jill Rendleman, Interim Executive Director

I. Financial Performance

The Illinois Finance Authority's financial performance for the period ending March 31, 2006 is above performance targets and exceeding 2005 year-to-date returns. Gross revenues of \$6.3M exceed 2005 levels by \$675k, with year-to-date net income of \$2M exceeding performance targets by \$983k. Year-to-date expenses are \$591k below budget with positive variances in unrealized losses on venture capital, total employee related expenses, and in required loan loss provisions. This positive news is tempered by downward trends in bond volume nationwide and recent upset in the Illinois health care capital markets arising from issues surrounding the proposed Charity Care Act HB5000. Fiscal year 2005 continues per plan to be a year of investment in the infrastructure necessary to insure proper risk management and compliance with state and federal laws and regulations and generally accepted government accounting practices, as well as other critical investments in operating and management concerns including developing policies and procedures, creating strategic plans, and engaging independent marketing and other professionals.

Illinois Finance Authority's overall financial position continues to improve with total equity of \$57.8M, comprised of assets of \$60.9M and liabilities of \$3.1M. This compares favorably to the March 31, 2005 balance sheet with total equity of \$55.8M, comprised of assets of \$58.9M and liabilities of \$3.1M.

II. Sales Activities

The month of March is extremely active with 34 projects presented for approval. While the upward trend in the dollar volume of approvals was interrupted this month to a level of \$164.5M, the projects positively reflect renewed efforts over the past 12 months to focus on agriculture and industry, and communities. IFA has issued over **\$21 Billion** in new investments in the Illinois economy, and has forecast an additional **\$3 Billion** in issuances within the next 12 months. The agricultural sector is presenting approximately one-third of the new projects, while health care is presenting almost half of the new dollar volume for approval.

Health Care: The proposed Charity Care Act continues to impact IFA hospital transactions as bond insurers have dropped commitments to financings due to the uncertainty in the Illinois market place. Several large transactions including, Delnor, Edwards, and Rush, are on hold until the regulatory environment in Illinois becomes more certain. The Illinois Finance Authority has engaged Public Financial Management Inc., a financial advisory firm with offices in Chicago, to assist management and staff in evaluating IFA's products and services in the Health Care market. Market research indicates a growing opportunity in continuing care retirement centers and senior living facilities and we will continue to explore new ways to serve this market.

Higher Education: Project financings and new approvals are increasing in this sector as colleges and universities focus on new capital development projects which attract students and improve revenue. Staff and financial advisors to IFA are reviewing proposals submitted by underwriters in connection with a Request for Qualifications for research market options and develop programs for serving the needs of private not-for-profit colleges, including pooled options. IFA will be conducting a market survey as well as informal and formal research to develop capital funding options for these institutions. IFA developed a formal strategy to launch the Illinois Finance Authority Investment Management and Arbitrage Rebate Program providing a yield improving option for 501(c)3 bond proceeds prior to full utilization. Management will be providing an overview for board members at the May meeting of this new program which represents another value added solution IFA has to offer its health care and higher education partners.

Agriculture: At the request of rural bankers, IFA will be launching a new capability in the agricultural sector allowing lenders to sell off portions of their holdings in IFA guaranteed loans. This will allow the lenders to improve their liquidity and fee income, while at the same time retaining a servicing relationship with their farm clients. The executive director, director of financial services, and several staff members participated in an all day legislative event supporting improved legislation for agriculture. The agricultural staff continues to see increased activity for approval of farm bonds and participation loans and will be adding an agricultural funding manager to service the increased demands in this market. Cory Mitchell, of Mahomet, will be joining the agricultural funding managers this month. Cory has a strong banking and agri-industry background and we look forward to him joining IFA. Management and staff continue to work on several presentations in a variety of settings which focus our agricultural efforts on the agricultural industry as well as individual farm operators. Funding Manager, Eric Reed and financial services director Mike Pisarcik continue to be active in communicating IFA's Wind Energy Program to rural cooperatives and lenders throughout the State of Illinois.

Communities and Culture: IFA staff focused on public school financing needs this month, targeting communities which have passed referenda for new borrowings. Units of local government as well as public schools will be participating in a pooled financing, significantly lowering their cost of borrowing, through IFA in May. The recent natural disasters in central and southern Illinois created a need for emergency funding for clean up and rebuilding in those communities most impacted. IFA staff is developing a program to support those communities for the current fiscal crisis as well as for future disasters. Financial advisor, Bill Morris, has been working with IFA staff and issuers counsel to further underwrite and structure the Central Cities Studios project. The executive director met with the Southern Illinois Baseball group to develop a financial package for a consortium of lenders to participate in the Marion Illinois project. Financial services director has met with bankers and IFA counsel to improve and streamline the participation loan process.

Industry and Commerce: Funding managers have made more than 60 in person business development calls on business and industry clients. Funding Managers Rick Pigg and Jim Senica have focused on building relations with local economic development professionals and the Department of Commerce and Economic Opportunity. Wind energy has been a big topic this month with several IFA sponsored workshops being developed and presentations being made to bankers, farmers, and industry experts. The Venture Capital Committee will be reviewing a potential investment in a homeland security firm with significant contract potential both in Chicago and around the globe. The IFA focus on manufacturing and industry has yielded several projects this month in central Illinois as well as Chicago in that important market segment. IFA is a sponsor of Bio2006, the largest biotechnology summit in the nation, held in Chicago April 9-12th and we plan to be active and visible in that important venue.

III. Marketing and Public Relations

Public relations efforts this month have focused on a large number of Freedom of Information Act requests surrounding past activity in the bond markets. Additionally, developing improved presentation formats and supporting the strategic planning efforts and roll out of the Investment Management and Arbitrage Rebate program as well as several projects to review IFA products and services.

V. Human Resources and Operations

Chief Operating Officer and Human Resources Director, Stuart Boldry, has been active in reviewing employee benefits structure for compliance and competitiveness in the market place. Additionally he and his staff are developing a recommendation for new technology platforms for networks and phone systems throughout all offices in the state. A satellite office has been leased in Mt Vernon, Illinois and will be utilized by funding managers, support staff, and management working downstate. IFA is developing a large number of Requests for Proposals as it develops a strategic plan for approaching each market sector with new programs and ideas that further economic growth throughout the state.

V. **Legal and Legislative Issues:** Chairman Gustman and Director Rendleman were invited to attend a Senate Appropriations hearing in Springfield. While IFA had no request for funds, the Senators wished to have an update as to IFA activities and board roles and responsibilities. Also attending the hearing were Financial Advisor Bill Morris, Legal Counsel Kim Copp, Intergovernmental Relations, Howard Kenner, Chief Financial Officer Jose Garcia, and Chief Credit Officer Steven Trout. The hearing was positive and IFA had the opportunity to express its role in supporting economic growth and development in a public forum. The bill to increase IFA bonding authority, HB 1625, is still under review, but may be held up until the veto session in November. On a Federal level, IFA provided legislative support for the early implementation of the improved Capital Expenditure Limitation for Industrial Revenue Bonds.

VI. **Audit and Compliance**

The financial portion of the Fiscal Year 2005 Audit has been made available to staff, board members, and the public. The Compliance Audit time frame has been extended by additional investigations by the Auditor General's Office, sighting inadequate coverage and documentation by McGladrey & Pullen. An exit review for the Compliance Audit has finally been scheduled with the Attorney General for April 13th, 2006. Preliminarily it appears that the findings are less severe and fewer in number than the 2004 Fiscal Year. The Fiscal Year 2006 Audit will begin in May 2006. The status of Fiscal Year 2004 audit findings are 10 complete, and 2 substantially complete.

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**Illinois Finance Authority
Balance Sheet
for the Nine Months Ending March 31, 2006**

	February 2006	March 2006
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	\$ 27,252,422	\$ 25,334,336
LOAN RECEIVABLE, NET	12,586,502	14,774,722
ACCOUNTS RECEIVABLE	730,108	659,418
OTHER RECEIVABLES	107,637	22,182
PREPAID EXPENSES	21,539	40,274
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	40,698,208	40,830,932
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	100,758	116,235
DEFERRED ISSUANCE COSTS	866,092	856,501
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES	9,922,141	9,966,229
VENTURE CAPITAL INVESTMENTS	5,164,735	5,164,735
OTHER	4,000,000	4,000,000
	<hr/>	<hr/>
TOTAL OTHER ASSETS	19,086,876	19,130,964
TOTAL ASSETS	<u>\$ 60,751,933</u>	<u>\$ 60,934,631</u>
LIABILITIES		
CURRENT LIABILITIES	\$ 951,234	\$ 1,088,483
LONG-TERM LIABILITIES	2,015,426	2,003,444
	<hr/>	<hr/>
TOTAL LIABILITIES	2,966,660	3,091,927
EQUITY		
CONTRIBUTED CAPITAL	23,828,249	23,828,249
RETAINED EARNINGS	13,062,404	13,062,404
NET INCOME / (LOSS)	1,939,891	1,997,322
RESERVED/RESTRICTED FUND BALANCE	6,268,199	6,268,199
UNRESERVED FUND BALANCE	12,686,528	12,686,528
	<hr/>	<hr/>
TOTAL EQUITY	57,785,272	57,842,704
TOTAL LIABILITIES & EQUITY	<u>\$ 60,751,933</u>	<u>\$ 60,934,631</u>

IFA Aging Report - DL-PL-PL/MPF - March 31, 2006

Client#	Client Name	Date of Closing	P.A	Payment 3/31/2006	Original Loan Amt	1 - 30 days	31 - 60 days	61 - 90 days	Past Due 91-180 days	181 - days + 1 Year	Over 1 Year	Loan Balance 3/31/2006
PARTICIPATION LOANS												
9580-pl	Act Bending & Steel Company, Inc.	4/3/2001		Past Due	300,000						143,236	143,236
9879-pl	Alexis Fire Equipment	3/4/2004	Senica	Yes	247,611							135,028
	American Allied Freight Car Co. Inc.	3/23/2005	Senica	No	246,768							221,191
9830-PL	Arnold, Michael & Sandy	7/15/2003	Senica	No	147,407							133,571
9677-PL	Berry, Todd (Precision Laser)	11/5/2001	Senica	Yes	188,613							146,279
2110-PL	Bob Brady Dodge, Inc. (J & C Investment)	1/4/2000	Senica	Yes	300,000							215,452
9757-PL	Brahler, Richard W.	4/30/2002	Senica	Yes	297,592							264,363
	Bramm, Karen	3/22/2005	Reed	annual pymnt	847,739							835,251
1943-PL	Bushert, Forrest D.	8/10/1998	Senica	Yes	240,000							169,768
1881-PL	Caywood's Youth Center, Inc.	6/16/1998	Pigg	Yes	237,500							176,297
9792-PL	Chapman, Marc (Quality Water Sev. Inc)	10/25/2002	Senica	Yes	227,387							150,583
9817-PL	Centuron Investments	11/4/2003	Pigg	Yes	300,000							280,531
9589-PL	Cushing, Steve & Ed	5/21/2001	Pigg	Yes	149,238							84,773
	Deli Star Corporation	1/10/2005	Pigg	Yes	150,000							30,915
	Eart & Sue Hesterberg	10/25/2005	Blitner	annual pymnt	103,500							100,000
9835-PL	Eagle Theater Corporation	9/8/2003	Trout/Albnght	Yes	295,071							259,662
	Excel Crusher Technologies	4/18/2005	Senica	Yes	1,000,000							847,218
9793-PL	Excel Foundry	3/27/2003	Senica	Yes	237,112							173,579
	Excel Foundry	5/24/2005	Senica	Yes	762,562							675,946
	Flower Properties, LLC	3/2/2006	Senica	New Loan & Pymnt made	300,000							298,000
	Freeport Area Economic Development	3/13/2006	Frampton	New Loan & Pymnt made	211,905							211,215
	Jeffrey J. Gutzwiller	12/8/2005	Senica	Yes	135,168							133,911
	Jeffrey Stark & Michael Haag	1/25/2006	Reed	annual pymnt	222,915							222,915
	Ray and Loretta Aden	12/29/2005	Reed	annual pymnt	150,000							150,000
1904-PL	Hagel & Leong (2nd loan)	2/8/2002	Senica	Yes	100,817							19,889
9726-PL	Kevin Krosse	2/15/2002	Senica	Yes	114,084	990						89,721
9783-PL	Keyser, David (Klean Wash, Inc.)	8/13/2002	Senica	Yes	100,000							59,274
	Kenneth & Virginia Lasater	9/14/2005	Reed	Annual Pymnt	443,594							443,594
	Kophammer Grain	11/14/2005	Blitner	Annual Pymnt	241,000							241,000
1907-PL	Lincoln Tool Company	6/12/1997	Senica	Yes	150,000						103,122	103,122
	Madonna L. Morett	2/15/2006	Reed	New Loan	200,000							200,000
	Mark & Sara Lefter	3/1/2006	Reed	New Loan & Pymnt made	120,000							119,421
	Martin & Rebecca Kestler	7/27/2005	Reed	Annual Pymnt	200,000							200,000
1827-PL	Moerchen, William J.	6/12/1997	Pigg	Yes	300,000							69,744
	Network Innovations, Inc.	2/17/2005	Curtis-Martin	Yes	520,000							514,018
	Newline Harwoods, Inc.	11/4/2004	Senica	Yes	294,601							245,369
	Octochem	12/31/2003	Pigg	Yes	281,538							260,567
	P & P Press	1/24/2006	Senica	Yes	642,008							633,175
	Perkins & Perkins Ltd. Partnership	8/23/2005	Senica	Yes	165,191							146,230
	Roesch, Inc.	9/23/2004	Pigg	Yes	294,368							259,972
	Darrel Runge	3/7/2006	Reed	New Loan	236,000							236,000
	Rutger, Alan & Kimberly	2/10/2006	Reed	annual pymnt	322,000							322,000
9781-PL	S & B Investments	2/18/2003	Pigg/Trout	No	197,889	1,400	1,400	1,400	1,400			171,428
9699-PL	Shults Machine	11/26/2002	Pigg	Yes	234,693							166,371
9579-PL	Siebenberger, Douglas & Robt Ewen	5/17/2002	Pigg	Yes	235,699							202,906
9225-PL	Siracusa, Charles & Sharon	3/23/2000	Frampton	No	300,000	2,121						248,892
1889-PL	Specialty Machine & Tool, Inc.	4/2/1997	Cochran	Past due	87,173						71,943	71,943
	Spaulding Composites, Inc	3/23/2005	Curtis-Martin	Yes	622,508							598,129
9671-PL	Upchurch Oil & Ready Mix Concrete	5/4/2001	Pigg	Yes	300,000							175,945
	Uresil	12/1/2004	Curtis-Martin	Yes	300,000							250,878
9631-PL	The Weisger Family Trust	4/6/2001	Senica	Yes, but not Posted	250,000							218,498
2164-PL	Wiegand, Beth A.	6/10/1999	Senica	Yes	183,484							138,508
	Roy Wiegand	1/5/2006	Reed	Yes	172,800							165,735
9782-PL	Wilson, Michael L. Sr.	12/6/2002	Senica	Made a principal pymnt	296,032						273,411	273,411
	WorkSaver Inc	12/31/2003	Pigg	Yes	112,500							67,351
9672-PL	Young, Clinton (Precision Pattern)	8/1/2001	Senica	Yes	149,601							137,597
PL-Motion Picture Financing												
9733-PL/MPF	Big Picture Chicago, LLC	2/20/2002			82,500							16,432
9739-PL/MPF	SMS Productions	7/29/2002	Trout		49,270							-
TOTAL					16,790,629	4,511	1,400	1,400	1,400	-	608,143	13,128,819
PL/MPF Late amounts are estimates.												
DL Loans												
98	Roe Machine Co.	12/31/1980	Pigg	Paid off 3/31/06	45,000							-
1470	T.K.G. Inc.	8/26/1994	Pigg	Past due	179,000						107,808	107,808
TOTAL					224,000	-	-	-	-	-	107,808	107,808
FMHA Loans												
9627	Grayson Hill Energy, LLC	1/31/2001	Pigg	Yes	130,000							71,817
1952	Subletta Developers, Inc.	1/15/1998	Albright	Yes	150,000							105,187
9643	Ultra Play Systems, Inc.	5/3/2001	Pigg	Yes	90,000	1,314						34,344
	Derefs BBQ	12/1/2005	Pigg	Yes	108,688							107,968
TOTAL					678,688	1,314	-	-	-	-	-	319,317
Municipalities												
	Beach Park Community Consolidated School	3/14/2006	Myers	No pymnt due	1,500,000							1,500,000
	Austin Township	3/1/2005	Myers	No pymnt due	85,000							76,500
TOTAL					-	-	-	-	-	-	-	1,576,500
	Illinois Facilities Fund	2/10/2000		No pymnt due	1,000,000							1,000,000
TOTAL					1,000,000	-	-	-	-	-	-	1,000,000
GRAND TOTAL						5,825	1,400	1,400	1,400	-	715,950	16,132,444

**Illinois Finance Authority
Loan Loss Analysis Summary
As of March 31, 2006**

	Loan Balance	Current Balance	Delinquency > 90 days
Participation Loans	13,128,819	12,520,676	608,143
FMHA Loans	319,558	319,558	-
Direct Loans	107,808	0	107,808
SBA Loans	3,170	-	3,170
Non Performing loans **	751,599	-	751,599
Loans to Municipalities *	1,576,500	-	-
Loan Illinois Facilities Fund	1,000,000	-	-
Totals	16,887,454	12,840,234	1,470,719








Reserve Requirement (Policy 30.30.000)	5.00%	100.00%
Reserved Required	642,012	1,470,719
Total Required Reserve		2,112,731
General Ledger Balance		2,032,668
Adjustment Needed		80,063

** These loans are submitted to the Auditor General Office to be written off.
*Loans to the Municipalities 0% is reserve

Loans greater than 90 days	Amount	Notes
Specialty Machine & Tool, Inc.	71,943	
Wilson, Michael L. Sr.	273,411	
Lincoln Tool Company	103,122	
Act Bending & Steel Company, Inc.	143,236	
Big Picture Chicago, LLC	16,430	
Walters Trucking	-	
T.K.G. Inc.	107,808	
E.E. Medical Services, Inc.	3,170	
Tallman, Jack & Associates	130,518	Submitted to Atty. Gen for write off
Advanced Thermal	91,484	Submitted to Atty. Gen for write off
Frank Alexander Enterprises	25,000	Submitted to Atty. Gen for write off
Cool Temptations, Inc.	12,379	Submitted to Atty. Gen for write off
Energy Savings Associates	25,000	Submitted to Atty. Gen for write off
Martin, Karen Ann	15,286	Submitted to Atty. Gen for write off
Symonds, Ronald (Deceased)	16,932	Submitted to Atty. Gen for write off
Hughes Industries	200,000	Submitted to Atty. Gen for write off
Washington Terrace	235,000	Submitted to Atty. Gen for write off
Total	1,470,717	

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

Total Number of 14

Item Number	Description	Status		Percentage Completed
		Action Items Completed	Action Items/	
FY 04 Findings				
04-03/05-03	Failure to Monitor Bond Compliance	5/8		
04-05/05-04	Non Compliance with Illinois Procurement Code and SAMS	2/3		
04-06/05-05	Inadequate Invoice processing	Complete		
04-09/05-06	Inadequate Cash receipts processing	Complete		
FY 05 Findings				
05-01	Noncompliance with the State Officers and Employees Money Disposition ACT	Complete		
05-02	Noncompliance with the Personnel Code	Under Review		
05-07	Untimely Submission of Qrtly State Property Reports	Complete		
05-08	Untimely Submission of Receipt Deposits Transmittals	Complete		
05-09	Noncompliance with Printing Requirements of Procurement Code	Under Review		
05-10	Lack of Interest Rate Risk and Credit Risk Policy	Under Review		

Illinois Finance Authority
Status of

FY 04 Audit Findings
Update as of March 31, 2006

Total Number of 14

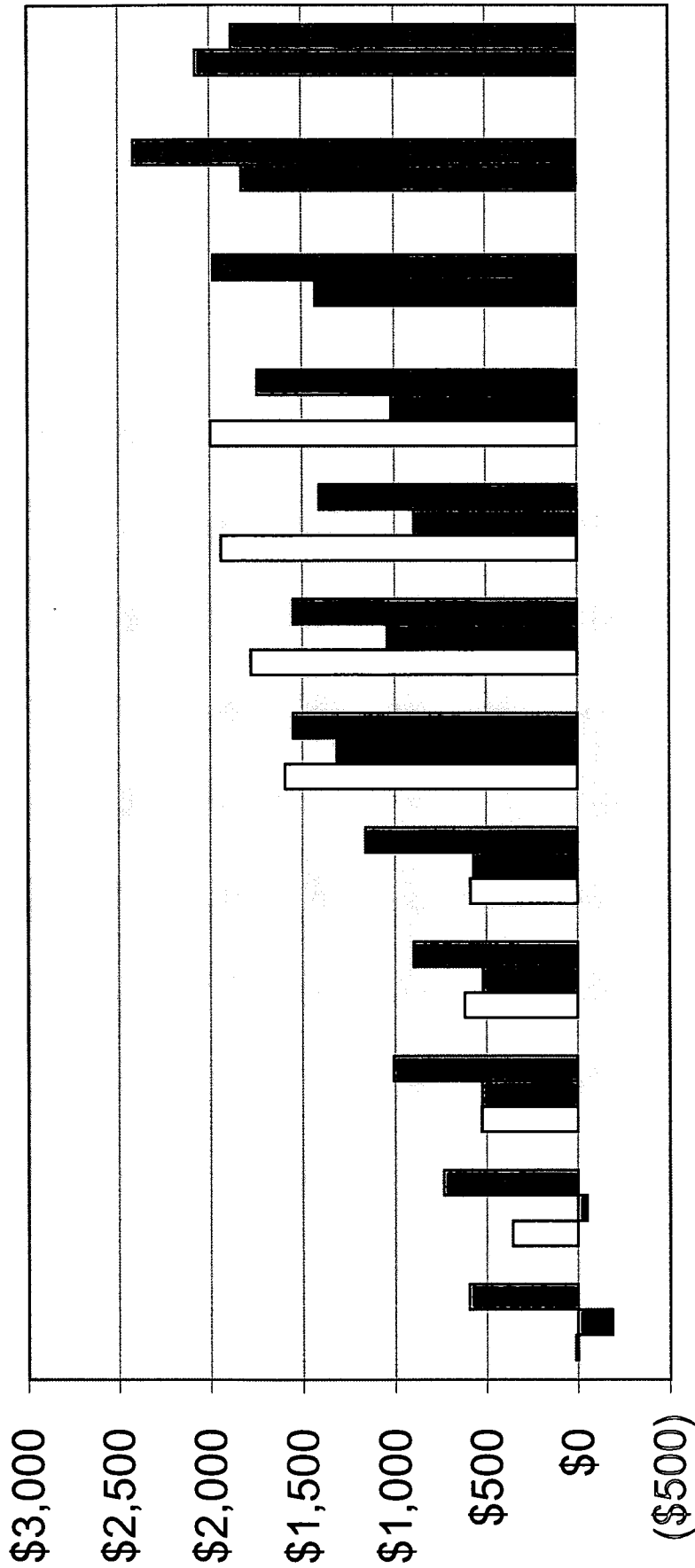
Item Number	Description	Status		Percentage Completed
		Action Items Completed	Action Items/	
04-01	Lack of Comprehensive Accounting System and Procedures	Complete		100
04-02	Inadequate Segregation of Duties	Complete		100
04-03	Failure to Monitor Bond Compliance	5/8		62.5
04-04	Inadequate Internal Control Review of Bond trustees	Complete		100
04-05	Non Compliance with Illinois Procurement Code and SAMS	2/3		66.7
04-06	Inadequate Invoice processing	Complete		100
04-07	Non-Submission of Credit Enhancement Development Report	Complete		100
04-08	Inadequate Maintenance of Personnel Files	Complete		100
04-09	Inadequate Cash receipts processing	Complete		100
04-10	Inaccurate Completion of Agency Fee Imposition	Complete		100
04-11	Lack of Adequate Time reporting Documentation	Complete		100
04-12	Untimely Review of Monthly Reconciliations	Complete		100
04-13	Unreported Assignments of State Vehicles	Complete		100
04-14	Incomplete accounting for Capital Assets	Complete		100

Notes:

- 50% = Partially Completed
- 60% = Substantially Completed
- 100% = Completed

0
2
12

Cumulative Net Income



(In thousands)

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

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held its regularly scheduled meeting at 11:30 a.m., on March 7, 2006 at the Illinois State Library, 300 S. Second Street, Room 403/404, Springfield, Illinois.

Members present:

David C. Gustman, Chairman
Magda M. Boyles
Michael W. Goetz
Edward H. Leonard, Sr.
Andrew W. Rice
Juan B. Rivera
Lynn F. Talbott
Bradley A. Zeller

Members participating by phone:

Dr. Roger D. Herrin (from 11:35 a.m.
to 11:40 a.m.)

Joseph Valenti (from 11:50 a.m. until
conclusion of the meeting)

Members absent:

Ronald DeNard
James J. Fuentes
Demetris A. Giannoulas
Martin H. Nesbitt
Terrence M. O'Brien

Vacancies: 0

GENERAL BUSINESS

Call to Order and Roll Call

Chairman Gustman called the meeting to order at 11:35 a.m. with the above members present. Chairman Gustman asked Stuart Boldry, Assistant Secretary, to call the roll. Mr. Boldry called the roll. There being nine members of the board present, eight in person and one (Dr. Herrin) by telephone, Mr. Boldry declared a quorum present. Chairman Gustman confirmed that Dr. Herrin could hear the Board members and that Dr. Herrin could be heard by the Board members.

Projects

Chairman Gustman announced that in the interest of time, the Board would first consider the project for Rush University Medical Center, listed as number "9" on the Agenda. Chairman Gustman asked Interim Director Rendleman to describe the project. Ms. Rendleman introduced the following project:

No. 9: H-HO-TE-CD-614 – Rush University Medical Center Obligated Group

Requests approval for the issuance of not-for-profit bonds in an amount not to exceed \$250,000,000 for the primary purpose of: (1) refinancing all or a portion of the following outstanding Illinois Hospital Facilities Authority Bonds: Series 1983, Series 1989A, Series 1993, Series 1996A, and Series 1998B; (2) reimbursing prior capital expenditures; (3) funding a debt service reserve fund; and (4) paying costs of issuance of the bonds.

Upon a motion by Mr. Rivera and seconded by Mr. Leonard, Chairman Gustman requested a roll call vote to approve the project. Chairman Gustman announced that he would abstain from voting on this project because the law firm for which he works provides legal representation to the Citigroup, the underwriter on the project. Mr. Boldry took the roll call vote and the motion was approved with 8 ayes, 0 nays, and 1 abstention (Gustman) (06-03-09).

At 11:40 a.m., Dr. Herrin left the meeting. There still being eight members present at the meeting, a quorum remained present.

Interim Executive Director's Report

Chairman Gustman again welcomed everyone present and thanked those present who attended the Authority's dinner held last night (Monday, March 6, 2006). Chairman Gustman then asked Interim Executive Director Rendleman to give her report.

Interim Executive Director Rendleman announced that there would be 16 projects presented to the Board for approval at the meeting. She noted that this month there is a significant number of agriculture financings and also that the IFA is beginning its program with the Illinois Facilities Fund to provide financing to charter schools participating in the U.S. Department of Education Charter Schools Program. Ms. Rendleman further explained the purpose of charter schools generally and the program more specifically.

Acceptance of Financial Statements

Financial statements for period ending February 28, 2006 were accepted by all board members present.

Minutes

Upon a motion by Mr. Rice and seconded by Mr. Rivera, Chairman Gustman requested a roll call vote to approve the minutes of the IFA's board meeting held on February 7, 2006. The motion was approved with 8 ayes, 0 nays, and 0 abstentions.

At 11:50 a.m., Mr. Joseph Valenti joined the meeting via telephone. Chairman Gustman confirmed that Mr. Valenti could hear the Board members and that Mr. Valenti could be heard by the Board members.

Projects

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

- No. 1: **A-LL-TX-6034 – Adam and Jacqueline Anderson**
Request approval of a participation loan in which the IFA's participation is not to exceed \$128,250. The proceeds of the loan are expected to be used to purchase 92 acres of farmland. (06-03-01)
- No. 2: **A-DR-TX-6036 – Ettner Farms**
Requests approval of an Agri-debt Guarantee on a \$460,000 loan to be made to refinance the borrower's term debt in order to reduce debt service and increase cash flow. (06-03-02)
- No. 3: **A-DR-TX-6037 – Jerome Lindgren**
Requests approval of an Agri-debt Guarantee on an \$81,000 loan to be made to refinance the borrower's existing term loan and fund a recent equipment purchase. (06-03-03)
- No. 4: **A-DR-TX-6038 – Kenneth R. and Carla J. Nelson**
Request approval of an Agri-debt Guarantee on a \$635,000 loan to be made to refinance the borrower's existing term loan to reduce the borrower's debt service and increase cash flow. (06-03-04)
- No. 5 **A-DR-TX-6039 – Philip and Linda Hartzler**
Request approval of an Agri-debt Guarantee on a \$138,000 loan to be made to refinance an existing operating loan and a contract for deed on 38 acres of farmland. (06-03-05)
- No. 6: **A-DR-TX-6035 – Charles and Donna Baker**
Request approval of an Agri-debt Guarantee on a \$256,000 loan to be made to refinance an existing real estate mortgage (originally guaranteed by the Illinois Finance Development Authority and to refinance a second mortgage loan. (06-03-06)
- No. 7: **A-FB-TE-CD-6026 – Richard Rubenacker**
Requests approval of a Beginning Farmer Bond in an amount not-to-exceed \$250,000. This project will use dedicated 2006 Volume Cap set-aside for Beginning Farmer Bond transactions. (06-03-07)
- A-FB-TE-CD-6027 – Daniel L. Chappellear**

Requests approval of a Beginning Farmer Bond in an amount not-to-exceed \$153,000. This project will use dedicated 2006 Volume Cap set-aside for Beginning Farmer Bond transactions. (06-03-07)

A-FB-TE-CD-6028 -- Jeff & Mary Heepke

Request approval of a Beginning Farmer Bond in an amount not-to-exceed \$250,000. This project will use dedicated 2006 Volume Cap set-aside for Beginning Farmer Bond transactions. (06-03-07)

A-FB-TE-CD-6029 -- Mark Heun

Requests approval of a Beginning Farmer Bond in an amount not-to-exceed \$250,000. This project will use dedicated 2006 Volume Cap set-aside for Beginning Farmer Bond transactions. (06-03-07)

A-FB-TE-CD-6030 -- Cody Bauman

Requests approval of a Beginning Farmer Bond in an amount not-to-exceed \$250,000. This project will use dedicated 2006 Volume Cap set-aside for Beginning Farmer Bond transactions. (06-03-07)

A-FB-TE-CD- -- Patrick Thompson

Requests approval of a Beginning Farmer Bond in an amount not-to-exceed \$108,500. This project will use dedicated 2006 Volume Cap set-aside for Beginning Farmer Bond transactions. (06-03-07)

A-FB-TE-CD- -- Christopher & Connie Smith

Request approval of a Beginning Farmer Bond in an amount not-to-exceed \$250,000. This project will use dedicated 2006 Volume Cap set-aside for Beginning Farmer Bond transactions. (06-03-07)

Upon a motion of Mr. Leonard, seconded by Ms. Boyles, Chairman Gustman requested a roll call vote to approved projects #1-7 as described above. Mr. Boldry took a roll call vote. The motions were approved with 9 ayes, 0 nays, and 0 abstentions.

No. 8:

H-SL-RE-TE-CD-6042 -- Franciscan Communities -- The Village at Victory Lakes

Requests preliminary approval for the issuance of not-for-profit bonds in an amount not to exceed \$30,000,000 for the primary purpose of: (1) acquiring The Village at Victory Lakes including physical assets and certain accounts receivable; (2) funding new money projects for The Village at Victory Lakes; (3) establishing a debt service reserve fund; and (4) paying costs of issuance of the bonds.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays, and 0 abstentions. (06-03-08)

- No. 10: **H-SL-RE-TE-CD-6011 – Luther Oaks**
 Requests approval of the issuance of not-for-profit bonds in an amount not to exceed \$40,000,000 for the primary purpose of: (1) paying development, marketing, construction and other related costs associated with the redevelopment project; (2) funding a portion of the interest payment, including letter of credit and remarketing fees for approximately 22 months; (3) capitalizing debt service reserve funds; and (4) paying costs of issuance of the bonds. This project is expected to create approximately 95 new jobs and 125 construction jobs.
- Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays, and 0 abstentions. (06-03-10)
- No. 11: **E-SD-LL-TE-6045 – IFA Interim Loan Program for Illinois School Districts**
 This project was presented to the Board for informational purposes only. A vote of the Board was not required on this matter and, therefore, no vote was taken.
- No. 12: **M-MH-TE-CD-6033 – Concordia Place Apartments, L.P.**
 This project was withdrawn from the agenda and not voted on or presented to the Board.
- No. 13: **M-MH-TE-CD-703 – Thornwood – Chicago Heights, L.P.**
 Requests final approval of the issuance of housing bonds in an amount not to exceed \$11,000,000 for the primary purpose of purchasing and renovating an existing two-building, multi-family rental property located in Chicago Heights, Illinois. This project is expected to create approximately 20 construction jobs.
- Chairman Gustman requested a roll call vote. The project was approved with 9 ayes, 0 nays, and 0 abstentions. (06-03-13)
- No. 14: **Illinois Charter Capital Program of the Illinois Facilities Fund**
N-NP-TE-CD-6030 – UNO Charter School Network
N-NP-TE-CD-6031 – ASPIRA Inc. of Illinois
N-NP-TE-CD-6032 – Noble Network of Charter Schools
 Request final approval for the issuance of not-for-profit bonds in an aggregate amount not to exceed \$32.5 million for the purpose of providing funds to the charter schools as follows: (1) not to exceed \$6,000,000 for the benefit of UNO Charter School Network for the primary purpose of financing construction and renovation at the school, refinancing existing indebtedness, funding a debt service reserve fund and paying costs of issuance of the bonds; (2) not to exceed \$12,000,000 for the benefit of ASPIRA Inc. of Illinois for the primary purpose of financing acquisitions and renovation and construction at the school, funding a debt service reserve fund and paying costs of issuance of the bonds; and (3) not to exceed \$14,500,000 for the benefit of Noble Network of Charter Schools for the primary purpose of financing construction and renovation at the school,

refinancing existing indebtedness, funding a debt service reserve fund, and paying costs of issuance of the bonds. This project is being done in conjunction with the Illinois Charter Capital Program of the Illinois Facilities Fund. Each project is expected to create new construction and permanent jobs.

Chairman Gustman introduced funding manager, Ms. Sharnell Curtis, who described the Illinois Charter Capital Program. Ms. Curtis then introduced representatives of each charter school and these representatives described their respective projects to the Board. Upon conclusion of the presentations, Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays, and 0 abstentions. (06-03-14)

No. 15:

B-LL-TX-6041 – K K Stevens Publishing Company

Requests approval of a participation loan in which the IFA's participation is not to exceed \$600,000. The proceeds of the loan are expected to be used to finance the acquisition of new printing equipment.

Chairman Gustman introduced Mr. Jim Senica who introduced Mr. Stevens, a principal of KK Stevens Publishing to the Board. Mr. Stevens explained further his project to the Board. Upon completion of the presentation, Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays, and 0 abstentions. (06-03-15)

No. 16:

E-PC-TE-CD-6018 – Illinois Institute of Technology

Requests final approval of the issuance of 501(c)(3) bonds in an amount not to exceed \$160,000,000 for the primary purposes of: (1) refunding outstanding indebtedness; (2) renovating and equipping existing facilities; and (3) paying the costs of issuance of the bonds. This project is expected to create approximately 25 new jobs and 50 construction jobs.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays, and 0 abstentions. (06-03-16)

No. 17:

E-PC-TE-CD-6007 – Dominican University

Requests final approval of the issuance of 501(c)(3) bonds in an amount not to exceed \$30,000,000 for the primary purpose of: (1) financing the demolition and replacement of an existing academic building and constructing a new parking garage and (2) refinancing existing indebtedness. This project is expected to create approximately 25 new jobs and 50-65 construction jobs.

Chairman Gustman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays, and 0 abstentions. (06-03-17)

Amendments / Resolutions

Congregation Adas Yeshurun Anshe Kanesses Israel requests ratification of the Board's prior approval to issue not-for-profit bonds for the benefit of Congregation Adas Yeshurun Anshe Kanesses Israel understanding that correct address of the project is 3050 W. Touhy Avenue, Chicago, IL 60645. (2006-03-18)

Jeffrey and Joanne Becker (#1998-GX-1064) request a one year extension of the Agri-debt guarantee and a one year deferral in the payment of principal due on loan. (2006-03-19).

Michael and Sandy Arnold (#9830-PL) request a three year extension to the term of the loan at a rate of interest of 6.12%. (2006-03-20).

Homeway Homes, Inc. (B-LL-TX-413) requests a two month extension to the IFA's commitment for a participation loan (previously approved by the Board on October 12, 2004) (2006-03-21).

Community Memorial Hospital Association (B-LL-TX-575) requests a two month extension to the IFA's commitment for a participation loan (previously approved by the Board on May 10, 2005) (2006-03-22).

Soylutions, Inc. requests the IFA to fund its participation loan (approved by the board on August 9, 2005) on a shared first mortgage on 140.44 acres of land and improvements rather than on the entire 244 acre site which was originally contemplated as collateral to the loan. (2006-03-23).

Rest Haven Illiana Christian Convalescent Home requests approval to transfer certain assets from Rest Haven Illiana Christian Convalescent Home to Christian Living Campus, NFP. (2006-03-24).

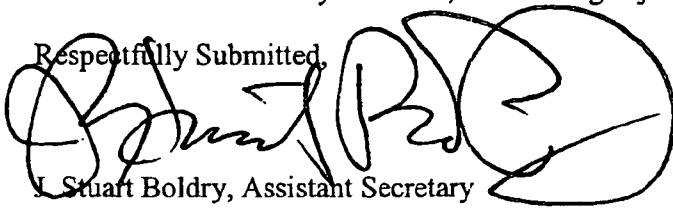
Ray and Loretta Aden (A-LL-TX-688) request a release and substitution of collateral securing participation loan no. A-LL-TX-688 (approved by the Board at its November 2005 meeting). (2006-03-25).

Trim Rite Food Corporation Project (IDFA No. 9571-IRB) requests approval of a Supplemental Trust Indenture to enable Fifth Third Securities, Inc. to change the existing interest rate determination date from Wednesday to Thursday effective April 1, 2006 and grant the remarketing agent authority to change the interest rate determination date to any day of the week deemed optimal. (2006-03-26).

Chairman Gustman requested leave to apply the last unanimous vote to approve all of the above amendatory resolutions. Leave was granted. The motion was approved with 9 ayes, 0 nays, and 0 abstentions.

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

Respectfully Submitted,

A large, stylized handwritten signature in black ink, appearing to read "J. Stuart Boldry". The signature is written over the text "Respectfully Submitted," and extends to the right, overlapping the text "J. Stuart Boldry, Assistant Secretary".

J. Stuart Boldry, Assistant Secretary

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

Project: Steven D. and Carol L. Birch

STATISTICS

Project Number:	A-LL-TX-6056	Amount:	\$126,760
Type:	Participation Loan	IFA Staff:	Eric Reed
Location:	Ipava, IL	SIC Code:	0191-Grain Farming

BOARD ACTION

Approval to purchase a 50% participation loan from Ipava State Bank, Ipava, IL
\$126,760 of IFA funds at risk

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

- Receipt of satisfactory appraisal verifying a loan to value ratio of 80% or less.

PURPOSE

The proposed loan facility will provide permanent financing for the purchase of 100 acres of farmland.

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	\$126,760	Uses:	Purchase Land	<u>\$429,920</u>
	Borrower Equity	\$176,400			
	Ipava State Bank	<u>\$126,760</u>			
	Total	<u>\$429,920</u>		Total	<u>\$429,920</u>

JOBS

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

BUSINESS SUMMARY

Background: Steven and Carol Birch are longtime customers of the Ipava State Bank. Both Steve and Carol were raised on farms in central Illinois and had aspirations of expanding their farming operation. While Steve farms part time, he is employed at Illinois Power in Havana, while Carol is employed as a nurse at Western Illinois University. They are purchasing 100 acres of farmland to expand their current operation.

Project Rationale: Steve has helped with his father's farming operation located in a neighboring area in the past. He had previously hoped to purchase the 400 acre farm from his two sisters upon his father's death. However, his sisters have approached him to purchase his 1/3 interest in the family farm. As a result, he has decided to sell his interest in the farm and use the funds to purchase 100 acres, which will be located closer to the base of his operations.

Transaction: Loan proceeds will provide permanent financing for the purchase of 100 acres of farmland. The borrower will pay \$176K down toward the purchase, with IFA and Ipava State Bank sharing the required financing on the balance of the transaction cost.

FINANCING SUMMARY

Borrower: Steven D. and Carol L. Birch
Security: 1st Real estate mortgage on 100 acres of farmland. Collateral position will "*parri passu*" with Ipava State Bank.
Structure: 10 year term. 20 year amortization with annual P & I.

PROJECT SUMMARY

The borrower is purchasing 100 acres of farmland for \$429,920. The proposed loan facility will provide for permanent financing for the purchase.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Steven D. and Carol L. Birch
Location: 16246 E. Lakeview Drive
Lewistown, IL 61542
Organization: Sole-Proprietorship
State: Illinois
Ownership: Steven D. and Carol L. Birch

PROFESSIONAL & FINANCIAL

Accountant: N/A
Attorney: N/A
Bank: Ipava State Bank, Ipava, IL Joseph Dietz, President

LEGISLATIVE DISTRICTS

Congressional: Lane Evans-17th State Senate: George Shadid-46th State House: Michael Smith 91st

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

Project: Robert J. and Julie M. Printz

STATISTICS

Project Number:	A-DR-TX-6057	Amount:	\$485,000
Type:	Agri-Debt Guarantee	IFA Staff:	Eric Reed
Location:	Fairbury, IL	SIC Code:	0191-Grain Farming

BOARD ACTION

Approval to initiate an 85% loan guarantee in favor of Flanagan State Bank, Benson, IL.
\$412,250 of State Treasurer's Agricultural Reserve Risk Funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.
Additional Covenants: Assignment of crop insurance to lender
Assignment of life insurance equal to loan amount
Negative covenant on additional debt or lease obligations
All proceeds from liquidation of assets will applied to debt obligations.

PURPOSE

The proposed loan facility will provide for the refinancing of various term loans for equipment purchases by the borrowers. By consolidating these loans, the borrowers will be able to reduce their annual debt service requirements.

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	\$412,250	Uses:	Refinance Debt	<u>\$485,000</u>
	Flanagan State Bank	<u>\$72,750</u>			
	Total	<u>\$485,000</u>		Total	<u>\$485,000</u>

JOBS

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

BUSINESS SUMMARY

Background: Robert and Julie Printz, who are 39 years old, operate a large grain farming operation consisting of 5,171 acres of corn and soybeans. Their farming operation covers 6 counties in northern Illinois, including custom farming operations in one of those counties. Of the total 5,171 acres, 4,841 acres are leased by either cash rent or crop share leases. In addition to the farming operations, Robert also operates a trucking company in which he performs over the road hauling for several local companies, as well as hauling grain for local farmers.

Project Rationale: Robert and Julie are seeking to refinance their existing debt in order to restructure their entire financing structure. Flanagan State Bank has obtained approval for guaranteed financing from Farm Service Agency for the borrower's operating loan. By obtaining the guarantee from IFA, the borrower will be able to complete the refinancing package for their operation. The borrower

April 11, 2006

FM: Eric Reed

and the lender have a plan in place to liquidate machinery and real estate, which reduce debts by \$815,000 over the next year.

Transaction: The loan will be written and amortized for 5 years at a fixed interest rate of 8.25%. The loan will be repaid with annual P & I payments. Collateral coverage for the loan appears to be excellent. The borrower plans to sell some of their machinery, as well as their personal residence, which will be applied to their loans to reduce their total debt.

FINANCING SUMMARY

Borrower: Robert J. and Julie M. Printz
Security: Security interest in all machinery and equipment
Structure: 5 years. Annual payments of P & I.

PROJECT SUMMARY

The proposed loan will refinance an existing IFA guaranteed loan with other existing term debt. By combining the loans and increasing the amortization of the loan, the borrower's cash flow will be improved. In addition to refinancing their term debt, the borrowers liquidating assets to lower their overall debt.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Robert J. and Julie M. Printz
Location: 19990 E. 260 North Rd. County: Livingston
Fairbury, IL 61739
Organization: Sole Proprietorship
State: Illinois
Ownership: Robert J. and Julie M. Printz

PROFESSIONAL & FINANCIAL

Accountant: Heartland Business Services, Fairbury, IL
Attorney: N/A
Bank: Flanagan State Bank Richard Ritter, SVP

LEGISLATIVE DISTRICTS

Congressional: Tim Johnson 15th State Senate: Dan Rutherford 53rd State House: Keith Sommer 106th

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

Project: Ronald, Rick and Julie Schleder

STATISTICS

Project Number:	A-DR-TX-6058	Amount:	\$500,000
Type:	Agri-Debt Guarantee	IFA Staff:	Eric Reed
Location:	Hartsburg, IL	SIC Code:	0191-Grain Farming

BOARD ACTION

Approval to initiate an 80% loan guarantee in favor of State Bank of Lincoln, Lincoln, IL.
\$400,000 of State Treasurer's Agricultural Reserve Risk Funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

The proposed loan will be used to refinance and existing equipment loan, along with carryover operating debt for both Ronald and Rick Schleder. The loan will be structured on a term loan in order to allow the borrowers to repay the carryover debt.

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	\$400,000	Uses:	Refinance Debt	<u>\$500,000</u>
	State Bank	<u>\$100,000</u>			
	Total	<u>\$500,000</u>		Total	<u>\$500,000</u>

JOBS

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

BUSINESS SUMMARY

Background: Rick, Ronald, and Julie Schleder operate a 2,700 acre cash grain operation, which is located in the New Holland area. With the exception of the 80 acres owned by Ronald, their operation consists of land that leased on a cash rent basis. Ronald is in his early 60's, while Rick and Julie are in their early 40's. Julie has been employed at the State Bank of Lincoln for the past 25 years.

Project Rationale: Ronald and Rick each have their own operating loans to fund annual operating expenses. While they farm together; they are responsible for their own expenses. Due to poor crop yields in 2005, the Rick will be unable to repay his operating loans. State Bank has proposed a new term loan to consolidate the balances of their existing machinery note along with the operating loan shortfall.

April 11, 2006

FM: Eric Reed

Transaction: State Bank of Lincoln will fund a term loan in the amount of \$500,000 to refinance an existing machinery loan with a balance of \$207K and operating loan balances of \$293K. The loan will carry a 10 year term and amortization with annual payments. State Bank has requested a guarantee from the IFA on the transaction. Due to the amount of existing liens on the proposed collateral, a guarantee for 80% will be provided by IFA, rather than 85%.

FINANCING SUMMARY

Borrower: Ronald, Rick and Julie Schleder
Security: Security interest in all equipment, 2nd REM on 80 acres
Structure: 10 year term. Annual P & I payments.

PROJECT SUMMARY

The proposed loan will refinance an existing machinery loan, as well as the borrower's carryover debt from 2005 operating expenses and term payments due. While Ron can repay his obligations, Rick will be unable to do so.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Ronald, Rick and Julie Schleder
Location: 542 2200th Street County: Logan
Hartsburg, IL 61643
Organization: Sole Proprietorship
State: Illinois
Ownership: Rick and Julie Schleder

PROFESSIONAL & FINANCIAL

Accountant: N/A
Attorney: N/A
Bank: State Bank of Lincoln Steve Aughenbaugh, President

LEGISLATIVE DISTRICTS

Congressional: Ray Lahood-18th State Senate: Larry Bomke 50th State House: Richard Brauer 100th

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

Project: Carson L. Hanner

STATISTICS

Project Number:	A-DR-TX-6071	Amount:	\$262,000
Type:	Agri-Debt Guarantee	IFA Staff:	Eric Reed
Location:	Kansas, IL	SIC Code:	0191-Grain Farming

BOARD ACTION

Approval to initiate an 85% loan guarantee in favor of U.S. Bank, Mattoon, IL.
\$222,700 of State Treasurer's Agricultural Reserve Risk Funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

*** Borrower to maintain crop insurance each year.**

PURPOSE

The borrowers currently have an existing IFA guaranteed loan with 10 years remaining on the term. The proposed new loan will refinance the existing loan balance along with an existing machinery loan at another lender.

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	\$222,700	Uses:	Refinance Debt	<u>\$262,000</u>
	U.S. Bank	<u>\$39,300</u>			
	Total	<u>\$262,000</u>		Total	<u>\$262,000</u>

JOBS

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

BUSINESS SUMMARY

Background: Carson Hanner, age 63, operates a grain farm north and east of Ashmore, Illinois. For 2006, Mr. Hanner will be farming 4,534 full share acres. This consists of 450 acres of 100% owned by Carson, or which he has a life estate interest in, 2,865 acres of cash rent, with an average of \$148 per acre and 2,430 acres of 50/50 crop share leased.

Carson is divorced and his 4 daughters are not involved in the operation. He leases 927 acres from his uncle, which he crops share leases 50/50. He cash rents 1,502 acres from another large land owner in the area, which has increased his total acreage.

Project Rationale: The proposed financing will consolidate and refinance all existing equipment debt at another lender, along with an existing term loan at U.S. Bank, currently guaranteed by IFA. By consolidating these loans, the borrower's payments will be reduced.

Transaction: The proposed loan of \$262,000 will fund the refinance of a REM at U.S. Bank in the amount of \$199K and \$63K in equipment debt currently financed at another lender. The loan will be financed on a 10 year term with annual P & I.

FINANCING SUMMARY

Borrower: Carson L. Hanner
Security: 1st REM on 70 acres of farm land and 1st lien on specific equipment
Structure: 10 year term. Annual P & I payments.

PROJECT SUMMARY

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

ECONOMIC DISCLOSURE STATEMENT

Applicant: Carson L. Hanner
Location: 1915 E. 1000th Rd County: Edgar
Kansas, IL 61933
Organization: Sole Proprietorship
State: Illinois
Ownership: Carson L. Hanner

PROFESSIONAL & FINANCIAL

Accountant: N/A
Attorney: N/A
Bank: U.S. Bank-Mattoon Al Volk, Community President

LEGISLATIVE DISTRICTS

Congressional: Tim Johnson 15th State Senate: Dale Righter 55th State House: Chapin Rose 110th

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

Project: David W. and Melissa DeBacker

STATISTICS

Project Number:	A-DR-TX-6081	Amount:	\$234,000
Type:	Agri-Debt Guarantee	IFA Staff:	Eric Reed
Location:	Aledo, IL	SIC Code:	Feeder Cattle

BOARD ACTION

Approval to initiate an 85% loan guarantee in favor of Farmers State Bank of Western IL, Aledo, IL.
\$198,900 of State Treasurer's Agricultural Reserve Risk Funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

The proposed loan will provide for the refinancing of three term loans currently outstanding with Farmers State Bank. By obtaining the IFA guarantee, Farmers State Bank will re-amortize the entire loan balance at a lower interest rate to the borrowers, which will improve their cash flow.

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	\$198,900	Uses:	Refinance Debt	<u>\$234,000</u>
	State Bank	<u>\$35,100</u>			
	Total	<u>\$234,000</u>		Total	<u>\$234,000</u>

JOBS

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

BUSINESS SUMMARY

Background: David and Melissa DeBacker own and operate a small cow/calf livestock operation near Aledo, IL. In addition to their cattle operation, David works off the farm at the Mercer County Sheriff's department, which provides income for family living expenses. The lender indicates that the DeBackers are excellent cattle producers and record keepers.

The DeBackers are fairly new customers to Farmers State Bank. The lender indicates that the borrowers have struggled to meet debt obligations in their entirety and that their previous lender did not require amortized debt reduction.

Project Rationale: The borrowers currently have three outstanding term loans at Farmers State Bank. The proposed refinancing will consolidate the loans and extend the term at a more favorable interest rate. By refinancing their debt, their cash flow will be improved.

Transaction: David and Melissa DeBacker have two equipment loans and one real estate mortgage outstanding at Farmers State Bank. The lender has proposed consolidating these three loans in order to reduce debt service requirements and improve cash flow. A blanket lien on equipment and livestock, as well as a 1st REM on 71 acres will secure the loan.

FINANCING SUMMARY

Borrower: David and Melissa DeBacker
Security: 1st REM on 71 acres and Security interest in all equipment and livestock
Structure: 30 year term. Annual P & I payments.

PROJECT SUMMARY

The borrowers currently have three outstanding term loans at Farmers State Bank. The proposed refinancing will consolidate the loans and extend the term at a more favorable interest rate. By refinancing their debt, their cash flow will be improved. A blanket lien on equipment and livestock, as well as a 1st REM on 71 acres will secure the loan.

ECONOMIC DISCLOSURE STATEMENT

Applicant: David and Melissa DeBacker
Location: 2422 130th Ave County: Mercer
Aledo, IL 61231
Organization: Sole Proprietorship
State: Illinois
Ownership: David and Melissa DeBacker

PROFESSIONAL & FINANCIAL

Accountant: N/A
Attorney: N/A
Bank: Farmers State Bank of Western, IL Eric Coulter, Loan officer

LEGISLATIVE DISTRICTS

Congressional: Lane Evans 17th State Senate: Michael Jacobs 36th State Patrick Verschoore 72nd

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Senior Funding Manager, Eric Reed/lk
Date: April 11, 2006
Re: Overview Memo for Beginning Farmer Bonds

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

Project Number: A-FB-TE-CD-6048
Funding Manager: Eric Reed
Borrower(s): Matthew Killam
Town: Carlinville, IL
Amount: \$120,658
Use of Funds: Farmland – 28.06 acres
Purchase Price: \$120,658
%Borrower Equity: 0%
%Other Agency: 0%
%IFA: 100%
County: Macoupin
Lender/Bond Purchaser: Bank & Trust Company, Larry Halleman
Legislative Districts: Congressional: 17th, Lane Evans
State Senate: 49th, Deanna Demuzio
State House: 98th, Gary Hannig

Principal shall be paid annually in installments determined pursuant to a twenty-year amortization schedule, with the first principal payment date to be one year from date of close. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be one year from date of close, with the twentieth and final payment of all interest then outstanding due 20 years from date of close.

The Note shall bear simple interest at the Expressed Rate.

* **Matthew Killam:** The Expressed Rate shall be 7.25% for the first three years of the loan. Then it shall adjust every thirty-six months on the anniversary date of the loan to 0.2% below Prime per The Wall Street Journal.
Fee: \$1,810

Project Number: A-FB-TE-CD-6049
Funding Manager: Eric Reed
Borrower(s): Eric & Barbara Inskeep
Town: Greenup, IL
Amount: \$70,000
Use of Funds: Farmland – 41 acres
Purchase Price: \$82,000
%Borrower Equity: 14%
%Other Agency: 0%
%IFA: 86%
County: Cumberland
Lender/Bond Purchaser: Midland States Bank, Brad Shull
Legislative Districts: Congressional: 19th, John Shimkus
State Senate: 54th, John Jones
State House: 108th, David Reis

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

The Note shall bear simple interest at the Expressed Rate.

* **Eric & Barbara Inskeep:** The Expressed Rate shall be 5.0% for the first five years of the loan. Then it shall adjust every five years on the anniversary date of the loan to The Wall Street Journal Prime minus 2.5%
Fee: \$1,050

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

Project Number: A-FB-TE-CD- 6050
Funding Manager: Eric Reed
Borrower(s): Matthew Quattlander
Town: Morrisonville, IL
Amount: \$146,250
Use of Funds: Farmland – 39.5 acres
Purchase Price: \$146,250
%Borrower Equity: 0%
%Other Agency: 0%
%IFA: 100%
County: Montgomery
Lender/Bond Purchaser: Security National Bank, Jim Miller
Legislative Districts: Congressional: 19th, John Shimkus
State Senate: 49th, Deanna Demuzio
State House: 98th, Gary Hannig

Principal shall be paid annually in installments determined pursuant to a Thirty-year amortization schedule, with the first principal payment date to be one year from date of close. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be one year from date of close, with the thirtieth and final payment of all interest then outstanding due 30 years from date of close.

The Note shall bear simple interest at the Expressed Rate.

* **Matthew Quattlander:** The Expressed Rate shall be 5.2% for the first five years of the loan; thereafter, the rate shall be adjusted every five years on the anniversary payment date of the loan to the Prime Rate of United Missouri Bank of St. Louis, MO. Fee: \$2,194

Project Number: A-FB-TE-CD-6051
Funding Manager: Eric Reed
Borrower(s): Clayton & Ashlyn Becker
Town: DeKalb, IL
Amount: \$45,000
Use of Funds: Farmland – 16 acres
Purchase Price: \$57,365
%Borrower Equity: 21%
%Other Agency: 0%
%IFA: 79%
County: Ogle
Lender/Bond Purchaser: Belvidere Bank, Carl Dumoulin
Legislative Districts: Congressional: 14th, J. Dennis Hastert
State Senate: 35th, J. Bradley Burzynski
State House: 70th, Robert Pritchard

Principal shall be paid annually in installments determined pursuant to a Thirty-year amortization schedule, with the first principal payment date to be March 1, 2007. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be March 1, 2007, with the thirtieth and final payment of all interest then outstanding due March 1, 2037.

The Note shall bear simple interest at the Expressed Rate.

* **Clayton & Ashlyn Becker:** The Expressed Rate shall be 4.90% for the first five years of the loan. Then it shall adjust every five years on the anniversary date of the loan to 35 basis points above the 5-year Treasury Bond rate. Fee: \$675

Project Number: A-FB-TE-CD- 6053
Funding Manager: Eric Reed
Borrower(s): Shea O'Rorke
Town: Steward, IL
Amount: \$250,000
Use of Funds: Farmland – 55.55 acres
Purchase Price: \$250,000
%Borrower Equity: 0%
%Other Agency: 0%
%IFA: 100%
County: Lee
Lender/Bond Purchaser: The First National Bank & Trust Company, Steven Pfeiffer
Legislative Districts: Congressional: 14th, J. Dennis Hastert
State Senate: 45th, Todd Sieben
State House: 90th, Jerry L. Mitchell

Principal shall be paid annually in installments determined pursuant to a Thirty-year amortization schedule, with the first principal payment date to be one year from date of close. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be one year from date of close, with the twentieth and final payment of all interest then outstanding due 20 years from date of close.

The Note shall bear simple interest at the Expressed Rate.

* **Shea O'Rorke:** The Expressed Rate shall be 5.50% for the first ten years of the loan. Then it shall adjust annually on the anniversary date of the loan to 80% of the Wall Street Journal Prime. Fee: \$3,750

Project Number: A-FB-TE-CD- 6054
Funding Manager: Eric Reed
Borrower(s): Jacob Higginbotham
Town: Paris, IL
Amount: \$36,000
Use of Funds: Farmland – 36 acres
Purchase Price: \$40,000
%Borrower Equity: 10%
%Other Agency: 0%
%IFA: 90%
County: Edgar
Lender/Bond Purchaser: State Bank of Chrisman, John Brinkerhoff
Legislative Districts: Congressional: 15th, Timothy V. Johnson
State Senate: 55th, Dale A. Righter
State House: 109th, Roger Eddy

Principal shall be paid annually in installments determined pursuant to a Thirty-year amortization schedule, with the first principal payment date to be December 31, 2006. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be December 31, 2006, with the thirtieth and final payment of all interest then outstanding due December 31, 2036.

The Note shall bear simple interest at the Expressed Rate.

* **Jacob Higginbotham:** The Expressed Rate shall be 5.90% for the first three years of the loan; thereafter, the rate shall be adjusted every three years on the anniversary payment date of the loan to 1.40% below the Three-year Treasury Constant. Fee: \$540

Project Number: A-FB-TE-CD-6065
Funding Manager: Eric Reed
Borrower(s): Tony Burnett, Jr.
Town: Opdyke, IL
Amount: \$42,500
Use of Funds: Farmland – 36 acres
Purchase Price: \$50,000
%Borrower Equity: 15%
%Other Agency: 0%
%IFA: 85%
County: Jefferson
Lender/Bond Purchaser: Peoples National Bank, Mark Epperson
Legislative Districts: Congressional: 19th, John M. Shimkus
State Senate: 54th, John O. Jones
State House: 107th, Kurt M. Granberg

Principal shall be paid annually in installments determined pursuant to a Fifteen year amortization schedule, with the first principal payment date to be one year from date of close. Accrued interest on the unpaid balance hereof shall be paid annually, with the first principal and interest payment date to be one year from date of close, with the Fifteenth and final payment of all interest then outstanding due 15 years from date of close.

The Note shall bear simple interest at the Expressed Rate.

* **Tony Burnett Jr.:** The Expressed Rate shall be 6.50% for the first three years of the loan; thereafter, the rate shall be adjusted every three years on the anniversary payment date of the loan to 1.00% below the Wall Street Journal Prime. Fee: \$637.50

Project Number: A-FB-TE-CD-6066
Funding Manager: Eric Reed
Borrower(s): Brock Shull
Town: Hidalgo, IL
Amount: \$70,000
Use of Funds: Farmland – 34.3 acres
Purchase Price: \$80,000
%Borrower Equity: 10%
%Other Agency: 0%
%IFA: 90%
County: Jasper
Lender/Bond Purchaser: First Financial Bank, Jeff Wilson
Legislative Districts: Congressional: 19th, John M. Shimkus
State Senate: 54th, John O. Jones
State House: 108th, David Reis

Principal shall be paid annually in installments determined pursuant to a Twenty five year amortization schedule, with the first principal payment date to be one year from date of close. Accrued interest on the unpaid balance hereof shall be paid annually, with the first principal and interest payment date to be one year from date of close, with the twenty fifth and final payment of all interest then outstanding due 25 years from date of close.

The Note shall bear simple interest at the Expressed Rate.

* **Brock Shull:** The Expressed Rate shall be 4.75% for the first ten years of the loan. Then it shall adjust every 5th year on the anniversary date of the loan equal to the US Treasury Bond and 5 year maturity yield per the Wall Street Journal. Fee: \$1,050

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

Project: Proctor Hospital

STATISTICS

Project Number: H-HO-TE-CD-720	Amount: \$50,000,000 (Not to exceed amount)
Type: Not-for-Profit Bond	IFA Staff : Pamela Lenane and Dana Sodikoff
Locations: Peoria	

BOARD ACTION

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

PURPOSE

Proceeds will be used to: 1) fund new money projects, 2) full or partial refinancing of existing IHFA series 1991, and 1996 bonds, 3) fund a debt service reserve fund, 4) pay costs of issuance.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on December 11, 2005 by the following vote:

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds \$ 43,925,846	Uses:	New Money	\$10,606,770
			Refunding	\$30,426,611
			Reserve Fund	\$ 2,273,000
			Issuance Costs	\$ 326,500
			Underwriter's Disc.	\$ 292,965
	Total		Total	<u>\$43,925,846</u>
				<u>\$43,925,846</u>

JOBS

Current employment: 891 FTE's
Jobs retained: N/A

Projected new jobs: 5 FTE's
Construction jobs: 10

BUSINESS SUMMARY

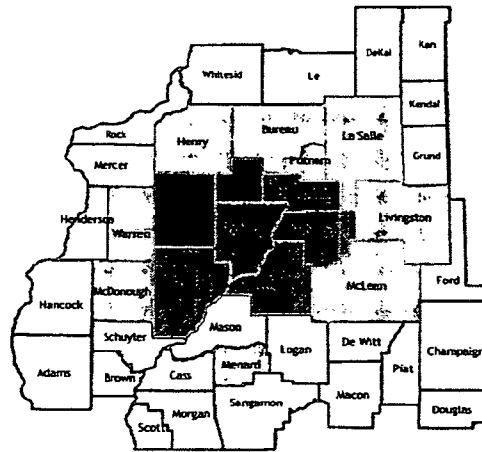
Background:

The point of the refinancing is to take advantage of interest savings in the market. Given near-historic low bond rates, it is estimated that interest savings from refunding the Series 1991 fixed rate bonds alone would be \$1.7 million on a net present value basis or 9.41% of the refunded bonds. By reducing its interest cost and subsequently reducing its cost of capital, it will be able to level the cost of capital playing field by letting Proctor access relatively low-cost capital from which it has been excluded for the past several years given its below investment grade rating. Its recently upgraded credit status will allow it to match the rates achieved by its primary service area competitors – OSF and Methodist.

The new money component of \$10.6 million is deemed vital to effectively compete and retain physician support. It will be used to purchase a new electronic health records system from McKesson. This system will allow it to finance this system as opposed to leasing it at a relatively expensive financed rate.

Description: Proctor Health Care Inc., is an integrated delivery system, comprised of a 163-bed flagship hospital, five urgent care centers, seven owned physician practices, a durable equipment business and a health education center.

Service Area: Proctor Health Care Inc. service area is noted below. Proctor Hospital is located on the growing north central edge of Peoria and is approximately 150 miles southwest of Chicago. The primary service area encompasses 3 counties and accounted for 75.5% of the hospital’s admissions in 2004. The secondary service area encompasses 8 counties and accounted for 11.9% of the hospital’s admissions in 2004.



County by Actual Number of Admissions (2004):

260 to 3746	188 to 260	92 to 188	69 to 92	67 to 69
52 to 67	41 to 52	13 to 41	5 to 13	2 to 5

According to the most recent data provided by the Economic Development Council for Central Illinois (“EDCCI”), Proctor Hospital is the tenth largest employer in its service area. In the past five years, Proctor’s share of the market has been between 14.0% and 14.4%. The EDCCI, in conjunction with Claritas, projects Proctor’s primary service area to grow 4.3% between 2005 and 2020.

PROJECT SUMMARY

Proceeds from this financing will be used to fund new money projects, to fund a full or partial refinancing of existing IHFA series 1991, and 1996 bonds, fund a debt service reserve fund, and pay costs of issuance.

FINANCING SUMMARY

Security: Proctor Hospital currently maintains ratings with Standard and Poor’s and Moody’s. Current ratings are as follows: BBB-/Baa3 (Standard and Poor’s/Moody’s); certain bonds may be rated based upon the use of a letter of credit facility provided by JP Morgan Chase.

Structure: The current plan of finance will accomplish the following:
 1) Fund approximately \$10 million of new money; and
 2) Refinance Proctor Hospital’s outstanding Series 1991 and 1996 bonds.

Maturity: Not to exceed 35 years.

ECONOMIC DISCLOSURE STATEMENT

Project name: Proctor Hospital
Location: 5409 North Knoxville Avenue
Peoria, IL 61614
Applicant: Proctor Hospital
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois
Board of Directors: Norman LaConte
Henry Allovio, Jr.
Philip H. Baer, M.D.
Dennis G. Bailey
Wayne E. Baum
Dale E. Burklund
James R. DeBord, M.D.
Robert L. Denton
Donald R. Gronewold
Lindsey A. Ma, M.D.
Donald B. McElroy, M.D.
R. Parker McRae, M.D.
Jeffrey S. Morton, M.D.
David B. Mueller
Jayne M. Mueller
Michael E. Quine
Sarah P. Snyder
Thomas Spurgeon
James R. Sullivan
James F. Vergon
Steven H. Wunning

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Heyl, Royster Voelker & Allen	Peoria	William Covey
Bond Counsel:	Jones Day	Chicago	Rich Tomei
Financial Advisor:	Kaufman Hall & Associates	Chicago	Mark McIntire
Underwriter:	JP Morgan Chase	Chicago	Timothy Wons
Underwriter's Counsel:	Ungaretti & Harris	Chicago	Raymond Fricke
Bond Trustee:	TBD	Chicago	TBD
Accountant	McGladrey & Pullen	Springfield	Randy Ragan
Issuer's Counsel:	Aronberg, Goldgehn, Davis & Garmisa	Chicago	Steve Nemerovski
Letter of Credit Provider:	JP Morgan Chase	Chicago	Jim Corkery

LEGISLATIVE DISTRICTS

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

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

Project: Franciscan Communities – (The Village at Victory Lakes)

STATISTICS

Project Number:	H-SL-RE-TE-CD-6042	Amount:	\$30,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff :	Pam Lenane and Dana Sodikoff
Locations:	Lindenhurst		

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) acquire The Village at Victory Lakes including physical assets and certain accounts receivable; 2) fund new money projects for the Village at Victory Lakes, which, together with the acquisition total \$25 million; 3) fund capital projects at certain other Illinois communities in the Obligated Group 4) establish a Debt Service Reserve Fund for the Series 2006 bonds; and 5) pay costs of issuance associated with the Series 2006 Bonds.

IFA CONTRIBUTION

Conveys federal income tax-exempt status on interest earned on the Bonds.

VOTING RECORD

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

Ayes – 9	Nays – 0	Absent – 6	Vacancies – 0
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ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	<u>\$28,060,000</u>	Uses:	Project Costs*	\$25,000,000
				Debt Service Reserve	2,097,666
				Issuance Costs	<u>962,334</u>
Total		<u>\$28,060,000</u>	Total		<u>\$28,060,000</u>

* Includes the acquisition price plus certain accounts receivable, plus funds for minor capital projects.

JOBS

Current employment: 295	Projected new jobs: 0
Jobs retained: 295	Construction jobs: 0

BUSINESS SUMMARY

Description: Bonds will be issued to fund the acquisition of a senior living community known as The Village at Victory Lakes (the "Village") in Lindenhurst, Illinois. The Borrower for this financing will be an

obligated group known as Franciscan Communities, Inc. Bond proceeds will also be used for minor improvements to the physical plant of The Village and to certain other Illinois Communities that are members of the Franciscan Communities Obligated Group. The Village is currently affiliated with Vista Health Hospitals in Waukegan, which is also scheduled to be sold in the near future. The Village will become a member of Franciscan Communities. Franciscan Communities has issued bonds through the IFA many times in the past.

Background: The Borrower is an Indiana nonprofit corporation that was created for the purpose of providing senior housing and related services to the elderly. The Borrower owns and operates 11 senior living facilities with a total of 2,230 units/beds located in Illinois, Indiana, Kentucky, and Ohio, which comprise the Obligated Group (“Obligated Group”). The Franciscan Sisters of Chicago Service Corporation (“FSCSC”), an Illinois nonprofit corporation, is the sole corporate member of the Borrower. The senior living communities owned and operated by the Obligated Group are sponsored by and affiliated with the Franciscan Sisters of Chicago (“FSC”). FSCSC and FSC have no obligation or liability with respect to payment of debt issued by the Obligated Group.

FSC was founded in 1894 and its members have dedicated themselves to the care of the aged and the sick in hospitals and nursing homes, the education of students at the elementary and secondary levels, the operation of day care centers, religious education, pastoral ministry, social service activities and the ministry of prayer and suffering. FSC ministers in Illinois, Indiana, Ohio and Kentucky. The General Minister and the members of the General Council of FSC constitute the Board of Directors of FSC, an Illinois not-for-profit corporation, and are also the members of FSCSC.

FSCSC was organized to coordinate all FSC-sponsored facilities and assist FSC in establishing and extending its charitable mission in health care, social and pastoral services and education. FSCSC is the sole corporate member of the Borrower as well as a number of other organizations outside of the Obligated Group, all of which further the mission of FSC.

PROJECT SUMMARY

The Borrower intends to acquire The Village at Victory Lakes and bring it into the obligated group known as “Franciscan Communities”. The facility will continue to be marketed under its existing name, with reference to the fact that it is a member of the Franciscan Communities family of retirement communities. The facility currently consists of the following:

- 120 nursing beds (40 Alzheimer’s, 40 Medicare, 40 for general long term care);
- 60 assisted living units (84 beds);
- 100 independent living apartments;
- 40 cottages; and
- Many common areas including a Community Center, dining rooms, library, country store, bank, chapel, etc.

The Village has been providing care to residents since 1988 (with capacity additions in 1998 and 1999). Resident/family satisfaction surveys and employee surveys reflect high quality of care and management.

Initial entrance fees currently range from \$130,000-\$320,000 and are generally 85%-100% refundable upon the termination of the residency agreement. Monthly fees range from \$822-\$1,985. Assisted living monthly fees range from \$3,584-\$4,379. Private pay nursing rates range from \$167-\$300 per day. For various reasons, occupancy levels have slipped in the last few years. Nursing has averaged 81%, assisted living has averaged 95% and independent living has averaged 77% in the recent past.

Once the acquisition has occurred, FSCSC will make numerous management, marketing, and operational changes in order to improve occupancy levels and financial results. These changes contemplate the revision of independent living monthly service fees to reflect an all-inclusive fee, including property taxes, and a review of entrance fee pricing to accelerate sales and make a more competitive product.

FINANCING SUMMARY

Structure: The Series 2006 Bonds will be Variable Rate Demand Bonds backed by a Letter of Credit from a commercial bank. The Series 2006 Bonds will consist of approximately \$10,385,000 of tax-exempt bonds and \$17,675,000 of taxable bonds. The taxable bonds are needed due to the tax rules regarding the acquisition of independent living units and assisted living units. The Letter of Credit will be provided by the Borrower's historical Letter of Credit Bank team – LaSalle Bank (AA-/F1+) and Sovereign Bank. Interest rates on the bonds will be reset on a weekly basis by the Remarketing Agent (Ziegler Capital Markets Group).

Note: No waiver needed because with 100% VRDBs they have a rating based on the LOC Banks.

Bank Security: Gross revenue pledge and master notes under a master indenture. No mortgage will be provided, consistent with prior issues for this Borrower. Covenants and other legal provisions will be consistent with the standard covenants used on prior Franciscan Communities financings.

Maturity: 30 years (maximum of 35 years)

Feasibility Report: A feasibility study will not be needed in order to sell the bonds. However, a consultant's report/forecast will be necessary in order to meet the additional debt test outlined in the Borrower's master indenture. This same approach was used on the facility replacement for St. Joseph Village in 2004 (also issued through the IFA). The consultant's report/forecast will not be as extensive as a full-blown feasibility study. The report will not be included in the prospectus. The report will demonstrate that the Obligated Group, with the addition of The Village, is projected to achieve acceptable financial ratios in the several years following the acquisition. The Consultant's report will be submitted to the Master Trustee and other interested parties in order to be in compliance with the Borrower's master indenture.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Franciscan Communities, Inc. Obligated Group
Corporate Home office: 1055 West 175th Street, Homewood, IL 60430
(708) 647-3140

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

Board of Directors: Sr. M. Francis Clare Radke, Chairman
Mr. Leonard A. Wychocki, President
Sr. M. Francine Labus, OSF

PROFESSIONAL & FINANCIAL

Borrower's Counsel: Katten Muchin Rosenman	Chicago	Elizabeth Weber
Bond Counsel: Jones Day	Chicago	John Bibby
Underwriter: Ziegler Capital Markets Group	Chicago	Dan Hermann
Underwriter's Counsel: Sonnenschein Nath & Rosenthal	Chicago	Steve Kite
Bond Trustee:	TBD	TBD
Issuer's Counsel: Pugh, Jones, Johnson & Quandt, P.C.	Chicago	Kimberly Barker Lee

LEGISLATIVE DISTRICTS

Congressional: 6- Henry J. Hyde
State Senate: 28- John Millner
State House: 55- Harry R. Ramey, Jr.

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

Project: MAR Business Forms Company

STATISTICS

Project Number:	B-LL-TX-6052	Amount:	\$886,000.00
Type:	Participation Loan	IFA Staff:	Rick Pigg
Location:	Valmeyer, IL		
NAICS Code:			

BOARD ACTION

Purchase of Participation Loan from Bank of Belleville
\$886,000 IFA funds at risk
Staff recommends approval

PURPOSE

Loan proceeds will be used for the purchase of new equipment and building expansion.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	Loan #1 Equipment -		Uses:	
	Bank of Belleville	\$636,500.00	Equipment purchase	\$2,290,000.00
	IFA Participation	636,500.00	Real Estate Expansion	500,000.00
	SBA 504 Loan	1,017,000.00	Real Estate Refinance	110,000.00
	Loan #2 Real Estate -		CD Term Loan Refi	250,000.00
	Bank of Belleville	360,000.00	Consolidate existing	
	IFA Participation	250,000.00	equipment debt	913,777.00
	Loan #3 CD -		New money	254,000.00
	Bank of Belleville	250,000.00		
	Loan #4 Equipment -			
	Bank of Belleville	1,167,777.00		
Total:		\$4,317,777.00	Total:	\$4,317,777.00

JOBS

Current employment:	95	Projected new jobs:	4
Jobs retained:	95	Construction jobs:	15-20

BUSINESS SUMMARY

Description: MAR Business Forms Company a/k/a MAR Graphics (MAR) was started in 1961 by Myron Roever near E. St. Louis, IL. MAR operates as an "S" Corporation incorporated 1/02/78. MAR provides printing services to a variety of brokers on a national scale. MAR is located in Valmeyer, IL, a village of approximately 2,500 residents located in Monroe County, IL. Monroe County is considered part of the St. Louis Metropolitan area, which reports approximately

2,000,000 residents. Monroe County has 25,000 residents, with two major municipalities, Columbia and Waterloo. Valmeyer is located two miles west of Waterloo which is situated on a four lane state highway, approximately twenty miles from a regional interstate that easily connects to three major interstates, 64, 70 and 55.

MAR Properties is a related partnership started in 12/93 which holds the real estate and some equipment and rents it to MAR Graphics for its operations.

Background: MAR is in its second generation of ownership and management operating in a 50,000 square foot office warehouse building with 40 non-union employees. Rick Roever, CDC/President and Scott Roever, CFO are the two sons of the founder working in the company, the remaining children do not work in the company. These two men and their five siblings own 99% of the company; their mother owns the remaining 1%. Over the past forty years the company has provided a high level of service and product quality to its customers. The company offers both web and sheet fed presses, including flexographic label printing and digital printing. They also offer direct mail and commercial printing capabilities that expand the product mix for their customers. MAR operates 14, 17 and 22 inch presses capable of printing up to eight colors, and their extensive bindery department offers a multitude of ancillary value. With the approval of this financing request, a 24 inch press will be added, printing up to ten colors, allowing MAR to expand services and products with existing customers and to provide MAR with an additional tool to sell to new customers.

Industry: The United States printing industry generates approximately \$100 billion in gross product annually. The printing industry is comprised of Lithographic (47%), Gravure (19%), Flexographic (17%), Letterpress (11%), Screen (3%) and other (3%). There are nearly 100,000 print shops throughout the country, with 57% being located in these 10 states, California (12%), New York (8%), Illinois (7%), Texas (6%), Florida (4%), Pennsylvania (4%), Ohio (4%), New Jersey, Massachusetts and Michigan each having 3.5%. The industry employs nearly one million people, with most shops having less than 20 employees. The Flexographic and Gravure shops typically have the largest number of employees, between 50 and 100, and the largest physical plants.

Lithographic printing accounts for as much as 47% of all conventionally printed material, via either sheetfed or web fed presses. Web lithography is designed to print large jobs and is used for newspapers, books, catalogs, periodicals, advertising and business forms. Sheetfed lithography is used mostly for short runs of books, periodicals, posters advertising flyers, brochures, greeting cards, packaging and fine art reproduction.

Flexographic printing (MAR Graphics) uses a flexible printing plate made of rubber, plastic or some other flexible material. Flexography makes it ideal for printing on materials like plastics and foils. This is the predominant method used for printing flexible bags, wrappers and similar forms of packaging. The soft rubber plates are also well-suited to print on thick, compressible surfaces such as cardboard packaging. Flexography also uses both sheetfed and web fed presses.

The Graphic printing process is used for long runs of multi-colored, high quality at high press speeds. Examples of gravure printed products included art books, greeting cards, advertising, currency, stamps, wall paper, magazines, wood laminates and some packaging.

Screen printing and textile printing shops number around 40,000 in the U.S. The small shops in this category can commonly be seen in strip centers and shopping malls and can print small batches of greeting cards, art books, clothing and posters. Additionally, the larger operations use the same methods to print billboard advertisements and have the capability to print on such diverse materials as plastics, fabrics, metals, papers as well as exotic materials such as leather, masonite, glass, ceramics, wood and electronic circuit boards.

Computers and other quickly changing technologies are having a huge impact on the printing industry both at the prepress and actual printing stages. The advances in desktop publishing programs have drastically changed the prepress process in the printing industry, with reductions in labor hours and enhancements in the quality of the product. Additionally computers are further automating the actual production/printing process. However, these advances in labor saving techniques require significant upfront costs in new equipment, which will be difficult for small shops to absorb.

The following information was obtained from the November/December 2005 issue of Management Portfolio.

During the first half of 2005 ink-on-paper print grew at a 2.4% pace, while toner-based print grew at a 4.5% pace and ancillary services increased at a 4.2% pace. It is anticipated that the fourth quarter of 2005 was stagnant due to the affects of Katrina. Looking ahead to 2006, it is projected that the printing industry will realize a growth rate of 3.4%.

The Project: MAR has requested \$2,544,000 in new funds for the purchase of a new printing press and \$500,000 in new funds for a 10,000 square foot expansion of the company's manufacturing facility.

The printing press will be purchased from Muller Martini, a German company. The press is a web fed machine capable of continuous printing through an automated process that changes the rolls of paper, eliminating up to 45 minutes of labor expense and downtime per run. Following the manufacturing and installation of the press, the Small Business Administration (SBA) through their 504 Program will reduce the bank debt by \$1,017,600 (40% of the purchase price) secured by a junior lien on the equipment, resulting in a balance of \$1,272,000 of which 50% or \$636,000 will be participated to the Illinois Finance Authority (IFA), netting the Bank of Belleville \$636,000. The Loan-To-Value (LTV) on the \$1,272,000 is 50% of the purchase price.

MAR has also requested a loan of \$1,166,000 to refinance existing debt of \$912,000 and provide new funds of \$254,000. This loan will be secured by a first lien on all existing equipment and will be sold to CBC affiliate banks.

A related company, MAR Properties, has requested a loan of \$610,000 to refinance existing debt of \$110,000 and to provide new funds of \$500,000 to fund the expansion of the operating plant used by MAR Graphics. The new space is necessary to house the new equipment. After completion of construction, 50% of the new funds or \$250,000 will be sold to IFA, leaving Bank of Belleville with a loan of \$360,000.

Bank of Belleville will also be providing a \$250,000 interest only loan secured by a Bank of Belleville certificate of deposit to MAR Properties.

Bank Request: The Bank of Belleville has requested the IFA to participate in the loans aforementioned with the participated amount totaling \$886,000. The loan requests came from Wyatt Rawlings, a board member and long-time accountant for MAR. Ron Stephens, EVP and commercial banker, at the Bank of Belleville contacted the IFA for the participation.

FINANCING SUMMARY

Obligor: MAR Business Forms Company and MAR Properties

Guarantor: Rick Roever, Scott Roever, Gina Gunn, Lisa Arnold, Anita Redohl, Bobbie Klinkardt and Linda Coats

Security: Loan #1: First mortgage on real property that houses the offices and manufacturing space for MAR.
Loan #2: A PMSI in the new press being purchased.

Structure: Loan #1: Total \$610,000; BoB \$360,000; IFA \$250,000
5 yr maturity amortized over 20 years at a rate of 5.25% (IFA rate) with monthly principal and interest payments
Loan #2: Total \$2,290,000; BoB \$636,500; IFA \$636,500; SBA \$1,017,000
5 yr maturity amortized over 19 years at a rate of 5.25% (IFA rate) with monthly principal and interest payments

ECONOMIC DISCLOSURE STATEMENT

Applicant: MAR Business Forms Company MAR Properties
Organization: Illinois S Corporation Partnership

PROFESSIONAL & FINANCIAL

Accountant: Wyatt Rawlings, III, CPA Belleville, IL
Bank: Bank of Belleville Belleville, IL
IFA Counsel: David Celletti Dykema Gosset PLLC Chicago, IL

LEGISLATIVE DISTRICTS

Congressional: 12th—Jerry F. Costello
State Senate: 58th—David Luechtefeld
State House: 116th—Dan Reitz

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

Project: Transfer Company, Inc.

STATISTICS

Project Number:	B-LL-TX-6060	Amount:	\$82,500
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Jacksonville		

BOARD ACTION

Purchase of Participation Loan from US Bank
\$82,500 IFA funds at risk
Staff recommends approval

PURPOSE

Finance the acquisition and refurbishment of a historic former warehouse building

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	\$82,500	Uses:	Project Costs	<u>\$165,000</u>
	U S Bank:	<u>82,500</u>		Total	<u>\$165,000</u>
	Total	<u>\$165,000</u>			

JOBS

Current employment:	8	Projected new jobs:	2
Jobs retained:	8	Construction jobs:	(50/6 months)

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

Project: TCI Manufacturing and Equipment Sales, Inc.

STATISTICS

Project Number:	B-LL-TX-6061	Amount:	\$500,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Walnut		

BOARD ACTION

Purchase of Participation Loan from Citizen's First National Bank
\$500,000 IFA funds at risk
Staff recommends approval

PURPOSE

Finance the construction of a new 80' x 250' industrial building

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	\$500,000	Uses:	Building Construction	<u>\$1,000,000</u>
	Citizens 1 st Nat'l Bank:	<u>500,000</u>		Total	<u>\$1,000,000</u>
	Total	<u>\$1,000,000</u>			

JOBS

Current employment:	25	Projected new jobs:	5
Jobs retained:	NA	Construction jobs:	(50/6 months)

BUSINESS SUMMARY

Background: TCI Manufacturing and Equipment Sales, Inc. is an Illinois C corporation established in 2000 in Walnut, Illinois (approximately 40 miles east of the Quad Cities and 18 miles north of Princeton) to engage in the manufacture of aggregate processing equipment. TCI is owned by Richard Nelson, 30%, Steve Nelson, 30%, Mike Maynard 10%, and 4 others with an aggregate interest totaling 30%. Maynard is the VP and General Manager of the Company.

Operations: TCI Manufacturing and Equipment Sales, Inc. primarily focuses on manufacturing a line of high frequency screens (used for troublesome fines removal in the mining and aggregate business), portable and stationary screening plants and conveyors. The Company also specializes in custom fabrication, such as portable and stationary structures, vibratory feeders, feed bins, numerous replacement parts and also in the layout, flow design and manufacturing of complete aggregate plants.

Although TCI performs many large jobs, the Company prides itself in quick turn-around time on the delivery of single items, such as the high frequency screens, feed bins, vibrating feeders, stacking conveyors, transfer conveyors, crushing stations as well as many custom fabrication requirements for equipment and replacement parts that are requested by their customers.

Conveyors account for 60% of their sales, while screens account for 12% of revenues.

The Project: TCI Manufacturing and Equipment Sales, Inc. is planning to construct an 80' x 250' foot building over their existing 40' x 80' building, thereby not losing any significant production time. The expansion will enable the Company to increase manufacturing capabilities, mainly conveyors and screens and will allow them to expand their inventory to accommodate increasing immediate sales opportunities. Total cost of the project is expected to approximate \$1,000,000.

FINANCING SUMMARY

Obligor: TCI Manufacturing and Equipment Sales, Inc.

Guarantors: Steven R. Nelson and Michael Maynard, unlimited personal guaranties

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

ECONOMIC DISCLOSURE STATEMENT

Applicant: TCI Manufacturing and Equipment Sales, Inc.

Organization: Illinois C Corporation

Ownership: Richard Nelson – 30%, Steve Nelson – 30%, Mike Maynard – 10%, others – 30%

PROFESSIONAL & FINANCIAL

Banker: Citizen's First National Bank

Princeton

Jim Miller

LEGISLATIVE DISTRICTS

Congressional: 11 – Jerry Weller

State Senate: 37 – Dale E. Risinger

State House: 74 – Donald L. Moffitt

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

Project: Quincy Hotel, LLC

STATISTICS

Project Number: B-LL-TX-6062	Amount: \$1,000,000
Type: Participation Loan	IFA Staff: Jim Senica
Location: Quincy	

BOARD ACTION

Purchase of Participation Loan from Town and Country Bank - Quincy
\$1,000,000 IFA funds at risk
Staff recommends approval

PURPOSE

Finance the purchase of 5 acres of land and the construction of a new 98 unit hotel

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	\$1,000,000	Uses:	Land Acquisition	\$980,000
	Town & Country Bank:	6,000,000		Hotel Construction	<u>10,220,000</u>
	SBA 504 Loan	2,000,000		Total	<u>\$11,200,000</u>
	Equity	<u>2,200,000</u>			
	Total	<u>\$11,200,000</u>			

JOBS

Current employment:	N/A	Projected new jobs:	35
Jobs retained:	N/A	Construction jobs:	(50/6 months)

BUSINESS SUMMARY

Background: Quincy Hotel, LLC is a recently established Illinois limited liability corporation that has acquired a franchise to build and operate a new 98-room Country Inn and Suites Hotel on a 5-acre site on North 54th Street near Maine on Quincy's busy east side. The two primary members of the LLC are John R. Luedtke and Michael R. Hill. Luedtke and Hill have been in the hotel industry for approximately 8 years and currently have interest in 6 other hotels and numerous real estate holdings throughout the state of Illinois. By profession, Mr. Luedtke is a retired attorney; Mr. Hill has been a developer for his entire working years and will oversee all phases of the hotel construction. An on-site manager who will live in Quincy will be retained to manage the property.

Operations: The Country Inn and Suites Hotel to be built and managed by Quincy Hotel, LLC will offer affordable rooms providing upgraded amenities such as high speed internet service, iron and board, hair dryer and coffee makers. The target market for the standard rooms will be business travelers, overnight vacation travelers and visitors to the Quincy area. The hotel will also offer a number of executive and 2-room suites (that will fulfill an unmet need in Quincy) geared to the executive traveler. Each of these rooms will come equipped with the above-mentioned amenities as well as a fax machine, microwave, small refrigerator and desk with complementary supplies, with many of these units designated for extended stays. Finally, a presidential suite will be intended to serve the traveling corporate executive as well as available for a honeymoon suite. Adjoining bedrooms will be available so that two couples or several business people can stay in comfort. The suite will have all the amenities previously mentioned plus a full-size refrigerator, bar, large screen television, oversized bathroom and jacuzzi. There will be an upscale meeting room adjacent to the suite.

Of key importance to the Quincy business community, the hotel will have available several large meeting rooms and an executive boardroom. These rooms will address the need of local business, organization and visiting groups with the capacity to hold large groups of 250 to as small as 50. Currently a shortage of suitable meeting space for these large groups requiring many organizations to hold meetings and other gatherings outside of the area.

The Area: Quincy, with a population of nearly 40,000, is the largest city in a 100-mile radius and serves as the commercial hub for a population of 500,000 people in western Illinois, northeast Missouri and southeastern Iowa. The City is at the center of a web of four-lane highway construction in literally all directions. For more than a decade, Quincy has been served by I-172, which connects to I-72 just 12 miles south of Quincy providing access to Springfield and from there Bloomington, Chicago, Decatur and Champaign. In recent years, I-172 has developed north as a four-lane highway to Carthage (about 45 miles) and in 2007 will be completed to Macomb, providing four-lane access to the Quad Cities and an alternate four-lane route to Chicago. Plans call for the four-lane to extend eastward to Peoria as well. Just 5 miles to the west in Missouri, a four-lane "Avenue of the Saints" is nearly complete from St. Louis, Missouri to St. Paul, Minnesota.

The Quincy area is in an expansion mode. Since I-172 brought interstate access to the City, the East Broadway corridor has experienced tremendous growth. In recent years, many operations with national names have joined several local well-known businesses in thriving in this busy area. A new 70-acre commercial development, Prairie Crossing, anchored by Lowe's, Kohl's and Old Navy is in final stages of planning. The new Country Inn and Suites will be located in the heart of this, Quincy's fastest growing commercial area and will be the *only* hotel visible from the interstate. With the recent extension of Maine Street to the hotel property, it is anticipated that accelerated commercial growth will surround the Country Inn and Suites.

Quincy's diverse economic base includes a mixture of high-tech and heavy manufacturing as well as centers and data processing offices. The local unemployment is about 5%. With five business parks all located within the City's enterprise zone, it is anticipated that continued growth will occur in the manufacturing and distribution sector.

The Project: The project entails the acquisition of 5 acres of prime commercial land adjacent to I-172 along Quincy's eastern thoroughfare, Broadway Avenue. Quincy Hotel, LLC will construct a new Country Inn and Suites upscale hotel on 3.5 acres of the 5 acre parcel, leaving the remaining 1.5 acres for sale to a restaurant or other business compatible with a hotel operation.

FINANCING SUMMARY

Obligor: Quincy Hotel, LLC
Guarantors: John R. Luedtke, Patricia Luedtke and Michael Hill, unlimited personal guaranties
Repayment: In the event of a liquidation of our collateral, proceeds will be applied first to repay the subject loan before paying any other credit facility.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Quincy Hotel, LLC
Organization: Illinois Limited Liability Company
Ownership: John R. Luedtke, Patricia Luedtke, Michael Hill

PROFESSIONAL & FINANCIAL

Banker: Town & Country Bank Quincy Gary W. Penn, President

LEGISLATIVE DISTRICTS

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

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

Project: TRH Properties, LLC

STATISTICS

Project Number:	B-LL-TX-6064	Amount:	\$285,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Decatur		

BOARD ACTION

Purchase of Participation Loan from First Mid-Illinois Bank & Trust - Decatur
\$285,000 IFA funds at risk
Staff recommends approval

PURPOSE

Finance the construction of a new 8,000 square foot industrial building addition

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	\$285,000 150,000	Uses:	Project Costs	<u>\$570,000</u>
	First Mid-Illinois Bank:	<u>285,000</u>		Total	<u>\$570,000</u>
	Total	<u>\$570,000</u>			

JOBS

Current employment:	80	Projected new jobs:	10
Jobs retained:	N/A	Construction jobs:	50/6 months

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

Project: DayOne Network, Inc.

STATISTICS

Deal Number:	N-TX-LL-6069	Amount:	\$575,000 (not-to-exceed amount)
Type:	Participation Loan	IFA Staff:	Steven Trout and Jack McInerney
Location:	Geneva		

BOARD ACTION

Resolution to Purchase Participation from Valley Community Bank
Staff recommends approval
Participation Loan
\$575,000 of IFA funds at risk

PURPOSE

To provide permanent financing for a 12,000 square-foot medical office building located at 1551 Fabyan Parkway in Geneva, Illinois

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	Valley Community Loan	\$ 543,750	Uses:	Project Costs	<u>\$1,450,000</u>
	IFA Participation	543,750			
	Illinois Facilities Fund				
	Subordinated Loan	217,500			
	Equity Contribution	<u>145,000</u>			
	Total	<u>\$1,450,000</u>	Total		<u>\$1,450,000</u>

The Borrower will use cash on hand to make the equity contribution and cover any cost overruns incurred to complete the project.

JOBS

Current employment:	45	Projected new jobs:	5 (next 2 years)
Jobs retained:	N/A	Construction jobs:	10 (for 6 months)

BUSINESS SUMMARY

Background: DayOne Network, is a 501(c)(3) corporation that provides service coordination and advocacy to persons of all ages with developmental disabilities and/or delays and their families. Community leaders in Kane and Kendall Counties and Hanover Township in Cook County incorporated the organization in 1989 under its original name, Kane Kendall Service Coordinators. The agency guides individuals and their families through the maze of services available in the community to access needed support and services

The agency seeks to enhance the dignity and community interaction of individuals with developmental disabilities living in Kane and Kendall Counties, Hanover Township and the City of Aurora. DayOne is dedicated to informing children and adults with developmental delays and/or disabilities and their families of service eligibility and options, helping them make informed choices and ultimately connect people to services and support that best meet their needs.

DayOne achieves its mission through:

- 24-hour crisis intervention
- Determining eligibility for services
- Conducting clinical evaluations and assessments
- Developing and monitoring individual service plans
- Providing access to information and referrals to community services
- Advocating for services for individuals with development disabilities and their families

The agency current provides:

- **Pre-admission screening** to determine eligibility for services offered by public and private agencies
- **Case coordination** to assist families in coordinating the delivery of appropriate services
- **Bogard service coordination** for individuals living in nursing homes who were diagnosed with mental illness and development disabilities and included in a class action brought against the State of Illinois in 1986.
- **Individual services and supports advocacy** (formerly know as Medicaid Waiver Services Coordination) to assist individuals with developmental disabilities live in the community settings with as much independence as possible
- **Child and family connection**, which administers Early Intervention, a collection of services funded by the Illinois Department of Human Services for infants and toddlers who have delays or appear likely to have delays living in Kane and Kendall counties
- **Project Ground Floor**, which administers a homeownership program for persons with developmental disabilities who live in the northern half of Illinois

DayOne is 95% funded by the Illinois Department of Human Services. It also received funds from the local mental health board, United Way and individual donations. The agency also conducts periodic fundraisers to cover any budget shortfalls. Valley Community Bank provides DayOne with an \$150,000 line of credit to finance delays in receiving payment from the State.

The Project: DayOne is constructing a 12,000 square-foot building on Fabyan Parkway just east of Kirk Road in Geneva, which will keep the agency centrally located in Kane County, nearly equidistant to Aurora and Elgin, their two largest service areas. The Network's 45 employees are currently cramped in a leased 8,500 square-foot home in Batavia. The new larger location will have a better layout that will easily accommodate the existing staff and the organization's anticipated future growth.

The Bank's Request: The Bank's account officer, Eric Van Doren, is a member of DayOne's Board of Directors. Eric has asked IFA's to participate in the Bank's loan to reduce the agency's interest expense. The Bank's commitment is subject to the Authority's participation.

FINANCING SUMMARY

Obligor: DayOne Network, Inc.

Security: Shared, pro-rata position "*pari passu*" with Valley Community Bank in a first mortgage and assignment of rents on a 12,000 square-foot medical office building to be built at Fabyan Avenue and Kirk Road in Geneva, Illinois Chicago. In the event of a default on this loan, IFA's standard

participation agreement provides that the IFA/Bank loan will be paid prior to all other loans including lines-of-credit that the Borrower may have established with the Bank.

Structure: IFA will participate in the permanent financing upon completion of construction. Pursuant to Participation Loan guidelines, IFA will lend at a rate of interest that is 200 basis points below the Bank's rate, for a term that will not exceed 10 years, including extensions.

PROJECT SUMMARY

Loan proceeds will used to partially finance the purchase a new 12,000 square-foot medical office building located Address at Fabyan Avenue and Kirk Road in Geneva that is currently being constructed and financed by Avram Builders, Inc. a family-owned developer headquartered in Naperville. The lender believes that construction is 67% complete and expected the purchase to close in June 2006. Project costs are estimated at \$1,450,000, with the remaining balance to be funded from a subordinated loan provided by the Illinois Facilities Fund (\$217,000) and equity contributed by DayOne (\$145,000). The Borrower will use cash on hand to cover its liability for any cost overruns incurred in completing the project.

ECONOMIC DISCLOSURE STATEMENT

Applicant: DayOne Network, Inc., 179 Oswalt Avenue, Batavia, IL 60510-9309
(Contact: Joyce Hedlander, Executive Director, 630/879-2277)

Project name: DayOne Network, Inc.

Location: Fabyan Avenue and Kirk Road, Geneva, IL (Kane County)

Organization: 501(c)(3) Corporation

State: Illinois

Board of Directors: Jack Magnuson, President
Deb Riddell, Vice President
Robert Jacobius, Treasurer
Wendy Mosier, Secretary
Mark Doyle
Eric VanDoren
Wanda Thomas
Marilyn Klotz
Michael Adams
Barbara Mabbs
Victor Krause
Marilyn Hedlund

Land Sellers: Avram Builders, Inc., Dwight Avram, 1255 Bond Street, Suite 111, Naperville, IL 60563
Avram Builders is 100% owned by Dwight Avram

PROFESSIONAL & FINANCIAL

Accountant:	Sikich Garder & Co, LLP	Aurora	
Originating Bank:	Valley Community Bank	St. Charles	Eric VanDoren
Bank's Counsel:	To be determined		
IFA Counsel:	Dykema Gossett	Chicago	David Cellitti
General Contractor:	Avram Builders, Inc.		

LEGISLATIVE DISTRICTS

Congressional: 3 - Daniel Lipinski
State Senate: 18 - Edward D. Maloney
State House: 36 - James D. Brosnhan

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

Project: Lemko Corporation

STATISTICS

Project Number:	V-TD-6079	Amount:	\$300,000 (not-to-exceed amount)
Type:	Venture Capital	IFA Staff:	Steven Trout
Location:	Schaumburg	SIC Code:	

BOARD ACTION

Resolution to Purchase Preferred Stock \$300,000 of IFA funds at risk
Technology Development Bridge Venture Capital
Staff recommends approval, subject to Lemko Corporation identifying a qualifying co-investor.
Pursuant to IFA Statute and Board policy, Technology Development Bridge investments must be made with a matching investment from a co-investor who is professional investor, qualifies under SEC criteria as an Accredited Investor (minimum \$1 million net worth and \$250,000 annual income), and will invest at least equal money under terms no more favorable than those offered to IFA.
The Venture Capital Committee will meet before the Board Meeting and make a recommendation on this investment

PURPOSE

Proceeds from this offering of preferred stock will be used for general corporate purposes, including working capital, capital expenditures, and substantial expansion of engineering and marketing resources. Proceeds may also be used to acquire complementary products, technologies or businesses when and if an attractive arises.

VOTING RECORD

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

JOBS

Current employment:	33	Projected new jobs (next 2 years):	98
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

Description: Lemko Corporation ("Lemko") is a privately held Illinois Corporation that was incorporated in August 2002 to substantially improve today's mobile wireless infrastructure technology. The founders recognized that current cellular infrastructure does not fully leverage the efficiencies available through recent innovations in computing and Internet Protocol ("IP") software. Lemko has developed proprietary technology that applies some of these innovations to significantly reduce a cellular operator's cost of acquiring, deploying and operating its network. The founders believe that its products effectively expand the market by making mobile wireless communications affordable for approximately 1 billion more users than are currently served.

FINANCING SUMMARY

The Offering: 5,300,000 shares of Preferred Stock Series B offered at \$3.77 a share. This proposed investment will net the Authority 79,575.60 shares of Preferred Stock, or ownership of 0.231% of the company, if the Offering is fully subscribed.

Voting Rights: Pari passu with all other classes of stock

Representation: Series B shareholders will be entitled to elect one member to Lemko's Board of Directors. After the Offering is closed, there will be 4 seats held by holders of Common Stock, 1 seat held by holders of Preferred Series A Stock and 1 seat held by holders of Preferred Series B Stock.

Conversion Option: Series B holders must convert one share of Series B Preferred Stock for one share of common stock upon the occurrence of a Liquidity Event (i.e. sale of the company, closing of a firm underwritten public offering of the Company's stock, or merger of the Company with and into another company whereby the Company is not the surviving entity).

Anti-dilution Rights: Shares of Series B Preferred Stock will have anti-dilution protection in the event that the Company issues additional shares of its stock within two years hereof whereby the Company is valued on a pre-money basis at less than \$100,000,000, subject to customary exceptions such as employee stock options.

Restrictions on Transfer: No holder of Series B Preferred Stock may transfer any share of Series B Stock and Common Stock issued upon conversion thereof except for certain permitted transfers provided such transferees agree to execute and be bound by the Series B Investors Rights Agreement and the restrictions set forth therein. The terms of the Agreement are summarized below.

If prior to completing a firm underwritten public offering of the Company Stock, any security holder shall receive a bona fide third party offer to purchase the stock, the security holder shall offer such securities to the Company prior to consummating such sale.

Should one or more of the holders of the Company's securities desire to sell in one or a series of related transactions at least 51% of the outstanding securities of the Company to a third party, the holders of the Series B Stock will be given an opportunity to participate in such sale in proportion to the number of shares held by the seller(s) and those held by non-selling security holders.

If the holders of at least 51% of the Company's securities approve a sale of the Company, then all other equity holders shall participate in such sale.

Preemptive Rights: Such to customary exceptions, such as management incentive stock options issued to employees, contractors and advisory board members, holders of Series B Preferred Stock will be offered the right to participate pro rata in any future equity issuances.

Liquidity Preferences: In the event of liquidation, dissolution or winding up of the Company, each holder Series B Preferred Stock will be entitled to be paid an amount equal to the respective purchase price per share in preference to the holder of Common Stock. Holders of Series A Preferred Stock, however, will have preference over holders of Series B Stock to the extent of their original purchase price per share.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Lemko Corporation, 1700 E. Golf Road, 7th Floor, Schaumburg, Illinois 60173. Contact: Ray Howell, Chief Financial Officer (847) 240-1990

Organization: Illinois Corporation

Accountant: Stephen D. Mareta, PC Northbrook

Corporate Aronberg, Goldgehn, Davis & Garmisa Chicago

Issuer's Counsel: To be determined

LEGISLATIVE DISTRICTS

State House: 66th Carolyn Krause

State Senate: 33rd Cheryl Axley

Congress: 8th Melissa Bean

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

Project: Presbyterian Home

STATISTICS

Deal Number:	N-NP-TE-CD-6067	Amount:	\$30,000,000 (not-to-exceed amount)
Type:	Not-For-Profit Bonds	IFA Staff:	Sharnell Curtis Martin
Location:	Evanston	SIC Code:	6513

BOARD ACTION

Preliminary 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 a previous bond issue and to pay certain bond issuance costs.

IFA CONTRIBUTION

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

VOTING RECORD

Preliminary Bond Resolution, no previous voting record.

SOURCES AND USES OF FUNDS

Sources:	IFA Refunding Bonds	<u>\$30,000,000</u>	Uses:	Refund Bonds	\$29,750,000
				Bond Issuance Costs	<u>250,000</u>
Total Sources		<u>\$30,000,000</u>	Total Uses:		<u>\$30,000,000</u>

JOBS

Current employment:	980	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

Background: The Presbyterian Home is an Illinois not-for-profit corporation founded in 1904 by the Chicago Presbytery. Headquartered in Evanston, the Presbyterian Home is one of the oldest continuing care retirement communities in Illinois.

Currently, the applicant serves approximately 1,300 older adults through its nine facilities: six located in Evanston, two located in Chicago and one located in Lake Forest. The mix of these units consists of 870 independent living units, 242 assisted living units, and 400 health care center units.

Project: These bonds will refund a portion of outstanding bonds originally issued in 1996. The project was the construction of the Lake Forest Place, a continuing care facility with 250 apartments and cottages, 30 assisted living units and 63 health care units. The project was completed and put into service in the January of 1998.

FINANCING SUMMARY

Security: To Be Determined
Structure: To Be Determined
Maturity: To Be Determined

PROJECT SUMMARY

Bond proceeds will be used to refund outstanding bonds issued by the Illinois Development Finance Authority in 1996. Project costs include refunding of previous bond issue in the amount of \$30 million.

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Presbyterian Home
Project name: The Presbyterian Home Refunding 2006
Location: 3200 Grant Street, Evanston, Illinois, 60201 (Cook County)
Organization: 501(c)(3) Corporation
State: Illinois
Board: Donald C. Clark, Chairman
Byram E. Dickes, Vice Chair
Leland E. Hutchinson, Secretary
Adrian F. Kruse, Treasurer
Peter S. Mulvey, President
John A. Anderson
Karin Balsbaugh
George H. Bodeen
Dr. Gilbert W. Bowen
Dr. John M. Buchanan
Wiley N. Caldwell
Dr. Richard M. Clewett
Dr. Fay Lomax Cook
William S. Dillon
Thomas A. Donahoe
Rev. David A. Donovan
Jon T. Ender

Dr. Willard A. Fry
Earl J. Frederick
Van R. Gathany
Dr. Martha Page Greene
Katheryn L. Guthrie
Diane T. Hart
Edward W. Horner, Jr.
Dr. Richard L. Hughes
Edward R. James
Dr. Philip N. Jones
Walter Kasten II
M. Allen Kimble
Robert P. Knight
Thomas M. Lillard
Dr. John J. McGillen
Allen C. Menke
Sally Parnell Miller

R. Douglas Petrie
Mary C. Milligan
Dale Park, Jr.
Dr. Stephen C. Pierce
Cynthia W. Pinkerton
Jacqueline L. Quern
James T. Rhind
Eugene F. Silkorovsky
Mary Simmons
Goff Smith
Neele E. Stearns
Dr. Milton Weinberg, Jr.
Charles N. Wheatley
Frank H. Whitehand
Robert H. Wilson
Robert J. Winter

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Sonnenschein Nath & Rosenthal	Chicago	Mary Wilson
Accountant:	Deloitte & Touche	Chicago	Mike Somich
Bond Counsel:	Perkins & Coie	Chicago	Bruce Bonjour
LOC Bank:	Northern Trust Company	Chicago	
Underwriter:	William Blair & Company	Chicago	Christine Kelly
Underwriter's Counsel:	Katten Muchin & Rosenthal	Chicago	Elizabeth Weber
Issuer's Counsel:	Pugh Jones & Johnson	Chicago	Kim Barker Lee
Trustee:	To Be Determined		

LEGISLATIVE DISTRICTS

Congressional:	9 -- Janice Schakowsky
State Senate:	58 -- David Luechtefeld
State House:	29 -- David E. Miller

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

Project: Chicago Christian Industrial League

STATISTICS

Deal Number:	N-NP-TE-CD-6068	Amount:	\$10,000,000
Type:	Not-For-Profit Bonds	IFA Staff:	Sharnell Curtis Martin
Location:	Chicago	SIC Code:	8322

BOARD ACTION

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

PURPOSE

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

IFA CONTRIBUTION

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

VOTING RECORD

Preliminary Bond Resolution, no previous voting record.

SOURCES AND USES OF FUNDS

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

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

JOBS

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

BUSINESS SUMMARY

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

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

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

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

FINANCING SUMMARY

Security:	To Be Determined
Structure:	To Be Determined
Maturity:	To Be Determined

PROJECT SUMMARY

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

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

ECONOMIC DISCLOSURE STATEMENT

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

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

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

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

Land Sellers: City of Chicago

PROFESSIONAL & FINANCIAL

Borrower's Counsel: To Be Determined
Accountant: Resnick Group, P.C.
Bond Counsel: To Be Determined
LOC Bank: To Be Determined
Underwriter: J. P. Morgan Securities Chicago Shelley Phillips
Underwriter's Counsel: To Be Determined
Issuer's Counsel: To Be Determined
Trustee: To Be Determined

LEGISLATIVE DISTRICTS

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

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

Project: Rochester Fire Protection District

STATISTICS

Number: L-GPMOTE 6072 **Amount:** \$370,000
Type: Local Government Pooled
Bond Program (Alternate Revenue Bond) – 2006B

IFA Staff: Eric Watson **Location:** Rochester, Illinois

BOARD ACTION

Final Bond Resolution No extraordinary conditions
Local Government Bonds IFA funds at risk
Staff recommends approval

PURPOSE

To finance the purchase of a new fire-truck.

IFA CONTRIBUTION

No IFA contribution – bonds will have the State's moral obligation.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	<u>\$370,000</u>	Uses:	Underwriter's Discount	\$4,440
				Project Costs	350,000
				Local Bond Counsel	6,000
				IFA Fee	3,330
				Costs of Issuance	2,650
				Rounding	3,580
	Total	<u>\$370,000</u>		Total	<u>\$370,000</u>

BUSINESS SUMMARY

Background: The Rochester Fire Protection District was established in 1952 and comprises an area of approximately 100 square miles in Sangamon County, five miles east of Springfield. The Village of Rochester is primarily a "bedroom" community with most residents employed in Springfield. The remainder of the area is primarily agriculture and some small unincorporated communities. As such, assessed value growth has been fair at averaging over 3.2% over the past five years. The assessed valuation is primarily residential with such evaluations accounting for approximately 84% of the District's assessed value. The population served by the District is approximately 8,900.

The Illinois Rural Bond Bank also financed the construction of the District's firehouse in 2001 with Alternate Revenue Bonds. This is the only long-term debt that the District currently has and will mature in 2021.

Project: The District proposes to borrow approximately \$370,000 by issuing alternate revenue bonds to purchase a new fire truck. The new truck will replace a 1969 vehicle.

FINANCING SUMMARY

The Bonds: The Bonds will be Alternated Revenue Bonds, with the District's levied property taxes pledged as the primary revenue source. The District must document that the primary revenues are sufficient to provide 1.25 times debt service coverage on the bonds in order to pledge ad valorem property taxes to repay the Bonds without passing a voter referendum to do so. The District will pass a "backdoor referendum" authorizing issuance of the Bonds unless a sufficient number of voters petition the Board of Trustees to require referendum approval.

Security: The bonds are general obligations of the District and are payable from pledged revenues from levied property taxes deposited to the "Bond Fund". The Bonds are not secured by any interest in the property which constitutes The Project.

Structure: Principal is expected to be due on February 1, beginning in 2007 with a final maturity in 2026. Interest will be fixed rate and payable each August 1 and February 1, beginning August 1, 2006. The bonds are subject to redemption prior to maturity.

Maturity: 15 years

PROJECT SUMMARY

The District will use the proceeds of the sale of its Local Government Securities to pay a portion of the costs of the new truck and costs associated with the issuance of the Local Government Securities and the Bonds.

Project costs are estimated at \$370,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: Rochester Fire Protection District
Project names: Rochester Fire Protection District Fire Truck
Location: 700East Main, Rochester, IL 62563
Organization: Illinois Fire Protection District
President: Perry Waters
Treasurer: Greg Park
Secretary: Curt Strode
Trustee: Terry Day
Trustee: George Vamison

PROFESSIONAL & FINANCIAL

Issuer's Counsel:	Requested		
Bond Counsel	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
Underwriter	AG Edwards & Co., LP	St. Louis, Missouri	Ann Noble

LEGISLATIVE DISTRICTS

Congressional:	Ray Lahood , John Shimkus	18 th , 19 th
State Senate:	Larry Bomke	50 th
State House:	Raymond Poe	99 th

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

Project: Westville – Belgium Sanitary District

STATISTICS

Number:	L-GPMOTE 6073	Amount:	\$2,500,000 (not to exceed)
Type:	Local Government Pooled Bond Program (Revenue Bond) – 2006 B		
IFA Staff:	Eric Watson	Location:	Westville, Illinois

BOARD ACTION

Final Bond Resolution	No extraordinary conditions
Local Government Pooled Bond	IFA funds at risk
Staff recommends approval	

PURPOSE

To finance improvements at the wastewater treatment plant, reimburse the Village for project costs incurred and pay issuance costs.

IFA CONTRIBUTION

No IFA contribution – bonds are issued with the moral obligation of the State.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	<u>\$2,500,000</u>	Uses:	Underwriter's Discount	\$30,000
				Project Costs	2,415,000
				Local Bond Counsel	6,000
				IFA Fee	22,500
				Costs of Issuance	10,000
				Other	16,500
	Total	<u>\$2,500,000</u>		Total	<u>\$2,500,000</u>

BUSINESS SUMMARY

Background: The Westville – Belgium Sanitary District is a municipal corporation serving the Villages of Westville and Belgium, as well as unincorporated areas of Vermilion County. The District is located approximately 5 miles south of Danville, Illinois on State Route 1. The District's facilities were originally constructed in 1958, and subsequently upgraded and expanded in 1982. The Village of Westville is located in the center of the Illinois Environmental Protection Agency (IEPA) assigned Westville Facility Planning Area (WFPA). As such, the WBSD is ultimately responsible for all wastewater treatment facilities as well as responsible for sanitary collection facilities outside the Village of Westville. The Village of Westville owns their own sanitary sewer system, which discharges wastewater into WBSD facilities.

Area storms in the spring of 2002 and fall of 2003 resulted in high amounts of infiltration and inflow (also referred to as excess flow) in WBSD's tributary sanitary sewer systems. The excess flow caused unacceptable surcharging of the main interceptor sewer that drains not only Village

Westville-Belgium Sanitary District

owned sewers, but also areas outside the Village to the north and to the south. The surcharging resulted in raw sanitary sewage overflowing several manhole tops, running down streets, and through residential yards. The surcharging also allegedly caused the back up of household plumbing and overflow of sanitary sewage into residential households. As a result, in June 2003, the IEPA sent the District a violation letter, civil suits have been filed, and the Illinois Attorney General has file charges that mirror existing suits.

After reviewing the circumstances surrounding the violation with the Village of Westville's staff and Engineer (Daily and Associates, Engineers, Inc.), the District concluded that the transport capacity of the major interceptor sewer tributary to the wastewater treatment plant needed to be increased. Once completed, the wastewater treatment plant must be upgraded to handle the additional flow. The upgrades to the excess flow treatment facilities must include augmented primary treatment capacity, a modern automated disinfection system, a post-aeration system, a flow blending structure, and plant process piping.

WBSD applied and received a construction grant in March 2003 from the Department of Commerce & Economic Opportunity to assist with the costs associated with relieving surcharges and overflows in the sanitary sewers. In addition, a Preliminary Basis of Design for the Excess Flow Treatment Facilities was submitted to the Illinois Environmental Protection Agency (IEPA), site surveys and soil borings have been obtained, and Contract Drawings and Specifications have been developed and sent to IEPA and a construction permit has been received.

Project: The proposed improvements to the waste water treatment facility of the (WBSD) are required to resolve the serious health and safety problems produced by repeated sanitary sewer back-ups in the Belgium and Westville. The back-ups are the result of insufficient transport capacity during wet weather. The Village of Westville is currently in the process of upgrading the transport capacity of the system, which, when complete, will necessitate improvements to the wastewater treatment plant in order to properly treat the additional flow.

WBSD will construct excess flow treatment facilities consisting of new flow spitting structure, new primary treatment units, a modern disinfection system, new flow meters, a post-aeration and blending structure, as well as new piping and appurtenances to allow for the plant to function properly. Once complete, the new treatment facilities will have the capacity to provide required treatment for all sewage that the Plant receives from the upgraded sewer system.

FINANCING SUMMARY

The Bonds: The Bonds will be Revenue Bonds, with the District's system revenues pledged as the primary revenue source. The District must document that the primary revenues are sufficient to provide 1.25 times debt service coverage on the bonds in order to pledge ad valorem property taxes to repay the Bonds without passing a voter referendum to do so. The District has procured a feasibility study confirming that the pledged revenues will be sufficient to maintain 1.25 times debt service coverage.

Security: The Bond are general obligations of the District and are payable from (i) net revenues of the District's Enterprise Fund deposited to the credit of the Surplus Account of the Revenue Bond and Interest Sub-account. The Bonds are not secured by any interest in the property which constitutes The Project.

Westville-Belgium Sanitary District

Structure: Principal is expected to be due on February 1, beginning in 2007 with a final maturity in 2026.
Interest will be fixed rate and payable each August 1 and February 1, beginning August 1, 2006.
The bonds are subject to redemption prior to maturity.

Maturity: 20 years

PROJECT SUMMARY

The District will use the proceeds of the sale of its Local Government Securities to (i) pay a portion of the costs of sewerage system improvements and pay for certain costs associated with the issuance of the Local Government Securities and the Bonds.

Project costs are estimated at \$2,415,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Westville-Belgium Sanitary District
Project names: Westville - Belgium Sanitary District Sewerage System Project
Location: 120 E. Main, Westville, IL
Organization: Illinois Sanitary District
Superintendent: Gary W. Gourly
President: Bill Barnes
Secretary / Clerk: Ty O' Riley
Board Member: Ted Kopacz

PROFESSIONAL & FINANCIAL

Issuer's Counsel:	Requested		
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
Underwriter:	AG Edwards & Co., LP	St. Louis, Missouri	Ann Noble

LEGISLATIVE DISTRICTS

Congressional:	Timothy V. Johnson	15th
State Senate:	Richard J. Winkel	52nd
State House:	William B. Black	104th

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

Project: Village of Magnolia Water Tower

STATISTICS

Number: L-GPMOTE 6074 Amount: \$625,000 (not to exceed)
Type: Local Government Pooled
Bond Program (Alternate Revenue Bond) – 2006B
IFA Staff: Eric Watson Location: Magnolia, Illinois

BOARD ACTION

Final Bond Resolution No extraordinary conditions
Local Government Pooled Bond IFA funds at risk
Staff recommends approval

PURPOSE

To finance the construction of a new water tower.

IFA CONTRIBUTION

No IFA contribution – bonds will have moral obligation of the State.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	<u>\$625,000</u>	Uses:	Underwriter's Discount	\$7,500
				Project Costs	600,000
				Local Bond Counsel	6,000
				IFA Fee	5,625
				Costs of Issuance	3,500
				Rounding	2,375
	Total	<u>\$625,000</u>		Total	<u>\$625,000</u>

BUSINESS SUMMARY

Background: The Village of Magnolia is a small community of approximately 0.3 square miles, populated by 315 residents. The Village is located 40 miles northeast of Peoria, Illinois and while the population growth has remained stagnant, the average assessed valuation has increased an average of almost 15% over the past five years.

Magnolia's current system is prone to shut down during power failures. A new water tower will eliminate this problem and provide more adequate service to customers.

Project: The District proposes to borrow no more than \$625,000 by issuing alternate revenue bonds to construct a new water tower.

FINANCING SUMMARY

The Bonds: The Bonds will be Alternated Revenue Bonds, with the Village's revenues from its Water System pledged as the primary revenue source. In the event that the System revenues are insufficient to

Village of Magnolia

pay principal and interest on the Bonds, the Village has committed its interceptable state revenues (State Income Tax, State Sales Tax, and State Replacement Tax) to pay debt service on the Bonds. The Village must document that the primary revenues are sufficient to provide 1.25 times debt service coverage on the bonds. In addition, The District will pass a "backdoor referendum" authorizing issuance of the Bonds unless a sufficient number of voters petition the Board of Trustees to require referendum approval.

Security: The Bond are general obligations of the Village and are payable from (i) net revenues of the Village's Water System fund deposited to the credit of the Surplus Account of the Alternate Bond and Interest Sub-account, and (ii) interceptable state revenues (State Income Tax, State Sales Tax, and State Replacement Tax). The Bonds are not secured by any interest in the property which constitutes The Project.

Structure: Principal is expected to be due on February 1, beginning in 2007 with a final maturity in 2026. Interest will be fixed rate and payable each August 1 and February 1, beginning August 1, 2006. The bonds are subject to redemption prior to maturity.

Maturity: 40 years

PROJECT SUMMARY

Magnolia will use the proceeds of the sale of its Local Government Securities to (i) pay for the costs of a new water tower and costs associated with the issuance of the Local Government Securities and the Bonds.

Project costs are estimated at \$625,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Village of Magnolia
Project names: Village of Magnolia Water Tower
Location: 204 W. Lafayette St., Magnolia, IL 61336
Organization: Illinois Municipality
Village President: Laurie Smith
Clerk: Kathryn Hafley

PROFESSIONAL & FINANCIAL

Issuers Counsel:	Requested		
Local Bond Counsel:	Evans, Froehlich & Beth	Champaign, IL	Kurt P. Froehlich
Bond Counsel	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
Underwriter	AG Edwards & Co., LP	St. Louis, Missouri	Ann Noble

LEGISLATIVE DISTRICTS

Congressional:	Ray LaHood	18th
State Senate:	Gary G. Dahl	38th
State House:	Frank J. Mautino	76th

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

Project: Village of Maeystown Water Well

STATISTICS

Number: L-GPMOTE 6075 Amount: \$215,000 (not to exceed)
Type: Local Government Pooled
Bond Program (Alternate Revenue Bond) 2006B

IFA Staff: Eric Watson Location: Maeystown, Illinois

BOARD ACTION

Final Bond Resolution No extraordinary conditions
Local Government Pooled Bond IFA funds at risk
Staff recommends approval

PURPOSE

To finance the construction of a second water well that will provide backup service to the Village.

IFA CONTRIBUTION

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

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	<u>\$215,000</u>	Uses:	Underwriter's Discount	\$2,580
				Project Costs	200,000
				Local Bond Counsel	6,000
				IFA Fee	1,935
				Costs of Issuance	2,500
				Rounding	1,985
	Total	<u>\$215,000</u>		Total	<u>\$215,000</u>

BUSINESS SUMMARY

Background: The Village of Maeystown is a small community of approximately 150 residents located 30 miles south of St. Louis, Missouri. The entire village was placed on the National Register of Historic Places in 1978. Its historic distinction, as well as a progressive organization called the Maeystown Preservation Society, has brought new life to the once-stagnant community. Maeystown has its own water system and is governed by a village board and mayor.

The Village has a growing business community, including The Corner George Bed and Breakfast, Corner George Inn Sweet Shoppe, Eschy's Village Inn, Maeystown General Store, Raccoon Hollow Handcrafts, and KW outdoor Wear.

Maeystown currently has one producing raw water well, rated at approximately 100 gpm and operates a pressure filter treatment facility with a permitted treatment capacity of 100 gpm. The Village desires to construct a second well and transmission main to provide backup service to the existing system.

Village of Maeystown

Project: The District proposes to borrow no more than \$215,000 by issuing alternate revenue bonds to construct a second water well and transmission main to provide reliability to their existing water treatment and distribution system.

The proposed water well would be constructed in accordance with current requirements of 35 Ill. Adm. Code 653. The installation of the new raw water transmission line will provide an alternate route to pump water from the well field. The well is designed to produce a minimum of 100 gpm.

FINANCING SUMMARY

The Bonds: The Bonds will be Alternated Revenue Bonds, with the Village's revenues from its Water System pledged as the primary revenue source. In the event that the System revenues are insufficient to pay principal and interest on the Bonds, the Village has committed its interceptable state revenues (State Income Tax, State Sales Tax, and State Replacement Tax) to pay debt service on the Bonds. The Village must document that the primary revenues are sufficient to provide 1.25 times debt service coverage on the bonds. In addition,

Security: The Bond are general obligations of the Village and are payable from (i) net revenues of the Village's Water System fund deposited to the credit of the Surplus Account of the Alternate Bond and Interest Sub-account, and (ii) interceptable state revenues (State Income Tax, State Sales Tax, and State Replacement Tax). The Bonds are not secured by any interest in the property which constitutes The Project.

Village of Maestown

Structure: Principal is expected to be due on February 1, beginning in 2007 with a final maturity in 2026.
Interest will be fixed rate and payable each August 1 and February 1, beginning August 1, 2006.
The bonds are subject to redemption prior to maturity.

Maturity: 20 years

PROJECT SUMMARY

Maestown will use the proceeds of the sale of its Local Government Securities to (i) pay for the costs of a new water well and certain costs associated with the issuance of the Local Government Securities and the Bonds.

Total costs are estimated at \$215,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Village of Maestown
Project names: Village of Maestown Water Well
Location: PO Box 54, Maestown IL 62256
Organization: Illinois Municipality
Village President: Terryl Walster
Clerk: Cathy Mikolay

PROFESSIONAL & FINANCIAL

Issuer's Counsel:	Requested		
Bond Counsel	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
Underwriter	AG Edwards & Co., LP	St. Louis, Missouri	Ann Noble

LEGISLATIVE DISTRICTS

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

FINANCING SUMMARY

The Bonds: The Bonds will be Revenue Bonds, with the City's revenues from its Water and Sewer System pledged as the primary revenue source. The City must document that the primary revenues are sufficient to provide 1.25 times debt service coverage on the bonds. In addition, The City will pass a "backdoor referendum" authorizing issuance of the Bonds unless a sufficient number of voters petition the Board of Trustees to require referendum approval.

Security: The Bonds are general obligations of the Village and are payable from (i) net revenues of the City's Water and Sewer System fund deposited to the credit of the Surplus Account of the Revenue Bond and Interest Sub-account. The Bonds are secured by the moral obligation of the state.

Structure: Principal is expected to be due on February 1, beginning in 2007 with a final maturity in 2024. Interest will be fixed rate and payable each August 1 and February 1, beginning August 1, 2006. The bonds are subject to redemption prior to maturity.

Maturity: 18 years

PROJECT SUMMARY

To advance refund the City of Ashley's bonds previously financed with the Illinois Rural Bond Bank. It is estimated that the advance refunding will save the City approximate \$35,000 (or 5%) and maintain the same maturity date.

ECONOMIC DISCLOSURE STATEMENT

Applicant: The City of Ashley
Project names: The City of Ashley Advanced Refunding
Location: 474 W. Main St, PO Box 341
Organization: Illinois Municipality
Mayor: Linda Gammon
Clerk: Imogene Daniels

PROFESSIONAL & FINANCIAL

Issuers Counsel:	Requested		
Local Bond Counsel:	Chapman and Cutler, LLP	Chicago, IL	Chuck Jarik
Bond Counsel	Chapman and Cutler LLP	Chicago, IL	Chuck Jarik
Underwriter	AG Edwards & Co., LP	St. Louis, Missouri	Ann Noble

LEGISLATIVE DISTRICTS

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

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

Project: Village of Montrose Sewer System Update

STATISTICS

Number:	L-LL6078	Amount:	\$80,000 (not to exceed)
Type:	Local Government Loan		
IFA Staff:	Eric Watson	Location:	Montrose, Illinois

BOARD ACTION

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

PURPOSE

To finance improvements to Montrose's sewer system.

IFA CONTRIBUTION

Provide Illinois municipality with an efficient form of low-interest financing.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA loan	<u>\$80,000</u>	Uses:	Project Costs	75,000
				Local Bond Counsel	5,000
	Total	<u>\$80,000</u>		Total	<u>\$80,000</u>

BUSINESS SUMMARY

Background: The Village of Montrose is located in the extreme north east corner of Effingham County. The area occupied by the Village is approximately 2 ½ square miles. Interstate 70 and US 40 runs east and west through Montrose. Beside Planter Farm Center, which is located just south of the Village limits, the Village has very light industry. Montrose is primarily a "bedroom" community, with many of its residents commuting 12 miles to Effingham.

Over the past four years, Montrose's assessed valuation growth has averaged 1.92% and the population declined from 306 to 257 between 1990 and 2000. The Village has collected 100% of the property taxes extended since 2002. The largest employers are McKinney Trucking (8 employees), Keller Oil Co (4 employees), Montrose Motel (4 employees), and Ordner Amoco (2 employees).

Montrose's sewer system was built in 1985 and has been adequately maintained by the Village over the past 20 years. In order to maintain compliance with EPA standards, the Village must proceed with the proposed project.

Project: Financing will support the removal of a deteriorating Steel Imhoff tank. The Village will replace the top of the tank with a three foot new ring and will paint the entire tank. It is estimated that this repair will allow the system to last another 20 years, without any other major modifications.

Village of Montrose

FINANCING SUMMARY

The Loan: The loan will be debt certificates, with the Village's Sewer System revenues pledged as the primary revenue source. In the event that the System revenues are insufficient to pay principal and interest on the loan, the Village has committed its income, sales, and personal property replacement taxes as interceptable revenues.

Security: The Debt Certificates are general obligations of the Village and are payable from net revenues of the Village's sewerage fund. In addition, the loan will be secured by interceptable (sales, income, and personal property replacement) tax revenues. The Debt Certificates are not secured by any interest in the property which constitutes The Project.

Structure: Principal is expected to be due on November 1, beginning in 2006 with a final maturity in 2016. Interest will be fixed rate and payable each May 1 and June 1, beginning May 1, 2006. The bonds are subject to redemption prior to maturity.

Maturity: 10 years

PROJECT SUMMARY

The Village will use the proceeds of the loan to pay for the costs of the sewer system improvements and costs associated with the issuance of the loan.

Total costs are estimated at \$80,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Village of Montrose
Project names: Village of Montrose Sewer System Project
Location: PO Box 300, Montrose IL
Organization: Illinois Municipality
Village President: Dennis Fletcher
Officials: Clerk: Janet McMahon

PROFESSIONAL & FINANCIAL

Local Counsel: Kurt P. Froehlich Evans, Froehlich & Beth, Springfield, IL

LEGISLATIVE DISTRICTS

Congressional: M. Maggie Crotty 19th
State Senate: John O. Jones 54th
State House: David B. Reis 108th

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

Project: Baker Demonstration School

STATISTICS

Number:	E-PS-TE-CD-6055	Amount:	\$7,300,000
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Locations:	Evanston	SIC Code:	8211

BOARD ACTION

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

PURPOSE

Proceeds will be used to (i) purchase the Applicant's current Campus from National Lewis University, (ii) perform site work and renovate the Applicant's current facility, (iii) capitalize interest, and (iv) fund legal and professional costs.

IFA CONTRIBUTION

Conveys Federal tax-exempt status on bond interest.

VOTING RECORD

Preliminary Bond Resolution; no prior vote.

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$ 7,300,000	Uses:	Project costs	\$19,867,390
	Proceeds of land sale	10,800,000		Capitalized interest	350,000
	School Equity	<u>2,397,390</u>		Bond issuance costs	<u>280,000</u>
	Total	<u>\$20,497,390</u>		Total	<u>\$20,497,390</u>

JOBS

Current employment:	71	Projected new jobs:	12
Jobs retained:	N/A	Construction jobs:	30 (nine months)

BUSINESS SUMMARY

Background: The roots of Baker Demonstration School (the "Applicant", "Baker") go back to the founding of National College in 1886. College founder, Elizabeth Harrison was deeply interested in the individual child and in understanding children's behavior. In 1918, on of her students, Clara Belle Baker, founded National College's Children's School and became its Director. Director Baker's vision carefully linked the study of children to the preparation of teachers. Baker became highly

regarded for its style of learning by doing. When Director Baker retired in 1952 the School was renamed Baker Demonstration School. It remains one of the oldest continuously running demonstration schools in the nation. A list of School Board members is attached for IFA Board review.

As a laboratory school, Baker has historically been an integral part of the teacher-education program at the National Lewis University (the "University"). Part of a laboratory school's purpose is to demonstrate the best educational practices and classroom methods to student teachers so they can bring them to the schools where they will teach. Every classroom has at least two teachers, giving Baker classrooms a low student-teacher ratio of no more than 1:10, not counting special subject teachers. For the 2005 academic year enrollment is 316 students consisting of 214 students for the K-8 grades, and 75 students for the pre-K and early childhood classes. Over 75.0% of the students come from North Shore communities with Evanston having the largest concentration (59.0%). Baker draws students from Chicago (17.0), and from as far as Waukegan. Baker's ethnic designations are: (i) Caucasian, 83.0%; (ii) African American, 6.0%; (iii) Asian, 7.0%; and Hispanic, 3.0%). The School's Board has established a Diversity Committee to study and plan for broadening the diversity of the student body. For the 2005 academic year approximately 12.0% of the students receive financial aid. Approximately 30 students receive reduced tuition as a result of their parents being employed at Baker or at the University. Enrollment projections point to a gradual increase of enrollment to 473 students for the 2009-2010 academic year. In the early childhood sector, Baker competes with The Cherry Pre-School, Chiraville Montessori School, Chicago Waldorf, Roycemore, and the School for Little Children. In grades 1-8, Baker competes with North Shore Country Day School and Roycemore plus the Evanston and Wilmette public schools. Baker's fees are close to the median charged by its competitors for early childhood, but below the median for grades 1-8. In July 2005, Baker became an independent private school. Until its separation, Baker existed as a Department of the University's School of Education.

Project
Description:

In 2004, the University announced it was selling the Evanston campus where Baker is located and would focus more of its resources on urban education in Chicago. On April 15, 2005, Baker signed a contract with the University to purchase the Evanston campus. The purchase price of the 7.2 Acre parcel was \$16.5 million. Baker partnered with Red Seal Development Corporation, a prominent developer of high-end single family homes on the North Shore of Chicago.* Simultaneously upon closing, Baker will well 3.4 acres of the parcel along Sheridan Road and Maple Avenue. Red Seal will demolish an existing dormitory and several homes on the site, and the University's current classroom building, Keck Hall. Baker is scheduled to complete its purchase from the University by June 30, 2006.

Baker will retain 3.8 acres of the property which includes its current building, Sutherland Hall. Baker will do site work including playfields, playgrounds, and a new parking area; and renovate Sutherland Hall to make it a state-of-the-art teaching facility.

Baker has entered into a two-year affiliation with the University. The affiliation will allow Baker to keep the close academic affiliation historically enjoyed by Baker and the University and its ability to utilize the resources of the University. The affiliation helps to provide Baker an access to a talented pool of Associate teachers, many of whom are getting advanced degrees at the University while getting practical teaching experience in Baker's classrooms. Tuition for the 2005-2006 academic year is:

PreK	\$ 6,200
K	8,800
1-2	11,250
3-5	12,200
6-8	13,300

Baker has published a 6.0% tuition increase for the 2006-2007 academic year, and is projecting 6.0% increases for academic years 2007-2010.

Capital Campaign: The Baker Capital Campaign was initiated in 2004 to help fund the purchase and build out of the campus in Evanston. The goal of the Campaign is \$3.5 million, of which \$3.0 million would be in the form of cash received prior to the June 30, 2006 closing, the balance being in the form of pledges. As of 2/16/06 the Campaign progress to its goal was; \$2,016,518 in pledges, and \$1,789,177 in cash. In addition, Baker has received a challenge grant of \$1,000,000 which will match on a \$1 for \$1 basis all cash contributions received by the Baker Charitable Fund, Inc. The Donor will match up to \$500,000 all cash contributions received between February 1, and May 1, 2005 with payment on June 15, 2006. Similarly, the Donor will match all cash contributions received by the Fund between July 1, 2006 through May 31, 2007.

Remarks: Tax-exempt financing will lower Baker's borrowing costs and its annual debt service payments by approximately 2.0% over conventional financing. The proposed project will provide "state-of-the-art" facilities so the School can continue to (i) provide quality education, and (ii) remain competitive with other independent private day schools.

* Red Seal Development Corporation is one of Chicago's leading builders of luxury homes. It as founded in 1934, and has built homes in a number of North Shore communities including Highland Park, Deerfield, Glencoe, and Northfield. The company has undertaken sizeable commercial and hotel construction ventures.

FINANCING SUMMARY

Security: Direct pay Letter of Credit from a bank to be determined.
Structure: Multi-mode Variable Rate Demand Bonds or a direct placement.
Maturity: 26 years

PROJECT SUMMARY

Proceeds will be used to (i) (i) purchase approximately 7.2 acres of land from National Lewis University, Evanston, Cook County, Illinois, (ii) perform site work consisting of new playfields and playgrounds and a new parking area, and renovate its current teaching facility which is located at 2840 North Sheridan Road, Evanston, Cook County, Illinois, (iii) capitalize interest, and (iv) fund legal and professional costs.

Project Costs:	
Land purchase	\$16,500,000
Renovation and other site work	<u>3,367,390</u>
Total	<u>\$19,867,390</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Baker Demonstration School
Project names: The Baker Demonstration School Project
Location: 2840 N. Sheridan Road, Evanston, Cook County, Illinois 60201
Organization: 501(c)(3) Corporation
State: Illinois
Board of Directors: Attached for IFA Board review

PROFESSIONAL & FINANCIAL

Counsel:	McDermott, Will & Emery	Chicago, IL	Gerald M. Offutt
Accountant:	Ahlbeck & Company	Des Plaines, IL	
Bond Counsel:	TBD		
Underwriter:	TBD		
Placement Agent			
Underwriter's Counsel:	TBD		
LOC Bank Counsel:	TBD		
Trustee:	TBD		
General Contractor:	TBD		
Architect:	FGM Architects	Oakbrook, IL	Jim Woods
Development Consultant:	Murray and Company, Inc.	Chicago, IL	Richard Murray

LEGISLATIVE DISTRICTS

Congressional:	09, Janice Shakowsky
State Senate:	09, Jeffrey Shoenberg
State House:	18, Julie Hamos

Baker School - Board Members

Mark TerMolen – President Mark is a current Baker parent with two children enrolled in the school. He is a partner at the Chicago law firm Mayer, Brown, Rowe, and Maw LLP, where he specializes in complex commercial litigation. He is a past president of the Board of Trustees of the First Presbyterian Church of Evanston and a board member of DePaul University's Center for Justice in Capital Cases. Mark was on the legal team that advised the negotiating team during its negotiations with NLU and was the parent co-chair of the Transition Team. The Board elected him President.

Craig Munro – Treasurer Craig has 24 years of commercial banking experience and is currently a managing director at Harris N.A. overseeing their Financial Sponsor lending activities. He has extensive experience creating and evaluating financial projections, as well as expertise in treasury management and capital raising. He has a B.S. from The Wharton School and an MBA from the University of Chicago. Craig was actively involved in negotiating the Separation Agreement with NLU and was the co-chair of the Transition Team Finance Committee. He is a Baker parent with a child in 6th grade. He is also a member of the Fund Board.

Kimeri Swanson-Beck – Assistant Treasurer Kimeri has been involved with Baker in many ways for the past 20 years, having been a teacher, education student and a parent at the school. Currently she is the 7th grade Advisor and science teacher in the Middle School and has three children currently enrolled at Baker: one in early childhood, one in TIM, and one in the middle school. The Board elected her its Assistant Treasurer.

David A. Baker Dave is a current Baker parent. He is a partner at the Chicago law firm, McDermott Will and Emory, LLP, where he heads the Estate, Trust and Guardianship Controversy Practice Group. His areas of specialty include charitable, foundation, and exempt organization, administration, and litigation. Dave helped negotiate the terms of Baker's separation from NLU, drafted the Separation Agreement, and helped develop the governance structure for the "New Baker." He is Legal Counsel to the school. Dave was named one of *Chicago Magazine's* "100 Top Super Lawyers" (January, 2006).

David Brannigan Dave has been a Baker parent for thirteen years. He has one child currently at Baker and is the father of a Baker alumna. He has twenty years' experience in commercial real estate management and development. Dave co-chaired the Transition Team's Real Estate committee.

Phil Calian Phil has two children currently at Baker. He is also the father of twin three-year-olds. He is a partner at Waveland Investments LLC, a Chicago-based private investment firm. He spent several years overseeing and executing business turnarounds and restructurings at publicly traded companies, thus acquiring substantial experience in leading companies through transition periods requiring many internal organizational changes. Phil is an ordained Elder and on the Session of the Fourth Presbyterian Church of Chicago and serves on the Boards of Cottingham & Butler, a national insurance broker based in Iowa, and Travelworm.com, an Internet travel wholesaler based in Las Vegas.

Michal J. Clements Michal has two children currently at Baker. Michal is a managing partner at Orrington Strategies, a Chicago-based marketing strategy and action consulting firm. She has 18 years experience in developing marketing strategies and action plans for leading clients like Kraft, Quaker, State Farm and Abbott. She has an MBA from Wharton in Marketing and Finance, graduating with honors. She is a member of the Economic Club of Chicago. At Baker, Michal co-chairs the Marketing/Enrollment committee, the Strategic Planning taskforce and the Diversity Committee.

Robert M. Goerge Bob is a current Baker parent. He has worked for the University of Chicago for the past twenty years, and during that time, was directly involved in the creation, growth and development of an affiliated organization – the Chapin Hall Center for Children. Bob's experience in non-profit management includes administration, finance, human resources, information technology, and fundraising. At Baker, he co-chaired the Academic Affairs/Affiliation Committee of the Transition Team and the Strategic Planning effort. He has also worked on the Parent Survey and is a member of the Marketing and Enrollment committee and the Communication Task Force.

Susan Maloney Meyer Susan is the parent of a Baker alumna now a litigation associate at Kirkland & Ellis. She is an executive coach and the co-founder and CEO of Arc Leadership Ltd. concentrating on executive leadership development. She has over 25 years of business and law experience interacting with Fortune 500 Boards of Directors, both as outside counsel and as a corporate officer, Secretary, and/or General Counsel. Previously Susan had been a Washington DC police officer and a Maryknoll Missionary novice.

Beverly Pinaire Bev is the parent of four sons, two of whom attended Baker School. She worked as a CPA for Rome Associates on the tax and audit staff and as an investment accountant for Kemper Financial Services. For years she has been a very active volunteer at her sons' schools and camp and at her church. At Baker, Bev served as Communications chair on the Baker Parent Board. She also served on Baker's Safety Committee for two years, and was co-chair of last year's annual fundraiser. She currently is the Baker School Board Secretary and serves on the Finance Committee.

Edward Potts Edward, a current Baker parent, is the Director of Admissions and Financial Aid at the Jane Addams College of Social Work at the University of Illinois at Chicago. His knowledge, experience, and expertise include program planning, budgeting, outcome measurement, and board and committee management. In addition to the Baker Board of Directors, his volunteer interests include the Prison Visitation program of the John Howard Association.

Allen T. Steinberg Allen is a current Baker parent. For the past 20 years, he has worked at Hewitt Associates, a consulting firm, where he has acquired in-depth experience in human resources and employee benefits programs, including retirement, health care, other insurance coverages, compensation, and other human resource programs. At Baker, Allen was a member of the negotiating team that reached the Separation Agreement with NLU and has served on the Board of the Baker Parent Organization for the past two years (serving as Chair in the 2004-2005 school year).

Charlotte Tyksinski Charlotte has been involved with Baker since 1970, for the majority of that time as Admissions Director and Associate Director. Charlotte retired in June 2005. Over the years, she served as Interim Director during periods of vacancy in the Director's position. She was a substitute teacher for many years at Baker, taught first grade here and taught Kindergarten for eleven years in Rolling Meadows and Wilmette. Her children are Baker alumni, and she is a graduate of the National College of Education. Charlotte has been very active in her church. She brings a sense of history and perspective to the Board that is unique because of her long association both with Baker and NLU.

Carolyn Tripp Carolyn retired from the Miami-Dade County school system in 1995, after having been an employee for nearly 30 years. She coordinated one of three Child Care Services programs for the county and was director of a Preschool laboratory school at Miami Lakes Technical Education School. Carolyn has worked as a Pre-Kindergarten teacher since coming to Baker in 1997. She has taught Early Childhood graduate courses for NLU; was a member of the Baker Leadership Advisory Group; was the Early Childhood Team Leader for four years and is currently serving her fourth year as a member of the Baker Safety Committee. Carolyn brings many years of expertise, knowledge and experience in Early Childhood education to Baker's children and families.

Baker Fund Board

The Baker Fund Board was instituted in 2004 to help launch the Baker Capital Campaign and to seek larger gifts from individuals, corporations and foundations. In addition to the current campaign goal, it is charged with helping to raise funds for future potential expansion of common core spaces including a modified cafeteria, theater and small gymnasium, along with additional classrooms.

Several members of the Fund Board have considerable experience in not-for-profit fundraising. Bios are as follows:

Terrie Bridgman serves as the Baker Fund Board President. She has been an educator for nearly 25 years with an expertise in reading. Terrie has taught students varying in age from 3 years to 48 years old. She received her Ed.D. from National-Louis University and has been a highly valued member of the Baker faculty for many years. Terrie also has served as leader of a number of voluntary organizations, bringing this experience and her strong interpersonal skills to her work at Baker. She was also faculty representative on the transition leadership team prior to being elected to the Baker Fund Board. Terrie and her husband Chip have two grown children who are Baker graduates and who both now live in the area.

Annina Fabbioni brings more than 15 years of professional development experience to the Baker Fund Board. She currently serves as the Director of Alumni Relations for Lake Forest Academy. Annina is a graduate of Harvard/Radcliffe College with a degree in art history. She has worked at the LA Opera, Planned Parenthood, the University of Chicago, and Northwestern University's Law School. Annina has shared her talents and given her time as a volunteer to numerous not-for-profit organizations. Annina serves as Secretary to the Fund Board. She and her husband have two sons at Baker.

George Gaines is an owner and partner of BerchWood Partners, a leading independent global placement agent for private equity funds with offices in New York, Chicago, Boston, San Francisco and London. George has specialized in raising equity for private limited partnerships for almost 20 years after transitioning from a legal practice with a focus on securities, tax and corporate law. Prior to joining BerchWood Partners, George was a Managing Director and Head of Global Distribution in the Private Equity Fund Group of Citigroup's Investment Bank. George currently chairs the Board of MKP Chicago, Inc. a not for profit self improvement and community service organization serving men in the Chicago area. He is married with four children ages 6 to 23 (the youngest attends Baker).

Janet Hieshetter serves as Vice President for the Baker Fund Board. She has a long career in philanthropic efforts having begun her work with the Alzheimer's Association in community organizing and fund raising. Janet also worked as the Senior Director of Education for the National Osteoporosis Foundation and now serves as the Executive Director of the Dystonia Medical Research Foundation. She was a member of the NLU/Baker Governance Committee and the Transition Team, Fund Development Committee. Additionally, Janet has experience in raising funds for Baker in the past, having co-chaired the BPO Spring Fundraiser, silent auction as a member of the Early Childhood Playground Development Committee. Janet has also served as a room parent and has served on a number of community boards. She and her husband, Eric Greenberg, have two children at Baker.

Craig Munro sits on the Fund Board (ex-officio) by virtue of his position as Treasurer of the School Board. Craig has 24 years of commercial banking experience and is currently a managing director at Harris N.A. overseeing their Financial Sponsor lending activities. He has extensive experience creating and evaluating financial projections, as well as expertise in treasury management and capital raising. He has a B.S. from The Wharton School and an MBA from the University of Chicago. Craig was actively involved in negotiating the Separation Agreement with NLU and was the co-chair of the Transition Team Finance Committee. He is a Baker parent with a child in 6th grade.

Richard (Rick) Robb brings extensive experience as a fundraiser to the Baker Fund Board. He has served as a Trustee for the Sacred Heart Schools, a Director of the Skokie Indians Little League and New Trier Hockey Club and President of the Friends of Brown Water Polo. He is the Treasurer of the Fund Board and was also a member of the Transition Team, Fund Development Committee. Rick's professional career has been in the area of finance. He graduated from Brown University with a degree in economics and received his MBA in finance from the University of Chicago. He serves as the Chief Financial Officer for Henry Crown and company. Additionally, Rick is the parent of two current Baker students, and his eldest son is an alumnus of Baker. Rick's family has a nearly 50 year history with Baker and would like to see the school continue to flourish. Rick's wife, Rickie Crown, is a member of the Baker faculty.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

April 11, 2006

Project: Uhlich Children's Advantage Network (UCAN)

STATISTICS

Number:	N-NP-TE-CD-6055	Amount:	\$6,100,000
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Locations:	Chicago	SIC Code:	8361

BOARD ACTION

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

PURPOSE

Proceeds will be used to (i) purchase new housing facilities, (ii) fund expansion, renovation, and equipping of future Applicant facilities and its headquarters, (iii) refinance approximately \$1.446 million in outstanding bank loans which funded prior renovations of various Applicant facilities, (iv) complete Phase II and Phase III of the Applicant's VolP Telephone Project, and (v) relocate staff throughout the Applicant's organization

IFA CONTRIBUTION

Conveys Federal tax-exempt status on bond interest.

VOTING RECORD

Initial Bond Resolution; no prior vote.

SOURCES AND USES OF FUNDS

60					
Sources:	IFA bonds	<u>\$6,100,000</u>	Uses:	Project costs	\$4,654,000
				Debt refinancing	<u>1,446,000</u>
	Total	<u>\$6,100,000</u>		Total	<u>\$6,100,000</u>

JOBS

Current employment:	61	Projected new jobs:	24
Jobs retained:	N/A	Construction jobs:	30 (six months)

BUSINESS SUMMARY

Background: Uhlich Children's Advantage Network (the "Applicant", "Uhlich", "UCAN") was founded and incorporated in 1869 by members of the St. Paul's Evangelical and Reformed Church (now known as St. Paul's United Church of Christ) to serve children who were orphaned by the Civil War. UCAN previously operated as Uhlich Children's Home. In 2004 UCAN merged with FamilyCare of Illinois. UCAN offers an effective life-changing response for thousands of Chicago's children and their families struggling to overcome years of abuse and neglect. UCAN provides

comprehensive care and treatment so these individuals can become responsible adults through programs including:

- Residential treatment – At any given time 60-70 children live at UCAN. This program strives to modify inappropriate behavior and reinforce acceptable social conduct through intensive residential monitoring, individual and group therapy, group leadership initiative, and social skills training.
- Professional Foster Parenting – For those children exhibiting the capability for making and retaining relationships, UCAN offers this program. The program monitors and assists in the emotional and overall development of the child in the foster home. At the same time the UCAN caseworker is working on a permanent home for the child, whether it is with the child's biological parents, with the foster parent, or another adoptive home.
- Independent Living Assistance program – When a Uhlich child becomes an adult (age 17), Uhlich provides the resources for that individual to live on his or her own in apartments located around Chicago.
- Uhlich Academy – The Academy serves as a primary school to approximately 150 children who are served better by a more structured and personal educational environment. In July, 1997 UCAN was certified to serve children with special educational needs.
- Counseling and Clinical Services – UCAN provides outpatient services to children and families. Treatment services include individual and family counseling, family violence intervention, sexual trauma treatment, and sexual aggression treatment.
- Teen parenting Service Network – UCAN and its regional service partners are responsible for the overall planning, delivery, and monitoring of quality services to over 900 parenting wards in Chicago and surrounding collar counties. UCAN serves as the lead agency in this project.
- Youth Leadership and Violence Prevention – UCAN's U-Lead program intends to give a voice to young people (ages 12 through 18) to build positive relationships with adults, and to develop youths to their fullest potential. Thousands of children are served each year through U-LEAD.

UCAN has demonstrated fiscal strength and growth during its long history. During the last ten years, UCAN has increased its program revenue from \$10.5 million to \$32 million. UCAN has demonstrated an ability to manage program growth, multiple facility expansion, and renovation to accommodate the growth. Total agency revenues for fiscal year 2006 will be approximately \$30.0 million, and will come primarily from program service fees (86.0), 10.0% from trust income and fundraising; and \$4.0% from revenue gains.

UCAN is an Illinois not-for-profit corporation. UCAN is governed by a 22-member Board. A list of current members is attached for IFA Board review.

Project

Description: The proposed financing will finance the purchase, renovation and equipping of new residential facilities. These facilities will house the Applicant's children and young adults. A list of these addresses is being compiled and will be presented to the IFA Board. Approximately \$1.4 million of the proposed financing will be used to refinance bank loans which funded prior renovations in current Applicant facilities. A portion of the proposed financing will fund the relocation of staff from a facility the Applicant sold in fiscal 2005.

Remarks:

Tax-exempt financing will lower Uhlich's borrowing costs and its annual debt service payments by approximately 2.0% over conventional financing. The interest savings will make it possible to complete necessary improvements so Uhlich can continue to provide high-quality programs and services to at risk children and young adults

FINANCING SUMMARY

Security: Direct pay Letter of Credit from Chase Bank, Chicago, Illinois.
Structure: Multi-mode Variable Rate Demand Bonds or a direct placement.
Maturity: 30 years.

PROJECT SUMMARY

Proceeds will be used to (i) purchase new housing facilities*, (ii) fund expansion, renovation, and equipping of future Applicant facilities and its headquarters located at 3737 North Mozart, Chicago, Cook County, Illinois, (iii) refinance approximately \$1.446 million in outstanding bank loans which funded prior renovations of various Applicant facilities, (iii) complete Phase II and Phase III of the Applicant's VoIP Telephone Project, and (iv) relocate staff throughout the Applicant's organization.

Project Costs:	
Buildings/land	\$2,957,000
Renovation	1,277,000
Equipment	<u>420,000</u>
Total	<u>\$4,654,000</u>

* A TEFRA list of facility addresses will be provided to the IFA Board.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Uhlich Children's Advantage Network Chicago, IL
Project names: UCAN Project
Location: 3737 North Mozart Street, Chicago, Cook County, Illinois 60618
Organization: 501(c)(3) Corporation
State: Illinois
Board of Directors: Attached for IFA Board review

PROFESSIONAL & FINANCIAL

Counsel:	Burke, Burns & Pinelli	Chicago, IL	Mary Pat Burns
Accountant:	RSM MCGladrey	Chicago, IL	
Bond Counsel:	McGuire Woods	Chicago, IL	Paul Durbin
Underwriter:	Mesirow Financial	Chicago, IL	Bill Carney
Placement Agent			
Underwriter's Counsel:	McGuire Woods	Chicago, IL	Paul Durbin
LOC Bank Counsel:	Arnstein & Lehr	Chicago, IL	Scott Kapp
Issuer's Counsel:	Requested		
Trustee:	TBD		
General Contractor:	Pinnacle Development	Broadview, IL	
Architect:	Lisec & Biederman Architects	Chicago, IL	
Development Consultant:	Murray and Company, Inc.	Chicago, IL	Richard Murray

LEGISLATIVE DISTRICTS

Congressional: 05, Rahm Emanuel
State Senate: 20, Iris Y. Martinez
State House: 40, Richard T. Bradley

**UHLICH CHILDREN'S ADVANTAGE NETWORK (UCAN)
Board of Directors - July, 2005**

Board Officers

Chair - H. Patrick Faust

Director, Security & IT Risk Management, Sears Holdings Corp.

Vice Chair - ?

Vice Chair - Vanita Stevenson
Principal, CSC Group

Treasurer - Richard H. Fleming
Executive Vice President, Chief Financial Officer, USG Corporation

Secretary - Phyllis E. Grimm
Senior Counsel Finance, CNH America LLC

Board Members

Janna Bounds
Attorney at Law

Charlotte R. Damron

Richard J. De Cleene
Chief Financial Officer, IL Municipal Retirement Fund

Gary J. Fennessy
Vice President, Operations, Northwestern Memorial Hospital

Lawrence I. Hayes

Rev. Thomas Henry, Ex-Officio
Pastor, St. Pauls United Church of Christ

Kevin B. Hynes
Partner, O'Keefe Lyons & Hynes, LLC

Ronald Kinnamon
Chair, Character Counts! Coalition

Robert B. Loveman
Financial Counselor/Investment Manager, Brownson, Rehmus & Foxworth, Inc.

Elizabeth H. Miller

Darci Moore
Partner, Adroit Consulting

Elena O'Connell

Fred Reid
Account Executive, Dell, Inc.

Judith C. Rice
Treasurer, City of Chicago

Tracy Robinson
Marketing Director, Amtrak

Rosemary E. Szurko
Vice President, Citicorp North America, Inc.

Thomas C. VandenBerk, Ex-Officio
President, Uhlich Children's Advantage Network (UCAN)

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

April 11, 2006

Project: Nazareth Academy

STATISTICS

Number:	E-PS-TE-CD-6070	Amount:	\$11,000,000
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Locations:	LaGrange Park	SIC Code:	8211

BOARD ACTION

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

PURPOSE

Proceeds will be used to (i) purchase the Applicant's current Campus from National Lewis University, (ii) perform site work and renovate the Applicant's current facility, (iii) capitalize interest, and (iv) fund legal and professional costs.

IFA CONTRIBUTION

Conveys Federal tax-exempt status on bond interest.

VOTING RECORD

Preliminary Bond Resolution; no prior vote.

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	\$11,000,000	Uses:	Project costs	\$ 7,242,800
	Investment earnings	<u>232,800</u>		Refinance loan	3,000,000
				Capitalized interest	770,000
				Bond issuance costs	<u>220,000</u>
	Total	<u>\$11,232,800</u>		Total	<u>\$11,232,800</u>

JOBS

Current employment:	89	Projected new jobs:	3
Jobs retained:	N/A	Construction jobs:	30 (nine months)

BUSINESS SUMMARY

Background: Nazareth Academy, (the "Applicant", "Nazareth") is a private co-educational preparatory school located in LaGrange Park, 15 miles from downtown Chicago. Nazareth was established in 1900 by the Sisters of St. Joseph of LaGrange and continues to be sponsored by the Sisters of St. Joseph whose motherhouse and ministry are located adjacent to the Nazareth campus. Nazareth currently

serves 772 students drawn from over 100 communities. Nazareth is accredited by the North Central Commission on Accreditation and School Improvement (NCA) and by the Illinois State Board of Education. Through the Nazareth Curriculum Council, its academic program is continually scrutinized to determine that it remains relevant to college academic goals. Nazareth. During the past ten years enrollment has been stable, averaging approximately 767 students. Budgeted school enrollment for the academic year 2006/2007 is 777. Tuition per student for academic years 2003/2004, 2004/2005, and 2005/2006 were \$7,200, \$7,500, and \$7,800, respectively. Tuition per student for the 2006/2007 academic year will be \$8,200.

The Sisters of St. Joseph own all of the land comprising the Nazareth campus. Nazareth leases the campus pursuant to a long term lease. Nazareth pays the Sisters of St. Joseph annual rent equal to 1.5% of Nazareth's annual operating budget. Nazareth owns the buildings and their contents on its campus. The business and affairs of Nazareth are managed, and all corporate powers are exercised by or under the direction of the Board. Nazareth is governed by a 16-member Board, including four members of the Sisters of St. Joseph. A list of Board members is included or IFA Board review.

- Project Description:** Nazareth plans to refinance a \$3-million loan from the State bank of Countryside which was used to design and construct campus improvements including a new façade and entranceway to the Administration Building, improved classroom space, and updated heating and HVAC systems. The improvements were completed in December 2005. The proposed financing will fund future improvements including (i) a new dining hall which will enable Nazareth to serve over 300 students at one sitting. The space will serve as a multi-purpose area. The updated facility will include state-of-the art kitchen and electrical, heating, and HVAC systems. (ii) A new auditorium that will provide seating for approximately 400. It will have professional sound and lighting systems. The auditorium will provide performance space, as well as space for band and chorus, parent gatherings, and in-service programs for students, faculty and staff.
- Capital Campaign:** Nazareth launched its funding campaign in November, 2004, with an initial fund-raising goal of \$10 million. As of February 1, 2006 approximately \$3,900,000 in cash and pledges have been raised. The current pledges are payable over a five-to-seven year period.
- Remarks:** Tax-exempt financing will lower Nazareth's borrowing costs and its annual debt service payments by approximately 2.0% over conventional financing. The proposed project will provide "state-of-the-art" facilities so the School can continue to (i) provide quality education, and (ii) remain competitive with other college preparatory schools. Nazareth competes for students with private high schools including Benet Academy, Lisle; Fenwick, Oak Park; Marist, Chicago; Montaint, Lombard; and St. Ignatius, Chicago.

FINANCING SUMMARY

- Security:** Direct pay Letter of Credit from a bank to be determined.
Structure: Multi-mode Variable Rate Demand Bonds or a direct placement.
Maturity: 35 years

PROJECT SUMMARY

Proceeds will be used to (i) refinance a \$3 million campus improvement loan for the State Bank of Countryside that matures on July 1, 2006, (ii) to construct a new campus dining hall including kitchen, heating and HVAC systems and a new auditorium capable of seating approximately 400 and having professional sound and lighting systems on

the Applicant's campus located at 1209 West Ogden Avenue, LaGrange Park, Cook County, Illinois, (iii) various campus improvements, (iv) capitalize interest, and (v) fund legal and professional costs.

Project Costs:

Auditorium	\$ 3,900,000
Dining Hall	2,672,800
Campus improvements	<u>700,000</u>
Total	<u>\$ 7,272,792</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Nazareth Academy
Project names: The Nazareth Academy Improvement Project
Location: 1209 West Ogden Avenue LaGrange Park, Cook County, Illinois 60201
Organization: 501(c)(3) Corporation
State: Illinois
Board of Directors: Attached for IFA Board review

PROFESSIONAL & FINANCIAL

Counsel:	Hennessy & Roach, P.C.	Chicago, IL	William Hawkins
Accountant:	Cocales, Westberg, Mommsen & Co., LTD.	Orland Park, IL	
Bond Counsel:	TBD		
Underwriter:	William Blair & Company	Chicago, IL	Thomas Lanctot
Placement Agent			
Issuer's Counsel:	Requested		
Underwriter's Counsel:	TBD		
LOC Bank Counsel:	TBD		
Trustee:	TBD		
General Contractor:	The Walsh Group	Chicago, IL	
Architect:	Solomon Cordwell Buenz & Associates, Inc.	Chicago, IL	

LEGISLATIVE DISTRICTS

Congressional: 03, Daniel Lipinski
State Senate: 41, Christine Radogno
State House: 82, Eileen Lyons



**NAZARETH ACADEMY
BOARD OF TRUSTEES**

<u>NAME</u>	<u>AFFILIATION</u>
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Sr. Pat Bergea, CSJ	Board of Directors, Sisters of St. Joseph
Frank Bomher	Manager, Guarantee Associates, L.L.C.
Raymond Donato	President, HLS Title, Inc.
John Doyle	President, Doyle Law Group
Jack Frymire	Owner, Iowa Grain Company
Rev. Terrance Johnson	Director, Hesburgh Sabbatical Program, Catholic Theological Union
Laura McGrath	Partner, KMK and Associates
Patricia Chopp Keegan	Director, Executive MBA Program, University of Chicago Graduate School of Business
Dennis Moran	President, Nazareth Academy
James O'Connor	Principal and Consulting Actuary, Milliman, Inc.
Sr. Marianne Race, CSJ	President, Sisters of St. Joseph
Mary Beth Ryan	Nazareth Parent
Sr. Grace Sbrissa, CSJ	Financial Management Consultant Brenner, McDonagh & Tortolani, Inc.
Sr. Judy Sikorski, CSJ	Manager, St. Joseph Press
Donald Spetter	President L3 Communication Electrodynamics, Inc.
Deborah Vondrasek	Principal, Nazareth Academy
John Wheeler	Assistant Controller, State Bank of Countryside

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

Project: Saint Xavier University

STATISTICS

Project Number:	E-PC-TE-CD-6046	Amount:	\$10,000,000 (not-to-exceed amount)
Type:	501(c)(3) Bonds	FM:	Rich Frampton
Locations:	Chicago and Oak Lawn		

BOARD ACTION

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

PURPOSE

Construction of a new 82-bed student housing facility in Chicago and the acquisition and renovation of an existing 12-unit apartment building into a student apartment facility in Oak Lawn with 36 beds [adjacent to Saint Xavier's Chicago Campus]. Overall, the project will add 118 beds of student housing to Saint Xavier's Chicago Campus and enhance the University's efforts to increase on-campus housing opportunities for its students.

IFA CONTRIBUTION

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

VOTING RECORD

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

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS (subject to change)

Sources:	IFA Bonds	\$10,000,000	Uses:	New Project Cost	\$10,255,650
	Illinois Clean Energy			Issuance Costs	<u>350,000</u>
	Comm. Found. Grant	97,750			
	Equity	<u>507,900</u>			
	Total	<u>\$10,605,650</u>		Total	<u>\$10,605,650</u>

JOBS

Current employment:	608	Projected new jobs:	6-10 (6 specific to campus housing)
Jobs retained:	0	Construction jobs:	35-100 (range over 12 months)

BUSINESS SUMMARY

Background: Saint Xavier University ("Saint Xavier" or the "University") is an Illinois 501(c)(3) organization originally established in 1846 and incorporated in 1847.

The University has a two-tiered governance structure:

- (1) The Sisters of Mercy sponsor Saint Xavier University and appoint the five (5) Members of the Corporation of Saint Xavier University. The Members of the Corporation are responsible for approving the University's mission statement, articles of incorporation, and for also approving major capital projects and related long-term borrowing.
- (2) The Members of the Corporation have delegated decisions relating to day-to-day governing powers to a 28-member Board of Trustees who oversee day-to-day management of the University. (See Economic Disclosure Statement section on page 4.)

Day to day operations are managed by (1) Dr. Judith A. Dwyer, President, and (2) Ms. Susan L. Piros, Treasurer/VP for Business and Finance.

Saint Xavier University's 501(c)(3) tax status is attributable to its inclusion in a Group Ruling associated with its listing in the *Official Catholic Directory* ("OCD"). The 2005 Group Ruling was the latest in a series of IRS rulings that began with an original IRS Letter of Determination dated March 25, 1946, which exempted all Catholic institutions listed in the OCD beginning that year. Subsequently, the IRS has extended the original 1946 ruling, by separate letter, to cover institutions listed in subsequent editions of the OCD through 2005.

Description: Saint Xavier University's campuses in Chicago and Orland Park offers 35 undergraduate and 30 graduate programs through its Schools of Arts and Sciences, Education, Nursing, and its Graham School of Management. Additionally, the University's School for Continuing and Professional Studies features programs and services directed to adult learners.

For academic 2005-2006, Saint Xavier University has approximately 5,700 students at its campuses in Chicago and Orland Park, comprised of 3,182 undergraduates and 2,523 graduate students. Saint Xavier graduated 1,732 students in academic 2004-2005. The average age of the University's student body is 24.5 for undergraduate students and 33.3 for graduate students. Approximately 75% of Saint Xavier's undergraduates (i.e., approximately 2,400 out of 3,182) were full-time students.

The University has 183 full-time and 245 adjunct faculty. Over 85% of the University's faculty have attained the terminal or highest degree conferred in their field.

The Chicago Campus is located on a 74 acre site in a residential neighborhood and has a 2005-2006 enrollment of 4,874. The Chicago Campus presently includes four residence halls with 605 beds. The Chicago Campus has 45 on-campus student organizations available for extracurricular participation.

The Orland Park Campus was established in 2004 and is surrounded by 35 acres of wetlands, near the I-80/US 45 (LaGrange Rd.) interchange in Orland Park (Cook County). The Orland Park campus focuses primarily on adult and professional education.

Key milestones in Saint Xavier University's history include:

- 1946: Saint Xavier University was originally established in Chicago
- 1912: Saint Xavier College for Women received state certification, becoming the first Catholic women's college in Chicago.
- 1955: Saint Xavier College for Women became Saint Xavier College
- 1956: Saint Xavier relocated its former campus at 49th Street and Cottage Grove to its present location at 3700 West 103rd Street in Chicago (between Kedzie Ave. and Pulaski Rd.).
- 1969: Saint Xavier became coeducational

- 1985: Saint Xavier established its Graham School of Management
- 1992: Saint Xavier College became Saint Xavier University
- 1997: Saint Xavier opened its South Campus in leased space in Tinley Park, Illinois
- 2001-2002: Saint Xavier completed construction of two new on-campus residence halls (McCarthy Hall and Morris Hall) which added 215 new student housing beds to its existing 290 beds
- 2004: Saint Xavier opened its new South Campus facilities in Orland Park, located near the I-80/US 45 (LaGrange Road) interchange, and relocated its South Campus from leased space in Tinley Park

Enrollment

Trends: Total Saint Xavier University Enrollment for recent Fall semesters were as follows:

1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
3,908	4,429	4,939	5,281	5,581	5,722	5,705

Remarks: The proposed project will enable Saint Xavier University to increase its on-campus housing options by adding 118 beds of student housing to its existing 605 beds. The University's strategic plan involves projects that will enable Saint Xavier to continue its evolution from a commuter campus to a full-time residential campus. Integral to the University's plan, is its objective is to provide 1000 units of on-campus student housing by 2009. As of Fall 2005, the University's 605 on-campus student housing beds were approximately 99% occupied.

To facilitate absorption of the forthcoming student housing beds, the University has negotiated leases in nearby multifamily apartment buildings to provide interim student housing space while the current projects are under development. Based on existing headcounts from the current interim near-campus housing, the University anticipates that both Rubloff Hall and the newly renovated apartment building on S. Pulaski Ave. in Oak Lawn will be fully occupied when both open in August 2006. The University initiated a similar arrangement to provide near-campus housing on an interim basis in 2001 and 2002, also prior to opening new on-campus housing facilities. The University expects to replicate its success in 2001 and 2002 this Fall by again achieving 100% occupancy immediately upon opening as students leasing interim near-campus housing relocate to the facilities to be financed with the bond proceeds.

The University believes on-campus housing is essential for providing its students with a comprehensive full-time, college experience enabling integration of educational and extracurricular activities.

"LEED"

Certification:

Additionally, the new 82-bed Rubloff Hall student housing facility will be the first university building in the Chicago Metropolitan Area to be constructed and certified according to *Leadership in Energy & Environmental Design* ("LEED") standards, a project of the U.S. Green Building Council. In recognition of Rubloff Hall's development as "LEED" compliant, the **Illinois Clean Energy Community Foundation** has awarded Saint Xavier a \$97,750 grant for construction of this building to LEED standards.

More information on LEED-certified buildings is located on the U.S. Green Building Council's web site at: <http://www.usgbc.org>.

FINANCING SUMMARY

Structure/

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

Term/

Interest Rate: 7-day Variable Rate Demand Bonds with a final maturity of 25 years. The most current average weekly floating interest rate on 7-day floaters was 3.25% as of 3/15/2006.

PROJECT SUMMARY

Bond proceeds will be used to (i) finance the construction and equipping of a new, five-story, 82-bed dormitory to be located on Saint Xavier University's Chicago Campus at 3700 W. 103rd St. in Chicago (Cook County), IL 60655 and to be known as "Rubloff Hall", and (ii) to purchase, renovate, and equip an existing 12-unit apartment building [that will provide 36 student housing beds] located at 10114-10116 S. Pulaski Rd. in Oak Lawn (Cook County), IL 60453-4151. Additionally, bond proceeds may also be used to (iii) pay capitalized interest during construction, and (iv) to pay bond issuance costs and other project-related soft costs.

Proposed project costs include the following:

New Construction (Rubloff Hall):	\$8,200,000
S. Pulaski Building Acquisition (Oak Lawn):	900,000
Machinery & Equipment:	475,050
Architectural & Engineering:	680,600
Total	\$10,255,650

ECONOMIC DISCLOSURE STATEMENT

Applicant/ Saint Xavier University, 3700 W. 103rd Street, Chicago, IL 60655
Contact: Ms. Susan L. Piros, Vice President for Business and Finance; (T) (773) 298-3031; (F): (773) 298-3222; e-mail: piros@sxu.edu; web site: www.sxu.edu
Project name: Saint Xavier University Series 2006 Bonds
Locations: Saint Xavier University, Rubloff Hall, 3700 W. 103rd Street, Chicago, IL 60655, and 10114-10116 S. Pulaski Ave. Apartments, Oak Lawn, IL 60453-4151
Organization: Illinois 501(c)(3) corporation

Board
Membership: *See attached list of Board of Trustees*

Current Land
Owner:

- Rubloff Hall is to be located on the Saint Xavier University campus on land already owned by the University.
- 10114-10116 S. Pulaski Apartments, Oak Lawn, IL: Laurmeg Services, LLC, 16W668 Therese Court, Hinsdale, IL 60521

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	DLA Piper Rudnick Gray Cary US LLP	Chicago, IL	David Singer
Borrower's			
Consultant:	Marquette Associates	Chicago, IL	Nicole Roman
Auditor:	PricewaterhouseCoopers LLP	Chicago, IL	
Bond Counsel:	TBD		
Bank LOC:	LaSalle National Bank	Chicago, IL	
Bank Counsel:	TBD		
Underwriter:	ABN AMRO Financial Services, Inc.	Chicago, IL	Peter Glick
Underwriter's			
Counsel:	TBD		
Trustee:	LaSalle Bank, NA	Chicago, IL	
Development			
Consultants:	Dober, Lidsky, Craig and Assoc., Inc.	Belmont, MA	
Rating Agencies:	TBD		
General Contractors:	Henry Bros., Co.	Hickory Hills, IL	
	Tuitman Enterprises, Inc. ("TEI")	Oak Lawn, IL	
Architect:	Solomon Cordwell Buenz & Assoc.	Chicago, IL	
Issuer's Counsel:	Requested		

LEGISLATIVE DISTRICTS

	Chicago	Oak Lawn
Congressional:	3 Daniel Lipinski	3 Daniel Lipinski
State Senate:	18 Edward D. Maloney	18 Edward D. Maloney
State House:	35 Kevin Joyce	36 James D. Brosnahan

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Department of Higher Education
and Student Affairs
Bowling Green State University
Bowling Green, Ohio

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Chicago, IL

To: Members of the IFA Board of Directors

From: Steven Trout

Date: April 1, 2006

Re: **Request to Change the Rate of Interest on a Participation Loan to S&B Investments #9781-PL**

The IDFA Board approved a \$200,000 participation in a \$700,000 loan made by West Pointe Bank of Belleville on July 11, 2002. This loan, together with subordinated loans from DCEO and St. Clair County and capital contributed by the company funded the purchase of a 12,000 square-foot light manufacturing facility, construction of an adjoining maintenance building and upgrade to S&B Investments' existing building.

S&B Investments is a Missouri general partnership formed in 1986 to own production facilities and administrative offices occupied by By-Prod Corporation and The Siris Group. By-Prod Corporation is an Illinois S-Corporation established in 1983 that is the nation's largest producer of raw fetal bovine serum. This product is used primarily by doctors and researchers to promote cell growth. The Siris Group, is a Missouri Limited Liability Company formed in 1995 to produce equine, porcine, and non-fetal bovine serum, using a similar process to the one used by By-Prod Corporation.

IDFA's commitment provided for a 10-year term with interest fixed for the first three years. *Accordingly, this request is seeking no extension of credit amounts or terms other than a change in rate, as provided in the original loan agreement.*

West Pointe Bank wishes to reset its rate of interest to 7.25% for the next 3 years. Pursuant to the Participation Agreement, the rate of interest that the Authority would be entitled to receive in that case would be 5.75%, or 1.50% below the Bank's interest rate.

S&B Investments has consistently made its payments on time, according to officers at the Bank. The Bank withheld payments for the past couple of months because of confusion on the part of Bank staff over the mechanics of resetting the rates of interest and calculating amounts owed to the Authority. IFA Staff has worked with the Bank to resolve that situation and the Authority is now current on this participation.

Staff recommends approval of this request.

**ILLINOIS DEVELOPMENT FINANCE AUTHORITY
BOARD SUMMARY**

July 11, 2002

Project: S & B Investments

STATISTICS

Project Number:	9781-PL	Amount:	\$200,000
Type:	Participation Loan	PA:	Marcia Cochran & Steve Trout
Location:	Caseyville, IL	SIC Code:	283605

BOARD ACTION

Purchase of Participation Loan from West Pointe Bank and Trust Company, Belleville, Illinois
\$200,000 IDFA funds at risk
Collateral is *pari passu* first position on project assets with the Bank, DCCA, and St. Clair County
Staff recommends approval

PURPOSE

Land acquisition, purchase/expansion of existing buildings, and purchase/installation of new equipment.

VOTING RECORD

Initial board consideration; no voting record.

SOURCES AND USES OF FUNDS

Sources:	IDFA	\$ 200,000	Uses:	Project Costs	<u>\$1,065,720</u>
	Bank	250,000			
	DCCA	250,000			
	St. Clair County	200,000			
	Equity	<u>\$165,720</u>			
Total		<u>\$1,065,720</u>	Total		<u>\$1,065,720</u>

JOBS

Current employment:	75 (U.S.A)	Projected new jobs:	23 (Illinois)
Jobs retained:	N/A	Construction jobs:	10

BUSINESS SUMMARY

Background: S & B Investments (S & B or the "Borrower") is a Missouri general partnership, formed in 1986, which owns production facilities and administrative offices occupied by By-Prod Corporation and The Siris Group. Mr. Rick Schiff, Mr. Keith Busch, and By-Prod are equal partners of S & B. In addition to the project site in Caseyville, Illinois, S & B owns property in St. Louis, California and Florida. Mr. Schiff and Mr. Busch are also stockholders of the two production companies that operate at the subject facilities, By-Prod and Siris Group, LLC.

By-Prod Corporation (BYP, the "Tenant" or "Guarantor") is an Illinois S Corporation established in 1973, and is the largest independent producer of raw fetal bovine serum in the USA. BYP's corporate headquarters are located in St. Louis, with processing facilities in Florida, California, and now Caseyville, Illinois (the project). BYP also employs collection technicians in other states. By-Prod has a 33% ownership stake in S & B and a 35% ownership stake in Siris Group, the entity described below

Fetal bovine serum is derived from fetal bovine blood, primarily in packinghouses where the host animal is slaughtered. The fetal bovine blood is shipped overnight and processed the next day at one of their facilities. The process removes the solids (red and white cells, platelets) and the remaining material composes the fetal bovine serum. The serum is flash frozen and stored in a holding freezer at zero degrees Fahrenheit. BYP's customers further process the fetal bovine serum by sterile filtration. The end users of the product are generally research doctors and scientists who use the fetal bovine serum for promoting cell growth. Fetal bovine serum is the purest animal serum available and therefore it is the premium animal serum. BYP employs 55 people.

The Siris Group, LLC (TSG, the "Co-Tenant" or "Co-Guarantor") is a Missouri Limited Liability Company, formed in 1995. TSG produces donor equine, porcine and non-fetal bovine serum. The serum produced by TSG is generally used for the same purposes as the fetal bovine serum. Because the serum is derived from donor animals and less pure (as compared to the fetal animals) the selling prices and costs of the products are substantially lower than those of BYP. TSG employs 20 people.

Description: The project includes the purchase of a 12,000 sq. ft. light manufacturing facility and the construction of an adjoining 4,800 sq. ft. maintenance building on 6.83 acres in Caseyville, Illinois (St. Clair County). The existing building will require installation of electrical, HVAC and plumbing, mechanical and interior finish construction. The site also includes a cold storage building to house the 3,200 sq. ft. freezer to be purchased and installed. Related mechanical equipment is also included in the project.

The fair market appraisal value of the real estate and freezer, dated April 8, 2002, is \$1,066,000.

Remarks: In addition to the IDFA Participation Loan request of \$200,000, the Department of Commerce and Community Affairs has approved an application request for \$250,000 under their Participation Loan Program. St. Clair County Intergovernmental Grants Department has approved a direct loan for \$200,000. All financing entities will share in the collateral on a pro-rata *pari passu* first position with West Pointe Bank and Trust Company of Belleville, Illinois.

Financials: Reviewed Financial Statements of S & B Investments - Fiscal Years 1999-2001
Reviewed Financial Statements of By-Prod Corporation - Fiscal Years 1999-2001
Reviewed Financial Statements of The Siris Group, LLC - Fiscal Years 1999-2001
Projected Financial Statements of the three entities stated above- Fiscal Years 2002-2003
Personal Financial Statement of Rick and Judith Schiff
Personal Financial Statement of Keith and Vicki Busch

Discussion:

- The above financial spreadsheet is a consolidation of all three companies prepared by Staff for the purpose of showing ratio calculations. The consolidation includes adjustments to avoid doublecounting revenues, expenses, assets and liabilities among the three entities. These adjustments are minor, totaling less than 5% of revenues and expenses, 10% of assets and 14% of liabilities. In reality, the source of debt service payment will be lease payments from the two operating companies, By-Prod Corporation and The Siris Group.
- Income tax liabilities of all three entities are paid by the stockholders (common ownership) through the distribution of dividends, which is common practice.
- Revenue is based on the following: The serum produced by the two operating companies are commodities, which fluctuate in price. The companies focus is on the gross profit per liter. The target gross profit is \$28 to \$32 per liter. Historically, the two production companies have been able to meet this target.

- Included in current liabilities are two lines of credit that will remain in place after loans for this project close. Cass Commercial Bank maintains a \$4 million line of credit that is secured by By-Prod's inventory, accounts receivables and equipment. As of 12/31/01, \$1.7 million was outstanding on this facility. Southwest Bank had \$391,300 outstanding on a line secured by The Siris Group's inventory, accounts receivable and equipment.

PROJECT SUMMARY

The project includes the purchase of a 12,000 sq. ft. light manufacturing facility and the construction of an adjoining 4,800 sq. ft. maintenance building on 6.83 acres in Caseyville, Illinois (St. Clair County). The existing building will require installation of electrical, HVAC and plumbing, mechanical and interior finish construction. The site plan also includes construction of a 4,200 sq. ft. cold storage building to house the 3,200 sq. ft. freezer to be purchased and installed. All mechanical, machinery and equipment is associated with the freezer and will be included as an appurtenance to the mortgaged real estate. Project costs are estimated as follows:

Land	\$ 36,275
Buildings & Improvements	860,945
Freezer Box & Mechanical	150,000
Machinery and Equipment	<u>18,500</u>
Total	<u>\$1,065,720</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant:	S & B Investments					
Project name:	By Prod Corporation and The Siris Group, LLC					
Location:	1201 West Lincoln, Caseyville, IL 62232					
Organization:	General Partnership					
State:	Missouri					
Ownership:	<u>Borrower</u>	<u>Tenant</u>	<u>Co-Tenant</u>			
	Rick Schiff	33.33%	Rick Schiff	60%	Rick Schiff	32.5%
	Keith Busch	33.33%	Keith Busch	40%	Keith Busch	32.5%
	By-Prod Corp	33.33%			By-Prod	35.0%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Bini, Steib, Reid & Kohn	St. Louis, MO	Christopher Reid
Accountant:	Humes & Barrington	St. Louis, MO	Brian Humes
Bank:	West Pointe Bank & Trust Company	Belleville, IL	James Kuehn
General Contractor:	Howard Construction Company	Caseyville, IL	Tim Howard

LEGISLATIVE DISTRICTS

Congressional:	12	Jerry Costello
State Senate:	57	James Clayborne, Jr.
State House:	113	Thomas Holbrook

MEMORANDUM

TO: IFA Board of Directors
FROM: Jim Senica
DATE: April 11, 2006
RE: Excel Foundry and Machine, Inc.
Project No. B-LL-TX-673

Excel Foundry and Machine, Inc. is an air set foundry utilizing centrifugal force and permanent molds to manufacture and market precision bronze, brass, aluminum and steel cast replacement parts for mining and rock-crushing equipment used by mining and aggregate industries as well as components used in turbine powered generation operations.

Commerce Bank, N.A. and Excel Foundry and Machine, Inc. have requested that IFA approve a 6-month extension to October 11, 2006, on IFA's commitment to its Participation Loan. IFA is committed to the financing after the building construction and the acquisition of new machinery and equipment is complete and the long-term financing is established. The Board originally approved this project on October 11, 2005, with the usual six-month commitment, expiring on April 11, 2006. Construction is nearing completion after the Company had experienced delays in receiving needed building materials.

Staff has re-reviewed the financial condition of the applicant with the lender and concluded that the financial condition of the Company remains strong and has not materially changed since October 11, 2005, when the loan was originally presented to the IFA Board.

A copy of the original project summary presented for Board approval is included with this memorandum for your review.

Staff recommends approval of the request.

The voting record of this Participation Loan approval at the December 7, 2004, Board meeting is as follows:

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

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 11, 2005**

Deal: Excel Foundry and Machine, Inc.

STATISTICS

Deal Number:	B-LL-TX-673	Amount	\$1,000,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Pekin		

BOARD ACTION

Purchase of Participation Loan from Commerce Bank, N.A. – Peoria
\$1,000,000 IFA Treasury Funds at risk.
Collateral is *pari passu* first position with the bank.
Staff recommends approval of a resolution subject to the Bank covenants noted on page 3 of this report.

PURPOSE

Expansion of an industrial building and acquisition of manufacturing machinery and equipment.

VOTING RECORD

Initial board consideration, no voting record. However, IFA currently has two other participation loans with this borrower, an original \$237,500 loan with a paid-down balance of \$186,000 as of August 23, 2005, proceeds of which were used to construct a 14,000 square foot industrial building addition and an original \$795,000 loan with a paid-down balance of \$737,500 as of August 23, 2005, proceeds of which were used to finance the acquisition of manufacturing machinery and equipment and reconfiguration of an industrial building. The first loan is secured by a pro-rata share of a \$2.09 million first mortgage on the project real estate with Commerce Bank, N.A. – Peoria. The second loan is secured by a pro-rata first lien on all business assets and a 2nd mortgage on the project real estate again with Commerce Bank, N.A. - Peoria. At its October 12, 2004 Board meeting, the IFA Board approved a \$1,000,000 participation loan to Excel Crusher Technologies, L.L.C. secured by a pro-rata share of a \$1.8 million first mortgage on the project real estate and a pro-rata share of a \$540,000 first position on the project machinery and equipment. Since this approval, 51% of Excel Crusher has been sold as outlined in an amendment memorandum presented to the IFA Board at the September 13th meeting.

SOURCES AND USES OF FUNDS

Sources:	IFA	\$1,000,000	Uses: Project Costs	<u>\$2,250,000</u>
	Commerce Bank, N.A.	<u>1,250,000</u>	Total	<u>\$2,250,000</u>
	Total	<u>\$2,250,000</u>		

JOBS

Current employment:	110	Projected new jobs:	10
Jobs retained:	N/A	Construction jobs:	15

BUSINESS SUMMARY

Background: Excel Foundry and Machine, Inc., an Illinois S corporation, was established in 1932 and was purchased from the original owner by Merrill Parsons in 1975. Merrill Parsons has worked for the Company since 1966 and remains as the Company's chairman. Merrill's sons, Doug and Rick, hold the positions of President and Director of Sales respectively.

Description: Excel Foundry and Machine, Inc. is an air set foundry utilizing centrifugal force and permanent molds to manufacture and market precision bronze, brass, aluminum and steel cast replacement parts for mining and rock-crushing equipment used by mining and aggregate industries as well as components used in turbine power generation operations. Excel is a leading supplier to both the original equipment manufacturers and the world-wide after-market for replacement parts, serving in excess of 3,000 customers in over 30 countries. The Company has the capacity to produce castings up to 30,000 pounds and accurately machine parts up to 120" in diameter.

Remarks: Excel Foundry and Machine, Inc. has demonstrated its leadership in the industry and commitment to uncompromised quality by becoming the first non-ferrous foundry in the United States to achieve ISO 9001 certification in 1995. The Company also recently received the Illinois Governor's Export Award.

In keeping with its industry leadership role, Excel Foundry has been growing at an exceptional rate requiring additional investment in equipment and plant expansion. The acquisition of additional new machinery and equipment and further expansion of their existing facility will address their current capacity issue which has inhibited their ability to produce enough inventory to satisfy demand and precipitate shipping of product behind schedule.

FINANCING SUMMARY

Borrower: Excel Foundry and Machine, Inc.

Security: Pro-rata position "*pari passu*" with Commerce Bank, N.A. – Peoria on the project real estate, new equipment being acquired and a lien on the Company's business assets. (IFA and the Bank currently hold first and second mortgages, as referenced on page 1 of this report, on the real estate and thus would be adding to their current mortgage positions.) Staff recognizes that in the event of default with respect to this loan, standard wording in IFA's participation agreement states that the IFA/Bank loan will be paid prior to any other loan including the line-of-credit that the borrower has established with the Bank.

Structure: Based on the guidelines of the Participation Lending Program, IFA's interest rate will be 200 basis points below what the Bank is charging the customer. The Bank's interest rate will be fixed at 6.17% for the \$1,000,000 equipment portion of the financing over a 5-year fully amortized term of the loan. The Bank's interest rate on the \$1,250,000 real estate portion of the financing will also be fixed at 6.17% for a 5-year term, but this portion will be amortized over a 10-year period.

Covenants: Annual financial statements of Excel Foundry and Machine, Inc.
Vendor invoice on the equipment being purchased
Proof of insurance on the collateral
Certified appraisal of Company's real estate prior to closing

PROJECT SUMMARY

The proposed project involves the acquisition of new manufacturing machinery and equipment and the expansion of the Company's existing industrial building.

Project costs are estimated as follows:

Building Construction	\$1,250,000
Machinery & Equipment Acquisition	<u>1,000,000</u>
Total	<u>\$2,250,000</u>

The proposed project will provide the applicant with the additional capacity needed to accommodate the growing demand for its products and services.

ECONOMIC DISCLOSURE STATEMENT

Project name: Excel Foundry and Machine, Inc.
Location: 14463 Wagon seller Road Pekin, Illinois 61554 (Tazewell County)
Applicant: Excel Foundry and Machine, Inc.
Organization: Illinois S corporation

PROFESSIONAL & FINANCIAL

Accountant:	Wolf, Tesser & Co. CPA's	Peoria, Illinois	Jim Wolf
Bank:	Commerce Bank, N.A. – Peoria	Peoria, Illinois	Brian Egeberg
Borrowers Counsel:	Hush & Eppenberger LLC	Peoria, Illinois	David Higgs
Bank Counsel:	Elliss, Keyser, Oberle & Dancy PC	Pekin, Illinois	Bill Streeter
IFA Counsel:	Dykema Gossett PLLC	Chicago, Illinois	Darrell Pierce

LEGISLATIVE DISTRICTS

Congressional: 18 – Ray LaHood
State Senate: 45 – Claude Stone
State House: 89 – Keith P. Sommer

CONFIDENTIAL INFORMATION

Est fee: \$41,700 (First year's interest)

Financials: Audited financial statements of Excel Foundry and Machine, Inc. for years 2000 through 2004.
Projected financial information of Excel Foundry and Machine, Inc. for years 2005 through 2006

	Year Ended February 28						
	2000	2001	2002	2003	2004	2005	2006
	(Dollars in 000's)						
Income Statement							
Sales	10,954	11,058	11,970	12,881	16,101	23,178	28,889
Net income	552	20	766	1,154	1,366	1,866	2,311
Balance sheet							
Current assets	4,852	5,187	5,403	6,440	8,166	10,048	12,130
PP&E	4,526	4,438	4,027	4,150	4,327	6,037	8,271
Other assets	458	465	64	73	86	980	1,467
Total assets	<u>9,836</u>	<u>10,090</u>	<u>9,494</u>	<u>10,663</u>	<u>12,579</u>	<u>17,065</u>	<u>21,868</u>
Current Liabilities	1,240	2,237	1,505	1,375	2,892	5,861	7,692
Debt	2,210	2,113	1,980	2,256	2,117	3,324	5,198
Equity	<u>6,386</u>	<u>5,740</u>	<u>6,009</u>	<u>7,032</u>	<u>7,570</u>	<u>7,880</u>	<u>8,978</u>
Total liab. & equity	<u>9,836</u>	<u>10,090</u>	<u>9,494</u>	<u>10,663</u>	<u>12,579</u>	<u>17,065</u>	<u>21,868</u>
Ratios							
Debt service coverage	4.95	1.03	4.20	4.15	4.69	2.49	2.29
Current ratio	3.91	2.32	3.59	4.68	2.82	1.71	1.57
Debt/equity	0.37	0.39	0.35	0.28	0.31	0.48	0.66

Discussion: Excel Foundry and Machine, Inc. has a consistent earnings history as evidenced by 17 years of excellent financial results. (In fact, the company has just experienced 24 consecutive months of record sales.) Results for fiscal year-end February 28, 2004, for example, indicate a net profit of \$1.37 million on sales of \$16.1 million. Even more impressive is the fact that FY 2005 projections in an earlier loan presentation to the Board anticipated FY 2005 revenues to be near \$17.1 million; actual revenues earned for the period were \$23.18 million, representing a nearly 44% increase over 2004 results, with a net profit of \$1.87 million.

While revenues increased, COGS remained steady at 64% of revenues. Management feels Excel has realized efficiencies in the foundry and machining areas which aided in keeping COGS steady as material costs continue to rise. 5/31/05 interim statements show continued increases in revenue for the first 3 months of their fiscal year and management is expecting another record year in sales. Based on the growing demand for aggregate, management is expecting the Company to sustain growth at a fast rate for the next 5 years before reaching a conservative level of expansion.

Balance sheet trends include a significant increase in receivables and inventories over 2/28/04 amounts. Inventory growth is spurred by revenue growth and the lead time required for it. Excel will typically make a run of several parts of the same type to minimize backorders. Inventory in days remained virtually constant at 172 days from 171 days in the prior year. Excel has invested heavily in fixed assets, primarily buildings and equipment, to increase production to keep up with demand. Total assets grew from \$12.58 million to \$17.06 million.

Current liabilities continued to grow as the Company's payables grew and they used the Bank's line of credit. Long term debt increased due to a building addition and equipment acquisition.

The company has access to a \$4,000,000 revolving line of credit for operating purposes secured by receivables and inventory with Commerce Bank, N.A. – Peoria. The company had an outstanding balance of \$4,000,000 as of August 15, 2005.

The Bank's sizeable commitment and attractive pricing is attributable to its confidence in management.

MEMORANDUM

TO: IFA Board of Directors
FROM: Jim Senica
DATE: April 11, 2006
RE: Pere Marquette Hotel Associates, L.P. Participation Loan Extension Request
Project No. B-LL-TX-582

The Hotel Pere Marquette is a historic, full service hotel located in the heart of Peoria's business and entertainment district.

National City Bank and Pere Marquette Hotel Associates have requested that IFA approve a 6-month extension to October 12, 2006, on IFA's commitment to its Participation Loan. IFA is committed to the financing after the Hotel's refurbishment is completed and the long-term financing is established. The Board originally approved this project on April 12, 2005, with the usual six-month commitment, expiring on October 12, 2005, and a six-month commitment extension expiring on April 12, 2006. The hotel is currently undergoing an extensive renovation that will completely revitalize its 288 rooms, conference and banquet facilities, hotel lobby and dining facilities to insure that this hotel property, very important to the City of Peoria, maintains its vitality to assist in fostering downtown economic development. The banquet and conference rooms' renovations as well as many of those relating to the guest rooms and hallways have been completed and management's expectation is that the full renovation should be finished in late summer of this year. Management has indicated that higher than anticipated occupancy of the hotel during key potential construction periods, difficulties in obtaining needed materials because of the hurricane disasters in the Gulf Coast region and the mandated use by Caterpillar of local contractors all have contributed to delays in completing the project.

Staff has re-reviewed the financial condition of the applicant with the lenders and management during a lengthy meeting convened by management. 2005 year-end financial statements of the hotel indicated that the hotel did sustain a small loss of approximately \$11,000. Hotel management attributed the loss primarily to the fact that some conventions booking rooms in advance did not use the hotel in 2005 because of concern construction may have interfered with their events. Advanced bookings are up for 2006 and revenues for the beginning of the year have rebounded as well. A copy of the original project summary presented for Board approval is included with this memorandum to provide a complete overview of the project.

Staff recommends approval of the request.

The voting record of this Participation Loan as originally approval at the April 12 2005, Board meeting is as follows:

Ayes:	10	Absent:	3 (Goetz, Herrin, Leonard)
Nays:	0	Abstentions:	0

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY**

Deal: Pere Marquette Hotel Associates, L.P.

STATISTICS

Deal Number:	B-LL-TX-582	Amount	\$1,000,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Peoria		

BOARD ACTION

Purchase of Participation Loan from National City Bank - Peoria
\$1,000,000 IFA Treasury Funds at risk.
Collateral is *pari passu* first position with the banks listed below under the caption "Sources".
Staff recommends approval.

PURPOSE

Loan proceeds will be used to finance the refurbishment of the 288-room Hotel Pere Marquette and to pay off the remaining existing mortgage on the building.

VOTING RECORD

Initial board consideration, no voting record.

SOURCES AND USES OF FUNDS

Sources:	IFA	\$1,000,000	Uses: Project Costs	\$8,145,000
	National City Bank	2,500,000	Total	<u>\$8,145,000</u>
	Commerce Bank	1,500,000		
	Heartland Bank	1,000,000		
	Caterpillar, Inc.	1,400,000		
	Partnership Equity	<u>745,000</u>		
	Total	<u>\$8,145,000</u>		

JOBS

Current employment:	200	Projected new jobs:	5
Jobs retained:	200	Construction jobs:	50

BUSINESS SUMMARY

Background: Pere Marquette Hotel Associates, L.P. is a limited partnership that owns the Hotel Pere Marquette in Peoria, Illinois. The partnership acquired the hotel in 1982 and undertook a major renovation of the hotel at that time. The partnership invested \$4.5 million in capital, secured bond financing in the amount of \$13 million and secured a \$2 million UDAG grant for the construction of a 240-space parking garage for the exclusive use of the hotel. During its ownership period, the partnership invested \$5 million in refurbishment, paid off over \$10.5 million in bond financing and repaid \$2 million of the UDAG grant. The partnership now desires to undertake a \$5 million renovation of the hotel and pay off the remaining outstanding bonds which will terminate existing credit enhancement costs. To accomplish this, the partnership is seeking \$6 million in first mortgage financing from a consortium of local banks and IFA. Caterpillar, Inc., Peoria's largest employer, will lease one floor (30 guestrooms) of the hotel (annual lease payments of \$1,160,000 payable quarterly in advance) and provide \$1.4 million of additional funds for the hotel's renovation project.

Description: Built in 1926 at a cost of \$2.5 million (a substantial amount of money even by today's standards) and opened in 1927, the Hotel Pere Marquette is a full service hotel located in the heart of Peoria's business and entertainment district. The hotel is 15 minutes from the greater Peoria Regional Airport (with complimentary shuttle service), 2 blocks from Caterpillar World Headquarters, 4 blocks from the Illinois riverfront attractions and the closest hotel to the Peoria Civic Center (1/2 block away). In fact, the City and the Civic Center consider this hotel to be the primary hotel for the Civic Center activities. (It is important to note that the Civic Center will be doubling its size with a \$60 million expansion in the next year to accommodate larger conventions and entertainment acts, bringing much additional business to the hotel.)

The extensive renovation, completed by the partnership in 1984, resulted in a hotel of very contemporary standards while maintaining the historic ambience of the original building. The property was placed on the National Register of Historic Places immediately after the renovation.

The Hotel Pere Marquette includes 288 guest rooms and suites (251 guest rooms, 6 VIP Jacuzzi suites, 13 hospitality suites and 18 junior suites), including two floors designated for Caterpillar Corporate customers. The hotel maintains up-scale, full-service dining in "Carnegie's", coffee shop service in the American Café, entertainment in the Rendevous Lounge, room service, gift shop, over 18,000 square feet of meeting space, including 7,500 square feet of the hotel's grand Marquette Ballroom, irons/ironing boards, coffee maker and hair dryer in each room, complete fitness center and free parking in the attached parking deck. In its 78 years of operations, the hotel has played host to several U.S. Presidents, other Heads of State and International dignitaries as well as many popular entertainers.

Remarks: The \$5,000,000 renovation of the hotel will encompass the following items:

- HVAC system upgrade
- Exterior improvements and updates
- Reconfiguration and updates to the restaurants, ballrooms, reception and lobby areas
- Renovation and upgrade to 263 of the 288 rooms including new beds, wall coverings, fixtures, artwork and addition of desks
- Upgrade of corridors including lighting, wall coverings and carpeting

Operations: The following table summarizes information from a report, dated June 15, 2004, prepared by Horwath Horizon Hospitality Advisors, LLC. The Company was hired by Pere Marquette Hotel Associates, L.P. to complete a performance review of the Hotel. They identified three distinct competitive market sets of lodging properties that included downtown Peoria competitors and full-service hotels in Springfield, Illinois, with which the Hotel Pere Marquette also competes for in-state meeting business.

	<u>Competitive Set</u>			<u>Peoria MSA</u>			<u>Hotel Pere Marquette</u>		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
1998	58%	\$71	\$41	65%	\$57	\$37	64%	\$74	\$47
1999	56%	\$75	\$42	63%	\$59	\$37	62%	\$75	\$46
2000	57%	\$75	\$43	57%	\$60	\$34	59%	\$76	\$45
2001	60%	\$76	\$46	61%	\$61	\$37	57%	\$80	\$45
2002	60%	\$76	\$46	60%	\$62	\$37	57%	\$79	\$45
2003	59%	\$78	\$46	61%	\$61	\$37	61%	\$80	\$49

The hotels included in the competitive set are shown below:

<u>Property</u>	<u>Rooms</u>
Hilton Springfield	366
Holiday Inn Peoria City Center	327
Renaissance Springfield Hotel	316
<i>Hotel Pere Marquette</i>	288
Crowne Plaza Springfield	288
Radisson of Peoria (Formerly Jumers Castle Lodge)	175
Mark Twain Hotel Peoria	110
Staybridge Suites Peoria	<u>106</u>
Total	<u>1,976</u>

The information presented above indicates that the Hotel Pere Marquette's occupancy rates and revenues per available room (RevPAR) exceed those of the hotels in the competitive set in 4 of the 6 years presented. Except for years 2001 and 2002 (when business and convention travel was severely curtailed following the 9/11 events) the Pere Marquette's occupancy virtually mirrored those experienced by other hotels in the Peoria MSA. Because of the generally higher room rates at the Pere Marquette, revenues earned per available room exceeded those of most other hotels in the Peoria market.

It is important to note that a new hotel project, Embassy Suites, is scheduled to begin construction in East Peoria in late 2005. Although not located as near to the Peoria Civic Center or the other downtown Peoria attractions as the Pere Marquette is, the amenities geared toward business travel usually associated with an Embassy Suites property will provide additional competition to all hotels in the Peoria area.

PROJECT SUMMARY

The proposed project involves the renovation of the 288-room Hotel Pere Marquette located at 501 Main Street in Peoria and the repayment of existing debt. Proceeds will be used as follows:

Renovation	\$5,000,000	(Bank & IFA loan)
Pay off existing TE bond	1,000,000	(Bank loan)
	881,667	(Caterpillar, Inc.)
Pay off existing taxable bond	504,167	(Caterpillar, Inc.)
Hotel working capital	14,166	(Caterpillar, Inc.)
Pay off City of Peoria note	245,000	(Partnership equity)
Pay garage purchase option obligation	<u>500,000</u>	(Partnership equity)
Total	<u>\$8,145,000</u>	

The proposed project is extremely important to the City of Peoria as the hotel serves as a focal point in the revitalized downtown area. Additionally, the hotel is considered to be the primary hotel of the Civic Center and with the impending expansion of that facility, it is of the utmost importance that the hotel be refurbished to accommodate the increased convention and entertainment business anticipated.

Strengths of the Project include:

- Caterpillar involvement – Caterpillar employees/vendors/customers provide the hotel with annual occupancy of over 20%. Current contracts have room rates ranging from \$60 to \$89 per night. The new lease sets rates at \$106 a night for 10,950 nights. This increase would boost revenue by \$300,000 annually. In addition, Caterpillar will infuse \$100,000 every 2 years for capital improvements.
- Location – The hotel is located in the center of the downtown area ½ block from the Peoria Civic Center and within a short walk of the site of the proposed new \$60,000,000 Lakeview and Caterpillar museums.
- More manageable debt service. Some of the bonds being retired carried interest rates nearing 10%; the new proposed financing will be closer to the mid 5% range.

ECONOMIC DISCLOSURE STATEMENT

Project name: Hotel Pere Marquette Renovation
Location: 501 Main Street Peoria, Illinois 61602 (Peoria County)
Applicant: Pere Marquette Hotel Associates, L.P.
Organization: Limited Partnership

PROFESSIONAL & FINANCIAL

Accountant:	Meyer Hoffman CPA's	Kansas City, KS	Christine Ritchie
Bank:	National City Bank	Peoria, Illinois	Rick Sems
Borrowers Counsel:	Davis & Campbell LLC	Peoria, Illinois	Robert Coletta
IFA Counsel:	Dykema Gossett PLLC	Chicago, Illinois	Darrell Pierce

LEGISLATIVE DISTRICTS

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

RESOLUTION No. 2006-22

AMENDATORY RESOLUTION AMENDING AND RESTATING IN ITS ENTIRETY, THE RESOLUTION ADOPTED BY THE ILLINOIS FINANCE AUTHORITY (THE "AUTHORITY") ON DECEMBER 6, 2005 AUTHORIZING THE ISSUANCE OF THE AUTHORITY'S GE CAPITAL PUBLIC FINANCE, INC. REVENUE BONDS (SINAI HEALTH SYSTEM AND MOUNT SINAI HOSPITAL MEDICAL CENTER OF CHICAGO) SERIES 2005; AUTHORIZING THE ISSUANCE OF THE AUTHORITY'S GE CAPITAL PUBLIC FINANCE, INC. REVENUE BONDS (MOUNT SINAI HOSPITAL MEDICAL CENTER OF CHICAGO), SERIES 2006 (COLLECTIVELY, THE "BONDS") IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,300,000, THE PROCEEDS OF WHICH ARE TO BE LOANED TO MOUNT SINAI HOSPITAL MEDICAL CENTER OF CHICAGO, AN ILLINOIS NOT FOR PROFIT CORPORATION ("MSH"), TO (I) REFINANCE CERTAIN TAXABLE INDEBTEDNESS, THE PROCEEDS OF WHICH WERE USED TO ACQUIRE A GE PICTURE ARCHIVING AND COMMUNICATIONS SYSTEM, (II) FINANCE, REFINANCE AND REIMBURSE ALL OR A PORTION OF THE COSTS OF ACQUIRING AND EQUIPPING CERTAIN HEALTH FACILITIES OWNED OR OPERATED, OR TO BE OWNED OR OPERATED, BY MSH, INCLUDING, BUT NOT LIMITED TO, THE ACQUISITION OF DIAGNOSTIC RADIOLOGICAL EQUIPMENT, DIAGNOSTIC CARDIOLOGY EQUIPMENT, AS WELL AS PATIENT MONITORING EQUIPMENT AND BED REPLACEMENT, (III) PROVIDE ONE OR MORE DEBT SERVICE RESERVE FUNDS FOR THE BENEFIT OF ALL OR A PORTION OF THE SERIES 2006 BONDS, IF DEEMED NECESSARY OR DESIRABLE, (IV) PAY A PORTION OF THE INTEREST TO ACCRUE ON THE SERIES 2006 BONDS, IF DEEMED NECESSARY OR DESIRABLE, AND (V) PAY CERTAIN COSTS INCURRED IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2006 BONDS AND THE REFINANCING OF SUCH TAXABLE INDEBTEDNESS, ALL AS PERMITTED BY THE ILLINOIS FINANCE AUTHORITY ACT (THE "ACT"); AUTHORIZING THE EXECUTION OF THAT CERTAIN MASTER FINANCING AGREEMENT DATED AS OF APRIL 1, 2006 (THE "MASTER FINANCING AGREEMENT"), AMONG THE AUTHORITY, MSH AND GE CAPITAL PUBLIC FINANCE, INC., AND ONE OR MORE SCHEDULES THERETO (EACH, A "SCHEDULE" AND, COLLECTIVELY, THE "SCHEDULES"), PURSUANT TO WHICH THE SERIES 2006 BONDS WILL BE ISSUED AND MSH WILL AGREE TO PROVIDE AMOUNTS SUFFICIENT TO REPAY THE SERIES 2006 BONDS, AND WHICH MASTER FINANCING AGREEMENT AND SCHEDULE(S) WILL SET FORTH THE TERMS AND PROVISIONS OF AND THE SECURITY FOR THE SERIES 2006 BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE ESCROW AGREEMENTS, AMONG THE AUTHORITY, MSH, GE CAPITAL PUBLIC FINANCE, INC. AND WELLS FARGO BANK, N.A., AS ESCROW AGENT (THE "ESCROW

AGENT"), PURSUANT TO WHICH THE PROCEEDS OF ONE OR MORE OF THE SERIES 2006 BONDS WILL BE HELD BY THE ESCROW AGENT UNTIL DISBURSED IN ACCORDANCE WITH THE PROVISIONS OF SUCH ESCROW AGREEMENT(S); APPROVING THE EXECUTION AND DELIVERY OF ONE OR MORE GUARANTIES FROM SINAI HEALTH SYSTEM, AN ILLINOIS NOT FOR PROFIT CORPORATION ("SHS"), PURSUANT TO WHICH SHS WILL GUARANTEE THE PAYMENT OBLIGATIONS OF MSH WITH RESPECT TO THE SERIES 2006 BONDS AND UNDER THE MASTER FINANCING AGREEMENT AND SCHEDULES; AND AUTHORIZING AND APPROVING CERTAIN OTHER MATTERS.

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

WHEREAS, **SINAI HEALTH SYSTEM**, an Illinois not for profit corporation ("SHS"), and **MOUNT SINAI HOSPITAL MEDICAL CENTER OF CHICAGO**, an Illinois not for profit corporation ("MSH"), are "participating health institutions" as defined in the Act and have heretofore requested that the Authority authorize and approve the issuance of its revenue bonds and loan the proceeds from the sale of such bonds to both Sinai Health System and Mount Sinai Hospital Medical Center of Chicago, as co-borrowers;

WHEREAS, pursuant to such request, on December 6, 2005, the Authority adopted a Resolution (the "December 2005 Resolution") authorizing the issuance of its GE Capital Public Finance, Inc. Revenue Bonds (Sinai Health System and Mount Sinai Hospital Medical Center of Chicago) Series 2005, (the "Proposed 2005 Bonds") in an aggregate principal amount not to exceed \$7,300,000, and loan the proceeds of such bonds to SHS and MSH, as co-borrowers;

WHEREAS, the Proposed 2005 Bonds have not been issued;

WHEREAS, SHS and MSH have requested that the Authority amend and restate in its entirety the December 2005 Resolution;

WHEREAS, SHS and MSH have requested that instead of the Proposed Series 2005 Bonds the Authority issue its GE Capital Public Finance, Inc. Revenue Bonds (Mount Sinai Hospital Medical Center of Chicago), Series 2006 (the "Series 2006 Bonds") in an aggregate principal amount not to exceed \$7,300,000 and lend the proceeds of the Series 2006 Bonds to MSH, as sole borrower;

WHEREAS, MSH would use all or a portion of such proceeds to (i) refinance certain taxable indebtedness, the proceeds of which were used to acquire a GE Picture Archiving and Communications System, (ii) finance, refinance and reimburse all or a portion of the costs of acquiring and equipping certain health facilities owned or operated, or to be owned or operated, by MSH, including, but not limited to, the acquisition of diagnostic radiological equipment, diagnostic cardiology equipment, as well as patient monitoring equipment and bed replacement (the facilities described in clauses (i) and (ii) to be financed, refinanced and reimbursed are herein referred to as the "Project"), (iii) provide one or more debt service reserve funds for the

benefit of all or a portion of the Series 2006 Bonds, if deemed necessary or desirable, (iv) pay a portion of the interest to accrue on the Series 2006 Bonds, if deemed necessary or desirable, and (v) pay certain costs incurred in connection with the issuance of the Series 2006 Bonds and the refinancing of such taxable indebtedness, all as permitted by the Act (collectively, the "Financing Purposes"); and

WHEREAS, the Series 2006 Bonds are to be issued and secured by that certain Master Financing Agreement dated as of April 1, 2006 (the "Master Financing Agreement") and one or more schedules thereto (each, a "Schedule" and, collectively, the "Schedules"), among the Authority, MSH and GE Capital Public Finance, Inc. ("GECPF");

WHEREAS, SHS will guarantee the payment obligations of MSH with respect to the Series 2006 Bonds and under the Master Financing Agreement pursuant to the terms of one or more guaranties (each a "Guaranty" and, collectively, the "Guaranties") from SHS to the Authority and GECPF; and

WHEREAS, pending expenditure of the proceeds of the Series 2006 Bonds, such proceeds may be held pursuant to the hereinafter described Escrow Agreements;

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

Section 1. December 2005 Resolution. The December 2005 Resolution is hereby amended and restated in its entirety by the terms of this Resolution.

Section 2. Findings. The Authority hereby makes the following findings and determinations with respect to MSH, the Financing Purposes and the Series 2006 Bonds to be issued by the Authority: MSH is a not for profit corporation incorporated under the laws of the State of Illinois, is a "participating health institution" and operates a "health facility" (each as defined in the Act) in Chicago, Illinois;

MSH has properly filed with the Authority its request for assistance in the financing, refinancing and reimbursing of the Project and such Project is included within the term "project" (as defined in the Act) and is or will be owned or operated by MSH;

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

The refinancing of the indebtedness referred to above with the proceeds of the Series 2006 Bonds is permitted and authorized under the Act; and

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

Section 3. The Series 2006 Bonds. In order to obtain funds to loan to MSH to be used to pay all or a portion of the costs of the Financing Purposes and related costs, the Authority hereby authorizes the issuance of the Series 2006 Bonds. The Series 2006 Bonds shall be issued under and have the terms and provisions set forth in the Master Financing Agreement and the Schedule(s), and shall be in an aggregate principal amount not to exceed \$7,300,000. The Series 2006 Bonds shall be payable in monthly installments of principal and interest, with a final maturity not later than July 1, 2011 and shall bear interest at a rate not to exceed 6.0% per annum on the unpaid principal amount of the Series 2006 Bonds from the date thereof. The Series 2006 Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairman or Vice Chairman and attested by the manual or facsimile signature of its Executive Director, its Treasurer, its Secretary or Assistant Secretary (and for purposes of this Resolution, any person duly appointed to such office on an interim basis, including, without limitation, the Interim Executive Director), and shall have the seal of the Authority impressed manually or printed by facsimile thereon.

Section 4. Master Financing Agreement. The Authority does hereby authorize the execution by its Chairman, its Vice Chairman, any of its other Members, its Executive Director or its Treasurer (and for purposes of this Resolution, any person duly appointed to such office on an interim basis, including, without limitation, the Interim Executive Director) and delivery of the Master Financing Agreement, providing for the issuance and sale of the Series 2006 Bonds to GECPF, subject to the provisions regarding the principal amount, payment schedule and interest rate set forth above. The Master Financing Agreement shall be in substantially the form attached hereto and marked Exhibit A and hereby approved, or with such changes therein as shall be approved by the Chairman, Vice Chairman, other Member, Executive Director or Treasurer of the Authority (and for purposes of this Resolution, any person duly appointed to such office on an interim basis, including, without limitation, the Interim Executive Director) executing the same, with such execution to constitute conclusive evidence of such person's approval and the Authority's approval of any changes or revisions therein from the form of such Master Financing Agreement attached hereto

Section 5. Schedule(s). The Authority does hereby authorize the execution by its Chairman, its Vice Chairman, any of its other Members, its Executive Director or its Treasurer (and for purposes of this Resolution, any person duly appointed to such office on an interim basis, including, without limitation, the Interim Executive Director), and delivery of each Schedule related to the financing or the refinancing of the Project, providing for the issuance and sale of the Series 2006 Bonds to GECPF and setting forth the terms of the Series 2006 Bonds, subject to the provisions regarding the principal amount, payment schedules and interest rates set forth above and providing for the sale of the Series 2006 Bonds at a purchase price of par and further setting forth the terms and provisions applicable to such Bonds, including securing the Series 2006 Bonds by an assignment to GECPF of certain of the Authority's right, title and interest in the Master Financing Agreement and the related Schedule(s). Each Schedule shall be in substantially the form attached hereto and marked Exhibit B and hereby approved, or with such changes therein as shall be approved by the Chairman, the Vice Chairman, other Member, the Executive Director, the Treasurer (and for purposes of this Resolution, any person duly appointed to such office on an interim basis, including, without limitation, the Interim Executive Director), with such execution to constitute conclusive evidence of such person's approval and the Authority's approval of any changes or revisions therein from the form of each such Schedule attached hereto.

Section 6. Guaranty. The Authority does hereby approve the execution and delivery by SHS of one or more Guaranties, pursuant to which SHS will guarantee the payment obligations of MSH with respect to the Series 2006 Bonds and under the Master Financing Agreement. Each Guaranty shall be in substantially the form attached hereto and marked Exhibit C and hereby approved, or with such changes therein as shall be approved by official of the Authority executing the Master Financing Agreement, the execution of the Master Financing Agreement by such official of the Authority to constitute conclusive evidence of such person's approval and the Authority's approval of any changes or revisions therein from the form of Guaranty attached hereto.

Section 7. Escrow Agreement(s). The Authority does hereby authorize the execution by its Chairman, the Vice Chairman, any of its other Members, the Executive Director, the Treasurer (and for purposes of this Resolution, any person duly appointed to such office on an interim basis, including, without limitation, the Interim Executive Director) and the delivery of one or more Escrow Agreements (the "Escrow Agreements") among the Authority, MSH, GECPF and Wells Fargo Bank N.A., as escrow agent (the "Escrow Agent"), pursuant to which the proceeds of the Series 2006 Bonds will be held by the Escrow Agent until disbursed in accordance with the provisions of each such Escrow Agreement. The Escrow Agreement(s) shall be in substantially the form attached hereto as Exhibit D, and hereby approved, or with such changes therein as shall be approved by the Chairman, the Vice Chairman, other Member, the Executive Director, Treasurer (and for purposes of this Resolution, any person duly appointed to such office on an interim basis, including, without limitation, the Interim Executive Director) executing the same, with such execution to constitute conclusive evidence of such person's approval and the Authority's approval of any changes or revisions therein from the form of Escrow Agreement(s) attached hereto.

Section 8. Authorization and Ratification of Subsequent Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of this Resolution, the Master Financing Agreement, the Schedule(s), the Guaranty(ies) and the Escrow Agreement(s), in the forms attached as Exhibits hereto, including, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved. Unless otherwise provided in the Master Financing Agreement, the Schedule(s), the Guaranty(ies), the Escrow Agreement(s) or any related document, wherever in such Master Financing Agreement, the Schedule(s), the Guaranty(ies), the Escrow Agreement(s) or such related document it is provided that an action shall be taken by the Authority, such action shall be taken by the Executive Director or the Treasurer of the Authority (and any person duly appointed to such office on an interim basis, including, without limitation, the Interim Executive Director), or in the event of the unavailability, inability or refusal of the Executive Director and the Treasurer (and any person duly appointed to such office on an interim basis, including, without limitation, the Interim Executive Director) to act, any two Members of the Authority, each of whom is hereby authorized, empowered, delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth in the Master Financing Agreement, the Schedule(s), the Guaranty(ies), the Escrow Agreement(s) or such related document.

Section 8. Severability; No Conflict; Effective Date. 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. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

ADOPTED this 11th day of April, 2006.

