Illinois Finance Authority

Tuesday, February 8, 2005
1:30 PM
Board Meeting
The Plaza Club
One Prudential Plaza
130 E. Randolph, 40th Floor
Chicago, Illinois

Anthony D. D'Amato

TABLE OF CONTENTS

ILLINOIS FINANCE AUTHORITY
BOARD MEETING

February 8, 2005
Chicago, Illinois

<u>Executive Committee</u>
Two Prudential Plaza
180 N. Stetson, Suite 2555
Chicago Illinois
8:30 a.m.

Ali is terminating
end of Feb - To
be quiet about
this until announced

- Opening Remarks – Chairman Gustman
- Director's Report – Ali D. Ata
- Chief Administrative Officer's Report – Michael R. Pisarcik
  -Audit Response
  -Financial Statements
- Legal Report – Anthony D'Amato
  -Various
- Management Reports:
  -Nicholas Kyros
  -Jill Rendleman
  -Diane Hamburger
- Project Presentations:
  -Funding Managers

<u>Board Meeting</u>
One Prudential Plaza
Tower Club
130 E. Randolph Street, 40th Floor
Chicago, IL
1:30 p.m.

- Call to Order – Chairman Gustman
- Roll Call
- Chairman's Report
- Director's Report
- Other Business
  - January 2005 Preliminary Financial Statements
  - Acceptance of December 2004 Minutes

Preliminary Project Considerations

Tab	Project	Location	Amount	New Jobs	Construction Jobs	Funding Manager
3	Poplar Creek Med-Surgical Center	Hoffman Estates	$10,000,000	25	N/A	RKF
4	Mercy Alliance, Inc.	Multiple	$35,000,000	200	N/A	PL
5	YMCA of Southwest	Various	$11,000,000	158	110	RP
6	NSR Technologies, Inc.	Decatur	$8,500,000	44	100	JS
7	Midwest Investments LLC	Bartlett	$8,000,000	61	30	ST
8	Beginning Farmer Bonds					
	a) Michael Neff	Virden	$147,000	N/A	N/A	JR
	b) Jared VanBlaricum	Noble	$37,000	N/A	N/A	JR
	c) Kenneth Tate	Waverly	$162,000	N/A	N/A	JR
	d) Jason Pitcher	Montrose	$32,000	N/A	N/A	JR
	e) Matthew David Sandidge	Chandlerville	$194,000	N/A	N/A	JR
	f) Cory Miller	Danvers	$27,000	N/A	N/A	JR

Final Project Considerations

Tab	Project	Location	Amount	New Jobs	Construction Jobs	Funding Manager
9	Music and Dance Theater	Chicago	$20,000,000	1	N/A	SCM
10	Spaulding Composites	DeKalb	$625,000	5	N/A	SCM
11	Autumn Ridge Apartments LP	Carol Stream	$1~~4~~,~~4~~00,000 38	1	10	RKF
12	Commonwealth Edison	Various	$91,000,000	N/A	N/A	RKF
13	DePaul University	Chicago	$110,000,000	N/A	N/A	RKF
14	Soylutions, Inc.	McLeansboro	$715,627.50	10	10	RP
15	Karen Bramm	Lyndon	$852,500	N/A	N/A	ER
16	Beginning Farmer Bonds					JR
	a) Matthew Schertz	El Paso	$60,000	N/A	N/A	JR
	b) Adam Birchen	Pearl City	$219,000	N/A	N/A	JR
	c) ~~Adam~~ Andrew Birchen	Pearl City	$219,000	N/A	N/A	JR
	d) David P. and Sharon K. Ortmann	Germantown	$175,000	N/A	N/A	JR
	e) Dana Michelle Morris	Farmersville	$250,000	N/A	N/A	JR
	f) Michael J. Mizeur	Taylorville	$82,000	N/A	N/A	JR
	g) Brian A. Wood	Raymond	$253,000	N/A	N/A	JR
	h) William and Margo Weber	Chadwick	$250,000	N/A	N/A	JR
	i) Philip A. and Marilyn E. Dague	Oakland	$186,000	N/A	N/A	JR
	j) Matthew R. Trowitch	Fairbury	$116,000	N/A	N/A	JR
17	Perkins and Perkins LP	Peoria	$185,000	N/A	N/A	JS
18	Kane County Senior Living	Geneva	$14,000,000	16	100	ST
19	City of Metropolis	Metropolis	$3,000,000	N/A	N/A	EW

20. Pooled Tax Anticipation Warrant					
a) Batavia USD	Batavia	$8,750,000	N/A	N/A	EW/NM
b) Carpentersville CUSD	Carpentersville	$15,000,000	N/A	N/A	EW/NM
c) Grand Ridge CCSD	Grand Ridge	$400,000	N/A	N/A	EW/NM
d) Nippersink SD	Nippersink	$2,100,000	N/A	N/A	EW/NM
21. Short-Term Emergency Loan					
a) Batavia USD	Batavia	$4,000,000	N/A	N/A	EW/NM
b) Grand Ridge CCSD	Grand Ridge	$200,000	N/A	N/A	EW/NM

Project Revisions/Amendatory Resolutions

22. (1) Demar, Inc.
    (2) Knead Dough Baking Company
    (3) Illinois Health Facilities Authority
    (4) Revolving Fund Pooled Financing Program
    (5) Participation Loan
    (6) Local Government Securities
    (7) Fee Schedule

Other

23. Newspaper Articles

Adjournment

IFA
ILLINOIS FINANCE AUTHORITY

Governor / Rod R. Blagojevich
Executive Director / Ali D. Ata

1.800.526.0844 tty
1.800.526.0857 voice
Two Prudential Plaza
180 N. Stetson Ave., Ste. 2555
Chicago, IL 60601
312.651.1300
312.651.1350 fax
www.il-fa.com

Illinois Finance Authority – Director's Report
February 8, 2005

To: IFA Board of Directors and Governor's Office

From: Director Ata

I. Financial

Performance:

- Total revenues for the FYTD 2005 are $4.4 million or 18.6% above the revenue plan. Net income for FY 2005 is $1.5 million for FYTD, or 76.2% above our FY 2005 income plan.

- The income statement and balance sheet for January 2005 are attached. IFA operating expenses for January 2005 are 8.8% above the Board-approved Operating Expense Budget.

Audits:

- McGladrey & Pullen will forward the FY2004 IFA audit report to Jon Fox, the Audit Manager at the Office of the Auditor General, within the next week. Mr. Fox will then review the final draft. We expect to have the final draft for our comment and response to findings in mid-February.

Accounting and Finance Operations:

- Search for candidates to fill the CFO/Controller position continues. Several candidates were interviewed.

- Assessment of fiscal controls, procedures and recordkeeping systems by an outside firm is nearly complete.

- We initiated a project to migrate all historical information and FY2004 information on agriculture and bond bank business from legacy systems to our

Accounting and Finance Operations (continued)

Great Plains platform. We estimate that this process will be completed after the peak of the agriculture business, at the latest June 1, 2005.

II. Sales - Northern Region

- **Sales.** Activity began to pick up the week of January 10th. To date there are 16 transactions being presented at the February 8th Board Meeting. Overall activity with other opportunities continue to strengthen.

- **Sales Meeting.** IFA held its first statewide sales meeting on January 11th and 12th, 2005. Concentration was focused on two areas: (1) Product training and, (2) sales strategies and selling techniques. Several case studies were presented including role playing, emphasizing the professional manner in which IFA should be presented.

- **Health Care.** In January, two bond transactions were closed: $60 million for Southern Illinois Healthcare, Carbondale, Illinois, and $126 million for Swedish American Health System in Rockford, Illinois. Fees generated by these two transactions were $258,000.

  The Bond Buyer reported that IFA was the third largest issuer of healthcare bonds in the country for 2004. IFA closed 22 transactions totaling $1.8 million in healthcare bonds.

  At the February 8, 2005 Board Meeting a Preliminary Resolution will be presented for $35 million for Mercy Alliance, Inc., headquartered in Janesville, Wisconsin. Some of the bond proceeds will be used to acquire and prepare the land for a new hospital in Crystal Lake, Illinois. This transaction will generate a fee of $82,500. Mercy intends to return to the Authority within approximately one year to issue the bonds for the construction of the new hospital.

Sales - Central and Southern Region

- **Agriculture.** New funding managers, Bart Bittner and Eric Reed, have made personal visits to over 60 agricultural lenders in the month of January. In addition to personal visits to lenders, the agricultural funding managers are making presentations to bank boards and to agricultural related industries.

- IFA met with the Director of Farm Credit Services to discuss IFA guarantee programs and our expanded capabilities.

- IFA met with the Director of the Community Bankers Association and has agreed to sponsor and present at the Annual Agricultural Lending Conference held in Champaign in June 2005.

- The requests for IFA participation in alternative energy projects presentations this month has been high.

- IFA created a marketing letter for the Guarantee Program which supports farm producers in the purchase of stock in alternative energy or other agricultural-related industry. This letter has been distributed to all agricultural lenders and at agricultural industry cooperative meetings throughout the state.

- The requests and activity for bonds, participation loans, and guarantees have been increasing significantly over the last 4 months. There will be 16 beginning farmer bond requests and 2 participation loans presented in the February 8th board meeting.

- **Education.** Final preparations are being made to issue the TAWs in February. A large school district dropped out of the pool at the end of January, reducing the size of the first of two pools to $20M with five weeks to issue.

- Market opportunities have been revealed for technology and capital funding programs for school districts during the TAWs program marketing. These are areas formerly served by the State Board of Education and present a large capacity for IFA to serve. IFA, in conjunction with AG Edwards of St Louis and GE Capital of Chicago, will be drafting a program designed to fill these needs which will be part of an overall strategy for the educational market segment.

- IFA met with the Director of School Finance at the Illinois State Board of Education to discuss the TAWs program and other strategic funding needs of school districts.

- **Community and Culture.** We met with several Southern Illinois community leaders including the Mayors of Metropolis and Marion, as part of IFA's support for community infrastructure expansion.

- Funding managers Rick Pigg and Jim Senica made 15 presentations to cities, local governments, and economic development agencies in January.

- Fire truck loan funds are approximately 30% issued and we are targeting complete issuance within the next 30 days.

- Strategic plans are underway to begin the marketing of a Pooled Capital Bond Program for local governments to be issued in May 2005.

- **Industry and Commerce.** IFA met with the Director of the National Ethanol Research Facility located at Southern Illinois University in Edwardsville to discuss partnership development.

- Jim Senica continued a call program specific to the manufacturing industry outside of the Peoria area including Decatur, Champaign, Kankakee, metro-east, and Galesburg and has developed requests for 5 industrial revenue bonds and several participation loans.

- A calling program for banks with strong commercial banking services outside the Peoria area has also been initiated by Jim Senica and 4 presentations were made to these banks in January.

- Five presentations to alternative energy groups, including new bio-diesel and ethanol plants, have been made.

- IFA was a presentation speaker at the Illinois Annual Food Manufacturers Marketing Seminar held by the Illinois Department of Agriculture.

- **Health Care.** IFA staff received much anticipated training on the small hospital programs by Chicago staff in January and have designed a calling program in conjunction with GE Capital to call on all targeted downstate hospitals during February and March.

IV. Marketing Communications

- IFA's website was updated in December with an extensive graphic and content overhaul and to integrate predecessor sites. Found at www.il-fa.com, it has a new focus on market segments and highlights 2004 projects and jobs created. This update represents phase one of a three-phase web development plan.

- Work has begun on the IFA annual report. It will be produced in modules – financials for fiscal 2004 and, separately, an overview of accomplishments of calendar year 2004. The modules will be finalized once we have audited statements.

- **Press Activity**. The following releases were issued:
  - IFA ranked 10th in the nation in municipal bond issuance, 2004
  - IFA #3 issuer in the nation in the healthcare sector, 2004
  - Calendar year 2004 results: $3.3 billion approved, 3700 jobs created, and market sector details
  - January '05 closings

Marketing and Communications (continued)

- **Press coverage.** "Abouts" and "Mentions":
  - Ag programs continue to get good coverage in a wide variety of agri-industry media
  - RiverGlass Inc. announcement of funding from IFA and Illinois Ventures

- **Pending.**
  - Excel Foundry & Machine Press Conference – rescheduled to April (IFA participation loan helped finance business expansion, machinery and equipment acquisition)

V. Legislative Issues

- On January 11, 2005, the Illinois General Assembly passed Senate Bill 37. This Bill makes three changes to the IFA Act: (1) it increases IFA's bond authorization from $23 billion to $24 billion (this added amount should carry the IFA through May 2005, maybe June 2005), (2) it repeals the language restricting our ability to fund certain religious projects; and (3) it allows members to participate in meetings via telephonic means, provided that a quorum (which remains at 8) is physically present at the meeting.

- The IFA anticipates submitting a new bill this month seeking an additional increase in its bond authorization.

IFA
OPPORTUNITY RETURNS

INDUSTRIAL

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
Alvar, Inc.	100,000	**Participation Loan.** Construction of 10,500 sq. ft. building addition.	5	20
American Allied Freight Car Co.	275,000	**Participation Loan.** Construction of a 15,000 square foot industrial building addition.	24	20
American BioScience, Inc.	7,400,000	**Conduit Tax-Exempt Bonds.** Bonds will be used to finance the acquisition of a building, renovations, machinery and equipment and pay certain bond issuance costs.	0	0
Campagna-Turano Bakery, Inc./MEF	$6,800,000	**Industrial Revenue Bonds.** Purchase and installation of equipment and fixtures for commercial bakery facilities in Berwyn and Bolingbrook.	40	0
Central Illinois Light Company/Ameren CILCO	19,200,000	**Pollution Control Revenue Refunding Bonds.** Proceeds will be used to refinance $19,2000,000 of outstanding Series 1992A and Series 1992B Pollution Control Refunding Revenue Bonds for the Duck Creek Power Plant located in unincorporated Fulton County.	0	0

INDUSTRIAL

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
Central Illinois Public Service Company/Ameren CIPS	35,000,000	**Pollution Control Revenue Refunding Bonds.** Proceeds will be used to refinance $35,000,000 of outstanding IFA (IDFA) Series 1993A Pollution Control Revenue Refunding Bonds.	0	0
Cherry Valley Tool & Machine	2,400,000	**Industrial Revenue Bonds.** Acquisition/renovation of existing manufacturing facility, construction of building addition, and equipment purchase.	20	15
CFC International Inc.	2,000,000	**Conduit Industrial Revenue Bond.** Finance purchase of building, machinery, equipment and pay certain issuance costs.	30	0
Commonwealth Edison Company	91,000,000	**Conduit Tax Exempt Bonds.** Reissuance of Series 1994D bonds to extend final maturity and revise certain issuance costs.	0	0
Deli Star Corporation	150,000	**Participation Loan.** Purchase production equipment.	14	10
Doreen's Pizza, Inc.	359,500	**Participation Loan.** Construct new manufacturing/warehouse facility.	25	48
Durango Products, Inc.	1,000,000	**Participation Loan.** Renovate, expand and equip an industrial site in Chicago.	0	0

IFA
OPPORTUNITY RETURNS

INDUSTRIAL

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
E. Kinast Distributors, Inc.	3,600,000	**Conduit Tax-Exempt Bonds.** Finance acquisition of land, construction, machinery and equipment.	13	87
Excel Crusher Technologies, LLC	1,000,000	**Participation Loan.** Construction of an industrial building and acquisition of manufacturing machinery and equipment.	40	0
Excel Foundry and Machine, Inc.	795,000	**Participation Loan.** Machinery and equipment acquisition.	10	15
Homeway Homes, Inc.	300,000	**Participation Loan.** Acquisition of various equipment used in the applicant's modular home manufacturing business.	56	0
Illinois Biodiesel Company	21,800,000	**Conduit Taxable Industrial Revenue Bonds**. Acquire land, construct a new building, purchase new equipment and pay bond issuance costs.	11	100
JR Plastics/StyleMaster	3,200,000	Equipment acquisition and issuance costs.	53	0

INDUSTRIAL

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
MacLean-Fogg Company/MetForm, LLC	$7,300,000	**Tax-Exempt New Money Bonds and Tax-Exempt Refunding Bonds.** Proceeds will be used to refinance outstanding Industrial Revenue Bonds, acquire new machinery and equipment, rehabilitate a manufacturing plan and pay costs of issuance.	42	0
Midwest Investment LLC	$8,000,000	**Industrial Revenue Bonds.** Acquire 10-acre site building, construct and equip 100,000 square-foot industrial building.	61	30
Newline Hardwoods, Inc.	$299,674	**Participation Loan.** Acquisition of kiln drying lumber equipment	38	0
NSR Technologies	$8,500,000	**Conduit Tax-Exempt Bonds**. Finance construction of a manufacturing facility.	44	100
Olympia Food Industries, Inc.	$8,500,000	**Industrial Revenue Bonds.** Industrial Revenue Bonds. Finance purchase, renovation and equip existing 52,000 sq. ft. manufacturing facility.	0	0
P&P Press, Inc.	$650,000	**Participation Loan.** Acquisition of new machinery and equipment.	4	0
Peoples Gas Light and Coke Company	$50,000,000	**Industrial Revenue Bonds.** Refinance Prior Series 1995 Bonds originally issued by the City of Chicago.	0	0

IFA
OPPORTUNITY RETURNS

INDUSTRIAL

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
Perkins & Perkins LP	$185,000	**Participation Loan.** Purchase of 2.25 acres of land and a 30,500 square foot building.	0	0
Republic Service Inc.	18,000,000	**Series 2004A Bonds & Series 2004B Bonds**. Finance landfill improvements, purchase equipment and current refunding.	14	15
Roesch, Inc.	300,000	**Participation Loan**. Purchase production equipment.	16	0
Roho, Inc.	300,000	**Participation Loan.** Purchase production equipment. Roho is the premier medical air-cushion manufacturer worldwide.	0	0
The Spotted Cow, Inc.	300,000	**Participation loan.** Land acquisition and construction of 4,500 sq. ft. commercial building	10	9
The Steel Works, LLC	4,000,000	**Industrial Revenue Bonds**. Finance building construction, purchaser machinery & equipment, and pay certain issuance costs.	28	25
Stookey Township	5,000,000	**Conduit Tax-Exempt Bonds**. To purchase land and make improvements for use as public parks to be located in the township.	0	0

INDUSTRIAL

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
Termax Corporation	3,700,000	**Industrial Revenue Bonds.** Finance acquisition of land, building, renovations, machinery and equipment and pay certain bond issuance costs.	20	0
Trim Rite Foods/Spring Hill Holdings	8,500,000	**Volume Cap. Preliminary Bond Resolution.** Purchase land, construct and equip facility and fund bond issuance costs.	265	100
Transparent Container	6,000,000	**Conduit Tax-Exempt Bonds.** Finance building acquisition, machinery and equipment. Renovations, and pay bond issuance costs.	37	20
Uresil Acquisition Group, LLC	300,000	**Participation Loan.** Participation loan. Acquisition of business assets. Uresil produces medical devices for specialized fields of interventional radiology and minimally invasive surgery.	0	0
Vision Molded Products, Inc.	3,200,000	**Industrial Revenue Bonds.** Acquisition and renovation of a manufacturing facility that Vision currently leases.	63	10
Wise Investments, LLC	6,200,000	**Conduit Industrial Revenue Bonds.** Purchase, renovate and equip a manufacturing facility, and pay certain bond issuance costs.	25	0
INDUSTRIAL TOTALS:	**$335,614,174**		**1008**	**624**

EDUCATION

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
Alliance for Character in Education	5,650,000	**Conduit 501(c)(3) Bonds.** Construction of new gymnasium, refinance existing debt, capitalize interest and fund professional and bond issuance costs.	5	64
Aspira, Inc., of Illinois	10,000,000	**Conduit Not-for-Profit Bonds.** Purchase and renovate existing building, purchase furniture, fixtures and equipment, capitalize interest, and bond issuance costs.	134	12
Columbia College	$5,495,000	**Conduit Tax-Exempt Bonds and Refunding Bonds.** Proceeds will be used to refund outstanding Series 1992 A&B IFA (IEFA) revenue bonds, deposit funds into debt service reserve fund, and pay certain costs of issuance.	0	0
DePaul University	106,975,000	**Conduit 501(c)(3) Bonds.** Acquisition financing of residential facilities.	0	0
DePaul University	110,000,000	**501(c)3 Revenue Bonds.** Refund all outstanding Series 1992 IFA Bonds and Advance Refund all outstanding Series 1997 IFA Bonds.	0	0

EDUCATION

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
Fox River Valley Country Day School	33,000,000	**501(c)(3) Bond Financing**. Finance the construction of a new school building.	0	0
Illinois College	20,000,000	**Conduit Tax-Exempt Bonds**. Refund outstanding indebtedness, and fund bond issuance costs.	15	200
Illinois Institute of Technology	20,000,000	**Conduit Tax-Exempt Bonds**. Renovate, fixtures, equipment, capitalize interest and fund bond issuance costs.	60	150
Illinois Institute of Technology - Research Institute	18,820,000	**Conduit Tax-Exempt Bonds.** Renovations, equipment, capitalize interest and fund professional bond issuance costs.	60	150
Loyola University	58,800,000	**Conduit Tax-Exempt and Taxable Bonds.** Construct a new student living facility, construct a new Life Sciences Building, and fund bond issuance costs.	30	250
MJH Education Assistance	97,500,000	**501(C)(3) Revenue Bonds**. New dorm construction at DePaul University's Lincoln Park campus.	22	150

IFA
OPPORTUNITY RETURNS

EDUCATION

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
North Shore Country Day School	11,500,000	**Conduit Not-for-Profit Bonds.** Construct and equip new sciencecenter, renovate existing facilities, capitalize interest and pay for bond issuance costs.	106	100
Northwestern University	135,800,000	**Conduit Tax-Exempt Bonds.** Construction, renovation, equipment, fund professional bond issuance costs.	150	250
Penny Lane School	740,000	**Participation Loan.** Acquisition and rehab loan.	60	75
Pooled Warrant Program for Illinois School Districts 2004-A Springfield Public SD #186 **($15M)** Nippersink SD #2 **($2M)** Massac County CUSD #1**($1M)** Consolidated SD #95 **($300MM)**	18,300,000	**Tax Anticipation Warrant.** Provide assistance to cover short-falls in working cash.	0	0
Robert Morris College	11,675,000	**Conduit Tax-Exempt Bonds.** Bond proceeds will be used to finance the expansion of several campus facilities, fund a debt service reserve, pay capitalized interest, and pay certain bond issuance costs.	0	20

EDUCATION

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
Rogers Park Montessori School	11,750,000	**Conduit 501©(3) Bonds.** Purchase land, construct & equip classroom, cafeteria, library, administrative areas and play lots. Capitalize interest and pay a portion of professional and bond issuance costs.	20	50
Sauk Valley Community College	$7,120,000	**Conduit Tax-Exempt Bonds.** Bond proceeds will be used to finance the construction of a 3-building student housing complex and to pay bond issuance costs.	5	100
University of Chicago	280,000,000	**501(c)(3) Revenue Bonds.** Finance, refinance, or reimbursement for all or a portion of the costs of acquisition, construction, renovation and equipping certain educational facilities, and pay costs of bonds issuance.	200	200
EDUCATION TOTALS:	**$963,125,000**		**867**	**1,771**

IFA
OPPORTUNITY RETURNS

HEALTHCARE

PROJECT TYPE	AMOUNT		NEW JOBS	CONST. JOBS
Alexian Brothers Health System	80,000,000	**Conduit 501(c)(3) Bonds.** Modernize and expand hospital facilities	0	200
BroMenn Healthcare & Foundation	50,097,346	**Conduit 501(c)(3) Bonds.** Refinance 1985D, 1990A, 1992 and 2002 Bonds, capital expenditures at facilities and pay issuance costs.	0	0
Carle Foundation	196,625,000	**Conduit Tax Exempt Bonds.** Refund portion of outstanding principal. Finance cost of acquisition, construction, renovation and equipment.	0	0
Central DuPage Health	240,000,000	**Conduit 501(c)(3) Bonds.** Finance expansion and modernization of certain health facilities, refinance existing tax-exempt bonds previously issued by Wyndemere.	0	0
Children's Memorial Medical Center	54,725,000	**Conduit 501(c)(3) Bonds.** Advance refund callable Series 199A Bonds, issuance and enhancement costs.	0	0

HEALTHCARE

PROJECT TYPE	AMOUNT		NEW JOBS	CONST. JOBS
The Clare at Water Tower	$225,000,000	**Conduit Tax Exempt Bonds.** Finance development and construction equipping of new continuing care retirement community.	147	400
Covenant Retirement Communities	19,315,000	**Conduit Taxable Bonds.** Advance refund Series 1997 bonds, capitalize debt service reserve fund, and pay certain issuance costs.	0	0
Edward Hospital	30,000,000	**Conduit Tax-Exempt Bonds.** Current refunding of callable Series 1993A Bonds, and pay bond issuance costs.	0	0
Franciscan Communities, Inc.	17,340,000	**Conduit 501(c)(3) Bonds.** Finance construction of nursing and assisted living facility, fund debt service reserve, refinance borrower's existing tax-exempt bond obligation issued by IHFA.	0	100
Greenville Regional Hospital, Inc.	1,684,000	**Conduit Tax-Exempt Lease.** Acquisition of Siemens MRI equipment.	11	20
Hopedale Medical Complex	1,400,000	**Conduit Tax-Exempt Lease.** Acquisition of Siemens CT Scanner.	10	0

IFA
OPPORTUNITY RETURNS

HEALTHCARE

PROJECT TYPE	AMOUNT		NEW JOBS	CONST. JOBS
Illinois Primary Healthcare Assoc.	2,300,000	**Conduit 501(c)(3) Bonds.** Finance new clinic/administrative building, refinance existing debt and leases.	6	7
Ingalls Health System	48,000,000	Conduit Tax Exempt Bonds. Finance construction and modernization of the hospital campus and routine capital expenditures.	0	0
J. Allen Potter	300,000	**Participation Loan.** Construction of 9,360 sq. ft. professional building and acquisition of 1.25 acres of land.	2	0
Loyola University Medical Center	15,500,000	Conduit Tax Exempt Bonds. Build garage, expenses and issuance costs.	0	50
Northwestern Memorial Hospital	499,930,000	**Conduit 501(c)(3) Bonds.** Finance expansion and modernization of facilities. Bond proceeds to refinance existing tax-exempt bond debt issued by IHFA, and other outstanding indebtedness.	600	3,500

HEALTHCARE

PROJECT TYPE	AMOUNT		NEW JOBS	CONST. JOBS
OSF Healthcare System	92,605,000	**Conduit Tax-Exempt Bonds.** Current Refund of Callable IFA (IHFA) Series 1993 Bonds and pay issuance costs.	0	0
Poplar Creek Developers/Poplar Creek Med-Surgical Center	10,000,000	**Taxable Industrial Revenue Bonds.**	25	0
Rest Haven Christian Services	37,300,000	**Conduit Tax-Exempt Bonds.** Refinance existing indebtedness, enhance liquidity, capitalize a debt service reserve fund, and pay costs of issuance.	0	0
Riverside Health System	46,450,000	**Conduit 501(c)(3) Bonds.** Refund all or a portion of Series 1998 and Series 2000 Bonds of Riverside and its subsidiaries/affiliates, capitalize debt service reserve fund, pay bond issuance and credit enhancement costs.	0	0
Roseland Community Hospital	10,500,000	**Conduit Tax-Exempt Bonds.** Bond proceeds used to fund expansion and renovation of the Obstetrics Department, renovate and replace heating and cooling plants, refinance Series 1978 Bonds and pay bond issuance costs.	8	45

IFA
OPPORTUNITY RETURNS

HEALTHCARE

PROJECT TYPE	AMOUNT		NEW JOBS	CONST. JOBS
St. Anthony's Health Center	4,795,000	**501(c)(3) Bond Financing.** Pay/reimburse borrower, equipment, construction, and renovation.	0	0

HEALTHCARE

PROJECT TYPE	AMOUNT		NEW JOBS	CONST. JOBS
Southern Illinois Healthcare Enterprises	69,000,000	**Conduit Tax Exempt Bonds.** Modernize and expand hospital facilities located in Carbondale, Herrin and Murphysboro.	0	200
Springfield Center for Independent Living	355,000	**Conduit Tax-Exempt Lease.** Land acquisition and office building.	6	30
Swedish American Health System	125,000,000	**Conduit Tax Exempt Bonds.** Finance construction and modernization of hospital campus and routine capital expenditures of existing health facilities.	0	0
Thorek Hospital	4,000,000	1985 Pool Loan.	0	0
HEALTHCARE TOTALS:	**$1,882,221,346**		**815**	**4,552**

IFA
OPPORTUNITY RETURNS

AGRICULTURE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
AquaRanch Industries/Myles Harston	285,000	Construct greenhouse, and related equipment.	0	0
Clayton D. and Ashlyn L. Becker	131,040	Beginning farmer bond loan.	0	0
Eric W. and Dawn M. Beyers	100,000	Beginning farmer bond loan.	0	0
Adam Birchen	219,000	Beginning farmer bond loan.	0	0
Andrew Birchen	219,000	Beginning farmer bond loan.	0	0
Matthew Blum	107,000	Beginning farmer bond loan.	0	0
Keith Bouillon	500,000	Beginning farmer bond loan.	0	0
James Lee and Bonnie May Brewer	110,000	Beginning farmer bond loan.	0	0
Kevin and Donald Burgener	314,000	Debt restructuring.	0	0
Alexander and Trisha Chung	207,900	Beginning farmer bond loan.	0	0
William Clothier	250,000	Beginning farmer bond loan.	0	0

IFA
OPPORTUNITY RETURNS

AGRICULTURE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
Philip and Marilyn Dague	186,000	Beginning farmer bond loan.	0	0
Jeff Delheimer	250,000	Beginning farmer bond loan.	0	0
Ralph and Deborah Diericks	500,000	Loan Guarantee. For specialized livestock.	0	0
Clint and Rebecca Dotterer	78,000	Beginning farmer bond loan.	0	0
Mark and Kelli Dozier	250,000	Beginning farmer bond loan.	0	0
Marc and Allison Duffy	242,500	Beginning farmer bond loan.	0	0
Larry W. Elridge	250,000	Inducement Resolution.	0	0
Jeremiah D. Fleming	165,150	Beginning farmer bond loan.	0	0
David Gerdes	146,000	Beginning farmer bond loan.	0	0
Ken and Wendy Gerlach	171,000	Beginning farmer bond loan.	0	0
Robert and Julia Goddeke	150,000	Beginning farmer bond loan.	0	0

IFA
OPPORTUNITY RETURNS

AGRICULTURE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
Stewart and Beverly Haas	500,000	Refinance existing real estate notes, machinery debt and operating loan carryover.	0	0
Daniel and Pamela Hish	205,000	Extend existing IFA guaranteed loan.	0	0
Paul and Pamela Hooks	207,500	Beginning farmer bond loan.	0	0
Michael and Clarissa Hunt	194,600	Beginning farmer bond loan.	0	0
Carl and Lori Kettlekamp	189,000	Inducement Resolution.	0	0
Kyle Kiefer	132,300	Beginning farmer bond loan.	0	0
Mark and Jennifer Kinneer	210,000	Beginning farmer bond loan.	0	0
Brice and Carol Lawson	300,000	Restructure debt on guaranteed loan.	0	0
Kevin and Emily Lilienthal	250,000	Inducement Resolution.	0	0
Scott Lucas	137,700	Beginning farmer bond loan.	0	0

IFA
OPPORTUNITY RETURNS

AGRICULTURE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
Matthew and Michelle Merritt	152,000	Beginning farmer bond loan.	0	0
Larry and Susan Messer	32,000	Beginning farmer bond loan.	0	0
Michael J. Mizeur	82,000	Beginning farmer bond loan.	0	0
Dana Morris	250,000	Beginning farmer bond loan.	0	0
Brandon Niekamp	108,000	Beginning farmer bond loan.	0	0
Jason D. Organ	250,000	Beginning farmer bond loan.	0	0
Michael and Gabriele Oltmann	45,000	Beginning farmer bond loan.	0	0
David and Sharon Ortmann	175,000	Beginning farmer bond loan.	0	0
Garry M. Pope	250,000	Beginning farmer bond loan.	0	0
Craig Ratermann	132,000	Beginning farmer bond loan.	0	0
Darin Ratermann	126,000	Beginning farmer bond loan.	0	0

IFA
OPPORTUNITY RETURNS

AGRICULTURE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
Daniel K. Reed/Pearl Valley Cheese Company, Inc.	390,000	Loan guarantee for buildings, equipment, improvements and working capital.	11	0
Philip J. and Katherine Richardson	60,000	Beginning farmer bond loan.	0	0
Matthew Schertz	60,000	Beginning farmer bond loan.	0	0
Paul D. and Lynn R. Schneider	500,000	Refinance existing operating carryover and increase guaranteed loan amount	0	0
Jeff and Dee Dee Seabaugh	500,000	Loan Guarantee. Debt restructuring.	0	0
Ronald and Suelleen Shike	$140,000	Beginning farmer bond loan.	0	0
Scott Soberg	250,000	Beginning farmer bond loan.	0	0
Soylutions, Inc.	715,627	**Participation Loan**. Permanent financing for building construction & installation of a liquid fertilizer tank.	10	10
Paul G. Steinhilber	33,000	Beginning farmer bond loan.	0	0

IFA
OPPORTUNITY RETURNS

AGRICULTURE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
David and Cindy Stoll	190,000	Refinancing existing machinery notes and operating carryover.	0	0
David Thompson/Thompson Pearl Valley I	325,000	Business expansion	0	0
Timberline Farm, Inc./Hayen Family	750,000	Loan guarantee. Specialized livestock.	0	0
Jay & Christina Todd	125,000	Inducement Resolution.	0	0
David and Katherine Tolley	165,000	Loan Guarantee. For extension of debt restructuring.	0	0
Matthew R. Trowitch	116,000	Beginning farmer bond loan.	0	0
Brent and Kyria Vanhoveln	108,000	Beginning farmer bond loan.	0	0
Phil and Tracy Vock/Oink , Inc.	750,000	Loan guarantee for specialized livestock guarantee	0	0
Jared Walter	250,000	Beginning farmer bond loan.	0	0
Jordan Walter	250,000	Beginning farmer bond loan.	0	0
Chad S. Weaver	50,000	Beginning farmer bond loan.	0	0

IFA
OPPORTUNITY RETURNS

AGRICULTURE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
William and Margo Weber	250,000	Beginning farmer bond loan.	0	0
Brent A. West	90,000	Inducement Resolution.	0	0
Allen and Marilyn Weidner	500,000	Debt restructuring loan.	0	0
Jessica L. Wernsing	250,000	Beginning farmer bond loan.	0	0
Kent Wesson	500,000	Refinance operating loan carryover and existing IFDA guaranteed loan.	0	0
Brian A. Wood	250,000	Beginning farmer bond loan.	0	0
AGRICULTURE TOTALS:	**$16,327,317**		**21**	**10**

ENVIRONMENTAL

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
City of Harvey	650,000	**Conduit Tax-Exempt Bonds.** To construct and install sewers and a lift station.	0	5
City of Sparta	6,630,000	**Conduit Tax-Exempt Bonds.** Construct water and sewer infrastructure.	150	0
Construction Loan Interim Financing Program 2004	7,500,000	**Pooled Bond.** Provide funds for interim loans to certain units of local government of the State for construction and infrastructure projects.	0	0
LG Pooled Bond Program 2004-A	4,040,000	**Local Government Bonds.**		
Bourbonnais Township Park District **($900,000)**		Develop nature trails, interpretive center, access road and parking.	0	0
Village of Norris City **($575,000)**		Water sewer system improvements.	0	0
Village of Williamsville **($440,000)**		Water sewer system improvements.	0	0

IFA
OPPORTUNITY RETURNS

ENVIRONMENTAL

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
City of Farmington (**$2,125,000**)		Water sewer system improvements.	0	0
Recycling Systems, Inc.	11,000,000	**Solid Waste Disposal Revenue Bonds.** Real estate improvements and purchase containers and other solid waste disposal sorting and transfer equipment.	30	70
SRF	130,000,000	**Series 2004 Leveraged SRF Bonds.** Leverage existing IEPA program assets dedicated to IEPA's Clean Water and Drinking Water State Revolving Funds.	0	0
ENVIRONMENTAL TOTALS:	**$159,820,000**		**180**	**75**

VENTURE CAPITAL

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
AccelChip	250,000	Sustain the company while building market share.	0	0
Firefly	350,000	Advanced battery technology.	10	0
Metalforming Controls	100,000	N/A	0	0
Mobitrac	$350,000	Enterprise software company with a routing and tracking product.	0	0
Moire, Inc.	$300,000	Technology	4	0
ZuChem	250,000	N/A	0	0
VENTURE CAPITAL TOTALS:	**$1,600,000**		**14**	**0**

IFA
OPPORTUNITY RETURNS

QUALITY OF LIFE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
Architektur/80, Inc. (Valley View Preservation, LP)	$7,500,000	**Multi-family Housing Revenue Bonds.** Acquisition and renovation of an existing 179 unit, 13 story senior housing property.	0	85
Autumn Ridge Apartments	$15,000,000	**Multi-family Housing Revenue Bonds.** Purchase and renovation of building.	1	10
Buena Vista Apartments	$12,700,000	**Multi-family Rental Housing Revenue Bonds.** Acquisition and renovation of existing building, and purchase of equipment.	0	20
Central City Studios, LLC	25,.100,000	**Conduit Empowerment Zone Industrial Revenue Bonds.** Purchase land, equipment, construction, fund legal and professional costs.	1,015	235
Chateau Apartments, LP	$15,000,000	**Multifamily Housing Revenue Bonds.** Purchase and renovation of an existing 210 unit rental property.	1	10
Community Action Partnership of Lake County	6,250,000	**Conduit 501(c)(3) Bonds.** Construct first building of proposed 3 building complex, purchase equipment, capitalize interest and portion of issuance costs.	14	146

QUALITY OF LIFE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
Dieters Family Land Company	300,000	**Participation Loan.** Finance construction of a new funeral home.	1	30
Eagle Theatre Corporation	$300,000	**Participation Loan.** Acquisition, renovation and equipping 20,000 square foot building in Robinson, for use as a five-screen 600 seat movie theatre.	10	25
Englewood Cooperative Apartments, Inc.	$6,500,000	**Conduit Tax-Exempt Bonds.** Refinance existing HUD Direct 202 debt, and finance building renovations.	0	15
Fairview Obligated Group	$47,935,000	**Conduit Tax-Exempt Bonds**. Advance refund IHFA Series 1995 bonds, 1999 bonds, enhance liquidity, capitalize debt service reserve, pay issuance costs.	0	0
Featherfist & Featherfist Development Corporation	$1,500,000	**Conduit 501(c)(3) Bonds.** Partially finance the construction of a commercial office building, and refinance property indebtedness.	25	0
Freeport Area Economic Development Foundation, Inc.	$250,000	**Participation Loan.** Construction of a new Freeport/Stephenson County Visitors Center.	1	15
Harvest Christian Academy	$16,250,000	**Conduit Tax Exempt Bonds.** Bond proceeds will be used to finance construction and renovations.	0	0

QUALITY OF LIFE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
Hinsdale Mirabel LP	$39,500,000	**Multi-family Housing Revenue Bonds.** Purchase and renovation of an existing 582 unit building for low-income families.	0	20
Hispanic Housing Development Corp.	$2,300,000	**Not-for-Profit 501(c)3 Bonds.** Finance the acquisition and renovation of office building and partially pay issuance costs.	21	0
Homeway Homes, Inc.	$300,000	**Participation Loan.** Acquisition of equipment.	56	0
Huskies Hockey Club, Inc.	13,000,000	**Conduit 501©(3) Bond.** Construction of ice arena in Romeoville.	10	150
Jewish Federation of Metropolitan Chicago	$28,750,000	**Revenue Anticipation Notes.** Cash management savings used to expand services provided to affiliates.	0	0
Kane County Senior Living	$14,000,000	**501(c)(3) Revenue Bonds.** Acquisition of land and construction costs.	16	100
Kishwaukee Family Young Men's Christian Association	950,000	**501(c)(3) Lease Financing.** Bond proceeds will be used to finance new construction and refinance existing mortgage.	16	50

QUALITY OF LIFE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
Kohl's Childrens Museum	$13,395,000	**Conduit Tax-Exempt Bonds.** New facility construction, equipment, capitalize interest, fund professional and bond issuance costs.	46	100
MNM Real Estate Ventures, LLC/Excel Container, Inc.	$7,300,000	**Industrial Revenue Bonds.** Acquisition of land, construction and equipping a new manufacturing facility.	16	12
Merit School of Music	$4,000,000	**Not-for-Profit 501(c)(3) Bonds.** Finance the acquisition, renovation and furnishing of a building located at 38 S. Peoria.	13	15
Music & Dance Theater Chicago, Inc./Joan W. and Irving V. Harris Theater	$20,000,000	**501(c)3 Revenue Bonds.** Refinance existing debt.	1	0
Opportunity Home Mortgage	$50,000,000	**Tax-Exempt Single Family Mortgage Revenue Bonds.** Provide low mortgage rates and 4% downpayment assistance to low and moderate income homebuyers.	0	0
Richard H. Driehaus Museum	$15,500,000	**501(c)(3) Revenue Bonds.** Acquisition, renovation, and equipping of the Nickerson Mansion and renovation of the adjacent Murphy Auditorium.	0	0

IFA
OPPORTUNITY RETURNS

QUALITY OF LIFE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
Search Development Center	5,455,000	**Conduit Tax-Exempt Bonds.** Bond proceeds will be used to refinance existing conventional debt and to pay certain bond issuance costs.	0	0

QUALITY OF LIFE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS
Sterling Park Development	$190,000,000	**Revenue Bonds.** Acqusition, renovation and conversion of three building located in North Lawndale.	0	0
Sunshine Through Golf Foundation	$2,800,000	**Conduit Tax-Exempt Bonds.** Refund outstanding indebtedness, and fund bond issuance costs.	2	0
Villagebrook Apartments, LP	$13,000,000	Multifamily Housing Revenue Bonds. Purchase and renovation of an existing 189 unit rental property.	1	10
Waterton Vistas II, LLC	$8,500,000	**Multifamily Housing Revenue Bonds.** Purchase and renovation of existing 154 unit, 4 story, 6 building low-income multifamily rental property.	0	10
YMCA of Metropolitan Chicago	$27,000,000	**Conduit Tax Exempt Bonds.** Proceeds will be used to finance construction, refinance prior debt, refund outstanding bond issue and other acquisitions, renovations and equipment purchases.	65	200
QUALITY OF LIFE TOTALS:	**$577,735,000**		**1,331**	**1,173**
GRAND TOTALS:	**$3,936,442,837**		**4,236**	**8,205**

Illinois Finance Authority
Statement of Activities
For Period Ending January 31, 2005

	Actual January 2005	Budget January 2005	Current Month Variance Actual vs.Budget	Current % Variance	Actual YTD FY 2005	Budget YTD FY 2005	Year to Date Variance Actual vs. Budget	YTD % Variance	Explanations
REVENUE									
INTEREST ON LOANS	23,135	35,000	(11,865)	(33.9%)	186,424	233,000	(46,577)	(20.0%)	
INVESTMENT INTEREST & GAIN(LOSS)	51,009	70,000	(18,991)	(27.1%)	416,933	466,000	(49,067)	(10.5%)	
ADMINISTRATIONS & APPLICATION FEES	307,552	140,000	167,552	119.7%	3,080,665	2,050,000	1,030,665	50.3%	
ANNUAL ISSUANCE & LOAN FEES	51,424	140,000	(88,576)	(63.3%)	730,507	980,000	(249,493)	(25.5%)	
OTHER INCOME	65	-	65	0.0%	6,955	-	6,955	0.0%	
TOTAL REVENUE	433,186	385,000	48,186	12.5%	4,421,485	3,729,000	692,485	18.6%	
EXPENSES									
EMPLOYEE RELATED EXPENSES									
COMPENSATION & TAXES	307,408	272,222	35,186	12.9%	1,420,449	1,664,266	(243,817)	(14.7%)	Increase due to Incentive Pymnt
BENEFITS	17,450	17,000	450	2.6%	119,555	125,233	(5,678)	(4.5%)	
TEMPORARY HELP	-	7,000	(7,000)	(100.0%)	27,401	67,000	(39,599)	(59.1%)	
EDUCATION & DEVELOPMENT	1,515	-	1,515	0.0%	2,074	-	2,074	0.0%	
TRAVEL & AUTO	6,239	4,500	1,739	38.7%	63,094	31,500	31,594	100.3%	
TOTAL EMPLOYEE RELATED EXPENSES	332,612	300,722	31,890	10.6%	1,632,573	1,887,999	(255,426)	(13.5%)	
PROFESSIONAL SERVICES									
CONSULTING, LEGAL & ADMIN	22,528	35,000	(12,472)	(35.6%)	225,029	234,000	(8,971)	(3.8%)	
LOAN EXPENSE & BANK FEE	-	1,500	(1,500)	(100.0%)	21,662	10,500	11,162	106.3%	
ACCOUNTING & AUDITING	45,411	20,000	25,411	127.1%	106,641	150,000	(43,359)	(28.9%)	Accrual for Audit expense
MARKETING GENERAL	4,035	10,000	(5,965)	(59.6%)	86,633	70,000	16,633	23.8%	
FINANCIAL ADVISORY	8,000	12,000	(4,000)	(33.3%)	52,225	84,000	(31,775)	(37.8%)	
VENTURE CAPITAL CONFERENCE/TRAINING	-	-	-	0.0%	1,955	-	1,955	0.0%	
MISCELLANEOUS PROFESSIONAL SERVICES	-	1,500	(1,500)	(100.0%)	34,830	10,500	24,330	231.7%	
DATA PROCESSING	1,557	400	1,157	289.3%	25,872	2,800	23,072	824.0%	
TOTAL PROFESSIONAL SERVICES	81,532	80,400	1,132	1.4%	554,847	561,800	(6,953)	(1.2%)	
OCCUPANCY COSTS									
OFFICE RENT	15,098	16,900	(1,802)	(10.7%)	175,674	202,600	(26,926)	(13.3%)	
EQUIPMENT RENTAL AND PURCHASES	1,379	3,000	(1,621)	(54.0%)	18,160	21,000	(2,840)	(13.5%)	
TELECOMMUNICATIONS	3,210	1,850	1,360	73.5%	26,817	12,950	13,867	107.1%	
UTILITIES	610	1,400	(790)	(56.4%)	6,972	9,800	(2,828)	(28.9%)	
DEPRECIATION	1,981	300	1,681	560.2%	9,715	2,100	7,615	362.6%	Great Plains & New Equp. Purch.
INSURANCE	1,846	2,000	(154)	(7.7%)	9,208	14,000	(4,792)	(34.2%)	
TOTAL OCCUPANCY COSTS	24,124	25,450	(1,326)	(5.2%)	246,547	262,450	(15,903)	(6.1%)	
GENERAL & ADMINISTRATION									
OFFICE SUPPLIES	10,762	3,800	6,962	183.2%	66,025	26,600	39,425	148.2%	Tel. Equp. Move Inv from Sept.
BOARD MEETING - EXPENSES	757	-	757	0.0%	7,207	-	7,207	0.0%	
PRINTING	-	300	(300)	(100.0%)	3,343	2,100	1,243	59.2%	
POSTAGE & FREIGHT	2,039	3,000	(961)	(32.0%)	18,070	21,000	(2,930)	(14.0%)	
MEMBERSHIP & DUES	1,820	2,400	(580)	(24.2%)	11,953	16,800	(4,847)	(28.9%)	
PUBLICATIONS	-	300	(300)	(100.0%)	1,286	2,100	(814)	(38.8%)	
OFFICERS & DIRECTORS INSURANCE	9,657	11,700	(2,043)	(17.5%)	68,925	81,900	(12,975)	(15.8%)	
BAD DEBT EXPENSE	-	-	-	0.0%	(20,562)	-	(20,562)	0.0%	
TRANSFERS	2,725	-	2,725	0.0%	31,449	-	31,449	0.0%	
MISCELLANEOUS	290	500	(210)	(42.0%)	2,515	3,500	(985)	(28.1%)	
TOTAL GENERAL & ADMINISTRATION EXPENSES	28,049	22,000	6,049	27.5%	190,211	154,000	36,211	23.5%	
OTHER									
INTEREST EXPENSE	781	850	(69)	(8.1%)	5,199	5,950	(751)	(12.6%)	
TOTAL OTHER	781	850	(69)	(8.1%)	5,199	5,950	(751)	(12.6%)	
TOTAL EXPENSES	467,098	429,422	37,676	8.8%	2,629,378	2,872,199	(242,821)	(8.5%)	
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	(33,912)	(44,422)	10,510	(23.7%)	1,792,107	856,801	935,306	109.2%	
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.0%	(282,128)	-	(282,128)	0.0%	
NET INCOME/(LOSS)	(33,912)	(44,422)	10,510	(23.7%)	1,509,979	856,801	653,178	76.2%	

Illinois Finance Authority
Balance Sheet
For the Seven Months Ending January 31, 2005

	December 2004	January 2005	
ASSETS			
CASH & INVESTMENTS, UNRESTRICTED	$ 28,547,702	$ 24,572,800	
RECEIVABLES, NET	7,481,695	11,421,784	(1)
OTHER RECEIVABLES	1,199,862	1,237,116	
PREPAID EXPENSES	38,449	27,462	
TOTAL CURRENT ASSETS	37,267,709	37,259,162	
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	55,684	58,603	
DEFERRED ISSUANCE COSTS	1,071,597	1,071,597	
OTHER ASSETS - RESTRICTED			
CASH, INVESTMENTS & RESERVES	10,871,653	10,871,482	
VENTURE CAPITAL INVESTMENTS	5,393,436	5,393,436	
OTHER	4,000,000	4,000,000	
TOTAL OTHER ASSETS	20,265,089	20,264,917	
TOTAL ASSETS	$ 58,660,079	$ 58,654,280	
LIABILITIES			
CURRENT LIABILITIES	866,831	894,944	
LONG-TERM LIABILITIES	2,221,676	2,221,676	
TOTAL LIABILITIES	3,088,507	3,116,620	
EQUITY			
CONTRIBUTED CAPITAL	23,828,249	23,828,249	
RETAINED EARNINGS	11,248,485	11,248,485	
NET INCOME / (LOSS)	1,543,890	1,509,979	
RESERVED/RESTRICTED FUND BALANCE	6,268,199	6,268,199	
UNRESERVED FUND BALANCE	12,682,748	12,682,748	
TOTAL EQUITY	55,571,572	55,537,660	
TOTAL LIABILITIES & EQUITY	$ 58,660,079	$ 58,654,280	

(1) TAW's Program short-term loan of $4MM to Batavia School District

Illinois Finance Authority
Balance Sheet
for Seven Months Ending January 31, 2005
ASSETS DETAIL

	December 2004	Janaury 2005	
CASH & INVESTMENTS, UNRESTRICTED:			
GENERAL OPERATING - IFA - CASH & INVESTMENTS, UNRESTRICTED	16,889,658	12,914,756	
INDUSTRIAL REVENUE BOND INSURANCE FUND - CASH & INVESTMENTS, UNREST	11,241,941	11,241,941	
IRBB SPECIAL RESERVE FUND - CASH & INVESTMENTS, UNRESTRICTED	5,637	5,637	
IRBB TRUST FUND - CASH & INVESTMENTS, UNRESTRICTED	410,466	410,466	
Total CASH & INVESTMENTS, UNRESTRICTED	28,547,702	24,572,800	

	December 2004	Janaury 2005	
CASH & INVESTMENTS, UNRESTRICTED:			
LASALLE NATIONAL BANK - OPERATING	323,604	-1,074,669	(2)
Illinois Funds - Chicago General Operating	10,070,418	7,470,418	
Il. Funds - Springfield Operating	195,086	218,457	
PETTY CASH -	100	100	
PETTY CASH - CARBONDALE OFFICE	100	100	
PETTY CASH - SPRINGFIELD OFFICE	50	150	
MONEY MARKET ACCOUNT	-37	-37	
MONEY MARKET- MS	41,825	41,825	
BANTERRA BANK	184,187	184,187	
BANTERRA BANK - CARBONDALE	43,135	43,135	
IPTIP	1,146,138	1,146,138	
IPTIP	1,593,359	1,593,359	
IPTIP	823,794	823,794	
INVESTMENT - FARM	2,398,149	2,398,149	
CERTIFICATE OF DEPOSIT - LASALLE BANK	85,000	85,000	
Unrealized Gain/Loss on Investment	-10,530	-10,530	
Discount on FNA	-3,921	-3,921	
Premium on FHLB	411	411	
Discount on FNM	-1,311	-1,311	
Total CASH & INVESTMENTS, UNRESTRICTED	16,889,558	12,914,756	

	December 2004	Janaury 2005	
RECEIVABLES, NET			
GENERAL OPERATING - IFA - RECEIVABLES, NET	7,481,695	11,421,784	(3)
IRBB TRUST FUND - RECEIVABLES, NET	0		
TOTAL RECEIVABLES, NET	7,481,695	11,421,784	

Illinois Finance Authority
Balance Sheet
for Seven Months Ending January 31, 2005
ASSETS DETAIL

	December 2004	Janaury 2005
OTHER RECEIVABLES		
GENERAL OPERATING - IFA - OTHER RECEIVABLES	1,185,525	1,218,779
INDUSTRIAL REVENUE BOND INSURANCE FUND - OTHER	2,337	2,337
CREDIT ENHANCEMENT DEVELOPMENT FUND - OTHER	12,000	12,000
IRBB SPECIAL RESERVE FUND - OTHER RECEIVABLES	0	4,000
TOTAL OTHER RECEIVABLES	1,199,862	1,237,116

	December 2004	Janaury 2005
PREPAID EXPENSES		
GENERAL OPERATING - IFA - PREPAID EXPENSES	38,449	27,462
TOTAL PREPAID EXPENSES	38,449	27,462

	December 2004	Janaury 2005
OTHER ASSETS - RESTRICTED		
CASH, INVESTMENTS & RESERVES		
GENERAL OPERATING - IFA- CASH INVESTMENTS	5,974,915	5,977,468
CREDIT ENHANCEMENT DEVELOPMENT FUND - CASH, INVESTMENTS & RESERVES	2,414,944	2,412,219
IRBB SPECIAL RESERVE FUND - CASH, INVESTMENTS & RESERVES	2,481,794	2,481,794
	10,871,653	10,871,482

(2) January 2005 General Ledger balance pending January Bank Reconciliation

(3) TAW's Program short-term loan of $4MM to Batavia School District

IFA Aging Report - DL-PL-PL/MPF - January 31, 2005

Client#	Client Name	Date of Closing	P.A	Payment 1/31/2004	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 01/31/05
PARTICIPATION LOANS												
9580-pl	Act Bending & Steel Company, Inc.	4/3/2001		Past Due	300,000.00						143,236	143,236
9879-pl	Alexis Fire Equipment	3/4/2004	Senica	Yes	247,610.78							198,774
9830-PL	Arnold, Michael & Sandy	7/15/2003	Senica	Yes	147,406.77							139,588
9677-PL	Berry, Todd (Precision Laser)	11/5/2001	Senica	Yes	188,613.10							155,705
2110-PL	Bob Brady Dodge, Inc. (J & C Investment)	1/4/2000	Senica	Yes	300,000.00							235,270
9757-PL	Brahler, Richard W.	4/30/2002	Senica	Yes	297,591.78							275,849
1943-PL	Bushert, Forrest D.	8/10/1998	Senica	Yes	240,000.00							184,379
1881-PL	Caywood's Youth Center, Inc.	6/16/1998	Pigg	Yes	237,500.00							187,932
9792-PL	Chapman, Marc (Quality Water Services, Ir	10/25/2002	Senica	Yes	227,386.96							164,104
9817-PL	Centurion Investments	11/4/2003	Pigg	Yes	300,000.00							290,105
1940-PL	Commercial Transport	4/28/1998	Pigg	Yes	280,000.00	1,556						155,502
9588-PL	Cushing, Steve & Ed	5/21/2001	Pigg	Yes	149,237.50							103,039
	Deli Star Corporation	1/10/2005	Pigg	yes	150,000.00							148,578
9835-PL	Eagle Theater Corporation	9/8/2003	Trout/Albright	no	295,070.51	2,304						279,556
9793-PL	Excel Foundry	3/27/2003	Senica	no	237,112.35	2,624						201,398
1904-PL	Hagel & Leong (2nd loan)	2/8/2002	Senica	Yes	100,817.48							43,824
1844-PL	Hawkeye Food Machinery, Inc.	1/17/1997	Senica	Yes	250,000.00							190,558
9738-PL	Illinois Forest (equip. portion)	5/14/2002	Senica	Past due	98,450.00						76,566	76,566
9738-PL	Illinois Forest (real estate portion)	5/14/2002	Senica	Past due	150,000.00						136,479	136,479
9286-PL	Illinois Valley Plastics, Inc.	5/9/2001	Senica	Yes	216,928.69							45,672
9726-PL	Kevin Krosse	2/15/2002	Senica	no	114,084.45	990						97,451
9783-PL	Keyser, David (Klean Wash, Inc.)	8/13/2002	Senica	Yes	100,000.00							76,390
1907-PL	Lincoln Tool Company	6/12/1997	Senica	Yes	150,000.00						108,972	108,972
1927-PL	Moerchen, William J.	6/12/1997	Cochran	Yes	300,000.00							136,245
	Newline Harwoods, Inc	11/4/2004	Senica	Yes	294,600.74							288,676
	Octochem	12/31/2003	Cochran	No	281,538.00	1,632						270,921
9781-PL	S & B Investments	2/18/2003	Cochran/Trout	Yes	197,889.23							179,830
9699-PL	Shults Machine	11/26/2002	Cochran	Yes	234,693.00							189,384
9579-PL	Siebenberger, Douglas & Robt. Ewen	5/17/2002	Cochran	Yes	235,698.79							213,100
9225-PL	Siracusa, Charles & Sharon	3/23/2000	Frampton	Yes	300,000.00							260,305
1869-PL	Specialty Machine & Tool, Inc.	4/2/1997	Cochran	Past due	87,172.87						71,943	71,943
	Roesch, Inc	9/23/2004	Cochran	Yes	294,368.11							287,039
9671-PL	Upchurch Oil & Ready Mix Concrete	5/4/2001	Cochran	Past due	300,000.00	2,338	2,338					215,952
	Uresil	12/1/2004	Curtis-Martin	Yes	300,000.00							298,207
9631-PL	The Weisiger Family Trust	4/6/2001	Senica	Yes	250,000.00							226,318
2164-PL	Wiegand, Beth A.	6/10/1999	Senica	Yes	183,484.09							148,916
9782-PL	Wilson, Michael L. Sr.	12/6/2002	Senica	Past due	296,031.82	2,439	2,439					284,229
	WorkSaver Inc	12/31/2003	Cochran	Yes	112,500.00							90,798
9672-PL	Young, Clinton (Precision Pattern)	8/1/2001	Senica	Yes	149,600.71							142,092
PL-Motion Picture Financing												
9733-PL/MPF	Big Picture Chicago,LLC	2/20/2002			82,500.00						16,432	16,432
9739-PL/MPF	SMS Productions	7/29/2002	Trout	Past due	49,269.97	1,500						4,928
	TOTAL				$ 8,924,973.89	15,382	4,777	-	-	-	553,626	6,984,239
PL/MPF Late amounts are estimates.												
DL Loans												
98	Roe Machine Co.	12/31/1980	Cochran	Yes	45,000.00							6,784
1470	T.K.G. Inc.	8/26/1994	Cochran	Past due	179,000.00						107,808	107,808
	TOTAL				$ 224,000.00	-	-	-	-	-	107,808	114,592
FMHA Loans												
9627	Grayson Hill Energy, LLC	1/31/2001	Cochran	Yes	130,000.00							87,766
1589	Ray's Body, Inc.	1/17/1995	Cochran	Yes	100,000.00							2,455
1952	Sublette Developers, Inc.	1/15/1998	Albright	Yes	150,000.00							113,072
9643	Ultra Play Systems, Inc.	5/3/2001	Cochran	Past due	90,000.00	1,314						50,135
1789	Walters Trucking	6/25/1996	Senica	Past due	100,000.00	1,110	1,110					22,209
	TOTAL				$570,000.00	2,424	1,110	-	-	-	-	275,637
	GRAND TOTAL					17,806	5,887	-	-	-	681,434	7,354,468

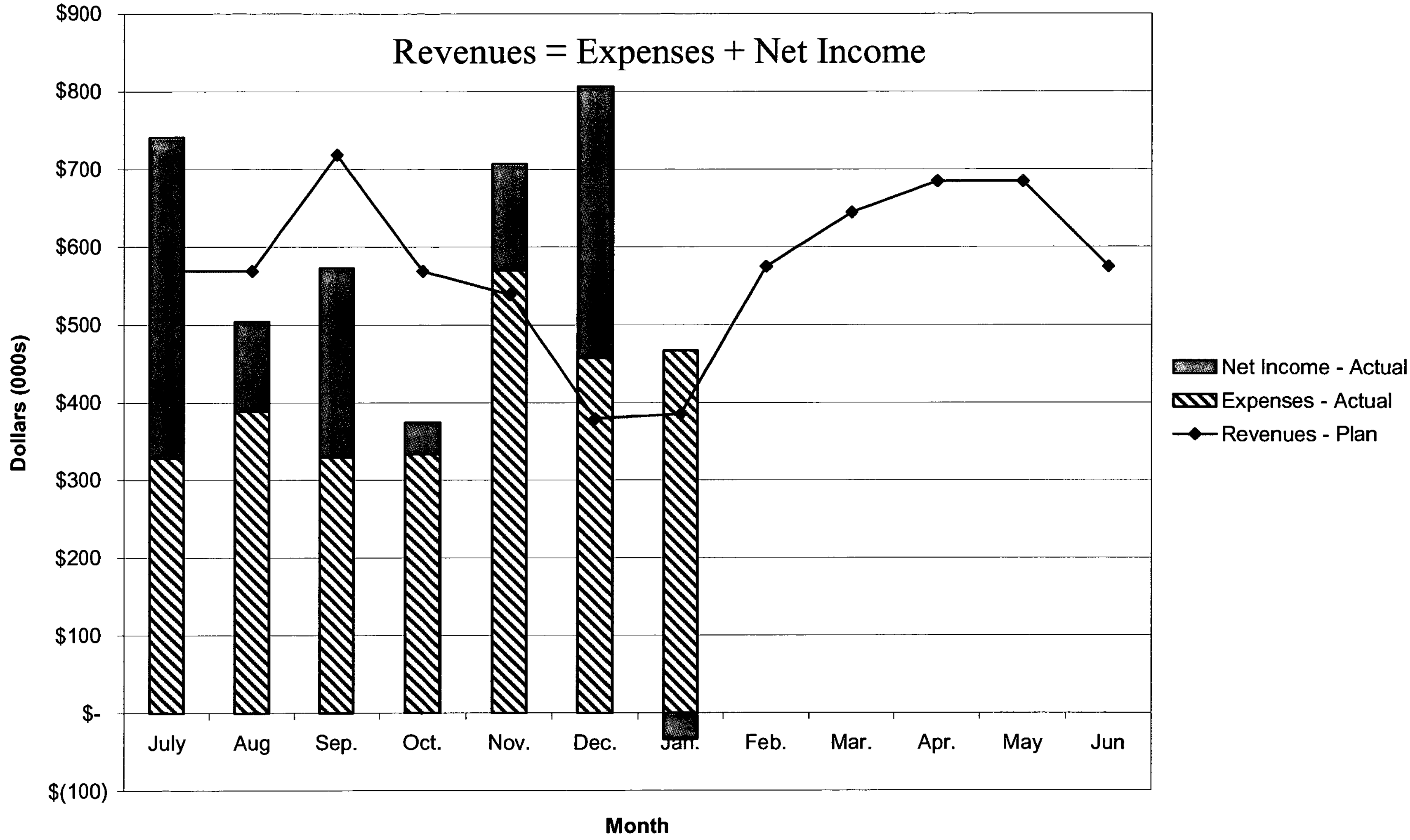
IFA Aging Report - DEFUNCT - January 31, 2005

Client#	Client Name	Date of Closing	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 1/31/2004
Defunct Loans										
1619-DL	Sanyo Automotive Parts	12/11/1995	240,000.00						182932.77	182,932.77
622-DL	Tallman, Jack & Associates	8/28/1986	150,000.00						130,517.87	130,517.87
1816-CL	River City Mobile Catering	7/24/1996	58,500.00						17,372.04	17,372.04
870-T9	Advanced Thermal	8/28/1987	100,000.00						91,483.50	91,483.50
1612-SBA	Frank Alexander Enterprises	12/21/1994	25,000.00						25,000.00	25,000.00
1692-SBA	Cool Temptations, Inc.	5/10/1995	15,700.00						13,779.43	12,379.40
1499-SBA	Energy Savings Associates	12/29/1993	25,000.00						25,000.00	25,000.00
1564-SBA	Martin, Karen Ann	7/25/1994	25,000.00						15,285.27	15,285.27
1841-PL	Symonds, Ronald (Deceased)	10/1/1997	46,600.00						16,932.27	16,932.27
1172-EF	Hughes Industries	3/29/1991	200,000.00						200,000.00	200,000.00
1055-EF	Washington Terrace	5/14/1990	250,000.00						235,000.00	235,000.00
	TOTAL		$ 1,135,800.00						$ 953,303.15	$ 951,903.12

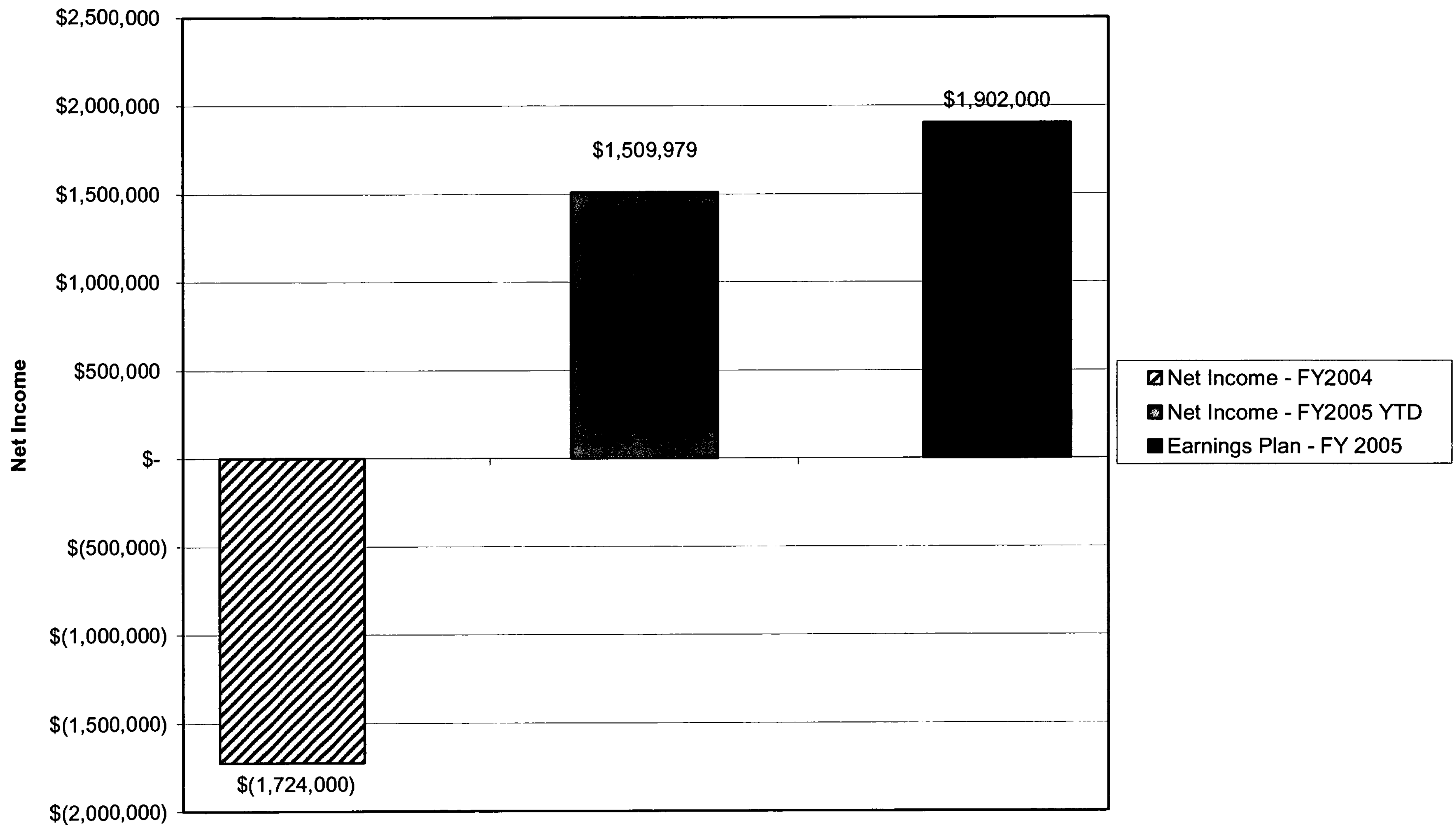
Illinois Finance Authority
Statement of Activities
For Period Ending December 31, 2004

	Actual December 2004	Budget December 2004	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2005	Budget YTD FY 2005	Year to Date Variance Actual vs. Budget	YTD % Variance
REVENUE								
INTEREST ON LOANS	27,603	33,000	(5,397)	(16.4%)	163,288	198,000	(34,712)	(17.5%)
INVESTMENT INTEREST & GAIN(LOSS)	60,939	66,000	(5,061)	(7.7%)	365,924	396,000	(30,076)	(7.6%)
ADMINISTRATIONS & APPLICATION FEES	685,267	140,000	545,267	389.5%	2,773,113	1,910,000	863,113	45.2%
ANNUAL ISSUANCE & LOAN FEES	54,256	140,000	(85,744)	(61.2%)	679,083	840,000	(160,917)	(19.2%)
OTHER INCOME	6,599	0	6,599	0.0%	6,890	0	6,890	0.0%
TOTAL REVENUE	834,664	379,000	455,664	120.2%	3,988,298	3,344,000	644,298	19.3%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	205,025	272,222	(67,197)	(24.7%)	1,113,042	1,392,044	(279,002)	(20.0%)
BENEFITS	14,982	17,000	(2,018)	(11.9%)	102,105	108,233	(6,128)	(5.7%)
TEMPORARY HELP	2,808	7,000	(4,192)	(59.9%)	27,401	60,000	(32,599)	(54.3%)
EDUCATION & DEVELOPMENT	0	0	0	0.0%	559	0	559	0.0%
TRAVEL & AUTO	17,923	4,500	13,423	298.3%	56,855	27,000	29,855	110.6%
TOTAL EMPLOYEE RELATED EXPENSES	240,739	300,722	(59,983)	(19.9%)	1,299,961	1,587,277	(287,316)	(18.1%)
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	114,033	35,000	79,033	225.8%	202,501	199,000	3,501	1.8%
LOAN EXPENSE & BANK FEE	4,436	1,500	2,936	195.7%	21,662	9,000	12,662	140.7%
ACCOUNTING & AUDITING	19,097	20,000	(903)	(4.5%)	61,230	130,000	(68,770)	(52.9%)
MARKETING GENERAL	25,639	10,000	15,639	156.4%	82,598	60,000	22,598	37.7%
FINANCIAL ADVISORY	8,100	12,000	(3,900)	(32.5%)	44,225	72,000	(27,775)	(38.6%)
VENTURE CAPITAL CONFERENCE/TRAINING	0	0	0	0.0%	1,955	0	1,955	0.0%
MISCELLANEOUS PROFESSIONAL SERVICES	8,580	1,500	7,080	472.0%	34,830	9,000	25,830	287.0%
DATA PROCESSING	2,880	400	2,480	619.9%	24,315	2,400	21,915	913.1%
TOTAL PROFESSIONAL SERVICES	182,765	80,400	102,365	127.3%	473,315	481,400	(8,085)	(1.7%)
OCCUPANCY COSTS								
OFFICE RENT	15,512	16,900	(1,388)	(8.2%)	160,576	185,700	(25,124)	(13.5%)
EQUIPMENT RENTAL AND PURCHASES	1,771	3,000	(1,229)	(41.0%)	16,782	18,000	(1,218)	(6.8%)
TELECOMMUNICATIONS	4,688	1,850	2,838	153.4%	23,607	11,100	12,507	112.7%
UTILITIES	991	1,400	(409)	(29.2%)	6,362	8,400	(2,038)	(24.3%)
DEPRECIATION	1,869	300	1,569	523.1%	7,734	1,800	5,934	329.7%
INSURANCE	1,600	2,000	(400)	(20.0%)	7,362	12,000	(4,638)	(38.6%)
TOTAL OCCUPANCY COSTS	26,431	25,450	981	3.9%	222,423	237,000	(14,577)	(6.2%)
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	5,474	3,800	1,674	44.1%	55,264	22,800	32,464	142.4%
BOARD MEETING - EXPENSES	1,309	0	1,309	0.0%	6,450	0	6,450	0.0%
PRINTING	141	300	(159)	(53.0%)	3,343	1,800	1,543	85.7%
POSTAGE & FREIGHT	1,796	3,000	(1,204)	(40.1%)	16,031	18,000	(1,969)	(10.9%)
MEMBERSHIP & DUES	6,879	2,400	4,479	186.6%	10,133	14,400	(4,267)	(29.6%)
PUBLICATIONS	501	300	201	67.1%	1,286	1,800	(514)	(28.6%)
OFFICERS & DIRECTORS INSURANCE	(9,639)	11,700	(21,339)	(182.4%)	59,268	70,200	(10,932)	(15.6%)
BAD DEBT EXPENSE	(13,975)	0	(13,975)	0.0%	(20,562)	0	(20,562)	0.0%
TRANSFERS	28,724	0	28,724	0.0%	28,724	0	28,724	0.0%
MISCELLANEOUS	18	500	(482)	(96.3%)	2,225	3,000	(775)	(25.8%)
TOTAL GENERAL & ADMINIS EXPENSES	21,229	22,000	(771)	(3.5%)	162,162	132,000	30,162	22.9%
OTHER								
INTEREST EXPENSE	289	850	(561)	(66.0%)	4,418	5,100	(682)	(13.4%)
TOTAL OTHER	289	850	(561)	(66.0%)	4,418	5,100	(682)	(13.4%)
TOTAL EXPENSES	471,453	429,422	42,031	9.8%	2,162,280	2,442,777	(280,497)	(11.5%)
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	363,211	(50,422)	413,633	(820.3%)	1,826,019	901,223	924,796	102.6%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	25,694	0	25,694	0.0%	(282,128)	0	(282,128)	0.0%
NET INCOME/(LOSS)	388,904	(50,422)	439,326	(871.3%)	1,543,890	901,223	642,667	71.3%

IFA Monthly Revenues vs. Plan, FY 2005



IFA Net Income



MINUTES OF THE REGULARLY SCHEDULED MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORTY

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held a regularly scheduled meeting at 1:30 P.M., on December 7, 2004 at the Meeting Place located at 123 North Wacker Drive, 13th Floor in Chicago, Illinois.

MEMBERS PRESENT:
Natalia Delgado
Michael Goetz
David Gustman
Dr. Roger Herrin
Edward Leonard
Martin Nesbitt
Terrence O'Brien
Timothy Ozark

MEMBERS ABSENT:
Demetris Giannoulias
Andrew Rice
Joseph Valenti

GENERAL BUSINESS ITEMS

Call to Order

Chairman Gustman called the meeting to order at approximately 1:36 P.M. with the above members present.

Roll Call

Chairman Gustman asked Secretary Pisarcik to call the roll. Having eight members present, a quorum was declared.

Chairman's Report

Chairman Gustman welcomed the audience and noted the successful completion of the first full year of operations. Specifically, he noted the increase in the number of transactions brought before the Authority – more than the prior years.

Director's Report

Director Ata welcomed the audience and echoed the Chairman's comments with respect to the first year's operations. He thanked all of the financing partners who brought their business to the Authority and welcomed future participation in transactions.

Item 1 - Acceptance of November 2004 Preliminary Financial Statements

Chairman Gustman asked for any comments on the financial statements. The Chairman pointed out that as of November the Authority showed a profit of approximately $1 million. There being no other comments, the Board continued on with the meeting.

Item 2 – Acceptance of the November 2004 Minutes

The Chairman asked if any member had any comments regarding the minutes of the Board's November meeting. Ms. Delgado asked that the minutes be amended to reflect her abstention for Item 13 – Sunshine Through Golf Foundation. The minutes were so amended to reflect the change.

Upon a motion by Mr. Nesbitt and seconded by Mr. Goetz, Chairman Gustman requested a roll call vote. The motion was approved with 8 ayes, 0 nays, and 0 abstentions. (04-12-02)

Item 3 – Appointment of Executive Director 2005

Pursuant to Section 810-15 of the IFA Act, the IFA must annually appoint an Executive Director from a list of nominees submitted to the members by the Governor. By a letter dated November 30, 2004, the Governor submitted to names for the members' consideration – Ali D. Ata and Michael Horst. Upon a motion by Mr. Ozark and seconded by Ms. Delgado, Chairman Gustman requested a roll call vote. The motion was approved with 8 ayes, 0 nays, and 0 abstentions. (04-12-03)

Initial Project Considerations

Item-04 ***N-NP-TE-CD-421: Kane County Senior Living***

This applicant requests preliminary approval of **$14,000,000** in conduit tax-exempt 501(c)(3) revenue bonds to finance a project located in **Geneva**. This project is expected to create **16 new jobs** and **100 construction jobs.**

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (04-12-04).

Item-05 ***I-ID-TE-CD-420: Wise Investments, LLC and Wise-Hamlin Plastics, Inc.***

This applicant requests preliminary approval of **$6,200,000** in conduit tax-exempt and taxable Industrial Revenue Bonds to finance a project located in **St. Charles**. This project is expected to create **25 new jobs**. This applicant will be seeking approximately **$4.2 million of IFA volume cap.**

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (04-12-05)

Item-06 ***N-NP-TE-CD-420: Opportunity, Inc.***

This applicant requests preliminary approval of **$3,700,000** in conduit tax-exempt 501(c)(3) revenue bonds to finance a project located in **Highland Park**. This project is expected to create **14 new jobs.**

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (04-12-06).

Item-07 ***B-LL-TX-421: P & P Press, Inc.***

This applicant requests final approval of **$650,000** in participation loans to finance a project located in **Peoria**. This project is expected to create **4 new jobs**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (04-12-07).

Item-08 ***B-LL-TX-411: Dieters Family Land Company, LLC (Dieters Funeral Home, Ltd.)***

This applicant requests final approval of **$300,000** in participation loans to finance a project located in **East Peoria**. This project is expected to create **1 new job** and **30 construction jobs.**

After discussion, the members determined that the request should be granted subject to the applicant's willingness to cross-collateralize the requested loan with its existing facility. The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (04-12-08).

Item-09 ***M-MH-TE-CD-409: Chateau Apartments Limited Partnership (Chateau Apartments Project)***

This applicant requests preliminary approval of **$15,000,000** in conduit tax-exempt Multifamily Housing Revenue Bonds to finance a project located in **Carol Stream**. This project will utilize approximately **$14.4 million of dedicated Carry-forward Volume Cap**. This project is expected to create **1 new job** and **10 construction jobs.**

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (04-12-09).

Item-10 ***I-ID-TE-CD-419: MNM Real Estate Ventures, LLC (Excel Container, Inc.)***

This applicant requests preliminary approval of **$7,300,000** in conduit tax-exempt Industrial Revenue Bonds to finance a project located in **Aurora**. This project will utilize approximately **$5 million of IFA Volume Cap**. This project is expected to create **16 new jobs** and **10 construction jobs**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (04-12-010).

Item-11 ***M-MH-TE-CD-408: Villagebrook Apartments Limited Partnership (Villagebrook Apartments Project)***

This applicant requests preliminary approval of **$13,000,000** in conduit tax-exempt Multifamily Housing Revenue Bonds to finance a project located in **Carol Stream**. This project will utilize approximately **$12,500,000 of IFA Carry-forward Volume Cap**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (04-12-11).

Item-12 ***A-FB-TE-CD-448: Matthew Schertz***
A-FB-TE-CD-459: Adam Birchen
A-FB-TE-CD-460: Andrew Birchen
A-FB-TE-CD-463: David P. and Sharon K. Ortman
A-FB-TE-CD-464: Dana Michelle Morris
A-FB-TE-CD-465: Michael J. Mizeur
A-FB-TE-CD-466: Bryan A. Wood
A-FB-TE-CD-467: William and Margo Weber
A-FB-TE-CD-468: Philip A. Dague and Marilyn E. Dague
A-FB-TE-CD-469: Matthew R. Trowitch

These applicants request preliminary approval for Beginning Farmer Bonds for the amounts and locations listed below:

Matthew Schertz	**$60,000**	**El Paso**
Adam Birchen	**$219,000**	**Pearl City**
Andrew Birchen	**$219,000**	**Pearl City**
David P. & Sharon K. Ortman	**$175,000**	**Germantown**
Dana Michelle Morris	**$250,000**	**Farmersville**
Michael J. Mizeur	**$82,000**	**Taylorville**
Brian A. Wood	**$250,000**	**Raymond**
William & Margo Weber	**$250,000**	**Chadwick**
Philip & Marilyn Dague	**$186,000**	**Oakland**
Matthew Trowitch	**$116,000**	**Fairbury**

The Chairman requested leave to apply the last unanimous vote to each item. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (04-12-12).

Final Project Considerations

Item-13 ***H-HO-TE-CD-409: Southern Illinois Healthcare Enterprises***

This applicant requests final approval of **$80,000,000** in conduit, tax-exempt 501(c)(3), Revenue Bonds to finance projects located in **Carbondale, Herrin** and **Murphysboro.** This project is expected to create **200 construction jobs**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (04-12-13).

Item-14 ***H-HO-TE-CD-407: Swedish American Health Systems***

This applicant requests final approval for **$135,000,000** in conduit tax-exempt 501(c)(3) Revenue Bonds to finance a project located in **Rockford.**

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (04-12-14).

Item-15 ***E-PC-TE-CD-415: Illinois College***

This applicant requests final approval of **$20,000,000** in conduit tax-exempt 501(c)(3) Revenue Refunding Bonds to finance a project located in **Jacksonville**. This project is expected to create **15 new jobs** and **200 construction jobs**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (04-12-15).

Item-16 ***N-NP-TE-CD-411: Englewood Cooperative Apartments, Inc.***

This applicant requests final approval of **$6,500,000** in conduit tax-exempt 501(c)(3) Revenue Bonds to finance a project located in **Chicago**. This project is expected to create **15 construction jobs**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (04-12-16).

Item-17 ***B-LL-TX-420: Excel Foundry and Machine, Inc.***

This applicant requests final approval of **$795,000** in participation loans to finance a project located in **Pekin**. This project is expected to create **10 new jobs** and **15 construction jobs.**

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (04-12-17).

Item-18 *__I-ID-TE-CD-416: Champagna-Turano Bakery, Inc. Projects__*

Berwyn Properties, LLC & MERUG, LLC (Champaigna-Turano Bakery Inc.) request final approval for **$4,000,000** in tax-exempt, conduit Industrial Revenue Bonds for a project located in **Berwyn**. This project is expected to create **20 new jobs**.

Bolingbrook Properties, LLC & MERUG, LLC (Knead Dough Baking Company) request final approval for **$4,000,000** in tax-exempt, conduit Industrial Revenue Bonds for a project located in **Bolingbrook**. This project is expected to create **20 new jobs.**

Together, these applicants will be using approximately **$8,000,000 of the Authority's 2004 Volume Cap.**

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (04-12-18).

Item-19 *__M-MH-TE-CD-404: Valley View Preservation, L.P (Valley View Apartments Project)__*

This applicant requests final approval of **$7,500,000** in a conduit, Multifamily Rental Housing Revenue Bonds to finance a project located in **Rockford**. This project will utilize approximately **$7,500,000 in 2003 Carryforward IFA Volume Cap**. This project is expected to create **85 construction jobs.**

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (04-12-19).

Item-20 *__I-UR-TE-CD-418: The Peoples Gas Light and Coke Company__*

This applicant requests final approval of **$50,000,000** in a conduit, Gas Supply Facilities Refunding Revenue Bonds to finance a project located in **Chicago**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (04-12-20).

Item-21 *__A-AI-GT-TX-409: Daniel K. Reed (Kent Pearl Valley Cheese Company, Inc.)__*

This applicant is requesting final approval of **$325,000** in Agri-Industries Loan Guarantees to finance a project located in **Kent**. This project is expected to create **7 new jobs. This project will be subject to all of the following conditions, with satisfactory compliance being determined by the Executive Director:**

- Approved and sufficient operating line of credit by bank or approved agency

- Evidence of capability to repay operating line with sufficient debt service ration
- Evidence of the full current and 18 month capital needs of the company
- Evidence of sufficient forward contracts for purchases of end product
- Monthly review and variance to plan report by lender and monthly profit and loss and balance sheet
- Sufficient collateral valuation by a certified equipment and realst estate appraiser
- Business coaching by ICGR Services.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (04-12-21).

Item-22 ***A-FB-TE-CD-446: Philip J. and Katherine Richardson***
A-FB-TE-CD-447: Michael and Gabriele Oltmann
A-FB-TE-CD-450: Michael and Clarissa Hunt
A-FB-TE-CD-451: David Gerdes
A-FB-TE-CD-452: Darin Ratermann
A-FB-TE-CD-454: Paul George Steinhilber
A-FB-TE-CD-456: Mark and Jennifer Kinneer
A-FB-TE-CD-457: Jessica L. Wernsing
A-FB-TE-CD-458: Clint and Rebecca Dotterer

These applicants request final approval for Beginning Farmer Bonds for the amounts and locations listed below:

Philip & Katherine Richardson	**$60,000**	**Roberts**
Michael & Gabriele Oltmann	**$45,000**	**Nokomis**
Michael & Clarissa Hunt	**$194,600**	**Galesburg**
David Gerdes	**$146,000**	**Bartelso**
Darin Ratermann	**$126,000**	**Germantown**
Paul George Steinhilber	**$33,000**	**Minonk**
Mark and Jennifer Kinneer	**$210,000**	**Kirkwood**
Jessical L. Wernsing	**$250,000**	**Springfield**
Clint & Rebecca Dotterer	**$78,000**	**Atkinson**

The Chairman requested leave to apply the last unanimous vote to each item. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (04-12-22).

Item-23 ***A-SG-TX-GT-461: Ralph and Deborah Diericks***

This applicant requests final approval of **$500,000** in Specialized Livestock Loan Guarantees to finance a project located in **Atkinson**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (04-12-23).

Item-24 ***A-AD-TX-GT-462: David A. Tolley and Katherine S. Tolley***

This applicant requests final approval of **$165,000** in Debt Restructuring Loan Guarantees to finance a project located in **Avon**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (04-12-24).

The Chairman asked if there was any other business to come before the Board or if any member of the pubic wished to address the Board. There being no further business and no one seeking to address the Board, Chairman Gustman adjourned the meeting at approximately 2:18 P.M.

Respectfully Submitted,

Michael Pisarcik, Secretary

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

To: IFA Board of Directors

From: Rich Frampton

Date: February 8, 2005

Re: Overview Memo for Poplar Creek Developers LLC
(Poplar Creek Med-Surgical Center Project)
I-ID-TX-CD-501

- **Borrower/Project Name:** Poplar Creek Developers LLC (Poplar Creek Med-Surgical Center Project)

- **Location:** Hoffman Estates (Cook County)

- **Principal Project Contact:** Richard J. Wesley, Manager

- **Board Action Requested:** Preliminary Taxable Bond Resolution

- **Amount:** not to exceed $10.0 million
  - Uses:
    - Finance the acquisition of land and the purchase, renovation, and equipping of an existing medical/surgical/office building and ambulatory surgical center

- **Project Type: Taxable Industrial Revenue Bonds**

- **IFA Benefits:**
  - **Conduit Taxable Bonds – no direct IFA or State funds at risk**
  - New Money Bonds
  - IFA's involvement will enable the Underwriter (Kirkpatrick Pettis) to also market the Bonds to its proprietary customer base of institutional investors in taxable municipal securities. As a result of this expanded liquidity, the Borrower is expected to realize additional savings (e.g., 5 to 10 bp).

- **IFA Fees:**
  - One-time, upfront closing fee estimated at $13,800 (for an estimated $9.2 million transaction)

- **Structure/Ratings:**
  - The Bonds will be secured by a Direct Pay Letter of Credit from Fifth Third Bank

- **Ratings:**
  - Ratings will be based on the underlying short term ratings of Fifth Third Bank (since the Bonds will be sold initially as 7-day floaters).
  - Fifth Third Bank's current ratings are as follows:

	Short-Term	*Long-Term*	*Outlook*	*Affirmed*
Moody's:	VMIG-1	Aa1	Stable	12/2/2004
S&P:	A-1+	AA-	Negative	12/3/2004
Fitch:	F1+	AA-	Negative	12/3/2004

- **Current and estimated rates:** The Bonds will be sold initially as Taxable 7-day variable rate demand bonds. The estimated average weekly interest rate for Taxable Floaters over the estimated initial 3 to 5 year LOC term was 3.50% as of 12/23/2004. Accordingly, after adding estimated ongoing credit enhancement Remarketing Agent, and trustee expenses, the effective interest rate on 7-day Taxable Floaters was estimated at 4.70%.

- **Recommendations/Conditions:**
  - Staff recommends approval without any extraordinary conditions since the subject Bonds will be secured by a high investment grade rated Bank LOC.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **Poplar Developers LLC and affiliates (Poplar Creek Med-Surgical Center)**

STATISTICS

Project Number:	I-ID-TX-CD-501	Amount:	$10,000,000 (not-to-exceed amount)
Type:	Taxable Industrial Development Revenue Bonds	IFA Staff:	Rich Frampton
Location:	Hoffman Estates	Est. fee:	$13,800 (assumes $9.2 million bond amount; excludes $1,500 application fee)

BOARD ACTION

Preliminary Bond Resolution
Conduit Taxable Industrial Revenue Bonds
Staff recommends approval

No IFA funds at risk
No extraordinary conditions

PURPOSE

Acquisition of an existing medical office/ambulatory surgical facility in Hoffman Estates.

IFA CONTRIBUTION

None. IFA will issue conduit Taxable Bonds secured by a Direct Pay LOC from Fifth Third Bank.

VOTING RECORD

None. This is the first time this project has been reviewed by the IFA Board.

PRELIMINARY SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$9,660,000	Uses:	Project Costs	$9,200,000
	Equity	285,000		Capitalized Interest & Lease-up Reserve	460,000
				Issuance Costs	285,000
	Total	$9,945,000		**Total**	$9,945,000

Comment on Equity: In addition to $285,000 cash to be paid to finance issuance costs and purchase the proposed interest rate cap, Poplar Creek Developers LLC and affiliates will deposit a compensating balance equal to the amount of Bonds issued. The amount of the compensating balance will be adjusted over time pursuant to performance benchmarks established by Fifth Third Bank, the prospective Direct Pay LOC provider.

JOBS

Current employment:	38 (including 15 FT and 7 PT at Surgical Center)	Projected new jobs:	20-25
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

Background: **Poplar Developers LLC and affiliates** (the "**Applicant**" or "**Developer**") is an Illinois limited liability company formed in December 2003 specifically to acquire, renovate, and operate the Hoffman Estates Surgical Center in Hoffman Estates. The current owner of the facility is **Hoffman Estates Development Venture Limited Partnership**, an Illinois limited partnership (the "Seller"). Additional information regarding ownership of the Seller is provided in the Economic Disclosure Statement section of this report (see Pages 7-8).

HealthSouth Corporation of Birmingham, AL is currently the principal tenant of the subject building and operator of the surgical center through wholly owned affiliates. HealthSouth stock is traded on the over-the-counter market under the "HLSH.PK" ticker symbol. HeathSouth's web site is: www.healthsouth.com .

Ultimately, the Applicant plans to form an Illinois Limited Partnership that will syndicate ownership interest in the building to surgeons that lease space therein.

The **Managing Members** of the Applicant are **Mr. Richard J. Wesley** of Schiller Park, IL, **Dr. Faisal M. Rahman, Ph.D.**, Burr Ridge, IL, and **Mr. Frank L. Sutfin, Sr.**, of Naperville, IL

- Mr. Wesley serves as the Managing Member of National Physician Management Services, LLC, the (owner/manager) of the Watertower SurgiCenter a licensed ambulatory surgical center similar in scope and operation to the subject Poplar Creek Med-Surgical Center. As noted Page 5 of this report (see section on Management Agent/Marketing Plan), Mr. Wesley has successful turnaround experience at Watertower SurgiCenter in Chicago (which was in bankruptcy prior to its acquisition by Mr. Wesley's group).

  More specifically, Mr. Richard Wesley, a Managing Member of the Applicant, is currently a General Partner in the Watertower SurgiCenter in Chicago. According to Mr. Wesley, the Watertower SurgiCenter was in bankruptcy prior to its acquisition by his management group. Within 18 months of acquisition (and the assistance of Axiom Integrated Service, LLC as Management Agent), the Watertower SurgiCenter was billing $2.5 million per month.

- Dr. Rahman, Ph.D., is President and CEO of the APAC Group. Dr. Rahman was previously a Regional VP of Surgery Operations for HealthSouth, with oversight of surgery centers located in Illinois, Indiana, Wisconsin, Kentucky, and Ohio. Dr. Rahman's oversight responsibilities included the Poplar Creek Surgical Center. Additionally, while at HealthSouth, Dr. Rahman had oversight responsibilities regarding business development, operations, personnel, physician relationships, and JCAHO accreditation. Additionally, Dr. Rahman has pertinent experience at developing and managing medical office buildings and ambulatory surgical centers.

  Dr. Rahman also has pertinent turnaround experience with the Rush Surgery and Pain Center, where he was engaged as a turnaround consultant. Under Dr. Rahman's oversight, the surgery center's operating results improved from an $800,000 loss to a $1.2 million net profit within two years. Dr. Rahman also improved operations of the Midwest Ambulatory Surgery Center in Palos Heights, which was ultimately purchased by the University of Chicago Hospitals for $9.3 million.

  Mr. Rahman also has experience in developing and operating three ambulatory surgical centers in Indiana located in Crown Point, Hammond, and Schererville.

- Mr. Sutfin is Chairman of Kroeschell, Inc. and is President of Kroeschell Operations, Inc. Mr. Sutfin provides substantial building systems management and facility management expertise to the ownership group. Kroeschell, Inc. is a commercial and industrial contractor that provides design/build services for HVAC, plumbing, piping, electrical, and temperature control systems. Kroeschell Operations, Inc. provides ongoing building systems maintenance and management services, including 24-hour, on-demand services and uses its 160-person staff of electricians, plumbers, machinists, and janitorial/housekeeping personnel.

Kroeschell Operations has managed building systems for Allstate Insurance Co., Harris Bank, BP Research Center in Naperville, the Art Institute of Chicago, DePaul University, Quaker Tower, the John Hancock Building, and Yorktown Mall in Lombard. Additionally, Mr. Sutfin was engaged by Caterpillar, Inc. at its Montgomery (Aurora), IL and Pontiac, IL manufacturing facilities as a consultant to help Caterpillar achieve ISO 9002 standards relating to its building operations/management.

Description: The **Poplar Creek Med-Surgical Center** (the "**Facility**") was originally constructed in 1994. The Facility is an approximately 51,451 (Gross) SF building located on an approximately 4.331 acre site, with an adjacent 3.70 acre site available for future development or sale. The Facility is located approximately 1.5 miles southwest of the I-90/Illinois 59 interchange. The facility is located approximately 4 miles from both St. Alexius Hospital in Hoffman Estates and Sherman Hospital in Elgin.

The Facility consists of an approximately 15,640 SF **Ambulatory Surgical Treatment Center** ("**ASTC**") and 13 units of rental space comprising 28,203 SF for lease to physicians and physician groups. A listing of the current tenants and units follows in **Table 1** below.

The principal tenant is HealthSouth Corporation, which operates the Ambulatory Surgical Treatment Center pursuant to a 20-year lease (with three 5-year options thereafter). HealthSouth's initial 20-year term is set to expire in April 2013. The surgical center features four general surgical suites, two specific surgical suites (Urology and Gastroenterology), 14 recovery bays (with room for future expansion), and a pharmacy and ancillary facilities including a laboratory, room for an MRI facility, radiology center, diagnostic testing, physical therapy facilities. Additionally, the facility has redundant electrical power and provides for medical waste disposal.

As with all ASTCs, the Poplar Creek Surgical Center focuses on furnishing a range of surgical services on a same day, outpatient basis.

Most other non-surgical-center space leases are relatively short-term, with expirations scheduled in 2005 or 2006. *Additional information regarding the underlying leases is described below in the "Current Operations" section on Page 3.*

Overview on Ambulatory Surgical Treatment Centers: Under the Illinois Ambulatory Surgical Treatment Center Act (210 ILCS 5) and the Ambulatory Surgical Treatment center Licensing Requirements (77 Ill. Adm. Code 205 effective 5/31/2001), an ambulatory surgical treatment center is any institution, place or building devoted primarily to the maintenance and operation of facilities for the performance of surgical procedures or any facility in which a medical or surgical procedure is utilized to terminate a pregnancy, irrespective of whether the facility is devoted primarily to that purpose. ASTC's may not provide beds or other accommodations for overnight patients unless the location is licensed as a Post-Surgical Recovery Care Center. Individual patients must be discharged in an ambulatory condition without danger to the continued well-being of patients or shall be transferred to a hospital.

These facilities are subject to a Certificate of Need ("**CON**") from the Illinois Health Facilities Planning Board before a license application is submitted to IDPH. Additionally, before the construction or substantial remodeling of a facility may begin, plans must be submitted to IDPH for review and approval of a new CON. The Applicant does not plan to make substantial renovations that exceed the $2.5 million limit thereby triggering the need for a new CON. More details regarding the CON for the Facility's Ambulatory Surgical Center follow in the next section of this report.

The Poplar Creek Med-Surgical Center facility was originally constructed pursuant to obtaining a CON from the Illinois Health Facilities Planning Board prior to construction in the early 1990's.

All ASTCs must also require to Medicare requirements. Medicare also establishes reimbursement rates for specific procedures, as well as defining eligible procedures at ASTCs.

The Poplar Creek Surgical Center has an executed Patient Transfer Agreement in place with St. Alexius Hospital, Hoffman Estates, IL. This Patient Transfer Agreement has been in place since inception. St. Alexius Hospital is located approximately 4 miles east of the Facility at 1555 Barrington Road, approximately one mile south of I-90 (Northwest Tollway), between Higgins Road (IL Hwy 72) and Golf Road (IL Hwy. 58).

Current Licenses/ Acceditation: Additionally, ASTC's are subject to annual renewal by the **Illinois Department of Public Health ("IDPH")**. Licensed facilities are subject to annual inspection and submission of financial statements. License holders violating licensure rules are subject to an administrative hearing and revocation of the license. The licensure rules include standards regarding (1) policies and procedures, (2) personnel qualifications, (3) laboratory services, (4) emergency, preoperative, operative, and post-operative care, and (5) maintenance and operation of the physical plant.

The proposed Real Estate Sale Contract between the Seller and the Applicant is conditional upon the Illinois Health Facilities Planning Board granting an exemption from the Certificate of Need requirement (the "CON exemption").

The Poplar Creek ASTC is accredited by the **Joint Commission on Accreditation of Healthcare Organizations (JCAHO)**. The Facility was most recently JCAHO-accredited as an ambulatory care facility as of December 14, 2002.

According to the JCAHO report, the HealthSouth Surgery Center Poplar Creek provides the following services:

- Diagnostic Tests
- Endoscopy
- Gastroenterology
- Othalmology-Optemetry
- Otolaryngology
- Pain Management
- Surgery-General
- Surgery-Oral Maxillofacial
- Surgery-Orthopedic
- Surgery-Plastic
- Surgery-Podiatric
- Urology

The Poplar Creek Surgical Center currently employs 15 full-time and 7 part-time workers. The full-time staff includes 1 administrator and 6 registered nurses. The part-time staff includes 6 registered nurses.

HealthSouth's Midwest Region also operates JCAHO-accredited ambulatory surgery centers in Arlington Heights, Joliet, Libertyville, and Oakbrook Terrace. Additionally, HealthSouth operates ambulatory surgery centers located in Belleville and Marion.

Summary of IDPH Report: According to the 2003 Illinois Department of Public Health report on the Poplar Creek Surgical Center, the payer mix is comprised as follows: approximately 89.9% of revenues were paid by private insurance, 8.9% of revenues were paid by Medicare, and 1.1% of revenues were private pay.

In 2002, the facility performed 2,117 surgeries. The five most common surgery categories were (1) Pain Management (1,613), (2) Orthopedic (197), (3) OB/GYN (115), (4) Urology (88), and (5) Podiatry (76).

The 2003 statistics were provided by the Poplar Creek Surgical Center to the Illinois Center for Health Statistics, a unit of the Illinois Department of Public Health, and published in November 2004.

Current Tenants: The building's existing tenants and remaining lease terms are as follows:

Table 1: Current Rent Roles

Name of Tenant	Rental Rate/SF & Annual Base Rent	Tenant SF	Lease Expiration Date/Lease Term/Inception
HealthSouth Corp.	$30.85/$482,508	15,640 (35.7%)	April 2013 (20-year lease with three 5-year options)/April 1993
Dr. William Matviuw	$19.50/$34,125	1,750 (4.0%)	Sept. 2006 (1 year??)/Oct. 1994
Dr. Eugene Lipov	$25.82/$130,710	5,142 (11.7%)	Nov. 2005 (1 year) Dec. 2004
Dr. Howard Singer	$33.47/$37,118	1,109 (2.5%)	Nov. 2005 (1 year??) June 1994
University Pain Center	$28.93/$43,221	1,494 (3.4%)	Jan. 2002 (month-to-month)
Northwest Community	$25.75/$10,661	414 (0.9%)	Month-to-month (after two one-year leases expired)/Nov. 2002
Galluzzo Foot & Ankle	$21.00/$21,000	1,000 (2.3%)	Month-to-month (after one year lease expired)/Oct. 2003
Rush University Medical Center	$19.17/$29,253	1,526 (3.5%)	Month-to-month (after one year lease expired)/Jan. 2003
Dr. Plasmier	$16.48/$8,817	535	Oct. 2008/5 years/April 2003
Subtotal Rentals		**28,610 Occupied SF (65.26% Occupied)**	
Vacant		3,500	
Vacant		3,000	
Vacant		4,614	
Vacant		3,000	
Vacant		1,119	
Subtotal Vacancies		**15,233 Vacant SF (34.74% Vacancies)**	

The building's occupancy rate was 67.4% as of April 23, 2004. The appraisal notes that the project site provides approximately 3.70 acres of adjacent property that is available for development or resale.

The following section describes the marketing plans of the Purchaser in further detail.

Management Agent/ Marketing Plan: The existing Management Agent is affiliated with the Seller and will be replaced by an affiliate of Poplar Developers LLC and affiliates (subject to approval by Fifth Third Bank, the prospective LOC provider). As noted previously, key members of Poplar Developers LLC and affiliates have substantial experience operating and successfully turning around the operations of unprofitable ambulatory surgical centers in Illinois (see Page 2 for background information on Mr. Richard Wesley and Dr. Faisal M. Rahman). Additionally, the Developer intends to engage Axiom Integrated Services, LLC of Chicago (William R. Staub and Monica Turek)

Mr. Wesley has indicated that their business plan for the facility will be to focus on recruiting the following specialties: (1) MRI/CT, (2) Podiatry, and (3) Pain Management. The Facility will focus on recruiting specialists for outpatient procedures that nearby full-service hospitals (i.e., Sherman Hospital in Elgin) cannot currently satisfy due to capacity constraints.

The business plan involves attracting surgeons to lease space in the building to increase caseload and surgical center utilization. Although the Applicant notes that the Surgical Center is already operating profitability, the increased facility utilization will increase employment opportunities. The building has provisions to add an MRI/CT facility.

Dr. Eugene Lipov has his anesthesiology practice located on-site to facilitate on-site surgery. Dr. Lipov has been should facilitate lease-up of the building and generate additional usage of the ambulatory surgical center. Dr. Lipov has served as Medical Director of the Poplar Creek Center for Pain Management since its inception in 1994 and was the Chief Anesthesiologist at the Facility from 1994 to 1999.

The Applicant is currently discussing prospective leases with MRI practices and Podiatric Management Systems, which provides management services for 58 affiliated podiatric practices in the Chicago Metropolitan area.

Financials: Projected financials for 2005-2009 prepared by IFA staff based on Applicant and appraisal-based assumptions.

	(Dollars in $000's)				
	2005	2006	2007	2008	2009
Vacancy/Collection Loss Assumptions:	*20%*	*8.5%*	*7.0%*	*7.0%*	*7.0%*
			Stabilized		
Revenues					
Potential Gross Income	$1,227	$1,263	$1,302	$1,341	$1,381
Less Vacancy/Coll. Loss	(368)	(107)	(91)	(94)	(97)
Effective Gross Inc. Before Reimbursements	**859**	**1,156**	**1,211**	**1,247**	**1,284**
Tenant Expense Reimbursements:					
Management Fee Recovery	*24*	*25*	*25*	*26*	*27*
Real Estate Tax Recovery	*122*	*125*	*129*	*133*	*137*
Common Area Maintenance Recovery	*151*	*156*	*161*	*165*	*170*
Total Tenant Reimbursements:	**297**	**306**	**315**	**325**	**335**
Effective Gross Income after Reimbursements:	**1,156**	**1,462**	**1,526**	**1,572**	**1,619**
Operating Expenses:					
Common Area Maintenance (CAM)	315	324	335	344	355
Management Fee	44	45	46	48	49
Real Estate Taxes	302	311	320	330	340
Insurance	12	13	13	14	14
Operating & Maintenance Reserve	44	45	47	48	49
Project Total Oper. Exp.	**717**	**738**	**761**	**784**	**807**
Net Operating Income (available For Debt Svc. after Reserve):	**562**	**724**	**765**	**788**	**812**

Series 2005 Debt Service Payments:	**510**	**710**	**710**	**710**	**710**
Series 2005 Debt Service Coverage (x):	**1.10**	**1.02**	**1.08**	**1.11**	**1.14**
Project Cash Flow after Debt Service:	**52**	**14**	**55**	**78**	**102**

Discussion: These projections were prepared by IFA staff based on assumption provided by the Borrower and from a 2004 market appraisal study on the property.

Key projection assumptions include the following:

- Bonds issued as of 6/30/05
- Acquisition will close as of 6/30/05
- Payments based on base bond interest rate of 4.70% -- reflects projected anticipated all-in interest effective interest rate for the first five years
- Minor renovations will be completed within one year of acquisition.
- Vacancy and Collection Loss Rates: 2005: 20%; 2006: 8.5%; 2007-2009: 7% (stabilized)
- Monthly rental rates average $18.19/SF in 2005 based on in-place leases
- Assumes retention of month-to-month (MTM) leases
- Income Appreciation Rate: 3% per annum
- Expense Inflation Rate: 3% per annum
- Management Fee and Management Fee Reimbursements total 5.5% of Potential Gross Income
- Principal payments begin with initial payments as of 8/1/05; existing debt service payments assumed through July 2005
- Proposed annual Fifth Third Bank LOC fee: 1.0%

The Applicant is negotiating with Fifth Third Bank regarding a Direct Pay Letter of Credit to secure the proposed bonds for an initial term of 3 to 5 years.

Because the project has substantial vacancies currently (i.e., 32.6%), the Applicant will be depositing and maintaining compensating balances at Fifth Third Bank in an amount equal to the Fifth Third Bank Letter of Credit. Consequently, if the initial bond amount were $9 million, the compensating balance would be $9 million. The amount and prospective terms of the compensating balance over time will be determined by Fifth Third Bank based on project occupancy and cash flows.

The Poplar Creek Med-Surgical Center will generate Net Operating Income sufficient to provide debt service coverage of 1.07 times or better beginning in 2007, the first full year after stabilizing occupancy. (The projections assume that the Facility will achieve stabilized vacancy and collection losses of 7% in 12 to 18 months after the 6/30/2005 acquisition, as suggested by the Applicant.)

The historical operating statements on the Facility were not presented herein given that the cost basis, debt terms, and leasing assumptions vary materially compared to the proposed terms.

Market Study/
Appraisal: CB Richard Ellis, Inc., prepared a market study on the subject Property as of 4/23/2004. At the proposed 93% stabilized occupancy rate that the Applicant plans to attain by 2007, that concludes the market value of the property (as determined by the income approach) is approximately $9,100,000 for the building and surplus 3.70 acre adjacent parcel.

The appraisal assumed a 6.75% fixed interest rate on the underlying borrowing, an 8.50% Capitalization Rate. (As noted elsewhere, the anticipated effective interest rate is estimated at approximately 4.70% by the Underwriter [Kirkpatrick Pettis], based on current market conditions.)

FINANCING SUMMARY

Security: Bonds will be secured by a Direct Pay Letter of Credit from Fifth Third Bank and sold initially as Taxable 7-day variable rate demand bonds.

Structure: Because of the underlying use of the property, these Bonds can only be sold on a Taxable basis. The Bonds will be sold on a multi-modal basis. The Underwriter (Kirkpatrick Pettis) has proposed selling the Bonds initially as 7-day taxable floaters. Kirkpatrick Pettis has estimated a long-term average rate of approximately 3.50% for the initial 3 to 5 year LOC term. Accordingly, the anticipated effective interest rate would be approximately 4.70%, based on an annual 1.0% LOC fee (and anticipated ongoing Remarketing Agent and Trustee fees).

Maturity: Final Maturity Date: 6/30/2025 (20 years); initial LOC period of 3 to 5 years; extendable thereafter (subject to Bank evaluation of underlying leases)

LOC Bank Ratings: Fifth Third Bank's current ratings follow below. The Short-Term Ratings are the pertinent ratings for the proposed 7-day variable rate taxable bond issue.

	Short-Term	*Long-Term*	*Outlook*	*Affirmed*
• Moody's:	VMIG-1	Aa1	Stable	12/2/2004
• S&P:	A-1+	AA-	Negative Watch	12/3/2004
• Fitch:	F1+	AA-	Negative	12/3/2004

LOC Bank Compensating Balance: As a condition of this transaction, the Applicant will deposit an amount equal to the amount of the Fifth Third Bank Direct Pay Letter of Credit (i.e., presently estimated at an amount of up to $10 million) as a compensating balance. The Letter of Credit Reimbursement Agreement between Fifth Third Bank and the Applicant may specify terms (e.g., minimum debt service coverage and occupancy benchmarks) under which the minimum required compensating balance requirement may be reduced over time.

As a result of this compensating balance requirement, Fifth Third Bank may not require the Borrower to purchase an interest rate cap on the 7-day floating rate taxable bonds.

PROJECT SUMMARY

Bond proceeds will finance the acquisition of approximately 4.33 acres of land and the purchase of an existing, two-story, approximately 51,451 SF medical office building/ambulatory surgical center facility (with 42,448 SF of net rentable space) located at 1800 McDonough Road in Hoffman Estates (Cook County), IL 60192. Additionally, bond proceeds will be used to finance an approximately 3.70 acre parcel, located adjacent to the subject building. The facility is commonly known as Poplar Creek Med-Surgical Center.

A summary of preliminary estimated project costs follow:

Land Acquisition:	$1,500,000
Building Purchase:	6,960,000
Renovation:	100,000
Surplus Land (Lot 2):	640,000
Total	**$9,200,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Poplar Creek Developers LLC and affiliates (c/o Mr. Richard J. Wesley, Managing Member, 4221 Grace Street, Schiller Park, IL 60176; Ph.: 847/980-5651; e-mail: magnificorick@aol.com)
Project name:	Poplar Creek Med-Surgical Center
Location:	1800 McDonough Road, Hoffman Estates (Cook County), IL 60192-4566
Organization:	Illinois LLC

Ownership: Poplar Creek Developers LLC

Members:

Richard J. Wesley, Schiller Park, IL, Manager:	33 1/3%
Faisal M. Rahman, Burr Ridge, IL:	33 1/3%
Frank L. Sutfin, Sr., Naperville, IL:	33 1/3%

Current Property Owner: Hoffman Estates Development Venture Limited Partnership

Beneficial Owners:

Sole General Partner:

Anthony Ivankovich, M.D., Chicago, IL: 100%

Tenant/Operator of the Ambulatory Surgery Center: HealthSouth Poplar Creek Surgical Center

Manager: HealthSouth Corporation, One HealthSouth Parkway, Birmingham, AL 35243

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Wolf & Tenant LLP	Chicago, IL	Mike Wolf
Accountant:	Friedman, Goldberg, Mintz & Kallergis, LLC	Bannockburn, IL	
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Matt Lewin
LOC Bank:	Fifth Third Bank	Chicago, IL	
LOC Counsel:	TBD		
Underwriter:	Kirkpatrick Pettis	Chicago, IL	James ("Tod") Miles
Underwriter's Counsel:	Perkins Coie LLP	Chicago, IL	Bruce Bonjour
Management/Leasing Consultant:	Axiom Integrated Services, LLC	Chicago, IL	William Staub
Trustee:	TBD		
R/E Appraiser:	CB Richard Ellis, Inc.	Chicago, IL	
IFA Counsel:	TBD		

LEGISLATIVE DISTRICTS

Congressional:	6	Henry J. Hyde
State Senate:	22	Steven J. Rauschenberger
State House:	44	Terry R. Parke

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Pam Lenane

Date: February 8, 2005

Re: Overview Memo for Mercy Alliance, Inc.

- **Borrower/Project Name:** Mercy Alliance, Inc. Obligated Group
- **Locations:** Algonquin, Barrington, Cary, Crystal Lake, Fox River Grove, Harvard, Lake in the Hills, McHenry, Richmond and Woodstock
- **Principal Project Contact:** Joseph D. Nemeth , Vice President of Finance
- **Board Action Requested:** Preliminary Bond Resolution
- **Amount:** Not to exceed $35 million in new money to be used to reimburse and advance fund Illinois capital projects of Mercy Alliance, Inc. over the next several years, including Phase I of the Mercy Crystal Lake Hospital and Medical Center.
- **Project Type:** Hospital
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:** convey tax-exempt status
- **IFA Fees:**
  - One-time, upfront closing fee of approximately $82,500
- **Structure/Ratings:**
  - **Structure** – Variable rate demand bonds supported by a letter of credit provided by M&I Marshall & Ilsley Bank (Milwaukee, WI)
  - **Ratings** –.M&I Marshall & Ilsley Bank is rated A+/A-1 by Standard & Poor's and Aa3/P-1 by Moody's Investors Service. The Mercy Alliance Obligated Group is currently rated A2 by Moody's Investors Service.
  - **Days' cash on hand** – 151 days (FYE 6/30/04 Mercy Alliance Obligated Group)
- **Recommendation:** Staff recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 8, 2005

Deal: **Mercy Alliance, Inc. Obligated Group**

STATISTICS

Deal Number:	H-HO-TE-CD-501	Amount:	$35,000,000 (not to exceed amount)
Type:	Not-for-profit Bond	PA:	Pam Lenane
Locations:	Barrington, Cary, Crystal Lake, McHenry, Algonquin, Harvard, Woodstock, Fox River Grove, Lake in the Hills, Richmond	Est. fee:	$82,500

BOARD ACTION

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

Staff recommends approval
No extraordinary conditions

PURPOSE

Bond proceeds will be used to reimburse and advance fund Illinois capital projects of Mercy Alliance, Inc. over the next several years, including Phase I of the Mercy Crystal Lake Hospital and Medical Center and upgrades to clinic facilities located in Barrington, Cary, McHenry, Algonquin, Harvard, Fox River Grove, Lake in the Hills, Richmond and Woodstock, Illinois.

VOLUME CAP

No Volume Cap is required for 501(c)(3) bond financing.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$35,000,000	Uses:	Project costs	$34,078,844
				Issuance costs	$921,156
	Total	$35,000,000		Total	$35,000,000

JOBS

Current employment:	420 (FTE)	Projected new jobs:	200
Jobs retained:	420	Construction jobs:	N/A

BUSINESS SUMMARY

Mercy Alliance, Inc. ("MAI", "the parent") is a nonstock, nonprofit Wisconsin corporation. It is the parent corporation of three other legal entities, two of which are Wisconsin corporations and one an Illinois corporation. MAI has its roots in Mercy Health System Corporation ("MHSC"). Together, Mercy Crystal Lake Hospital and Medical Center, Inc., MAI, MHSC, Mercy Assisted Care, Inc. ("MAC"), formerly known as Visiting Nurse Health Care Services, Inc., and Mercy Harvard Hospital, Inc. (MHH) are the members of the Obligated Group.

MHSC traces its origin to a private hospital established in Janesville, Wisconsin in 1895. The hospital was operated by the Sisters of Mercy from 1907 to 1972 when it transferred to the present nonstock, nonprofit corporation.

Together with its affiliates, MHSC operates an integrated healthcare delivery system (the "Mercy Health System") which provides a comprehensive range of services to residents of a four-county region of southern Wisconsin, as well as McHenry County and bordering communities in northern Illinois. The population of this service area is approximately 690,000. These services are provided at 55 sites including Mercy Hospital in Janesville, an acute care hospital approved for 240 beds; Mercy Manor, an 28-bed sub-acute care facility (SNF) within Mercy Hospital; 40 community based residential facility beds (CBRF) in Janesville; Mercy Harvard Hospital ("Harvard"), an acute care hospital in Harvard, Illinois with 32 acute care and 45 long term (SNF) beds, 32 community care and medical centers that provide services by physicians who are employed by one of the entities comprising the Mercy Health System; and 19 other health services sites located throughout MAI's service area.

As of the fiscal year ended June 30, 2004, MAI employed 249 physicians who practice at the hospitals and at community medical centers throughout the service area that are owned by the Mercy Health System.

The following table summarizes the audited financial performance of the MAI Obligated Group for the fiscal years ended June 30, 2003 and 2004.

	Fiscal Years Ended June 30,	
Consolidated Statement of Operations (000s)	**2003**	**2004**
Net Patient Service Revenue	$249,939	$283,036
Excess of Revenues Over Expenses	$6,748	$14,693
Consolidated Balance Sheet (000s)	**2003**	**2004**
Cash	$18,587	$18,941
Assets Limited as to Use	$98,581	$106,432
PP&E, Net	$100,789	$109,955
Total Assets	**$294,250**	**$313,685**
Current Liabilities	$25,502	$31,514
Long Term Debt	$106,030	$101,804
Total Liabilities & Net Assets	**$294,250**	**$313,685**
Debt service coverage	2.2x	3.1x
Days cash on hand	146	151

FINANCING SUMMARY

Security: Bonds will be secured by a Direct Pay Letter of Credit provided by M&I Marshall & Ilsley Bank (Milwaukee, WI). The bank will be secured by a Gross Revenue Pledge and a Mortgage on certain property owned by the Obligated Group.

Structure: The current plan of finance contemplates the issuance of variable rate bonds supported by a letter of credit.

Maturity: 30 years

PROJECT SUMMARY

The project will include construction and renovation of several of the Illinois sites of Mercy Alliance, Inc. at which employed physicians will have offices, including Phase I of the Mercy Crystal Lake Hospital and Medical Center. It is anticipated that Phase II of the project, completion of the Crystal Lake facility, will occur in late 2005 or 2006 and be funded by an additional bond issue. Among the items to be financed from the Series 2005A bonds are:

Item	(1) *($000s)*	(2) *($000s)*	(3) *($000s)*
Crystal Lake Land	$ 4,800	$0	$ 4,800
Crystal Lake Site Prep and Phase I Building	949	9,051	10,000
McHenry Clinic	1,350	1,900	3,250
Algonquin Clinic	0	2,100	2,100
Mercy Harvard Clinic North	949	251	1,200
Woodstock Clinic Expansion	366	4,134	4,500
Other Illinois Clinic Expansion/Equipment	700	3,700	4,400
Subtotal MHSC	*9,114*	*21,136*	*30,250*
Mercy Harvard Hospital Renovations	2,795	1,205	4,000
Mercy Harvard Hospital Equipment	406	344	750
Subtotal MHH	*3,201*	*1,549*	*4,750*
Grand Total	**$12,315**	**$22,685**	**$35,000**

The items in Column (1) represent dollars already expended which will be reimbursed at closing. Items in Column (2) represent project costs to be incurred in 2005 and 2006. Items in Column (3) represent the total cost of each item.

ECONOMIC DISCLOSURE STATEMENT

Project name: Mercy Alliance, Inc. Obligated Group

Locations:
2401 Harnish Drive, Algonquin, IL
27750 W. Highway 22, Barrington, IL
500 W. Highway 22, Barrington, IL
728 Northwest Highway, Cary, IL
350 Congress Parkway, Crystal Lake, IL

390 Congress Parkway, Crystal Lake, IL
914 IL Route 22, Fox River Grove, IL
348 S. Division Street, Harvard, IL
47 W. Acorn Lane, Lake in the Hills, IL
1110 N. Green Street, McHenry, IL
618 S. Route 31, McHenry, IL
4309 W. Medical Center Drive, McHenry, IL
5400 W. Elm Street, McHenry, IL
9715 Prairie Ridge, Richmond, IL
666 W. Jackson, Woodstock, IL
1065 Lake Avenue, Woodstock, IL

Applicant:	Mercy Alliance, Inc. 1000 Mineral Point Avenue, Janesville, WI 53548
Organization:	501(c)(3) Not-for-profit corporation
State:	Wisconsin and Illinois
Board of Directors:	Rowland McClellan, Chair Thomas R. Pool, Vice Chair Javon R. Bea, President & CEO Alfred Diotte, Treasurer Sima D. Wexler, Secretary Mark L. Goelzer, M.D. Dave L. Syverson Mark F. Hayes

PROFESSIONAL AND FINANCIAL

Borrower's Counsel:	McDermott Will & Emery LLP	Chicago	Robert Hoban
Accountant:	Wipfli LLP	Milwaukee/Green Bay	Steve Thompson
Bond Counsel:	Quarles & Brady	Milwaukee Chicago	John Whiting John Vail
Underwriter:	Ziegler Capital Markets Group	Milwaukee	Mark Baumgartner Romy McCarthy
Underwriter's Counsel:	Jones Day Reavis & Pogue	Chicago	Mike Mitchell
Bond Trustee:	US Bank	Milwaukee	Mike Herberger
Issuer's Counsel:	Perkins Coie	Chicago	William Corbin

LEGISLATIVE DISTRICTS

Algonquin, Cary, Crystal Lake, Lake in the Hills
Congressional: 16 – Donald A. Manzullo
State Senate: 32 – Pamela Althoff
State House: 64 – Michael W. Tryon

Barrington, McHenry (Medical Center Dr, IL Route 31)
Congressional: 8 – Melissa Bean
State Senate: 26 – William E. Peterson
State House: 52 – Mark H. Beaubien, Jr.

Fox River Grove
Congressional: 16 – Donald A. Manzullo
State Senate: 26 – William E. Peterson
State House: 52 – Mark H. Beaubien, Jr.

Harvard
Congressional: 16 – Donald A. Manzullo
State Senate: 32 – Pamela Althoff
State House: 63 – Jack D. Franks

McHenry (Green Street, Elm Street), Richmond, Woodstock
Congressional: 8 – Melissa Bean
State Senate: 32 – Pamela Althoff
State House: 63 – Jack D. Franks

Illinois Finance Authority
Memorandum

To: IFA Board of Directors

From: Rick Pigg

Date: February 8, 2005

Re: Overview Memo for the YMCA of Southwest Illinois
N-NP-TE-CD-502

- **Borrower:** The YMCA of Southwest Illinois
- **Location(s):** Belleville, Monroe, O'Fallon,
- **Principal Project Contact:** John Small, CFO
- **Board Action Requested:** Preliminary Bond Resolution
- **Amount:** $11,000,000 (not-to-exceed amount)
  - Uses:
    - *Refunding:* bond proceeds will refund two outstanding bond issues
    - *New Money:* construct two new facilities
- **Project Type:** Not-For-Profit Bonds
- **IFA Benefits:**
  - Conduit Tax-Exempt Bonds
  - Interest savings estimate to be determined
- **IFA Fees:**
  - Application Fee of $1,000
  - Bond Issuance Fee of $55,000
- **Structure/Ratings:**
  - 20-year maturity fixed rate security
  - This deal will be "AA" rated insured by Radian Asset Assurance and will be offered as a public offering. There will be a 10 year call on the bonds.
- **Recommendation:**
  - Staff recommends approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: The YMCA of Southwest Illinois

STATISTICS

Deal Number:	N-NP-TE-CD-502	Amount:	$11,000,000 (not-to-exceed amount)
Type:	Not-For-Profit Bonds	IFA Staff:	Rick Pigg
Location:	Southwest Illinois	Tax ID:	37-0673565
		Est. fee:	$55,000

BOARD ACTION

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

Staff recommends approval
No extraordinary conditions

PURPOSE

Bond proceeds will be used to finance two new facilities, to refinance two existing facilities and to pay certain bond issuance costs.

IFA CONTRIBUTION

501(c)(3) Revenue Bond projects do not require Volume Cap.

VOTING RECORD

Preliminary Bond Resolution, no previous voting record

SOURCES AND USES OF FUNDS

Sources:	IFA Bond	$11,000,000	Uses:	Project Costs	$10,780,000
	Total Sources	$11,000,000		Issuance costs	220,000
				Total Uses	$11,000,000

JOBS

Current employment:	444	Projected new jobs:	158
Jobs retained:	N/A	Construction jobs:	110

BUSINESS SUMMARY

Background: The YMCA of Southwest Illinois ("YMCA") is a not-for-profit, charitable organization and a United Way-affiliated agency. The YMCA's mission statement is "To put Christian principles into practice through programs that build healthy spirit, mind, and body for all". The YMCA operates seven locations including five full-service facilities in Downtown Belleville, East Belleville, West Belleville, Collinsville, Maryville, Troy, O'Fallon, Red Bud, and East St. Louis. More than 50 programs are offered by staff and volunteers (33 board members, 47 full-time employees, 350 part-time staff, and hundreds of program volunteers). More than 25,000 people belong to the YMCA making it one of the largest providers of human services in the metro east area. An average of 15,000 men, women, and children utilize YMCA facilities and programs in any given week.

Description: - A two-story, 30,000 square foot building will be built in Belleville to replace the current facility that is over 80 years old and beyond repair in several areas.
- A two-story, 41,000 square foot building will be built on a 10-acre site between the cities of Columbia and Waterloo in Monroe County. This will enable residents of both cities as well as other residents of Monroe County to have access to YMCA programs without having the drive to Belleville or South St. Louis County.
- The existing facilities of City of O'Fallon and City of Maryville will be refinanced to lower payments.

Financials: Audited financial statements of YMCA of Southwest Illinois - years 2001 through 2003
Unaudited income statement for 2004
Internally-prepared general operating budgets – years 2004 through 2009

	Year Ended Dec 31			Stabilization
	2001	2002	2003	2007
	(Dollars in 000's)			
Income statement				
Support and Revenues	5,426	5,881	6,001	8,424
Revenues over Expenses	243	616	440	858
Increase in Net Assets	243	761	7,074	858
Earnings Before Interest, Taxes Depreciation & Amorization	923	1,520	7,913	1,428
Balance Sheet				
Current assets	1,748	2,951	9,361	
P P & E	7,363	7,269	7,839	
Other assets	4,120	3,523	3,743	
Total assets	13,231	13,743	20,943	
Current liabilities	222	275	562	
Debt	4,781	4,479	4,318	
Net assets	8,228	8,989	16,063	
Total liabilities & net assets	13,231	13,743	20,943	
Ratios				
Debt service coverage	3.02	3.24	2.74	2.02
Current ratio	7.87	10.73	16.66	NA
Debt/Equity	0.60	0.53	0.29	NA

Discussion: The Southwest Illinois YMCA has generated modest revenue growth during the period reviewed. The organization has remained profitable on both an operating basis (revenues over expenses) and changes in net assets (which also includes investment income and restricted charitable constributions). Receipt of a $7 million restricted charitable contribution in 2003 caused net income to balloon for the year. This YMCA is highly liquid and has little indebtedness compared to its substantial fund balance.

Management's operating forecasts assume continuation of 2003 operating results for most facilities, plus expected revenue and earning constributions for the two new facilities. Estimates for the new facilities are based on performance of similar buildings that this organization recently opened.

FINANCING SUMMARY

Security:	The loan will be guaranteed by Radian Asset Assurance (rated "AA")
Structure:	Fixed interest rate bonds at a rate to be determined
Maturity:	20-year maturity

PROJECT SUMMARY

Bond proceeds will be used to construct two new facilities located at Belleville, IL and Monroe County, IL and to refinance outstanding debt of facilities located at City of O'Fallon, IL and City of Maryville, IL. Project costs are estimated at $10,280,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Young Men's Christian Association of Southwest Illinois	
Project name:	YMCA of Southwest Illinois New Facility Construction and Refinancing Bonds, Series 2005	
Locations:	Belleville, IL; Monroe County, IL; City of O'Fallon, IL; City of Maryville, IL	
Organization:	501(c)(3) Corporation	
State:	Illinois	
Management:	Steve Ira	President/CEO
	Belinda Schubbe	V.P. of Operations
	John Small	CFO
	Roger Tracey	Director of Properties
	Regina Kaisor	V.P. of Financial Development
Land Sellers:	Not Applicable	

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Neville, Richards and Wuller	Belleville	Robert Wuller, Jr.
Accountant:	Moore, Renner & Simonin, P.C.	Belleville	Jeff Renner
Bond Counsel:	Evans, Froehlich, Beth & Chamley	Champaign	Kurt Froehlich
Bond Purchaser:			
Underwriter:	Bernardi Securities, Inc.	Fairview Heights	Mike Bowen
Underwriter's Counsel:	To be determined		
Issuer's Counsel:	To be determined		
Trustee:	BNY Trust Company of Missouri	St. Louis, MO	Kent Schroeder

LEGISLATIVE DISTRICTS

Belleville

Congressional:	12
State Senate:	57
State House:	113

City of O'Fallon

Congressional:	12
State Senate:	55/56
State House:	110/112

Monroe County

Congressional:	12
State Senate:	58
State House:	116

City of Maryville

Congressional:	20
State Senate:	56
State House:	112

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Jim Senica

Date: February 8, 2005

Re: Overview memo for NSR Technologies, Inc.

- **Borrower/Project Name:** NSR Technologies, Inc.

- **Location:** Decatur (Macon County)

- **Principal Project Contact:** Dr. Kris N. Mani, CEO

- **Board Action Requested:** Preliminary Bond Resolution

- **Amount:** $8,500,000 (not to exceed amount)
  - Uses: Construction of a 4,000 square foot manufacturing facility
    Acquisition of new machinery and equipment
    Payment of certain bond issuance costs

- **Project Type:** Industrial

- **IFA Benefits:**
  - Conduit Tax-Exempt Bonds – no direct IFA or State funds at risk
  - New Money Bonds: Convey tax-exempt status

- **IFA Fees:**
  - Application fee: $1,500
  - One-time, upfront closing fee: $63,750

- **Structure:**
  Industrial revenue bonds issued by IFA will either be privately placed or secured by a direct-pay letter of credit and placed with an underwriter for a public offering
  - Tax-exempt rate to NSR Technologies, Inc.
  - Maturity to be determined

NOTE:

- The IFA Board approved a $650,000 participation loan to the lessee of the subject real estate at its 12/7/04 meeting. The proposed transaction does not significantly impact the financial position of P & P while permitting P & P owners to exercise complete control over the plant facilities.

- ~~Total IEA exposure to related parties is $835,000~~

- **Recommendation:** ~~Staff recommends approval subject to bank covenants as presented on page 3 of this report.~~

ILLINOIS DEVELOPMENT FINANCE AUTHORITY
BOARD SUMMARY

Project: NSR Technologies, Inc.

STATISTICS

Deal Number:	I-ID-TE-CD-502	Amount:	$8,500,000 (not to exceed amount)
Type:	Industrial Revenue Bonds	IFA Staff:	Jim Senica
Location:	Decatur	Tax ID:	22-3822338
		Est fee:	$63,750

BOARD ACTION

Preliminary Bond Resolution	Staff recommends approval
Conduit Industrial Revenue Bonds	Possible private placement
No IFA funds at risk	

PURPOSE

Bond proceeds will be used to finance the construction of a 4000 square foot manufacturing facility, the acquisition of new machinery and equipment and to pay certain bond issuance costs.

VOLUME CAP

The applicant will be seeking up to $8.5 million in Volume Cap.

VOTING RECORD

Preliminary Bond Resolution, no previous voting record.

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$8,500,000	Uses:	Project Costs	$9,330,000
	Equity	1,000,000		Issuance Costs	170,000
	Total	$9,500,000		Total	$9,500,000

JOBS

Current employment:	N/A	Projected new jobs:	44
Jobs retained:	N/A	Construction jobs:	100

BUSINESS SUMMARY

Background: NSR Technologies, Inc. ("NSR" or the "Company") was founded by Dr. K.N. Mani and incorporated as a C corporation in the state of Delaware in March, 2001. From its inception, the Company has been perfecting extensive product research, registering world-wide patents and developing defined customers for its products. Dr. Mani is assisted by a very experienced and diverse management team.

Description: NSR Technologies, Inc. was founded with the business purpose of supplying compact, higher quality, lower cost, and more energy efficient process solutions to major firms in the chemical food, pulp & paper and other industries. NSR's technology achieves separation and rearrangement of inexpensive raw materials into value added chemical products using membranes and electricity. NSR's technology comprises proprietary, state of the art electrodialysis (ED) and electrodeionization (EDI) cell stacks and patented processes incorporating these cell stacks for the manufacture of chemicals for sale or reuse/recycling within existing process plants.

NSR Technology is commercially proven; the NSR management team designed, built and operated a $4 million facility for 12 years, producing acid and KOH from salt for a steel plant. The group also supplied cell stack equipment and technology for a $2 million facility in a chemical company that operated for 5 years, producing an acid and sodium hydroxide (NaOH) alkali.

NSR's strategy is to first manufacture and deploy the Company's patented cell stacks in-house for the manufacture of premium quality chemicals for sale, specifically hydrochloric acid (HCl) and potassium hydroxide alkali (KOH) from potassium chloride (KCl) salt raw material. A portion of the plant will also be producing calcium chloride (CaCl2) by reacting with lime. *NSR's technology represents the least costly method for these chemicals.* The Company's initial plant in Decatur will be located in close proximity to two of its primary customers, ADM and A.E.Staley, allowing for product to be directly piped into their plant facilities. Five Midwest customers have made commitments to purchase the KOH and CaCl2, with these commitments possibly exceeding the plant's initial production capacity.

NSR will also be marketing its proprietary cell stacks and related technology to customers such as pulp mills and other industries. In this context, the Decatur facility will be of great value to NSR for its training and marketing programs with cell stack customers.

Remarks: The Company has written commitments with customers to purchase substantially all of the plant's initial output. The contracts have an estimated value of nearly $18.5 million over three years yielding a 45% gross margin. The key factors in obtaining these contracts have been high quality products at attractive prices, lower replacement costs for raw materials such as resins as well as environmental and safety benefits. All patents relating to these products were developed by the Company's founder, Dr. Mani and licensed back from ADM (Dr. Mani's prior employer) on an exclusive worldwide basis. It is important to note that markets for the types of products produced by NSR are large and stable.

NSR is a green chemistry company as its technology is environmentally friendly. The chemical products are water soluble solutions and the NSR plant and cell stacks will generate negligible waste.

Financials: Company-prepared seven-year financial projections

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	Year Ended December 31 (Dollars in million's)						
Income statement							
Sales	0.00	4.50	6.32	7.58	7.58	7.58	7.58
Net Income	(1.02)	0.04	1.04	1.06	1.10	1.13	1.17
EBITDA*	(1.20)	0.89	1.89	2.44	2.48	2.51	2.55
Balance Sheet							
Current assets	2.45	3.59	5.55	7.43	8.83	10.26	11.71
P P & E	9.00	8.40	7.80	7.20	6.60	6.00	5.40
Other assets	0.01	0.32	0.44	0.53	0.53	0.53	0.53
Total assets	11.46	12.31	13.79	15.16	15.96	16.79	17.64
Current liabilities	0.30	0.91	1.56	1.83	1.85	1.86	1.88
Debt	8.50	8.50	8.22	8.21	7.90	7.58	7.24
Other liabilities	0.00	0.19	0.25	0.31	0.31	0.31	0.31
Net assets	2.66	2.71	3.76	4.81	5.90	7.04	8.21
Total liab. & net assets	11.46	12.31	13.79	15.16	15.96	16.79	17.64
Ratios							
Debt Service Coverage	-	2.78x	3.09x	3.94x	4.00x	4.05x	4.11x
Current Ratio	8.16	3.95	3.56	4.06	4.77	5.52	6.23
Debt/Equity	3.20	3.14	2.26	1.71	1.39	1.12	0.92

*Earnings before interest, taxes, depreciation and amortization

Discussion: The projections presented above assume that the plant will begin production at the beginning of year 2, although production will probably commence sooner. Year 2 assumes operating at 71% of rated capacity while years 3 through 7 assume 100% capacity utilization.

NSR currently has in place long-term chemical purchase contracts with established customers worth nearly $18.5 million over the first three years in production, with gross margins expected to be in the 45% range. Management has projected cash flow to be nearly $3 million annually.

NSR's addressable market niche exceeds $10 billion and is expected to grow to $13 billion by year 7.

FINANCING SUMMARY

Security: Applicant is engaged in discussion with several banks for issuance of a letter of credit in the event a public offering is selected

Structure: Bonds will either be privately placed or offered publicly through an underwriter

Maturity: To be determined

PROJECT SUMMARY

Bond proceeds will be used to finance the construction of a 4,000 square foot manufacturing facility on one of two parcels of land in Decatur, Illinois. The building will be utilized in the applicant's chemical manufacturing operation. Project costs are estimated as follows:

Land Acquisition	$300,000
Building Construction	1,430,000
New machinery & Equipment	7,600,000
Total	$9,330,000

ECONOMIC DISCLOSURE STATEMENT

Project name:	NSR Technologies Decatur facility
Location:	Decatur, Illinois (Macon County)
Applicant:	NSR Technologies, Inc.
Organization:	C Corporation
State:	Delaware
Ownership:	Dr. Kris N. Mani –100%

PROFESSIONAL & FINANCIAL

Bond Counsel:	Scarpone, Stanhope, Savage, LLC	Newark, NJ	James Savage
Issuer's Counsel:	To be determined		
Underwriter	Gates Capital	Newark, NJ	
Underwriter's Counsel:	To be determined		
Accountant:	Leaver, Gonzalez & Tabir	Basking Ridge, NJ	Charles Leaver
Real Estate Consultant:	First Growth Mortgage Group, LLC	Raritan, NJ	Prakash Shah

LEGISLATIVE DISTRICTS

Congressional:	17– Lane A. Evans
State Senate:	51– Frank Watson
State House:	101– Bob Flider

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Steven Trout, Funding Manager

Date: February 1, 2005

Re: **Overview Memo for Midwest Investments LLC**

- **Borrower/Project Name:** Midwest Investments LLC
- **Location:** Bartlett (DuPage Co.)
- **Principal Project Contact:** Mr. Prabhudas (Pat) Patel, President/CEO of Midwest Molding.
- **Board Action Requested:** Preliminary Bond Resolution
- **Amount:** Not to exceed $8,000,000
- **Uses:**
  - Acquire a 10-acre site building in the Brewster Creek Business Park in Bartlett, construct and equip a 100,000 square-foot industrial building to manufacture plastic injection molding components for original automotive equipment manufacturers
- **Project Type: Industrial Development Bonds**
- **IFA Benefits:**
  - Conduit Tax-exempt Industrial Development Bonds:
    - No IFA or State funds at risk
    - Conveys tax-exempt financing status
    - Require Volume Cap
- **IFA Fees:** One-time issuance fees estimate at $55,000
- **Structure:**
  - Bonds will either be secured by a direct-pay letter of credit or purchased directly by a bank as an investment until maturity

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **Midwest Investments, LLC (Midwest Molding, Inc.)**

STATISTICS

Project Number:	I-ID-TE-CD-421	Amount:	$8,000,000 (not-to-exceed amount)
Type:	Industrial Development Bond	IFA Staff:	Steven Trout
Location:	Bartlett	Tax ID:	36-4066978
SIC Code:	3089 Plastic Injection Molding	Est. fee:	$55,000

BOARD ACTION

Preliminary Bond Resolution
Conduit Industrial Development Bonds
No extraordinary conditions

No IFA funds at risk.
Staff recommends approval.

PURPOSE

Proceeds will be used to acquire a 10-acre site in the Brewster Creek Business Park in Bartlett, construct and equip a 100,000 square-foot industrial building to manufacture plastic injection molding components for original automotive equipment manufacturers.

VOLUME CAP

This financing will require up to $8 million of Volume Cap.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$7,500,000	Uses:	Project Costs	$8,000,000
	Equity	$500,000			
	Total	**$8,000,000**		**Total**	**$8,000,000**

JOBS

Current employment:	89	Projected new jobs: 61
Jobs retained:	N/A	Construction jobs: 30 (over 6 months)

BUSINESS SUMMARY

Background: Midwest Molding, Inc., is an Illinois S-Corporation that was incorporated on March 14, 1996 to manufacture plastic molded components for original automotive equipment manufacturers. The company is a custom injection molder that specializes in straight molding, 2-shot molding, insert molding and assembly. Midwest Investments, LLC is an Illinois Limited Company established to own and lease real estate to Midwest Molding.

Description: Midwest Molding markets its capabilities through manufacturer's representatives and direct sales and has grown to $9 million in annual sales since its founding. Customers include Delphi Packard Electric Systems, Magna Donnelley Corporation, Robert Bosch Corporation, Mitsubishi Motor Manufacturing of America, Texas Instruments, Delphi Vandalia, Illinois Tool Works, Hella

Electronics, Omron Automotive, Lear Corporation, Hi Stat Manufacturing, Donaldson Company and SPX Filtran. Midwest Molding is ISO-9001/QS-9000 3rd Edition, 1998 Certified, and is the nation's only minority-owned injection molder with this quality control designation.

Project Background: Delphi Packard Electric Systems recently awarded Midwest Molding a 7-year contract worth $4,688,000 in annual sales to produce a component for General Motors. The company is planning to relocate from its current facility to a new 100,000 square-foot building to expand capacity to fulfill this contract plus its existing contracts. Midwest Molding plans to begin the project in early 2005 to begin fulfilling the General Motors contract in early 2006.

Borrower Financials: Audited financial statements prepared for 2002 and 2003 by Sunny and Associates, CPA. Forecast for 2004 based on annualized results through October 31 (ten months). Forecast for 2005, 2006 and 2007 prepared by Sunny and Associates and Midwest Molding's President, Prabhudas Patel. (Dollars in 000s.)

	Year Ended December 31			Year Ending December 31		
	2002	2003	2004	2005	2006	2007
Income statement:						
Sales	7,866	7,910	9,830	11,000	13,000	16,000
Net income	253	235	553	592	474	702
Earnings Before Interest, Taxes & Depreciation	1,040	1,044	1,705	1,537	1,852	2,167
Balance sheet:						
Current Assets	2,285	2,069	2,869	2,600	3,145	4,155
PP&E-Net	2,196	2,426	2,524	9,970	9,420	8,746
Other Assets	2	10	10	45	50	60
Total	4,483	4,505	5,403	12,615	12,615	12,961
Current Liabilities	1,073	1,470	1,925	1,765	1,850	1,950
Long-Term Liabilities	1,531	1,089	1,094	8,235	7,685	7,310
Other Non-Cur. Liabilities	0	0	0	0	0	0
Equity	1,879	1,946	2,384	2,615	3,080	3,701
Total	4,483	4,505	5,403	12,615	12,615	12,961
Ratios:						
Fixed Charge Coverage	1.93x	2.08x	2.25x	1.45x	1.60x	1.71
Current ratio	2.13	1.41	1.49	1.47	1.70	2.13
Long-term Debt to Equity	0.96	0.89	0.77	3.39	2.67	2.08

Discussion: Midwest Molding generates sales from original equipment manufacturers pursuant to multiyear contracts in most cases. New contracts have generated increased sales and earnings during the first 10 months of 2004. Earnings presented above are understated because the company reports depreciation expenses using accelerated depreciation (which it uses for reporting taxable income) rather than straight-line (constant) depreciation. The balance sheet though 2004 includes machinery and equipment and related debt but does not include the land and building that Midwest Molding leases from Midwest Investments, LLC, a related entity. Coverage of debt service and rent expense has been very strong over the period reviewed.

The forecast has been prepared by Midwest Molding's public accountants with input from the Company. Sales projections are based on orders on hand. The forecast assumes that revenues from the new contract will begin accruing in 2006. The forecast assumes that 1) construction on the project begins in early 2005 and is completed by year-end, 2) early project expenses are financed though bank loans, and 3) Bonds are issued in June 2005 and are used to reimburse early project costs and pay remaining project expenses. The Bonds are expected to bear interest at an average rate of 6%.

Management anticipates that the land and building will be owned by Midwest Investments, LLC and leased to Midwest Molding, consistent with current practice. The forecasted balance sheet includes both the financed assets (including land and building) and the Bonds to demonstrate Midwest Molding's capacity to service this debt over the life of the project. The owners plan to sell the company's existing land and building in 2006 after the new building is occupied. The owners have recently received inquiries to sell that building and the land for $1,800,000. That property is financed with a mortgage from Hoffman Estates Community Bank with an outstanding balance of $1,511,211. The forecast does not include any income from the sale of that building and payoff of the mortgage.

The Company maintains a $3,000,000 current line of credit with Hoffman Estates Community Bank that is rarely drawn. We anticipate that Midwest Molding should continue to generate sufficient operating cashflows to pay operating costs and make timely debt payments.

FINANCING SUMMARY

Obligor:	Midwest Investments, Inc.
Security:	The Bonds will either be placed directly with a bank or offered to institutional investors and secured with a direct-pay letter of credit from a commercial bank.
Bank Security:	The Bonds will be secured by a first mortgage on the subject real estate, a first security interest on the financed equipment, an assignment of rents and leases and a corporate guarantee from Midwest Molding.
Amortization:	25 years

PROJECT SUMMARY

Bond proceeds will be used to: 1) acquire approximately 10-acres of land located at Lot Number 6 in the Brewster Creek Business Park in Bartlett (Kane County), 2) construct an approximately 100,000 square-foot manufacturing plant, 3) acquire and install equipment for use therein.

Project costs are estimated below:

Land Acquisition:	$1,800,000
Construction:	4,500,000
Machinery and Equipment:	1,500,000
Contingency:	200,000
Total:	**$8,000,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Midwest Molding, Inc. (Contact: Mr. Prabhudas (Pat) Patel, President and CEO, 741 Winston Street, West Chicago, IL 60185; Phone: (630) 876-8811)
Project name:	Midwest Investment LLC (Midwest Molding, Inc.)
Location:	Lot Number 6, Brewster Creek Business Park, Barlett (DuPage), IL
Organization:	Illinois Limited Liability Corporation
Ownership:	Ownership of both Midwest Investment, LLC and Midwest Molding, Inc., is detailed below:

Prabhudas (Pat) Patel	Barrington	50%
Mayur Patel	Elk Grove Village	9%
Suresh Patel	Schaumburg	9%
Hitesh Patel	Streamwood	9%
Shanker Patel	St. Charles	9%
Dipak Shah	Glendale Heights	9%
Rahni Patel	Carol Stream	5%

PROFESSIONAL & FINANCIAL

Bond Counsel:	To be determined		
Bank:	To be determined		
Accountant:	Sunny and Associates, Ltd.	Palatine	Sunny Modi
General Contractor:	To be determined		
Issuer's Counsel:	To be determined		

LEGISLATIVE DISTRICTS

Congress:	14^{th} District	Dennis Hastert
Illinois Senate:	28^{th} District	Bill Haine
Illinois House:	56^{th} District	Robert Rita

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Jill Rendleman

Date: February 8, 2005

Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Througout Illinois
- **Board Action Requested:** Preliminary Bond Resolutions/Inducement 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
- **IFA Fees:**
  - One-time closing fee equal to 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

BEGINNING FARMER BOND LOANS
New Projects for Inducement Resolution
January 11, 2004

Project Number:	A-FB-TE-CD-501
Borrower(s):	Michael Neff
Town:	Virden
Amount:	$147,000
Fees:	$2,205
Use of Funds:	Farmland – 40 acre grain farm
Purchase Price:	$187,000
% Borrower Equity	21%
% Other Agency	0%
% Lender	79%
County:	Macoupin
Lender/Bond Purchaser:	First National Bank of Raymond

Principal shall be paid annually in installments determined pursuant to equal principal payments over a twenty year period, with the first principal payment due one year from closing. Accrued interest shall be paid annually.

Interest shall be charged at the rate of 4.25% for the first three years of the loan, thereafter adjusted on January 1, 2008 and every three years thereafter to a rate not to exceed .75% below National Prime with a floor of 4.00% and a ceiling of 7.50%.

Project Number:	A-FB-TE-CD-502
Borrower(s):	Jared VanBlaricum
Town:	Noble
Amount:	$37,000
Fees:	$555
Use of Funds:	Farmland – 37 acre grain farm
Purchase Price:	$37,000
% Borrower Equity	0%
% Other Agency	0%
% Lender	100%
County:	Richland
Lender/Bond Purchaser:	TrustBank, Olney

Principal shall be paid annually in installments determined pursuant to a fifteen year amortization, with the first principal payment due one year from closing. Accrued interest shall be paid annually.

Interest shall be charged at the rate of 5.75% for the life of the loan.

Project Number:	A-FB-TE-CD-503
Borrower(s):	Kenneth W. Tate
Town:	Waverly
Amount:	$162,000
Fees:	$2,400
Use of Funds:	Farmland
Purchase Price:	$180,000
% Borrower Equity	10%
% Other Agency	%
% Lender	90%
County:	Macoupin
Lender/Bond Purchaser:	Farmers & Merchants State Bank, Virden

Principal shall be paid annually in installments determined pursuant to a twenty-five year amortization schedule, with the first principal payment date to be one year from the date of closing. Accrued interest shall be paid annually.

The interest rate shall be 4.50% for the first five years of the loan, thereafter, the rate shall be adjusted every five years to a rate tied to the prime rate of interest as quoted in The Wall Street Journal.

Project Number:	A-FB-TE-CD-504
Borrower(s):	Jason Pitcher
Town:	Montrose
Amount:	$32,000
Fees:	$480
Use of Funds:	Farmland
Purchase Price:	$64,000
% Borrower Equity	50%
% Other Agency	%
% Lender	50%
County:	Jasper
Lender/Bond Purchaser:	Fifth Third Bank, Effingham

Principal shall be paid annually in installments determined pursuant to a twenty year amortization schedule, with the first principal payment date to be one year from the date of closing. Accrued interest shall be paid annually.

The interest rate shall be 4.55% for the first five years of the loan, thereafter, the rate shall be adjusted every five years to a rate based on the 5 Year Treasury Note as quoted in The Wall Street Journal plus 1.25%.

Project Number:	A-FB-TE-CD-505
Borrower(s):	Matthew David Sandidge
Town:	Chandlerville
Amount:	$194,000
Fees:	$2,910
Use of Funds:	Farmland
Purchase Price:	$202,800
% Borrower Equity	05%
% Other Agency	%
% Lender	95%
County:	Mason
Lender/Bond Purchaser:	Peoples State Bank of Chandlerville

Principal shall be paid annually in installments determined pursuant to a thirty year amortization schedule, with the first principal payment date to be one year from the date of closing. Accrued interest shall be paid annually.

The interest rate shall be fixed for the life of the loan at ½ under Prime as quoted in The Wall Street Journal on the closing date of the loan.

Project Number:	A-FB-TE-CD-506
Borrower(s):	Cory Miller
Town:	Danvers
Amount:	$27,000
Fees:	$405
Use of Funds:	Farmland
Purchase Price:	$30,000
% Borrower Equity	10%
% Other Agency	%
% Lender	90%
County:	McLean
Lender/Bond Purchaser:	Flanagan State Bank

Principal shall be paid annually in installments determined pursuant to a thirty year amortization schedule, with the first principal payment date to be one year from the date of closing. Accrued interest shall be paid annually.

The interest rate shall be 4.0% for the first year of the loan, thereafter, the rate shall be adjusted every year on the anniversary payment date of the loan to a rate not to exceed 1.00% above the weekly average yield of U.S. Treasury Securities, a one year constant maturity as quoted in The Wall Street Journal. The rate, however, shall never be lower than 4.0%.

Illinois Finance Authority
Memorandum

To: IFA Board of Directors

From: Sharnell Curtis-Martin

Date: February 8, 2005

Re: Overview Memo for Music and Dance Theater Chicago, Inc.
(Joan W. and Irving B. Harris Theater for Music and Dance Project)
IFA Project #N-NP-TE-CD-501

Borrower: Music and Dance Theater Chicago, Inc.
(Joan W. and Irving B. Harris Theater for Music and Dance Project)

Location(s): Chicago (Cook County)

Principal Project Contact: Michael Tiknis, Managing Director

Board Action Requested: Final Bond Resolution

Amount: $20,000,000

Project Type: Qualified 501(c)(3) Refunding Revenue Bonds

IFA Benefits:

- Conduit Tax-Exempt Bonds
- Interest Savings estimate is approximately $235,000 annually

IFA Fees:

- $1,000 Application Fee
- $70,000 Issuance Fee

Structure/Ratings:

- Direct Pay Letter of Credit provided by Bank of America
- Variable Rate Demand Bonds
- 40 year maturity

Recommendation:

- Staff recommends approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Deal: **Music and Dance Theater Chicago, Inc.**
(Joan W. and Irving B. Harris Theater for Music and Dance Project)

STATISTICS

Deal Number:	N-NP-TE-CD-501	Amount:	$20,000,000 (not-to-exceed amount)
Type:	Not-For-Profit	IFA Staff:	Sharnell L. Curtis-Martin
Location:	Chicago	Tax ID:	36-3930153
SIC Code:	7922	Est fee:	$70,000

BOARD ACTION

Final Bond Resolution
Qualified 501(c)(3) Refunding Revenue Bonds
No IFA funds at risk

Staff recommends approval
No extraordinary conditions

PURPOSE

Bond proceeds will be used to refinance existing debt.

IFA CONTRIBUTION

Not-For-Profit projects do not require Volume Cap.

VOTING RECORD

IDFA Preliminary Bond Resolution: May 16, 2000

Ayes:	12	
Nays:	0	
Absent:	2	(T. O'Brien, Vrydolyak)
Abstentions:	1	(Zavis)

SOURCES AND USES OF FUNDS

Sources:	IFA Bond	$20,000,000	Uses:	Project Costs	$22,676,804
	Equity	3,176,804		Costs of Issuance	500,000
	Total Sources	$23,176,804		Total Uses	$23,176,804

Equity is from internally generated funds and contributions.

JOBS

Current employment:	12	Projected new jobs:	1
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

Background: The Music and Dance Theater Chicago, Inc., ("MDTC") was incorporated as an Illinois 501(c)(3) on April 13, 1994. The Music and Dance Theater Chicago was founded to serve 12 music and dance groups. They are Ballet Chicago, Chicago Opera Theater, Chicago Sinfonietta, Dance Center of Columbia College, Hubbard Street Dance Chicago, Joffrey Ballet of Chicago, Lyric Opera Center for American Artists, Mexican Fine Arts Center, Montu Dance Theater of Chicago, Music of the Baroque, Old Town School of Music and Performing Arts Chicago.

Description: The purpose of the theater was to develop and operate a 1,500-seat performing arts theater to meet the needs of a number of Chicago's mid-size, not-for-profit music and dance groups. The new theater was the result of a collaboration of Chicago's philanthropic community and 12 performing arts groups, which will use the theater space for approximately 40 weeks annually.

Remarks: The 12 founding performing arts groups shall utilize the theater space from September through May of each year. The City and Grant Park Music Festival will be in residence June through August. Additionally, Grant Park Music Festival will have office space in the theater for the entire year.

Financials: Audited Financial Statements 6/30/02 – 6/30/04
Internally prepared Financial Projections 6/30/05 – 6/30/07

	Year Ended June 30			Year Ending June 30		
	2002	2003	2004	2005	2006	2007
	(Dollars in 000's)					
Income statement:						
Total Support and Revenue	$4,109	$8,109	$23,817	$2,220	$5,142	$5,471
Change in Net Assets	3,287	7,474	20,217	(2,429)	722	978
EBIDA	3,315	7,522	21,854	28	2,703	2,959
Balance sheet:						
Current assets	$19,441	$18,273	$31,646	$26,150	$28,092	$30,291
PP&E	12,312	36,022	44,461	43,251	42,040	40,830
Other assets	0	0	131	475	465	455
Total assets	31,750	54,405	76,318	69,876	70,598	71,577
Current liabilities	4,236	4,449	1,089	50	300	300
Non Current liabilities	2,951	17,918	22,974	20,000	19,750	19,500
Net Assets	24,563	32,038	52,255	49,826	50,548	51,527
Total liabilities/Net Assets	$31,750	$54,405	$76,318	$69,876	$70,598	$71,577
Ratios:						
Debt coverage	0.79x	1.74x	11.90x	0.02x	2.50x	2.74x
Current ratio	4.09	4.11	29.06	523.00	93.64	100.97
Debt/equity	0.22	0.41	0.31	0.40	0.40	0.38

Discussion: During 2002 – 2004, MDTC has been in the process of fundraising in order to complete construction of the new theater. MDTC expects to realize a net loss in the 2004/2005 fiscal year, its first year of operation. During this period, MDTC has hired 10 new, permanent employees in order to operate the new facility as well as covering general operating expenses for the first time. The present project being considered by the IFA Board of Directors will allow MDTC to refinance its construction loan with tax exempt debt that will reduce MDTC's costs.

By 2006, MDTC expects to book a full year of dates/performances by its sponsor organizations and will implement a new investment plan to manage its cash balances. 2006 will represent a typical year in the new facility.

FINANCING SUMMARY

Security:	Direct Pay Letter of Credit from Bank of America
Structure:	Variable Rate Demand Bonds with a 40-year maturity

---

PROJECT SUMMARY

Bond proceeds will be used to refinance all or a portion of the costs of the acquisition of land, buildings, improvements, furnishings, equipment and related property to be installed in the 1,525 theater auditorium and related facilities known as the Joan W. and Irving B. Harris Theater for Music and Dance located at 205 East Randolph Drive in Millennium Park. Project costs are estimated as follows:

Refinancing of Construction Loan	$22,676,804
Total Project Costs	$22,676,804

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Chicago Music and Dance Theater 203 North LaSalle Street, Mezzanine Level, Chicago, IL 60601	
Project name:	New Chicago Music and Dance Theater	
Project location:	Upper Randolph in Millennium Park	
Organization:	501(c)(3) Corporation	
State:	Illinois	
Board:	Joan W. Harris, Chairman	David C. Blowers, Vice Chair
	Abby O'Neil, Vice Chair	Mary Kay Sullivan, Treasurer
	James B. Fadim, Secretary	Sandra P. Guthman, Chair Emerita
	Peter Ascoli	Cameron S. Avery
	John W. Ballantine	Bonnie Brooks
	Erika Bruhn	Geda Maso Condit
	Amina J. Dickerson	James J. Feldstein
	James J. Glasser	Caryn Harris
	Thomas C. Heagy	John I. Jellinek
	Donna LaPietra	David L. MacKay
	Diane Mayer	Alexandra Nichols
	Marian Pawlick	Don Michael Randel
	Maria Razumich	Earl Shapiro
	Sarah Solotaroff	Harrison I Steans
	Donald M. Stewart	M. James Termondt
	Michael Tiknis	Robin S. Wryloff
	Marilyn Vitale	Thomas R. Walker
	Dori Wilson	Jennifer Woodard
	Marshall Field	Barry Hastings

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Bell, Boyd & Lloyd	Chicago	William Price
Accountant:	Altschuler, Melvoin and Glasser	Chicago	Robert S. Silver
Bond Counsel:	Sidley Austin Brown & Wood	Washington, DC	Peter Canzano
LOC Bank:	Bank of America	Chicago	Deborah Edwards
Underwriter:	William Blair	Chicago	Christine Kelly
Underwriter's Counsel:	Gardner Carton & Douglas	Chicago	Mary Wilson
Issuer's Counsel	Pugh Jones Johnson & Quandt	Chicago	Kim Barker Lee
Trustee:	LaSalle Bank N.A.	Chicago	Erik Benson
Rating Agency:	Moody's Investors Service	New York, NY	

LEGISLATIVE DISTRICTS

Congressional:	7 – Danny K. Davis
State Senate:	13 – Kwame Raoul
State House:	26 – Lovana Jones

Illinois Finance Authority
Memorandum

To: IFA Board of Directors

From: Sharnell Curtis-Martin

Date: February 8, 2005

Re: Overview Memo for Spaulding Composites, Inc.
IFA Project #: B-LL-TX-425

Borrower: Spaulding Composites, Inc

Location(s): DeKalb (DeKalb County)

Principal Project Contact: Landon Faivre, Castle Bank
Keith Shaughnessy, President of Metapoint Partners, L.P. (Majority owners of Spaulding Composites, Inc.)

Board Action Requested: Approval to purchase participation loan

Amount: $625,000

Project Type: Business – Participation Loan

IFA Benefits:

- Buy down of interest rate - $625,000 IFA Funds at risk
- Borrower provided with lower blended interest rate

IFA Fees:

- $34,375 (first year's interest)

Structure/Ratings:

- Loan participation to be purchased by Castle Bank
- Loan term will be 5 year balloon with a 15-year amortization
- Loan will have blended rate of 7.5%, Bank will retain 100 basis points for servicing
- Collateral will consist of :
  - Pro-rata "parri passu" first mortgage on facility located in DeKalb, IL with an appraised value of $2,225,000 with loan to value of 70.2%

Recommendation:

- Staff recommends approval subject to bank conditions which include:
  - completed appraisal
  - satisfactory environmental audit
  - evidence of insurance on collateral

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: Spaulding Composites, Inc.

STATISTICS

Deal Number:	B-LL-TX-425	Amount:	$625,000
Type:	Participation Loan	IFA Staff:	Sharnell Curtis Martin
Location:	DeKalb	Est. fee:	$34,375 (first year's interest)

BOARD ACTION

Purchase of Participation from Castle Bank
$625,000 of IFA funds at risk
Collateral is parri passu first position with Castle Bank
Staff recommends approval

PURPOSE

Acquisition of equipment.

VOTING RECORD

Initial board consideration, no previous voting record.

SOURCES AND USES OF FUNDS

Sources:	IFA	$625,000	Uses:	Project Costs	$1,250,000
	Castle Bank	625,000			
	Total Sources	$1,250,000		Total Uses	$1,250,000

JOBS

Current employment:	137 (73 – Hew Hampshire) (64 – Illinois)	Projected new jobs:	5
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

Background: Spaulding Composites, Inc., "Spaulding" or the "Company" was founded in 1873 in Townsend Harbor, MA. Initially Spaulding manufactured textile products used in various forms of cases and boxes for use in various types of industries. At one point in the 1950's Spaulding had international offices in Canada, England and France as well as in 16 cities throughout the East and Midwest. In the 1970's, substitute materials were being used that replaced many uses of composite materials; as a result many Spaulding facilities consolidated or closed operations. In 1992, environmental concerns required the closing of the headquarters which led to filing bankruptcy in 1993.

Spaulding's new headquarters is in Rochester, NH with a production plant in DeKalb, IL. The Company's present production includes specialized industrial laminate products that are used in the manufacturing of other machinery and equipment (i.e., stereo speakers, fuses, and air tools).

Metapoint Partners L.P., ("Metapoint") acquired Spaulding's assets out of bankruptcy court in late 2003. Metapoint is a private investment group that specializes in acquiring and turning around underperforming small to medium sized manufacturing companies. Metapoint is also in the process of acquiring the assets of a competitor of Spaulding, NVF, located in Pennsylvania and Delaware. Banknorth out of Burlington, MA will finance the acquisition of the NVF.

Management plans to dispose of NVF's facilities and consolidate all operations into Spaulding's New Hampshire and DeKalb facilities. The new capability will allow Spaulding to add 50% capacity in its sales volume with newer and more efficient equipment.

Remarks: Spaulding's five largest customers include: Caterpillar, Eastman Kodak, Ferraz Shawmut, Ingersoll-Rand and Snap-On. Spaulding's top 10 customers represent 41% of total sales.

Financials: Audited six month financial statements 1/1/04 – 6/30/04
Internally prepared projections 6/30/05 – 6/30/07

	Year Ended June 30	Year Ending June 30		
	2004	2005	2006	2007
	(Dollars in 000's)			
	Six months			
Income statement:				
Sales	$7,949	$21,651	$22,750	$23,540
Net income	135	258	1,373	1,517
EBITDA	251	589	1,728	1,897
Balance sheet:				
Current assets	$4,514	$6,227	$6,736	$7,051
PP&E	1,615	2,787	2,862	2,912
Other assets	85	122	92	62
Total assets	$6,215	9,136	9,690	10,025
Current liabilities	4,344	4,145	3,694	3,372
Non Current liabilities	1,091	3,636	3,267	2,408
Equity	780	1,355	2,729	4,245
Total liabilities/equity	$6,215	$9,136	$9,690	$10,025
Ratios:				
Debt coverage	0.42x	0.86x	2.03x	2.28x
Current ratio	1.04	1.50	1.82	2.09
Debt/equity	3.75	3.42	1.56	0.80

Discussion: In 2003, the assets of Spaulding were purchased out of bankruptcy from the previous owners. Metapoint Partners and Mr. Doug Keslin, Chief Financial Officer of Spaulding is the new ownership of Spaulding, as a result there are no historical financials available.

The Company's financials shows a modest net income in 2005. This is primarily due to acquisition of NVF. Approximately $1.2 million in legal and moving expenses are associated with relocating assets to the New Hampshire and Illinois facilities. These are one time expenses associated with this acquisition.

Spaulding has a $5 million working line of credit available through Banknorth with an expected outstanding balance of $2.7 million once all acquisition activity and purchases are complete. This line has provided adequate liquidity for Spaulding to service its debt obligations in 2004 and 2005. Metapoint plans to contribute approximately $400,000 in additional capital in 2005.

FINANCING SUMMARY

Security: Collateral will consist of a pro-rata first position "parri passu" with Castle Bank on the DeKalb facility located at 1300 South 7th Street, DeKalb, IL 60115 (DeKalb County). The complete appraised value is $2,285,000 with a loan to value of 70.2% and collateral coverage of 1.42x.

Structure: Based on the guidelines of the Participation Loan Program, IFA's interest will be 200 basis points below the banks stated rate. Loan will have blended rate of 7.5% and the bank will retain 100 basis points for servicing.

Maturity: The loan will be set on a 5-year term with a 15-year amortization.

Covenants: Annual audited financial statements of Spaulding Composites, Inc.
Evidence of insurance on the collateral

PROJECT SUMMARY

Loan proceeds will be used to acquire equipment to be located at its DeKalb facility at 1300 South 7th Street, DeKalb, IL 60115 (DeKalb County). Project costs are estimated as follows:

	Book Value	Discounted Value (65% of Book Value)
Equipment	$1,250,000	$812,500
Total Project Costs	$1,250,000	

The Bank will not be taking a security interest in the subject equipment being financed. The Bank will be taking a mortgage against the DeKalb facility as collateral for this loan. The equipment will be used as collateral on a separate transaction by Banknorth of Burlington, MA. Banknorth has a blanket lien on Spaulding's business assets with the exception of the DeKalb facility.

COLLATERAL REVIEW

	Book Value	Discounted Value (80% of Book Value)
Building	$2,225,000	$1,780,000
Loan to Value ratio		70.2%

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Spaulding Composites, Inc.
Project name:	Spaulding Composites, Inc. New Equipment Financing
Location:	1300 South 7th Street, DeKalb, IL 60115 (DeKalb County)
Organization:	Corporation
State:	Delaware
Ownership:	Metapoint Partners, L.P. - 90% (David Dull, Stuart Matthews and Castle Lyons, LLC [Mr. Keith Shaughnessy - Member])
	Doug Keslin (CFO, Spaulding Composites, Inc.) - 10%

PROFESSIONAL & FINANCIAL

Bank:	Castle Bank	DeKalb, IL	Landon Faivre
Accountant:	Baker Newman & Noyes, LLC		
IFA Counsel:	Dykema Gossett	Chicago	Darryl Pierce

LEGISLATIVE DISTRICTS

Congressional:	14 – Dennis Hastert
State Senate:	35 – J. Bradley Burzynski
State House:	70 – David A. Wirsing

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: February 8, 2005

Re: Overview Memo for Autumn Ridge Apartments Limited Partnership
(Autumn Ridge Apartments Project)
M-MH-TE-CD-409

- **Borrower:** Autumn Ridge Apartments Limited Partnership

- **Location:** Carol Stream (DuPage County)

- **Principal Project Contact:** Mr. Milton Pinsky, Managing Member, Autumn Ridge GP, LLC (General Partner of the Borrower), an affiliate of Banner Apartments, Inc. of Northbrook, IL

- **Board Action Requested:** Final Bond Resolution

- **Amount:** not to exceed $15.0 million (anticipated amount: $14.4 million)
  - Uses:
    - Purchase and renovation of an existing 210-unit, 3-story, seven-building affordable multifamily rental property (plus clubhouse) that will preserve the property as affordable to low- and moderate income households.
    - Substantial renovations of facilities (approximately $1.93 million) for roof repairs; parking lot resurfacing, and various interior and exterior upgrades.

- **Project Type: Multifamily Housing 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 $14.4 million of dedicated of 2003-2004 Carryforward Volume Cap designated specifically for affordable rental housing projects

- **IFA Fees**:
  - One-time, upfront closing fee estimated at $89,280 (reflects use of Volume Cap)

- **Structure/Ratings:**
  - **$12,400,000 Senior Series 2005A Bonds** to be sold directly based on FHLMC ("Freddie Mac") credit enhancement facility.
  - **$2,000,000 Subordinate Series 2005B Bonds** to be sold on a non-rated, non-credit-enhanced basis to Accredited Investors pursuant to IFA policy (see recommendation/conditions below)
  - **Maturity Date:**
    - **Senior Series 2005A:** no later than March 1, 2038 (33 years)
    - **Subordinate Series 2005B:** no later than September 1, 2038 (33 years)
  - **Ratings:**
    - **Senior Series 2005A Bonds:** based on Aaa/AAA-rated FHLMC credit enhancement facility (Moody's/S&P)
    - **Subordinate Series 2005B Bonds:** to be sold on a non-rated, non-credit-enhanced basis to Accredited Investors pursuant to IFA policy
  - **Current and estimated rates:**
    - Senior Series 2005A Bonds will be sold as 7-day variable rate demand bonds (1.85%) with a 7.124% effective interest rate cap as mandated by FHLMC. (The current effective 7-day floating rate of 1.85% would result in an effective interest rate of approximately 2.95% as of 1/26/2005).
    - Payments on the Subordinate Series 2005B Bonds are contingent upon residual cash flow after payment of the Senior Series 2005A Bonds (and also subject the Senior Series 2005A Bond covenants).

- **Recommendations/Conditions:**
  - Staff recommends approval subject to the following condition:
    - **Condition:** The Subordinate Series 2005B Bonds must be sold to Accredited Investors pursuant to IFA Policy. Additionally, the Underwriter will also require that resale in the secondary market will be subject to execution of a "Traveling" Accredited Investor Letter by any subsequent purchaser to the Bond Trustee.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **Autumn Ridge Apartments Limited Partnership (Autumn Ridge Apartments)**

STATISTICS

IFA Project #:	M-MH-TE-CD-409	Amount:	$15,000,000 (not-to-exceed amount)
Type:	Housing Bond	IFA Staff:	Rich Frampton
Location:	Carol Stream (DuPage County)	Tax ID:	Applied for
SIC Code:	6513	Est. fee:	$89,280 (based on $14.4 million project)

BOARD ACTION

Final Bond Resolution
Conduit Tax-Exempt Multi-Family Housing Revenue Bonds
No IFA Funds at risk
Staff recommends approval subject to the following extraordinary condition that applies to the proposed Subordinate Series 2005B Bonds:

- ***Condition:*** Subordinate Series 2005B Bonds will be non-rated and privately placed with an Accredited Institutional Investors as evidenced by execution of an Accredited Investor Letter that must be delivered to the Trustee prior to the initial sale.

PURPOSE

Purchase and renovation of an existing 210-unit, 3-story, seven building affordable multifamily rental property (plus clubhouse/community building) that will preserve the property as affordable to low- and moderate income households.

IFA CONTRIBUTION

IFA will convey tax-exempt bond status on this financing.

The Developer and Financing Team will use approximately $14.4 million of prior year IFA Carryforward Volume Cap that was transferred to the Authority by Home Rule Municipalities.

VOTING RECORD

Preliminary Bond Resolution, December 7, 2004 (induced as Chateau Apartments Limited Partnership):

Ayes: 8 Nays: 0 Abstentions: 0

Absent: 3 (Giannoulias, Rice, Valenti) Vacant: 4

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	Senior Bonds (Series 2005A) *FHLMC Enhanced*	$12,400,000	Uses:	Project costs	$18,125,000
	Subordinate Bonds (Series 2005B) *Non-Rated*	2,000,000		Tax Credit Costs	150,578
				Oper. Deficit Reserve	
	LIH Tax Credits	5,480,000		Other Reserves	244,000
	Deferred Developer Fees	1,302,958		Issuance/Fin. Costs	252,000
	Prorations and GP Equity	121,000		Developer Fee	2,532,380
	Total	**$21,303,958**		**Total**	**$21,303,958**

Note: The Developer's Fee will be deferred and paid over time subject to the Partnership Agreement to be executed between the Developer and Paramount Financial Group, Inc., the Tax Credit Syndicator. Payment of these fees will be contingent on project performance. Typical performance hurdles include: satisfying certain benchmark debt service coverage, occupancy rates, and other negotiated covenants.

JOBS

Current employment:	4.5 FTE	Projected new jobs:	1
Jobs retained:	N/A	Construction jobs (9 mo's.):	10

BUSINESS SUMMARY

Background: **Autumn Ridge Limited Partnership** (the "Applicant") is an Illinois limited partnership formed in 2005. The Applicant is a special purpose entity established for the express purpose of acquiring, redeveloping, and owning the Chateau Village Apartments (the "Property") in Carol Stream, Illinois. Upon completion of the proposed renovations, the Property will be renamed "Autumn Ridge Apartments".

The **General Partner** and 1.00% owner of the Applicant will be **Autumn Ridge GP, LLC**, whose sole member will be **Banner Apartments LLC,** a Delaware limited liability company. The ultimate owner of Banner Apartments LLC is **Banner Apartments, Inc.** of Northbrook, IL. The principal shareholders of Banner Apartments are Milton Pinsky and Martin Pinsky (also see the accompanying Economic Disclosure Statement section of this report on page 6).

The **Limited Partner** and 99.00% owner of the project will be affiliates of **Paramount Financial Group, Inc.** of Granville, Ohio, the tax credit syndication division of GMAC Commercial Mortgage, Inc. The project will generate equity through the syndication of 4% Low Income Housing Tax Credits.

Description: Autumn Ridge Apartments is a 210-unit rental apartment property located in Carol Stream, Illinois (DuPage County). The property was constructed in 1970 and is located south of North Avenue (Illinois Hwy. 64) and approximately 0.5 miles west of the intersection of Bloomingdale Road and St. Charles Road. The property will be renamed Autumn Ridge Apartments upon completion of the acquisition and proposed improvements.

The property is located on an approximately 10.34 acre site.

The property's rental buildings consist of seven, 3-story multifamily residential buildings. The Property's common facilities include a community resource/clubhouse building, and 399 parking spaces.

The property is currently an affordable multifamily property that currently includes 132 units (out of 210) supported by a HUD Housing Assistance Payment (HAP) Contract. Because the Developer intends to use the proceeds of a syndication of 4% Low Income Housing Tax Credits allocable to all units, the property will become a 100% affordable, rent-restricted project for a minimum period of 15 years (i.e., the initial 15-year Tax Credit compliance period).

The proposed project will include a substantial renovation of interiors, exteriors, and common areas. Banner has estimated an average renovation cost per unit at $9,167 as of 11/12/2004.

Background on Developer and Affiliates:

Banner's current multifamily portfolio consists of approximately 3,800 units in six Midwestern states. The Company's current focus is acquiring and renovating affordable properties located in the Midwest.

Banner Construction Services L.L.C., another Chicago-based, Banner affiliate, will serve as General Contractor for the proposed renovations, subject to approval by the bond insurer (i.e., AMBAC). Banner Construction Services has completed over $140,000,000 of new construction and renovation projects for Banner-owned properties.

The proposed property manager will be Banner Property Management ("BPM"), also a Banner affiliate. BPM provides property management services for all Banner properties, including its affordable/tax credit financed properties.

Banner's most recent acquisition was the 168-unit Rosewood Apartment property in Round Lake (Lake County), Illinois. The Rosewood Apartments facility is a HUD Section 236 property that has a HAP contract on 17 of its units.

Banner, its affiliates, or principals have acquired, renovated, and financed six properties financed with a combination of tax-exempt bonds and 4% Low Income Housing Tax Credits including: (1) The Breckinridge, 168-unit property in Portage, IN; (2) Wind River Apartments, a 238-unit property located in Reynoldsburg (Columbus), OH; (3) Pine Crossing Apartments, a 192-unit property in Columbus, OH; (4) Regency Arms Apartments, a 406-unit property located in Grove City (Columbus), OH; (5) The Meadows Apartments, a 434-unit property in Grove City (Columbus), OH; and (6) Emerald Point Apartments, 120-unit facility located in Vernon Hills (Lake County), IL.

There will be no tenant relocation during the renovation period except for temporary hotel stays paid by Banner.

Financials: Historical Results Prepared by Applicant based on Audited Results: 12/31/01-12/31/03
Projected Net Operating Income Statements 2004-2007. ($ in Thousands)

	12/31/2001	12/31/2002	12/31/2003	2004	2005	2006	2007
					Year 1	Year 2	Year 3
Income:							
Gross Rental Income	$1,963	$2,028	$2,085	$2,120	$2,179	$2,239	$2,323
Vacancy/Coll. Loss	(132)	(143)	(229)	(127)	(131)	(134)	(139)
Other Income (Net):	31	347	29	38	40	41	42
Project Income:	1,862	1,919	1,885	2,032	2,087	2,145	2,226
Operating Expenses:							
Payroll	173	173	146	147	151	155	161
General Administrative	54	38	71	50	51	53	55
Operating & Maintenance	131	115	130	122	126	129	134
Utilities	200	154	212	183	188	193	200
R/E Taxes	189	195	198	204	209	215	223
Insurance	29	39	56	47	49	50	52
Mgmt. Fees	113	116	113	71	73	75	78
Replacement Reserve	138	166	72	42	43	44	47
Other Exp.	--	--	--	--	--	--	--
Total Oper. Expenses & Repl. Reserve:	1,027	996	998	866	890	914	950
Net Operating Income Before Debt Service:	835	1,236	887	1,165	1,198	1,232	1,276
Maximum Senior 2005A Bond Debt Svc. Payments (due to Interest Rate Cap)	990	990	990	990	990	990	990
Pro Forma Debt Svc. Coverage (x)	0.84	1.24	0.90	1.17	1.21	1.24	1.29

Discussion: These projections assume:

(1) 1st Mortgage Series 2005A Bond payments assume an interest rate cap on the underlying 7-day variable rate demand bonds at 7.124% amortized over 30 years (current effective rate of 2.80%).
(2) Subordinate Series 2005B Bond payments will be based on the residual available after payments on the 1st Mortgage Series 2005A Bonds. Payments on the Subordinate Series 2005B Bonds will be the greater of (i) $0 or (ii) $930,000 less the actual 1st Mortgage debt service payments.
(3) Structural rehabilitation will be 100% complete as of 11/1/06 (9 months).
(4) 6% vacancy/collection loss rate assumed.
(5) Projected annual rent and expense escalation of approximately 3.75%.
(6) Minimum $42,000 annual replacement reserve to be funded from operations beginning in 2005.

Based on these assumptions, Banner will generate Net Operating Income sufficient to cover proposed bond payments by multiples of 1.24 times or better beginning in 2006.

The proposed renovations will improve the property thereby reducing the property's vacancy rate. Additionally, the tax credit-related rent restrictions will also make the property's units more desirable to prospective tenants.

Market Facts:

The combined unit mix for Autumn Ridge Apartments is as follows. All 210 units will be low income (i.e., affordable) units upon completion:

# Units	*Unit Type*	*Ave. SF*	*Monthly Rents (include. utilities)*
118	1 BR	600	$843
92	2 BR	855	$998
210	**Total Units**	**$1.19/SF rental income per month**	

Autumn Ridge Apartments immediate submarket consists of approximately eight rental properties of 150 units or more. There are no other existing multifamily tax credit properties in the Carol Stream vicinity.

The principals of Autumn Ridge are also involved as board members of **Full Circle Communities, Inc.**, a 501(c)(3) development company that has executed a contract to acquire the Villagebrook Apartments, also in Carol Stream and finance the acquisition with IFA Bonds. Full Circle is seeking to finance its acquisition of Villagebrook with FHLMC/GNMA tax-exempt bond financing and 4% Low Income Housing Tax Credits. No other multifamily properties in the submarket are affordable properties. (The IFA Board of Directors approved an Inducement Resolution for an amount not-to-exceed $13 million in December 2004 to finance Full Circle's acquisition of Villagebrook Apartments tax-exempt bonds.)

Although there is one other existing affordable bond/tax credit financed senior property (Colony Park Apartments) in Carol Stream, Autumn Ridge and Villagebrook are the only (partial HAP) subsidized multifamily properties in the Carol Stream submarket.

The submarket's subsidized units report 100% occupancy with waiting lists for designated Section 8 units. Autumn Ridge averaged 9 vacant market rate units during the first eight months of 2004. After the proposed financing and renovation, Autumn Ridge's occupancy rate should improve since rents will be restricted and affordable on 100% of the Property's units.

The absence of comparable, subsidized/affordable multifamily units in the Carol Stream submarket and the existing waiting lists at Autumn Ridge and Villagebrook suggest that the proposed tax-exempt bond/4% tax credit financed property will support the long-term viability and demand for these properties. With 100% of the units rent restricted, Autumn Ridge anticipates continued demand and viability.

Subsidies:

This financing will include syndication proceeds generated by the sale of 4% Low Income Housing Tax Credits. Syndication of the tax credits is anticipated to generate approximately $5,480,000 in proceeds. Upon completion of the proposed renovations, a minimum of 40% of the units will be set aside to households earning no more than 60% of area median income. The Developer has elected to designate 100% of the units as "affordable" and rent restricted, thereby enhancing future occupancy rates.

Accessibility: According to the Applicant, this project is exempt from Americans with Disabilities Act ("ADA") requirements regarding minimum unit set-asides and related accessibility and adaptability requirements due to the age of the property (i.e., originally constructed in 1970).

FINANCING SUMMARY

Security: **Senior Series 2005A Bonds:** FHLMC ("Freddie Mac") credit enhancement facility (Aaa/AAA-rated by Moody's/S&P)
Subordinate Series 2005B Bonds: Nonrated and to be sold without credit enhancement. These Bonds will be collateralized by a 2nd mortgage on the property.

Structure: **Senior Series 2005A Bonds:** 7-day variable rate demand bonds with an interest rate cap of 7.124% (current effective rate estimated at 2.95%).
Subordinate Series 2005B Bonds: variable payments based on residual cash flows after variable rate payments on the Senior Series 2005A Bonds. (Bonds will be non-rated and sold pursuant to IFA policy.)

Maturity: Senior Series 2005A Bonds: 33 years (March 1, 2038)
Subordinate Series 2005B Bonds: 33 years (September 1, 2038)

PROJECT SUMMARY

Bond proceeds will be used to finance the acquisition and substantial rehabilitation/renovation of Autumn Ridge Apartments, a seven building, three-story, 210-unit rental property with a clubhouse facility located on a 10.34 acre site at 326 S. President Street in Carol Stream (DuPage County), IL 60188-2835. Additionally, bond proceeds will be used to pay costs of issuance, capitalized interest, an operating deficit reserve, and development-related soft costs.

Preliminary estimated project costs are as follows:

Land	$1,620,000
Bldg. Acquisition:	14,580,000
**Renovations:	1,925,000
Total:	**$18,125,000**

**Proposed renovations include roof repair and replacement, parking lot resurfacing, and various interior and exterior upgrades/improvements.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Autumn Ridge Apartments Limited Partnership, an Illinois Limited Partnership (c/o Mr. Milton Pinsky (Managing Member), Director, Banner Property Management, Inc., 500 Skokie Blvd., Suite 600, Northbrook, IL 60062; Ph.: 847-501-5450; Fax: 847-480-5760; e-mail:)
Project name: Autumn Ridge Apartments
Location: 326 S. President Street, Carol Stream (DuPage County), Illinois 60188-2835.
Organization: Limited Partnership
State: Illinois

Ownership of Applicant: Autumn Ridge Apartments Limited Partnership, an Illinois Limited Partnership

- General Partner: **Autumn Ridge GP, LLC, an Illinois limited liability company:** 1.00%. The sole member of the General Partner will be **Banner Apartments LLC, a Delaware limited liability company, of Northbrook, Illinois.** The ultimate owner of **Banner Apartments LLC** is Banner Apartments, Inc. of Northbrook, Illinois. *The principal shareholders of Banner Apartments are Milton Pinsky and Martin Pinsky.*

- Limited Partner: **Paramount Financial Group, Inc. and affiliates, Granville, OH: 99.00%** (through syndication of 4% low income housing tax credits to large corporations, subsequent to closing). Paramount Financial Group is GMAC Commercial Mortgage Corporation's tax credit syndication affiliate. Paramount may syndicate beneficial ownership of these partnerships to more than one affiliated entity under its management.

Current Property Owner: Autumn Ridge Apartments LLC, with General Partner and Limited Partnership interests totaling 80%.

Autumn Ridge Apartments LLC is owned by the principals of Banner Apartments, Inc. (as noted above). As approved by HUD, a minimum of 90% of total ownership by the purchaser will be transferred to unaffiliated 3rd Parties (i.e., the tax credit investors). Banner will serve as Property Manager and General Contractor (also as approved by HUD). *Additionally, Banner will transfer 80% of the free cash flow (i.e., NOI after all debt service) to Full Circle Communities, Inc., a 501(c)(3) corporation, in support of Full Circle's charitable purposes to preserve and improve affordable rental housing properties.*

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Greenberg Traurig LLP	Chicago, IL	Daniel Kraus
Bond Counsel:	Peck Shaffer & Williams LLP	Chicago, IL Louisville, KY	George Buzard Sujyot Patel
Underwriter:	Piper Jaffray & Co.	Minneapolis, MN Chicago, IL	Mark Appelbaum Nessy Shems
Underwriter's Coun.:	Gilmore & Bell, P.C.	Kansas City, MO	Kim Wells
Credit Enhancement:	Federal Home Loan Mortgage Corp. (Freddie Mac/FHLMC)	McLean, VA	Leonard Clark
FHLMC Counsel:	Ballard Spahr Andrews & Ingersoll, LLP	Washington, DC	Margo BeVier Stern
Mortgage Banker/ FHLMC Lender:	Deutsche Bank Berkshire Mortgage, Inc.	Rosemont, IL Boston, MA	Allan Edelson Donna Potember
Counsel to FHLMC Lender:	Cassin Cassin & Joseph LLP	New York, NY	Deborah Franzblau
Tax Credit Investor:	Paramount Financial Group, Inc.	Granville, OH	Matt Jackman
Tax Credit Investor's Counsel:	Nixon Peabody LLP	Boston, MA	Thomas Giblin
Trustee:	J.P. Morgan Trust Company, N.A.	Pittsburgh, PA	Kerry Zombeck
General Contractor	Banner Construction Services LLC	Northbrook, IL	
Management Agent:	Banner Communities LLC	Northbrook, IL	JoAngela Cooper-Scott
Rating Agency:	Standard & Poor's	Chicago, IL	Jeff Previdi
IFA Counsel:	Foley & Lardner LLP	Chicago, IL	Jim Broeking

LEGISLATIVE DISTRICTS

Congressional:	6	Henry J. Hyde
State Senate:	23	Ray Soden
State House:	45	Carole Pankau

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: February 8, 2005

Re: Overview Memo for Commonwealth Edison Company
P-PO-TE-CD-501

- **Borrower/Project Name:** Commonwealth Edison Company
- **Locations:** Braidwood Generating Station, Braidwood (Grundy County)
  Byron Generating Station, Byron (Ogle County)
  LaSalle Generating Station, Marseilles (LaSalle County)
- **Principal Project Contact:** Brian Collins, Senior Financial Analyst, Exelon Corp.
- **Board Action Requested:** Final Bond Resolution
- **Amount:** not to exceed $91.0 million
- **Project Type:** Pollution Control Revenue Refunding Bonds
- **IFA Benefits:**
  - Conduit Tax-Exempt Bonds – no direct IFA or State funds at risk
  - Refunding Bonds: Convert Fixed Rate Bonds (6.75%) to 7-Day Auction Rate Bonds (current effective market rate of 1.80% as of 1/26/2005)
- **IFA Fees:**
  - One-time, upfront closing fee will be $185,000
- **Structure/Ratings:**
  - Current Refunding
  - Bonds to be sold directly based on Bond Insurance from AMBAC, FGIC, MBIA, or XL Capital (Aaa/AAA/AAA – rated by Moody's/S&P/Fitch). Insurer to be selected on 1/31/2005.
  - *ComEd's current ratings (informational only).*
    - Moody's: A2/Neutral
    - S&P: A-/Negative
    - Fitch: A-/Neutral
  - **Current and estimated rates:** The Series 1994 IFA Bonds currently each bear interest at a fixed interest rate of 6.75%. The current market rate on 7-Day Auction Rate Bonds was approximately 1.80% as of 1/26/2005.

- **Estimated annual savings:** Assuming that long-term Auction Rate Bond yields average 3.75% over the first five years, the estimated annual average savings would be approximately $2.73 million per annum.

- **Positive Factors for Recommendation:**
  - **Conduit transaction**
    - IFA indemnified by a third-party Borrower
    - No IFA or State funds at risk
    - Savings attributable to refinancing will be reflected in rate base computation by the Illinois Commerce Commission (post-closing)
    - Refinancing will not use either (1) IFA debt issuance limit or (2) IFA Volume Cap (i.e., Refunding Bonds). *Furthermore, the proposed Refunding Bonds will be issued under IFA's Environmental Statute debt authorization and will not result in a net increase in debt outstanding under IFA's General Statute (i.e., Industrial Revenue Bonds, 501(c)(3) Revenue Bonds) upon redemption of the $91.0 million tranche of Series 1994D Bonds that will be called.*
  - **Bond insurance helps mitigate risk of potential ComEd downgrade to bondholders -- the Bonds will continue to be Aaa/AAA/AAA –rated even if ComEd were downgraded.**

- **Recommendations/Conditions:**
  - Staff recommends approval – because transaction is an insured, conduit bond issue, no extraordinary conditions will be required.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: Commonwealth Edison Company

STATISTICS

IFA Project #:	P-PO-TE-CD-501	Amount:	$91,000,000
Type:	Environmental/Refunding Bonds	IFA Staff:	Rich Frampton
Locations:	Braidwood, Byron, Marseilles	Tax ID:	36-0938600
SIC Code:	4931	Est. fee:	$185,000

BOARD ACTION

Final Bond Resolution
Conduit Pollution Control Revenue Refunding Bonds
No extraordinary conditions

Staff recommends approval
No IFA funds at risk

PURPOSE

Reissuance of Series 1994D bonds to (1) extend the final maturity two years from 2015 to 2017, and (2) revise certain terms of the bond documents to allow issuance of bonds in Auction Rate Mode. The Series 1994D Bonds current refunded IDFA Series 1985 Bonds issued to finance qualified pollution control facilities at three power plants. (6.75% due 3/1/2015)

VOLUME CAP

Because this project is a Refunding Issue, no Volume Cap is required.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$91,000,000	Uses:	Refunding Bonds	$91,000,000
	Equity	691,000		Costs of Issuance	691,000
	Total	**$91,691,000**		**Total**	**$91,691,000**

Source of Equity: Company will draw from cash balances to pay costs of issuance.

JOBS

Current employment:	5,900	Projected new jobs:	Not applicable (refinancing)
Jobs retained:	Not Applicable	Construction jobs:	Not applicable (refinancing)

BUSINESS SUMMARY

Background: Commonwealth Edison ("ComEd" or the "Applicant") was the principal subsidiary of Unicom Corporation prior to its merger with Exelon Corporation ("Exelon") on October 20, 2000. Exelon's regulated electricity distribution and transmission operations in Illinois continue to do business as Commonwealth Edison Company. ComEd is a 99.9% owned subsidiary of Exelon.

All of ComEd's bonds continue to be a general obligation of the Commonwealth Edison Company. The Bonds will not be secured by a corporate guarantee from Exelon Corporation. Exelon's stock is publicly traded on the NYSE under the ticker symbol "EXC".

Description: Commonwealth Edison Company is Exelon's regulated transmission and distribution subsidiary. ComEd is engaged in the transmission, distribution, and sale of electricity to approximately 3.6million residential, industrial, and commercial customers across an approximately 11,300 square mile service territory in Northern Illinois.

ComEd is a public utility under the Illinois Public Utilities Act subject to regulation by the Illinois Commerce Commission ("ICC"). ComEd is an electric utility under the Federal Power Act subject to transmission rate regulation by the Federal Energy Regulatory Commission ("FERC"). ComEd is subject to certain restrictions under the Public Utility Holding Company Act of 1935 ("PUHCA"). ComEd cannot issue debt equity securities without approval of the ICC.

During January 2001, Exelon undertook a restructuring to separate its generation and other competitive businesses from its regulated energy delivery business. As part of this restructuring, the non-regulated operations and related assets and liabilities of ComEd were transferred to separate subsidiaries of Exelon (e.g., Exelon Generating Company, LLC). Consequently, beginning January 2001, the operations of ComEd consist of its retail electricity distribution and transmission business in Northern Illinois.

ComEd has been current on all scheduled principal and interest payments on the Series 1994D Bonds.

Financials: Audited Financial Statements for 2001-2003
No projections were prepared since Commonwealth Edison's parent company is publicly held.

Year Ended December 31	**(Dollars in Millions)**		
	2001	2002	2003
		Historical	
Income statement:			
Sales	$6,206	$6,124	$5,814
Net income	607	790	707
Balance sheet:			
Current Assets	1,025	1,049	1,313
PP&E	7,351	8,230	9,096
Other Assets	7,251	7,037	7,542
Total	**$15,627**	**$16,316**	**17,951**
Current Liabilities	1,797	2,023	1,557
Long Term Liabilities	5,850	5,268	5,887
Deferred Credits	2,568	2,937	4,165
Equity	5,412	6,088	6,342
Total	**15,627**	**$16,316**	**17,951**

Financials – Cont'd:

		Year Ended December 31		
		2000	2001	2002
		Historical		
Ratios:				
	Debt Coverage	2.01x	1.35x	1.35x
	Current Ratio	0.57	0.52	0.84
	Debt/Equity	1.24	0.98	0.74

Discussion: ComEd experienced an overall decline in revenues and also posted an 11% reduction in net income in 2003. This decline was primarily due to lower operating revenues as a result of unfavorable weather (i.e., weakened demand) and higher operating and maintenance expenses, including the costs associated with implementing a corporate-wide operating cost management initiative.

The proposed Refunding Bonds will be secured by municipal bond insurance from AMBAC, MBIA, or XL Capital. Moody's/S&P/Fitch currently rate ComEd's long-term secured first mortgage debt at A3/A-/A-. ComEd has recorded strong debt service coverage of 1.35 times or better since 2001, as expected for a high investment grade borrower. The reduction in 2002-2003 debt service coverage observed primarily reflects changes in principal maturities due (i.e., $348 million in 2001, $849 million in 2002).

In 2003, ComEd's debt service coverage remained at 1.35 times despite a $151 million reduction in principal payments – the Company also posted a $136 million reduction in depreciation expense (due to a useful life study of the Company's assets) that also reduced operating cash flows from historical levels.

The proposed Refunding Bonds are expected to reduce ComEd's interest expense from 6.75% fixed to 7-day variable rate demand bonds (estimated current effective rate of 2.40% as of 12/8/2004).

The principal plants and properties of ComEd are subject to the lien of ComEd's Mortgage dated July 1, 1923, as amended and supplemented, under which ComEd's first mortgage bonds are issued.

ComEd Ratings: In the fourth quarter of 2003, S&P affirmed ComEd's corporate credit ratings but revised its outlook to negative from stable. ComEd's securities ratings as of 12/31/2003 for its Secured 1st Mortgage Bonds were as follows:

- Moody's: A3
- S&P: A- (affirmed 10/2003; Outlook Negative)
- Fitch: A-

FINANCING SUMMARY

Security: Bonds will be sold based on "Aaa/AAA/AAA"-rated municipal bond insurance from AMBAC, FGIC, MBIA, or XL Capital Assurance.

Structure: Multi-modal bonds, secured by municipal bond insurance. *The Bonds will be sold as Multi-Modal Bonds. The Company anticipates that the Bonds will be sold initially as 7-day variable rate demand bonds. The current estimated market rate on 7-day variable rate demand bonds was 1.80% as of12/8/2004.*

Maturity: The final maturity date of the Series 2005 Bonds will be extended by two years, from 2015 to 2017 (i.e., exactly 12 years from the date of issue of the IFA Series 2005 Bonds).

Notes:

- *The proposed Refunding Bonds would be issued under IFA's Environmental Statute debt authorization but will not result in a net increase in debt outstanding under IFA's General Statute (i.e., Industrial*

Revenue Bonds, 501(c)(3) Revenue Bonds) upon redemption of the $91.0 million tranche of Series 1994D Bonds that will be called.

PROJECT SUMMARY

Bond proceeds will be used to current refund $91,000,000 of the outstanding principal amount of ComEd's Series 1994D Bonds and extend the final maturity date by up to two years, from 2015 to 2017. The original bond proceeds of which were used to finance certain pollution control, sewage, and solid waste facilities located at the following electric generating plants: Braidwood Generating Station (located east of IL. Hwy. 53, approximately 1.5 miles south of the intersection of IL Hwy. 53 and IL Hwy. 113), Braidwood (Grundy County), Illinois 60407-9619; Byron Generating Station, 4450 N. German Church Road, Byron (Ogle County), Illinois 61010-9750; and LaSalle Generating Station, 2601 North 21st Road, Marseilles (LaSalle County), Illinois 61347-9756 .

The original proceeds were used to construct and equip pollution control facilities at the electric generating plants identified herein.

In addition to extending the final maturity date beyond the scheduled 3/1/2015 final maturity date, the proposed reissuance will authorize sale of the Bonds as Auction Rate Securities, an interest rate mode not contemplated in the Series 1994D bond documents.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Commonwealth Edison Company (Contact: Mr. Brian Collins, Senior Financial Analyst, Exelon Corporation, 10 S. Dearborn Street, 36th Floor, Chicago, Illinois 60603; Ph.: 312/394-3529; brian.collins@exeloncorp.com)

Project name: Commonwealth Edison Company Series 2005A Refunding Bonds

Locations:
Braidwood Generating Station, Braidwood (Grundy County), Illinois 60407-9619;
Byron Generating Station, 4450 N. German Church Road, Byron (Ogle County), Illinois 61010-9750; and
LaSalle Generating Station, 2601 North 21st Road, Marseilles (LaSalle County), Illinois 61341-9757.

Organization: Commonwealth Edison Company: Corporation
State: Illinois

- **Ownership:** Exelon Corporation, a Pennsylvania corporation: 99.9%
  - The only shareholders with a 5.0% or greater interest in Exelon Corporation as of 9/30/2004 were:
    - **Barclays Global Investors, N.A. (7.23%)**, 45 Fremont Street San Francisco, CA 94105. Barclays Global Investors, N.A. serves as investment adviser to institutional clients and mutual funds.
    - **Wellington Management Co. LLP (6.73%)**, 75 State St., Boston, MA 02109; Ph.: (617) 951-5000; Fax: (617) 790-7223. Wellington Management Co. serves as investment adviser to more than 600 institutional clients and over 200 mutual funds.

Ownership of the Power Plants: **Exelon Generation Company, LLC, a Pennsylvania limited liability company, and an affiliate of Commonwealth Edison (and ultimately 100%-owned by Exelon Corporation). Exelon Generation currently has 100.0% ownership of the following generating facilities:**
(1) Braidwood Generating Station
(2) Byron Generating Station
(3) LaSalle County Generating Station

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Sidley Austin Brown & Wood	Chicago, IL	Richard Astle
Accountant:	PricewaterhouseCoopers LLP	Chicago, IL	Jeremy Schlee
Bond Counsel:	Pugh Jones Johnson & Quandt PC	Chicago, IL	Kim Barker-Lee, Scott Bremer
Senior Manager:	J.P. Morgan Securities Inc.	New York, NY Chicago, IL	John Raben, Jason Fenwick
Co-Managers:	KeyBanc Capital Markets, a division of McDonald Investments, Inc.	Cleveland, OH	Jeff Freese, Linda Del Bianco
	Merrill Lynch	New York, NY New York, NY	Matt Harblin, Ken Suh
Auction Agent:	Deutsche Bank	New York, NY	Bryan Gartenberg
Underwriter's Counsel:	Winston & Strawn LLP	Chicago, IL	Cabell Morris, Jr.
Bond Insurance/ Liquidity Facility:	AMBAC, FGIC, MBIA, or XL Capital (to be determined 2/1/2005)		
Counsel to Bond Insurer:	To be determined by Bond Insurer upon selection		
General Contractor:	Not applicable		
Trustee:	J.P. Morgan Institutional Trust Services	Chicago, IL	Joe Morand
Trustee Counsel:	J.P. Morgan Trust Company, N.A.	Chicago, IL	Henry Kleschen
Rating Agencies:	Moody's and S&P	New York, NY	
Issuer's Counsel:	Kevin Cahill	Chicago, IL	

LEGISLATIVE DISTRICTS

Power Plant:	**Braidwood**	**Byron**	**LaSalle County**
Location:	*Braidwood*	*Byron*	*Marseilles*
Congressional:	11 Jerry Weller	16 Don Manzullo	11 Jerry Weller
State Senate:	38 Pat Welch	45 Todd Sieben	38 Pat Welch
State House:	75 Careen Gordon	90 Jerry Mitchell	75 Careen Gordon

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

To: IFA Board of Directors

From: Rich Frampton

Date: February 8, 2005

Re: Overview Memo for DePaul University
(DePaul University)
E-PC-TE-CD-501

- **Borrower/Project Name:** DePaul University
- **Location:** Chicago (Cook Co.)
- **Principal Project Contact:** David Dabney, Treasurer
- **Board Action Requested:** Final Bond Resolution (first time project presented to the IFA Board)
- **Amount:** not to exceed $110.0 million
    - Uses:
        - The Advance Refunding Bonds will refinance outstanding Series 1992 and Series 1997 IFA (IEFA) Bonds in three series (two tax-exempt series; one taxable series)
- **Project Type: 501(c)(3) Revenue Bonds**
- **IFA Benefits:**
    - **Conduit Tax-Exempt and Taxable Bonds** – no direct IFA or State funds at risk
    - **New Money Bonds:**
        - Series 2005A & Series 2005B Bonds (*Tax-Exempt*): refinance on a tax-exempt basis
        - Series 2005C Bonds (*Taxable*): refinance bonds that do not qualify for advance refunding on a tax-exempt, variable rate basis.

- **IFA Fees:**
    - One-time, upfront closing fee estimated at $138,000

- **Structure/Ratings:**
  - Bonds to be secured with municipal bond insurance from XL Capital Assurance, Inc. and rated "Aaa"/AAA"/ "AAA" (Moody's/Fitch/S&P)
  - Final Maturity Dates (no extension of final maturity dates):
    - Series 2005A Bonds (Tax-Exempt): 10/1/2020
    - Series 2005B Bonds (Taxable): 10/1/2027
    - Series 2005C Bonds (Tax-Exempt): 10/1/2027

  - **Current and estimated rates:**
    - Series 2005A Bonds (Tax-Exempt) Fixed Rate Bonds (5.00%)
    - Series 2005B Bonds (Tax-Exempt) 7-day Variable Rate Demand Bonds (3.67%)
    - Series 2005C Bonds (Taxable) 7-day VRDNs (3.87%)
      - The interest rate on the $49.6 million Fixed Rate Series 2005A Bonds is expected to be reduced by approximately 2% per annum, from 6.27% to 4.21%.
      - The blended effective annual interest rate savings on the variable rate series is initially estimated at 0.2% resulting from elimination of existing annual Bank LOC fees.
      - Additionally, because of the leveling of debt service payments (and elimination of bullet maturities, including a $55.5 million bullet in 2026), DePaul expects to reduce aggregate debt service payments by approximately $18.4 million over the remaining 22-year life of the Bonds.

- **Recommendations/Conditions:**
  - Staff recommends approval – without any extraordinary conditions since the Bonds will be secured with municipal bond insurance.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **DePaul University**

STATISTICS

IFA Project #:	E-PC-TE-CD-501	Amount:	$110,000,000 (not-to-exceed amount)
Type:	Not-for-Profit	IFA Staff:	Rich Frampton
Location:	Chicago	Est. fee:	$138,000 (based on anticipated Par Amount amount of $102.95 million)
SIC Code:	8221		

BOARD ACTION

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

PURPOSE

Current refund all outstanding Series 1992 IFA (IEFA) Bonds and Advance Refund all outstanding Series 1997 IFA (IEFA) Bonds. The Bonds issued to Advance Refund the Series 1997 Bonds will include both Tax-Exempt Bonds and Taxable Basis, as eligible under the Internal Revenue Code.

This refinancing will reduce the interest rate on the Series 2005A Fixed Rate Bonds by approximately 2.0% and will accelerate principal repayments from scheduled bullet maturities in 2020 and 2026. Pursuant to this refinancing, DePaul's will have level debt service payments.

As a result of this financing, DePaul has estimated that aggregate debt service payments by approximately $18.4 million over the next 22 years.

VOLUME CAP

No Volume Cap is required for 501(c)(3) Bond Financing.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS (preliminary, subject to change)

Sources:		Uses:	
Series 2005A Tax-Ex Fixed	$43,300,000	Refund Series 1992 & Series 1997 Bonds	$104,145,780
Series 2005B Tax-Ex. Var.	23,400,000	Bond Insurance Premium	1,759,455
Series 2005C Taxable Var.	36,250,000	Accrued Interest	174,400
Accrued Interest (2005A)	174,402	Underwriter's Discount	587,555
Premium (Series 2005A)	3,872,788	Issuance Costs	330,000
Total	**$106,997,190**	**Total**	**$106,997,190**

JOBS

Current employment:	2,600	Projected new jobs:	NA
Jobs retained:	N/A	Construction jobs:	NA

BUSINESS SUMMARY

Background: DePaul University is a 501(c)(3) organization incorporated under Illinois law. DePaul's original predecessor was founded in 1898 by the Congregation of the Mission and was known as St. Vincent's College. The University is governed by a two-tiered governance committee consisting of (1) The Members of the University, a self-perpetuating body of 14 individuals, representing the Congregation of the Mission (C.M.), the religious community that sponsors the University. The Members are empowered to elect the Board of Trustees, whose responsibility is to direct and manage the affairs of the University and other officers. Currently, there are 43 trustees. A List of the University's Board of Trustees is attached.

Description: The University's mission is to provide education in liberal and professional studies. DePaul has evolved into a major urban institution, serving metropolitan Chicago. The University is the largest Catholic university in the nation and had 23,570 students enrolled for the Fall 2004 semester. The University offers 119 undergraduate degree programs and offers 166 academic and professional graduate degree programs, including seven programs offered by the College of Law.

Fall semester full-time equivalent enrollment has increased 20% over the past 5 years to 18,618 in 2003. Full-time undergraduate and graduate enrollment has grown 24%, while enrollment in part-time undergraduate and graduate programs the law programs has remained relatively flat. The Chicago metropolitan area accounts for 70% of incoming freshmen and over 85% of incoming transfer, graduate, and law students for the Fall 2004 semester.

Undergraduate applications have increased 15% over the past five years. DePaul accepted 69% of its applicants and 33% of admitted students enrolled for the Fall Semester.

DePaul's core academic and administrative programs are provided at two campuses in Lincoln Park and its Loop campus, located at the corner of Jackson and Wabash avenues.

DePaul announced its intention to discontinue operations at Barat College in Lake Forest (acquired in 2001) at the end of the 2003-4 academic year because income from current and projected enrollment was insufficient to cover its capital and operating expense.

Remarks: The proposed project will refinance DePaul's existing $55,500,000 IFA Series 1992 Variable Rate Bonds and its $45,245,000 IFA Series 1997 Fixed Rate Bond issues with three series of bonds.

Financials: Audited Financial Statements, 2002-2004.

	Year Ended June 30		
	2002	2003	2004
		($ in Thousands)	
Income Statement			
Revenues/Support	$331,710	$361,505	$374,802
Change in Net Assets	(7,565)	16,299	26,283
* EBIDA	15,880	39,766	50,647
Balance sheet:			
Current assets	$272,627	$308,295	$317,738
Net PP&E	330,761	327,976	303,128
Other Assets	4,691	3,858	2,283
Total assets	608,079	640,129	623,149

Current liabilities	94,009	93,640	88,608
LT Debt & Cap. Leases	338,935	354,686	311,423
Net Assets	269,144	285,443	311,726
Tot Liabs & Net Assets	608,079	640,129	623,149

Ratios:

Debt Service/Fixed Obligation Coverage	0.59x	1.44x	1.85x
Current ratio	2.90	3.29	3.59
LT Debt/Net Assets	0.81	0.82	0.60

* Earnings Before Interest, Depreciation and Amortization

Discussion: The University's revenue sources are comprised of: tuition and fees (78%), auxiliary income [room, dining, parking, entertainment and other services] (11%), government grants (4%), private grants (2%), investment income (3%), and other sources (2%). Revenues increased over 7% per annum over the past 3 years. Growing enrollment and fee increases spurred rapid growth in tuition and fees and auxiliary income, offsetting flat growth in grants, investment income and other sources.

DePaul's operating expenses consist of salaries (62%), general (19%), occupancy (10%), depreciation (5%) and other (5%). Operating expenses increased by 11% per year over the period reviewed, primarily because of rapid growth in salaries and benefits.

Realized and unrealized net losses on investments reduced income from operating and non-operating activities (reflected above as "Change in Net Assets") by $28.7 million in 2002 and 2003 and resulted in the operating loss posted in 2002. Despite these investment losses, DePaul's investments totaled $267.4 million as of June 30, 2004 or 120% of its total indebtedness. Liquidity is excellent and debt burden appears manageable.

Due to a strong year in the equity markets, DePaul's endowment fund earned 17.9% for FY 2004 (ended 6/30/2004). As a result, DePaul's endowment balance is $230.5 million as of 6/30/2004, an increase of $27 million after distributions.

DePaul has $29.8 million of bank lines with The Northern Trust Company, Allied Irish Bank, and Harris Bank against which no draws were outstanding as of 12/31/2004.

This refinancing will provide DePaul with additional financial flexibility in the future. Specifically, the refinancing will achieve the following: (1) eliminate balloon principal maturities due in FY 2019 and a large balloon payment of $55,500,000 due in FY 2026 and replace with level debt service payments over the remaining term, (2) eliminate renewal uncertainty and pricing penalty on the existing Direct Pay Bank Letters of Credit, and (3) replace Bank LOC covenants with a single set of financial covenants, thereby providing greater financial flexibility. Because certain bonds have already been advance refunded once, the refinancing will be structured to include a Taxable Advance Refunding Series 2005C.

These bonds issue will help DePaul achieve its long-term debt strategy by smoothing annual debt service payments while reducing debt service payments by $18.4 million over the next 22 years.

FINANCING SUMMARY

Structure: The Bonds will be secured with municipal bond insurance from XL Capital Assurance (Aaa/AAA/AAA by Moody's/S&P/Fitch). The Taxable advance refunding tranche (Series 2005C) will convert to Tax-Exempt Mode at the next eligible call date.

- Series 2005A Bonds (Tax-Exempt) Fixed Rate Bonds
- Series 2005B Bonds (Tax-Exempt) 7-day Variable Rate Demand Bonds
- Series 2005C Bonds (Taxable): 7-day Variable Rate Demand Bonds

Term/ Interest Rate:	*Interest Rate/Final Maturity Date:* Series 2005A Bonds (Tax-Exempt) Fixed Rate Bonds (5.00%): 10/1/2020 Series 2005B Bonds (Tax-Exempt) 7-day Variable Rate Demand Bonds (3.67%): 10/1/2027 Series 2005C Bonds (Taxable) 7-day Variable Rate Demand Bonds (3.87%): 10/1/2027
Security:	The Bonds will be secured with municipal bond insurance from XL Capital Assurance.

PROJECT SUMMARY

The proposed project will current refund DePaul's existing IFA Series 1992 Variable Rate Bonds and advance refund its IFA Series 1997 Fixed Rate Bond issues with three series of bonds. These refinancings will provide DePaul with additional financial flexibility in the future. The original projects financed capital asset improvements at DePaul's Loop and Lincoln Park campuses. The anticipated aggregate principal amount of the IFA Series 2005A-C Bonds is estimated at $102.95 million.

ECONOMIC DISCLOSURE STATEMENT

Applicant/ Contacts:	DePaul University, 55 East Jackson Boulevard, Chicago, Illinois 60604 (1) David Dabney, Treasurer, Ph.: 312/362-6715; ddabney@depual.edu (2) Peter Harris, Senior Treasury Analyst, Ph.: 312/362-8456; pharris@depaul.edu
Project name:	DePaul Series 2005 Tax-Exempt/Taxable Advance Refunding Bonds
Locations:	DePaul's Lincoln Park Campus, 2320 N. Kenmore Ave., Chicago, IL60614 and DePaul's Loop Campus, 55 East Jackson Blvd., Chicago, IL 60604 (Naperville, Oak Forest,
Organization:	Illinois 501(c)(3) organization
Board Membership:	*See attached list of Board of Trustees*
Current Land Owner:	DePaul University

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	O'Keefe Lyons & Hynes, LLC	Chicago, IL	Daniel Coyne
Bond Counsel:	Chapman and Cutler, LLP	Chicago, IL	Jim Luebchow
Bond Insurance:	XL Capital Assurance	New York, NY	
Senior Manager:	Lehman Brothers	New York, NY, Chicago, IL	John Augustine, Jim Costello
Co-Managers:	Goldman Sachs	Chicago, IL	Rich Bellus
	First Albany Capital Inc.	Chicago, IL	Adrienne Archia
	Loop Capital Markets, Inc.	Chicago, IL	Frank Paul
	Samuel A. Ramirez & Co., Inc.	Chicago, IL	George Graham
Trustee:	US Bank – Corporate Trust Services	Chicago, IL	Grace Gorka
Escrow Agent:	LaSalle Bank National Association	Chicago, IL	Alvita Griffin
Accountant:	KPMG Peat Marwick LLP	Chicago, IL	Stuart Miller
IFA Counsel:	Burke Burns & Pinelli	Chicago, IL	Steve Welcome

LEGISLATIVE DISTRICTS

	Loop Campus	Lincoln Park Campus
Congressional:	7 Danny Davis	5 Rahm Emanuel
State Senate:	13 Kwame Raoul	6 John Cullerton
State House:	26 Lovana "Lou" Jones	11 John Fritchey

The following table presents a list of the Trustees and their principal businesses or professional affiliations as of January 17, 2005:

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rick Pigg, Funding Manager

Date: February 1, 2005

Re: **Overview Memo for Soylutions, Inc.**

- **Borrower/Project Name:** Soylutions, Inc.
- **Location:** McLeansboro (Hamilton Co.)
- **Principal Project Contact:** Mr. Kenneth Lasater, President of Soylutions, Inc.
- **Board Action Requested:** Purchase of Participation Loan
- **Amount:** $715,627.50
- **Uses:**
  - Permanent financing for the construction of a 35,000 square-foot dome building and the purchase and installation of a 1,001,000 gallon liquid fertilizer tank.
- **Project Type:** Participation Loan
- **IFA Contribution:**
  - Reduces the Borrower's annual funding rate by 1% on the Authority's participation
  - $715,627.50 of IFA funds at risk
  - Supports a major local and state government development initiative for the region.
  - Retain jobs in an economically depressed county.
- **IFA Fees:** $30,414.17 (first year's interest at Prime less 0.5%, now 4.25%)
- **Structure:**
  - 10-year term loan amortized over 15-years
  - Secured by a first mortgage on the subject property, an assignment of rents and leases, personal guarantees of Kenneth Lasater and Roger Swartz.
  - Loan to value ratio conforms with IFA guildelines
- **Recommendation:** Staff recommends approval, subject to satisfying bank conditions:
  - Completion of an independent appraisal confirm adequate collateral (satisfied)
  - Receipt of an environmental auditor's report that all issues have been addressed

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: Soylutions, Inc.

STATISTICS

Project Number:	B-LL-TX-421	Amount:	$715,627.50
Type:	Participation Loan	IFA Staff:	Rick Pigg
Location:	McLeansboro	Tax ID:	37-1388627
SIC Code:	5159 Farm Product-Raw Materials	Est. fee:	$30,414.17

BOARD ACTION

Purchase of Participation Loan from Peoples National Bank, McLeansboro, Illinois
$715,627.50 of IFA funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan, including, among other things:

- Completion of an independent appraisal confirming adequate collateral for the loan (satisfied)
- Receipt of an environmental auditor's report that all issues identified in a recent Phase I report have been addressed

PURPOSE

To provide permanent financing for the construction of a 35,000 square-foot dome building and the purchase/installation of a 1,001,000 gallon liquid fertilizer tank.

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	$ 715,627.50	Uses:	Building Costs	$1,113,000.00
	Bank	715,627.50		Equipment Costs	318,255.00
	Total	**$1,431,255.00**		**Total**	**$1,431,255.00**

JOBS

Current employment:	24	Projected new jobs:	10
Jobs retained:	24	Construction jobs:	10

BUSINESS SUMMARY

Background: Soylutions, Inc. is an Illinois corporation established in 1999 by two successful McLeansboro farmers, Kenneth Lasater and Roger Swartz, to acquire a former mine site and convert it for use as an agricultural products storage and distribution center.

Kenny Lasater, age 51, has been a farmer in Hamilton County his entire adult life. He and his wife, Virginia, operate a 2,000 acre grain farm with their acres split between the north and south parts of Hamilton County. Mr. Lasater received a degree from Southern Illinois University. Mr. Lasater adds financial and managerial strength to this corporation. (See Guarantor Financial Summary.)

Roger Swartz, age 53, has been a farmer in Hamilton County his entire adult life. He and his wife, Debra, operate a 1,500 acre grain farm with most of their acres just a few miles south of McLeansboro. Mr. Swartz also received a degree from Southern Illinois University.

Description: Soylutions has contracted with Consolidated Coal Company to perform reclamation work at a 245-acre former mine site in exchange for the deed to the site upon completion. The work included excavating three buildings, filling in old mine shafts, removing old equipment, and bringing the site up to EPA code. The reclamation work is complete and Soylutions expects to receive the deed in February, after the IEPA and other state agencies confirm that the site is fully remediated. Soylutions' management and it lenders are aware of no plans by any federal or state agency to undertake any further investigation of the site once this review is completed.

An environmental assessment completed by Civil & Environmental Consultants, Inc., ("CEC") in November 2002 noted petroleum contamination in an oil house and two monitoring wells that were not properly closed. CEC toured the site in January 2005 and expects to issue a report to Consolidated that Soylutions has addressed all of these items. Management expects to receive a letter from Consolidated Coal confirming this fact prior to IFA closing on its participation.

Pursuant to the agreement, Soylutions is entitled to use the sheds and four coal silos on the property during the reclamation period. The company has cleaned three of the four silos and is leasing them to Peavey Grain Company for grain storage. Soylutions leases two of the buildings to Cantrell Welding Company and Star Mechanical.

The venture also included removal of several miles of large pipe near Vienna. Soylutions has sold most of the pipe and plans to sell the rest or keep it for its own use. Until 2004, Soylutions also rented 700 acres of farmland from the correctional center in Vienna.

Soylutions is constructing a 35,000 square-foot dome building and a 1,001,000 gallon liquid fertilizer tank at the site that will be leased to Wabash Valley Service Company, a large agricultural cooperative serving farmers in southeastern Illinois. This construction will be completed by spring 2005. Peoples National Bank is financing the construction phase and has committed to the permanent financing of this project once construction is complete. The bank has asked the Authority to participate in the permanent financing, which it expects will close in June 2005. This project is one of the initiatives of the Governor's Opportunity Returns Program for the Southern Region.

Tenant Information: Wabash Valley Service Company is an Illinois farmers' cooperative that provides fuel and lubricants, seed, fertilizer and weed and pest control products and application services to southeastern Illinois farmers. The Company is consolidating its operations and moving to the subject site to improve efficiency and security for its inventory. Wabash currently employs 24 employees to perform these functions, all whom will be retained.

Wabash will occupy a 60,000 square-foot office/warehouse structure for seed storage, liquid fertilizer, chemical blending, and day-to-day operations of the business. Wabash is signing a 20-year lease with options for 4 additional 5-year terms. Monthly rent will be $21,000 per month for the first 5 years, increasing by 5% every 5 years. The company will maintain a $250,000 letter of credit and a $250,000 escrow account that will be available to pay the lease in the event of a payment default. Upon expiration of the lease, Wabash Valley has the option to purchase the property at its appraised value at that time.

The Region: Hamilton County is an economically depressed county with a current unemployment rate of 6.6%. The property is an abandoned coal mine site that has been cleaned up and turned into an industrial site for the location of business and industry. The property is easily accessible from the major interstates and state highways. The property has a virtually unlimited supply of electricity supplied by Wayne White Electric Coop and CIPS. The water to the property comes through a 6" pipeline from the Rend Lake Conservancy District. There is also an elevated 50,000 gallon water tank that can supply the property with additional water needs. The paved, all-weather road to the site was designed for the large trucks that were used to transport coal when the mine was functional. It is still available to Soylutions and is in very good condition. The site is also adjacent to the Enterprise Zone, with attracts commercial development. Soylutions has been approved to have the site annexed into the Enterprise Zone in 2005. There is a buffer zone between the commercial zone of property and residential areas.

The property is located 14 miles from Interstate 64 and 1 mile from Route 14. Soylutions is working to reconnect the CSX railroad line to the property. This project will simplify loading and shipping of grain and other materials and should significantly boost the value of the property.

Railway: Soylutions and many other entities are seeking to re-establish a rail loop, because of its huge potential to boost the area's economy. The rail loop was used to load 100-car unit trains with coal when the coal mine at the site was operational. The CSX Railroad originally owned the right-of-way for the rail that connects the loop to the CSX mainline. Hamilton County Economic Development Commission (HCEDC) has obtained an option to purchase the right-of-way from CSX. The HCEDC, McLeansboro Township and Hamilton County Board have signed an Intergovernmental Agreement that establishes the terms and conditions of the ownership and maintenance and operations of the rail infrastructure improvements that are known as the Hamilton County Rail Transportation Project. The status of the funding for this project is as follows:

IDOT Rail Grant -	$2,000,000	committed (Rail Construction – 2.9 miles)
Soylutions Loan	368,000	committed
IDOT TARP Program -	124,300	committed (Truck Access Route Program)
EDA Public Works -	147,596	pending (Administration/Road Construction)
Delta Regional Authority -	150,000	committed (Right of Way)
Rural Development USDA -	150,000	committed (Road Construction Contingency)
DCEO -	750,000	committed (Administration/Design/All Engineering/Inspection)
Total Funding	**$3,689,896**	

Soylutions, Inc. will be granted an interest-free loan from CSX as their additional investment to re-establish the rail loop. Soylutions' loan will be approximately 10% of the total project. This debt will not be a corporate obligation and will be payable solely from a fee to be charged per car loaded or unloaded at the site at a rate that is being negotiated with CSX. Soylutions plans to reconnect the loop to the main CSX line to facilitate shipment of goods from the site to locations served by the mainline. When completed, Soylutions will own the loop and will use it to load 60 to 100 car unit trains with grain, and off-load fertilizer and other commodities. CSX will load and unload the cars and receive a per-car charge for this activity.

FINANCIAL SUMMARY

Borrower's Finances: Financial Statements of Soylutions, Inc for 2001, 2002 and 2003, from corporate tax returns. Forecasts for 2004, 2005 and 2006 were prepared by staff based on Bank prepared operating forecasts. All figures are in thousands.

	Year Ended December 31			Year Ending December 31			
	2001	2002	2003	2004	2005	2006	2007
Income Statement							
Revenues & Support	$286	$230	$389	$171	$299	$430	$433
Net Income	37	38	19	14	16	94	93
Earnings Before Interest Depreciation & Amort.	111	109	76	86	213	343	346

Balance Sheet							
Current assets	4	0	72	55	72	82	83
Net PP&E	150	174	229	180	1,524	1,478	1,424
Other Assets	1	0	0	0	0	0	0
Total Assets	155	174	301	235	1,596	1,560	1,507
Current Liabilities	3	55	64	69	124	140	161
Long-term Debt	225	175	295	231	1,542	1,417	1,271
Other Long-term Liabilities	0	0	0	0	0	0	0
Equity	(73)	(56)	(58)	(65)	(70)	3	75
Total Liabilities & Equity	155	174	301	235	1,596	1,560	1,507
Ratios:							
Fixed Charge Coverage:	2.30x	3.76x	1.51x	1.12x	1.22x	1.54x	1.51x
Current Ratio	1.41	0.00	1.12	0.79	0.58	0.58	0.52
Long-term Debt/Equity	(3.09)	(3.13)	(5.09)	(3.57)	(22.11)	469.19	16.96

Discussion: Soylutions' has historically generated revenue from leasing farmland, grain bins and other buildings, and selling pipe and mining equipment. Operating expenses have fluctuated along with revenues as the company incurred costs to reclaim the site. Cashflow from operations has been sufficient to cover debt and other fixed charges by a comfortable margin, as indicated by historical coverage ratios. Liquidity has been modest but has been supplemented by a line of credit extended by People's National Bank. As of October 2004, Soylutions had drawn $90,275 on a $100,275 line that matures in January 2005. The Bank is preparing to renew and increase its line for another year. Fixed assets consist of equipment financed by the Bank with loans that mature in January 2008. Prior year losses and recent distributions paid to the owners have caused equity to remain negative despite continuing earnings over the period reviewed.

Revenues for 2004 are expected to decline significantly with termination of a farm lease from an area correctional center and discontinuation of equipment and pipe sales. Sharply lower operating expenses for 2004 are projected with the completion of most reclamation work by 2003 year-end.

The revenue forecast for 2005 assumes continuation of existing farm, grain and building leases and receipt of $25,000 in new lease income from the project. Not included in the forecast is $120,000 in potential one-time revenue and $70,000 in expected profit from the sale of scrap steel from a building that is to be demolished during the year. The revenues for 2006 and beyond incorporates $252,000 in lease income from the project, payable by Wabash Valley under its lease agreement, payable when the dome building and tank are fully complete. Interest expense is estimated at 7.5% for the Bank's debt, which is priced at Prime plus 1.5% (currently 6.25%). Interest expense for the Authority's debt is estimates at 5.5% Depreciation expense is estimated assuming a 30-year useful life on the real estate and 7-year life on the storage tank, beginning at mid-year in 2005.

The balance sheet for 2005 includes the financed assets and proposed borrowing. Not included in the balance sheet is the real estate that Soylutions is scheduled to receive from Consolidated Coal Company. Nolen Appraisal Service estimates that the fair market value of this site "as is", excluding the value of this project is $2,732,000. The transfer of these assets will significantly increase Soylutions' assets and net worth.

The forecast includes no income, expenses, assets or debt for the rail project. Soylutions will be liable for 10% of the project cost pursuant to a 0% debt payable to CSX solely from fees generated from a per car levy on rail cars entering or leaving the site. Management is contemplating up to an additional $2 million in capital projects to be financed by Peoples National Bank. The forecast includes no income, expenses, assets or debt from these projects. Any bank debt incurred to finance these projects will most likely be payable by Soylutions and/or the owners.

The loan agreement includes no limitations on Soylutions' ability to incur additional indebtedness. The Bank's loan officer has found the owners to be very prudent in taking on new projects and indebtedness and anticipates no change in their operating philosophy.

Tenant Finances: Financial Statements of Wabash Valley Service Company for fiscal years ended November 30, 2001, 2002, 2003 and the first 7 months of 2004. Figures are in thousands.

	Actual			7 months
	2001	2002	2003	6/30/2004
Income Statement				
Revenues	72,334	61,155	68,035	53,128
Net Income	735	(641)	121	(646)
Earnings Before Interest, Deprec & Amort	1,172	560	1,002	(144)
Balance Sheet				
Current Assets	19,597	21,845	25,030	26,281
Net PPE	8,740	9,743	9,710	
Other Assets	13,178	13,344	13,398	
Total Assets	41,515	44,934	48,138	50,173
Current Liabilities	15,390	20,500	21,036	24,315
Long-Term Debt	1,143	809	3,312	3,024
Total Liabilities	16,533	21,309	24,348	27,339
Dividends	86	83	--	
Stockholder's Equity	24,982	23,625	23,790	22,834
Total Liabs. & Stockholder Equity	41,515	44,934	48,138	50,173
Ratios:				
Debt Service Coverage	5.86x	3.55x	1.73x	(0.47x)
Current Ratio	1.27	1.07	1.19	1.08
Long-term Debt to Equity	0.05	0.04	0.14	0.13

Discussion: Wabash Valley Service Company is a farm-owned agricultural cooperative serving producers in Crawford, Edwards, Gallatin, Hamilton, Jasper, Lawrence, Richland, Wabash, Wayne, and White counties. The company is headquartered in Grayville and was founded in 1930 as a petroleum supplier serving Edwards, Wabash, and White counties. Through mergers and consolidations, the company has since expanded to its current service area and broadened offerings beyond fuel and lubricants to include farm finance, seed, fertilizer, herbicide and insecticide supply and application.

In recent years, Wabash Valley has generated substantial revenues. Net income has been variable but cashflow available to pay debt service, leases and other fixed obligations has been substantial, as indicated by earnings before interest, depreciation and amortization. Sales for the first seven months of 2004 are 31% ahead of the prior year period, and the loss recorded for this period is 66% smaller than that for the prior year period. Wabash Valley has embarked on this project to reduce handling costs and improve inventory control, which should improve future profitability.

Wabash Valley has modest indebtedness, as indicated by the ratio or debt to equity presented above. As of year-end FY 2003, the company has $3.0 million in cash and short-term investments, which is equivalent to 91% of total indebtedness. Debt service coverage has generally been very solid and is expected to recover to historical levels.

Guarantor Finances:	(As of 4/26/04)	Kenneth Lasater	Roger Swartz
	Percentage of guarantee:	100%	100%
	Current Assets:	$151,900	$105,335
	Net Worth:	$1,924,684	$335,495

Kenneth Lasater's current assets consist of $21,000 in cash, $75,000 in stored grain, and $55,900 in growing crops. Long-term assets include $296,000 in equipment, $1.5 million in farm and residential real estate and $187,000 in retirement accounts. Roger Swartz's current assets consist of $4,000 in cash, $17,300 in stored grain, and $75,000 in growing crops. Long-term assets include $453,800 in equipment and $714,642 in farm and residential real estate. The net worth of both men does not include holdings in Soylutions.

PROJECT SUMMARY

Loan proceeds will be used to provide permanent financing for the: a) construction of a 35,000-square-foot facility for dry fertilizer storage with blending and loading equipment, b) purchase and installation of a 1,001,000 liquid fertilizer tank, 3) renovation of an existing 60,000-square-foot office and warehouse structure for use for seed storage, and liquid fertilizer and chemical blending . The projects were begun on 11/01/04 and expected to be complete by 7/01/05. Project costs are estimated as follows:

Building Costs	$1,113,000
Equipment	318,255
Total	**$1,431,255**

FINANCING SUMMARY

Interest: The interest rate on the Authority's participation will be 200 basis points the Bank's interest rate, which will be 150 basis points over Prime (currently equivalent to 6.25%). The Bank's interest rate will be fixed for 3 years at Prime plus 150 basis points at closing (expected around mid-2005).

Security: IFA's participation is secured by a pro-rata share of: 1) first mortgage position on the subject property, 2) assignment of rents and leases, and 3) personal guarantees by both owners.

Sources of Repayment: Primary: Operating cash flows generated by Soylutions
Secondary: Liquidation of the collateral and personal guarantee

Maturity: Ten years with a fifteen year amortization

COLLATERAL

The subject loan is secured by a first mortgage on 245 acres located in Hamilton County. The improvements include a 45,000 sq. ft. building, 3,000 sq. ft. shop, 6,000 sq. ft. shop, 3 grain silos, 1 coal silo, the new dome building, and the new fertilizer tank. The property was appraised by Timothy R. Nolen, Nolen Appraisal Service in December 2004. The fair market value of the 245 acres "as is" was determined to be $2,732,000 and "as improved" $4,247,000. The loan to value ratio of the site "as is" is 52% and "as improved" is equals 34%. The loan to value ratio of the project discounted at the Authority's rate of 80% for real estate "as is" is 65% and "as improved" is 42%.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Soylutions, Inc.		
Location:	Route 1, McLeansboro 62859 Hamilton County		
Organization:	S Corporation		
State:	Illinois		
Ownership:	Mr. Kenneth Lasater:		50%
	Mr. Roger Swartz:		50%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Thomas J. Wolf	Marion, IL	
Accountant:	Mary Little	McLeansboro, IL	
Bank:	Peoples National Bank	McLeansboro, IL	Terry Drone

LEGISLATIVE DISTRICTS

Congressional:	19th	State Senate:	59th	State House:	117th and 118th

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Reed, Funding Manager

Date: January 3, 2005

Re: **Overview Memo for Karen Bramm**
B-LL-TX-423

- **Borrower/Project Name:** Karen Bramm
- **Location:** Lyndon (Whiteside Co.)
- **Principal Project Contact:** Karen Bramm
- **Board Action Requested:** Final Participation Loan Resolution
- **Amount:** $852,500.00
- **Uses:**
  - To provide permanent financing for the purchase of 340 acres of farm land with improvements, as well as the refinance of 545 acres of farm land in order to expand the borrower's current cash grain farming operation.
- **Project Type: Participation Loan**
- **IFA Benefits:**
  - Reduces the Borrower's funding rate by 1% per year on the IFA participation.
  - Promotes business expansion for a female agricultural producer.
- **IFA Fees:** $36,231 (first year's interest)
- **Structure:**
  - 10-year term, with 30 year amortization.
  - Interest rate will be fixed at 5.25% for 5 years, adjusting with a 2.0% cap on the remaining 5 years of the term.
  - Secured by a first mortgage on the subject property, an assignment of rents and leases on 885 acres of farm land. Discounted loan to value is 64%.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: Karen Bramm

STATISTICS

Project Number:	B-LL-TX-423	Amount:	$852,500
Type:	Participation Loan	IFA Staff:	Eric Reed
Location:	Lyndon, IL	Tax ID:	326-40-7740
SIC Code:	5159 Farm Product-Raw Materials	Est. fee:	$36,231.25

BOARD ACTION

Purchase of Participation Loan from Metro Bank, Morrison, Illinois
$852,500 of IFA funds at risk.
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

To provide permanent financing for the purchase of 340 acres of farm land with improvements, as well as the refinance of a bank loan for 545 acres of farm land.

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	$ 852,500.00	Uses:	Purchase 340 Acres	1,402,500.00
	Bank	852,500.00		Refinance 545 Acres	402,500.00
	Borrower Funds	100,000.00			
	Total	**$1,805,000.00**		**Total**	**$1,805,000.00**

JOBS

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

BUSINESS SUMMARY

Background: Karen Bramm is the owner and operator of a cash grain farm, which began operations in 1968 and is located near Lyndon, IL. Karen, who is approximately 60 years of age, currently owns 626 acres of farm land. She also rents an additional 350 acres from her mother. All of the acreage in her farming operation is operated on a 50/50 crop share basis with her son Thad, who helps her with the farming operations. In addition to her life long farming operation, Karen has also owns an independent insurance agency that generates an average annual income of $25,000. Ms. Bramm plans to continue operating the agency after obtaining the additional farm acreage.

Project Rationale: Ms. Bramm is purchasing this tract of land to expand the farming operation and provide future income for her son, Thad Bramm. Thad, who is in his mid 30's, is the future of the operation. While the purchase price of the property is at the upper end of land prices, the property is of very good soil quality and is located adjacent to their current primary farming operation. Ms. Bramm has banked with Metro Bank for several years and has a good relationship with the bank. Metro Bank also finances Thad Bramm's operating needs for crop inputs. The loan officer, Doug Vanderlaan, is very confident of Thad's abilities to manage the operation on his own in the future.

The trustee of the estate selling the property seeks to close on the sale by mid-January. Metro Bank is seeking participation from IFA to respond to aggressive bids from Farm Credit Services and Wells Fargo. Metro Bank has approved the loan with the terms mentioned herein. Metro Bank's loan officer is awaiting approval from IFA and expects to retain this relationship if IFA participates in the loan. The loan officer has no interest in pursuing an agricultural guarantee because he feels it is unneeded for this loan based on LTV and financial strength.

The farm economy in Northwest Illinois is similar to many other areas in the Midwest. Excellent crop yields in recent years have generated strong farm incomes, which has increased the demand and prices for comparable land to \$3,000 to \$4,000 per acre. Cash rents in the area range from \$150 to \$180 per acre, which are very typical in today's environment. The area's proximity to barge traffic on the Mississippi River, has attracted 6 major grain buyers to the area, and maintains a close basis for grain prices in relation to futures prices.

Transaction Description: Karen is purchasing 340 acres of farm land, which includes a homestead with several buildings for a total purchase price of \$1,402,500. Karen plans on selling the house for approximately \$175,000, which will reduce the principal balance at that time. She anticipates marketing the home in the summer of 2005 after the current tenant has moved. Karen will pay \$100,000 cash down toward the purchase of the property. She is seeking to refinance a \$402,500 loan balance that is secured by a mortgage at Wells Fargo Bank on 545-acres of farm land together with the purchase to lock in low interest rates and capture the equity in that land to avoid having to commit additional cash to complete the purchase.

The Region: Whiteside County is an agricultural based community located in Northwest Illinois on the Rock River and just 11 miles form the Mississippi River. In addition to agriculture in the area, the County also houses numerous steel related industries, including a mill and several fastener and hardware companies. The county's location along the Mississippi River makes the area attractive for barge operators serving agricultural and commercial industries. The County seat is located in Morrison, with the largest community in the county being Sterling.

The County developed an enterprise zone that was established in 1988. The Illinois Department of Commerce and Community Affairs initially certified the Whiteside County Enterprise Zone for the cities of Rock Falls, Morrison, and Sterling. Other communities added to the enterprise zone since then include Fulton, Prophetstown, Lyndon, Savanna, Thompson, and all rural areas of the County.

New businesses locating within the enterprise zone are eligible for a variety of Investment Tax, Sales Tax, Income Tax, and Utility Tax credits through the State of Illinois. Additionally, local tax abatements available through 2008, as well as local sales tax exemptions for all building materials purchased within the enterprise zone.

The Site: The subject property is located at 14940 Mohawk Road in Lyndon, Illinois. All utilities are available at the property site, including water, sewer, and natural gas. The property to be purchased includes 340 acres of land with the following improvements: 2 grain bins, 2 machine sheds, and 1,400 square-foot brick home.

FINANCIAL SUMMARY

Borrower's Finances: Financial Statements for Karen Bramm for 2002, 2003 and 2004, are borrower prepared and provided by Metro Bank in Morrison, IL. Forecasts for 2005 were prepared by Metro Bank in Morrison, IL.

Karen Bramm
Year Ended December 31
(In Actual Dollars)

	Actual			Projected
	2002	**2003**	**2004**	**2005**
Income Statement				
Revenues	215,954	176,591	227,792	280,970
Net Income	40,127	47,452	55,460	53,902
Earning Bef Int, Depr & Amortization	78,318	82,409	94,084	162,420
Balance Sheet				
Current Assets	245,098	287,670	302,152	202,152
Machinery, Retirement Accounts,Other	166,836	187,013	190,028	190,028
Real Estate and Improvements	2,034,432	2,034,432	2,034,432	3,436,932
Total Assets	2,446,636	2,509,115	2,526,612	3,829,112
Current Liabilities	160,145	172,126	179,118	181,869
Long-Term Debt	468,489	430,882	441,845	1,704,832
Other Long-Term Debt	54,584	52,010	49,373	49,373
Net Worth	1,763,418	1,854,097	1,905,649	1,893,038
Total Liabs. & Equity	2,446,636	2,509,115	2,526,612	3,829,112
Ratios:				
Debt Service Coverage	1.38x	1.32x	1.49x	1.31x
Current Ratio	1.53	1.84	1.85	1.11
Debt to Equity	38%	32%	33%	102%

Financial Summary: Profitability and EBIDA for the past 3 years have remained consistent. The borrower's net worth has increased as with growth in the value of store grain, cash, and marketable securities.
The borrower has historically maintained a satisfactory Debt service coverage ratio. Coverage for 2004 is estimated at 1.49 times.

Current assets as of 12/31/04 consist primarily of $105,000 in cash, $75,000 in marketable securities, $65,000 in stored crops, and $23,000 in prepaid expenses. Ms. Bramm's balance sheet lists the stocks in her portfolio, all of which are Fortune 500 companies. Based on the current assets on hand, the borrower is very liquid as evidenced by her current ratio of 1.85:1.

Current Liabilities as of year end 2004 include an operating loan balance of $103,000, a CCC loan for $19,000, a $13,000 credit card balance, and $42,000 in current maturities of long-term debt. Current maturities consist of mortgage payments on farm land and Ms. Bramm's house.

Long term assets listed on the 2004 balance sheet include 625 acres of farm real estate with improvements of a grain system and machine shed. The borrower lists the value of her home at $83K. Total value of her real estate is listed at $2.1M. With total mortgage debt of $442K, her real estate equity is $1.7M, accounting for most the borrower's net worth. The ratio of debt to equity has been modest over the period reviewed.

Income estimates are based on income and expense data provided by the borrower's CPA. Income projections, including the new land are based on reasonable estimates of 165 bushels of corn per acre and 50 bushels of soybeans per acre. The additional income from the new acreage will be realized in 2005, as the borrower will obtain immediate possession at closing in order to plant the 2005 crop. Ms. Bramm typically forward prices 25% of her crop at planting and 35% of her crop at harvest, which is average for area farmers, and helps secure future income. The borrower will also realize approximately $8,840 in additional government program payments in 2005.

Projected debt service coverage will be reduced from 2004 levels but will remain satisfactory. None of the borrower's off-farm income appears in the cash flow. Insurance and dividend income, respectively averaging $25,000 and $4,000 per year, provide more than sufficient income for family living expenses.

The proforma balance sheet for 2005 reflects the payment of $100,000 in cash toward the purchase of land, and the addition of the subject real estate and the new indebtedness. The debt to equity ratio is expected to increase significantly because the borrower is leveraging equity in the real estate that is already owned.

The Bank's loan officer anticipates that in the event of Ms. Bramm's early death, that Thad as the sole heir could apply proceeds from a $1.5 million life insurance policy and disposition of other assets to significantly reduce indebtedness and assume the remaining debt and operations with no problem. Thad's wife is employed off the farm, which provides them with an annual salary of $20K plus benefits. The loan officer believes that taking an assignment of the life insurance policy is unnecessary because of this credit's excellent loan to value ratio. I agree with this assessment by the loan officer as mitigating circumstances, which are sufficient not to require the assignment of life insurance in this case.

PROJECT SUMMARY

Loan proceeds together will provide permanent financing for the: a) purchase of 340 acres of farmland with house and farm buildings ($1,402,500), b) refinance a loan secured by a mortgage 545 acres of farmland with an outstanding principal balance of $402,500.

FINANCING SUMMARY

Interest:	Based on the guidelines of the Participation Lending Program, IFA's interest rate will be 100 basis points below what the Bank is charging the customer. The Bank's interest rate will be fixed for 5 years at 5.25% with a 2% cap after the 5 year period. Based on the bank's proposal, the bank will retain 100 basis points of the interest buy down in exchange for a below market initial interest rate.
Security:	IFA's participation is secured by a pro-rata share of a first mortgage on subject property and assignment of rents and leases.
Sources of Repayment:	Primary: Operating cash flows generated from the sale of harvested grain Secondary: Liquidation of the collateral
Maturity:	Ten years with a thirty year amortization

COLLATERAL

The subject loan is secured by a first mortgage on 885 acres located in Whiteside County. The improvements include a 1400 square foot brick home, 2 grain bins, and 2 machine sheds. The appraisal on the property has been ordered by the originating bank. The loan officer has estimated the value of the property at $3,309,500, which would equal an LTV of 52%. The overall discounted LTV based on 80% for real estate is 64%.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Karen Bramm.
Location:	15430 Moline Road, Lyndon, IL 61261, Whiteside County
Organization:	Sole Proprietor
State:	Illinois
Ownership:	Ms. Karen Bramm

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	William Burch		
Accountant:	Blackhawk FBFM		
Bank:	Metro Bank	Morrison, IL	Doug Vanderlaan

LEGISLATIVE DISTRICTS

Congressional:	17th	State Senate:	45th	State House	90th

ILLINOIS FINANCE AUTHORITY

Memorandum

To:	IFA Board of Directors
From:	Jill Rendleman
Date:	February 8, 2005
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 2004 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 ($27,105) combined for Final Bond Resolutions, as proposed)
- **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: Jenner and Block, L.L.P.**

Voting Record:
Preliminary Bond Resolutions – December 7, 2004
Ayes: 8 Nays: 0 Abstentions: 0 Absent: 3 Vacant: 4

BEGINNING FARMER BOND LOANS
Projects for Final Resolution
February 8, 2005

Project Number:	A-FB-TE-CD-448
Borrower(s):	Matthew Schertz
Town:	El Paso
Amount:	$60,000
Fees:	$900
Use of Funds:	Farmland – 20 acre grain and ranch farming
Purchase Price:	$96,000
% Borrower Equity	37%
% Other Agency	0%
% Lender	63%
County:	Woodford
Lender/Bond Purchaser:	Flanagan State Bank

Principal shall be paid annually in installments determined pursuant to equal principal payments over a thirty year period, with the first principal payment due one year from closing. Accrued interest shall be paid annually.

Interest shall be charged at the rate of 4.00% for the first year of the loan, thereafter adjusted every year to a rate not to exceed 1.00% above the Weekly Average Yield of U.S. Treasury Securities at a One Year Constant Maturity.

Project Number:	A-FB-TE-CD-459
Borrower(s):	Adam Birchen
Town:	Pearl City
Amount:	$219,000
Fees:	$3,285
Use of Funds:	Farmland – 220 acre grain farm
Purchase Price:	$660,000
% Borrower Equity	34%
% Other Agency	0%
% Lender	66%
County:	Stephenson
Lender/Bond Purchaser:	Galena State Bank

Principal shall be paid annually in installments determined pursuant to a twenty-five year amortization schedule, with the first principal payment due one year from closing. Accrued interest shall be paid annually.

Interest shall be charged at the rate of 5.00% for the first five years of the loan, thereafter adjusted every year to a rate not to exceed the National Prime Rate as quoted in the Wall Street Journal.

Project Number:	A-FB-TE-CD-460
Borrower(s):	Andrew Birchen
Town:	Pearl City
Amount:	$219,000
Fees:	$3,285
Use of Funds:	Farmland – 220 acre grain farm
Purchase Price:	$660,000
% Borrower Equity	34%
% Other Agency	0%
% Lender	66%
County:	Stephenson
Lender/Bond Purchaser:	Galena State Bank

Principal shall be paid annually in installments determined pursuant to a twenty-five year amortization schedule, with the first principal payment due one year from closing. Accrued interest shall be paid annually.

Interest shall be charged at the rate of 5.00% for the first five years of the loan, thereafter adjusted every year to a rate not to exceed the National Prime Rate as quoted in the Wall Street Journal.

Project Number:	A-FB-TE-CD-463
Borrower(s):	David P. and Sharon K. Ortmann
Town:	Germantown
Amount:	$175,000
Fees:	$2,625
Use of Funds:	Farmland – 175 acre grain farm
Purchase Price:	$175,713
% Borrower Equity	1%
% Other Agency	0%
% Lender	99%
County:	Clinton
Lender/Bond Purchaser:	Germantown Trust and Savings Bank

Principal shall be paid semi-annually in installments determined pursuant to a twenty year amortization schedule, with the first principal payment due six months from closing. Accrued interest shall be paid semi-annually.

Interest shall be charged at the rate of 4.75% for the first three years of the loan, thereafter adjusted every three years to a rate not to exceed 0.25% below the National Prime Rate as quoted in the Wall Street Journal.

Project Number:	A-FB-TE-CD-464
Borrower(s):	Dana Michelle Morris
Town:	Farmersville
Amount:	$250,000
Fees:	$3,750
Use of Funds:	Farmland – 80 acre grain farm
Purchase Price:	$253,000
% Borrower Equity	1%
% Other Agency	0%
% Lender	99%
County:	Montgomery
Lender/Bond Purchaser:	First National Bank in Raymond

Principal shall be paid annually in installments determined pursuant to a twenty year amortization schedule, with the first principal payment due one year from closing. Accrued interest shall be paid annually.

Interest shall be charged at the rate of 4.00% for the first three years of the loan, thereafter adjusted every three years to a rate not to exceed 0.75% below the National Prime Rate as quoted in the Wall Street Journal with a floor of 4.00% and a ceiling of 7.50%.

Project Number:	A-FB-TE-CD-465
Borrower(s):	Michael J. Mizeur
Town:	Taylorville
Amount:	$82,000
Fees:	$1,230
Use of Funds:	Farmland – 30 acre grain farm
Purchase Price:	$96,000
% Borrower Equity	15%
% Other Agency	0%
% Lender	85%
County:	Christian
Lender/Bond Purchaser:	First National Bank Taylorville

Principal shall be paid annually in installments determined pursuant to a twenty year amortization schedule, with the first principal payment due one year from closing. Accrued interest shall be paid annually.

Interest shall be charged at the rate of 5.25% for the first five years of the loan, thereafter adjusted every five years to a rate not to exceed 250 basis points over the five year U.S. Treasury Bond as quoted in the Wall Street Journal with a floor of 5.25% and a ceiling of 10.75% and rate adjustment cap of 2.75%.

Project Number:	A-FB-TE-CD-466
Borrower(s):	Brian A. Wood
Town:	Raymond
Amount:	$250,000
Fees:	$3,750
Use of Funds:	Farmland – 80 acre grain farm
Purchase Price:	$253,000
% Borrower Equity	1%
% Other Agency	0%
% Lender	99%
County:	Montgomery
Lender/Bond Purchaser:	First National Bank in Raymond

Principal shall be paid annually in installments determined pursuant to a twenty year amortization schedule, with the first principal payment due one year from closing. Accrued interest shall be paid annually.

Interest shall be charged at the rate of 4.00% for the first three years of the loan, thereafter adjusted every three years to a rate not to exceed 0.75% below the National Prime Rate as quoted in the Wall Street Journal with a floor of 4.00% and a ceiling of 7.50%.

Project Number:	A-FB-TE-CD-467
Borrower(s):	William and Margo Weber
Town:	Chadwick
Amount:	$250,000
Fees:	$3,750
Use of Funds:	Farmland – 183 acre grain farm
Purchase Price:	$400,000
% Borrower Equity	0%
% Other Agency	0%
% Lender	63%
County:	Carroll
Lender/Bond Purchaser:	Milledgeville State Bank

Principal shall be paid annually in installments determined pursuant to a twenty-five year amortization schedule, with the first principal payment due one year from closing. Accrued interest shall be paid annually.

Interest shall be charged at the rate of 5.50% for the first seven years of the loan, thereafter adjusted every five years to a rate not to exceed the National Prime Rate as quoted in the Wall Street Journal. The bond will have a call feature after seven years and then every five years thereafter.

Project Number:	A-FB-TE-CD-468
Borrower(s):	Philip A. Dague and Marilyn E. Dague
Town:	Oakland
Amount:	$186,000
Fees:	$2,790
Use of Funds:	Farmland – 72 acre grain farm
Purchase Price:	$232,230
% Borrower Equity	20%
% Other Agency	0%
% Lender	80%
County:	Douglas
Lender/Bond Purchaser:	Effingham State Bank

Principal shall be paid annually in installments determined pursuant to a twenty-five year amortization schedule, with the first principal payment due one year from closing. Accrued interest shall be paid annually.

Interest shall be charged at the rate of 5.125% for the first five years of the loan, thereafter adjusted every five years to a rate not to exceed 0.125% above the National Prime Rate as quoted in the Wall Street Journal.

Project Number:	A-FB-TE-CD-469
Borrower(s):	Matthew R. Trowitch
Town:	Fairbury
Amount:	$116,000
Fees:	$1,740
Use of Funds:	Farmland – 35 acre grain farm
Purchase Price:	$145,140
% Borrower Equity	20%
% Other Agency	0%
% Lender	80%
County:	McLean
Lender/Bond Purchaser:	Bluestem National Bank

Principal shall be paid annually in installments determined pursuant to a twenty-five year amortization schedule, with the first principal payment due one year from closing. Accrued interest shall be paid annually.

Interest shall be charged at the rate of 3.75% for the first three years of the loan, thereafter adjusted every three years to a rate not to exceed 90% of the National Prime Rate as quoted in the Wall Street Journal with an interest cap of 6.25%.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Jim Senica

Date: February 8, 2004

Re: Overview memo for Perkins and Perkins Limited Partnership

---

- **Borrower/Project Name:** Perkins and Perkins Limited Partnership
- **Location:** Peoria (Peoria County)
- **Principal Project Contact:** Donald Shafer, Executive Vice President, Heartland Bank and Trust
- **Board Action Requested:** Approval to purchase loan participation
- **Amount:** $185,000
- **Project Type:** Business – Participation Loan
- **IFA Benefits:**
  - Buy-down of interest rate – $185,000 IFA treasury funds at risk
  - Borrower provided with lower blended interest rate
- **IFA Fees:**
  - $8,094 (first year's interest)
- **Structure:**
  - Loan participation to be purchased by Heartland Bank and Trust Company
  - Loan term will be 64 months with a 64-month amortization
    Interest rate will be fixed at 4.375% (2% below the Bank's rate)
    Collateral will consist of the following:
    Pro-rata first mortgage "*pari passu*" with Heartland Bank and Trust Company on the project real estate with an appraised value of $825,000 providing collateral coverage to IFA and the Bank of 2.23(45% LTV)

NOTE:

- The IFA Board approved a $650,000 Participation Loan to the lessee of the subject real estate at its December 7, 2004, meeting. The proposed transaction does not substantially impact the financial position of P & P while permitting the owner of P & P to exercise complete control over the plant facility.
- Total IFA exposure to related parties is $835,000.
- Staff recommends approval subject to the covenants presented on page 3 of this report.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Deal: **Perkins and Perkins Limited Partnership**

STATISTICS

Deal Number:	B-LL-TX-424	Amount	$185,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Peoria	Est fee:	$8,095 (first year's interest)

BOARD ACTION

Purchase of Participation Loan from Heartland Bank and Trust Company
$185,000 IFATreasury 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

Purchase of 2.25 acres of land and a 30,500 square foot brick industrial building at 6513 N. Galena Road, Peoria

VOTING RECORD

Initial board consideration for this financing, no voting record. However, on December 7, 2004, the IFA Board approved a $650,000 participation loan to P & P Press, Inc. (owned by Sheila Perkins, the general partner of Perkins and Perkins Limited Partnership) to finance the acquisition of new machinery and equipment. That project was approved by the following vote:

Ayes: 8 Nays: 0 Abstentions: 0 Absent: 3 (Giannoulias, Rice, Valenti)

SOURCES AND USES OF FUNDS

Sources:	IFA	$185,000	Uses: Project Costs	$370,000
	Heartland Bank	185,000	Total	$370,000
	Total	$370,000		

JOBS

Current employment:	60	Projected new jobs:	0
Jobs retained:	60	Construction jobs:	N/A

BUSINESS SUMMARY

Background: Perkins and Perkins Limited Partnership was formed to purchase and own P & P Press, Inc.'s land and building which had been leased and is currently being purchased from the former owner's estate. The partnership ownership is comprised of P & P's owner, Sheila Perkins, general partner, and Sheila's two grown children, Timothy and Angela Perkins, each limited partners. The partnership also holds title to a cabin and land in Wyoming that has been pledged as collateral on the IFA/Bank equipment loan referenced in the discussion section of this write-up.

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

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

Remarks: In prior years, P & P Press, Inc. had been able to provide its customers with state-of-the-art electronics and software, and for the past decade was well ahead of its local competition in that area. In fact, P & P Press, Inc. had developed a good reputation for being able to assist its smaller customers having staff technical limitations with the application of advanced technology.

In recent years, however, the Company had not sufficiently invested in new technology and began to lose a few accounts. The equipment financing approved at the December 7th IFA Board meeting is expected to alleviate any further customer base erosion and will indeed allow the Company to expand. In fact, the Company recently extended on a record 5-year basis the contract of one of its largest commercial accounts.

Financials: Internally-prepared financial statements of P & P Press, Inc. for years 2002 and 2003
Internally-prepared interim financial statements of P & P Press, Inc. for 8 months ending 8/31/04
Projected financial information for years 2004 through 2006

	Year Ended December 31				
	2002	2003	2004	2005	2006
		(Dollars in 000's)			
Income Statement					
Sales	5,345	4,904	4,975	5,224	5,485
Net income	448	87	164	172	181
Earnings before Interest, Taxes & Depr.	951	504	564	643	667
Balance sheet					
Current assets	752	700	804	902	1149
PP&E	1,195	1,040	873	1,969	1,604
Other assets	150	160	160	162	165
Total assets	2,097	1,900	1,837	3,033	2,918
Current Liabilities	344	265	275	285	295
Debt	1,735	1,530	1,293	2,307	2,001
Equity	18	105	269	441	622
Total liab. & equity	2,097	1,900	1,837	3,033	2,918

Ratios					
Debt service coverage	3.60	1.90	2.14	1.55	1.56
Current ratio	2.19	2.64	2.92	3.16	3.89
Debt/equity	101.94	16.04	5.43	5.85	3.71

Discussion:

Over the past three years, P & P Press, Inc., the ultimate source of repayment on this loan, experienced the loss of two accounts due to limitations of its equipment combined with aggressive pricing in the marketplace. P & P's equipment/process limitations resulted in higher operating costs, capacity constraints and ultimately higher prices than the customers were willing to pay. These factors are reflected in the decline in revenue from $5.34 million in 2002 to $4.90million in 2003; the higher operating costs significantly impacted the bottom line as illustrated by a decrease from 2002's net income of $448,000 to 2003's $87,000.

In 2004, P & P's largest account, FarmWeek, faced the decision of selecting their printer for their next customary three-year contract period. In order to retain this and other key accounts, P & P committed to upgrading its printing capability, technology, and capacity as well as being more aggressive in its pricing. Not only did this strategy result in the retention of this account, but P & P's proposal resulted in an unprecedented 5-year contract being signed by FarmWeek.

At its December 7, 2004, meeting, the IFA Board approved a $650,000 participation loan to be combined with a Heartland Bank loan of $650,000 and equity of $130,000 to finance the new equipment needed to upgrade P & P's operation. (Collateral on this loan consists of a shared first security interest in the equipment being financed, shared first mortgage on real estate in Wyoming, shared first lien on the Company's inventory, receivables and existing equipment, shared guaranty of P & P's owner, Sheila Perkins and a share in the assignment of life insurance.)

In consideration of potential business being anticipated as a result of the new equipment being acquired, the projected financial information assumes 5% growth in sales and bottom line income. The new equipment will result in significantly lower operating costs, allowing the Company to be much more aggressive in its pricing.

P & P Press, Inc. had been paying rent on its building of approximately $11,000 monthly; debt service on this real estate loan is estimated to be approximately $6,850 per month with property taxes approximating $1,400 per month. In purchasing its building as opposed to leasing, P & P Press, Inc. will save an estimated $33,000 annually in occupancy costs and the Company's owner will be able to exercise complete control over the plant facility.

FINANCING SUMMARY

Borrower:	Perkins and Perkins Limited Partnership
Collateral:	Pro-rata first mortgage ***"pari passu"*** with Heartland Bank & Trust Company on the project real estate with an $825,000 appraised value (performed by licensed appraiser Robert Edwards) providing collateral coverage to IFA and the Bank of 2.23 (45% LTV). 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 but not limited to any 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, with the Bank passing on the entire 200 basis point savings to the borrower. The Bank's interest rate will be fixed at 6.375% for the term of the loan.
Maturity:	The loan will be set on a 64-month amortization with 64 payments of principal and interest over the 64-month maturity of the loan.
Covenants:	Annual financial statements of P & P Press, Inc. Annual personal financial statement of Sheila Perkins Evidence of insurance on the collateral Updated appraisal on the project real estate prior to funding Assignment of rents

PROJECT SUMMARY

The proposed project involves the purchase of 2.25 acres of land and a 30,500 square foot brick industrial building at 6513 N Galena Road in Peoria to be used for the printing operation of P & P Press, Inc. owned by the applicant's general partner, Sheila Perkins.
Project costs are as follows:

Acquisition of land	$50,000
Acquisition of building	$320,000
Total	$370,000

The project will enable P & P Press, Inc. to lower its occupancy costs by nearly $33,000 annually and will enable P & P's owner to exercise complete control over the Company's plant facility.

ECONOMIC DISCLOSURE STATEMENT

Project name:	P & P Press, Inc. Building Acquisition
Location:	6513 N Galena Road Peoria, IL 61615 (Peoria County)
Applicant:	Perkins and Perkins Limited Partnership
State:	Illinois
Organization:	Limited Partnership – Sheila Perkins, general partner Timothy Perkins, limited partner Angela Perkins, limited partner

PROFESSIONAL & FINANCIAL

Bank:	Heartland Bank & Trust company	Peoria, IL	Don Shafer
Accountant:	McGladrey & Pullen, LLP	Peoria, IL	
IFA Counsel:	Dykema Gossett PLLC	Chicago, IL	Darrell Pierce

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Steven Trout, Funding Manager

Date: February 1, 2005

Re: Overview Memo for Kane County Senior Living
N-NP-TE-CD-421

Borrower/Project Name: Kane County Senior Living

Locations: Geneva (Kane Co.)

Principal Project Contact: Howard F. Hahn, Director (402) 964-5150

Board Action Requested: Final Bond Resolution

Amount: Not to exceed $14,000,000

Uses:

- Finance the construction and equipping of a new senior living facility

Project Type: 501(c)(3) Revenue Bonds

IFA Benefits:

- Convey federal tax-exempt status
- No IFA or State funds at risk

IFA Fees: $55,000

Structure:

- 10-year initial term, amortizing over 28 years, beginning 18 months from closing
- Commercial Federal Bank of Omaha, Nebraska will purchase the Bonds as a direct investment to be held to maturity

Recommendation/Comments:

- Since the Bonds will be purchased as a direct bank investment and held to maturity, no extraordinary conditions will be required.
- Staff recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Deal: **Kane County Senior Living**

STATISTICS

Deal Number:	N-NP-TE-421	Amount:	$14,000,000 (not-to-exceed amount)
Type:	Not-for-Profit	Marketer:	Steve Trout
Location:	Geneva	Tax ID:	68-0563752
		Est. fee:	$55,000

BOARD ACTION

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

PURPOSE

Finance the acquisition of 4.5 acres of land at Kaneville Road and Fargo Boulevard in Geneva and construction of the first phase of a senior living community, consisting of 61 condominiums and other common areas.

VOLUME CAP

No Volume Cap is required for 501(c)(3) Bond Financing.

VOTING RECORD

Preliminary Bond Resolution (12/7/04):

Ayes: 8 Nays: Nays: 0 Abstentions: 0 Absent: 3 (Giannoulias, Rice & Valenti) Vacancies: 4

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$13,430,000	Uses:	Project Costs	$18,345,500
	Equity *	8,083,000		Organizational & Marketing Costs	$1,024,500
				Capitalized Interest	922,600
				Absorption Reserve	$844,600
				Financing Costs *	375,800
	Total	$21,513,000		**Total**	$21,513,000

* Equity will come from entrance fees paid by residents. The developer has already collected $1,500,000 in non-refundable deposits and has an additional $600,000 contractually committed. Financing costs in excess of 2% of the bond issue ($268,600) will be paid from equity.

JOBS

Current employment:	0	Projected new jobs (2 years):	16
Jobs retained:	N/A	Construction jobs:	100

BUSINESS SUMMARY

Background: Kane County Senior Living ("KCSL") is an Illinois not-for-profit 501(c)3 organization that was incorporated on August 22, 2003 to provide residential facilities for the aged.

Essex Corporation, a Nebraska Corporation is the project developer and administrator pursuant to a development and management agreement with KCSL. Essex Corporation has been active in designing, developing, constructing, marketing, financing and managing senior housing since its inception in 1976. The company offers its services to not-for-profit or for-profit sponsors on a bundled or unbundled basis and on a turn-key or joint venture format. The company has developed over 3,000 senior housing units in 11 states in the West and Midwest, in projects ranging in size form $500,000 to $25,000,000. Essex Corporation currently manages over 20 similar projects.

Description: The project consists of the first phase of a new senior living community to be called The Reserve of Geneva. It will include construction of 61 one- and two-bedroom condominiums and common areas. The common areas will include a lobby, kitchen, dining room, theater, coffee shop, parking lot and administrative offices. The lobby, offices, kitchen, dining and entertainment areas are housed together with the residential units in a three-story U-shaped building that is served by elevators. The residential units range in size from one-bedroom/one-bathroom units with 780 square-feet of space to two-bedroom/two-bathroom units with 1,570 square-feet of space. All units include a living room, terrace, full kitchen and laundry rooms and offer several different design options.

The developers plan to undertake a second phase to include additional residential units attached to the main building and townhouses, upon successful completion of the first phase.

The project is modeled after Carriage Oaks, a $20 million, 80-unit senior living community that Essex Corporation developed in St. Charles, approximately 2.5 miles from the planned site. Carriage Oaks of St. Charles, a not-for-profit organization that is unrelated to KCSL, owns the project. Carriage Oaks had all units purchased prior to opening, has a current waiting list for 20 units and cashflows that have consistently generated 1.2 times debt service coverage. The City of St. Charles issued $13 million in bonds in two series in 1998 and 1999 to finance the first phase of the project. IDFA issued $1,650,000 of 501(c)(3) bonds in 1999 to finance the project's second phase.

According to US Census data, there are 7,652 households with people over 65 years of age and annual incomes over $35,000 living within a 10-mile radius of the project site. The developers have received non-refundable commitments for 22 of 61 units to date.

The smallest units are now priced with an entrance fee of $58,500 and a monthly fee of $1,625, while the largest units are priced with an entrance fee of $103,620 and a monthly fee of $2,595. Prospective residents typically use equity generated from the sale of their homes to pay the entrance fee. Residents may enroll in a meal plan for an additional monthly fee. Residents paying a supplemental fee equal to the entrance fee receive a 25% discount in the standard monthly fee, which the developer believes provides a 7% after-tax return. The entrance and supplemental fees are returned to residents or their estate leaving the community from payments made by new incoming residents. The developer has received $2.1 million in entrance/supplemental fee commitments, of which $1.5 has been collected and is held in an escrow account.

The site is zoned R-7 and is located in a Planned Unit District, which permits this type of use for the site, with no need for rezoning. FCSL has entered into a maximum fixed-price contract with Essex Corporation to develop the facility.

Borrower Financials: Projections are based on the developer's operating forecast. (Fig ures in $000s.)

	Year 1	Year 2	Stabilized Year 3	Year 4	Year 5
Operating Budget					
Gross Lease Inçome	1,502	1,577	1,624	1,673	1,723
Vacancy Allowance	(225)	(158)	(81)	(84)	(86)
Absorption Reserve Inc.	151	31	0	0	0
Total Income	1,428	1,451	1,543	1,589	1,637
Administrative Expense	178	187	193	199	205
Personnel Expense	163	171	176	181	187
Maintenance Expense	53	56	57	59	61
Utilities Expense	63	66	68	70	72
Operating Expenses	457	480	494	509	525
Net Operating Income (NOI)	971	971	1,049	1,080	1,112
Debt Service	845	845	845	845	845
Debt Service Coverage	1.15x	1.15x	1.24x	1.28x	1.32x
Reserve Balances					
Beg Absorption Reserve	845	820	845	845	845
Less: Reserve Depletion	(151)	(31)	0	0	0
Plus: Residual Income	126	56	0	0	0
End Absorption Reserve	820	845	845	845	845
Beg Oper, Repair & Replcmt	0	0	71	275	511
Plus: Residual Income	0	71	204	236	269
End Oper, Repair & Replcmt	0	71	275	511	780

Discussion: The operating forecast was prepared by the developer based on experience operating 20 similar facilities. The forecast assumes 85% occupancy in year 1, 90% in year 2, and 95% occupancy (i.e. stabilization) thereafter. A similar facility located 2.5 miles away from the subject site has been fully occupied since it opened 7 years ago. The project budget (see below) includes an $844,600 reserve for absorption equal to 1 year's debt service, to cover operating costs in the event that the project does not lease up as planned. A sensitivity analysis indicates the Absorption Reserve is sufficient to permit the Project to sustain operations for nearly 4 years with an ongoing 30% vacancy rate.

Residents or their estates are not entitled to return of the entrance fees and must continue paying the monthly fees until a new resident has paid the entrance fees and has committed to paying the monthly fee for the vacated unit. This arrangement largely insulates the project from vacancy risk once it has been fully occupied for the first time, but may also deter a newcomer from executing a contract.

The forecast assumes a modest depletion of the Absorption Reserve in years 1 and 2, based on the estimated vacancy rates of 15% and 10%, respectively, for those years. This depletion is fully replenished from residual income (income after payment of debt service) by the end of year 2, at which time cashflows should be sufficient to begin funding a reserve for operations, repair and replacement.

The forecast assumes that the project is financed with $13,430,000 of IFA Bonds and $8,083,000 contributed from entrance fees paid by residents. Bank financing is contingent on the Developer securing commitments for 18 units; 22 units are irrevocably committed as of January 2005. The project budget includes 18 months of capitalized interest at 4.5%. Our forecast estimates interest expense at an average rate of 4.5% for the first five years. Interest rates will be fixed for five years pursuant to a 5-year swap offered by the bank. That rate would have been 4.25% as of November 9, 2004.

The Developer has estimated that $8,083,000 in equity will be available from entrance fees, based on an assumption that only 25% of residents will pay a supplemental fee (equal to the entrance fee) to reduce the monthly fee by 25%. Based on initial interest, it appears that more residents may opt to pay a supplemental fee because yields on other investments are currently very low. In this case, the developer plans to apply additional funds collected to redeem bonds, which will reduce payments, thereby improving debt service coverage as compared to the projections summarized above.

FINANCING SUMMARY

Bonds:	Tax-exempt 501(c)(3) bonds amortizing over a 28 year term and containing a 10-year initial term. The Bonds are expected to be purchased by Commercial Financial Bank of Omaha, Nebraska.
Amount:	Up to $13,430,000, provided that the project appraises at at least an 80% loan to value ratio, based on an income approach appraisal.
Interest Rate:	Fixed for 5 years, pursuant to 70% of the 5-year swap rate plus 2.15% for both the first and second 5-year periods. As of November 9, 2004, that rate would have been 4.25%.
Payments:	Monthly interest payments only for 18 months, the expected construction period. Principal and interest payments for the next 8.5 years (102 months), based on a 28-year amortization schedule.
Obligor:	Kane County Senior Living
Bond Security:	First deed of trust, construction loan agreement and assignment of rents and leases.
Support from the Developer:	The Developer will be required to provide a performance bond or a corporate guarantee until the project's cashflow generates 1.15 debt service coverage for 12 consecutive months. Additionally, payment of the Management Fee will be subordinated to payment of principal and interest on the Bonds for the first three years.
Covenant:	Maintain debt service coverage ratio of at least 1.15 times, calculated on an annual basis.

PROJECT SUMMARY

Bond proceeds, together with entrance fees, will finance: i) the acquisition of 4.5 acres of land; ii) the construction of an approximately 101,000 square foot housing complex for the elderly at approximately Fargo Boulevard and Kaneville Road in Geneva, Kane County, Illinois; and iii) the acquisition, construction, renovation and refinancing of various other capital improvements and equipment related to complex. Additionally bond proceeds will be used to finance costs of issuance, capitalized interest and a debt service/absorption reserve fund.

Project costs are estimated as follows:

Land Acquisition and Holding	$1,180,000
Construction and Development	15,550,000
Architectural, Feasibility and Other Professional	899,000
Furnishings	325,000
Insurance and Taxes	100,000
Contingency	291,500
Total	$18,345,500

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Kane County Senior Living, 1620 Dodge Street, Omaha, Nebraska 68102 (Contact: Mr. Howard F. Hahn, Director, Phone: (402) 964-5150)	
Project name:	Kane County Senior Living (The Reserve of Geneva)	
Location:	Kaneville Road and Fargo Boulevard, Geneva (Kane County), IL 60134	
Organization:	Illinois 501(c)(3) Not-for-Profit Corporation	
Land Owner:	Geneva Banc Shares, Inc. 22 S. Fourth Street, Geneva, IL 60134	
Board Members:	Howard F. Hahn	Omaha, NE
	B. Richard Lundholm	Geneva, IL
	John R. Anderson	Geneva, IL

Mr. Hahn serves as counsel to Essex Corporation. A permanent board including residents and other community leaders will be appointed after the project is occupied.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Blackwell, Sanders, Peper, Martin, LLP	St. Charles, IL	Howard Hahn
Bond Counsel:	Baird Holm	Omaha, NE	Charles Addy
Bond Purchaser	Commercial Federal Bank	Omaha, NE	Tom Weinandt
Bank Counsel:	Fitzgerald, Schnorr, Bartmettle & Brennan	Omaha, NE	Thomas Ostdiek
Issuer's Counsel:	Goldberg Kohn Bell Black Rosenbloom & Moritz	Chicago, IL	Keith Sigale
Accountant:	Lutz and Company	Omaha, NE	Shawn Wederquist
Development Consultant:	Essex Corporation	Omaha, NE	Don Deines
Architect	Avant Architects	Omaha, NE	
General Contractor:	Essex Corporation	Omaha, NE	Don Deines
Management Agent:	Essex Corporation	Omaha, NE	Don Deines

LEGISLATIVE DISTRICTS

Congressional:	1	Dennis Hastert
State Senate:	25	Chris Lauzen
State House:	49	Tim Schmitz

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

To: Board of Directors

From: Eric Watson

Date: February 8, 2005

Re: **Overview Memo for the City of Metropolis**

- **Project:** City of Metropolis
- **Location:** Metropolis (Massac County)
- **Contact:** Rick Abell, Metropolis City Attorney
- **Board Action:** Final Resolution to Purchase General Obligation (Limited Tax) Debt Certificates
- **Amount:** $3,000,000 (Not to exceed) to finance capital improvements and reimburse the General Fund for capital costs already incurred
- **Project Type:** Local Government
- **IFA Benefits:**
    - Interim loan from IFA's Local Government Reserve Fund
    - $3,000,000 of IFA funds at risk
- **IFA Fees:** $50,000 (first year's interest plus $1,000 issuance fee)
- **Structure/Security:**
    - Funded from IFA's Local Government Reserve Fund established by the Rural Bond Bank in 1990 to provide loans to units of local government.
    - The City's debt is a General Obligation payable from all available General Fund revenues and any monies in the Fund.
    - The City has also pledged an intercept of its sales tax, income tax, personal property replacement and gaming tax dollars, totaling over $9.2 million in FY 2004.
    - The Certificates have a 20-year term, but include a significant rate increase beginning in year 2 to encourage conversion to permanent financing.
    - The City has no outstanding debt.
- **Recommendation:** Staff recommends approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
January 11, 2005

Project: **City of Metropolis**

STATISTICS

Project Number:	L-GO-LL-TX-501	Amount:	$3,000,000
Type:	Local Government	FM:	Eric Watson
Location:	Massac County	Est. fee:	$50,000 (first year's interest & fees)

BOARD ACTION

Final Resolution to Purchase Debt Certificates	Staff recommends approval
Local Government Bonds	Conditions: Intercept Pledge of Tax Receipts

PURPOSE

To finance various capital improvement projects and reimburse the General Fund for capital costs already incurred.

IFA CONTRIBUTION

Interim loan under IFA's Local Government Reserve Fund Program established by the Rural Bond Bank in 1990.
$3,000,000 of IFA funds at risk

VOTING RECORD

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

SOURCES AND USE OF FUNDS

Sources:	GO Debt Certificates:	$3,000,000	Uses:	Project Costs	$3,000,000
	Total	**$3,000,000**		**Total**	**$3,000,000**

JOBS

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

ORGANIZATION

Background: The City of Metropolis (the "City") is a non-Home Rule municipality that was founded in 1839 and has a population 6,552, according to the 2000 census. Metropolis covers five square miles on the shore of the Ohio River in Massac County in southern Illinois. The Illinois House officially declared the City to be the home of Superman in 1972.

Description: The unemployment rate of Metropolis was 3.9%, well below that of Illinois (5.6%) and of the U.S. (5.1%). The City has a thriving casino complex that is a major employer and source of governmental revenue. Harrah's is planning to open a new $62 million hotel/entertainment complex scheduled in the fall of 2005 that is expected to employ from 125 – 150 people and generate $2.8 million in annual payroll and benefits for the area. Additionally, Purchase Area Laundry Services, Inc., plans to open a new commercial laundry in the Metropolis Industrial Park in the summer of 2005 that will employ 70 people with an estimated $1 million annual payroll.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
January 11, 2005

Project: **City of Metropolis**

STATISTICS

Project Number:	L-GO-LL-TX-501	Amount:	$3,000,000
Type:	Local Government	FM:	Eric Watson
Location:	Massac County	Est. fee:	$50,000 (first year's interest & fees)

BOARD ACTION

Final Resolution to Purchase Debt Certificates	Staff recommends approval
Local Government Bonds	Conditions: Intercept Pledge of Tax Receipts

PURPOSE

To finance various capital improvement projects and reimburse the General Fund for capital costs already incurred.

IFA CONTRIBUTION

Interim loan under IFA's Local Government Reserve Fund Program established by the Rural Bond Bank in 1990.
$3,000,000 of IFA funds at risk

VOTING RECORD

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

SOURCES AND USE OF FUNDS

Sources:	GO Debt Certificates:	$3,000,000	Uses:	Project Costs	$3,000,000
	Total	**$3,000,000**		**Total**	**$3,000,000**

JOBS

Current employment:	N/A	Projected new jobs:	44
Jobs retained:	N/A	Construction jobs:	100

ORGANIZATION

Background: The City of Metropolis (the "City") is a non-Home Rule municipality that was founded in 1839 and has a population 6,552, according to the 2000 census. Metropolis covers five square miles on the shore of the Ohio River in Massac County in southern Illinois. The Illinois House officially declared the City to be the home of Superman in 1972.

Description: The unemployment rate of Metropolis was 3.9%, well below that of Illinois (5.6%) and of the U.S. (5.1%). The City has a thriving casino complex that is a major employer and source of governmental revenue. Harrah's is planning to open a new $62 million hotel/entertainment complex scheduled in the fall of 2005 that is expected to employ between 125 – 150 people and generate $2.8 million in annual payroll and benefits for the area. Additionally, Purchase Area Laundry Services, Inc., plans to open a new commercial laundry in the Metropolis Industrial Park in the summer of 2005 that will employ 70 people with an estimated $1 million annual payroll.

The Project: Loan funds will be utilized primarily to begin construction of an electric substation, extensions of water and sewer lines, construction of a fire station, additional equipment, engineering and consulting costs, and additional feasibility studies. Also, the City plans to reimburse its General Fund for capital costs already incurred with this project. The new electric substation will replace an existing substation that is no longer capable of providing sufficient electric power to the riverfront district of the City. The new substation will have an expected useful life of 30 to 40 years with capacity to provide power for the current riverfront development projects and all reasonably foreseeable projects for the next five to ten years.

The proposed water and sewer lines will enable the City to serve the new convention center/hotel complex, with capacity for additional growth. This project will have a useful life of 40 to 50 years. The new fire station and equipment will enhance the City's ability to provide fire protection to newer developments of three or more stories and will enable the City to maintain or improve its fire insurance rating. The new fire station will have a useful life of 50 years or more and the new equipment will have a life of approximately 20 years. Completing this project will require demolishing the City's former electric power house. Feasibility study costs for many of these projects are also included in total costs.

The City's loan from the Authority will be payable from General Fund revenues and monies on hand. Metropolis has also agreed to allow its sales tax, income tax, personal property replacement and gaming tax dollars to be intercepted in the event that it defaults on a debt payment. These sources generated over $9.2 million in revenue in FY 2004. The City anticipates funding the final phases of these projects by issuing $12 million in bonds in the coming months. IFA is working closely with Metropolis officials to coordinate that bond issue.

Financials: Audited financial statement for fiscal years ended June 30, 2001, 2002, 2003 and 2004 for the City's General Fund. All figures are in thousands.

Statement of Revenues and Expenditures		**Actual**	
	2002	**2003**	**2004**
Gaming Revenues	8,160.6	8,164.4	8,411.8
Taxes and Other Revenues	2,606.9	3,200.2	1,722.8
Total Revenues	10,767.5	11,364.6	10,134.6
Operating Expenditures	7,141.8	6,056.3	5,632.4
Capital Outlay	0.0	2,620.5	771.3
Total Expenditures	7,141.8	8,676.8	6403.7
Net Revenues	3,625.7	2,687.8	3,730.9
Net Transfers	(3,861.2)	(2,853.6)	(3,207.2)
Net Revenues after Net Transfers	(235.5)	(165.8)	523.7
Balance Sheet			
Cash and Investments	5,387.1	5,783.3	6,272.3
Other Current Assets	1,731.1	1,461.2	1,458.6
Total current Assets	7,118.2	7,244.5	7,730.9
Other Assets	2,597.1	1,962.9	1,705.5
Total Assets	9,715.3	9,207.4	9,436.4
Current Liabilities	1,007.5	817.8	544.7
Long-term Liabilities	220.0	185.0	163.4
Fund Balance	8,487.8	8,204.6	8,728.3
Total Liabilities and Fund Balance	9,715.3	9,207.4	9,436.4

Ratios:

Unrestricted Fund Balance to Operating Expenditures	118.8%	94.6%	136.3%
Current Ratio	7.07	8.86	14.19
Days Cash on Hand	275.3	243.3	357.5

Total Assessed Valuation:

Tax Year	Assessed Valuation
1999	$42,780,252
2000	$44,583,612
2001	$46,683,485
2002	$46,807,539
2003	$49,378,884

Assessed Valuation Breakdown:

Residential: 63% Commercial: 34% Industrial: 1.1% Agricultural:2%

Property Tax Collections:

Year Levied	Extended	Collected	% Collected
2000	$390,300	$388,454	99%
2001	$409,377	$407,347	99%
2002	$416,608	$414,935	99%

Discussion: The City manages its finances through a series of self-balancing funds. Its largest fund is the General Fund, which accounts for over 95% of all Governmental Funds. The Statement of Revenues and Expenditures summarized above accounts for General Fund revenues, expenditures and net transfers to other funds. Major revenue sources include: gaming taxes (81%), sales taxes (7%), income taxes (4%), property taxes (1%) and all other (7%). The availability of substantial gaming taxes allows the City to reduce tax rates, user fees and charges and fund significant capital projects from operations. The General Fund makes substantial transfers out to other Governmental Funds, primarily the Parks Funds ($272,000 in FY 2004) and the Streets Fund ($1,404,000) and Enterprise Funds, primarily Sewer and Waterworks Fund ($1,213,000) and the Light Fund ($247,000). Most of these transfers fund capital projects and are in addition to capital outlays made directly by the General Fund. Most municipalities would have had to defer these expenditures or raise taxes, impose higher fees and charges, or borrow.

The City's tax base appears solid. The City's assessed valuation has increased 13% n the past five years to $49,378,884 in 2003. Tax collection rates have been excellent. The City does not have any taxpayer or employer concentration. Unemployment rates are below Illinois and national averages. The City's 2000 Census population of 6,552 was a small decrease from the 1990 Census of 6,734.

The City has historically maintained sufficient cash on hand to fund over a full year's operating expenditures. Recent heavy capital outlays have depleted cash below historical levels, spurring interest in borrowing to reimburse the General Fund for costs incurred and to finance the balance of project costs.

The City currently has no outstanding indebtedness. The City's finance team expects no difficulty in issuing permanent financing to repay this borrowing and fund additional capital projects later this year. In the event that permanent financing is not completed, the City would pay interest and principal (beginning in 2007) from General Fund revenues. Debt service in the first year will be $147,000 and will increase to $370,000 in 2007 if it remains outstanding that long. By way of comparison, the General Fund had net revenues after net transfers and direct capital outlays (some of which could presumably be deferred or financed) of $1.3 million.

FINANCING SUMMARY

Security:	Intercept Pledge of General Fund
Structure:	Adjustable Rate (4.9% first year, 9% each year thereafter to encourage timely repayment of interim loan or to initiate the funding necessary for the entire cost of the $12M project)
Maturity:	January 1, 2025

ECONOMIC DISCLOSURE STATEMENT

Applicant:	City of Metropolis
Officials:	Beth A. Clanahan, Mayor
	Brenda Westbrooks, City Clerk
	Kristi Koch Stephenson, Treasurer
Alderperson:	Richard Corzine, Sr.
	Charles Oliver
	Wm. T. Carrell
	Robert Midnight
	Billy McDaniel
	J. D. Holley
	Don Sullivan
	Charles Barfield

PROFESSIONAL & FINANCIAL

Accountant:	Williams, Williams and Lentz	Paducah, KY	
Finance Advisor:	Stifel Nicolaus & Company	Edwardsville, IL	Mary Kane
Bond Counsel:	Evans, Froelich, Beth & Chamley	Champaign, IL	Kurt Froelich
Issuer's Counsel:	Chapman & Cutler	Chicago, IL	Chuck Jarik

LEGISLATIVE DISTRICTS

Congressional:	19 John M. Shimkus
State Senate:	59 Gary Forby
State House:	118 Brandon W. Phelps

RESOLUTION PROVIDING FOR THE PURCHASE OF LOCAL GOVERNMENT SECURITIES IN AN AGGREGATE PRINCIPAL AMOUNT OF $3,000,000, AS PROVIDED HEREIN, AND AUTHORIZING THE SALE THEREOF; APPROVING THE APPLICATION OF A PARTICIPATING UNIT OF LOCAL GOVERNMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOCAL GOVERNMENT SECURITIES PURCHASE AGREEMENT AND RELATED DOCUMENTS; AND RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under the laws of the State of Illinois (the *"Authority"*), has the Authority, pursuant to the 20 *Illinois Compiled Statutes 2002,* 3501/801-1 *et seq*., and particularly 3501/820-5 through 3501/820-60, as supplemented and amended (the *"Act"*), to purchase and sell "local government securities," as defined in the Act, from "units of local government," as defined in the Act; and

WHEREAS, the Authority has received an application from a unit of local government , namely the City of Metropolis, Massac County, Illinois (the *"Unit"*), requesting that the Authority purchase said Unit's local government securities; and

WHEREAS, pursuant to the powers granted to it by Article 820 of the Act, the Authority finds it desirable to purchase the local government securities of the Unit; and

WHEREAS, pursuant to the powers granted to it by Article 820 of the Act, the Authority finds it desirable to authorize the execution and delivery of a Local Government Securities Purchase Agreement with the Unit (the *"Local Purchase Agreement"*) in connection with the purchase of such local government securities; and

WHEREAS, pursuant to the powers set forth in Article 820 of the Act,the Authority may in the future find it necessary, desirable and in the best interests of the Authority to sell any of the local government securities purchased from the Unit; and

WHEREAS, there has been presented to the members of the Authority forms of the following documents:

(i) the application of the Unit (the *"Application"*), and

(ii) a form of the Local Purchase Agreement;

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

Section 1. The Authority hereby accepts the Application of the Unit requesting the Authority to purchase its local government securities and hereby approves said Application.

Section 2. The Authority is hereby authorized to purchase the local government securities issued by the Unit (the *"Securities"*) in an aggregate principal amount not to exceed $3,000,000, that the maturity date shall be no greater than twenty years from the date of issue, that the interest rate or rates shall be as specifically set forth in the Local Purchase Agreement, attached hereto, that the Securities shall be subject to redemption or prepayment on such date or dates and that the purchase price for such Securities shall be 100% of the principal amount of such Securities under the terms and provisions set forth herein and in the Local Purchase Agreement, a copy of which is attached hereto as Exhibit A.

Section 3. That the Members hereby appropriate the use of funds from the Illinois Rural Bond Bank Special Reserve Fund (the "Purchase Fund"), and authorize the loaning of such funds as may be necessary from the Credit Enhancement Fund Development to the Purchase Fund for the purpose of purchasing the Securities and further authorize the Executive Director of the Authority, or his designee, to expend said monies, appropriated by this Section, for the purposes set forth in the Resolution.

Section43. That the Authority is hereby authorized to enter into the Local Purchase Agreement with the Unit in substantially the same form as presented to the Members of the Authority; that the form, terms and provisions of the Local Purchase Agreement be, and they hereby are, in all respects approved; that the Chairman, the Vice Chairman and the Executive Director of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver the Local Purchase Agreement by and between the Authority and the Unit, such Local Purchase Agreement to provide for the issuance and sale of the local government securities of the Unit described therein and to be in substantially the same form as presented to the Members of the Authority or with such changes therein as the individual executing the Local Purchase Agreement on behalf of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of any and all changes or revisions therein from the form of Local Purchase Agreement before the Members of the Authority; that such execution and delivery of the Local Purchase Agreement is hereby ratified, confirmed and approved; that when the Local Purchase Agreement is executed and delivered on behalf of the Authority as hereinabove provided, the Local Purchase Agreement shall be binding upon the Authority; that the purchase of the Securities by the Authority is hereby authorized and approved; that from and after the execution and delivery of the Local Purchase Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Local Purchase Agreement as executed; and that the Local Purchase Agreement shall constitute, and hereby is made, a part of this Resolution, and copies of the Local Purchase Agreement shall be placed in the official records of the Authority, and shall be available for public inspection at the office of the Authority.

Section 5. That the Authority is hereby authorized to sell any Security purchased pursuant hereto; *provided,* that the sale price of any such Security shall not be less than 100% of the outstanding principal amount of such Security.

Section 6. That the Chairman, the Vice Chairman, the Executive Director, the Secretary and any Assistant Secretary of the Issuer be, and each of them hereby is, authorized to execute and deliver such documents, certificates and undertakings of the Authority and to take such other actions as may be required in connection with purchase of the Securities, the execution and delivery of the Local Purchase Agreement and the sale of any Securities, authorized by this Resolution.

Section 7. That all acts of the officers, employees and agents of the Issuer which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 8. That the provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 9. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 10. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

LLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Watson and Nona Myers, Funding Managers

Date: February 8, 2005

Re: **Overview Memo for the Pooled Tax Anticipation Warrant (TAWs) Program for Illinois Schools**

- **Borrower(s)/Project Name:** Multiple school districts will be pooled into one public bond issue as follows:

• **School District Name:**	Batavia Unit School District 101	Community Unit School District 300	Grand Ridge Community Consolidated School District 95	Nippersink School District 2
• **Location:**	Batavia (Kane County)	Carpentersville (Kane County)	Grand Ridge (LaSalle County)	Richmond (McHenry County)
• **Principal Project Contact:**	Joseph Yagel Associate Superintendent for Finance	Cheryl Crates Chief Financial Officer	Wally Marquardt Superintendent	Dr. Paul Hain Business Manager & Treasurer
• **Board Action Requested:**	Purchase of Tax Anticipation Warrants			
• **Amount:**	$8, 750,000	$15,000,000	$400,000	$2,100,000

- **Board Action Requested:** **Final Approval to Purchase of Tax Anticipation Warrants**
- **Total Amount:** $30,000,000 (not to exceed)
- **Uses:** Short-term financing to cover operational costs in advance of their scheduled local property tax reimbursements.
- **Project Type:** Tax Anticipation Warrants
- **IFA Contribution**
  - Provides short-term funding for school districts to meet educational and operational maintenance (operating expenses) until local property tax payments are received.
  - No IFA funds at risk.
- **IFA Fees:** None (as this program is still in development phase, the Authority is
- **Structure**
  - Fixed Rate Bonds (Anticipated Rate)
  - Bonds will be secured by warrants for property tax due to school districts…(any liquidity provider?)
- **Recommendation**
  - Staff recommends approval.

IILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **Pooled Tax Anticipation Warrant Program for Illinois School Districts**

STATISTICS

School District Name:	Batavia Unit School District 101	Community Unit School District 300	Grand Ridge Community Consolidated School District 95	Nippersink School District 2
Project Number:	LG-LG-TE-CD-502	LG-LG-TE-CD-503	LG-LG-TE-CD-504	LG-LG-TE-CD-505
Type:	Tax Anticipation Warrant	Tax Anticipation Warrant	Tax Anticipation Warrant	Tax Anticipation Warrant
Location:	Batavia, IL (Kane County)	Carpentersville, IL (Kane County)	Grand Ridge, IL (LaSalle County)	Richmond, IL (McHenry County)
SIC Code:	N/A	N/A	N/A	N/A
Amount of TAWs issued by each school district:	$8, 750,000	$15,000,000	$400,000	$2,100,000
Total Amount of TAWs:	$26,250,000 (Not to exceed $30,000,000)			
IFA Staff:	Eric Watson and Nona Myers			
Tax ID:	36-6004748	36-6004758	36-6004945	36-4373324
Est. fee:	None			

BOARD ACTION

- Purchase of Tax Anticipation Warrants from multiple school districts:
  - Batavia Unit School District 101
  - Community Unit School District 300 (Carpentersville)
  - Grand Ridge Community Consolidated School District 95
  - Nippersink School District 2
- No IFA funds at risk.
- Staff recommends approval.

PURPOSE

To issue a bond and provide funds to 4 school districts with projected cash flow deficits in their operating funds, due to untimely disbursement of property tax dollars from their respective County Treasurers.

VOLUME CAP

No Volume Cap required.

VOTING RECORD

This project is presented to the Board for the first time. The first issue of Warrants was approved by the Illinois Finance Authority at the February 17, 2004 board meeting as follows:

Ayes: 8 Nays: 0 Absent: 1 (Valenti) Vacant: 6

SOURCES AND USES OF FUNDS

Sources:			Uses:	
IFA Bonds	$26,250,000		Batavia	$ 8,750,000
			CUSD 300	15,000,000
			Grand Ridge	400,000
			Nippersink	2,100,000
Total:	$26,250,000		Total	$26,250,000

BUSINESS SUMMARY

School District Name	Batavia Unit School District 101	Community Unit School District 300	Grand Ridge Community Consolidated School District 95	Nippersink School District 2
Governance	The district is governed by a seven member Board of Education. Members are elected to a four-year term.	The district is governed by a seven member Board of Education. Members are elected to a four-year term.	The district is governed by a seven member Board of Education. Members are elected to a four-year term.	The district is governed by a seven member Board of Education. Members are elected to a four-year term.
Location of the District	The City of Batavia is located 40 miles west of Chicago along the Fox River.	The Village of Carpentersville is located in the heart of the picturesque Fox River Valley in Kane County, Illinois, a short 35 miles northwest of the City of Chicago. Population 25,000	The District is located in Grand Ridge, Illinois in the southern portion of LaSalle County, approximately 88 miles southwest of Chicago, Illinois and approximately 70 miles north of Bloomington, Illinois.	The District is located in McHenry County, approximately 60 miles south of Milwaukee, Wisconsin, 60 miles northwest of Chicago , Illinois and 50 miles east of Rockford, Illinois.
District Enrollment (2004-05 School Year) Report Card Data	5,956 Pre-K to 12	18,175 Pre-K to 12	359 Pre-K to 8	1,585 K to 8
Number of Schools	1 High School 1 Middle School 6 Elementary Schools	2 High Schools 1 Middle School/High School 4 Middle Schools 1 Intermediate School 14 Elementary Schools 1 Early Childhood Center 1 Alternative School	1 Elementary/Middle School	2 Elementary Schools 1 Middle School
Description	The Board has approved a Resolution authorizing the issuance of TAWS in anticipation of the collection of taxes levied for the year 2004 for operating expenses (education and, operations and maintenance funds).	The Board has approved a Resolution authorizing the issuance of TAWS in anticipation of the collection of taxes levied for the year 2004 for operating expenses (education fund).	The Board has approved a Resolution authorizing the issuance of TAWS in anticipation of the collection of taxes levied for the year 2004 for operating expenses (education fund).	The Board has approved a Resolution authorizing the issuance of TAWS in anticipation of the collection of taxes levied for the year 2004 for operating expenses (education fund).

School District Name	Batavia Unit School District 101	Community Unit School District 300	Grand Ridge Community Consolidated School District 95	Nippersink School District 2
Revenues Prior Year Property Tax Receipts: 06/10/04 06/25/04 07/22/04 08/19/04 09/02/04 09/24/04 10/21/04 11/20/04	8,632,622.93 9,266,155.97 740,953.82 636,911.31 2,181,096.72 13,966,430.07 589,030.67 869,995.44	14,464,931.31 13,439,527.05 1,627,761.27 1,211.344.97 4,499,094.04 20,284,837.96 933,363.16 1,844,050.98	07/04 746,418.93 09/04 572,714.50 12/04 59,979.55	06/28/04 1,386,087.51 07/19/04 ,069,474.09 08/02/04 36,473.08 08/30/04 252,853.86 09/17/04 347,297.41 10/04/04 2 ,287,714.81 10/25/04 677,168.11
2003 Levy	36,883,156.93	58,304,910.74	1,379,112.98	7,057,068.87
Interest:	6,999.79	11,065.27	946.48	859.12
Total:	**$36,890,156.72**	**$58,315,976.01**	**$1,380,059.46**	**$7,057,927.99**
Equalized Assessed Valuation of Taxable Property	**859,350,141**	**2,338,940,232**	**49,556,767**	**288,157,886**
2004 Levy	**$35,576,000**	**$82,062,547**	**$1,181,800**	**$6,181,527**
State Financial Profile Scores(a)				
• Fund Balance to Revenue Ratio	3	2	2	1
• Days Cash on Hand	2	2	2	1
(Scores range from 1 (lowest) to 4 (highest). Scores of 1 invoke escrow agreement.)		*ESCROW ACCT REQUIRED*		*ESCROW ACCT REQUIRED*
Results of Operations(b)				
• Receipts/Revenues	43,167,794	123,352,454	2,536,735	10,491,155
• Disbursements/Expenses	43,608,389	125,494,930	2,758,054	11,308,485
• Excess/Deficiency	(440,595)	(2,142,476)	(221.319)	(817,330)
• Fund Balance	5,085,286	7,042,051	21,474	-2,925,642
(FY04 School District Profile Data)				

(a) Results not finalizled by ISBE; calculated from FY2004 Annual Financial Report
(b) Represents amounts from the Educations, Operations & Maintenance, Transportation & Working Cash Funds.

FINANCIAL SUMMARY

Structure: Fixed Rate Bonds

Security: Receipt of property taxes for all districts and escrow accounts for Community Unit School District 300 (Carpentersville) and Nippersink School District 2

Maturity: To be determined at time of sale

ECONOMIC DISCLOSURE STATEMENT

Credit Review: Copies of each district's cash flow analysis and a summary are attached.

Applicant:	Batavia Unit School District 101	Community Unit School District 300	Grand Ridge Community Consolidated School District 95	Nippersink School District 2
Location:	335 W Wilson St. Batavia, IL 60510-1948	300 Cleveland Ave. Carpentersville, IL 60110-1943	400 W. Main St. Grand Ridge, IL 61325	10006 Main St. Richmond, IL 60071
Organization	School District	School District	School District	School District
State:	Illinois	Illinois	Illinois	Illinois
Officials:	Dr. Edward Cave, Superintendent	Dr. Kenneth Arndt, Superintendent	Mr. Wally Marquardt, Superintendent	Mr. Lee Eakright, Interim Superintendent
Board of Education:	Thomas VanCleave, President Kathleen Roberts, Vice-President Kristin Behmer Jeffrey Glaser Ron Llink Jayne Resek Fred Webber	John Court, President Mary Warren, Richard Traub, Vice-President Anne Miller, Secretary Mary Fioretti Linda Rafanello Susie Kopacz	Mike Wielgopolan, President Doug Dewalt, Vice-President Kenneth Bermard Ruban Dittmer Richard Frye Greg Hill Joe Highes	Nadine Kattner, President Diane Busing, Secretary Mike Gullifor James Hasken Lynn Hunter Daniel Vetter Tom Wisinski

PROFESSIONAL AND FINANCIAL

Borrower's Counsel/ Underwriter's Counsel:	Ungaretti & Harris, LLP	Chicago, IL	Ray Fricke
Financial Advisor:	Crowe, Chizek and Co., LLC	Indianapolis, IN	Cristopher Johnston
IFA Bond Counsel:	Chapman & Cutler, LLP	Chicago, IL	Chuck Jarik
Underwriter:	LaSalle Capital Markets	Chicago, IL	Courtney Shea
Trustee:	LaSalle Bank, N.A.	Chicago, IL	Vermita Anderson
Bond Issuer:	Illinois Finance Authority	Chicago, IL	Ali D. Ata, Executive Dir
Rating Agency:	TBD		

LEGISLATIVE DISTRICTS

School District	Batavia Unit SD 101	Community Unit School Dist 300	Grand Ridge Community Consolidated 95	Nippersink School District 2
Congressional	14	14	11	8
State Senate	48	22	38	32
State House Rep	95	65	76	63

Credit Review Criteria for School Districts participating in the Illinois Finance Authority Tax Anticipation Warrant (TAW) Program

Cristopher Johnston, Financial Advisor with Crowe-Norene, LLC completes the following work sheets and review for each school district that submits an application:

1. Reviews the following documents to determine eligibility for the program:

    - Monthly Treasurer's Reports for the last full fiscal year and the current fiscal year to date
    - Fiscal Year 2004 audit, if available, otherwise un-audited financials
    - Fiscal Year 2005 Budget
    - 2004 Certificate of Tax Levy
    - Evidence of Truth in Taxation compliance for the 2004 Levy
    - Fiscal Year 2005 Cash Flow Projection

2. Prepares a cash flow statement and projections to document the need for short- term financing (issuing TAWs) and the timing of the need. An historical cash flow as well as current year cash flow is prepared from the documentation provided by the school district. The borrowing amount is checked against statutory limits (85% of property tax extension) as well as a practical estimation of when the TAW is to be repaid and the estimated amount of property tax collections to be received by that date.

3. Reviews historical collections and concentration of major taxpayers.

4. Reviews the latest School District Financial Profile, an assessment of the financial health of each school district used by the Illinois State Board of Education. While other factors may impact the credit and the ability of a district to repay the warrant, the scores on the following components of the Profile are the credit criteria established for the program. Scores range from 1 (Lowest) to 4 (Highest). Scores of 1 invoke the use of an escrow agreement unless substantiated mitigating reasons are provided and are acceptable to the IFA. Scores of higher than 1 could still require an escrow agreement based on the review of all the application material.

    Fund Balance to Revenue Ratio: indicates the overall financial strength of the district for the prior year. It is the result of dividing the ending fund balances by the revenues for the four operating funds (Educational, Operations & Maintenance, Transportation, and Working Cash Fund) and, if applicable, a negative IMRF/FICA fund balance.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Watson and Nona Myers, Funding Managers

Date: February 8, 2005

Re: **Overview Memo for the Short-Term Emergency Loan Program for School Districts**

- **Borrower(s)/Project Name:** Two school districts have accessed funds under this program.

School District/ Project No.:	Batavia Unit School District 101 L-GO-LL-TX-506	Grand Ridge Community Consolidated School District 95 L-GO-LL-TX-507
Location:	Batavia (Kane County)	Grand Ridge (LaSalle County)
Amount	$4,000,000	$200,000
Date of Loan:	January 26, 2005	February 1, 2005

- **Date of Repayment:** March 1, 2005 (Public Bond Sale)
- **Board Action Requested:** None (informational item only)
- **Uses:** **Short-Term Emergency Loan Program** (Note: IFA Board approved a resolution and borrowing parameters for this program at its 10/12/04 meeting)
- **Project Type:** IFA Direct Loan
- **IFA Contribution:**
  - Provides short-term funding for school districts to meet operating expenses until IFA issues a public bond issue for Tax Anticipation Warrants on March 1, 2005
  - $4,200,000 of IFA funds at risk
- **IFA Fees:** None
- **Interest:** Interest is at a rate not to exceed 120-day U.S. Treasuries plus 0.5% per annum
- **Security:**
  - Primary source of security: County Property Tax Collections
  - Secondary source of security: State Aid Intercept Agreement
- **State Aid Overview:**
  - State Aid is paid by the Illinois State Board of Education 2 times per month from August through July

- Batavia School District 101:
  - 2004-05 Net Entitlement: $6,647,891.90
  - Monthly payment amount: $553,990.98
- Grand Ridge Community School District 95:
  - 2004-05 Entitlement: $632,462.53
  - Monthly payment amount: $$52,725.20

- **Credit Review**
  - Refer to attached overview of Credit Review Criteria

Resolution

RESOLUTION AUTHORIZING AND EXECUTION AND DELIVERY OF AMENDMENTS TO THE LOAN AND TRUST AGREEMENT RELATING TO THE ILLINOIS DEVELOPMENT FINANCE AUTHORITY VARIABLE RATE DEMAND INDUSTRIAL DEVELOPMENT REVENUE BONDS (DEMAR, INC. PROJECT), SERIES 2000A, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,950,000 (THE "BONDS"); APPROVING THE EXECUTION AND DELIVERY OF A NEW LETTER OF CREDIT, A REIMBURSEMENT AGREEMENT, AND APPOINTMENT OF NEW REMARKETING AGENT, AND ANY OTHER NECESSARY DOCUMENTS REQUIRED TO EFFECT SUCH AMENDMENTS; AND AUTHORIZING AND APPROVING RELATED MATTERS.

WHEREAS, the Illinois Development Finance Authority (the "IDFA") has heretofore issued its Variable Rate Demand Industrial Development Revenue Bonds (Demar, Inc. Project), Series 2000A (the "Bonds"), in the original aggregate principal amount of $3,950,000, pursuant to the terms of that certain Loan and Trust Agreement dated as of October 1, (the "Original Loan and Trust Agreement") among the IDFA, Demar, Inc. (the "Demar"), U.S. Bank National Association (formerly Firstar Bank, National Association, not individually, but as trustee under the Trust Agreement dated January 26, 2000 and known as Trust Number 7311) (the "Land Trust") ("Demar and the Land Trust are hereinafter jointly and severally referred to as the "Borrower") and U.S. National Association (f/ka/ Firstar Bank National Association), as trustee (the "Trustee"); and

WHEREAS, pursuant to a Resolution adopted by IDFA's Board on September 21, 2000 and the Loan and Trust Agreement, IDFA issued its $3,950,000 Variable Rate Demand Industrial Development Revenue Bonds (Demar, Inc. Project), Series 2000A (the "Bonds"). The Land Trust owns and operates an approximately 100,000 square foot manufacturing facility located at 133 N. Ridge Avenue Lombard, Illinois and leases said facilities to the Borrower to be used by the Borrower in the processing of direct mail printings (the "Facilities"). The Bonds were issued to provide tax-exempt financing to finance the acquisition and equipping of the Facilities (the "Project") to be owned by the Land Trust and operated by the Borrower; and

WHEREAS, pursuant to the Illinois Finance Authority Act (the "Act") the Illinois Finance Authority, (hereinafter referred to as "IFA") succeeded to the rights and duties of existing finance authorities, including IDFA; and

WHEREAS, the payment of principal of, interest on and purchase price for the Bonds were initially supported by an irrevocable direct pay letter of credit (the "Original Letter of Credit") provided by U.S. Bank National Association, a national banking association (the "Original Bank"); and

WHEREAS, the Borrower desires to replace the Original Letter of Credit with an irrevocable direct pay letter of credit (the "New Letter of Credit") issued by TCF National Bank, a national banking corporation ("TCF"), pursuant to the terms of a new Reimbursement Agreement between the Borrower and TCF; and

WHEREAS, the Borrower has further requested that the Loan and Trust Agreement and the Bonds be amended to reflect a modification of the authorized denominations from $100,000 and multiples of $5,000 thereafter to multiples of $5,000; and

WHEREAS, the Borrower has further requested that IFA consent to Robert W. Baird & Co. Incorporated as the new remarketing agent and TCF National Bank as the new letter of credit provider; and

WHEREAS IFA has determined, and finds that it is proper, necessary and desirable, to approve amendment of the Loan and Trust Agreement and the Bonds, all as more fully described in the First Amendment to Loan and Trust Agreement and the Amended and Restated Bonds (all as defined below); and

WHEREAS, the amendment will comply with the requirements of the Act and will further the public purposes served by the issuance the Bonds under the Act; and

WHEREAS, drafts of the following documents are now before and have been reviewed by this Issuer's Board:

(a) the First Amendment to Loan and Trust Agreement (the "First Amendment to Loan and Trust Agreement") proposed to be entered into between IFA, the Trustee and the Borrower;

(b) the Amended and Restated form of Bonds (the "Amended and Restated Bonds")

WHEREAS, IFA's Board deems it necessary and desirable to authorize the execution and delivery of the First Amendment to Loan and Trust Agreement and the Amended and Restated Bond; and

WHEREAS, it is necessary for IFA's Board to authorize the execution and delivery of other certificates, documents, instruments and papers and the performance of acts necessary or convenient in connection with the amendment of the Bonds and the implementation of this Resolution; and

WHEREAS, the Act and all agreements to be signed by IFA provide that the Bonds shall not constitute nor give rise to a general obligation or indebtedness of IFA or a charge against its taxing powers and that the Bonds will be a limited obligation of IFA payable only from the revenues and receipts derived from the Loan and Trust Agreement; and

NOW, THEREFORE, BE IT RESOLVED BY IFA'S BOARD OF THE ILLINOIS FINANCE AUTHORITY, AS FOLLOWS:

Section 1. **Incorporation of Preambles**. The preambles are incorporated into this Resolution by this reference and made a part of this Resolution.

Section 2. **Authorization of Amended Bonds**. IFA hereby approves amending the Original Loan and Trust Agreement to make the necessary amendments therein to permit and provide for the issuance and delivery of the New Letter of Credit to support the payment of principal of, interest on and purchase price for the Bonds and to reflect a modification of the authorized denominations from $100,000 and multiples of $5,000 thereafter to multiples of $5,000 as described above.

Section 3. **Terms of the Bonds**. The Amended and Restated Bonds shall be issued in denominations as set forth in the First Amendment to Loan and Trust Agreement. The effective date of the amendment to the denominations shall be the date of the mandatory tender of the Bonds after the remarketing agent consents to such change as 100% owner of the Bonds.

A replacement Bond in substantially the form attached hereto as Exhibit B, in the outstanding amount of the Bonds, shall be executed, shall otherwise be in such form, and shall be subject to such other terms and conditions as set forth in the First Amendment to Loan and Trust Agreement as executed and delivered.

Section 4. **Limited Liability**. The Bonds and the interest thereof do not and shall never constitute a general obligation or an indebtedness of or a charge against the general credit or taxing power of IFA, but are limited obligations of IFA payable solely from revenues and other amounts derived from the Loan and Trust Agreement.

Section 5. **Replacement Bonds; Delivery**. The Chairman, the Treasurer, the Executive Director, the Secretary, any Assistant Secretary and any other officer of the Authority are hereby authorized and directed to execute, attest and seal the replacement Bonds on behalf of IFA.

Section 6. **Agreement**. In order to provide for amendment of the Loan and Trust Agreement, the Chairman, the Treasurer, the Executive Director, the Secretary, any Assistant Secretary shall execute, acknowledge and deliver in the name and on behalf of IFA the First Amendment to Loan and Trust Agreement in substantially the forms submitted to this Issuer's Board, which are approved in all respects.

Section 7. **Remarketing Agent and Letter of Credit Provider.** IFA hereby consents to the replacement of the Remarketing Agent with Robert W. Baird & Co. Incorporated serving as the substitute Remarketing Agent. IFA further consents to the replacement of the Letter of Credit Provider with TCF National Bank serving as the replacement Letter of Credit Provider.

Section 8. **General**. The Chairman, the Treasurer, the Executive Director, the Secretary, any Assistant Secretary and any other officer of the Authority are each authorized and directed, in the name and on behalf of IFA, to execute any and all matters, and do any and all things deemed by them necessary or desirable in order to carry out the purposes of this Resolution (including the preambles hereto). The Chairman, the Treasurer, the Executive Director, the Secretary, any Assistant Secretary and any other officer of the Authority shall execute and deliver the First Amendment to Loan and Trust Agreement and the replacement Bond in substantially the respective forms presented to IFA's Board, with such changes in such agreements as shall be approved by the officers executing them, their signatures to evidence their approval of the final forms of such documents.

Section 9. **Ratification of Proceedings**. All proceedings, resolutions and actions of IFA and its officers and agents taken in connection with an in furtherance of the issuance and sale of the Bonds, the acquisition, construction, rebuilding, improvement and extension of the Project and the financing of the Project are ratified, confirmed, and approved.

Section 10. **Recording of Bond Resolution**. Immediately after its passage, this Resolution shall be recorded in a book kept by the Secretary of IFA for the purpose.

Section 11. **Severability**. It is declared that all parts of this Resolution (except for Section 4) are severable and that if any section, paragraph, clause or provision of this Resolution shall, for any reason, be held to invalid or unenforceable, the invalidity or unenforceability of any such section, paragraph, clause or provision shall not affect the remaining provisions of this Resolution.

Section 12. **Conflicting Ordinances, Etc**. All ordinances, resolutions and regulations or parts thereof heretofore adopted or passed which are in conflict with any of the provisions of this Resolution are repealed, to the extent of such conflict.

Section 13. **Effective Date**. This Bond Resolution shall become effective and shall be in full force immediately upon its adoption.

Adopted this 8th day of February 2005.

RESOLUTION

RESOLUTION AUTHORIZING AND PROVIDING FOR THE EXECUTION AND DELIVERY BY THE ILLINOIS FINANCE AUTHORITY OF A SECOND SUPPLEMENTAL INDENTURE IN CONNECTION WITH THE AUTHORITY'S INDUSTRIAL DEVELOPMENT REVENUE BONDS (KNEAD DOUGH BAKING COMPANY PROJECT), SERIES 1994, AND FOR THE EXECUTION OF NEW BONDS AS REQUIRED BY THE INDENTURE FOR SUCH BONDS, AS SO AMENDED; AND CERTAIN RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the *"Authority"*), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq.*, as supplemented and amended (the *"Act"*), is authorized by the laws of the State of Illinois, including without limitation the Act, to issue its revenue bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to defray, among other things, the cost of the development, construction, acquisition and improvement of "industrial projects," as defined in the Act; and

WHEREAS, the Illinois Development Finance Authority, the predecessor to the Authority, issued its $9,500,000 Industrial Development Revenue Bonds (Knead Dough Baking Company Project), Series 1994 (the *"Bonds"*), for the purpose of financing costs of the acquisition of approximately 21.5 acres of property formerly known as the Johnson and Johnson Plant, 556 St. James Court, immediately off of 555 South Joliet Road, Bolingbrook, Illinois and the substantial renovation and improvement of the approximately 92,000 square foot building located thereon, including the acquisition and installation of machinery and equipment for use therein (the *"Project"*); and

WHEREAS, in connection with the Bonds, the Authority entered into a Loan Agreement dated as of September 1, 1994 (the *"Agreement"*) between the Authority and Knead Dough Baking Company, MERUG Limited Liability Company, as successor to MERUG Leasing Partnership and Bolingbrook Properties, L.L.C., as successor to Chicago Title and Trust Company, not personally but solely as trustee under Trust Agreement dated November 16, 1993 and known as Trust No. 1098617 (the *"Borrowers"*), and an Indenture of Trust dated as of September 1, 1994, between the Authority and J.P. Morgan Trust Company, National Association, successor to Amalgamated Bank of Chicago, as trustee (the *"Trustee"*), as amended by a First Supplemental Indenture dated as of August 1, 2000 (as so amended, the *"Original Indenture"*) among the Authority and the Trustee; and

WHEREAS, the Bonds are currently outstanding in the aggregate principal amount of approximately $3,200,000 and will mature on October 1, 2006; and

WHEREAS, the Borrowers have requested that the Original Indenture be amended to extend the existing maturity of the Outstanding Bonds to October 1, 2016, and have presented to the Authority a form of Second Supplemental Indenture, dated as of February 1, 2005 (the

"Supplemental Indenture") between the Authority and the Trustee to accomplish such amendment; and

WHEREAS, the Borrowers have requested that the Authority execute new Bonds in the form set forth in Exhibit A to the Original Indenture, amended only as necessary to reflect such new maturity date; and

WHEREAS, in connection with the extension of the existing maturity of the Outstanding Bonds, the Borrowers have also presented to the Authority a form of Supplemental Tax Exemption Certificate and Agreement (the *"Tax Agreement"*), the execution of which by the Authority is necessary to preserve the tax-exempt status of interest on the Bonds upon the extension of their maturity.

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

Section 1. The terms defined or described in the recitals hereto shall have the same meanings when used in the body of this Resolution.

Section 2. The Authority is hereby authorized to enter into the Supplemental Indenture and the Tax Agreement with the other party or parties thereto in substantially the same form now before the Authority; that the form, terms and provisions of each agreement be, and they hereby are, in all respects approved; that the Chairman, the Vice Chairman, the Executive Director or the Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and, if required, the Secretary or any Assistant Secretary of the Authority be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to the Supplemental Indenture and the Tax Agreement in the name, for and on behalf of the Authority, and thereupon to cause each agreement to be executed, acknowledged and delivered to the other party or parties thereto, in substantially the form now before the Authority or with such changes therein as the individual or individuals executing such agreement on behalf of the Authority shall approve, his execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the form of such agreement now before the Authority; that when each agreement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such agreement shall be binding on the Authority; that from and after the execution and delivery of each agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such agreement as executed; and that each agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of such agreement shall be placed in the official records of the Authority, and shall be available for public inspection at the office of the Authority.

Section 3. The Chairman and the Secretary or Assistant Secretary of the Authority are authorized to execute and deliver new Bonds in the form of Exhibit A to the Original Indenture and in the initial authorized denominations specified by the Trustee.

Section 4. All actions heretofore taken by the officers and employees of the Issuer in connection with the matters described in this Resolution (and not inconsistent with the provisions of this Resolution) are hereby ratified, approved and confirmed.

Section 5. The Chairman, Vice Chairman, Executive Director, Secretary and other appropriate officers of the Authority are hereby authorized and directed to execute all documents and certificates (including but not limited to an IRS Form 8038 with respect to the Bonds) and take such other actions as may be necessary or appropriate in order to approve the execution and delivery of the Supplemental Indenture and the Tax Agreement and the execution and delivery of the Bonds and to carry out and perform the purposes of this Resolution, and the execution of such documents or certificates or taking of such actions shall be conclusive evidence of such necessity or appropriateness.

Section 6. The Chairman, the Vice Chairman, the Executive Director, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized to execute and deliver such documents, certificates, and undertakings of the Authority and to take such other actions as may be required in connection with the execution, delivery and performance of the Supplemental Indenture and Tax Agreement authorized by this Resolution.

Section 7. All acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 8. The publication on behalf of the Authority of the notices of public hearings relating to the conduct of public hearings by the Executive Director of the Authority or his designee with respect to the issuance of each series of Bonds is hereby ratified, approved and confirmed.

Section 9. The provisions of this Resolution are hereby declared to be separable and, if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 10. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 11. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved this 8th day of February 2005.

RESOLUTION

RESOLUTION RELEASING THE COMMUNITY HEALTH FACILITIES FUND, INC. FROM ITS OBLIFATION TO PURCHASE DIRECTORS' AND OFFICERS' LIABILITY INSURANCE FOR THE ILLINOIS FINANCE AUTHORITY (AS SUCCESSOR TO THE ILLINOIS HEALTH FACILITIES AUTHORITY) IN CONNECTION WITH THE ILLINOIS HEALTH FACILITIES AUTHORITY'S REVENUE BONDS, SERIES 1996, 1997 AND 1998 AND APPROVING RELATED MATTERS.

WHEREAS, the Illinois Health Facilities Authority (the "IHFA"), a predecessor to the Illinois Finance Authority (the "Authority") has heretofore issued its (i) Revenue Bonds, Series 1996 (Community Provider Pooled Loan Program), from which loans were made to Aunt Martha's Youth Service Center and Fillmore Center, (ii) Revenue Bonds, Series 1997 (Community Provider Pooled Loan Program), from which a loan was made to Milestone, Inc., (iii) Revenue Bonds, Series 1998 (Community Provider Pooled Loan Program), from which a loan was made to TASC, Inc., and (iv) Revenue Bonds, Series 1996 (Community Provider Pooled Loan Program), from which a loan was made to Stepping Stones, Inc. (collectively, the "CHFF Bonds"); and

WHEREAS, the CHFF Bonds were privately placed, and the purchaser of the CHFF Bonds executed and delivered an Investor Letter in connection with said purchase; and

WHEREAS, as a condition to the issuance of the CHFF Bonds, the IHFA asked Community Health Facilities Fund, Inc., the administrator of the Community Provider Pooled Loan Program (the "CHFF") to purchase a Directors' and Officers' liability insurance policy (the "D&O Policy") protecting the Authority from any liabilities related to disclosure in the CHFF Bonds' Offering Memorandum (the "Offering Memorandum"); and

WHEREAS, to date, CHFF has expended in excess of $727,000 in D&O Policy premiums, and the rising costs of the D&O Policy premiums represent a financial burden for CHFF, which is a not-for-profit entity; and

WHEREAS, to date, no disclosure issues regarding the Offering Memorandum have arisen; and

WHEREAS, in connection with the offering of the CFHH Bonds, CHFF entered into a Representation and Indemnification Agreement with the IHFA under which CHFF agrees to indemnify IHFA (and now the Authority) against any losses, claims, damages, expenses and liabilities related to disclosure and the sale of the CHFF Bonds (the "Indemnification Agreement"); and

WHEREAS, the Offering Memorandum makes clear that CHFF was solely responsible for providing all information with respect to the CHFF Bonds, including the Offering Memorandum; and

WHEREAS, in light of the Indemnification Agreement, the number of years that the Offering Memorandum has been public, the fact that the CHFF Bonds were privately placed, and applicable legal precedent, the likelihood that the Authority could be at risk for any costs or liabilities that would currently be covered by the D&O Policy seems minimal; and

WHEREAS, CHFF has delivered a memorandum of law, from a national recognized law firm, which concludes that any risk of liability of the type referenced in the preceding recital to the Authority is remote; and

WHEREAS, the Authority is satisfied that the obligation of paying the D&O Policy premiums is creating a financial hardship for CHFF; and

WHEREAS, based on the foregoing, the Authority finds it to reasonable to release CHFF from its obligation to maintain the D&O Policy; and

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

Section 1. **Incorporation of Preambles**. The preambles are incorporated into this Resolution by this reference and made a part of this Resolution.

Section 2. **Release of Condition**. Upon CHFF satisfying the condition set forth in this Section 2, the Authority hereby releases CHFF from its obligation to maintain the D&O Policy, subject to CHFF reaffirming its duties and obligations under the Indemnification Agreement. The terms and form of said reaffirmation shall be approved by the Authority's Executive Director and General Counsel.

Section 3. **General**. The Executive Director and General Counsel are each authorized and directed, in the name and on behalf of IFA, to execute any and all matters, and do any and all things deemed by them necessary or desirable in order to carry out the purposes of this Resolution (including the preambles hereto).

Section 4. **Severability**. It is declared that all parts of this Resolution are severable and that if any section, paragraph, clause or provision of this Resolution shall, for any reason, be held to invalid or unenforceable, the invalidity or unenforceability of any such section, paragraph, clause or provision shall not affect the remaining provisions of this Resolution.

Section 5. **Conflicting Ordinances**. All ordinances, resolutions and regulations or parts thereof heretofore adopted or passed which are in conflict with any of the provisions of this Resolution are repealed, to the extent of such conflict.

Section 6. **Effective Date**. This Bond Resolution shall become effective and shall be in full force immediately upon its adoption.

Adopted this 8th day of February 2005.

RESOLUTION NUMBER 2005-1

RESOLUTION authorizing and approving the execution and delivery of a Sixth Supplemental Trust Indenture, supplementing and amending the Trust Indenture dated as of December 1, 1985, as previously supplemented, amended and confirmed, between the Illinois Finance Authority (the "Authority"), as successor to the Illinois Health Facilities Authority and J.P. Morgan Trust Company, National Association, as trustee, which secures the Authority's $92,500,000 Variable Rate Demand Revenue Bonds, Series 1985C (Revolving Fund Pooled Financing Program); authorizing and approving the execution and delivery of a Fifth Supplemental Trust Indenture, supplementing and amending the Trust Indenture dated as of December 1, 1985, as previously supplemented, amended and confirmed, between the Authority, as successor to the Illinois Finance Authority and J.P. Morgan Trust Company, National Association, as trustee, which secures the Authority's $57,500,000 Variable Rate Demand Revenue Bonds, Series 1985D (Revolving Fund Pooled Financing Program); and authorizing the execution and delivery of a Fourth Supplemental Trust Indenture, supplementing and amending the Trust Indenture dated as of December 1, 1985, as previously supplemented, amended and confirmed, between the Authority, as successor to the Illinois Health Facilities Authority, and J.P. Morgan Trust Company, National Association, as trustee, which secures the Authority's $25,000,000 Variable Rate Demand Revenue Bonds, Series 1985F (Revolving Fund Pooled Financing Program).

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

WHEREAS, the Authority issued its $92,500,000 Variable Rate Demand Revenue Bonds, Series 1985C (Revolving Fund Pooled Financing Program) (the "Series 1985C Bonds") pursuant to that certain Trust Indenture dated as of December 1, 1985 (as previously supplemented, amended and confirmed, the "Series 1985C Indenture") between the Authority, as successor to the Illinois Health Facilities Authority and J.P. Morgan Trust Company, National Association, as trustee, and loaned the proceeds of the Series 1985C Bonds to certain not for profit healthcare institutions;

WHEREAS, the Series 1985C Indenture specifies that the Series 1985C Bonds mature on August 1, 2015;

WHEREAS, the Authority desires to amend the Series 1985C Indenture to extend the maturity of the Series 1985C Bonds to August 1, 2020 and to amend the definitions of "Qualified Investments" and "Bond Counsel" contained therein;

WHEREAS, the Authority issued its $57,500,000 Variable Rate Demand Revenue Bonds, Series 1985D (Revolving Fund Pooled Financing Program) (the "Series 1985D Bonds") pursuant to that certain Trust Indenture dated as of December 1, 1985 (as previously supplemented, amended and confirmed, the "Series 1985D Indenture") between the Authority, as successor to the Illinois Health Facilities Authority and J.P. Morgan Trust Company, National Association, as trustee, and loaned the proceeds of the Series 1985D Bonds to certain not for profit healthcare institutions;

WHEREAS, the Series 1985D Indenture specifies that the Series 1985D Bonds mature on August 1, 2015;

WHEREAS, the Authority desires to amend the Series 1985D Indenture to extend the maturity of the of the Series 1985D Bonds to August 1, 2020 and to amend the definitions of "Qualified Investments" and "Bond Counsel" contained therein;

WHEREAS, the Authority issued its $25,000,000 Variable Rate Demand Revenue Bonds, Series 1985F (Revolving Fund Pooled Financing Program) (the "Series 1985F Bonds" and, together with the Series 1985C Bonds and the Series 1985D Bonds, the "Bonds") pursuant to that certain Trust Indenture dated as of December 1, 1985 (as previously supplemented, amended and confirmed, the "Series 1985F Indenture" and, together with the Series 1985C Indenture and the Series 1985D Indenture, the "Indentures") between the Authority, as successor to the Illinois Health Facilities Authority and J.P. Morgan Trust Company, National Association, as trustee, and loaned the proceeds of the Series 1985F Bonds to certain not for profit healthcare institutions;

WHEREAS, the Series 1985F Indenture specifies that the Series 1985F Bonds mature on August 1, 2015;

WHEREAS, the Authority desires to amend the Series 1985F Indenture to extend the maturity of the of the Series 1985F Bonds to August 1, 2020 and to amend the definitions of "Qualified Investments" and "Bond Counsel" contained therein;

WHEREAS, in connection with the resignation of J.P. Morgan Trust Company, National Association, as trustee, the Authority desires to amend each of the Indentures to provide for the appointment of Wells Fargo Bank, N.A., as successor trustee under each respective Indenture;

WHEREAS, in order to implement the necessary appointment of Wells Fargo Bank, N.A., as successor trustee under each respective Indenture, to provide for the extension of the maturities of the Series 1985C Bonds, the Series 1985D Bonds and the Series 1985F Bonds and to provide for the amendment to the definitions of "Qualified Investments" and "Bond Counsel" contained in each of the Indentures, as described above, the Authority desires to authorize the execution and delivery of the hereinafter referred to Sixth Supplemental Series 1985C Indenture, the Fifth Supplemental Series 1985D Indenture and the Fourth Supplemental Series 1985F Indenture (collectively, the "Supplemental Indentures"); and

WHEREAS, the Authority wishes to authorize and approve all actions of the officers and employees of the Authority undertaken in connection with the execution and delivery of the Supplemental Indentures as described above;

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

Section 1. Sixth Supplemental Series 1985C Indenture. The Authority does hereby authorize and approve the execution by its Chairperson, Vice Chairperson, any of its other Members, Executive Director, Treasurer or any officer or employee designated by the Executive Director (each an "Authorized Officer") and the delivery of a Sixth Supplemental Trust Indenture dated as of its date of execution and delivery (the "Sixth Supplemental Series 1985C Indenture"), supplementing and amending the Series 1985C Indenture and providing for the (i) extension of the maturity of the Series 1985C Bonds to August 1, 2020, (ii) appointment of Wells Fargo Bank, N.A., as successor trustee thereunder and (iii) amendment of the definitions of "Qualified Investments" and "Bond Counsel" contained therein, in the form attached hereto and marked *Exhibit A* and hereby approved, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the form of the Sixth Supplemental Series 1985C Indenture attached hereto.

Section 2. Fifth Supplemental Series 1985D Indenture. The Authority does hereby authorize and approve the execution by an Authorized Officer and the delivery of a Fifth Supplemental Trust Indenture dated as of its date of execution and delivery (the "Fifth Supplemental Series 1985D Indenture"), supplementing and amending the Series 1985D Indenture and providing for the (i) extension of the maturity of the Series 1985D Bonds to August 1, 2020, (ii) appointment of Wells Fargo Bank, N.A., as successor trustee thereunder and (iii) amendment of the definitions of "Qualified Investments" and "Bond Counsel" contained therein, in the form attached hereto and marked *Exhibit B* and hereby approved, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the form of the Fifth Supplemental Series 1985D Indenture attached hereto.

Section 3. Fourth Supplemental Series 1985F Indenture. The Authority does hereby authorize and approve the execution by an Authorized Officer and the delivery of a Fourth Supplemental Trust Indenture dated as of its date of execution and delivery (the "Fourth Supplemental Series 1985F Indenture"), supplementing and amending the Series 1985F Indenture and providing for the (i) extension of the maturity of the Series 1985D Bonds to August 1, 2020, (ii) appointment of Wells Fargo Bank, N.A., as successor trustee thereunder and (iii) amendment of the definitions of "Qualified Investments" and "Bond Counsel" contained therein, in the form attached hereto and marked *Exhibit C* and hereby approved, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the form of the Fourth Supplemental Series 1985F Indenture attached hereto.

Section 4. Authorization and Ratification of Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents as may be necessary to carry out and comply with the provisions of these resolutions, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved.

Section 5. Enactment. This Resolution shall take effect immediately. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of the Resolution

[Remainder of Page Intentionally Left Blank]

This Resolution 2005-1 is adopted this 8th day of February 2005 by roll vote as follows:

Ayes:

Nays:

Abstain:

Absent:

____
Chairman

Attested to:

____
Secretary

RESOLUTION 2005-2

APPROVING MODIFIED PARTICIPATION LOAN PROGRAM POLICIES AND PROCEDURES FOR THE ILLINOIS FINANCE AUTHORITY

WHEREAS, Section 801-30 of the Illinois Finance Authority Act, 20 Illinois Compiled Statutes 3501/801-1 et seq. (the "Act"), grants generally the Illinois Finance Authority (the "Authority") all the "powers as a body corporate necessary and convenient to accomplish the purposes of" the Act"; and

WHEREAS, Section 801-30(e) of the Act specifically authorizes the Authority to "adopt all needful ordinances, resolutions, by-laws, rules and regulations for the conduct of its business and affairs and for the management and use of the projects developed, constructed, acquired and improved in furtherance of its purposes"; and

WHEREAS, Section 801-30(f) of the Act specifically empowers the Authority to "have and exercise all powers. . .otherwise necessary to effectuate the purposes of" the Act; and

WHEREAS, Section 801-10(i) of the Act grants the Authority the power "to make loans to person to finance a project, to enter into loan agreements with respect thereto, and to accept guarantees from persons on its loans or the resultant evidences of obligations of the Authority"; and

WHEREAS, on August 10, 2004, pursuant to the foregoing statutory powers, the Members of the Authority did adopt Resolution 2004-17, which established the Policies and Procedures Manual of the Authority (the "Manual"), which included Procedure Nos. 40.20.000, entitled, Participation Loan Program Procedures, and 40.20.001, entitled Participation Loan Program Lending Criteria; and

WHEREAS, on October 12, 2004, pursuant to the foregoing statutory powers, the Members of the Authority did adopt Resolution 2004-21, which amended Procedure No 40.20.001, entitled Participation Loan Program Lending Criteria ; and

WHEREAS, the Executive Director has reported to the members that the current version of Procedure No. 40.20.001 may not meet current market conditions in that it limits the ability of the Authority to participate in certain housing and agricultural loans; and

WHEREAS, based on this report, the Members of the Authority have determined that Procedure No. 40.20.001 should be revised in order to make the Participation Loan Program more competitive, thereby facilitating the Program's purpose of fostering economic development throughout the State of Illinois; and

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

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

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

Section 2. Adoption of Manual. The Members do hereby approve and adopt revised Procedures No. 40.20.001 of the Manual, as attached hereto in Exhibit A.

Section 3. Amendatory Effect. Expect for the changes explicitly made to Procedure Nos. 40.20.000 by Section 2 above, nothing in this Resolution 2005-2 is intended to, nor should be any provision hereof be construed as, modifying, amending or repealing Resolutions 2004-17 and 2004-21, and all actions taken in reliance on and in accordance with said Resolutions 2004-17 and 2004-21 are hereby ratified and affirmed. Further, as of the effective date of this Resolution 2005-2, in the event of any inconsistency or conflict between Resolutions 2004-17 and 2004-21 and this Resolution 2005-2, it is the expressed intent of the Members that the terms of this Resolution 2005-2 shall govern.

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

This Resolution 2005-2 is adopted this 8th day of February 2005 by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Chairman

Attested to:

Secretary

RESOLUTION 2005-3

AMENDING RESOLUTION 2004-24 PROVIDING FOR THE PURCHASE OF LOCAL GOVERNMENT SECURITIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $5,000,000, AS PROVIDED HEREIN; AUTHORIZING THE SALE THEREOF; APPROVING THE APPLICATIONS OF CERTAIN PARTICIPATING UNITS OF LOCAL GOVERNMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF LOCAL GOVERNMENT SECURITIES PURCHASE AGREEMENTS AND RELATED DOCUMENTS; AND RELATED MATTERS

WHEREAS, the Illinois Finance Authority, a body corporate and politic duly organized and validly existing under the laws of the State of Illinois (the "Authority"), has announced the development of its Illinois Local Government Financing Assistance Program (the "Program"), pursuant to the 20 Illinois Compiled Statutes 2002, 3501/801-1 et seq., and particularly 3501/820-5 et seq., as supplemented and amended (the "Act"); and

WHEREAS, pursuant to the Act and the Program, the Authority is authorized to purchase and sell "local government securities," as defined in the Act, from "units of local government," as defined in the Act; and

WHEREAS, the Issuer has received the applications of various units of local government to participate in the Program, including the units of local government set forth in Exhibit A attached hereto and made a part hereof, and expects to receive applications from certain other units of local government (collectively, the "Units"), including particularly (but without limitation) school districts issuing tax anticipation warrants secured by property taxes in the process of collection; and

WHEREAS, pursuant to the Act and the Program, it is now necessary and desirable for the Authority to purchase the local government securities of the Units; and

WHEREAS, pursuant to the Act and the Program, it is now necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of a Local Government Securities Purchase Agreement with each of the Units (collectively, the "Local Purchase Agreements") in connection with the purchase of such local government securities; and

WHEREAS, pursuant to the Act and the Program, it may in the future be necessary, desirable and in the best interests of the Authority to sell any of the local government securities purchased from the Units; and

WHEREAS, there has been presented to the members of the Authority forms of the following documents:

(i) the applications of the Units received to date (the "Applications"), and
(ii) a form of the Local Purchase Agreement; and

WHEREAS, the Members have been made aware of the fact that the timing of the property tax collection process and the disbursement of property tax proceeds to Units throughout the State has become less predictable, thereby complicating the ability of Units to anticipate the date on which they will actually receive property tax revenues; and

WHEREAS, in recognition of the foregoing reality, the Members seek to provide added repayment flexibility for Units that borrow under the program set up pursuant to this Resolution; and

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

Section 1. That the Issuer hereby accepts the Applications for participation in the Program, hereby authorizes the Executive Director of the Authority to accept on behalf of the Authority the applications of any other Units received after the date hereof~~, but on or before March 1, 2005~~, and hereby authorizes the Executive Director of the Authority to approve the Applications and such other applications based upon an analysis of financial information and property taxes in the process of collection demonstrating a clear ability of the applicable Unit to pay the principal of and interest on the Securities when due.

Section 2. That the Issuer is hereby authorized to purchase the local government securities issued by the Units (the "Securities"); provided, that the aggregate principal amount of Securities that may be purchased and held by the Authority hereunder shall not exceed $5,000,000, that the maturity date or dates of such Securities shall be not later than 120 days after the date of issuance thereof, that the interest rate or rates borne by the Securities shall be a rate or rates equal to the rate or rates on United States Treasury obligations of comparable maturity plus up to 0.50% per annum, payable on such date or dates, that the Securities shall be subject to redemption or prepayment on such date or dates and that the purchase price for such Securities shall be 100% of the principal amount of such Securities, all as shall be determined by the officer of the Authority executing the related Local Purchase Agreement; provided, further, that if the Authority sells any Security or Securities, it may purchase additional Securities, such that the aggregate principal amount of the Securities held by the Authority at any one time does not exceed $5,000,000; provided, however, that in any event, the Securities shall be additionally secured by an intercept of state aids or other available revenues, pursuant to Section 825.35 of the Act. Notwithstanding the foregoing, the Executive Director is hereby authorized, when he deems it to be in the best interests of the Authority, to extend the maturity date or dates of any loan made pursuant to this Resolution by an additional 120 days upon written request of a Unit, provided that the request for such an extension is based, at least in part, on the property tax collection or disbursement process.

Section 3. That the Authority is hereby authorized to enter into the Local Purchase Agreements with each of the Units in substantially the same form as presented to the members of the Authority; that the form, terms and provisions of the Local Purchase Agreements be, and they hereby are, in all respects approved; that the Chairman, the Vice Chairman and the Executive Director of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver the Local Purchase Agreements by and between the Authority and each of the Units, such Local Purchase Agreements to provide for the issuance and sale of the local government securities of the Units described therein and to be in substantially the same form as presented to the members of the Authority or with such changes therein as the individual executing the Local Purchase Agreements on behalf of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of any and all changes or revisions therein from the form of Local Purchase Agreements before the members of the Authority; that such execution and delivery of the Local Purchase Agreements is hereby ratified, confirmed and approved; that when each Local Purchase Agreement is executed and delivered on behalf of the Authority as hereinabove provided, such Local Purchase Agreement shall be binding upon the Authority; that the purchase of the local government securities referred to in the Local Purchase Agreements by the Authority with the proceeds of the Notes is hereby authorized and approved; that from and after the execution and delivery of each Local Purchase Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of each Local Purchase Agreement as executed; and that the Local Purchase Agreements shall constitute, and hereby are made, a part of this Resolution, and copies of the Local Purchase Agreements shall be placed in the official records of the Authority, and shall be available for public inspection at the office of the Authority.

Section 4. That the Authority is hereby authorized to sell any Security purchased pursuant hereto; provided, that the sale price of any such Security shall not be less than 100% of the outstanding principal amount of such Security.

Section 5. That the Chairman, the Vice Chairman, the Executive Director, the Secretary and any Assistant Secretary of the Issuer be, and each of them hereby is, authorized to execute and deliver such documents, certificates and undertakings of the Authority and to take such other actions as may be required in connection with purchase of the Securities, the execution and delivery of the Local Purchase Agreements and the sale of any Securities, authorized by this Resolution.

Section 6. That all acts of the officers, employees and agents of the Issuer which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 7. That this Resolution shall be in full force and effect immediately upon its passage. That the provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict, expect that the changes explicitly made by this amendatory Resolution 2005-3 shall govern in the event of a conflict with the terms or provisions of Resolution 2004-24 otherwise nothing in this Resolution 2005-3 is intended to, nor should any provision hereof be construed as, modifying, amending or repealing Resolution 2004-24, and all actions taken in reliance on and in accordance with said Resolution 2004-24 are hereby ratified and affirmed.

This amendatory Resolution 2005-3 ~~2004-24~~ is adopted this 8th ~~12th~~ day of February 2005 ~~October 2004~~ by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

____
Chairman

Attested to:

____
Secretary

Resolution Number 2005-4

Resolution Amending the Fee Schedule of the Illinois Finance Authority

WHEREAS, the Illinois Finance Authority (the "Authority") is empowered by Section 801-30(e) of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq.* (the "Act"), to "adopt all needful ordinances, resolutions, by-laws, rules and regulations for the conduct of its business and affairs and for the management and use of the projects developed, constructed, acquired and improved in furtherance of its purposes"; and

WHEREAS, Section 801-40(j) of the Act grants the Authority the explicit power to "fix, determine, charge and collect any premiums, fees, charges, costs and expenses. . . from any person in connection with its activities under the Act"; and

WHEREAS, pursuant to these statutory powers, the Members adopted Resolution 2004-10 on June 22, 2004 in order to establish a Fee Schedule for the Authority, and the Members amended said Fee Schedule by adopting Resolution 2004-14 on July 13, 2004; and

WHEREAS, the Executive Director and staff of the Authority have undertaken a review and analysis of the Authority's current Fee Schedule to determine that the fees and charges imposed pursuant thereto are sufficient to defer the operating expenses of the Authority and to enable it to pursue its various purposes as set forth in the Act; and

WHEREAS, the Board of the Authority has the power to adopt this Resolution pursuant to Section 801-25 of the Act, and it has determined that the adoption of the attached fee schedule is in the best interest of the Authority; and

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

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

Section 2. Fees. The fee schedule contained in Resolution 2004-10, adopted on June 22, 2004, as amended by Resolution 2004-14, adopted on July 13, 2004, is further amended as indicated in Exhibit A hereto. Except for the changes shown on said Exhibit A to this Resolution, the terms and provisions of Resolutions 2004-10 and 2004-14 remain in full force and effect.

Section 3. Enactment. This Resolution shall take effect immediately. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of the Resolution.

This Resolution 2005-4 is adopted this 8th day of February 2005 by roll vote as follows:

Ayes:

Nays:

Abstain:

Absent:

____

Chairman

Attested to:

____

Secretary

Strengthening

the Position of Illinois Beef Production

By Jill Rendleman, Director of Financial Servces, Illinois Finance Authority

The Illinois Finance Authority is working throughout the state to bring expanded financial development programs to cattlemen, contractors, suppliers, and processors.
The agricultural economy is critical to Illinois and cattle producers have long been a key component of that economy with approximately 15,000 Illinois farms with over 420,000 head of beef cows. Illinois has advantages in abundant feed supplies and large consumer markets for animal products, however these factors have not been leveraged with competitive advances such as an expanded marketing infrastructure and incentives for contract and packer ownership found in surrounding states. Those states producing the largest number of cattle have an abundance of low cost grazing options, a variety of contracting options, and abundant, easily accessible packaging plants.

Jill Rendleman, Financial Services Director of IFA, states that "Our programs are being expanded and improved to make Illinois a competitive state for cattle producers and the industry which surrounds them. Our financing options focus on getting individual producers and industry partners started into the livestock industry, and then supporting them through the good times as well as the tough times. With the reduced market risk of contract production and the availability of new technology in feeding systems and genetics, many producers are seeing livestock production as a great supplemental source of income and an efficient use of labor on the farm. Our programs provide low interest financing to get started and debt restructuring, participation, and guarantee programs as your operation grows in later years." The Illinois Finance Authority works with lenders, the USDA, and others to provide a total financing package to the producer and to those in the livestock industry.

The Illinois Finance Authority is actively promoting the following programs:

Farm Start: Low interest financing for the land, facilities, and equipment needed to get producers started in the livestock industry. Farmers can have a net worth of up to \$500,000. Loans can be up to \$250,000 for land and facilities and up to \$62,500 for used and new equipment. The IFA is petitioning federal representatives in order to have these dollar limits raised.

Reduced Rate Participations: Up to \$1 Million or 50% of a capital start up or capital expansion in any aspect of the livestock industry available at 2% below market rates for individual livestock producers or a business involved in the livestock industry. IFA provides half of the financing at 2% below your lenders rate of interest.

Guaranteed Expansion: Up to \$1 million guarantee of debt service available to producers or industry owners to expand or remodel their facilities or operations, and/or buy feeder or breeding livestock. IFA guarantees 85% of the principal and interest is repaid to your current credit provider.

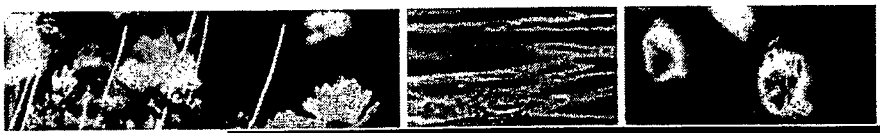
Guaranteed Restructuring: In repositioning, or as a result of cash flow problems related to markets or weather, IFA provides lenders with a guarantee of 85% of principal and interest of up to \$500 thousand in debt which has been restructured to meet current cash flow projections of a livestock producer or industry provider.

Livestock Industry Participation Loans: Processors, packers, and contractors are all key to the success of the livestock industry bringing the critical infrastructure that producers need to market their animals. Illinois Finance Authority has a Participation Loan program which allows the industry to borrow at interest rates which are set at 2 points below the bank lending rate. Credit is available up to \$1 million or 50% of the total amount of the credit and can be used to purchase or improve fixed assets such as buildings, land, and equipment.

Summary ......

"The key to our programs is the expertise we provide in putting together the total financing package with the producer or those in the livestock industry. We pride ourselves in personal, one on one conversations, in our simple one page applications we work through together, and in the genuine concern and expertise of our staff. We are all from diverse farm backgrounds and understand what it takes to get an operation underway so production, not finances, are the focus when you catch the sunrise each morning." Jill Rendleman, IFA.

Continued on page 39...



20 F
more...

NORTHWEST HERALD

Mercy plans new clinic

Publication	Northwest Herald
Date	January 26, 2005
Section(s)	Local News
Page	

By STEVE BROSINSKI

sbrosinski@nwherald.com

ALGONQUIN - Mercy Health System plans to break ground this year on a 20,000-square-foot clinic on the west side of Randall Road, about a half-mile south of County Line Road.

Work on the $3.5 million to $4 million facility might begin midyear, Mercy Vice President Richard Gruber said. Medical services and specialties at the clinic will include labs, X-ray, radiology, internal medicine, obstetrics-gynecology, and plastic surgery, he said.

When completed, the Randall Road clinic will expand and replace services now available at 2401 Harnish Drive in Algonquin, Gruber said. Between six and 10 doctors on Mercy's payroll will provide care.

Nearby, Sherman Hospital runs a 24-hour physicians center at 600 S. Randall Road in Algonquin.

Mercy also expects to borrow up to $35 million for several medical facilities in McHenry County, including land for a proposed 70-bed hospital at Route 31 and Three Oaks Road in Crystal Lake, Gruber said.

"All of the projects would be completed in the next couple of years," he said.

The **Illinois Finance Authority** Board is scheduled to consider Mercy's request for a tax-exempt bond in February, said Pamela Lenane, an authority vice president. The authority, a quasi-government agency, does not loan money, but it must approve applications for tax-exempt bonds.

Gruber said money from the bond sale also will be used to remodel doctor's offices in Lake in the Hills and build clinics in other towns. Expansions and new clinics are under construction or planned in Woodstock, Harvard, McHenry and Cary.

ILLINOIS

Provena's Plans

Elgin-based **Provena St. Joseph Hospital** last week said it would seek approval for a $98 million expansion that includes construction of a four-story addition and a new heart center as well as a renovation of existing rooms at the facility.

The hospital project must be approved by the Illinois Health Facilities Planning Board before construction begins or before any borrowing plans are approved by the **Illinois Finance Authority**, which serves as a conduit for not-for-profit borrowers in the state.

In other hospital-expansion related developments, Naperville-based **Edward Hospital** held a news conference last week to criticize the planning board for rejecting its proposal for a new hospital in the southwest suburb of Plainfield. The hospital has established a Web site seeking public support for the hospital as it appeals the planning board's decision.

Provena St. Joseph's Joliet hospital is seeking approval for a $131 million expansion of its facility. A new Provena Hospital in nearby Plainfield would compete with the Edward hospital.

— *Yvette Shields*

JournalStandard.com

Dini
Gui

YOUR NORTHWEST ILLINOIS NEWS SOURCE SINCE 1847

Tuesday January 18, 2005

Daily Features

Off The Cuff

By Ron Kern

Someone told me the other day that it appeared as though I had "mediated myself into a perfect balance." pretty cool, doesn't it?

Of course I took it as a compliment at first, but soon realized I really didn't know for sure what it meant, so my big mouth and inquired, "What does that mean?" As a smirk came across his face he told me that it m am as dumb as I look. Hmmm, thanks a lot, I think?

I suppose if "ignorance is bliss" then I must be one happy guy, and didn't even know it. That fits with "Gen boundaries, but stupid is boundless!" I guess I now know what it means when Ruth tells me "Your intellige limit." Thanks Honey, er, I think?

Maybe I could change my name to protect the innocent, or in my case the ignorant. Then again you know Why bother learning when ignorance is spontaneous!

u u u

On the subject of name changes a recent employment situation jogged my mind the other day and it's one embellish on further in this column.

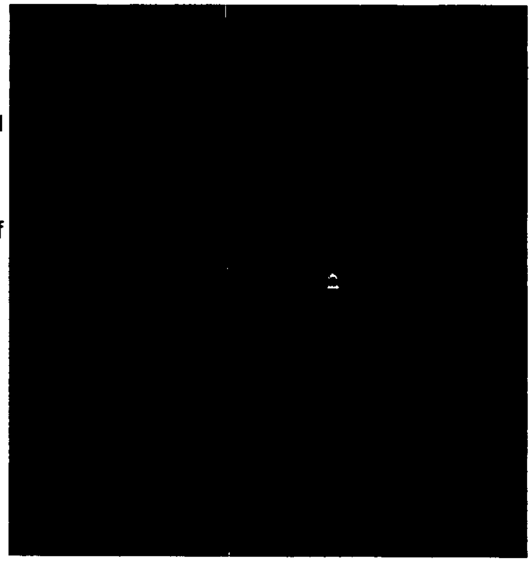
A good friend of mine recently left the employment of the Illinois Farm Bureau to seek greener pastures. T way to say he had a pretty good job offer with a salary increase.

Bart Bittner had served as a lobbyist for the Illinois Farm Bureau the past three years, and in that time I fo be an extremely capable individual with plenty of talent, gumption, tact and resolve - perfect qualities for a lobbyist. Bart left the farm bureau a month ago to take the position of Agriculture Funding Manager with th Finance Authority, formerly known as the Illinois Farm Development Authority.

Living in an area of the state where agriculture is still predominant, it is worth noting the many financial assistance programs available through the IFA. These programs are of particular interest if you are a young farmer looking to begin your career in production agriculture; although the IFA also offers some very lucrative programs for producers looking to diversify into value-added ventures.

Let#'s take a look at some of the programs available and see how they can benefit our young or established producers.

Beginning Farmer Bond Program - Provides financing through the use of federally tax exempt bonds to reduce the interest rate on a loan to purchase farmland. The loan can be used between a buyer and a lender, or the buyer and a seller in a contract purchase arrangement.



The loan may be used to purchase capital assets including farmland, new or used farm improvements, new equipment and used equipment when purchased with farmland. The maximum loan amount is $250,000. To qualify the borrower must be 18 or older, reside in Illinois, have a net worth of less than $500,000 and not have owned a significant amount of farmland.

Specialized Livestock Guarantee Program - Provides family sized livestock operations with access to capital to upgrade, expand or enter into the livestock business. Local lenders receive an 85 percent guarantee of the principal and interest on the loan. Loan proceeds may be used to purchase capital assets for use in livestock production.

This includes buildings, equipment and/or breeding stock. The maximum loan size is $1 million, with a maximum 15 year term. The interest rate can be negotiated as variable or fixed and must be less than the market rate available.

Eligibility requires the borrower to be at least 18-years-old and a resident of Illinois. Borrower must also be principal operator and involved in the livestock operation, must demonstrate cash flow and collateral to co and must have a debt/asset ration not exceeding 70 percent after the project is considered.

Value-Added Stock Purchase - Loans are made to local lenders with an 85 percent guarantee on principal interest and are then used by Illinois producers to purchase stock in value-added entities that further proc commodities.

In conjunction with a purchase debt may be refinanced to improve lien position or financial structure, up to amount of the purchase. A portion of the stock can be used as collateral for the loan. Maximum loan is $1 a maximum ten year term. The same eligibility requirements must be met as those outlined in the Speciali Livestock Guarantee program.

State Guarantee Program for Agri-Industries - The program is designed to benefit producers and/or agribu that wish to diversify into new enterprises or further process existing crops or livestock. Loans can be use purchase new or used equipment, property or other capital items for the following purposes:

Growth/development of new crops or livestock not customarily grown in Illinois.

Further the processing of grain or livestock grown in Illinois.Local lenders again receive an 85 percent gua principal and interest with interest rates below market value at a fixed or variable rate. Additional eligibility requirements for this program include: principal owner/operator, minimum 50 percent gross income from f gross income of at least $20,000, have net worth less than $500,000 and the agribusiness must be locate and use commodities grown in Illinois. These are just a few of the many programs available through the Ill Finance Authority. Other programs include the Industrial Revenue Bond and Rural Development Loans to small rural communities in locating businesses. If you would like more information on any of the programs the IFA just call my friend Bart Bittner at (309) 830-6673 or email him at bbittner@il-fa.com u u ul go with offered from famed author John Steinbeck, Time is the only critic without ambition. Ron Kern is the manag Ogle County Farm Bureau. He can be reached at 732-2231.

Search Results for Google

RiverGlass

January 12, 2005 01:00 PM US Eastern Timezone

RiverGlass Leads Data Analytics Sector Shift to Real-Time; New Company Focuses on Risk Mitigation and Opportunity Discovery Through Real-Time Analytics

CHAMPAIGN, Ill.--(BUSINESS WIRE)--Jan. 12, 2005--A new company based in Illinois promises to revolutionize how organizations use data to make decisions by allowing customers to select and assemble information from multiple, disparate sources in order to better understand risks, respond to threats, and take advantage of opportunities.

The company, RiverGlass, Inc., uses real-time text and data analytics technologies first developed at the National Center for Supercomputing Applications (NCSA) at the University of Illinois.

"We are helping organizations change how they use data to manage risks, explore new opportunities and make informed decisions," said Kirk Dauksavage, RiverGlass CEO. "We have a unique product that allows our customers to view and manipulate data from a multitude of real-time data streams. The end result is that they are able to make the best decisions possible and to be proactive in dealing with problems because they are better informed; they are basing their decisions on the most up-to-the minute data."

A counterterrorism analyst, for example, sifts through massive amounts of data each day, including web-based information, email messages, police reports, travel records, and news wire reports. Using the RiverGlass streaming data mining system, the analyst is able to bring these disparate data streams together in an easy-to-use intelligent desktop, which can then categorize the data, extract content, and find key relationships among data from different sources. New relationships that might've taken months to find can be pinpointed in real time and potential terrorist threats can be thwarted at an early stage.

In December 2004, the company secured funding from IllinoisVENTURES, Waypoint Ventures and the Illinois Finance Authority. The new investments are in addition to an early round of funding from IllinoisVENTURES last summer and will allow RiverGlass to further recruit new talent and further develop its streaming data mining products, said Dauksavage, the former vice president for sales of the i-Solutions division of CheckFree Corporation and RiverGlass CEO since April 2004.

RiverGlass's technologies are the brainchild of Michael Welge, company founder and chief scientist and head of NCSA's Automated Learning Group. When Welge first decided to develop a commercial version of his group's Data to Knowledge (D2K) tool suite, he turned to the University of Illinois Office of Technology Management, which works with university researchers to commercialize the technologies they develop, and to IllinoisVENTURES, which helps university start-ups secure seed funding and recruit executive talent.

Among the markets RiverGlass is targeting are law enforcement, homeland security, financial services, market intelligence and network security.

RiverGlass now operates out of two locations: at Enterprise Works, the university's business incubator in Champaign; and in West Chicago at a university-run technology commercialization center. In addition to Dauksavage and Welge, the company recently hired Brian Buck as chief technology officer. Buck was most recently executive vice president and CTO at Trading Technologies, a company that develops high-performance software for brokers and other trading professionals.

For more on RiverGlass: www.riverglassinc.com

Contacts

RiverGlass, Inc.
Karen Green, 217-649-5631
kgreen@riverglassinc.com

JAN 0 5 2005
ILLINOIS PRESS CLIP
Illinois Press Association
900 Community Drive
Springfield, IL 62703
217/241-1300

Alton
The Telegraph
27,611

South Roxana considers taking out $200,000 loan

121

By CYNTHIA M. ELLIS
The Telegraph

SOUTH ROXANA — Village officials discussed taking out a $200,000 loan with the state's finance authority Tuesday night in an effort to help with South Roxana's dwindling coffers.

Eric Watson, program administrator with Illinois Finance Authority, spoke to South Roxana Village Board members about obtaining a direct loan.

Officials said they are concerned about its finances and are trying to keep the village out of deficit.

In November, Mayor Kenny Beasley said officials began considering taking out a short-term loan to pay bills and sustain the employee payroll. He said the board borrowed money out of its savings account for operating expenses in 2003; however, there is no money available in the account to borrow any more.

"It would be your money, and you can use it as working cash. As long as you have the ability to repay the loan, it is yours to do with as you choose."

ERIC WATSON

PROGRAM ADMINISTRATOR WITH ILLINOIS FINANCE AUTHORITY

Watson said the village first would need to apply for a loan by filling out a 10-page application, which would include giving information about: financial statements from the past five years; equalized assessed valuation of property; the largest taxpayer in the community; and the largest employer in the community.

"If everything goes well, then you could have the loan by February," Watson said.

Watson said the principal and interest payments would be paid back annually at a cost of between $15,000 and $16,000.

"The loan could be for 10 years," Watson said. "It could even be done over a longer period of time."

Trustee Matt Hopke asked what the money could be spent on.

Watson said the village could use the money for whatever purposes it sees fit.

"It would be your money, and you can use it as working cash," he said. "As long as you have the ability to repay the loan, it is yours to do with as you choose."

Watson said communities that borrow money often allocate the cash toward dedicated services. He said if the village applied for working cash, then it would not need to dedicate the funds.

The Illinois Finance Authority is ~~a self-financed~~ state authority principally engaged in issuing taxable and tax-exempt bonds, making loans, and investing capital for businesses, nonprofit corporations and local government units statewide.

cynmell@hotmail.com

JAN 05 2005
ILLINOIS PRESS CLIP
Illinois Press Association
900 Community Drive
Springfield, IL 62703
217/241-1300

Charleston
Times Courier
7,228

City Council OKs loan to trim cost of truck

By ROB STROUD
Staff Writer

121

CHARLESTON — The City Council on Tuesday accepted a no-interest loan that will enable it to reduce the cost of the Fire and Rescue Department's new platform ladder truck.

The council also welcomed new police Chief Paul Welch and expressed its gratitude for the service of retiring Chief Ted Ghibellini, who has been part of the Charleston Police Department since 1974.

In regard to the platform ladder truck, the council accepted a $250,000 no-interest loan from the Illinois Finance Authority.

The city previously used a $790,000 loan from First Mid-Illinois Bank & Trust to purchase the truck last summer, with Eastern Illinois University officials agreeing to cover half the cost. That 15-year

CITY/A6

CITY

121.60

Continued from A1

bank loan has an interest rate of 4.07 percent. The new loan will reduce by $250,000 the amount that the city and EIU owe the bank.

"What that will do is save us interest on the other loan we took out," said Mayor Dan Cougill.

In response to a question from council member Lorelei Sims, Cougill said there will be no penalty for paying off the bank loan early.

"It will save the taxpayers a lot of money," said council member John Winnett of the no-interest loan.

The mayor said when the city bought the platform ladder truck, it had not expected to be able to apply for an Illinois Finance Authority loan. He said the city had anticipated such loans would be geared toward volunteer fire departments this year. Cougill credited fire Chief Darrell Nees with putting together a good application.

In regard to the police chiefs, the council welcomed Welch to his new post. Welch, who recently retired as police chief in Wisconsin Rapids, Wis., had his first day on the job Monday and was present at the meeting Tuesday evening. Ghibellini, who is staying on duty this week to help Welch, was not present.

"I think we all owe Ted a big thank you and a vote of gratitude for the work he has put in for the city of Charleston," Cougill said.

Cougill noted Ghibellini's long service with the department. Ghibellini joined the department in 1974 as a patrol officer and worked his way up through the ranks to become assistant chief in 1989. In 2000, he was appointed police chief following the retirement of Herb Steidinger.

Sims added that Ghibellini served as acting city manager in summer 2003 following the resignation of Alan Probst.

"Ted will be missed," Cougill said.

Contact Rob Stroud at rstroud@jg-tc.com or 348-5734.

For Board Book

JAN 0 4 2005

Decatur
Herald & Review
34,231

CHARLESTON 121

Debt restructuring proposal

The Charleston City Council will consider a debt restructuring proposal tonight at 7:30 that would enable the city to pay less for its new platform ladder truck.

City Manager Scott Smith said the Illinois Finance Authority has approved the city's application for a $250,000 no-interest loan that would be applied to the $790,000 price of the new truck.

Smith said the no-interest loan would provide significant savings for the city and Eastern Illinois University, which agreed to cover half the truck's price.

Eastern President Lou Hencken and Mayor Dan Cougill started discussing the need for a firetruck with a longer ladder several months before the April 28 blaze that severely damaged Blair Hall. The new truck was delivered in July.

Top Issuers: All of 2004

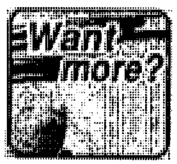
Rank	Issuer	Amount	Issues
1	California (State)	$17,475.8	21
2	New York City	7,259.3	21
3	New Jersey Economic Development Authority	4,598.5	27
4	Massachusetts (Commonwealth)	4,257.6	8
5	Houston, Tex.	3,585.4	6
6	California Statewide Communities Development Auth.	3,146.4	48
7	Illinois (State)	3,101.2	7
8	New York State Dormitory Authority	3,031.6	47
9	Pennsylvania (Commonwealth)	2,761.0	4
10	Illinois Finance Authority	2,655.6	61

Dollar amounts are in millions. Rankings are final as of Dec. 31, 2004. Short-term notes and private placements are excluded. Source: Thomson Financial

FarmWeek
Illinois Farm Bureau
Improve the economic well-being of agriculture and enrich the quality of farm family life.

IFA programs meeting needs of farms, agri-industries

Tuesday, December 14, 2004



The Illinois Finance Authority (IFA) has financial programs to support farming operations and agri-industries throughout their business life cycles, according to Jill Rendleman, financial services director with IFA.

IFA became one of the nation's largest capital providers after Gov. Rod Blagojevich consolidated several state development authorities, including the Illinois Farm Development Authority.

IFA is self financed and provides low-cost non-conventional financing by issuing taxable and tax-exempt bonds, participating with lenders on loans, and investing capital for farmers, businesses, non-profit corporations, and local governments.

Rendleman sees a role for IFA financial programs in farming operations from start-up to the transition phase as older farmers prepare to transfer ownership. IFA also offers several programs for agri-industry.

One of IFA's more familiar programs supports new farming operations. Farm Start, also known as the beginning farmer bond program, basically provides a loan between a producer and a lender that allows the farmer to obtain interest rates generally 1 to 2 percent below the prime rate, Rendleman said.

Eligible participants must be 18 or older and can have up to $500,000 of net worth. However, they may own only a limited amount of land at the time of application. Loans of up $250,000 may be used to buy land or equipment in

General News

Education

AgriVisors Cash Strategist

conjunction with a land purchase.

Through Start Right, IFA will guarantee 85 percent of the principal and interest on a loan for land, equipment, and livestock for a farmer just starting an operation.

Under an agricultural participation loan program, IFA will loan up to $1 million or 50 percent for land, equipment, or livestock purchases. The interest rate could be up to 2 percent below the lender's rate. This program can be used in conjunction with Farm Start.

Rendleman envisioned the agri-debt guarantee program supporting farming operations that have reached the midpoint in a business life cycle.

Under that program, IFA guarantees loans up to $500,000 over 30 years to consolidate or restructure debt to improve cash flow and an operation's overall financial position, Rendleman said. This program often is used to get producers back on their feet following a tough year, she added.

Rendleman said the transition phase is the third stage of a farm's business life cycle.

"A lot of times we see farm families make the mistake of giving land to their farming children and then those who don't farm are left out," she said. "A better way to do that is to use the Farm Start program."

Farm Start allows older farmers to sell their land and equipment to beginning farmers, Rendleman said. Then, proceeds from the land sale can be put into an annuity or some other tool for the non-farming children.

In the last couple of years, IFA changed Farm Start to allow beginning farmers to buy land from immediate family members or landlords.

For livestock producers, IFA offers a livestock industry guarantee program for the purchase of land, buildings, equipment, or breeding livestock. IFA guarantees 85 percent of the principal and interest of a loan up to $1 million.

Typically, large-scale pork producers and cattlemen who are growing and expanding their operations use this program, Rendleman explained.

On the agri-industry side, IFA offers several financial programs.

Under an agri-industry guarantee, IFA guarantees 85 percent of the principal and interest of a loan up to $1 million for establishment or expansion of a business in the state. Program users primarily are packagers, processors, contractors, large producers, seed companies, and manufacturers of ag equipment and supplies.

In yet another program, IFA guarantees 85 percent of the principal and interest of a loan for producers to buy stock in a value-added entity, which further processes agricultural commodities such as an ethanol or biodiesel plant. The loan can be for a maximum of $100,000 and is repaid over 10 years.

IFA also offers agri-industry revenue bonds to finance the purchase, construction, or renovation of fixed assets of land, buildings, or equipment. The primary function of the business must be manufacturing or processing. IFA can finance up to 100 percent of a project cost for up to 40 years.

Generally, this program is used for large credit needs of manufacturers and industries with requests of $1 million or more, Rendleman said.

IFA also offers rural development loans to agri-businesses in rural communities with populations of less than 25,000. IFA guarantees 75 percent of the principal and interest on loans up to $150,000 for 10 years. Loans are available for such facilities as grain elevators, feed mills, and feed stores.

For more information about farm and agri-industry programs, contact IFA's Springfield office at 217-782-5792. Information also is available online at { www.il-fa.com} . – Kay Shipman

For More Info Contact:
David McClelland, Editor of Publications
Phone (309) 557-3156 Fax (800) 640-1995 E-mail fweditor@ilfb.org

PRODUCTION

IFA programs meeting needs of farms, agri-industries

BY KAY SHIPMAN
FarmWeek

The Illinois Finance Authority (IFA) has financial programs to support farming operations and agri-industries throughout their business life cycles, according to Jill Rendleman, financial services director with IFA.

IFA became one of the nation's largest capital providers after Gov. Rod Blagojevich consolidated several state development authorities, including the Illinois Farm Development Authority.

IFA is self financed and provides low-cost non-conventional financing by issuing taxable and tax-exempt bonds, participating with lenders on loans, and investing capital for farmers, businesses, non-profit corporations, and local governments.

Rendleman sees a role for IFA financial programs in farming operations from start-up to the transition phase as older farmers prepare to transfer ownership. IFA also offers several programs for agri-industry.

One of IFA's more familiar programs supports new farming operations. Farm Start, also known as the beginning farmer bond program, basically provides a loan between a producer and a lender that allows the farmer to obtain interest rates generally 1 to 2 percent below the prime rate, Rendleman said.

Eligible participants must be 18 or older and can have up to $500,000 of net worth. However, they may own only a limited amount of land at the time of application. Loans of up $250,000 may be used to buy land or equipment in conjunction with a land purchase.

Through Start Right, IFA will guarantee 85 percent of the principal and interest on a loan for land, equipment, and livestock for a farmer just starting an operation.

Under an agricultural participation loan program, IFA will loan up to $1 million or 50 percent for land, equipment, or livestock purchases. The interest rate could be up to 2 percent below the lender's rate. This program can be used in conjunction with Farm Start.

Rendleman envisioned the agri-debt guarantee program supporting farming operations that have reached the midpoint in a business life cycle.

Under that program, IFA guarantees loans up to $500,000 over 30 years to consolidate or restructure debt to improve cash flow and an operation's overall financial position, Rendleman said. This program often is used to get producers back on their feet following a tough year, she added.

Rendleman said the transition phase is the third stage of a farm's business life cycle.

"A lot of times we see farm families make the mistake of giving land to their farming children and then those who don't farm are left out," she said. "A better way to do that is to use the Farm Start program."

Farm Start allows older farmers to sell their land and equipment to beginning farmers, Rendleman said. Then, proceeds from the land sale can be put into an annuity or some other tool for the non-farming children.

In the last couple of years, IFA changed Farm Start to allow beginning farmers to buy land from immediate family members or landlords.

For livestock producers, IFA offers a livestock industry guarantee program for the purchase of land, buildings, equipment, or breeding livestock. IFA guarantees 85 percent of the principal and interest of a loan up to $1 million.

Typically, large-scale pork producers and cattlemen who are growing and expanding their operations use this program, Rendleman explained.

On the agri-industry side, IFA offers several financial programs.

Under an agri-industry guarantee, IFA guarantees 85 percent of the principal and interest of a loan up to $1 million for establishment or expansion of a business in the state. Program users primarily are packagers, processors, contractors, large producers, seed companies, and manufacturers of ag equipment and supplies.

In yet another program, IFA guarantees 85 percent of the principal and interest of a loan for producers to buy stock in a value-added entity, which further processes agricultural commodities such as an ethanol or biodiesel plant. The loan can be for a maximum of $100,000 and is repaid over 10 years.

IFA also offers agri-industry revenue bonds to finance the purchase, construction, or renovation of fixed assets of land, buildings, or equipment. The primary function of the business must be manufacturing or processing. IFA can finance up to 100 percent of a project cost for up to 40 years.

Generally, this program is used for large credit needs of manufacturers and industries with requests of $1 million or more, Rendleman said.

IFA also offers rural development loans to agri-businesses in rural communities with populations of less than 25,000. IFA guarantees 75 percent of the principal and interest on loans up to $150,000 for 10 years. Loans are available for such facilities as grain elevators, feed mills, and feed stores.

For more information about farm and agri-industry programs, contact IFA's Springfield office at 217-782-5792. Information also is available online at (www.il-fa.com).

Agriculture. USDA's quarterly Hogs & Pigs Report indicated the swine breeding herd on Sept. 1 was up 1 percent from a year ago and producers planned to boost sow farrowings by 1 percent.

The survey showed that the top four pork packing companies have 64.7 percent of the U.S. hog slaughtering capacity. The top eight firms cover 82.5 percent of total harvest capacity. Of companies that can process 2,500 hogs per day, Excel had the largest capacity increase during 2004 at 4,000 head. Hatfield Quality Meats increased its capacity by the largest percentage, at 30.8 percent.

Slaughter capacity may be larger by next fall. A new plant is scheduled to open in St. Joseph, Mo., in late 2005. This plant will add capacity of about 8,000 head per day. The plant is being built by Triumph Foods, a producer venture. Plains said this will be the first pork plant in this size category to be built in about eight years.

U.S. plants consistently operate at just over five days per week by using plants on Saturdays. At times of large hog supplies, the U.S. packing sector can operate at 5.5 days per week for sustained periods and up to 5.8 days per week for a few weeks.

The Pork Checkoff began tracking U.S. packer capacity in 1994, when hog slaughter first approached capacity levels. The 2004 survey includes 19 new companies that each operate one plant. These include the producer-owned Meadowbrook Farms plant in Rantoul, Ill. ■

Illinois Finance Authority - Bringing Expanded Financial Development Programs to Pork Producers

Guest Editorial By: Jill Rendleman, Director of Financial Services, Illinois Financial Authority

The Illinois Finance Authority is working throughout the state to bring expanded financial development programs to pork producers, contractors, suppliers and processors. [illegible]

[illegible]

a capital start up or capital [illegible] expansion in any aspect of the livestock industry available at 2% below market rates for individual livestock producers or a business involved in the livestock industry. IFA provides half of the financing at 2% below your lenders [illegible] interest.

Guaranteed Expansion [illegible] Million [illegible]

[illegible]

Guaranteed Restructuring [illegible]

[illegible] ■