ILLINOIS FINANCE AUTHORITY
BOARD MEETING
Tuesday, August 10, 2010
Chicago, Illinois

COMMITTEE OF THE WHOLE
8:30 a.m.
Two Prudential Plaza - IFA Chicago Office
180 N Stetson, Suite 2555
Chicago, Illinois

AGENDA

I. Call to Order
II. Roll Call
III. Chairman's Remarks
IV. Message from the Executive Director (with attachments; Tab A)
V. Committee Reports
VI. Project Reports
VII. Project Update
VIII. Other Business
IX. Adjournment

BOARD MEETING
11:30 a.m.
One Prudential Plaza Conference Center
130 East Randolph, 7th Floor
Chicago, Illinois

I. Call to Order
II. Chairman's Remarks
III. Roll Call
IV. Acceptance of Financials
V. Approval of Minutes (Tab B & C)
VI. Project Approvals
VII. Resolutions / Amendments
VIII. Other Business

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Beginning Farmer Bonds ***Final (One-Time Considerations)***						
1	A) Brock Gittleson	Amboy (Lee County)	$ 207,500	0	0	ER
TOTAL AGRICULTURE PROJECTS			$ 207,500	0	0	

BUSINESS AND INDUSTRY

Recovery Zone Facility Bonds ***Final***						
2	Annex II, LLC	Valmeyer (Monroe County)	$ 5,500,000	5	30	KD
Midwestern Area Disaster Bonds ***Preliminary***						
3	KONE Centre Investment Fund, LLC	Moline (Rock Island County)	$ 21,000,000	50	53	KD/RF
TOTAL BUSINESS AND INDUSTRY PROJECTS			$ 26,500,000	55	83	

HIGHER EDUCATION/CULTURAL/501(c)(3)'s

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Revenue Bonds ***Preliminary***						
4	Chicago Mission AAA Hockey Club	Woodridge	$ 9,850,000	4	7	RF
5	The Old Town School of Folk Music, Inc	Chicago	$ 10,000,000	97	75	RF
TOTAL HIGHER EDUCATION/CULTURAL/501(c)(3) PROJECTS			$ 19,850,000	101	82	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Revenue Bonds *Preliminary*						
6	Little Company of Mary Hospital	Evergreen Park and 5 satellite locations in Cook County	$ 75,000,000	N/A	TBD	PL/SG
7	Mercy Hospital	Chicago	$ 80,000,000	N/A	N/A	PL/SG
8	Provena Hospital	Multiple Locations (Cook, Kane, Will Counties)	$ 85,000,000	0	0	PL/SG
TOTAL HEALTHCARE PROJECTS			$ 240,000,000	0	0	
GRAND TOTAL			**$ 286,557,500**	**156**	**165**	

RESOLUTIONS

Tab	Project	FM
Amendatory Resolutions / Resolutions		
9	Resolution to Request Approval Allowing the Release of 1,000 Shares of Castle Bank stock currently held as collateral on on IFA Agri-Debt Guaranteed Loan by Citizens First National Bank of Somonauk to Dean and Cynthia Lundeen (Loan # 1998-GP-1088)	ER
10	Resolution to Request Approval regarding (1) the Release of Angelica E Mollet from personal liability and (2) the Release of an assignment of Life Insurance on Angelica E Mollet in the amount of $50,000 on an IFA Young Farmer Guarantee by The Bank of Edwardsville to Jody G Mollet	ER
11	Resolution to designate Recovery Zone in Monroe County under the American Recovery and Reinvestment Act of 2009	BC
12	Resolution to Appoint Additional Assistant Secretaries	BC

OTHER BUSINESS
ADJOURNMENT

IFA
ILLINOIS FINANCE AUTHORITY

180 North Stetson Ave.
Suite 2555
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

August 10, 2010

TO:	William A. Brandt, Jr., Chairman	Michael W. Goetz, Vice Chairman
	Dr. William Barclay	Roderick S. Bashir
	Ronald E. DeNard	John E. Durburg
	James J. Fuentes	Dr. Roger D. Herrin
	Edward H. Leonard, Sr.	Joseph McInerney
	Terrence M. O'Brien	Roger E. Poole
	Juan B. Rivera	Bradley A. Zeller

RE: Message from the Executive Director

Dear Members of the Authority:

In light of the sacrifices being forced on many of the people of Illinois because of these tough economic times, the Illinois Finance Authority ("IFA") is sensitive to the need for government to do more with less. Consistent with the strategic plan considered in July, the IFA has focused its efforts and resources on its core business of issuing conduit debt. Headcount at the IFA is 21, down from 31 in Fiscal Year 2008. Similarly, the IFA's operating budget has decreased by over 30% from Fiscal Year 2007 to Fiscal Year 2010. We pledge to continue to find ways to save money and become more efficient.

Hope in the Manufacturing Sector

Reflecting overall decline in the manufacturing sector due to the recession, the IFA had seen a dramatic decline in the use of the Industrial Revenue Bond ("IRB") product since calendar 2007. In calendar 2009, the IFA closed three IRB projects for a total amount of $24 million. On July 29, 2010 IFA closed our first IRB transaction of the calendar year for Bison Gear & Engineering Corporation ("Bison Gear"), a company that designs and manufactures gears and motors for use in a variety of industrial and commercial uses. This project will expand Bison's existing operations in St. Charles. Bison Gear currently employs 216 workers and the project financed by this IRB is expected to create 41 new jobs as well as 20 construction jobs. Congratulations to the owners and employees at Bison Gear – and we hope that this project signals that the economy is recovering. .

New 501(c)(3) Borrower – Old Town School of Folk Music

We are particularly pleased to see a new, and high-profile borrower, the Old Town School of Folk Music in Chicago, on this month's agenda for preliminary approval. The Old Town School's ambitious plans to expand its facility were highlighted in the Chicago Tribune since our last meeting. We hope that this is the beginning of a long and productive relationship between the IFA and one of our State's most respected cultural and educational institutions.

Using New Tools to Spur Economic Development

On July 12, 2010, Governor Pat Quinn signed two of the IFA's legislative priorities into law: HB 2369, now Public Act No. 96-1020, and HB 5854, now Public Act 96-1021.

HB 2369 (Mautino-Bradley-Moffitt-Yarbrough-Chapa-LaVia; Wilhelmi-Koehler-Althoff-Hendon) allows the voluntary waiver to the IFA of special, expiring volume cap for the federal Recovery Zone and Qualified Energy Conservation Bond ("QECB") programs. Congress created the Recovery Zone and the QECB programs in February 2009 as part of the ARRA to help create and retain jobs by reducing the borrowing cost for public projects, private projects and energy efficiency projects. Under these programs, the federal government allocated volume cap directly to all 102 Illinois counties and the eight Illinois cities with populations over 100,000.

IFA is working with all of the 110 entities that received Recovery Zone volume cap allocation to encourage voluntary waivers to ensure that these important resources are used to support project financings enabled by ARRA before these programs expire on December 31, 2010. In order to encourage the maximum use of the expiring Recovery Zone resource, HB 2369 also requires that the recipient counties and cities report the use of this resource to IFA, which in turn provides reports to the General Assembly. We hope that the Annex II project located in Monroe County, on the agenda for final consideration this month, will be the first of many Recovery Zone projects issued by IFA using the new tools provided by HB 2369.

HB 5854 (Colvin-Black-Verschoore-Arroyo-Riley; Clayborne) provides IFA with long-sought "multistate" conduit bonding authority as long as there is either (a) a project located in Illinois or (b) the borrower has a significant business presence in Illinois. Several other states have the ability to issue multistate debt. We believe that multistate will make the IFA more competitive nationally, reduce the cost of issuance for IFA borrowers, and provide incentives to larger 501(c)(3) organizations, particularly healthcare organizations, to finance through the IFA and to establish/maintain headquarters in Illinois. The IFA Healthcare team has been actively pursuing potential multistate projects since HB 5854 was signed into law by Governor Quinn.

Special thanks go to Howard Kenner, who so successfully spearheaded IFA's agenda for the Spring 2010 Legislative Session. We appreciate his excellent work.

Finally, IFA aggressively marketed the expanded tax-exempt financing tools made available through the Midwestern Disaster Area Bonds ("MDAB") in eighteen Illinois counties (expires December 31, 2012). The KONE Centre project, which will finance construction of a new building that will retain the North American headquarters of Finland-based KONE in Moline is on today's agenda for consideration of an Inducement Resolution. KONE is one of the world's leading manufacturers of elevators and escalators. KONE acquired Moline-based Montgomery Elevator in 1994. We are hopeful that KONE will be the first MDAB project closed in Illinois.

Healthcare – a great beginning to Fiscal Year 2011

Speaking of new beginnings, the tender and exchange of bonds for The Clare at Water Tower, a high-profile Continuing Care Retirement Community ("CCRC") located on Loyola University's Chicago campus closed in July. We are optimistic that The Clare can fulfill its role as originally envisioned. Christian Homes, another CCRC with locations across central Illinois also closed in July. CCRC's play a vital role to the community in light of the aging of our population as well as an important role within the revenue picture of the IFA. There has been greater attention on CCRC's recently as seen in a report by the U.S. General Accounting Office and recent articles in the Chicago *Tribune*.

The Heathcare sector also saw two "firsts" in July, 2010. NorthShore University Healthsystem, long a regular borrower through the IFA, closed its first fixed rate conduit bond transaction in 25 years. Mercy Hospital, on Chicago's south side, is on the board agenda this month for preliminary consideration of the first FHA 242 Hospital Mortgage Insurance Program bond transaction since 2003.

Finally, the Healthcare team has aggressively engaged with the many new hospital and healthcare system CFOs. We will keep you updated on the progress of these efforts.

Agriculture – solid growth

In July, the IFA closed six separate beginning farmer bonds for a total of $1.1 million.

Conclusion

We look forward to working with you as well as our State and private sector partners to fulfill the IFA's mission of retaining and creating jobs by facilitating access to lower cost capital. As an organization, we are fortunate to be able to see the products of our collective efforts from the new and architecturally innovative Rush Hospital just west of Chicago's Loop to the expansion of the Anderson Schumaker, a forging company on Chicago's west side to the newly opened OSF Hospital in Peoria.

Respectfully,

____

Christopher B. Meister
Executive Director

Attachments:

Attachment 1– General Fund, Financial Results plus the Consolidated Balance Sheet and audit tracking schedule

Attachment 2 – Schedule of Debt

To: Members of the Board of the Illinois Finance Authority ("IFA")

From: Chris Meister, IFA Executive Director

Date: August 5, 2010

Re: FutureGen 2.0 –***New Development***

Today, the U.S. Department of Energy ("USDOE") announced dramatically altered plans for the FutureGen 2.0 project. Essentially, USDOE proposes to repower an existing Ameren electric generation plant in Meredosia (Morgan County), Illinois, rather than developing a new clean coal plant in Mattoon (Coles County), Illinois. Under the revised plans, Coles County will now host a sequestration site, receiving carbon transferred via a proposed pipeline from the Ameren plant in Morgan County. Furthermore, a labor training and/or research-visitors center could ultimately be built near the sequestration site as well, with the addition of new heads of injection and monitoring wells.

The USDOE proposal appears to contemplate bond financing through the IFA for the pipeline portion of FutureGen 2.0. IFA staff will continue to work with Governor Quinn's Office on this project in partnership with our sister agencies: the Department of Commerce & Economic Opportunity ("DCEO"), Illinois Environmental Protection Agency ("IEPA"), and the Illinois Power Agency ("IPA").

We will continue to update the Board as this project develops.

The following documents are attached for your review:

1. AP Story, August 5, 2010
2. Governor Quinn Press Release, August 5, 2010
3. USDOE Press Release, August 5, 2010
4. USDOE "Needed from Illinois" document, August 5, 2010

1. AP Story

US Energy Dept. alters FutureGen plans in Illinois
DAVID MERCER,Associated Press Writer

CHAMPAIGN, Ill. (AP) — The U.S. Department of Energy said Thursday that it has dropped its long-running plans to build a futuristic power plant in eastern Illinois and will instead use the site for the storage of carbon dioxide produced by another Illinois power plant.

The so-called FutureGen project originally was to include an experimental coal-fired power plant near Mattoon. Carbon dioxide from burning the coal would have been stored underground.

The department said Thursday that it will retrofit an existing plant in western Illinois that belongs to Ameren Corporation in Meredosia, Ill. Carbon from the plant will be piped to Mattoon for storage along a 175-mile pipeline it will build.

The entire project is expected to cost $1.1 billion, and construction is expected to begin in the spring. Its target completion date hasn't been determined, U.S. Sen. Dick Durbin said during a conference call Thursday.

The Meredosia plant will test what is known as oxy-combustion — a process where pure oxygen, rather than air, is used to burn fuels such as coal.

The change in plans comes two-and-a-half years after Mattoon — about 45 miles south of Champaign — was chosen with much fanfare to be the home of FutureGen. The town watched as the project was scrapped entirely at one point by the Bush administration, then tentatively revived, provided it could be reworked to lower costs.

There was no immediate reaction from the Futuregen Alliance, a group of private companies that have been working with Department of Energy to build the FutureGen project. Durbin said they would be called on to contribute $275 million.

Durbin described the new version of the Futuregen project as a win for Illinois, and a way to keep the project alive. The initial plan was to test a power-production process known as Integrated Gasification Combined Cycle. Several other projects have ramped up to test that process, Durbin noted, leading the Energy Department to seek a new purpose for FutureGen.

"The heart of this is a research effort," Durbin said. "It really made no sense to build a power plant to prove what's already being tested in three or four other commercial facilities."

A spokesman for U. S. Rep. Tim Johnson, an Urbana Republican who has backed the FutureGen project, called the new plan disappointing.

"What they are announcing is a far cry from they were originally talking about," Phil Bloomer said.

Angela Griffin, an economic development official who worked to bring FutureGen to Mattoon, listened in to Durbin's teleconference but declined to comment afterward. She said she'd only learned about the change in plans earlier Thursday.

The new project will create 1,000 construction jobs for the pipeline, Durbin said. It will also create 50 new jobs at the Meredosia plant. The small town is about 60 miles northwest of Springfield along the Illinois River.

In addition, a training center is planned for Mattoon to teach workers how to build pipelines like to one planned for this project so that other plants could be retrofitted in similar fashion in the future, Durbin said. It isn't clear how many jobs are planned there, he said.

2. ***Governor Quinn Press Release***

OFFICE OF GOVERNOR PAT QUINN

NEWS

FOR IMMEDIATE RELEASE: **CONTACTS:** Ashley Cross (o. 312-814-3158; c. 312-590-7811)
Thursday, August 5, 2010 Grant Klinzman (o. 312-814-3158; c. 217-299-2448)
Christina Mulka, Durbin (o. 202-228-5643)

Governor Quinn and Senator Durbin Issue Joint Statement on FutureGen 2.0

Plans Move Project Forward at Mattoon, Other Illinois Locations, Will Bring Thousands of Jobs to State

CHICAGO – August 5, 2010. Governor Pat Quinn and U.S. Senator Dick Durbin (D-IL) today responded to Secretary of the Department of Energy Steven Chu's announcement that the Department will be moving forward with FutureGen 2.0 in Illinois. FutureGen 2.0 will be a cutting-edge, clean coal repowering program and a carbon dioxide (CO_2) storage network that can be a model for the nation.

Governor Quinn and Senator Durbin released the following statement:

"Three years ago, Illinois was announced as the national winner, today we are announcing that Illinois will still be in the lead when it comes to cutting-edge coal research and creating jobs.

Secretary Chu today confirmed that more than $1 billion in federal Recovery Act funding will be invested in Illinois to break ground on FutureGen 2.0 – a project centered in Mattoon with new projects in Meredosia and other parts of the state.

Advances in other large scale carbon sequestration projects since then have required the Department of Energy to re-tool the project in order to keep the United States on the cutting-edge of clean coal technology.

The people of Illinois have overcome attempts to kill this program, delays and extensions since FutureGen was originally proposed six years ago.

FutureGen 2.0 allows Illinois to remain a leader in innovative technology that will serve as a model for the nation. The new project stays true to the original goal of 90 percent CO2 capture and will provide thousands of good paying jobs in our state.

We would like to thank Coles Together, the Department of Energy, the FutureGen Alliance, Congressman Tim Johnson and the Illinois Congressional Delegation for working hard with us to keep this project alive for so many years."

FutureGen 2.0 will bring more than 1,000 construction jobs to downstate Illinois and another 1,000 jobs to suppliers across the state. The technology for repowering and retrofitting plants derived from FutureGen 2.0 will lead to a decade-long project of repowering and retrofitting many coal-fired power plants in Illinois, creating more than 30,000 jobs in our state over the next ten years.

Across the country, 594 coal-fired plants could be candidates for retrofitting and repowering and thousands more globally. The technology and the training center for those efforts will be centered in Illinois.

The more than $1 billion that was set aside for the original FutureGen project will be reprogrammed and awarded to the FutureGen Alliance, Babcock & Wilcox, Ameren and Air Liquide Process & Construction, Inc. to build FutureGen 2.0. The funding will support four primary areas of work in the state of Illinois:

1) The Department of Energy and its partners will establish a regional deep saline injection CO_2 storage facility in Mattoon, Illinois;

2) The Department of Energy, in cooperation with the Department of Labor and the Illinois Building Trades Council, also plan to develop a regional training center on the Mattoon

site to train workers in building and repowering coal-fired power stations with advanced technologies;

3) The Department of Energy's partners will retrofit and repower Ameren's idle coal-fired power plant in Meredosia, Illinois with advanced Oxy–combustion technology, which will dramatically reduce CO_2, and other pollutants and create of 700 construction jobs and more than 50 permanent jobs; and

4) The Department of Energy will support the construction of a first-of-its-kind Midwest regional CO_2 transportation pipeline from the Meredosia facility to Mattoon, Illinois for sequestration.

3. USDOE Press Release

THE DEPARTMENT OF ENERGY
Office of Public Affairs

News Media Contact:
(202) 586-4940

For Immediate Release:
Thursday, August 5, 2010

Secretary Chu Announces FutureGen 2.0

Awards $1 Billion in Recovery Act Funding for Carbon Capture and Storage Network in Illinois

Washington, D.C. – Today, U.S. Energy Secretary Steven Chu and U.S. Senator Dick Durbin announced the awarding of $1 billion in Recovery Act funding to the FutureGen Alliance, Ameren Energy Resources, Babcock & Wilcox, and Air Liquide Process & Costruction, Inc. to build FutureGen 2.0, a clean coal repowering program and carbon dioxide (CO2) storage network. The project partners estimate the program will bring 900 jobs to downstate Illinois and another 1,000 to suppliers across the state.

"Today's announcement will help ensure the US remains competitive in a carbon constrained economy, creating jobs while reducing greenhouse gas pollution," said Secretary Chu. "This investment in the world's first, commercial-scale, oxy-combustion power plant will help to open up the over $300 billion market for coal unit repowering and position the country as a leader in an important part of the global clean energy economy."

"As with the original FutureGen, Mattoon and the state of Illinois are positioned as leaders in innovative technology that can serve as a model for the nation," said U.S. Senator Dick Durbin. "The new project stays true to the original goal of dramatically reducing pollution and providing thousands of good paying jobs in our state."

With the funds announced today, the partner recipients will repower Ameren's 200 megawatt Unit 4 in Meredosia, Illinois with advanced oxy-combustion technology. The plant's new boiler, air separation unit, CO2 purification and compression unit will deliver 90 percent CO2 capture and eliminate most SOx, NOx, mercury, and particulate emissions. Ameren Energy

Resources estimates that the retrofitting of the plant is expected to create approximately 500 construction jobs and allow Ameren to recall 50 permanent workers who were laid off last year.

This project will also provide performance and emissions data for future commercial guarantees, and establish operating and maintenance experience for future large-scale commercial projects. The FutureGen Alliance will help design the test program for the new facility to incorporate a broad range of coals and operating conditions to expand the market for this repowering approach.

In addition, the project partners, working with the State of Illinois, will establish a regional CO2 storage site in Mattoon, Illinois and a CO2 pipeline network from Meredosia to Mattoon that will transport and store more than 1 million tons of captured CO2 per year. The project partners estimate the new pipeline network is expected to create 275 contruction jobs and 75 permanent jobs. The pipeline network, along with the repository in Mattoon, helps to lay the foundation for a regional CO2 network. The Mattoon site will be used to conduct research on site characterization, injection and storage, and monitoring and measurement.

Oxy-combustion burns coal with a mixture of oxygen and CO2 instead of air to produce a concentrated CO2 stream for safe, permanent, storage. In addition, oxy-combustion technology creates a near-zero emissions plant by eliminating almost all of the mercury, SOx, NOx, and particulate pollutants from plant emissions. The Department of Energy's National Energy Technology Laboratory studies have identified oxy-combustion as potentially the least cost approach to clean-up existing coal-fired facilities and capture CO2 for geologic storage.

FutureGen 2.0 stays true to the original spirit of the FutureGen project by advancing technology that can make the United States a world leader in carbon capture and storage. Secretary Chu and Senator Durbin intend to visit the Illinois sites for this project in the coming weeks.

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4. "Needed from Illinois"

Needed from the State Illinois
FutureGen 2.0
August 2010

Top Line:

The US Department of Energy will announce a major new initiative to repower America's coal industry, creating jobs in the electric power and-coal industries in the United States by awarding more than $1Billion to the FutureGen Alliance, Babcock & Wilcox, and Ameren in Illinois to build FutureGen 2.0, a cutting edge clean coal repowering program at Ameren, Meredosia Unit 4 and a carbon dioxide (CO2) storage network based in Mattoon that can be a model for the nation.

Specifics for the State of Illinois:
In partnership with the FutureGen Alliance, the Illinois State Geologic Survey (ISGS) will establish both a regional CO_2 storage site in Mattoon, Illinois and a CO_2 pipeline line from Meredosia connecting to a new trunk line. This proposed trunk line would run along existing natural gas pipeline rights of way, from Riverton, east to Decatur, and then south to the Mattoon regional storage site. The FutureGen Alliance will also partner with ISGS to construct deep saline injection wells at the FutureGen project site in Mattoon, including subcontracted operations and maintenance of the regional storage facility and the CO_2 pipeline network.

State Leadership Requirements:

1) State Bond Financing supported by sequestration revenues
    a. Pipeline Approx $75M
    b. Mattoon Approx $25M
2) Illinois Power Authority commitment to work with Ameren on a power purchase agreement, Clean Coal Portfolio, and Midwest ISO
3) State legislation to extend acceptance of CO2 custody and liability for long term in exchange for potential revenues from CO2 transport and storage
4) Commitment to use the Mattoon storage facility for any CO2 in Illnois
5) Determination that the CO2 credits belong to the project sponsor
6) Assistance to expedite air, water, and other environmental permits
7) Assistance in right-of-way for CO2 pipelines
8) Buy-in from Illinois Geologic Survey to participate in storage project

We look forward to working with Illinois to make these pieces fit together

Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
for Period Ending
July 31, 2010

	Actual July 2010	Budget July 2010	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2011	Budget YTD FY 2011	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2011	% of Budget Expended
REVENUE										
INTEREST ON LOANS	134,885	80,818	54,067	66.90%	134,885	80,818	54,067	66.90%	1,146,121	11.77%
INVESTMENT INTEREST & GAIN(LOSS)	5,398	1,708	3,690	216.04%	5,398	1,708	3,690	216.04%	20,500	26.33%
ADMINISTRATIONS & APPLICATION FEES	756,097	335,349	420,748	125.47%	756,097	335,349	420,748	125.47%	3,569,338	21.18%
ANNUAL ISSUANCE & LOAN FEES	34,580	48,594	(14,014)	-28.84%	34,580	48,594	(14,014)	-28.84%	582,892	5.93%
OTHER INCOME	7,255	6,878	377	5.49%	7,255	6,878	377	5.49%	82,537	100.00%
TOTAL REVENUE	938,215	473,347	464,868	98.21%	938,215	473,347	464,868	98.21%	5,401,388	17.37%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	209,265	181,888	27,377	15.05%	209,265	181,888	27,377	15.05%	2,354,798	8.89%
BENEFITS	26,310	22,512	3,798	16.87%	26,310	22,512	3,798	16.87%	286,314	9.19%
TEMPORARY HELP	628	417	211	50.50%	628	417	211	50.50%	5,000	12.55%
EDUCATION & DEVELOPMENT	-	1,667	(1,667)	-100.00%	-	1,667	(1,667)	-100.00%	20,000	0.00%
TRAVEL & AUTO	4,863	6,250	(1,387)	-22.19%	4,863	6,250	(1,387)	-22.19%	75,000	6.48%
TOTAL EMPLOYEE RELATED EXPENSES	241,065	212,734	28,331	13.32%	241,065	212,734	28,331	13.32%	2,741,112	8.79%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	20,875	20,833	42	0.20%	20,875	20,833	42	0.20%	250,000	8.35%
LOAN EXPENSE & BANK FEE	10,002	10,875	(873)	-8.03%	10,002	10,875	(873)	-8.03%	130,500	7.66%
ACCOUNTING & AUDITING	28,318	26,325	1,993	7.57%	28,318	26,325	1,993	7.57%	315,904	8.96%
MARKETING GENERAL	103	2,083	(1,980)	-95.07%	103	2,083	(1,980)	-95.07%	25,000	0.41%
FINANCIAL ADVISORY	23,750	31,250	(7,500)	-24.00%	23,750	31,250	(7,500)	-24.00%	375,000	6.33%
CONFERENCE/TRAINING	384	1,667	(1,283)	-76.96%	384	1,667	(1,283)	-76.96%	20,000	1.92%
MISC. PROFESSIONAL SERVICES	15,375	15,375	-	0.00%	15,375	15,375	-	0.00%	184,500	8.33%
DATA PROCESSING	2,322	4,583	(2,261)	-49.34%	2,322	4,583	(2,261)	-49.34%	55,000	4.22%
TOTAL PROFESSIONAL SERVICES	101,128	112,991	(11,863)	-10.50%	101,128	112,991	(11,863)	-10.50%	1,355,904	7.46%

Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
for Period Ending
July 31, 2010

	Actual July 2010	Budget July 2010	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2011	Budget YTD FY 2011	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2011	% of Budget Expended
OCCUPANCY COSTS										
OFFICE RENT	22,057	22,840	(783)	-3.43%	22,057	22,840	(783)	-3.43%	274,076	8.05%
EQUIPMENT RENTAL AND PURCHASES	1,368	1,700	(332)	-19.51%	1,368	1,700	(332)	-19.51%	20,400	6.71%
TELECOMMUNICATIONS	3,462	5,050	(1,588)	-31.44%	3,462	5,050	(1,588)	-31.44%	60,600	5.71%
UTILITIES	1,055	917	138	15.06%	1,055	917	138	15.06%	11,000	9.59%
DEPRECIATION	2,628	4,109	(1,481)	-36.05%	2,628	4,109	(1,481)	-36.05%	49,305	5.33%
INSURANCE	1,929	1,900	29	1.54%	1,929	1,900	29	1.54%	22,800	8.46%
TOTAL OCCUPANCY COSTS	32,500	36,516	(4,016)	-11.00%	32,500	36,516	(4,016)	-11.00%	438,181	7.42%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	4,077	4,458	(381)	-8.54%	4,077	4,458	(381)	-8.54%	53,500	7.62%
BOARD MEETING - EXPENSES	4,196	3,000	1,196	39.85%	4,196	3,000	1,196	39.85%	36,000	11.65%
PRINTING	482	542	(60)	-11.11%	482	542	(60)	-11.11%	6,500	7.41%
POSTAGE & FREIGHT	1,175	1,250	(75)	-6.01%	1,175	1,250	(75)	-6.01%	15,000	7.83%
MEMBERSHIP, DUES & CONTRIBUTIONS	729	2,708	(1,979)	-73.09%	729	2,708	(1,979)	-73.09%	32,500	2.24%
PUBLICATIONS	159	250	(91)	-36.30%	159	250	(91)	-36.30%	3,000	5.31%
OFFICERS & DIRECTORS INSURANCE	16,604	15,833	771	4.87%	16,604	15,833	771	4.87%	190,000	8.74%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	27,422	28,041	(619)	-2.21%	27,422	28,041	(619)	-2.21%	336,500	8.15%
LOAN LOSS PROVISION/BAD DEBT	25,000	25,000	-	0.00%	25,000	25,000	-	0.00%	300,000	8.33%
OTHER										
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL EXPENSES	427,115	415,282	11,833	2.85%	427,115	415,282	11,833	2.85%	5,171,697	8.26%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	511,100	58,065	453,035	780.22%	511,100	58,065	453,035	780.22%	229,691	222.52%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	-	-	-	0.00%	-	-	-	0.00%	-	-
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	511,100	58,065	453,035	780.22%	511,100	58,065	453,035	780.22%	229,691	222.52%

Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
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	Actual July 2010	Actual July 2009	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2011	Actual YTD FY 2010	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	134,885	103,250	31,635	30.64%	134,885	103,250	31,635	30.64%
INVESTMENT INTEREST & GAIN(LOSS)	5,398	5,255	143	2.72%	5,398	5,255	143	2.72%
ADMINISTRATIONS & APPLICATION FEES	756,097	537,727	218,370	40.61%	756,097	537,727	218,370	40.61%
ANNUAL ISSUANCE & LOAN FEES	34,580	47,407	(12,828)	-27.06%	34,580	47,407	(12,828)	-27.06%
OTHER INCOME	7,255	16,532	(9,277)	-56.11%	7,255	16,532	(9,277)	-56.11%
TOTAL REVENUE	938,215	710,171	228,044	32.11%	938,215	710,171	228,044	32.11%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	209,265	224,651	(15,386)	-6.85%	209,265	224,651	(15,386)	-6.85%
BENEFITS	26,310	23,706	2,603	10.98%	26,310	23,706	2,603	10.98%
TEMPORARY HELP	628	2,740	(2,112)	-77.09%	628	2,740	(2,112)	-77.09%
EDUCATION & DEVELOPMENT	-	-	-	0.00%	-	-	-	0.00%
TRAVEL & AUTO	4,863	1,161	3,702	318.94%	4,863	1,161	3,702	318.94%
TOTAL EMPLOYEE RELATED EXPENSES	241,065	252,258	(11,192)	-4.44%	241,065	252,258	(11,192)	-4.44%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	20,875	15,742	5,133	32.61%	20,875	15,742	5,133	32.61%
LOAN EXPENSE & BANK FEE	10,002	7,665	2,337	30.49%	10,002	7,665	2,337	30.49%
ACCOUNTING & AUDITING	28,318	22,813	5,505	24.13%	28,318	22,813	5,505	24.13%
MARKETING GENERAL	103	-	103	0.00%	103	-	103	0.00%
FINANCIAL ADVISORY	23,750	18,333	5,417	29.55%	23,750	18,333	5,417	29.55%
CONFERENCE/TRAINING	384	-	384	0.00%	384	-	384	0.00%
MISC. PROFESSIONAL SERVICES	15,375	-	15,375	0.00%	15,375	-	15,375	0.00%
DATA PROCESSING	2,322	2,533	(211)	-8.34%	2,322	2,533	(211)	-8.34%
TOTAL PROFESSIONAL SERVICES	101,128	67,086	34,042	50.74%	101,128	67,086	34,042	50.74%

Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
July 31, 2010

	Actual July 2010	Actual July 2009	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2011	Actual YTD FY 2010	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	22,057	22,106	(50)	-0.22%	22,057	22,106	(50)	-0.22%
EQUIPMENT RENTAL AND PURCHASES	1,368	3,953	(2,585)	-65.39%	1,368	3,953	(2,585)	-65.39%
TELECOMMUNICATIONS	3,462	5,451	(1,988)	-36.48%	3,462	5,451	(1,988)	-36.48%
UTILITIES	1,055	1,007	48	4.82%	1,055	1,007	48	4.82%
DEPRECIATION	2,628	5,227	(2,600)	-49.73%	2,628	5,227	(2,600)	-49.73%
INSURANCE	1,929	1,861	68	3.65%	1,929	1,861	68	3.65%
TOTAL OCCUPANCY COSTS	32,500	39,606	(7,106)	-17.94%	32,500	39,606	(7,106)	-17.94%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	4,077	3,819	258	6.76%	4,077	3,819	258	6.76%
BOARD MEETING - EXPENSES	4,196	237	3,959	1673.49%	4,196	237	3,959	1673.49%
PRINTING	482	569	(87)	-15.29%	482	569	(87)	-15.29%
POSTAGE & FREIGHT	1,175	1,269	(94)	-7.40%	1,175	1,269	(94)	-7.40%
MEMBERSHIP, DUES & CONTRIBUTIONS	729	1,580	(851)	-53.88%	729	1,580	(851)	-53.88%
PUBLICATIONS	159	(6)	165	-2953.76%	159	(6)	165	-2953.76%
OFFICERS & DIRECTORS INSURANCE	16,604	16,917	(313)	-1.85%	16,604	16,917	(313)	-1.85%
MISCELLANEOUS	-	-	-	-	-	-	-	-
TOTAL GENL & ADMIN EXPENSES	27,422	24,385	3,037	12.46%	27,422	24,385	3,037	12.46%
LOAN LOSS PROVISION/BAD DEBT	25,000	25,000	-	0.00%	25,000	25,000	-	0.00%
OTHER								
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%
TOTAL EXPENSES	427,115	408,334	18,781	4.60%	427,115	408,334	18,781	4.60%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	511,100	301,837	209,263	69.33%	511,100	301,837	209,263	69.33%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER	-	31,938	(31,938)	0.00%	-	31,938	(31,938)	-100.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	511,100	333,776	177,325	53.13%	511,100	333,776	177,325	53.13%

Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
for Period Ending
July 31, 2010

	Actual July 2010	Budget July 2010	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2011	Budget YTD FY 2011	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2010	% of Budget Expended
REVENUE										
INTEREST ON LOANS	314,046	268,549	45,497	16.94%	314,046	268,549	45,497	16.94%	3,291,666	9.54%
INVESTMENT INTEREST & GAIN(LOSS)	66,185	60,708	5,477	9.02%	66,185	60,708	5,477	9.02%	728,492	9.09%
ADMINISTRATIONS & APPLICATION FEES	756,097	335,349	420,748	125.47%	756,097	335,349	420,748	125.47%	3,569,338	21.18%
ANNUAL ISSUANCE & LOAN FEES	34,580	53,594	(19,014)	-35.48%	34,580	53,594	(19,014)	-35.48%	642,892	5.38%
OTHER INCOME	32,304	6,878	25,426	369.67%	32,304	6,878	25,426	369.67%	82,537	39.14%
APPROPRIATIONS FROM STATE	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	1,203,211	725,078	478,133	65.94%	1,203,211	725,078	478,133	65.94%	8,314,925	14.47%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	209,265	181,888	27,377	15.05%	209,265	181,888	27,377	15.05%	2,354,798	8.89%
BENEFITS	26,310	22,512	3,798	16.87%	26,310	22,512	3,798	16.87%	286,314	9.19%
TEMPORARY HELP	628	417	211	50.50%	628	417	211	50.50%	5,000	12.55%
EDUCATION & DEVELOPMENT	-	1,667	(1,667)	-100.00%	-	1,667	(1,667)	-100.00%	20,000	0.00%
TRAVEL & AUTO	4,863	6,250	(1,387)	-22.19%	4,863	6,250	(1,387)	-22.19%	75,000	6.48%
TOTAL EMPLOYEE RELATED EXPENSES	241,065	212,734	28,331	13.32%	241,065	212,734	28,331	13.32%	2,741,112	8.79%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	22,958	23,750	(792)	-3.34%	22,958	23,750	(792)	-3.34%	285,000	8.06%
LOAN EXPENSE & BANK FEE	206,267	207,148	(881)	-0.43%	206,267	207,148	(881)	-0.43%	2,771,070	7.44%
ACCOUNTING & AUDITING	30,164	28,421	1,743	6.13%	30,164	28,421	1,743	6.13%	341,054	8.84%
MARKETING GENERAL	103	2,083	(1,980)	-95.07%	103	2,083	(1,980)	-95.07%	25,000	0.41%
FINANCIAL ADVISORY	23,750	31,250	(7,500)	-24.00%	23,750	31,250	(7,500)	-24.00%	375,000	6.33%
CONFERENCE/TRAINING	384	1,667	(1,283)	-76.96%	384	1,667	(1,283)	-76.96%	20,000	1.92%
MISC. PROFESSIONAL SERVICES	18,708	18,708	-	0.00%	18,708	18,708	-	0.00%	224,500	8.33%
DATA PROCESSING	2,322	4,583	(2,261)	-49.34%	2,322	4,583	(2,261)	-49.34%	55,000	4.22%
TOTAL PROFESSIONAL SERVICES	304,655	317,610	(12,955)	-4.08%	304,655	317,610	(12,955)	-4.08%	4,096,624	7.44%

Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
for Period Ending
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	Actual July 2010	Budget July 2010	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2011	Budget YTD FY 2011	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2010	% of Budget Expended
OCCUPANCY COSTS										
OFFICE RENT	22,057	22,840	(783)	-3.43%	22,057	22,840	(783)	-3.43%	274,076	8.05%
EQUIPMENT RENTAL AND PURCHASES	1,368	1,700	(332)	-19.51%	1,368	1,700	(332)	-19.51%	20,400	6.71%
TELECOMMUNICATIONS	3,462	5,050	(1,588)	-31.44%	3,462	5,050	(1,588)	-31.44%	60,600	5.71%
UTILITIES	1,055	917	138	15.06%	1,055	917	138	15.06%	11,000	9.59%
DEPRECIATION	2,628	4,109	(1,481)	-36.05%	2,628	4,109	(1,481)	-36.05%	49,305	5.33%
INSURANCE	1,929	1,900	29	1.54%	1,929	1,900	29	1.54%	22,800	8.46%
TOTAL OCCUPANCY COSTS	32,500	36,516	(4,016)	-11.00%	32,500	36,516	(4,016)	-11.00%	438,181	7.42%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	4,077	4,458	(381)	-8.54%	4,077	4,458	(381)	-8.54%	53,500	7.62%
BOARD MEETING - EXPENSES	4,196	3,000	1,196	39.85%	4,196	3,000	1,196	39.85%	36,000	11.65%
PRINTING	482	542	(60)	-11.11%	482	542	(60)	-11.11%	6,500	7.41%
POSTAGE & FREIGHT	1,175	1,250	(75)	-6.01%	1,175	1,250	(75)	-6.01%	15,000	7.83%
MEMBERSHIP, DUES & CONTRIBUTIONS	729	2,708	(1,979)	-73.09%	729	2,708	(1,979)	-73.09%	32,500	2.24%
PUBLICATIONS	159	250	(91)	-36.30%	159	250	(91)	-36.30%	3,000	5.31%
OFFICERS & DIRECTORS INSURANCE	16,604	15,833	771	4.87%	16,604	15,833	771	4.87%	190,000	8.74%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	27,422	28,041	(619)	-2.21%	27,422	28,041	(619)	-2.21%	336,500	8.15%
LOAN LOSS PROVISION/BAD DEBT	25,000	116,667	(91,667)	-78.57%	25,000	116,667	(91,667)	-78.57%	1,400,000	1.79%
OTHER										
INTEREST EXPENSE	550	550	-	0.00%	550	550	-	0.00%	6,317	8.71%
TOTAL OTHER	550	550	-	0.00%	550	550	-	0.00%	6,317	8.71%
TOTAL EXPENSES	631,192	712,118	(80,926)	-11.36%	631,192	712,118	(80,926)	-11.36%	9,018,734	7.00%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	572,019	12,960	559,059	4313.73%	572,019	12,960	559,059	4313.73%	(703,809)	-81.27%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFERS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	572,019	12,960	559,059	4313.73%	572,019	12,960	559,059	4313.73%	(703,809)	-81.27%

Illinois Finance Authority
Consolidated
Statement of Activities
Comparison
for July 2010 and July 2009

	Actual July 2010	Actual July 2009	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2011	Actual YTD FY 2010	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	314,046	426,713	(112,668)	-26.40%	314,046	426,713	(112,668)	-26.40%
INVESTMENT INTEREST & GAIN(LOSS)	66,185	(25,835)	92,020	-356.19%	66,185	(25,835)	92,020	-356.19%
ADMINISTRATIONS & APPLICATION FEES	756,097	537,727	218,370	40.61%	756,097	537,727	218,370	40.61%
ANNUAL ISSUANCE & LOAN FEES	34,580	47,407	(12,828)	-27.06%	34,580	47,407	(12,828)	-27.06%
OTHER INCOME	32,304	30,540	1,764	5.78%	32,304	30,540	1,764	5.78%
	-	-	-	0.00%	-	-	-	-
TOTAL REVENUE	1,203,211	1,016,552	186,659	18.36%	1,203,211	1,016,552	186,659	18.36%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	209,265	224,651	(15,386)	-6.85%	209,265	224,651	(15,386)	-6.85%
BENEFITS	26,310	23,706	2,603	10.98%	26,310	23,706	2,603	10.98%
TEMPORARY HELP	628	2,740	(2,112)	-77.09%	628	2,740	(2,112)	-77.09%
EDUCATION & DEVELOPMENT	-	-	-	0.00%	-	-	-	0.00%
TRAVEL & AUTO	4,863	1,161	3,702	318.94%	4,863	1,161	3,702	318.94%
TOTAL EMPLOYEE RELATED EXPENSES	241,065	252,258	(11,192)	-4.44%	241,065	252,258	(11,192)	-4.44%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	22,958	16,575	6,383	38.51%	22,958	16,575	6,383	38.51%
LOAN EXPENSE & BANK FEE	206,267	(824,723)	1,030,990	-125.01%	206,267	(824,723)	1,030,990	-125.01%
ACCOUNTING & AUDITING	30,164	24,859	5,305	21.34%	30,164	24,859	5,305	21.34%
MARKETING GENERAL	103	-	103	0.00%	103	-	103	0.00%
FINANCIAL ADVISORY	23,750	18,333	5,417	29.55%	23,750	18,333	5,417	29.55%
CONFERENCE/TRAINING	384	-	384	0.00%	384	-	384	0.00%
MISC. PROFESSIONAL SERVICES	18,708	3,333	15,375	0.00%	18,708	3,333	15,375	461.30%
DATA PROCESSING	2,322	2,533	(211)	-8.34%	2,322	2,533	(211)	-8.34%
TOTAL PROFESSIONAL SERVICES	304,655	(759,090)	1,063,746	-140.13%	304,655	(759,090)	1,063,746	-140.13%

Illinois Finance Authority
Consolidated
Statement of Activities
Comparison
for July 2010 and July 2009

	Actual July 2010	Actual July 2009	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2011	Actual YTD FY 2010	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	22,057	22,106	(50)	-0.22%	22,057	22,106	(50)	-0.22%
EQUIPMENT RENTAL AND PURCHASES	1,368	3,953	(2,585)	-65.39%	1,368	3,953	(2,585)	-65.39%
TELECOMMUNICATIONS	3,462	5,451	(1,988)	-36.48%	3,462	5,451	(1,988)	-36.48%
UTILITIES	1,055	1,007	48	4.82%	1,055	1,007	48	4.82%
DEPRECIATION	2,628	5,227	(2,600)	-49.73%	2,628	5,227	(2,600)	-49.73%
INSURANCE	1,929	1,861	68	3.65%	1,929	1,861	68	3.65%
TOTAL OCCUPANCY COSTS	32,500	39,606	(7,106)	-17.94%	32,500	39,606	(7,106)	-17.94%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	4,077	3,819	258	6.76%	4,077	3,819	258	6.76%
BOARD MEETING - EXPENSES	4,196	237	3,959	1673.49%	4,196	237	3,959	1673.49%
PRINTING	482	569	(87)	-15.29%	482	569	(87)	-15.29%
POSTAGE & FREIGHT	1,175	1,269	(94)	-7.40%	1,175	1,269	(94)	-7.40%
MEMBERSHIP, DUES & CONTRIBUTIONS	729	1,580	(851)	-53.88%	729	1,580	(851)	-53.88%
PUBLICATIONS	159	(6)	165	-2953.76%	159	(6)	165	-2953.76%
OFFICERS & DIRECTORS INSURANCE	16,604	16,917	(313)	-1.85%	16,604	16,917	(313)	-1.85%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%
TOTAL GENL & ADMIN EXPENSES	27,422	24,385	3,037	12.46%	27,422	24,385	3,037	12.46%
LOAN LOSS PROVISION/BAD DEBT	25,000	25,000	-	0.00%	25,000	25,000	-	0.00%
OTHER								
INTEREST EXPENSE	550	597	(47)	-7.87%	550	597	(47)	-7.87%
TOTAL OTHER	550	597	(47)	-7.87%	550	597	(47)	-7.87%
TOTAL EXPENSES	631,192	(417,245)	1,048,437	-251.28%	631,192	(417,245)	1,048,437	-251.28%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	572,019	1,433,798	(861,778)	-60.10%	572,019	1,433,798	(861,778)	-60.10%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER TO STATE OF ILLINOIS	-	-	-	0.00%	-	-	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-		-	-	-	0.00%
NET INCOME/(LOSS)	572,019	1,433,798	(861,778)	-60.10%	572,019	1,433,798	(861,778)	-60.10%

Illinois Finance Authority
Consolidated
Unaudited
Balance Sheet
for the One Month Ending July 31, 2010

	Actual July 2009	Actual July 2010
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	$ 28,774,436	$ 34,735,088
RECEIVABLES, NET	115,844	101,950
LOAN RECEIVABLE, NET	95,198,178	88,030,074
OTHER RECEIVABLES	462,544	1,378,213
PREPAID EXPENSES	59,945	222,710
TOTAL CURRENT ASSETS	124,610,947	124,468,035
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	93,457	60,700
DEFERRED ISSUANCE COSTS	566,734	475,687
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES	38,197,542	40,642,356
VENTURE CAPITAL INVESTMENTS	5,377,739	2,512,917
OTHER	3,000,000	3,000,000
TOTAL OTHER ASSETS	46,575,281	46,155,273
TOTAL ASSETS	$ 171,846,419	$ 171,159,695
LIABILITIES		
CURRENT LIABILITIES	838,612	1,472,137
LONG-TERM LIABILITIES	56,671,996	56,880,316
TOTAL LIABILITIES	57,510,608	58,352,453
EQUITY		
CONTRIBUTED CAPITAL	35,608,692	35,608,692
RETAINED EARNINGS	27,173,957	26,227,036
NET INCOME / (LOSS)	1,433,798	572,019
RESERVED/RESTRICTED FUND BALANCE	37,471,193	37,751,324
UNRESERVED FUND BALANCE	12,648,171	12,648,171
TOTAL EQUITY	114,335,811	112,807,242
TOTAL LIABILITIES & EQUITY	$ 171,846,419	$ 171,159,695

Illinois Finance Authority
General Fund
Unaudited
Balance Sheet
for the One Month Ending July 31, 2010

		Actual July 2010
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	$	21,207,745
RECEIVABLES, NET		101,950
LOAN RECEIVABLE, NET		19,657,261
OTHER RECEIVABLES		130,367
PREPAID EXPENSES		222,710
TOTAL CURRENT ASSETS		41,320,033
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION		60,700
DEFERRED ISSUANCE COSTS		351,706
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES		1,580,877
VENTURE CAPITAL INVESTMENTS		-
OTHER		(859)
TOTAL OTHER ASSETS		1,580,018
TOTAL ASSETS	$	43,312,457
LIABILITIES		
CURRENT LIABILITIES	$	1,365,399
LONG-TERM LIABILITIES		510,689
TOTAL LIABILITIES		1,876,088
EQUITY		
CONTRIBUTED CAPITAL		4,111,479
RETAINED EARNINGS		24,842,492
NET INCOME / (LOSS)		511,100
RESERVED/RESTRICTED FUND BALANCE		1,732,164
UNRESERVED FUND BALANCE		10,239,134
TOTAL EQUITY		41,436,369
TOTAL LIABILITIES & EQUITY	$	43,312,457

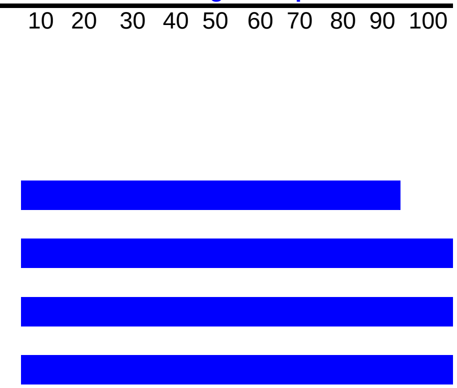
Illinois Finance Authority
FY09 Audit Finding: Material
Update as of July 31, 2010

Number of Material Findings - 1

Item Number	Description	Finding Type	Comments	Percentage Completed
Government Auditing Standards:				10 20 30 40 50 60 70 80 90 100
09-01	**Valuation of Venture Capital Investments**	Significant Deficiency	**Auditor Recommendation:** The IFA has not had an independent valuation of its venture capital investments since fiscal year 2006. We recommend the Authority obtain an independent valuation of the investment portfolio periodically in order to support the amounts recorded and disclosed in the financial statements. **Authority Response:** The Authority accepted the auditor's recommendation. The valuation of the venture capital portfolio has been completed and the books have been adjusted.	

Illinois Finance Authority
FY09 Audit Finding: Immaterial
Update as of July 31, 2010

Item Number	Description	Percentage Completed
Total Number of 4		
FY 09 Immaterial Findings		
IM09-01	Failure to Report Revenue Bond Information to the Illinois Office of the Comptroller	
IM09-02	Inaccurate Agency Report of State Property (C-15)	
IM09-03	Lack of Disaster Contingency Testing to Ensure Recovery of Computer Systems	
IM09-04	Weaknesses Regarding the Security and Control of Confidential Information	



ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

Conduit debt issued under he Illinois Finance Authority Act [20 ILCS 3501/845-5(a)] which does not constitute an indebtedness or an obligation, either general or moral, or a pledge of the full faith or a loan of the Authority, the State of Illinois or any Political Subdivision of the State within the purview of any constitutional or statutory limitation or provisions with special limited obligations of the Authority secured under provisions of the individual Bond Indentures and Loan Agreements with the exception of the bonds identified below in Sec ion I (b) -- General Purpose Moral Obliga ion/State Component Parts -- which are subject to the $28.15B cap in Section 845-5(a).

Section I (a)		**Principal Outstanding June 30, 2010**	**Principal Outstanding July 31, 2010**	**Program Limitations**	**Remaining Capacity**
Illinois Finance Authority "IFA"					
286	Agriculture	$ 48,756,000	$ 49,830,000		
87	Education	3,721,552,000	3,633,623,000		
217	Healthcare	10,850,978,000	11,109,955,000		
62	Industrial Development	345,870,000	353,035,000		
21	Local Government	264,060,000	264,060,000		
18	Mul ifamily/Senior Housing	157,979,000	157,918,000		
96	501(c)(3) Not-for Profits	1,313,239,000	1,308,153,000		
5	Exempt Facilities Bonds	130,500,000	130,500,000		
792	**Total IFA Principal Outstanding**	**$ 16,832,934,000**	**$ 17,007,074,000**		
Illinois Development Finance Authority "IDFA" [b]					
4	Education	42,196,000	42,196,000		
6	Healthcare	404,660,000	288,860,000		
76	Industrial Development	562,892,000	561,731,000		
35	Local Government	386,034,000	386,034,000		
16	Mul ifamily/Senior Housing	147,219,000	146,585,000		
104	501(c)(3) Not-for Profits	1,025,002,000	1,019,679,000		
1	Exempt Facilities Bonds	24,860,000	24,860,000		
238	**Total IDFA Principal Outstanding**	**$ 2,592,863,000**	**$ 2,469,945,000**		
Illinois Rural Bond Bank "IRBB" [b]					
18	Bond Bank Revenue Bonds	26,385,000	26,385,000		
1	Conduit Debt	2,390,000	2,390,000		
19	**Total IRBB Principal Outstanding**	**$ 28,775,000**	**$ 28,775,000**		
109	**Illinois Health Facilities Authority "IHFA"**	**$ 2,908,471,000**	**$ 2,898,417,000**		
49	**Illinois Educational Facilities Authority "IEFA"**	**$ 1,446,134,000**	**$ 1,432,532,000**		
604	**Illinois Farm Development Authority "IFDA" [f]**	**$ 47,029,000**	**$ 47,029,000**		
1,811	**Total Illinois Finance Authority Debt**	**$ 23,856,206,000**	**$ 23,883,772,000**	**$ 28,150,000,000**	**$ 4,266,228,000**

Issued under the Illinois Finance Au hority Act [20 ILCS 3501/845-5(a)]

Section I (b)		**Principal Outstanding June 30, 2010**	**Principal Outstanding July 31, 2010**	**Program Limitations**	**Remaining Capacity**
General Purpose Moral Obligations					
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]					
18	Issued through IRBB	$ 26,385,000	$ 26,385,000		
9	Issued through IFA	68,000,000	68,000,000		
27	**Total General Moral Obligations**	**$ 94,385,000**	**$ 94,385,000**	**$ 150,000,000**	**$ 55,615,000**
Financially Distressed Cities Moral Obligations					
Illinois Finance Authority Act [20 ILCS 3501/825-60]					
1	Issued through IFA	$ 2,395,000	$ 2,395,000		
1	Issued through IDFA	4,660,000	4,660,000		
2	**Total Financially Distressed Cities**	**$ 7,055,000**	**$ 7,055,000**	**$ 50,000,000**	**$ 42,945,000**
State Component Unit Bonds [c]					
18	Issued through IRBB	$ 26,385,000	$ 26,385,000		
2	Issued through IDFA	94,075,000	$ 100,915,000		
12	Issued through IFA	159,198,000	159,198,000		
32	**Total State Component Unit Bonds**	**$ 279,658,000**	**$ 286,498,000**		

Designated exclusive Issuer by the Governor of the State of llinois to issue Midwest Disaster Bonds in Illinois, February 11, 2010.

Section I (c)	**Principal Outstanding June 30, 2010**	**Principal Outstanding July 31, 2010**	**Program Limitations**	**Remaining Capacity**
Midwest Disaster Bonds [Flood Relief]	**$ -**	**$ -**	**$ 1,515,271,000**	**$ 1,515,271,000**

Issued under the Illinois Finance Au hority Act [20 ILCS 3501/845-5(b)]

Section II	**Principal Outstanding June 30, 2010**	**Principal Outstanding July 31, 2010**	**Program Limitations**	**Remaining Capacity**
Illinois Power Agency	**$ -**	**$ -**	**$ 4,000,000,000**	**$ 4,000,000,000**

ref: T:\Bond Reports\Schedule of Debt\Schedule of Debt by Market Sector.xls\Fiscal Year 2011

Prepared by: J. K. Kuhn
8/5/2010 2:15 PM

ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

Illinois Finance Authority Act [20 ILCS 3501/825-65(f)] - see also P.A. 96-103 effective 01/01/2010

Section III		**Principal Outstanding June 30, 2010**	**Principal Outstanding July 31, 2010**	**Program Limitations**	**Remaining Capacity**
Clean Coal, Coal ,Renewable Energy and Efficiency Projects	**Energy**	**$ -**	**$ -**	**$ 3,000,000,000** [d]	**$ 3,000,000,000**

Issued under the Illinois Finance Authority Act [20 ILCS 3501 Sections 830-25 (see also P.A 96-103); 830-30; 830-35; 830-45 and 830-50]

Section IV		**Principal Outstanding June 30, 2010**	**Principal Outstanding July 31, 2010**	**Program Limitations**	**Remaining Capacity**	**State Exposure**
	Agri Debt Guarantees [Restructuring Existing Debt]	**$ 20,300,000**	**$ 19,693,000**	**$ 160,000,000**	**$ 140,307,000**	**$ 16,697,000**
100	**Fund # 994 - Fund Balance $ 9,928,105**					
	AG Loan Guarantee Program	**$ 47,229,000**	**$ 46,972,000**	**$ 225,000,000** [e]	**$ 178,028,000**	**$ 34,055,000**
61	**Fund # 205 - Fund Balance $ 7,641,852**					
13	Agri Industry Loan Guarantee Program	$ 11,104,419	$ 11,104,000			9,439,000
1	Renewable Fuels	24,444,583	24,310,000			14,792,000
1	Farm Purchase Guarantee Program	490,823	491,000			417,000
34	Specialized Livestock Guarantee Program	8,625,470	8,503,000			7,228,000
12	Young Farmer Loan Guarantee Program	2,563,535	2,564,000			2,179,000
161	**Total State Guarantees**	**$ 67,529,000**	**$ 66,665,000**	**$ 385,000,000**	**$ 318,335,000**	**$ 50,752,000**

Issued under he Illinois Finance Authority Act [20 ILCS 3501 Sections 825-80 and 825-85

Section V			**Principal Outstanding June 30, 2010**	**Principal Outstanding July 31, 2010**	**Appropriation Fiscal Year 2011**	**Fund Balance**
116	Fire Truck Revolving Loan Program	**Fund # 572**	$ 18,730,135	$ 18,730,135	$ 6,003,342	$ 1,209,470
10	Ambulance Revolving Loan Program	**Fund # 334**	$ 993,200	$ 993,200	$ 7,006,800	$ 3,133,428

Note: Due to deposits in transit, the Cash Balance at the Illinois Office of the Comptroller may differ from the Illinois Finance Authority's General Ledger.

Issued under the Illinois Environmental Facilities Financing Act [20 ILCS 3515/9]

Section VI		**Principal Outstanding June 30, 2010**	**Principal Outstanding July 31, 2010**	**Program Limitations**	**Remaining Capacity**
	Environmental [Large Business]				
9	Issued through IFA	$ 316,440,000	$ 316,400,000		
21	Issued through IDFA	372,065,000	372,065,000		
30	**Total Environmental [Large Business]**	**$ 688,505,000**	**$ 688,465,000**	**$ 2,425,000,000**	**$ 1,736,535,000**
	Environmental [Small Business]	-	$ -	**$ 75,000,000**	**$ 75,000,000**
30	**Total Environment Bonds Issued under Act**	**$ 688,505,000**	**$ 688,465,000**	**$ 2,500,000,000**	**$ 1,811,535,000**

Illinois Finance Authority Funds at Risk

Section VII #		**Original Amount**	**Principal Outstanding June 30, 2010**	**Principal Outstanding July 31, 2010**
	Participation Loans			
63	Business & Industry	23,020,157.95	17,018,322.85	16,864,584.49
25	Agriculture	6,079,859.01	4,969,295.79	4,937,115.46
88	**Total Participation Loans**	**$ 29,100,016.96**	**$ 21,987,618.64**	**$ 21,801,699.95**
1	**Illinois Facility Fund**	**$ 1,000,000.00**	**$ 1,000,000.00**	**$ 1,000,000.00**
4	**Local Government Direct Loans**	**$ 392,000.00**	**$ 387,931.74**	**$ 309,303.50**
6	**FmHA Loans**	**$ 963,250.00**	**$ 617,776.68**	**$ 486,538.65**
2	**Renewable Energy [RED Fund]**	**$ 2,000,000.00**	**$ 1,841,011.12**	**$ 1,748,508.80**
101	**Total Loans Outstanding**	**$ 33,455,266.96**	**$ 25,834,338.18**	**$ 25,346,050.90**

[a] Total subject to change; late month payment data may not be included at issuance of report.
[b] State Component Unit Bonds included in balance.
[c] Does not include Unamor ized issuance premium as reported in Audited Financials.
[d] Program Limitation reflects the increase to $3 billion effective 01/01/2010 under P.A. 96-103.
[e] Program Limitation reflects the increase from $75 million to $225 million effective 01/01/2010 under P.A. 96-103.
[f] Beginner Farmer Bonds are currently updated annually; new bonds will be added under the Illinois Finance Authority when the bond closes.
[g] Midwest Disaster Bonds - Illinois Counties eligible for Midwest Disaster Bonds include Adams, Calhoun, Clark, Coles, Crawford, Cumberland, Douglas, Edgar, Hancock, Henderson, Jasper, Jersey, Lake, Lawrence, Mercer, Rock Island, Whiteside and Winnebago.

The Illinois Finance Authority is continually working on processes to ensure the most accurate information is reported. Annually, IFA verifies the outstanding balances of all bonds with the Illinois Office of the Comptroller; while preparing for this review one of these processes identified some discrepancies between the June 2010 numbers presented in the July Board Book and those presented in the August Board Book. New checks and balances will eliminate wide changes from month to month but will not eliminate all changes, since late month bond calls or extra principal payments will continue to create small variances.

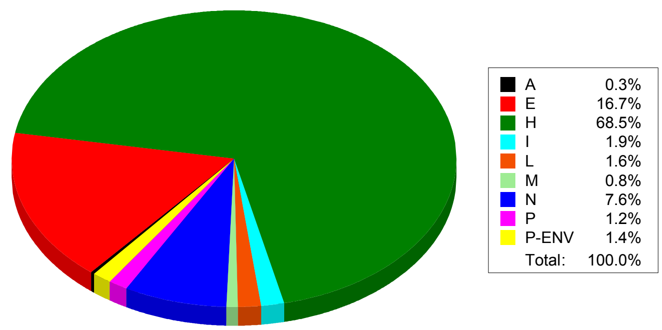
Bonds Issued and Outstanding
as of July 31, 2010

Bonds Issued Since Inception

#	Market Sector	Principal Amount ($)
9	Agriculture	57,689,796
97	Education	3,806,258,100
302	Healthcare *	15,341,193,508
71	Industrial	441,355,669
26	Local Government	376,160,000
19	Multifamily/Senior Housing	175,417,900
129	501(c)(3) Not-for Profits	1,709,398,195
8	Exempt Facilities Bonds	275,700,000
9	Environmental issued under 20 ILCS 3515/9	326,630,000
		$ 22,509,803,168

* Includes CCRC's

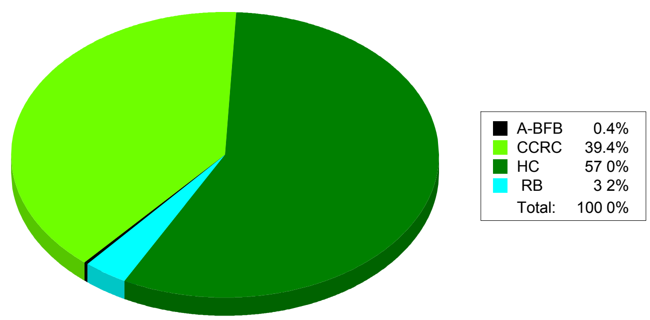
Bonds Issued Since Inception



Current Fiscal Year

# Market Sector	Principal Issued
Agriculture - Beginner Farmer	1,105,584
Healthcare - CCRC	112,505,000
Healthcare	162,925,000
Industrial Revenue	9,230,000
	$ 285,765,584

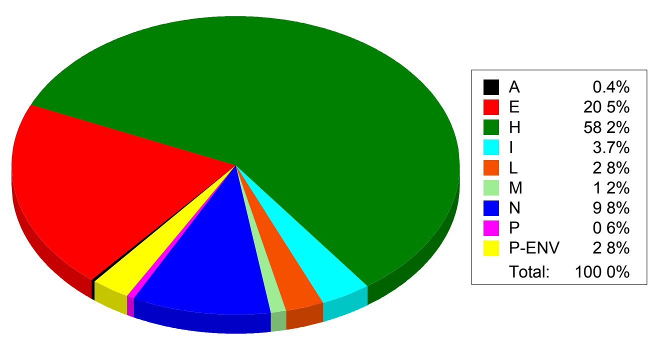
Bonds Issued - Current Fiscal Year



Schedule of Bonds Outstanding by Market Sector

Market Sector	Amount of Original Issue	Principal Outstanding
Agriculture	296,159,502	96,858,838
Education	5,432,345,730	5,033,091,663
Healthcare *	16,324,082,337	14,297,232,096
Industrial	1,108,555,669	914,765,814
Local Government	1,138,329,413	678,869,169
Multifamily/Senior Housing	742,915,396	304,503,016
501(c)(3) Not-for Profits	2,872,924,996	2,403,092,273
Exempt Facilities Bonds	155,360,000	155,360,000
Environmental issued under 20 ILCS 3515/9	770,475,000	688,464,774
	$ 28,841,148,043	$ 24,572,237,642

Principal Outstanding by Market Sector



* Includes CCRC's

Bonds Issued between July 01, 2010 and July 31, 2010

Bond Issue		Date Issued	Initial Interest Rate	Principal Issued	Bonds Refunded
A-BFB	Beginner Farmer Bonds, Series 2011	07/01/2010	Various-See Below	1,105,584	0
HC	NorthShore University HealthSystem, Series 2010	07/14/2010	2.00% to 5.25%	136,425,000	115,800,000
CCRC	The Clare at Water Tower, Series 2010A&B	07/15/2010	5.10% to 6.125%	87,505,000	87,505,000
CCRC	Christian Homes, Inc., Series 2010	07/29/2010	3.40% to 6.125%	25,000,000	8,090,000
IRB	Bison Gear & Engineering Corporation, Series 2010	07/29/2010	VRB 0.32%	9,230,000	0
HC	Institute for Transfusion Medicine, Series 2010	07/29/2010	VRB 3.60%	26,500,000	0
		Total Bonds Issued in Fiscal Year 2011		**$ 285,765,584**	**$ 211,395,000**

Legend: Fixed Rate Bonds as shown
DP-VRB = initial interest rate at the time of issuance on a Direct Purchase Bond
VRB = initial interest rate at the time of issuance on a Variable Rate Bond that does not include the cost of the LOC arrangement.
Beginner Farmer Bonds interest rates are shown in section below.

Beginner Farmer Bonds

Borrower	Date Funded	Initial Interest Rate	Loan Proceeds	Acres	County
Stortzum, Brent A.	07/21/2010	4.25%	157,500	38.00	Effingham
Tolley, Daniel Steven	07/23/2010	4.50%	106,900	82.30	Knox
Smithenry, Eric J.	07/30/2010	4.25%	135,000	20.00	Jasper
Will, Richard & Linda	07/30/2010	4.00%	206,712	71.30	Cumberland
Justison, David M.	07/30/2010	4.25%	249,736	106.00	Montgomery
Justison, Keri L.	07/30/2010	4.25%	249,736	106.00	Montgomery
	Total Beginner Farmer Bonds Issued		**$ 1,105,584**	**423.60**	

MINUTES OF THE JULY 13, 2010 MEETING OF THE COMMITTEE OF THE WHOLE OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held a Committee of the Whole Meeting at 8:30 a.m. on July 13th, 2010 at the Chicago Office of the IFA at 180 N. Stetson, Suite 2555, Chicago, IL 60601.

Members Present:	**Members Absent**:	**Staff Present**:
1. William A. Brandt Jr., Chairman 2. Roderick Bashir 3. Dr. William Barclay 4. Dr. Roger Herrin 5. Joseph McInerney 6. Terrence M. O'Brien 7. Roger Poole 8. Bradley A. Zeller	1. Michael Goetz, Vice Chairman 2. Ronald E. DeNard 3. Edward Leonard 4. John "Jack" Durburg 5. James J. Fuentes 6. Juan B. Rivera **Members Participating by Telephone**: None **Vacancies**: One	Christopher Meister, Executive Director Brendan Cournane, General Counsel Rich Frampton, VP Arthur Friedson, Chief HR Officer Ximena Granda, Assistant CFO Pamela Lenane, VP Eric Reed, Regional Manager Ahad Syed, Administrative Asst. Yvonne Towers, CFO/CIO **Others Present**: Lois Scott, Scott Balice Courtney Shea, Acacia

Call to Order

Chairman William A. Brandt called the meeting to order at 8:41 a.m. with the above members present. He welcomed Members of the Board, IFA staff, and guests present to the meeting.

Chairman's Remarks

Chairman Brandt asked the Board for suggestions on Committee of the Whole and Board Meeting venues outside of the City of Chicago for the remaining balance of the year. Mr. Zeller informed the board that October and November would not be an opportune time for meetings downstate. Executive Director Meister suggested the cities of Rockford and Marion, Illinois as venues of possible interest. Chairman Brandt suggested that the next board meeting in August be in the City of Chicago. The Board expressed its agreement.

Chairman Brandt thanked the Board for its efforts in attempting to help ShoreBank but let the Board and the IFA know that in the near future Shorebank would not be needing IFA financing.

Executive Director's Presentation

Director Meister presented his report. While FY '10 began with gloomy economic news Director Meister noted that the agricultural sector began the fiscal year with the passing of new legislation which allowed significant increases in the funding limits for the Beginning Farmer Bond program.

Furthermore, the IFA took aggressive action to manage its budget by controlling internal expenditures, reducing headcount and pursuing conduit financing across all sectors. Director Meister stated that the unaudited IFA gross revenue as of June 30th, 2010 was $7.3 million and that expenses remained consistent but exceeded budget due primarily to increased reserves for bad debt.

Going forward into FY11 Director Meister laid out the IFA's plan to shore up administrative functions through hiring much needed administrative and legal personnel. He reaffirmed the IFA's commitment to: (1) federally tax-exempt conduit financing—the core value-added product of the IFA to its non-profit and for-profit borrowers; (2) aggressively pursue recent legislative initiatives such as the Midwestern Disaster Area Bonds, Recovery Zone and Qualified Energy Conservation Bonds and; (3) Multi-state bond authority.

Director Meister then introduced to the Board the new personnel for the IFA. He introduced Mr. Brendan Cournane as General Counsel, Mr. Ahad Syed as Administrative Assistant, Mr. Brad Fletcher as Paralegal, Ms. Mari Money as Executive Assistant, and Ms. Tammy Harter as Administrative Assistant to the Regional Manager.

Director Meister stated that Mr. Zeller and Mr. Leonard met with the Governor Quinn to discuss the Agri-business Guarantee Program. Since then, the reserves for the Agriculture Guarantees have been freed up. He also notified the Board know that E.C. Ortiz has been approved as Auditor and that the proposed budget for FY '11 was $5.6 million in revenue.
The Chairman thanked Director Meister for his report.

Senior Staff Reports

Chairman Brandt then asked for the Senior Staff reports.

Mr. Eric Reed presented his report. He stated that the Community Bank of Rock Falls' outstanding balance is projected to decrease to $50,000. Mr. Reed noted that Castle Bank was concerned about the crop year they had and had called to say that they may restructure a deal. Finally, Flanagan State Bank is dealing with the bankruptcy of Aqua Ranch—a small company that has little to fall back on.

Ms. Pam Lenane presented her report. She notified the Board that the largest builder of retirement homes in America has declared bankruptcy. Ms. Lenane also confirmed that The Clare was scheduled to close the following week. The conversation turned to Midway Broadcasting briefly and there was a short discussion.

Ms. Lenane continued her report. She let the Board know that healthcare revenue for FY'10 exceeded budget by $1.7 million. Ms. Lenane said that much of the increase was due to favorable market conditions for refinancing variable rate debt. Other financing opportunities may come from consolidation in the healthcare industry. Ms. Lenane said that by the late Fall a number of financings are expected to come to close due to the seasonality of the business.

The Chairman expressed his thanks to Mr. Reed and Ms. Lenane for their reports.

Committee Reports

The Board noted that the Energy Committee's monthly meeting had been cancelled with due notice posted for the public in accordance with the Tax Equity Fiscal Responsibility Act or TEFRA notice.

In his report on the Healthcare Committee, Dr. Barclay announced that Christian Homes and Transfusion Medicine were informally forwarded to the Board for approval since the Healthcare Committee did not reach a quorum. He announced that The Clare transaction will soon close. Ms. Lenane added that once the Multi-State authority is signed in to law by the Governor of Illinois, there may be an opportunity to finance a Des Moines based continuing care retirement community.

The topic then moved to ShoreBank. Chairman Brandt expressed his concern for ShoreBank, but asked for an update on the IFA's action to recover its outstanding loan. Ms. Lenane said that full value of the loan was $3.9 million, and the IFA's share was approximately $1.0 million, but that the collateral was on the property, the value of which has deteriorated significantly. Chairman Brandt urged the IFA staff and Board to do what was necessary to collect the payment from ShoreBank and to set a deadline. Moving on to other troubled assets, Chairman Brandt informed the Board that the IFA's assistance in the Pere Marquette transaction appeared to be no longer necessary. He then asked Ms. Towers if there were any other defaults beside ShoreBank.

Ms. Yvonne Towers presented her report to the Board. She said that overall the financials were generally healthy and in accordance with the strict budgetary plans laid out by Director Meister. However, she mentioned that the IFA is monitoring transactions regularly on the Bond Watch List. There was a brief discussion on the matter.

Ms. Towers stated that the outstanding loans that had entered delinquency were the ShoreBank, Morton Community Bank, and Grayson Hill Energy.

Chairman Brandt thanked Ms. Towers and asked for the project reports.

Project Reports

Mr. Eric Reed presented the following projects for approval:

No. 1A: Richard L. & Linda M. Will - $206,712 – 71.3 acres

Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed $206,712 for the purchase of approximately 71.3 acres of farmland. This project is located in unincorporated Cumberland County, near Montrose, IL.

No. 1B: Mark Mellendorf - $25,000 – 20 acres

Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed $25,000 for the purchase of approximately 20 acres of farmland. This project is located in unincorporated Clay County, near Louisville, IL.

No. 1C: Eric J. Smithenry - $135,000 – 20 acres

Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed $135,000 for the purchase of approximately 20 acres of farmland. This project is located in unincorporated Jasper County, near Newton, IL.

No. 1D: Craig A. & Cara Mz Huber - $288,000 – 80 acres

Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed $288,000 for the purchase of approximately 80 acres of farmland. This project is located in unincorporated Carroll County, near Lanark, IL.

No. 1E: Sean E. & Cheryl A. Stinnett - $224,000 – 52.84 acres

Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed $224,000 for the purchase of approximately 52.84 acres of farmland. This project is located in unincorporated Macoupin County, near Bunker Hill, IL.

No. 1F: Daniel Steven Tolley - $106,900 – 82.3 acres

Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed $106,900 for the purchase of approximately 82.3 acres of farmland. This project is located in unincorporated Knox County, near Galesburg, IL.

No. 1G: Lawrence and Lorretta Alt - $100,000 – 26.67 acres

Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed $100,000 for the purchase of approximately 26.67 acres of farmland. This project is located in unincorporated Vermilion County, near Rankin, IL.

No. 1H: James Philip and Jo Ellen - $102,667 – 26.67 acres

Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed $102,667 for the purchase of approximately 26.67 acres of farmland. This project is located in unincorporated Vermilion County, near Hoopeston, IL.

No. 2 **Kenneth and Carla Nelson (One-Time Consideration) Agri-Debt Guarantee - $410,000 – Final**

Mr. Rich Frampton presented the following projects for approval of Final Bond Resolutions:

No. 3. **Bison Gear & Engineering Corp. and Bullock Family Limited Partnership (One-Time Consideration) - $9,500,000 – Final**

Request for approval of a Final Bond Resolution in an amount not-to-exceed $15 Million. Bond proceeds will be used to finance the acquisition, renovation, and equipping of a vacant industrial building located at 3805 Illinois Avenue, St. Charles, Illinois in St. Charles, and to also purchase equipment for use at the Borrower's existing 115,000 SF manufacturing facility at 3850 Ohio Avenue, also located in St. Charles. Additionally, Bond proceeds may also be used to finance costs of issuance. Additionally, Bond Proceeds will be used to current refund two outstanding bond issues for the original 3850 Ohio Avenue facility issued by the City of St. Charles in 2005 and the City of West Chicago in 2007.

No. 4 **The Peoples Gas Light and Coke Company - $50,000,000 - Final**

The proposed Bonds will refinance 100% of the outstanding balance of City of Chicago Series 2000B Gas Supply Revenue Bonds.

Mr. Mauricio Nares presented the following project for approval:

No. 5 **Annex II, LLC - $5,100,000 – Preliminary**

Request for approval of a Preliminary Bond Resolution in an amount not-to-exceed $5,100,000 Million. The IFA Bond and owner equity will finance the construction of a new single-story, contiguous, turn–key textual records storage facility within Rock City in the Village of Valmeyer in Monroe County, Illinois. The 75,000 square foot facility will store the maximum records storage capacity possible in cubic feet and shall consist of two (2) to three (3) records storage bays, each with a capacity of 245,000 to 250,000 cubic feet and to finance (ii) the legal and professional issuance costs associated with the bond issuance.

Mr. Shannon Govia presented the following project for approval:

No. 6 **Christian Homes - $25,000,000 – Final**

Request for approval of a Final Bond Resolution in an amount not-to-exceed $25,000,000 Million. Bond proceeds will be used to: 1) Refund the Series 2007C (Tax-Exempt) Variable Rate Demand Bonds, 2) pay for certain capital improvements at the various Illinois campuses /facilities owned and operated by Christian Homes, Inc., 3) establish Debt Service Reserve Funds for the Series

2010 Bonds, and 4) pay bond issuance costs associated with the IFA Series 2010 Bonds.

Ms. Pamela Lenane presented the following project for approval:

No. 7 Institute for Transfusion Medicine - $26,500,000 – Final

Request for approval of a Final Bond Resolution in an amount not-to-exceed $26,500,000 Million to (i) fund the acquisition of a new building in Rosemont; (ii) fund the renovations and refurbishment of the newly acquired facility and; (iii) pay expenses related to costs of issuance.

Mr. Rich Frampton presented the following resolution for approval:

No. 8 Resolution to Authorize a 60-day extension of the Maturity Date of an IFA Participation Loan with PNC Bank, as successor to National City Bank (IFA Participation Loan B-LL-TX-582: Pere Marquette Hotel Associates, L.P.)

Chairman Brandt stated that Pere Marquette did not need the services of the IFA for the near future besides a basic extension on their participation loan. Dr. Roger Herrin and Mr. Bradley expressed that they are pleased. There is a brief discussion on the possibility of extending the 60-day period to a 90-day period. Dr. Herrin expressed his agreement at the idea and that the IFA should amend the Resolution so that the Pere Marquette pays its lender on time. The Board agree to adopt the amend the resolution.

Chairman Brandt presented the following resolutions for approval:

No. 9 Adoption of Fiscal Year 2011 Budget

No. 10 Resolution to Appoint a Secretary and Assistant Secretary

Other Business

The Board discussed the benefit of expanding the reach of IFA agricultural programs to other parts of the State by hiring additional personnel. The Chairman expressed concern that additional staffing would burden IFA's budget. There was general agreement among Members that this was a good direction for the future once there was more comfort that economic conditions had improved.

Closing Remarks

The Chairman thanked the Board, the IFA staff and any guests for appearing at the meeting and asked if there was any additional information for the Board's consideration. Hearing none he asked the Board for a motion to adjourn.

Adjournment

Mr. Bashir moved to adjourn the meeting. Mr. O’Brien seconded the motion which was then unanimously approved by the Board.

The meeting adjourned at 11:14 a.m.

Respectfully submitted by
Ahad Syed
Assistant Secretary to the Board

MINUTES OF THE July 13TH, 2010 MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA" or the "Authority"), pursuant to notice duly given, held a Board Meeting at 11:30 a.m. on Tuesday, July 13th, 2010 at the Prudential Plaza Conference Center at 130 E. Randolph Street. 7th Floor, Chicago, IL 60601.

Members Present:	**Members Absent**:	**Members Participating by Telephone**: None
1. William A. Brandt Jr., Chairman 2. Roderick Bashir 3. Dr. William Barclay 4. Dr. Roger Herrin 5. Joseph McInerney 6. Terrence M. O'Brien 7. Roger Poole 8. Bradley A. Zeller	1. Michael Goetz, Vice Chairman 2. Ronald E. DeNard 3. Edward Leonard 4. John "Jack" Durburg 5. James J. Fuentes 6. Juan B. Rivera	**Vacancies**: One

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 11:38 a.m. with the above Members present. Chairman Brandt welcomed Members of the Board and all guests. He then asked Assistant Secretary Mauricio Nares to call the roll. There being eight (8) members physically present Assistant Secretary Mauricio Nares declared the quorum met. Chairman remarked that the Board has decided that two of its future meetings will be downstate. However, the August 10th, 2010 meeting will be in the City of Chicago.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending June 30th 2010 and minutes for both the June 8^{h}, 2010 Committee of the Whole and Board of Director meetings were presented to the Board. Chairman Brandt stated that the Authority's financial statements and minutes were reviewed at the regularly scheduled Committee of the Whole meeting held on 8:30 a.m. that day. Chairman Brandt requested a motion to approve the June 30th, 2010 financial statements and minutes from both the June 8th, 2010 Committee of the Whole and Board of Directors meeting.

The motion was approved by Dr. Herrin and seconded by Dr. Barclay. The June 30th, 2010 financial statements and minutes from both the June 30th, 2010 Committee of the Whole and Board of Directors meetings were unanimously approved by members of the Board.

Senior Staff Reports

None.

Project Approvals

Chairman Brandt asked Mr. Rich Frampton, Vice President, to present the projects for consideration to the Board. All projects are thoroughly vetted by a staff credit committee. All agriculture, energy and healthcare projects are also reviewed at their respective committees' public meeting each moth. Finally, each project is thoroughly reviewed at the Committee of the Whole meeting held at 8:30 a.m. before the Board Meeting.

Mr. Frampton presented the following projects for approval.

No. 1A: **-- Richard L. & Linda M. Will**
Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed $206,712 for the purchase of approximately 71.3 acres of farmland. This project is located in unincorporated Cumberland County, near Montrose, IL.

No. 1B: **-- Mark Mellendorf**
Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed $25,000 for the purchase of approximately 20 acres of farmland. This project is located in unincorporated Clay County, near Louisville, IL.

No. 1C: **-- Eric J. Smithenry**
Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed $135,000 for the purchase of approximately 20 acres of farmland. This project is located in unincorporated Jasper County, near Newton, IL.

No. 1D: **-- Craig A. & Cara Mz Huber**
Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed $288,000 for the purchase of approximately 80 acres of farmland. This project is located in unincorporated Carroll County, near Lanark, IL.

No. 1E: **-- Sean E. & Cheryl A. Stinnett**
Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed $224,000 for the purchase of approximately 52.84 acres of farmland. This project is located in unincorporated Macoupin County, near Bunker Hill, IL.

No. 1F: **-- Daniel Steven Tolley**
Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed $106,900 for the purchase of approximately 82.3 acres of farmland. This project is located in unincorporated Knox County, near Galesburg, IL.

No. 1G: **-- Lawrence and Lorretta Alt**
Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed $100,000 for the purchase of approximately 26.67 acres of

farmland. This project is located in unincorporated Vermilion County, near Rankin, IL.

No. 1H: **-- James Philip and Jo Ellen**

Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed $102,667 for the purchase of approximately 26.67 acres of farmland. This project is located in unincorporated Vermilion County, near Hoopeston, IL.

No. 2 **-- Kenneth and Carla Nelson**

Request for final approval of the issuance of an agri-debt guarantee supporting a loan in an amount not-to-exceed $410,000 to provide an 85% loan guarantee (i.e., $348,500) in favor of Wenona State Bank to refinance an existing IFA guaranteed loan (with a balance of approximately $194,638) and also to provide permanent financing for farm equipment. The subject farm property is located in LaSalle County, near Wenona.

No guests attended with respect to Project Nos. 1A, 1B, 1C, 1D, 1E, 1F, 1G, 1H, or 2. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1A, 1B, 1C, 1D, 1E, 1F, 1G, 1H, or 2. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1A, 1B, 1C, 1D, 1E, 1F, 1G, 1H and 2. 1A, 1B, 1C, 1D, 1E, 1F, 1G, 1H, and 2 received approval with 8 ayes, 0 nays, and 0 abstentions.

No. 3 **-- Bison Gear & Engineering Corp. and Bullock Family Limited Partnership**

Bison Gear & Engineering Corp. and Bullock Family Limited Partnership as Co-Borrowers are requesting approval of a Final Bond Resolution in an amount not-to-exceed $9,500,000. Bond proceeds, combined with other funds, will be used to finance the acquisition, renovation, and equipping of a vacant industrial building that will serve as a 2nd production facility in St. Charles, Illinois by the Co-Borrowers and operated by Bison Gear & Engineering Corp. Bond Proceeds will also be used to finance the acquisition of equipment for use at the Co-Borrower's existing manufacturing facility, also in St. Charles, and to also pay a portion of costs of issuance on the proposed Bonds.

No. 5 **-- Annex II**

Annex II, LLC is requesting approval of a Preliminary Bond Resolution in an amount not-to exceed $5,500,000 of Recovery Zone Facility Bonds. Bond proceeds will be used to finance the construction and equipping of a records storage facility located at the Rock City development in the Village of Valmeyer in Monroe County and to also pay bond issuance costs. As contemplated the Recovery Zone Facility Bond allocations will be voluntarily waived to IFA by Monroe County (the Host county) and Randolph County.

No guests attended with respect to Project Nos. 3 or 5. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 3 or 5. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 3 and 5. Project Nos. 3 and 5 received approval with 8 ayes, 0 nays, and 0 abstentions.

No. 6 -- Christian Homes

Christian Homes is requesting approval of a Final Bond Resolution in an amount not-to-exceed $25,000,000 million. Bond proceeds will be used to (1) refund IFA Series 2007C (tax-exempt) Variable Rate Demand Bonds, (2) pay for various capital improvements at certain Illinois facilities/campuses owned by the Borrowers; (3) to capitalize a Debt Service Fund for the new IFA Series 2010 Bonds, and (4) to pay cost of issuance. This financing includes eight project sites located throughout Illinois.

No. 7 -- Institute for Transfusion Medicine

The Institute for Transfusion Medicine is requesting approval of a Final Bond Resolution in an amount not-to-exceed $30,000,000. Bond Proceeds will be used to: (i) fund the acquisition of a new building in Rosemont; (ii) fund renovation, refurbishment and equipping of the newly acquired facility and; (iii) pay expenses related to costs of issuance. This project is located in Rosemont, IL (Cook County).

No guests attended with respect to Project Nos. 6 or 7. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 6 or 7. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 6 and 7. Project Nos. 6 and 7 received approval with 8 ayes, 0 nays, and 0 abstentions.

No. 4 -- The People's Gas Light and Coke Company

Request for approval of a Final Bond Resolution in an amount not-to-exceed $50,000,000 Million. Bond Proceeds will be used to refund current $50,000,000 Million of outstanding City of Chicago Series 2000B Gas Furnishings Facilities Revenue Bonds. The original Series 2000B Bonds refinanced prior City of Chicago Series 1985 Bonds that were issued to finance the cost of certain gas supply and furnish facilities located in the City of Chicago

Mr. Frampton introduced Mr. Tchapo Napoe, Supervisor, Long-Term Financing and Analysis, of The Peoples Gas Light and Coke Company. Mr. Napoe thanked Mr. Frampton and the IFA for the role they played in expediting approval of The Peoples Gas Light and Coke Company refinancing in an aggressive timeframe. Mr. Napoe advised the Board that this was The Peoples Gas Light and Coke Company's first request for IFA financing since 2005. Mr. Napoe closed by thanking the Board of Directors for their consideration.

Chairman Brandt asked if the Board had any questions with respect to Project No. 4. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 4. Project No. 4 received approval with 8 ayes, 0 nays, and 0 abstentions.

No. 8 **Resolution to Authorize a 90-day extension of the Maturity Date of an IFA Participation Loan with PNC Bank, as successor to National City Bank (IFA Participation Loan B-LL-TX-582: Pere Marquette Hotel Associates, L.P.)**

No. 9 **Adoption of Fiscal Year 2011 Budget**

No. 10 **Resolution to Appoint a Secretary and Assistant Secretary**

Chairman Brandt asked if the Board had any questions with respect to Project Nos. 8, 9, and 10. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 8, 9, and 10. Project Nos. 8, 9, and 10 received approval with 8 ayes, 0 nays, and 0 abstentions.

Other Business

Chairman Brandt briefly mentioned the new personnel hired by the IFA. He also made it known that the Pere Marquette Resolution was amended to be extended by 30-days from the original 60-days to 90-days.The Chairman then asked if there was any other business to come before the Board. Hearing none, Chairman Brandt requested a motion to adjourn. Upon a motion by Mr. Bashir and seconded by Mr. O'Brien the Board unanimously voted to adjourn at 11:52am.

Respectfully Submitted,

Ahad Syed, Assistant Board Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Reed (lk)

Date: August 10, 2010

Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached projects
- **Amount:** Up to $470,100 maximum of new money for each project*
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: $207,500**
- **Calendar Year Summary:** (as of August 10, 2010)
  - Volume Cap: $25,000,000
  - Volume Cap Committed: $7,037,035
  - Volume Remaining: $17,962,965
  - Average Acreage Farm Size: 78
  - Number of Farms Financed: 39
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - convey tax-exempt status
    - will use dedicated 2010 IFA Volume Cap set-aside for Beginning Farmer transactions
- **IFA Fees**:
  - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
  - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's Bank
  - The Borrower's Bank will be secured by the Borrower's assets, as on a commercial loan
  - Interest rates, terms, and collateral are negotiated between the Borrower and the Participating Bank, just as with any commercial loan
  - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd**
  Stephen F. Welcome, Esq.
  Three First National Plaza, Suite 4300
  Chicago, IL 60602

* Increase from prior cap of $250,000 due to SB260/ Public Act 96-0531, effective date August 14, 2009.

A.

Project Number:	**A-FB-TE-CD-8385**	
Funding Manager:	Eric Reed	
Borrower(s):	**Gittleson, Brock**	
Borrower Benefit:	First Time Land Buyer	
Town:	Amboy, IL	
IFA Bond Amount:	**$207,500**	
Use of Funds:	Farmland – 50 acres	
Purchase Price:	$415,000 / ($8,300 per ac)	
%Borrower Equity	5%	
%USDA Farm Service Agency	45% *(Subordinate Financing)*	
%IFA	50%	
County/Region:	Lee / Northwest	
Lender/Bond Purchaser	First State Bank / Craig Ayers	
Legislative Districts:	Congressional:	14th, Bill Foster
	State Senate:	45th, Tim Bivins
	State House:	90th, Jerry Mitchell

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin 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 begin one year from the date of closing with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

CONDUIT

August 10, 2010

$5,500,000 (not-to-exceed amount)
ANNEX II, LLC

REQUEST	**Purpose**: To finance the (i) construction of a new single-story, contiguous, turnkey textual records storage facility within the Rock City development in the Village of Valmeyer in Monroe County, Illinois. This 75,000 square foot facility is expected to consist of two (2) to three (3) records contiguous storage bays, each with a capacity of 245,000 to 250,000 cubic feet. Additionally, Bond Proceeds will also finance bond issuance costs. **Program**: Recovery Zone Facility Bonds **Volume cap required: This project will not use any of IFA's 2010 Private Activity Bond Volume Cap. Instead, this project would be a Recovery Zone Facility Bond Issuance and will use:** $4,585,000 of issuance authority allocated by ARRA (the 2009 Recovery Act) by Monroe County (the host county) and Randolph County. The Counties of Monroe and Randolph have agreed to cede some or all of their Recovery Zone Facility Bond allocation to IFA in accordance with Public Act 096-1020 in order to facilitate financing of this project with the proceeds of a Tax-Exempt bond issue.
BOARD ACTIONS	Final Bond Resolution Voting Record for July 13, 2010: (Preliminary Bond Resolution) 8 ayes, 0 nays, 0 abstentions, 6 absent (Goetz, Durburg, Fuentes, Leonard, Sr., Rivera, DeNard), 1 vacancy
MATERIAL CHANGES	Not applicable
JOB DATA	103 Current jobs — 5-10 New jobs projected N/A Retained jobs — 30-50 Construction jobs projected (12 month period)
BORROWER DESCRIPTION	●Annex II, LLC is a limited liability single purpose company established to own and lease the above referenced project to the **National Archives and Records Administration** ("**NARA**") to store records of the National Personnel Records Center. ● The Project will be located in Valmeyer, Illinois in Monroe County – Southwestern Region ● The Company's founder (Joe Koppeis) is involved in the construction, development and rental of commercial real estate including an abandoned underground limestone quarry that he is in the process of converting into a state-of-the-art, ecology-friendly business complex ("Rock City"). There is an existing a lease with NARA for a separate facility located within Rock City.
CREDIT	● Direct Bond Purchaser/Investor: United Community Bank, Chatham IL
PROPOSED STRUCTURE	● Construction of new facility and acquisition of necessary storage shelving and related materials ● 20 year term, 6.00% fixed rate interest for the entire term of the loan, maturity 12/13/30.

SOURCES AND USES

Sources		Uses	
Recovery Zone Facility Bond:	$4,585,000	Project Cost & Contingencies	$7,195,000
Equity	2,695,000	Issuance Cost	85,000
Total	**$7,280,000**	**Total**	**$7,280,000**

RECOMMENDATION	Credit Review Committee Recommends Approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 10, 2010

Project: Annex II, LLC

STATISTICS

IFA Project:	RZFB-TE-CD-8382	Amount:	$5,500,000
Type:	Recovery Zone Facility Bonds	IFA Staff:	Kim Du'Prey
Location:	Valmeyer	County/ Region:	Monroe County /Southwest

BOARD ACTION

Final Bond Resolution
Conduit Industrial Revenue Bonds
Credit committee recommends approval

No IFA funds at risk
Extraordinary conditions include:
(i) Receipt of Resolution waiving sufficient combined Recovery Zone Facility Bond Allocation from Monroe and Randolph Counties to finance this project
(ii) Recovery Zone Designation for Monroe County by Resolution of the IFA Board

VOTING RECORD

Voting Record for July 13, 2010:
8 ayes, 0 nays, 0 abstentions, 6 absent (Goetz, Durburg, Fuentes, Leonard, Sr., Rivera, DeNard), 1 vacancy

PURPOSE

The IFA Bond and owner equity will finance the construction of a new single-story, contiguous, turn –key textual records storage facility within the Rock City Development in the Village of Valmeyer in Monroe County, Illinois. The 75,000 square foot facility will consist of two to three records storage bays each with a capacity of 245,000 to 250,000 cubic feet. Additionally, bond proceeds are expected to finance legal and other bond issuance costs.

IFA PROGRAM AND CONTRIBUTION

The Authority's Recovery Zone Facility Bond Program provides low interest rate financing for qualifying projects. IFA's issuance of Recovery Zone Facility Bonds will enable the Borrower to obtain a lower interest rate on this debt. Recovery Zone Facility Bonds are a provision of the American Reinvestment and Recovery Act of 2009 that enable issuance of Tax-Exempt Bonds for certain privately-owned projects through 12/31/2010.

VOLUME CAP

This financing will require receipt from Monroe and Randolph Counties in Southwestern Illinois of the Counties' Recovery Zone Facility Program allocation provided under ARRA. The project site is located in a rural area of Southwestern Illinois in Valmeyer, a Non-Home Rule Unit. Valmeyer is located in southwestern Monroe County. The Rock City development (site of the subject project in Valmeyer), consists of a series of limestone caves on the Mississippi River bluffs. The City of Valmeyer was relocated following the 1993 Mississippi River flood.

Recovery Zone Facilities Bond Volume Cap Used for Project / Total Volume Cap Allocation by County:

- $2,389,000 / $2,389,000 (Monroe County – Host County for this project)
- $2,196,000 / $3,722,000 (Randolph County – Voluntary Reallocation to IFA designated for this project)

Note: This project will not use any of the Authority's or the State of Illinois' 2010 Volume Cap allocation reserved for Industrial Revenue Bonds and other qualified, privately-owned facilities. These Recovery Zone Facility Bond allocations are a special one-time allocation by the Federal Government to Counties and Large Municipalities for use in calendar 2009 and 2010 created under the American Reinvestment and Recovery Act of 2009. Under current law, RZFBs may be issued through 12/31/2010.

SOURCES AND USES OF FUNDS – PRELIMINARY, SUBJECT TO CHANGE

Sources:	IFA Recovery Zone Facility Bonds	$4,585,000	Uses:	Project Cost	$7,195,000
	Equity	2,695,000		Issuance Costs	85,000
	Total	**$7,280,000**		**Total**	**$7,280,000**

*Equity will be provided as a cash contribution by the Borrower.

JOBS

Current employment:	103	Projected new jobs:	5-10 (within 2 years)
Jobs retained:	N/A	Construction jobs:	30-50 (construction)

This Project and financing will enable the principals of Annex II to expand their operation to undertake additional storage contracts with the **National Archives and Records Administration** ("**NARA**" or "**The National Archives**") in order to provide jobs and critical investment in Monroe County. According to the Borrower, key competition is from Kansas City, Missouri, which also hosts a similar storage facility located in underground caverns near the Missouri River.

FINANCING SUMMARY*

Structure:	As proposed, the Bonds would be purchased directly by **United Community Bank**, the Direct Lender/Investor (the "**Bank**" or "**Direct Lender/Investor**"), and held as a portfolio investment until maturity.
Direct Lender/ Bond Investor Security:	United Community Bank will be secured by a first mortgage and assignment of rents and leases.
Amortization/ Term:	20 Years (Maturity: 12/31/2030)
Interest Rate	Rate set at 6%, fixed for the term of 20 years.
Timing:	Mid-August 2010
Rationale:	The proposed project will enable Annex II to increase its storage capacity significantly and maintain its contract with the National Archives and Records Administration developing job opportunities in Monroe and Randolph Counties in Southwestern Illinois.

BUSINESS SUMMARY

Description: **Annex II LLC** (the "**LLC**") is an Illinois limited liability single purpose company established in June 2010 with the sole purpose of developing, owning, and leasing space comprising the Project to the **National Archives and Records Administration** ("**NARA**") in order to provide for records storage capacity for federal records.

Background: The general area and site is known as "**Rock City**" and is comprised of an area in and near the bluffs located in Valmeyer, Illinois. Original development of the site began more than a century ago when the St. Louis Valley Railroad used the site as an open-faced quarry to obtain rocks for use as railroad ballast. For most of its existence, the quarry was mined for limestone that was used in fertilizer. This quarrying created massive man-made underground caverns and tunnels that will be used for the proposed record storage facility.

As a result of the "1993 Mississippi River Flood," the Village of Valmeyer was relocated and the Village's corporate boundaries now include the Rock City site. The Village of Valmeyer took ownership of the quarry property in 1995. In 2000, the Village entered into a marketing agreement with Admiral Parkway, Inc., an affiliate of Annex II, LLC, to develop the abandoned quarry into an underground business complex.

Site Selection of by NARA: In November 2007, the National Archives and Records Administration chose Rock City for the location of its new facility entitled Annex I. The Annex I project consists 398,862 square feet, or 9.15 acres, of office and related file storage space. This project required an additional investment of $26,500,000. The Annex I project currently has 103 employees and is adjacent to the proposed new site of Annex II.

Rock City is now a state-of-the-art development encompassing approximately 6 million square feet, or 137.75 acres containing an extensive man-made cave system. The temperature inside the cave averages 58°, the ceilings are approximately 25-50 feet high, and the floors are solid limestone and feature wide clearance limestone pillars located 50 to 60 feet apart. There are more than 100 outside openings, creating natural air flow thereby eliminating the need for duct work or ventilation fans.

The Tenant: The National Archives and Records Administration (NARA or The National Archives) is the nation's record keeper, housing documents and materials (i.e. Declaration of Independence, the Constitution and the Bill of Rights) created in the course of business conducted by the United States Government and is the repository of records held in trust for the public (i.e. military records, naturalization records, and etc.) retained forever.

The Developer: The Annex II, LLC management team consists of Joe Koppeis, as a Managing Member. Joe leads the management team and is responsible for the entire operations of Admiral Parkway, Inc. (which is, effectively, the parent company) and the Annex I project. Lorrie Maag serves as the Director of Operations and is responsible for the day-to-day activities of the corporation. Keith Brinkmann, CPA, serves as the chief financial officer and is responsible for preparing and reviewing financial data, as well as income tax preparation.

Admiral Parkway, Inc. (an Illinois corporation created on June 19, 1995) was established as a commercial real estate development company. Today, Admiral Parkway not only develops commercial property, but is also the development company for Rock City property in Valmeyer, Illinois (Monroe County).

Additional Business Interests:

In early 2007 Admiral Parkway, Inc. owned by Joe Koppeis (an experienced food service businessman and former Director of Sales Development for Wetterau Foods in St. Louis) and Patty Koppeis, invested more than $10 million to construct a 200,000 square foot temperature-controlled refrigerated warehouse, Mid America Cold Storage, LLC, also in the Rock City development in Valmeyer. Mr. and Mrs. Koppeis are the managing members of the LLC that owns this facility Mid America Cold Storage, LLC. Other Developments include:

- **Chester Shopping Center, L.L.C**. (since 1997), Managing Member
  Owns and operates a shopping center in Chester, Illinois.
- **Columbia Centre Market Place, Inc**. (since 1988), President
  Owns and operates a grocery store and a shopping center in Columbia, Illinois.
- **Construction Company of Southern Illinois, LLC** (since 2008), Managing Member; Owns and operates a construction company.
- **F & B Development L.L.C**. (since 2004), Managing Member

Owns ground currently planned as a sports complex and single family residential property.

- **Freeburg Development Corporation** (since 2004), President
  Owns and operates office and retail space in Freeburg, Illinois.
- **Freeburg Realty, LLC** (since 2006), Managing Member
  Owner of an E.R.A. professional Real Estate office in Freeburg, Illinois.
- **South Grand, L.L.C.** (since 1998), Managing Member
  Owns and leases 36,000 square foot retail building in St. Louis, Missouri.
- **Sparta Hotel, Inc**. (since 2006), President
  Owns and operates a Holiday Inn franchise located in Sparta, Illinois.
- **Sparta Lodging, LLC** (since 2008), Managing Member
  Owns and operates a non-franchised hotel in Sparta, Illinois.
- **Waterloo Centre, Inc.** (since 2000), President
  Owns, leases, manages office space.
- **Koppeis Heating, Cooling & Electrical, L.L.C**. (since 2003)
  Owns a commercial and residential heating and cooling company.

Project Impact: The IFA Bonds will enable new construction and equipment acquisition to be financed at the most favorable terms available in the market. The project is being undertaken to maintain quality of service to and handle increased storage needs of NARA. The project represents a growing relationship between NARA and the Village of Valmeyer to bring new skilled jobs to the community.

PROJECT SUMMARY

Recovery Zone Facility Bond proceeds will be used to finance and/or refinance (a) the acquisition, construction and equipping of a 75,000 square foot storage facility located at 1411 Boulder Boulevard in Valmeyer, Illinois (the "Project"), (b) a portion of the interest on the Bonds, and (c) all or a portion of the costs of issuance of the Bonds. The Project includes converting a limestone cave into a storage facility that will be owned, operated and managed by the Borrower and leased to the National Archives and Records Administration for the purpose of storing temporary records of the National Personnel Records Center.

Estimated Project Costs:

Construction	$6,658,000
Architect & Engineering	112,000
General Contractor	425,000
Total	**$7,195,915**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Annex II LLC (Contact: Joe Koppeis, Manager, c/o Admiral Parkway, Inc., 1000 Columbia Centre, Columbia, IL 62236; Ph: (618) 281-6200) E-mail: joek@admiralparkway.com
Project name:	Annex II LLC, Rock City Project
Location:	1411 Boulder Boulevard, Valmeyer, Illinois (Monroe County) 62295
Borrower:	Annex II, LLC
Organization:	Illinois Limited Liability Company
Ownership:	Joe Koppeis 100%

PROFESSIONAL & FINANCIAL

General Counsel:	Husch Blackwell Sanders LLP.	St Louis, MO	Deborah Conrad
Accountant:	JW Boyle	Columbia, IL	Keith Brinkmann
Financial Advisor:	Stifel Nicolaus & Company, Inc	Edwardsville, IL	Mary Kane
Bond Counsel:	Gilmore & Bell	St. Louis, MO	Sean Flynn
Bond Purchaser:	United Community Bank	Chatham, IL	Allen Schmale
IFA Counsel:	Mayer Brown LLP	Chicago, IL	David Narfesky
IFA Financial Advisor:	Acacia Financial	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional:	12th District – Jerry Costello
State Senate:	58th District – David Luchetefeld
State House:	161st District – Dan Reitz

CONDUIT

ILLINOIS FINANCE AUTHORITY

August 10, 2010

$21,000,000
KONE Centre Investment Fund, LLC

REQUEST

Purpose/Project: Proceeds of the IFA Series 2010 Midwestern Disaster Area Bonds (KONE Centre Project), combined with other sources of debt and equity, will be loaned to **KONE Centre Investment Fund, LLC** (the "**Borrower**"), with such proceeds ultimately, through a series of transactions and loans to **Financial District Properties KP, LLC** (the "**Owner**"), an Illinois limited liability company, to finance costs associated with the acquisition, construction and equipping of a new approximately 123,360 Net Rentable Square Foot ("**NSRF**"), 8-story office and residential building to be located on an approximately 2.184 acre site at 1 KONE Court (at the southeast corner of 17th Street and 2nd Avenue) in Moline (Rock Island County), Illinois (the **"Project"**), and to finance costs of issuance of the Bonds. The Project will be owned by the Owner. Approximately 75,000 NRSF of the Project will be leased by the Owner to **KONE Inc**., a Delaware corporation ("KONE"), the US operating subsidiary of Finland-based **KONE OYJ**. The KONE Centre Building will serve as KONE's North American corporate headquarters. Other portions of the Project will be leased to and used by various retail and other commercial tenants. The 8th floor of the Project will be sold as multi-family condominiums and will be financed separately by the Developer).

Program: **Midwestern Disaster Area Bonds** ("**MDABs**"): a federal program that enables tax-exempt bonds to be issued to finance certain types of privately-owned projects that will generate jobs and economic development activity in 18 designated counties in Illinois that suffered damage in mid-2008 from floods and other storm damage.

Volume Cap Required: This project will not use any of IFA's standard 2010 Private Activity Bond Volume Cap for Industrial Revenue Bonds. Instead, this project would be financed as a Midwestern Disaster Area Bond issue and will use $20,200,000 of a $1.5 Billion MDAB allocation to the State of Illinois and managed by IFA.

No IFA Funds at risk. No State Funds at risk.

New Markets Tax Credits ("NMTCs"), *are a federal tax credit program that generates 3rd party investments that support economic development projects located in specified Census tracts. Overall, the New Market structure will leverage approximately $23.2MM in leverage loans with $6.8MM of net equity from 3rd parties (which will take the form of subordinate loans that will convert to project equity when the 7-year NMTC compliance period expires, thereby inducing a senior lender).*

BOARD ACTIONS

Preliminary Bond Resolution

MATERIAL CHANGES

Not Applicable. This is the first time this project has been presented to the IFA Board.

JOB DATA

375	Current jobs	50	New jobs projected
375	Retained jobs	53 FTE	Construction jobs projected

BORROWER DESCRIPTION

- Type of entity: Special purpose entity (and Missouri limited liability company) created October 25, 2007, to own the subject multi-use office building during the 7-year New Markets Tax Credit compliance period.
- Location: Moline (Rock Island/Northwest)

CREDIT INDICATORS

- Bonds will be purchased directly by US Bank, N.A. as "Direct Lender/Bond Purchaser".

PROPOSED STRUCTURE

- Final Maturity Date on Bonds: not-to-exceed 25 years
- Interest Rate: 4.00% to 4.50% for initial 7 year period (and subject to reset and extension)

SOURCES AND USES

(Preliminary, Subject To Change)

Sources: IFA MDA Bonds (Senior "A" Leveraged Loan)	$ 20,200,000	**Uses:** New Construction	$ 26,950,000
New Markets Tax Credit - Subordinate ("B") Loan (funded from NMTCs)	$ 6,565,000	Lease-up and Stabilization Reserve	$ 290,000
Developer Leveraged Loan - Subordinate ("C") Loan	$ 3,061,000	Estimated Costs of Issuance	$ 395,000
Developer Funds	$ 1,474,000	Operating Reserves	$ 1,011,000
		Construction Contingency Reserve	$ 2,654,000
Total:	**$ 31,300,000**	**Total:**	**$ 31,300,000**

RECOMMENDATION

Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 10, 2010

Project: **KONE Centre Investment Fund, LLC**

STATISTICS

IFA Project:	I-MDAB-TE-CD-8387	Amount:	$21,000,000 (not-to-exceed amount)
Type:	Midwestern Disaster Area Bonds	IFA Staff:	Kim Du'Prey & Rich Frampton
County/	Region: Moline / Rock Island / Northwest		
Location:	Moline, Rock Island County		

BOARD ACTION

Preliminary Bond Resolution

Conduit Midwestern Disaster Area Bonds	No IFA funds at risk
Credit Review Committee recommends approval.	No extraordinary conditions

VOTING RECORD

No Prior Board Action.

PURPOSE

To finance a portion of the costs of acquisition, construction and equipping of a new approximately 123,360 Net Rentable Square Foot, 8-story office building to be located at 1 KONE Court in Moline, Illinois (the "**Project**"), and to pay costs of issuance of the Bonds. Approximately 75,000 Net Rentable Square Feet of the Project will be leased to KONE Inc., a Delaware corporation ("**KONE**") to serve as its North American corporate office and headquarters. Other portions of the Project will be leased to and used by various retail and office tenants. The 8th floor of the Project will be developed as for-sale residential condominiums (and will be financed separately by the Developer).

The KONE Centre project will be the first LEED Certified (Silver) building to be constructed in Moline.

IFA PROGRAM AND CONTRIBUTION

Midwestern Disaster Area Bonds are a federal program that enables tax-exempt bonds to be issued to finance certain types of privately-owned projects that will generate jobs and economic development activity in 18 designated counties in Illinois that suffered damage in mid-2008 from floods and other storm damage.

Midwestern Disaster Area Bonds are a provision of the Federal Heartland Disaster Tax Relief Act of 2008 (Public Law 110-344; 122 Stat.3918) that enable issuance of Tax-Exempt Bonds for certain privately-owned projects located in certain designated counties located in the Midwest through 12/31/2012.

(See IFA's web site at: "www.il-fa.com/products/communities/disaster_bond.html" for details.)

VOLUME CAP

This financing will require Volume Cap allocation under the Midwestern Disaster Area Bond (MDABs) Program provided under the Heartland Disaster Tax Relief Act of 2008 (Public Law 110-344; 122 Stat.3918). Illinois Governor Pat Quinn has designated that the Illinois Finance Authority will serve as the Issuer of MDAB's for industrial and commercial projects. The State has a total of $1.5 Billion in bonding authority currently available for issuance of MDABs. Borrowers that incur qualified project costs in the 18 MDAB-eligible counties are now eligible for tax-exempt financing. Under this Act, MDAB's may be issued from 2008 until 12/31/2012. The project site in Moline is located in Rock Island County (one of the 18 designated counties).

This will be the first issuance of Midwestern Disaster Area Bonds in Illinois since the federal authorization was designated in 2008. Estimated MDAB Volume Cap required for this financing: $20,200,000 (out of $1.5 Billion available from IFA to projects located in the 18 counties through 12/31/2012)

Note: This project will not use any of the Authority's or the State of Illinois' 2010 Volume Cap allocation reserved for Industrial Revenue Bond and other qualified, privately-owned facilities. These Midwestern Disaster Area Bond allocations are a special one-time allocation by the Federal Government to Counties and Large Municipalities for use in calendar 2008 through 2012 under the Heartland Disaster Tax Relief Act of 2008.

SOURCES AND USES OF FUNDS – ALL AMOUNTS PRELIMINARY AND SUBJECT TO CHANGE

IFA MDA Bonds - Senior ("A") Bonds and Leveraged Loan	$ 20,200,000	New Construction	$ 26,950,000
New Markets Tax Credit - Subordinate ("B") Loan (funded from NMTC equity)	$ 6,565,000	Lease-up and Stabilization Reserve	$290,000
Developer Leveraged Loan - Subordinate ("C") Loan	$ 3,061,000	Estimated Cost of Issuance	$ 395,000
Developer Funds	$ 1,474,000	Operating Reserves	$ 1,011,000
		Construction Contingency Reserve	$ 2,654,000
Total:	**$ 31,300,000**	**Total:**	**$ 31,300,000**

Note: The Sources and Uses reported above only report funds that are being capitalized into the New Markets Tax Credit Investment Fund structure that includes the $20.2MM of IFA Bonds as a leveraged loan for purposes of determining eligible New Markets Tax Credit basis. Additionally, NMTC regulations only allow 5% of the structure's capitalization to be in the form of cash. The residential condominium units and parking garage are being financed separately from other sources (including additional developer cash equity) and are not considered an element of this IFA Bond/NMTC structured financing.

JOBS

Current employment:	375	Projected new jobs:	50 (retail)
Jobs retained:	375	Construction jobs:	53 FTE

FINANCING SUMMARY*

"*" = Preliminary, Subject to Change

Structure – Bonds as Senior Debt: As proposed, the Bonds would be purchased directly by **US Bank, N.A.**, the Direct Lender/Investor (the "**Bank**" or "**Direct Lender/Investor**") and held as a portfolio investment until maturity.

Direct Lender/ Bond Investor Collateral: During the initial seven (7) year term, US Bank, N.A. (as Direct Lender/Investor) will be secured by a first mortgage on the subject real estate, a collateral assignment of rents and leases, an assignment of equity interest in the investment fund (typical of New Market Tax Credit Transactions), an assignment of all contracts (construction, architectural, engineering), and an assignment of the Development Agreement. Additionally, the IFA Bonds (held by US Bank, N.A.) will be cross defaulted with the two subordinate loans from the New Market Lenders (i.e., affiliates Waveland Community Development, LLC of Austin, TX, and Great Lakes Capital Fund of Lansing, MI).

Amortization/ Term: 7-year initial term (subject to extension thereafter for up to 25 years)

Interest Rate: Estimated at between 4.00% and 4.50% fixed (preliminary, and subject to change) for an initial 7-year interest rate period/mode (subject to extension thereafter until 25 years after the date of issuance). Pursuant to the US Treasury's requirements for New Markets Tax Credits (NMTC), no principal payments can be made during the 7-year term NMTC compliance period.

Timing: September 2010

Rationale: The proposed project will provide affordable MDAB financing that will finance development of a project that will create construction jobs, retain the headquarters facility of KONE, Inc. in the Moline area, consistent with the statutory objectives of the federal Heartland Disaster Relief Act of 2008.

Comments on US Bank CDC NMTC Equity Investment and Impact on Leveraging Project and Improving Loan-to-Value:

As a result of the New Markets Tax Credit (NMTC) structure, the capitalization of the NMTC Investment Fund (in this case, KONE Centre Investment Fund, LLC) determines the eligible tax credit basis on which the 39% New Markets Tax Credit ("NMTC") are earned by the NMTC investor (US Bancorp Community Development Corporation) over the 7-year NMTC period. As a result, by attributing both the interest-only IFA Bonds and recasting the Developer Equity as an interest-only loan, both loans may be included in the "eligible basis" and count as "capital" for determining the dollar amount of New Markets Tax Credits available to an equity investor on the project.

Accordingly, by combining interest only loans (in this case, comprising (i) the $20.2MM IFA Bonds and (ii) the $3.06MM Subordinate Loan from the Developer, results in $23.26MM of eligible tax credit basis (which on its own, will generate $9.07MM of New Markets Tax Credits over 7 years). Collectively, the IFA Bonds and the Developer Loan (from Rodney Blackwell) will result in "Leveraged Loans" that boost the eligible NMTC basis by $9.07MM.

As the New Markets Tax Credit investor, US Bancorp Community Development Corporation will make an upfront equity investment in the New Markets Credits discounted to reflect an acceptable rate of return to the Bank. US Bank CDC will be making an upfront capital contribution of $8.3MM.

- The combined amount of (1) the $23.26MM of "Leveraged Loans" [comprised of (i) the $20.2MM IFA Bonds purchased by US Bank, N.A., (ii) the $3.06MM Subordinate Developer Loan], and (2) US Bank CDC's $8.3MM capital (equity) contribution, net of a $1.658MM reduction for IRS-allowed adjustments, the eligible NMTC basis, results in eligible New Markets Tax Credit Basis of $30.0MM.
- This $30.0MM of eligible NMTC "basis" generates $11.7MM of New Markets Tax Credits earned over 7 years. (So, US Bank CDC is willing to pay $8.3MM now for a stream of Tax Credits to the totaling 39% and earned over next 7 years.
  - US Bank CDC's NMTC stream will be paid as follows: (1) 5% on the $30MM basis for the first 3 years -- for $1.5MM/year; and (2) 6% on $30MM for the last four years – for $1.8MM/year)
- New Markets Tax Credits are allocated by the US Department of the Treasury to eligible Community Development Entities (CDE's). These CDE's will use the equity investment from US Bancorp CDC to originate a $6.565MM Subordinate "B" Loan referenced above.
  - The Subordinate "B" Loan will be interest-only for 7 years (as required by the NMTC structure) at an interest rate of 3.98%.
    - The Subordinate "C" Loan will be interest-only for 7 years (as required by the NMTC structure) at an interest rate of 2.35%.
    - The Senior "A" IFA Bonds will be interest-only of 4.00% to 4.50% for 7 years
  - The two CDE's on the KONE Transaction will then, in turn, re-loan the funds (in two separate notes based on their pro-rata Tax Credits allocations to the Investment Fund) from the Senior IFA "A" Bonds, and the Subordinate "B", and Subordinate "C" loans to Financial District Properties KP, LLC. (Financial District Properties will "own" the Project and will execute the underlying lease with KONE, Inc.)
- The initial term on all NMTC loans, including the IFA Bonds, is limited to 7 years as mandated under the New Markets Tax Credit structure.
- The life of the Investment Fund is 7 years. At that time, US Bancorp CDC is required (as an NMTC equity investor) to forgive its $6.565MM Subordinate "B" Loan in exchange for a nominal consideration.
  - At that time, the Subordinate "B" Loan becomes equity in the project. Simultaneously, the Investment Fund will be dissolved and Financial District Properties KP, LLC will be the owner and become the direct obligor on the remaining outstanding debt, which could be refinanced or extended at that time.

BUSINESS SUMMARY

Borrower: **KONE Centre Investment Fund, LLC,** (the "**Investment Fund**" or the "**Borrower**") is a Missouri liability company 100% owned by U.S. Bancorp Community Development Corporation.

The Investment Fund will have a 99.99% ownership interest in the New Markets Tax Credits entities: Waveland Sub CDE and Great Lakes Cap Fund Sub CDE, which will be providing subordinate loans to finance construction of the KONE Centre (to Financial District Properties KP, LLC, as noted in the section immediately below). The Investment Fund is a Single Purpose Entity (SPE) established in October, 2007 specifically to serve as the Borrower on the IFA Series 2010 Bonds during the seven-year New Markets Tax Credit compliance period.

The Owner or the Developer: Although the IFA Series 2010 Bond proceeds will be loaned to KONE Centre Investment Fund, LLC, Bond proceeds will be ultimately, through a series of transactions, loaned to **Financial District Properties KP, LLC** ("**FDP KP, LLC**", the "**Owner**", or the "**Developer**"), an Illinois liability company.

FDP KP, LLC is a special purpose real estate entity that was formed for the purpose of developing the proposed KONE Centre project in downtown Moline, IL.

FDP KP, LLC is 100% owned by **FDP KP Holdings LLC**.

The principals of FDP KP Holdings, LLC are **Rodney Blackwell** (80% ownership interest) and **Roy Carver, Jr.** (20% ownership interest).

Rodney Blackwell is a real estate developer with commercial real estate holdings in the Quad Cities and Waterloo, Iowa areas. Mr. Blackwell's real estate holdings include retail and warehouse space. His companies employ 160 people overall. He has over 20 years of real estate development experience and currently owns and manages a portfolio of four commercial office buildings, several strip shopping centers in the Quad Cities area, and partial interest in property occupied by two auto dealerships.

Roy Carver, Jr. is a Quad Cities businessman involved in various business interests throughout the Quad Cities region. He is currently Chairman of the Board of Directors at Carver Pump, a builder of centrifugal pumps, located in Muscatine, IA. He is President of Carver Aero, a local fixed based operator at the Davenport and Muscatine airports in Iowa. He is also President of Harrington Signal, Inc., a fire alarm manufacturer, distributor, and electronic contract manufacturer located in Moline, IL. He is a Director of Bandag, Inc., a tire retreading company, and a Director of Iowa First Bancshares Corp.

Property Tax Rebate to the Developer: The City of Moline entered into a Developmental Agreement with the Developer, Financial District Properties KP, LLC establishing a Special Service Area, inside a TIF Area, that specifically contains the KONE Centre project site. Under the Developmental Agreement, the Developer will receive property tax rebates of up to 90% of the taxes actually are received by the City (and attributable to the KONE Centre project) annually until the expiration date of the TIF, February 3, 2032. The estimated annual property tax from the Project is expected to be at least $390,000.

Local Impact of the Project: The KONE Centre Project will be a defining urban community structure and major skyline feature for the City of Moline, Illinois. The multi-use building is expected to provide 8 stories of retail, office and residential space.

An adjacent 200-250 vehicle parking structure is also planned as part of the overall project. The structure will serve as the North American headquarters for KONE, Inc. ("KONE, Inc.").

KONE, Inc. is a solely, indirectly 100% owned subsidiary of KONE OYJ of Finland (see below for additional background on KONE OYJ). This financing will enable the City of Moline to retain approximately 375 full-time jobs at KONE, Inc. and generate $10 million of annual payroll. In addition to KONE, Inc., other prospective tenants are expected to include an internet café, fitness center, riverfront restaurant and KONE, Inc.'s credit union. These additional tenants are expected to create an additional 50 full-time jobs thereby resulting in an additional annual payroll of $1.0-1.5 million. The top floor (8^{th}) of the project will be used as for-sale luxury residential condominiums. These condominiums will be sold as shell structures with each purchaser responsible for finishing the space. The land is to be acquired from the City of Moline. Construction is set to begin in mid-to-late 2010 with the project to be completed in the fall of 2011.

The Lease: The lease to KONE, Inc. is a triple net lease for an initial term of 15 years, with five 7-year extension options.

Background on Anchor Tenant: The anchor tenant of the property is KONE, Inc. the North American headquarters for KONE OYJ, one of the world's leading elevator and escalator companies.

FDP KP, LLC has negotiated a lease with KONE, Inc (terms confidential). It is anticipated that KONE, Inc. will lease approximately 75,000 Net Rentable Square Feet ("NRSF") of the 123,360 NRSF KONE Centre building. The lease is expected to carry a guaranty from its Finland-based parent company, KONE OYJ (a public company with stock traded on the Helsinki stock exchange). KONE, Inc. is an indirect, 100%-owned subsidiary of KONE OYJ.

KONE OYJ -- Parent Company Overview: Founded in 1910 and employing approximately 34,000 employees worldwide, KONE OYJ is a global leader in the elevator and escalator industry. Through its local operating subsidiaries, KONE OYJ provides local service for builders, developers, building owners, designers and architects in 800 locations in over 40 countries. KONE OYJ entered the North America elevator market after acquiring Armor Elevator Company of New York City in 1981 and later acquired the Montgomery Elevator Company (based in Moline) in 1994, which further expanded their market share in North America. The North American operational headquarters are currently based in Moline, IL (accordingly, this proposed KONE Centre project will represent a job retention project).

KONE OYJ has been owned by the Herlin family of Finland, since 1924. The current Chairman of KONE OYJ's Board of Directors (since 2003) is Antti Herlin. Mr. Herlin owns 20% of the outstanding Class A & B shares and 61.4% of the voting shares. KONE OYJ Class B shares are listed on NASDAQ OMX Helsinki Ltd. in Finland. KONE OYJ is not rated by Moody's, Fitch, or Standard & Poor's.

Project Impact: The KONE Centre project will enable the City of Moline to retain the headquarters of one of its major employers, KONE, Inc. According to the Borrower's application, this financing is expected to retain 375 employees. KONE, Inc.'s facility was damaged by the flood and storms during summer of 2008; accordingly, this project qualifies for Midwestern Disaster Area Bond financing. The use of tax-exempt financing under the Midwestern Disaster Area Bond Program will enable the project to be financed at a lower rate of interest. The property is also being converted from a "Brownfield" site to an environmentally friendly development.

The KONE Centre Building will be LEED certified (Silver), environmentally sound, energy efficient, and aesthetically designed structure. The City of Moline views the KONE project as an essential catalyst to rebuild its core business district known as the Moline Centre, which is comprised of Moline's downtown and Mississippi Riverfront. The City's support of this project's long-term benefits is evidenced through its creation of a Special Service Area #5 to rebate tax payments associated with the property.

Upon completion of the KONE Centre project, the City of Moline expects approximately $33 million of additional investment in construction and rehabilitation real estate development will be generated in a multi-state development plan to reinvent the surrounding low-income community, comprised of significant vacant warehouse space.

KONE Centre will complete Phase III of Moline's four-phase Bass Street Landing redevelopment project which offers a venue for outdoor events, festival and gatherings along the Mississippi Riverfront.

With two phases completed to date, an estimated $50 million in public and private investment has been invested to rehabilitate and develop the area surrounding the new KONE Centre Project.

PROJECT SUMMARY FOR PRELIMINARY BOND RESOLUTION

Proceeds of the IFA Series 2010 Midwestern Disaster Area Bonds (KONE Centre Project), combined with other sources of debt and equity, will be loaned to **KONE Centre Investment Fund, LLC** (the "**Borrower**"), with such proceeds ultimately, through a series of transactions and loans to **Financial District Properties KP, LLC**, an Illinois limited liability company, (the "**Owner**") to finance costs associated with the acquisition, construction and equipping of a new approximately 123,360 Net Rentable Square Foot ("**NSRF**"), 8-story office building to be located on an approximately 2.184 acre site at 1 KONE Court (at the southeast corner of 17th Street and 2nd Avenue) in Moline (Rock Island County), Illinois 61265 (the **"Project"**), and to finance costs of issuance of the Bonds. The Project will be owned by the Borrower. Approximately 75,000 NRSF of the Project will be leased to KONE Inc., a Delaware corporation ("KONE") which intends to use the building as its North American corporate offices and headquarters. Other portions of the Project will be leased to and used by various retail and other commercial tenants. It is expected that one floor of the Project will be sold as multi-family condominiums; however, such portion will not be financed with proceeds of the Bonds.

Preliminary Estimated Project Cost:

Land	$ 500,000
Construction	24,723,000
Architectural/Eng. & Other Legal/Prof. Pre-Devel. Fees:	1,727,000
Total	**$26,950,000**

ECONOMIC DISCLOSURE STATEMENT

Developer/ Contact for Borrower: Rodney Blackwell, Managing Principal, Financial District Properties KP, LLC, 201 N Harrison St., Suite 402 Davenport, IA 52801, on behalf of KONE Centre Investment Fund, LLC (the "Borrower") and Financial District Properties KP, LLC (the "Owner" through a series of transactions and loans)

Project name: The KONE Centre Building

Location: One KONE Court (SE corner of 17th Street and 2nd Avenue), Moline, IL

Borrower: KONE Centre Investment Fund, LLC (Borrower on IFA Bonds purchased by US Bank, N.A.)

Organization: Missouri Limited Liability Company

Ownership of Borrowing Entity: **KONE Centre Investment Fund, LLC,** (the "**Investment Fund**", the "**Owner**" and "**Bond Obligor**") is a Missouri liability company 100% owned by U.S. Bancorp Community Development Corporation.

The Investment Fund will have a 99.99% ownership interest in the New Markets Tax Credits entities: (1) Waveland Sub CDE and (2) Great Lakes Cap Fund Sub CDE, which will each be providing loans to finance construction of the KONE Centre indirectly to the QALICB listed below (i.e., Financial District Properties KP, LLC). The Investment Fund is a Single Purpose Entity (SPE) established in October, 2007 specifically to serves as the Owner and Bond/Debt Obligor during the seven-year New Markets Credits Tax period.

Project Owner/ Developer/ QALICB: **Financial District Properties KP, LLC** will become the direct Owner and Debt Obligor on the Project **after completion of the 7 year NMTC Compliance Period**. Financial District Properties will be the Qualified Business (i.e., "**QALICB**") associated with this New Markets Tax Credit transaction.

Owners: Rodney Blackwell (80%); Roy Carver (20%)

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Burke, Burns & Pinelli, Ltd	Chicago, IL	Mary Ann Murray
Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Business Advisor/ Financial Advisor:	Deloitte Tax, LLP	Davenport, IA	Bryce Henderson
Direct Bond Purchaser/ Investor (Non-LOC Structure):	U.S. Bank, N.A.	Davenport, IA	Jim Richardson
Counsel to Credit Enhancer or Direct Bond Purchaser/Investor:	Husch Blackwell Sanders, LLP	St. Louis, MO	Steve McCandless
Bank Bond Advisor:	The Whitman Group	Columbus, OH	Tom Whitman
Borrower's Auditor/ Outside CPA:	Deloitte Tax, LLP	Davenport, IA	Bryce Henderson
Architect:	Hellmuth, Obata & Kassabum, Inc.	St. Louis, MO	Roger McFarland
General Contractor:	Ryan Companies	Davenport, IA	Greg Lundgren
Civil Engineering:	Shive-Hattery, Inc.	Moline, IL	
Code Life Safety Consultants:	Code Consultants, Inc	St. Louis, IL	
IFA Counsel:	Ice Miller LLP	Chicago, IL	Jim Snyder
IFA Financial Advisor:	Scott Balice	Chicago, IL	Lois Scott

Supplemental Financial Participant List:

Investment Fund:	KONE Centre Investment Fund, LLC (Borrower, Owner of Property during 7-yr NMTC Compliance Period), c/o US Bancorp Community Development Corporation, 1307 Washington Ave., St. Louis, MO 63103
New Markets Tax Credit Investor:	U.S. Bancorp Community Development, Corporation, a Minnesota Corporation; c/o Director of Asset Management – NMTC, 1307 Washington Ave., St. Louis, MO 63103
QALICB (Ultimate Beneficiary of all Loans):	Financial District Properties KP, LLC (or "FDP KP, LLC"); will become Owner and Debt Obligor on the Project after completion 7-yr NMTC Compliance Period
QALICB Owners:	FDP KP Holdings LLP owns 100% of FDP KP, LLC The Owners of FDP KP Holdings LLP are Rodney Blackwell (80%) and Roy Carver (20%)
Subordinate Lender/ NMTC Allocatee:	Waveland Community Development, LLC and affiliates, ("Waveland"), Community Development Entity ("CDE"), 515 Congress Ave, Suite 1700, Austin, TX 78701
Subordinate Lender/ NMTC Allocatee:	Great Lakes Capital Fund and affiliates ("CapFund New Markets, LLC"), Community Development Entity ("CDE") 1000 S. Washington, Lansing, MI 48910
Tenant:	KONE, Inc., a Delaware Corporation (a 100% indirectly owned US subsidiary of KONE OYJ of Finland).

LEGISLATIVE DISTRICTS

Congressional:	12th District -Phil Hare
State Senate:	36th District-Michael Jacobs
State House:	72nd District-Patrick Verschoore

CONDUIT

August 10, 2010

$9,850,000
Chicago Mission AAA Hockey Club

REQUEST	**Purpose**: Bond proceeds will be used to finance the acquisition, renovation, and equipping of the Seven Bridges Ice Arena in Woodridge, Illinois. Additionally, bond proceeds may be used to financing certain prior eligible project costs, and to pay bond issuance costs. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Preliminary Bond Resolution (LOC Secured Bond Issue)
MATERIAL CHANGES	Not applicable – this is the first time this financing has been presented to the IFA Board of Directors.
JOB DATA	120 Current jobs · 4 New jobs projected (preliminary; subject to change) N/A Retained jobs · 7 Construction jobs projected (preliminary estimate)
DESCRIPTION	● Location: Woodridge (DuPage County/Northeast Region) ● Chicago Mission AAA Hockey Club was established in 2001. The Club purchased and operated an arena facility located in Holland, MI since 2004. This will represent the second arena under Club ownership. ● Chicago Mission AAA Hockey is the primary tenant of the Seven Bridges Arena. The acquisition of the Seven Bridges facility will be consistent with a mission-based directive from USA Hockey that urging AAA amateur hockey clubs to own or control their own arenas for programming purposes. The Club, as a class AAA Amateur Hockey Club (for 17-18 year olds), is one of the most prestigious youth hockey clubs in the United States. ● The proposed acquisition will enable Chicago Mission to continue to expand its programs for youth hockey (including both boys and girls hockey) and provide the Club with the ability to directly control its growth, program management, and the ability to lease additional ice time at the facility.
CREDIT	● The subject Bonds will be secured by a Direct Pay Letter of Credit from American Chartered Bank (Lake Zurich, Illinois) and wrapped by an VMIG-1 (Moody's short-term) rated Confirming Letter of Credit from the Federal Home Loan Bank of Chicago (or another comparably rated bank). American Chartered will be the secured lender on this financing.
INDICATORS	● Chicago Mission AAA Hockey Club is not rated by Moody's, S&P, or Fitch.
PROPOSED STRUCTURE	• Bonds will be sold initially as 7-Day Variable Rate Demand Bonds • Final Maturity of up to 25 years (initial term/pricing of 1 year, subject to renewal for terms of up to 5 years).
SOURCES AND USES	IFA Bonds $9,850,000 · New Project Costs $13,475,000 Subordinate Loan (2nd Mortgage) 3,800,000 Equity 10,000 · Cost of Issuance 185,000 **Total $13,660,000** · **Total $13,660,000**
RECOMMENDATION	Credit Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 10, 2010

Project: Chicago Mission AAA Hockey Club

STATISTICS

Project Number:	N-NP-TE-CD-8383	Amount:	$9,850,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton
Location:	Woodridge	County/ Region:	DuPage/Northeast

BOARD ACTION

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

PURPOSE

The proposed project will enable **Chicago Mission AAA Hockey Club** to purchase and renovate the Seven Bridges Arena in Woodridge, Illinois (an arena at which it is the principal tenant).

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are municipal bonds authorized under the Internal Revenue Code that enable 501(c)(3) corporations to finance capital projects furthering support of their mission. IFA's issuance of these Bonds will convey federal tax-exempt status on the interest paid to bondholders, thereby enabling bondholders to accept a below market interest rate that is passed through to the Borrower.

VOTING RECORD

Not applicable – this is the first time this financing proposal has been presented to the IFA Board of Directors.

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$9,850,000	Uses:	New Project Costs	$13,475,000
	Subordinate Loan	3,800,000		Issuance Costs	185,000
	Equity	10,000			
	Total	**$13,660,000**		**Total**	**$13,660,000**

JOBS

Current employment:	102	Projected new jobs:	4
Jobs retained:	N/A	Construction jobs:	7 (preliminary estimate)

BUSINESS SUMMARY

Background: **Chicago Mission AAA Hockey Club** ("**Chicago Mission**" or the **"Borrower"**) was incorporated under Illinois law in 2001 and also received its 501(c)(3) Determination Letter from the Internal Revenue Service in August 2001.

The Chicago Mission is governed by a 3-member Board of Trustees (see page 7 for listing).

Description of Borrower: Chicago Mission AAA Hockey Club's stated mission is to:

- Promote, encourage, develop, govern, and provide opportunity for amateur skating and ice hockey for boys and girls
- Help organize leagues and competition for participants and to compete with other similar clubs elsewhere
- Teach boys and girls respect for the concepts of sportsmanship, fair play, to abide by referees and judges

Chicago Mission manages and hosts youth teams and tournaments located at the Seven Bridges Ice Arena in Woodridge, Illinois (Illinois Route 53 and Hobson Road) and at the Edge Arena in Holland, Michigan. Chicago Mission purchased the Holland, Michigan arena facility in 2004, where it hosts its own teams as well hosting as regional weekend tournaments.

Chicago Mission offers several aged-based tiers of competition and training leading up to Tier 1 Hockey (the highest level of non-professional and non-collegiate junior hockey in the US). In the US, Tier One Junior Hockey provides training to the most skilled 17-18 year olds seeking to play intercollegiate or professional hockey. According to USA Hockey, approximately 40% of US Tier I Junior Hockey Players advance to play intercollegiate hockey and 10% advance directly to professional hockey.

Chicago Mission is a member of USA Hockey, which is recognized by the International Olympic Committee and the US Olympic Committee as the governing body for amateur ice hockey in the United States. USA Hockey runs national championships for (1) Boys Tier I and Boys Tier II Hockey, (2) Girls hockey divisions at all levels, (3) competition for Junior A, B, and C boys leagues and (4) a total of 10 championships for adult men (National; Elite Non-Checking; 30-and-over; 40-and-over; 50-and-over; 3 recreational league levels; and 2 novice levels).

Chicago Mission fields teams in all most major championship divisions organized by USA Hockey.

Since 2004, Chicago Mission has served as host and sponsor, in conjunction with other area hockey clubs, to host the Annual Bauer International Invitational in early November. The Bauer event involves 408 teams, 7,325 players, and 907 games over 4 days. The Bauer Invitational is regarded as one of the top youth hockey events in North America.

According to Chicago Mission, the Bauer Invitational generates approximately $15 million in direct spending by traveling junior teams (and their families) in the area. Chicago Mission also participates with other Chicago area clubs to host the Annual Bauer Invitational. Additionally, the Illinois Bureau of Tourism has awarded grants to Chicago Mission AAA Hockey to support the Bauer Invitational, which attracts other Tier I clubs located across the U.S. (from New York to California) and Canada and results in substantial tourism dollars and hotel occupancy tax revenue near the Seven Bridges Arena (and at other arenas in the Chicago Metropolitan Area).

Chicago Mission has previously received tourism grants from the Illinois Office of Tourism (DCEO) in connection with the Bauer Invitational.

The Seven Bridges Arena: Seven Bridges Arena was constructed in 1994 as part of the Village of Woodridge's Seven Bridges Golf Course master planned redevelopment project. The original construction cost was approximately $10 million. The facility opened in September 2004. The facility features 406 parking spaces and three ice surfaces, including: one NHL sized rink; one Olympic sized rink, and a smaller rink used for figure skating and ballet. Additionally, in 2007, a mezzanine area was built out that includes an indoor soccer/lacrosse field that is also used for off-season hockey conditioning.

In addition to the Chicago Mission Hockey Club, the Seven Bridges facility leases ice time to two other hockey clubs (Sabre Youth Hockey Club; Team Illinois Youth Hockey Club) and to three nearby High School Hockey Clubs (Neuqua Valley – Naperville; Waubonsie Valley – Aurora; and Downers Grove South).

Background on Existing Seller and Management Company: The Seven Bridges Ice Arena Facility is currently owned by SB Arena, LLC. The principal owners of SB Arena, LLC are Mr. Leon Lekai (Barrington, IL) and members of Mr. Lekai's immediate family.

The Seven Bridges facility is currently managed by Advanced Arenas, Inc. of Woodridge, IL an entity that has overlapping ownership with the Seller. The principal owners of Advanced Arenas, Inc. are Mr. Leon Lekai and Mr. Kevin Mann. Advanced Arenas serves as management agent for both arenas under its own ownership and for facilities owned by unrelated third parties.

Advanced Arenas, Inc. owns and manages the following facilities: Advanced Arenas (1) owns and manages the Barrington Ice Arena, (2) manages Johnny's Ice House, Chicago, IL; (3) manages the Addison Ice Arena, Addison, IL; (4) manages The Edge Ice Arena (also owned by Chicago Mission AAA Hockey Club), Holland, MI; (5) manages the ESL Sports Centre, Rochester, NY; (6) manages the US ICE Sports Complex in Fairview Heights, IL; and (7) manages the Saddle and Cycle Club in Chicago.

New Management Company: Chicago Mission intends to engage a new management company satisfactory to American Chartered Bank to be determined prior to completion of documentation for this transaction (and presentation to the IFA Board for a Final Bond Resolution).

FINANCING SUMMARY

Structure: The proposed Bonds will be secured by a Direct Pay Letter of Credit from American Chartered Bank further secured by a Confirming Letter of Credit from the Federal Home Loan Bank of Chicago ("FHLBC") (and thereby carry FHLBC's Aaa/VMIG 1 ratings from Moody's) or another comparably rated bank.

Chicago Mission AAA Hockey Club is a non-rated 501(c)(3) organization.

Collateral: American Chartered Bank will be secured by a First Mortgage on the subject property and a First Security Interest in all equipment at the Seven Bridges Arena facility.

Final Maturity Date:	25 years
Interest Rates:	Bonds will be sold initially as 7-Day Variable Rate Demand Bonds based on the short-term Moody's rating (i.e., VMIG 1) of the Federal Home Loan Bank of Chicago. As of 7/28/2010, the most recent SIFMA Municipal Swap Index Rate for 7-Day Variable Rate Demand Bonds was approximately 0.37%.
Timing:	October - December 2010
Rationale:	Chicago Mission is currently the principal tenant and lessee of ice time at the Seven Bridges Arena Facility. Chicago Mission its expanding it girls hockey as well as figure skating programs. Control of the facility will enable Chicago Mission to expand its program offerings by providing Chicago Mission with control of the Seven Bridges Arena.

The Seven Bridges Ice Arena was expanded in 2007 with the build-out of a 2nd Floor Mezzanine that is used for lacrosse, winter soccer, baseball, golf practice, and off-season hockey conditioning, thereby generating supplemental facility rental revenue.

As a result of the proposed acquisition of the Seven Bridges Arena, Chicago Mission will be able to (1) control ice time and facilitate expansion of its girls hockey, dance, and boys youth hockey programs and (2) better position Chicago Mission to continue its sponsorship of both national and regional tournaments (both of which generate tourist spending, and lodging tax revenues for nearby municipalities in DuPage County), including the annual Bauer Invitational. Chicago Mission AAA Hockey club is presently the principal tenant of the Seven Bridges Arena.

Chicago Mission has owned a similar arena facility (the Edge Arena) located in Holland, Michigan since 2004. This will be the second ice arena under Chicago Mission's ownership.

Chicago Mission's acquisition of Seven Bridges Ice Arena would also be consistent with an operational preference from USA Hockey (the oversight organization for Boys Tier 1 AAA Hockey in the U.S.) that Tier I Hockey Clubs own or control their own ice facilities.

PROJECT SUMMARY (for IFA Preliminary Bond Resolution)

The IFA Series 2010 New Money Bond Proceeds will be used by the Chicago Mission AAA Hockey Club to finance, refinance, or reimburse the Borrower for (1) the costs of the acquisition, renovation, and equipping of the Seven Bridges Ice Arena Facility located at 6690 S. Route 53, Woodridge (DuPage County), Illinois 60517-5416. Additionally, bond proceeds may also be used to pay bond issuance costs.

Summary of Project Cost:

Facility Acquisition:	$13,450,000
Renovations:	25,000
Total:	**$13,475,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Chicago Mission AAA Hockey Club (c/o, Ms. Andrea Hahn, President, 6690 S. Route 53, Woodridge, IL 60517-5416; (T) 630-2042804; (F): 630-271-9775) E-mail: DanandAndreaHahn@aol.com)
Web Site:	www.chicagomission.com
Project name:	Chicago Mission AAA Hockey Club, Series 2010 Bonds
Location:	6690 S. Illinois Route 53, Woodridge (DuPage County), IL 60517-5416

Organization:	Illinois 501(c)(3) not-for-profit corporation
Board of Directors:	Members of Chicago Mission AAA Hockey's Board of Trustees are listed on page 7 of this report.
Current Property Owner/Landlord:	**The current owner of the subject property (i.e., Seven Bridges Ice Arena) is SB Arena, LLC,** 6690 S. Route 53, Woodridge, IL 60517. SB Arena, LLC, is an Illinois Limited Liability Company.

SB Arena LLC is 100% owned by various members of the Leon and Jennifer Lekai family. Individuals who own a 7.5% or greater membership interest in the Seller are disclosed below:

- Mr. Leon and Mrs. Jennifer Lekai, 88 S. Wynstone Drive, Barrington, IL 60010: 40% (Mr. Lekai is the Manager of SB Arena, LLC)
- Robert Lekai, 88 S. Wynstone Drive, Barrington, IL 60010: 10%
- The remaining 50% membership interest is divided equally (i.e., 10% membership each) for each of five additional Lekai children, all of whom are minors and live at 88 S. Wynstone Drive, Barrington, IL 60010.

Future Managing Agent (following Acquisition):	To be determined. Chicago Mission will engage a Management Company prior to returning for a Final Bond Resolution that is satisfactory to Bond Counsel and American Chartered Bank (the Direct Pay LOC provider).

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Tenner Law	Chicago, IL	Gerald Tenner
Auditor:	Dollinger & Co.	Wheeling, IL	
Bond Counsel:	Butzel Long	Bloomfield Hills, MI	Robert Schwartz
Direct Pay LOC Bank:	American Chartered Bank	Lake Zurich, IL	Gerald Harker
Counsel to American Chartered Bank:	Much Shelist	Chicago, IL	David Pilotto
Confirming LOC Bank:	Federal Home Loan Bank of Chicago	Chicago, IL	Suzanne Thackston, Mike Dattels
Underwriter:	Wells Fargo Brokerage Services	Holland, MI Charlotte, NC	Bill Ockerlund John Wooten
Underwriter's Counsel	Butzel Long	Bloomfield Hills, MI	Jean Heikkala
Trustee:	US Bank, N.A.	Grand Rapids, MI	Jason Fry Scott Becker
Rating Agency:	Moody's Investors Service	New York, NY	
Management Agent:	To be determined		
IFA Counsel:	Drinker Biddle & Reath LLC	Chicago, IL	Chuck Katz
IFA Financial Advisor:	Acacia Financial	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional:	13	Judy Biggert
State Senate:	24	Kirk W. Dillard
State House:	48	Michael B. Connelly

Chicago Mission AAA Hockey Club – Board of Trustees

ILLINOIS FINANCE AUTHORITY

CONDUIT

	$10,000,000
August 10, 2010	**The OLD TOWN SCHOOL OF FOLK MUSIC, INC.**
REQUEST	**Purpose**: The proposed project will enable **The Old Town School of Folk Music, Inc.** (“**Old Town School**” or the “**Borrower**”) to (i) finance or refinance taxable debt of the School, (ii) to construct and equip new studio and classroom facilities to be located in a 3-story, 27,100 SF LEED Silver-certified building to be constructed at 4543 N. Lincoln Ave. in Chicago to be used to house dance studios, music classrooms, a 150-seat performance/dance/community gathering hall, and related uses, (iii) pay costs related to the demolition of existing buildings and other site preparation work at the new site, and (iv) prospectively pay costs of issuance, capitalized interest, and other professional costs associated with the bond issue. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Preliminary Bond Resolution
MATERIAL CHANGES	None – this is the first time this project has been presented to the IFA Board of Directors.

JOB DATA

328	Current jobs	97	New jobs projected (Preliminary; subject to change)
N/A	Retained jobs	75	Construction jobs projected (14 months)

DESCRIPTION

- Location: Chicago (Cook County/Northeast Region)
- The Old Town School of Folk Music was originally founded in 1957.
- This project will enable The Old Town School of Folk Music to expand its operations to reduce overcrowding due to capacity limitations at its existing facilities. The new building (at 4543 N. Lincoln Ave.) will be located across the street from its primary facility at 4544 N. Lincoln Avenue and enable Old Town School to expand its dance and other music education programs and provide room for continued program growth.

CREDIT INDICATORS

- The Old Town School of Folk Music is a non-rated 501(c)(3) organization. First Midwest Bank (i.e., the Direct Lender/Investor) will purchase the subject Bonds directly as a portfolio investment.

PROPOSED STRUCTURE

- Bonds will be purchased directly by First Midwest Bank to be held as a direct investment.
- Final Maturity of up to 26 years; (initial Bank term of 5 years, subject to extension with interest rate resets to maturity).

SOURCES AND USES

IFA Bonds	$10,000,000	New Proj. Cost	$13,600,000
Equity	1,350,000	Refinancing Taxable Loans	1,150,000
Fundraising	3,650,000	Costs of Issuance	250,000
Total	**$15,000,000**	**Total**	**$15,000,000**

RECOMMENDATION Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 10, 2010

Project: The Old Town School of Folk Music, Inc.

STATISTICS

Project Number:	E-PC-TE-CD-8384	Amount:	$10,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton
Location:	Chicago	County/ Region:	Cook/Northeast

BOARD ACTION

Preliminary Bond Resolution
Conduit 501(c)(3) Revenue Bonds
Credit Review Committee recommends approval.

No IFA funds at risk
No extraordinary conditions

PURPOSE

The proposed project will enable **The Old Town School of Folk Music, Inc.** ("**Old Town School**", the "**School**", or the "**Borrower**") to (i) finance or refinance taxable debt of the School, (ii) to construct and equip new studio and classroom facilities to be located in a 3-story, 27,100 SF LEED Silver-certified building to be constructed at 4543 N. Lincoln Ave. in Chicago to be used to house dance studios, music classrooms, a 150-seat performance/ dance / community gathering hall, and related uses, (iii) pay costs related to the demolition of existing buildings and other site preparation work at the new site, and (iv) prospectively pay costs of issuance, capitalized interest, and other professional costs associated with the bond issue.

The new project will enable Old Town School to expand its program and educational offerings and reduce capacity limitations at Old Town School's primary facility, located across the street at 4544 N. Lincoln Ave. in Chicago.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are municipal bonds authorized under the Internal Revenue Code that enable 501(c)(3) corporations to finance capital projects furthering support of their mission. IFA's issuance of these Bonds will convey federal tax-exempt status on the interest paid to bondholders, thereby enabling bondholders to accept a below market interest rate that is passed through to the Borrower.

VOTING RECORD

No prior voting record. This is the first time this financing request has been presented to the IFA Board of Directors.

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$10,000,000	Uses:	Project Costs	$13,600,000
	Equity	1,350,000		Refinance Existing Debt	1,150,000
	Fundraising	3,650,000		Issuance Costs	250,000
	Total	**$15,000,000**		**Total**	**$15,000,000**

JOBS

Current employment: 328	Projected new jobs: 97
Jobs retained: N/A	Construction jobs: 75 (preliminary estimate – 14 mo's.)

BUSINESS SUMMARY

Background: **The Old Town School of Folk Music, Inc.** ("**Old Town School**", the "**School**", or the **"Borrower"**) was established in 1957, is incorporated under Illinois law, and is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code.

Old Town School is governed by a 34-member Board of Trustees (see p. 4 for listing).

Description: The Old Town School of Folk Music, Inc. is a not-for-profit music education and performance organization. Old Town School's mission is to "teach and celebrate music and cultural expressions rooted in the traditions of diverse American and global communities". The School provides year-round arts education for children and adults, and admission fee based live music and dance performances for the general public.

Old Town School has an annual student base of 16,500 and offers more than 650 unique classes to the public, making it one of the largest independent community arts schools in the U.S. The School has two existing facilities in Chicago including its original location at 909 W. Armitage in Chicago's Old Town neighborhood, and the School's main location (purchased in 1997) is located at 4544 N. Lincoln Ave. in Chicago's Lincoln Square neighborhood (just south of Lincoln Ave. and Wilson Ave.).

The School's major program activities consist of (i) tuition-based music education, (ii) ticketed concert events, and (iii) a music specialty retail store (musical instruments and sheet music). Auxiliary operations consist of a parking lot, an on-site café, and an artist agency.

The Old Town School is the only school of traditional and popular culture that is accredited by the Accrediting Commission for Community & Precollegiate Arts Schools. Through long-term partnerships, the School has developed extensive curricula in ethnically-specific genres led by Chicago-based virtuoso level artists and visiting international masters. The School also supports artist-in-residence programs in twenty underserved Chicago Public Schools and provides early childhood music education in two subsidized child-care facilities.

The Old Town School has over 250 faculty on staff, with most teaching two courses a week. The Old Town School employs approximately 30 instructors on a full-time basis, and employs approximately 90 people full-time.

The Old Town School's approximately 650 classes teach a variety of instruments, as well as vocals, dance, and improvisation, among others. Most classes meet once a week for an eight-week term. The average cost of an eight week classes is $160.

The Old Town School's general service area is located within a 5-mile radius of the School's main facility located at 4544 N. Lincoln Ave. Old Town School's classes run 7 days a week and offer over 190 concerts and events annually.

Management's description of the anticipated impact of the School's expansion (and the School's impact on the Lincoln Square neighborhood, following its 1998 expansion) is posted at www.oldtownschool.org/together/expansioneconomicimpact html .

FINANCING SUMMARY

Structure/ Bondholder Security:	The proposed Bonds will be purchased directly by First Midwest Bank (the "Direct Lender/Investor") and held as a portfolio investment.
Bank Collateral:	First Midwest Bank (as the Direct Lender/Investor) will be secured by a first mortgages on all of Old Town School's properties and by a first security interest in receivables, inventory, and various equipment.
Final Maturity Date:	26 years [Bond payments during the first year (i.e., the construction period) will be interest-only, with principal payments amortizing over the final 25 years.]
Interest Rates:	The Bonds will initially bear interest at a rate set for 5 years and subject to reset and extension in 5-year intervals thereafter until maturity. The anticipated interest rate for the initial 5-year term is estimated between 3.50% and 4.25%.
Timing:	September – October 2010
Rationale:	The continued success of Old Town School's programs has resulted in significant capacity challenges at its main building located at 4544 N. Lincoln Avenue in Chicago. To address these capacity constraints, the School purchased the subject 4543 N. Lincoln Avenue property located across the street in 2005 with plans of expanding its arts/music education programs with additional practice studio space. In addition to relieving capacity constraints at its 4544 N. Lincoln Ave. facility, the new facility will enable the School the opportunity to expand its programs in the future. The expanded facilities will enable the Old Town School to serve an additional 10,000 students annually, thereby increasing annual student capacity to 26,000 students annually.

PROJECT SUMMARY (for IFA Preliminary Bond Resolution)

The IFA Series 2010 New Money Bond Proceeds will be used by The Old Town School of Folk Music, Inc. to (i) refinance existing loans of the School, including taxable debt associated with the acquisition of the subject project site and related site demolition and site preparation work at 4543 N. Lincoln Ave. in Chicago, Illinois, (ii) to construct and equip a new 3-story, 27,100 square foot facility located at 4543-4549 N. Lincoln Avenue in Chicago, Illinois 60625-2102 to be used to house dance studios, music classrooms, a 150-seat performance/ dance/ community gathering hall, and related uses. Additionally, bond proceeds may also be used to pay costs of issuance, capitalized interest, and other professional costs associated with the project.

Preliminary Estimated Project Costs include:

Land Acquisition	$2,021,000
New Construction	8,998,000
Equipment	635,000
Arch./Engineering	1,446,000
Capitalized Interest	500,000
Subtotal -- New Project Costs	**$13 600 000**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The Old Town School of Folk Music (c/o Mr. James "Bau" Graves, Executive Director, The Old Town School of Music, 4544 N. Lincoln Ave., Chicago, IL 60625-2102; (P) 773-751-3332; e-mail: bgraves@oldtownschool.org)
Alternate Contact:	Paul Aanonsen, Finance Director; e-mail: PAanonsen@OldTownSchool.org
Web Site:	www.oldtownschool.org
Project name:	The Old Town School of Folk Music, Series 2010 Bonds
Location:	4543-4549 N. Lincoln Ave., Chicago, IL 60625-2102
Organization:	Illinois 501(c)(3) not-for-profit corporation
Board of Directors:	Members of The Old Town School of Folk Music's Board of Trustees are listed on p. 6 of this report.
Current Property Owner:	The Old Town School of Folk Music closed on the acquisition of the subject land for the new building to be located at 4543 N. Lincoln Ave. in 2005.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	K&L Gates	Chicago, IL	Richard Sevcik
Auditor:	Blackman Kallick, LLP	Chicago, IL	Genevieve Burns
Bond Counsel:	Ice Miller LLP	Chicago, IL	Jim Snyder
Bank (Direct Purchaser/Investor):	First Midwest Bank	Deerfield, IL	Danny Alvarez
Counsel to Bank:			
Underwriter:	Not applicable (Bank Direct Purchase Structure)		
Trustee:	Not applicable (Bank Direct Purchase Structure)		
Architect:	VOA Associates	Chicago, IL	William Kecham
General Contractor:	Bulley & Andrews	Chicago, IL	Tim Puntillo
IFA Counsel:	To be determined	Chicago, IL	
IFA Financial Advisor:	Scott Balice	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	5	Mike Quigley
State Senate:	7	Heather Steans
State House:	13	Greg Harris

ILLINOIS FINANCE AUTHORITY

CONDUIT

August 10, 2010

$75,000,000
LITTLE COMPANY OF MARY HOSPITAL

REQUEST	**Purpose**: Bond proceeds will be used to: i) pay or reimburse the Corporation or one or more of its affiliates for the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Corporation and its affiliates; ii) pay a portion of the interest on the Series 2010 Bonds, if deemed necessary or advisable by the Corporation; iii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Corporation; iv) provide working capital, if deemed necessary or advisable by the Corporation; and v) pay certain expenses incurred in connection with the issuance of the Series 2010 Bonds, all as permitted by applicable law. **Program**: Conduit 501(c)(3) Revenue Bonds. **Extraordinary Conditions**: None.
BOARD ACTIONS	Preliminary Bond Resolution.
MATERIAL CHANGES	None.
JOB DATA	1,482 FTE's Current jobs; N/A New jobs projected 1,482 FTE's Retained jobs; TBD Construction jobs projected
DESCRIPTION	• Locations: Evergreen Park (Main Campus), Burbank, Chicago, Chicago Ridge, Oak Lawn, Palos Heights. • The Little Company of Mary Sisters, a religious Congregation of Roman Catholic women, was founded in Nottingham, England by Mother Mary Potter in 1877. At the present time, the Congregation operates two health care facilities in the United States of America and additional health care facilities in Europe, Africa, Australia and New Zealand. • Health care institutions located in the United States of America are operated under the auspices of the American Province of Little Company of Mary Sisters (the "American Province"), located in Evergreen Park, Illinois which sponsors Little Company of Mary Hospital and Health Care Centers (the "Corporation"), also located in Evergreen Park, Illinois (477 licensed beds; 282 beds in service). Memorial Hospital and Health Care Center, located in Jasper, Indiana, is also under the auspice of the American Province. • The Little Company of Mary Hospital and Health Care Centers is a not-for-profit corporation and was incorporated in 1893. • The original hospital facility was dedicated in January 1930. Several additions and renovations were completed throughout the last several decades. • The proceeds of the Bonds, together with certain other funds of the Obligated Group, will be used by the Hospital to construct a new West Pavilion to replace the Tower Building.
CREDIT	• Fixed Rate Bonds.
SECURITY	• The Bonds are expected to be secured by an Obligation of the Little Company of Mary Obligated Group under a Master Trust Indenture. Collateral includes a gross receivables pledge.
INDICATORS	• Underlying rating of "A" (S&P) / Stable Outlook.
MATURITY	• 2040.

SOURCES AND USES

Sources		Uses	
IFA Bonds	$75,000,000	Project Fund	$75,000,000
Total	**$75,000,000**	**Total**	**$75,000,000**

*May include a Debt Service Reserve Fund with a corresponding reduction in the Project Fund.
**The hospital plans to contribute $100,000,000 of equity to cover additional project costs, cost of issuance and capitalized interest. (a breakout of these costs will be included after printing of the POS)

Recommendation Credit Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 10, 2010

Project: Little Company of Mary Hospital

STATISTICS

Project Number: H-HO-TE-CD-8388.
Type: 501(c)(3) Bonds.
County/Region: Cook/Northeast

Amount: $75,000,000 (Not-to-Exceed).
IFA Staff: Pam Lenane and Shannon Govia.
City: Multiple.

BOARD ACTION

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

Credit Review Committee Recommends Approval

VOTING RECORD

This is the first time this project is being presented to the IFA Board.

PURPOSE

Bond proceeds will be used to: i) pay or reimburse the Corporation or one or more of its affiliates for the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Corporation and its affiliates; ii) pay a portion of the interest on the Series 2010 Bonds, if deemed necessary or advisable by the Corporation; iii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Corporation; iv) provide working capital, if deemed necessary or advisable by the Corporation; and v) pay certain expenses incurred in connection with the issuance of the Series 2010 Bonds, all as permitted by applicable law.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders and thereby reduce the borrower's interest expense.

VOLUME CAP

501(c)(3) bond issues do not require Volume Cap.

JOBS

Current employment:	1,482	Projected new jobs:	N/A
Jobs retained:	1,482	Construction jobs:	TBD

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA Bonds	$75,000,000	Uses:	Project Fund	$75,000,000
	Total	**$75,000,000**	**Total**		**$75,000,000**

*May include a Debt Service Reserve Fund with a corresponding reduction in the Project Fund.
**The hospital plans to contribute $100,0000,000 of equity for the project, cost of issuance and capitalized interest. (a breakout of these costs will be included after printing of the POS)

FINANCING SUMMARY/STRUCTURE

Security:	The Bonds are expected to be secured by an Obligation of the Little Company of Mary Obligated Group under a Master Trust Indenture. Collateral includes a gross receivables pledge.
Interest Rate:	To be determined at time of pricing.
Interest Mode:	Fixed Rate Bonds.
Credit Enhancement:	None.
Credit Rating:	Underlying rating of "A" (S&P) / Stable Outlook.
Maturity:	2040 (30 years)
Estimated Closing Date:	October 19, 2010.

PROJECT SUMMARY

Bond proceeds will be used to: (i) pay or reimburse the Corporation or one or more of its affiliates for the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Corporation and its affiliates; (ii) pay a portion of the interest on the Series 2010 Bonds, if deemed necessary or advisable by the Corporation; (iii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Corporation; (iv) provide working capital, if deemed necessary or advisable by the Corporation; and (v) pay certain expenses incurred in connection with the issuance of the Series 2010 Bonds, all as permitted by applicable law.

More specifically, on April 21, 2009, the Illinois Health Facilities and Services Review Board approved the Hospital's application for construction of the new West Pavilion and certain other aspects of the Project requiring approval. The project scope is the construction and development of a 295,000 square foot West Pavilion; modernization of 40,000 square feet in two other on-campus hospital buildings that provide patient care (built in 1956 and 1984); and following completion, demolition of the Tower Building. The Campus Transformation project will relocate and bring up-to-date services from the two oldest buildings and house the area's first comprehensive women's health center—the Women's Center for Life and Health. Also in the West Pavilion:

- 96 new (replacement) private rooms for medical and surgical patients
- New Pharmacy & Laboratory
- One day surgery; pre-and post-op care
- Kitchen/serving and dining areas
- New (replacement) Labor and Delivery, Obstetric beds and Neonate/Nursery beds
- New (replacement) Central Energy Plant
- Replacement of Maternal Fetal Medicine

BUSINESS SUMMARY

Overview: The Little Company of Mary, an order of nursing sisters, was founded in Nottingham, England by Mother Mary Potter in 1877. At the present time, the Congregation operates two health care facilities in the United States of America and additional health care facilities in Europe, Africa, Australia and New Zealand.

Several health care institutions located in the United States of America operated under the auspices of the American Province of Little Company of Mary Sisters (the "American Province"), headquartered in Evergreen Park, Illinois including Little Company of Mary Hospital and Health Care Centers (the "Corporation"), also located in Evergreen Park, Illinois (477 licensed beds; 282 beds in service). Additionally, Memorial Hospital and Health Care Center, located in Jasper, Indiana, is under the auspice of the American Province.

The Little Company of Mary Hospital and Health Care Centers is a not-for-profit corporation, and was incorporated in 1893. The original hospital facility was dedicated in January 1930.

Description of Properties: The Hospital Facility is situated on approximately 14 acres of property in a residential and commercial area located in the Village of Evergreen Park, Illinois.

Building	Year Completed	Number of Floors	Gross Square Feet
Main Building Adult Patient Rooms, Support Services, Administrative Offices, Ancillary Services, Chapel, Cancer Center and Basement	1930-2000	10 Floors	903,358
EDP Building Electronic Data Processing	1930	2 Floors	15,030
Boiler Building Boilers, Generators and Maintenance Offices	1930-1931	2 Floors	7,542

Bed Complement: The Corporation offers a full range of inpatient and outpatient diagnostic and therapeutic services and related ancillary services. The Corporation is licensed to operate 477 beds. (As of July 1, 2010.)

Bed Category	Licensed Bed Complement	Beds in Service
Medical/Surgical	339	178
Obstetrics	40	29
Pediatrics (includes critical care)	37	37
Acute Mental Illness	32	24
Intensive Care Unit (Adult)	29	26
Total Acute Care Beds	**477**	**294**

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Little Company of Mary.

Project Location: Evergreen Park (Main Campus), Burbank, Chicago, Chicago Ridge, Oak Lawn, Palos Heights.

Borrower: Little Company of Mary Hospital.

<u>Board of Trustees</u>:

Ex-Officio Members

Kent F.W. Armbruster, M.D.*	Vice President of Medical Affairs Little Company of Mary Hospital and Health Care Centers
Daniel Rowan, D.O	President Medical Staff Little Company of Mary Hospital and Health Care Centers
Mary Freyer*	Chief Operating Officer Little Company of Mary Hospital and Health Care Centers
Michael Thomas, D.O.*	President-Elect Medical Staff Little Company of Mary Hospital and Health Care Centers
Randy Ruther*	Vice President of Finance/Chief Financial Officer Little Company of Mary Hospital and Health Care Centers
Jane Sullivan, R.N.*	Vice President, Patient Care Services Little Company of Mary Hospital and Health Care Centers
Dave Kavanaugh *	Chairman, Foundation Board Little Company of Mary Hospital and Health Care Centers

† Executive Committee Member
* Non-voting Member

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Ungaretti and Harris, LLP	Chicago	Tom Fahey
Bond Counsel:	Jones Day	Chicago	Mike Mitchell
Underwriter:	Barclays Capital	Chicago	Jay Sterns
Underwriter's Counsel:	Winston & Strawn, LLP	Chicago	Kay McNab
Bond Trustee:	U.S. Bank National Association	Chicago	Grace Gorka
Accountant:	Ernst & Young, LLP	Chicago	Tadd Ingles
Issuer's Counsel:	TBD	Chicago	TBD
IFA Advisors:	TBD	Chicago	TBD

LEGISLATIVE DISTRICTS

Congressional: **1-** Bobby L. Rush.
State Senate: **18 -** Edward D. Maloney.
State House: **36 –** Michael J. Carberry.

SERVICE AREA

In fiscal year 2010, 76% of the Corporation's admissions came from 13 zip codes that constitute its primary service area. Of these zip codes, eight are located in Chicago (i.e., Auburn Park, Morgan Park, Roseland, Ashburn, Mount Greenwood, Chicago Lawn, Ogden Park and Grand Crossing). Suburban zip codes include Oak Lawn, Evergreen Park, Hometown, Burbank and Alsip. In fiscal year 2010, another 15% of the Corporation's admissions emanated from 18 zip codes including zip codes for the areas in Chicago referred to as John Buchanan, Clearing, South Shore, Englewood, Stockyards and Elsdon and the suburbs of Blue Island, Chicago Ridge, Tinley Park, Midlothian/Crestwood, Orland Park, Bridgeview, Worth, Palos Hills, Oak Forest, Hickory Hills, Calumet Park and Palos Heights.

CONDUIT

August 10, 2010

$80,000,000
MERCY HOSPITAL AND MEDICAL CENTER

REQUEST	**Purpose**: to (i) pay or reimburse, Mercy Hospital and Medical Center (the "Hospital" or the "Borrower"), for the payment of certain costs of acquiring, constructing and equipping a major construction and renovation project including renovation of the birthing centers and cardiac units and the installation of hospital-wide sprinkler and fire alarm systems to comply with the Life Safety Ordinance of the Chicago Fire Department and Fire Prevention Bureau (ii) pay a portion of the interest accruing on the Series 2010 Bonds during construction of the Project, (iii) provide for the refunding of JPMorgan Chase Bank Promissory Note and Equipment revolving line of credit currently outstanding in an aggregate principal amount of $34.8 million, (iv) fund the Debt Service Reserve Fund Requirement for the benefit of the Series 2010, and (v) pay certain expenses incurred in connection with the issuance of the Series 2010 Bonds. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Preliminary Bond Resolution
MATERIAL CHANGES	None
JOB DATA[1]	1,480 FTE's Current jobs; N/A New jobs projected 1,480 FTE's Retained jobs; N/A Construction jobs projected
DESCRIPTION	● Chicago, IL (Cook County) ● Mercy Hospital and Medical Center ("Mercy") is a 479-bed acute care facility with its primary market in the south and southwest side of Chicago, Illinois, and adjacent suburbs. In addition to the main facility, the Hospital has a network of hospital owned primary care centers, private physician offices, and a number of satellites throughout the City of Chicago.
CREDIT INDICATORS	● Fixed Rate Debt ● Mercy is currently a non-rated entity
Proposed Structure	● HUD Financing ● Bonds will Mature no later than 28 years

Sources and Uses

IFA Bonds	$74,370,000	Mortgage Loan	$66,118,000
		DSRF	6,673,478
		*Collateral Account	$661,180
		**LOC Requirement	917,342
Total	**$74,370,000**	Total	**$74,370,000**

Recommendation: Credit Committee recommends approval.

*Rating agencies look for coverage of the potential shortfalls at bond closing to protect bondholders in case of a mortgage default. To help maintain excess asset parity of a factor of 101.5% plus cover the 1% assignment fee and one month's debt service adjustment, a collateral account is required. This requirement can be minimized or eliminated by selling "Premium Bonds", however, for sizing purposes for the not to exceed amount, we assumed par bonds and included the amount required for this.
**Maximum Mortgage Amount + 30 Days Interest on Mortgage Loan

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 10, 2010

Project: Mercy Hospital and Medical Center

STATISTICS

Project Number: H-HO-TE-CD-8389	Amount: $80,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane & Shannon Govia
Counties/Region: Cook County/Northeasr	Location: Chicago

BOARD ACTION

Preliminary Bond Resolution	No Extraordinary Conditions
Conduit 501(c)(3) Bonds	
No IFA Funds at Risk	Credit Committee recommends approval

VOTING RECORD

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

PURPOSE

Proceeds will be used to (i) pay or reimburse the Borrower, Mercy Hospital and Medical Center (the "Hospital"), for the payment of certain costs of acquiring, constructing and equipping a major construction and renovation project including renovation of the birthing centers and cardiac units and the installation of hospital-wide sprinkler and fire alarm systems to comply with the Life Safety Ordinance of the Chicago Fire Department and Fire Prevention Bureau, (ii) pay a portion of the interest accruing on the Series 2010 Bonds during construction of the Project, (iii) provide for the refunding of JPMorgan Chase Bank Promissory Note and Equipment revolving line of credit currently outstanding in an aggregate principal amount of $34.8 million, (iv) fund the Debt Service Reserve Fund Requirement for the benefit of the Series 2010, and (v) pay certain expenses incurred in connection with the issuance of the Series 2010 Bonds.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

FHA 242 Hospital Mortgage Insurance program was designed to enable affordable financing of needed healthcare facilities. The program, administered by the Department of Housing and Urban Development (HUD), provides mortgage insurance to enhance the credit of hospital financings and insures 99% of the mortgage loan amount, enabling borrowers to achieve up to a "AA" debt rating in current market conditions.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders and thereby reducing the borrower's interest expense.

VOLUME CAP

501(c)(3) bond issues do not require Volume Cap.

JOBS

Current employment: 1,480 FTEs	Projected new jobs: N/A
Jobs retained: 1,480 FTEs	Construction jobs: N/A

ESTIMATED SOUCES AND USES OF FUNDS

IFA Bonds	$74,370,000	Mortgage Loan	$66,118,000
		DSRF	6,673,478
		*Collateral Account	$661,180
		**LOC Requirement	917,342
Total	**$74,370,000**	Total	**$74,370,000**

*Rating agencies look for coverage of the potential shortfalls at bond closing to protect bondholders in case of a mortgage default. To help maintain excess asset parity of a factor of 101.5% plus cover the 1% assignment fee and one month's debt service adjustment, a collateral account is required. This requirement can be minimized or eliminated by selling "Premium Bonds", however, for sizing purposes for the not to exceed amount, we assumed par bonds and included the amount required for this.

**Maximum Mortgage Amount + 30 Days Interest on Mortgage Loan

FINANCING SUMMARY/STRUCTURE

Security:	Mortgage insurance commitment from HUD
Structure:	Fixed Rate Bonds
Interest Rate:	To be determined at pricing
Interest Mode:	Fixed Rate
Credit Enhancement:	Mortgage insurance commitment from HUD
Maturity:	28 Year Term
Borrower Rating:	Mercy is currently a non-rated entity
Estimated Closing Date:	October 2010

PROJECT SUMMARY

Birthing Center Renovations

The Birthing Center consists of twenty-two (22) Post-Partum rooms, eight (8) labor and delivery rooms, twenty (20) nursery bassinets and two (2) C-Section rooms to be partially renovated to meet new regulatory standards in areas of renovation and to increase the capacity of this department to handle the anticipated high birth rates of this catchment area within the confines of existing space limitations.

Cardiac Care Unit

The 12-bed Cardiac Care Unit, located on the 11th floor, is a relocation and expansion of a current medical care unit. The project size is 11,600 USF, of which 9,000 USF is dedicated to the CCU. The remaining area of renovation will include the central nurse's station, replacement of three patient rooms, and a reconfiguration of the soiled and clean holding configuration in the adjacent unit. In addition to the Cardiac Care Unit, the Telemetry Unit is also located on the eleventh floor. The intent is that patients who have undergone open-hemi procedures will be held in the ICU as required for stabilization and will then be moved to the CCU area until discharge. Patients undergoing less invasive cardiac intervention procedures will reside on the 11th floor from post-procedure through discharge. In addition, this project includes upgrading 2 mechanical units required to provide additional airflow due to the change in use.

Hospital-wide Sprinkler and Fire Alarm Installation

The Hospital is required to comply with the Life Safety Ordinance of the Chicago Fire Department and Fire Prevention Bureau and must update the facility with installation of a hospital-wide fire sprinkler system. Currently, the Hospital has sprinklers in approximately 38% of the facility. Sprinklers in the remaining 62% of the facility must be installed in order to comply with recently enacted Chicago High Rise Sprinkler Ordinance, which required "all" high-rise buildings to be fully sprinkler protected by 2017.

BUSINESS SUMMARY

Description of Business: Mercy Hospital and Medical Center ("Mercy") is a 479-bed acute care facility with its primary market in the south and southwest side of Chicago, Illinois, and adjacent suburbs. In addition to the main facility, the Hospital has a network of hospital owned primary care centers, private physician offices, and a number of satellites throughout the City of Chicago.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Mercy Hospital and Medical Center
Location:	Chicago, Illinois
Borrower:	Mercy Hospital and Medical Center
State:	Illinois
Board Members:	See below

Board Membership Terms: As of July 1, 2010

Name	Year First Elected	Current Status	Year Service Ends
Raymond Spaeth	2004	In Year 3 of Term 2	2013
Susan Gallagher	2005	In Year 2 of Term 2	2014
Thomas Reger	2005	In Year 2 of Term 2	2014
John McCarthy	2006	In Year 1 of Term 2	2015
Dr. Steven Potts	2006	In Year 1 of Term 2	2015
William Brown	2006	In Year 1 of Term 2	2015
Langdon Neal	2006	In Year 1 of Term 2	2015
Betsy Meisenheimer	2008	In Year 2 of Term 1	2016
Michelle Murphy	2007	In Year 3 of Term 1	2015
Sister Lenore Mulvihill, RSM	2007	In Year 3 of Term 1	2015
William Kresse	2007	In Year 3 of Term 1	2015
Rohitkumar Vasa, MD	2007	In Year 3 of Term 1	2015
Renee Togher	2009	In Year 1 or Term 1	2018
Hold for minority candidate	2007/2008	In Year 1 of Term 2	2015
Sister Betty Smith, RSM	Ex-officio	In Year 2 of Term 2	
Sister Sheila Lyne	Ex-officio		
Dr. Michael McDonnell President Med. Staff	Ex-officio		

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Ungaretti & Harris LLP	Chicago	Tom Fahey
Borrower's Financial Advisor:	N/A		
Accountant:	McGladrey & Pullen	Chicago	Christine Hanover
Bond Counsel:	Jones Day	Chicago	Mike Mitchell
Bond Underwriter:	J.P. Morgan Securities Inc.	Chicago	Tim Wons/Jay Shah
Underwriter's Counsel:	TBD		
Issuer's Counsel:	TBD		
IFA Advisors:	TBD		

LEGISLATIVE DISTRICTS

Congressional: Districts: 7
State Senate: Districts: 13
State House: Districts: 26

SERVICE AREA

Mercy's primary market is in the south and southwest side of Chicago, Illinois, and adjacent suburbs.

BACKGROUND INFORMATION

Mercy Hospital and Medical Center, a not-for-profit hospital established in 1852, was Chicago’s first hospital and the first hospital in the State of Illinois. From its inception, Mercy Hospital (sponsored by the Religious Sisters of Mercy) has had an unwavering commitment to servicing the economically and socially disadvantaged in its service area. Today the hospital continues to provide a broad spectrum of specialized in-patient and outpatient health care services to all the diverse communities it serves. Mercy has been in its current location in the Near South Side of Chicago for 141 years. It is licensed for 479 beds, has 341 available beds and currently 275-staffed beds. The hospital has ten ambulatory care facilities in the metropolitan Chicago area and five occupational health facilities under the name of MercyWorks. As a teaching hospital, Mercy has an affiliation with the medial schools for the University Of Illinois and University of Chicago and trains over 100 residents per year.

CONDUIT

August 10, 2010

$85,000,000
PROVENA HEALTH

REQUEST	**Purpose**: Proceeds will be used to 1) to reimburse Provena for prior system-wide capital expenditures and 2) to pay costs of issuance **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None
BOARD ACTIONS	Preliminary Bond Resolution
MATERIAL CHANGES	Not applicable.
JOB DATA	8,577 FTE's[1] Current jobs — 0 New jobs projected 8,577 FTE's[1] Retained jobs — 0 Construction jobs projected
DESCRIPTION	● Location (Multiple Locations / Cook, Will, & Kane County / Northeast Region) ● Provena Health is a Catholic health system that includes six hospitals, 16 long-term care and senior residential facilities, 28 clinics, five home health agencies and other health-related activities operating in Illinois and Indiana. ● Provena Health ministries are sponsored by the Franciscan Sisters of the Sacred Heart, the Servants of the Holy Heart of Mary and the Sisters of Mercy of the Americas.
CREDIT INDICATORS	● Variable Rate Debt ● Current rating of Provena Health is Baa1 / BBB+ (Moody's / S&P)
PROPOSED STRUCTURE	● Bonds will be issued based on the underlying credit of one or more direct pay letters of credit from one or more banks to be determined. ● Bonds will Mature no later than 2045

SOURCES AND USES

IFA Bonds	$85,000,000	Project fund	$83,750,000
		Costs of Issuance	$1,250,000
Total	**$85,000,000**	Total	**$85,000,000**

RECOMMENDATION Credit Committee recommends approval.

[1] 10,838 total employees

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 10, 2010

Project: Provena Health

STATISTICS

Project Number: H-HO-TE-CD-8390
Type: 501(c)(3) Bonds
Counties/Region: Multiple Counties/East Central, Northeast and Northern Stateline Regions

Amount: $85,000,000 (Not-to-Exceed)
IFA Staff: Pam Lenane & Shannon Govia

BOARD ACTION

Preliminary Bond Resolution
Conduit 501(c)(3) Bonds
No IFA Funds at Risk

No Extraordinary Conditions

Credit Committee recommends approval.

VOTING RECORD

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

PURPOSE

Proceeds will be used to 1) to reimburse Provena for prior system-wide capital expenditures and 2) to pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders and thereby reducing the borrower's interest expense.

VOLUME CAP

501(c)(3) bond issues do not require Volume Cap.

JOBS

Current employment: 8,577 FTE's (10,838 total employees)
Jobs retained: 8,577 FTE's (10,838 Total Employees)

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

ESTIMATED SOUCES AND USES OF FUNDS

IFA Bonds	<u>$85,000,000</u>	Project fund	$83,750,000
		Costs of Issuance	<u>$1,250,000</u>
Total	**$85,000,000**	Total	**$85,000,000**

FINANCING SUMMARY/STRUCTURE

Security:	The Bonds are expected to be secured by an Obligation of Provena Health under a Master Trust Indenture. Collateral is expected to include a pledge of gross revenues of Provena Health Obligated Group and a mortgage on the real property of Provena Hospitals.
Structure:	Variable Rate Demand Bonds
Interest Rate:	To be determined at pricing

Interest Mode:	Variable Rate Demand Bonds reset daily or weekly
Credit Enhancement:	Bank Direct-Pay Letter of Credit (Bonds will be issued based on the credit strength of one or more banks to be deteremined)
Maturity:	2045
Borrower Rating:	Baa1 / BBB+ (Moody's / S&P)
Bank Rating:	TBD – Based on LOC Provider(s)
Estimated Closing Date:	September, 15 2010

PROJECT SUMMARY

Proceeds will be used to 1) to reimburse Provena for prior system-wide capital expenditures and 2) to pay costs of issuance

BUSINESS SUMMARY

Description of Business:	Provena Health is a Catholic health system that includes six hospitals, 16 long-term care and senior residential facilities, 28 clinics, five home health agencies and other health-related activities operating in Illinois and Indiana. Provena Health ministries are sponsored by the Franciscan Sisters of the Sacred Heart, the Servants of the Holy Heart of Mary and the Sisters of Mercy of the Americas.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Provena Health
Location:	N/A
Borrower:	Provena Health
State:	Illinois Corporation

As of July 1, 2010, the members of the Board were as follows:

Name	Professional Affiliation	Term Ends December 31,
William Berry, PhD	Associate Chancellor; Associate Professor University of Illinois	2011
Robert Biedron *Chairperson*	President, Voyaguer's Landing Development Corp.	2010
Aida Giachello, Ph.D	Associate Professor and Director Midwest Latino Health Research, Training and Policy Center	2012
Mark Hanson *Vice Chairperson*	Attorney in Private Practice	2011
Sister Linda Hatton, SSCM, *Secretary*	Provincial Superior Servants of the Holy Heart of Mary	2010
Thomas Huberty, MD	Physician	2011
Sister Mary Elizabeth Imler, OSF	Franciscan Sisters of the Sacred Heart	2010
Bettina Johnson *Treasurer*	Vice President, Retired (2007) J.P. Morgan Chase	2010
Lucia Jones	Executive Director Northeastern Illinois Area Agency on Aging	2012
Marsha Ladenburger	Quality Management Consultant L&A Healthcare	2010
Sister Terry Maltby, RSM	Governance Consultant Wellspring Partners	2010
Becky Meggesin	Vice President, Human Resources Nicor	2012
Daniel Russell	President-Emeritus Catholic Health East	2011
Kent Russell	Retired Executive VP/CFO Catholic Health East	2011
Guy Wiebking, President and CEO	Provena Health	2011

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Ungaretti & Harris	Chicago	Julie K. Seymour
Borrower's Financial Advisor:	KaufmanHall	Chicago	Ken Kaufman Jim Blake
Accountant:	KPMG	Chicago	Jim Stark
Bond Counsel:	Jones Day	Chicago	David Kates
Bond Underwriter:	J.P. Morgan	Chicago	Tim Wons
Underwriter's Counsel:	Sonnenschein Nath and Rosenthal	Chicago	Mary Wilson
LOC Bank	TBD	TBD	TBD
Bank Counsel	TBD	TBD	TBD
Issuer's Counsel:	TBD	Chicago	TBD
IFA Advisors:	TBD	Chicago	TBD

LEGISLATIVE DISTRICTS

Congressional: Districts 6, 11, 13, 14, 15
State Senate: Districts 21, 23, 24, 25, 28, 38, 40, 41, 42, 43, 48, 52, 53, 55
State House: Districts 41, 42, 45, 46, 47, 48, 49, 55, 56, 75, 79, 80, 81, 82, 83, 84, 85, 86, 95, 96, 103, 104, 105, 110
Note: Completed based on Provena Health service areas

SERVICE AREA

Provena Health provides services to the northern and central regions of Illinois.

BACKGROUND INFORMATION

System Overview

Provena Health (the "Corporation") was formed as an Illinois not for profit corporation on November 30, 1997 and is the parent corporation of a regionally focused health care system which concentrates on providing ongoing quality health care, long-term care and home health services to communities primarily located in central and northern Illinois and northern Indiana (the "System"). The System consists of the Corporation and various wholly-owned controlled subsidiaries, including: Provena Hospitals ("Provena Hospitals"), Provena Senior Services ("Provena Senior Services"), Provena Home Health ("Provena Home Health"), Provena Care at Home ("Provena Care at Home"), Provena Health Assurance SPC ("Provena Health Assurance SPC") and Provena Ventures, Inc. ("Provena Ventures").

Sponsorship

The System was jointly formed by the Franciscan Sisters of the Sacred Heart (the "Franciscan Sisters"), the Servants of the Holy Heart of Mary, Holy Family Province, U.S.A. (the "Servants of the Holy Heart") and the Sisters of Mercy of the Americas, Regional Community of Chicago (the "Sisters of Mercy"), collectively the "Sponsors", to consolidate their respective facilities and operations in order to offer a full range of health care services to a broader community.

All three sponsoring congregations have a long history of service to the sick and needy. The Franciscan Sisters of the Sacred Heart was formed in Germany in 1866 and came to the United States in 1876. They have operated hospitals and long-term care facilities in Illinois and Indiana since the 1880s. They were among the earlier organizations to create a multi-hospital health care system, with the incorporation of Franciscan Sisters Health Care Corporation as an Illinois not for profit corporation in 1977.

The Servants of the Holy Heart was formed in France in 1860, and came to the United States in 1889. They have been providing hospital and other health care services in Illinois since the late 1890s. They organized ServantCor, an Illinois not for profit corporation, to function as their system holding company in December of 1982.

The Sisters of Mercy was established in Ireland in 1831 and came to the United States to continue to serve the needy in 1843. They have been operating in the Aurora, Illinois community since 1911, when Mercy Health Corporation was incorporated as an Illinois not for profit corporation.

Corporate Organization

Each of the Corporations, Provena Health, Provena Hospitals, Provena Senior Services, Provena Home Health and Provena Care at Home is an Illinois not for profit corporation, exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as an organization described in Section 501(c)(3) of the Code, and is a private foundation as defined in Section 509(a) of the Code. Provena Ventures, whose sole shareholder is the Corporation, is an Illinois business corporation which is nonexempt. As a Catholic health care system, the Corporation and its controlled subsidiaries act in accordance with Roman Catholic tradition in all matters of operation and in the discharge of governance, and abide by the "Ethical and Religious Directives for Catholic Health Care Services." Provena Health was adapted from the word "providence," which means "divine guidance or care," and Health to reflect the broad spectrum of health care services to be offered. It was chosen by the Sponsors to communicate their mission as an integrated Catholic health care system.

Illinois Finance Authority

Memorandum

To: IFA Board of Directors

Date: August 10, 2010

From: Eric Reed, Regional Manager

Re: Request for approval allowing release of 1,000 shares of Castle Bank stock currently held as collateral on an IFA Guaranteed loan for Dean and Cynthia Lundeen.

Loan # 1998-GP-1088 (*Agri-Debt Guarantee*)
Original Amount: $280,000.00
Current Balance: $19,911.94

Citizens First National Bank ("Bank") in Somonauk and **Dean and Cynthia Lundeen ("Borrowers")** have requested concurrence of approval to release 1,000 shares of Castle Bank stock currently held as collateral on the above loan. The value of the stock is estimated by the Bank to be $5,000.

The Bank states that the loan is current and that the balance has been reduced significantly since inception.

Citizens First National Bank submitted a copy of the Borrower's FYE 2009 financial statement and 2010 projected cash flow statement, which are summarized below.

The Bank has already approved the Borrower's request, however because the IFA has an existing guarantee in place, the Bank is requesting IFA's concurrence. The Bank states in their request for release of the stock that the subject loan is also secured by a first real estate mortgage on 54.19 acres of farmland, which adequately secures the remaining loan balance.

Based on the loan balance and very strong loan to value ratio, staff concurs and recommends approval.

Illinois Finance Authority

Memorandum

To: IFA Board of Directors

Date: August 10, 2010

From: Eric Reed, Regional Manager

Re: Request for approval allowing release of:

1) Angelica E. Mollet from personal liability on IFA Guaranteed loan listed below.
2) An assignment of Life Insurance on Angelica E. Mollet in the amount of $50,000 from the IFA Guaranteed loan listed below.

Loan # 2001-YF-0098 (*Young Farmer Guarantee*)
Original Amount: $310,000.00
Current Balance: $268,346.44
IFA Exposure: $228,094.47

The Bank of Edwardsville ("Bank") and **Jody G. and Angelica E. Mollet ("Borrowers")** have requested IFA concurrence of approval to release Angelica Mollet from personal liability from an existing Young Farmer Guaranteed loan, originated 10/22/01. The borrowers divorced in 2009 and as part of the divorce settlement, Jody Mollett must obtain financing for their farm related debts in order to release Angelica Mollet from liability. The Bank will also be required to release the assignment of life insurance currently held on the subject loan.

The Bank of Edwardsville originated a $310,000 loan in 2001 to finance the purchase of 82.7 acres under the Young Farmer Guaranteed loan program.

The Bank has submitted a copy of the Borrower's FYE 2009 financial statement and tax return, and an updated real estate appraisal, which are summarized below.

The Bank has already approved the Borrower's request and removed Ms. Mollet's name from all other outstanding debts at the Bank, however because the IFA has an existing guarantee in place, the Bank is requesting IFA's concurrence on the above loan.

Based on the strong loan to value ratio, staff concurs and recommends approval.

IFA RESOLUTION NO. 2010-0810-BI11

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY DESIGNATING THE COUNTY OF MONROE, ILLINOIS, AS A RECOVERY ZONE.

WHEREAS, the County of Monroe, Illinois (the "County"), is a duly organized and existing unit of local government created and existing under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the Counties Code, as amended (the "Counties Code"); and

WHEREAS, in order to assist state and local governments in financing capital projects at lower borrowing costs and to stimulate the economy and create jobs, on February 17, 2009, the Congress of the United States of America enacted the American Recovery and Reinvestment Act of 2009 (the "Stimulus Act"), which Stimulus Act authorizes, inter alia, the issuance of "recovery zone economic development bonds," which bonds, if they meet certain requirements of the Stimulus Act, may be eligible for a direct payment by the United States of America to the issuer of forty-five percent (45%) of the interest coming due thereon, thereby affording certain potential economic benefits to the issuer of such bonds; and

WHEREAS, the Stimulus Act also authorizes the issuance of "recovery zone facility bonds," which are a new category of exempt facility bonds eligible to be issued as tax exempt under the Internal Revenue Code of 1986, as amended, thereby also affording certain potential economic benefits to the issuer of such bonds; and

WHEREAS, pursuant to the Stimulus Act, recovery zone economic development bonds and recovery zone facility bonds must be issued by a State or local government pursuant to an allocation by the Secretary of the Treasury (the "Secretary") of a portion of a nationwide volume limitation; and

WHEREAS, on June 12, 2009, the Secretary released Notice 2009-50, which sets forth the maximum amounts of recovery zone economic development bonds and recovery zone facility bonds that may be issued by each State, county and large municipality under the terms and provisions of the Stimulus Act; and

WHEREAS, in order to use such allocation and to issue recovery zone economic development bonds or recovery zone facility bonds, an issuer must first designate one or more "recovery zones," being areas (i) having significant poverty, unemployment, rate of home foreclosures or general distress, (ii) which have been designated by the issuer as economically distressed by reason of military base closure or realignment pursuant to the Defense Base Closure and Realignment Act of 1990, or (iii) which had been designated as an empowerment zone or a renewal community on the date the Stimulus Act was enacted; and

WHEREAS, pursuant to the Stimulus Act, the proceeds of recovery zone economic development bonds must be used for one or more "qualified economic development purposes," which purposes, as defined in the Stimulus Act, include expenditures for public infrastructure and the construction of public facilities; and

WHEREAS, the County Board of the County (the "County Board") has investigated the facts to determine whether the stable economic and physical development of the County is endangered by the presence in the County of significant poverty, unemployment, rate of home foreclosures or general distress, with a resulting decline of the County which impairs the value of private investments and threatens the sound growth and the tax base of the County and the other taxing districts having the power to tax real property in the County and threatens the health, safety, morals and welfare of the public; and

WHEREAS, the County Board adopted Resolution No. 106 on November 16, 2009 finding that there exist conditions, including significant poverty, significant unemployment, a significant rate of home foreclosures and general distress within the County as a whole and designating the County as a whole, as a recovery zone for all purposes of and as provided in the Stimulus Act.

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

Section 1. Findings. The Authority hereby determines that there exist conditions, including significant poverty, significant unemployment, a significant rate of home foreclosures and general distress within the County as a whole, which cause the County as a whole to be subject to designation as a recovery zone under the Stimulus Act.

Section 2. Recovery Zone Designated. The County of Monroe, Illinois as a whole, is hereby designated as a recovery zone for all purposes of and as provided in the Stimulus Act.

Section 3. Severability. 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.

Approved and effective this 10th day of August, 2010.

ILLINOIS FINANCE AUTHORITY

By: ______________________________
Chairman

ATTEST:

____
Secretary

[SEAL]

RESOLUTION NUMBER 2010-0810-AD12

APPOINTMENT OF ASSISTANT SECRETARY OF THE ILLINOIS FINANCE AUTHORITY

WHEREAS, the **ILLINOIS FINANCE AUTHORITY** (the "Authority") has been created by, and exists under, the Illinois Finance Authority Act (20 ILCS 3501/801-1, *et seq*.), as amended (the "Act"); and

WHEREAS, pursuant to Section 801-30(e) of the Act and Article III, Section 3 and Section 4 of Resolution No. 2007-07-21, Resolution Adopting the Amended and Restated By-Laws of the Illinois Finance Authority ("By-Laws"), the Authority is authorized to appoint one or more Assistant Secretaries; and

WHEREAS, Mr. Mauricio Nares, the Assistant Secretary, has resigned from the employment of the Authority and Mr. Ahad Syed remains the sole Assistant Secretary of the Authority; and

WHEREAS, in order to fulfill duties under the Act and the By-Laws, the Members of the Authority deem it proper to appoint Mr. Brad Fletcher, Paralegal to the Authority, as an additional Assistant Secretary to the Authority and to appoint Ms. Mari Money as an additional Assistant Secretary to the Authority, and to assign each of them duties as authorized by the Act, administrative rules, certain resolutions, certain agreements and the By-Laws of the Authority; and

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

Section 1. Incorporation of Recitals. The recitals set forth above are hereby incorporated in their entirety as if set forth in this Section.

Section 2. Appointment of Assistant Secretary. In order to facilitate the effective execution of duties by the Secretary and the current Assistant Secretary, Mr. Ahad Syed, the Members of the Authority deem it appropriate to appoint an additional Assistant Secretary. Mr. Brad Fletcher is appointed to the Office of Assistant Secretary of the Authority and shall serve in that office during the pleasure of the Members of the Authority. Before entering upon the duties of Assistant Secretary of the Authority, Mr. Fletcher shall take and subscribe to the constitutional oath of office. As Assistant Secretary, Mr. Fletcher shall have the same powers prescribed for the Office of Secretary of the Authority as authorized by statute, the Authority's By-Laws, any resolution of the Authority and any other rule, regulation, policy or practice of the Authority. The Assistant Secretary shall exercise these powers as directed by the Members of the Authority, the Executive Director, and the Secretary. Mr. Fletcher shall be a co-equal with the current Assistant Secretary, Mr. Ahad Syed.

Section 3. Appointment of Assistant Secretary. In order to facilitate the effective execution of duties by the Secretary and the current Assistant Secretary, Mr. Ahad Syed, the Members of the Authority deem it appropriate to appoint an additional Assistant Secretary. Ms. Mari Money is appointed to the Office of Assistant Secretary and shall serve in that office during the pleasure of the Members of the Authority. Before entering upon the duties of Assistant Secretary of the Authority, Ms. Mari Money shall take and subscribe to the constitutional oath of office. As Assistant Secretary, Ms. Money shall have the same powers prescribed for the Office of Secretary of the Authority as authorized by statute, the Authority's By-Laws, any resolution of the Authority and any other rule, regulation, policy or practice of the Authority. The Assistant Secretary shall exercise these powers as directed by the Members of the Authority, the Executive Director, and the Secretary. Ms. Money shall be a co-equal with the current Assistant Secretary, Mr. Ahad Syed.

Section 4. Amendment of Prior Resolutions. The Authority hereby amends all prior resolutions of the Authority to allow for the Secretary and Assistant Secretary, individually, to carry out the authorities granted to them pursuant to this Resolution.

Section 5. Implementation. The Authority does hereby authorize, empower and direct the Executive Director of the Authority, or his designee(s), to take or cause to be taken any and all such other and further actions, and to execute, acknowledge and deliver any and all such agreements, instruments, certificates and other documents, and to pay all such fees and expenses, as he may deem necessary, appropriate or advisable in order to carry out the purpose and intent of this Resolution.

Section 6. Enactment and Severability. This Resolution shall take effect immediately. If any section, paragraph or provision of this Resolution shall be held 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 No. 2010-0810-AD12 is adopted this 10th day of August, 2010 by roll call vote as follows:

Ayes:
Nays:
Abstain:
Absent:
Vacancy:

____
Chairman

[SEAL]

____
Secretary