Illinois Finance Authority

Tuesday, May 10, 2005
11:30 AM
Board Meeting
The Plaza Club
One Prudential Plaza
130 E. Randolph, 40th Floor
Chicago, Illinois

[redacted] File

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IFA
ILLINOIS FINANCE AUTHORITY

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

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Illinois Finance Authority
Executive Session

Tuesday, May 10, 2005

8:30 am	Opening Remarks	Chairman Gustman
8:45 am	Director's Report ➢ Financial Overview ➢ Sales and Programs ➢ Organizational Strategy ➢ Legislation/Bond Authority ➢ Audit Summary	Jill Rendleman
9:00 am	Financial Performance	Jose Garcia
	Sales Activity	Michael Pisarcik
	Marketing/Public Relations	Diane Hamburger
	Legal and Legislative Issues	Anthony D'Amato
	Audit & Compliance	Jose Garcia
10:00 am	Funding Managers Presentations	
11:15 am	Break	
11:30 am	Board Meeting	

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ILLINOIS FINANCE AUTHORITY
BOARD MEETING
May 10, 2005
Chicago, Illinois

Board Meeting
Plaza Club
130 E. Randolph, 40th Floor
Chicago, IL
11:30 p.m.

- Call to Order – Chairman Gustman
- Roll Call
- Chairman's Report
- Director's Report
- Other Business
  - April 2005 Preliminary Financial Statements
  - Acceptance of April 2005 Minutes
  - Resolution 2005-08—Resolution Authorizing Certain Amendments to the Illinois Finance Authority's Farmers Home Administration – Rural Development Program
  - Resolution 2005-9—Resolution Appointing a Treasurer of the Illinois Finance Authority

Projects

Agriculture

Preliminary Bonds

Tab	Location	Amount	New Jobs	Constr. Jobs	FM
3 **Beginning Farmer Bonds**					
Robert & Brandi Peterson	Hudson	$45,000	N/A	N/A	BB
Kurt Uphoff	Minonk	$125,000			
Craig & Maura Miller	Monmouth	$175,000			
Charlie Ford	Lomax	$160,000			
Cole Erwin	Toledo	$90,000			ER

Final Bonds

Tab	Location	Amount	New Jobs	Constr. Jobs	FM
4 **Beginning Farmer Bonds**					
Buddy Joe Honnegger	Forrest	$184,000	N/A	N/A	BB
Kyle J. Vitzhum	Pontiac	$45,525			
Adam & Teresa Curry	Alpha	$187,500			
Ronald & Christine Rooth	Joy	$154,000			
5 **Beginning Farmer Bonds**					
Stephen & Judy Niebrugge	Altamont	$100,000	N/A	N/A	ER
David Carson	Oakdale	$100,000			
Larry Markewitz	Brocton	$179,522			
Blake Furness	Witt	$180,200			

Agriculture (continued from previous page)

Loan Guarantees

Tab		Location	Amount	New Jobs	Constr. Jobs	FM
6	Albert & Karol Brown	Winchester	$235,505	N/A	N/A	ER
7	Borgic Farms, Inc.	Nokomis	$1,000,000	0	6	ER

Business and Industry

Participation Loans

Tab		Location	Amount	New Jobs	Constr. Jobs	FM
8	Custom Wood Products, Inc.	Eureka	$175,000	4	5	JS
9	LDJ Develoment, LLC	Carol Stream	$1,000,000	7	20	JM
10	Beecher Sexton Energy	Unincorporated Will Cnty	$3,500,00	4	25	ST

Final Bonds

Tab		Location	Amount	New Jobs	Constr. Jobs	FM
11	Ockerlund Industries	Addison	$4,000,000	10	15	ST
12	Plano Molding Company	Plano	$10,500,000	N/A	N/A	ST

Venture Capital

Tab		Location	Amount	New Jobs	Constr. Jobs	FM
13	Clearstack Combustion	Springfield	$150,000	8	N/A	CV
14	Jaros Technologies	Granite City	$250,000	7	N/A	CV

Health Care

Preliminary Bonds

Tab		Location	Amount	New Jobs	Constr. Jobs	FM
15	Aunt Martha's Youth Service Center	Multiple	$5,600,000	N/A	N/A	PL/DS
16	Advocate	Multiple	$250,000,000	N/A	N/A	PL/DS

Final Bonds

Tab		Location	Amount	New Jobs	Constr. Jobs	FM
17	Friendship Village of Schaumburg	Schaumburg	$130,000,000	50.6	300	PL/DS

Communities and Culture

Preliminary Bonds

Tab		Location	Amount	New Jobs	Constr. Jobs	FM
18	IL Medical District Commission	Chicago	$40,000,000	575	350	TA

Participation Loans

Tab		Location	Amount	New Jobs	Constr. Jobs	FM
19	Community Memorial Hospital Association	Staunton	$450,000	3	75	JS

Final Bonds

Tab		Location	Amount	New Jobs	Constr. Jobs	FM
20	Village of Warren	Warren	$1,620,000	N/A	N/A	EW
21	City of Metropolis	Metropolis	$13,000,000	115	300	EW
22	Village of South Roxana	South Roxana	$200,000	N/A	N/A	EW

Project Revisions/Amendatory Resolutions

23	Hubbard Street Dance Company	Resolution authorizing and approving amendments to certain provisions of the Mortgage and Security Agreement relating to the IEFA Revenue Bonds, Hubbard Street Dance Chicago, Series 1998, issued in the original aggregate principal amount of $2,914,150 and authorizing the execution and delivery of any necessary documentation required to effect the foregoing.
24	Venture Capital Monitoring Report	

Other

Adjournment

IFA
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Illinois Finance Authority – Director's Report
May 10, 2005

To: IFA Board of Directors and Governor's Office

From: Jill Rendleman

I. Financial

Performance: Total revenues for April 2005 ended at $606,341. Total revenues for FYTD 2005 are $6.2 million or 10.19% above the revenue plan. Net income for FY 2005 is $1.99 million for FYTD, or 34.12% above our FY 2005 income plan.

The income statement and balance sheet for April 2005 are attached.

II. Sales Activity - April, 2005

Agriculture: The calling program to promote IFA services continued in April with calls to nearly 40 prospective and current customer banks, in addition to agriculture and livestock producers and a potential new winery. We presently are processing a livestock guarantee and an agri-business guarantee, as well as a participation loan for a hog farm expansion and a wind farm cited on agricultural land. Staff delivered presentations in Springfield to the Illinois Pork Producers Association Board of Directors and the Illinois Agricultural Bankers Association Advisory Committee.

Education: The College Revenue Anticipation and Capital Note Programs have been delayed until June. A major borrower pulled out of the program after learning that projections would not place them in a deficit position. There are several independent Illinois colleges that are still interested in joining the Program.

Venture Capital: Clearstack, based in Springfield, IL., is an existing IFA investment that has a unique three-stage combustion technology that permits power plants to burn high-sulfur Illinois coal while maintaining emission levels below the Kyoto protocols. They are requesting an additional $150,000

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investment to be matched by a $275,000 investment from an angel investor. The funds will be used to support the company while working with a major power generator to retrofit an existing plant in Southern Illinois.

Jaros Technologies, based in Granite City, IL is an enterprise software company with a solution to provide business intelligence to mid-sized manufacturing companies. Jaros is seeking a $250,000 investment to be matched by DCEO ($125,000), Madison County ($62,500) and several existing investors ($62,500). The funds will be used to expand the sales and marketing team and continue product development.

Industry and Commerce: This month IFA is seeking approval for two Participation Loans (Custom Wood Products and LDJ Development), two Industrial Development Bonds (Ockerlund Industries and Plano Molding) and one Solid Waste Disposal Bond (Beecher Sexton Energy).

Health Care: Three bond transactions are being presented to the Board this month: Aunt Martha's Youth Service Center, Inc. ($5.6 million), Advocate Health Care ($215 million), and a final for Friendship Village in Schaumburg ($130 million).

IFA continues to work with Chris Conley, of Nonprofit Capital LLC, to determine the pricing and marketing details of the private placement program he developed with Merrill Lynch for non-rated acute care, long-term care and behavioral care facilities. Meetings are being scheduled with several interested borrowers and IFA anticipates closing two transactions by late summer or early fall.

Further cost restructuring efforts were made for the 1985 Revolving Fund Pooled Financing Program, successfully reducing the cost of borrowing for hospitals from BMA+130 to BMA+105, savings borrowers 25 basis points. In addition, program fees have been adjusted to compensate IFA for management of the Pool, securing an annual administration fee of 10 basis points ($150,000) on the outstanding Pool amount ($150 million) and securing a retroactive payment for the administration fee dating back to the consolidation of the IFA, resulting in $187,500 in payments to the Authority.

IV. Marketing / Communications

- IFA had good press coverage of Jose Garcia joining IFA as Chief Financial Officer, and coverage of IFA's audit report in the bond industry media.
- New education exhibit and materials to support the TAWs program have been produced.

- On April 27 Mobitrac made a press announcement of funding. Mobitrac is an IFA venture capital investment.

- Excel Foundry & Machine will host a press conference on May 5 in Peoria, IL. IFA's participation loan program assisted in financing business expansion, machinery and equipment acquisition.

- Pere Marquette Hotel press conference will be held May 12 in Peoria, IL. IFA's participation loan program assisted in financing this historic hotel renovation.

V. Legislative

Senate Bill 1625 which proposes to increase IFA's bond authority to $29 billion passed. The bill is currently in the House awaiting assignment to Committee. Meetings are being scheduled with the Legislative Leaders, so as to permit the Interim Executive Director to introduce herself to the Leaders and to lobby in favor of S.B. 1625. The Authority is also planning a "meet and greet" with members of the General Assembly in their District office; these meetings are currently scheduled to occur during August.

VI. Audit

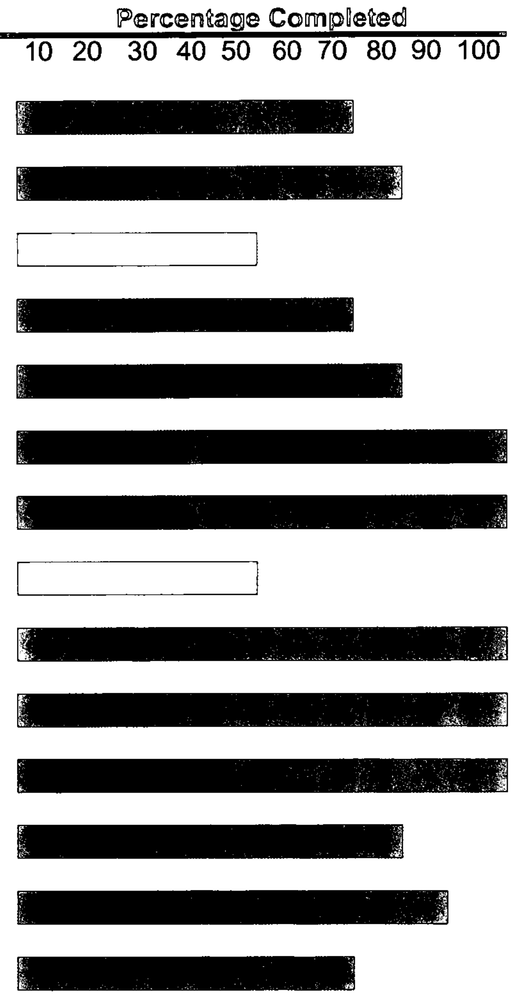
Progress continues to be made in correcting the findings of the 2004 Audit. As of month end five of the findings have been substantially corrected and, seven are partially corrected.

FY 2005 audit entrance conference with Jon Fox, Office of the Auditor General and auditors from McGladrey & Pullen was held at IFA on Monday, May 2, 2005. IFA reviewed corrective actions in response to findings. The interim audit work will begin on May 16, 2005 and continue for approximately six weeks. The 2nd phase of the audit will begin sometime late August or early September and, will be completed December, 2005.

Illinois Finance Authority
Status of
FY 04 Audit Findings
Update as of May 03, 2005

Total Number of 14

Item Number	Description	Status Action Items/ Action Items Completed
04-01	Lack of Comprehensive Accounting System and Procedures	11/17
04-02	Inadequate Segregation of Duties	3/4
04-03	Failure to Monitor Bond Compliance	4/8
04-04	Inadequate Internal Control Review of Bond trustees	4/6
04-05	Non Compliance with Illinois Procurement Code and SAMS	2/3
04-06	Inadequate Invoice processing	**Complete**
04-07	Non-Submission of Credit Enhancement Development Report	**Complete**
04-08	Inadequate Maintenace of Personnel Files	**50% of files completed**
04-09	Inadequate Cash reciepts processing	**Complete**
04-10	InAccurate Completionof Agency Fee Imposition	**Complete**
04-11	Lack of Adequate Time reporting Documentation	**Complete**
04-12	Untimely Review of Monthly Reconciliations	**80% reviewed**
04-13	Unreported Assignments of State Vehicles	**Closing Entries**
04-14	Incomplete accounting for Capital Assets	**Year-end inventory**



Notes:

50% = Partially Completed	2
70% = Substantially Completed	7
100% = Completed	5

Illinois Finance Authority
Statement of Activities
For Period Ending April 30, 2005

	Actual April 2005	Budget April 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	26,639	35,000	(8,361)	(23.9%)	281,896	338,000	(56,104)	(16.6%)	
INVESTMENT INTEREST & GAIN(LOSS)	73,461	70,000	3,461	4.9%	640,972	676,000	(35,028)	(5.2%)	
ADMINISTRATIONS & APPLICATION FEES	327,551	440,000	(112,449)	(25.6%)	4,104,288	3,220,000	884,288	27.5%	
ANNUAL ISSUANCE & LOAN FEES	176,540	140,000	36,540	26.1%	1,172,094	1,400,000	(227,906)	(16.3%)	
OTHER INCOME	2,150	-	2,150	0.0%	9,106	-	9,106	0.0%	
TOTAL REVENUE	606,341	685,000	(78,659)	(11.5%)	6,208,355	5,634,000	574,355	10.2%	
EXPENSES									
EMPLOYEE RELATED EXPENSES									
COMPENSATION & TAXES	245,679	273,222	(27,543)	(10.1%)	2,231,160	2,483,932	(252,772)	(10.2%)	
BENEFITS	21,333	17,000	4,333	25.5%	177,041	176,233	808	0.5%	
TEMPORARY HELP	3,832	7,000	(3,168)	(45.3%)	35,556	88,000	(52,444)	(59.6%)	
EDUCATION & DEVELOPMENT	-	-	-	0.0%	2,744	-	2,744	0.0%	
TRAVEL & AUTO	9,095	4,500	4,595	102.1%	97,851	45,000	52,851	117.4%	
TOTAL EMPLOYEE RELATED EXPENSES	279,939	301,722	(21,783)	(7.2%)	2,544,351	2,793,165	(248,814)	(8.9%)	
PROFESSIONAL SERVICES									
CONSULTING, LEGAL & ADMIN	35,603	38,000	(2,397)	(6.3%)	295,971	345,000	(49,029)	(14.2%)	K. Koch Oct - Jan Consulting fees
LOAN EXPENSE & BANK FEE	1,162	1,500	(338)	(22.5%)	26,273	15,000	11,273	75.2%	
ACCOUNTING & AUDITING	42,218	-	42,218	0.0%	263,914	190,000	73,914	38.9%	Audit Accrual
MARKETING GENERAL	26,868	10,000	16,868	168.7%	132,181	100,000	32,181	32.2%	
FINANCIAL ADVISORY	8,000	12,000	(4,000)	(33.3%)	80,225	120,000	(39,775)	(33.1%)	
VENTURE CAPITAL CONFERENCE/TRAINING	1,050	-	1,050	0.0%	5,362	-	5,362	0.0%	
MISCELLANEOUS PROFESSIONAL SERVICES	-	1,500	(1,500)	(100.0%)	40,988	15,000	25,988	173.3%	
DATA PROCESSING	2,492	400	2,092	523.0%	33,954	4,000	29,954	748.9%	
TOTAL PROFESSIONAL SERVICES	117,393	63,400	53,993	85.2%	878,868	789,000	89,868	11.4%	
OCCUPANCY COSTS									
OFFICE RENT	15,383	16,900	(1,517)	(9.0%)	209,635	253,300	(43,665)	(17.2%)	
EQUIPMENT RENTAL AND PURCHASES	1,673	3,000	(1,327)	(44.2%)	27,982	30,000	(2,018)	(6.7%)	
TELECOMMUNICATIONS	4,990	1,850	3,140	169.7%	39,789	18,500	21,289	115.1%	
UTILITIES	655	1,400	(745)	(53.2%)	9,241	14,000	(4,759)	(34.0%)	
DEPRECIATION	2,060	300	1,760	586.7%	15,007	3,000	12,007	400.2%	Adj. $463 & Apr Depreciation $1,596
INSURANCE	1,222	2,000	(778)	(38.9%)	11,260	20,000	(8,740)	(43.7%)	
TOTAL OCCUPANCY COSTS	25,983	25,450	533	2.1%	312,914	338,800	(25,886)	(7.6%)	
GENERAL & ADMINISTRATION									
OFFICE SUPPLIES	9,919	3,800	6,119	161.0%	86,065	38,000	48,065	126.5%	
BOARD MEETING - EXPENSES	405	-	405	0.0%	10,631	-	10,631	0.0%	
PRINTING	1,872	300	1,572	524.1%	6,663	3,000	3,663	122.1%	
POSTAGE & FREIGHT	2,186	3,000	(814)	(27.1%)	27,798	30,000	(2,202)	(7.3%)	
MEMBERSHIP, DUES & CONTRIBUTIONS	1,252	2,400	(1,148)	(47.8%)	57,273	24,000	33,273	138.6%	
PUBLICATIONS	257	300	(43)	(14.3%)	2,133	3,000	(867)	(28.9%)	
OFFICERS & DIRECTORS INSURANCE	8,749	14,000	(5,251)	(37.5%)	95,551	123,900	(28,349)	(22.9%)	
MISCELLANEOUS	-	500	(500)	(100.0%)	3,427	5,000	(1,573)	(31.5%)	
TOTAL GENERAL & ADMINISTRATION EXPENSES	24,643	24,300	343	1.4%	289,540	226,900	62,640	27.6%	
BAD DEBT EXPENSE	(96,712)	-	(96,712)	0.0%	(117,274)	-	(117,274)	0.0%	Mainly due to the Pymnt of Illinois Forest
OTHER									
INTEREST EXPENSE	781	850	(69)	(8.1%)	7,542	8,500	(958)	(11.3%)	
TOTAL OTHER	781	850	(69)	(8.1%)	7,542	8,500	(958)	(11.3%)	
TOTAL EXPENSES	352,026	415,722	(63,696)	(15.3%)	3,915,941	4,156,365	(240,424)	(5.8%)	
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	254,315	269,278	(14,963)	(5.6%)	2,292,414	1,477,635	814,779	55.1%	
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	(14,708)	-	(14,708)	0.0%	(310,544)	-	(310,544)	0.0%	
NET INCOME/(LOSS)	239,607	269,278	(29,671)	(11.0%)	1,981,870	1,477,635	504,235	34.1%	

Illinois Finance Authority
Balance Sheet
For the Ten Months Ending April 30, 2005

		March 2005		April 2005
ASSETS				
CASH & INVESTMENTS, UNRESTRICTED	$	28,343,192	$	27,461,853
RECEIVABLES, NET		11,293,071		12,232,300
OTHER RECEIVABLES		1,177,732		1,174,718
PREPAID EXPENSES		117,374		108,184
TOTAL CURRENT ASSETS		40,931,368		40,977,055
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION		61,541		64,573
DEFERRED ISSUANCE COSTS		1,071,597		1,071,597
OTHER ASSETS - RESTRICTED				
CASH, INVESTMENTS & RESERVES		7,423,916		7,434,395
VENTURE CAPITAL INVESTMENTS		5,435,133		5,560,133
OTHER		4,000,000		4,000,000
TOTAL OTHER ASSETS		16,859,049		16,994,528
TOTAL ASSETS	$	58,923,555	$	59,107,754
LIABILITIES				
CURRENT LIABILITIES	$	929,660	$	874,251
LONG-TERM LIABILITIES		2,221,676		2,221,676
TOTAL LIABILITIES		3,151,336		3,095,927
EQUITY				
CONTRIBUTED CAPITAL		23,828,249		23,828,249
RETAINED EARNINGS		11,246,980		11,246,980
NET INCOME / (LOSS)		1,742,262		1,981,870
RESERVED/RESTRICTED FUND BALANCE		6,268,199		6,268,199
UNRESERVED FUND BALANCE		12,686,528		12,686,528
TOTAL EQUITY		55,772,220		56,011,827
TOTAL LIABILITIES & EQUITY	$	58,923,555	$	59,107,754

Illinois Finance Authority
Balance Sheet
for Ten Months Ending April 30, 2005
ASSETS DETAIL

	March 2005	April 2005
CASH & INVESTMENTS, UNRESTRICTED:		
GENERAL OPERATING - IFA - CASH & INVESTMENTS, UNRESTRICTED	16,674,001	15,791,052
INDUSTRIAL REVENUE BOND INSURANCE FUND - CASH & INVESTMENTS, UNRESTRICTEI	11,251,626	11,252,371
IRBB SPECIAL RESERVE FUND - CASH & INVESTMENTS, UNRESTRICTED	5,657	5,669
IRBB TRUST FUND - CASH & INVESTMENTS, UNRESTRICTED	411,908	412,762
Total CASH & INVESTMENTS, UNRESTRICTED	28,343,192	27,461,853

	March 2005	April 2005
CASH & INVESTMENTS, UNRESTRICTED:		
LASALLE NATIONAL BANK - OPERATING	173,239	112,362
Illinois Funds - Chicago General Operating	9,877,195	9,024,856
Il. Funds - Springfield Operating	306,241	333,971
PETTY CASH -	100	100
PETTY CASH - CARBONDALE OFFICE	100	100
PETTY CASH - SPRINGFIELD OFFICE	200	200
MONEY MARKET ACCOUNT	(37)	(37)
MONEY MARKET- MS	53,480	64,618
BANTERRA BANK	202,913	208,967
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	(24,290)	(38,998)
Discount on FNA	(3,850)	(3,814)
Premium on FHLB	397	390
Discount on FNM	(1,263)	(1,239)
Total CASH & INVESTMENTS, UNRESTRICTED	16,674,001	15,791,052

	March 2005	April 2005
RECEIVABLES, NET		
GENERAL OPERATING - IFA - RECEIVABLES, NET	8,208,071	9,147,300
CREDIT ENCHANCEMENT DEVELOPMENT - RECEIVABLES	600,000	600,000
IRBB SPECIAL RESERVE FUND - RECEIVABLE, NET	2,485,000	2,485,000
TOTAL RECEIVABLES, NET	11,293,071	12,232,300

Illinois Finance Authority
Balance Sheet
for Ten Months Ending April 30, 2005
ASSETS DETAIL

OTHER RECEIVABLES	March 2005	April 2005
GENERAL OPERATING - IFA - OTHER RECEIVABLES	1,174,977	1,170,420
INDUSTRIAL REVENUE BOND INSURANCE FUND - OTHER	2,755	3,427
IRBB SPECIAL RESERVE FUND - OTHER RECEIVABLES	-	21
IRBB TRUST FUND - OTHER RECEIVABLES	-	850
TOTAL OTHER RECEIVABLES	1,177,732	1,174,718

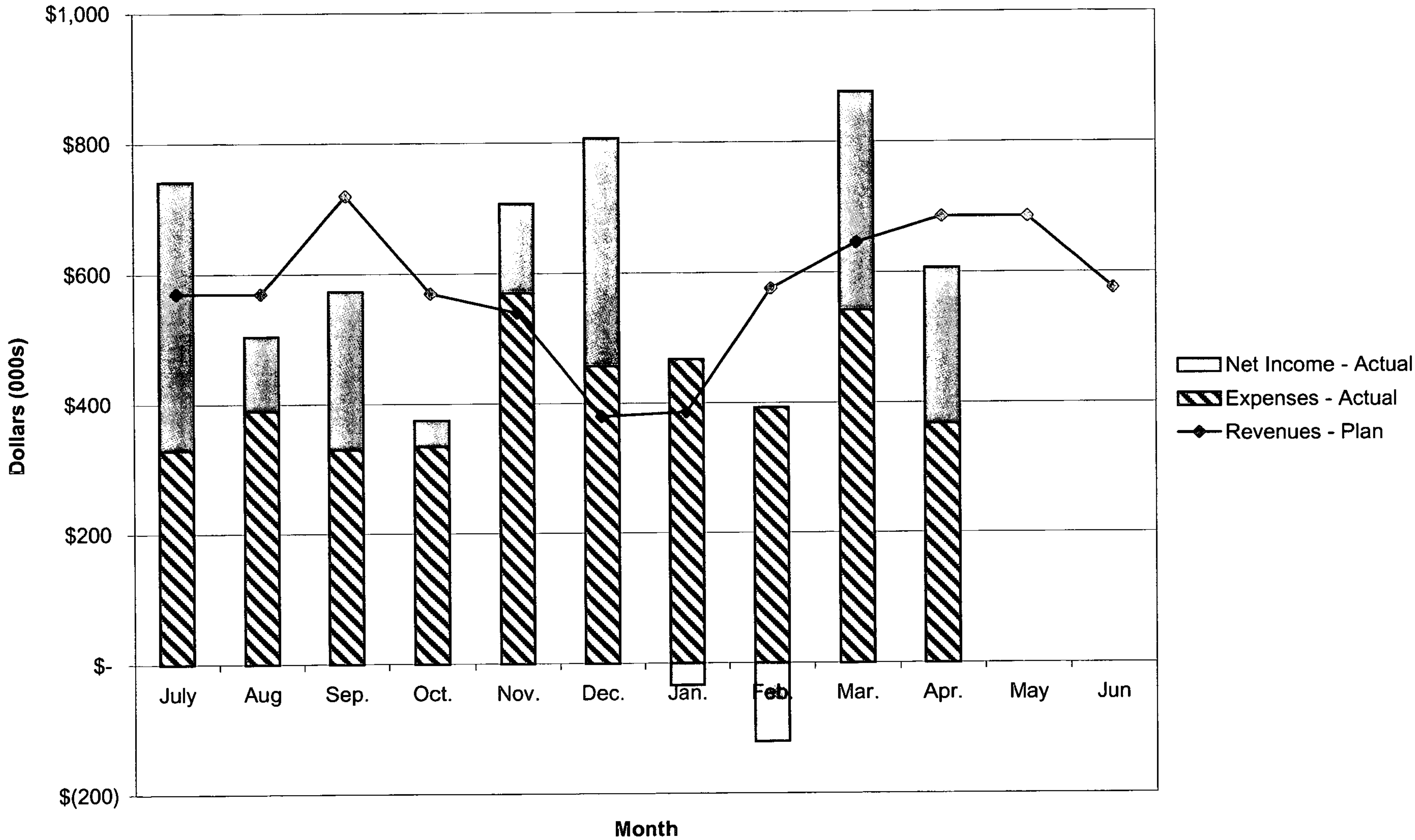
PREPAID EXPENSES	March 2005	April 2005
GENERAL OPERATING - IFA - PREPAID EXPENSES	117,374	108,184
TOTAL PREPAID EXPENSES	117,374	108,184

OTHER ASSETS - RESTRICTED	March 2005	April 2005
CASH, INVESTMENTS & RESERVES		
GENERAL OPERATING - IFA- CASH INVESTMENTS	6,012,619	6,023,089
CREDIT ENHANCEMENT DEVELOPMENT FUND - CASH, INVESTMENTS & RESERVES	1,406,769	1,406,769
IRBB SPECIAL RESERVE FUND - CASH, INVESTMENTS & RESERVES	4,528	4,538
	7,423,916	7,434,395

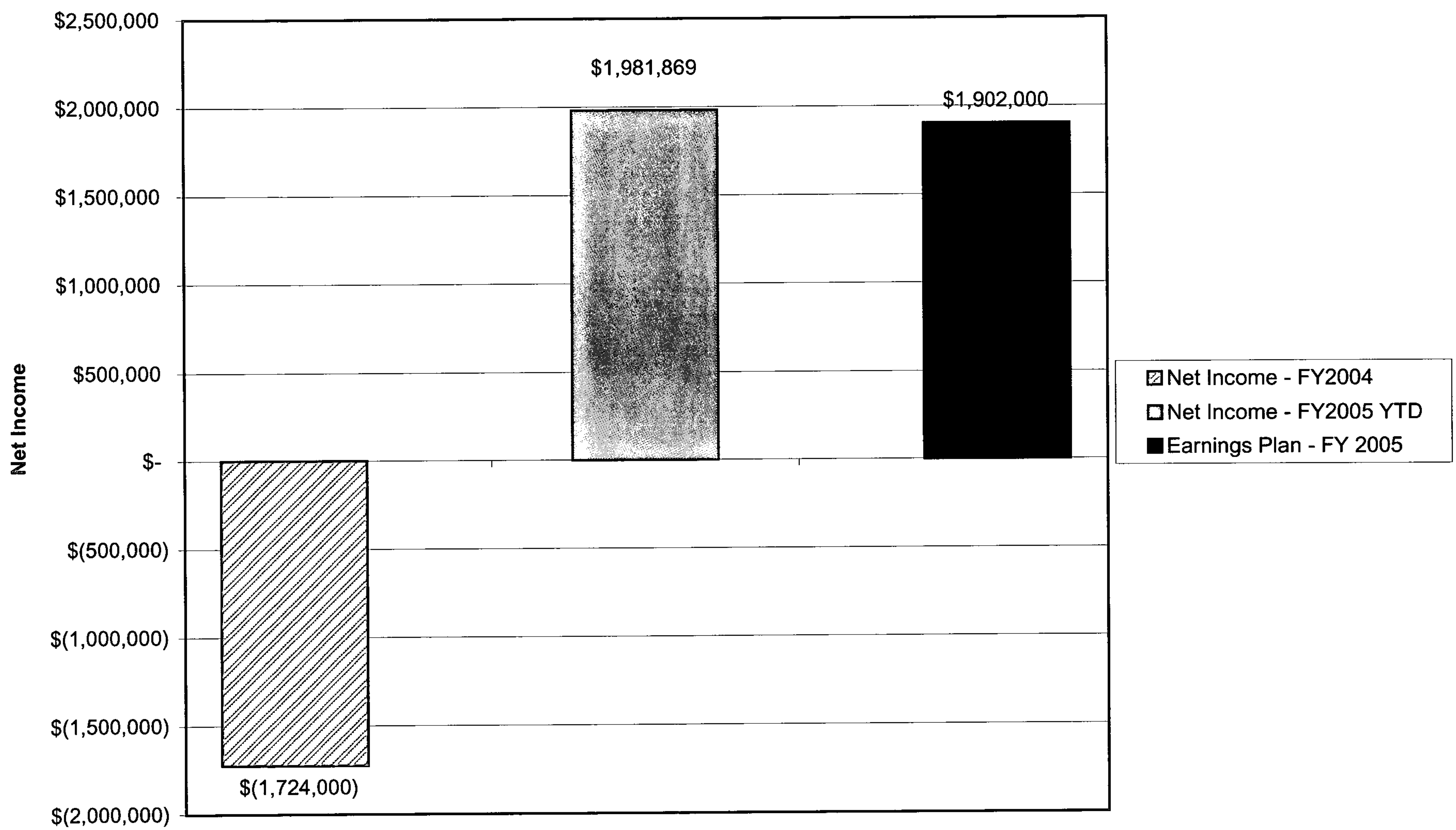
IFA Aging Report - DL-PL-PL/MPF - April 30, 2005

Client#	Client Name	Date of Closing	P.A	Payment 4/30/2005	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 4/30/2005
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							185,593
	American Allied Freight Car Co. Inc.	3/23/2005	Senica	Yes	246,766.18							244,775
9830-PL	Arnold, Michael & Sandy	7/15/2003	Senica	Yes	147,406.77							138,266
9677-PL	Berry, Todd (Precision Laser)	11/5/2001	Senica	Yes	188,613.10							153,345
2110-PL	Bob Brady Dodge, Inc. (J & C Investment)	1/4/2000	Senica	Yes	300,000.00							231,134
9757-PL	Brahler, Richard W.	4/30/2002	Senica	Yes	297,591.78							273,589
	Bramm, Karen	3/22/2005	Reed	Annual Pymnt	847,738.68							847,739
1943-PL	Bushert, Forrest D.	8/10/1998	Senica	Yes	240,000.00							181,349
1881-PL	Caywood's Youth Center, Inc.	6/16/1998	Pigg	Yes	237,500.00							185,208
9792-PL	Chapman, Marc (Quality Water Services, In	10/25/2002	Senica	No	227,386.96	1,800						160,647
9817-PL	Centurion Investments	11/4/2003	Pigg	Yes	300,000.00							288,027
1940-PL	Commercial Transport	4/28/1998	Pigg	Yes	280,000.00	1,556						150,836
9588-PL	Cushing, Steve & Ed	5/21/2001	Pigg	Yes	149,237.50							99,255
	Deli Star Corporation	1/10/2005	Pigg	Yes	150,000.00							144,195
9835-PL	Eagle Theater Corporation	9/8/2003	Trout/Albright	No	295,070.51	2,304						275,326
	Excel Crusher Technologies	4/19/2005	Senica	New	1,000,000.00							1,000,000
9793-PL	Excel Foundry	3/27/2003	Senica	Yes	237,112.35							193,740
1904-PL	Hagel & Leong (2nd loan)	2/8/2002	Senica	Yes	100,817.48							38,741
1844-PL	Hawkeye Food Machinery, Inc.	1/17/1997	Senica	Yes	250,000.00							187,197
9286-PL	Illinois Valley Plastics, Inc.	5/9/2001	Senica	Yes	216,928.69							34,252
9726-PL	Kevin Krosse	2/15/2002	Senica	Yes	114,084.45	990						95,320
9783-PL	Keyser, David (Klean Wash, Inc.)	8/13/2002	Senica	Yes	100,000.00							73,977
1907-PL	Lincoln Tool Company	6/12/1997	Senica	Yes	150,000.00						107,879	107,879
1927-PL	Moerchen, William J.	6/12/1997	Pigg	Yes	300,000.00							95,765
	Newline Harwoods, Inc	11/4/2004	Senica	Yes	294,600.74							279,606
	Octochem	12/31/2003	Pigg	Yes	281,538.00							269,171
9781-PL	S & B Investments	2/18/2003	Pigg/Trout	Yes	197,889.23							177,317
9699-PL	Shults Machine	11/26/2002	Pigg	Yes	234,693.00							184,379
9579-PL	Siebenberger, Douglas & Robt. Ewen	5/17/2002	Pigg	Yes	235,698.79							210,904
9225-PL	Siracusa, Charles & Sharon	3/23/2000	Frampton	Yes	300,000.00							257,671
1869-PL	**Specialty Machine & Tool, Inc.**	**4/2/1997**	**Cochran**	**Past due**	**87,172.87**						**71,943**	**71,943**
	Spaulding Composites, Inc	3/23/2005	Curtis-Martin	New	622,508.14							620,611
	Roesch, Inc	9/23/2004	Pigg	Yes	294,368.11							281,362
9671-PL	Upchurch Oil & Ready Mix Concrete	5/4/2001	Pigg	Yes	300,000.00	2,700						205,556
	Uresil	12/1/2004	Curtis-Martin	Yes	300,000.00							288,513
9631-PL	The Weisiger Family Trust	4/6/2001	Senica	Yes	250,000.00							224,501
2164-PL	Wiegand, Beth A.	6/10/1999	Senica	Yes	183,484.09							146,811
9782-PL	Wilson, Michael L. Sr.	12/6/2002	Senica	Past due	296,031.82				284,229			284,229
	WorkSaver Inc	12/31/2003	Pigg	Yes	112,500.00							85,561
9672-PL	Young, Clinton (Precision Pattern)	8/1/2001	Senica	No	149,600.71	550						141,917
PL-Motion Picture Financing												
9733-PL/MPF	**Big Picture Chicago,LLC**	**2/20/2002**			**62,500.00**						16,432	16,432
	TOTAL				**$ 11,641,986.89**	**9,900**	-	-	**284,229**	-	**339,499**	**9,275,073**
PL/MPF Late amounts are estimates.												
DL Loans												
98	Roe Machine Co.	12/31/1980	Cochran	No	45,000.00	515						5,870
1470	T.K.G. Inc.	8/26/1994	Cochran	Past due	179,000.00						107,808	107,808
	TOTAL				**$ 224,000.00**	**515**	-	-	-	-	**107,808**	**113,677**
FMHA Loans												
9627	Grayson Hill Energy, LLC	1/31/2001	Pigg	Yes	130,000.00							84,234
1952	Sublette Developers, Inc.	1/15/1998	Albright	Yes	150,000.00							111,426
9643	Ultra Play Systems, Inc.	5/3/2001	Pigg	Yes	90,000.00	1,314						46,492
1789	Walters Trucking	6/25/1996	Senica	Yes	100,000.00	1,110	1,110	1,110				21,209
	TOTAL				**$570,000.00**	**2,424**	**1,110**	**1,110**	-	-	-	**263,361**
	GRAND TOTAL					**12,839**	**1,110**	**1,110**	**284,229**	-	**447,296**	**9,652,912**

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 April 12, 2005 in the Plaza Club at 130 E. Randolph, 40th Floor, in Chicago, Illinois.

MEMBERS PRESENT:
Natalia Delgado (*arrived 1:40*)
James Fuentes
Demetris Giannoulias
David Gustman
Martin Nesbitt
Terrence O'Brien
Timothy Ozark
Andrew Rice
Joseph Valenti
Bradley Zeller

MEMBERS ABSENT:
Michael Goetz
Dr. Roger Herrin
Edward Leonard

GENERAL BUSINESS ITEMS

Call to Order

Chairman Gustman called the meeting to order at approximately 1:32, with the above members present.

Roll Call

Chairman Gustman asked Secretary Pisarcik to call the roll. There being nine Members present, a quorum was declared.

Chairman's Report

On behalf of the Members, Chairman Gustman welcomed Mr. James Fuentes to the Board. The Chairman then gave an overview of the financial performance of the Authority thru March 31, 2005.

Natalia Delgado arrives and is added to the roll.

Director's Report

Director Rendleman gave an overview of the reorganization of the sales lines, which is intended to better reflect the various market segments in which the Authority participates.

Acceptance of March 2005 Financial Statements

Chairman Gustman asked the Members if there were any questions/comments regarding the financial statements. There being none, the Financials were accepted.

Acceptance of March 2005 Minutes

Upon a motion by Mr. Valenti and seconded by Mr. Rice, Chairman Gustman requested a roll call vote. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-02).

Initial Project Considerations

Item-03 *H-HO-TE-CD-555: Norwegian American Hospital*

Norwegian American Hospital, located in **Chicago**, is seeking preliminary approval of not-to-exceed **$8 million** in conduit, 501(c)(3) revenue bonds to refinance its 1985 IHFA bond issuance and to fund the purchase of equipment and the construction and renovation of several capital projects, including its psychiatric and detoxification units.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-03).

Item-04 *E-PS-TE-CD-538: Lake Forest Contry Day School*

Lake Forest Country Day School, located in **Lake Forest**, is seeking preliminary approval of not-to-exceed **$23 million** in 501(c)(3), conduit revenue bonds to expand its campus through the purchase of land, construction of two new student learning facilities, renovation of existing facilities, and purchase of furniture, fixtures and equipment. This project is expected to create **5 new jobs** and **250 construction jobs**.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-04).

Item-05 **_P-SW-PO-TE-CD-547: Waste Management of Illinois_**

Waste Management of Illinois, with **various locations throughout the State**, requests preliminary approval of not-to-exceed **$100 million** in Solid Waste Disposal Revenue Bonds. Bond proceeds will be used to finance landfill and transfer station improvements and to purchase containers, transportation equipment, and equipment for use at Waste Management solid waste disposal facilities statewide. In connection with this issuance, Waste Management also requests not-to-exceed **$100 million** in available **IFA Carryforward Volume Cap**. This project is expected to create **20 new jobs** and **30-40 construction jobs**.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-05).

Item-06 **_I-ID-TE-CD-558: Ockerlund Industries and a LLC to be formed_**

Ockerlund Industries, Inc. and/or its affiliates and subsidiaries, located in **Addison**, seek preliminary approval of not-to-**exceed $4 million** in Industrial Development Bonds. Proceeds will be used to acquire a 140,000 square foot site and to acquire, renovate and equip a 77,930 square foot industrial building to manufacture corrugated and wood boxes for manufacturers and transportation companies. In connection with this issuance, the Borrower also requests not-to-exceed **$4 million** in available **2005 IFA Volume Cap**. This project is expected to create **10 new jobs** and **15 construction jobs.**

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-06).

Item-07 **_A-DR-TX-GT-551: M. Marilyn Kuntz (d/b/a J. Mar Farm)_**

M. Marilyn Kuntz, doing business as J Mar Farm, in **Princeville**, seeks preliminary approval of a not-to-exceed **$500,000** Agri-Debt Guarantee, to restructure existing debt on 158 acres of farmland and 11 acres with improvements, including hog buildings, sheds and a residence, subject to Borrower satisfying all conditions of the bank loan.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-07).

Item-08 *__A-FB-TE-CD-544: Buddy Joe Honegger__*
__A-FB-TE-CD-545: Kyle J. Vitzhum__
__A-FB-TE-CD-548: Adam & Teresa Curry__
__A-FB-TE-CD-553: Ronald & Christine Rooth__

Buddy Joe Honegger of **Forrest** requests initial approval of a Beginning Farmer Bond in an amount not-to-exceed **$184,000**.

Kyle J. Vitzhum of **Pontiac** requests initial approval of a Beginning Farmer Bond in an amount not-to-exceed **$45,525**.

Adam & Teresa N. Curry of **Alpha** request initial approval of a Beginning Farmer Bond in an amount not-to-exceed **$187,500**.

Ronald B. & Christine L. Rooth of **Joy** request initial approval of a Beginning Farmer Bond in an amount not-to-exceed **$230,000**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-08).

Item-09 *__A-FB-TE-CD-541: Stephen & Judy Niebrugge__*
__A-FB-TE-CD-542: David Carson__
__A-FB-TE-CD-543: Larry Markewitz__
__A-FB-TE-CD-566: Blake Furness__

Stephen A. & Judy K. Niebrugge of **Altamont** request initial approval of a Beginning Farmer Bond in an amount not-to-exceed **$100,000**.

David Carson of **Oakdale** requests initial approval of a Beginning Farmer Bond in an amount not-to-exceed **$100,000**.

Larry R. Markewitz of **Brocton** requests initial approval of a Beginning Farmer Bond in an amount not-to-exceed **$179,522**.

Blake Furness of **Witt** requests initial approval of a Beginning Farmer Bond in an amount not-to-exceed **$180,200**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-09).

Final Project Considerations

Item-10 *__B-LL-TX-549: Martain & Rebecca Koster__*

Martin & Rebecca Koster of **Morrison** seek final approval of a Participation Loan in an amount not-to-exceed **$200,000** to provide financing for the purchase of 194 acres of farmland, **subject to the Borrower satisfying all conditions of the bank loan and the assignment of $200,000 in life insurance.**

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-10).

Item-11 ***A-SG-TX-GT-546: Jeffrey and Trisha Hank***

R. Jeffrey & Trisha T. Hank of **Aledo** seek final approval of a Specialized Livestock Guarantee in an amount not-to-exceed **$479,800** to finance the construction of a 2400 head wean to finish hog facility, **subject to the Borrower satisfying all conditions of the bank loan and the assignment of $400,000 in life insurance.**

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-11).

Item-12 ***B-LL-TX-554: Kenneth and Virginia Lasater***

Kenneth and Virginia Lasater of **McLeansboro** seek final approval of a Participation Loan in an amount not to exceed **$450,000** to be used for the purchase of 577.82 acres of farm land, **subject to the Borrower satisfying all conditions of the bank loan.**

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-12).

Item-13 ***A-SG-TX-GT-530: Kenneth Barker***

Kenneth A. Barker of Lewistown seeks final approval of a Specialized Livestock Guarantee in an amount not-to-exceed **$88,000** to provide financing for the refinancing of the recent purchase of a herd of breeding stock and an existing loan secured by livestock and machinery.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-13).

Item-14 ***A-FB-TE-CD-530: Weston Wilhour***
A-FB-TE-CD-531: Chad Wilhour

Weston Wilhour of Beecher City requests final approval of a Beginning Farmer Bond in an amount not-to-exceed **$48,750.**

Chad Wilhour of Altamont requests final approval of a Beginning Farmer Bond in an amount not-to-exceed **$48,750**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-14).

Item-15 ***A-FB-TE-CD-528: Joseph & Lisa Kapraun***
A-FB-TE-CD-529: C. Todd Urishr
A-FB-TE-CD-540: Jeffrey Delheimer

Joseph L. & Lisa K. Kapraun of El Paso request final approval of a Beginning Farmer Bond in an amount not-to-exceed **$62,500**.

C. Todd Urish of Green Valley requests final approval of a Beginning Farmer Bond in an amount not-to-exceed **$250,000**.

Jeffrey A. Delheimer of Elgin requests final approval of a Beginning Farmer Bond in an amount not-to-exceed **$178,012**.

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The projects were approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-15).

Item-16 ***M-MH-TE-CD-408: Villagebrook Apartments Limited Partnership***

Villagebrook Apartments Limited Partnership, of **Carol Stream**, is seeking final approval of not-to-exceed **$12.5 million** in conduit, tax-exempt multi-family housing revenue bonds to fund the purchase and renovation of an existing 189-unit affordable multifamily rental property. In connection with this issuance, the Borrower also requests not-to-exceed **$12.5 million** in available **IFA Carryforward Volume Cap**. This project is expected to create **1 new job** and **10 construction jobs**.

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The projects were approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-16).

Item-17 ***B-LL-NP-TX-412: Freeport Economic Development Foundation***

Freeport Area Economic Development Foundation, Inc. of Freeport seeks final approval of a six-month extension of its **$250,000** Participation Loan. This project was originally approved at the August 2004 Board Meeting. The participation loan remains **subject to the Borrower satisfying the conditions imposed at the time of approval in August 2004.** This project is expected to create **1.5 new jobs** and **15 construction jobs**.

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The projects were approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-17).

Item-18 **_Withdrawn_**

Item-19 **_L-GO-TE-CD-524: County of Kankakee_**

The County of Kankakee requests final approval of not-to-exceed **$29 million** Local Government Revenue Bonds. Proceeds will be used to construct and equip a 384-bed jail facility.

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The project was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-19).

Item-20 **_Withdrawn_**

Item-21 **_H-HO-TE-CD-534: Resurrection Healthcare_**

Resurrection Health Care, with **multiple locations in Chicago**, is seeking final approval of not-to-exceed **$375 million** in conduit, not-for-profit revenue bonds. Bond proceeds will be used to fund approximately $251 million of construction, renovation and remodeling to current structures and to refinance or refund certain outstanding IHFA bonds. This project is expected to create **848 construction jobs.**

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The project was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-21).

Item-22 **_H-SL-RE-TE-CD-520: Life Care Retirement Communities, Inc. (Beacon Hill)_**

Life Care Retirement Communities, Inc. doing business as Beacon Hill, with a facility in Lombard, requests final approval of not-to-exceed **$15 million** in conduit, 501(c)(3) revenue bonds for the purpose of refinancing certain outstanding IHFA bonds and funding approximately $300,000 of new capital projects at the Lombard facility. **The project requires a waiver from the IFA's policy on non-rated debt.**

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The project was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-22)

Item-23 ***H-SL-RE-TE-CD-521: Friendship Village of Schaumburg***

Evangelical Retirement Homes of Greater Chicago, Inc. doing business as Friendship Village of Schaumburg, with a facility in Schaumburg, is seeking approval of a purchase contract resolution authorizing the sale of not-to-exceed **$130 million** in conduit, tax-exempt bonds to refinance certain outstanding IHFA debt and to finance construction of a new residential independent living apartment facility. **The project requires a waiver from the IFA's policy on non-rated debt**.

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The project was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-23).

Item-24 ***B-LL-TX-582: Pere Marquette Hotel Associates, L.P.***

Pere Marquette Hotel Associates, L.P. of Peoria seeks final approval of a Participation Loan in an amount not to exceed **$1 million**. Loan proceeds will be used to finance the refurbishment of the 288-room Hotel Pere Marquette and to pay off the remaining existing mortgage and reduce debt service payments. **The loan is subject to (i) satisfactory review by the IFA of the Caterpillar lease, (ii) receipt and review by the IFA of a fair market value appraisal of the project, and (iii) receipt from the Borrower of a closing certificate attesting to the accuracy of certain representations and warranties.** This project is expected to create **5 new jobs** and **50 construction jobs.**

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The projects were approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-24).

Item-25 ***L-GO-TE-CD-562: Village of South Roxana***

Village of South Roxana requests final approval of not-to-exceed **$200,000** Local Government Revenue Bonds, the proceeds of which will be used as working cash to continue to provide services including police protection and public works. Approval is **subject to the Borrower establishing an intercept pledge and demonstrating 1.25 times debt service coverage**.

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The projects were approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-25).

Handout ***E-PC-TE-CD-525: North Park University***

North Park University, located in Chicago, requests final approval of not-to-exceed **$33 million** conduit tax-exempt revenue bonds.

Proceeds with be used to purchase land, renovate structures, and fund campus projects, including the construction and equipping of a new recreation center and renovation of the Holmgren Athletic Complex. This project is expected to create **9 new jobs** and **300 construction jobs**.

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The projects were approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-Handout).

Resolutions

Item-26 ***Resolution Number 2005-06: Appointing an Interim Executive Director of the Illinois Finance Authority***

Resolution Number 2005-07: Authorizing the Establishment of Certain Banking Relationships and Delegating Authority for the Management and Maintenance of Said Relationships

The Chairman requested leave of the Members to apply the last unanimous vote to each of the two resolutions. Leave was granted. The resolutions were approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-26).

Chairman Gustman then announced that the time of future IFA Board Meetings would be changed from 1:30 P.M. to 11:30 A.M, but the Committee of the Whole would continue to meet at 8:30 A.M. He also informed the public that proper notifications would be made as accorded under the Open Meetings Act.

The Chairman asked if there was any other business to come before the Committee or if any member of the pubic wished to address the Committee. There being no further business, Chairman Gustman adjourned the meeting at approximately 2:08 P.M.

Respectfully Submitted,

Michael R. Pisarcik, Secretary

Resolution Number 2005-08

Resolution Authorizing Certain Amendments to the Illinois Finance Authority's Farmers Home Administration – Rural Development Program

WHEREAS, the Illinois Development Finance Authority ("IDFA"), a predecessor Authority to the Illinois Finance Authority (the "Authority"), was loaned certain funds by the federal Farmers Home Administration (FmHA) to be reloaned to eligible borrowers to fund qualified rural development projects in the State of Illinois (the "Rural Development Loans"); and

WHEREAS, the terms under which IDFA made Rural Development Loans was governed by an Intermediary Relending Program Work Plan between IDFA and FmHA (the "Plan")

WHEREAS, pursuant to Section 845-75 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq.* (the "Act"), the Authority succeed to the rights and obligations of the IDFA under the Plan; and

WHEREAS, because certain conditions and restrictions set forth in the Plan relating to interest rates, loan maturity term and loan size are contrary to current market and lending conditions, a Rural Development Loan has not been made since 1999; and

WHEREAS, the Plan provides for its amendment, provided that any changes or modifications thereto are agreed to in writing by the Authority and FmHA; and

WHEREAS, officials of the Authority have discussed with officials of FmHA proposed changes to the Plan that are intended to make Rural Development Loans more marketable; and

WHEREAS, the Members of the Authority find it to be in the best interests of the Authority and eligible recipients of Rural Development Loans that changes be made to the Plan to increase the marketability of such Loans; and

WHEREAS, the Members of the Authority have the power to adopt this Resolution pursuant to Sections 801-15, 801-25, and 801-30 of the Act; and

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

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

Section 2. Changes. The Members of the Authority hereby authorize and direct the Executive Director (said term shall also be deemed to include any person duly appointed to act in such capacity) to seek amendments to the Plan that would permit (i) a loan maturity of not to exceed twenty (20) years, (ii) an interest rate that is tied to an index, and (iii) loan amounts sufficient to cover not to exceed 80% of project costs.

Section 3. Powers. The Members of the Authority hereby authorize the Executive Director to contact the FmHA and begin negotiates to attain the changes set forth in Section 2 hereof. The Executive Director is further empowered to negotiate and approve the final terms of such amendments as she deems to be reasonable and in the best interests of the Authority, provided such terms are consistent with this Resolution. The Board further authorizes the Executive Director to execute any such agreement or document necessary to implement these changes, with such execution to constitute conclusive evidence of such person's approval and the Authority's approval of any changes to the Plan. All of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of this Resolution and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved.

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

This Resolution 2005-08 is adopted this 10th day of May 2005 by roll vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

____
Chairman

Attest to:

____
Secretary

Resolution Number 2005-9

Resolution Appointing a Treasurer of the Illinois Finance Authority

WHEREAS, Section 845-40 of the Illinois Finance Authority Act, 20 Illinois Compiled Statues 3501/801-1 et seq. (the "Act"), requires the Members of the Illinois Finance Authority (the "Authority") to appoint a Treasurer; and

WHEREAS, pursuant to Resolution 2004-5, dated January 5, 2004, duly adopted by the Members of the Authority, the Members appointed Michael R. Pisarcik to serve as Treasurer; and

WHEREAS, Michael R. Pisarcik has indicated his desire to resign from the position as Treasurer, effective upon the due appointment and qualification of his successor; and

WHEREAS, the Members now find it to be in the best interests of the Authority to appoint the Authority's Chief Financial Officer, Jose Garcia, to serve as its Treasurer; and

WHEREAS, the Members have the power to adopt this Resolution pursuant to Sections 801-15, 801-25, 801-30and 845-40 of the Act; and

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

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

Section 2. **Appointment of Treasurer.** Jose Garcia is hereby appointed to the office of Treasurer of the Illinois Finance Authority and shall hold office during the pleasure of the Authority. Before entering upon the duties of Treasurer of the Authority, Jose Garcia shall take and subscribe to the constitutional oath of office and shall execute a bond with corporate sureties. Michael R. Pisarcik shall remain in and have the powers of the office of Treasurer until Jose Garcia shall have satisfied the conditions set forth in the Section 2. Upon Jose Garcia's satisfaction of said conditions, Michael R. Pisarcik's resignation shall take immediate effect without the need for any further action by the Members.

Section 3. **Surety Bond.** The surety bond of the Treasurer shall be payable to the Authority in the penal sum of not less than $100,000 conditioned upon the faithful performance of the duties of Treasurer and the payment of all moneys received by him according to law and the order of the Authority. Such bond shall satisfy all of the requirements of Section 845-40 of the Act. Authority is hereby delegated to the Executive Director to approve the Treasurer's bond and to establish the penal sum of such bond (being not less than $100,000).

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

This Resolution 2005-9 is adopted this 10th day of May, 2005, by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

____

Chairman

Attest to:

____

Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Bart Bittner/bar

Date: May 10, 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 LOANS
New Projects for Inducement Resolution
May 10, 2005

Project Number:	A-FB-TE-CD-568
Borrower(s):	Robert & Brandi Peterson
Town:	Hudson
Amount:	$45,000
Fees:	$675.00
Use of Funds:	Farmland – 18.69 acres grain farm
Purchase Price:	$45,000
%Borrower Equity	0%
%Other Agency	0%
%IFA	100%
County:	Livingston
Lender/Bond Purchaser	Flanagan State Bank, El Paso, IL

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

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 4.00% per annum for the first year from the date hereof. On that date and annually thereafter on the anniversary payment date, the Expressed Rate shall be adjusted to a rate not to exceed 1.00% above the then Weekly Average Yield of U.S. Treasury Securities at a One Year Constant Maturity; provided, however, that the Expressed Rate shall never be lower than 4.00%.

Project Number:	A-FB-TE-CD-569
Borrower(s):	Kurt Uphoff
Town:	Minonk
Amount:	$125,000
Fees:	$1875
Use of Funds:	Farmland – 60 acres grain farm
Purchase Price:	$250,000
%Borrower Equity	50%
%Other Agency	0%
%IFA	50%
County:	Marshall
Lender/Bond Purchaser	Flanagan State Bank, Flanagan, IL

Principal shall be paid annually in installments determined pursuant to a thirty year amortization schedule, with the first principal payment date due 365 days following the date of closing. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date due 365 days following the date of closing, with the thirtieth and final payment of all interest then outstanding due thirty years from the date of closing.

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 4.5000% for the first year of the loan; thereafter, the rate shall be adjusted annually to the Prime Rate minus one as quoted in the Wall Street Journal.

Project Number:	A-FB-TE-CD-570
Borrower(s):	Craig & Maura Miller
Town:	Monmouth
Amount:	$175,000
Fees:	$2625
Use of Funds:	Farmland – 150 acres grain farm
Purchase Price:	$405,000
%Borrower Equity	57%
%Other Agency	0%
%IFA	43%
County:	Warren
Lender/Bond Purchaser	Security Savings Bank, Monmouth, IL

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 4.7500% for the first five years of the loan; thereafter, the rate shall be adjusted every five years to the 5yr US Treasury Plus 1.0%.

Principal shall be paid annually in installments determined pursuant to a thirty year amortization schedule, with the first principal payment date due on 7/1/06. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date due on 7/1/06, with the thirtieth and final payment of all interest then outstanding due 7/1/36.

Project Number:	A-FB-TE-CD-582
Borrower(s):	Charlie Ford
Town:	Lomax
Amount:	$160,000
Fees:	$2,400
Use of Funds:	Farmland – 111.73 acres grain farm
Purchase Price:	$180,000
%Borrower Equity	11%
%Other Agency	0%
%IFA	89%
County:	Henderson
Lender/Bond Purchaser	Bank of Stronghurst, Stronghurst, IL

Principal shall be paid annually in installments determined pursuant to a thirty year amortization schedule, with the first principal payment date due on 4/1/06.

Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date due on 4/1/06, with the thirtieth and final payment of all interest then outstanding due 4/1/36.

The Note shall bear simple interest at the Variable Rate. The Variable Rate shall be 5.500% for the first ten years of the loan; thereafter, the rate shall be adjusted every five years to the National Prime Rate as quoted in the Wall Street Journal.

BEGINNING FARMER BOND LOANS
New Projects for Inducement Resolution
May 10, 2005

Project Number:	A-FB-TE-CD-585
Borrower(s):	Cole Ervin
Town:	Toledo
Amount:	$90,000
Fees:	$1,350
Use of Funds:	Farmland – 40 acres grain farm
Purchase Price:	$120,000
%Borrower Equity	25%
%Other Agency	0%
%IFA	75%
County:	Cumberland
Lender/Bond Purchaser	First Neighbor Bank, N.A., Toledo

The Note shall bear simple interest at a Variable Rate. The Variable Rate shall be 5.2500% for the first five years of the loan; thereafter, the rate shall be adjusted every five years to .5% below prime per Wall Street Journal with a floor of 4.75%.

Principal shall be paid annually in installments determined pursuant to a thirty year amortization schedule, with the first principal payment date due on 3/31/06. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date due on 3/31/06, with the thirtieth and final payment of all interest then outstanding due 3/31/36.

BEGINNING FARMER BOND LOANS
Projects for Final Resolution
May 10, 2005

Project Number:	A-FB-TE-CD-544
Borrower(s):	Buddy Joe Honegger
Town:	Forrest
Amount:	$184,000
Fees:	$2,760
Use of Funds:	Farmland – 48 acres grain farm
Purchase Price:	$206,400
%Borrower Equity	10%
%Other Agency	0%
%IFA	90%
County:	Livingston
Lender/Bond Purchaser	Heartland Bank, Gibson City

Principal shall be paid annually in installments determined pursuant to a twenty five year amortization schedule, with the first principal payment date to be on April 1, 2006. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to on April 1, 2006, with the twenty fifth and final payment of all interest then outstanding due twenty five years from the date of closing.

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 4.55% for the first three years of the loan; thereafter, the rate shall be adjusted annually to 70% of the sum of the Prime Rate as quoted in the Wall Street Journal and 1.5%.

Project Number:	A-FB-TE-CD-545
Borrower(s):	Kyle J. Vitzthum
Town:	Pontiac
Amount:	$45,525
Fees:	$683
Use of Funds:	Farmland – 20 acres grain farm
Purchase Price:	$60,700
%Borrower Equity	25%
%Other Agency	0%
%IFA	75%
County:	Livingston
Lender/Bond Purchaser	Heartland Bank, Gibson City

Principal shall be paid annually in installments determined pursuant to a twenty year amortization schedule, with the first equal principal plus accrued interest payment of $2,276.25 to be on April 1, 2006 and final payment of all interest then outstanding due twenty years from the first payment date.

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 4.55% for the first three years of the loan; thereafter, the rate shall be adjusted annually to 70% of the sum of the Prime Rate as quoted in The Wall Street Journal and 1.5%.

Project Number:	A-FB-TE-CD-548
Borrower(s):	Adam Curry & Teresa N. Curry
Town:	Alpha
Amount:	$187,500
Fees:	$2,813
Use of Funds:	Farmland – 150 acres grain farm
Purchase Price:	$405,000
%Borrower Equity	54%
%Other Agency	0%
%IFA	46%
County:	Mercer
Lender/Bond Purchaser	Bank Orion, Orion

Principal shall be paid annually in installments determined pursuant to a thirty year amortization schedule, with the first principal payment to be on January 1, 2006. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to on January 1, 2006. A balloon payment will be made at the end of 4+ years on January 1, 2010, with the thirtieth and final payment of all interest then outstanding due thirty years from the date of closing.

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 4.7500% from inception until January 1, 2010; thereafter, the rate shall be adjusted every five years to 1.00% above the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year as published in the The Wall Street Journal immediately prior to the adjustment date.

Project Number:	A-FB-TE-CD-553
Borrower(s):	Rooth, Ronald B. & Christine L.
Town:	Joymount: $230,000
Fees:	$3,450
Use of Funds:	Farmland – 158.5 acres grain farm: $154,000 New bldgs—Construction: $76,000
Purchase Price:	$154,000
%Borrower Equity	0%
%Other Agency	0%
%IFA	100%
County:	Mercer
Lender/Bond Purchaser	Joy State Bank, Joy

Principal shall be paid annually in installments determined pursuant to a thirty year amortization schedule, with the first principal payment date to be December 1, 2005. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be December 1, 2005, with the thirtieth and final payment of all interest then outstanding due thirty years from the date of closing.

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 5.5% until December 1, 2010 and adjusted each 3rd year thereafter for the life of the loan. The index will be equal to the highest New York Prime Rate as quoted in the Midwest Edition of the Wall Street Journal or similar publications with a minimum of 5.0% plus .50% basis points. This loan will contain a call feature at the Bank's option on December 1, 2010 and December 1st every 3 years thereafter

BEGINNING FARMER BOND LOANS
Projects for Final Resolution
May 10, 2005

Project Number:	A-FB-TE-CD-541
Borrower(s):	Stephen A. Niebrugge & Judy K. Niebrugge
Town:	Altamont
Amount:	$100,000
Fees:	$1,500
Use of Funds:	Farmland – 66 acres grain farm
Purchase Price:	$168,630
%Borrower Equity	41%
%Other Agency	0.0%
%IFA	59%
County:	Effingham
Lender/Bond Purchaser	Effingham State Bank, Effingham

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 month from the date of closing. Accrued interest on the unpaid balance hereof shall be paid monthly, with the first interest payment date to be one month from the date of closing, with the twenty fifth and final payment of all interest then outstanding due twenty five years from the date of closing.

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 5.8% fixed for the life of the loan.

Project Number:	A-FB-TE-CD-542
Borrower(s):	David Carson
Town:	Oakdale
Amount:	$100,000
Fees:	$1,500
Use of Funds:	Farmland – 59.5 acres grain farm/2 30' grain bins
Purchase Price:	$100,000
%Borrower Equity	0%
%Other Agency	0.0%
%IFA	100%
County:	Washington
Lender/Bond Purchaser	Oakdale State Bank, Oakdale

Principal shall be paid annually in installments determined pursuant to a thirty year amortization schedule, with the first principal payment date to be on February 20, 2006. Accrued interest on the unpaid balance hereof shall be paid semi annually, with the first interest payment date to be one year from the date of closing, with the thirtieth and final payment of all interest then outstanding due thirty years from the date of closing.

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 4.2590% for the first year of the loan; thereafter, the rate shall be adjusted annually to 1.25% below prime as quoted in The Wall Street Journal.

Project Number:	A-FB-TE-CD-543
Borrower(s):	Larry R. Markewitz
Town:	Brocton
Amount:	$179,522
Fees:	$2,693
Use of Funds:	Farmland – 53.3 acres grain farm
Purchase Price:	$181,322
%Borrower Equity	1%
%Other Agency	0.0%
%IFA	99%
County:	Edgar
Lender/Bond Purchaser	Citizens National of Paris/ Paris

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

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 4.15% for the first five years of the loan; thereafter, the rate shall be adjusted every five years to the 5 year US Treasury constant maturity 5 years plus .50 basis points.

Project Number:	A-FB-TE-CD-564
Borrower(s):	Blake M. Furness
Town:	Witt
Amount:	$180,200
Fees:	$2,703
Use of Funds:	Farmland – 68 acres grain farm
Purchase Price:	$180,200
%Borrower Equity	0%
%Other Agency	0%
%IFA	100%
County:	Montgomery
Lender/Bond Purchaser	Security National Bank, Witt

Principal shall be paid annually in installments determined pursuant to a twenty 30-year amortization schedule, with the first principal payment date to be on April 1, 2006. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to on April 1, 2006, with the thirtieth and final payment of all interest then outstanding due thirty years from the date of closing.

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 80% of the Wall Street Journal Prime Rate, with an initial rate 4.60% for the first five years of the loan; thereafter, the rate shall be adjusted every 5 years per The Wall Street Journal.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: Albert and Karol Brown

STATISTICS

Project Number:	A-DR-TX-583	Amount:	$235,505
Type:	Agri-Debt Guarantee	IFA Staff:	Eric Reed
Location:	Winchester, IL	Tax ID:	328-36-0943
SIC Code:	0191-Grain Farming	Est. fee:	$1,177

BOARD ACTION

Approval for an 85% Loan Guarantee to the Farmers State Bank in Pittsfield, IL.
$200,179 of State Treasurer's Agricultural Reserve funds at risk.
Staff recommends approval, subject to satisfying all conditions of the bank loan and completing a new appraisal demonstrating a satisfactory loan to fair market value ratio.

PURPOSE

Refinance the outstanding balance of an existing loan guaranteed by the Farm Development Authority.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA-Guarantee	$ 200,179	Uses:	Existing loan	$235,505
	Bank's portion	$35,236			
	Total	**$235,505**		**Total**	**$235,505**

JOBS

Current employment:	1	Projected new jobs:	0
Jobs retained:	1	Construction jobs:	0

BUSINESS SUMMARY

Background: Albert and Karol Brown own and operate a small grain farm in Winchester, IL. Their operation consists 213 owned acres and 360 rented acres. The Browns, who are each in their early 60's, initially executed a $300,000 real estate mortgage in favor of Farmers State Bank in Pittsfield, IL in 1995. The Browns subsequently filed Chapter 12 Bankruptcy in 1997. The borrower's bankruptcy plan was approved and all payments to the Farmers State Bank continued as agreed.

The primary reason for the Brown's bankruptcy was the loss of 1,000 rented acres, according to the loan office and borrower. Prior to 1997, Albert and his brother farmed together until a disagreement caused them to discontinue their working relationship. As part of the dissolution, the 1,000 acres of rented land was awarded to Albert's brother. Prior to the bankruptcy, the Brown's also raised hogs but have since discontinued those operations.

Albert also operates a small construction business, which reported $35,000 in net income in 2004, versus $22,000 in farm income. Karol Brown is employed off the farm at a book store in Jacksonville, which generates $14,000 in annual income.

Project Rationale: Farmers State Bank in Pittsfield has requested a renewal of the initial IFA guarantee, which the Bank has relied on to extend financing to the Browns. Subject to approval of the guarantee, the Bank will renew the existing real estate mortgage for another 10 years to allow the borrowers to continue operations. The balance of $235,505 will be refinanced into a new loan with the same amortization and payment terms..

FINANCIAL SUMMARY

Borrower's Finances: Financial Statements and Projections for Albert and Karol Brown for 2003, 2004 and 2005, are borrower prepared and provided by Farmer State Bank.

Discussion: The borrower's financial statements have historically reflected very poor liquidity and high leverage. Prior to 2005, the borrower's liquidity was negative and leverage was extremely high at over 3:1. The Brown's most recent statements dated 3/8/05 indicate improvement in both areas. Liquidity has improved due to the increase in stored crops, which reflects the excellent crop yields experienced by farmers in 2004. Leverage has been reduced with the revaluation of the farm real estate to reflect current market values.

The borrower's have historically demonstrated little profitability from farming and have largely relied on Karol's employment and Albert's construction business income. Incorporating off-farm income with farm income yields sufficient cashlows to generate 1.93 times and 1.44 times debt service coverage, respectively, over the past two years.

Ample collateral is the primary strength of this credit. The loan to value ratio for this project is 61%, based on an appraisal completed in 1995. We are insisting on obtaining an updated appraisal to confirm that the loan to value ratio for this project remains strong.

FINANCIAL DATA FOR: Albert and Karol Brown

	3/31/2003 Year	7/12/2004 Year	3/8/2005 Year
Cash	1,000	1,000	50,000
Stored Crops	13,081	10,000	24,300
Prepaid Expenses	0	0	0
Growing Crops	0	0	1,117
Accounts Receivable	0	0	0
Marketable Securities	0	0	0
Other Current Assets	0	0	0
Total Current Assets	**14,081**	**11,000**	**75,417**
Farm Machinery/Equipment	92,000	99,000	167,250
CVLI	0	0	1,500
Real Estate/Improvements	565,000	565,000	1,134,000
Other Non Current Assets	2,000	2,500	5,000
Retirement Accounts	0	0	0
Total Non-Current Assets	**659,000**	**666,500**	**1,307,750**
Total Assets	**673,081**	**677,500**	**1,383,167**
Notes Payable	21,967	33,745	50,907
Accounts Payable	5,316	5,582	0
Current Maturities LT debt	0	0	0
Accrued Interest	0	0	0
Other Current Liabilities	0	0	0
Total Current Liabilities	**27,283**	**39,327**	**50,907**
Equipment Debt	36,928	19,373	26,085
Real Estate Debt	466,157	453,224	435,895
Personal Liabilities	0	0	0
Total Non-Current Liabilities	**503,085**	**472,597**	**461,980**
Total Liabilities	**530,368**	**511,924**	**512,887**
Net Worth	**142,713**	**165,576**	**870,280**
Working Capital	**(13,202)**	**(28,327)**	**24,510**
Current Ratio	**0.52**	**0.28**	**1.48**
Debt-to-asset ratio	**0.79**	**0.76**	**0.37**
Debt-to-worth Ratio	**3.72**	**3.09**	**0.59**
Source	BORRPP	BORRPP	BORRPP

Cash Basis Accounting — **Albert and Karol Brown**

	2002	2003	2004	3 year Average	2005 Projection
Crop/Livestock Sales....	62,994	131,515	90,085	94,865	78,195
Government pymts........	863	9,109	23,661	11,211	23,661
Other Farm Income........	0	2,371	0	790	11,878
Purchases/Adj............	0	0	0	0	0
Total Farm Income.........	**63,857**	**142,995**	**113,746**	**106,866**	**113,734**
Farm Expenses					
Custom Hire................	0	6,010	1,684	2,565	1,684
Depreciation................	13,527	43,076	39,369	31,991	35,000
Feed Purchased...........	0	0	2,969	0	0
Fertilizer/Chemicals.......	10,222	16,351	29,420	18,664	30,000
Freight/Trucking...........	0	0	0	0	0
Gas, Fuel, & Oil...........	6,781	5,805	8,286	6,957	9,000
Insurance....................	6,512	5,895	4,553	5,653	4,553
Interest......................	47,847	25,075	11,368	28,097	34,391
Labor........................	0	0	0	0	0
Land Rent...................	0	0	0	0	0
Machinery Rent............	0	3,000	0	1,000	0
Repairs/Supplies...........	7,203	9,545	15,131	10,626	11,000
Seed Expenses..............	11,638	9,466	12,047	11,050	12,047
Storage......................	0	0	0	0	0
Taxes........................	2,931	1,829	1,182	1,981	1,182
Utilities......................	1,275	1,556	2,193	1,675	2,200
Other Expenses............	2,041	2,261	2,172	2,158	2,172
Veterinary...................	0	0	0	0	0
Other adjustment..........	0	0	0	0	0
Total Expenses	**109,977**	**129,869**	**130,374**	**122,417**	**143,229**
Net Farm Inc. (Sch F)	**-46,120**	**13,126**	**-16,628**	**-15,551**	**-29,495**
Oper Exp/Rev Ratio	**0.76**	**0.43**	**0.70**	**0.58**	**0.65**

Repayment Margin Analysis

	2002	2003	2004	3 year Average	2005 Projection
Net Farm Operating Income	(46,120)	13,126	(16,628)	(15,551)	(29,495)
Add: Non-farm Income	27,975	42749	45697	38,807	40,000
Add: Depreciation Expense	13,527	43,076	39,369	31,991	35,000
Add: Annual Term Debt Interest	34,391	34,391	34,391	34,391	34,391
Less: Income Taxes	(4,766)	(5,320)	(2,168)	(4,085)	(2,175)
Less: Family Living W/D	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Balance Available for Term Debt Rpymt	**5,007**	**108,022**	**80,661**	**65,553**	**57,721**
Principal on Term Debt	21,680	21,680	21,680	21,680	21,680
Interest on Term Debt	34,391	34,391	34,391	34,391	34,391
Total Principal and Interest Pymts	**56,071**	**56,071**	**56,071**	**56,071**	**56,071**
Equals Term Debt Coverage Ratio	**0.09**	**1.93**	**1.44**	**1.17**	**1.03**
Equals Term Debt Repayment Margin	**(51,064)**	**51,951**	**24,590**	**9,482**	**1,650**

COVENANT	REQUIRED	ACTUAL	MEASURED	COMPLIANT
Minimum DSC Ratio	1.25		Annually	

FINANCIAL REPORTING:

REPORT	REQUIRED	LAST RECEIVED	COMPLIANT
Balance Sheet on Farming Entity	annually	3/8/2005	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	$ -
Breeding Stock	$ -	0.80	$ -
Equipment	$ -	0.80	$ -
Real Estate-213 acres	$ 478,929	0.80	$ 383,143
Total Collateral	$ 478,929		$ 383,143
Total Loans Outstanding:			$ 235,505
Adjusted LTV:			61%
Excess Collateral:			$ 147,638

Annual Debt Service:	Total Princ. Balance	Principal	Interest	Total Payment
Farmers State Bank	235,505	5,752	16485	22,237
Farmers State Bank	75,505	2,856	5436	8,292
Farmers State Bank	130,000	2,800	11700	14,500
Farmers State Bank	10,272	10,272	770	11,042
		0	0	0
		0	0	0
		0	0	0
		0	0	0
Total Term Debt Payments	451,282	21,680	34,391	56,071
			0	
Total Debt Service			34,391	

PROJECT SUMMARY

Loan proceeds will be used to refinance an existing real estate mortgage in favor of Farmers State Bank in Pittsfield, IL. IFA will provide an 85% guarantee on the loan request for Farmers State Bank.

FINANCING SUMMARY

Interest:	The Bank's interest rate will be fixed for 1 year at 1.50% over the Wall Street Journal Prime rate. The interest rate will adjust on each anniversary date of the loan.
Security:	IFA's guarantee is secured by a first mortgage on 213 acres of farmland.
Sources of Repayment:	Primary: Operating cash flows generated by annual crop sales. Secondary: Liquidation of the collateral
Maturity:	10 years with a 15-year amortization

COLLATERAL

The subject loan is secured by a first mortgage on 213 acres of farmland in Pike County, IL. An appraisal was originally performed on the property in 1995, which indicated a value of $478,929. Based on that appraisal and an 80% advance rate, the LTV on this loan would be 61%. Realistically, this property would most likely appraise for approximately $700,000 today, which yield an LTV of 33%. See "Collateral Analysis" on page 7 for more details.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Albert and Karol Brown
Location:	983 Van Meter Lane, Winchester, IL 61524, Pike County
Organization:	Sole Proprietorship
State:	Illinois
Ownership:	Albert and Karol Brown

PROFESSIONAL & FINANCIAL

Accountant:	Zumbahlen, Eyth, Surrat, Foote, Flynn, LTD.		
Bank:	Farmers State Bank	Pittsfield, IL	Harley Whitlock

LEGISLATIVE DISTRICTS

Congressional:	18th	State Senate:	47th	State House	93rd

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: Borgic Farms Inc.

STATISTICS

Project Number:	A-SG-TX-584	Amount:	$1,000,000
Type:	Specialized Livestock Guarantee	IFA Staff:	Eric Reed
Location:	Nokomis, IL	Tax ID:	37-0977157
SIC Code:	0213-Swine Production	Est. fee:	$7,500

BOARD ACTION

Approval to initiate an 85% Loan Guarantee to Bank & Trust Co. in Litchfield, Illinois
$1,000,000 of State Treasurer's Agricultural Reserve funds at risk.
Staff recommends approval, subject to:

- Satisfying all conditions of the bank loan
- Assignment of $500,000 in life insurance on the Borrowers

PURPOSE

Finance the construction of a new 1,392 head gestation barn and refinance a term loan with a $235,000 balance that is supported by a Farm Development Authority guarantee.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA-Guarantee	$ 1,000,000	Uses:	Construct Hog facility	$1,112,640
	Farmers State Bank	$375,640		Refinance IFA loan	$235,000
				Permits/Misc.	$28,000
	Total	**$1,375,640**		**Total**	**$1,375,640**

JOBS

Current employment:	4	Projected new jobs:	0
Jobs retained:	4	Construction jobs:	6

BUSINESS SUMMARY

Background: Phillip and Karen Borgic own and operate a swine and grain farm in Montgomery County, near Nokomis, IL. Their operation consists of 2,300 sows and 250 acres of corn and soybeans. The Borgics pay another farmer to perform all necessary crop operations to custom farm the 250 acre grain farm. This arrangement enables the Borgics to focus on managing the hog facilities.

Phil Borgic holds a Bachelor's degree for the University of Illinois in Agricultural Economics. Karen Borgic received an Associate's degree in Accounting from Lake Land College. Phil is listed at the President of Borgic Farms Inc, while Karen is Secretary/Treasurer, as well as the bookkeeper. Karen is employed off the farm as a secretary/Para-accountant for a CPA firm in Litchfield, IL. Phil is a current board member of the Illinois Pork Producer's Association.

The borrowers operate the farm under a family corporation known as Borgic Farms Inc. Phil and Karen, who are both age 48, currently own 36% of the corporation. Phil's parents, Erval and Betty Borgic own the other 64% of the company and are in the process of gifting the remainder of the company to Phil and Karen Borgic. Since Erval and Betty are not involved in the daily operations, they have not been asked to sign personal guarantees for Borgic Farms Inc. Phil and Karen Borgic have had a relationship with Bank and Trust Co. in Litchfield for over 20 years. Their current bank debt is $1.8M.

Borgic Farms contracts all of their weaner pig production for sale to seven different family farms across the State of Illinois within a 320 mile radius from the Borgic's operation. Those contracts expire May 30, 2006. Based on current market conditions, Borgics anticipate negotiating future contracts with producers to sell pigs for $33 per head. The borrowers expect to have 75% of their weaner pigs under 5-year contracts prior to starting construction on the proposed expansion.

Borgic Farms Inc. currently employs 2 additional people, which are not family members. Both of their employees have Associates degrees in Business management and previous experience in the swine industry. The senior employee is listed as the operations and farrowing manager, while the other is listed as the breeding manager. Borgic Farms also contracts with a Carthage Veterinary to inspect the herd every six weeks and provide recommendations for overall animal health. The borrowers have a great confidence in Carthage Veterinary, noting that they now care for 40,000 sows owned by several Illinois producers .

Project Rationale: With the proposed facility expansion, the borrowers will realize efficiency gains in feed cost, labor cost, and sow death loss. Currently, they are forced to utilize 3 older facilities, which have been modified. However, these facilities are not located near their primary operation and are in poor condition. Since these barns cannot be heated efficiently, the borrower estimates that additional feeding and utility costs are $21,000 annually. The slats in the buildings are also in poor condition, which has resulted in death loss from pigs falling into the manure pits. Finally, because of the distance traveled by hired labor, the producer waists travel time to perform, normal feeding, veterinary, and breeding duties.

As part of their proposed facility expansion, the Borgics will expand their sow heard by an additional 500 sows, increasing their sow heard to 2,800 sows. The borrower's justification of increasing the sow heard to 2800 head is the fact that most producers who finish hogs to market weight in today's market, are constructing buildings, which hold 1,200 to 1,300 head for a single building. With a 2800 head sow herd, they would be able to fill a barn of that size once a week, which should provide better demand for their pigs from finisher units.

Transaction Description: The borrowers have requested $1,275,140 in new financing to fund the proposed expansion. Of the requested amount, $1,112,640 will used to construct the gestation and farrowing facility. The remaining $162,500 will be used to finance the acquisition of 500 additional sows. In addition to their request for term financing, they have requested an additional $100,000 in operating funds from Bank & Trust. This request has been approved.

Upon approval of the request the borrowers will have three commercial loans, all of which will be financed by Bank & Trust Co. The first loan will be a $1,000,000 real estate mortgage, which will require an 85% guarantee from IFA. Bank & Trust Co. has proposed 1st mortgage on 72.25 acres with all improvements owned by the borrowers. The loan will also be secured by a 1st mortgage on 40 acres of tillable farm land. The second facility initiated by the lender will be a $600,000 real estate mortgage, which will be used to finance the balance of the construction costs, additional sows, and the $235,000 remaining balance on IFA's loan. This loan will be secured by a 1st mortgage on 160 acres of tillable farm land. The third facility required to finance the expansion is a $200,000 operating loan. The borrowers currently have a $100,000 line of credit. The Bank & Trust Co. will provide a 3 year revolving line of credit to the borrowers.

The Bank is also refinancing the outstanding balance on a term loan executed in 1987 that is supported by a Farm Development Authority guarantee. That guarantee was extended in 1997. The new debt will carry a rate of interest that is 1.5% below that rate on the existing term loan.

The Site: The funding manager inspected the subject property April 6, 2005. An appraisal performed on March 7, 2005 estimated the value "as improved" at $2,299,000. Existing improvements include 3 hog barns, a machine shed, 5 grain bins with 28,000 bushels of storage, a 2,048 square foot brick home, and a 1,260 square foot frame house, which is utilized by the hired labor.

The proposed construction of hog facilities will be located on 24.25 acres, which contains the other described existing improvements. The remaining 253 acres of cropland is all tillable farm land, which is currently farmed by another tenant farmer. The tillable acres are comprised of Class B, C, and D soils rather than the primary Class A soils, which are predominant to Central Illinois. While the lower quality soils does reduce the overall appraisal, the acreage by itself appraised for $667,000 The new facility will be located adjacent to their current hog buildings and will have 9 months of manure storage capacity. Borgic Farms currently utilizes the 250 acres they own, as well as holding an application easement on 300 acres adjacent to their farm for manure application.

FINANCIAL SUMMARY

Borrower's Finances: Financial Statements and Projections for Borgic Farms Inc. for 2002, 2003 and 2004, are compilations prepared by Fleming, Tawfall & Co., and submitted by Bank & Trust Co.

FINANCIAL DATA FOR: Borgic Farms Inc.

	11/30/2002 Year	11/30/2003 Year	11/30/2004 Year	11/30/2005 Proforma
Cash	24,959	7,364	7,756	858
Stored Crops	56,250	60,600	139,000	50000
Prepaid Expenses	0	0	0	0
Growing Crops	0	0	0	0
Notes Receivable	23,627	15,000	65,000	15,000
Pig Inventory	20,888	22,500	42,541	72,000
Other Current Assets	4,295	12,742	9,986	0
Total Current Assets	**130,019**	**118,206**	**264,283**	**137,858**
Farm Machinery/Equipment	468,040	509,547	545,072	147,000
Breeding Stock	258,202	250,987	299,673	450,987
Real Estate/Improvements	1,570,465	1,570,465	1,611,690	2,293,071
Other Non Current Assets	142,987	142,420	164,542	273,678
Total Non-Current Assets	**2,439,694**	**2,473,419**	**2,620,977**	**3,164,736**
Total Assets	**2,569,713**	**2,591,625**	**2,885,260**	**3,302,594**
Notes Payable	297,684	93,673	98,910	102,073
Accounts Payable	0	0	3,527	0
Current Maturities LT debt	86,000	86,100	124,102	0
Accrued Interest	0	0	0	0
Other Current Liabilities	0	0	0	0
Total Current Liabilities	**383,684**	**179,773**	**226,539**	**102,073**
Equipment Debt	0	0	0	0
Real Estate Debt	706,456	715,461	746,705	1,466,925
Personal Liabilities	0	0	0	0
Total Non-Current Liabilities	**706,456**	**715,461**	**746,705**	**1,466,925**
Total Liabilities	**1,090,140**	**895,234**	**973,244**	**1,568,998**
Net Worth	**1,479,573**	**1,696,391**	**1,912,016**	**1,733,596**
Working Capital	**(253,665)**	**(61,567)**	**37,744**	**35,785**
Current Ratio	**0.34**	**0.66**	**1.17**	**1.35**
Debt-to-asset ratio	**0.42**	**0.35**	**0.34**	**0.48**
Debt-to-worth Ratio	**0.74**	**0.53**	**0.51**	**0.91**
Source	**BORRPP**	**BORRPP**	**BORRPP**	**BORRPP**

Cash Basis Accounting — **Borgic Farms Inc**

	2001	2002	2003	3 year Average	2005 Projection
Crop/Livestock Sales....	862,057	1,157,453	1,417,682	1,145,731	1,756,271
Government pymts........	10,285	12,985	23,786	15,685	27,233
Other Farm Income........	53,232	65,968	86,540	68,580	34,303
Purchases/Adj............	0	0	0	0	0
Total Farm Income.........	**925,574**	**1,236,406**	**1,528,008**	**1,229,996**	**1,817,807**
Farm Expenses					
Custom Hire................	24,215	47,972	2,669	24,952	2,558
Depreciation................	171,372	166,131	288,353	208,619	293,628
Fertilizer/Chemicals.......	66,217	10,421	18,955	31,864	12,231
Freight/Trucking...........	0	0	0	0	0
Gas, Fuel, & Oil..........	18,124	25,756	28,649	24,176	27,815
Insurance....................	38,133	40,237	38,099	38,823	43,522
Interest......................	0	67,599	47,663	38,421	100,000
Labor........................	4,292	10,241	16,882	10,472	2,025
Land Rent..................	0	0	74,623	24,874	102,400
Machinery Rent...........	5,645	6,465	0	4,037	0
Repairs/Supplies...........	49,827	72,156	63,418	61,800	65,666
Seed Expenses.............	25,591	3,294	8,580	12,488	7,307
Feed......................	284,659	340,380	506,421	377,153	433,946
Taxes........................	24,924	29,112	26,100	26,712	11,461
Utilities......................	33,548	39,057	32,724	35,110	32,303
Other Expenses...........	93,303	81,844	129,923	101,690	101,168
Veterinary..................	37,269	32,146	41,346	36,920	42,744
Salaries and Wages	150,858	147,821	172,246	156,975	230,621
Total Expenses	**1,027,977**	**1,120,632**	**1,496,651**	**1,215,087**	**1,509,395**
Net Farm Inc. (Sch F)	**-102,403**	**115,774**	**31,357**	**14,909**	**308,412**
Oper Exp/Rev Ratio	**0.93**	**0.72**	**0.76**	**0.79**	**0.61**

Repayment Margin Analysis

	2002	2003	2004	3 year Average	2005 Projection
Net Farm Operating Income	(102,403)	115,774	31,357	14,909	308,412
Add: Non-farm Income	0	0	0	0	0
Add: Depreciation Expense	171,372	166,131	288,353	208,619	293,628
Add: Annual Term Debt Interest	42,387	67,599	47,663	52,550	100,000
Less: Income Taxes	0	0	0	0	0
Less: Family Living W/D	0	0	0	0	0
Balance Available for Term Debt Rpymt	**111,356**	**349,504**	**367,373**	**276,077**	**702,040**
Principal on Term Debt	86,000	86,100	124,102	98,734	140,783
Interest on Term Debt	42,387	67,599	47,663	52,550	100,000
Total Principal and Interest Pymts	**128,387**	**153,699**	**171,765**	**151,284**	**240,783**
Equals Term Debt Coverage Ratio	**0.87**	**2.27**	**2.14**	**1.82**	**2.92**
Equals Term Debt Repayment Margin	**(17,031)**	**195,805**	**195,608**	**124,794**	**461,257**

COVENANT	REQUIRED	ACTUAL	MEASURED	COMPLIANT
Minimum Current Ratio	1.1:1	1.35	Annually	New
Maximum Debt/Worth Ratio	.95:1	0.91	Annually	New
Minimum DSC Ratio	1.25:1	2.14	Annually	New

FINANCIAL REPORTING:

REPORT	REQUIRED	LAST RECEIVED	COMPLIANT
Balance Sheet on Farming Entity	annually	11/30/2004	Yes
Federal Tax Returns on Farming Entity, if Corporation			
PFS on Guarantors			
Federal Tax Returns on Guarantors, if separate from Farming entity	annually	11/30/2004	Yes

COLLATERAL ANALYSIS:

Collateral Description	Value	Advance	Adj. Value
Stored Crops		0.85	$ -
Growing Crops		0.65	$ -
72.25 Acres + improvements	$1,738,708	0.75	$ 1,304,031
40 acres farmland	$ 112,040	0.80	$ 89,632
	$ -	1.00	$ -
Total Collateral	$1,850,748		$ 1,393,663
Total Loans Outstanding:			$ 1,000,000
Adjusted LTV:			72%
Excess Collateral:			$ 393,663

Annual Debt Service:	Total Princ. Balance	Principal	Interest	Total Payment
Bank & Trust Co.	1,000,000	72,236	62500	134,736
Bank & Trust Co.	600,000	68,547	37500	106,047
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
Total Term Debt Payments	1,600,000	140,783	100,000	240,783
			0	
Total Debt Service			100,000	100,000

Discussion: The borrower's financial statement for FYE 2004 indicates improved liquidity with working capital of $37,744, compared to and negative working capital and current ratios under 1:1 as of year-end for the previous two years. Borgic Farms' liquidity was particularly weak in FY 2002, when the entity reported a large note payable as a current liability. Liquidity has since improved, with growing stored crop inventory, market livestock and accounts receivable.

Borgic Farms' 11/30/04 BS indicates total assets of $2.7M, with $82K being current assets. Current assets are comprised primarily of $7K in cash and $65K in accounts receivable. LT assets are comprised of farm machinery, hog equipment, and 277 acres with all improvements previously mentioned.

Current liabilities are now primarily comprised of operating loan balances, modest accounts payable and current maturities of long-term debt.

The borrower's have historically maintained an average leverage position., with debt to worth ratios ranging between 0.78:1 to 0.55:1. Borgic Farms leverage will increase significantly to .91:1with the new debt incurred to finance the project.

This loan's primary strength is the collateral position. The loan to value ratio is very strong and is supported by a recent appraisal and an assignment of the borrower's $1,000,000 life insurance policy. While the hog facilities do comprise approximately half of the real estate collateral, the bank will also have 250 acres of tillable farmland, which is readily marketable. The borrowers have remained profitable and generated ample operating cashflows to service existing debt requirements over the period reviewed.

The Borgics have enjoyed a strong, longstanding relationship with their bank. Bank & Trust Co., lenders have had great confidence in the borrowers and approved new financing for them even through negative markets of the late 1990's. The Borgic's have never delinquent on any payments to the Bank , according to the loan officer. Borgic Farms Inc maintains an operating loan from the Bank. The Borgics have requested an increase in their operating loan by $100K, which will be approved according to the loan officer to fund increased needs from the expansion.

Due to the increased debt load required by the expansion, IFA will require an assignment of $500,000 in life insurance that the borrower currently have in place.

PROJECT SUMMARY

Loan proceeds will provide permanent financing for the construction of a 1392 head gestation barn and 156 crate additional farrowing space. IFA will provide an 85% guarantee on the loan request for the Bank & Trust Co..

FINANCING SUMMARY

Interest: The rate for the first 5 years will be 6.25% and will adjust thereafter to Prime plus 1.0%.

Security: IFA's guarantee is secured by: 1) a first mortgage and assignment of rents and leases on 72.25 acres and all improvements, including the proposed hog facilities, 3 hog barns, a machine shed, 5 grain bins with 28,000 bushels of storage, a 2,048 square foot brick home; 2) a first mortgage on 40 acres of farmland; and 3) an assignment of 500,000 life insurance policy on the borrowers.

Repayment: Primary: Operating cash flows generated from monthly contracted sale of pigs.
Secondary: Liquidation of the collateral

Maturity: Ten years with a 10-year amortization

COLLATERAL

The subject loan is secured by a 1st mortgage and assignment of rents and leases on 72.25 acres, improved with the proposed hog facilities, 3 hog barns, a machine shed, 5 grain bins with 28,000 bushels of storage, a 2,048 square foot brick home. The loan will also be secured by a 1st mortgage on 40 acres of farmland. The borrower will also pledge an assignment of life insurance for $500K.

The appraisal on the property was performed March 7, 2005, which yielded a value of $2,299,000. The overall **discounted** LTV based for this facility is 67%. See "Collateral Analysis" on page 7 for more details.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Borgic Farms Inc. Philip and Karen Borgic(Guarantors)
Location:	19007 E. 13th Rd. Nokomis, IL 62075, Montgomery County
Organization:	Corporation
State:	Illinois
Ownership:	Philip and Karen Borgic(36%) Erval and Betty Borgic (64%)

PROFESSIONAL & FINANCIAL

Bank:	Bank & Trust Co.	Litchfield, IL	John Martin

LEGISLATIVE DISTRICTS

Congressional:	19th	State Senate:	49th	State House	98th

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 10, 2005

Deal: Custom Wood Products, Inc.

STATISTICS

Deal Number:	B-LL-TX-573	Amount:	$175,000
Type:	Participation Loan	PA:	Jim Senica
Location:	Eureka	Est. fee:	$7,875 (first year's interest)

BOARD ACTION

Purchase of Participation Loan from First Security Bank of Mackinaw
$175,000 IFA funds at risk
Collateral is ***pari passu*** first position with the bank
Staff recommends approval

PURPOSE

Loan proceeds will be used to acquire 1.31 acres of land, a 10,168 square foot industrial building and new machinery and equipment

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VOTING RECORD

Initial board consideration, no voting record. However, IFA currently has another participation loan with Mitch Fowler, Custom Wood Product's owner, an original $155,000 loan, proceeds of which were used to purchase land and construct a new building addition. This loan is secured by a pro-rata first mortgage shared with First Security Bank of Mackinaw on the Company's existing land and building. Repayment on this loan has been excellent.

SOURCES AND USES OF FUNDS

Sources:	IFA	$175,000	Uses:	Project Costs	$350,000
	First Security Bank	175,000		Total	$350,000
	Total	$350,000			

JOBS

Current employment:	21	Projected new jobs:	4
Jobs retained:	N/A	Construction jobs:	5

BUSINESS SUMMARY

Background: Custom Wood Products, Inc. is an Illinois C corporation originally established as a sole proprietorship in 1992 by Mitch Fowler. The Company operated at that time without employees in a portion of the Company's existing buildings. The Company was changed to a partnership in 1993 when Brad Weigand joined the operation and was incorporated in 1996. Brad Wiegand left the Company in 2004 to pursue other interests.

Description: Custom Wood Products, Inc. is a high-end custom cabinet manufacturer producing unique, ultra-premium quality cabinetry used in very upscale, custom-built homes. The cabinets manufactured often include premium rare hardwoods hand-stained with special finishes and specific hardware not ordinarily found in commercial cabinetry outlets.

Comments: Customers of the Company are wholesalers who direct Custom Wood Products, Inc. to architects and builders designing and building homes nationwide in the $5 to $80 million range, a segment of the home building industry not generally vulnerable to downturns in the economy. Some recent users of Custom Wood Products, Inc's cabinetry are builders constructing homes for Mrs. Henry Ford III, George Foreman and Celine Dion.

Financials: Compiled financial statements of Custom Wood Products, Inc. for years 2002 through 2004
Projected operating financial information for years 2005 through 2007

	Year Ended December 31					
	2002	2003	2004	2005	2006	2007
	(Dollars in 000's)					
Income Statement						
Sales	1,683	1,914	2,016	2,300	2,369	2,440
Cost of Sales	488	1,419	1,237	1,440	1,474	1,518
Gross Profit	1,195	495	779	860	895	922
Operating Expenses	1,100	381	601	533	602	616
Interest Expense	17	30	38	45	48	42
Depreciation	78	150	154	117	99	63
Net Incomet	-0-	(66)	(14)	165	146	201
Balance sheet						
Current assets	197	256	(17)	165	260	370
PP&E	180	354	590	823	724	661
Other assets			20			
Total assets	377	610	593	988	984	1,031
Current Liabilities	173	334	396	398	410	418
Debt	46	149	329	557	395	233
Net Worth	158	127	(132)	33	179	380
Total liab. & net worth	377	610	593	988	984	1,031
Ratios						
Debt service coverage	6.87	7.44	1.85	1.96	1.40	1.50
Current Ratio	1.14	0.77	(0.04)	0.41	0.63	0.88
Debt/Equity	0.36	1.26	(2.57)	(20.1)	(3.11)	1.04

Discussion: Except for a brief downturn in 2002, Custom Wood Product, Inc.'s revenue has steadily been increasing and is projected to do so through at least 2007. When the original loan referred to in the "Voting Record" section on page 1 of this report was originally approved in October of 1998, the Company's revenues were just over the $500,000 level and thus have increased nearly fourfold. Profitability, however, has been affected by several factors including the nature of the Company's "custom" manufacturing whereby each job has varying amounts of costs associated with its production. It is important to note that cost of sales in 2002 includes approximately $900,000 of costs associated with a display unit used in marketing the Company's products and built in the Company's shop. When depreciation, a non-cash expense, is added back in years 2002 through 2004, the results indicate positive incomes of $78,000 in 2002, $84,000 in 2003 and $140,000 in 2004.

FINANCING SUMMARY

Security: Pro-rata first mortgage "*pari passu*" with First Security Bank of Mackinaw on the project real estate with an appraised value of $210,000, based on a certified appraisal dated March 10, 2005, and a pro-rata first security interest in the equipment being acquired with a value discounted by the bank of $351,095 providing collateral coverage to IFA and the Bank of 1.6 times (62.37 LTV). IFA and the Bank will also share in the personal guaranty of Mitch Fowler with an approximate net worth of $300,000 excluding his interest in Custom Wood Products, Inc.

Structure: Based on the guidelines of the Participation Lending Program, IFA's interest rate will be 200 basis points below what the Bank is charging the customer. The Bank's interest rate will be fixed at 6.5% for a period of five years; IFA's rate will be 4.5% for the period.

Maturity: The loan will be set on a twenty year amortization with 60 payments of principal and interest and a balloon payment due at the end of five years.

PROJECT SUMMARY

The proposed project involves the acquisition of 1.31 acres of land, a 10,168 square foot industrial building and new machinery and equipment.
Project costs are estimated as follows:

Land Acquisition	$ 1,000
Building Construction	159,000
Equipment	190,000
Total	$350,000

The project will enable the Company to accommodate the increasing demand for its services.

ECONOMIC DISCLOSURE STATEMENT

Project name:	Custom Wood Products Expansion
Location:	1195 Cruger Road Eureka, IL (Woodford County)
Applicants:	Custom Wood Products, Inc.
Organization:	C Corporation
State:	Illinois
Ownership:	Mitch Fowler 100%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Leiken, Leiken & Leiken	Eureka, IL	Larry Leiken
Bank:	First Security Bank of Mackinaw	Mackinaw, IL	Dan Schopp

LEGISLATIVE DISTRICTS

Congressional:	18 - LaHood
State Senate:	45 - Sieben
State House:	89 - Sacia

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: LDJ Development, LLC

STATISTICS

IFA Project #:	B-LL-TX-570	Amount:	$1,000,000 (not-to-exceed amount)
Type:	Participation Loan	IFA Staff:	Jack McInerney
Location:	Carol Stream, IL	Est. fee:	$45,000 (first year's interest)
SIC Code:	7532		

BOARD ACTION

Final Approval to Purchase of Participation Loan from State Financial Bank
$1,000,000 IFA Treasury Funds at risk
Collateral is ***pari passu*** first position with bank
Staff recommends approval, subject to compliance with all loan terms, including among others:

- Receipt of an "as completed" appraisal confirming a loan to value ratio not exceeding 80%.
- Commitment by the borrower to apply at least $1,000,000 in proceeds from the sale of the borrower's existing building as equity and pay down a $3,300,000 construction loan.
- Completion of a satisfactory Phase I environment audit
- Execution of a purchase contact for the project
- Proof of insurance

PURPOSE

Loan proceeds will be used to finance construction of a 57,000 square-foot industrial building in Carol Stream.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA	$1,000,000	Uses	Project Costs	$3,300,000
	State Financial Bank	$1,300,000			
	Equity Contribution:	$1,000,000			
	Total:	$2,300,000		**Total**	$2,300,000

The Bank has approved a construction loan for $3,300,000. The principals will apply $1,000,000 in proceeds from the sale of their existing building as equity to pay down the loan.

JOBS

Current employment:	5	Projected new jobs:	7
Jobs retained:	N/A	Construction jobs:	20

BUSINESS SUMMARY

Description: Tri Star Metals, Inc. ("TSM") is a distributor of aluminum and stainless steel rod and bar. TSM is an Illinois S-Corporation that was established by Jay Josephson (finance) and Anthony Gahala (sales) in 1985. James Wilschke, joined the company as the third partner in 1997 and serves as head of operations and stainless steel products. The partners recently established LDJ Development LLC ("LDJ"), as an Illinois Limited Liability Company to own the building and lease it to Tri Star Metals. LDJ will be the obligor for this loan with TSM serving as corporate guarantor.

Background: TSM maintains thousands of customer accounts throughout the United States. Some of their larger clients include Delta Faucet (water temperature regulator), Fasco Industries, Litton Polly Scientific, Parker Hannifen and Reliance Electric. For the past several years TSM has offered an inventory-stocking program for its major customers that is supported by written agreements for specific metal quantities. These agreements, coupled with historical usage rates, largely drive TSM's inventory targets. Tri-Star purchases its inventory primarily from foreign sources and offers clients a certificate of authenticity as to the metal's chemical composition.

The Project: The principals are embarking on this project to obtain additional capacity to accommodate current and anticipated business growth and increased inventory needs from its inventory-stocking program. The principals are financing the initial phase with a $3,300,000 construction loan from State Financial Bank. The Bank has maintained a relationship with Tri Star for nearly 20 years and rates the company as a class "1" credit risk, its top risk rating. IFA has been invited to participate in the permanent loan from $1,000,000 to reduce to reduce the interest rate on the permanent financing.

Tri Star plans to pay down the loan by at least $1,000,000 from proceeds from the sale of its existing building, a 20,000 steel and brick panel facility located at 323 St. Paul Boulevard in Carol Stream, within 3 blocks of the subject site. The building, which is owned free and clear, will be listed for sale at approximately $1,500,000. It was appraised for $1,215,000 on 11/8/02

Borrower Financials: Financial statements of Tri Star Metals for years ended December 31, 2002, 2003, and 2004 from spreadsheets prepared by State Financial Bank. Dollars are in thousands.

	Actual			Forecast			
	2002	2003	2004	2005	2006	2007	2008
Income Statement							
Net Sales	20,405	21,651	25,935	29,000	31,000	34,000	37,400
Net Income	1,455	1,537	2,218	1,863	1,854	2,247	2,502
Earnings Before Interest, Taxes, Depreciation & Amortization	1,480	1,561	2,257	2,000	2,200	2,600	2,842
Balance Sheet							
Current Assets	6,629	7,216	8,522	10,002	9,840	10,806	11,865
Net Property, Plant and Equipment	59	36	57	3,357	3,289	3,226	3,168
Other Assets	0	0	0	0	0	0	0
Total Assets	6,688	7,252	8,579	13,358	13,131	14,032	15,033

Current Liabilities	2,263	2,696	3,300	4,746	4,119	4,529	4,980
Long-term Debt	0	0	0	2,240	2,175	2,105	2,030
Other Liabilities	1,031	1,083	1,632	1,632	1,632	1,632	1,632
Stockholder's Equity	3,394	3,473	3,647	4,740	5,204	5,765	6,391
Total Liabilities and Stockholder's Equity	6,688	7,252	8,579	13,358	13,130	14,032	15,033
Ratios							
Debt Service Coverage	N/A	N/A	N/A	9.68	9.60	11.32	12.45
Current Ratio	2.93	2.68	2.58	2.11	2.39	2.39	2.38
Debt to Equity	0.00	0.00	0.00	0.47	0.42	0.37	0.32

Discussion: Tri Star Metals has generated increases sales and net income during the period reviewed. The company has had no long-term debt over the period. Liquidity has been strong. It has a $1,750,000 line of credit which has not been extensively used. There have been no balances at year-end for any of the years reviewed.

The income statement incorporates the principal's sales and operating expense forecast and IFA staff estimates for interest and depreciation expense. The balance sheet forecast was prepared by IFA staff and includes the project assets and associated debt on the balance sheet assuming that the project is begun and completed in 2005. This presentation combines the balance sheet and income statement for both LDJ and TSM to show TSM's capacity to service the loan. It appears that Tri Star should have no difficulty servicing this loan and maintaining a high level of liquidity.

Collateral: State Financial Bank is requiring an "as completed " appraisal confirming that the loan to value ratio does not exceed 80% prior to closing on the construction loan. The loan to value based on cost ($3,300,000) would be 70%, after the borrower applies $1,000,000 in building sales proceeds to reduce the loan amount to $2,300,000.

FINANCING SUMMARY

Borrower: LDJ Development, LLC

Collateral: Pro-rata first mortgage "pari passu" with State Financial Bank (Elgin) on the subject real estate and building, assignment of rents/leases at 323 St. Paul Boulevard, Carol Stream, IL 60188 (DuPage Co.) and corporate guarantee from TSM.

Structure: The Authority's interest rate will be 200 basis points below the bank's interest rate, which is fixed at 6.5% for the first five year term. State Financial Bank will pass on 175 basis points (1.75%) in annual savings to the Borrower.

Maturity: This loan will have a 20-year amortization.

PROJECT SUMMARY

Loan proceeds will be used to finance construction of a 57,000 square-foot building located at 323 St. Pail Boulevard in Carol Stream (DuPage County). The building will include sprinklers throughout, reinforced floors and framing for crane use (including crane rails), 3 interior docks, including a drive-through dock. Preliminary project costs are estimated at $3,300,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant: LDJ Development, LLC (Contact, Jay Josephson, Executive Vice President (630) 462-7600)

Project Name:	LDJ Development, LLC		
Location:	323 St. Paul Boulevard, Carol Stream, IL 60188 (DuPage Co.)		
Organization:	Borrower:	Illinois Limited Liability Company	
	Guarantor:	Illinois S-Corporation, incorporated in December 1985	

PROFESSIONAL & FINANCIAL

Bank:	State Financial Bank	Elgin, IL	Ronald J. Pesenko
Borrower's Counsel:	Chuhack & Tecson, PC	Chicago, IL	Ed Josephson
Accountant:	Blackman, Kallick	Chicago, IL	Steve Schneider
IFA Counsel:	Dykema Gossett PLLC	Chicago, IL	Darrell Pierce

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: Beecher Sexton Energy, LLC

STATISTICS

Project Number:	P-SW-TE-CD-580	Amount:	$3,500,000 (not-to-exceed amount)
Type:	Solid Waste / Environmental	IFA Staff:	Steven Trout
Location:	Beecher	Tax ID:	36-4520152
SIC Code:	5620: Waste Management or Remediation / Recycling Waste to Energy	Est. fee:	$23,500

BOARD ACTION

Initial Bond Resolution
Conduit Solid Waste Disposal Revenue Bonds
No extraordinary conditions

No IFA funds at risk.
Staff recommends approval.

PURPOSE

Proceeds will be used to pay costs of issuance and costs to install blowers, electric power generation and transmission equipment and facilities at the Beecher Development Co. Landfill in Beecher.

VOLUME CAP

Up to $3.5 million of IFA volume cap.

VOTING RECORD

This is the first time that this project has been presented to the IFA Board. The IDFA Board gave its final approval to issue up to $7,800,000 of Bonds for 2 similar projects for Sexton Energy LLC on October 13, 2003.

SOURCES AND USES OF FUNDS

Sources:	IFA Tax-exempt Bonds:	$3,315,000	Uses:	Project Costs	$3,190,000
				Costs of Issuance	125,000
	Total	**$3,315,000**		**Total**	**$3,315,000**

JOBS

Current employment:	0	Projected new jobs:	4
Jobs retained:	N/A	Construction jobs:	25 (Over 6 months)

BUSINESS SUMMARY

Background: Founded in 1932, the Sexton Companies have a long history in waste management and land development. Sexton provides municipal, industrial and commercial clients with a broad base of waste-related services: refuse collection, recycling, waste processing, landfill construction and operations management. Through John Sexton Contractors Co., John Sexton Sand and Gravel Corp., John Sexton of Wisconsin, Beecher Development, Co., and Congress Development Company, Sexton manages landfills that will one day be future real estate development sites.

Company:

Beecher Sexton Energy LLC is an Illinois limited liability company established by Sexton Energy LLC in 2005 to develop this project at the Beecher Landfill. Sexton Energy LLC is an Illinois limited liability company that was established in January 2003 to develop landfill gas to electricity projects in the Midwest. Sexton Energy LLC has three members: John Sexton Sand and Gravel, Corp., Carolan Associates, LLC, and GAMA Investments LLC.

John Sexton Sand and Gravel Corp., manages non-hazardous solid waste and operates sanitary landfills in Illinois, Michigan and Wisconsin. The company also has a single member limited liability company, Sexton Development, LLC, whose primary operations involve constructing and developing residential communities in the Chicago metropolitan area. John Sexton Sand and Gravel will be the managing member and an 80% owner of the project.

Carolan Associates is a developer and consultant to landfill gas to energy projects since 1979 that is 100% owned by Michael Carolan. Since 1995, Mr. Carolan has developed, constructed and operated 10 such projects in Illinois and another 15 outside the state. Mr. Carolan's Illinois projects include facilities in Chicago (Harbor View and River Bend), Romeoville (Willow Ranch), Streator, Dixon, Roxana, East Moline, Danville, Morris and Grays Lake. Carolan Associates will be a 10% member of the project.

GAMA Investments LLC is an Illinois limited liability company established in September 2003 that is 100% owned by Jay Corgiat, Ph.D. has designed and implemented similar groundwater monitoring systems for landfills in Beecher, Hillside, Bloomington, Bensenville, Des Plaines, Naperville, Zion, Bucyrus (OH), LeFlore County (MS) and Beach Lake (PA). GAMA Investments LLC will be a 10% member of the project.

Project Background:

Beecher Development Corporation is a joint venture between Waste Management and John Sexton Contractors, a Sexton Companies company. Beecher Development owns the Beecher Landfill, a landfill near Beecher Township that was closed in July 1996. The company plans to develop the 183-acre property into a passive recreational site, such as a golf course, in 30 to 50 years after the organic waste deposited there has ceased decomposing and the land has stabilized. Beecher and its contract operator, Sexton Sand and Gravel, are now removing waste gas and liquids generated during decomposition to eventually return the site to productive use.

Capture of landfill gas requires electricity to maintain a vacuum within the collection system to extract the gas from the landfill mass and direct it to a flare for destruction. Beecher has engaged Sexton Energy LLC to design, construct, own and operate a plant that will burn the site's landfill gas in three internal combustion engines that will turn an electrical generator.

The power produced by the generator will be sold to Commonwealth Edison and distributed through the power grid pursuant to the Illinois Retail Rate Law. Sexton Energy will have a 20-year contract with ComEd that will require ComEd to take all power at a rate filed with Illinois Commerce Commission ("ICC").

The Illinois General Assembly amended the Retail Rate Law in 1998 to encourage development of landfill gas to electricity projects. Projects approved by the ICC as a qualified solid waste energy facility ("QSWEF") are entitled to receive payment for the energy delivered to the local utility at the rate paid for power by the local governmental body (city, town, or county). The ICC is directed to issue an order to the local utility to purchase the power produced by the QSWEF for ten years at the rate paid by the local governmental body. Thereafter the utility must purchase all power produced by the QSWEF for the life of the project at the rate filed with the ICC for purchasing power from QSWEF's.

Project Financials: Operating Budget for Beecher Sexton Energy LLC prepared by Michael Carolan

	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Budget					
Electricity Sales	997,596	1,015,156	1,033,067	1,051,336	1,069,970
PTC Revenue	91,506	91,506	91,506	91,506	91,506
Total Operating Revenues	1,089,102	1,106,662	1,124,573	1,142,842	1,161,476
LFG Fuel Cost	80,080	80,080	80,080	80,080	80,080
Power System O&M	377,734	385,289	392,995	400,855	408,872
Operations/Labor	0	0	0	0	0
Insurance	31,500	31,579	31,658	31,737	31,816
Property Taxes	17,500	17,588	17,675	17,764	17,853
Administration & Accounting	20,000	20,200	20,402	20,606	20,812
Total Operating Expenses:	526,814	534,735	542,810	551,041	559,432
Net Income before Depreciation, Interest and Tax	562,288	571,927	581,763	591,801	602,044
Depreciation	291,667	291,667	291,667	291,667	291,667
Interest Expense – Loans	201,679	196,098	190,175	183,888	177,216
Total Other Expenses	493,346	487,765	481,842	475,555	468,882
Total Expenses	1,020,160	1,022,500	1,024,651	1,026,596	1,028,315
Net Taxable Income	68,943	84,162	99,922	116,246	133,162
Tax Expenses	26,888	32,823	38,969	45,336	51,933
Net After Tax Income	42,055	51,339	60,952	70,910	81,229
Cash Flow Analysis					
Net Taxable Income	68,943	84,162	99,922	116,246	133,162
Cash Flow Adjustments:					
Total Upfront Project Cost	(3,500,000)				
Add: Cash due to Financing	3,395,000	0	0	0	0
Add: Depreciation	291,667	291,667	291,667	291,667	291,667
Less: Principal Payments	(90,947)	(96,528)	(102,451)	(108,738)	(115,411)
Net Cashflow Before Taxes	164,662	279,301	289,137	299,175	309,418
Less: Net Income Taxes	(26,888)	(32,823)	(38,969)	(45,336)	(51,933)
Net Cashflows After Taxes	137,775	246,478	250,168	253,839	257,485
Net Cashflow Before Tax	164,662	279,301	289,137	299,175	309,418
Interest Expense	201,679	196,098	190,175	183,888	177,216
Principal Payments	90,947	96,528	102,451	108,738	115,411
Net Cashflows Available for Debt Service	457,288	571,927	581,763	591,801	602,044

Interest Expense	201,679	196,098	190,175	183,888	177,216
Principal Payments	90,947	96,528	102,451	108,738	115,411
Debt Service Requirement	292,626	292,626	292,626	292,626	292,626
Debt Service Coverage	**1.56x**	**1.95x**	**1.99x**	**2.02x**	**2.06x**

Discussion: The Bonds are to be paid by cashflows generated by the project. The operating budget and projection of cashflows and debt service coverage summarized above were prepared by Michael Carolan. The primary revenue source, sale of electricity, is a function of the site's current production of landfill gas, the generators electric power generating capacity and the rate paid by Commonwealth Edison under the Illinois Retail Law. All of these factors are stable and easily predictable. Costs estimates are based on actual levels at similar projects that Mr. Carolan oversees. Debt service requirements are estimated assuming a 6% average rate of interest and a 20-year amortization of principal. Mr. Carolan expects that this project will generate ample and highly reliable cashflows that will easily cover debt service and generate an attractive return for investors.

The Bonds that finance Sexton Energy's projects in Hillside and DesPlaines are secured by a letter of credit provided by Fifth Third Bank. Sexton Sand and Gravel provided a corporate guarantee for that debt. Those projects were completed on time and within budget and has recently begun generating revenue. The developers are in the early stages of discussion with Fifth Third and hope to secure a letter of credit for this project without a corporate guarantee based on the success of those projects.

FINANCING SUMMARY

Security: A Direct-Pay Letter of Credit from Fifth Third or another bank.
Bank Security: First mortgage in the subject property, first security interest in all machinery and equipment, and pledge of the gas rights agreement, operating and maintenance agreement and power sales contracts.
Structure: Bonds are expected to be sold initially as 7-day variable rate demand bonds. Average rates for these securities was 3.13% as of 4/28/05, which equates to an "all-in" rate under 4.5%.
Maturity: 20 years

PROJECT SUMMARY

Bond proceeds will be used to pay costs of issuance and to install electric power generation equipment and an interconnection to Commonwealth Edison's distribution grid at the Beecher Development Co. Landfill, a closed landfill facility located at 1055 W. Goodenow Road, in Beecher (Will County). A landfill gas collection system already exists at the site. No enhancements to the collection systems are contemplated with this project.

Project costs consist of equipment, construction, architectural and engineering, as detailed below. Equipment costs consist of three electric generators, switchgear assemblies, transformers and blowers.

Construction:	$860,000
New Machinery & Equipment:	1,980,000
Architectural & Engineering:	350,000
Total:	**$3,190,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant/ Beecher Sexton Energy, LLC (Contact: Mr. Arthur A. Daniels, Manager; 4415 West Harrison Street, Hillside, IL 60162; Phone: (708) 449-1250)
Project name: Beecher Sexton Energy, LLC
Location: 1055 West Goodenow Road, Beecher (Will County), Illinois 60401-3477

Organization:	Illinois Limited Liability Corporation
Ownership:	John Sexton Sand & Gravel Corporation (80% member), an Illinois S Corporation, with the following ownership:

Eileen G. Sexton Trust	75.0%
Carole S. Malinksi Revocable Trust	12.5%
Kathleen S. Daniels Revocable Trust	12.5%

The trusts are wholly owned by the individuals named above.

Carolan Associates (10% member), a Michigan Limited Liability Corporation, which is 100% owned by Michael Carolan, of Bloomfield Hills, Michigan
GAMA Investments LLC (10% member), which is 100% by Jay Corgiant, PhD.

PROFESSIONAL & FINANCIAL

Borrower and Bond Counsel:	Wildman, Harrold Allen & Dixon	Chicago, IL	James Snyder
Bond Underwriter:	Stern Brothers	Chicago, IL	John May
Underwriter's Counsel:	Greenberg Traurig	Chicago, IL	Mark McCombs
LOC Bank:	Fifth Third Bank (expected)	Oak Lawn, IL	Pamela Stefik
LOC Bank Counsel:	Ungaretti & Harris (expected)	Chicago, IL	Julie Seymour
Accountant:	Cray, Kaiser, Ltd.	Oak Brook Terrace, IL	John Kaiser
Issuer's Counsel:	To be determined		

LEGISLATIVE DISTRICTS

Congressional:	11	Gerald Weller
State Senate:	40	Debbie Halverson
State House:	80	George Scully, Jr.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: Ockerlund Industries, Inc., and Ocklerlund LLC

STATISTICS

Project Number:	I-ID-TE-CD-558	Amount:	$4,000,000 (not-to-exceed amount)
Type:	Industrial Development Bond	IFA Staff:	Steven Trout
Location:	Addison	Tax ID:	TBD
SIC Code:	2653: Corrugated Boxes 2442: Wood Boxes	Est. fee:	$26,950

BOARD ACTION

Final Bond Resolution
Conduit Industrial Development Bonds
No extraordinary conditions

No IFA funds at risk.
Staff recommends approval.

PURPOSE

Proceeds will acquire a 140,000 square-foot site, acquire, renovate and equip a 77,930 square foot industrial building at 1555 Wrightwood Court in Addison to manufacture corrugated and wood boxes for manufacturers and transportation companies.

VOLUME CAP

This financing will require up to $4 million of Volume Cap.

VOTING RECORD

Initial Bond Resolution on April 12, 2005:

Ayes: Nays: Absences: Vacancies:

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$4,000,000	Uses:	Project Costs	$4,710,000
	Equity	$885,000		Legal and Professional	175,000
	Total	**$4,885,000**		**Total**	**$4,885,000**

JOBS

Current employment:	35	Projected new jobs:	10
Jobs retained:	N/A	Construction jobs:	15 (over 6 months)

BUSINESS SUMMARY

Background: Ockerlund Industries ("Ockerlund" or "the Company") is a job contractor that manufactures custom wood and corrugated shipping and storage containers for manufacturers, distributors and shippers. Ockerlund was established in 1944 and was reorganized as an Illinois corporation in 1983. The Company is 100% owned by Guy Ockerlund, grandson of the founder. Mr. Ockerlund established Ockerlund LLC, an Illinois limited liability company in 2005, to own and lease the subject real estate to Ockerlund Industries.

Project Background: The owner currently operates in three 60-year old buildings located at 7725 West Van Buren Road in Forest Park that lack sufficient space to optimize production and accommodate increased demand. He is embarking on this project to obtain additional space and capacity to expand in the future and acquire modern equipment to improve efficiency.

Financials: Compiled financial statements for Ockerlund Industries for fiscal years 2002, 2003 and 2004. Forecast for fiscal years 2005 through 2008 prepared by staff. (Dollars in 000s.)

	Actual			Forecast			
	Fiscal Year Ended September 30			Fiscal Year Ending September 30			
	2002	2003	2004	2005	2006	2007	2008
Income statement:							
Sales	5,430	4,974	6,595	6,250	6,925	7,325	7,545
Net income	(122)	(301)	(120)	10	(52)	(37)	(26)
Balance sheet:							
Current Assets	1,194	1,001	1,266	1,328	1,357	1,384	1,406
PP&E-Net	519	396	304	4,105	3,988	3,885	3,796
Other Assets	1	67	21	20	22	23	24
Total	1,714	1,464	1,591	5,453	5,367	5,292	5,226
Current Liabilities	798	865	852	809	890	977	1,077
Long-Term Liabilities	21	14	25	3,920	3,805	3,680	3,540
Other Non-Cur. Liabilities	24	0	0	0	0	0	0
Equity	871	585	714	724	672	635	609
Total	1,714	1,464	1591	5,453	5,367	5,292	5,226
Ratios:							
Debt coverage	0.43	(2.01)	4.05	1.63	1.37	1.41	1.44
Current ratio	1.50	1.16	1.49	1.64	1.53	1.42	1.31
Debt/equity	0.02	0.02	0.04	5.41	5.66	5.79	5.81

Discussion: Ockerlund incurred losses in 2002 and 2003, which was common in this industry as shipments declined with the economic slowdown. The owner cut staffing by nearly 50% in 2003, positioning the company for dramatic improvement in profitability when volume improved in 2004.

The forecast is based on management's sales estimates for the period reviewed. Operating expenses are projected based on recent margins, with a minor improvement anticipated as a result of an enhanced plant layout and use of new equipment. The forecast for 2005 assumes that the debt is incurred on June 1, that the existing building is sold for $885,000 (the amount of a recent offer) and that the project is completed by the end of the year. Interest is estimated assuming an average interest rate of 6.5% over the forecast period.

FINANCING SUMMARY

Co-Borrowers: Ockerlund Industries and Ockerlund LLC

The Bonds: The Bonds will be placed directly with American Chartered Bank

Security: The Bonds will be secured by a first mortgage in the subject real estate, a first security interest in the financed equipment, an assignment in rents and leases and a personal guarantee from Guy Ockerlund.

Interest: 4.5% fixed for the initial 5-year term, with fixed and variable rate interest options thereafter.

Amortization: 24 years

PROJECT SUMMARY

The Project will consist of: 1) the acquisition of a 77,930 square-foot building located on a 140,000 square-foot site located at 1555 Wrightwood Court in Forest Park, 2) construction of office space and additional loading docks and a concrete pad to accommodate future expansion, 3) repair the roof, upgrade electricity and install a crane system, 4) acquire and install a stitcher gluer, conveyer, and computer system. Approximately 18,000 square-feet will be leased to an existing tenant for the next 2 ½ years. Costs attributed to this portion of the building will not be financed with tax-exempt bond proceeds.

Project costs are estimated below:

Land Acquisition:	$891,250
Construction:	2,608,750
New Machinery and Equipment:	750,000
Rehabilitation	460,000
Total:	**$4,710,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Ockerlund Industries, Inc. (Contact: Mr. Guy Ockerlund, President and CEO, 7725 West VanBuren Road, Forest Park, IL 60130; Phone: (708) 771-7707 extension 19)
Project name:	Ockerlund Industries and Ockerlund LLC
Location:	1555 West Wrightwood Court, Addison (DuPage), IL
Organization:	Ockerlund Industries: Illinois Corporation Ockerlund LLC: Illinois Limited Liability Corporation
Ownership:	Both Ockerlund Industries and Ockerlund LLC are 100% owned by Guy Ockerlund.

PROFESSIONAL & FINANCIAL

Accountant:	Ronald A. Weiss, CPA Chartered	Morton Grove	Ronald Weiss
Corporate Counsel:	Metfalk, Pufill and Stelle, LLC	Schaumburg	Michael Wolfe
Financial Advisor	Total Capital Solutions	Oak Park, IL	Tony Grant
Bond Counsel:	Chapman and Cutler	Chicago	Matthew Lewin
Bank Purchaser:	American Chartered	Naperville	Michael Martino
Issuer's Counsel:	Evans, Froelich, Beth & Chamley	Champaign	Ken Beth

LEGISLATIVE DISTRICTS

State House:	46	Lee Daniels
State Senate:	23	Carole Pankau
Congress:	6	Henry Hyde

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: Plano Molding Company

STATISTICS

Project Number:	I-ID-TE-CD-581	Amount:	$10,500,000 (not-to-exceed amount)
Type:	Industrial Development Bond	IFA Staff:	Steven Trout
Location:	Plano	Tax ID:	36-1632140
SIC Code:	3089: Plastic Products	Est. fee:	$52,000

BOARD ACTION

Final Bond Resolution
Conduit Industrial Development Bonds
No extraordinary conditions

No IFA funds at risk.
Staff recommends approval.

PURPOSE

Proceeds will refinance outstanding IDFA Bonds, Series, 1990 and 1992.

VOLUME CAP

No Volume Cap is required for Industrial Development Refunding Bonds.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$9,950,000	Uses:	Refunding Escrow	$9,950,000
	Equity Contribution:	225,000		Costs of Issuance	225,000
	Total	**$10,175,000**		**Total**	**$10,175,000**

JOBS

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

BUSINESS SUMMARY

Background: Plano Molding Company ("Plano" or "the Borrower"), is an S-Illinois Corporation that was founded in 1932 by Warren K. ("Pete") Henning as a custom molder of thermoset and thermoplastic products. The company's reputation and growth is based on quality, supply and service.

Background: In 1938, Plano purchased its first injection molding press, one of nation's first custom molders to adopt this new technology. In 1952, Plano introduced the nation's first plastic tackle box developed using a revolutionary new injection molding process. Plastic tackle boxes and custom sales to a booming US appliance industry fueled the company's growth. Plastic tackle box sales surpassed custom sales for the first time in 1967, as many of Plano's traditional custom clients increasingly established their own molding operations. In 1981, Plano introduced an all-plastic tool box. In 1987, the company entered the fashion/cosmetic industry, launching a plastic cosmetic organizer under the "Caboodles" brand name.

In 1991, IDFA issued $6,500,000 in Industrial Development Bonds to finance the construction and equipping of a 50,000 square-foot manufacturing facility in Mendota. In 1992, Plano begins offering plastic utility shelving. In 1993, IDFA issued $6,500,000 in Industrial Development Bonds to finance the construction and equipping of a 50,000 square-foot manufacturing facility in Sandwich. In 1999, the company formed three strategic business units under the Plano corporate umbrella: Hardware and Shelving, Outdoor Products (Tackle and Fall Goods) and Caboodles and Jammers. In 2000, enters the plastic utility cabinet business with the introduction of 4 products and offers a new organizer for the bath and body market under the Caboodles brand.

Plano's combination of technological and production innovation and attention to quality and service has enabled the company to develop strong brand awareness and become a national market leader in most of its markets: tackle boxes for fishermen, storage and utility boxes for hunters, target shooters and off-road enthusiasts, tool boxes for contractors and do-it yourselfers, decorative and utility shelving and cabinets, and organizers and storage boxes for cosmetics and bath products.

Borrower Financials

Audited financial statements for the year ended December 31, 2002, 2003 and 2004. Forecast for 2005, 2006 and 2007 prepared by management. (Dollars are in 000s.)

	Actual			Forecast		
	2002	2003	2004	2005	2006	2007
Income statement:						
Sales	97,691	90,381	96,237	105,000	110,000	115,000
Net Income Before Extraordinary Items	(186)	(5,699)	1,386	2,000	2,500	3,000
Extraordinary Items	(1,539)	(7,992)	0	0	0	0
Net income	(1,725)	(13,691)	1,386	2,000	2,500	3,000
EBITDA *	7,153	(5,461)	9,642	8,970	8,400	8,390
Balance sheet:						
Current Assets	30,987	27,123	32,057	33,100	34,750	36,114
PP&E-Net	29,770	25,682	22,314	20,076	18,876	17,886
Other Assets	2,681	2,865	3,149	3,000	3,000	3,000
Total Assets	63,368	55,670	57,520	56,176	56,626	57,000
Current Liabilities	23,162	10,215	17,272	11,973	12,423	12,797
Long-Term Liabilities	11,172	30,075	23,514	25,500	23,000	20,000
Other Liabilities	308	274	310	0	0	
Equity	28,796	15,106	16,703	18,703	21,203	24,203
Total Liabs & Equity	63,368	55,670	57,520	56,176	56,626	57,000
Ratios:						
Debt coverage	4.39x	1.49x	2.36x	2.30x	2.00x	1.79x
Current ratio	1.34	2.66	1.86	2.77	2.80	2.82
Long-term Debt/Equity	0.39	1.99	1.41	1.36	1.23	0.83

* Earnings Before Interest, Taxes, Depreciation and Amortization

Discussion: Plano Molding incurred losses in 2002 primarily because an extraordinary write-off of its entire investment in Caboodles Cosmetics, a venture targeting the cosmetics industry that was owned by Plano's majority owner. Later in 2003, the owners of Caboodles decided to sell the company. The sale proceeds were insufficient to repay the outstanding bank debt guaranteed by Plano Molding, resulting in another extraordinary loss of $7,992,000 that year. Sales recovered in 2004 and the company returned to profitability.

Despite significant losses during this period, the company has generated sufficient operating cashflow to maintain strong debt coverage ratios. Plano's debt burden increased in 2003 but remains manageable. The Company's ratio of long-term debt to equity increased in 2003 with the conversion of a $16 million line of credit from an annually renewable facility to 4-year credit line and the recognition of the guaranteed debt as long-term debt following the sale of Caboodles. Neither transaction raised cash for the company. As of year-end 2004, Plano had a $13.5 million balance on its line of credit.

FINANCING SUMMARY

Obligor:	Plano Molding Company
The Bonds:	Fixed rate bonds structured with serial maturities through approximately 2020.
Security:	The Bonds will be secured by a direct pay letter of credit issued by Harris Bank.
Bond Rating:	Moody's Investor Service is expected to rate the Bonds "Aa2" based on the rating for the letter of credit.

PROJECT SUMMARY

Bond proceeds will be used to refinancing the outstanding maturities of IDFA Industrial Revenue Bonds, Series 1990 and Series 1992. Costs of issuance will be paid by the Borrower from cash on hand.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Plano Molding Company, 431 East South Street, Plano (Will County), Illinois 60545-1601 (Contact: Mr. Robert Yarbrough, CFO; Phone: (630) 552-9417)
Project name:	Plano Molding Company
Location:	Original Project Locations: 1990 Project: 1800 Hume Drive, Mendota (Will County), Illinois 61342 1992 Project: 500 Duvick Avenue, Sandwich (Will County), Illinois 60548
Organization:	Illinois S-Corporation
Ownership:	See Attachment

PROFESSIONAL & FINANCIAL

Accountant:	Sikich Gardner & Co. LLP	Aurora	
Corporate Counsel:	Wildman, Harrold, Allen & Dixon LLP	Lisle	Dean Leffelman
Bond Counsel:	Wildman, Harrold, Allen & Dixon LLP	Lisle	Jim Snyder
Bond Underwriter:	JP Morgan Securities Inc.	Chicago	Shelley Phillips
Underwriter Counsel:	Ungaretti & Harris LLP	Chicago	Ray Fricke
Letter of Credit Bank:	Harris Bank	Chicago	James Jerzl
Bank Counsel:	Chapman and Cutler	Chicago	Mike Brown

LEGISLATIVE DISTRICTS

State House:	50: Patricia Ried Lindner
State Senate:	25: Chris Lauzen
Congress:	14: Dennis Hastert

PLANOMOLDING
STOCK LEDGER
AS OF DECEMBER 31, 2004

Shareholder	Class A	Class B*	Class C	Address
Kristin Berry	503 1/3 shares	70 shares		4180 Clarendon #1N, Chicago, IL 60614
James Berry	503 1/3 shares	70 shares		C/O Victoria Scott
Kathryn Berry	503 1/3 shares	70 shares		1462 West Catalpa, Chicago, IL 60640
Jana Henning	756 + 830.5 shares	106 shares		333 West Hubbard, Chicago, IL 60610
Louis Henning	756 + 830.5 shares	106 shares		830 Filbert St., San Francisco, CA 94113
Alex Hawley	1,512 shares	212 shares		1950 Fell Street, San Francisco, CA 94117
Peter Henning	3,804 shares	1,517 shares	2 shares	444 Courtney Circle, Sugar Grove, IL 60554
Sara Hawley	2,085 shares	1,485 shares		5205 Purlington Way, Baltimore, MD 21212
Victoria Scott	1,435 shares	1,435 shares		2433 Marcy, Evanston, IL 60201
Jana Henning Trust		830.5 shares		Trust Company of Illinois
Louis Henning Trust		830.5 shares		Trust Company of Illinois
	13,519 shares			

* Reflects the distribution of Class B from the Barbara Henning Trust as of 12/31/02

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Deal: ClearStack Combustion Corporation
2925 Meadowbrook Drive, Suite A, , Springfield, Illinois, 62711

Project Number:	V-TD-587	Amount:	$150,000
Type:	Venture Capital	FM:	Christopher Vandenberg
Location:	Springfield, IL		

BOARD ACTION

Voting Record:	This is the first time before the Board of Directors for Second Round Approval.
IFA Staff:	Staff recommends.
IFA Funds at Risk?	YES: $\boxed{X}$ NO: ☐ Amount: $150,000

JOBS

Current Employment:	3	Projected new jobs:	8 (within 18 months)
Jobs Retained:	N/A	Construction jobs:	N/A

COMPANY SUMMARY

Clearstack's mission is "to develop and implement multi-pollutant solutions for the continued use of fossil fuels, at the lowest cost in the marketplace". The company's first emphasis has been to demonstrate and commercialize the *Ashworth Combustor*, a three-stage combustion technology aimed at coal-fired electric utilities and industrial boilers that will significantly reduce air emission pollutants to meet US EPA emission guidelines that began in 2003 and 2004. Clearstack's technologies will have installation and operating costs that are 25% - 40% lower than competing solutions.

<u>Milestones to Date</u>: Clearstack has retrofitted an Ashworth Combustor at the Illinois Department of Human Services – Lincoln Development Center power house located in Lincoln, IL, which is the host site for the Demonstration Project. Clearstack received support for this project from the Illinois Clean Coal Review Board, Southern Illinois University – Carbondale, the Department of Commerce and Community Affairs (DCCA), the Illinois Department of Human Services, Detroit Edison Company, Dynegy Incorporated, Allegheny Energy Supply Company, LLC, and the Electric Power Research Institute. The project was originally scheduled to be completed in the winter of 2001, but was delayed one year due to difficulties with the slag output. This caused the project to run $500,000 over budget. Test results performed by Detroit Edison's Independent laboratory on the company's demonstration project indicate the ability to reduce SO_2, NO_X, mercury (Hg) and particulate to below the existing and anticipated federal emission requirements. The highlight of the tests was that virtually all of the sulfur and Hg were removed. This is lower than any of the existing technologies.

Clearstack is in the process of securing a beta customer to retrofit an 85MW plant located in Southern Illinois. The Company has signed a memorandum of intent with a large power producer to retrofit one of their old power plants, contingent on the completion of the feasibility study and identification of funds to complete the project (approximately $11M) The feasibility study will be completed within the next month. Clearstack has a commitment from the DCEO Clean Coal Review Board to fund $5M of the project and Clearstack intends to request their customer fully fund the balance of the project costs.

This investment, along with a $275,000 investment from an angel investor (Steve Rickmeier – former Managing Director of GE Structured Finance Group) will be used to support the company until it is able to secure the commitment to proceed from the beta customer and to support initial design costs. Upon completion of this project, Clearstack anticipates being cash-flow positive.

While there continues to be considerable investment risk, the benefits for the State of Illinois (specifically, its coal industry) far outweigh this risk. Staff recommends approval.

STATISTICS

IFA Investment:	$150,000	**IFA Ownership**	4.5% (fully diluted)
Investment Leveraged:	$275,000	**Security Type:**	Convertible Promissory Note
Pre-Money Valuation:		**# of Shares:**	57.21
Post-Money Valuation:	$8,483,870	**Price Per Share:**	$6,666.67

TERM SHEET

The current round of financing will be used to support the ongoing commercialization of the Ashworth Combustor technology. Mr. Steven Rickmeier, the Authority's co-investor, has made his investment in the form of Common Stock. The Authority will be making its investment in the form of an 8% Promissory Note which will be convertible into the Company's common Stock at the discretion of the Authority.

Funding to date:

Clearstack has raised approximately $3.7 million in equity investments, and approximately $1.3 million in grants to fund the Lincoln Demonstration. In addition to the equity position, C166 Research, Inc. (the Authority's original co-investor), has taken in Clearstack, they have also provided an additional $800,000 in cash. This cash is an advance royalty payment to the company for the Clearstack technology.

The company currently has converted outstanding loans totaling $982,083 ($281,414 from McClure, $444,345 from Rickmeier, $179,431 from Hamilton and several minor loans from existing investors) to equity. *Note: The conversion of these notes did not dilute the Authority, per the terms of its' original investment*

In addition to the loans, Steve McClure and Andrew Hamilton are currently deferring their salaries. The bulk of these deferrals were recently converted to equity (see above), but they continue to defer their salaries.

Use of funds

Proceeds of the proposed investment will be used to support the Company through a decision by Ameren to proceed with the retrofit of their boiler, pay a portion of outstanding patent costs and other legal expenses and fund a portion of the design costs for the retrofit of the boiler.

Burn Rate:

The current burn rate of the company is approximately $15,000/month. Steve McClure and Andrew Hamilton are currently deferring their salaries, so the only salary that is being paid is to Robert Ashworth.

Co-Investor

Loyola SynFuels, LLC, is a newly created company established in February 2002. Steve Rickmeier, the principal, has over 25 years of experience in sophisticated investment transactions - including Section 29 Tax Credit financings. He has previously served as Managing Director of the Structured Finance Group of G.E. Capital Corp., Managing Director of the Deerpath Group, and Vice President – Leasing of IIT Industrial Credit Corporation. *After this investment, Mr. Rickmeier will have invested over $725,000 into Clearstack.*

BACKGROUND

Background

Currently, most coal-fired boilers use two-stage combustion technique in order to limit nitrogen oxide (NO_X) and particulate emissions. Their solution for limiting sulfur dioxide (SO2) has been to use low sulfur western coal from the powder river basin. There is no current cost effective technology to reduce mercury (Hg). This technology, for the most part, is adequate to meet the emissions guidelines set by the Clean Air Act Amendments (CAAA) of 1990. However, in 1999 the U.S. EPA announced limits of NO_X emissions to levels much lower than the regulations of the CAAA. The new regulations have come into effect for many Eastern and Midwestern States in May 2003 and in May 2004; to be enforced every year thereafter during the ozone season (May through September). The ozone season limit for all coal-fired boilers will be 0.15 lb $NO_X/10^6$ Btu. Currently, even the best two-stage combustion technology is only capable of limiting NO_X emissions to about 0.28 lb/10^6 Btu.

The Clearstack thrust is to market its coal gasification technology, called the Ashworth Combustor, wherein three stages of combustion (as opposed to two) are used to burn coal. The first stage is where the coal is pulverized and blown into the combustor with lime. This important stage causes a reaction where the pollutants are encapsulated in the slag that drops off the bottom of the combustor. With this technique the four major air pollutants (SO_2, NO_X, Hg and particulate) are significantly reduced using multiple stage combustion techniques. This technology is based on a two-stage combustion technique developed by Robert Ashworth, Senior VP of Technology at Clearstack, during his tenure as Director of Technology at Florida Power Corporation (FPC). FPC has granted Mr. Ashworth with a worldwide exclusive license to develop and commercialize the FPC technology.

The technology can be applied to all types of boilers at a significantly reduced cost. For example on a 600MW unit, the capital cost of an Ashworth Combustor will cost approximately $60/kw compared to a $150/kw on a *wet scrubber plus selective catalytic reduction combo* (which is currently the only option available to meet federal regulations). On an operational level, since the Ashworth Combustor is a front-end solution, relative to its competitors means that power plant operators will be able to use standard operational techniques, rather than having to support expensive and complex chemical plants on the back-end of their power plants to meet environmental regulations. Operational costs under the 600MW example would be approx $100/ton compared to $200/ton.

The Company will also be testing various biomass products in the Spring to enable existing power plants to reduce their carbon emissions to a level 5% below 1990 levels and therefore meet the standards set by the Kyoto Protocol Treaty.

In the longer term, Clearstack has a two prong commercialization plan. The company plans to license old and new coal fired generation plants, as well as acquiring smaller power plants for retrofit and power sales.

INTELLECTUAL PROPERTY

Robert Ashworth received an exclusive worldwide license to develop and commercialize the two-stage combustion technology created by him while he was at Florida Power Corporation (and which is protected by three patents). In addition, Clearstack has been awarded four patents for the Ashworth Combustor, Stage 3CycloneTM, Stage3PC Technology and the ClearGlass Technology. Furthermore, Clearstack holds patents from the European Patent Office, the Canadian Patent Office, the Australia Patent Office, and the South Africa Patent Office. All of the U.S. patents are currently valid and in force with maintenance fees paid.

The Company is currently preparing additional patent applications, including a patent on the mercury removal process.

AMEREN HUTSONVILLE PROJECT – NEAR TERM LICENSING STRATEGY

Clearstack has executed a Memorandum of Understanding with Ameren, whereby Clearstack must complete a feasibility study and secure project financing of approximately $11M to retrofit the boiler. The feasibility study is being funded by the DCEO Clean Coal Review Board and is expected to be complete in May 2005. Clearstack has identified approximately $5M of the project cost through a grant from DCEO Clean Coal Review Board. Ameren has also agreed to permit Clearstack to use the emission credits generated by the plant as a repayment source for any debt issued on the project. Upon completion of the feasibility study, Clearstack intends to approach Ameren to request that they fully fund the balance of the project cost. Initial impressions are they may be inclined to do so. Additionally, Ameren has indicated that if the feasibility results are as anticipated they have several other plants they would like to retrofit.

Upon completion of the beta project, Clearstack intends to leverage the success of that project to license the technology to other major power producers across the country.

LONG TERM POWER PLANT ACQUISITION STRATEGY – 2009 AND BEYOND

Many electric utilities are looking to "mothball" and/or shut down their small, high polluting, power plants. Of the many reasons to do this, the leading reasons are the high costs to bring these plants into environmental compliance. Clearstack intends to aggressively seek out these facilities for acquisition. In pursuit of this effort, the Company has brought on a board consultant who has participated in the acquisition of over 40 power plants. Clearstack will acquire the facilities, retrofit them with the Clearstack technology and enter into long-term power sales and operating agreements with the original owner.

Criteria used to judge potential acquisitions are as follows:
- Can the life of the plant be extended by 15 to 20 years?
- Can the plant be brought into environmental compliance at a reasonable cost?
- Will the seller agree to purchase most of the generating capacity in the form of a long term power contract?
- Can the facility be acquired at a discount?

Salaries:

- Robert Ashworth- Senior Vice-President Technology - $109,000 annual – (Direct Employee)
- Steve McClure – President - $120,000 Annual – (Independent Contractor)
- Andrew Hamilton – Chief Financial Officer - $60,000 Annual – (Independent Contractor)

Deferred salaries:

- Steve McClure (forgone salary $10,000/month) = $30,000
- Andrew Hamilton (forgone salary $6,666/month) = $20,000

$50,000

RISKS

Ameren abandoning retrofit project

The Company has already experienced one power company "walk away" from the project. This primarily was due to consolidation occurring in the industry during their initial discussions and the project "got lost in the cracks." Ameren has been extremely supportive of the project and staff feels the relationship between Ameren and Clearstack is much better than their relationship with the other company. Nonetheless, if Ameren chooses to walk away Clearstack will be without a customer which will make it extremely difficult to continue commercialization given their cash position.

Investment Risk:

The investment is still at a very risky stage. If cash becomes tight and the current investors are not able to continue their current support, the company risks bankruptcy. Given the upside for the State of Illinois, staff feels that the benefits far outweigh the risks of loss.

ECONOMIC DISCLOSURE INFORMATION

	Firm	Location	Contact
Company	*Clearstack Combustion Corp.*	*Springfield, IL*	*Steven McClure*
General Counsel:	Sorling Law Offices	Springfield, IL	Todd Turner
Accountant:	Jeffrey Krol & Associates	Chicago, IL	Jeffrey Krol

LEGISLATIVE DISTRICTS

Congressional:	Evans (17)
State Senate:	Bomke (50)
State House:	Poe (99)

	Mar 31, 05
ASSETS	
Current Assets	
Total Checking/Savings	5,881.56
Other Current Assets	
Deffered Tax Asset	1,046,668.00
Total Other Current Assets	1,046,668.00
Total Current Assets	1,052,549.56
Total Fixed Assets	43,555.31
Total Other Assets	1,600.00
TOTAL ASSETS	**1,097,704.87**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
404 FICA Payable	6,803.58
405 Fed W/H Payable	14,891.31
406 OH St. Tax Payable	4,045.89
407 Cty Wooster Tax Payable	-329.01
Accounts Payable	166,424.57
Current Portion Longterm Debt	26,000.00
Short Term Loan	
Midrex	207,931.17
Total Short Term Loan	207,931.17
Total Other Current Liabilities	425,767.51
Total Current Liabilities	425,767.51
Long Term Liabilities	
Advanced Royalty	
166 Research	253,585.05
C-166 Research	718,988.42
Carbon Development	23,671.04
Total Advanced Royalty	996,244.51
Long Term Loan	
Illinois Ventures of CA	100,000.00
Siciliano	373,443.94
Todd Burke	30,888.89
Todd Ely	16,695.78
Total Long Term Loan	521,028.61
Total Long Term Liabilities	1,517,273.12
Total Liabilities	1,943,040.63
Equity	
Common Stock	95.00
Paid in Capital	3,416,725.13
Retained Earnings	-4,123,029.58
Net Income	-139,126.31
Total Equity	-845,335.76
TOTAL LIABILITIES & EQUITY	**1,097,704.87**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Deal: Jaros Technologies

544 Niedringhaus Avenue, Suite B *Granite City, IL 62040*

Project Number:	V-TD-588	Amount:	$250,000
Type:	Venture Capital	FM:	Christopher Vandenberg
Location:	Granite City, IL		

BOARD ACTION

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

IFA Funds at Risk? YES: [X] NO: [ ] Amount: $250,000

JOBS

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

COMPANY SUMMARY

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

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

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

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

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

Jaros Technologies, Inc.
May 10, 2005

STATISTICS

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

TERM SHEET
The company is seeking $500,000 from the following:
- $250,000 loaned from IFA
- $125,000 loaned from DCEO
- $ 62,500 loaned from Madison County
- $ 62,500 loaned from Jaros investors

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

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

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

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

Future Funding needs:
Jaros anticipates raising another round of capital in to bring the company to profitability. The company is currently in discussion with several venture firms, but the discussions are extremely preliminary.

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

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

Department of Commerce and Economic Opportunity

Madison County

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

PRODUCT

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

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

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

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

BUSINESS MODEL/SALES CYCLE

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

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

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

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

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

KEY PERSONNEL

Management

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

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

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

Board of Directors

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

Paul Scheibal

Stan Choflet

Shawn Curtiss

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

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

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

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

COMPETITION

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

Competitive Advantages:

Jaros believes that they have a competitive advantage because:

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

EXIT STRATEGY

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

FINANCIAL PROJECTIONS

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

Jaros Technologies, Inc.
May 10, 2005

CAPITALIZATION AND SALARIES

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

Salaries:

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

ECONOMIC DISCLOSURE INFORMATION

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

LEGISLATIVE DISTRICTS

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

Jaros Technologies, Inc.
May 10, 2005

	Apr 27, 05
ASSETS	
Current Assets	
Total Checking/Savings	123,085.39
Total Accounts Receivable	189,001.87
Total Other Current Assets	400.53
Total Current Assets	312,487.79
Fixed Assets	
Acc. Depr. Computers & Furniture	-66,734.78
Computers & Furniture	47,535.94
Jaros Dashboard Res & Dev	69,970.33
Acc. Amortization License	-25,682.80
License Agreement	25,682.80
Total Fixed Assets	50,771.49
TOTAL ASSETS	363,259.28
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	17,410.62
Total Other Current Liabilities	4,844.96
Total Current Liabilities	22,255.58
Long Term Liabilities	
Deferred Income	59,916.78
Note Payable Investors	800,000.00
State of Illinois	400,000.00
Total Long Term Liabilities	1,259,916.78
Total Liabilities	1,282,172.36
Equity	
Capital Stock	3,000.00
Paid in Surplus	124,073.66
Retained Earnings	-778,795.76
Net Income	-267,190.98
Total Equity	-918,913.08
TOTAL LIABILITIES & EQUITY	363,259.28

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 10, 2005

Project: Aunt Martha's Youth Service Center

STATISTICS

Project Number:	CP-TE-CD-579	Amount:	$5,600,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pam Lenane and Dana Sodikoff
Locations:	Multiple	Estimated fee:	$28,000

BOARD ACTION

Preliminary Resolution
Conduit 501(c)(3) Bonds

Staff recommends approval
No IFA funds at risk

PURPOSE

Proceeds will be used to: 1) refinance $3,450,000 of existing IHFA Series 1996 bonds, 2) Approximately $2,000,000 in new money projects and 3) pay costs of issuance.

IFA CONTRIBUTION

Conveys Federal income tax-exempt status on the Bonds.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$5,600,000	Uses:	Refunding of '96 bond	$ 3,450,000
				New Money Projects	$ 2,000,000
				Issuance Costs	$ 150,000
	Total	$5,600,000		Total	$5,600,000

JOBS

Current employment: 469
Jobs retained: 469

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

BUSINESS SUMMARY

Background: Aunt Martha's Youth Service Center (the "Center" or "Aunt Martha's") was founded in 1972 as a 501(c)(3) Not-for-Profit Corporation to provide comprehensive child welfare, health, education, counseling and youth development and prevention services in seven northeastern Illinois Counties: Cook, Grundy, Iroquois, Kane, Kankakee, Kendall and Will. The Center operates 13 group homes, serves approximately 350 children through their foster care program, and operates 9 health service centers that provide a wide variety of health services to over 17,000 people annually.

Financials: **Aunt Martha's Youth Service Center**
Audited Financial Statements for 2002, 2003 & 2004

	2002	2003	2004
	Year Ended June 30		
	(Dollars in 000's)		
Statement of Revenues & Expenses:			
Revenue/Support (excl. int earns)	$26,035	$28,535	$31,096
Change in Net Assets	129	455	(153)
Earnings Before Interest, Depreciation and Amortization	812	1,102	453
Balance sheet:			
Current Assets	$5,068	$5,127	$6,279
PP&E – Net	3,026	3,471	3,648
Other Assets	148	140	132
Total Assets	8,242	8,738	10,059
Current Liabilities	3,608	3,746	4,942
Long-term Debt	3,178	3,081	3,359
Other Non-Current Liab.			
Net Assets	1,456	1,911	1,758
Total Liabilities & Net Assets	8,242	8,738	10,059
Ratios			
Debt Service Coverage	2.07x	2.80x	1.15x
Days Cash		14.3	13.5
Current ratio	1.40	1.37	1.27
Debt to Net Assets	4.66	3.57	4.72

Discussion: Aunt Martha's Youth Service Center gets its revenue from the Illinois Department of Child and Family Services, the Illinois Department of Public Aid, various counties, foundations, donations and fees for service. The Center experienced a small loss in FY 2004 due primarily to over $200,000 in unexpected expenses to renovate a donated facility that developed a serious mold problem after a rainstorm. The Center maintains a $1.9 million line of credit secured by substantially all business assets to supplement its liquidity. As of January 31, 2005, the line had an outstanding balance of $1,025,000. The line matures on March 31, 2006. Leverage has been relatively high but cashflows have been sufficient to maintain acceptable debt coverage ratios.

Management is projecting significant growth in revenue for FY 2005 with the opening of several new centers. The Agency expects to report a $430,000 surplus in fiscal year 2005. The underwriter projects proforma debt coverage (which incorporates estimated annual savings from the refinancing) for the year at a very strong 2.9 times.

FINANCING SUMMARY

Security: Payments received from the Illinois Department of Children and Family Services contract through an intercept program via a Debt Service Deduction Contract and first mortgages on eight properties. Covenants and other legal provisions are expected to be consistent with those in use for similar financings.

Structure: Financing may be through either a Letter of Credit- backed, publicly-issued floating rate demand bond or through a tax-exempt placement onto a bank or institutional investor's portfolio.

Maturity: 25 years

Interest Savings: The underwriter estimates $220,000 in present value savings or 6.4% of the refunding bonds.

ECONOMIC DISCLOSURE STATEMENT

Project name:	Aunt Martha's Youth Service Center 233 West Joe Orr Road, Chicago Heights, IL 60411
Applicant:	Child Welfare and Health Services Agency
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Aunt Martha's Youth Service Center is located in Illinois.
Board of Trustees:	Forthcoming.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Tucker & Associates	Oak Lawn	Berry Tucker
Accountant:	Wolf & Company LLP	Oak Brook	Dave Seihoff
Bond Counsel:	TBD		
Underwriter:	TBD		
Underwriter's Counsel:	TBD		
Bond Trustee:	TBD		
Issuer's Counsel:	TBD		

LEGISLATIVE DISTRICTS

Congressional: 2- Jesse L. Jackson Jr.
State Senate: 40- Debbie DeFrancesco Halvorson
State House: 80- George Scully Jr.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 10, 2005

Project: Advocate Health Care

STATISTICS

Project Number:	H-HO-TE-CD-586	Amount:	$250,000,000 (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) refinance certain of existing IHFA Series 1997A, and 2000 bonds 2) fund a debt service reserve fund, and 3) 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	$250,000,000	Uses:	Refunding escrow deposit	$216,450,000
				Insurance costs	2,925,000
				Issuance costs	2,155,000
				Misc.Expenses	28,470,000
	Total	$250,000,000		Total	$250,000,000

JOBS

Current employment: 24,600 (approximate)
Jobs retained: all of current employment

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

BUSINESS SUMMARY

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

As a faith-based health care organization, sponsored by the United Church of Christ and Evangelical Lutheran Church of America, the mission, values and philosophy of the System form the foundation for its strategic priorities. The System's mission is to serve the health care needs of individuals, families and communities through a wholistic philosophy rooted in the fundamental understanding of human beings as created in the image of God. As such, the System provides a continuum of care through its eight acute care hospitals and two full-service children's hospitals, with approximately 3,100 licensed beds, primary and specialty physician services, outpatient centers, home health, and hospice care throughout the metropolitan Chicago area. Through a long-term academic and teaching affiliation with the University of Illinois at Chicago Health Sciences Center, the System trains more resident physicians than any non-university teaching hospital in Illinois.

In addition to owning and operating hospitals and other health care facilities, the System is affiliated with three large physician groups. The System has a management and professional services agreement with Dreyer Medical Group, Ltd., which employees approximately 115 full-time equivalent physicians. Advocate Medical Group is an unincorporated physician group that is a division of the Hospitals Corporation and employs approximately 163 full-time equivalent physicians. Lastly, Advocate Health Centers, is a for-profit subsidiary of Evangelical Services Corporation (which is wholly owned by the System) that employees approximately 154 full-time equivalent physicians.

The following table summarizes the audited financial performance of the Advocate Health Care Network and Subsidiaries for the fiscal years ended December 31, 2002, 2003 and 2004.

(Dollars in 000's)	Year ended December 31		
	2002	2003	2004
Statement of Revenues & Expenses:			
Total Revenue	$2,545,528	$2,669,871	$2,779,675
Operating Income	10,443	83,244	73,767
Change in Net Assets	(96,821)	317,751	229,175
Earnings Before Interest, Depreciation and Amortization	127,639	253,119	283,360
Balance Sheet			
Current Assets	$529,853	$508,432	$603,373
PP&E – Net	769,833	825,911	859,352
Other Assets	1,403,411	1,909,898	2,111,070
Assets from discontinued operations	8,949	0	0
Total Assets	$2,712,046	$3,244,241	$3,573,795
Current Liabilities	$480,714	$519,618	$695,981
Long-term Debt	523,145	590,430	496,918
Other Non-Current Liab.	406,890	521,837	540,872
Liabilities of discontinued ops.	8,199	1,507	0
Net Assets	$1,418,948	$1,633,392	$1,733,771
Total Liabilities & Net Assets	$1,293,098	$1,610,849	$1,840,024
Ratios			
Debt Service Coverage	3.4x	5.2x	6.1x
Days Cash	157.6	194.0	207.3

FINANCING SUMMARY

Security:	Advocate Health Care currently maintains ratings with all three rating agencies. Current ratings are as follows: Aa3/AA/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:	100% underlying variable rate bonds with a floating-to-fixed swap to achieve a "synthetic" fixed rate. Certain bonds may be insured by Aaa/AAA-rated municipal bond insurance.
Maturity:	17 years

PROJECT SUMMARY

Proceeds will be used to: 1) refinance certain of existing IHFA Series 1997A, and 2000 bonds 2) fund a debt service reserve fund, and 3) pay costs of issuance.

ECONOMIC DISCLOSURE STATEMENT

Project name:	Advocate Health Care
Locations:	Eight acute care hospitals: 3 in Chicago, Oak Lawn, Downers Grove, Park Ridge, Barrington and Hazel Crest
Applicant:	Advocate Health Care 2025 Windsor Drive Oak Brook, IL 60521
Organization:	501(c)(3) Not-for-profit corporation
State:	Illinois
Board of Directors:	Rev. Dr. Donald M. Hallberg, Chairperson Jameson A. Baxter, Vice Chairperson Alejandro Aparicio, M.D. Jon E. Christofersen, M.D. Bruce E. Creger Lynn Crump-Caine Richard Anthony Egwele, M.D. William C. Graft Rev. Dr. Jane Fisler Hoffman Abe Tomas Hughes II Bishop Paul R. Landahl John Lassiter, CLU, ChFC Richard McAuliffe Robert G. McLennan Frank H. Mynard Michele Baker Richardson Rudolf G. Schade, Jr. Joan Fowler Shaver, Ph.D, R.N., F.A.A.N. James Skogsbergh, President and C.E.O., Advocate Health Care Carolyn Hope Smeltzer Rev. Ozzie Smith, Jr. John F. Timmer

PROFESSIONAL AND FINANCIAL

Borrower's Counsel: Foley & Lardner LLP	Chicago	Robert Zimmerman
Accountant: Ernst & Young	Chicago	JoEllen Helmer
Bond Counsel: Kate, Muchin Zavis Rosenman	Chicago	Elizabeth Weber
Underwriter: Citigroup	Chicago	James Blake
Underwriter's Counsel: Gardner, Carton and Douglas LLP	Chicago	Steven Kite
Bond Trustee:	Chicago	
Issuer's Counsel:	Chicago	

LEGISLATIVE DISTRICTS

Congressional: 7- Danny Davis, 3- Dan Lipinski, 6- Henry J. Hyde, 8- Melissa Bean, 5-Rahm Emmanuel, 9- Jan Schakowsky, 2- Jesse L. Jackson, Jr.

State Senate: 5-Rickey Hendon, 18-Edward D. Maloney, 21- Dan Cronin, 26- William (Bill) E. Peterson, 6- John J. Cullerton, 33-Dave Sullivan, 29-Susan Garrett, 19- M. Maggie Crotty, 17- Donne E. Trotter

State House: 10- Annazette Collins, 36- James D. Brosnahan, 42- Sandra M. Pihos, 52- Mark H. Beaubien, Jr., 12- Sara Feigenholtz, 65- Rosemary Mulligan, 57- Elaine Nekritz, 38- Robin Kelly, 33- Marlow H. Colvin

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 10, 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

Final 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

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

Ayes – 8 Nayes – 0 Absent – 4 (Delgado, Herrin, O'Brien, Ozark) Vacancies – 3

The IFA Board gave its approval for a Purchase Contract Resolution on April 12, 2005 by the following vote:

Ayes – 10 Nayes – 0 Absent – 3 (Geotz, Herrin, Leonard) Vacancies – 2

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: 385
Jobs retained: 385

Projected new jobs: 50.6
Construction jobs: 300

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
BOARD SUMMARY

Project: **Illinois Medical District Commission**
Chicago Technology Park Acquisition & Expansion Program

STATISTICS

Number:	LG-GR-TE-CD-592	Amount:	$40,000,000 (not to exceed)
Type:	Local Government	IFA Staff:	Townsend S. Albright
Locations:	Chicago	Tax ID:	36-6001814
Est. fee:	$55,500		

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 two parcels of land, (ii) to construct one or more facilities on one parcel, and renovate existing facilities on the other, (iii) purchase furniture, fixtures, and equipment, (iv) capitalize interest, and (v) fund bond issuance costs.

IFA CONTRIBUTION

No Volume Cap required for Local Government Bonds

VOTING RECORD

Preliminary Bond Resolution, no prior Board vote

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$37,000,000	Uses:	Project cost	$32,724,000
				Capitalized interest	3,626,000
				Bond issuance costs	640,000
	Total	$37,000,000		Total	$37,000,000

JOBS

Current employment:	115	Projected new jobs:	575
Jobs retained:	15*	Construction jobs:	350 (18 months)

* Chromatin

BUSINESS SUMMARY

Background: The Illinois Medical District Commission (IMDC) (the "District") was formed by an act of the Illinois State Legislature in 1941(70 ILCS. 915/0.01, *et seq.*) for the purpose of controlling the zoning and property within the District to ensure the orderly expansion of medical and research facilities. The IMDC act was amended in 1991 to include the operation of the Chicago

Technology Park and Research Center for the purpose of providing business incubation facilities and promoting the growth of the life sciences and medical research industries within Illinois. The IMDC is a non-profit organization engaged primarily in business incubation and economic redevelopment efforts within the boundaries of the District. The IMDC operates under the authority and review of the Illinois General Assembly. The IMCD is governed by a seven-member Board of Commissioners of which four are state of Illinois appointees, two are City of Chicago appointees, and one is a Cook County appointee.

The Illinois Medical District is bounded by the Eisenhower Expressway (north), Ashland Avenue (east), Oakley Boulevard (west) and the Union Pacific intermodal yard (south). The District is the oldest and largest of its kind in Illinois. It is home to the largest concentration of medical, emergency, and disaster relief services in Illinois. Within the District, these institutions account for approximately 20,000 employees and 75,000 daily visitors. A list of current members is included for IFA Board review.

Description: The proposed project consists of two sizeable and significant properties inside the boundaries of the District, and specifically, the Chicago Technology Park. The properties will provide the District with a green-field site and existing facilities having serviceable wet labs and other necessities for immediate occupancy.

The **2020 Ogden Property** is a 7.5 acre vacant site west of Cook County, UIC, and Rush University hospitals. When combined with a 2.4-acre site the IMDC currently owns, the acquisition will provide for a 9.9-acre Greenfield site which will is suited for future development for multiple uses. Possible uses include (i) a professional building serving the hospital, (ii) a long-term care facility, (iii) a hotel/conference center, and/or (iv) a commercial office/retail center.

The **ASCP Property** has two buildings on four acres currently owned by the American Society for Clinical Pathologists (ASCP). The buildings are equipped with wet labs, an auditorium, and infrastructure which are suitable for current technology.

Remarks: The proposed project will enable the IMDC to expand its technology commercialization efforts and increase the number of start-up businesses served. This project will enhance the status of the State of Illinois and the City of Chicago when Chicago hosts the BIO/2006 conference next year. Additionally, tax-exempt financing will provide the lowest cost of capital for the IMDC.

Financials: Audited financial statements for fiscal years ending 6-30-2003 – 2004, and a pro-forma Income Statement for revenues for this project (attached).

	(Dollars in 000s) 2003	2004
Income Statement		
Total Revenues	$10,733	$14,744
Operating expenses	(4,881)	(5,073)
Change in Net Assets	5,852	9,671
EBIDA	6,285	10,143
Balance Sheet		
Current Assets	4,567	12,476
PP&E	32,220	31,492
Other Assets	6,471	6,255
Total	43,258	50,223
Current Liabilities	497	418
Other LT Liabilities	589	461
Debt	2,565	67
Net Assets	39,607	49,278
Total	$43,258	$50,224

Ratios:		
Debt coverage	0.0x	0.02x
Current Ratio	9.19x	29.85x
Debt/Net Assets	0.06	N/A

Notes: (i) Currently, the IMDC has approximately $11 million in cash and investments for designated projects with minimal debt or long-term obligations. The State has reduced funds for operation over the past few years by approximately 80.0%. The IMDC has overcome this loss *via* land lease transactions, development of rental of wet lab facilities for Stage II incubator companies, and increased parking fees.
(ii) The IMDC has a $300,000 line of credit with Cole Taylor Bank and 6.25%. As of March 25, 2005, there were no borrowings against this line.
(iii) On June 1, 2002 the IMDC issued $30,625,000 of conduit debt in connection with the construction of an office building for the University of Illinois on the District campus. The bonds are not an obligation of the District and are not reflected on the District's financial statements.
(iv) A projected income statement for the proposed project is attached.

FINANCING SUMMARY

Security:	Bonds to be insured by a major bond insurer.
Structure:	Multi-mode Variable Rate Demand Bonds
Maturity:	40 years

The IMDC is pursuing credit enhancement form several sources, including the moral obligation of the State of Illinois.

Revenue to pay debt service on the proposed bonds will be generated from the land and building leases with the tenants and lessees of the properties involved. It is anticipated the cash flow generated by these properties will be sufficient to cover the debt service by the end of year two or the beginning of year three after project completion.

To supplement cash flow in these years, the IMDC will set aside an amount consisting of 10.0% of the bond amount or three years of capitalized interest that can be used to fund any cash flow shortfalls when debt service is paid. This amount will be maintained for an agreed-to number of years, but not before principal payments have begun.

PROJECT SUMMARY

Proceeds will be used to (i) purchase two parcels of land consisting of a 7.5-acre site located at 2020 Ogden Avenue, Chicago, Cook County, Illinois; and the approximately 4.0-acre ASCP property located at 2100 West Harrison Street, Chicago, Cook County, Illinois, (ii) construct one or more facilities on the 2020 Ogden property and renovate the existing facilities on the other property, (iii) purchase furniture, fixtures, and equipment, (iv) capitalize interest, and (v) fund bond issuance costs.

Project Costs:	Land	$ 8,800,000
	Buildings	17,000,000
	Construction/ Renovation	5,604,000
	Arch/Eng	320,000
	Machinery/Equipment	1,000,000
	Total	$32,724,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Illinois Medical District Commission
Project names:	Chicago Technology Park Acquisition & Expansion Program
Locations:	2020 West Ogden, Chicago, Cook County, Illinois; and 2100 West Harrison Street, Chicago, Illinois, Cook County, Illinois
Organization:	A corporate and political body created by the Illinois State Legislature in 1941
State:	Illinois
Board of Directors:	Kenneth D. Schmidt, M.D. Abraham C. Morgan Dorval R. Carter, M.D. Leon Dingle, Jr., Ph.D. Michael Fitzgerald Bob J. Nash John E. Partelow

PROFESSIONAL & FINANCIAL

General Counsel:	In House		Ken Scheiwe
Accountant:	Nykiel, Carlin & Co., Ltd.	Kankakee, IL	Paul Pelletier
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Laurence White.
Issuer's Counsel	TBD		
Underwriter: Placement Agent	William Blair & Company, LLC.	Chicago, IL	Charles Freeburg
Underwriter's Counsel:	TBD		
LOC Bank Counsel:	TBD		
Financial Advisor:	John Conlisk, c/o IMDC	Chicago, Il	
Development: Consultant	TBD		
Trustee:	TBD		
General Contractor:	TBD		
Architect:	TBD		

LEGISLATIVE DISTRICTS

Congressional:	07, Danny K. Davis
State Senate:	05, Rickey R. Hendon
State House:	09, Arthur L. Turner

ta/h/Illinoismedicaldistrictcommissionprelim

ILLINOIS MEDICAL DISTRICT
Projected Income Statement Summary for
New Bond Issue (Calendar 2005)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
REVENUES							
ASCP Buildings	$789,782	$821,373	$1,433,102	$2,114,749	$2,199,338	$2,287,312	$2,378,805
2020 Ogden Site	$68,842	$821,750	$821,750	$821,750	$821,750	$821,750	$821,750
CHROMATIN	$0	$900,000	$900,000	$900,000	$927,000	$927,000	$927,000
Total Revenues	$858,624	$2,543,123	$3,154,852	$3,836,499	$3,948,088	$4,036,062	$4,127,555
CASH FLOW - IN (OUT)							
ASCP Buildings	$391,617	$409,820	$970,065	$1,601,414	$1,663,595	$1,728,150	$1,795,166
2020 Ogden Site	$68,842	$821,750	$821,750	$821,750	$821,750	$821,750	$821,750
CHROMATIN	$0	$900,000	$900,000	$900,000	$927,000	$927,000	$927,000
Total Cash Flow - In (Out)	$460,459	$2,131,570	$2,691,815	$3,323,164	$3,412,345	$3,476,900	$3,543,916
CAPITAL EXPENDITURES							
ASCP Buildings	$1,500,000	$2,500,000	$1,000,000	$0	$0	$0	$0
2020 Ogden Site							
CHROMATIN	$0	$0	$0	$0	$0	$0	$0
Total Capital Expenditures	$1,500,000	$2,500,000	$1,000,000	$0	$0	$0	$0
CASH AVAILABLE FOR DEBT SERVICE (IFA Alternative)							
Balance at Beginning of Year	$11,200,000 (A)	$5,773,459	$3,592,029	$3,470,844	$4,981,008	$6,580,353	$7,826,038
Total Cash Flow - In (Out)	460,459	2,131,570	2,691,815	3,323,164	3,412,345	3,476,900	3,543,916
Less: Cash Needed for CapEx	(1,500,000)	(2,500,000)	(1,000,000)	0	0	0	0
Sub-total	10,160,459	5,405,029	5,283,844	6,794,008	8,393,353	10,057,253	11,369,955
Bond Financing Costs - Day 1	(2,574,000)						
Less: Debt Service	(1,813,000)	(1,813,000)	(1,813,000)	(1,813,000)	(1,813,000)	(2,231,215)	(2,231,215)
Balance at End of Year	$5,773,459	$3,592,029	$3,470,844	$4,981,008	$6,580,353	$7,826,038	$9,138,740

FUNDS AVAILABLE AT BEGINNING OF YEAR 1

Funds allocated from bond offering for debt service - 2 years' interest	3,626,000	*Total Project Costs*	*$37,000,000*
Bond Financing Funds	2,574,000	*Less: TIF from City of Chicago*	*0*
Funds for ASCP Renovation	5,000,000		
	11,200,000 (A)	*Bond offering amount*	*$37,000,000*
Interest Rate used is	4.90%		

Debt Service Terms: 40 year bond with interest only paid for the first five years with a 35 year amortization thereafter.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 10, 2005

Project: **Community Memorial Hospital Association**

STATISTICS

Project Number:	B-LL-TX-575	Amount:	$450,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Staunton	Est. fee:	$18,000 (first year's interest)

BOARD ACTION

Purchase of Participation Loan from First National Bank in Staunton
$450,000 IFA funds at risk
Collateral is ***pari passu*** first position with the bank
Staff recommends approval

PURPOSE

Loan proceeds will be used to finance the construction of an 8,000 square foot medical office building on land owned by the hospital.

VOTING RECORD

Initial board consideration, no voting record.

SOURCES AND USES OF FUNDS

Sources:	IFA Participation	$450,000	Uses:	Project Costs	$1,460,000
	First National Bank	450,000		Total	$1,460,000
	Equity*	560,000			
	Total	$1,460,000			

*Equity contributed will consist of land valued at $160,000 (cost basis) and $400,000 in cash received from a Federal appropriation.

JOBS

Current employment:	135	Projected new jobs:	3
Jobs retained:	N/A	Construction jobs:	75

BUSINESS SUMMARY

Background: Community Memorial Hospital is a 57 bed acute care, not-for-profit hospital located in Staunton, Illinois. The hospital has provided continuous health care to area residents since 1951. Community Memorial Hospital holds full accreditation by JCAHO (Joint Commission on Accreditation of Health Care Organizations) and is licensed by the Illinois Department of Public Health.

The Hospital is equipped with a multi-bed special care unit for the monitoring of very ill patients, a well equipped emergency room and surgical suites. The radiology department offers fully accredited mammography service and in-house CT scanning. Full range laboratory, physical therapy and respiratory therapy services and cardiopulmonary rehabilitation services are available.

Project Description: Community Memorial Hospital will be constructing an 8,000 square foot, single story medical office building directly across the street from the Hospital complex. The proposed building is being constructed to house area physicians who are currently leasing space within the Hospital and who are all committed to transition to the new offices. The Hospital is in critical need of additional space to expand its services and thus will obtain the area by moving the physicians to the new building. The new facility will be equipped with all of the amenities customarily associated with modern medical practice facilities and will be designated as a Medicare-certified Rural Public Health Clinic.

As sole borrower for the project, the Hospital (a not-for-profit corporation) will own the building and operate it on a for-profit basis. This new medical building will provide area physicians with continued easy access to the Hospital in a new, modern facility while enabling patients to consolidate medical visits into one convenient location.

Financials: Audited financial statements of Community Memorial Hospital Association for fiscal years ended June 30, 2003 and 2004. Interim financial statements for the 8-month period ended February 28, 2005. Dollars are in thousands.

	2003 Actual	2004 Actual	2005 Proforma
Income Statement			
Contributions & gifts	113	129	140
Program service	10,710	12,024	12,809
Gross rents	51	46	141
Net Revenues	10,874	12,199	13,090
Operating Expenses	10,307	11,490	12,735
Operating Income	567	709	355
Other income (expense)	(3)	(11)	(3)
Net Incomet	564	698	352

Balance sheet			
Current assets	3,683	4,358	4,414
PP&E	1,926	1,957	3,293
Investments	1,206	670	676
Other assets	6	0	0
Total assets	6,821	6,985	8,383
Current Liabilities	711	840	919
Debt	993	330	1,015
Unrestr. Fund Balance	5,117	5,815	6,449
Total Liab. & FB	6,821	6,985	8,383
Ratios:			
Debt Coverage-Act	5.18	5.19	4.80
Debt Cover w/Debt	1.98	2.27	2.40
Days Cash on Hand	70.51	67.51	91.30
Debt/Equity-Actual	0.25	0.17	0.05
Debt/Equity w/Debt	0.25	0.17	0.19

Discussion: The Hospital has maintained profitability over the last several years. It is expected to remain profitable in fiscal 2005, based on the annualized 8-month results presented above. Revenues have increased from $10.8 million in 2003 to $12.0 million in 2004 and are projected to reach the $12.8 million level in 2005. The Hospital's current assets as of February 28, 2005 include $2.0 million in cash deposits, providing the Hospital with excellent liquidity.

Sales and income estimates for FY 2005 are based on annualized results through the first 8 months of the fiscal year. The balance sheet presented for FY 2005 reflects balances as of February 28, 2005 plus project assets, associated debt and $400,000 in federal grants included in fund balance. The ratio analysis presents both actual debt service coverage and adjusted debt coverage including $131,000 in additional debt service requirements associated with this loan for all of the years reviewed. The debt service coverage ratios presented above includes no additional lease income from the project. Management anticipates that lease payments will easily service this debt.

FINANCING SUMMARY

Security: Pro-rata first mortgage "*pari passu*" with First National Bank in Staunton on the project real estate with an assumed minimum as-if-completed appraised value of $1,460,000, providing collateral coverage to IFA and the Bank of 1.62 times (61.64%LTV).

Structure: The Authority's rate will be 200 basis points below the Bank's loan rate, which will be fixed at 6.0% for ten years.

Maturity: The loan will be set on a ten year amortization with 120 payments of principal and interest.

ECONOMIC DISCLOSURE STATEMENT

Project name:	Community Memorial Hospital Medical Practice Building		
Location:	Illinois Route 4 Staunton, Illinois (Macoupin County)		
Applicants:	Community Memorial Hospital Association		
Organization:	501 (c)(3) Corporation		
State:	Illinois		
Directors:	Kenneth Dustmann	Bernice Henke	Don Kasubke
	George Lesicko	Larry Lux	Nicolas Pineda, M.D.
	Eddy Saracco	Bill Wilkinson	Larry Ziglar

PROFESSIONAL & FINANCIAL

Bank:	First National Bank in Staunton	Staunton, Illinois	Brian Ury

LEGISLATIVE DISTRICTS

Congressional:	17 – Lane A. Evans
State Senate:	49 – Deanna Demuzio
State House:	98 – Gary Hannig

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 1, 2005

Deal: Village of Warren

STATISTICS

Deal Number:	L-GP-TE-MO-578	Amount:	$1,620,000
Type:	Local Government	PA:	Eric Watson
Location:	Jo Daviess County	Est. fee:	$20,000

BOARD ACTION

Final Bond Resolution	Staff recommends approval
Conduit Local Government Bonds	Conditions: Pledge intercept and 1.25x coverage
Moral Obligation of the State	

PURPOSE

The Village proposes to borrow $1,620,000 to upgrade the Village's existing wastewater treatment plant and processes.

VOLUME CAP

Local government bonds – no volume cap required.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$1,620,000	Uses:	Construction	$2,050,000
	Grant Funds(DCEO)	350,000		Engineering	95,000
	Funds on Hand	250,000		Miscellaneous	30,000
				Issuance Costs	45,000
	Total	**$2,220,000**		**Total**	**$2,220,000**

JOBS

Current employment:	n/a	Projected new jobs:	n/a
Jobs retained:	n/a	Construction jobs:	n/a

CREDIT SUMMARY

The Village of Warren is a residential community located approximately two miles south of the Wisconsin border on route 78 in northeast Jo Daviess County. The Village's assessed value is primarily residential and commercial, with such evaluations accounting for 82% and 13% of the Village's 2003 EAV, respectively. Assessed value growth has been fairly consistent over the last five years at nearly 5% annually and tax collections have averaged 99.6% over the past three years. The Village does not have taxpayer concentration but does have employer concentration in Honeywell Micro Switch Division with 130 employees. Within the last year, the community lost its largest employer, Warren Cheese Plant. The population of the Village has decreased an average of 3.15% between each of the 1980, 1990 and 2000 censuses and 3.5% between the 1990 and 2000 censuses.

The General Fund has performed poorly the past five fiscal years with four consecutive years of negative annual net revenues. Revenues and expenses have declined at a rate of 5.5% and 4.6%, respectively, over the past five years. In 2002, the Village established police protection and streets and alleys expenditures from the General Fund into separate special revenue funds. The Village transfers funds from the general fund to pay these expenditures. The fund balance is currently 57% of expenses. The Village has no General Fund liabilities or General Obligation debt outstanding. The Sewer Fund has experienced 29% revenue growth and 22.9% expense growth the last five years. Connection growth is poor at (0.27%), and average demand is 50% of capacity. The top five users of the system account for 3.3% of system revenues.

The Village proposes to borrow approximately $1,620,000 to upgrade its existing wastewater treatment plant and processes. Debt service coverage levels on proposed debt service is negative and not defined using 2004 results. The intercept is adequate at 1.99x proposed debt service. Provided the Village pledges an intercept of its State shared revenues, and raises rates to generate debt service coverage of 1.25x and the resulting increase falls within normal ranges as determined by DCCA, this issue is recommended as an alternate revenue bond.

Analysis

Ratios

Fund Balance/Expenses	57.12%
Cash/Liabilities	n/a
Short Term Borrowing/Expenses	0.00%
Debt/Market Value	0.00%
Per Capita Debt	$0
Existing GO Debt Service/Expenses	0.00%
Existing GO and Alternate Revenue Debt Service/Expenses	0.00%
Projected GO Debt Service/Net	(0.07x)

Sewer Fund

2004 Net Available	Current Max P&I	Coverage	Total Max P&I *	Coverage
($24,165)	$0	n/a	$141,200	(0.17x)

* Outstanding maximum annual debt service of $0 plus new debt service of $141,200

FINANCING SUMMARY

Security:	Alternate Revenue Bonds. Not Rated
Structure:	Fixed rate serial bonds
Maturity:	20 Years

PROJECT SUMMARY

The Village proposes to borrow $1,620,000 to upgrade the Village's existing wastewater treatment plant and processes.

Project costs include the following:

Construction/Equipment	$2,050,000.00
Total Project Costs	**$2,050,000.00**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Village of Warren
Project Name:	The Village proposes to borrow to upgrade the Village's existing wastewater treatment plant and processes.
Location:	113 Cole Street, P.O. Box 581, Warren, Illinois 61087-0581
Organization:	Village
State:	Illinois
Officials:	Gregory Stake, President Donna Breed, Treasurer Emily Whitman, Clerk
Alderperson:	Donald Beck Cathy Fennell Monte Grebner Randy Jones Wayne Raisbeck Wayne Wubbena

PROFESSIONAL & FINANCIAL

Accountant:	LCV	Freeport, IL	
Borrower's Counsel:	Vincent, Roth & Toepfer, PC	Warren, IL	Michael Toepfer
Engineer:	Fehr-Graham & Associates	Freeport, IL	Hans A. Anderson
Bond Counsel:	Katten, Muchin, & Zavis	Chicago, IL	Lewis Greenbaum
Underwriter:			
Issuer's Counsel:			
Paying Agent:			
Rating Agency:	Standard & Poors	Chicago, Illinois	
Rating Agency:	Fitch Ratings	Chicago Illinois	
Financial Advisor:			

LEGISLATIVE DISTRICTS

Congressional:	16 Donald A. Manzullo
State Senate:	45 Todd Sieben
State House:	89 Jim Sacia

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 12, 2005

Project: City of Metropolis

STATISTICS

Project Number:	L-GO-TE-577	Amount:	$13,000,000
Type:	Local Government	FM:	Eric Watson
Location:	Massac County	Est. fee:	$20,000

BOARD ACTION

Final Resolution	Staff recommends approval
General Obligation	Conditions: Intercept Pledge of Tax Receipts

PURPOSE

The City has established a Tax Increment Finance District adjacent to its riverfront. The City will issue general obligation bonds (alternate revenue source) to enable it to provide infrastructure developments and improvements to a major new construction project within the TIF. Infrastructure upgrades and improvements include construction of an electric substation, extension of new water and sewer lines, construction of a fire station, engineering and feasibility studies and consulting activities, including for a new marina. The new construction project is a Harrah's $62M hotel and entertainment complex, scheduled to be completed in 2006 and expected to employ 300 construction personnel and 115 permanent jobs with annual payroll and benefits of $2.8M. A part of the $13M bond issue will off the principal and interest of an interim loan from IFA Real estate tax increment is expected to be $1.2M.

No volume cap required.

VOTING RECORD

The Board approved an interim loan to the City of Metropolis for $3,000,000 on March 8, 2005.

ORGANIZATION

The City of Metropolis (the "City") is located in the scenic southern Illinois county of Massac, covers five square miles and is nestled on the shore of the great Ohio river and is the home of Superman, officially declared by the Illinois House in 1972. The town was founded in 1839 and according to the 2000 census had a population of 6552. The unemployment rate of Metropolis was 3.9%, well below that of Illinois (5.6%) and of the U.S. (5.1%). Metropolis is anxiously anticipating the opening of Harrah's new $62M hotel/entertainment complex scheduled to be completed in 2006 and expected to employ from 115 – 150 people with an estimated annual payroll and benefits of $2.8M.

SOURCES AND USE OF FUNDS

Sources:	IFA GO Bond:	$13,000,000	Uses:	Land/site improve:	$9,365,000
				Construction/renov:	$400,000
				Equipment:	$600,000
				Studies/consulting:	$1,000,000
				Issuance Costs:	$250,000
				Other:	$1,385,000
	Total	**$13,000,000**	**Total**		**$13,000,000**

Bond funds will be utilized for construction of an electric substation, extension of new water and sewer lines, construction of a fire station and additional equipment, engineering, consulting and feasibility studies.

The new electric substation will replace an existing substation that is no longer capable of providing sufficient electric power to the riverfront district of the City. The new substation will have an expected useful life of 30 to 40 years and will be capable of supplying adequate/reliable power not only for the current riverfront expansion and development projects, but also for all projects that are reasonably foreseeable in the next five to ten years.

The proposed water and sewer lines will enable the City to serve the new convention center/hotel complex and have capacity for some additional growth. These will have a useful life of 40 to 50 years.

The new fire station and equipment are necessary to provide adequate fire protection to newer developments in the City that are three stories or taller. This will enable the City to maintain or improve its fire insurance rating. The new fire station will have a useful life of 50 years or more and the new equipment will have a life of about 20 years.

In order to affect these improvements, it is necessary that the City demolish the former electric power house.

JOBS

300 Construction related positions and 115-150 permanent positions with estimated annual income of $2.8M.

CREDIT SUMMARY

The assessed valuation has grown steadily in the past five years, from $42,780,252 in 1999 to $49,378,884 in 2003, or an increase of more than 13%. The City does not have any taxpayer or employer concentration. The City's 2000 Census population of 6,552 was a small decrease from the 1990 Census of 6,734.

General Fund performance has been good over the last three fiscal years, with a positive balance in each of the last three years. Revenues increased by approximately 17% while expenses increased a little more than 13%. The City has no outstanding debt.

The City pledges the TIF increment generated by the hotel ($1.2M annually) and other TIF developments together with the gaming revenue ($8M annually) as the alternate revenue source for repayment of the bonds.

FINANCING SUMMARY

Security:	Intercept Pledge
Structure:	See debt service schedule
Maturity:	December 2024

Total Assessed Valuation:

Year	Assessed Valuation
1999	$42,780,252
2000	$44,583,612
2001	$46,683,485
2002	$46,807,539
2003	$49,378,884

Assessed Valuation Breakdown:

Residential: 63% Commercial: 34% Industrial: 1.1% Agricultural: .02%

Property Tax Collections:

Year Levied	Extended	Collected	% Collected
2000	$390,300	$388,454	99%
2001	$409,377	$407,347	99%
2002	$416,608	$414,935	99%

General Revenue Fund Performance

	2001	2002	2003	2004
Revenues	$9,440,698	$10,767,514	$11,364,569	$10,134,611
Expenditures	$6,661,580	$ 7,141,817	$ 8,676,775	$ 6,404,572
Balance	$2,779,118	$ 3,625,697	$ 2,687,794	$ 3,731,039

ECONOMIC DISCLOSURE STATEMENT

Applicant: City of Metropolis

Officials:
Beth A. Clanahan, Mayor
Brenda Westbrooks, City Clerk
Kristi Koch Stephenson, Treasurer

Alderperson:
Richard Corzine, Sr.
Charles Oliver
Wm. T. Carrell
Robert Midnight
Billy McDaniel
J. D. Holley
Don Sullivan
Charles Barfield

PROFESSIONAL & FINANCIAL

Accountant	Williams, Williams and Lentz	Paducah, KY	
Finance Advisor	Stifel Nicolaus & Company	Edwardsville, IL	Mary Kane
Bond Counsel	Evans, Froelich, Beth & Chamley	Champaign, IL	Kurt Froelich
Issuer's Counsel:	Chapman & Cutler	Chicago, IL	Chuck Jarik

LEGISLATIVE DISTRICTS

Congressional: 19 John M. Shimkus
State Senate: 59 Gary Forby
State House: 118 Brandon W. Phelps

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 17, 2005

Deal: Village of South Roxana

STATISTICS

Deal Number:	L-GP-TE-MO-577	Amount:	$200,000
Type:	Local Government	PA:	Eric Watson
Location:	Madison County	Est. fee:	$2,500

BOARD ACTION

Final Bond Resolution
Conduit Local Government Bonds
Moral Obligation of the State

Staff recommends approval
Conditions: Pledge intercept and 1.25x coverage

PURPOSE

The Village proposes to borrow $200,000 to use for working cash to continue to provide services to its citizens including police protection and public works services.

VOLUME CAP

Local government bonds – no volume cap required.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$200,000	Uses:	Services	$200,000
	Funds on Hand	0		Engineering	0
				Miscellaneous	0
				Issuance Costs	0
	Total	**$200,000**		Total	**$200,000**

JOBS

Current employment:	n/a	Projected new jobs:	n/a
Jobs retained:	n/a	Construction jobs:	n/a

CREDIT SUMMARY

The Village of South Roxana is located in south-western Illinois approximately 20 miles northeast of St. Louis, Missouri between Illinois Routes 255 and 111 in western Madison County. The Village's assessed value is primarily residential and commercial, with such evaluations accounting for 79% and 21% of the Village's total 2003 EAV, respectively. Assessed value growth has been good the last five years at nearly 6.4% annually and tax collections have averaged 98.19% during the past five years. The Village does not have taxpayer and employer concentration. The population of the Village has decreased at an average rate of 5.4% since 1970 and 3.7% between the 1990 and 2000 censuses.

The General Fund has performed poorly the past four years with three years of the last four in the red. However, these negative annual net revenues are small and primarily caused by what seems to be capital expenditures. Expenses grew at a rate of 3.9% per year during the last four fiscal years and revenues grew by 1.65% in that same period of time. The fund balance is currently 12.14% of expenses and the cash to liabilities ratio is approximately 0.44x. The Village has one general obligation bond outstanding issued through the Illinois Rural Bond Bank. The existing general obligation debt is 0.21% of expenses.

The City proposes to borrow $200,000 to use as funds to provide services to the Village's citizens such as police protection and public works services. The intercept is approximately 14 times the proposed debt service. We recommend this bond issue as a general obligation bond with an intercept.

Ratio Analysis

Ratios	
Fund Balance/Expenses	12.14%
Cash/Liabilities	43.88%
Short Term Borrowing/Expenses	0.00%
Debt/Market Value	0.15%
Per Capita Debt	$26
Existing GO Debt Service/Expenses	0.21%
Existing GO and Alternate Revenue Debt Service/Expenses	0.21%
Projected GO Debt Service/Net	1.38x

FINANCING SUMMARY

Security:	General Obligation Bond. Not Rated
Structure:	Fixed rate serial bonds
Maturity:	20 Years

PROJECT SUMMARY

The Village proposes to borrow $200,000 to use for working cash to continue to provide services to its citizens including police protection and public works services.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Village of South Roxana
Project Name:	The Village proposes to borrow funds to use for working cash to continue to provide services to its citizens including police protection and public works services.
Location:	211 Sinclair P.O. Box 1162, South Roxana, Illinois 62087
Organization:	Village
State:	Illinois
Officials:	Kenny Beasley, Mayor
	Tina Carpenter, Clerk
Alderperson:	Curtis Cawvey
	Wanda Holmes
	Matt Hopke
	Gene Knipping
	Ed O'Neil
	Roxann Read

PROFESSIONAL & FINANCIAL

Accountant:	Daniel Donahoo, CPA	Wood River, IL	Daniel Donahoo
Borrower's Counsel:	Goldenberg, Miller, Heller & Antognoli, PC	Edwardsville, IL	Debra Meadows
Borrower's FA:	Scheffel & Associates, PC	Edwardsville, IL	Tom Wilder
Engineer:	Sheppard, Morgan & Schwaab, Inc	Granite City, IL	
Bond Counsel:	n/a		
Underwriter:			
Issuer's Counsel:			
Paying Agent:			
Rating Agency:	Standard & Poors	Chicago, Illinois	
Rating Agency:	Fitch Ratings	Chicago Illinois	
Financial Advisor:	Robert W. Baird & Co.	Naperville, Illinois	Thomas J. Gavin

LEGISLATIVE DISTRICTS

Congressional:	12 Jerry F. Costello
State Senate:	56 William R. Haine
State House:	111 Daniel V. Beiser

RESOLUTION authorizing and approving the amending of certain provisions contained in the Mortgage and Security Agreement relating to the Illinois Educational Facilities Authority Revenue Bonds, Hubbard Street Dance Chicago, Series 1998 (the *"Bonds"*), issued in the original aggregate principal amount of $2,914,150 for the benefit of Hubbard Street Dance Chicago, Inc.; authorizing the execution and delivery of any necessary documentation required to effect the foregoing; and authorizing and approving certain related matters.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the *"Authority"*), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1, *et seq.,* as supplemented and amended (the *"Act"*), is authorized by the laws of the State of Illinois, including without limitation the Act, to issue its revenue bonds in order to finance costs of constructing and acquiring *"cultural projects"*, including but not limited to the financing of administrative, rehearsal and theatre space for a performing arts organization, and

WHEREAS, the Authority is the successor to the Illinois Educational Facilities Authority (*"IEFA"*), which was created by the Illinois Educational Facilities Authority Act, 110 ILCS 1015//*et seq.,* as amended (the *"IEFA Act"*); and

WHEREAS, IEFA has heretofore issued its $2,914,150 in aggregate principal amount of Illinois Educational Facilities Authority Revenue Bonds, Hubbard Street Dance Chicago, Series 1998 (the *"Bonds"*), in accordance with the provisions of that certain Trust Indenture dated as of February 1, 1998 (the *"Original Indenture"*) between IEFA and Amalgamated Bank of Chicago, as trustee (the *"Trustee"*), as supplemented and amended by the First Supplemental Trust Indenture dated as of January 15, 2003, and the Second Supplemental Indenture dated as of April 1, 2003 and the Third Supplemental Indenture dated as of April 1, 2004 (collectively, the *"Indenture"*), to provide Hubbard Street Dance Chicago, Inc. (the *"Corporation"*), an Illinois not for profit corporation and a *"cultural institution"* (as such term is defined in Section 3.07b of the IEFA Act), with funds to finance, refinance or reimburse itself for all or a portion of the costs of the acquisition, construction, renovation and equipping of certain *"cultural facilities"* (as such term is defined in Section 3.06a of the IEFA Act) of the Corporation (the "*Project*"); and

WHEREAS, the Bonds were privately placed with Bank of America, N.A. (formerly known as Bank of America National Trust and Savings Association) (the *"Purchaser"*); and

WHEREAS, IEFA loaned the proceeds from the sale of the Bonds to the Corporation pursuant to the terms of the Mortgage and Security Agreement dated as of February 1, 1998, as amended by a First Amendment dated as of April 1, 2003 and a Second Amendment dated as of April 1, 2004 (collectively, the *"Mortgage"*) between the Corporation, as mortgagor, and IEFA, as mortgagee; and

WHEREAS, the Corporation has informed the Authority that the Corporation and the Purchaser desire to amend certain provisions of the Mortgage relating to a liquidity covenant and a debt service coverage ratio; and

WHEREAS, the Corporation has also informed the Authority that the Purchaser desires to provide the Corporation with a new development line of credit in an amount up to $800,000, secured by a second mortgage on the Project; and

WHEREAS, the Corporation desires that the Authority authorize and approve the amending of certain provisions of the Mortgage to effect the foregoing; and

WHEREAS, the Authority, at the request of the Corporation, with the knowledge of the Purchaser, desires to authorize and approve (i) the amending of certain provisions of the Mortgage relating to liquidity covenant requirements, debt service coverage ratios, and short-term secured debt, as agreed to by the Corporation and the Purchaser, and the execution and delivery of an amendment to the Mortgage to effect the foregoing and to make certain other conforming changes, and (ii) the execution and delivery of any documentation that may be necessary to effect any of the foregoing;

NOW THEREFORE, Be It Resolved by the Authority that:

Section 1. *Amendments.* The Authority hereby authorizes and approves amending certain provisions of the Mortgage relating to liquidity covenant requirements, debt service coverage ratios, and short-term secured debt, as agreed to by the Corporation and the Purchaser.

Section 2. *Amendment to Mortgage.* The Chairman, the Vice Chairman, the Executive Director or the Secretary of the Authority (or for purposes of this Resolution any officer duly appointed to such office on an interim basis), are each hereby authorized, empowered and directed to enter into, execute and deliver, and, if required, the Secretary or any Assistant Secretary of the Authority (or for purposes of this Resolution any officer duly appointed to such office on an interim basis) are each authorized, empowered and directed to attest and to affix the official seal of the Authority to, a Third Amendment to Mortgage and Security Agreement dated as of May 1, 2005 (the *"Amendment to Mortgage"*) between the Corporation and the Authority, supplementing and amending the Mortgage, as described in Section 1. Such Amendment to Mortgage shall be substantially in the form of the Amendment to Mortgage attached hereto and marked *Exhibit A* and hereby approved, or with such changes therein as shall be approved by the officials of the Authority executing the same, such execution to constitute conclusive evidence of their approval, and of the Authority's approval, of any changes or revisions therein from the form of the Amendment to Mortgage attached hereto.

Section 3. *Additional Documentation.* The Chairman, the Vice Chairman, the Executive Director or the Secretary of the Authority (or for purposes of this Resolution any officer duly appointed to such office on an interim basis), under the seal of the Authority attested by the Secretary or any Assistant Secretary of the Authority (or for purposes of this Resolution any officer duly appointed to such office on an interim basis), if appropriate, are each hereby authorized, empowered and directed to enter into, execute and deliver, for and on behalf of the Authority, such other amendments and supplements to the legal documentation, and such other documents, if any, as are deemed necessary or appropriate to accomplish the matters set forth in this Resolution, including, without limitation, the execution and delivery of such amendments, supplements and documents to be in the forms prepared and/or approved for such execution by Chapman and Cutler LLP, Bond Counsel, and approved by the officials of the Authority executing the same, the execution thereof by such officials to constitute conclusive evidence of their approval and of the Authority's approval of the forms thereof.

Section 4. Authorization and Ratification of Related Matters. The members, officials, agents and employees of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute and deliver all such documents and showings as may be necessary or desirable to carry out and comply with the provisions of this Resolution, and all of the acts and doings of the members, officials, agents and employees of the Authority that are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

Section 5. Repeal of Conflicting Resolutions; Effective Date. All resolutions and parts of resolutions in conflict herewith be and the same are hereby repealed, and this Resolution shall be in full force and effect forthwith upon its passage.

Adopted this 10th day of May, 2005.

Venture Capital Monitoring Report

The Illinois Venture Investment Fund made capital investments in two main categories:

1) Technology Development Bridge Fund

2) Fund-to-funds
   - -Frontenac Illinois Venture Fund, L.P.
   - -ARCH II Parallel Fund, L.P
   - -Champaign-Urbana Venture Fund I
   - -ARCH Development Fund I

Details of the investments follow.

1) Technology Development Bridge Portfolio

The Technology Development Bridge was created to solve a need for a developmental bridge between Illinois' early stage companies and its financial and corporate capital. The TDB provides "seed stage" equity financing to emerging technology companies in Illinois.

The Authority has invested in 32 companies through the Technology Development Bridge Fund totaling **$10,947,045** in matching investments.

Statistics

Cash Invested	$10,947,045
Co-Investments	54,720,052
Total Investments Leveraged	185,158,647
Cash Returned	3,831,659
Written Off	5,336,794
Unrealized Gains	663,246
Portfolio Value* *(Cash In plus Terminal Values)*	8,981,008
IRR (including unrealized gains)	(8.8)%
IRR (excluding unrealized gains)	(12.9)%
Quarterly Return	(3.1)%

Portfolio Summary
As of March 31, 2005
(Terminal Value of Investments)

Company	***Value***
Active Investments	
Riverglass (12/04) – *formerly Moire*	300,000
Firefly Energy (10/03, 6/04)	*917,000*
zuChem (4/03, 5/04)	543,100
Mobitrac (5/02, 5/04, 6/04, 9/04)	265,644
MC² (3/02,3/03, 6/04)	500,000
Accelchip (11/01, 11/04)	147,752
ClearStack Comb. (8/01)	300,000
Stonewater (8/01, 12/00)	4,759
Evantis (4/01, 8/00) – *formerly MBC.com*	-
Neuronautics (3/01)	300,000
UserActive (1/01)	-
ForestOne (8/00)	160,000
Open Channel Software (5/00)	*610,035*
IVMS – VideoHomeTours (4/00, 9/99)	*275,000*
Protez (1/00) – *formerly Influx*	150,000
SmartSignal (5/99, 3/98, 12/03, 3/05)	293,848
Jesup & Lamont (5/99, 12/98) – *formerly Venture Capital Online*	-
NephRx (8/97)	*121,211*
Harmonic Vision (5/98, 12/96)	261,000
Sub-Total Active	**5,149,349**
Liquidated Investments	
Cobotics (5/02)	179,763
PreviewPort (12/01) – *out of business*	0
Epigraph (5/01) (6/02)	0
GoReader (3/01, 10/00) – *out of business*	0
WanderOn (1/01) – *out of business*	87,544
Netzilient (7/00) – *out of business*	0
Proofspace (3/00) - *out of business*	0
Delivery Station (11/99) – *out of business*	0
Perceptual Robotics (6/99, 11/97) – *sold to divine*	20,157
Distributed Bits (4/99, 10/97)	1,944,195
ShopTalk (5/98)	0
Neodesic (3/98) – *out of business*	0
TouchSensor (11/97)	1,600,000
Sub-Total Liquidated	**3,831,659**
Portfolio Value	**8,981,008**

- *Values in italics represent an unrealized gain.*

VALUATION ADJUSTMENTS

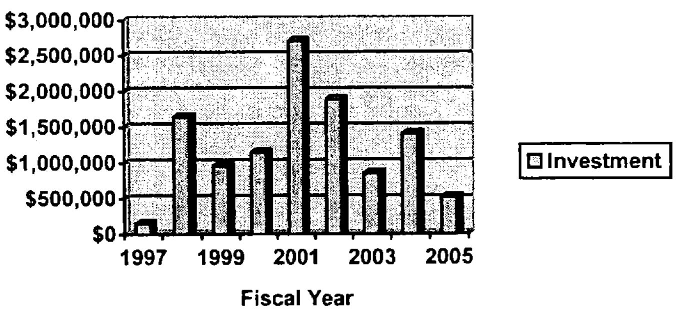
Valuation adjustments are determined on the basis of: additional stock offerings, fund-of-fund portfolio market determinations, and updates provided by the portfolio companies.

- The Authority made **one** investment totaling $41,697 in Q1 2005. The Authority invested $41,697 in SmartSignal Corporation, bringing the total investment amount to $605,795. The investment valuation currently is $293,848.

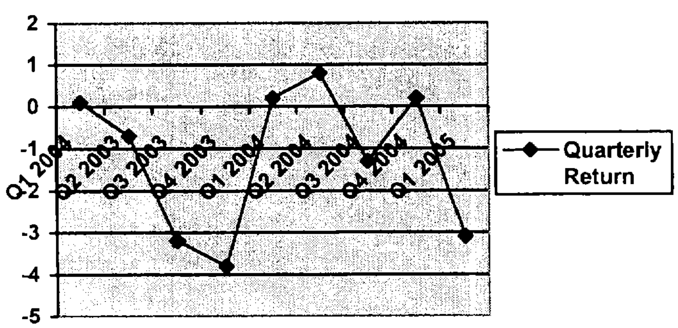
- There was **one** valuation write-down during Q5 2004. *Evantis* was written down from $700,000 to $0 to reflect their current reorganization. (see below)

INVESTMENTS BY FISCAL YEAR

The following chart tracks investments by fiscal year.



QUARTERLY RETURN



Quarterly return results are shown in the graph below.

Q2-2003	**(0.7)%**
Q3-2003	**(3.2)%**
Q4-2003	**(3.8)%**
Q1-2004	**0.2%**
Q2-2004	**0.8%**
Q3-2004	**(1.3)%**
Q4-2004	**0.2%**
Q1-2005	**(3.1)%**

EVENTS OF NOTE

- *AccelChip* has met the tranche milestones for their Series C funding round and anticipates closing the second tranche in Q2 2005.

- *ClearStack* is completing their feasibility study to retrofit a power plant in Southern Illinois. The study is anticipated to be completed in May 2005.

- *Evantis* is currently in the process of restructuring its business. They are aiming to become a one stop shop for people selling their home, providing moving services, realty, mortgages, and other services.

- *Harmonic Vision* recently released Music Ace Maestro. This version of their product is designed to provide music educators with the ability to reconfigure the lessons to meet their individual teaching styles.

- *Firefly Energy* is continuing its progress on both its products. They are pursuing strategies to both secure projects with the Army and are in advanced negotiations to develop a battery for a major power tool company.

- *ForestOne* doubled their revenues for the third consecutive year, while maintaining their margins at a very healthy level.

- *Metalforming Controls Corp* continues to make progress with its major customers. The stamping industry has been experiencing a wave of bankruptcies and consolidation, due to the downturn in the auto industry and higher steel prices. On the up-side, they were able to save a company from bankruptcy through the implementation of their technology for a single part.

- *NephRx* is proceeding on the development of its orphan drug plan for the Renal Peptide. An advisory panel for a pre-IND meeting was held at the Authority in the end of March. With respect to the gastric peptide, they are completing additional tests for mucositis. The Company has submitted a proposal for up to $1M from the Michigan Economic Development Corporation (MEDC) for the gastric peptide.

- *Protez* is seeking to raise a $12-15M Series B round. This round will enable them to in-license a broad-spectrum antibiotic and to continue development on their in house compounds. They hope to close this round by mid-May.

- *Riverglass* is in the final stages of getting a large project for the Illinois State Police. They are currently exploring other potential markets, including the financial market and competitive intelligence.

- *SmartSignal* closed a $4M financing round in Q1 2005, led by new investor Mitsui – a Japanese holding company that will help bring SmartSignal's technology to Asia. They recently hired a new VP-Sales, Bob Anders, who came from I2.

- *Stonewater* continues to expand its engagements. They recently met with the Authority, ITDA and DCEO to discuss strategies to successfully compete for other Homeland Security projects. In 2004/2005, Stonewater successfully participated in a Homeland Security project for Cook County.

- *UserActive* is in the process of negotiating a sale of its Learning Sandbox to a major customer. The remaining assets (SafePassage and Macromentor) will be licensed to a Champaign based company on a revenue sharing agreement. The Company hopes to complete this transaction in Q2 2005.

- *zuChem* has engaged an investment banker to explore disposition of their mannitol and xylitol compounds. They are also in the process of completing a business plan for the pharmaceutical business. Upon completion they intend to seek funding to advance development on their initial compounds.

JOBS CREATED

The active TDB portfolio currently employs 222 people.

2) FUND-TO-FUNDS PORTFOLIO

Portfolio Summary
As of March 31, 2005
(Terminal Value of Investments)

Fund	**Value**
Active Funds	
Arch Development Fund I	140,223
Arch II Parallel Fund	226,142
Champaign Urbana Venture Fund	181,000
Sub-total Active	**547,365**
Liquidated Funds	
Frontenac Illinois Venture Fund	5,372,618
Cerulean Fund I & II	-
Sub-total Liquidated	**5,372,618**
Portfolio Value	**5,919,983**

-FRONTENAC ILLINOIS VENTURE FUND, L.P. I (PLATINUM FUND)

Frontenac Illinois Venture Fund provided venture capital to technology companies, primarily in the Midwest. The venture capital fund scored two large returns with Chicago-based D-Visions Systems, Inc., manufacturers of computer-based digital editing systems, and VREAM Inc., developer of virtual reality authoring tools. IDFA made three contributions for a total amount of $2,000,000 which represented IDFA's 1984 appropriation to support venture capital.

FY 1985	$677,000
FY 1986	667,667
FY 1987	633,333
	$2,000,000

Frontenac Illinois Venture Fund leveraged IDFA's investment with $1.8 million of private funds from Illinois-based corporate pension funds (e.g. John Deere and Caterpillar) and funds directly managed by the Frontenac Company.

The Fund successfully distributed to its limited partners a substantial return on investment. Total distributions from the Frontenac Illinois Venture Fund through FY 1995 were $ 7,372,618, a net gain on the Illinois Venture Investment Fund of $5,372,618.

- CERULEAN FUND I AND II

IDFA made two contributions to the Cerulean Funds: $964,230 was made in 1990 to the Cerulean Fund I and $1,035,770 in 1992 to the Cerulean Fund II.

The Cerulean Fund failed to yield any return on the investment and resulted in a total loss of investment.

-ARCH II PARALLEL FUND, L.P

IDFA made a series of investments totaling $1,200,000 in this fund from January 1996 through December 1996. After failing to fully invest, at the request of the Board of Directors, the fund returned $320,000 in March 1998 leaving $880,000 under management.

The fund made six investments in five companies. IDFA cashed out of the investments in Nanophase Technologies and Eichrom Industries as they returned $111,881 from investments of $101,548. Codman Group and Internet Dynamics are valued at zero by fund management. Apropos Technologies (Nasdaq:APRS) went public and the fund owns 142,002 shares (cost $1.42). As of March 31, 2005 the stock was valued at $3.00 yielding a value of $426,006.

-CHAMPAIGN-URBANA VENTURE FUND I

IDFA invested $181,000 into the Champaign-Urbana Venture Fund (C/U Fund), managed by Cardinal-Fox Capital, in July 2000. The investment represented 11.6% ownership of the limited partnership interests in the fund. The C/U Fund invested in five companies (NetZilient, Epigraph, UserActive, Pyxis Genomics (formerly Anigenics) and InterSymbol Communications). NetZilient (formerly Blackmon & Young), UserActive and Epigraph were funded through the TDB.

The fund fully invested its pool, and in March 2002, the CU Fund I was closed.

-ARCH DEVELOPMENT FUND I

IDFA has made four contributions in ARCH Development Fund I for a total amount of $240,000. IDFA's board approved a $300,000 investment into the fund in August 2000.

The Fund has now $27,220,000 under management, but will remain open for investment through June 30, 2004. ARCH Development Fund currently has 14 companies in its portfolio. Six of these companies currently reside in Illinois. (ARCH portfolio: Adeptia, Arryx, Mobitrac, Open Channel Software, SmartSignal, and zuChem). AccelChip, Mobitrac, NephRx, Open Channel, SmartSignal and zuChem were funded through the TDB.

ARCH Development Fund invested $2,000,000 in NetFuel Ventures for acquisition of their investment portfolio, operations and personnel. They also closed an additional $3,500,000 in stock from the University of Chicago portfolio.

The Fund was not successful in its efforts to obtain a license from the SBA under its SBIC program.

On March 16, 2004, Xcyte Pharmaceuticals priced its Initial Public Offering at $8.00. As of March 31, 2005, the stock closed at $1.23.

ILLINOIS INVESTMENT ACTIVITY

PricewaterhouseCoopers and Venture Economics, along with the National Venture Capital Association recently published the results of a survey of venture investment activities for Q1 2005. Nationally, investors participated in 674 deals totaling $4.6 billion in Q1 2005, slightly below the $5.4 billion for Q4 2004. Over the last two years, quarterly investment activity has averaged between $4.4 billion and $5.9 billion. First time fundings reached a two year high of $1.2 billion to 197 companies on strength of relatively more mature companies receiving their first round of venture capital. Life Sciences accounted for 19% of all deals, while software companies accounted for 29%. Telecommunications accounted for 8% and Networking accounted for 5%. Other industries were consistent with their normal levels.

In Q4 2004, the latest available quarter, 9 Illinois companies received $40.3 million representing 0.9% of the total amount raised by companies – a decrease from the $65 million raised in Q3 2004. Illinois-based investors participated in 41 deals totaling $290.8 million.

	Illinois			TDB	
Quarter	# of Deals	$ Invested		# of Deals	$ Invested
Q1 2002	22	72,288,100		2	595,385
Q2 2002	19	62,389,000		1	300,000
Q3 2002	8	43,150,000		3	662,885
Q4 2002	15	51,179,800		0	0
Q1 2003	15	76,132,000		0	0
Q2 2003	9	37,332,000		1	$100,000
Q3 2003	8	32,300,000		1	$293,100
Q4 2003	12	153,173,000		0	0
Q1 2004	11	132,081,000		2	464,098
Q2 2004	15	76,585,200		0	0
Q3 2004	12	65,240,000		4	950,000
Q4 2004	9	40,300,000		2	425,000
Q1 2005	N/A	N/A		1	$41,697