Illinois Finance Authority

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

File Copy

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ILLINOIS FINANCE AUTHORITY
BOARD MEETING

March 8, 2005
Chicago, Illinois

Executive Committee
Two Prudential Plaza
180 N. Stetson, Suite 2555
Chicago, IL
8:30 a.m.

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

Board Meeting
Plaza Club
130 E. Randolph, 40^{th} Floor
Chicago, IL
1:30 p.m.

- Call to Order – Chairman Gustman
- Roll Call
- Chairman's Report
- Director's Report
- Other Business
  - February 2005 Preliminary Financial Statements
  - Acceptance of February 2005 Minutes
  - Executive Directorship

Preliminary Project Considerations

Tab	Project #	Project	Location	Amount	New Jobs	Construction Jobs	FM
3	H-SL-RE-TE-CD-520	Life Care Retirement Communities, Inc. (Beacon Hill)	Lombard	$15,000,000	N/A	N/A	PL
4	H-SL-RE-TE-CD-521	Friendship Village of Schaumburg	Schaumburg	$110,325,000	TBD	TBD	PL
5	H-HO-TE-CD-534	Resurrection Health Care	Multiple	$425,000,000	TBD	TBD	PL
6	N-NP-TE-CD-519	Thresholds	Chicago	$6,000,000	36	100	TA
7	E-PC-TE-CD-525	North Park University	Chicago	$33,000,000	9	300	TA
8	I-ID-TE-CD-522	Barton Manufacturing	Decatur	$6,500,000	25	15	JS
9	L-GO-LG-TE-524	Kankakee County	Kankakee	$29,000,000	N/A	N/A	ST
10	A-DR-TX-GT-537	Robb D. Klinger and Benjamin T. Dolan (dba DAK Farms)		$485,000	N/A	N/A	ER
11		Beginning Farmer Bonds:					
	A-FB-TE-CD-540	Jeff Delheimer	Elgin	$178,012	N/A	N/A	ER
	A-FB-TE-CD-530	Weston Wilhour	Beecher City	$48,750	N/A	N/A	
	A-FB-TE-CD-531	Chad Wilhour	Altamont	$48,750	N/A	N/A	
12		Beginning Farmer Bonds:					
	A-FB-TE-CD-528	Joseph & Lisa Kapraun	El Paso	$62,500	N/A	N/A	BB
	A-FB-TE-CD-529	C. Todd Urish	Green Valley	$250,000	N/A	N/A	

Final Project Considerations

Tab	Project #	Project	Location	Amount	New Jobs	Construction Jobs	Fundi Manag
13	H-HO-TE-CD-501	Mercy Alliance, Inc. Obligated Group	Multiple	$35,000,000	200	N/A	PL
14	L-GO-TE-RE-CD-523	City of Kewaunee	Kewanee	$2,445,000	N/A	N/A	JS
15	N-NP-TE-CD-502 N-NP-TX-LL-539	YMCA of Southwest, IL	Belleville, Monroe, O'Fallon	$11,000,000 $330,000	158	110	RP
16	I-ID-TE-CD-419	MNM Real Estate Ventures, LLC (Excel Container, Inc.)	Aurora	$7,100,000	188	45	RKF
17	M-MH-TE-CD-408	Villagebrook Apartments Limited Partnership (Villagebrook Apartments)	Carol Steam	$12,500,000	1	10	RKF
18	V-TD-532	SmartSignal Corporation	Lisle, IL	$50,000	10	N/A	CV
19	V-TD-533	Protez Pharmaceuticals	Malvern, PA	$150,000	4	N/A	CV
20		Beginning Farmer Bonds:					BB
	A-FB-TE-CD-526	Matthew David Sandidge	Chandlerville	$194,000	N/A	N/A	
	A-FB-TE-CD-527	Cory Miller	Danvers	$27,000	N/A	N/A	

21		Beginning Farmer Bonds					ER
	A-FB-TE-CD-504	Michael Neff	Virden	$147,000	N/A	N/A	
	A-FB-TE-CD-505	Jared Van Blaricum	Noble	$37,000	N/A	N/A	
	A-FB-TE-CD-506	Kenneth Tate	Waverly	$162,000	N/A	N/A	
	A-FB-TE-CD-507	Jason Pitcher	Montrose	~~$64,000~~ 72,000	N/A	N/A	
22		Pooled Tax Anticipation Warrant:					EW/NI
	L-PW-TE-CD-536	Beach Park Community	Beach Park	$500,000	N/A	N/A	

Project Revisions/Amendatory Resolutions

23. YMCA of Metropolitan Chicago — Seeks approval of certain amendments to the Loan Agreement between the IDFA and YMCA in connection with the Adjustable Rate Demand Revenue Bonds, Series 2001 issued in an aggregate principal amount of $54,000,000 and authorization for the execution of documents related to the same.

24. DePaul University — Seeks approval of an amendatory final bond resolution in connection with the pending IFA issuance of not to exceed $110,000,000 aggregate principal amount of Revenue Refunding Bonds, Series 2005A, 2005B and 2005C.

Other

25. Newspaper Articles

Adjournment

IFA
ILLINOIS FINANCE AUTHORITY

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

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

To: **IFA Board of Directors and Governor's Office**

From: **Director Ata**

I. Financial

Performance:

- Total revenues for the FYTD 2005 are \$4.7 million or 9.3% above the revenue plan. Net income for FY 2005 is \$1.42 million for FYTD, or 42.4% above our FY 2005 income plan.

- The income statement and balance sheet for February 2005 are attached. IFA operating expenses for February 2005 are 9.2% below the Board approved Operating Expense Budget.

Audits:

- The exit conference with Mr. Jon Fox of the Office of the Auditor General and the auditors from McGladrey & Pullen was held at IFA on Tuesday, March 1, 2005.

II. Sales – General

Peabody Coal Project. IFA continues to advance Peabody Energy's \$2.5 billion 1,500 megawatt Illinois coal-fired power project, leading the mission to develop financing and joining the Governor's team to announce the Peabody Coal Energy Campus in Washington County. The project has passed several milestones: the Illinois EPA issued its Final Air Permit in mid-January, a major advance of the project. The Governor voiced support in his State of the State Address and cited IFA's ability to issue \$1.7 billion in revenue bonds and an additional \$300 million in moral obligation bonds as an important development tool. On February 9, Peabody announced an agreement with six Midwest rural cooperatives, and municipal joint action agencies announced their intent to purchase 47% of the project and its output.

III. Sales - Northern Region

- The Northern Region had record activity in the area of tax-exempt bonds for local governments and not-for-profits, as well as in healthcare. We expect March revenues to exceed 50% of our monthly average.

- Sales development activity of major significance in February:

  - Townsend Albright is working with Piper Jaffray on a Revenue Anticipation Note Program with the Federation of Independent Illinois Colleges and Universities.

  - Patrick McGee and Jack McInerney continue to focus on new business development. They have undertaken an aggressive prospecting campaign in the Northern Region to penetrate higher populated, growing areas dominated by new housing starts. This requires expansion of infrastructure, which in turn plays into IFA's role to provide the required funding.

- Health Care. Four bond transactions are being presented to the Board this month: $15 million for Life Care Retirement Communities, Inc (Beacon Hill) in Lombard; $425 million for Resurrection Health System in Chicago; $110 million for Friendship Village in Schaumburg; and a final for Mercy Alliance, Inc.

  We continue to make presentations to small hospitals for the COB Program. We have two interested borrowers, Norwegian American Hospital in Chicago for $8 million, and Carlinville Area Hospital in Carlinville for $1.5 million, and hope to bring these to the Board in April for approval. Also, we made a productive COB Presentation to the Illinois Chapter of HFMA (Healthcare Financial Manager's Association).

  The Authority is designing a program with Fifth Third Bank to be offered to the six hospitals in the 1998 AMR Bond Pooled Program(issued by IDFA). Bonds are currently trading at taxable variable rates because of an IRS investigation into this transaction. $49 million is currently outstanding. Fifth Third Bank holds letters of credit on the two largest borrowers in the Pool and has indicated a willingness to issue letters of credit to the other borrowers in the event that their own letter of credit providers choose not to renew.

  As planned, IFA has changed the Trustee and Investment Manager through the RFP process for the 1985 Revolving Fund Pooled Financing Program. Further restructuring will reduce the cost of borrowing for hospitals (currently BMA + 130), and at the same time adjust IFA's annual compensation for management of the Pool. The new cost structure will be presented at the April meeting.

Sales - Central and Southern Region

- Agriculture. Bart Bittner and Eric Reed visitedover 50 agricultural lenders in February and made 10 presentations to bank boards and bank management teams. Bart Bittner and Jill Rendleman presented IFA and its farm programs at the Illinois Farm Bureau monthly board meeting in Bloomington.

  IFA also presented its programs to the President & CEO of RaboAgrifinance, a bank specializing in agricultural finance throughout the world, with corporate offices in St Louis, MO.

  Requests for IFA presentations about alternative energy projects presentations continues to be high. A marketing letter highlighting the guarantee program which supports farm producers in the purchase of stock in alternative energy or other agricultural related industry was sent to 1200 lenders and agricultural industry leaders this month.

  Requests and activity for bonds, participation loans and guarantees has been increasing significantly over the last 5 months. There will be bonds and guaranteed loans presented in the March board meeting. Jill Rendleman continues to perform agricultural credit administrative functions while a permanent solution is under review.

- Education. IFA's first formalized pooled tax anticipation warrant was issued on Feb 23rd with positive response from the market. In addition, the $5 million emergency loan fund for school districts was completely funded in February. This success story forms the framework for promoting the IFA's commitment to public education.

  Various market opportunities revealed for technology and capital funding are being formally assessed with a technology survey sent to all school districts. IFA, in conjunction with AG Edwards of St. Louis and GE Capital of Chicago, will draft a program designed to fill these needs, to be part of an overall strategy for the educational market segment.

  A calling program for education is underway, spearheaded by Nona Myers. Presentations were made at the Large Unit District Association annual meeting for school business managers held in Springfield and a meeting in Ottawa of the regional school superintendents. IFA held its first strategic planning session for education in Springfield and will complete this planning process for a presentation to the board of directors in May 2005.

- Community and Culture. Eric Watson made presentations to the communities of Monroe Centre, Mattherville, Austin Township, Roxana, Mowequa, Vallmeyer, Danville, and Chatham/Rochester. Funding managers Rick Pigg and Jim Senica made ten presentations to cities, local governments, and economic development agencies in February.

  The Special Reserve Account set up by the Illinois Rural Bond Bank, used to serve the interim financing needs of communities, will be accessed by the City of Metropolis for the infrastructure needed to support a new marina, fire station, and hotel/ convention center expansion.

  IFA continues to work with the Southern Illinois Baseball Group to finance the construction of a minor league baseball stadium in Marion, Illinois.

  Fire truck loan funds are approximately 30% issued and we are targeting complete issuance within the next 60 days.

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

- Industry and Commerce. Jim Senica continues a call program to the manufacturing industry outside Peoria which includes Decatur, Champaign, Kankakee, metro-east and Galesburg and has developed requests for five industrial revenue bonds and several participation loans.

  Rick Pigg and Jill Rendleman toured the LaFarge Cement company in Joppa to follow-up a request for $330M in financing. Next steps include a meeting of company officials in Chicago in March.

  An IRB and a participation loan for manufacturing will be presented at the March 8th board meeting.

  Formal requests generated this month include a $15M 501(c)3 bond for a retirement center in Galesburg, and participation loans for the renovation of the Pierre Marquette Hotel in Peoria, construction of the Radison Conference Center in Peoria, triCalcium phosphate plant in Sesser, and a large furniture manufacturer expansion in Kewanee.

- Health Care. The southern region will begin its formal calling program on small hospitals in March with the assistance of GE Capital Finance. Carlinville Area Hospital has submitted a formal request after a presentation made in February.

IV. Marketing Communications

- Work continues on the IFA annual report. It will be completed when final audited statements are received.

  The following releases were issued:
  - IFA ranked top Authority in the Midwest and Illinois, CY2004
  - February 2005 closings
  - IFA completes low-cost financing program for school districts - TAWs

  Press coverage – "Abouts" and "Mentions":
  - Governor Blagojevich highlights $2 billion cleancoal technology project that will create thousands of jobs for the Illinois economy – mentions IFA as funding source.

V. Legislative Issues

IFA introduced new bills in February seeking an additional increase in its bond authorization. Discussions are under way with legislative leaders and the Governor's Office to determine the size of the increase. IFA has also introduced a bill that is intended to be available to make changes to the coal bond portion of the IFA Act in the event any such changes should be necessary to accommodate the proposed Washington County project.

IFA
OPPORTUNITY RETURNS

INDUSTRIAL

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
Alvar, Inc.	100,000	**Participation Loan**. Construction of 10,500 sq. ft. building addition.	5	20	Washburn
American Allied Freight Car Co.	275,000	**Participation Loan.** Construction of a 15,000 square foot industrial building addition.	24	20	Peoria
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	Elk Grove Village
Barton Manufacturing	6,500,000	**Conduit Tax Exempt Bonds.** Finance construction, machinery and equipment acquisition and pay certain bond issuance costs.	25	15	Decatur
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	Berwyn & Bolingbrook
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	Coffeen & Newton

IFA
OPPORTUNITY RETURNS

INDUSTRIAL

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
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	Coffeen & Newton
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	Belvedere
CFC International Inc.	2,000,000	**Conduit Industrial Revenue Bond.** Finance purchase of building, machinery, equipment and pay certain issuance costs.	30	0	Chicago Heights
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	Braidwood, Byron & Marseilles
Deli Star Corporation	150,000	**Participation Loan.** Purchase production equipment.	14	10	Fayetteville
Doreen's Pizza, Inc.	359,500	**Participation Loan.** Construct new manufacturing/warehouse facility.	25	48	Calumet City
Durango Products, Inc.	1,000,000	**Participation Loan.** Renovate, expand and equip an industrial site in Chicago.	0	0	Chicago

IFA
OPPORTUNITY RETURNS

INDUSTRIAL

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
E. Kinast Distributors, Inc.	3,600,000	**Conduit Tax-Exempt Bonds.** Finance acquisition of land, construction, machinery and equipment.	13	87	Hanover Park
Excel Crusher Technologies, LLC	1,000,000	**Participation Loan.** Construction of an industrial building and acquisition of manufacturing machinery and equipment.	40	0	Pekin
Excel Foundry and Machine, Inc.	795,000	**Participation Loan.** Machinery and equipment acquisition.	10	15	Pekin
Homeway Homes, Inc.	300,000	**Participation Loan.** Acquisition of various equipment used in the applicant's modular home manufacturing business.	56	0	Beardstown
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	Pekin
JR Plastics/StyleMaster	3,200,000	Equipment acquisition and issuance costs.	53	0	Chicago

IFA
OPPORTUNITY RETURNS

INDUSTRIAL

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
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	Various
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	Bartlett
Newline Hardwoods, Inc.	$299,674	**Participation Loan.** Acquisition of kiln drying·lumber equipment	38	0	Beardstown
NSR Technologies	$8,500,000	**Conduit Tax-Exempt Bonds**. Finance construction of a manufacturing facility.	44	100	Decatur
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	Chicago Heights
P&P Press, Inc.	$650,000	**Participation Loan.** Acquisition of new machinery and equipment.	4	0	Peoria
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	Chicago

IFA
OPPORTUNITY RETURNS

INDUSTRIAL

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
Perkins & Perkins LP	$185,000	**Participation Loan.** Purchase of 2.25 acres of land and a 30,500 square foot building.	0	0	Peoria
Republic Service Inc.	18,000,000	**Series 2004A Bonds & Series 2004B Bonds.** Finance landfill improvements, purchase equipment and current refunding.	14	15	DeSoto & Mt. Prospect
Roesch, Inc.	300,000	**Participation Loan.** Purchase production equipment.	16	0	Belleville
Roho, Inc.	300,000	**Participation Loan.** Purchase production equipment. Roho is the premier medical air-cushion manufacturer worldwide.	0	0	Belleville
Spaulding Composites, Inc.	625,000	**Participation Loan.** Acquisition of equipment.	5	0	DeKalb
The Spotted Cow, Inc.	300,000	**Participation loan.** Land acquisition and construction of 4,500 sq. ft. commercial building	10	9	Peoria
The Steel Works, LLC	4,000,000	**Industrial Revenue Bonds.** Finance building construction, purchaser machinery & equipment, and pay certain issuance costs.	28	25	Granite City

IFA
OPPORTUNITY RETURNS

INDUSTRIAL

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
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	St. Claire County
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	Lake Zurich
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	Rockford
Transparent Container	6,000,000	**Conduit Tax-Exempt Bonds.** Finance building acquisition, machinery and equipment. Renovations, and pay bond issuance costs.	37	20	Addison
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	Skokie
Vision Molded Products, Inc.	3,200,000	**Industrial Revenue Bonds.** Acquisition and renovation of a manufacturing facility that Vision currently leases.	63	10	Elgin

IFA
OPPORTUNITY RETURNS

INDUSTRIAL

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
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	St. Charles
INDUSTRIAL TOTALS:	**$342,739,174**		**1038**	**639**	

IFA
OPPORTUNITY RETURNS

EDUCATION

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST JOBS	LOCATION
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	DesPlaines & Niles
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	Chicago
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	Chicago
DePaul University	106,975,000	**Conduit 501(c)(3) Bonds.** Acquisition financing of residential facilities.	0	0	Chicago
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	Chicago

IFA
OPPORTUNITY RETURNS

EDUCATION

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
Fox River Valley Country Day School	33,000,000	**501(c)(3) Bond Financing.** Finance the construction of a new school building.	0	0	Elgin
Illinois College	20,000,000	**Conduit Tax-Exempt Bonds.** Refund outstanding indebtedness, and fund bond issuance costs.	15	200	Jacksonville
Illinois Institute of Technology	20,000,000	**Conduit Tax-Exempt Bonds.** Renovate, fixtures, equipment, capitalize interest and fund bond issuance costs.	60	150	Chicago
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	Chicago
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	Chicago
MJH Education Assistance	97,500,000	**501(C)(3) Revenue Bonds.** New dorm construction at DePaul University's Lincoln Park campus.	22	150	Chicago

IFA
OPPORTUNITY RETURNS

EDUCATION

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
North Park University	33,000,000	**Conduit Tax Exempt Bonds.** Purchase land, renovations, construction and equipment costs, purchase machinery, capitalize interest, and fund bond issuance costs.	9	300	Chicago
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	Winnetka
Northwestern University	135,800,000	**Conduit Tax-Exempt Bonds.** Construction, renovation, equipment, fund professional bond issuance costs.	150	250	Chicago
Penny Lane School	740,000	**Participation Loan.** Acquisition and rehab loan.	60	75	Chicago Ridge
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	Sangamon County McHenry County Massac County LaSalle County

IFA
OPPORTUNITY RETURNS

EDUCATION

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
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	Chicago, Orland Park, Peoria, Springfield
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	Chicago
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	Dixon
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	Chicago
EDUCATION TOTALS:	**$996,125,000**		**876**	**2,071**	

IFA
OPPORTUNITY RETURNS

HEALTHCARE

PROJECT TYPE	AMOUNT		NEW JOBS	CONST. JOBS	LOCATION
Alexian Brothers Health System	80,000,000	**Conduit 501(c)(3) Bonds.** Modernize and expand hospital facilities	0	200	Elk Grove & Hoffman Estates
Life Care Retirement Communities, Inc. (Beacon Hill)	15,000,000	**Conduit 501(c)3 Bonds**. Refinance existing indebtedness, fund $300,000 of new money projects, capitalize a debt service reserve fun, pay costs of issuance.	0	0	Lombard
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	Normal & Eureka
Carle Foundation	196,625,000	**Conduit Tax Exempt Bonds.** Refund portion of outstanding principal. Finance cost of acquisition, construction, renovation and equipment.	0	0	Champaign, Urbana
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	Winfield

IFA
OPPORTUNITY RETURNS

HEALTHCARE

PROJECT TYPE	AMOUNT		NEW JOBS	CONST. JOBS	LOCATION
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	Chicago
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	Chicago
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	Carol Stream
Edward Hospital	30,000,000	**Conduit Tax-Exempt Bonds.** Current refunding of callable Series 1993A Bonds, and pay bond issuance costs.	0	0	Naperville
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	Chicago

IFA
OPPORTUNITY RETURNS

HEALTHCARE

PROJECT TYPE	AMOUNT		NEW JOBS	CONST. JOBS	LOCATION
Friendship Village of Schaumburg	110,350,000	**Conduit 501(c)3 Bonds.** Refinance existing indebtedness, enhance liquidity, capitalize debt service reserve fund, construction, and pay costs of issuance.	0	0	Schaumburg
Greenville Regional Hospital, Inc.	1,684,000	**Conduit Tax-Exempt Lease.** Acquisition of Siemens MRI equipment.	11	20	Greenville
Hopedale Medical Complex	1,400,000	**Conduit Tax-Exempt Lease.** Acquisition of Siemens CT Scanner.	10	0	Hopedale
Illinois Primary Healthcare Assoc.	2,300,000	**Conduit 501(c)(3) Bonds.** Finance new clinic/administrative building, refinance existing debt and leases.	6	7	Chicago, Cairo, Carbondale
Ingalls Health System	48,000,000	Conduit Tax Exempt Bonds. Finance construction and modernization of the hospital campus and routine capital expenditures.	0	0	Harvey, Tinley Park
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	East Peoria

IFA
OPPORTUNITY RETURNS

HEALTHCARE

PROJECT TYPE	AMOUNT		NEW JOBS	CONST. JOBS	LOCATION
Loyola University Medical Center	15,500,000	Conduit Tax Exempt Bonds. Build garage, expenses and issuance costs.	0	50	Maywood
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	Chicago
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	Peoria
Poplar Creek Developers/Poplar Creek Med-Surgical Center	10,000,000	**Taxable Industrial Revenue Bonds.**	25	0	Hoffman Estates
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	Tinley Park, Palos Heights, South Holland, Crete, Downers Grove, Homer Glen
Resurrection Health Care	425,000,000	**Conduit Tax Exempt Bonds.** New money, refinance existing IHFA series 1995A, 1996 and 1999B bonds, fund debt service reserve fund and pay cost of issuance.	0	0	Multiple

IFA
OPPORTUNITY RETURNS

HEALTHCARE

PROJECT TYPE	AMOUNT		NEW JOBS	CONST. JOBS	LOCATION
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	Kankakee & Bourbonnais
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	Chicago
St. Anthony's Health Center	4,795,000	**501(c)(3) Bond Financing.** Pay/reimburse borrower, equipment, construction, and renovation.	0	0	Alton
Southern Illinois Healthcare Enterprises	69,000,000	**Conduit Tax Exempt Bonds.** Modernize and expand hospital facilities located in Carbondale, Herrin and Murphysboro.	0	200	Carbondale, Herrin & Murphysboro
Springfield Center for Independent Living	355,000	**Conduit Tax-Exempt Lease.** Land acquisition and office building.	6	30	Springfield

IFA
OPPORTUNITY RETURNS

HEALTHCARE

PROJECT TYPE	AMOUNT		NEW JOBS	CONST. JOBS	LOCATION
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	Rockford
Thorek Hospital	4,000,000	1985 Pool Loan.	0	0	Chicago
Thresholds	6,000,000	Conduit Tax Exempt Bonds. Purchase land and buildings, renovate, purchase equipment, fund bond issuance costs.	36	100	Chicago
HEALTHCARE TOTALS:	**$2,438,571,346**		**851**	**4,652**	

IFA
OPPORTUNITY RETURNS

AGRICULTURE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
AquaRanch Industries/Myles Harston	285,000	Construct greenhouse, and related equipment.	0	0	Flanagan
Clayton D. and Ashlyn L. Becker	131,040	Beginning farmer bond loan.	0	0	DeKalb
Eric W. and Dawn M. Beyers	100,000	Beginning farmer bond loan.	0	0	Rosamond
Adam Birchen	219,000	Beginning farmer bond loan.	0	0	Pearl City
Andrew Birchen	219,000	Beginning farmer bond loan.	0	0	Pearl City
Matthew Blum	107,000	Beginning farmer bond loan.	0	0	Polo
Keith Bouillon	500,000	Beginning farmer bond loan.	0	0	Princeville
Karen Bramm	852,500	Participation Loan. Permanent financing for the purchase of 340 acres and refinance bank loan for 545 acres.	0	0	Lyndon
James Lee and Bonnie May Brewer	110,000	Beginning farmer bond loan.	0	0	Bethany
Kevin and Donald Burgener	314,000	Debt restructuring.	0	0	Dundas
Alexander and Trisha Chung	207,900	Beginning farmer bond loan.	0	0	Peru

IFA
OPPORTUNITY RETURNS

AGRICULTURE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
William Clothier	250,000	Beginning farmer bond loan.	0	0	Polo
Philip and Marilyn Dague	186,000	Beginning farmer bond loan.	0	0	Oakland
Jeff Delheimer	250,000	Beginning farmer bond loan.	0	0	Elgin
Ralph and Deborah Diericks	500,000	Loan Guarantee. For specialized livestock.	0	0	Atkinson
Clint and Rebecca Dotterer	78,000	Beginning farmer bond loan.	0	0	Fairbury
Mark and Kelli Dozier	250,000	Beginning farmer bond loan.	0	0	Morrisonville
Marc and Allison Duffy	242,500	Beginning farmer bond loan.	0	0	Pontiac
Larry W. Elridge	250,000	Inducement Resolution.	0	0	Mason City
Jeremiah D. Fleming	165,150	Beginning farmer bond loan.	0	0	Olney
David Gerdes	146,000	Beginning farmer bond loan.	0	0	Bartelso
Ken and Wendy Gerlach	171,000	Beginning farmer bond loan.	0	0	Waggoner

IFA
OPPORTUNITY RETURNS

AGRICULTURE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
Robert and Julia Goddeke	150,000	Beginning farmer bond loan.	0	0	Poplar Grove
Stewart and Beverly Haas	500,000	Refinance existing real estate notes, machinery debt and operating loan carryover.	0	0	Elizabeth
Daniel and Pamela Hish	205,000	Extend existing IFA guaranteed loan.	0	0	Ridgeway
Paul and Pamela Hooks	207,500	Beginning farmer bond loan.	0	0	Mason
Michael and Clarissa Hunt	194,600	Beginning farmer bond loan.	0	0	Galesburg
Joseph L and Lisa K. Kapraun	62,500	Beginning farmer bond loan.	0	0	El Paso
Carl and Lori Kettlekamp	189,000	Inducement Resolution.	0	0	Nokomis
Kyle Kiefer	132,300	Beginning farmer bond loan.	0	0	Belle Rive
Mark and Jennifer Kinneer	210,000	Beginning farmer bond loan.	0	0	Kirkwood
Robb D. Klinger and Benjamin T. Dolan (d/b/a DAK Farms)	485,000,000	Loan Guarantee. Refinance existing term loan.	0	0	Durand

IFA
OPPORTUNITY RETURNS

AGRICULTURE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
Brice and Carol Lawson	300,000	Restructure debt on guaranteed loan.	0	0	Chambersburg
Kevin and Emily Lilienthal	250,000	Inducement Resolution.	0	0	Bloomington
Scott Lucas	137,700	Beginning farmer bond loan.	0	0	Aledo
Matthew and Michelle Merritt	152,000	Beginning farmer bond loan.	0	0	Carthage
Larry and Susan Messer	32,000	Beginning farmer bond loan.	0	0	Goodfield
Michael J. Mizeur	82,000	Beginning farmer bond loan.	0	0	Taylorville
Dana Morris	250,000	Beginning farmer bond loan.	0	0	Farmersville
Brandon Niekamp	108,000	Beginning farmer bond loan.	0	0	Coatsburg
Jason D. Organ	250,000	Beginning farmer bond loan.	0	0	McLeansboro
Michael and Gabriele Oltmann	45,000	Beginning farmer bond loan.	0	0	Nokomis
David and Sharon Ortmann	175,000	Beginning farmer bond loan.	0	0	Germantown

IFA
OPPORTUNITY RETURNS

AGRICULTURE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
Garry M. Pope	250,000	Beginning farmer bond loan.	0	0	Mahomet
Craig Ratermann	132,000	Beginning farmer bond loan.	0	0	Germantown
Darin Ratermann	126,000	Beginning farmer bond loan.	0	0	Germantown
Daniel K. Reed/Pearl Valley Cheese Company, Inc.	390,000	Loan guarantee for buildings, equipment, improvements and working capital.	11	0	Kent
Philip J. and Katherine Richardson	60,000	Beginning farmer bond loan.	0	0	Roberts
Matthew Schertz	60,000	Beginning farmer bond loan.	0	0	El Paso
Paul D. and Lynn R. Schneider	500,000	Refinance existing operating carryover and increase guaranteed loan amount	0	0	Flanagan
Jeff and Dee Dee Seabaugh	500,000	Loan Guarantee. Debt restructuring.	0	0	Walshville
Ronald and Suelleen Shike	$140,000	Beginning farmer bond loan.	0	0	Aledo
Scott Soberg	250,000	Beginning farmer bond loan.	0	0	Chrisman

IFA
OPPORTUNITY RETURNS

AGRICULTURE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
Soylutions, Inc.	715,627	**Participation Loan**. Permanent financing for building construction & installation of a liquid fertilizer tank.	10	10	McLeansboro
Paul G. Steinhilber	33,000	Beginning farmer bond loan.	0	0	Minonk
David and Cindy Stoll	190,000	Refinancing existing machinery notes and operating carryover.	0	0	Chestnut
David Thompson/Thompson Pearl Valley I	325,000	Business expansion	0	0	Kent
Timberline Farm, Inc./Hayen Family	750,000	Loan guarantee. Specialized livestock.	0	0	Milton
Jay & Christina Todd	125,000	Inducement Resolution.	0	0	Thompsonville
David and Katherine Tolley	165,000	Loan Guarantee. For extension of debt restructuring.	0	0	Avon
Matthew R. Trowitch	116,000	Beginning farmer bond loan.	0	0	Fai:bury
C. Todd Urish	250,000	Beginning farmer bond loan.	0	0	Green Valley
Brent and Kyria Vanhoveln	108,000	Beginning farmer bond loan.	0	0	El Paso

IFA
OPPORTUNITY RETURNS

AGRICULTURE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
Phil and Tracy Vock/Oink , Inc.	750,000	Loan guarantee for specialized livestock guarantee	0	0	Morrison
Jared Walter	250,000	Beginning farmer bond loan.	0	0	Forrest
Jordan Walter	250,000	Beginning farmer bond loan.	0	0	Forrest
Chad S. Weaver	50,000	Beginning farmer bond loan.	0	0	Erie
William and Margo Weber	250,000	Beginning farmer bond loan.	0	0	Chadwick
Brent A. West	90,000	Inducement Resolution.	0	0	Taylorville
Allen and Marilyn Weidner	500,000	Debt restructuring loan.	0	0	Marengo
Jessica L. Wernsing	250,000	Beginning farmer bond loan.	0	0	Springfield
Kent Wesson	500,000	Refinance operating loan carryover and existing IFDA guaranteed loan.	0	0	Leland
Chad Wilhour	48,750	Inducement Resolution.	0	0	Altamont
Weston Wilhour	48,750	Inducement Resolution.	0	0	Beecher City

IFA
OPPORTUNITY RETURNS

AGRICULTURE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
Brian A. Wood	250,000	Beginning farmer bond loan.	0	0	Raymond
AGRICULTURE TOTALS:	**$502,589,817**		**21**	**10**	

IFA
OPPORTUNITY RETURNS

ENVIRONMENTAL

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
City of Harvey	650,000	**Conduit Tax-Exempt Bonds.** To construct and install sewers and a lift station.	0	5	Harvey
City of Sparta	6,630,000	**Conduit Tax-Exempt Bonds.** Construct water and sewer infrastructure.	150	0	Sparta
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	Statewide
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	Bourbonnais Township
Village of Norris City **($575,000)**		Water sewer system improvements.	0	0	White County
Village of Williamsville **($440,000)**		Water sewer system improvements.	0	0	Sangamon County

IFA
OPPORTUNITY RETURNS

ENVIRONMENTAL

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
City of Farmington (**$2,125,000)**		Water sewer system improvements.	0	0	Fulton County
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	Chicago
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	Statewide
ENVIRONMENTAL TOTALS:	**$159,820,000**		**180**	**75**	

IFA
OPPORTUNITY RETURNS

VENTURE CAPITAL

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

IFA
OPPORTUNITY RETURNS

QUALITY OF LIFE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
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	Rockford
Autumn Ridge Apartments	$15,000,000	**Multi-family Housing Revenue Bonds.** Purchase and renovation of building.	1	10	Carol Stream
Buena Vista Apartments	$12,700,000	**Multi-family Rental Housing Revenue Bonds.** Acquisition and renovation of existing building, and purchase of equipment.	0	20	Elgin
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	Chicago
Chateau Apartments, LP	$15,000,000	**Multifamily Housing Revenue Bonds.** Purchase and renovation of an existing 210 unit rental property.	1	10	Carol Stream
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	Waukegan

IFA
OPPORTUNITY RETURNS

QUALITY OF LIFE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
Dieters Family Land Company	300,000	**Participation Loan.** Finance construction of a new funeral home.	1	30	East Peoria
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	Robinson
Englewood Cooperative Apartments, Inc.	$6,500,000	**Conduit Tax-Exempt Bonds.** Refinance existing HUD Direct 202 debt, and finance building renovations.	0	15	Chicago
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	Downers Grove and Rockford
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	Chicago
Freeport Area Economic Development Foundation, Inc.	$250,000	**Participation Loan.** Construction of a new Freeport/Stephenson County Visitors Center.	1	15	Freeport
Harvest Christian Academy	$16,250,000	**Conduit Tax Exempt Bonds.** Bond proceeds will be used to finance construction and renovations.	0	0	Elgin & Rolling Meadows

IFA
OPPORTUNITY RETURNS

QUALITY OF LIFE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
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	Hinsdale
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	Chicago
Homeway Homes, Inc.	$300,000	**Participation Loan.** Acquisition of equipment.	56	0	Deer Creek
Huskies Hockey Club, Inc.	13,000,000	**Conduit 501©(3) Bond.** Construction of ice arena in Romeoville.	10	150	Romeoville
Jewish Federation of Metropolitan Chicago	$28,750,000	**Revenue Anticipation Notes.** Cash management savings used to expand services provided to affiliates.	0	0	Chicago
Kane County Senior Living	$14,000,000	**501(c)(3) Revenue Bonds.** Acquisition of land and construction costs.	16	100	Geneva

IFA
OPPORTUNITY RETURNS

QUALITY OF LIFE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
Kankakee County	$29,000,000	**Initial Resolution to Purchase General Obligation Debt Certificates.** Finance new 384-bed prison facility and pay costs of issuance.	0	0	Kankakee
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	Sycamore
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	Glenview
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	Aurora
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	Chicago
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	Chicago

IFA
OPPORTUNITY RETURNS

QUALITY OF LIFE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
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	Statewide
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	Chicago
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	Various
Sterling Park Development	$190,000,000	**Revenue Bonds.** Acqusition, renovation and conversion of three building located in North Lawndale.	0	0	Chicago
Sunshine Through Golf Foundation	$2,800,000	**Conduit Tax-Exempt Bonds.** Refund outstanding indebtedness, and fund bond issuance costs.	2	0	Lemont
Villagebrook Apartments, LP	$13,000,000	Multifamily Housing Revenue Bonds. Purchase and renovation of an existing 189 unit rental property.	1	10	Carol Stream

IFA
OPPORTUNITY RETURNS

QUALITY OF LIFE

PROJECT TYPE	AMOUNT	PURPOSE	NEW JOBS	CONST. JOBS	LOCATION
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	Chicago
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	Various
QUALITY OF LIFE TOTALS:	**$606,735,000**		**1,331**	**1,173**	
GRAND TOTALS:	**$5,048,180,337**		**4,311**	**8,705**	

Illinois Finance Authority
Statement of Activities
For Period Ending February 28, 2005

	Actual February 2005	Budget February 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	22,353	35,000	(12,647)	(36.1%)	209,596	268,000	(58,404)	(21.8%)	
INVESTMENT INTEREST & GAIN(LOSS)	53,370	70,000	(16,630)	(23.8%)	482,657	536,000	(53,343)	(10.0%)	
ADMINISTRATIONS & APPLICATION FEES	80,550	330,000	(249,450)	(75.6%)	3,142,481	2,380,000	762,481	32.0%	
ANNUAL ISSUANCE & LOAN FEES	115,747	140,000	(24,253)	(17.3%)	861,016	1,120,000	(258,984)	(23.1%)	
OTHER INCOME	0	0	0	0.0%	6,955	0	6,955	0.0%	
TOTAL REVENUE	272,020	575,000	(302,980)	(52.7%)	4,702,706	4,304,000	398,706	9.3%	
EXPENSES									
EMPLOYEE RELATED EXPENSES									
COMPENSATION & TAXES	251,950	273,222	(21,272)	(7.8%)	1,672,399	1,937,488	(265,089)	(13.7%)	
BENEFITS	15,548	17,000	(1,452)	(8.5%)	135,103	142,233	(7,130)	(5.0%)	
TEMPORARY HELP	0	7,000	(7,000)	(100.0%)	27,401	74,000	(46,599)	(63.0%)	
EDUCATION & DEVELOPMENT	0	0	0	0.0%	2,074	0	2,074	0.0%	
TRAVEL & AUTO	10,573	4,500	6,073	135.0%	73,723	36,000	37,723	104.8%	
TOTAL EMPLOYEE RELATED EXPENSES	278,071	301,722	(23,651)	(7.8%)	1,910,700	2,189,721	(279,021)	(12.7%)	
PROFESSIONAL SERVICES									
CONSULTING, LEGAL & ADMIN	13,618	35,000	(21,382)	(61.1%)	238,647	269,000	(30,353)	(11.3%)	
LOAN EXPENSE & BANK FEE	1,276	1,500	(224)	(15.0%)	23,498	12,000	11,498	95.8%	
ACCOUNTING & AUDITING	44,448	20,000	24,448	122.2%	151,089	170,000	(18,911)	(11.1%)	Increase due to Audit Expense Accrual
MARKETING GENERAL	6,759	10,000	(3,241)	(32.4%)	93,332	80,000	13,332	16.7%	
FINANCIAL ADVISORY	8,000	12,000	(4,000)	(33.3%)	60,225	96,000	(35,775)	(37.3%)	
VENTURE CAPITAL CONFERENCE/TRAINING	2,357	0	2,357	0.0%	4,312	0	4,312	0.0%	Conferences for Farm programs
MISCELLANEOUS PROFESSIONAL SERVICES	0	1,500	(1,500)	(100.0%)	34,830	12,000	22,830	190.3%	
DATA PROCESSING	3,560	400	3,160	790.1%	29,432	3,200	26,232	819.8%	Maint. Renewal for Great Plains
TOTAL PROFESSIONAL SERVICES	80,017	80,400	(383)	(0.5%)	635,365	642,200	(6,835)	(1.1%)	
OCCUPANCY COSTS									
OFFICE RENT	15,433	16,900	(1,467)	(8.7%)	191,107	219,500	(28,393)	(12.9%)	
EQUIPMENT RENTAL AND PURCHASES	1,330	3,000	(1,670)	(55.7%)	23,226	24,000	(774)	(3.2%)	
TELECOMMUNICATIONS	1,833	1,850	(17)	(0.9%)	28,650	14,800	13,850	93.6%	
UTILITIES	802	1,400	(598)	(42.7%)	7,775	11,200	(3,425)	(30.6%)	
DEPRECIATION	1,537	300	1,237	412.3%	11,252	2,400	8,852	368.8%	Great Plains & New Equip. Purchases
INSURANCE	51	2,000	(1,949)	(97.4%)	9,259	16,000	(6,741)	(42.1%)	
TOTAL OCCUPANCY COSTS	20,986	25,450	(4,464)	(17.5%)	271,268	287,900	(16,632)	(5.8%)	
GENERAL & ADMINISTRATION									
OFFICE SUPPLIES	2,003	3,800	(1,797)	(47.3%)	68,053	30,400	37,653	123.9%	
BOARD MEETING - EXPENSES	227	0	227	0.0%	7,433	0	7,433	0.0%	
PRINTING	0	300	(300)	(100.0%)	3,343	2,400	943	39.3%	
POSTAGE & FREIGHT	766	3,000	(2,234)	(74.5%)	20,189	24,000	(3,811)	(15.9%)	
MEMBERSHIP & DUES	645	2,400	(1,755)	(73.1%)	12,598	19,200	(6,602)	(34.4%)	
PUBLICATIONS	56	300	(244)	(81.3%)	1,342	2,400	(1,058)	(44.1%)	
OFFICERS & DIRECTORS INSURANCE	9,178	14,000	(4,822)	(34.4%)	78,103	95,900	(17,797)	(18.6%)	
BAD DEBT EXPENSE	0	0	0	0.0%	(20,562)	0	(20,562)	0.0%	
MISCELLANEOUS	0	500	(500)	(100.0%)	2,515	4,000	(1,485)	(37.1%)	
TOTAL GENERAL & ADMINISTRATION EXPENSES	12,874	24,300	(11,426)	(47.0%)	173,015	178,300	(5,285)	(3.0%)	
OTHER									
INTEREST EXPENSE	781	850	(69)	(8.1%)	5,980	6,800	(820)	(12.1%)	
TOTAL OTHER	781	850	(69)	(8.1%)	5,980	6,800	(820)	(12.1%)	
TOTAL EXPENSES	392,730	432,722	(39,992)	(9.2%)	2,996,328	3,304,921	(308,593)	(9.3%)	
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	(120,710)	142,278	(262,988)	(184.8%)	1,706,377	999,079	707,298	70.8%	
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	0	0	0	0.0%	(283,790)	0	(283,790)	0.0%	
NET INCOME/(LOSS)	(120,710)	142,278	(262,988)	(184.8%)	1,422,587	999,079	423,508	42.4%	

Illinois Finance Authority
Balance Sheet
for Eight Months Ending February 28, 2005

	January 2005	February 2005	
ASSETS			
CASH & INVESTMENTS, UNRESTRICTED	$ 25,782,307	$ 25,039,899	
RECEIVABLES, NET	11,295,914	14,277,174	(1)
OTHER RECEIVABLES	1,175,573	1,222,903	
PREPAID EXPENSES	27,462	110,975	(2)
TOTAL CURRENT ASSETS	38,281,257	40,650,950	
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	58,603	58,420	
DEFERRED ISSUANCE COSTS	1,071,597	1,071,597	
OTHER ASSETS - RESTRICTED			
CASH, INVESTMENTS & RESERVES	9,881,478	7,478,753	(1)
VENTURE CAPITAL INVESTMENTS	5,393,436	5,393,436	
OTHER	4,000,000	4,000,000	
TOTAL OTHER ASSETS	19,274,914	16,872,189	
TOTAL ASSETS	$ 58,686,371	$ 58,653,157	
LIABILITIES			
CURRENT LIABILITIES	$ 891,442	$ 978,937	
LONG-TERM LIABILITIES	2,221,676	2,221,676	
TOTAL LIABILITIES	3,113,118	3,200,613	
EQUITY			
CONTRIBUTED CAPITAL	23,828,249	23,828,249	
RETAINED EARNINGS	11,246,980	11,246,980	
NET INCOME / (LOSS)	1,543,297	1,422,587	
RESERVED/RESTRICTED FUND BALANCE	6,268,199	6,268,199	
UNRESERVED FUND BALANCE	12,686,528	12,686,528	
TOTAL EQUITY	55,573,254	55,452,544	
TOTAL LIABILITIES & EQUITY	$ 58,686,371	$ 58,653,157	

(1) General Obligation Debt Certificate for $3MM to City of Metropolis Riverfront Development
(2) Renewal of Directors' and Officers' Liabiltiy Insurance

Illinois Finance Authority
Balance Sheet
for Eight Months Ending February 28, 2005
ASSETS DETAIL

	Janaury 2005	February 2005
CASH & INVESTMENTS, UNRESTRICTED:		
GENERAL OPERATING - IFA - CASH & INVESTMENTS, UNRESTRICTED	14,121,265	13,378,857
INDUSTRIAL REVENUE BOND INSURANCE FUND - CASH & INVESTMENTS, UNREST	11,244,222	11,244,222
IRBB SPECIAL RESERVE FUND - CASH & INVESTMENTS, UNRESTRICTED	5,647	5,647
IRBB TRUST FUND - CASH & INVESTMENTS, UNRESTRICTED	411,173	411,173
Total CASH & INVESTMENTS, UNRESTRICTED	25,782,307	25,039,899

	Janaury 2005	February 2005
CASH & INVESTMENTS, UNRESTRICTED:		
LASALLE NATIONAL BANK - OPERATING	63,243	172,357
Illinois Funds - Chicago General Operating	7,505,252	6,630,252
Il. Funds - Springfield Operating	235,867	259,345
PETTY CASH -	100	100
PETTY CASH - CARBONDALE OFFICE	100	100
PETTY CASH - SPRINGFIELD OFFICE	50	150
MONEY MARKET ACCOUNT	-37	-37
MONEY MARKET- MS	53,395	53,395
BANTERRA BANK	190,631	190,631
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	-12,244	-12,244
Discount on FNA	-3,886	-3,886
Premium on FHLB	404	404
Discount on FNM	-1,287	-1,287
Total CASH & INVESTMENTS, UNRESTRICTED	14,121,165	13,378,857

	Janaury 2005	February 2005	
RECEIVABLES, NET			
GENERAL OPERATING - IFA - RECEIVABLES, NET	11,295,914	11,277,174	
CREDIT ENCHANCEMENT DEVELOPMENT - RECEIVABLES	0	600,000	(1)
IRBB SPECIAL RESERVE FUND - RECEIVABLE, NET		2,400,000	(1)
TOTAL RECEIVABLES, NET	11,295,914	14,277,174	

Illinois Finance Authority
Balance Sheet
for Eight Months Ending February 28, 2005
ASSETS DETAIL

	Janaury 2005	February 2005	
OTHER RECEIVABLES			
GENERAL OPERATING - IFA - OTHER RECEIVABLES	1,172,932	1,220,262	
INDUSTRIAL REVENUE BOND INSURANCE FUND - OTHER	2,641	2,641	
TOTAL OTHER RECEIVABLES	1,175,573	1,222,903	

	Janaury 2005	February 2005	
PREPAID EXPENSES			
GENERAL OPERATING - IFA - PREPAID EXPENSES	27,462	110,975	(2)
TOTAL PREPAID EXPENSES	27,462	110,975	

	Janaury 2005	February 2005
OTHER ASSETS - RESTRICTED		
CASH, INVESTMENTS & RESERVES		
GENERAL OPERATING - IFA- CASH INVESTMENTS	5,983,027	5,983,027
CREDIT ENHANCEMENT DEVELOPMENT FUND - CASH, INVESTMENTS & RESERVES	1,412,219	1,409,494
IRBB SPECIAL RESERVE FUND - CASH, INVESTMENTS & RESERVES	2,486,232	86,232
	9,881,478	7,478,753

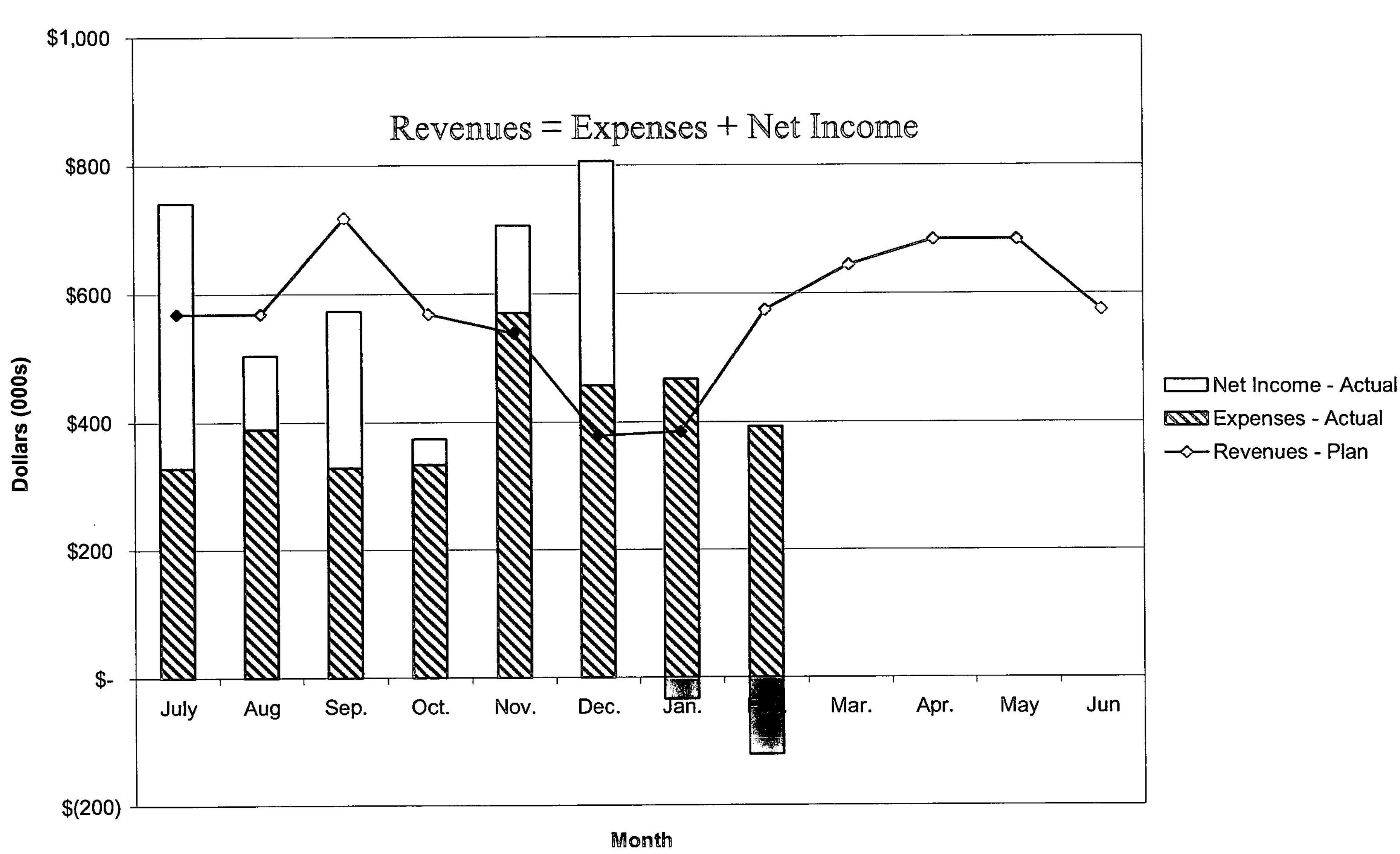
(1) General Obligation Debt Certificate for $3MM to City of Metropolis Riverfront Development

(2) Renewal of Directors' and Officers' Liability Insurance

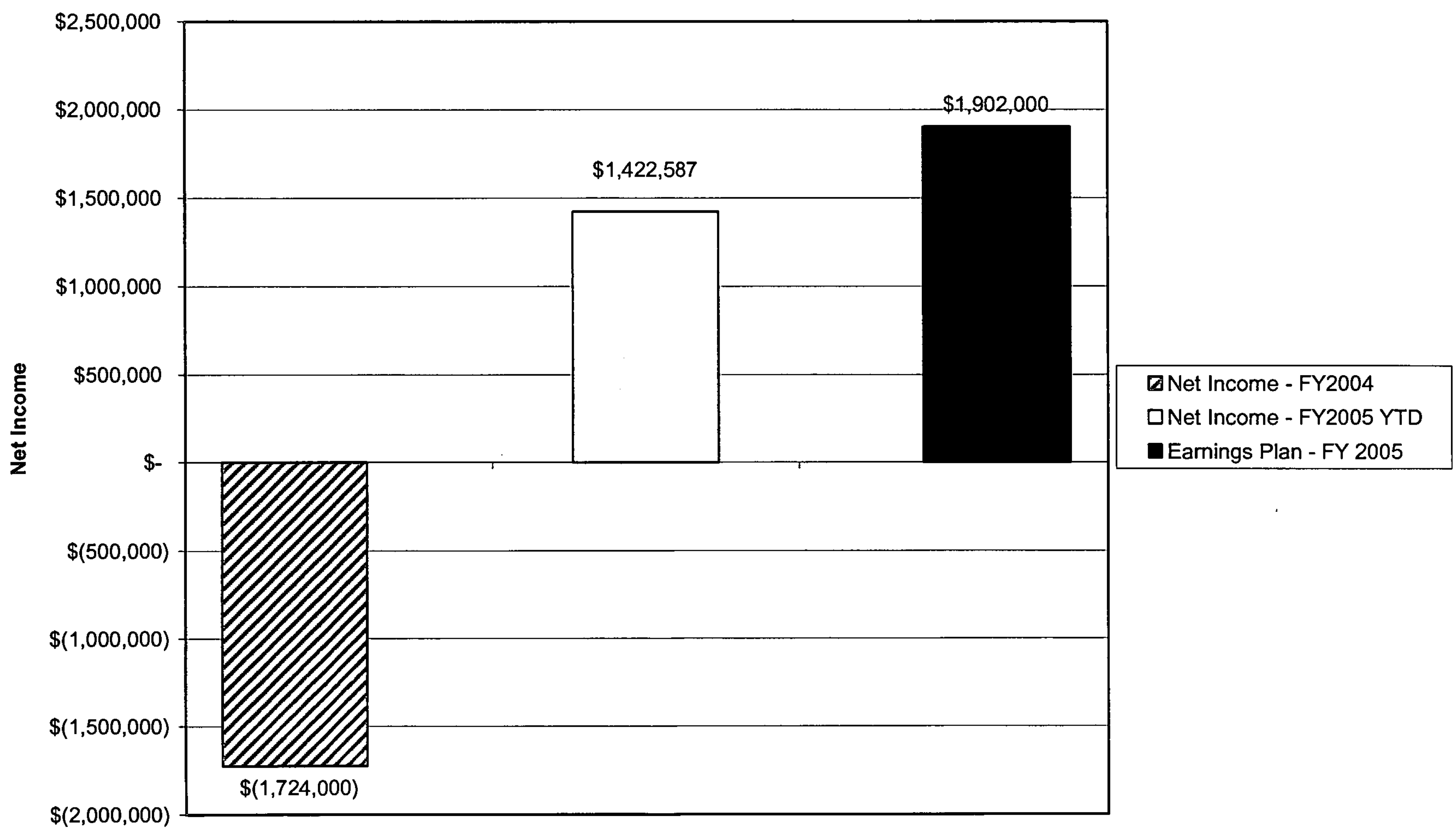
IFA Aging Report - DL-PL-PL/MPF - February 28, 2005

Client#	Client Name	Date of Closing	P.A	Payment 2/28/2005	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							194,424
9830-PL	Arnold, Michael & Sandy	7/15/2003	Senica	Yes	147,406.77							139,171
9677-PL	Berry, Todd (Precision Laser)	11/5/2001	Senica	Yes	188,613.10							154,956
2110-PL	Bob Brady Dodge, Inc. (J & C Investment)	1/4/2000	Senica	Yes	300,000.00							233,848
9757-PL	Brahler, Richard W.	4/30/2002	Senica	No	297,591.78	690						275,849
1943-PL	Bushert, Forrest D.	8/10/1998	Senica	Yes	240,000.00							183,431
1881-PL	Caywood's Youth Center, Inc.	6/16/1998	Pigg	Yes	237,500.00							187,080
9792-PL	Chapman, Marc (Quality Water Services, Ir	10/25/2002	Senica	Yes	227,386.96							163,008
9817-PL	Centurion Investments	11/4/2003	Pigg	Yes	300,000.00							289,463
1940-PL	Commercial Transport	4/28/1998	Pigg	Yes	280,000.00	1,556						153,947
9588-PL	Cushing, Steve & Ed	5/21/2001	Pigg	Yes	149,237.50							101,800
	Deli Star Corporation	1/10/2005	Pigg	Recv'd Not Posted	150,000.00							148,578
9835-PL	Eagle Theater Corporation	9/8/2003	Trout/Albright	Yes	295,070.51	2,304						278,140
9793-PL	Excel Foundry	3/27/2003	Senica	Yes	237,112.35							197,625
1904-PL	Hagel & Leong (2nd loan)	2/8/2002	Senica	Yes	100,817.48							42,137
1844-PL	Hawkeye Food Machinery, Inc.	1/17/1997	Senica	Yes	250,000.00							188,815
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							41,863
9726-PL	Kevin Krosse	2/15/2002	Senica	Yes	114,084.45	990						96,936
9783-PL	Keyser, David (Klean Wash, Inc.)	8/13/2002	Senica	Yes	100,000.00							75,602
1907-PL	Lincoln Tool Company	6/12/1997	Senica	Yes	150,000.00						108,602	108,602
1927-PL	Moerchen, William J.	6/12/1997	Cochran	Yes	300,000.00							115,873
	Newline Harwoods, Inc	11/4/2004	Senica	Yes	294,600.74							285,715
	Octochem	12/31/2003	Cochran	Yes	281,538.00							270,255
9781-PL	S & B Investments	2/18/2003	Cochran/Trout	Yes	197,889.23							179,022
9699-PL	Shults Machine	11/26/2002	Cochran	No	234,693.00	1,490						189,384
9579-PL	Siebenberger, Douglas & Robt. Ewen	5/17/2002	Cochran	Yes	235,698.79							212,368
9225-PL	Siracusa, Charles & Sharon	3/23/2000	Frampton	No	300,000.00	820						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							285,207
9671-PL	Upchurch Oil & Ready Mix Concrete	5/4/2001	Cochran	Yes	300,000.00							210,800
	Uresil	12/1/2004	Curtis-Martin	Yes	300,000.00							296,402
9631-PL	The Weisiger Family Trust	4/6/2001	Senica	Yes	250,000.00							225,749
2164-PL	Wiegand, Beth A.	6/10/1999	Senica	Yes	183,484.09							148,235
9782-PL	Wilson, Michael L. Sr.	12/6/2002	Senica	Past due	296,031.82	2,439	2,439	2,439				284,229
	WorkSaver Inc	12/31/2003	Cochran	Yes	112,500.00							89,074
9672-PL	Young, Clinton (Precision Pattern)	8/1/2001	Senica	No	149,600.71	550						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	Yes	49,269.97	1,500						3,270
	TOTAL				$ 8,924,973.89	12,339	2,439	2,439	-	-	553,257	6,897,912
PL/MPF Late amounts are estimates.												
DL Loans												
98	Roe Machine Co.	12/31/1980	Cochran	Yes	45,000.00							6,329
1470	T.K.G. Inc.	8/26/1994	Cochran	Past due	179,000.00						107,808	107,808
	TOTAL				$ 224,000.00	-	-	-	-	-	107,808	114,136
FMHA Loans												
9627	Grayson Hill Energy, LLC	1/31/2001	Cochran	Recv'd Not Posted	130,000.00							87,766
1589	Ray's Body, Inc.	1/17/1995	Cochran	Recv'd Not Posted	100,000.00							2,455
1952	Sublette Developers, Inc.	1/15/1998	Albright	Recv'd Not Posted	150,000.00							113,072
9643	Ultra Play Systems, Inc.	5/3/2001	Cochran	Recv'd Not Posted	90,000.00	1,314						50,135
1789	Walters Trucking	6/25/1996	Senica	Recv'd Not Posted	100,000.00	1,110	1,110					22,209
	TOTAL				$570,000.00	2,424	1,110	-	-	-	-	275,637
	GRAND TOTAL					14,763	3,549	2,439	-	-	681,084	7,287,685

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 its regularly scheduled meeting at 1:30 p.m., on February 8, 2005 in the Plaza Club at 130 E. Randolph, 40th Floor, in Chicago, Illinois.

MEMBERS PRESENT:
Natalia Delgado (*arrived 2:00 P.M, departs 2:15P.M.*)
Michael Goetz
David Gustman
Dr. Roger Herrin
Edward Leonard
Terrence O'Brien (*arrived 2:00 P.M.*)
Timothy Ozark
Andrew Rice
Joseph Valenti

MEMBERS ABSENT:
Martin Nesbitt
Demetris Giannoulias

GENERAL BUSINESS ITEMS

Call to Order

Chairman Gustman called the meeting to order at 1:48, with the above members present.

Roll Call

Chairman Gustman asked Secretary Pisarcik to call the roll. There being only seven members present, a quorum was not declared, but the Members proceeded to discuss matters that would not require official action.

Director's Report

Director Ata thanked all of the borrowers and service providers who worked with the IFA during 2004. The IFA Board approved over 207 projects worth $3.3 billion across all of our market segments. Director Ata pointed out that this made the IFA one of the top issuers in the nation in both number of projects and the dollar amount.

The Director also announced that the IFA was working with Peabody Coal to explore financing their $2.5 billion project in Southern Illinois which is expected to create 450 permanent jobs and 1,500 construction jobs.

Mr. O'Brien and Ms. Delgado arrive, at the times noted above, and are added to the roll. Chairman Gustman then declared a quorum.

Item 1 – Adoption of December 2004 Minutes; Acceptance of December 2004 and January 2005 Financial Statements

Upon a motion by Dr. Herrin and seconded by Mr. Goetz, Chairman Gustman requested a roll call vote. The motion was approved with 9 ayes, 0 nays, and 0 abstentions/present. (05-02-01)

RESOLUTIONS

Resolution 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).

Resolution 2005-2 – Approving Modified Participation Loan Program Policies and Procedures for the Illinois Finance Authority.

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.

<u>Resolution 2005-4</u> – Resolution Amending the Fee Schedule of Illinois Finance Authority.

The Chairman requested leave to apply the last unanimous vote to each Resolution. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-02-22).

Delgado leaves at the time noted above.

Initial Project Considerations

Item-03 ***<u>I-ID-TX-CD-501: Poplar Creek Developers, LLC</u>***

Poplar Creek Developers requests initial approval of not-to-exceed **$10 million** in conduit Taxable Industrial Revenue Bonds for its Poplar Creek Med-Surgical Center Project to be located in **Hoffman Estates**. The project will generate **25** new jobs.

Upon a motion by Mr. Leonard and seconded by Mr. Goetz, Chairman Gustman requested a roll call vote. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present. (05-02-03)

Item-04 ***<u>H-HO-TE-CD-501: Mercy Alliance, Inc., Obligated Group</u>***

Mercy Alliance, Inc. Obligated Group is seeking a preliminary bond resolution in an amount not to exceed **$35 million** in conduit tax-exempt revenue bonds 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. The projects will be located in **various communities in McHenry, Lake and Cook Counties**. These projects are expected to create **200 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 (05-02-04).

Item-05 ***<u>N-NP-TE-CD-502: YMCA of Southwest Illinois</u>***

The **YMCA of Southwest Illinois,** with locations in **Belleville, Monroe** and **O'Fallon**, is seeking a preliminary bond resolution in the not-to-exceed amount of **$11 million**. Bond proceeds will be used to refund two outstanding bond issues and construct two new facilities. The funding will be conduit, tax-exempt not-for-profit bonds. This project will create **158 new jobs** and **110 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 (05-02-05).

Item-06 ***<u>I-ID-TE-CD-502: NSR Technologies, Inc.</u>***

NSR Technologies of Decatur requests a preliminary bond resolution in the not-to-exceed amount of **$8.5 million** in conduit tax-exempt bonds for construction and acquisition of facilities and equipment, as well as payment of certain bond issuance costs. The Borrower is also requesting an allocation of not-to-exceed **$8.5 million of the Authority's 2005 Volume Cap**. This project is expected to create **44** 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 (05-02-06).

Item-07 ***<u>I-ID-TE-CD-421: Midwest Investments, LLC (Midwest Molding, Inc.)</u>***

Midwest Investments LLC, located in Bartlett, requests a preliminary bond resolution in an amount not-to-exceed **$8 million** in the form of conduit tax-exempt industrial development bonds. Midwest Investments plans to construct and equip a facility for the manufacture of plastic injection molding components for the automotive industry. The Borrower is also requesting an allocation of not-to-exceed **$8 million of the Authority's 2005 Volume Cap**. This project expected to create **61** new jobs and **30** 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 (05-02-07).

Item-8 ***<u>A-FB-TE-CD-501: Michael Neff</u>***
<u>A-FB-TE-CD-502: Jared VanBlaricum</u>
<u>A-FB-TE-CD-503: Kenneth W. Tate</u>
<u>A-FB-TE-CD-504: Jason Pitcher</u>
<u>A-FB-TE-CD-505: Matthew David Sandidge</u>
<u>A-FB-TE-CD-506: Cory Miller</u>

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

Michael Neff	**$147,000**	**Virden**
Jared VanBlaricum	**$ 37,000**	**Noble**
Kenneth W. Tate	**$162,000**	**Waverly**
Jason Pitcher	**$ 32,000**	**Montrose**
Matthew David Sandidge	**$194,000**	**Chandlerville**

Cory Miller	**$27,000**	**Danvers**

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 (05-02-08).

Final Project Considerations

Item-09 ***N-NP-TE-CD-501: Music and Dance Theater Chicago, Inc. (Joan W. and Irving B. Harris Theater for Music and Dance Project)***

The Music and Dance Theater Chicago, Inc. seeks a final bond resolution for **$20 million** in conduit, tax-exempt 501(c)(3) Refunding Revenue Bonds to refinance existing debt.

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 (05-02-09).

Item-10 ***B-LL-TX-425: Spaulding Composites, Inc.***

Spaulding Composites, located in **DeKalb**, requests final approval of a participation loan in an amount not-to-exceed **$625,000** for the acquisition of equipment, with its DeKalb facility serving as collateral. This project expects to create **5 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 (05-02-10).

Item-11 ***M-MH-TE-CD-409: Autumn Ridge Apartments Limited Partnership (Autumn Ridge Apartments Project)***

Autumn Ridge Apartments L.P., located in Carol Stream, requests final approval of not-to-exceed **$15 million** in tax-exempt conduit Multifamily Housing Revenue Bonds for the purchase and renovation of an existing multifamily rental property. The Borrower is also requesting an allocation of not-to-exceed **$15 million of the Authority's 2003 and/or 2004 Carryforward Volume Cap**. This project carries an extraordinary condition for approval, relating to the Subordinate Series 2005B Bonds. This project expects to create **1 new job** and **9 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 (05-02-11).

Item-12 ***P-PO-TE-CD-501: Commonwealth Edison Company***

Commonwealth Edison Company, with respect to it power plants located in Braidwood, Byron and Marseilles, requests final approval of not-to-exceed **$91 million** in tax-exempt conduit Pollution Control Revenue Refunding Bonds to reissue its Series 1994D bonds to extend the final maturity date and revise terms of bond documents to allow issuance of bonds in Auction Rate Mode.

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 (05-02-12).

Item-13 ***E-PC-TE-CD-501: DePaul University (DePaul University)***

DePaul University, located in **Chicago**, requests final approval of not-to-exceed **$150 million** in tax-exempt conduit 501(c)(3) Revenue Bonds to refund or advance refund its Series 1992 and 1997 Bonds.

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 (05-02-13).

Item-14 ***B-LL-TX-421: Soylutions, Inc.***

Soylutions, located in **McLeansboro**, requests final approval of a participation loan in an amount not-to-exceed **$715,627.50** subject to it satisfying all conditions of the bank loan. Financing will be used for building construction as well as the purchase and installation of a fertilizer tank. This project is expected to create **10** 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 (05-02-14).

Item-15 ***B-LL-TX-423: Karen Bramm***

Karen Bramm, of **Lyndon**, requests final approval of a participation loan in an amount not-to-exceed **$852,500,** subject to satisfying all conditions of the bank loan, for the purchase of farm land and refinancing.

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 (05-02-15).

Item-16 ***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 final 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 (05-02-16).

Item-17 ***B-LL-TX-424: Perkins and Perkins Limited Partnership***

Perkins and Perkins LP, located in **Peoria**, requests final approval of a participation loan in an amount not-to-exceed **$185,000** for the purchase of a building and land. Approval is subject to the Borrower's ability to satisfy all bank covenants.

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 (05-02-17).

Item-18 ***N-NP-TE-CD-421: Kane County Senior Living***

Kane County Senior Living, located in Geneva, requests final approval of tax-exempt conduit 501(c)(3) Revenue Bonds in an amount not-to-exceed **$14 million** to construct and equip a new senior living facility. 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 (05-02-18).

Item-19 ***L-GO-LL-TX-501: City of Metropolis***

The City of Metropolis requests final approval for the purchase by the Authority from its own funds of General Obligation (Limited Tax) Debt Certificates in an amount not-to-exceed **$3 million** to finance capital improvements and reimburse the General Fund. Approval is subject to an intercept pledge of City tax receipts being in place.

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 (05-02-19).

Item-20 ***Pooled Tax Anticipation Warrant Program for Illinois School Districts***
LG-LG-TE-CD-502: Batavia Unit School District 101
LG-LG-TE-CD-503: Community Unit School District 300
LG-LG-TE-CD-504: Grand Ridge Community Consolidated School District 95
LG-LG-TE-CD-505: Nippersink School District 2

The following school districts seek final approval for a **Pooled Tax Anticipation Warrant: Batavia Unit School District 101, Carpentersville Community Unit School District 300, Grand Ridge Community Consolidated School District 95 and Nippersink School District 2, and any subsequent, qualified school district borrowers,** in an amount not-to-exceed **$30 million.**

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 (05-02-20).

Item 21 ***Short-Term Emergency Loan Program for School Districts***
L-GO-LL-TX-506: Batavia Unit School District 101
L-GO-LL-TX-507: Grand Ridge Community Consolidated School District 95

Director Ata reported to the Members that pursuant to Resolution 2004-24, which authorized the use of up to $5 million in IFA funds to make short term loans to units of local government, the IFA has made two such loans. The loans were to **Batavia United School District 101** for **$4 million** and **Grand Ridge Community Consolidated School District 95** for **$200,000**. Director Ata requested the Members' ratification of the same.

Upon a motion by Dr. Herrin, seconded by Mr. Goetz, the Chairman requested leave to apply the last unanimous ratify the above. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-02-21).

Project Revisions/Amendatory Resolutions

Item-22 <u>**Demar, Inc.**</u>

Demar, Inc., located in Lombard, requests the Authority's approval of a new letter of credit provider and remarketing agent for the IDFA Variable Rate Demand Industrial Development Revenue Bonds, Series 2000A, issued in the original aggregate principal amount of $3,950,000, and authorizing the execution of such documents necessary to effectuate the same.

<u>**Knead Dough Baking Company**</u>

Knead Dough Baking Company, located in Bollingbrook, requests the Authority's approval for a maturity extension in connection with the IDFA Industrial Development Revenue Bonds, Series 1994, issued in the original aggregate principal amount of $9,500,000, and authorizing the execution of such documents necessary to effectuate the same.

<u>**Community Health Finances Fund, Inc.**</u>

Community Health Facilities Fund, Inc. requests that the Authority waive the obligation contained in the Community Provider Pooled Loan Program requiring Community Health Facilities Fund to procure Directors' and Officers' liability insurance for the Authority relative to the Program.

The Chairman requested leave to apply the last unanimous vote to each resolution. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-02-22).

There being no further business, Chairman Gustman adjourned the meeting at approximately 2:35 P.M.

Respectfully Submitted,

Michael R. Pisarcik, Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Pam Lenane and Dana Sodikoff

Date: March 8, 2005

Re: Overview Memo for Life Care Retirement Communities, Inc. (Beacon Hill)

- **Borrower/Project Name:** Life Care Retirement Communities, Inc. (Beacon Hill)

- **Locations:** Lombard, Illinois. Beacon Hill is owned by Life Care Retirement Communities ("LCRC"), based in Des Moines, Iowa. LCRC owns a total of 9 senior living communities – 5 in Florida, 1 in Illinois, 1 in Kansas, 1 in Minnesota and 1 in Pennsylvania. Each is an unincorporated division, and there is no cross-collateralization.

- **Principal Project Contact:** Larry Smith, CFO of LCRC

- **Board Action Requested:** Purchase Contract and Preliminary Bond Resolution

- **Amount:** not to exceed $15,000,000, comprised of:
  Refunding: $14,000,000 to refinance existing debt.
  New Money: Maximum of $1,000,000 for capital expenditures.

- **Project Type:** Not-for-profit bond

- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:** convey tax-exempt status
  - **Refunding Bonds:** the underwriter estimates debt service savings of approximately $104,000 per year, which is approximately $1,768,000 over the remaining 17 years that the bonds will be outstanding. The net present value savings is estimated to be $1.1 million.

- **IFA Fees:**
  - One-time, upfront closing fee will be $60,000 (plus $1,000 application fee)

- **Structure/Ratings:**
  - **Structure**- The plan of finance contemplates the issuance of fixed rate serials bonds and 5-Year EXTRAS
  - **Ratings** – Non-rated
  - **Bondholder Security** – Mortgage, payments required under the Loan Agreement, Debt Service Reserve Fund

- **Days cash on hand** – 151 as of 12/31/2003. Unrestricted cash as of 12/31/2004 is $7.66 million.

- **Recommendation:** Staff Recommends approval, subject to the Borrower complying with the conditions of the IFA policy for a waiver for non-rated debt.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 8, 2005

Project: Life Care Retirement Communities, Inc. (Beacon Hill)

STATISTICS

Project Number:	H-SL-RE-TE-CD-520	Amount:	$15,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff :	Pam Lenane and Dana Sodikoff
Locations:	Lombard	Estimated fee:	$60,000

BOARD ACTION

Preliminary and
Purchase Contract Resolution
Conduit 501(c)(3) Bonds
No IFA funds at risk

Staff recommends approval
subject to compliance with IFA
policy requirement for non-rated debt

PURPOSE

Proceeds will be used to: 1) refinance existing IHFA series 1997A bonds, 2) fund approximately $300,000 of new money projects, 3) capitalize a debt service reserve fund and 4) pay costs of issuance.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$15,000,000	Uses:	Refunding of '97 bonds	$11,600,000
				New Money Projects	1,000,000
				Debt Service Reserve Fnd	1,075,250
				Issuance Costs	475,000
				Cushion	849,750
	Total	$15,000,000		Total	$15,000,000

JOBS

Current employment: 203.51 FTE's (ave for Dec 2004)
Jobs retained: 203.51

Projected new jobs: N/A
Construction jobs: N/A

BUSINESS SUMMARY

Background: Beacon Hill is a continuing care retirement community on a 20-acre campus in Lombard, Illinois. The community is located on Finley Road, south of 22nd street and immediately north of Downers Grove. Beacon Hill is near shopping centers, professional offices, places of worship and other amenities. The first phase of construction was completed in 1984. The community currently consists of 397 living units and 108 nursing beds, for a total of 505 units/beds. The community includes many common areas for the enjoyment of the residents, such as dining and meeting areas, lounges, a library, game rooms, convocation centers, administrative offices, fitness center, swimming pool, heated parking garage, laundry facilities, guest apartments, beauty/barber shop, art studio, crafts and woodworking areas, pantry and banking facilities, outdoor areas for gardening, and walking paths. The types of living units available include apartments in four and seven story buildings connected by a skywalk. Beacon Hill is a division of Life Care Retirement Communities, Inc. ("LCRC"), as described below.

Occupancy

As shown below, Beacon Hill has had strong occupancy rates during the past 3 years.

	Average Occupancy During the Year:		
	2002	**2003**	**2004**
Living Units	97.6%	96.0%	94.4%
Nursing Units	87.3%	86.6%	92.4%

Life Care Retirement Communities

LCRC is an Iowa nonprofit corporation organized in 1976 for the purpose of owning and operating life care retirement communities in several locations in the United States. LCRC is based in Des Moines, Iowa. The Corporation seeks to provide the elderly with quality retirement living in a soundly-financed facility which offers the advantages associated with multiple project sponsorship and operation. The communities owned by LCRC are listed below:

Community	**Location**	**Total # of Units/Beds**
Abbey Delray	Delray Beach, FL	472
Abbey Delray South	Delray Beach, FL	378
Beacon Hill	Lombard, IL	505
Claridge Court	Prairie Village, KS	170
Friendship Village of Bloomington	Bloomington, MN	417
Friendship Village of South Hills	Upper St. Clair, PA	400
Harbour's Edge	Delray Beach, FL	322
The Waterford	Juno Beach, FL	348
Village on the Green	Longwood, FL	305
TOTAL		**3,317**

For financing purposes, each community is set up as a separate entity. The credit of Beacon Hill is the only credit that secures the Series 2005 Bonds. There is not cross-collateralization with the other communities and LCRC will not provide a guaranty on the debt.

LCRC has set up a Common Reserve Fund as an additional means of offering financial soundness to its communities. Each community contributes funds to the Common

Reserve Fund and owns a proportionate share of the fund. The participating communities can borrow funds from the Common Reserve if needed, in an amount that exceeds the respective community's share of the fund. As of December 31, 2004, Beacon Hill's share of the Common Reserve Fund, including accrued interest, was $2,724,350.

Key Personnel

Operations and other financial matters, particularly capital planning and financings, are overseen by LCRC. Listed below are the key LCRC employees involved in the Beacon Hill financing.

- John Kaduce, President, CEO and Director. Mr. Kaduce has been with LCRC since 1987. Mr. Kaduce has been instrumental in building this strong system of well-performing senior living communities. He has piloted the system through many financings and refinancings over the years. He is active in the senior living industry on a national basis and previously served as a Commissioner on the Continuing Care Accreditation Commission.

- Larry Smith, CPA, Vice President, Chief Financial Officer and Treasurer. Mr. Smith joined LCRC in 2002. He has previously served as Controller and Vice President of Finance for several large corporations. Mr. Smith is a sophisticated finance professional who has taken LCRC to the next level in terms of capital planning and complex financial structures.

- Sydney Coder, Director of Finance and Accounting. Ms. Coder has been with LCRC since 1996. For 13 years prior to joining LCRC, she served in various accounting positions within the healthcare industry. Ms. Coder plays a key role in bringing LCRC financings to market. She also focuses on financial reporting to bond investors and others after the issues have closed.

Manager

The community is currently managed by Life Care Services ("LCS"), a for-profit developer and manager of senior living communities. LCS is not affiliated with LCRC. In the coming years, pursuant to a transition plan, LCRC will take over management of the community. This transition will likely take place within a 5 year period. After such transition LCS will continue to provide services to Beacon Hill in the areas of marketing and information technology.

Refunding Details

Using conservative interest rates, the refunding is estimated to generate debt service savings of approximately $104,000 per year, which is approximately $1,768,000 over the remaining 17 years that the bonds will be outstanding. The net present value savings is estimated to be $1.1 million, which is 9.5% of the par amount to be refunded.

Financials: **Beacon Hill**
Audited Financial Statements for 2001, 2002 & 2003*.

	Year Ended December 31		
	2001	2002	2003
		(Dollars in 000's)	
Statement of Revenues & Expenses:			
Revenue/Support (excl. int earns)	$12,242	$12,308	$12,929
Operating Income**	(2,170)	(2,979)	(2,206)
Change in Net Assets	(309)	(136)	646
Earnings Before Interest, Depreciation and Amortization	2,807	3,284	4,015
Balance sheet:			
Current Assets	$6,113	$7,750	$7,512
PP&E – Net	27,457	26,548	25,870
Other Assets	4,404	4,086	3,862
Total Assets	37,974	38,384	37,244
Current Liabilities	$3,166	3,147	2,758
Long-term Debt	19,983	19,400	18,835
Other Non-Current Liab.	38,730	39,878	39,046
Net Assets	(23,905)	(24,041)	(23,395)
Total Liabilities & Net Assets	37,974	38,384	37,244
Ratios			
Debt Service Coverage	2.23x	2.37x	2.42x
Days Cash	109	153	151
Current ratio	1.93	2.46	2.72
Debt to Net Assets	(0.94)	(0.81)	(0.81)

* Beacon Hill will have unaudited December numbers available in the week of February 28th. However, these numbers will be subject to audit adjustment.

** Operating Income is defined as revenue from independent living unit service fees and health care fees less all expenses including interest, depreciation and amortization. Revenue excludes interest income and amortization of entrance fees.

*** Negative net assets reflected on the balance sheet should not be of concern because most historic losses can be attributed to depreciation and amortization of entrance fees.

Discussion: Beacon Hill has generated ample cash flows to cover operating expenses and capital expenditures. The refunding is estimated to decrease interest expense by $160,000-$180,000 in each of the first six fiscal years following the issuance of the Series 2005 Bonds. Ongoing losses have been relatively small. Debt service coverage is very strong, particularly as compared to other non-rated retirement communities. The organization's liquidity appears adequate and its leverage appears manageable.

FINANCING SUMMARY

Security: Mortgage, payments required under the Loan Agreement, Debt Service Reserve Fund. Covenants and other legal provisions are expected to be consistent with those in use for similar financings

Structure: The Series 2005 financing will be structured as one series of fixed rate bonds and one series of 5-Year EXTRAS. This is an unenhanced and unrated issue.

Maturity: 17 years

Interest Savings: To be determined upon bond pricing. Estimated to be $104,000 per year, $1,095,060 on a net present value basis.

Waiver: The bonds will be sold in denominations less than $100,000 (i.e. $1,000, $5,000). The Borrower has requested a waiver of our unrated and non-credit enhanced debt policy. They have met the conditions for a waiver, which they qualify for:

Conditions for a Waiver

- The bonds are being issued to refund bonds of the Authority, or a Predecessor Authority, and will result in cost savings; and
- The Borrower is not currently in default on any bonds and has not missed a payment date relative to any such bonds in the immediately preceding three years.

ECONOMIC DISCLOSURE STATEMENT

Project name:	Beacon Hill, a division of Life Care Retirement Communities, Inc. Project Location: 2400 S. Finley Road, Lombard, Illinois
Applicant:	Life Care Retirement Communities, Inc.
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Beacon Hill is located in Illinois. Life Care Retirement Communities is an Iowa nonprofit corporation headquartered in Des Moines.
Board of Trustees:	The board members reside in the following states: Four in the Des Moines, Iowa area, one in California, one in Illinois, one in Pennsylvania and two in Minnesota.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Dickinson, Mackaman, Tyler & Hagen	Des Moines	Arthur Owens
Accountant:	Ernst & Young	Des Moines	Lynn Walz
Bond Counsel:	Jones Day	Chicago	John Bibby
Underwriter:	Ziegler Capital Markets Group	Chicago	Dan Hermann, Jennifer Lavelle
Underwriter's Counsel:	Katten Muchin Zavis Rosenman	Chicago	Janet Hoffman
Bond Trustee:	Wachovia Bank, NA	Miami	Daryl Mergenthal
Issuer's Counsel:	Sanchez & Daniels	Chicago	Manny Sanchez John Cummins

LEGISLATIVE DISTRICTS

Congressional: 6- Judy Biggert
State Senate: 23- Ray Soden
State House: 46- Lee A. Daniels

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Pam Lenane and Dana Sodikoff

Date: March 8, 2004

Re: Overview Memo for Friendship Village of Schaumburg

- **Borrower/Project Name**: Friendship Village of Schaumburg
- **Locations:** Schaumburg
- **Principal Project Contact**: Mike Flynn, CFO
- **Board Action Requested**: Preliminary Bond Resolution
- **Amount**: not to exceed $130,000,000 comprised of:
  Refunding: $38,000,000 to refinance existing debt.
  New Money: $91,500,000 for the construction and/or equipping of residential living apartments
  Cost of Issuance: $500,000
- **Project Type**: Not-for-profit bond
- **IFA Benefits**:
  - Conduit Tax-Exempt Bonds – no direct IFA or State funds at risk
  - New Money Bonds- convey tax-exempt status
  - Refunding Bonds: the underwriter will calculate the savings for the final resolution
- **IFA Fees**:
  - One-time, upfront closing fee will be $138,000 (plus $1,000 application fee)
- **Structure/Ratings**:
  - Structure- The plan of finance contemplates the issuance of non-rated fixed rate bonds and variable rate bonds secured by a letter of credit from LaSalle Bank
  - Ratings – Non-rated
  - Bank Security – Gross revenue pledge, mortgage and master notes under a master indenture.
  - Days cash on hand – 172 days
- **Recommendation**: Staff recommends approval, subject to the Borrower complying with the conditions of the IFA policy for a waiver for non-rated debt.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 8, 2005

Project: Friendship Village of Schaumburg

STATISTICS

Project Number:	H-SL-RE-TE-CD-521	Amount:	$130,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pam Lenane and Dana Sodikoff
Locations:	Schaumburg	Estimated fee:	$138,000

BOARD ACTION

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

Staff recommends approval, subject to compliance with IFA policy requirements for non-rated debt

PURPOSE

Proceeds will be used to: 1) refinance existing IFA (IFHA) indebtedness, Series 1994, Series 1997A, and Series 1997B bonds; 2) enhance liquidity; 3) capitalize a debt service reserve fund,; 4.) construction of new residential independent living apartment units; and 5) pay costs of issuance.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$130,000,000	Uses:	Refunding	$ 38,000,000
				New Money	$ 91,500,000
				Issuance Costs	$ 500,000
	Total	$130,000,000		Total	$130,000,000

JOBS

Current employment: TBD
Jobs retained: TBD

Projected new jobs: TBD
Construction jobs: TBD

BUSINESS SUMMARY

Overview of the Borrower:
Evangelical Retirement Homes of Greater Chicago, Inc. d/b/a Friendship Village of Schaumburg ("FVS" or the "Borrower") was organized in 1974 by a group of Christian ministers and business people. FVS is a continuing care retirement community that first opened its doors to the elderly in 1977. In subsequent years the campus has undergone a variety of expansion and renovation projects. FVS is located on 55 wooded acres in Schaumburg, Illinois (approximately 30 miles northwest of Chicago). The campus backs up to suburban residential neighborhoods. Walking paths are available to the Schaumburg post office and library. The Woodfield shopping

mall, doctors' offices, hospitals and cultural activities are all within a ten-minute drive from the campus. FVS buses and public transportation are available for residents to most destinations. The main building is a three story brick complex. FVS is in the process of expanding its senior living campus, as described herein.

The mission statement of FVS is as follows: *"Founded in the Christian Tradition, Friendship Village of Schaumburg serves older adults by nurturing its community of people through exemplary services and accommodations that enhance the wholeness of life."*

The chart below shows the current and planned future unit mix:

	ILU Garden Homes	*ILU Apartments*	*ALUs*	*Nursing Beds*	*TOTAL*
Bridgegate ILUs		479			479
The Willows Assisted Living			98		98
Briarwood Health Care Center				250	250
Crosswell Trace (began occupancy in January 2004)	28				28
Total – Before New Project	28	479	98	250	855
Bridgewater Place – 2005 project		170			170
Total – After New Project	28	649	98	250	1,025

In addition to these residential options, FVS offers adult day services and home health care. Common areas are abundant and include dining rooms, meeting rooms, an auditorium, a library, a bank, a hair salon, a health clinic, a gift shop, a convenience store and parking, among others.

FVS is governed by a Board of Directors composed of distinguished business, healthcare and other professionals from the community. Both the President/CEO and the CFO have been in place at FVS since 1997.

FVS is the first CCRC in Illinois to be accredited by the Continuing Care Accreditation Commission ("CCAC"). In addition, FVS is a member of the American Association of Homes and Services for the Again, Life Services Network of Illinois, and the Northwest Suburban Association of Commerce and Industry.

Financials: **Evangelical Retirement Homes of Greater Chicago, Inc. d/b/a Friendship Village**
Audited Financial statements for 2002, 2003 & 2004.

	Year Ended March 31 2002	2003	2004
		(Dollars in 000's)	
Statement of Revenues & Expenses:			
Revenue/Support (excl. int earns)	$26,027	$26,491	$29,828
Operating Income	(1,228)	(1,947)	(794)
Change in Net Assets	(1,090)	(1,485)	23
Earnings Before Interest, Depreciation and Amortization	3,307	3,566	3,781

Balance sheet:			
Current Assets	$7,918	$10,861	$12,038
PP&E – Net	41,952	46,719	51,797
Other Assets	23,530	14,893	13,135
Total Assets	73,400	72,473	76,970
Current Liabilities	$5,399	5,472	6,774
Long-term Debt	38,898	37,716	36,253
Other Non-Current Liab.	37,627	39,294	43,929
Net Assets	(8,524)	(10,009)	(9,986)
Total Liabilities & Net Assets	73,400	72,473	76,970
Ratios			
Debt Service Coverage	1.65x	1.91x	3.16x
Days Cash	173.99	199.02	172.22

PROJECT SUMMARY

The Series 2005 Bonds will be used to finance development of Bridgewater Place, a 170-unit, six-story independent living building (the "Project"). The Project will consist of one-bedroom and two-bedroom apartments with balconies, and many common areas, including a fitness and aquatic center, gardens, meeting rooms, beauty salon, barber shop, gift shop, spas, a sports bar and a café. The services provided to residents are typical of a modern CCRC and include all utilities, housekeeping, landscaping, valet parking, security, social programs, and many others.

FINANCING SUMMARY

Structure: The Series 2005A bonds will be variable rate demand bonds that will be secured by a Direct pay letter of credit from LaSalle Bank. The Sereies 2005B bonds will be non-rated fixed rate serial and term bonds.

Bank Security: Gross revenue pledge, mortgage and master notes under a master indenture. Covenants and other legal provisions are expected to be consistent with those in use for similar financings

Maturity: 30 years

Interest Savings: To be determined.

Waiver: The bonds will be sold in denominations less than $100,000 (i.e. $1,000, $5,000). The Borrower has requested a waiver or our unrated and non-credit enhanced debt policy. They have met the conditions for a waiver, which they qualify for:

Conditions for Waiver:

- The Borrower has secured a published feasibility from an independent and qualified accouting or consulting firm acceptable to the Authority that supports the financial viability of the Project;or
- The bonds are being issued to refund bonds of the Authority , or a Predecessor Authority, and will result in cost savings; and
- The Borrower is not currently in default on any bonds and has not missed a payment date relative to any such bonds in the immediately preceding three years.

ECONOMIC DISCLOSURE STATEMENT

Project name:	Friendship Village of Schaumburg Home Office: 350 West Schaumburg Road, Schaumburg, Illinois	
Applicant:	Evangelical Retirement Homes of Greater Chicago	
Organization:	501(c)(3) Not-for-Profit Corporation	
State:	Illinois	
Board of Directors:	Gary C. Clark, Chair	Thomas A. Johnson
	Mershon Niesner, Vice Chair	Jack A. Kremers
	Gary Howard, Secretary	Kathy Rivera
	Donald Myron, Treasurer	Paul J. Schaffhausen
	John M. Brown	Jan L. Tucker
	Charles W. Cassell	Duane M. Tyler

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Smith, Hemmesch & Burke	Chicago	Don Hemmesch
Accountant:	KPMG	Chicago	Jim Stark
Bond Counsel:	Jones Day	Chicago	John Bibby
Underwriter:	Ziegler Capital Markets Group	Chicago	Dan Hermann, Steve Johnson, Jennifer LaVelle
Underwriter's Counsel:	Katten Muchin Zavis Rosenman	Chicago	Janet Goelz Hoffman Aaron R. Clark
Bond Trustee:	TBD	Chicago	TBD
Issuer's Counsel:	Schiff Hardin LLP	Chicago	Bruce Weisenthal

LEGISLATIVE DISTRICTS

Congressional: 8- Melissa Bean
State Senate: 27- Wendell E. Jones
State House: 53- Sidney H. Mathias

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Pam Lenane and Dana Sodikoff

Date: March 8, 2005

Re: Overview Memo for Resurrection Health Care

- **Borrower/Project Name:** Resurrection Health Care
- **Locations:** Chicago (and multiple, please see draft TEFRA notice attached)
- **Principal Project Contact:** Thomas Capobianco, EVP, Finance
- **Board Action Requested:** Preliminary Bond Resolution
- **Amount:** not to exceed $425,000,000, comprised of approximately:
  - **Refunding**: $125,000,000
  - **New Money**: $300,000,000
- **Project Type**: Not-for-profit bond
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:** convey tax-exempt status
  - **Refunding Bonds:** the underwriter estimates savings of approximately $10 million
- **IFA Fees:**
  - One-time, upfront closing fee of $211,000 (plus $1,000 application fee)
- **Structure/Ratings:**
  - **Structure** – Variable Rate
  - **Ratings** – A1/A/AA-
  - **Days' cash on hand** – 234 days
- **Recommendation:** Staff recommends approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 8, 2005

Project: Resurrection Health Care

STATISTICS

Project Number:	H-HO-TE-CD-534	Amount:	$425,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	PA:	Pam Lenane and Dana Sodikoff
Locations:	Multiple	Est. fee	$211,000

BOARD ACTION

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

No extraordinary conditions
Staff recommends approval

PURPOSE

Proceeds will be used to: 1) new money, 2) refinance existing IHFA series 1995A, 1996, and 1999B bonds (partial refinancing), 3) fund a debt service reserve fund, 4) pay costs of issuance.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$425,000,000	Uses:	Project Costs *Issuance Costs	$425,000,000
Total		$425,000,000		Total	$425,000,000

* More information on Issuance costs and Project costs will be available at the time of final bond resolution.

JOBS

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

BUSINESS SUMMARY

Background: Resurrection Health Care ("RHC") is a 501(c)(3) corporation established under Illinois law.

Description: Resurrection Health Care traces its beginnings to November 1, 1953 when the Sisters of Resurrection opened Resurrection Hospital (now Resurrection Medical Center). On February 5. 1981, Resurrection Health Care was incorporated to as the parent corporation of the growing health network. RHC currently has over 80 access points in its primary service area, including eight community hospitals, 10 nursing homes, a home health network, behavioral health network, child care centers and other services. The system has over 3,200 licensed acute care beds and over 1,800 licensed nursing beds. These resources are supported by a physician staff of over 4,000.

Financials: **Resurrection Health Care**
Audited Financial Statements for 2002, 2003 & 2004

	Year Ended June 30		
	2002	2003	2004
	(Dollars in 000's)		
Statement of Revenues/Exp.:			
Revenue/Support	$1,231,546	$1,291,819	$1,409,251
Operating Income	(12,632)	20,821	9,716
Balance sheet:			
Current Assets	$276,428	$286,933	$373,866
PP&E – Net	621,453	633,407	702,446
Other Assets	566,197	688,931	810,064
Total Assets	**1,464,078**	**1,609,271**	**1,886,376**
Current Liabilities	195,789	207,574	269,803
LT Debt/Liabil.	510,528	522,033	587,112
Other Non-Current Liab.	159,060	229,685	313,373
Net Assets	598,701	649,979	716,088
Total Liab. & Net. Assets	**$1,464,078**	**$1,609,271**	**$1,886,376**
Ratios:			
Debt coverage	6.3x	8.3x	6.9x
Days Cash on Hand	156.7	214.5	233.9
Current ratio	1.41	1.38	1.39
Debt/Net Assets	0.85	0.80	0.82

Discussion: RHC's strong balance sheet (including cash and investments) provide sufficient liquidity to cover 234 days of operating expenses as of 6/30/2004.

FINANCING SUMMARY

Security: RHC currently maintains ratings with all three rating agencies. Current ratings are as follows: A1/A/AA- (Moody's/Standard and Poor's/Fitch); certain bonds may also be rated based upon the use of credit enhancement and/or liquidity facilities (i.e., provided by an "AAA" or "AA"-rated municipal bond insurer).

Structure: The current plan of finance contemplates the issuance of 100% floating rate bonds. Certain bonds may be insured by Aaa/AAA-rated municipal bond insurance.

Maturity: Up to 30 years

PROJECT SUMMARY

Bond proceeds will be used to provide a portion of the funds necessary to (i) pay or reimburse RHC for the payment of the costs of constructing, renovating, remodeling and equipping certain health facilities owned by RHC; (ii) refund or refinance all or a portion of the outstanding principal amount of the Illinois Health Facilities Authority Series 1996 (St. Elizabeth's Revenue Bonds), Series 1999B (West Suburban Medical Center Taxable Variable Rate Demand Revenue Bonds), Series 2001A (Catholic Health Partner Services Direct Note Obligation), Series 2001B (Saint Joseph Hospital Direct Note Obligation); (iii) fund working capital for RHC, if deemed necessary or advisable by RHC; (iv) fund a debt service reserve fund, if deemed necessary or advisable by RHC; and (v) pay certain expenses incurred in connection with the issuance of the Series 2005 Bonds and the refunding of refunded bonds, including but not limited to fees for credit or liquidity enhancement for the Series 2005 Bonds, all as permitted by the Illinois Financing Authority Act.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Resurrection Health Care
Location:	7435 West Talcott Avenue, Chicago, IL 60631*
Project name:	Resurrection Health Care
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois

*See draft TEFRA notice attached for full list of addresses.

Board of Directors:	Sister Sally Marie Kiepura, CSFN.
	Joseph Toomey
	Robert DelGuidice
	Alderman Brian Doherty
	Sister Donna Marie Wolowicki, C.R.
	Donald Versen, Sr.
	Mrs. Sheila Hulseman
	Sister Kathleen Ann Stadler, CSFN
	Mr. Walter Kelly, Jr.
	Sister Cecilia Mary Berdar, C.R.
	Sister Mary Hedwig Kuczynski, C.R.
	Sister Clara Frances Kusek, C.R.
	Ada I. Arias, M.D.
	Michael Prendergast, M.D.
	Donald Offermann, Ph.D.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Ungaretti & Harris, LLP	Chicago	Julie Seymour
Accountant:	KPMG LLP	Chicago	
Bond Counsel:	Jones Day	Chicago	Mike Mitchell
Underwriter:	Merrill Lynch & Co.	Chicago	Ken Valrugo Adam Kates
Underwriter's Counsel:	Foley & Lardner	Chicago	Rick Weiss
Bond Trustee:	TBD	TBD	
Issuer's Counsel:	Charity and Associates	Chicago	Alan Bell

LEGISLATIVE DISTRICTS*

Congressional: 9-Janice D. Schakowsky
State Senate: 10 – James A. DeLeo
State House: 20- Michael P. McAuliffe

*Listed are the legislative districts for the main hospital, the full list of legislative districts to follow.

NOTICE OF PUBLIC HEARING

Public Notice is hereby given that a public hearing will be held on _______ __, 2005, at 9:00 A.M., at the offices of the Illinois Finance Authority, 427 East Monroe, Room 202, Springfield, Illinois, by the Illinois Finance Authority (the "Authority"), regarding a plan to issue one or more series of its revenue bonds (the "Bonds"), in an aggregate principal amount not to exceed $___________. The proceeds of the Bonds will be loaned to Resurrection Health Care, an Illinois not for profit corporation (the "Borrower"), to be used, together with certain other funds, to (i) pay or reimburse the Borrower and certain of its affiliates, including without limitation Resurrection Medical Center, Our Lady of Resurrection Medical Center, St. Francis Hospital of Evanston, Westlake Community Hospital, Saint Joseph Hospital ("St. Joseph"), Saints Mary and Elizabeth Medical Center ("St. Elizabeth"), Holy Family Medical Center ("Holy Family"), West Suburban Hospital Medical Center ("West Suburban"), Resurrection Senior Services, Resurrection Services, Westlake Nursing & Rehabilitation Center and Resurrection Home Health Services (collectively, the "Affiliates"), for, or refinance outstanding indebtedness the proceeds of which were used for, the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Borrower and the Affiliates, and necessary and attendant facilities, equipment, site work and utilities related thereto including but not limited to the acquisition, construction and/or equipping of ___________________ and certain routine capital expenditures; (ii) current refund all or a portion of the outstanding principal amount of the Illinois Development Finance Authority Refunding and Improvement Revenue Bonds, Series 1995A (Catholic Health Partners) (the "Series 1995A Bonds"); (iii) advance refund all or a portion of the outstanding principal amount of the Illinois Health Facilities Authority Revenue Bonds, Series 1996 (St. Elizabeth Hospital) (the "Series 1996 Bonds"); (iv) advance refund all or a portion of the outstanding principal amount of the Illinois Health Facilities Authority Revenue Bonds, Series 1997 (Holy Family Medical Center) (the "Series 1997 Bonds"); (v) advance refund all or a portion of the outstanding principal amount of the Illinois Health Facilities Authority Revenue Refunding Bonds, Series 1999A (West Suburban Hospital Medical Center) (the "Series 1999A Bonds"); (vi) current refund all or a portion of the outstanding principal amount of the Illinois Health Facilities Authority Variable Rate Demand Revenue Bonds, Series 1999B (West Suburban Hospital Medical Center) (the "Series 1999B Bonds" and, together with the Series 1995A Bonds, the Series 1996 Bonds, the Series 1997 Bonds and the Series 1999A Bonds, the "Prior Bonds"); (vii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (viii) fund a debt service reserve fund, if deemed necessary or advisable by the Authority or the Borrower; (ix) provide working capital, if deemed necessary or advisable by the Authority or the Borrower, and (x) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds, including but not limited to fees for insurance, credit enhancement or liquidity enhancement for the Bonds.

The proceeds of the Series 1995A Bonds were used to (i) finance and refinance the acquisition, construction, furnishing and equipping of hospital facilities of Saint Joseph, (ii) to fund a reserve fund for the Series 1995A Bonds, and (iii) to pay certain costs associated with the issuance of the Series 1995A Bonds.

The proceeds of the Series 1996 Bonds were used to (i) pay, or reimburse St. Elizabeth for the payment of, the costs of acquiring, equipping, renovating, remodeling and constructing certain health care facilities owned by St. Elizabeth, (ii) pay a portion of the interest on the Series 1996 Bonds, (iii) fund a debt service reserve fund and (iv) pay certain expenses incurred in connection with the issuance of the Series 1996 Bonds.

The proceeds of the Series 1997 Bonds were used, among other things, to (i) pay or reimburse Holy Family for, or refinance outstanding indebtedness the proceeds of which were used for, the payment of certain costs of acquiring, equipping, renovating, remodeling and constructing certain health care facilities of Holy Family, (ii) pay a portion of the interest accruing on the Series 1997 Bonds, (iii) provide working capital for Holy Family, (iv) pay a premium for a surety bond to be deposited in the debt service reserve fund and (v) pay certain expenses incurred in connection with the issuance of the Series 1997 Bonds.

The proceeds of the Series 1999A Bonds were used, among other things, to (i) pay or reimburse West Suburban for, or refinance outstanding indebtedness the proceeds of which were used for, the payment of the costs of acquiring, equipping, renovating, remodeling and constructing certain health care facilities owned by West Suburban Hospital Medical Center and (ii) pay certain expenses incurred in connection with the issuance of the Series 1999A Bonds.

The proceeds of the Series 1999B Bonds were used, among other things, to (i) pay or reimburse West Suburban for, or refinance outstanding indebtedness the proceeds of which were used for, the payment of the costs of acquiring, equipping, renovating, remodeling and constructing certain health care facilities owned by West Suburban Hospital Medical Center and (ii) pay certain expenses incurred in connection with the issuance of the Series 1999B Bonds.

The initial owners, operators or managers of the facilities being financed or refinanced with the proceeds of the Bonds are the Borrower and the Affiliates. A general functional description, and the location of the facilities to be financed or refinanced with the proceeds of the Bonds, and the maximum aggregate face amount of Bonds to be issued with respect to such facilities, are listed below.

1. [St. Joseph] 2520 N. Lakeview Avenue, 811 S. Lytle, 2875 W. 19th Street, 1900 N. Lakeshore Drive and 750 W. Montrose, Chicago, Illinois;

2. [St. Elizabeth] the area bounded by LeMoyne Street on the north, Western Avenue on the west, Hirsch Street on the south, Oakley Avenue on the east, all located in Chicago, Illinois 60622, excepting however the property located at 2354 West Hirsch Street; 3924 W. Fullerton Avenue, 2540 W. North Avenue, and 1516 N. Claremont, Chicago, Illinois; 129 N. Eighth Street, the 3100 block of State Street and a site located on the northeast side of Marybell Avenue between 77th Street and 78th Street, East St. Louis Illinois;

3. [Holy Family]100 North River Road, Des Plaines, Illinois;

4. [West Suburban] Erie at Austin Boulevard and 501 Oak Park Avenue, Oak Park, Illinois; 7319 West North Avenue and 7700 West Madison, River Forest, Illinois; 5233 West Diversey, Chicago, Illinois; and 2524 North Harian, Elmwood Park, Illinois; and

5. [1999 List] 1107-09 Lake Street, Melrose Park, Illinois; 615 N. 15th Avenue, Melrose Park, Illinois; 1571 West Ogden Avenue, La Grange Park, Illinois; 420 Wolf Road, Northlake,

Illinois; 7000 N. Newark Avenue, Niles, Illinois; 6930 W. Touhy, Niles, Illinois; 1700 E. Lake Avenue, Glenview, Illinois; 480 N. Wolf Road, Northlake, Illinois; 1820 S. 25th Avenue, Broadview, Illinois; 117 S. 6th Avenue, Maywood, Illinois; 15th & Main Street, Melrose Park, Illinois; 537 S. Desplaines, Forest Park, Illinois; 611 N. 2nd Avenue, Maywood, Illinois; 170 23rd Avenue, Melrose Park, Illinois; 1433 South Cuyler, Berwyn, Illinois; 9845 W. Roosevelt Road, Westchester, Illinois; 9855 W. Roosevelt Road, Westchster, Illinois; 330 Eastern Avenue, Bellwood, Illinois; 602 N. 14th Avenue, Melrose Park, Illinois; 1204-1212 Lake Street, Melrose Park, Illinois; 1200 Lake Street, Melrose Park, Illinois; 1218 Lake Street, Melrose Park, Illinois; 917-921 Main Street, Melrose Park, Illinois; 618 N. 14th Avenue, Melrose Park, Illinois; 614 N. 14th Avenue, Melrose Park, Illinois; 610 N. 14th Avenue, Melrose Park, Illinois; 619 N. 14th Street, Melrose Park, Illinois; 615 N. 14th Street, Melrose Park, Illinois; 607 N. 14th Street, Melrose Park, Illinois; 601 N. 14th Street, Melrose Park, Illinois; 10500 W. Grand Avenue, Franklin Park, Illinois; 800 E. Austin, West Tower, Evanston, Illinois; 800 E. Austin, East Tower, Evanston, Illinois; 618 N. 13th Street, Melrose Park, Illinois; 1308 Chicago, Melrose Park, Illinois; 614 N. 13th Street, Melrose Park, Illinois; 610 N. 13th Street, Melrose Park, Illinois; 606 N. 13th Street, Melrose Park, Illinois; 604 N. 13th Street, Melrose Park, Illinois; 600 N. 13th Street, Melrose Park, Illinois; 611 N. 14th Street, Melrose Park, Illinois; 1225 Lake Street, Melrose Park, Illinois; 1111 W. Superior Street, Melrose Park, Illinois; 619 N. 11th Street, Melrose Park, Illinois; 615 N. 11th Street, Melrose Park, Illinois; 611 N. 11th Street, Melrose Park, Illinois; 607 N. 11th Street, Melrose Park, Illinois; 603 N. 11th Street, Melrose Park, Illinois; 1309 Lake Street, Melrose Park, Illinois; 1301-05 Lake Street, Melrose Park, Illinois; 1311 Lake Street, Melrose Park, Illinois; 1219 Lake Street, Melrose Park, Illinois; 1220 Superior Street, Melrose Park, Illinois; 1209-15 Lake Street, Melrose Park, Illinois; 1201-07 Lake Street, Melrose Park, Illinois; 1214 Superior Street, Melrose Park, Illinois; 1206 Superior Street, Melrose Park, Illinois; 1200 Superior Street, Melrose Park, Illinois; 519 N. 12th Street, Melrose Park, Illinois; 515 N. 12th Street, Melrose Park, Illinois; 511 N. 12th Street, Melrose Park, Illinois; 507 N. 12th Street, Melrose Park, Illinois; 518 N. 11th Street, Melrose Park, Illinois; 514 N. 11th Street, Melrose Park, Illinois; 510 N. 11th Street, Melrose Park, Illinois; 506 N. 11th Street, Melrose Park, Illinois; 502 N. 11th Street, Melrose Park, Illinois; 519 N. 11th Street, Melrose Park, Illinois; 515 N. 11th Street, Melrose Park, Illinois; 511 N. 11th Street, Melrose Park, Illinois; 324 Sherman, Evanston, Illinois; 355 Ridge, Evanston, Illinois; 500 Asbury Avenue, Evanston, Illinois; 7464 N. Clark Street, Chicago, Illinois; 7126 N. Lincoln Avenue, Lincolnwood, Illinois; 5747 W. Dempster Road, Morton Grove, Illinois; 3048 W. Peterson Avenue, Chicago, Illinois; 4930 Oakton Avenue, Skokie, Illinois; 7435 W. Talcott, Chicago, Illinois; 7447 W. Talcott, Chicago, Illinois; 5900 N. Odell, Chicago, Illinois; 1100 Elmhurst Road, Elk Grove Village, Illinois; 3522 N. Central Avenue, Chicago, Illinois; 5600-50 W. Addison, Chicago, Illinois; 7330 W. Talcott, Chicago, Illinois; 1001 N. Greenwood, Park Ridge, Illinois; 7266 W. Peterson, Chicago, Illinois; 3960 Harlem Avenue, Norridge, Illinois; 4900 Cumberland, Norridge, Illinois; 9201 Waukegan Road, Morton Grove, Illinois; 4849 W. Fullerton, Chicago, Illinois; 2433 N. Harlem Avenue, Chicago, Illinois; 4734-58 N. Austin Avenue, Chicago, Illinois; 3610-3612 N. Central, Chicago, Illinois; 3101-15 N. Harlem, Chicago, Illinois; 5645-59 W. Addison, Chicago, Illinois; 355 Ridge, Evanston, Illinois; 800 Austin, Evanston, Illinois; 3610 N. Central Avenue, Chicago, Illinois; 409 Sherman, Evanston, Illinois; 411 Sherman, Evanston, Illinois; 415 Sherman, Evanston, Illinois; and 801 Austin, Evanston, Illinois.

The Bonds do not constitute a debt of the Authority or of the State of Illinois within the meaning of any provisions of the Constitution or statutes of the State of Illinois or a pledge of the faith and credit of the Authority or of the State of Illinois or grant to the owners thereof any right to have the Authority or the General Assembly levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon. The Bonds will be payable solely out of the revenues and other funds pledged and assigned for their payment in accordance with one or more Loan Agreements each between the Borrower and the Authority and the indentures pursuant to which the Bonds are issued.

The above notice of public hearing is required by Section 147(f) of the Internal Revenue Code of 1986, as amended. At the time and place set for the public hearing, residents, taxpayers and other interested persons will be given the opportunity to express their views for or against the proposed plan of financing. Written comments may also be submitted to the Executive Director of the Authority at his office located at 180 North Stetson Avenue, Suite 2555, Chicago, Illinois 60601, until ___________, 2005.

In accordance with the Americans with Disabilities Act ("ADA"), if any person with a disability as defined by the ADA needs special accommodations to participate in the public hearing, then not later than March 3, 2005, he or she should contact the Authority at (312) 651-1300.

NOTICE DATED: ________ __, 2005

/s/ Ali D. Ata
Executive Director
Illinois Finance Authority

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Pam Lenane and Dana Sodikoff

Date: March 8, 2005

Re: Overview Memo for Resurrection Health Care

- **Borrower/Project Name:** Resurrection Health Care
- **Locations:** Chicago (and multiple, please see draft TEFRA notice attached)
- **Principal Project Contact:** Thomas Capobianco, EVP, Finance
- **Board Action Requested:** Preliminary Bond Resolution
- **Amount:** not to exceed $425,000,000, comprised of approximately:
  - **Refunding**: $125,000,000
  - **New Money**: $300,000,000
- **Project Type**: Not-for-profit bond
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:** convey tax-exempt status
  - **Refunding Bonds:** the underwriter estimates savings of approximately $10 million
- **IFA Fees:**
  - One-time, upfront closing fee of $211,000 (plus $1,000 application fee)
- **Structure/Ratings:**
  - **Structure** – Variable Rate
  - **Ratings** – A1/A/AA-
  - **Days' cash on hand** – 234 days
- **Recommendation:** Staff recommends approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 8, 2005

Project: Resurrection Health Care

STATISTICS

Project Number:	H-HO-TE-CD-534	Amount:	$425,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	PA:	Pam Lenane and Dana Sodikoff
Locations:	Multiple	Est. fee	$211,000

BOARD ACTION

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

No extraordinary conditions
Staff recommends approval

PURPOSE

Proceeds will be used to: 1) new money, 2) refinance existing IHFA series 1995A, 1996, and 1999B bonds (partial refinancing), 3) fund a debt service reserve fund, 4) pay costs of issuance.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$425,000,000	Uses:	Project Costs	$425,000,000
				*Issuance Costs	
Total		$425,000,000		Total	$425,000,000

* More information on Issuance costs and Project costs will be available at the time of final bond resolution.

JOBS

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

BUSINESS SUMMARY

Background: Resurrection Health Care ("RHC") is a 501(c)(3) corporation established under Illinois law.

Description: Resurrection Health Care traces its beginnings to November 1, 1953 when the Sisters of Resurrection opened Resurrection Hospital (now Resurrection Medical Center). On February 5. 1981, Resurrection Health Care was incorporated to as the parent corporation of the growing health network. RHC currently has over 80 access points in its primary service area, including eight community hospitals, 10 nursing homes, a home health network, behavioral health network, child care centers and other services. The system has over 3,200 licensed acute care beds and over 1,800 licensed nursing beds. These resources are supported by a physician staff of over 4,000.

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Security: RHC currently maintains ratings with all three rating agencies. Current ratings are as follows: A1/A/AA- (Moody's/Standard and Poor's/Fitch); certain bonds may also be rated based upon the use of credit enhancement and/or liquidity facilities (i.e., provided by an "AAA" or "AA"-rated municipal bond insurer).

Structure: The current plan of finance contemplates the issuance of 100% floating rate bonds. Certain bonds may be insured by Aaa/AAA-rated municipal bond insurance.

Maturity: Up to 30 years

PROJECT SUMMARY

Bond proceeds will be used to provide a portion of the funds necessary to (i) pay or reimburse RHC for the payment of the costs of constructing, renovating, remodeling and equipping certain health facilities owned by RHC; (ii) refund or refinance all or a portion of the outstanding principal amount of the Illinois Health Facilities Authority Series 1996 (St. Elizabeth's Revenue Bonds), Series 1999B (West Suburban Medical Center Taxable Variable Rate Demand Revenue Bonds), Series 2001A (Catholic Health Partner Services Direct Note Obligation), Series 2001B (Saint Joseph Hospital Direct Note Obligation); (iii) fund working capital for RHC, if deemed necessary or advisable by RHC; (iv) fund a debt service reserve fund, if deemed necessary or advisable by RHC; and (v) pay certain expenses incurred in connection with the issuance of the Series 2005 Bonds and the refunding of refunded bonds, including but not limited to fees for credit or liquidity enhancement for the Series 2005 Bonds, all as permitted by the Illinois Financing Authority Act.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Resurrection Health Care
Location:	7435 West Talcott Avenue, Chicago, IL 60631*
Project name:	Resurrection Health Care
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois

*See draft TEFRA notice attached for full list of addresses.

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Sister Clara Frances Kusek, C.R.
Ada I. Arias, M.D.
Michael Prendergast, M.D.
Donald Offermann, Ph.D.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Ungaretti & Harris, LLP	Chicago	Julie Seymour
Accountant:	KPMG LLP	Chicago	
Bond Counsel:	Jones Day	Chicago	Mike Mitchell
Underwriter:	Merrill Lynch & Co.	Chicago	Ken Valrugo Adam Kates
Underwriter's Counsel:	Foley & Lardner	Chicago	Rick Weiss
Bond Trustee:	TBD	TBD	
Issuer's Counsel:	Charity and Associates	Chicago	Alan Bell

LEGISLATIVE DISTRICTS*

Congressional: 9-Janice D. Schakowsky
State Senate: 10 – James A. DeLeo
State House: 20- Michael P. McAuliffe

*Listed are the legislative districts for the main hospital, the full list of legislative districts to follow.

NOTICE OF PUBLIC HEARING

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The proceeds of the Series 1995A Bonds were used to (i) finance and refinance the acquisition, construction, furnishing and equipping of hospital facilities of Saint Joseph, (ii) to fund a reserve fund for the Series 1995A Bonds, and (iii) to pay certain costs associated with the issuance of the Series 1995A Bonds.

The proceeds of the Series 1996 Bonds were used to (i) pay, or reimburse St. Elizabeth for the payment of, the costs of acquiring, equipping, renovating, remodeling and constructing certain health care facilities owned by St. Elizabeth, (ii) pay a portion of the interest on the Series 1996 Bonds, (iii) fund a debt service reserve fund and (iv) pay certain expenses incurred in connection with the issuance of the Series 1996 Bonds.

The proceeds of the Series 1997 Bonds were used, among other things, to (i) pay or reimburse Holy Family for, or refinance outstanding indebtedness the proceeds of which were used for, the payment of certain costs of acquiring, equipping, renovating, remodeling and constructing certain health care facilities of Holy Family, (ii) pay a portion of the interest accruing on the Series 1997 Bonds, (iii) provide working capital for Holy Family, (iv) pay a premium for a surety bond to be deposited in the debt service reserve fund and (v) pay certain expenses incurred in connection with the issuance of the Series 1997 Bonds.

The proceeds of the Series 1999A Bonds were used, among other things, to (i) pay or reimburse West Suburban for, or refinance outstanding indebtedness the proceeds of which were used for, the payment of the costs of acquiring, equipping, renovating, remodeling and constructing certain health care facilities owned by West Suburban Hospital Medical Center and (ii) pay certain expenses incurred in connection with the issuance of the Series 1999A Bonds.

The proceeds of the Series 1999B Bonds were used, among other things, to (i) pay or reimburse West Suburban for, or refinance outstanding indebtedness the proceeds of which were used for, the payment of the costs of acquiring, equipping, renovating, remodeling and constructing certain health care facilities owned by West Suburban Hospital Medical Center and (ii) pay certain expenses incurred in connection with the issuance of the Series 1999B Bonds.

The initial owners, operators or managers of the facilities being financed or refinanced with the proceeds of the Bonds are the Borrower and the Affiliates. A general functional description, and the location of the facilities to be financed or refinanced with the proceeds of the Bonds, and the maximum aggregate face amount of Bonds to be issued with respect to such facilities, are listed below.

1. [St. Joseph] 2520 N. Lakeview Avenue, 811 S. Lytle, 2875 W. 19th Street, 1900 N. Lakeshore Drive and 750 W. Montrose, Chicago, Illinois;

2. [St. Elizabeth] the area bounded by LeMoyne Street on the north, Western Avenue on the west, Hirsch Street on the south, Oakley Avenue on the east, all located in Chicago, Illinois 60622, excepting however the property located at 2354 West Hirsch Street; 3924 W. Fullerton Avenue, 2540 W. North Avenue, and 1516 N. Claremont, Chicago, Illinois; 129 N. Eighth Street, the 3100 block of State Street and a site located on the northeast side of Marybell Avenue between 77th Street and 78th Street, East St. Louis Illinois;

3. [Holy Family]100 North River Road, Des Plaines, Illinois;

4. [West Suburban] Erie at Austin Boulevard and 501 Oak Park Avenue, Oak Park, Illinois; 7319 West North Avenue and 7700 West Madison, River Forest, Illinois; 5233 West Diversey, Chicago, Illinois; and 2524 North Harian, Elmwood Park, Illinois; and

5. [1999 List] 1107-09 Lake Street, Melrose Park, Illinois; 615 N. 15th Avenue, Melrose Park, Illinois; 1571 West Ogden Avenue, La Grange Park, Illinois; 420 Wolf Road, Northlake,

Illinois; 7000 N. Newark Avenue, Niles, Illinois; 6930 W. Touhy, Niles, Illinois; 1700 E. Lake Avenue, Glenview, Illinois; 480 N. Wolf Road, Northlake, Illinois; 1820 S. 25th Avenue, Broadview, Illinois; 117 S. 6th Avenue, Maywood, Illinois; 15th & Main Street, Melrose Park, Illinois; 537 S. Desplaines, Forest Park, Illinois; 611 N. 2nd Avenue, Maywood, Illinois; 170 23rd Avenue, Melrose Park, Illinois; 1433 South Cuyler, Berwyn, Illinois; 9845 W. Roosevelt Road, Westchester, Illinois; 9855 W. Roosevelt Road, Westchster, Illinois; 330 Eastern Avenue, Bellwood, Illinois; 602 N. 14th Avenue, Melrose Park, Illinois; 1204-1212 Lake Street, Melrose Park, Illinois; 1200 Lake Street, Melrose Park, Illinois; 1218 Lake Street, Melrose Park, Illinois; 917-921 Main Street, Melrose Park, Illinois; 618 N. 14th Avenue, Melrose Park, Illinois; 614 N. 14th Avenue, Melrose Park, Illinois; 610 N. 14th Avenue, Melrose Park, Illinois; 619 N. 14th Street, Melrose Park, Illinois; 615 N. 14th Street, Melrose Park, Illinois; 607 N. 14th Street, Melrose Park, Illinois; 601 N. 14th Street, Melrose Park, Illinois; 10500 W. Grand Avenue, Franklin Park, Illinois; 800 E. Austin, West Tower, Evanston, Illinois; 800 E. Austin, East Tower, Evanston, Illinois; 618 N. 13th Street, Melrose Park, Illinois; 1308 Chicago, Melrose Park, Illinois; 614 N. 13th Street, Melrose Park, Illinois; 610 N. 13th Street, Melrose Park, Illinois; 606 N. 13th Street, Melrose Park, Illinois; 604 N. 13th Street, Melrose Park, Illinois; 600 N. 13th Street, Melrose Park, Illinois; 611 N. 14th Street, Melrose Park, Illinois; 1225 Lake Street, Melrose Park, Illinois; 1111 W. Superior Street, Melrose Park, Illinois; 619 N. 11th Street, Melrose Park, Illinois; 615 N. 11th Street, Melrose Park, Illinois; 611 N. 11th Street, Melrose Park, Illinois; 607 N. 11th Street, Melrose Park, Illinois; 603 N. 11th Street, Melrose Park, Illinois; 1309 Lake Street, Melrose Park, Illinois; 1301-05 Lake Street, Melrose Park, Illinois; 1311 Lake Street, Melrose Park, Illinois; 1219 Lake Street, Melrose Park, Illinois; 1220 Superior Street, Melrose Park, Illinois; 1209-15 Lake Street, Melrose Park, Illinois; 1201-07 Lake Street, Melrose Park, Illinois; 1214 Superior Street, Melrose Park, Illinois; 1206 Superior Street, Melrose Park, Illinois; 1200 Superior Street, Melrose Park, Illinois; 519 N. 12th Street, Melrose Park, Illinois; 515 N. 12th Street, Melrose Park, Illinois; 511 N. 12th Street, Melrose Park, Illinois; 507 N. 12th Street, Melrose Park, Illinois; 518 N. 11th Street, Melrose Park, Illinois; 514 N. 11th Street, Melrose Park, Illinois; 510 N. 11th Street, Melrose Park, Illinois; 506 N. 11th Street, Melrose Park, Illinois; 502 N. 11th Street, Melrose Park, Illinois; 519 N. 11th Street, Melrose Park, Illinois; 515 N. 11th Street, Melrose Park, Illinois; 511 N. 11th Street, Melrose Park, Illinois; 324 Sherman, Evanston, Illinois; 355 Ridge, Evanston, Illinois; 500 Asbury Avenue, Evanston, Illinois; 7464 N. Clark Street, Chicago, Illinois; 7126 N. Lincoln Avenue, Lincolnwood, Illinois; 5747 W. Dempster Road, Morton Grove, Illinois; 3048 W. Peterson Avenue, Chicago, Illinois; 4930 Oakton Avenue, Skokie, Illinois; 7435 W. Talcott, Chicago, Illinois; 7447 W. Talcott, Chicago, Illinois; 5900 N. Odell, Chicago, Illinois; 1100 Elmhurst Road, Elk Grove Village, Illinois; 3522 N. Central Avenue, Chicago, Illinois; 5600-50 W. Addison, Chicago, Illinois; 7330 W. Talcott, Chicago, Illinois; 1001 N. Greenwood, Park Ridge, Illinois; 7266 W. Peterson, Chicago, Illinois; 3960 Harlem Avenue, Norridge, Illinois; 4900 Cumberland, Norridge, Illinois; 9201 Waukegan Road, Morton Grove, Illinois; 4849 W. Fullerton, Chicago, Illinois; 2433 N. Harlem Avenue, Chicago, Illinois; 4734-58 N. Austin Avenue, Chicago, Illinois; 3610-3612 N. Central, Chicago, Illinois; 3101-15 N. Harlem, Chicago, Illinois; 5645-59 W. Addison, Chicago, Illinois; 355 Ridge, Evanston, Illinois; 800 Austin, Evanston, Illinois; 3610 N. Central Avenue, Chicago, Illinois; 409 Sherman, Evanston, Illinois; 411 Sherman, Evanston, Illinois; 415 Sherman, Evanston, Illinois; and 801 Austin, Evanston, Illinois.

The Bonds do not constitute a debt of the Authority or of the State of Illinois within the meaning of any provisions of the Constitution or statutes of the State of Illinois or a pledge of the faith and credit of the Authority or of the State of Illinois or grant to the owners thereof any right to have the Authority or the General Assembly levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon. The Bonds will be payable solely out of the revenues and other funds pledged and assigned for their payment in accordance with one or more Loan Agreements each between the Borrower and the Authority and the indentures pursuant to which the Bonds are issued.

The above notice of public hearing is required by Section 147(f) of the Internal Revenue Code of 1986, as amended. At the time and place set for the public hearing, residents, taxpayers and other interested persons will be given the opportunity to express their views for or against the proposed plan of financing. Written comments may also be submitted to the Executive Director of the Authority at his office located at 180 North Stetson Avenue, Suite 2555, Chicago, Illinois 60601, until ___________, 2005.

In accordance with the Americans with Disabilities Act ("ADA"), if any person with a disability as defined by the ADA needs special accommodations to participate in the public hearing, then not later than March 3, 2005, he or she should contact the Authority at (312) 651-1300.

NOTICE DATED: ________ __, 2005

/s/ Ali D. Ata
Executive Director
Illinois Finance Authority

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

MEMO TO: IFA Board of Directors

FROM: Townsend S. Albright

DATE: March 8, 2005

RE: Overview Memo for The Thresholds.

- **Borrower/Project Name:** The Thresholds.
- **Locations:** Chicago (Cook County)
- **Principal Project Contact:** Noel Jackson, Chief Financial Officer
- **Amount:** $6,000,000 (not to exceed)
- **Board Action Requested:** Approval of a Preliminary Bond Resolution.
- **Project Type:** New money to will be used to (i) purchase land and buildings, (ii) renovate and improve aforesaid buildings, (iii) purchase furniture, fixtures, and equipment, and (iv) fund bond issuance costs.
- **IFA Benefits:** Conduit tax-exempt bonds – no direct IFA or State funds are at risk.
- **IFA Fee:** $30,000
- **Ratings:** The bonds will carry a Direct Pay Letter of Credit from a bank to be determined.

ta/h/thethresholdsmemoprelim

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **The Thresholds**

STATISTICS

Number:	N-NP-TE-CD-519	Amount:	$6,000,000 (not to exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Townsend S. Albright
Locations:	Chicago	Tax ID:	36-2518901
Est. fee:	$30,000	SIC Code:	8361

BOARD ACTION

Preliminary Bond Resolution
Conduit
No IFA funds at risk

No Extraordinary conditions
Staff recommends approval

PURPOSE

Proceeds will be used to (i) purchase land and buildings, (ii) renovate and improve aforesaid buildings, (iii) purchase furniture, fixtures, and equipment, and (iv) fund bond issuance costs.

IFA CONTRIBUTION

No Volume Cap required for 501(c)(3)'s

VOTING RECORD

Preliminary Bond Resolution, no prior Board vote

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$5,550,000	Uses:	Project cost	$5,444,000
				Bond issuance costs	106,000
	Total	$5,550,000		Total	$5,550,000

JOBS

Current employment: 801
Jobs retained: N/A

Projected new jobs: 36
Construction jobs: 100 (24 months)

BUSINESS SUMMARY

Background: The Thresholds (the "Applicant", "Thresholds") is Illinois' oldest and largest psychiatric rehabilitation center. Thresholds was founded in 1959 by the National Council of Jewish Women, and is an Illinois not-for- profit corporation. Thresholds creates the opportunity for people with mental illness to live with dignity and independence. Thresholds provides a comprehensive program of psychiatric care, educational development, housing, and vocational training and placement to meet its holistic approach to treatment. Thresholds has an operating presence in Waukegan and Woodstock, throughout Cook County, and as far south as Kankakee County, with 66 service or residential locations. Approximately 2,500 people with severe and persistent mental illness are served on an active basis and over 5,000 people are seen through crisis linkage teams.

The Executive Committee of Thresholds controls the management of several not-for-profits Affiliate organizations. Thresholds Rehabilitation Industries ("TRI") provides employment opportunities to former psychiatric patients by employing them as maintenance personnel for commercial buildings. TRI also has the use of some factory facilities and employs individuals for light factory assembly jobs. Thresholds Housing, Inc., Transitional Housing, Inc., and Housing Associates, Inc., provide former psychiatric patients with an independent living environment. All respective properties were financed by mortgages from HUD. HUD also provides rent subsidies. A list of addresses is available for Board review.

Threshold's programs have been recognized for excellence by the American Psychiatric Association and the U.S. Department of Labor. Thresholds receives its revenues from three major sources; (i) community (donor) contributions, (ii) grants and fees from government agencies, and (iii) agency generated income. A breakout of these sources and percentage contributions to revenue is attached to this memorandum. Thresholds is governed by a 47-member board. A list is attached for IFA Board review.

Description: The proposed financing will be used to (i) purchase a facility located at 1110 West Belmont Avenue that the Applicant currently leases for the Mothers' Program. The site provides teen mothers with day care for special needs children, and with social and vocational training. (ii) Funds will be used to expand and improve Thresholds' existing location at 4101 North Ravenswood Avenue. The facility houses the Thresholds' administrative staff and the Jail Program in which the Thresholds works closely with the Cook County Jail and the Department of Corrections. Programs based at this location also provide services to individuals living in surrounding communities and the homeless. (iii) Funds will be used to purchase and renovate an industrial building located at 4115 North Ravenswood. This facility will be improved so Thresholds can expand its current programs and increase its emphasis on substance abuse, teen guidance, treatment, research, and recovery oriented programming.

Remarks: Tax-exempt financing through the IFA will help lower the cost of capital to Thresholds. This helps make it possible for Thresholds to provide services in meeting its mission of serving people with severe and persistent mental illness.

Financials: Audited combined financial statements for fiscal years ending 6-30-2002– 2004, and unaudited Combined financial statements for the first six months of fiscal year 2005

(Dollars in 000s)

	2002	2003	2004	2005
Income Statement				
Total Revenues	$42,309	$43,969	$47,323	$20,694
Operating expenses	(40,260)	(42,383)	(45,557)	(19,409)
Change in Net Assets	2,049	1,586	1,766	1,285
EBIDA	3,691	3,262	3,506	2,005
Balance Sheet				
Current Assets	13,617	15,543	18,039	10,087
PP&E	13,044	12,742	12,602	18,664
Other Assets	140	238	291	0
Total	26,801	28,523	30,932	28,751
Current Liabilities	4,358	4,709	4,586	1,103
Other LT Liabilities	558	444	433	312
Debt	7,574	7,472	8,249	8,487
Net Assets	14,311	15,898	17,664	18,849
Total	$26,801	$28,523	$30,932	$28,751
Ratios:				
Debt coverage	5.01x	8.09x	10.69x	9.05x
Current Ratio	3.12	3.30	3.93	9.15
Debt/Net Assets	0.53	0.47	0.47	0.45

ote: 1. Thresholds has a $4,000,000 unsecured line of credit with the Northern Trust Company with borrowings at prime and a commitment fee of .25%/annum

2. Thresholds Rehabilitation Industries has a $250,000 secured line of credit from LaSalle Bank with borrowings at prime. Covenants include pledging of A/R and inventory, net assets, and an annual 30-day clean-up of borrowings.

3. As of December 31, 2004 there were no outstanding balances on either line of credit.

FINANCING SUMMARY

Security: Direct Pay Letter of Credit from a bank to be determined.
Structure: Multi-mode seven-day weekly floating rate bonds
Maturity 25 years.

PROJECT SUMMARY

Proceeds will be used to (i) purchase land and buildings located at 1110 West Belmont, and 4115 North Ravenswood, Chicago, Cook County, Illinois, respectively, (ii) renovate and improve aforesaid buildings and the Applicant's current site at 4101 North Ravenswood, Chicago, Cook County, Illinois, (iii) purchase furniture, fixtures, and equipment, and (iv) fund bond issuance costs.

Project Costs:	Land/Building	$2,950,000
	Renovation	2,094,000
	Machinery/Equipment	400,000
Total		$5,444,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The Thresholds
Project names:	Acquisitions and renovations
Locations:	4110 West Belmont, 4101 North Ravenswood, and 4115 North Ravenswood, respectively, Chicago, Cook County, Illinois
Organization:	Not-for-profit corporation
State:	Illinois
Board:	Please see attached list.

PROFESSIONAL & FINANCIAL

Counsel:	In house	Chicago, IL	Carol Moschandress
Accountants:	Deloitte & Touche LLP	Chicago, IL	
Bond Counsel:	Sonnenschein Nath & Rosenthal LLP	Chicago, IL	Rhonda C. Thomas
Issuer's Counsel	TBD		
Placement Agent:	TBD		
LOC Bank Counsel:	TBD		
Trustee:	TBD		
General Contractor:	TBD		
Architect:	Landon Bone Baker	Chicago, IL	

LEGISLATIVE DISTRICTS

Congressional: 5, Rahm Emanuel
State Senate: 6, John A. Cullerton
State House: 11, John A. Fritchey; 12, Sara Feigenholtz

ATTACHMENTS

Attachment A: Breakout of Applicant Sources of Revenue
Attachment B: List of Applicant Board members

ta/h/thresholdsprelim

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

MEMO TO: IFA Board of Directors

FROM: Townsend S. Albright

DATE: March 8, 2005

RE: Overview Memo for North Park University

- **Borrower/Project Name:** North Park University.
- **Locations:** Chicago (Cook County)
- **Principal Project Contact:** Carl Balsam, Chief Financial Officer
- **Amount:** $33,000,000 (not to exceed)
- **Board Action Requested:** Approval of a Preliminary Bond Resolution.
- **Project Type:** New money to will be used to (i) purchase land, renovate structures on the purchased land, (ii) fund campus projects including constructing and equipping a new recreation center, renovating and reconfiguring the Holmgren Athletic Complex, constructing a parking lot, renovating various campus buildings, and funding campus landscaping, (iii) purchase machinery and equipment, (iv) capitalize interest, and (v) fund bond issuance costs.
- **IFA Benefits:** Conduit tax-exempt bonds – no direct IFA or State funds are at risk.
- **IFA Fee:** $85,000
- **Ratings:** The bonds will carry a Direct Pay Letter of Credit from J.P. Morgan-Chase, Chicago, Illinois.

ta/h/northparkuniversitymemo

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **North Park University**

STATISTICS

Number:	E-PC-TE-CD-525	Amount:	$33,000,000 (not to exceed)
Type:	501(c)(3) bonds	IFA Staff:	Townsend S. Albright
Locations:	Chicago	Tax ID:	36-1557840
Est. fee:	$85,000	SIC Code:	8221

BOARD ACTION

Preliminary Bond Resolution
Conduit
No IFA funds at risk

No Extraordinary conditions
Staff recommends approval

PURPOSE

Proceeds will be used to (i) purchase land, renovate structures on the purchased land, (ii) fund campus projects including constructing and equipping a new recreation center, renovating and reconfiguring the Holmgren Athletic Complex, constructing a parking lot, renovating various campus buildings, and funding campus landscaping, (iii) purchase machinery and equipment, (iv) capitalize interest, and (v) fund bond issuance costs.

IFA CONTRIBUTION

No Volume Cap required for 501(c)(3)'s

VOTING RECORD

Preliminary Bond Resolution, no prior Board vote

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$32,450,000	Uses:	Project cost	$31,970,000
	Equity*	1,650,000		Capitalized interest	1,460,000
				Bond issuance costs	670,000
	Total	$34,100,000		Total	$34,100,000

* $1,000,000 Illinois First
* Fed. Sec 14

JOBS

Current employment:	318	Projected new jobs:	9
Jobs retained:	N/A	Construction jobs:	300 (40 months)

BUSINESS SUMMARY

Background: North Park University ("the Applicant", "North Park") was founded in 1891and established in Chicago in 1894 by Swedish immigrants. North Park is an Illinois not-for-profit corporation within the meaning of 501(c)(3) of the Internal Revenue Code. The sole member of the corporation is The Evangelical Covenant Church Today, North Park provides an educational environment that joins traditional liberal arts with professional education, including a growing number of graduate programs.

North Park serves approximately 3,000 students of which (i) 73.3% are from the Chicago area, (ii) 2.3% from other Illinois regions, (iii) 22.5% form other states, and (iv) 1.9% international. Sources of revenue are (i) Undergraduate tuition, 46%, (ii) Graduate tuition, 22%, (iii) Auxiliary income, 18%, (iv) Annual Fund, 8%, (v) endowment income, 5%, and (iv) miscellaneous, 1%. North Park is governed by a 32–member Board. A list of current members is attached for IFA Board review.

Description: The proposed financing will fund the purchase of (i) properties the Applicant is currently using for student housing at 5231 N. Christiana, 5301 N. Christiana, 5301 N. Sawyer, and 3319 W. Berwyn. The properties will be renovated to provide up-to-date student housing., 5043 N. Spaulding Avenue which houses the offices of the Applicant's School of Business and Nonprofit Management, property at 3311-25 W. Foster Avenue which will be renovated for student housing with a lounge and other amenities, and a 36-unit apartment complex located at 4942-46 N. Kedzie Avenue, (ii) to restore the Hamming Hall portico, and other campus building renovations, and purchase equipment and fixtures including an updating of the Applicant's campus telephone network.

Remarks: Institutions of higher learning must be good stewards of their assets to attempt to mitigate the escalating costs of providing a quality education. Undertaking substantial campus projects should be accomplished in the most economical manner feasible. Tax-exempt financing will provide the lowest cost of capital.

Financials: Audited financial statements for fiscal years ending 6-30-2001– 2004.
(Dollars in 000s)

Income Statement	2001	2002	2003	2004
Total Revenues	$31,123	$34,294	$36,330	$45,821
Operating expenses	(32,696)	(34,767)	(35,342)	(36,003)
Change in Net Assets	(1,573)	(473)	988	9,818
EBIDA	1,550	2,960	4,203	13,142
Balance Sheet				
Current Assets	63,071	57,967	58,175	65,294
PP&E	36,263	40,834	44,384	49,189
Other Assets	1,721	1,624	1,616	1,623
Total	101,055	100,425	104,175	116,106
Current Liabilities	7,770	8,516	10,441	10,128
Other LT Liabilities	2,052	2,513	2,793	2,599
Debt	23,268	23,164	23,091	25,711
Net Assets	67,335	66,862	67,850	77,668
Total	$100,425	$101,055	$104,175	$116,106
Ratios:				
Debt coverage	1.35x	4.43x	7.75x	24.52x
Current Ratio	8.12	6.81	5.57	6.45
Debt/Net Assets	0.35	0.35	0.34	0.33

Note: The Applicant has an unsecured $3,000,000 line of credit with J.P. Morgan-Chase, Chicago, Illinois. Interest rate is prime. Currently there are no draws against this line. The Applicant's financial condition is strong. At June 30, 2004 the Applicant's endowment was approximately $35 million.

FINANCING SUMMARY

Security:	Direct pay Letter of Credit from J.P. Morgan-Chase, Chicago, Illinois
Structure:	Multi-mode Variable Rate Demand Bonds
Maturity:	30 years

PROJECT SUMMARY

Proceeds will be used to (i) purchase properties located at 5231 N. Christiana, 5301 N. Christiana, 5301 N. Sawyer, 3319 W. Berwyn, 5043 N. Spaulding Avenue, 3311-25 W. Foster Avenue, and 4942-46 N. Kedzie Avenue, Chicago, Cook County, Illinois, and renovate existing facilities as needed, (ii) fund campus projects including constructing and equipping a new recreation center, renovating and reconfiguring the Holmgren Athletic Complex, constructing a parking lot, renovating various campus buildings, and funding campus landscaping, (iii) purchase machinery and equipment, (iv) capitalize interest, and (v) fund bond issuance costs.

Project Costs:	Land/buildings	$ 4,750,000
	Construction/ Renovation	26,105,000
	Machinery/Equipment	1,115,000
	Total	$31,970,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	North Park University
Project names:	Campus Enhancement and Athletic Facility Projects
Locations:	5231 N. Christiana, 5301 N. Christiana, 5301 N. Sawyer, 3319 W. Berwyn, 5043 N. Spaulding Avenue, 3311-25 W. Foster Avenue, and 4942-46 N. Kedzie Avenue, Chicago, Cook County, Illinois,
Organization:	501(c)(3) Corporation
State:	Illinois
Board of Regents:	Attached for IFA Board review

PROFESSIONAL & FINANCIAL

Counsel:	Erickson-Papanek-Peterson-Erickson	Minneapolis, MN	Julie A. Peterson
Accountant:	Deloitte	Chicago, IL	Keith Gerth
Bond Counsel:	Ice Miller	Chicago, IL	Jeffrey Lewis Tom Smith
Issuer's Counsel	Burke, Burns & Pinelli, Ltd.	Chicago, IL	Stephen Welcome
Underwriter: Placement Agent	UBS Financial Services, Inc.	Chicago, IL	Lorrie A. DuPont
Underwriter's Counsel:	Squire Sanders	Phoenix, AZ	Tim Pickrell
LOC Bank Counsel:	Seyfarth Shaw LLP	Chicago, IL	James Schraidt
Financial Advisor:	John S. Vincent & Co. LLC	Chicago, IL	John S. Vincent
Development: Consultant	The Alford Group	Evanston, Il	Jamie Alford
Trustee:	US Bank Corporate Trust Services	Chicago, IL	Grace Gorka
General Contractor:	W. B. Olson, Inc.	Northbrook, IL	David L. Olson
Architect:	VOA Associates, Inc.	Chicago, IL	Paul Hansen

LEGISLATIVE DISTRICTS

Congressional:	5, Rahm Emanuel
State Senate:	8, Ira I. Silverstein
State House:	15, John D'Amico

ta/h/northprkuniversityprelim

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Jim Senica

Date: March 8, 2005

Re: Overview memo for Barton Manufacturing

- **Borrower/Project Name:** Barton Manufacturing

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

- **Principal Project Contact:** John Phillips, C F O

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

- **Amount:** $6,500,000 (not to exceed amount)
  - Uses: Construction of a 40,000 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: $48,750

- **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 Barton Manufacturing
  - Maturity to be determined

- **Recommendation:** Staff recommends approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Deal: Barton Manufacturing

STATISTICS

Deal Number:	I-ID-TE-CD-522	Amount	$6,500,000 (not-to-exceed amount)
Type:	Industrial Revenue Bonds	IFA Staff::	Jim Senica
Location:	Decatur	Tax ID:	37-1265965
SIC Code:	3599	Est fee:	$48,750

BOARD ACTION

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

PURPOSE

Proceeds will be used to finance the construction of a 40,000 square foot addition to an existing 37,500 square foot industrial building, the acquisition of new machinery and equipment and to pay certain bond issuance costs.

VOLUME CAP

Applicant will be seeking up to $6.5 million in Volume Cap.

VOTING RECORD

Preliminary Bond Resolution; no previous voting record.

SOURCES AND USES OF FUNDS

Sources:	IFA Tax-exempt Bond	$6,000,000	Uses: Project Costs	$6,380,000
	Equity	500,000	Issuance Costs	120,000
	Total	$6,500,000	Total	$6,500,000

JOBS

Current employment:	46	Projected new jobs:	25
Jobs retained:	N/A	Construction jobs:	15

BUSINESS SUMMARY

Background: Barton Manufacturing was established as Red Barton, Inc. in 1950 as an Illinois S corporation. The Company was created to provide overflow welding and machining products and services for the local Caterpillar, Inc. plant. In 1990, the Company was purchased by one of its financial partners, Larry Rogers, and the Company name was changed to Barton Manufacturing. In 1992, Greg Mason was hired as the Company's general manager and given the mandate to grow and expand Barton's machining capability to meet new customer needs. The Company's revenue increased from $615,000 per annum at the time of Greg's hiring to $1,136,000 in 1995.

Description: Barton Manufacturing manufactures key components and subassemblies for U.S manufacturers of industrial equipment. The Company's services include complete part manufacturing services, CNC machining, fabrication, CAD design, conventional machining, high speed milling and drilling, grit blasting, plate and bar shearing plus painting and plating activities. Items manufactured include steel and iron castings, aluminum and steel manifolds, brass forgings and of course numerous varieties of precision turned components.

Remarks: Barton Manufacturing is firmly committed to providing exceptional quality in its parts and services. The Company is ISO9001/2000 certified and compliant, with strict adherence to quality guidelines and audited twice a year for certification purposes. The Company's part rejection history is nearly at zero defects.

Financials: Compiled Financial Statements of Barker Manufacturing 2002 through 2004
Projected Financial Information of Barker Manufacturing for years 2005 through 2007

	Year Ended December 31 (Dollars in 000's)					
	2002	2003	2004	2005	2006	2007
Income statement						
Sales	5,316	5,307	8,003	10,000	11,500	13,000
Net Income	412	265	316	(27)	(178)	46
EBITDA*	743	630	646	1,029	1,072	1,327
Balance Sheet						
Current assets	1,304	1,445	2,041	3,074	3,974	4,199
PP&E	1,647	1,641	1,624	7,058	6,378	5,778
Other Assets	-0-	36	-0-	-0-	-0-	-0-
Total assets	2,951	3,122	3,665	10,132	10,352	9,977
Current liabilities	474	425	1,005	1,703	2,306	2,121
Debt	1,000	1,127	922	6,717	6,512	6,307
Equity	1,477	1,570	1,738	1,712	1,534	1,549
Total liab. & equity	2,951	3,122	3,665	10,132	10,352	9,977
Ratios						
Debt Service Coverage	3.23	3.37	2.71	1.75	0.99	1.06
Current Ratio	2.75	3.40	2.03	1.81	1.72	1.98
Debt/Equity	0.75	0.64	0.65	4.26	4.38	4.20

Discussion: Barton Manufacturing has experienced a 50% increase in revenue over the last several years, from $5.31 million earned in 2002 to $8.00 million in 2004. The increased revenues are a result of new customers soliciting the Company for the manufacture of component parts. Historically, the Company has maintained profitability, even after the 9-11 disaster which significantly impacted many of Barton's competitors. The Company maintains long-term relationships with a broad customer base, producing components as needed on an open purchase order basis. Key customers of the Company are Caterpillar, Tyco and Ingersol Rand.

The proposed 40,000 square foot building expansion will double the Company's production capacity. Customers such as Ingersol Rand, Tyco and Caterpillar have indicated that they will easily be able to provide the orders which will utilize the expanded area.

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 40,000 square foot building addition to the Company-owned existing 37,500 square foot industrial building located at 11395 S Taylorville Road in Decatur, Illinois, and the acquisition of new machinery and equipment for use therein. Project costs are estimated to be as follows:

Building Construction	$3,580,000
New Machinery and Equipment	2,800,000
Total	$6,380,000

ECONOMIC DISCLOSURE STATEMENT

Project name:	Barton Manufacturing Capacity Expansion
Location:	1395 S Taylorville Road Decatur, IL 62521-4034 (Macon County)
Applicant:	Barton Manufacturing
Organization:	S Corporation
State:	Illinois
Ownership:	Larry Rogers – 45%, Greg Mason – 35% and John Phillips – 20%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Erickson, Davis, Murphy, Johnson Griffith & Walsh, Ltd.	Decatur	Evan Johnson
Accountant:	B K D	Decatur	Gary Genenbacher
Bond Counsel:	Hart, Southworth & Witsman	Springfield	Sam Witsman
Issuer's Counsel:	To be determined		
Bond Purchaser/ Underwriter:	To be determined		

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

To: Board of Directors

From: Steve Trout

Date: February 28, 2005

Re: **Overview Memo for the County of Kankakee**

- **Project:** Kankakee County
- **Location:** Kankakee County
- **Board Action:** Initial Resolution to Purchase General Obligation (Limited Tax) Debt Certificates
- **Amount:** $29,000,000 (Not to exceed) to finance a new 384-bed jail facility and pay costs of issuance
- **Project Type:** Local Government
- **IFA Benefits:**
  - Convey federal and Illinois income tax exemption
  - No IFA funds at risk
- **IFA Fees:** $39,000
- **Structure/Security:**
  - The project will be financed by Debt Certificates, which constitute a legally binding general obligation of the County payable from all legally available and annually appropriated County funds.
  - The Debt Certificates will be payable from General Fund revenues and monies on hand.
  - The County will annually appropriate funds to operate the facility and debt service on the Bonds.
  - The County's last issue of Debt Certificates dated February 15, 2004 is insured by AMBAC Assurance Corporation and rated "AAA" by Standard & Poor's, with an underlying rating of "A-." Bids from bond insurers have not yet been sought.
- **Recommendation:** Staff recommends approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **County of Kankakee**

STATISTICS

Project Number:	L-GO-TE-CD-524	Amount:	$29,000,000 (not to exceed amount)
Type:	Local Government	FM:	Steve Trout
Location:	Kankakee County	Est. fee:	$39,000

BOARD ACTION

Preliminary Resolution to Issue Debt Certificates
Local Government Debt Certificates
No IFA funds at risk.

Staff recommends approval
No Extraordinary Conditions

PURPOSE

To finance a new 384-bed jail facility and pay costs of issuance

IFA CONTRIBUTION

Convey federal and Illinois income tax exemption
Volume Cap is not required for issuance of Local Government Debt Certificates

VOTING RECORD

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

SOURCES AND USE OF FUNDS

Sources:	GO Debt Certificates:	$26,000,000	Uses:	Project Costs	$26,000,000
	Total	**$26,000,000**		**Total**	**$26,000,000**

JOBS

Current employment:	N/A	New employment:	NA
Jobs retained:	N/A	Construction jobs:	NA

ORGANIZATION

Background: The County of Kankakee ("the County") is a Non-Home Rule municipality located approximately 50 miles south of Chicago. The County has a land area exceeding 600 square miles and a population of 103,833 according to the 2000 US Census. The County has 15 incorporated cities and villages, 17 townships and several special purpose bodies that provide a wide range of services to County residents and institutions. The City of Kankakee is the County's seat.

28 elected County Board members establish the County Government's budget and policies. The Board Chair is Karl Kruse. A Director of Finance appointed by the Board and an elected Treasurer and Auditor manage the County's finances.

Description: An elected sheriff, Tim Bukowski manages the County's jails and police department. The County employs 75 full-time correctional officers, 2 commissary clerks, 4 part-time medical doctors, 1 full-time nurse, and 3 part-time nurses. The County plans to add 29 more correctional officers to monitor additional inmates from outside Kankakee. The County recently opened a new 312-bed jail to replace an outdated 244-bed facility. The average census in 2003 was 278 inmates.

The Project: The project will finance construction of a new 384-bed jail. Capital and operating costs for the project will paid by the US Marshall Service on a per diem basis for housing federal inmates. The County expects that these payments will exceed $4 million per year once the new facility is open and should be sufficient to realize a profit after paying all associated capital and operating costs for this activity. Income generated will be used to fund general government programs and reduce taxes paid by County residents and institutions.

The Project will be financed by Debt Certificates, which constitute a legally binding general obligation of the County payable from all legally available County funds. The County has no authority to levy a special tax to pay principal and interest on the Debt Certificates. The County's last issue of Debt Certificates dated February 15, 2004 is insured by AMBAC Assurance Corporation and rated "AAA" by Standard & Poor's, with an underlying rating of "A-". The County anticipates that these Debt Certificates will also be insured but bids have yet been sought.

The Certificates will be payable from General Fund revenues and monies on hand. The County will annually appropriate funds to operate the facility and pay debt service on the Certificates.

Financials: Audited financial statement for fiscal years ended November 30, 2000, 2001, 2002, and 2003 for the County's General Fund. All figures are in thousands.

Statement of Revenues & Expenditures	2000	2001	2002	2003
Taxes	$ 6,104	$ 6,566	$ 7,366	$ 9,500
Intergovernmental	4,942	4,915	4,754	4,876
Charges for services	2,066	2,241	3,699	3,864
Licenses and permits	148	207	221	224
Fines and forfeits	772	910	797	919
Interest on Investments	139	152	84	387
Miscellaneous	310	386	252	233
Total Revenues	$ 14,481	$ 15,377	$ 17,173	$ 20,003
Expenditures				
General Government	$ 5,781	$ 4,813	$ 5,697	$ 5,555
Judiciary and court-related	4,202	4,478	4,905	5,596
Public Safety	5,494	5,927	6,467	7,708
Other	238	-	-	612
Total expenditures	$ 15,715	$ 15,218	$ 17,069	$ 19,471
Excess (deficiency) of Revenues Over Expenditures	$ (1,232)	$ 160	$ 105	$ 181
Total other financing sources (uses)	$ 1,324	$ 79	$ 619	$ 322
Excess (deficiency) of revenues over expenditures and other sources (uses)	$ 92	$ 239	$ 725	$ 504
Beginning Fund balance	2,327	2,549	2,789	3,546
Residual equity transfers in (out)	129	-	31	-
Ending Fund balance	$ 2,548	$ 2,788	$ 3,545	$ 4,050

Discussion: The County manages its finances through a series of self-balancing funds. Its largest fund is the General Fund, which accounts for over 57% 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: taxes, consisting of sales and property taxes (48%), intergovernmental funds, consisting of State and federal reimbursement, income and other taxes collected by the State (25%), service charges, consisting of court, building and zoning, sheriff and other fees (20%), fines and forfeits (5%), licenses and permits (1%) and all other (1%). Revenues have steadily increased over the period reviewed.

General Fund resources are spent on public safety, including police, jail and emergency services (40%), judiciary, including courts, state's attorney, public defender and other services (29%), general government (29%) and debt service (3%). Spending has tracked growth in revenues and has been spurred by particularly rapid growth in public safety and court related services costs.

The General Fund has made relatively few transfers in or out of this Fund. The County has periodically recorded receipt of bond proceeds as a source of income to fund capital expenditures made by the General Fund.

As of November 30, 2003, the General Fund had $2,950,000 in unrestricted cash and investments, or enough for 55 days of operating expenditures. The unreserved fund balance totaled $3,985,000, or 20.5% of annual operating expenditures, a very healthy level of reserves.

A series of socioeconomic, debt and tax statistics, excerpted from the County's last official statement are attached as Appendix 1. The County's population has rebounded from 1990 levels. Per capita income and average home value lag State averages and unemployment rates exceed State averages. The County's indebtedness will significantly increase with this issue but remain within comparable industry averages. The County's tax base has steadily increased and is not overly concentrated, collection rates have remained strong, and tax rates have remained stable.

FINANCING SUMMARY

Security:	Primary: Bond Insurance Policy (expected) Secondary: Unconditional General Obligation Pledge
Repayment:	All legally available County resources. The County will annually appropriate funds to pay principal and interest on the Debt Certificates. The County's payment obligation is unconditional, regardless of whether funds are appropriated for this purpose.
Structure:	Fixed rate, serial maturities, with an early prepayment option to be developed
Maturity:	December 1, 2025 (expected)

ECONOMIC DISCLOSURE STATEMENT

Applicant: County of Kankakee

Officials: Mark Frechette, Treasurer
Tim Bukowski, Sheriff

Board Members:

Karl A. Kruse, Chairman		Stephen El Liehr
Pam M. Lee, Vice Chair		Kelly McLaren
Ruth Barber		Ralph Marcotte, Jr.
Ann Bernard		Leonard Martin
Duane Bertrand		Edward W. Meents
Linda Faber		Sam T. Nicholos
Larry D. Gibbs		William H. Olthoff
Douglas B. Graves		Jamie S. Romein
Karen Hertzberger		Robert Scholl
Frances P. Jackson	tanley James	James Stauffenberg
Michael J. LaGesse		

Board Members (Continued):	James Tripp		Lisa Latham-Waskosky
	Jim Vickery		Leo Whitten
	George Washington Jr.		Rverend Elmer E. Wilson

PROFESSIONAL & FINANCIAL

Accountant:	Smith, Koelling, Dykstra & Ohm	Bourbonnais, IL	
Bond Underwriter:	Bernardi Securities	Chicago, IL	Bob Vail
Bond Counsel:	Chapman & Cutler	Chicago, IL	
Issuer's Counsel:	To be determined		

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Reed, Funding Manager

Date: March 8, 2005

Re: **Overview Memo for Robb D. Klinger and Benjamin T. Dolan (d/b/a DAK Farms) A-DR-TX-GT-537**

Borrower/Project Name: Robb D. Klinger and Benjamin T. Dolan (d/b/a DAK Farms)

- **Location:** Durand (Winnebago, County)
- **Principal Project Contact:** Robb D. Klinger and Benjamin T. Dolan

Board Action Requested: Approval to initiate an 85% Loan Guarantee to State Bank of Davis, Illinois

- **Amount:** $485,000.00
- **Uses:**
  - Refinance an existing term loan with a current balance of $340,000 along with $145,000 in new funds to finance the upgrading of their grain storage system and the purchase of a used tractor. The current balance of $340,000 is the remaining balance on a loan originated 3/01, which has an IFA guarantee in place.
- **Project Type: Agri-Debt Guarantee**
- **IFA Benefits:**
  - Promotes business expansion for young agricultural producers.
- **IFA Fees:** $4,850 (1.0% Fee)
- **Structure:**
  - 10-year term, with 13.5 year amortization.
  - Interest rate will be fixed at 6.75% for 5 years, adjusting each year after during the term.
  - Secured by a 1st lien security agreement on machinery and equipment, excluding purchase money security interest items financed elsewhere and a 1st mortgage and assignment of rents and leases on 1.98 acres, improved with the grain system. Discounted LTV is 93%.
- **Recommendation:** Staff recommends approval, subject to satisfying all bank loan conditions

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **Robb D. Klinger and Benjamin T. Dolan (dba DAK Farms)**

STATISTICS

Project Number:	A-DR-TX-GT-537	Amount:	$485,000
Type:	Agri-Debt Guarantee	IFA Staff:	Eric Reed
Location:	Durand, IL	Tax ID:	324-78-9749
SIC Code:	5159 Farm Product-Raw Materials	Est. fee:	$4,850

BOARD ACTION

Approval to initiate an 85% Loan Guarantee to State Bank of Davis, Illinois
$412,250 of State Treasurer's Agricultural Reserve funds at risk.
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

The Borrowers wish to refinance an existing term loan with a current balance of $340,000 along with $145,000 in new funds to finance the upgrading of their grain storage system and the purchase of a used tractor. The current balance of $340,000 is the remaining balance on a loan originated 3/01, which has an IFA guarantee in place.

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	$ 485,000	Uses:	Purchase Grain Equip.	125,000
				Purchase Tractor	20,000
				Refinance IFA Loan	340,000
	Total	**$485,000**		**Total**	**$485,000**

JOBS

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

BUSINESS SUMMARY

Background: Robb Klinger and Ben Dolan operate a cash grain farming operation located near Durand, IL. Their operation is operated under a partnership known as DAK Farms, which was formed in 1996. Their partnership consists of two enterprises; a custom farming operation and a cash grain operation. They also provide trucking for local farmers, as well as the local Coca Cola plant. Robb and Ben are age 28 and 32 years of age, respectively. Their farming operation started in the mid-1990's with a small custom hay operation. Eventually, they were able to rent some tillable acres, which allowed them to start row crop farming. Ben is married with two small children. Robb is married and his wife is employed off the farm as a school counselor for children with behavioral disorders.

In 2004 their operation consisted of 3,500 acres of corn, custom farming 5,000 acres of corn and soybeans, and custom baling 8,000 bales of hay. Total gross income from custom farming was $345,000 in 2004, while trucking provided gross income of $75,000.

The farm economy in Northern 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 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. Due to their limited experience and capital, Robb and Ben lack the resources to expand operations through the acquisition of land. Instead, they have grown by renting land and doing custom farming for landowners.

DAK Farms has a strong relationship with the State Bank of Davis. Their loan officer, Greg Cross, helped them get started in farming in the mid-1990's. While acknowledging that they have had some tough years, Mr. Cross expressed great confidence in their ability as production farmers and managers. He also indicated they keep meticulous records, which they provide to the bank on a regular basis. Based on my conversations with the lender, staff believes that Mr. Cross manages this credit very closely and provides sound financial advice for these young farmers.

Project Rationale: DAK Farms is purchasing the necessary equipment to upgrade their grain storage and handling system to increase efficiency. Their current system is outdated and deteriorating. The installation of the new grain system will significantly improve their efficiency and ability to dry grain and deliver it to market in a timely manner.

Transaction Description: DAK Farms is requesting $145,000 in new funds to purchase a 4,300 bushel capacity wet leg and a 3,000 bushel capacity dry leg, as well as a used 4-wheel drive tractor for $20,000. The $145,000 will be refinanced with a current term loan, which has a balance of $340,000, and currently has an IFA guarantee in place. The existing loan currently has semi-annual payment of $36,000 annually, which will remain the same with this facility.

The Site: The subject property is located at 11589 Freeport Road in Durand, Illinois. The property consists of the entire grain storage for DAK farms on 1.98 acres. Of the new funds borrowed, $125,000 will be used to improved the property with a 4,300 bushel capacity wet leg and a 3,000 bushel capacity dry leg. Electrical and labor costs are included in this amount.

FINANCIAL SUMMARY

Borrower's Finances: Financial Statements and Projections for Robb Klinger and Ben Dolan for 2002, 2003 and 2004, are prepared by FBFM from borrower records and provided by State Bank of Davis, IL.

FINANCIAL DATA FOR: Robb Klinger

	12/31/2002 Year	12/31/2003 Year	12/31/2004 Year
Cash	14,284	5,086	5,367
Stored Crops	312,790	257,550	352,600
Prepaid Expenses	400	0	0
Growing Crops	0	0	0
Accounts Receivable	14,618	27,500	85,500
Other Current Assets	2,700	18,500	11,600
Total Current Assets	**344,792**	**308,636**	**455,067**
Farm Machinery/Equipment	528,517	428,465	486,500
Vehicles	0	0	0
Real Estate/Improvements	548,000	665,000	668,000
Other Non Current Assets	50,918	62,500	63,500
Total Non-Current Assets	**1,127,435**	**1,155,965**	**1,218,000**
Total Assets	**1,472,227**	**1,464,601**	**1,673,067**
Notes Payable	379,590	307,650	323,250
Accounts Payable	4,500	525	2,045
Current Maturities LT debt	69,075	62,731	70,534
Accrued Interest	34,100	26,782	29,456
Other Current Liabilities	5,455	6,110	6,400
Total Current Liabilities	**492,720**	**403,798**	**431,685**
Equipment Debt	141,619	111,420	66,202
Real Estate Debt	547,798	593,731	573,564
Total Non-Current Liabilities	**689,417**	**705,151**	**639,766**
Total Liabilities	**1,182,137**	**1,108,949**	**1,071,451**
Net Worth	**290,090**	**355,652**	**601,616**
Working Capital	**(147,928)**	**(95,162)**	**23,382**
Current Ratio	**0.70**	**0.76**	**1.05**
Debt-to-asset ratio	**0.80**	**0.76**	**0.64**
Debt-to-worth Ratio	**4.08**	**3.12**	**1.78**
Source	**BORRPP**	**BORRPP**	**BORRPP**

Accrual Basis Accounting — **Robb Klinger**

	2002	2003	2004	3 year Average	2005 Projection
Crop/Livestock Sales....	491,355	559,862	686,061	579,093	763,275
Government pymts........	7,237	55,315	105,292	55,948	182,000
Other Farm Income........	194,343	165,370	184,397	181,370	228,900
Less Purchases/Adj........	(25,473)	(2,248)	46,507	6,262	(96,000)
Total Farm Income.........	**667,462**	**778,299**	**1,022,257**	**822,673**	**1,078,175**
Farm Expenses					
Custom Hire...............	0	0	0	0	0
Depreciation...............	120,898	80,813	73,492	91,734	75,000
Fertilizer/Chemicals.......	115,435	158,718	189,895	154,683	225,650
Freight/Trucking...........	0	0	0	0	0
Gas, Fuel, & Oil..........	47,557	46,477	61,502	51,845	65,000
Insurance....................	22,080	26,611	52,290	33,660	62,250
Interest.....................	52,631	46,542	48,933	49,369	48,000
Labor........................	38,649	36,473	33,557	36,226	41,250
Land Rent..................	180,795	216,849	215,534	204,393	245,000
Machinery Rent...........	38,686	31,839	36,095	35,540	34,500
Repairs/Supplies...........	30,671	40,642	37,721	36,345	37,500
Seed Expenses..............	53,297	64,481	67,340	61,706	87,000
Storage......................	13,293	13,737	18,473	15,168	38,000
Taxes........................	1,555	2,290	2,370	2,072	2,500
Utilities.....................	8,316	11,512	15,278	11,702	3,000
Other Expenses............	15,977	15,588	17,360	16,308	18,650
Prepaid Exp Adjustment..	(400)	400	0	0	0
Accounts payable adj....	5,255	(3.230)	1,620	1,215	0
Total Expenses	**744,695**	**789,742**	**871,460**	**801,966**	**983,300**
Net Farm Inc. (Sch F)	**-77,233**	**-11,443**	**150,797**	**20,707**	**94,875**
Oper Exp/Rev Ratio	**0.86**	**0.85**	**0.73**	**0.80**	**0.80**

FINANCIAL DATA FOR: **Ben Dolan**

	12/31/2002 Year	12/31/2003 Year	12/31/2004 Year
Cash	8,897	7,586	12,467
Stored Crops	312,790	257,550	352,600
Prepaid Expenses	400	0	0
Growing Crops	0	0	0
Accounts Receivable	14,618	27,500	85,500
Other Current Assets	0	11,000	0
Total Current Assets	**336,705**	**303,636**	**450,567**
Farm Machinery/Equipment	529,617	428,564	486,500
Vehicles	0	0	0
Real Estate/Improvements	453,000	485,000	511,000
Other Non Current Assets	89,000	89,250	90,100
Total Non-Current Assets	**1,071,617**	**1,002,814**	**1,087,600**
Total Assets	**1,408,322**	**1,306,450**	**1,538,167**
Notes Payable	376,764	307,650	323,250
Accounts Payable	4,500	525	2,045
Current Maturities LT debt	70,975	62,231	65,525
Accrued Interest	30,228	26,781	30,993
Other Current Liabilities	3,455	6,950	7,100
Total Current Liabilities	**485,922**	**404,137**	**428,913**
Equipment Debt	141,349	111,420	66,202
Real Estate Debt	397,589	450,934	437,204
Total Non-Current Liabilities	**538,938**	**562,354**	**503,406**
Total Liabilities	**1,024,860**	**966,491**	**932,319**
Net Worth	**383,462**	**339,959**	**605,848**
Working Capital	**(149,217)**	**(100,501)**	**21,654**
Current Ratio	**0.69**	**0.75**	**1.05**
Debt-to-asset ratio	**0.73**	**0.74**	**0.61**
Debt-to-worth Ratio	**2.67**	**2.84**	**1.54**
Source	**BORRPP**	**BORRPP**	**BORRPP**

Accrual Basis Accounting — **Ben Dolan**

	2002	2003	2004	3 year Average	2005 Projection	Combined Projection
Crop/Livestock Sales....	491,355	559,862	686,061	579,093	763,275	1,526,550
Government pymts........	7,237	55,315	105,292	55,948	182,000	364,000
Other Farm Income............	194,343	165,370	184,397	181,370	228,900	457,800
Less Purchases............	(25.473)	(2,248)	46,507	6,262	(96,000)	(192,000)
Total Farm Income..........	**667,462**	**778,299**	**1,022,257**	822,673	**1,078,175**	**2,156,350**
Farm Expenses						
Custom Hire..................	0	0	0	0	0	0
Depreciation................	114,906	77,797	69,563	87,422	75,000	150,000
Fertilizer/Chemicals.......	115,435	158,718	189,895	154,683	225,650	451,300
Freight/Trucking..........	0	0	0	0	0	0
Gas, Fuel, & Oil............	47,557	46,477	61,502	51,845	65,000	130,000
Insurance....................	22,080	26,611	52,290	33,660	62,250	124,500
Interest.....................	0	46,541	50,471	32,337	48,000	96,000
Labor........................	38,649	36,473	33,557	36,226	41,250	82,500
Land Rent....................	180,795	216,849	215,534	204,393	245,000	490,000
Machinery Rent............	38,686	31,839	36,095	35,540	34,500	69,000
Repairs/Supplies...........	30,671	40,642	37,721	36,345	37,500	75,000
Seed Expenses.............	53,297	64,481	67,340	61,706	87,000	174,000
Storage.....................	13,293	13,737	18,473	15,168	38,000	76,000
Taxes........................	1,555	2,290	2,370	2,072	2,500	5,000
Utilities.....................	8,316	11,512	15,278	11,702	3,000	6,000
Other Expenses............	15,977	15,588	17,360	16,308	18,650	37,300
Prepaid Exp Adjustment..	4,855	(2,830)	0	675	0	0
Accounts payable adj....	52,631	0	1,620	18,084	0	0
Total Expenses	**738,703**	**786,725**	**869,069**	**798,166**	**983,300**	**1,966,600**
Net Farm Inc. (Sch F)	**-71,241**	**-8,426**	**153,188**	**24,507**	**94,875**	**189,750**
Oper Exp/Rev Ratio	**0.93**	**0.85**	**0.73**	**0.82**	**0.80**	**0.80**

Repayment Margin Analysis

	2002	2003	2004	3 year Accrual Ave	Projections 2005
Net Farm Operating Income	(148,474)	-19,869	303,985	45,214	189,750
Add: Non-farm Income	27,756	29591	31500	29,616	32000
Add: Depreciation Expense	235,804	158,610	143,055	179,156	150,000
Add: Annual Term Debt Interest	105,592	93,083	97,866	98,847	96,000
Less: Income Taxes	0	0	0	0	0
Less: Family Living W/D	(89.000)	(99,000)	(109,000)	(99,000)	(109,000)
Balance Available for Term Debt Rpymt	**131,678**	**162,415**	**467,406**	**253,833**	**358,750**
Principal on Term Debt	172,198	146,965	113,194	144,119	132,000
Interest on Term Debt	105,592	93,083	97,866	98,847	96,000
Total Principal and Interest Pymts	**277,790**	**240,048**	**211,060**	**242,966**	**228,000**
Equals Term Debt Coverage Ratio	**0.47**	**0.68**	**2.21**	**1.04**	**1.57**
Equals Term Debt Repayment Margin	**(146,112)**	**(77,633)**	**256,346**	**10,867**	**130,750**

COVENANT	REQUIREI	ACTUAL	MEASURED	COMPLIANT
Minimum Current Ratio	1.00	1.05	Annually	New
Maximum Debt/Worth Ratio	2.00	1.78	Annually	New
Minimum DSC Ratio	1.25	2.21	Annually	New

FINANCIAL REPORTING:

REPORT	REQUIRED	LAST RECEIVED	COMPLIANT
Balance Sheet on Farming Entity	annually	12/31/2004	Yes
Federal Tax Returns on Farming Entity, if Corporation			
PFS on Guarantors			
Federal Tax Returns on Guarantors, if separate from Farming entity	annually	12/31/2004	Yes

COLLATERAL ANALYSIS:

Collateral Description	Value	Advance	Adj. Value
Stored Crops		0.85	$ -
Growing Crops		0.65	$ -
Equipment	$ 213,200	0.75	$ 159,900
Livestock		0.75	$ -
Real Estate	$ 450,000	0.80	$ 360,000
Total Collateral	$ 663,200		$ 519,900
Total Loans Outstanding:			$ 485,000
Adjusted LTV:			93%
Excess Collateral:			$ 34,900

Annual Debt Service:	Total Princ. Balance	Principal	Interest	Total Payment
Durand State Bank		18,500	0	18,500
JD Credit		15,900	0	15,900
JD Credit		19,800	0	19,800
JD Credit		4,300	0	4,300
JD Credit		10,000	0	10,000
Agco		3,500	0	3,500
State Bank of Davis		24,000	0	24,000
State Bank of Davis		36,000	0	36,000
Total Term Debt Payments	0	132,000	0	132,000
			0	
Total Debt Service			0	0

Financial Summary:

Profitability has been inconsistent for the past 3 years. This has been due in part to machinery purchases, which have increased depreciation. 2002 was a poor crop year, which negatively affected the borrower's earnings. The borrower's net worth has increased as with growth in the value of stored grain, machinery, and reduction in term debt.

Prior to 2004, the borrowers recorded losses, which left them unable to fully service term debt from operating cash flows. The borrower drew on their operating line to fully fund these requirements, which appears on the balance sheet as a carryover debt at the end of the fiscal year. Coverage for 2004 has increased significantly at 2.21 times, reflecting DAK's dramatically improved operating results.

Current assets as of 12/31/04 for both Klinger and Dolan consist primarily of $352,000 in stored crops, and $85,000 in accounts receivable, which are government payments. Based on the current assets on hand, the borrower has achieved a positive current ratio of 1.05:1, a condition mandated by the lender for 2004.

Long term assets listed on the 2004 balance sheet for Klinger include 98 acres of farm real estate with improvements of a home and machine sheds. The borrower lists the value of their home at $143K. Total value of her real estate is listed at $668K. For Dolan, Long term assets consist of 40 acres of farm land, with improvements of a house and machine sheds. Total value of the real estate is listed at $511K, with $180K being comprised of their home.

Current Liabilities as of year end 2004 for each include an operating loan balance of $323,250, $70,000 in current maturities of long-term debt, and $30,000 in accrued interest. Current maturities consist of mortgage payments on farm land to the State Bank of Davis and equipment payment to John Deere credit. Each of the borrowers has a $475,000 line of credit with the State Bank of Davis, which is 90% guaranteed by FSA. That guarantee has 2 years remaining, before a new guarantee will require a renewal request. The loan officer believes that the local FSA manager has a certain comfort level with this credit, which should allow the future guarantee on operating funds to be available.

Income estimates are based on income and expense data provided by the borrower to State Bank of Davis. Income projections, including 350 acres of additional rented land are based on reasonable estimates of 162 bushels of corn per acre and 80 bushels of wheat per acre. DAK Farms has contracted 325,000 bushels of corn for 2005 fall delivery. The borrower's 2005 corn sales are estimated at an average sale price of $2.27 per bushel.

Projected debt service coverage will be reduced from 2004 levels but will remain satisfactory. The only off-farm income appearing in the cash flow is the salary earned by Mrs. Klinger.

According to the bank's credit memo, each partner has a $500,000 life insurance policy with each other listed as the beneficiary. Mr. Klinger also carries a $350,000 policy with his wife listed as beneficiary. Staff mentioned to Greg Cross that Mr. Klinger and Mr. Dolan have insufficient life insurance to cover their debts. He indicated that he would pursue that concern with them. Due to the limited use and size of the real estate collateral and the depreciating nature of the equipment collateral pledged for this credit, staff recommends that a life insurance policy of at least $250,000 be pledged by each of the borrowers with the IFA and the lender as beneficiaries.

PROJECT SUMMARY

Loan proceeds will provide permanent financing for the: a) purchase of necessary equipment to upgrade grain storage system ($145,000); b) refinance a loan secured by same collateral with an outstanding principal balance of $340,000.

FINANCING SUMMARY

Interest:	The Bank's interest rate will be fixed for 5 years at 6.75%.
Security:	IFA's guarantee is secured by a 1st lien security agreement on machinery and equipment, excluding purchase money security interest items financed elsewhere and a 1st mortgage and assignment of rents and leases on 1.98 acres, improved with the grain system.
Sources of Repayment:	Primary: Operating cash flows generated from the sale of harvested grain Secondary: Liquidation of the collateral
Maturity:	Ten years with a 13.5 year amortization

COLLATERAL

The subject loan is secured by a 1st lien security agreement on machinery and equipment, excluding purchase money security interest items financed elsewhere and a 1st mortgage and assignment of rents and leases on 1.98 acres, improved with the grain handling system and 175,000 bushels of storage.

The appraisal on the property was performed at the original initiating loan in 3/01, which indicated a value of $350,000. A chattel appraisal was performed in 3/03 for the farm equipment, which provided a value of $213,000. The overall discounted LTV based for this facility is 93%. See "Collateral Analysis" on page 7 for more details.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Robb D. Klinger Benjamin T. Dolan (dba DAK Farms)
Location:	11589 Freeport Road, Durand, IL 61024, Winnebago County
Organization:	Partnership
State:	Illinois
Ownership:	Robb D. Klinger and Benjamin T. Dolan

PROFESSIONAL & FINANCIAL

Accountant:	Blackhawk FBFM		
Bank:	State Bank	Davis, IL	Greg Cross

LEGISLATIVE DISTRICTS

Congressional:	16th	State Senate:	45th	State House	89th

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Reed/lk

Date: March 8, 2005

Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds

- **Locations:** Throughout Illinois

- **Board Action Requested:** Preliminary 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

- **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 LOAN
New Projects for Inducement Resolution
March 8, 2005

Project Number:	A-FB-TE-CD-540
Borrower(s):	Jeff Delheimer
Town:	Borrower Lives in Elgin, Property near Blackstone
Amount:	$178,012
Fees:	$2670.18
Use of Funds:	Farmland – 79.49 acre grain farm
Purchase Price:	$222,516
% Borrower Equity	20%
% Other Agency	0%
% Lender	80%
County:	Borrower home in Kane Co., land in Livingston Co.
Lender/Bond Purchaser:	Pontiac National Bank

Principal shall be paid annually in installments determined pursuant to a 25 year amortization, with the first principal payment due April 1, 2006. Accrued interest shall be paid annually.

Interest shall be charged at a rate of 5.125% for the first 3 years of the loan, thereafter, the rate shall be adjusted every 3 years to a rate 1.5% over U.S. Treasury Security at a 3 year constant maturity.

BEGINNING FARMER BOND LOANS
New Projects for Inducement Resolution
March 8, 2005

Project Number:	A-FB-TE-CD-530
Borrower(s):	Weston Wilhour
Town:	Beecher City
Amount:	$48,750
Fees:	$731
Use of Funds:	Farmland – 40 acres grain farm
Purchase Price:	$50,000
%Borrower Equity	10%
%Other Agency	.0%
%IFA	90%
County:	Fayette
Lender/Bond Purchaser	Fayette County Bank, St. Elmo

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.

Interest shall be charged at the rate of 4.50% for the first three years of the loan; thereafter, the rate shall be adjusted every three years to a rate tied to 80% of the National Prime Rate as quoted in The Wall Street Journal.

Project Number:	A-FB-TE-CD-531
Borrower(s):	Chad Wilhour
Town:	Altamont
Amount:	$48,750
Fees:	$731
Use of Funds:	Farmland – 40 acres grain farm
Purchase Price:	$50,000
%Borrower Equity	10%
%Other Agency	.0%
%IFA	90%
County:	Fayette
Lender/Bond Purchaser	Fayette County Bank, St. Elmo

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.

Interest shall be charged at the rate of 4.50% for the first three years of the loan; thereafter, the rate shall be adjusted every three years to a rate tied to 80% of the National Prime Rate as quoted in The Wall Street Journal.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Bart Bittner/lk

Date: March 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
March 8, 2005

Project Number:	A-FB-TE-CD-512
Borrower(s):	Joseph L. Kapraun and Lisa K. Kapraun
Town:	El Paso
Amount:	$62,500
Fees:	$938
Use of Funds:	Farmland – 20 acres grain farm
Purchase Price:	$66,000
%Borrower Equity	10%
%Other Agency	.0%
%IFA	90%
County:	Woodford
Lender/Bond Purchaser	Flanagan State Bank, El Paso

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.

Interest shall be charged at the rate of 4.00% for the first year of the loan; thereafter, the rate shall be adjusted annually to a rate not to exceed 1.00% above the Weekly Average Yield of US Treasury Securities. A one year constant maturity provided, however, that the expressed rate shall never be lower than 4.00%.

Project Number:	A-FB-TE-CD-513
Borrower(s):	C. Todd Urish
Town:	Green Valley
Amount:	$250,000
Fees:	$3,750
Use of Funds:	Farmland – 104.53 acres grain farm
Purchase Price:	$271,778
%Borrower Equity	10%
%Other Agency	.0%
%IFA	90%
County:	Tazewell
Lender/Bond Purchaser	First National Bank, Tremont

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.

Interest shall be charged at the rate of 4.50% for the first five years of the loan; thereafter, the rate shall be adjusted every five years to a rate tied to 1.00% below the National Prime Rate as quoted in The Wall Street Journal.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Pam Lenane and Dana Sodikoff

Date: March 8, 2005

Re: Overview Memo for Mercy Alliance, Inc. Obligated Group

- **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:** Final Bond Resolution
- **Amount:** Not to exceed $35 million in new money to be used to reimburse and advance fund the 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:** Not-for-profit bond
- **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
March 8, 2005

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

STATISTICS

Project Number:	H-HO-TE-CD-501	Amount:	$35,000,000 (not to exceed amount)
Type:	Not-for-profit Bond	PA:	Pam Lenane and Dana Sodikoff
Locations:	Multiple	Est. fee:	$82,500

BOARD ACTION

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

No extraordinary conditions
Staff recommends approval

PURPOSE

Bond proceeds will be used by Mercy Alliance to reimburse and advance fund Illinois capital projects of certain benefited affiliates 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, Crystal Lake, McHenry, Algonquin, Harvard, Fox River Grove, Lake in the Hills, Richmond and Woodstock, Illinois, and the renovation and equipping of Mercy Harvard Hospital.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

The IFA Board gave its approval for a Preliminary Bond Resolution on February 8, 2005 by the following vote:

Ayes – 8 Nayes – 0 Absent – 3 Vacancies – 4

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$35,000,000	Uses:	Project costs	$34,650,000
				Issuance costs	$350,000
	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 note issued under the Obligated Group's Master Trust Indenture, therefore, by the Pledged Revenues 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. or its benefited affiliates 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 Mercy Crystal Lake project, will occur in late 2005 or 2006 and may 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	1,565	1,565
Mercy Harvard Clinic North	40	260	300
Woodstock Clinic Expansion	366	4,134	4,500
Other Illinois Clinic Expansion/Equipment	700	4,785	5,485
Subtotal MHSC	*8,205*	*21,695*	*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	**$11,406**	**$23,244**	**$34,650**

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
Randall Road, west side, .5 miles south of County Line Rd., 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
Route 31 between Three Oaks Dr. and Raymond Dr., Crystal Lake, IL
914 IL Route 22, Fox River Grove, IL
348 S. Division Street, Harvard, IL
1819 N. Division Street, Harvard, IL
901 Grant Street, Harvard, IL
1001 Grant Street, Harvard, IL
1000 Hayes 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
3922 Mercy Drive, McHenry, IL
9715 Prairie Ridge, Richmond, IL
666 W. Jackson, Woodstock, IL

	1065 Lake Avenue, Woodstock, IL 2000 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: Jim Senica

Date: March 8, 2005

Re: **Overview Memo for City of Kewanee**

- **Borrower/Project Name:** City of Kewanee
- **Location:** Kewanee (Henry County)
- **Principal Project Contact:** Tom Lally, Edward Jones
- **Board Action Requested:** Final Bond Resolution
- **Amount:** $2,500,000 (not to exceed amount)
  Uses: Refund the outstanding principal amount of series 1998 bonds and to pay certain bond issuance costs
- **Project Type:** Local Government
- **IFA Benefits:**
  - Conduit Tax-Exempt Bonds – no direct IFA or State funds at risk
  - Refund existing bonds originally issued by IDFA in 1998
- **IFA Fees:**
  - Application fee: $250
  - One-time, upfront closing fee: $3,750
- **Structure:**
  - Local government bonds issued by IFA to refund existing 1998 bonds
  - Bonds will be insured
  - Bonds expected to be rated AAA
  - Maturity will be 20 years
- **Recommendation:** Staff recommends approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Deal: **City of Kewanee**

STATISTICS

Deal Number:	L-GO-TE-RE-CD-523	Amount:	$2,500,000 (not to exceed amount)
Type:	Local Government	IFA Staff:	Jim Senica
Location:	Kewanee	Est fee:	$3,750

BOARD ACTION

Final Bond Resolution
Conduit Local Government Bonds
No IFA funds at risk

Staff recommends approval
No extraordinary conditions

PURPOSE

The City of Kewanee will use the bond proceeds to refund the outstanding principal amount of series 1998 General Obligation Bonds originally issued to fund the construction of a new Municipal Complex and to pay certain bond issuance costs.

IFA CONTRIBUTION

Convey federal and Illinois income tax-exempt status.

VOTING RECORD

This is the first time this project is being presented for Board approval.

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$2,500,000	Uses:	Refunding Bonds	$2,450,000
	Total	$2,500,000		Issuance costs	50,000
				Total	$2,500,000

JOBS

Current employment:	87	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

MUNICIPAL SUMMARY

Background: The City of Kewanee, founded in 1854, was originally incorporated as the Village of Berrian in 1855 and reincorporated as the City of Kewanee under general law in 1872. The City is located in Henry County in northwestern Illinois, approximately 165 miles southwest of Chicago, approximately 60 miles northwest of Peoria and approximately 35 miles southeast of the Quad Cities area.

The City encompasses approximately 6.3 square miles and is a part of the Davenport-Rock Island-Moline metrpolitan statistical area. According to the U.S. Census Bureau, Kewanee had a population of 12,724 as of June, 2003, down slightly from the 1990 Census of 12,969.

The City is a non-home rule unit of local government and operates under a council-manager form of government. The City Council, consisting of the Mayor and four Councilpersons, is the City's governing body. The Mayor and members of the City Council are elected to staggered four year terms. The current members of the City Council and City officers are as follows:

Name	Title	Term expires
James P. Burns	Mayor	April 30, 2007
Shirley Leggett	Councilwoman	April 30, 2007
Cathryn Maguire	Councilwoman	April 30, 2007
Bruce Tossell	Councilman	April 30, 2005
Mike Yaklich	Councilman	April 30, 2005
Timothy R. Hacker	City Manager	N/A
Cari Goff	City Clerk	

Description: In 1998, the City issued $3,000,000 aggregate principal amount of its General Obligation Bonds (Sales Tax Alternate Revenue Source), Series 1998 (the "Series 1998 Bonds") for the purpose of funding the construction of a new municipal services building which includes administrative offices, fire and police departments, public works, city council and municipal court. The City pledged its sales tax receipts to pay debt service on the Series 1998 Bonds with secondary security on the Bonds being the general obligation of the City of Kewanee. The $2,450,000 outstanding principal amount of the Bonds are being refunded with this bond issuance.

Remarks: The City provides its citizens with typical services such as police and fire protection, street maintenance and construction, trash collection and water services. The median home value increased significantly from $27,900 in 1990 to $48,200 in 2000. Per capita personal income in 2001 was $26,407. The average unemployment rate for Henry County in 2003 was 6.4%, slightly below the State's 6.7% annual average unemployment rate for the same year.

The economic foundation for the City rests on a broadly diversified base of industry, commerce, professional services and agriculture. Health services, retailing, wholesaling and distribution, construction and many kinds of manufacturing of durable and non-durable goods are important elements of the local economy. Listed below are the 6 largest employers in the City and the approximate number of employees by each:

Employer	**Product/Service**	**No of employees**
Kewanee Hospital and Homecare	Health Care	350
Great Danes/Pines Trailer	Commercial Trailers	310
Kewanee Community School District	School district	300
Wal-Mart	Retail	290
Kewanee Boiler Manufacturing Co., Inc.	Commercial boiler manufacturer	180
Blackhawk College	Education	150

Financials: Statement of Bonded Indebtedness as of 1/105:

		Ratio to: EAV	Ratio to: Actual	Per Capita (Current est.12,724)
Assessed Valuation: 2003	$79,188,663	100.00%	33.35%	$6,224
Est. Actual Value: 1999	$237,565,989	300.00%	100.00%	$18,671
Total Direct Bonded Debt:	$5,180,000	.92%	.31%	$407

Discussion: (i) The City's equalized assessed valuation increased 26.26% from $62,716,045 to $79,188,663 between 1999 and 2003. Major taxpayers with their equalized assessed valuation amounts in the City are as follows:

Wal-Mart Stores, Inc.	$2,375,986
Petersen Health Systems, Inc.	$1,563,910
Lake Village Apartments, L.P.	$1,000,522
Great Dane Ltd. Partnership	$957,835
United Dominion Industries, Inc.	$708,397
Petersen Health Care II, Inc.	$616,335
GHB Hospitality, Inc.	$509,590

(ii)At the beginning of each month, the Illinois Department of Revenue is required to pay to local municipalities a portion of the state's general sales tax revenue earned in the prior month. Following are the amounts of the City's receipts of sales tax distributions from the state of Illinois for each of the last five fiscal years:

Fiscal Year	Amount	Percent Increase
2004 (through 3rd quarter)	$1,292,162	-
2003	$1,729,485	-2.8%
2002	$1,779,825	+0.87%
2001	$1,764,454	+3.14%
2000	$1,710,742	+0.43%

FINANCING SUMMARY

Security: Bonds will be insured and anticipated to be rated AAA. The City has pledged its sales tax receipts to pay debt service on the bonds. In the event of a shortfall in sales tax receipts, the City will use property tax revenue to satisfy any deficiency.

Structure: Serial Capital Improvement Bonds

Maturity: 20 Years

PROJECT SUMMARY

Proceeds of the bond issue will be used to refund the outstanding principal amount of series 1998 Alternate Revenue Bonds used to fund the construction of a new Municipal Complex and to pay certain bond issuance costs.

Refunding bonds: $2,500,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	City of Kewanee
Project Name:	City of Kewanee Series 1998 Bonds Refunding
Location	Kewanee, (Henry County)
Organization:	Non-home rule city
State:	Illinois

PROFESSIONAL & FINANCIAL

City Manager:	Tim Harker	Kewanee, IL	
Underwriter:	Edward Jones	St. Louis, MO	Tom Lally
Bond Counsel:	Evans, Froehlich, Beth & Chemley	Champaign, IL	Kurt Froelich
Issuer's Counsel:	Hart, Southworth & Witsman	Springfield, IL	Sam Witsman
Disclosure Counsel:	Thompson Coburn	St. Louis, MO	Steve Mitchell
Rating Agency	Fitch Ratings	Powell, WY	Dey Lynn Stebner

LEGISLATIVE DISTRICTS

Congressional:	17 – Lane A. Evans
State Senate:	37 – Dale E. Risinger
State House:	73 – David R. Leitch

Illinois Finance Authority
Memorandum

To: IFA Board of Directors

From: Rick Pigg and Steve Trout

Date: March 1, 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:** Final Bond Resolution

- **Amount:** $10,000,000 (not-to-exceed amount)
  - Uses:
    - *Refunding:* bond proceeds will refund all debt, including City of Maryville Bonds and a loan from a venture partner
    - *New Money:* construct and equip two new facilities

- **Project Type:** Not-For-Profit Bonds

- **IFA Benefits:**
  - Conduit Tax-Exempt Bonds
  - The net present value of interest savings on the refunding is estimated at $194,500 or 4.5% of the refunded debt

- **IFA Fees:**
  - Application Fee of $1,000
  - Bond Issuance Fee of $44,500

- **Structure/Ratings:**
  - Fixed rated serial bond with maturities up to 25 ½-years
  - 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
Memorandum

To: IFA Board of Directors

From: Rick Pigg and Steve Trout

Date: March 1, 2005

Re: Overview Memo for the YMCA of Southwest Illinois
N-NP-TX-LL-539

- **Borrower:** The YMCA of Southwest Illinois
- **Location(s):** Belleville, Monroe, O'Fallon
- **Principal Project Contact:** John Small, CFO
- **Board Action Requested:** Final Resolution to Provide Credit Enhancement
- **Amount:** $330,000 (not-to-exceed amount) for a 1-year Irrevocable Funding Commitment to Fund 50% of a Debt Service Reserve
- **Project Type:** Credit Enhancement
- **IFA Benefits:**
  - Provides the YMCA with an option for satisfying a covenant requiring the YMCA to fund the remaining balance of a Debt Service Reserve within 3 years of closing on IFA Bonds issued for the YMCA.
- **IFA Fees:**
  - Interest: Prime + 1% on amounts drawn
- **Structure/Ratings:**
  - 1-year Irrevocable Funding Commitment for up to $325,000 (the remaining balance of a Debt Service Reserve Fund that must be fully funded within 3 years of closing)
  - Draws on the Facility will earn interest at a rate of Prime + 1%
  - Draws may be prepaid without penalty and must be repaid within 7 years 4/1/12
  - The Facility will expire at the end of 1 years (if undrawn), cancellation by the YMCA or full repayment of all draws and interest
  - See attached Term Sheet for further details.
  - The Bonds will be "AA" rated insured by Radian Asset Assurance and will be offered as a public offering. The Underwriters also expect to obtain an investment grade rating on the underlying Bonds.
- **Recommendation:** Staff recommends approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: The YMCA of Southwest Illinois

STATISTICS

Project Number:	N-NP-TE-CD-502 N-NP-TX-LL-539	Amount:	$11,000,000 (not-to-exceed amount) $330,000 (not-to-exceed amount)
Type:	Not-For-Profit Bonds	IFA Staff:	Rick Pigg and Steve Trout
Location:	Belleville, O'Fallon & Monroe County	Est. fee:	$46,500
		Tax ID:	37-0673565

BOARD ACTION

Preliminary Bond Resolution 501(c)(3) Bonds	Staff recommends approval
Reserve Fund	$330,000 of IFA Credit Enhancement Funds at risk

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

Convey tax-exempt status to bonds.

VOTING RECORD

Preliminary Bond Resolution, February 8, 2005

Ayes: 8 Nays: 0 Abstentions: 0 Absences (Delgado, Giannoulias, Nesbit) Vacancies: 4

SOURCES AND USES OF FUNDS

Sources:	IFA Bond	$9,230,000	Uses:	Project Costs	$12,607,000
	Belleville Bond 2004	1,885,000		Refunding Bond Escrow	4,585,000
	Pledges	6,327,000		Bond Insurance Premium	132,000
				Issuance costs	118,000
	Total	$17,442,000		Total	$17,442,000

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".

Description: 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.

Project: The project consists of: a) constructing and equipping a two-story, 30,000 square foot building in Belleville to replace an outdated 80 years old building, b) constructing and equipping a two-story, 41,000 square foot building on a 10-acre site in unincorporated Monroe County between the cities of Columbia and Waterloo to serve a rapidly growing area, c) refinance debt that financed facilities in the City of O'Fallon and City of Maryville to realize savings in interest expense.

Financials: Audited financial statements for the YMCA of Southwest Illinois for the years ended December 31, 2001 through 2003. Forecasts for the years ending December 31, 2004 through 2007 prepared by staff, based on management's operating forecast.

	Actual			Forecast			
	2001	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Statement of Activities							
Program Revenues	5,020.1	4,910.2	5,648.5	6,641.0	6,925.1	7,863.7	8,415.2
Contributed Support	405.8	971.1	745.2	745.2	760.1	775.3	790.8
Total Revenues and Contributed Support	5,425.9	5,881.3	6,393.7	7,386.2	7,685.2	8,639.0	9,206.0
Net Change in Unrestricted Assets	242.9	616.4	439.9	497.9	560.4	(140.3)	215.6
Earnings Before Interest, Depreciation and Amoritization	793.3	1,220.1	1,082.5	1,172.0	1,306.8	1,107.3	1,485.4
Balance Sheet							
Current Assets	3,035.1	2,946.5	9,360.8	10,142.0	4,512.2	3,646.6	2,984.4
Net Fixed Assets	7,363.0	7,269.1	7,839.5	7,785.9	20,226.5	20,140.9	20,026.0
Membership Interest	2,644.5	2,733.1	2,956.7	3,181.7	3,416.7	3,666.7	3,931.7
Other Long Term Assets	188.7	795.1	786.9	782.8	110.0	110.0	110.0
Total Assets	13,231.3	13,743.8	20,943.9	21,892.5	28,265.4	27,564.2	27,052.1
Current Liabilities	373.5	271.0	562.2	580.1	632.5	824.7	863.4
Long-term Debt	4,629.7	4,483.6	4,318.6	4,143.6	9,304.0	8,959.0	8,609.0
Restricted Net Assets	33.3	131.1	6,812.0	7,419.7	2,519.6	2,111.4	1,695.1
Unrestricted Net Assets	8,194.8	8,858.1	9,251.1	9,749.0	15,809.4	15,669.1	15,884.7
Total Liabilities and Net Assets	13,231.3	13,743.8	20,943.9	21,892.5	28,265.4	27,564.2	27,052.1
Ratios							
Debt Service Coverage	2.09	2.90	2.60	2.69	2.59	1.94	2.12
Current.Ratio	7.89	34.54	16.65	17.48	7.13	4.42	3.46
Day Cash on Hand	88.3	152.4	134.8	344.7	137.0	77.8	48.7
Long-term Debt to Unrestricted Net Assets	0.56	0.51	0.47	0.43	0.59	0.57	0.54

Discussion: The Southwest Illinois YMCA generates its revenue from program fees (63%), memberships (20%), joining fees (4%), contributions from individuals and foundations (8%), contributions from the United Way (4%) and other sources (1%). Revenue growth over the period reviewed has exceeded 8% per year, largely because of rapid growth in memberships and new facilities. The organization has remained profitable over the period reviewed, as indicated in the change in net assets (excess of unrestricted revenues over expenses). Restricted charitable contributions of $7 million pledged in 2003 for the YMCA's capital campaign are not included these totals. The YMCA has collected $4,577,000 in pledges for this project, leaving a balance of $1,750,000. Management does not anticipate a problem collecting this amount, based on past success in collecting pledges and strong ongoing support for the campaign.

As of 12/31/03, the YMCA had $2.2 million in unrestricted cash, equivalent to 135 days of operating expenses. The YMCA also had an additional $2.1 million in investments held for the campaign and $5 million in charitable pledges most of which were made for the capital campaign. Investment in existing facilities is recorded as net fixed assets. The YMCA has a $3 million membership interest consisting of its investment in a joint venture with Southwest Illinois Health Ventures to own and operated a facility.

Long-term indebtedness consists of a $2.2 million in outstanding bonds issued by the Village of Maryville to finance a facility in town, plus a $2.3 million outstanding loan with its venture partner. Both obligations will be refunded with bond proceeds.

The forecast assumes issuance of Bonds by March 15 at rates of interest ranging between 1.9% and 4.9% and an amortization over 25 ½ years. The forecast assumes that the contraction projects are completed in early 2006 and that the new facilities begin accepting members shortly thereafter. The revenue forecast for 2004 assumes no growth in revenues and expenses at existing facilities and $1 million in new revenues $903,000 in expenses from a new center in Kern that opened in 2003. The forecast for 2005 and beyond assumes 2% growth in revenues and expenses at existing facilities. These forecasts incorporate management's revenues and expense estimates at the subject facilities beginning in 2006. These estimates are based on the YMCA's recent experience with its new facility in O'Fallen.

The forecast indicates that the YMCA should have not difficulty servicing this indebtedness and maintaining adequate liquidity over the period reviewed.

FINANCING SUMMARY

Security: The Bonds will be insured by Radian Asset Assurance and rated "AA" by Standard & Poor's.

Structure: Fixed interest rate bonds with interest rates that are expected to range from 1.9% to 4.9%.

Term: This issues is expected to be structured with serial bonds maturing between 9/1/07 and 9/1/26 (25 ½ years) to approximate level debt service.

Refunding: Bond proceeds will refund all existing long-term indebtedness and is expected generate interest savings with a net present value of $194,500,or 4.5% of the refunded debt.

PROJECT SUMMARY

The project consists of: a) constructing and equipping a two-story, 30,000 square foot building to be located at 200 South Illinois Road in Belleville to replace an outdated 80 years old building, b) constructing and equipping a two-story, 41,000 square foot building on a 10-acre site located at 4319 EE Road in Columbia (Monroe County) to serve a rapidly growing area, c) refinance debt that financed facilities in the City of O'Fallon and City of Maryville to realize savings in interest expense. 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
Locations	New Facilities: 200 South Illinois Road, Belleville, IL 60220-2132 4319 EE Road, Columbia, IL 62236-3445 Sites Financed with Debt to be Refunded: 1 Town Center Drive, Maryville, IL 62062-5402 284 North Seven Hills Drive, O'Fallon, IL 62269	
Land Sellers:	The subject sites are currently owned by the YMCA.	

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
Underwriter:	Bernardi Securities, Inc.	Fairview Heights	Mike Bowen
Underwriter's Counsel:	Wildman and Harrold	Chicago	Jim Snyder
Issuer's Counsel:	Hart, Southworth and Witsman	Springfield	Sam Witsman
Trustee:	BNY Trust Company of Missouri	St. Louis, MO	Kent Schroeder

LEGISLATIVE DISTRICTS

Belleville

Congressional:	12
State Senate:	57
State House:	113

Monroe County

Congressional:	12
State Senate:	58
State House:	116

City of O'Fallon

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

City of Maryville

Congressional:	20
State Senate:	56
State House:	112

YMCA of Southwest Illinois
Irrevocable Funding Commitment
Term Sheet

Facility:	Irrevocable Commitment to fund 50% of a Debt Service Reserve ("the Reserve") not to exceed $330,000
Purpose:	To fund (together with YMCA funds on hand) a Debt Service Reserve for up to $10,000,000 in IFA Bonds to finance two new YMCA facilities and refinance existing bonds.
The Reserve:	Sized based on maximum annual debt service on the Bonds in an amount not to exceed to $660,000.
Obligor:	YMCA of Southwest Illinois
Security:	Full faith and credit pledge of the YMCA of Southwest Illinois, payable from all funds available and secured on parity with the Bonds
Term:	The Authority's Commitment to fund the Reserve expires April 1, 2006. This facility will expire: a) April 1, 2006 if undrawn, b) upon cancellation by the YMCA, c) the Authority's receipt of full payment of all draws and interest, or d) April 1, 2012.
Interest:	Prime plus 1% (changing as Prime changes but capped at the Bond yield), payable semiannually in arrears.
Draws:	Draws on the Facility shall be due as follows:

April 1, 2010: First 33% of the Outstanding Balance
April 1, 2011: Second 33% of the Outstanding Balance
April 1, 2012: Third 34% of the Outstanding Balance

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: March 8, 2005

Re: Overview Memo for MNM Real Estate Ventures, LLC
(Excel Container, Inc.)
I-ID-TE-CD-419

- **Borrower/Project Name:** MNM Real Estate Ventures, LLC/Excel Container, Inc.

- **Location:** Aurora (DuPage County) .

- **Principal Project Contact:** Shane Mikula, CFO, Excel Container, Inc.

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

- **Amount:** not to exceed $7.1 million
  - Uses – 100% New Money:
  - Acquisition of land, construction and equipping of a new manufacturing facility in Aurora. Facility will manufacture paperboard products, including retail point-of-purchase displays.

- **Project Type: Industrial Revenue Bonds**

- **IFA Benefits:**
  - **Conduit Tax-Exempt Industrial Revenue Bonds:**
    - no direct IFA or State funds at risk
    - this financing will use approximately $5.0 million of IFA Volume Cap

- **IFA Fees:**
  - One-time, upfront closing fee estimated at $38,500

- **Structure/Ratings:**
  - Bonds to be purchased directly by National City Bank and held as a portfolio investment until maturity
    - Bonds will be non-rated and non-credit-enhanced with resale to the secondary market prohibited
  - 20-year final maturity; 5-year initial term

- **Estimated interest rates:**
  - National City Bank will negotiate pricing directly with the Borrower that will be based on an index on 30-day LIBOR (*i.e., 76% of the sum of 30-day LIBOR [currently 2.640% as of 2/16/2005] plus 2%) which is 76% of 4.64% = 3.52*%).

- **Recommendations/Conditions:**
  - Staff recommends approval.
    - No extraordinary conditions will be required since the Bonds will be purchased directly by a Bank and held as a direct investment until maturity. The Bank, as Bondholder, will be secured by the underlying project assets (and a blanket first security interest in the Borrower's and Corporate Guarantor's assets), just as on a conventional mortgage loan with a cross collateralized line of credit.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **MNM Real Estate Ventures LLC**
(Excel Container, Inc.)

STATISTICS

IFA Project #:	I-ID-TE-CD-419	Amount:	$7,100,000 (not-to-exceed amount)
Type:	IRB	IFA Staff:	Rich Frampton
Locations:	Aurora	Tax ID:	35-2239247
SIC Code:	2650	Est. fee:	$54,415 (based on $7.067M bond issue)

BOARD ACTION

Final Bond Resolution
Conduit Industrial Revenue Bonds
No extraordinary conditions

Staff recommends approval
No IFA funds at risk

PURPOSE

Acquisition of land, construction and equipping of a new manufacturing facility in Aurora. Facility will manufacture paperboard products, including retail point-of-purchase displays.

IFA CONTRIBUTION

The proposed bonds will require approximately $7.067 million of 2005 Volume Cap.

VOTING RECORD

Preliminary Bond Resolution, December 7, 2004:

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$7,067,000	Uses:	Project costs	$7,670,000
	*Equity	683,000		Issuance costs	80,000
	Total	$7,750,000		Total	$7,750,000

*The principals of Excel Container, Inc. will contribute personal cash as required by National City Bank, the direct bond purchaser (i.e., lender/investor).

JOBS

Current employment:	340	Projected new jobs:	188
Jobs retained:	340	Construction jobs:	N/A

BUSINESS SUMMARY

Background: **MNM Real Estate Ventures, LLC ("MNM")** is a newly formed special purpose entity established on 9/28/2004 for the express purpose of owning and developing the subject project for lease to Excel Container.

MNM is affiliated through common ownership with the principal officers/shareholders of **Excel Container, Inc. (the "Company")** of Aurora, Illinois. **Collectively, MNM and Excel will be referred to as the "Borrower" herein.**

Excel Container was originally established in 1989 and is incorporated under Illinois law. Excel is affiliated through common shareholders with The Five Star Group of paperboard companies based in South Bend, Indiana. Excel was originally established in 1989 to serve as an affiliate to design and produce projects for the Chicago metropolitan area. Each Company in the Five Star Group is a stand-alone legal and financial entity

The Economic Disclosure Statement section of this report provides detailed ownership disclosure information.

Description: Excel Container was established in Aurora in 1989 by Michael Mikula. Members of the Mikula family own affiliated operations that operate similar facilities near South Bend, IN, New Albany, IN, Racine, WI, Holland, MI, Detroit, MI, and Toledo, OH.

Excel Container has been servicing companies with their corrugated packing needs since 1989. Excel provides a comprehensive graphic design service that provides its customers with an integrated, secure design and production facility that helps assure confidentiality of its customers' intellectual property and marketing plans.

Excel Container designs and manufactures 4-color direct print, point-of-purchase displays, and laminated lithographic die cut products. Excel sells its corrugated products to a diverse, longstanding group of middle market manufacturing and packaging companies in a variety of industries. Excel's largest customers include (1) a caulking/tile manufacturer, (2) a lock manufacturer, (3) a corrugated box broker, (4) an OEM truck parts suppler, and (5) an office furniture manufacturer/distributor. Sales concentrations are very reasonable – no single customer comprises more than 7% of Excel's sales volume.

Excel Container's Aurora facility is comprised of over 120,000 SF of manufacturing/warehousing space. Excel Container specializes in providing just-in-time production, warehousing, and logistical support.

Excel provides package design, assembly, and collation. Excel's service includes (1) the ability to provide production with two-day lead times, (2) product and just-in-time warehousing, (3) delivery using Excel's own truck fleet, and (4) packaging/shrink wrapping of the final product.

Financials: Consolidated audited financial statements 2001-2003 for Excel Container, Inc. Projected financial statements 2004-2007.

	Year Ended December 31			Year Ending December 31		
	2001	2002	2003	2004	2005	2006
	(Dollars in 000's)			(Dollars in 000's)		
Income statement:						
Sales	$6,607	$6,976	$7,807	$10,180	$11,198	$12,137
Net income	99	123	74	217	32	29
EBITDA	813	743	945	1,062	783	892
Balance sheet:						
Current assets	1,139	1,137	1,848	2,063	2,069	2,275
PP&E	745	648	919	1,169	1,419	1,669
Other assets	25	22	18	15	15	15
Total assets	1,909	1,807	2,785	3,247	3,503	3,959
Current liabilities	262	425	1,602	1,321	1,402	1,679
Debt	1,190	803	530	1,056	1,200	1,350
Other LT Liab.	--	--	--	--	--	--
Equity	457	579	653	870	901	930
Total Liab./Equity	1,909	1,807	2,785	3,246	3,503	3,959
Ratios:						
Debt Service/ Fixed Oblig. Coverage	2.33x	2.37x	2.86x	2.71x	1.84x	1.96x
Current Ratio	4.35	2.68	1.15	1.56	1.48	1.35
Debt/Equity	2.60	1.39	0.81	1.21	1.33	1.45

Discussion (Proprietary): The historical and projected results are for Excel Container, Inc. only and do not include any affiliates. Excel's financing will be on a stand-alone basis, without corporate guarantees or cross collateralization from any affiliate.

Excel has a $2.0M revolving line of credit with National City Bank of Indiana against which $1.18M of draws were outstanding as of 10/31/04.

Excel has posted strong sales growth over the last three years, including 19.5% sales growth in 2003. Excel has managed its sales growth effectively as indicated by improving EBIDA and improving debt service coverage ratios.

The projections assume that the proposed bonds will close as of 6/30/2005 and that Excel's revenues will increase by 10% annually beginning in 2005. Additionally, the projections assume that debt service payments associated with the proposed bond debt will be reflected as rent expense (rather than principal and interest payments). As a result of the proposed financing, Excel's annual rent payments are scheduled to increase by $46,000 per annum (i.e., from $314,000 in 2004 to $360,000 in 2006) as a result of this project. Because the projections assume this will be on off-balance-sheet financing, the assets and liabilities associated with the project and proposed bond financing are not reflected on the projected balance sheet.

Excel has generated strong historical cash flows sufficient to cover its fixed charges by multiples of 2.33 times or better over the last three years. The projections indicate that Excel will continue to generate strong operating cash flows as evidenced by projected debt service/fixed charge coverage of 1.96 times in 2006, the first full year following project completion.

FINANCING SUMMARY

Bond Security/ Bank Security:	Bonds to be purchased directly by National City Bank as lender/investor, which will be secured by a senior mortgage on the subject project assets, and additionally secured by senior first security interest in all assets of Excel Container, Inc. and Mikula Enterprises, Inc. (an Excel affiliate). Additionally, the Bank will be secured by a collateral assignment of Rents and Leases on the subject facility.
Structure:	Bonds to be purchased directly by National City Bank and held as an investment until maturity.
Interest Rate:	To be set at 76% of the sum of 30-day LIBOR plus 2% (i.e., 76% of 2.64%+2.00% = 76% of 4.64% = 3.52% as of 2/16/2005) adjusted monthly in arrears.
Maturity:	5 year initial term, extendable to 20 years. 20 year amortization on project real estate.

PROJECT SUMMARY

Bond proceeds will be used to finance (the acquisition of approximately 12.275 acres of land, the construction, equipping, and furnishing of a new 143,136 SF manufacturing facility, including landscaping and site improvement thereon, to be located at Lot 2, Meridian Business Park – Liberty Subdivision, in Aurora (DuPage County), IL. Additionally, Bond proceeds may also be used to capitalized interest and to pay bond issuance costs.

Preliminary estimated project costs are as follows:

Land Acquisition:	$2,059,448
New Construction:	5,335,552
Machinery & Equipment:	275,000
Total	**$7,670,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	MNM Real Estate Venture, LLC (c/o Mr. Shane Mikula, CFO, Excel Container, Inc. 633 West park Avenue, Aurora, IL 60506; Ph.: 630-896-3610; Fax: 630-896-3843; E-mail: smikula@excelcontainer.com)
Web site:	http://www.excelcontainer.com
Project name:	Excel Container, Inc.
Location:	Lot 2, Meridian Business Park – Liberty Subdivision, in Aurora (DuPage County), IL

Obligor/Guarantor:	Organization	State
MNM Real Estate Ventures, LLC	Limited Liability Company	Illinois
Excel Container, Inc.	Corporation	Illinois

Ownership of Applicant and Corporate Guarantors:

***MNM Real Estate Ventures, LLC** (to own the Aurora manufacturing facility):*

- Members:
  Michael Mikula, (Manager): 2620 Regency Court, Naperville, IL: 100%

***Excel Container, Inc.** (operating company):*

- Shareholders:
  Michael Mikula, 2620 Regency Court, Naperville, IL: 100%

PROFESSIONAL & FINANCIAL

Counsel:	Piper Rudnick LLP	Chicago, IL	William Zolla
Accountant:	Mooney & Thomas, PC	Aurora, IL	Ralph Monney
Bond Counsel:	Barnes & Thornberg LLP	South Bend, IN and Chicago, IL	Alan Feldbaum Larry Blust
Bond Purchaser:	National City Bank	South Bend, IN	Tim Miller
Placement Agent:	Not applicable (direct purchase by bank to be held until maturity)		
General Contractor:	Duke Construction	Lisle, IL	David Kross
Architect:	Arete 3 Ltd.	Tinley Park, IL	Brian Earsley
Trustee:	Not applicable since a direct purchase by a bank.		
IFA Counsel:	Charity & Associates, P.C.	Chicago, IL	Alan Bell

LEGISLATIVE DISTRICTS

Congressional:	13	Judy Biggert
State Senate:	48	Peter J. Roskam
State House:	96	Joe Dunn

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: March 8, 2005

Re: Overview Memo for Villagebrook Apartments Limited Partnership
(Villagebrook Apartments Project)
M-MH-TE-CD-408

- **Borrower:** Villagebrook Apartments Limited Partnership

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

- **Principal Project Contact:** Mr. David Gottlieb, Executive Director, Full Circle Communities, Inc. (a 501(c)(3) corporation), Northbrook, IL

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

- **Amount:** not to exceed $12.5 million (anticipated amount $12.0 million)
  - Uses:
    - Acquisition and preservation of existing 189-unit affordable multifamily apartment facility
    - Substantial renovations of facilities (approximately $1.55 million) including tuckpointing and boiler system rehabilitation

- **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 up to $12.0 million of Carryforward Volume Cap, including Volume Cap to be purchased by the Developer
    - use of tax-exempt bonds makes project eligible for 4% Low Income Housing Tax Credits, thereby generating upfront project equity

- **IFA Fees:**
  - One-time, upfront closing fee estimated at $92,400 (reflects use of Volume Cap)

- **Structure/Ratings:**
  - **$12,000,000 Series 2005 Bonds** to be sold directly based on FHLMC ("Freddie Mac") credit enhancement.
  - **Ratings:**
    - **Series 2005A Bonds:** based on Aaa/AAA-rated FHLMC credit enhancement (Moody's/S&P)
  - **Current and estimated rates:** Bonds will be sold as 7-day variable rate demand bonds (current effective rate of 2.90%) with an effective 7.124% interest rate cap that will be purchased by the Borrower as required by FHLMC.

- **Recommendations/Conditions:**
  - Staff recommends approval. Because the Bonds will be secured with "Aaa/AAA"-rated FHLMC credit enhancement, there are no extraordinary conditions.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **Villagebrook Apartments Limited Partnership (Villagebrook Apartments)**

STATISTICS

IFA Project #:	M-MH-TE-CD-408	Amount:	$12,500,000 (not-to-exceed amount)
Type:	Housing Bond	IFA Staff:	Rich Frampton
Location:	Carol Stream (DuPage County)	Tax ID:	Pending
SIC Code:	6513	Est. fee:	$92,400 (based on $12.0 million project)

BOARD ACTION

Final Bond Resolution
Conduit Tax-Exempt Multi-Family Housing Revenue Bonds
No IFA Funds at risk
Staff recommends approval
No extraordinary conditions

PURPOSE

Purchase and renovation of an existing 189-unit, 3-story, 4-building affordable multifamily rental property 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 that will make this project eligible for 4% Low Income Housing Tax Credits.

The Developer and Financing Team will use approximately $12.0 million of prior year IFA Carryforward Volume Cap.

VOTING RECORD

Preliminary Bond Resolution, December 7, 2004:

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*	$12,000,000	Uses:	Project costs	$14,845,000
	LaSalle Bank Line of Credit	500,000		Tax Credit Costs	125,000
				Oper. Deficit Reserve	
	LIH Tax Credits	4,551,250		Other Reserves	241,000
	Deferred Developer Fees	1,459,380		Issuance/Fin. Costs	275,000
	Prorations and GC Equity	86,000		Developer Fee	1,500,380
	Total	**$17,686,380**		**Total**	**$17,686,380**

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 benchmarks (e.g., debt service coverage, occupancy rates, and other negotiated covenants).

Because the sale of properties financed with Low Income Housing Tax Credits is restricted for a minimum period of 15 years, IRS rules allow these performance-based Developer Fees.

JOBS

Current employment:	6	Projected new jobs:	1
Jobs retained:	N/A	Construction jobs (10 mo's.):	10

BUSINESS SUMMARY

Background: **Villagebrook Apartments Limited Partnership** (the "Applicant") is an Illinois limited partnership formed as a special purpose entity established for the express purpose of acquiring, redeveloping, and owning the Villagebrook Apartments in Carol Stream, Illinois.

The **General Partner** and 1.00% owner of the Applicant will be **Full Circle Villagebrook GP, LLC**, whose sole member is **Full Circle Communities, Inc.**, of Northbrook, Illinois (the "Developer"), an Illinois 501(c)(3) corporation. A listing of the Board Members of Full Circle Communities is attached.

Full Circle Communities, Inc., is a fully independent, philanthropic, 501(c)(3) acquirer and redeveloper of affordable rental housing. Full Circle was founded by the principals of Banner Apartments, Inc., a developer/manager of multifamily apartments based in Northbrook, Illinois. Banner's partners serve as three of Full Circle's sever board members. Banner Property Management donates the time and expertise of its management and construction employees at its affiliates to Full Circle's operations, on an as-needed basis. Banner donates the time of David Gottlieb to serve as Executive Director for Full Circle and Milton Pinsky to serve as Associate Director.

The Limited Partner and 99.0% 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 made possible through the issuance of tax-exempt bonds to finance more than 50% of the cost basis of this project.

Description: Villagebrook Apartments is a 189-unit rental apartment property and is located at 244-288 West St. Charles Road in Carol Stream, Illinois (DuPage County). The property was constructed in 1971.

The property's rental buildings consist of four, 3-story, multifamily residential buildings and its common areas include a community resource/clubhouse building.

The property is currently an affordable multifamily property that currently includes 147 units (out of 189) 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 (tuckpointing), and common areas as noted in the overview memo. Villagebrook has estimated an average renovation cost per unit at $8,148 as of 11/12/2004.

Background on Developer and Affiliates: Full Circle Communities, Inc.'s initial acquisition was the Goodlette Arms Apartments, a 250-unit, low-income, senior independent living community in Naples, Florida purchased in 2002. Full Circle financed the acquisition with tax-exempt bonds issued through the Collier County (Florida) Housing Finance Authority. Full Circle's acquisition enabled preservation of the project as affordable. HUD facilitated this acquisition by providing for (1) a term extension on the project-based HAP contract on existing HAP-units, and (2) the "decoupling" (i.e., transfer) of the Section 236 Mortgage Interest Reduction Payment from the prior owner to support Full Circle's tax-exempt bond acquisition/renovation financing.

Full Circle's Board allocated a minimum of 75% of the Florida property's free cash flow (i.e., NOI after debt service) to finance service enhancements to residents. Service enhancements for seniors at the Florida property include nutritional counseling, handicap-accessible transportation to shopping medical appointments, field trips, physical improvements to the property to enhance mobility and security, and social events with catered meals.

Full Circle's management will apply the same free cash flow retainage commitment to support tenant programs at Villagebrook Apartments following closing of this acquisition.

Property Manager: The proposed property manager will be Metroplex, Inc. of Chicago (www.metroplex.com), which will continue to manage the property following Full Circle's acquisition. Metroplex manages approximately 6,000 apartments in Illinois, Iowa, Wisconsin, Minnesota, and Florida. Metroplex is not affiliated with the shareholders of Banner Apartments or the Board of Full Circle.

(Metroplex is, however, affiliated with Tandem Associates of Chicago, the current owner).

Financials: Historical Results Prepared by Applicant based on Audited Results: 12/31/01-12/31/03
Projected Net Operating Income Statements 2004-2006. ($ in Thousands)

	12/31/2001	12/31/2002	12/31/2003	2004 Year 1	2005 Year 2	2006 Year 3
Income:						
Gross Rental Income	$1,809	$1,879	$1,974	$2,038	$2,094	$2,152
Vacancy/Coll. Loss	-40	-41	-69	-82	-84	-86
Other Income (Net):	24	26	22	29	30	31
Project Income:	**1,793**	**1,864**	**1,927**	**1,985**	**2,040**	**2,097**
Operating Expenses:						
Payroll	235	197	214	176	181	186
General Administrative	72	88	96	48	49	51
Operating & Maintenance	356	335	196	114	117	120
Utilities	197	172	181	179	184	189
R/E Taxes	128	131	131	135	139	143
Insurance	38	43	48	46	47	49
Mgmt. Fees	109	115	110	101	104	107
Replacement Reserve	--	21	8	57	59	60
Other Exp.	13	13	8	--	--	--
Total Oper. Expenses & Repl. Reserve:	**1,148**	**1,115**	**992**	**856**	**880**	**905**
Net Operating Income Before Debt Service:	645	749	935	1,129	1,160	1,192
HUD Interest Reduction Payment (IRP)	171	170	169	168	166	165
Adjusted NOI	**816**	**919**	**1,104**	**1,297**	**1,326**	**1,357**
Maximum Senior 2005A Bond Debt Svc. Payments (assumes Cap rate of floaters)	974	974	974	974	974	974
Pro Forma Debt Svc. Coverage (x)	**0.84**	**0.94**	**1.13**	**1.33**	**1.30**	**1.39**

Discussion: These projections assume:

(1) 1st Mortgage Bond Payments assume Bond Interest Rate Cap at 7.124% (including FHLMC fees and remainder of fee stack) amortized over 30 years. Actual interest rate will be a 7-day variable rate bond (current effective rate is 2.90%).
(2) Structural rehabilitation will be 100% complete as of 9/30/2005 (10 months).
(3) 4% vacancy/collection loss rate.
(4) Projected annual rent escalation of approximately 2.75%.
(5) Projected annual expense escalation of approximately 2.75%.
(6) Minimum $57,000 annual replacement reserve to be funded from operations beginning in 2005.

Based on these assumptions, Villagebrook Apartments is projected to generate Net Operating Income (adjusted by HUD's Interest Reduction Payments) sufficient to cover proposed bond payment by multiples of 1.39 times in 2006, the first full year of operation following completion of the proposed renovations.

The proposed substantial renovations will improve the property thereby reducing vacancies in the current non-subsidized units. Upon acquisition and renovation, all 189 units will be rent restricted during the initial 15-year, 4% Low Income Housing Tax Credit compliance period.

Market Facts:

The combined current unit mix for Villagebrook Apartments is as follows. Although only the 147 units supported with HAP payments are offered at sub-market rents, subsequent to closing of this financing, all 189 units will be low income (i.e., affordable) units and subject to rent restrictions.

# Units	*Unit Type*	*Ave. SF*	*Monthly Rents (include. utilities)*
46	1 BR, Low Income (Cost to LI Tenant: $267)	700	$813
11	1 BR Market	700	$740
86	2 BR, Low Income (cost to LI Tenant: $321)	925	$961
28	2 BR Market	925	$894
15	3 BR Low Income (cost to LI Tenant: $398)	1,100	$1,205
3	3 BR Market	1,100	$1,039
189	**Total Units**		**$166,503**

Villagebrook 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 (although the Autumn Ridge project, approved by the IFA Board for a Bond Resolution in February 2005 will also be supported with 4% tax credits).

Full Circle Management, Inc., a 501(c)(3) development company, has executed a contract to acquire the Villagebrook Apartments. An affiliate of Banner Apartments, Inc. (whose key employees/managers donate time to Full Circle without compensation) has signed a contract to purchase Autumn Ridge Apartments (previously Chateau Apartments), also located in Carol Stream with IFA tax-exempt bond financing and 4% LIHTCs. Gain, Full Circle is seeking to finance its acquisition of Villagebrook with the same FHLMC enhanced bonds and 4% LIHTC structure used in the Autumn Ridge Apartments financing (estimated to close in March 2005).

Villagebrook and Autumn Ridge (formerly Chateau) Apartments are the only HAP-subsidized multifamily properties in the Carol Stream submarket. Additionally, there is one existing affordable bond/tax credit financed, affordable senior property (i.e., Colony Park Apartments) in Carol Stream.

According to Banner Property Management, Inc., the submarket's subsidized units currently report 100% occupancy with waiting lists for designated Section 8 units. The submarket's market-rate properties all report physical vacancy rates ranging from 3% to 11%, with an average vacancy rate of approximately 6%.

The absence of comparable, subsidized/affordable units in the Carol Stream submarket and the existing waiting lists at Villagebrook Apartments and Autumn Ridge (Chateau) Apartments suggest that the proposed tax-exempt bond/4% tax credit financed property will support the long-term viability and demand for this property.

With 100% of the units rent restricted due to the use of 4% Low Income Housing Tax Credits to generate equity for this financing, IFA's bond financing (which avails the use of 4% Low Income Housing Tax Credits) will preserve and extend the use of these units as affordable low- and moderate income housing in DuPage County.

Subsidies: This financing will include syndication proceeds generated by the sale of 4% Low Income Housing Tax Credits that are currently estimated to generate approximately $4,551,000 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.

Accessibility: According to the Applicant, this project is exempt from Americans with Disabilities Act ("ADA") requirements regarding minimum handicapped-unit set-asides and related accessibility and adaptability requirements due to the age of the property (i.e., originally constructed in 1971).

FINANCING SUMMARY

Bondholder Security: **Series 2005 Bonds:** FHLMC ("Freddie Mac") credit enhancement (Aaa/AAA-rated by Moody's/S&P)

Structure: **Series 2005 Bonds:** 7-day variable rate demand bonds with an effective interest rate cap of 7.124% (current effective interest rate of 2.90%)

Maturity: 30 years

PROJECT SUMMARY

Bond proceeds will be used to finance the acquisition and substantial rehabilitation/renovation of Villagebrook Apartments, a four building, three-story, 189-unit rental property with a community/clubhouse facility located on a 10.34 acre site located at 244-288 E. St. Charles Road, 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	$1,330,000
Bldg. Acquisition:	11,970,000
Renovations:	1,545,000
Total:	**$14,845,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant: Villagebrook Apartments Limited Partnership, an Illinois Limited Partnership (c/o Mr. David Gottlieb, Executive Director, Full Circle Communities, Inc., 500 Skokie Blvd., Suite 600, Northbrook, IL 60062; Ph.: 847-501-5450; Fax: 847-480-5760; e-mail: david.gottlieb@bannerapartments.com)

Project name: Villagebrook Apartments

Location: 244-288 E. St. Charles Rd, Carol Stream (DuPage County), Illinois 60188-2835

Organization: Limited Partnership

State: Illinois

Ownership of Applicant: **Villagebrook Apartments Limited Partnership, an Illinois Limited Partnership**

- **Full Circle Villagebrook GP, LLC, an Illinois Limited Liability Company, General Partner: 0.01%** . The sole member of Full Circle Villagebrook GP, LLC is Full Circle Communities, Inc., Northbrook, Illinois, a 501(c)(3) corporation. **A list of Board Members for Full Circle Communities, Inc. follows:**
    - David Gottlieb, Director/Executive Director (Full Circle Communities, Inc. and Banner Properties, Inc.,) Northbrook, IL
    - Milton Pinsky, Director/Associate Executive Director (Full Circle Communities, Inc. and Banner Properties, Inc.,) Northbrook, IL
    - Lynn Bergstrom, Director, (Director of Consulting for Lakefront SRO, Chicago)
    - John Lukehart, Director, Oak Park, IL (Leadership Council for Metropolitan Open Communities)
    - Martin Pinsky, Director (CFO, Banner Properties, Inc., Northbrook, IL)
    - Kale Williams, Director (Loyola University, Chicago; Center for Urban Research)
    - Hank Zuba, Director, Oak Park, IL (President of Merriam/Zuba LTD>)

- **Paramount Financial Group, Inc. and affiliates, Granville, OH: 99.99%** (through syndication of 4% Low Income Housing Tax Credits to large corporations, including affiliates, subsequent to closing). Paramount Financial Group is GMAC Commercial Mortgage Corporation's tax credit syndication affiliate.

Current Property Owner: **Villagebrook Investors, an Illinois limited partnership**

Tandem Associates, an Illinois limited partnership (General Partner): The principal owner of General Partner is **Tandem Property Affiliates, Inc.**, an Illinois corporation (Jan E. Juynh, President; Daniel N. Epstein, VP; Tandem Property Affiliates, Inc., 222 N. LaSalle St., Suite 1414, Chicago, IL 60601)

PROFESSIONAL & FINANCIAL

Counsel:	Greenberg Traurig LLP	Chicago, IL	Daniel Kraus
Accountant:	Dauby O'Connor & Zaleski	Carmel, IN	Bill Farrington
Bond Counsel:	Peck Shaffer & Williams LLP	Chicago, IL	George Buzard
		Louisville, KY	Sujyot Patel
Underwriter:	Piper Jaffray & Co.	Minneapolis, MN	Mark Appelbaum
		Chicago, IL	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
FHLMC Lender:	Deutsche Bank/Berkshire Mortgage	Rosemont, IL	Allan Edelson
Counsel to Credit Enhancer:	Cassin Cassin & Joseph LLP	New York, NY	Deborah Franzblau
Tax Credit Investor:	Paramount Financial Group, Inc.	Granville, OH	Amanda Burger
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:	Full Circle Management, LLC	Northbrook, IL	
Management Agent:	Metroplex, Inc.	Chicago, IL	Linda Capriotti
Rating Agencies:	Moody's Investors Service	New York, NY	
	S&P Ratings Group	New York, NY	Chris Moriarty
IFA Counsel:	Bell Boyd & Lloyd, LLC	Chicago, IL	Larry Eppley, Pawel Chudzicki

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **SmartSignal Corporation**
901 Warrenville Road Suite 300 Lisle, IL 60532

SmartSignal
Predict the unpredictable

STATISTICS

Project Number:	V-TD-532	Amount:	$50,000 (not to exceed)
Type:	Venture Capital	FM:	Christopher Vandenberg
Location:	Lisle		

BOARD ACTION

Voting Record:	This is the first time this project has been presented to the IFA Board of Directors**
Venture Capital Committee:	The VC Committee will meet prior to the IFA Board meeting and supply a recommendation at the time of the Board meeting.
IFA Staff:	Recommends approval
IFA Funds at Risk?	YES: [X] NO: [ ] Amount: $50,000 (not to exceed)

***SmartSignal is requesting a fourth round investment. IFA has invested a total of $564,098 through 3 investments. This fourth round investment will give IFA an opportunity to preserve its ownership stake of 1.3% in the Company.*

JOBS

Current Employment:	41	Projected new jobs:	13
Jobs Retained:	N/A	Construction jobs:	N/A

COMPANY SUMMARY

SmartSignal (SSC, www.smartsignal.com), formed in 1997 and based on technology from Argonne National Laboratories, is a Lisle-based company focused on providing "equipment performance improvement solutions." SmartSignal's advanced fault detection software provides companies with an extremely early warning of abnormal machine and process behavior leading to failure. SmartSignal's platform can improve any industry's available assets through minimizing planned downtime, decreasing unplanned downtime and increasing uptime. By avoiding the true "hidden" costs of downtime, companies can improve availability leading to greater top-line revenues and reduced costs. The Company is focused on providing services to the power generating and airline industries, with customers including Delta Air Lines, Southwest Airlines, Exelon, TXU, AEP, Ameren, Entergy, Dynegy, Caterpillar and others. SSC is also exploring expansion into the chemical processing industry. The Authority has invested approximately $564,098 in three investments since 1998. We currently own approximately 1.3% of the Company. Other investors include Arch DP, CID, Duchossois, Gryffindor and others.

The Company hired a new CEO in September 2004 and he is interested in raising a $4M round to give the company a greater cushion and to accelerate next generation product development. The round is expected to be 1/2 internal and 1/2 from a new investor (tentatively Mitsui). Caterpillar is also exploring a strategic investment in SmartSignal. This Series BB round will sustain the company to profitability and eventually exit via acquisition or IPO. Additionally, the funds will permit the company to accelerate product development on the next generation of product. The Company is showing significant promise with the new management in place and is poised to become the leader its market segments, with the opportunity for significant return on the Authority's investment. Furthermore, the Company is generating significant revenues and continues to add high-technology jobs in Illinois. Staff recommends the Authority continue support for this company through approval of this investment.

BACKGROUND

IFA has made three investments in SmartSignal totaling $400,000. The first investment, in March 1998, was for $150,000 with the Arch Development Corporation in exchange for Series A Preferred Stock . The second investment was in May 1999, for $250,000 of Series B Preferred Stock. After the first two investments, the Company completed three additional funding rounds for Preferred Stock (Series C-E Preferred Stock). Prior to the Series AA Investment, the Company raised approximately $23 million to fund operations and ongoing product development.

The Series E funding was completed on September 12, 2001. This $14 million round was intended to complete product development and sustain the company to cash-flow break even. This financing round contained several provisions intended to protect the Series E investors, one of which tied the valuation of the company to its revenues. More specifically, if the company failed to achieve $17 million in revenues over two years, the valuation of the company was ratcheted down to the benefit of the Series E investors.

Following the events of the September 11th attacks and the Enron Energy scandals, SmartSignal's two major target markets (the commercial transportation & energy industries) retracted severely. While the Company continued to develop its product and obtain pilot programs, many clients were reluctant to purchase any products. *To date, in over 20 pilots no company has said the technology does not do exactly what SmartSignal said it can do.* Revenues during 2002 were approximately $600,000 and 2003 revenues are anticipated to be approximately $4 million (as projected), far below the ratchet requirement of $17 million. In December 2002 the Company elected to trigger the ratchet. When it became apparent that the Series E funds would be insufficient to sustain the company to profitability, the investors began negotiations to raise further funds to bring the company to profitability.

As a condition to $8M internal Series AA investment, the current Series A-E Preferred holders convert their stock to Common Stock and for the Company to effect a 10:1 reverse stock split. As a result of the conversion, reverse split and the IFA's participation in the Series AA round, IFA's now owns approximately 1.3% of the Company in a combination of common stock and Series AA preferred.

In the summer of 2004, the Company began a search for a new CEO who could bring SSC to the next level of growth. Jim Gagnard began as CEO in September 2004. Since then, the management team has been streamlined and the Company is now in the process of searching for a new VP-Sales. Mr. Gagnard would like to raise $4M to allow for an acceleration of product development and continue to support sales and marketing efforts.

Series BB Preferred Stock			IFA Ownership:	1.25% (fully diluted)
IFA Investment:	$39,381		Security Type:	Series AA & BB Preferred
Investment Leveraged:	$3,960,619		# of Shares:	242,942
			Price Per Share:	$1.20
Pre-Money Valuation	$18,140,202		Post-Money Valuation	$22,140,202

TERM SHEET

SmartSignal is raising $4 million from a strategic investor, Mitsui, and the current investors. *All of the current professional investors, with the exception of one, are participating in this round.* The pre-money valuation of the company was set at $18.1 million, approximately 10% the post-money valuation over the last round.

Caterpillar has recently expressed interest in a strategic relationship with SmartSignal to develop an embedded version of the SmartSignal technology. They are exploring investing $2M in SmartSignal, which will reduce the Authority's ownership percentage from approximately 1.3% to 1.2%.

The Authority, if it chooses to participate, will be granted the same rights as Series BB Preferred Stockholders. The Series BB Preferred holders will have 8% cumulative dividends, a 1x liquidation preference, weighted-average anti-dilution protection, conversion rights and protective provisions. *SmartSignal has also given observation and information rights to the Authority.*

USE OF FUNDS

The funds of from the current round of financing will be used for working capital purposes, including sales, marketing product development, technology advancement and general corporate expenses.

Additionally, there will be a special product development initiative to accelerate the next generation of the product. This round of financing is expected to sustain the company to profitability (Q4 2005).

COINVESTORS

Duchossois Technology Partners – A venture capital firm that makes direct investments in early stage and start-up companies with ideas based on technology and intellectual property. Duchossois has over $100 million in capital.

CID Equity – Founded in 1981, CID is a leading provider of private equity and debt financing to high growth companies throughout Mid-America. With offices in Indianapolis, Chicago, and Columbus the firm actively manages seed, venture, and mezzanine capital funds which together total nearly $440 million. Industries of interest are IT, life sciences, business services and manufacturing.

ARCH Development Partners Fund I – ARCH Development Fund I is a venture capital fund organized to provide returns by combining operations and seed investment experience to address the void of seed venture capital in the Midwest. The ARCH investment focus is research-based technologies including biotechnology/life sciences, wireless, software, and technology infrastructure. ARCH invests in pre-seed and seed stage opportunities focused around unique intellectual property. ARCH co-invested with IFA in the following companies: SmartSignal, Mobitrac and NephRx, Influx and zuChem. IFA is also invested in the ARCH Development Fund through a Fund-to-Fund investment of $300,000 representing 0.92% of the entire fund.

Gryffindor Capital Partners – Private equity investment firm that invests in early stage technology companies, growth equity situations and corporate consolidations. Early stage technology investments target companies that provide technologies, products or services that facilitate the integration of physical assets and online capabilities.

Stephens Group – Established in 1933, the Stephens Group has been putting its own capital into companies in a wide variety of industries ranging from investments in small private and public companies to outright acquisitions. Investment areas include: oil and gas, publishing and media, healthcare, financial services, technology, agriculture, manufacturing, retail, internet and e-commerce.

River Cities Capital Funds – A $300 million family of three venture funds based in Cincinnati, OH, with offices in Raleigh, NC. They invest primarily in early to middle stage companies, located in the Midwest and Southeast, which operate in a variety of high growth industries.

SOLUTION & VALUE PROPOSITION

Background:

Over the years, companies have become smarter about the equipment that they purchase to maximize their return on investment. Initially, equipment was purchased and ran to failure. There was no ability to detect when failure was eminent.

Eventually, OEMs began collecting data on how their equipment performed. That data was then used to conduct Condition Monitoring. Tolerances, which were very generic, were used to determine maintenance cycles (i.e. if temperature exceeds X, it needs maintenance). Thus began the era of preventive maintenance. Unfortunately, although this information permitted some prediction of eminent failure it was not very specific (i.e. based on the average tolerances of all machines – not specific piece of equipment) and often did not give sufficient warning.

SmartSignal's technology is the next evolution of monitoring equipment, which it calls Equipment Performance Improvement (EPI). EPI provides a real-time, agnostic (i.e. non-equipment specific), extensible, persistent and precise tool for predicting equipment failure. SmartSignal's technology offers significant potential for predicting and preventing failures in sensor based systems. The Company currently owns or holds licenses to 36 U.S. Patents or applications, with emphasis in the areas of pattern and signal recognition, adaptive mathematics, and prognostics and diagnostics. SmartSignal believes that its portfolio of technology and intellectual property provides significant advancement over other existing, traditional methods of predicting impending equipment failure. SmartSignal's technology can be used to monitor any sensor-based equipment, but has been initially used to detect failure in machinery for the power generation and airline industries.

PARTNERSHIPS

SmartSignal is currently partnerships with several different companies, including PCS, nPhase, Accenture, OSI and Invensys. The partnerships that appear to present the greatest opportunity for SSC are with Accenture and Invensys.

SmartSignal has a partnership agreement with PCS for **PCS** to sell the EPI*Center product to the smaller power companies and to provide implementation assistance to SSC when the need arises.

nPhase (www.nphase.com) is a Chicago-area startup company that has a wireless communication solution for the transmission of data from equipment for equipment monitoring. nPhase will use the EPI*Center platform to analyze the data. nPhase is focused on the OEM equipment market.

Accenture's (www.accenture.com) Technology Lab group sees SSC as an excellent tool for their clients. By having their clients utilize the SSC platform, Accenture will be able to recognize greater revenues through both cost savings and implementation of controls.

OSI (www.osisoft.com) is the company that makes the data-historians that are used to gather all of the data collected from various equipment components. SSC hopes to enter into an agreement with OSI to assist in positioning and lead generation within SSC's core markets.

Invensys (www.invensys.com) is a global automation, controls and process solutions company. They will be involved in a variety of projects with SmartSignal, including lead generation and deployment. While this relationship is still in its infancy, the management team believes this will become an important relationship that will generate significant revenues to SmartSignal.

COMPETITION

SmartSignal's technology is positioned to establish a new market in the asset management and condition monitoring fields. Original Equipment Manufacturers (OEMs) and scheduled maintenance vendors are the closest competitors identified. OEMs traditionally have relied on simple statistical techniques to calculate the upper and lower machine limits based on the design specifications of the equipment. Based on these bounds, the OEMs offer specialized monitoring services that only work for their proprietary equipment. Several OEMs that employ these monitoring strategies are **Rolls Royce, Siemens, GE** and **Pratt & Whitney**. SmartSignal's solution is manufacturer independent and relies on proprietary models that are specific to each piece of equipment which increase the accuracy and, therefore, the sensitivity to impending failures.

Another form of competition is through vendors that schedule analysis of key components. These analyses usually consist of vibration, thermography, oil dilution and other component-level analyses. Several vendors in this segment are **SKF, Rovsing, Matrikon, Bentley-Nevada** and **DS&S**. SmartSignal believes that these vendors provide an intermediate step between what OEMs offer and what SmartSignal has to offer. These vendor solutions do not provide the real time solution offered by SmartSignal.

As the equipment performance improvement industry continues to develop, existing companies will begin to migrate into the area. Some companies include **Hyperion, Business Objects, Cognos** and **Microstrategy**. SmartSignal currently has first-mover advantage on these companies and through rapid penetration will maintain its leadership ahead of others.

Competitive Advantages

- **Platform/OEM Independent**
- **Real-time**
- **Reduced down-time** – The proprietary algorithms detect failure before it becomes a problem, thereby allowing for scheduled maintenance.
    - *Decreased maintenance costs and increased productivity.*
- **Enterprise-scale** – provides interaction across the enterprises assets and coordinates with existing systems to leverage its predictive nature, reducing the number of failures.

EXIT STRATEGY

The most likely exit strategy for SmartSignal will be through an Initial Public Offering. The Company believes that the subscription model utilized by the company, coupled with the diverse potential applications creates a sustainable company. Based on the current market requirements for IPO, mainly several quarters of profitability, and company projections, an IPO would be likely in late 2006.

Other possible exits include acquisition by either OEMs or end users that wish to bring SmartSignal internally for competitive reasons. Possible acquirers would most likely include current customers or partners: IBM, GE, etc.

POST-MONEY OWNERSHIP

	Pre- Series BB			Post-Series BB			
	Investment Amount	Shares	Ownership %	Investment Amount	Shares	Ownership %	Total Investment
Investors							
Stephens	$ 7,000,000	3,006,670	19.9%	$ 479,964	3,406,640	17.5%	$ 7,479,964
Duchossois TECnology	$ 4,000,000	2,313,801	15.3%	$ 479,964	2,713,771	14.0%	$ 4,479,964
CID Equity Partners	$ 6,076,569	1,861,896	12.3%	$ 299,977	2,111,877	10.9%	$ 6,376,546
SSC Investors	$ 5,506,803	1,643,431	10.9%	$ 269,980	1,868,414	9.6%	$ 5,776,783
RiverCities Capital	$ 3,000,000	1,387,857	9.2%	$ 239,982	1,587,842	8.2%	$ 3,239,982
ARCH Dev Partners	$ 3,193,474	1,027,316	6.8%	$ 124,791	1,131,308	5.8%	$ 3,318,265
Gryffindor Capital	$ 750,000	346,964	2.3%	$ 59,995	396,960	2.0%	$ 809,995
IFA	**$ 564,098**	**210,125**	**1.4%**	**$ 39,381**	**242,942**	**1.2%**	$ 603,479
Mitsui	$ -	-	0.0%	$ 2,000,000	1,666,667	8.6%	$ 2,000,000
ADM	$ 1,196,858	116,011	0.8%	$ -	116,011	0.6%	$ 1,196,858
UC Tech	$ -	66,250	0.4%	$ -	66,250	0.3%	$ -
Other	$ 374,277	173,493	1.1%	$ 5,967	178,466	0.9%	$ 380,244
Investors Sub-Total	*$ 31,662,079*	*12,153,814*	*80.4%*	*$ 4,000,001*	*15,487,148*	*79.7%*	$ 35,662,080
Option Pool							$ -
Available	$ -	95,415	0.6%				$ -
Executives	$ -	1,398,309	9.3%				
Employees/Other	$ -	671,632	4.4%	$ 16,479	575,016	3.0%	$ 16,479
Former Executives	$ -	797,665	5.3%	$ -	3,375,539	17.4%	$ -
Total Option Pool	*$ -*	*2,963,021*	*19.6%*	*$ 16,479*	*3,950,555*	*20.3%*	$ 16,479
Total	**$ 31,662,079**	**15,116,835**	**100.0%**	**$ 4,016,480**	**19,437,703**	**100.0%**	$ 35,678,559

	2002	2003	2004	2005	2006	2007
($000's)	Actual	Actual	Actual	Plan	Plan	Plan
Revenue	$ 1,024	$ 4,106	$ 6,140	$ 10,080	$ 16,100	$ 22,500
Cost of Goods	$ (878)	$ (1,244)	$ (1,525)	$ (2,000)	$ (2,600)	$ (3,400)
Gross Margin	$ 146	$ 2,862	$ 4,615	$ 8,080	$ 13,500	$ 19,100
Operating Expenses						
S+M	$ 3,592	$ 3,095	$ 3,765	$ 4,600	$ 6,100	$ 8,200
R+D	$ 2,900	$ 2,106	$ 2,556	$ 3,700	$ 4,490	$ 5,890
G+A	$ 3,150	$ 2,501	$ 2,020	$ 1,900	$ 2,080	$ 2,380
Total Operating Expenses	$ 9,642	$ 7,702	$ 8,341	$ 10,200	$ 12,670	$ 16,470
Operating Income/(Loss)	$ (9,496)	$ (4,840)	$ (3,726)	$ (2,120)	$ 830	$ 2,630
Headcount	33	41	41	51	66	79

ECONOMIC DISCLOSURE INFORMATION

	Firm	Location	Contact
Company	*SmartSignal Corporation*	*Lisle*	*Jim Gagnard*
General Counsel:	Katten Muchin Zavis Rosenman	Chicago	Craig Bradley
Accountant:	KPMG	Chicago	
Co-Investor	*Duchossois Technology Partners*	*Lombard*	*David Filkin*
Counsel:	Sonnenschein, Nath & Rosenthal	Chicago	Michael Rosenthal
Accountant:	KPMG	Chicago	

LEGISLATIVE DISTRICTS

Congressional:	Judy Biggart (13)
State Senate:	Dan Cronin (21)
State House:	Sandra Pihos (42)

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: Protez Pharmaceuticals

30 Spring Mill Drive *Malvern, PA* *19355*

Protez pharmaceuticals

STATISTICS

Project Number:	V-TD-533	Amount:	$150,000
Type:	Venture Capital	FM:	Christopher Vandenberg
Location:	Malvern, PA		

BOARD ACTION

Voting Record:	This is the first time this project has been presented to the IFA Board of Directors**
Venture Capital Committee:	The VC Committee will meet prior to the IFA Board meeting and supply a recommendation at the time of the Board meeting.
IFA Staff:	Recommends approval
IFA Funds at Risk?	YES: [X] NO: [ ]. Amount: $150,000 (not to exceed)

JOBS

Current Employment:	14	Projected new jobs:	5
Jobs Retained:	N/A	Construction jobs:	N/A

COMPANY SUMMARY

Protez's vision is to become a fully integrated antibiotic company: discovering, developing and marketing novel antibiotics for difficult to treat infections. Protez Pharmaceuticals, located in Malvern, PA, was founded in December 2003 and is based on three technology platforms acquired from Influx Pharmaceuticals (formerly of Chicago, IL). Since the acquisition of the Influx assets, Protez has recruited key management, scientists and advisors, raised $1.6M from various investors, established full preclinical R&D capabilities, advanced two projects into lead optimization and agreed to terms to in-license IND-stage antibiotic.

Protez is currently raising a $10 to $15 million Series B round to complete the in-licensing of Compound Y, completion of IND, Phase I & II studies of Compound Y and completion of lead optimization and preclinical development for one Protez discovery program. The committed new, lead investor is BioAdvance Ventures, which has committed $2M. Additionally, BTG Ventures (existing investor) has committed $1M. The Company currently is in negotiations with several other large venture investors to complete the round. The funds are expected to take the Company to the end of 2006. Protez anticipates at least one additional funding round of approximately $30M to bring their first product to market and ultimately an exit opportunity.

While this company is located in Philadelphia, staff recommends that the Board approve a $150,000 investment. Through this investment, the Authority both increases its potential return on an existing investment and still satisfies its economic development mission by continuing to support technology from Illinois while maintaining and strengthening relationships with top tier venture capitalists.

BACKGROUND

IFA invested $150,000 in Influx, Inc. in 2000. At that time, it was located in the Chicago Technology Park. After the departure of the CEO in 2002/2003, the Company was supported solely by SBIR grants and was not making any commercial progress. The Company was purchased in early 2004, with the Authority receiving $150,000 in stock in Protez, approximately 7% ownership. Protez also received a $800,000 investment from BTG ventures. Protez is an antibiotic company focused on discovering, developing, and marketing novel antibiotics for difficult to treat infections. Until the end of this month, the Company had operations both in Chicago and Malvern, PA. Due to the departure of Dr. Markham (one of the Influx founders) for personal reasons, the decision was made to close the Chicago offices.

Series B Preferred Stock			IFA Ownership:	1.7% (fully diluted)
IFA Investment:	$150,000		Security Type:	Series A & B Preferred
Investment Leveraged:	$14,850,000		# of Shares:	296,818
.			Price Per Share:	$1.20
Pre-Money Valuation	$4,622,060		Post-Money Valuation	$21,460,425

TERM SHEET

Protez is raising $15 million to in-license a clinical stage drug from a third party and to continue development on one of their two drugs. In addition to the new funds being raised, there will be a conversion of approximately $800,000 of outstanding bridge loans. The lead investor for the Series B round currently is BioAdvance Ventures. Also BTG Ventures, the existing investor in Protez, has committed to investing $1M in this round.

The funds will be injected to the company in two tranches, with 60% due immediately and the remaining 40% upon the completion of certain milestones (to be determined prior to funding). The price per share will be $1.10 for the first tranche and will increase to $1.20 for the second tranche. The pre-money valuation for the two tranches is approximately a 21% and a 32% premium over the Series A post-money valuation over the last round. (The Series A price was $0.91.)

The Authority, if it chooses to participate, will be granted the same rights as Series B Preferred Stockholders. The Series B Preferred holders will have 8% cumulative dividends, a 1x liquidation preference, redemption option in 5 years, weighted-average anti-dilution protection, standard conversion rights and standard protective provisions.

USE OF FUNDS

The funds from the current round of financing will be used to license in a third party compound, continue development of that compound through Phase II clinical trials of that compound, completion of an Investigational New Drug application for one Protez compound, identification of a clinical candidate for a second Protez compound, and to license/partner a third Protez program.

COINVESTORS

BioAdvance Ventures – BioAdvance Ventures is an innovative new venture fund formed to invest in seed and early stage life science companies, located primarily in Southeastern Pennsylvania. The fund is sponsored by BioAdvance, the Biotechnology Greenhouse Corporation of Southeastern Pennsylvania (www.bioadvance.com) and will be managed by Quaker BioVentures Inc., (www.quakerbio.com). The Fund's goal is to provide an attractive return to its partners, while stimulating the development and commercialization of emerging life science companies. Quaker BioVentures is a venture capital firm dedicated to investing in life science companies located in the Mid-Atlantic region. The firm leads investments in companies across the spectrum of the life science industry, including biopharmaceuticals, medical devices, human diagnostics, health information technology, and healthcare services. Quaker BioVentures invests in companies at varying stages of development, from early stage businesses to public companies. Quaker BioVentures manages approximately $280 million in capital.

BTG Ventures – BTG has been involved in the commercialization of new technologies for over 50 years. BTG invests in early stage companies with dedicated people, novel technologies, and significant market opportunities. BTG focuses on seed and early stage investments, but will consider attractive later stage investments.

BACKGROUND/TECHNOLOGY

Protez has three drug development platforms internally, all acquired from Influx Pharmaceuticals. Protez also is in-licensing a broad-spectrum, injectable carbapenem that is within 9 months of an Investigational New Drug submission. Protez plans to advance Compound Y to FDA approval and to advance at least one other drug to IND.

Compound Y: Broad Spectrum Injectable Carbapenem

Protez recently executed a term sheet to in-license a compound that is 9 months from an Investigational New Drug (IND) submission to the FDA. The most attractive feature of this drug is its unique bacterial coverage, called the treatment spectrum. Additionally, the safety profile is equal to or better than other carbapenems, will probably require twice a day administration, has a suitable formulation profile (injectable, but potentially oral) and has a production cost that is reasonable for its class of drugs (target of $6/gram). Protez expects to submit the IND by the end of 2005 and begin clinical trials in humans shortly thereafter. The first focus for this compound will most likely be community acquired pneumonia (CAP). Phase I & II trials will be completed by the end of 2006. Phase III will be completed in 2007-2008, with the compound gaining FDA approval in late 2008. The total costs to bring this drug to market will be approximately $35M.

Bactericidal Potentiator (BCP)

Most antibiotics are not bactericidal, meaning do not actually kill the bacteria they are intended to treat; they simply are bacteriostatic, meaning slow the bacterial growth to a point where the body's immune system can eliminate the bacteria. One problem with this is that continued use of the antibiotic increases recurrence, and ultimately resistance, by the bacteria. Protez's BCP is meant to be used in combination with existing antibiotics to actually kill the bacteria, eradicating it quickly and therefore reducing the organisms' ability to develop resistance to the antibiotic. Protez has identified three initial leads which it plans to clinical trials or partner with an existing antibiotic manufacturer.

Anti-Biofilm/Slow Growing (ASG)

While there are "fast growing" bacteria, there are also bacteria which have both a "fast growing" and "slow growing" stage. When exposed to an environment that it finds unsuitable, it will enter into its "slow growing" stage and multiply. These "slow growing" bacteria form a biofilm which antibiotics are unable to penetrate. **According to the CDC and NIH, 64% to 80% of all chronic infections are caused by biofilms.** Protez is in the process of advancing several compounds to IND for either internal clinical trials or to partner with a pharmaceutical company.

Protez is currently in the second year of a 2.5 year $2.9M NIH grant. There also is another pending $1.1M grant for this program.

Efflux Pump Inhibitor/FQ combination (EPI)

One common way for bacteria to fight antibiotics is to pump the antibiotics out of the bacteria prior to it being allowed to kill the bacteria. When used in conjunction with existing antibiotics, the EPI helps the antibiotic overcome the mechanism for resistance that they have developed. At this time, Protez is not advancing this program, in lieu of the BCP and ASG programs.

TARGET MARKET

Protez is focused on delivering pharmaceutical compounds for the hospital antibiotic market. In 2004, the hospital antibiotic market for the U.S. and Europe was a $3.5 billion market, broken into three main segments. Broad spectrum *Pseudomonas* represented approximately 36 million patient days of treatment consisting of $1.1 billion. Multi drug resistant gram-positive infections represented 17 million treatment days consisting of $0.4 billion. This segment is expected to grow to over $1 billion in the next 5-10 years. *Finally*, broad spectrum antibiotics were used for 144 million patient days costing $2 billion.

As many know, drug resistance is becoming much more common and drugs costs to fight these infections are continuing to rise. Current broad spectrum drugs are becoming ineffective, forcing doctors to resort to combinations of products to give the desired activity spectrum. These factors, Protez believes, present a compelling market opportunity for the development of new drugs and their continued attractiveness. Specifically, Compound Y is expected to generate $250 million per year in peak sales in the US And Europe.

BUSINESS STRATEGY

Protez plans to conduct research internally, including determining proof of activity *in vitro* studies and early stage preclinical/clinical studies (including proof of efficacy and safety *in vivo*) studies. When suitable compounds are identified, Protez plans to focus on injectable antibiotics for the hospital market, licensing oral compounds to third parties for community antibiotics. This strategy will allow Protez to capture significant value without investing huge sums of capital to develop the marketing and drug rep networks that are required for community infection drugs.

KEY PERSONNEL

Management Team

Chris Cashman - CEO

Chris has 25 years experience in senior management and antibiotic marketing at both public and venture backed pharmaceutical companies, including Message Pharmaceuticals (CEO), Pfizer (Global Director, New Product Development for Pfizer Animal Health; Vice President, Commercial Operations), and SmithKline Beecham (Vice President, Commercial Operations). Mr. Cashman holds an M.S. in Economics from Purdue University and B.S. Business Management from the University of Minnesota.

Klaus Esser, Ph.D. - Vice President, Technology and Licensing

Dr. Esser has has 30 years experience in infectious diseases and immunology, with his 15 years SB/GSK experience including success in all phases of drug discovery and development, marketing support, business development, and establishment/running of major alliances at GlaxoSmithKline as Head of Disease Strategy and Operations for Antimicrobials and Host Defense. Prior to joining SmithKline, Dr. Esser was at the Walter Reed Army Institute of Research, where he headed a research group and global vaccine program for the US Army.

Luigi Xerri, Ph.D. – Chief Scientific Officer

Dr. Xerri has 30 years experience in antibiotic research and development. He was previously Head of Antimicrobial Disease Strategy, at GlaxoSmithKline, in the Oncology Center for Excellence in Drug Discovery. In this capacity Dr. Xerri had responsibility for defining strategic directions in antibacterials, development and valuation of target product profiles based on his knowledge of medical and market needs, appropriate alignment of the discovery and development portfolio, and working with Business Development to fill gaps via in-licensing. Luigi is recognized internationally as an expert in antibiotics, with his research interest and areas of expertise also including bacterial resistance (epidemiology and experimental evaluation), antibiotic pharmacokinetics/ pharmacodynamics and natural host defenses.

Christopher Burns, Ph.D. – Vice President, Research

Dr. Burns has 15 years experience in medicinal chemistry and drug discovery in both venture backed and public pharmaceutical companies. Most recently Head of Chemistry at ViroPharma Incorporated, Dr. Burns led the anti-viral medicinal chemistry effort that produced two clinical candidates for Hepatitis C infection as well as clinical candidates for respiratory syncytial virus and smallpox (biodefense) infections. Prior to this, he served as Department Director in Medicinal Chemistry and as a Core Member of the Global Lead Optimization Management Committee at Rhone-Poulenc Rorer/Aventis. Dr. Burns has appeared as co-author or co-inventor on more than 40 patents and publications. He received a Ph.D. in Organic Chemistry from the Massachusetts Institute of Technology under Professor K. Barry Sharpless.

SCIENTIFIC ADVISORY BOARD

Deanne Garver, Ph.D. – Former VP – Preclinical Development, Adolor.

Richard Sherman, J.D. – Licensing attorney specializing in Asian markets.

Bill Craig, M.D. – Antibiotic PK/PD expert from University of Wisconsin

John Quinn, M.D. – Infectious Disease Specialist from UIC/Rush University Medical Center

Michael Johnson, Ph.D. – Director of Center for Pharmaceutical Biotechnology, UIC; scientific founder of Influx Inc.

Paul Blake, Ph.D. – SVP – Clinical Research and Regulatory Affairs at Cephalon

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BOARD OF DIRECTORS

Protez currently has five Board members: Chris Cashman (CEO – Protez), Ezra Felker (Investor Director – BTG Ventures), Dr. Michael Johnson (UIC), Scott Horvitz (Outside Director – CFO, Linguagen), and Dr. Paul Blake (Outside Director – SVP, Cephalon).

Upon the close of the Series B round, the Series B Holders will be entitled to designate the majority of the directors. The remaining directors shall be the CEO, one designee of the existing preferred, Paul Blake and Scott Horvitz. Any Investor who holds at least 5% of the fully diluted shares will have the right to appoint a board observer. Furthermore, the holders of the Series B shall have the right to designate one observer. As of 3/31/05, Ezra Felker will be departing BTG Ventures and there will be a new director for the existing preferred holders.

The Board currently has two committees, the Audit and Compensation Committees.

Representing the existing shareholders:
Chris Cashman – *President & CEO, Protez Pharmaceuticals*

Ezra Felker – *Associate Vice President, BTG Ventures*

Dr. Michael Johnson – *Director of Center for Pharmaceutical Biotechnology, UIC; scientific founder of Influx Inc.*

Dr. Paul Blake – *Senior Vice President – Clinical Research and Regulatory Affairs, Cephalon*

Scott Horvitz – *CFO, Linguagen*

COMPETITION

Competition exists from two main types of organizations: drug discovery and product development/licensing companies. Drug discovery companies are a more long-term threat to specific product viability. In other words, those companies may discover a drug that replaces a Protez drug. Nonetheless, Protez feels this threat is minimal due to the intrinsic difficulty of new mechanism based drug discovery, especially in antibiotics. Companies which participate in this area include Cubist, Genome Therapeutics and Vicuron.

Product development/licensing companies present a more immediate competitive threat as these companies may be actively involved in the acquisition of antibiotics. Moreover, there is some evidence that existing drug discovery companies may become active product acquirers, mainly due to poor drug discovery productivity. Specifically, companies such as Elitra, Quorex and Paratek may be companies with whom Protez will compete in the future.

EXIT STRATEGY

The most likely exit strategy for Protez will either be an Initial Public Offering or acquisition. Protez plans to explore exit opportunities after completing the Phase III trials for the carbapenem or approximately 2008. This plan will require Protez to raise at least one more institutional round prior to exit. The anticipated exit valuation of a company with one drug with a NDA and another in late stage clinical trials is between $100M and $200M.

POST-MONEY OWNERSHIP

	Pre-Series B			Post-Series B		
	Investment Amount	Shares	Ownership %	Total Investment Amount	Shares	Ownership %
Investors						
BioAdvance Ventures	$ -	-	0.00%	$ 2,000,000	1,757,576	9.8%
BioAdvance	$ -	-	0.00%	$ 500,000	545,454	3.1%
BTG International	$ 800,063	941,621	40.82%	$ 1,800,063	1,820,409	10.2%
Ben Franklin	$ -	-	0.00%	$ 300,000	354,545	2.0%
IFA	**$ 150,000**	**165,000**	**7.15%**	**$ 300,000**	**296,818**	**1.7%**
Other Influx holders	$ 350,500	385,000	16.69%	$ 350,500	385,000	2.2%
Other Series B Investors	$ -	-	0.00%	$ 11,850,000	10,413,635	58.2%
Other	$ -	-	0.00%	$ -	-	0.0%
Investors Sub-Total	*$ 1,300,563*	*1,491,621*	*64.66%*	*$ 17,100,563*	*15,573,437*	*87.1%*
Other Equity Holders						
Chris Cashman	$ 213	212,500	9.21%	$ 213	212,500	1.2%
Klauss Esser	$ 113	112,500	4.88%	$ 113	112,500	0.6%
Luigi Xerri	$ 124	123,500	5.35%	$ 124	123,500	0.7%
Chris Burns	$ -	-	0.00%	$ -	-	0.0%
Influx Holders	$ 10,693	11,751	0.51%	$ 10,693	11,751	0.1%
Other sub-holders	$ 11,143	460,251	19.95%	$ 11,143	460,251	2.6%
Option Pool						
Issued/Granted	$ -	124,090	5.38%	$ -	124,090	0.7%
Bonus Pool	$ -	225,400	9.77%	$ -	225,400	1.3%
Unallocated	$ -	5,510	0.24%	$ -	1,500,510	8.4%
Option Pool Subtotal	*$ -*	*355,000*	*15.39%*	*$ -*	*1,850,000*	*10.3%*
Total	**$ 1,311,706**	**2,306,872**	**100.00%**	**$ 17,111,706**	**17,883,688**	**100.0%**

Expenses	2004	2005	2006	2007	2008
Administration	784,649	1,158,835	1,380,810	1,491,960	1,991,360
Facility	125,435	199,068	334,596	405,686	439,431
BCP	811,136	1,951,570	1,640,567	8,106,035	10,607,560
Anti-Biofilm	769,901	1,102,600	1,757,820	3,652,775	10,876,774
Compound Y		3,292,800	6,207,600	14,212,070	16,215,120
Total	2,491,120	7,704,873	11,321,393	27,868,526	40,130,245
Revenue	1,627,266	1,174,065	5,004,151	1,181,040	5,270,000

ECONOMIC DISCLOSURE INFORMATION

	Firm	Location	Contact
Company	*Protez Pharmaceuticals*	*Malvern, PA*	*Chris Cashman*
General Counsel:	Duane Morris	Philadelphia	Kathleen Shay
Accountant:	Goldberg Rosenthal	Philadelphia	Jay Weinstein
Co-Investor	*BioAdvance Ventures*	*Philadelphia*	*Geela Vemuri*
Counsel:	Pepper Hamilton	Philadelphia	Brian Katz
Accountant:			

ILLINOIS FINANCE AUTHORITY

Memorandum

To:	IFA Board of Directors
From:	Bart Bittner/lk
Date:	March 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 2005 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:** **Burke, Burns & Pinelli, Ltd**
  Stephen F. Welcome, Esq.
  Three First National Plaza, Suite 4300
  Chicago, IL 60602

Voting Record:

Preliminary Bond Resolutions – February 8, 2005
Ayes: 8 Nays: 0 Abstentions: Absent: 3 (Delgado, Giannoulias, Nesbitt) Vacant: 4

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

Project Number:	A-FB-TE-CD-526
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-527
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: Eric Reed/lk

Date: March 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 2005 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:** **Burke, Burns & Pinelli, Ltd**
  Stephen F. Welcome, Esq.
  Three First National Plaza, Suite 4300
  Chicago, IL 60602

Voting Record:

Preliminary Bond Resolutions – February 8, 2005
Ayes: 8 Nays: 0 Abstentions: Absent: 3 (Delgado, Giannoulias, Nesbitt) Vacant: 4

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

Project Number:	A-FB-TE-CD-504
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-505
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-506
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-507
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%.

LLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Watson and Nona Myers, Funding Managers

Date: March 8, 2005

Re: **Overview Memo for the Pooled Tax Anticipation Warrant (TAWs) Program for Illinois Schools**

- **Borrower(s)/Project Name:** An additional school district will be added to a public bond issue as follows:

• **School District Name:**	Beach Park Community Consolidated School District 3
• **Location:**	Beach Park (Lake County)
• **Principal Project Contact:**	Dr. Raymond Costa Director of Business Services
• **Amount:**	$500,000

- **Board Action Requested:** **Final Approval to Purchase 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 (The Authority is waiving fees to encourage development of this program.)
- **Structure**
  - Fixed Rate Bonds (Anticipated Rate: Not to exceed 3.5%)
  - Bonds will be secured by warrants for property tax due to school districts
- **Recommendation**
  - Staff recommends approval.

IILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **Pooled Tax Anticipation Warrant Program for Illinois School Districts**

STATISTICS

School District Name:	Beach Park Community Consolidated School District 3
Project Number:	L-PW-TE-CD-536
Type:	Tax Anticipation Warrant
Location:	Beach Park, IL (Lake County
SIC Code:	N/A
Amount of TAWs issued by each school district:	$500,000
Total Amount of TAWs:	$ 11,750,000
IFA Staff:	Eric Watson and Nona Myers
Tax ID:	36-6004831
Est. fee:	None

BOARD ACTION

- Purchase of Tax Anticipation Warrants Beach Park Community Consolidated Unit School District 3
- No IFA funds at risk.
- Staff recommends approval.

PURPOSE

To issue a bond and provide funds to 1 school district 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 second issue of Warrants was approved by the Illinois Finance Authority at the February 8, 2005 board meeting as follows:

Ayes: 8 Nays: 0 Abstentions: 0 Absent: 3 (Delgado, Giannoulias, Nesbit) Vacant: 4

SOURCES AND USES OF FUNDS

Sources: IFA Bonds	$11,750,000	Uses: Batavia *	$ 8,750,000
		Beach Park	500,000
		Grand Ridge *	400,000
		Nippersink *	2,100,000
Total:	$11,750,000	Total	$11,750,000

* Approved by the IFA Board on February 8, 2005.

BUSINESS SUMMARY

School District Name	**Beach Park Community Consolidated School District 3**
Governance	The district is governed by a seven member Board of Education. Members are elected to a four-year term.
Location of the District	The Village of Beach Park is located in the Chicago metro area in Lake County on the shore of Lake Michigan, midway between Chicago and Milwaukee, WI. It is bounded on the south by Waukegan and on the North by Zion,
District Enrollment (2004-05 School Year) Report Card Data	2,238 K to 8
Number of Schools	1 Middle School 3 Elementary Schools 1 Special 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 (operations and maintenance, and transportation funds).

School District Name	Beach Park Community Cons School District 3
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 2003 Levy Interest: **Total:**	5/27/04 408,303.24 6/10/04 **3,555,281.82** 6/17/04 1,003,673.46 6/29/04 642,943.76 7/27/04 98,301.30 8/24/04 284,425.38 9/9/04 2,903,174.03 9/16/04 965,101.12 9//23/04 644,694.01 10/19/04 228,387.76 11/23/04 122,629.86 12/28/04 155,583.23 1/31/05 26,451.12 11,038,950.09 2,323.92 **11,041,274.01**
Equalized Assessed Valuation of Taxable Property	**314,270,216**
2004 Levy	**$10,550,767**
State Financial Profile Scores(a) • Fund Balance to Revenue Ratio • Days Cash on Hand *(Scores range from 1 (lowest) to 4 (highest). Scores of 1 invoke escrow agreement.)*	2 2 *ESCROW ACCT REQUIRED*
Results of Operations(b) • Receipts/Revenues • Disbursements/Expenses • Excess/Deficiency • Fund Balance *(FY04 School District Profile Data)*	17,606,860 16,055,364 1,551,496 1,643,238

(a) Results not finalized 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 and escrow accounts for Beach Park Community Consolidated School District 3

Maturity: To be determined at time of sale

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Beach Park Community Consolidated School District 3
Location:	11315 West Wadsworth Beach Park, IL 60099
Organization	School District
State:	Illinois
Officials:	Dr. Robert DiVirgilio, Superintendent
Board of Education:	Calvin Schneider, President Jeny Hieb, Vice President Kathy Amundsen, Secretary Cindy Bowen Andrew Luther Jerry Nordstrom Jose Olvera

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	Beach Park Community Consolidate SD 3
Congressional	8
State Senate	31
State House Rep	61

RESOLUTION

RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AMENDMENTS TO THE LOAN AGREEMENT RELATING TO THE ILLINOIS DEVELOPMENT FINANCE AUTHORITY ADJUSTABLE RATE DEMAND REVENUE BONDS, SERIES 2001 (YMCA OF METROPOLITAN CHICAGO PROJECT), ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $54,000,000; AND AUTHORIZING AND APPROVING CERTAIN RELATED MATTERS.

WHEREAS, the Illinois Development Finance Authority ("IDFA") has heretofore issued its Adjustable Rate Demand Revenue Bonds, Series 2001 (YMCA of Metropolitan Chicago Project) (the "Bonds"), in the original aggregate principal amount of $54,000,000, pursuant to the terms of that certain Trust Indenture dated as of June 1, 2001 between IDFA and Seaway National Bank of Chicago, as trustee; and

WHEREAS, the net proceeds from the issuance and sale of the Bonds were loaned to Young Men's Christian Association of Chicago, a not for profit corporation incorporated under Special Act of the Illinois legislature (the "Corporation") pursuant to the terms of the Loan Agreement dated as of June 1, 2001 (the "Origirial Loan Agreement"), between the Corporation and IDFA, to be used by the Corporation for the purposes described in the Original Loan Agreement; and

WHEREAS, the Corporation has requested that the Authority (as successor to IDFA) (a) authorize and approve amendments to the Original Loan Agreement, which will be consented to by the owner or owners of all outstanding Bonds, and which amendments are reflected in the draft of the First Supplemental Loan Agreement (the "First Supplemental Loan Agreement"), a copy of which has been prepared and presented to the members of the Authority, and (b) authorize and approve the execution and delivery of the First Supplemental Loan Agreement; and

WHEREAS, the Corporation has requested that the Authority authorize and approve the execution and delivery of all other necessary documentation required to effect such amendments, including, without limitation, the delivery of a supplement to the Official Statement pursuant to which the Bonds were originally offered (the "Supplement"); and

WHEREAS, the Authority desires to approve such amendments and authorize and approve the execution and/or delivery of the First Supplemental Loan Agreement, the Supplement and any other necessary or appropriate documentation to effect the foregoing;

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

Section 1. That the Authority hereby approves amending the provisions of the Original Loan Agreement as reflected in the form of the First Supplemental Loan Agreement now before the Authority.

Section 2. That the Authority is hereby authorized to enter into the First Supplemental Loan Agreement in substantially the same form as is now before the Authority; that the form, terms and provisions of the First Supplemental Loan Agreement be, and they hereby are, in all respects approved; that the Chairman, the Treasurer or the Executive Director of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and the Secretary or any Assistant Secretary of the Authority be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the First Supplemental Loan Agreement in the name, for and on behalf of the Authority, and thereupon to cause the First Supplemental Loan Agreement to be executed, acknowledged and delivered, in substantially the form now before the Authority or with such changes therein as the Chairman, the Treasurer or the Executive Director shall approve, the execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the form of First Supplemental Loan Agreement now before the Authority; that when the First Supplemental Loan Agreement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such First Supplemental Loan Agreement shall be binding on the Authority; that from and after the execution and delivery of the First Supplemental Loan 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 First Supplemental Loan Agreement as executed; and that the First Supplemental Loan Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the First Supplemental Loan 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. That the Chairman, the Treasurer, the Executive Director, the Secretary, any Assistant Secretary and any other officer of the Authority be, and each of them hereby is, authorized to approve, execute and deliver such documents (including the Supplement), certificates, and undertakings of the Authority, and to take such other actions as may be required in connection with: the execution, delivery and performance of the First Supplemental Loan Agreement and effecting the amendments to the Original Loan Agreement as provided herein, all as authorized by this Resolution.

Section 4. That all acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 5. That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 6. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 7. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

AMENDATORY RESOLUTION AMENDING RESOLUTION PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED $110,000,000 AGGREGATE PRINCIPAL AMOUNT OF REVENUE REFUNDING BONDS, DEPAUL UNIVERSITY, OF THE ILLINOIS FINANCE AUTHORITY, CONSISTING OF REVENUE REFUNDING BONDS, DEPAUL UNIVERSITY, SERIES 2005A, ADJUSTABLE RATE REVENUE REFUNDING BONDS, DEPAUL UNIVERSITY, SERIES 2005B AND TAXABLE ADJUSTABLE RATE REVENUE REFUNDING BONDS, DEPAUL UNIVERSITY, SERIES 2005C, AND AUTHORIZING THE SALE THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF TWO LOAN AGREEMENTS, TWO TRUST INDENTURES, TWO BOND PURCHASE AGREEMENTS, TWO TAX EXEMPTION CERTIFICATE AND AGREEMENTS, TWO FIRST SUPPLEMENTAL TRUST INDENTURES AND RELATED DOCUMENTS; APPROVING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND TWO OFFICIAL STATEMENTS; AND AUTHORIZING AND APPROVING RELATED MATTERS, WHICH WAS APPROVED BY THE MEMBERS OF THE ILLINOIS FINANCE AUTHORITY ON FEBRUARY 8, 2005.

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, Public Act 93-205 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 costs of the acquisition, construction, refurbishment, installation and equipping of "educational facilities," as defined in the Act, and to provide for the refunding or advance refunding of any bonds deemed necessary in connection with any purpose of the Authority; and

WHEREAS, DePaul University, an Illinois not for profit corporation (the "University"), wishes to (i) current refund all the outstanding Illinois Educational Facilities Authority Adjustable Demand Revenue Bonds, DePaul University, Series 1992 (the "Series 1992 Bonds"), (ii) advance refund all the outstanding Illinois Educational Facilities Authority Revenue Refunding Bonds, DePaul University, Series 1997 (the "Series 1997 Bonds") and (iii) pay certain costs relating to the issuance of the Bonds (as hereinafter defined), the current refunding of the Series 1992 Bonds and the advance refunding of the Series 1997 Bonds; and

WHEREAS, the proceeds of the Series 1992 Bonds were loaned to the University to provide the University with the funds necessary to finance, refinance or be reimbursed for a portion of the costs of the acquisition, construction, renovation and equipping of certain educational facilities (the "Series 1992 Project"); and

WHEREAS, the proceeds of the Series 1997 Bonds were loaned to the University to refund previously outstanding issues of bonds of the Illinois Educational Facilities Authority, the proceeds of which were used to provide the University with the funds necessary to finance, refinance, or be reimbursed for a portion of the costs of the acquisition, construction, renovation and equipping of certain educational facilities (the "Series 1997 Project" and, together with the Series 1992 Project, the "Prior Project"); and

WHEREAS, the University is a "private institution of higher education" as defined in Section 801-10(t) of the Act and the Prior Project consists of "educational facilities" as defined in Section 801-10(r) of the Act; and

WHEREAS, in furtherance of the purposes set forth in the Act, the Authority wishes to provide for the refunding or advance refunding of all or a portion of the Series 1992 Bonds and the Series 1997

Bonds by the sale and issuance of its revenue refunding bonds and by authorizing such actions as might be required to implement such stated intention; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Authority is now prepared to proceed with the refunding or advance refunding of all or a portion of the Series 1992 Bonds and the Series 1997 Bonds, and to issue and sell not to exceed $110,000,000 in aggregate principal amount of its Revenue Refunding Bonds DePaul University, consisting of Revenue Refunding Bonds, DePaul University, Series 2005A (the "Series 2005A Bonds"), Adjustable Rate Revenue Refunding Bonds, DePaul University, Series 2005B (the "Series 2005B Bonds"), and Taxable Adjustable Rate Revenue Refunding Bonds, DePaul University, Series 2005C (the "Series 2005C Bonds" and, together with the Series 2005A Bonds and the Series 2005B Bonds, the "Bonds") to accomplish the same, such Bonds to be secured by the Indentures (as hereinafter defined) as described therein, and, except to the extent payable from Bonds proceeds or income from the temporary investment thereof, to be payable solely from the revenues and income and other amounts received by the Authority pursuant to the Loan Agreements (as hereinafter defined); and

WHEREAS, it is now necessary, desirable and in the best interests of the Authority to authorize the execution and delivery, or approval, as the case may be, of separate Trust Indentures with respect to the Series 2005A Bonds, and with respect to the Series 2005B Bonds and Series 2005C Bonds, each dated as of March 1, 2005 (collectively, the "Indentures"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), separate Loan Agreements with respect to the Series 2005A Bonds, and with respect to the Series 2005B Bonds and Series 2005C Bonds, each dated as of March 1, 2005 (collectively, the "Loan Agreements"), by and between the Authority and the University, separate Bond Purchase Agreements with respect to the Series 2005A Bonds, and with respect to the Series 2005B Bonds and Series 2005C Bonds (collectively, the "Purchase Agreements") by and among the Authority, the University, and Lehman Brothers, as representative of the underwriters named therein (the "Underwriter"), separate Tax Exemption Certificate and Agreements with respect to the Series 2005A Bonds, and with respect to the Series 2005B Bonds and Series 2005C Bonds, each dated the date of issuance of the Bonds (collectively, the "Tax Agreements"), by and among the Authority, the University, and the Trustee, a First Supplemental Trust Indenture with respect to the Series 1992 Bonds dated as of March 1, 2005 (the "1992 Supplemental Indenture"), by and between the Authority and LaSalle Bank National Association, as trustee (the "Series 1992 Trustee"), a First Supplemental Trust Indenture with respect to the Series 1997 Bonds dated as of March 1, 2005 (the "1997 Supplemental Indenture"), by and between the Authority and J.P. Morgan Trust Company, National Association, as trustee (the "Series 1997 Trustee"), a Preliminary Official Statement with respect to the Series 2005A Bonds (the "Preliminary Official Statement"), an Official Statement with respect to the Series 2005A Bonds, (the "Series 2005A Official Statement"), and with respect to the Series 2005B Bonds and Series 2005C Bonds (the "Series 2005BC Official Statement" and, collectively with the Series 2005A Official Statement, the "Official Statements"), all in connection with the issuance of the Bonds; and

WHEREAS, the Authority has caused to be prepared and presented to its members drafts of the following documents which the Authority proposes to enter into or approve:

(i) the Indentures,

(ii) the Loan Agreements,

(iii) the Purchase Agreements,

(iv) the Preliminary Official Statement,

(v) the Series 2005BC Official Statement, and

(vi) the Bonds;

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

Section 1. That the Authority is hereby authorized to enter into each of the Indentures with the Trustee in substantially the same form now before the Authority; that the form, terms and provisions of each Indenture be, and they hereby are, in all respects approved; that the Chairman or the Executive Director or the Treasurer of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and the Secretary or any Assistant Secretary of the Authority be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, each Indenture in the name, for and on behalf of the Authority, and thereupon to cause each Indenture to be executed, acknowledged and delivered to the Trustee, and each Indenture shall constitute an assignment for the security of the applicable series of the Bonds issued thereunder of the revenues and income to be received by the Authority pursuant to the corresponding Loan Agreement and an assignment of other rights under such Loan Agreement, as described in such Indenture (with the exception of rights to receive certain payments, to indemnity and other rights as specified in such Indenture), in substantially the form now before the Authority or with such changes therein as the Chairman or Executive Director or the Treasurer 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 Indenture now before the Authority; that when each Indenture is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such Indenture shall be binding on the Authority; that from and after the execution and delivery of each Indenture, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such Indenture as executed; and that each Indenture shall constitute, and hereby is made, a part of this Resolution, and a copy of such Indenture shall be placed in the official records of the Authority, and shall be available for public inspection at the office of the Authority.

Section 2. The designation by the University of U.S. Bank National Association as trustee, paying agent and registrar with respect to the each series of Bonds, is hereby approved by the Authority; provided that such approval shall in no event be deemed a waiver of any Authority requirements with respect to trustees on any future bond issues.

Section 3. That the Authority is hereby authorized to enter into each of the Loan Agreements with the University in substantially the same form as presented to the Authority herewith; that the form, terms and provisions of each Loan Agreement be, and they hereby are, in all respects approved; that the Chairman or the Executive Director or the Treasurer of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, each Loan Agreement in the name, for and on behalf of the Authority, and thereupon to cause each Loan Agreement to be delivered to the University, each Loan Agreement (as executed) to provide for the loan of the proceeds of the applicable series of the Bonds to the University and the use of such proceeds to refund or advance refund all or a portion of the Series 1992 Bonds or the Series 1997 Bonds in the manner and with the effect therein provided, and to be in substantially the same form as now before the Authority or with such changes therein as the Chairman or Executive Director or the Treasurer shall approve, his execution thereof to constitute conclusive evidence of his approval of any and all changes or revisions therein from the form of such Loan Agreement now before the Authority; that when each Loan Agreement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such Loan Agreement will be binding on the Authority; that from and after the execution and delivery of each Loan 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 Loan Agreement as executed; and that each Loan Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of such Loan 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 4. That the Authority is hereby authorized to enter into each of the Tax Agreements with the University and the Trustee in the forms to be approved by bond counsel, by counsel for the Authority and by counsel for the University; that the Chairman or the Executive Director <u>or the Treasurer</u> of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver each Tax Agreement, in the form so approved; that when each Tax Agreement is executed and delivered on behalf of the Authority as hereinabove provided, such Tax Agreement will be binding on the Authority; that from and after the execution and delivery of each Tax 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 Tax Agreement as executed; and that each Tax Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of such Tax 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 form of the Bonds now before the Authority, subject to appropriate insertions and revisions in order to comply with the provisions of the applicable Indenture (as executed and delivered) be, and the same hereby is, approved; that the Bonds shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its Chairman and attested with the manual or facsimile signature of its Secretary or any Assistant Secretary and the seal of the Authority shall be impressed or imprinted thereon; that the Chairman or any other officer of the Authority shall cause the Bonds, as so executed and attested, to be delivered to the Trustee for authentication; and when the Bonds shall be executed on behalf of the Authority in the manner contemplated by the applicable Indenture and this Resolution, they shall represent the approved form of Bonds of the Authority; *provided* that the Series 2005A Bonds shall bear interest at one or more fixed rates not in excess of a weighted average annual rate of 8% per annum and shall be payable over a term not exceeding forty (40) years from their date of issuance; and *provided further* that the Series 2005B Bonds and the Series 2005C Bonds shall bear interest at one or more variable rates determined as set forth in the applicable Indenture, not in excess of an annual rate of 10% per annum and shall be payable over a term not exceeding thirty-five (35) years from their date of issuance.

Section 6. That the sale of the Bonds in an aggregate principal amount not to exceed $110,000,000 to the Underwriter at a purchase price of not less than 97% of the aggregate principal amount thereof (without regard to original issue premium or discount) and accrued interest, if any, to the date of delivery, is hereby approved and confirmed, and the Authority is hereby authorized to enter into each of the Bond Purchase Agreements with the University and the Underwriter in substantially the same form as presented to the members of the Authority; that the form, terms and provisions of each Bond Purchase Agreement be, and they hereby are, in all respects approved; that the Chairman or the Executive Director <u>or the Treasurer</u> of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver each Bond Purchase Agreement, by and among the Authority, the University and the Underwriter, such Bond Purchase Agreements to provide for the issuance and sale of the Bonds of the Authority in an aggregate principal amount not to exceed $110,000,000, in substantially the same form as presented to the members of the Authority or with such changes therein as the Chairman or Executive Director <u>or the Treasurer</u> shall approve, his execution thereof to constitute conclusive evidence of his approval of any and all changes and revisions therein from the form of each Bond Purchase Agreement now before the Authority and of his approval of the final principal amounts, final maturities and redemption provisions for the applicable series of the Bonds; that when each Bond Purchase Agreement is executed and delivered on behalf of the Authority as hereinabove provided, such Bond Purchase Agreement shall be binding upon the Authority; that from and after the execution and delivery of each Bond 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 such Bond Purchase Agreement as executed; and that each Bond Purchase Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of such Bond 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 7. That the Authority is hereby authorized to enter into the 1992 Supplemental Indenture with the Series 1992 Trustee in the form to be approved by bond counsel and by counsel for the Authority; that the Chairman or the Executive Director or the Treasurer of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the 1992 Supplemental Indenture in the name, for and on behalf of the Authority, and thereupon to cause the 1992 Supplemental Indenture to be delivered to the University, such 1992 Supplemental Indenture (as executed) to provide for the refunding or advance refunding of all or a portion of the Series 1992 Bonds in the manner and with the effect therein provided, and to be in the form so approved; that when the 1992 Supplemental Indenture is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such 1992 Supplemental Indenture will be binding on the Authority; that from and after the execution and delivery of the 1992 Supplemental Indenture, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the 1992 Supplemental Indenture as executed; and that the 1992 Supplemental Indenture shall constitute, and hereby is made, a part of this Resolution, and a copy of the 1992 Supplemental Indenture shall be placed in the official records of the Authority, and shall be available for public inspection at the office of the Authority.

Section 8. That the Authority is hereby authorized to enter into the 1997 Supplemental Indenture with the Series 1997 Trustee in the form to be approved by bond counsel and by counsel for the Authority; that the Chairman or the Executive Director or the Treasurer of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the 1997 Supplemental Indenture in the name, for and on behalf of the Authority, and thereupon to cause the 1997 Supplemental Indenture to be delivered to the University, such 1997 Supplemental Indenture (as executed) to provide for the refunding or advance refunding of all or a portion of the Series 1997 Bonds in the manner and with the effect therein provided, and to be in the form so approved; that when the 1997 Supplemental Indenture is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such 1997 Supplemental Indenture will be binding on the Authority; that from and after the execution and delivery of the 1997 Supplemental Indenture, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the 1997 Supplemental Indenture as executed; and that the 1997 Supplemental Indenture shall constitute, and hereby is made, a part of this Resolution, and a copy of the 1997 Supplemental Indenture shall be placed in the official records of the Authority, and shall be available for public inspection at the office of the Authority.

Section 9. That the distribution of the Preliminary Official Statement and each of the Official Statements by the Underwriter is hereby approved, the Preliminary Official Statement and the Series 2005A Official Statement to be in substantially the same form as the draft of the Preliminary Official Statement now before the Authority, and the Series 2005BC Official Statement to be in substantially the same form as the draft of the Series 2005BC Official Statement now before the Authority, or, in each case with such changes therein as shall be approved by the Chairman or the Executive Director or the Treasurer of the Authority; and each of them hereby is authorized, empowered and directed to certify that the information contained in the Preliminary Official Statement and each Official Statement under the headings "THE AUTHORITY," and "LITIGATION—The Authority," to the extent such information pertains to the Authority, is in a form "Deemed Final" by the Authority.

Section 10. That the Chairman, the Executive Director or the Treasurer, the Secretary, any Assistant Secretary and any other officer 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 Indentures, the Loan Agreements, the Bond Purchase Agreements, the Tax Agreements, the 1992 Supplemental

Indenture and the 1997 Supplemental Indenture; the refunding or advance refunding of all or a portion of the Series 1992 Bonds and the Series 1997 Bonds; and the distribution of the Preliminary Official Statement and the Official Statements, all as authorized by this Resolution.

Section 11. That all acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 12. That the publication on behalf of the Authority of the notices of public hearing relating to the conduct of the public hearing by the Executive Director of the Authority or his designee with respect to the issuance of the Bonds is hereby ratified, approved and confirmed.

Section 13. 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 14. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 15. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

THE BOND BUYER

Vol. 351 No. 32072 New York, N.Y. — THE DAILY NEWSPAPER OF PUBLIC FINANCE — Wednesday, February 16, 2005

MIDWEST REGION: Top 10 Rankings

Senior Managers

	Firm	Volume ($ mils.)
1	UBS Financial Svcs	7,260.2
2	Morgan Stanley	4,497.7
3	J.P. Morgan Secs	3,918.4
4	Bear Stearns	3,877.4
5	Citigroup Global Mkts	3,469.2
6	Piper Jaffray	2,800.7
7	A.G. Edwards	2,668.2
8	Merrill Lynch	2,601.4
9	Lehman Brothers	2,390.6
10	City Securities	2,216.8

Financial Advisers

	Firm	Volume ($ mils.)
1	Public Financial Mgmt	3,588.2
2	Stauder Barch	3,088.8
3	Springsted	2,834.6
4	First Albany Capital	2,043.2
5	Robert W. Baird	1,561.1
6	Kirkpatrick Pettis	1,508.6
7	Ehlers & Associates	1,479.6
8	Seasongood & Mayer	1,344.5
9	A.C. Advisory	1,014.6
10	Mesirow Financial	882.1

Issuers

1	Illinois	3,101.2
2	Illinois Finance Auth	2,659.2
3	Chicago IL	2,330.6
4	Wisconsin	1,607.6
5	Ohio	1,583.1
6	Indiana Bond Bank	1,158.4
7	Ohio Water Dev Auth	949.5
8	Cook County IL	827.7
9	Missouri Hghr Ed Loan	825.0
10	Wisconsin Health & Ed	804.5

Bond Counsel

1	Chapman and Cutler	5,172.9
2	Squire Sanders	4,173.6
3	Ice Miller	3,927.9
4	Gilmore & Bell	3,382.1
5	Dorsey & Whitney	2,897.9
6	Miller Canfield	2,842.5
7	Quarles & Brady	2,594.6
8	Peck Shaffer	2,244.2
9	Foley & Lardner	2,242.4
10	Jones Day	2,061.4

The Midwest region includes Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. Bond rankings are based on issues maturing in 13 months or more. Private placements, remarketings, and issues not meeting Thomson Financial's "T+5" policy rule are excluded. In issues with multiple senior managers, co-counsel, or co-advisers, the par amount of the issue is divided equally among the firms. Source: Thomson Financial (1/15/05 for bond counsel, 1/8/05 for others)

ILLINOIS: Top Five Rankings

Senior Managers

	Firm	Volume ($ mils.)
1	Bear Stearns	2,231.5
2	UBS Financial Svcs	1,364.1
3	William Blair	1,361.4
4	J.P. Morgan Secs	1,273.7
5	Morgan Stanley	1,225.5

Financial Advisers

	Firm	Volume ($ mils.)
1	Kirkpatrick Pettis	1,446.4
2	A.C. Advisory	1,014.6
3	Mesirow Financial	882.1
4	Speer Financial	604.4
5	Scott Balice Strategies	583.3

Issuers

1	Illinois	3,101.2
2	Illinois Finance Auth	2,659.2
3	Chicago	2,330.6
4	Cook County	827.7
5	Chicago City Bd Ed	781.6

Bond Counsel

1	Chapman and Cutler	4,970.9
2	Jones Day	1,515.1
3	KMZ Rosenman	1,200.7
4	Burris Wright	1,049.1
5	Pugh Jones	890.4

Bond rankings are based on issues maturing in 13 months or more. Private placements and remarketings are excluded. In issues with multiple senior managers, co-advisers, and co-counsel, the par value of the issue is divided qually among the firms. Source: Thomson Financial (1/15/05 for bond counsel, 1/8/05 for others)

THE BOND BUYER

Vol. 351 No. 32076 New York, N.Y. THE DAILY NEWSPAPER OF PUBLIC FINANCE Wednesday, February 23, 2005

Dorm Bonds Negative

Moody's Investors Service last week revised to negative from stable the outlook on $151 million of Baa2-rated housing revenue bonds sold in 2002 for the University Center Project, a college dormitory in downtown Chicago.

The bonds were sold through the Illinois Educational Facilities Authority on behalf of the Education Advancement Fund Inc. Proceeds of the bonds financed the construction of the 1700-bed facility, which is being used by several local colleges and universities.

The Educational Advancement Fund was formed by DePaul University, Columbia College Chicago, and Roosevelt University, although the bonds are primarily secured by rental payments and other various funds pledged under the indenture.

The project — completed last August — has so far failed to meet expected revenue levels mostly because too many of the student contracts were signed for nine-and-a-half-month terms while the original finance plan relied on 33% of the contracts being signed for 12-month terms. "Additionally, conference services and conference housing have not met projected expectations," Moody's analysts wrote.

Although the outlook was shifted to negative, the project escaped an actual downgrade due to a recent amendment to the member agreement signed by the EAF's members that guarantees a subsidy payment without limitation in the next school year to ensure that a 1.25 times debt service coverage level is attained.

There had been concern that the coverage level would not hit that mark because revised budget projections forecast bond debt service coverage of 1.08 times for the 2004-05 year. "The decision by the member schools to make this revision evidences their commitment to the long-term success of the property," analysts wrote.

Moody's noted that strong property management and increased marketing efforts will be needed to increase revenue by increasing the number of 12-month contracts. The University Center Project is currently 97% occupied for the 2004-2005 school year, with 86% 9.5-month contracts and 11% twelve-month contracts.

— *Yvette Shields*

Governor Rod Blagojevich speaks at Nashville High School Assembly Hall Monday. Nashville Mayor Ray Kolweier is also at the podium. In the background are Representative Mike Bost and Senator David Luechtefeld.

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Governor Blagojevich Gives Stamp Of Approval To Prairie State Energy Campus

Governor Blagojevich greets John Klingenberg after his speech. Klingenberg has been Okawville's Democratic Precinct Committeeman for 13 years.

Governor Rod Blagojevich came to Nashville High School Monday for what amounted to a pep rally supporting Peabody's proposed Prairie State Energy campus of a coal mine and power plant.

He was "preaching to the choir" in the Assembly Hall filled with Okawville and Nashville students and county supporters anxious for good-paying jobs in Washington County.

The proposed project promises up to 2,500 construction jobs at the peak, and 450 permanent jobs at the site in Lively Grove Township.

"Bringing back the coal industry is our patriotic duty," said Governor Blagojevich. "It will help our country be energy self-sufficient. We will use technology to take care of energy needs right here."

Governor Blagojevich said that the state is offering a $1.7 billion loan through the Illinois Finance Authority, other incentives and grants, and the Illinois EPA approval.

The Washington County Board has extended the Enterprise Zone from Nashville to the site to eliminate sales tax on construction materials. Taxing districts are also considering reductions as incentives to Peabody.

Two years ago the General Assembly passed landmark coal legislation that gave IFA up to $300 million in bonding authority to support clean coal development projects. The governor will also provide grants from the Illinois Department of Commerce and Economic Opportunity for the project.

"We want to get the coal industry moving again in Illinois. You can't live the American dream unless you can catch the American Dream," the Governor said.

He added that jobs are critical to that dream.

"The governor's support of the Prairie State Energy campus can be critical to getting environmental permits to operate the mine and power plant, Senator David Luechtefeld said after the program.

Although Prairie State will be built with the most state-of-the art technology with the lowest emissions, environmentalists object to coal-powered plants in general, favoring gasification plants.

Peabody has already received the EPA Air Permit, but other permits are needed.

Peabody Executive Officer Irl Engelhardt said that building the Energy Campus is still contingent on getting permits, an operating partner for the power plant, and having the majority of the electricity sold.

He did not mention a date that construction could begin.

Earlier Peabody news releases have said that construction could begin as early as the latter part of 2005.

Peabody first announced the proposed Prairie State Energy campus in October 2001. Since then it has contracted a project engineer Fluor Daniel, worked toward getting permits, and lined up a group of Midwest electric cooperatives for partial ownership and to buy part of the electrical output.

State Senators David Luechtefeld (R), and Representatives Dan Reitz (D), Kurt Granberg (D) and Mike Bost (R), and Nashville Mayor Ray Kolweier all spoke highly of the Prairie State Energy campus.

Senator Luechtefeld said that while all legislators work to bring jobs into their district to make life better, most of the time they strike out. He gave Peabody credit for the investment while still looking for partners and getting permits.

George Jebron, a laid off miner said, "Experienced men are ready to bring coal out of the ground. I am 100 percent for the project. I am not ready to retire." Jebron, 60, a rural Coulterville man, is a third generation miner.

Nashville High Superintendent Wendy Davis gave the welcome. The Nashville High band played, the chorus sang, and cheerleaders led the governor to the Assembly Hall.

Prairie State Energy Campus

The planned 1,500-megawattt electric generation facility will be fueled by more than six million tons of coal mined each year from an adjacent underground mine.

The campus is designed to provide electricity for up to 1.5 million families, and is anticipated ~~to begin~~ generation 2009-2010. Prairie State expects to produce electricity at a cost that is nearly one-half the average cost currently paid by Illinois customers.

The 450 jobs created by the project will pay wages that are estimated to be more than 40 percent higher than the state average.

A study prepared by Southern Illinois University reveals that Prairie State Energy Campus would inject about $2.8 billion into the Illinois economy in new spending, job creation and induced economic activity over three decades of operation.

The proposed Energy Campus has widespread support, with a survey showing that 87 percent of local residents support the project.

Peabody Energy is the world's largest private-sector coal company. Its coal products fuel more than 10 percent of all U.S. electricity generation and more than 2.5 percent of worldwide electricity generation.

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Governor Blagojevich highlights $2 billion clean coal technology project

Gov. Rod Blagojevich continued to support the development of clean coal technology in Illinois when he visited the area of a proposed coal-fuel energy plant that would create thousands of jobs and make a major impact in the local economy. Peabody Energy plans to build the new Prairie State Energy Campus, a 1,500-megawatt generating plant and coal mine that will provide clean, low-cost electricity using state-of-the-art technologies. This $2 billion project is estimated to inject nearly $100 million annually into the Illinois economy, create approximately 2,500 jobs at peak construction and 450 skilled, permanent Illinois jobs. The Prairie State Energy Campus is the largest private capital project ever planned for Southern Illinois. It represents a major victory for the Illinois coal industry and ushers in a new era of clean-coal technology that will reduce U.S. reliance on imported energy.

"As America searches for secure, affordable energy sources to reduce our reliance on foreign energy suppliers, the search ends right in our backyard. Illinois coal reserves will become a major part of America's healthy energy portfolio. By supporting important Illinois coal initiatives, we are diversifying our energy supply and the economy of our great state. This public-private partnership represents a milestone in our vision to create good jobs and rebuild the coal-mining regions of Illinois. Illinois coal is experiencing a rebirth, and I can think of no better example of that rebirth than the Prairie State Energy Campus," Gov. Blagojevich said.

The Prairie State Energy Campus could be backed by significant state financing. The Illinois Finance Authority (IFA) could make available up to $1.7 billion in state bonds to launch the Prairie State project, which may include up to $300 million in coal bond capacity. Two years ago, the General Assembly passed landmark coal legislation that gave the IFA up to $300 million in bonding authority to support clean coal development projects. This financing package was critical to attracting Peabody Energy to Illinois because of the significant financial savings it will provide for the company. Additionally, Gov. Blagojevich will provide grants from the Illinois Department of Commerce and Economic Opportunity for the project.

"Peabody is proud of its involvement in a project that will create clean, low-cost electricity for families, safe and well-paying jobs, and economic opportunity for communities to grow and prosper," said Peabody Chairman and Chief Executive Officer Irl F. Engelhardt. "Prairie State is a model for new generation using technologies that create plant efficiencies, cost and environmental benefits. We believe Prairie State is a major step toward the goal of near-zero emissions from coal generating plants."

The planned 1,500-megawatt electric generation facility in Washington County will be fueled by more than 6 million tons of coal produced each year from an adjacent underground mine. The campus is designed to provide electricity for up to 1.5 million families and is anticipated to begin generation in a 2009-2010 timeframe. The 450 jobs created by the project will pay wages that are estimated to be more than 40 percent higher than the state average.

The Governor and state officials have worked closely with the Prairie State initiative to bring the project along. The Illinois Environmental Protection Agency recently issued an air quality construction permit for the project, and, shortly before, the plant site was made part of Washington County's Enterprise Zone to provide it with crucial economic benefits.

"Gov. Blagojevich is investing in the projects that matter most to the Illinois economy, while also working to establish markets for our natural resources that have not yet tapped into their full growth potential. Prairie State will provide low-cost electricity in an environmentally responsible manner for decades to come," said Illinois Finance Authority Director Ali Ata

<See Clean Coal Continued page 8.

Clean Coal

21 6

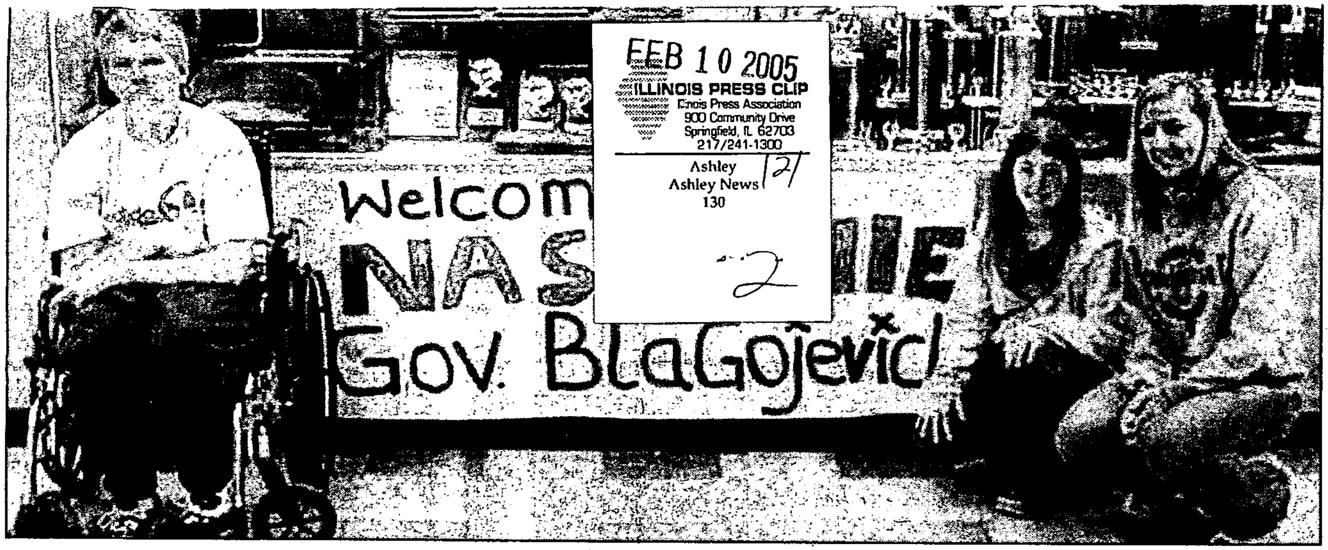
A new study prepared by Southern Illinois University-Carbondale (SIUC) reveals that Peabody Energy's planned Prairie State Energy Campus would inject about $2.8 billion into the Illinois economy in new spending, job creation and induced economic activity over three decades of operation. Prairie State will also over-comply with Clean Air Act standards to protect the environment. Its emissions will be dramatically better than the U.S. coal plant average, the Illinois coal plant average and even proposed emission limits well into the future.

"New technology is allowing coal to become a dynamic natural resource with the capacity to act as a tremendous source of job creation and economic growth in our economy. By providing this support for the Prairie State Energy Campus, Gov. Blagojevich is investing in a new future for Illinois coal and giving it the optimal chance to realize its full economic potential," DCEO Director Jack Lavin said.

Peabody Energy (NYSE: BTU) is the world's largest private-sector coal company, with 2004 sales of 227 million tons of coal and $3.6 billion in revenues. Its coal products fuel more than 10 percent of all U.S. electricity generation and more than 2.5 percent of worldwide electricity generation.

Prairie State is continuing to progress toward development and has signed a letter of intent with a group of Midwest electric cooperatives who seek an ownership position in the project and a portion of the plant's output. The project will break ground when permitting is complete, an operating partner is selected and the majority of the plant output is sold. Prairie State enjoys broad community support with 87 percent of Southern Illinois residents and environmentalists supporting the project, according to a recent poll.

Gov. Blagojevich's OPPORTUNITY RETURNS regional economic development strategy is the most aggressive, comprehensive approach to creating jobs in Illinois' history. Since a one-size-fits-all approach to economic development just doesn't work, the Governor has divided the state into 10 regions - each with a regional team that is empowered and expected to rapidly respond to opportunities and challenges. OPPORTUNITY RETURNS is about tangible, specific actions to make each region more accessible, more marketable, more entrepreneurial and more attractive to businesses. It is about upgrading the skills of the local workforce, increasing the access to capital, opening new markets, improving infracstructure, and creating and retaining jobs. OPPORTUNITY RETURNS is about successfully partnering with companies and communities, both large and small, to help all of Illinois reach its economic potential.



Welcome to Both Gov. Rod Blagojevich & a New Era of Clean Coal Technology in Southern Illinois--
Three Nashville Community High School students created this welcome sign for the governor in the gym lobby this morning. Shown from left to right are: Nick Karmeier, Ashli Kellerman, and Britany Pelczynski. WENDY PORTER PHOTO.

Nashville's $2 Billion Rally

Governor Rod Blagojevich: America's Search for New Clean Coal Technology Will End in Nashville

BY JOHN H. CROESSMAN & CRAIG SHRUM
NASHVILLE

"Welcome Governor" signs lined Rt.13/127 just north of Nashville Monday morning as Illinois Gov. Rod Blagojevich said the search for clean coal technology will end in our own backyard. He was referring to Peabody Coal Company's planned $2 billion energy campus here in Washington County.

The governor's itinerary also included stops in Nashville and later in Edwardsville and Effingham.

Nashville Community High School principal Brad Weathers said all eyes are on the governor's remarks today as he marshaled hundreds of students, townspeople, local political leaders and city officials into the Nashville gym for today's rally. "I am originally from Franklin County," said Weathers, knowing the residual effects of a collapsed coal economy in Illinois.

Signs on the highway, welcome placards in the lobby and an aggressive economic mood marked the governor's appearance in Nashville today.

Peabody Energy plans to build the new Prairie State Energy Campus, a 1,500-megawatt generating plant and coal mine that will provide clean, low-cost electricity using state-of-the-art technologies. This $2 billion project is estimated to inject nearly $100 million annually into the Illinois economy, create approximately 2,500 jobs at peak construction and 450 skilled, permanent Illinois jobs. If Peabody quickly identifies remaining investors and is able to sell the plant's remaining estimated output, construction could begin by year's end.

The project already has the blessing of the Illinois EPA, which recently announced the issuance of an air quality operating permit.

The Prairie State Energy Campus is the largest private capital project ever planned for Southern Illinois.

"As America searches for secure, affordable energy sources to reduce our reliance on foreign energy suppliers, the search ends right in our backyard. Illinois' coal reserves will become a major part of America's healthy energy portfolio. By supporting important Illinois coal initiatives, we are diversifying our energy supply and the economy of our great state.," the governor said.

"This public-private partnership represents a milestone in our vision to create good jobs and rebuild the coal-mining regions of Illinois. Illinois coal is experiencing a rebirth, and I can think of no better example of that rebirth than the Prairie State Energy Campus," Gov. Blagojevich continued.

The Prairie State Energy Campus could be backed by significant state financing.

In a prepared statement: The Illinois Finance Authority (IFA) could make available up to $1.7 billion in state bonds to launch the Prairie State project, which may include up to $300 million in coal bonding capacity. Two years ago, the General Assembly passed landmark coal legislation that gave the IFA up to $300 million in bonding authority to support clean coal development projects. This financing package was critical to attracting Peabody Energy to Illinois because of the significant financial savings it will provide for the company. Additionally, Gov. Blagojevich will provide grants from the Illinois Department of Commerce and Economic Opportunity for the project.

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"Gov. Blagojevich is investing in the projects that matter most to the Illinois economy, while also working to establish markets for our natural resources that have not yet tapped into their full growth potential. Prairie State will provide low-cost electricity in an environmentally responsible manner for decades to come," said Illinois Finance Authority Director Ali Ata.

A new study prepared by Southern Illinois University - Carbondale (SIUC) reveals that Peabody Energy's planned Prairie State Energy Campus would inject about $2.8 billion into the Illinois economy in new spending, job creation and induced economic activity over three decades of operation. Prairie State will also over-comply with Clean Air Act standards to protect the environment. Its emissions will be dramatically better than the U.S. coal plant average, the Illinois coal plant average and even proposed emission limits well into the future.

"New technology is allowing coal to become a dynamic natural resource with the capacity to act as a tremendous source of job creation and economic growth in our economy. By providing this support for the Prairie State Energy Campus, Gov. Blagojevich is investing in a new future for Illinois coal and giving it the optimal chance to realize its full economic potential," DCEO Director Jack Lavin said. ●

Peabody Energy (NYSE: BTU) is the world's largest private-sector coal company, with 2004 sales of 227 million tons of coal and $3.6 billion in revenues. Its coal products fuel more than 10 percent of all U.S. electricity generation and more than 2.5 percent of worldwide electricity generation.

Prairie State is continuing to progress toward development and has signed a letter of intent with a group of Midwest electric cooperatives who seek an ownership position in the project and a portion of the plant's output. The project will break ground when permitting is complete, an operating partner is selected and the majority of the plant output is sold.

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Sullivan beats bill deadline

By Tom Radz/Journal Staff Writer

SPRINGFIELD - Friday marked the deadline for the introduction of Senate Bills in the 94th General Assembly of Illinois. The day, which is comparable to sudden death overtime in a sporting event, had lawmakers in the Senate scrambling to revise, edit, double-check and, in some cases, script entire bills to be submitted for consideration on the floor.

One of those lawmakers was Sen. John Sullivan, D-Rushville, who used the day to confer with his staff to ensure that all the necessary paperwork for a number of bills he authored was properly submitted.

"It's always a flurry there at the end," Sullivan said. "What happens is constituents bring information to you that they want filed as bills and you have different state agencies bring legislation to you that they want filed.

And we're no different than anybody else, they all wait until the last minute. It's been a hectic day."

Sullivan, who earlier this month was appointed the chairperson for the Committee on Agriculture and Conservation, filed several bills he authored that either directly or indirectly affect the agriculture industry.

Among those bills, one which has garnered significant attention amongst Sullivan's colleagues, is SB218, which amends the Illinois Vehicle Code to raise the weight limit for trucks who need to access state, township or county roads in order to reach a main highway.

"Illinois is the only state in the Midwest that has a weight limit on truck axles lower than our surrounding states," Sullivan said. "If you have a farmer that is wanting to haul grain out of field and has to go on a township road for a ways to get to a highway, he can't haul a full load."

This bill will attempt to bring the state weight limits up in accordance with the surrounding states.

Sullivan also introduced three ag-related bills that he describes as "technical change-type bills." Senate Bills 213, 214 and 215, if passed, will amend the state's Grain Code, requiring the Department of Agriculture and warehouses to convert all physical contracts and receipts into electronic documents.

"Basically these bills are an attempt to stay current with modern technology," Sullivan said. "The state is trying to mirror federal legislation as we update and do electronic sending of information with regard to grain."

SB892 amends the Illinois Finance Authority Act, legislation that combined the Illinois Farm Development Act and the Rural Bond Bank

Act.

The amendment would ensure that the bonding level would not fall below the original levels before these two acts were combined under the Illinois Authority Act.

"At the time, there was concern that by these ag bonding programs being combined with one huge finance authority that agriculture would lose their bonding authority, in other words it would be pushed aside for other bigger projects," Sullivan said. "We want to make sure that the bonding power of those two programs stay in place for agriculture, and basically that is what this bill does."

The Senate will resume its session Tuesday.

Editor's note: The deadline for the introduction of bills in the Illinois House of Representatives of the 94th General Assembly is Monday. An update from Rep. Rich Myers, R-Colchester, will be published in Wednesday's edition of The Macomb Journal.

Law targets disabled parking

Sullivan beats bill deadline

Council continues antenna debate

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MARION HAS POTENTIAL HOME RUN WITH BASEBALL DEAL

The Marion City Council will decide on Monday whether to raise its city sales tax to help finance a new baseball stadium complex to house a minor league baseball team. Mayor Bob Butler and members of the city council have already indicated firm support for the project, which could help spur additional economic development in the Interstate 57 and Illinois 13 area.

The overriding question is whether tax money should be used to help finance or subsidize private development, in this case a baseball stadium. This use of tax money is not a new one but is one that always generates strong comment from both proponents and opponents. And well it should; these decisions have great implications for a community as it commits huge amounts of public money for private investment.

The issue requires assessing both short-term and long-term implications as well as philosophical ones. In this case, we believe the city of Marion is making a good decision to invest in a project that will produce greater benefits not only for its citizens but for the entire region.

The Marion sales tax would be raised by one-quarter cent with half, or one-eighth, going toward the baseball project and the other half, or one-eighth cent, to be designated for yet-unspecified projects. Under home rule authority, the city has the power to raise its sales tax without consulting voters.

The foundation for such action is that the sales tax money serve as an investment in local economic development and, in return, the projects provide jobs, more tax revenues and improved quality of life. In regard to the baseball stadium project, East Alton attorney and Southern Illinois University Board of Trustees member John Simmons has already purchased one minor league team and is pursuing the purchase of a second team with a stated intent to bring that team to Southern Illinois.

The money raised from the new sales tax would help retire the debt on a tentative $15 million loan Simmons would take out from the Bank of Marion to build a stadium complex in Marion.

In his budget address earlier this month, Gov. Rod Blagojevich reaffirmed his support of bringing minor league baseball to Southern Illinois and pledged to commit $3 million in state funding to the project. Both Blagojevich and Butler have acknowledged there might be some criticism of the project, but both have said they are willing to face that criticism in order to spur the regional economy through this project.

Minor league baseball games have proven to be a real family attraction at ball parks across the country. The atmosphere and excitement at these games is conducive to the love of fun and sports that is such a part of Southern Illinois.

As the tourism industry continues to flourish in the region, minor league baseball would be a good addition at a very good time.

On Monday, the Marion City Council should take that key step toward making minor league baseball in Southern Illinois in the spring of 2006 a reality.

Marion officials should move forward with the sales tax hike and keep this project in motion.