

ILLINOIS FINANCE AUTHORITY

BOARD MEETING

Tuesday, July 13, 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						
<i>Final (One-Time Considerations)</i>						
1	A) Richard L. & Linda M. Will	Montrose (Cumberland County)	\$ 206,712	0	0	ER
	B) Mark B. Mellendorf	Louisville (Clay County)	\$ 25,200	0	0	ER
	C) Eric J. Smitheny	Newton (Jasper County)	\$ 135,000	0	0	ER
	D) Craig A. & Cara Mz Huber	Lanark (Carroll County)	\$ 288,000	0	0	ER
	E) Sean E. & Cheryl A. Stinnett	Bunker Hill (Macoupin County)	\$ 224,000	0	0	ER
	F) Daniel Steven Tolley	Galesburg (Knox County)	\$ 106,900	0	0	ER
	G) Lawrence & Loretta Alt	Hoopeston (Vermilion County)	\$ 100,000	0	0	ER
	H) James Philip & Jo Ellen Alt	Hoopeston (Vermilion County)	\$ 102,667	0	0	ER
Agri-Debt Guarantee						
<i>Final</i>						
2	Kenneth and Carla Nelson (One-Time Consideration)	Wenona (LaSalle County)	\$ 410,000	0	0	ER
TOTAL AGRICULTURE PROJECTS			\$ 1,598,479	0	0	

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Industrial Revenue Bonds						
<i>Final</i>						
3	Bison Gear & Engineering Corp. and Bullock Family Limited Partnership (One-Time Consideration)	St. Charles (Kane County)	\$ 9,500,000	41	20	RF
Gas Supply Revenue Bonds						
<i>Final</i>						
4	The Peoples Gas Light and Coke Company (One-Time Consideration)	Chicago (Cook County)	\$ 50,000,000	0	0	RF
Recovery Zone Facility Bonds						
<i>Preliminary</i>						
5	Annex II, LLC	Valmeyer (Monroe County)	\$ 5,100,000	50	30	MN/KD
TOTAL BUSINESS AND INDUSTRY PROJECTS			\$ 64,600,000	91	50	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Revenue Bonds						
<i>Final</i>						
6	Christian Homes, Inc.	Multiple (Lincoln, Bensenville, Carmi, Chrisman, Decatur, Forsyth, Springfield, Washington)	\$ 25,000,000	0	50	PL/SG
7	Institute for Transfusion Medicine	Rosemont (Cook County)	\$ 26,500,000	N/A	150-200	PL/SG
TOTAL HEALTHCARE PROJECTS			\$ 51,500,000	0	250	
GRAND TOTAL			\$ 117,698,479	91	300	

RESOLUTIONS

Tab	Project	FM
Amendatory Resolutions / Resolutions		
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.)	JS
9	Adoption of Fiscal Year 2011 Budget	CM
10	Resolution to appoint a Secretary and Assistant Secretary	CM

**OTHER
 ADJOURNMENT**

July 13, 2010

TO: William A. Brandt, Jr., Chairman
Dr. William Barclay
Ronald E. DeNard
James J. Fuentes
Edward H. Leonard, Sr.
Terrence M. O'Brien
Juan B. Rivera

Michael W. Goetz, Vice-Chairman
Roderick S. Bashir
John E. Durburg
Dr. Roger D. Herrin
Joseph McInerney
Roger E. Poole
Bradley A. Zeller

RE: Message from the Executive Director

Dear Members of the Authority:

As we begin Fiscal Year 2011 ("FY '11"), a final picture of the Illinois Finance Authority's ("IFA") last twelve months, Fiscal Year 2010 ("FY '10"), is summarized broadly below with the details found in the attachments to this message. The FY '10 context is vital to your consideration and anticipated adoption of the budget and business plan for FY '11.

FY '10 Business Summary

Both nationally and locally, FY '10 opened with grim economic news. The prospects for robust conduit financings across the core IFA revenue generating sectors – healthcare, higher education, business/industry (manufacturing), community and culture – were not promising. However, the agricultural sector began FY '10 with new legislation that increased the per project spending limit for the Beginning Farmer Bond program.

Working closely with the IFA Board, IFA staff developed our budget accordingly and took aggressive and painful action to control expenses, reduce headcount, and to aggressively pursue conduit financings across sectors. Due primarily to an unexpectedly favorable environment for conduit financings and re-financings in the healthcare, higher education, cultural and exempt facilities sectors and consistent performance in the agricultural sector (as well as diligent staff work), unaudited IFA gross revenue as of June 30, 2010 stands at \$7.3 million – almost 30% over budget. IFA general expenses remained consistent at \$5.5 million – with a 4% increase over the budget due primarily to increased reserves for bad debt attributable to defaults in the participation loan portfolio. Details are provided in the attachments.

FY '11 Plan and Budget

Despite a healthy FY '10, we open FY '11 with many of the same revenue concerns that we saw at the beginning of FY '10 due to continued uncertainty in the national economy. Nevertheless, the FY '11 budget (see Item 9 on the Agenda) was developed with the following revenue priorities in mind:

- Federally tax-exempt conduit financing represents both the core revenue activity and reputational foundation of the IFA. The reduced cost of capital provided through federally tax-exempt conduit financing is the main value-added product that IFA provides to its non-

profit (healthcare; higher education; cultural, and other 501(c)(3)'s) and private for-profit (industrial; water utilities; gas utility; solid waste; beginning farmer) borrowers. IFA plans to focus on cultivating its existing relationships among its current portfolio of borrowers, commercial lenders, and other bond finance professionals;

- In addition, IFA plans to aggressively pursue new conduit opportunities through the tools provided by Midwestern Disaster Area Bonds, Recovery Zone (private borrowers; public borrowers) and Qualified Energy Conservation Bonds (HB 2369), and multistate bond authorization (HB 5854). These tools have additional anticipated potential for job creation and retention as well as revenue generation for the IFA, but their impact remains difficult to assess at present;
- IFA will remain a steadfast and committed financing partner to the community of 501(c)(3) non-profit Healthcare providers. However, given the uncertainties associated with the implementation of Healthcare reform and an anticipated slowdown in refinancings, IFA recognizes that Healthcare financings may be less than in recent years;
- During FY '09 and FY '10, many large Healthcare systems and other large 501(c)(3) Higher Education and Cultural Institutions took advantage of historically low fixed rates to reduce variable interest rate risk, thereby boosting IFA financing activity during this time period. These circumstances are not likely to be repeated in the near-term;
- Countercyclical private activity financings and exempt facilities bond financings, in particular (e.g., water utility and gas utility) could gain momentum in the current economic climate;
- Agriculture's proportion of the revenue picture is anticipated to remain consistent. IFA remains committed to the Agricultural sector through its Loan Guarantee, Beginning Farmer and Agricultural Participation Loan programs. The Agriculture sector begins FY '11 with the new working capital loan guarantee program made available through SB 3719; and
- Over the longer-term, IFA will remain available as a resource and potential partner to renewable energy and clean coal borrowers as well as to the U.S. Department of Energy ("USDOE"). However, in the near term, the IFA sees benefit to developing and implementing a usable energy efficiency program that will seek to reduce capital costs to borrowers across sectors.

By maintaining the above priorities, IFA, under the leadership of the Board of Directors, plans to continue to fulfill its statutory mission to retain and create jobs and improve the quality of life for Illinois citizens by expanding access to capital for qualified borrowers across economic sectors -- and to remain a self-funding entity, not supported by State appropriations.

To optimize operational performance, an efficient and functional administrative support infrastructure is integral to fulfilling the IFA's mission and serving the public effectively. As of July 1, 2009, IFA had headcount of 27 employees. IFA closed June 30, 2010 with 17 employees and plans to have 21 employees by July 13, 2010. (See Attachment 3 – Organization Chart). Accordingly, we welcome our new staff additions to the IFA: Brendan Cournane, General

Counsel; Brad Fletcher, Paralegal; Mari Money, Executive Assistant; and Tammy Harter, Administrative Assistant (Springfield).

We continue to work with our partners in State Government for a plan for cost-effective compliance with SB 51 regarding procurement and internal audit functions. Finally, the proposed IFA FY 2011 budget seeks additional resources to expand IFA's efforts to manage operations by providing transparency and accountability.

Federal Legislative Issues

We remain hopeful that Congress will act soon to (i) extend the Federal Home Loan Bank Letter of Credit and (ii) Bank Qualified conduit financing tools as well as (iii) the Federal Biodiesel Blender's Tax Credit. We are hopeful that Congress will also expand the USDOE Section 1705 Renewable Energy Loan Guarantee Program to energy efficiency projects in a manner similar to what Illinois has already done with SB 1906/SB 390.

Conclusion

The management team of the IFA looks forward to continuing to work with you, the Members of the Authority, as well as with Governor Quinn, the Illinois General Assembly, and the Auditor General, in making FY 2011 financially self-sufficient while promoting growth and development for the citizens of Illinois.

Respectfully,

Christopher B. Meister
Executive Director

Attachments:

- Attachment 1– Financial and Audit Compliance Reports
- Attachment 2 – Schedule of Debt; Listing of all FY '10 closed projects
- Attachment 3 – Organization Chart
- Attachment 4 – Month by Month Summary of Conduit Bond Issuances (1/1/04 – 6/30/10)
- Attachment 5 – FY '10 Beginning Farmer Bond Summary
- Attachment 6 – FY '11 IFA Board and Committee Schedule

**Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
June 30, 2010**

	Actual June 2010	Actual June 2009	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2010	Actual YTD FY 2009	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	75,626	95,729	(20,103)	-21.00%	1,018,399	1,296,793	(278,394)	-21.47%
INVESTMENT INTEREST & GAIN(LOSS)	5,124	(104,695)	109,819	-104.89%	45,720	126,991	(81,271)	-64.00%
ADMINISTRATIONS & APPLICATION FEES	304,470	479,886	(175,416)	-36.55%	5,132,676	5,001,050	131,627	2.63%
ANNUAL ISSUANCE & LOAN FEES	105,695	64,659	41,036	63.46%	841,881	665,279	176,602	26.55%
OTHER INCOME	7,701	8,576	(875)	-10.20%	237,157	104,464	132,694	127.02%
TOTAL REVENUE	498,616	544,155	(45,539)	-8.37%	7,275,833	7,194,575	81,258	1.13%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	191,292	297,885	(106,593)	-35.78%	2,678,798	2,851,215	(172,417)	-6.05%
BENEFITS	25,353	20,982	4,372	20.84%	276,832	286,587	(9,756)	-3.40%
TEMPORARY HELP	3,213	3,240	(27)	-0.84%	33,281	57,698	(24,417)	-42.32%
EDUCATION & DEVELOPMENT	-	2,307	(2,307)	0.00%	15,410	3,200	12,210	381.50%
TRAVEL & AUTO	9,371	13,143	(3,772)	-28.70%	74,144	76,685	(2,540)	-3.31%
TOTAL EMPLOYEE RELATED EXPENSES	229,229	337,557	(108,328)	-32.09%	3,078,465	3,275,385	(196,920)	-6.01%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	94,014	29,601	64,413	217.61%	287,914	283,153	4,761	1.68%
LOAN EXPENSE & BANK FEE	12,007	10,873	1,135	10.44%	122,337	133,300	(10,963)	-8.22%
ACCOUNTING & AUDITING	107,905	25,901	82,004	316.60%	364,101	316,031	48,070	15.21%
MARKETING GENERAL	70	5,697	(5,628)	-98.78%	5,990	64,414	(58,424)	-90.70%
FINANCIAL ADVISORY	18,333	31,000	(12,667)	-40.86%	219,996	306,075	(86,079)	-28.12%
CONFERENCE/TRAINING	5,660	620	5,040	812.90%	17,977	11,866	6,111	51.50%
MISC. PROFESSIONAL SERVICES	17,142	-	17,142	0.00%	141,616	20,000	121,616	608.08%
DATA PROCESSING	5,498	4,962	536	10.79%	53,478	45,796	7,681	16.77%
TOTAL PROFESSIONAL SERVICES	260,628	108,654	151,974	139.87%	1,213,409	1,180,635	32,773	2.78%

**Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
June 30, 2010**

	Actual June 2010	Actual June 2009	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2010	Actual YTD FY 2009	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	22,420	22,573	(153)	-0.68%	261,461	263,355	(31,893)	-10.87%
EQUIPMENT RENTAL AND PURCHASES	1,047	3,694	(2,647)	-71.66%	26,598	57,307	(30,709)	-53.59%
TELECOMMUNICATIONS	3,875	2,511	1,365	54.35%	48,558	59,027	(10,468)	-17.73%
UTILITIES	967	1,385	(418)	-30.20%	11,717	14,718	(3,002)	-20.39%
DEPRECIATION	2,222	5,721	(3,499)	-61.16%	50,568	72,018	(21,450)	-29.78%
INSURANCE	1,611	1,628	(17)	-1.06%	22,682	16,846	5,837	34.65%
TOTAL OCCUPANCY COSTS	32,141	37,511	(5,369)	-14.31%	421,585	513,270	(91,685)	-17.86%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	2,960	3,260	(300)	-9.20%	39,099	81,267	(42,168)	-51.89%
BOARD MEETING - EXPENSES	2,402	6,669	(4,267)	-63.98%	29,635	41,106	(11,472)	-27.91%
PRINTING	435	(320)	756	235.83%	6,543	13,734	(7,191)	-52.36%
POSTAGE & FREIGHT	1,814	413	1,401	338.86%	17,763	21,839	(4,076)	-18.66%
MEMBERSHIP, DUES & CONTRIBUTIONS	2,074	3,475	(1,401)	-40.32%	30,882	38,685	(7,803)	-20.17%
PUBLICATIONS	317	2,652	(2,335)	-88.06%	2,267	5,964	(3,697)	-61.99%
OFFICERS & DIRECTORS INSURANCE	13,297	12,601	697	5.53%	187,336	171,670	15,666	9.13%
MISCELLANEOUS	-	-	-	-	(245)	4,048	(4,293)	-
TOTAL GENL & ADMIN EXPENSES	23,299	28,748	(5,449)	-18.95%	313,279	378,313	(65,034)	-17.19%
LOAN LOSS PROVISION/BAD DEBT	(171,909)	187,979	(359,888)	-191.45%	485,293	89,355	395,938	443.11%
OTHER	-	-	-	0.00%	-	-	-	0.00%
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%
TOTAL EXPENSES	373,389	700,449	(327,060)	-46.69%	5,512,030	5,436,958	75,072	1.38%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	125,227	(156,294)	281,521	-180.12%	1,763,803	1,757,617	6,186	0.35%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER	-	777,285	(777,285)	0.00%	80,608	797,410	(716,802)	-89.89%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	125,227	620,991	(495,764)	-79.83%	1,844,411	2,555,027	(710,616)	-27.81%

PRELIMINARY/UNAUDITED

**Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
for Period Ending
June 30, 2010**

	Actual June 2010	Budget June 2010	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2010	Budget YTD FY 2010	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2010	% of Budget Expended
REVENUE										
INTEREST ON LOANS	75,626	77,865	(2,239)	-2.88%	1,018,399	1,175,722	(157,323)	-13.38%	1,175,722	86.62%
INVESTMENT INTEREST & GAIN(LOSS)	5,124	20,834	(15,710)	-75.41%	45,720	250,000	(204,280)	-81.71%	250,000	18.29%
ADMINISTRATIONS & APPLICATION FEES	304,470	183,213	121,257	66.18%	5,132,676	3,496,715	1,635,961	46.79%	3,496,715	146.79%
ANNUAL ISSUANCE & LOAN FEES	105,695	51,786	53,909	104.10%	841,881	645,618	196,263	30.40%	645,618	130.40%
OTHER INCOME	7,701	2,975	4,726	158.86%	237,157	35,700	201,457	564.31%	35,700	100.00%
TOTAL REVENUE	498,616	336,673	161,943	48.10%	7,275,833	5,603,755	1,672,078	29.84%	5,603,755	129.84%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	191,292	229,163	(37,871)	-16.53%	2,678,798	2,750,000	(71,202)	-2.59%	2,750,000	97.41%
BENEFITS	25,353	23,038	2,315	10.05%	276,832	276,500	332	0.12%	276,500	100.12%
TEMPORARY HELP	3,213	3,153	60	1.90%	33,281	37,880	(4,599)	-12.14%	37,880	87.86%
EDUCATION & DEVELOPMENT	-	413	(413)	-100.00%	15,410	5,000	10,410	208.20%	5,000	308.20%
TRAVEL & AUTO	9,371	5,175	4,196	81.08%	74,144	62,100	12,044	19.40%	62,100	119.40%
TOTAL EMPLOYEE RELATED EXPENSES	229,229	260,942	(31,713)	-12.15%	3,078,465	3,131,480	(53,015)	-1.69%	3,131,480	98.31%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	94,014	15,837	78,177	493.64%	287,914	190,000	97,914	51.53%	190,000	151.53%
LOAN EXPENSE & BANK FEE	12,007	11,212	795	7.09%	122,337	134,500	(12,163)	-9.04%	134,500	90.96%
ACCOUNTING & AUDITING	107,905	21,663	86,242	398.11%	364,101	260,000	104,101	40.04%	260,000	140.04%
MARKETING GENERAL	70	9,290	(9,220)	-99.25%	5,990	65,000	(59,010)	-90.79%	65,000	9.21%
FINANCIAL ADVISORY	18,333	18,337	(4)	-0.02%	219,996	220,000	(4)	0.00%	220,000	100.00%
CONFERENCE/TRAINING	5,660	1,250	4,410	352.80%	17,977	15,000	2,977	19.85%	15,000	119.85%
MISC. PROFESSIONAL SERVICES	17,142	17,148	(6)	-0.03%	141,616	120,000	21,616	18.01%	120,000	118.01%
DATA PROCESSING	5,498	2,913	2,585	88.72%	53,478	35,000	18,478	52.79%	35,000	152.79%
TOTAL PROFESSIONAL SERVICES	260,628	97,650	162,978	166.90%	1,213,409	1,039,500	173,909	16.73%	1,039,500	116.73%

**Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
for Period Ending
June 30, 2010**

	Actual June 2010	Budget June 2010	Current Month Variance Actual vs. Budget	Current %	Actual YTD FY 2010	Budget YTD FY 2010	Year to Date Variance Actual vs. Budget	YTD %	Total Budget FY 2010	% of Budget Expended
OCCUPANCY COSTS										
OFFICE RENT	22,420	22,913	(493)	-2.15%	261,461	275,000	(13,539)	-4.92%	275,000	95.08%
EQUIPMENT RENTAL AND PURCHASES	1,047	5,163	(4,116)	-79.72%	26,598	62,000	(35,402)	-57.10%	62,000	42.90%
TELECOMMUNICATIONS	3,875	4,362	(487)	-11.16%	48,558	52,300	(3,742)	-7.15%	52,300	92.85%
UTILITIES	967	800	167	20.83%	11,717	9,600	2,117	22.05%	9,600	122.05%
DEPRECIATION	2,222	4,025	(1,803)	-44.79%	50,568	48,300	2,268	4.70%	48,300	104.70%
INSURANCE	1,611	500	1,111	222.13%	22,682	6,000	16,682	278.04%	6,000	378.04%
TOTAL OCCUPANCY COSTS	32,141	37,763	(5,622)	-14.89%	421,585	453,200	(31,615)	-6.98%	453,200	93.02%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	2,960	8,663	(5,703)	-65.83%	39,099	90,000	(50,901)	-56.56%	90,000	43.44%
BOARD MEETING - EXPENSES	2,402	1,600	802	50.15%	29,635	19,200	10,435	54.35%	19,200	154.35%
PRINTING	435	600	(165)	-27.48%	6,543	7,200	(657)	-9.13%	7,200	90.87%
POSTAGE & FREIGHT	1,814	1,250	564	45.11%	17,763	15,000	2,763	18.42%	15,000	118.42%
MEMBERSHIP, DUES & CONTRIBUTIONS	2,074	3,087	(1,013)	-32.82%	30,882	37,000	(6,118)	-16.54%	37,000	83.46%
PUBLICATIONS	317	250	67	26.69%	2,267	3,000	(733)	-24.43%	3,000	75.57%
OFFICERS & DIRECTORS INSURANCE	13,297	16,913	(3,616)	-21.38%	187,336	203,000	(15,664)	-7.72%	203,000	92.28%
MISCELLANEOUS	-	-	-	0.00%	(245)	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	23,299	32,363	(9,064)	-28.01%	313,279	374,400	(61,121)	-16.33%	374,400	83.67%
LOAN LOSS PROVISION/BAD DEBT	(171,909)	25,000	(196,909)	-787.64%	485,293	300,000	185,293	61.76%	300,000	161.76%
OTHER										
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL EXPENSES	373,389	453,718	(80,329)	-17.70%	5,512,030	5,298,580	213,450	4.03%	5,298,580	104.03%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	125,227	(117,045)	242,272	-206.99%	1,763,803	305,175	1,458,628	477.96%	305,175	577.96%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	-	-	-	0.00%	80,608	-	80,608	100.00%	-	-
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	125,227	(117,045)	242,272	-206.99%	1,844,411	305,175	1,539,236	504.38%	305,175	604.38%

**Illinois Finance Authority
General Fund
Unaudited
Balance Sheet
for the Twelve Months Ending June 30, 2010**

	Actual June 2010
ASSETS	
CASH & INVESTMENTS, UNRESTRICTED	\$ 20,796,716
RECEIVABLES, NET	69,432
LOAN RECEIVABLE, NET	19,866,535
OTHER RECEIVABLES	123,643
PREPAID EXPENSES	56,246
	40,912,572
TOTAL CURRENT ASSETS	40,912,572
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	48,720
DEFERRED ISSUANCE COSTS	356,648
OTHER ASSETS	
CASH, INVESTMENTS & RESERVES	1,580,734
VENTURE CAPITAL INVESTMENTS	-
OTHER	(859)
	1,579,875
TOTAL OTHER ASSETS	1,579,875
TOTAL ASSETS	\$ 42,897,815
LIABILITIES	
CURRENT LIABILITIES	\$ 1,442,905
LONG-TERM LIABILITIES	517,567
	1,960,472
TOTAL LIABILITIES	1,960,472
EQUITY	
CONTRIBUTED CAPITAL	4,111,479
RETAINED EARNINGS	23,010,155
NET INCOME / (LOSS)	1,844,411
RESERVED/RESTRICTED FUND BALANCE	1,732,164
UNRESERVED FUND BALANCE	10,239,134
	40,937,343
TOTAL EQUITY	40,937,343
TOTAL LIABILITIES & EQUITY	\$ 42,897,815

**Illinois Finance Authority
Consolidated
Unaudited
Balance Sheet
for the Twelve Months Ending June 30, 2010**

	Actual June 2009	Actual June 2010
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	\$ 28,099,361	\$ 34,304,611
RECEIVABLES, NET	75,026	69,432
LOAN RECEIVABLE, NET	94,747,205	88,929,718
OTHER RECEIVABLES	1,278,916	1,296,357
PREPAID EXPENSES	58,270	56,246
TOTAL CURRENT ASSETS	124,258,778	124,656,364
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	98,684	48,720
DEFERRED ISSUANCE COSTS	572,337	486,767
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES	37,909,674	39,787,097
VENTURE CAPITAL INVESTMENTS	5,377,739	5,377,739
OTHER	3,000,000	3,000,000
TOTAL OTHER ASSETS	46,287,413	48,164,836
TOTAL ASSETS	<u>\$ 171,217,212</u>	<u>\$ 173,356,687</u>
LIABILITIES		
CURRENT LIABILITIES	803,107	1,547,969
LONG-TERM LIABILITIES	57,512,093	56,712,775
TOTAL LIABILITIES	58,315,200	58,260,744
EQUITY		
CONTRIBUTED CAPITAL	35,608,692	35,608,692
RETAINED EARNINGS	24,795,357	27,173,957
NET INCOME / (LOSS)	84,517	2,193,930
RESERVED/RESTRICTED FUND BALANCE	39,765,275	37,471,193
UNRESERVED FUND BALANCE	12,648,171	12,648,171
TOTAL EQUITY	112,902,012	115,095,943
TOTAL LIABILITIES & EQUITY	<u>\$ 171,217,212</u>	<u>\$ 173,356,687</u>

Illinois Finance Authority
FY09 Audit Finding: Material
Update as of June 30, 2010

Number of Material Findings - 1

Item Number	Description	Finding Type	Comments	Percentage Completed
09-01	Valuation of Venture Capital Investments	Significant Deficiency	<p>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 Authority has procured a vendor and the valuation of the venture capital portfolio is underway.</p>	10 20 30 40 50 60 70 80 90 100

**Illinois Finance Authority
 FY09 Audit Finding: Immaterial
 Update as of June 30, 2010**

Item Number	Description	Percentage Completed
		10 20 30 40 50 60 70 80 90 100
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 the 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 Section I (b) -- General Purpose Moral Obligation/State Component Parts -- which are subject to the \$28.15B cap in Section 845-5(a).

Section I (a)		Principal Outstanding		Program Limitations	Remaining Capacity
		June 30, 2009	June 30, 2010		
Illinois Finance Authority "IFA"					
267	Agriculture	\$ 40,653,000	\$ 48,756,000		
87	Education	3,494,340,000	3,712,421,000		
213	Healthcare	9,089,122,000	10,955,576,000		
60	Industrial Development	366,045,000	342,161,000		
21	Local Government	271,480,000	264,060,000		
19	Multifamily/Senior Housing	164,768,000	163,859,000		
95	501(c)(3) Not-for Profits	1,186,916,000	1,317,675,000		
5	Exempt Facilities Bonds	77,000,000	130,500,000		
767	Total IFA Principal Outstanding	\$ 14,690,324,000	\$ 16,935,008,000		
Illinois Development Finance Authority "IDFA" ^[b]					
4	Education	75,163,000	42,196,000		
7	Healthcare	544,455,000	404,660,000		
76	Industrial Development	605,563,000	560,967,000		
35	Local Government	452,433,000	386,034,000		
16	Multifamily/Senior Housing	150,192,000	147,219,000		
106	501(c)(3) Not-for Profits	1,081,733,000	1,025,002,000		
1	Exempt Facilities Bonds	24,860,000	24,860,000		
241	Total IDFA Principal Outstanding	\$ 2,934,399,000	\$ 2,590,938,000		
Illinois Rural Bond Bank "IRBB" ^[b]					
18	Bond Bank Revenue Bonds	30,725,000	26,385,000		
1	Conduit Debt	3,860,000	2,390,000		
19	Total IRBB Principal Outstanding	\$ 34,585,000	\$ 28,775,000		
109	Illinois Health Facilities Authority "IHFA"	\$ 3,655,331,000	\$ 2,908,471,000		
49	Illinois Educational Facilities Authority "IEFA"	\$ 1,673,996,000	\$ 1,446,134,000		
604	Illinois Farm Development Authority "IFDA" ^[1]	\$ 47,029,000	\$ 47,029,000		
1,789	Total Illinois Finance Authority Debt	\$ 23,035,664,000	\$ 23,956,355,000	\$ 28,150,000,000	\$ 4,193,645,000

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

Section I (b)		Principal Outstanding		Program Limitations	Remaining Capacity
		June 30, 2009	June 30, 2010		
General Purpose Moral Obligations					
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]					
18	Issued through IRBB	\$ 30,725,000	\$ 26,385,000		
9	Issued through IFA	64,560,000	68,000,000		
27	Total General Moral Obligations	\$ 95,285,000	\$ 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	\$ 2,925,000	\$ 2,395,000		
1	Issued through IDFA	5,720,000	4,660,000		
2	Total Financially Distressed Cities	\$ 8,645,000	\$ 7,055,000	\$ 50,000,000	\$ 42,945,000
State Component Unit Bonds ^[c]					
18	Issued through IRBB	\$ 30,725,000	\$ 26,385,000		
2	Issued through IDFA	105,530,000	100,915,000		
12	Issued through IFA	164,818,000	159,352,000		
32	Total State Component Unit Bonds	\$ 301,073,000	\$ 286,652,000		

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

Section I (c)		Principal Outstanding		Program Limitations	Remaining Capacity
		June 30, 2009	June 30, 2010		
Midwest Disaster Bonds [Flood Relief]		\$ -	\$ -	\$ 1,515,271,000	\$ 1,515,271,000

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

Section II		Principal Outstanding		Program Limitations	Remaining Capacity
		June 30, 2009	June 30, 2010		
Illinois Power Agency		\$ -	\$ -	\$ 4,000,000,000	\$ 4,000,000,000

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	Energy	Principal Outstanding		Program Limitations	Remaining Capacity
		June 30, 2009	June 30, 2010		
Clean Coal, Coal, Renewable Energy and Efficiency Projects		\$ -	\$ -	\$ 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		Program Limitations	Remaining Capacity	State Exposure
		June 30, 2009	June 30, 2010			
Agri Debt Guarantees [Restructuring Existing Debt]		\$ 21,986,000	\$ 20,300,000	\$ 160,000,000	\$ 139,700,000	\$ 17,213,000
103	Fund # 994 - Fund Balance \$ 9,928,105					
13	Agri Industry Loan Guarantee Program	\$ 13,648,000	\$ 11,104,000			9,438,000
1	Renewable Fuels	24,445,000	24,445,000			14,876,000
1	Farm Purchase Guarantee Program	496,000	491,000			417,000
34	Specialized Livestock Guarantee Program	12,696,000	8,625,000			7,332,000
12	Young Farmer Loan Guarantee Program	2,430,000	2,564,000			2,179,000
AG Loan Guarantee Program		\$ 53,715,000	\$ 47,229,000	\$ 225,000,000 ^(e)	\$ 177,771,000	\$ 34,242,000
61	Fund # 205 - Fund Balance \$ 7,641,852					
164	Total State Guarantees	\$ 75,701,000	\$ 67,529,000	\$ 385,000,000	\$ 317,471,000	\$ 51,455,000

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

Section V		Fund #	Principal Outstanding		Appropriation Fiscal Year 2010	Fund Balance
			June 30, 2009	May 31, 2010		
116	Fire Truck Revolving Loan Program	Fund # 572	\$ 19,258,322	\$ 18,730,135	\$ 6,003,342	\$ 1,187,956
10	Ambulance Revolving Loan Program	Fund # 334	\$ 993,200	\$ 993,200	\$ 7,006,800	\$ 3,131,009

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

Section VI		Principal Outstanding		Program Limitations	Remaining Capacity
		June 30, 2009	June 30, 2010		
Environmental [Large Business]					
9	Issued through IFA	\$ 317,704,492	\$ 316,440,000		
21	Issued through IDFA	407,370,000	372,065,000		
30	Total Environmental [Large Business]	\$ 725,074,492	\$ 688,505,000	\$ 2,425,000,000	\$ 1,736,495,000
Environmental [Small Business]				\$ 75,000,000	\$ 75,000,000
30	Total Environment Bonds Issued under Act	\$ 725,074,492	\$ 688,505,000	\$ 2,500,000,000	\$ 1,811,495,000

Illinois Finance Authority Funds at Risk

Section VII	#	Original Amount	Principal Outstanding	
			June 30, 2009	June 30, 2010
Participation Loans				
64	Business & Industry	27,584,793.27	20,487,542.83	17,018,322.85
25	Agriculture	6,106,859.01	5,323,214.12	4,969,295.79
89	Total Participation Loans	\$ 33,691,652.28	\$ 25,810,756.95	\$ 21,987,618.64
1	Illinois Facility Fund	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
4	Local Government Direct Loans	\$ 1,289,750.00	\$ 387,931.74	\$ 309,303.50
6	FmHA Loans	\$ 963,250.00	\$ 617,776.68	\$ 495,772.95
2	Renewable Energy [RED Fund]	\$ 2,000,000.00	\$ 1,841,011.12	\$ 1,755,644.28
102	Total Loans Outstanding	\$ 38,944,652.28	\$ 29,657,476.49	\$ 25,548,339.37

^(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 Unamortized 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.

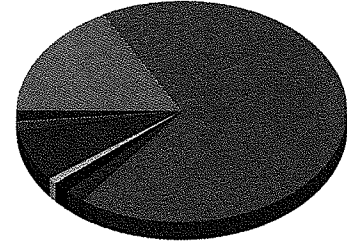
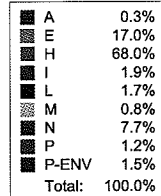


Bonds Issued and Outstanding as of June 30, 2010

Bonds Issued Since Inception

#	Market Sector	Principal Amount (\$)
8	Agriculture	56,584,212
96	Education	3,796,818,100
299	Healthcare	15,070,763,508
69	Industrial	429,425,669
26	Local Government	376,160,000
19	Multifamily/Senior Housing	175,417,900
129	501(c)(3) Not-for Profits	1,713,838,195
8	Exempt Facilities Bonds	275,700,000
9	Environmental issued under 20 ILCS 3515/9	326,630,000
		\$ 22,221,337,584

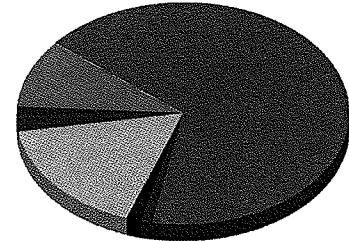
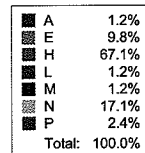
Bonds Issued Since Inception



Current Fiscal Year

#	Market Sector	Principal Issued
1	Agriculture	8,480,300
8	Education	298,745,000
55	Healthcare	2,698,885,448
1	Local Government	4,460,000
1	Multifamily/Senior Housing	5,700,000
14	501(c)(3) Not-for Profits	296,142,520
2	Exempt Facilities Bonds	53,500,000
		\$ 3,365,913,268

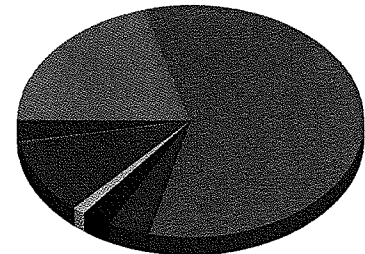
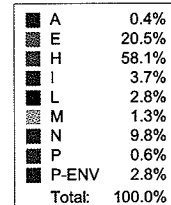
Bonds Issued - Current Fiscal Year



Schedule of Bonds Outstanding by Market Sector

Market Sector	Amount of Original Issue	Principal Outstanding
Agriculture	295,053,918	95,784,754
Education	5,422,905,730	5,045,490,997
Healthcare	16,189,042,337	14,268,706,935
Industrial	1,093,080,669	903,128,550
Local Government	1,138,329,413	678,869,169
Multifamily/Senior Housing	749,333,296	311,077,659
501(c)(3) Not-for Profits	2,881,164,996	2,417,936,886
Exempt Facilities Bonds	155,360,000	155,360,000
Environmental issued under 20 ILCS 3515/9	770,475,000	688,504,827
	\$ 28,694,745,359	\$ 24,564,859,777

Principal Outstanding by Market Sector



Bonds Issued between July 01, 2009 and June 30, 2010

<u>Bond Issue</u>	<u>Date Issued</u>	<u>Initial Interest Rate</u>	<u>Principal Issued</u>
Beginner Farmer Bonds - Fiscal Year 2010	07/01/2009	Various-See Below	8,480,300
Provena Health, Series 2009B-D	07/09/2009	VRB 0.20%	116,000,000
Jewish Charities RAN, Series 2009-2010A	07/09/2009	VRB 0.26%	14,370,000
Hospice of Northeastern Illinois, Series 2009	07/16/2009	VRB 0.28%	8,500,000
Illinois Institute of Technology, Series 2009	07/22/2009	4.750% to 7.125%	30,000,000
Alexian Brothers Health System, Inc., Series 2009	07/23/2009	DP-VRB 2.53%	13,607,000
Rush University Medical Center, Series 2009C&D	07/29/2009	6.20% to 6.625%	200,000,000
Riverside Health System, Series 2009	08/13/2009	5.75% to 6.25%	66,500,000
OSF Healthcare System, Series 2009E-G	08/18/2009	DP-VRB 4.98%	70,000,000
University of Chicago Medical Center, Series 2009C-E	08/20/2009	5.25% to 5.50%	225,000,000
Aunt Martha's Youth Service Center, Inc., Series 2009	08/20/2009	DP-VRB 5.65%	8,924,195
St. Patrick High School, Series 2009	08/20/2009	DP-VRB 5.19%	5,431,458
Our Lady of Angels Village, Series 2009	08/20/2009	DP-VRB	7,911,000
American Water Capital Corp., Series 2009	10/01/2009	5.25%	28,500,000
SOS Children's Villages Illinois, Series 2009	10/15/2009	Variable	8,500,000
Lake Forest Hospital, Series 2009	10/16/2009	DP-VRB 1.109%	52,000,000
Trinity International University, Series 2009	10/22/2009	VRB 0.24%	22,870,000
Edward Hospital, Series 2009A	10/28/2009	VRB 0.28%	43,500,000
Concordia University Chicago, Series 2009	10/29/2009	VRB 0.23%	30,000,000
Central DuPage Health, Series 2009B	11/18/2009	3.00% to 5.75%	240,000,000
Bond Bank Revenue Bonds, Series 2009A	12/04/2009	1.90% to 5.375%	4,460,000
Roosevelt University, Series 2009	12/09/2009	5.00% to 6.50%	183,645,000
Rehabilitation Institute of Chicago, Series 2009A-C	12/10/2009	VRB 0.25%	90,675,000
Villa Guadalupe Senior Services, Series 2009	12/15/2009	DP-VRB 3.26%	3,345,000
Elgin Academy, Series 2009	12/16/2009	DP-VRB 4.80%	11,505,000
The Joliet Montessori School, Series 2009	12/16/2009	DP-VRB 5.00%	625,000
Marion SLF, Series 2009	12/16/2009	DP-VRB 6.75%	5,700,000
Museum Science & Industry, Series 2009A-D	12/17/2009	VRB 0.23%	64,000,000
IV HealthCorp, Inc. [Illinois Valley Hospital], Series 2009	12/17/2009	VRB 0.32%	22,955,000
Resurrection Health Care, Series 2009	12/22/2009	3.00% to 6.125%	103,805,000
Memorial Health System, Series 2009	12/22/2009	3.00% to 5.50%	150,000,000
Providence Life Services, Series 2009A&B	12/29/2009	DP-VRB 4.18%/4.23%	27,689,820
Advocate Health Care Network, Series 2010A-D	01/06/2010	5.50%	238,255,000
Jewish Charities RAN, Series 2009-2010B	01/14/2010	VRB 0.15%	14,545,000
Swedish Covenant Hospital, Series 2010A	02/02/2010	4.00% to 6.00%	100,690,000
Provena Health, Series 2010A&B	02/11/2010	5.00% to 6.25%	126,000,000
Adler School of Professional Psychology, Series 2010	02/16/2010	DP-VRB 4.60%	5,100,000
Hispanic Housing Development Corporation, Series 2010	02/19/2010	DP-VRB 4.32%	2,192,400
Saint Anthony's Health Center, Series 2010A-C	03/18/2010	DP-VRB 5.76%	10,000,000
Friendship Village of Schaumburg, Series 2010	03/22/2010	7.00% to 7.25%	33,610,000
Palos Community Hospital, Series 2010A&B	04/12/2010	BL-VRB 1.37%	100,000,000
SwedishAmerican Hospital, Series 2010	04/19/2010	DP-VRB 4.05%	25,000,000
Alexian Brothers Health System, Series 2010	04/21/2010	3.00% to 5.25%	133,400,000
The Poetry Foundation, Series 2010	04/28/2010	2.75% to 5.30%	15,000,000
National Opinion Research Center, Series 2010	04/29/2010	3.60%	3,883,662
Palos Community Hospital, Series 2010C	05/06/2010	5.00% to 5.375%	147,525,000
Art Institute of Chicago, Series 2010B	05/20/2010	3.00% to 4.00%	53,955,000
Centegra Health System, Series 2010	05/25/2010	3.76%	3,268,433
Park Place of Elmhurst, Series 2010A-E	05/27/2010	8.00% to 8.25%	175,540,000
American Water Capital Corp., Series 2010	05/27/2010	5.25%	25,000,000
Art Institute of Chicago, Series 2010A	06/09/2010	5.00% to 5.25%	105,765,000
Community Memorial Hospital Association, Series 2010	06/25/2010	DP 4.00%	780,000
OSF Healthcare System, Series 2010A	06/29/2010	6.00%	162,905,000
Garrett-Evangelical Theological Seminary, Series 2010	06/30/2010	VRB 0.31%	15,000,000

Total Bonds Issued in Fiscal Year 2010

\$ 3,365,913,268

Legend: Fixed Rate Bonds as shown

DP-VRB represents the initial interest rate at the time of issuance on a Direct Purchase Bond

VRB represents the initial interest rate at the time of issuance on a Variable Rate Bond that does not include the cost of the Letter of Credit arrangement

Beginner Farmer Bonds interest rates are shown in section below.

Beginner Farmer Bonds

<u>Borrower</u>	<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>
Kane, Jason	10/15/2009	5.00%	250,000
Mueller, Charles	10/15/2009	5.75%	178,400
Dietmeier, Thomas & Wendy	10/15/2009	5.50%	87,500
Adair, Tye & Jill	10/20/2009	4.35%	137,500
Huschen, Rob	10/29/2009	4.50%	202,202
Miller, Curtis	10/29/2009	4.25%	120,000
Walk, Chad	10/29/2009	4.50%	150,000
Reeves, Jeremy & Tara	11/02/2009	4.50%	201,000
Van Fleet, Ryan	11/18/2009	4.25%	150,000
Swanson, Matthew & Angela	11/18/2009	4.25%	101,500
Hill, Barrett	12/01/2009	4.25%	239,000
Weber, Daniel	12/10/2009	4.00%	177,300
Boehl, Bruce	12/15/2009	4.25%	149,000
Wolber, DuWayne & Abby	12/15/2009	4.25%	250,000
Jensen, Jeffrey	12/22/2009	4.50%	250,000
Holland, Nicholas	12/22/2009	4.00%	113,920
Nichelson, William & Jennie	12/22/2009	3.75%	469,200
Killiam, Mark & Beth	12/22/2009	3.75%	469,200
Laue, Jonathan	02/19/2010	4.25%	72,500
Behrens, Ronald & Sandra	03/01/2010	3.95%	470,100
Semple, Jacob	03/03/2010	4.25%	139,750
Eshbach, Galen	03/23/2010	4.75%	470,100
McKeown, Richard & Linda	03/23/2010	4.39%	160,000
Shike, Ronald & Suellen	03/23/2010	4.39%	160,000
Kalaher, Chad	03/25/2010	4.00%	203,500
Pilman, Jacob E.	03/25/2010	5.00%	136,000
Belusko, David	03/31/2010	4.25%	229,000
Belusko, Matthew	03/31/2010	4.25%	229,000
Steidinger, Gary & Annette	04/22/2010	3.50%	127,920
Voss, Brian & Karen	04/27/2010	4.80%	87,000
Altwardt, Justin	04/27/2010	3.90%	203,000
Dotterer, Alex	05/06/2010	3.50%	131,128
Marron, Michael T.	05/06/2010	4.17%	165,000
Smithenry, Steven R.	05/07/2010	4.25%	40,950
Coulter, Benjamen & Sonya	05/14/2010	4.75%	188,880
Niehaus, Chad	05/19/2010	4.25%	216,000
Hemker, Lynette	05/19/2010	4.00%	115,000
Bauer, Dustin & Christine	05/26/2010	4.50%	125,000
Hawkey, Chad Edward	06/03/2010	4.40%	153,000
Elam, Matthew James	06/03/2010	4.00%	220,000
McKay, Jason	06/03/2010	3.90%	111,000
Dowdall, Gregory J.	06/15/2010	4.00%	131,500
Nelson, Michael	06/18/2010	4.50%	273,750
Hilmes, Clinton & Karen	06/24/2010	4.25%	232,000
Total Beginner Farmer Bonds Issued			<u>\$ 8,486,800</u>

AG Debt Restructuring Guarantee	<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>State Guarantee</u>
Hayden Farms	09/30/2009	7.50%	500,000	425,000
Beer, Keith	10/23/2009	6.00%	500,000	425,000
Blackhawk REG [Danville Biofuels Plant]	02/26/2010	4.23%	24,444,583	14,874,529
Hill, Paul & Mark	05/10/2010	5.58%	500,000	425,000
Total AG Debt Restructuring Guarantee			\$ 25,944,583	\$ 16,149,529

AG Young Farmer Guarantee	<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>State Guarantee</u>
Wagner, Kyle & Jenny	12/15/2009	5.25%	310,000	263,500
Total AG Young Farmer Guarantee			\$ 310,000	\$ 263,500

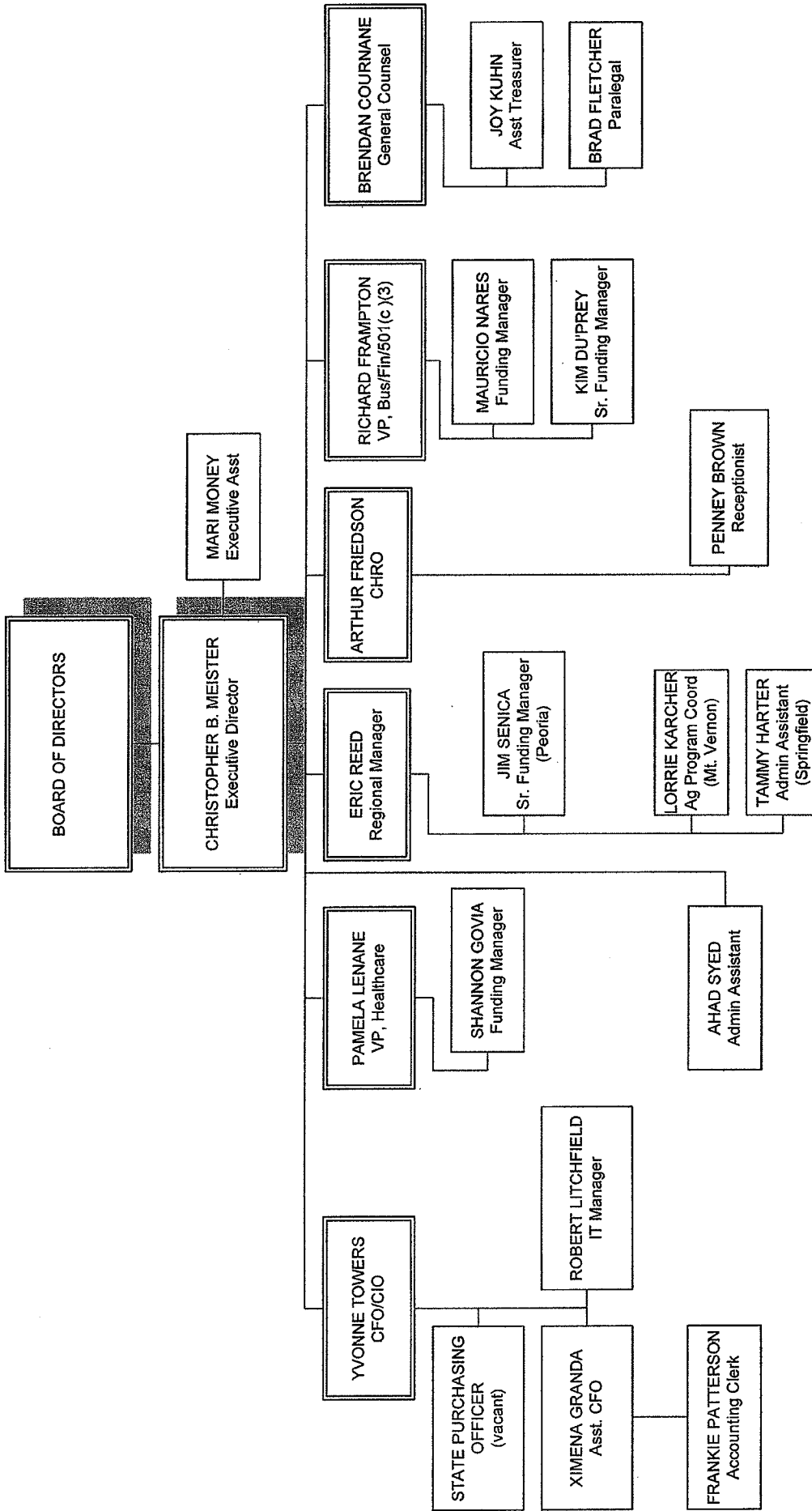
Total Agriculture Guarantees **\$ 26,254,583** **\$ 16,413,029**

Participation Loans

Project Name	Participating Bank	<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Amount</u>
Midwest Investment Solutions, Inc.	Alpine Bank and Trust	12/23/2009	4.875%	468,262
Zehr Foods, Inc.[Zehr, Brent & Christine]	First Security Bank	05/07/2010	5.250%	300,000
Total Participation Loans Funded in Current Fiscal Year				\$ 768,262

ILLINOIS FINANCE AUTHORITY

JULY 13, 2010



Principal Issued/Bonds Refunded by Month

Month	Year							
	2004	2005	2006	2007	2008	2009	2010	
January	-	138,085,000	98,670,000	13,680,000	122,870,000	723,895,000	252,800,000	Principal
	-	25,755,000	13,285,000	-	13,900,000	205,350,000	155,775,000	Refunded
February	22,950,000	31,714,000	85,235,000	243,775,000	57,235,000	383,520,000	233,982,400	Principal
	-	-	52,945,000	96,220,000	45,210,000	113,100,000	90,946,623	Refunded
March	72,920,000	243,620,900	221,200,000	429,933,900	67,400,000	647,005,000	43,610,000	Principal
	53,930,000	191,745,000	117,185,000	147,205,000	62,800,000	255,325,000	29,675,000	Refunded
April	87,500,000	54,890,000	53,160,378	204,725,000	1,217,254,000	504,000,000	277,283,662	Principal
	-	11,540,000	-	60,890,000	1,141,790,000	464,985,000	70,420,000	Refunded
May	1,112,926,171	374,980,000	67,930,000	239,097,750	1,168,925,000	108,194,732	405,288,433	Principal
	448,164,992	93,060,000	29,915,000	99,375,000	456,225,000	-	55,940,000	Refunded
June	62,305,000	137,165,000	131,900,914	394,513,530	817,587,000	475,200,000	284,450,000	Principal
	28,810,000	10,870,000	-	54,927,000	605,130,000	-	255,625,000	Refunded
July	109,045,000	370,370,000	183,955,000	149,165,000	56,242,400	382,477,000	-	Principal
	-	238,695,000	4,749,000	34,830,000	-	-	-	Refunded
August	77,395,000	317,680,000	416,886,100	695,600,000	110,315,000	383,766,653	-	Principal
	43,000,000	239,225,000	255,665,000	123,830,000	65,250,000	35,254,532	-	Refunded
September	195,595,000	199,800,000	34,525,000	65,406,650	186,705,000	-	-	Principal
	6,220,000	85,355,000	-	4,500,000	-	-	-	Refunded
October	17,095,000	78,070,000	303,685,000	747,030,000	112,905,000	185,370,000	-	Principal
	-	7,600,000	254,960,000	338,880,796	2,400,000	92,425,000	-	Refunded
November	674,465,000	72,530,000	134,980,000	34,691,195	90,609,000	240,000,000	-	Principal
	247,055,000	36,575,000	25,095,000	14,230,000	10,275,000	-	-	Refunded
December	275,415,000	655,400,000	435,050,000	765,246,784	431,000,000	668,404,820	-	Principal
	71,565,000	68,360,000	144,825,000	213,930,000	80,300,000	288,007,133	-	Refunded
Total Sum of Principal	2,707,611,171	2,674,304,900	2,167,177,392	3,982,864,809	4,439,047,400	4,701,833,205	1,497,414,495	Principal
Total Sum of Refunded	898,744,992	1,008,780,000	898,624,000	1,188,817,796	2,483,280,000	1,454,446,665	658,381,623	Refunded

Bonds Issued includes the value of the Bonds Refunded.

Principal Issued by Month *

Month	Data	Year						
		2004	2005	2006	2007	2008	2009	2010
January	Sum of Principal	-	138,085,000	98,670,000	13,680,000	122,870,000	723,895,000	252,800,000
	Sum of % of Change			-28.5%	-86.1%	798.2%	489.2%	-65.1%
February	Sum of Principal	22,950,000	31,714,000	85,235,000	243,775,000	57,235,000	383,520,000	233,982,400
	Sum of % of Change		38.2%	168.8%	186.0%	-76.5%	570.1%	-39.0%
March	Sum of Principal	72,920,000	243,620,900	221,200,000	429,933,900	67,400,000	647,005,000	43,610,000
	Sum of % of Change		234.1%	-9.2%	94.4%	-84.3%	859.9%	-93.3%
April	Sum of Principal	87,500,000	54,890,000	53,160,378	204,725,000	1,217,254,000	504,000,000	277,283,662
	Sum of % of Change		-37.3%	-3.2%	285.1%	494.6%	-58.6%	-45.0%
May	Sum of Principal	1,112,926,171	374,980,000	67,930,000	239,097,750	1,168,925,000	108,194,732	405,288,433
	Sum of % of Change		-66.3%	-81.9%	252.0%	388.9%	-90.7%	274.6%
June	Sum of Principal	62,305,000	137,165,000	131,900,914	394,513,530	817,587,000	475,200,000	284,450,000
	Sum of % of Change		120.2%	-3.8%	199.1%	107.2%	-41.9%	-40.1%
July	Sum of Principal	109,045,000	370,370,000	183,955,000	149,165,000	56,242,400	382,477,000	
	Sum of % of Change		239.6%	-50.3%	-18.9%	-62.3%	580.1%	
August	Sum of Principal	77,395,000	317,680,000	416,886,100	695,600,000	110,315,000	383,766,653	
	Sum of % of Change		310.5%	31.2%	66.9%	-84.1%	247.9%	
September	Sum of Principal	195,595,000	199,800,000	34,525,000	65,406,650	186,705,000	-	
	Sum of % of Change		2.1%	-82.7%	89.4%	185.5%	-100.0%	
October	Sum of Principal	17,095,000	78,070,000	303,685,000	747,030,000	112,905,000	185,370,000	
	Sum of % of Change		356.7%	289.0%	146.0%	-84.9%	56.7%	
November	Sum of Principal	674,465,000	72,530,000	134,980,000	34,691,195	90,609,000	240,000,000	
	Sum of % of Change		-89.2%	86.1%	-74.3%	161.2%	164.9%	
December	Sum of Principal	275,415,000	655,400,000	435,050,000	765,246,784	431,000,000	668,404,820	
	Sum of % of Change		138.0%	-33.6%	75.9%	-43.7%	55.1%	
Total Sum of Principal		2,707,611,171	2,674,304,900	2,167,177,392	3,982,864,809	4,439,047,400	4,701,833,205	1,497,414,495

"Sum of % of Change" reflects the percent of increase/decrease over the same month in the prior year.

* Does not include Beginner Farmer Bonds issued.

Bonds Issued by Quarter - Calendar Year							
	2004	2005	2006	2007	2008	2009	2010
1st Quarter	95,870,000	413,419,900	405,105,000	687,388,900	247,505,000	1,754,420,000	530,392,400
2nd Quarter	1,262,731,171	567,035,000	252,991,292	838,336,280	3,203,766,000	1,087,394,732	967,022,095
3rd Quarter	382,035,000	887,850,000	635,366,100	910,171,650	353,262,400	766,243,653	
4th Quarter	966,975,000	806,000,000	873,715,000	1,546,967,979	634,514,000	1,093,774,820	
Total Bonds Issued - Calendar Year	2,707,611,171	2,674,304,900	2,167,177,392	3,982,864,809	4,439,047,400	4,701,833,205	1,497,414,495
% Change over Prior Calendar Year		-1.2%	-19.0%	83.8%	11.5%	5.9%	-47.3%

Bonds Issued by Quarter - Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010
1st Quarter		382,035,000	887,850,000	635,366,100	910,171,650	353,262,400	766,243,653
2nd Quarter		966,975,000	806,000,000	873,715,000	1,546,967,979	634,514,000	1,093,774,820
3rd Quarter	95,870,000	413,419,900	405,105,000	687,388,900	247,505,000	1,754,420,000	530,392,400
4th Quarter	1,262,731,171	567,035,000	252,991,292	838,336,280	3,203,766,000	1,087,394,732	967,022,095
Total Bonds Issued - Fiscal Year	1,358,601,171	2,329,464,900	2,351,946,292	3,034,806,280	5,908,410,629	3,829,591,132	3,357,432,968
% Change over Prior Fiscal Year		71.5%	1.0%	29.0%	94.7%	-35.2%	-12.3%

**Beginner Farmer Bonds by Region
Fiscal Year 2010**

<u>Region</u>	<u># of Loans</u>	<u>Total Loan Proceeds</u>	<u># of Acres</u>	<u>Average Cost per Acre</u>
Central				
Macoupin County	1	216,000	80.00	\$2,700 per Acre
Montgomery County	4	911,500	416.37	\$2,189 per Acre
Richland County	1	139,750	79.00	\$1,769 per Acre
Sangamon County	2	938,400	152.96	\$6,135 per Acre
Shelby County	1	150,000	50.00	\$3,000 per Acre
Central Region	9 Loan(s)	\$ 2,355,650	778.33	\$3,027 per Acre
East Central				
Iroquois County	1	188,880	62.30	\$3,032 per Acre
Vermilion County	1	165,000	40.00	\$4,125 per Acre
East Central Region	2 Loan(s)	\$ 353,880	102.30	\$3,459 per Acre
North Central				
Fulton County	1	202,202	80.00	\$2,528 per Acre
Livingston County	1	127,920	40.00	\$3,198 per Acre
McLean County	1	131,128	40.82	\$3,212 per Acre
Stark County	1	178,400	40.00	\$4,460 per Acre
North Central Region	4 Loan(s)	\$ 639,650	200.82	\$3,185 per Acre
Northern Stateline				
Stephenson County	1	87,500	40.00	\$2,188 per Acre
Northern Stateline Region	1 Loan(s)	\$ 87,500	40.00	\$2,188 per Acre
Northwest				
Henry County	1	177,300	70.88	\$2,501 per Acre
Whiteside County	1	470,100	235.00	\$2,000 per Acre
Northwest Region	2 Loan(s)	\$ 647,400	305.88	\$2,117 per Acre
Southeastern				
Edgar County	1	120,000	36.50	\$3,288 per Acre
Effingham County	3	389,420	176.50	\$2,206 per Acre
Fayette County	1	111,000	80.00	\$1,388 per Acre
Jasper County	3	325,950	153.30	\$2,126 per Acre
Marion County	1	153,000	80.00	\$1,913 per Acre
Richland County	1	239,000	180.00	\$1,328 per Acre
Southeastern Region	10 Loan(s)	\$ 1,338,370	706.30	\$1,895 per Acre
Southern				
Jefferson County	1	470,100	180.00	\$2,612 per Acre
Southern Region	1 Loan(s)	\$ 470,100	180.00	\$2,612 per Acre
Southwestern				
Bond County	4	661,000	309.00	\$2,139 per Acre
Clinton County	1	232,000	80.00	\$2,900 per Acre
Southwestern Region	5 Loan(s)	\$ 893,000	389.00	\$2,296 per Acre
West Central				
Adams County	1	87,000	41.25	\$2,109 per Acre
Hancock County	2	233,000	99.80	\$2,335 per Acre
McDonough County	1	137,500	31.00	\$4,435 per Acre
Schuyler County	1	150,000	113.40	\$1,323 per Acre
Warren County	5	1,093,750	507.80	\$2,154 per Acre
West Central Region	10 Loan(s)	\$ 1,701,250	793.25	\$2,145 per Acre
Total Beginner Farmer Bonds Issued	44 Loan(s)	\$ 8,486,800	3,495.88	\$2,428 per Acre



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312-651-1350 fax
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NOTICE OF SCHEDULED MEETINGS FOR FISCAL YEAR 2011

During Fiscal Year 2011, the Illinois Finance Authority (“IFA”) will hold its public meetings on the dates and at the locations listed below.

IFA Committee of the Whole (“COW”) meetings begin at 8:30 a.m., and IFA Board meetings (“Board Meeting”) will begin at 11:30 a.m. unless noted otherwise. Meetings will be held at the addresses below:

- IFA Chicago Office, 180 N. Stetson Avenue, Suite 2555, Chicago, Illinois (“IFA Office”)
- Prudential Plaza Conference Center, One Prudential Plaza, 7th Floor, 130 E. Randolph Street, Chicago, Illinois (“PP Conference Center”)
- Illinois State Library, 300 S. Second Street, Springfield, Illinois (“State Library”)
- **OTHER LOCATION TO BE ANNOUNCED**

COMMITTEE OF THE WHOLE AND BOARD MEETINGS

Tuesday, July 13, 2010

C.O.W. – IFA Office
Board Meeting – PP Conference Center

Tuesday, August 10, 2010

C.O.W. – IFA Office
Board Meeting – PP Conference Center

Tuesday, September 14, 2010

C.O.W. – IFA Office
Board Meeting – PP Conference Center

Thursday, October 14, 2010 (Columbus Day is Mon 10/11)

C.O.W. – IFA Office
Board Meeting – PP Conference Center

Tuesday, November 9, 2010 (Veterans Day is Thurs 11/11)

C.O.W. – IFA Office
Board Meeting – PP Conference Center

Tuesday, December 14, 2010

C.O.W. – IFA Office
Board Meeting – PP Conference Center

Tuesday, January 11, 2011

C.O.W. – IFA Office
Board Meeting – PP Conference Center

Tuesday, February 8, 2011

C.O.W. – IFA Office
Board Meeting – PP Conference Center

Tuesday, March 8, 2011

C.O.W. – IFA Office
Board Meeting – PP Conference Center

Tuesday, April 12, 2011

C.O.W. – IFA Office
Board Meeting – PP Conference Center

Tuesday, May 10, 2011

C.O.W. – IFA Office
Board Meeting – PP Conference Center

Tuesday, June 14, 2011

C.O.W. – IFA Office
Board Meeting – PP Conference Center



All Committee Meetings

Committee Meetings are held via teleconference originating at IFA's Chicago Office unless otherwise noted. Please contact Board Secretary at (312) 651 – 1300 or the address above for information on how to join a meeting.

Agriculture Committee

Ed Leonard, Chair

9:30 a.m. – Phone & IFA Office

Tues, July 6, 2010
Tues, August 3, 2010
Tues, September 7, 2010
Tues, October 5, 2010
Tues, November 2, 2010
Tues, December 7, 2010
Tues, January 4, 2011
Tues, February 1, 2011
Tues, March 1, 2011
Tues, April 5, 2011
Tues, May 3, 2011
Tues, May 31, 2011 (June Board Day)

Audit Committee

Bill Brandt, Chair

7:30 a.m. – IFA Office

Tues, November 9, 2010
Tues, April 12, 2011

Compensation Committee

Terrence M. O'Brien, Chair

7:30 a.m. – IFA Offices

Mon, September 13, 2010
Mon, June 13, 2011

Diversity Committee

Ron Denard, Chair

8:30 a.m. – Phone & IFA Office

Thur, November 8, 2010
Thur, February 7, 2011

Energy Committee

Dr. Roger Herrin, Chair

1:30 p.m. – IFA Office

Mon, July 12, 2010
Mon, August 9, 2010
Mon, September 13, 2010
Wed, October 13, 2010 (Mon 10/10 Holiday
– Board Day on Thur 10/14)
Mon, November 8, 2010
Mon, December 13, 2010
Mon, January 10, 2011
Mon, February 7, 2011
Mon, March 7, 2011
Mon, April 11, 2011
Mon, May 9, 2011
Mon, June 13, 2011

Healthcare Committee

Dr. William Barclay, Chair

1:00 p.m. – Phone & IFA Office

Tues, July 6, 2010 – (Holiday 7/5/10)
Mon, August 2, 2010
Tues, September 7, 2010 – (Holiday 9/6/10)
Mon, October 4, 2010
Mon, November 1, 2010
Mon, December 6, 2010
Mon, January 3, 2011
Mon, January 31, 2011 – (Feb 8 - Board Day)
Mon, February 28, 2011 – (Mar 8 - Board Day)
Mon, April 4, 2011
Mon, May 2, 2011
Tues, May 31, 2011 – (Holiday 5/30/11)

Venture Capital Committee

James Fuentes, Chair

2:00 p.m. – Phone & IFA Office

Mon, December 13, 2010
Mon, May 9, 2011

All meetings will be accessible to handicapped individuals in compliance with pertinent State and Federal laws upon notification of anticipated attendance. Handicapped persons planning to attend and needing special accommodations should contact the IFA at least five business days prior to the meeting to inform of their anticipated attendance: Illinois Finance Authority 312-651-1319; TTY: 1-800-526-0844; VOICE: 1-800-526-0857.

**MINUTES OF THE JUNE 8, 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" or the "Authority"), pursuant to notice duly given, held a Committee of the Whole Meeting at 8:30 a.m. on Tuesday, June 8, 2010 at the IFA's Chicago Office at 180 N. Stetson Avenue, Ste. 2555, Chicago, IL 60601.

Members present:

1. William A. Brandt, Jr., Chairman
2. Bradley A. Zeller
3. Terrence M. O'Brien
4. Roderick Bashir
5. Michael Goetz, Vice Chairman
6. James J. Fuentes
7. Dr. Roger Herrin
8. Edward Leonard
9. John "Jack" Durburg
10. Dr. William Barclay

Members absent:

1. Ronald E. DeNard
2. Juan B. Rivera
3. Joseph McInerney
4. Roger Poole

Members participating by telephone:

None

Vacancies:

One

Staff Present:

Chris Meister, Executive Director
Pamela Lenane, VP and Acting
General Counsel
Richard Frampton, VP
Arthur Friedson, Chief Human
Resource Officer
Ximena Granda, Assistant CFO

Others Present:

Lois Scott, Scott Balice
Courtney Shea, Acacia

Call to Order

Chairman Brandt called the meeting to order at 8:50 a.m. with the above members present. He welcomed members of the Board and all guests. He then thanked Board Member, Dr. William Barclay, for playing a significant role in the effort to find private equity to help ShoreBank get through its equity crisis.

Executive Director's Presentation

Executive Director Meister presented his report. He gave a brief history of the year, stressing that the fiscal year began with great uncertainty about the ability of the IFA's core business segments to generate enough revenue to maintain existing staffing and client service. It was hoped that Energy initiatives would have filled some of the anticipated gap. However, Energy is presently not ramping up and healthcare is slowing down a bit, therefore we are not out of the woods yet. Nevertheless, both the healthcare and the business/industry/education and 501(c)(3) segments have outperformed expectations for FY 2010.

Director Meister briefly reported to the Board regarding the status of re-appointments. Director Meister was advised that the re-appointment paper work for Mr. Goetz and one anticipated new appointment would be filed shortly. Once the anticipated new appointment is made, IFA will have the full 15 members contemplated by the IFA Act. The possible impact of the "late term" appointment law enacted in 2003 was also noted to the Board.

In July, Chairman Brandt's board term will expire. His term as Chairman expired in January 2010. In addition, Dr. Barclay, Mr. Fuentes, and Mr. Rivera (along with Mr. Goetz) are continuing to serve on expired terms. Finally, it was noted that the terms of Mr. Bashir and Mr. McInerney, who were both appointed in December 2009 and confirmed by the Senate earlier in 2010, would be expiring in July 2010.

Senior Staff Reports

Chairman Brandt asked Ms. Ximena Granda, Assistant Chief Financial Officer, to present the financials. Ms. Granda presented in accordance with that shown in the Board Report. Six let the Committee know that the auditors were in the office until mid-November, 2010. She also passed around the June Portfolio Watch List which has Midway Broadcasting listed as being in default on the loan payment and informing the Board that the IRS has placed a lien on them. Mr. Brandt further discussed the need for the Watch List and he let the Committee know that they would receive a watch list every month. The Chairman encouraged Members to pass along any comments or changes they would like to see made in the report.

Chairman Brandt thanked the Board members and staff for a great year and requested the committee reports be presented.

Committee Reports:

Chairman Brandt asked Dr. Barclay to present the Healthcare Committee Report. Dr. Barclay reported that he recommended approval for the Admiral at the Lake project at the Healthcare Committee meeting along with all other projects presented at the meeting. Ms. Lenane reported briefly on the FY11 budget that is being prepared, gave an update on The Clare and its efforts to secure bondholder approval for the transaction approved at the last meeting, and several upcoming projects.

Dr. Herrin then presented the Energy Committee report. Illinois River Energy is requesting a loan modification because of a change in the interest rate. MSI still has issues and are not yet ready to borrow. RFP's relating to energy retrofit projects are being prepared. One will focus on actual providers, and the other seeks to create an insurance component. There are no identifiable risks to the IFA in pursuing this course of action. The Committee hopes to have conclusive information at the next meeting. Director Meister and Senior Funding Manager Marnin Lebovits attended the American Wind Energy Conference in Dallas.

Mr. Leonard then presented the Agriculture Committee report. He stated that all of the projects presented for consideration today were recommended for approval by the Agriculture Committee which included five Beginning Farmer Bonds and one waiver to debt.

Director Meister reported that E. C. Ortiz & Co., LLC, was on board and had begun the FY2010 audit. They are expected to be present in the IFA offices until some time in November. They are scheduled to meet with Chairman Brandt later in the day.

Chairman Brandt asked that the Compensation Committee report be moved to the end of the COW meeting when the Board can into closed session for the purpose of discussing personnel and compensation matters as allowed under the Open Meetings Act.

Project Reports

Chairman Brandt then asked for the project reports.

Mr. Bill Claus presented the following projects in the absence of Eric Reed for final approval:

No. 1A: Brent A. Stortzum - \$157,500 – 38 acres

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$157,500 for the purchase of approximately 38 acres of farmland. This project is located in unincorporated Effingham County, near Dieterich, IL.

- No. 1B: Clinton and Karen Hilmes - \$232,000 – 80 acres**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$232,000 for the purchase of approximately 80 acres of farmland and buildings. This project is located in unincorporated Clinton County, near Carlyle, IL.
- No. 1C: Seth A. Kopplin - \$184,000 – 73.62 acres**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$184,000 for the purchase of approximately 73.62 acres of farmland and buildings. This project is located in unincorporated Effingham County, near Altamont, IL.
- No. 1D: Keri L. Justison - \$249,736 – Undivided ½ interest of 212 acres (106)**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$249,736 for the purchase of approximately 106 acres of farmland. This project is located in unincorporated Montgomery County, near Hillsboro, IL.
- No. 1E: David M. Justison - \$249,736 - Undivided ½ interest of 212 acres (106)**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$249,736 for the purchase of approximately 106 acres of farmland. This project is located in unincorporated Montgomery County, near Hillsboro, IL.

Mr. Steve Trout presented the following project for final approval:

- No. 2: NGS Printing Inc. and Gerhard G. Landrowski, as Co-Trustee of the Amendment and Restatement of the Gerhard G. Landrowski Declaration of Trust Dated November 18, 1993, Eric H. Landrowski, as Trustee of the Eric H. Landrowski Trust Dated August 28, 2006, and Mark G. Landrowski, as Trustee of the Mark G. Landrowki Trust Dated June 26, 2001 - (One-time Consideration)**

The "Co-Borrowers" are requesting approval of a Final Bond Resolution in an amount not-to-exceed \$3 Million. Bond proceeds, combined with other funds, will be used to current refund City of Elgin Industrial Development Revenue Bonds (Nelson Graphics Screen Printing, Inc. Project) Series 2006 Bonds, and to pay bond issuance costs.

Mr. Rich Frampton presented the following project for final approval:

- No. 3: Garrett-Evangelical Theological Seminary - \$15,000,000 - Final**
Request for approval of a Final Bond Resolution in an amount not-to-exceed \$15 Million. Bond proceeds will be used to finance and reimburse Garrett for the costs of (i) renovating and equipping Loder Hall into a

LEED Silver certified building, including the installation of building sprinklers, (ii) the renovation and equipping of Lesemann Hall, and (iii) miscellaneous repairs, capital improvements, capital expenditures, capital additions, and equipment, including a library compact shelving expansion project, and various capital improvements to other buildings. Finally, bond proceeds will be used to refinance existing indebtedness incurred by the Borrower to finance the renovation of and improvements to student apartment buildings owned by the Borrower located in Evanston, and to pay costs of issuance.

Mr. Shannon Govia presented the following project for approval:

- No. 4: Christian Homes, Inc. \$25,000,000 – Preliminary**
Request for approval of a Preliminary Bond Resolution in an amount not-to-exceed \$25 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 Borrower; (3) to capitalize a Debt Service Reserve Fund for the new IFA Series 2010 Bonds, and (4) to pay costs of issuance. This financing includes multiple project sites located in Illinois, Indiana, Iowa, and Missouri.

Mr. Rich Frampton presented the following project for approval:

- No. 5: Community Memorial Hospital Association - \$900,000 - Final**
Request for approval of a Final Bond Resolution in an amount not-to-exceed \$900,000. Bond proceeds, along with other funds, will be used to finance (i) construction of a new 5,500 SF medical office building for use by medical professionals employed by the Borrower, (ii) the acquisition of equipment for use there, and (iii) to finance bond issuance costs. Community Memorial Hospital is designated as a Critical Access Hospital. The Community Memorial Hospital project is located in Staunton in Macoupin County.

Mr. Bill Claus presented the following projects for approval:

- No. 6: NorthShore University Health System f/k/a Evanston Northwestern Healthcare) - \$160,000,000 - Final**
Request for approval of a Final Bond Resolution in an amount not-to-exceed \$160 Million. Bond proceeds will be used to convert or refund existing variable rate debt to fixed rate debt, terminate two fixed payer swaps, and to, prospectively, pay costs of issuance. Bond proceeds originally financed improvements at facilities located in Evanston, Glenview, Highland Park, and Skokie.
- No. 7: OSF Healthcare System - \$200,000,000 - Final**
Request for approval of a Final Bond Resolution in an amount not-to-exceed \$200 Million. Bond proceeds will be used to refund and convert

approximately \$142 Million of Variable Rate Bonds into Fixed Rate Bonds include the following prior series: (i) Illinois Health Facilities Authority, Series 1985B, (ii) Illinois Finance Authority, Series 2001, (iii) Illinois Finance Authority Series 2007D. Additionally, bond proceeds will also be used to reimburse the Borrower for capital expenditures and related costs incurred in connection with the construction and equipping a new, 72,000 SF corporate data center located in Peoria.

- No. 8: The Admiral at the Lake, Inc. - \$225,000,000 - Final**
The Admiral at the Lake, Inc. is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$225 Million. Bond proceeds will be combined with other funds and used to (i) finance construction and equipping of a new Continuing Care Retirement Community in Chicago, (ii) to refinance a bank loan that was used to finance pre-construction costs, (iii) reimburse the Borrower for internal funds used to pay pre-development costs, (iv) fund one or more Debt Service Reserve Funds, (v) fund interest expense on the Bonds for a period of approximately 28 months, and (vi) to pay certain bond issuance costs. The Admiral at the Lake project is located in Chicago.

Mr. Rich Frampton presented the following resolutions for approval:

- No. 9: Illinois Wesleyan University**
Resolution authorizing the Execution and Delivery of a Supplemental Loan Agreement between Illinois Wesleyan University and the Illinois Finance Authority to amend certain covenants and reporting requirements with the credit enhancer relating to IFA Series 2006 and IFA Series 2006B Revenue Bonds (Illinois Wesleyan University Project).
- No. 10: Illinois River Energy, LLC ("IRE")**
Resolution authorizing Consent to a Reduction in the Debt Service Reserve Fund Requirement for IFA Series 2007 Subordinate (Conduit) Solid Waste Disposal Revenue Bonds (Illinois River Energy, LLC Project) ??finance reimbursement of certain prior capital expenditures. This project is located in Peoria, IL (Peoria County).
- No. 11: First Bank of Pittsfield – Hayden Farms Partnership**
Request by First Bank in Pittsfield for IFA concurrence on a covenant waiver related to an IFA Agri-Debt Guarantee Loan to Hayden Farms Partnership.
- This resolution was given approval by the Committee of the Whole subject to the condition that this be the last time delinquency in payment occurs.
- No. 12: NorthShore University Health System**
Resolution authorizing the execution and delivery of a supplemental bond indenture and supplemental loan agreement extending the maturity of the

Series 1995 and 1996 Bonds from 2030 to 2035 and providing for mandatory sinking fund payments commencing in 2011.

No. 13: REG Danville – Fifth Third Bank
Request for Consent to a Fourth Amendment to the Loan Agreement

Chairman Brandt made his closing remarks and asked that everyone other than the Board members, Executive Director Meister and CHRO Art Friedson remain in the room for the Compensation Committee closed session.

Member O'Brien moved that Board go into closed session for the purpose of discussing personnel and compensation matters as allowed under the Open Meetings Act. Mr. Goetz seconded the motion, and the motion was then unanimously approved by members of the Board.

After emerging from closed session, Member O'Brien moved to accept the report of the Compensation Committee. Mr. Goetz seconded the motion which was unanimously approved by members of the Board.

Closing Remarks and Adjournment:

Member Zeller moved to adjourn the meeting. Mr. O'Brien seconded the motion which was then unanimously approved by members of the Board.

The meeting adjourned at 11:40 a.m.

Respectfully submitted by
Beverly Womack-Holloway
Secretary to the Board

**MINUTES OF THE JUNE 8TH, 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, June 8th, 2010 at the Prudential Plaza Conference Center at 130 E. Randolph Street, 7th Floor, Chicago, IL 60601.

Members present:

1. William A. Brandt, Jr., Chairman
2. Bradley A. Zeller
3. Terrence M. O'Brien
4. Roderick Bashir
5. Michael Goetz, Vice Chairman
6. James J. Fuentes
7. Dr. Roger Herrin
8. Edward Leonard
9. Jack Durburg
10. Dr. William Barclay

Members absent:

1. Ronald Denard
2. Juan B. Rivera
3. Joseph McInerney
4. Roger Poole

**Members participating by
telephone:**

None

Vacancies:

One

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 11:45 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests. He then asked Secretary Beverly Womack-Holloway to call the roll. There being ten (10) members physically present Secretary Beverly Womack-Holloway declared the quorum met. Chairman Brandt remarked about Shore Bank and told the Board that IFA involvement was no longer needed in their transaction. He was happy to announce that Shore Bank had been rescued and was very appreciative of the small part IFA played in that rescue.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending May 31, 2010 and minutes for both the May 4, 2010 Committee of the Whole and Board of Directors 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 at 8:30 a.m. that day. Chairman Brandt requested a motion to approve the May 31, 2010 financial statements and minutes from both the May 4, 2010 Committee of the Whole and the Board of Directors meeting.

The motion was moved by Mr. Goetz and seconded by Mr. Zeller. The May 31, 2010 financial statements and minutes from both the May 4, 2010 Committee of the Whole and the 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. Chairman Brandt announced that the projects presented undergo an extensive review process prior to presentation 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 meetings each month. 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 board approval:

- No. 1A: Brent A. Stortzum - \$157,500 – 38 acres**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$157,500 for the purchase of approximately 38 acres of farmland. This project is located in unincorporated Effingham County near Dieterich, IL.
- No. 1B: Clinton and Karen Hilmes - \$232,000 – 80 acres**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$232,000 for the purchase of approximately 80 acres of farmland and buildings. This project is located in unincorporated Clinton County near Carlyle, IL.
- No. 1C: Seth A. Kopplin - \$184,000 – 73.62 acres**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$184,000 for the purchase of approximately 73.62 acres of farmland and buildings. This project is located in unincorporated Effingham County near Altamont, IL.
- No. 1D: Keri L. Justison - \$249,736 – Undivided ½ interest of 212 acres (106)**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$249,736 for the purchase of approximately 106 acres of farmland. This project is located in unincorporated Montgomery County near Hillsboro, IL.
- No. 1E: David M. Justison - \$249,736 - Undivided ½ interest of 212 acres (106)**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$249,736 for the purchase of approximately 106 acres of farmland. This project is located in unincorporated Montgomery County near Hillsboro, IL.
- No. 2: NGS Printing Inc. and Gerhard G. Landrowski, as Co-Trustee of the Amendment and Restatement of the Gerhard G. Landrowski Declaration of Trust Dated November 18, 1993, Eric H. Landrowski, as Trustee of the Eric H. Landrowski Trust Dated August 28, 2006, and Mark G. Landrowski, as Trustee of the Mark G. Landrowski Trust Dated June 26, 2001 - (One-time Consideration)**

The "Co-Borrowers" are requesting approval of a Final Bond Resolution in an amount not-to-exceed \$3 Million. Bond proceeds, combined with other funds, will be used to current refund City of Elgin Industrial Development Revenue

Bonds (Nelson Graphics Screen Printing, Inc. Project) Series 2006 Bonds, and to pay bond issuance costs.

- No. 4: Christian Homes, Inc. \$25,000,000 – Preliminary**
Request for approval of a Preliminary Bond Resolution in an amount not-to-exceed \$25 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 Borrower; (3) to capitalize a Debt Service Reserve Fund for the new IFA Series 2010 Bonds, and (4) to pay costs of issuance. This financing includes multiple project sites located in:
- No. 5: Community Memorial Hospital Association - \$900,000 - Final**
Request for approval of a Final Bond Resolution in an amount not-to-exceed \$900,000. Bond proceeds, along with other funds, will be used to finance (i) construction of a new 5,500 SF medical office building for use by medical professionals employed by the Borrower, (ii) the acquisition of equipment for use there, and (iii) to finance bond issuance costs. Community Memorial Hospital is designated as a Critical Access Hospital. The Community Memorial Hospital project is located in Staunton in Macoupin County.
- No. 6: NorthShore University Health System f/k/a Evanston Northwestern Healthcare) - \$160,000,000 - Final**
Request for approval of a Final Bond Resolution in an amount not-to-exceed \$160 Million. Bond proceeds will be used to convert or refund existing variable rate debt to fixed rate debt, terminate two fixed payer swaps, and to, prospectively, pay costs of issuance. Bond proceeds originally financed improvements at facilities located in Evanston, Glenview, Highland Park, and Skokie.

No guests attended with respect to Project Nos. 1A, 1B, 1C, ID, 1E, 2, 4, 5 or 6. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1A, 1B, 1C, ID, 1E, 2, 4, 5 or 6. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1A, 1B, 1C, ID, 1E, 2, 4, 5 or 6. Project Nos. 1A, 1B, 1C, ID, 1E, 2, 4, 5 or 6 received approval with 10 ayes, 0 nays, and 0 abstentions.

- No. 9: Illinois Wesleyan University**
Resolution authorizing the Execution and Delivery of a Supplemental Loan Agreement between Illinois Wesleyan University and the Illinois Finance Authority to amend certain covenants and reporting requirements with the credit enhancer relating to IFA Series 2006 and IFA Series 2006B Revenue Bonds (Illinois Wesleyan University Project)
- No. 10: Illinois River Energy, LLC (“IRE”)**
Resolution authorizing Consent to a Reduction in the Debt Service Reserve Fund Requirement for IFA Series 2007 Subordinate (Conduit) Solid Waste Disposal Revenue Bonds (Illinois River Energy, LLC Project) finance reimbursement of certain prior capital expenditures. This project is located in Peoria, IL (Peoria County).

No. 11: First Bank of Pittsfield – Hayden Farms Partnership
Request by First Bank in Pittsfield for IFA concurrence on a covenant waiver related to an IFA Agri-Debt Guarantee Loan to Hayden Farms Partnership.

Mr. Frampton presented this resolution subject to approval with conditions specified at the Committee of the Whole meeting earlier today.

No. 12: NorthShore University Health System
Resolution authorizing the execution and delivery of a supplemental bond indenture and supplemental loan agreement extending the maturity of the Series 1995 and 1996 Bonds from 2030 to 2035 and providing for mandatory sinking fund payments commencing in 2011.

No. 13: REG Danville – 5/3rd Bank
Request for Consent to a Fourth Amendment to the Loan Agreement

No. 14: IFA Compensation Committee
Resolution to Adopt the Report of the Compensation Committee

Chairman Brandt asked if the Board had any questions with regard to Resolution Nos. 9, 10, 12, 13, and 14. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolution Nos. 9, 10, 12, 13, and 14. Resolution Nos. 9, 10, 12, 13, and 14 received approval with 10 ayes, 0 nays, and 0 abstentions. Resolution No. 11 was approved subject to the conditions discussed at the Committee of the Whole meeting.

No. 3: Garrett-Evangelical Theological Seminary - \$15,000,000 - Final
Request for approval of a Final Bond Resolution in an amount not-to-exceed \$15 Million. Bond proceeds will be used to finance and reimburse Garrett for the costs of (i) renovating and equipping Loder Hall into a LEED Silver certified building, including the installation of building sprinklers, (ii) the renovation and equipping of Lesemann Hall, and (iii) miscellaneous repairs, capital improvements, capital expenditures, capital additions, and equipment, including a library compact shelving expansion project, and various capital improvements to other buildings. Finally, bond proceeds will be used to refinance existing indebtedness incurred by the Borrower to finance the renovation of and improvements to student apartment buildings owned by the Borrower located in Evanston, and to pay costs of issuance.

Mr. Frampton, VP and Senior Funding introduced and welcomed for following guests: Mr. Arnold Henning, Vice President for Business Affairs, Garrett-Evangelical Theological Seminary, Evanston and Mr. John Mehan, Managing Director, Robert W. Baird (Underwriter), Milwaukee, WI. Mr. Henning thanked the Board for accommodating the project at such late notice and gave a brief description and purpose of the project.

Chairman Brandt thanked Mr. Henning for attending the meeting and bringing this project before the Board. He asked if the Board had any questions with respect to Project No. 3. There being none, Chairman Brandt requested leave from the Board to approve Project No. 3 and received approval with 10 ayes, 0 nays.

No. 7:

OSF Healthcare System - \$200,000,000 - Final

Request for approval of a Final Bond Resolution in an amount not-to-exceed \$200 Million. Bond proceeds will be used to refund and convert approximately \$142 Million of Variable Rate Bonds into Fixed Rate Bonds include the following prior series: (i) Illinois Health Facilities Authority, Series 1985B, (ii) Illinois Finance Authority, Series 2001, (iii) Illinois Finance Authority Series 2007D. Additionally, bond proceeds will also be used to reimburse the Borrower for capital expenditures and related costs incurred in connection with the construction and equipping a new, 72,000 SF corporate data center located in Peoria.

Ms. Pam Lenane, Vice President and Acting General Counsel introduced Michelle A. Carrothers, OSF Director of Debt Management, Linny Salim, OSF Treasury Analyst and Anne Donahoe, Financial Advisor to OSF.

Chairman Brandt thanked all guest for attending the meeting and bringing this project before the Board. He asked if the Board Members had any questions. He also thanked Board Member Dr. William Barclay for the work he had done on this project. Hearing none, Chairman Brandt requested leave from the Board to approve Project No. 7 and received approval with 10 ayes, 0 nays, and 0 abstentions.

No. 8:

The Admiral at the Lake, Inc. - \$225,000,000 - Final

The Admiral at the Lake, Inc. is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$225 Million. Bond proceeds will be combined with other funds and used to (i) finance construction and equipping of a new Continuing Care Retirement Community in Chicago, (ii) to refinance a bank loan that was used to finance pre-construction costs, (iii) reimburse the Borrower for internal funds used to pay pre-development costs, (iv) fund one or more Debt Service Reserve Funds, (v) fund interest expense on the Bonds for a period of approximately 28 months, and (vi) to pay certain bond issuance costs. The Admiral at the Lake project is located in Chicago.

Ms. Lenane introduced Mr. Timothy L. Myers, CFO Kendal Corporation (new co-sponsor of The Admiral). Chairman Brandt thanked Mr. Myers for attending the meeting and bringing this project before the Board. He asked if the Board Members had any questions. Hearing none, Chairman Brandt requested leave to apply the last unanimous vote in favor of this project. Project No. 8 received approval with 10 ayes, 0 nays, and 0 abstentions.

Other Business

Chairman Brandt asked if there was any other business to come before the Board. There being none, Chairman Brandt requested a motion to adjourn. Upon a motion by Dr. Herrin and seconded by Mr. Poole, the meeting adjourned at 12:09 p.m.

Chairman Brandt reminded all guests that next month's meeting will be on July 13, 2010 at the Conference Center at One Prudential Plaza, Chicago, IL and to please check IFA's web site at www.il-fa.com for more information.

Respectfully Submitted,

Beverly Womack-Holloway, Board Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Eric Reed (lk)
Date: July 13, 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:** \$1,188,479
- **Calendar Year Summary:** (as of July 13, 2010)
 - Volume Cap: \$25,000,000
 - Volume Cap Committed: \$6,829,535
 - Volume Remaining: \$18,170,465
 - Average Acreage Farm Size: 82
 - Number of Farms Financed: 38
- **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-8370
Funding Manager:	Eric Reed
Borrower(s):	Will, Richard L. & Linda M.
Borrower Benefit:	First Time Land Buyer
Town:	Montrose, IL
IFA Bond Amount:	\$206,712
Use of Funds:	Farmland – 71.3 acres
Purchase Price:	\$206,712 / (\$2,899 per ac)
%Borrower Equity	0%
%Other	0%
%IFA	100%
County/Region:	Cumberland / Southeastern
Lender/Bond Purchaser	Teutopolis State Bank / Rhonda Meyer
Legislative Districts:	Congressional: 15 th , Timothy Johnson State Senate: 55 th , Dale Righter State House: 109 th , Roger Eddy

Principal and interest shall be paid monthly in installments determined pursuant to a Twenty year amortization schedule, with the first principal payment date to begin one month from the date of closing with the twentieth and final payment of all outstanding balances due twenty years from the date of closing.

B.

Project Number:	A-FB-TE-CD-8371
Funding Manager:	Eric Reed
Borrower(s):	Mellendorf, Mark B.
Borrower Benefit:	First Time Land Buyer
Town:	Louisville, IL
IFA Bond Amount:	\$25,200
Use of Funds:	Farmland – 20 acres
Purchase Price:	\$50,400 / (\$2,520 per ac)
%Borrower Equity	5%
%USDA Farm Service Agency	45% (<i>Subordinate Financing</i>)
%IFA	50%
County/Region:	Clay / Southeastern
Lender/Bond Purchaser	Peoples State Bank / Ben Goebel
Legislative Districts:	Congressional: 19 th , John Shimkus State Senate: 54 th , John Jones State House: 108 th , David Reis

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin on May 1, 2011. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on May 1, 2011 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

C.

Project Number:	A-FB-TE-CD-8372
Funding Manager:	Eric Reed
Borrower(s):	Smithenry, Eric J.
Borrower Benefit:	First Time Land Buyer
Town:	Newton, IL
IFA Bond Amount:	\$135,000
Use of Funds:	Farmland – 20 acres
Purchase Price:	\$135,000 / (\$6,750 per ac)
%Borrower Equity	0%
%Other	0%
%IFA	100%
County/Region:	Jasper / Southeastern
Lender/Bond Purchaser	The First National Bank of Dieterich / Travis Farley
Legislative Districts:	Congressional: 19 th , John Shimkus State Senate: 54 th , John Jones State House: 108 th , David Reis

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.

D.

Project Number:	A-FB-TE-CD-8373
Funding Manager:	Eric Reed
Borrower(s):	Huber, Craig A. & Cara Mz
Borrower Benefit:	First Time Land Buyer
Town:	Lanark, IL
IFA Bond Amount:	\$288,000
Use of Funds:	Farmland – 80 acres
Purchase Price:	\$320,000 / (\$4,000 per ac)
%Borrower Equity	10%
%Other	0%
%IFA	90%
County/Region:	Carroll / Northwest
Lender/Bond Purchaser	Farmers National Bank of Prophetstown / Doug Vanderlaan
Legislative Districts:	Congressional: 16 th , Donald Manzullo State Senate: 45 th , Tim Bivins State House: 89 th , Jim Sacia

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.

E.

Project Number:	A-FB-TE-CD-8374
Funding Manager:	Eric Reed
Borrower(s):	Stinnett, Sean E. & Cheryl A.
Borrower Benefit:	First Time Land Buyer
Town:	Bunker Hill, IL
IFA Bond Amount:	\$224,000
Use of Funds:	Farmland – 52.84 acres
Purchase Price:	\$280,900 / (\$5,316 per ac)
%Borrower Equity	20%
%Other	0%
%IFA	80%
County/Region:	Macoupin / Central
Lender/Bond Purchaser	United Community Bank / Don Wall
Legislative Districts:	Congressional: 17 th , Phil Hare State Senate: 49 th , Deanna Demuzio State House: 98 th , Betsy Hannig

Principal shall be paid annually in installments determined pursuant to a Twenty year amortization schedule, with the first principal payment date to begin on February 15, 2011. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on February 15, 2011 with the twentieth and final payment of all outstanding balances due twenty years from the date of closing.

F.

Project Number:	A-FB-TE-CD-8375
Funding Manager:	Eric Reed
Borrower(s):	Tolley, Daniel Steven
Borrower Benefit:	First Time Land Buyer
Town:	Galesburg, IL
IFA Bond Amount:	\$106,900
Use of Funds:	Farm/Pasture land – 82.3 acres
Purchase Price:	\$213,980 / (\$2,609 per ac)
%Borrower Equity	5%
%USDA Farm Service Agency	45% (<i>Subordinate Financing</i>)
%IFA	50%
County/Region:	Knox / West Central
Lender/Bond Purchaser	Midwest Bank of Western IL / Les Allen
Legislative Districts:	Congressional: 17 th , Phil Hare State Senate: 37 th , Dale Risinger State House: 74 th , Donald Moffitt

Principal shall be paid annually in installments determined pursuant to a Twenty Five 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 twenty fifth and final payment of all outstanding balances due twenty five years from the date of closing.

G.

Project Number:	A-FB-TE-CD-8376
Funding Manager:	Eric Reed
Borrower(s):	Alt, Lawrence and Loretta
Borrower Benefit:	First Time Land Buyer
Town:	Rankin, IL (Residence of Borrowers)
IFA Bond Amount:	\$100,000
Use of Funds:	Farmland – 26.67 acres of farmland
Purchase Price:	\$128,333 (\$4,812 per ac)
%Borrower Equity	22%
%Other	0%
%IFA	78%
County/Region:	Vermilion / East Central
Lender/Bond Purchaser	The First National Bank in Paxton / Don Rasmus
Legislative Districts:	Congressional: 15 th , Timothy Johnson State Senate: 53 rd , Dan Rutherford State House: 105 th , Shane Cultra

Principal shall be paid annually in installments determined pursuant to a Twenty Five 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 twenty fifth and final payment of all outstanding balances due twenty five years from the date of closing.

H.

Project Number:	A-FB-TE-CD-8377
Funding Manager:	Eric Reed
Borrower(s):	Alt, James Philip and Jo Ellen
Borrower Benefit:	First Time Land Buyer
Town:	Hoopeston, IL (Residence of Borrowers)
IFA Bond Amount:	\$102,667
Use of Funds:	Farmland – 26.67 acres of farmland
Purchase Price:	\$128,333 (\$4,812 per ac)
%Borrower Equity	20%
%Other	0%
%IFA	80%
County/Region:	Vermilion / East Central
Lender/Bond Purchaser	The First National Bank in Paxton / Don Rasmus
Legislative Districts:	Congressional: 15 th , Timothy Johnson State Senate: 53 rd , Dan Rutherford State House: 105 th , Shane Cultra

Principal shall be paid annually in installments determined pursuant to a Twenty Five 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 twenty fifth and final payment of all outstanding balances due twenty five years from the date of closing.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Reed/jk

Date: July 13, 2010

Re: Overview Memo for Agri-Debt Guarantee

- **Borrower/Project Name:** Kenneth and Carla Nelson
- **Locations:** Wenona
- **Board Action Requested:** Final Board Resolution for the attached project
- **Amount:** Up to \$ 500,000 maximum of new money for each project
- **Project Type:** Agri-Debt Guarantee
- **Total Requested:** \$410,000
- **IFA Fees:**
 - One-time closing fee of 1/2 of 1% less application fee
 - Annual Fee of 1/4 of 1% of

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]

	<u>Principal Outstanding</u>		Program Limitations	Remaining Capacity	State Exposure
	June 30, 2009	June 30, 2010			
Agri Debt Guarantees [Restructuring Existing Debt]	\$ 21,986,000	\$ 20,515,000	\$ 160,000,000	\$ 139,485,000	\$ 17,396,000
103 Fund # 994 - Fund Balance \$ 9,928,105					
AG Loan Guarantee Program	\$ 53,715,000	\$ 47,229,000	\$ 225,000,000	\$ 177,771,000	\$ 34,242,000
61 Fund # 205 - Fund Balance \$ 7,641,852					
13 Agri Industry Loan Guarantee Program	\$ 13,648,000	\$ 11,104,000			9,438,000
1 Renewable Fuels	24,445,000	24,445,000			14,876,000
1 Farm Purchase Guarantee Program	496,000	491,000			417,000
34 Specialized Livestock Guarantee Program	12,696,000	8,625,000			7,332,000
12 Young Farmer Loan Guarantee Program	2,430,000	2,564,000			2,179,000
164 Total State Guarantees	\$ 75,701,000	\$ 67,744,000	\$ 385,000,000	\$ 317,256,000	\$ 51,638,000



NON-CONDUIT

July 13, 2010

\$410,000
Kenneth and Carla Nelson
AGRI-DEBT GUARANTEE

REQUEST Purpose: Provide 85% loan guarantee in favor of Wenona State Bank to refinance the Borrower's debts.
 Project Description: The proposed loan of \$410,000 will refinance an existing IFA guaranteed loan and other equipment debt.
 Program Product Type: Agri-Debt Guarantee
State Treasurer's Funds at Risk: \$348,500
Conditions: 1) Annual Company Profit/Loss statements and annual Balance Sheets provided to Lender and IFA. 2) New real estate appraisal received prior to closing to assure 80% LTV.

BOARD ACTIONS Final Resolution-85% Loan Guarantee
 Voting Record: None prior

MATERIAL CHANGES N/A

JOB DATA N/A Current jobs N/A New jobs projected
 N/A Retained jobs N/A Construction jobs projected

- BORROWER DESCRIPTION**
- Type of entity: Sole Proprietorship
 - Location: Wenona
 - When was it established: 1969
 - What does the entity do: Grain Farming
 - Who does the entity serve: N/A
 - What will new project facilitate: Refinancing Borrower's debts

Proposed Structure Originating Bank: Wenona State Bank ("Bank")
 Collateral: Mortgage on 80 acres-farmland Collateral Position: 2nd
 1st Lien on Equipment
 Maturity Years: 5 Year Balloon, 10 year amortization
 Interest Rate: Fixed for initial 5 years (See Confidential Section)

Sources and Uses	IFA Guarantee:	\$348,500	2006 IFA Guarantee:	\$194,638
	Wenona St. Bank:	<u>\$61,500</u>	Refinancing Debt:	<u>\$215,362</u>
	Total	\$410,000	Total	\$410,000

Recommendation Credit Review Committee recommends approval.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 13, 2010**

Project: Kenneth and Carla Nelson

STATISTICS

Project Number: A-AD-GT-8380	Amount: \$410,000
Type: Agri-Debt Guarantee	IFA Staff: Eric Reed
County/Region: LaSalle/Northwest	City: Wenona

BOARD ACTION

Final Resolution-85% Loan Guarantee	Credit Review Committee recommends approval
State Treasurer's Reserve Funds at risk: \$348,500	Extraordinary conditions: None

VOTING RECORD

None. This is the first time this project has been presented to the Board of Directors. **The proposed loan will refinance an existing IFA Guaranteed loan, originated in 2006 at \$635,000, with a current balance of \$194,638.**

PURPOSE

Use of proceeds: Refinance the Borrower's existing debts.

IFA PROGRAM AND CONTRIBUTION

The Authority's Agriculture Guarantee Program guarantees up to 85% of a Bank's loans to Illinois farmers and agribusiness owners. The Agri-Debt Guarantee Program is available to assist farmers in refinancing and restructuring their debts. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are backed by an IFA reserve capitalized for this program. These guarantees are also full faith and credit obligations of the State of Illinois. IFA's issuance of guarantees helps Borrowers obtain debt financing at reduced rates of interest and improved terms.

VOLUME CAP

N/A

JOBS

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Guarantee:	\$348,500	Uses: 2006 IFA Guarantee	\$194,638
Wenona State Bank:	<u>\$61,500</u>	Equipment Debt	<u>\$215,362</u>
Total	<u>\$410,000</u>		<u>\$410,000</u>

FINANCING SUMMARY/STRUCTURE

Security:	2nd Real Estate mortgage on 80 acres. Blanket lien on all farm equipment.
Structure:	10 year term and amortization.
Interest Mode:	Fixed for initial 5 years
Credit Enhancement:	IFA 85% Guarantee
Personal Guarantees:	N/A

Maturity: 10 years

Estimated Closing Date: August 10, 2010

PROJECT SUMMARY

Summary: Kenneth and Carla Nelson have an existing term loan with Wenona State Bank, which is guaranteed by the IFA. The existing loan was originated in 2006. Since that time, the Borrower has aggressively repaid this loan. The Borrowers made significant machinery purchases in 2009, which now must be financed under longer terms. The Bank would like to combine these funds with the existing loan on a 10-year term loan and keep the IFA guarantee in place. The new loan of \$410,000 will payoff the existing loan, while providing a new guarantee that will replace the existing State Guarantee.

Project Rationale: The proposed loan will refinance an existing IFA guaranteed loan and other existing term debt. Combining and extending the amortization on the loans will improve the Nelson's cash flow. This new loan will refinance an existing IFA guaranteed loan, and provide new term financing for machinery purchases originally financed through the Borrower's line of credit. By refinancing these equipment purchases, the Borrower align financing terms with assets life and also assure that they have adequate working capital financing in place for 2010.

Timing: The proposed transaction is expected to close within 30 days of approval.

BUSINESS SUMMARY

Kenneth and Carla Nelson operate a 2,700 acre grain farming operation in LaSalle and Marshall counties. The Nelsons have over 40 years of farming experience. In addition to producing 1,300 acres of corn and 1,400 acres of soybeans, the Nelsons also farm 240 acres for another landlord. Kenneth also operates a seed sales business with his brother, which also employees 3 people. Carla works off the farm as a part-time bookkeeper.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Kenneth and Carla Nelson

Project Location: 878 N. 8th Road
Wenona, IL 61377

**Collateral
Ownership:** Kenneth and Carla Nelson

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	N/A		
Accountant:	Business Services, Inc	Streator	
Originating Bank:	Wenona State Bank	Wenona	Bradley Cook
Bank Counsel:	N/A		
IFA Advisors:	Scott Balice Strategies, LLC	Chicago	Lois Scott
IFA Counsel:	N/A		

LEGISLATIVE DISTRICTS

Congressional: Debbie Halverson, 11th
State Senate: Dan Rutherford, 53rd
State House: Keith Sommer, 106th

BACKGROUND INFORMATION

Kenneth Nelson operates a 2,700 acre grain farming operation in LaSalle and Marshall counties, which consists of 1,300 acres of corn and 1,400 acres of soybeans. Kenneth and his brother operate a seed sales business, as well as farming 240 leased acres. The lender describes Mr. Nelson as one of the area's best production farmers, who is both progressive in utilizing new technologies and aggressive in expanding his operation when possible. The lender also states that the Nelson's farm highly productive farmland and the Nelson's experience as advantages in their operations. Carla works off the farm as a part-time bookkeeper.



CONDUIT

\$9,500,000 (not-to-exceed amount)

BISON GEAR & ENGINEERING CORP. AND THE BULLOCK FAMILY LIMITED PARTNERSHIP

July 13, 2010

REQUEST Bison Gear & Engineering Corp. and The Bullock Family Limited Partnership (collectively, the "Borrower") will use Bond proceeds to finance the (i) acquisition of land, and the purchase and renovation of an existing, vacant manufacturing facility located at 3805 Illinois Avenue, in St. Charles, (ii) the acquisition of manufacturing equipment that will be used therein and (iii) to also finance the acquisition of equipment for use at the Company's existing manufacturing facility located at 3850 Ohio Avenue in St. Charles (Kane County), Illinois. Additionally, (iv) bond proceeds may also be used to finance a portion of the costs of issuance and (v) will be used to current refund two prior series of outstanding bonds issued by the City of St. Charles in 2005 and the City of West Chicago in 2007.

Program: Conduit Industrial Revenue Bonds (New Money and Refunding Bonds)

Extraordinary Conditions: None **Volume Cap required:** up to \$5.3 million

BOARD ACTIONS Final Bond Resolution (one-time request to expedite closing and refinancing of Prior Bonds)
Initial IFA Board Vote -- This project is being presented for the first time.

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

JOB DATA	216 Current jobs	41 New jobs projected (2 yrs. after completion)
	N/A Retained jobs	20 Construction jobs projected (2 month period)

BORROWER DESCRIPTION

- Founded: 1960
- Bison is a fully-integrated manufacturer of fractional horsepower gear motors and AC and DC electric motors.
- Bison sells both its own proprietary products and also works with customers to custom-design products.

PROPOSED

- The Bonds will be secured by a Direct Pay Letter of Credit ("LOC") from Harris N.A. ("Harris Bank") and will be sold based on Harris Bank's underlying ratings.
- The Bonds will initially bear interest as 7-day Variable Rate Demand Bonds. BMO Capital Markets GKST, Inc. will be the Underwriter and Remarketing Agent. Interest rates on these 7-Day VRDB's will be reset every 7 days. The SIFMA municipal swap index rate as of 6/16/2010 was 0.32%

STRUCTURE

- Harris N.A's Senior Debt is currently rated A1/A-/AA- long term and P-1/A-1/F1+ short term (Moody's/S&P/Fitch). *Note: the subject Bonds will only be rated by Moody's.*

SOURCES AND USES	IFA Bonds – New Money:	\$5,135,000	New Project Costs:	\$6,020,000
	IFA Bonds – Refunding Bonds:	4,095,000	Refunding Bonds:	4,095,000
	Equity/Grants	<u>1,020,000</u>	Issuance Costs	<u>135,000</u>
	Total	\$10,250,000	Total	\$10,250,000

RECOMMENDATION Credit Review Committee recommends approval.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 10, 2010**

Project: Bison Gear & Engineering Corp. and The Bullock Family Limited Partnership

STATISTICS

IFA Project:	I-ID-TE-CD-8381	Amount:	\$9,500,000
Type:	Industrial Revenue Bonds	IFA Staff:	Rich Frampton
County/ Region:	Kane/Northeast	Location(s):	St. Charles

BOARD ACTION

Final Bond Resolution (one-time approval)
Conduit Industrial Revenue Bonds (both New Money and Refunding Bonds)
No IFA funds at risk
No extraordinary conditions
Credit Committee recommends approval

VOTING RECORD

Final Bond Resolution -- no prior vote. This is the first time this Project has been presented to the IFA Board.

PURPOSE

The IFA Bonds, owner equity, and grant funds 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.

IFA PROGRAM AND CONTRIBUTION

The Authority's Industrial Revenue Bond Program provides low interest rate financing for qualifying manufacturing projects. IFA's issuance of Industrial Revenue Bonds will enable the Borrower to obtain a lower interest rate on this capital project.

VOLUME CAP

This financing will require up to \$9,500,000 of the Authority's 2010 State Agency Volume Cap. The project site is located in City of St. Charles, Illinois, a Home Rule City. The anticipated not-to-exceed amount of the proposed bond issue is \$9,230,000.

SOURCES AND USES OF FUNDS

Sources:	IRB – New Money	\$5,135,000	Uses:	New Projects	\$6,020,000
	IRB – Refundings (St. Charles & W. Chicago)	4,095,000		Refunding Bonds	4,095,000
	Equity/Grants	<u>1,020,000</u>		Issuance Costs	<u>135,000</u>
	Total	<u>\$10,250,000</u>		Total	<u>\$10,250,000</u>

The Co-Borrowers and their principals will provide additional cash equity, as necessary to pay any additional project or financing costs.

JOBS

Current employment:	216	Projected new jobs:	41 (within 2 years)
Jobs retained:	N/A	Construction jobs:	20

FINANCING SUMMARY

Structure/Credit

Enhancement: Conduit Industrial Revenue Bonds secured and rated based on a Direct Pay Letter of Credit from Harris N.A. ("Harris Bank").

Interest Rate: The Bonds are expected to be sold initially as 7-day Variable Rate Demand Bonds, with interest rates initially reset every 7 days. The underlying SIFMA municipal swap index rate was 0.32% as of 6/16/2010.

Credit Rating: The Bonds will be rated based on the Harris Bank Letter of Credit ("LOC"). Harris Bank's Senior Debt is rated A1/A-/AA- long-term and P1/A-1/F1+ short-term (Moody's/ S&P/ Fitch). Harris Bank's short-term ratings will be the pertinent ratings while Bonds bear interest in 7-day Variable Rate mode. *Note: the subject Bonds will only be rated by Moody's.*

Bank Collateral: The Bonds will be secured by a first lien on the financed equipment, first mortgages on the financed buildings, and collateral assignments of Rents and Leases. Additionally, all loans by Harris Bank to Bullock Family Limited Partnership and Bison Gear & Engineering Corp. will be cross-collateralized and cross defaulted.

Maturity: 15 Years (Bond Counsel is currently undertaking tax due diligence with the Borrower to determine the maximum final maturity date)

Closing: July 29, 2010 (tentative)

BUSINESS SUMMARY

Description: The Bullock Family Limited Partnership ("BFLP"), a Delaware Limited Partnership, was formed by the principal shareholders of Bison Gear & Engineering Corp. ("Bison" or the "Operating Company"), an Illinois Corporation, as a special purpose entity to develop and own real estate under development in 1995 in St. Charles and also for certain manufacturing equipment leased to Bison.

Bison was originally established in Downers Grove, Illinois in 1960 was acquired by the father and son partnership of Norman and Ronald Bullock in 1987.

Both BFLP and Bison are owned by members of the Bullock family. The Economic Disclosure Statement section of this report (see page 4) provides specific ownership information.

Background: Bison design engineers and manufactures both standard proprietary and custom-designed heavy-duty industrial and commercial gear-driven motors used in the power transmission and motion control products. Approximately 20% of Bison's production represents proprietary custom designs and many of Bison's standard designs can be modified to meet its customer's application requirements.

Bison's products are currently being used in conveyor systems, icemaker/dispensers, food preparation equipment, food dispensers, hot melt adhesive dispensers, door openers, ventilation systems, exercise equipment, metal cutting equipment, packaging equipment, medical pumping and conditioning equipment, battery powered vehicles (including industrial lift equipment), and military applications.

Bison sells its products through industrial distributors (e.g., W.W. Grainger) and directly through Bison's own sales force, as well as online through www.bisongear.com.

Rationale: This project will enable Bison Gear & Engineering Corp. to add a new production line (hypoid gearing) and to acquire new and replacement equipment for manufacturing Bison's current line of gear motors, reducers, and other motors. (Note: Hypoid gears are energy efficient "right angle" gears used in many small motor applications.)

PROJECT SUMMARY

The IFA Bonds, owner equity, and, prospectively, grant funding will finance (i) the acquisition, renovation, and equipping of a vacant industrial building located at 3805 Illinois Avenue in St. Charles, (ii) the purchase of manufacturing equipment to be used at the Company's existing manufacturing facility located at 3850 Ohio Avenue, St. Charles (Kane County), IL 60174. Additionally, (iii) Bond proceeds may be also be used to pay bond issuance costs.

Additionally, IFA Series 2010 Bond Proceeds will be used by the Borrower to current refund two prior outstanding series of Tax-Exempt Industrial Revenue Bonds used to finance the 3850 Ohio Avenue facility (including City of West Chicago Series 1997 Bonds and City of St. Charles Series 1995 Bonds).

Estimated (New Money) project costs are as follows:

Building Acquisition (excludes land cost)	\$800,000
Building Renovation	120,000
Equipment (both new and existing facility)	<u>5,100,000</u>
Total New Money Project Costs	<u>\$6,020,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant: Bison Gear & Engineering Corp. and Bullock Family Limited Partnership, c/o Mr. James R. Winters, Bison Gear & Engineering Corp., 3850 Ohio Avenue, St. Charles (Kane County), IL 60174; Ph.: 630-443-5804;
E-mail: jwinters@bisongear.com
Website: www.bisongear.com
Project name: Bison Gear & Engineering Corp. Project
Locations: (i) 3805 Illinois Ave., St. Charles, Illinois 60174 and (ii) 3850 Ohio Avenue, St. Charles, IL 60174
Co-Borrowers: **Note:** prior to closing, the Borrower and Harris Bank will determine whether Bullock Family Limited Partnership and Bison Gear & Engineering Corp. will be Co-Borrowers, or whether the Partnership will be the sole obligor. This determination will be structured in a manner that has no material impact on Bondholders, since the Bondholders will be secured solely by the Harris Bank LOC and not by guarantees from the underlying Borrowers or project assets.

(i) Bullock Family Limited Partnership, a Delaware Limited Partnership:

General Partner: Ronald D. Bullock: 1.00%

Limited Partners:

Ronald D. Bullock:	24.75%
Kelly K. Bullock:	24.75%
Laural Bullock	49.50%

(ii) Bison Gear & Engineering Corp., an Illinois Corporation:

Ronald D. Bullock 100.0%

PROFESSIONAL & FINANCIAL

General Counsel:	Vedder Price	Chicago, IL	Guy Snyder
Accountant:	Miller Cooper	Deerfield, IL	Peter F. Cieslak
Underwriter:	BMO Capital Markets GKST, Inc. (Harris N.A.)	Chicago, IL	Nick Knorr
Underwriter & Remarketing Counsel:	Chapman and Cutler LLP	Chicago, IL	Bill Hunter
Bond Counsel:	Ice Miller LLP	Chicago, IL	Jim Snyder
LOC Provider:	Harris, N.A.	Burr Ridge, IL	Kim Yates
Bank Counsel:	Chapman and Cutler LLP	Chicago, IL	
Bond Trustee:	BNY Mellon	Chicago, IL	Rodney Harrington
Architect:	To be determined		
General Contractor:	To be determined		
Rating Agency:	Moody's Investor Service	New York, NY	
IFA Counsel:	Tyson Strong Hill Connor, LLP	Chicago, IL	Lance Tyson
IFA Financial Advisor:	Acacia Financial	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional:	14 Bill Foster
State Senate:	28 John Millner
State House:	55 Harry R. Ramey, Jr.



CONDUIT

July 13, 2010

\$50,000,000

THE PEOPLES GAS LIGHT AND COKE COMPANY

REQUEST	<p>Purpose/Project Description: Current refund City of Chicago Series 2000B Gas Supply Revenue Bonds (Private Gas Utility) Program: Exempt Facilities</p> <p>Extraordinary Conditions: None. (Financing will not use State resources. No Volume Cap will be required.)</p>									
BOARD ACTIONS	<p>Final Bond Resolution</p> <p>Voting Record: No prior vote – this is the first time this financing has been considered by the IFA Board of Directors.</p>									
MATERIAL CHANGES	<p>Not applicable (this is the first time this financing has been presented to the IFA Board of Directors)</p>									
JOB DATA	<table> <tr> <td>1,109</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected (Refunding)</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>N/A</td> <td>Construction jobs projected</td> </tr> </table>	1,109	Current jobs	N/A	New jobs projected (Refunding)	N/A	Retained jobs	N/A	Construction jobs projected	
1,109	Current jobs	N/A	New jobs projected (Refunding)							
N/A	Retained jobs	N/A	Construction jobs projected							
BORROWER DESCRIPTION	<ul style="list-style-type: none"> • Type of entity: Private Gas Utility • Location: Service Area: City of Chicago and certain other distribution facilities located in Illinois • When was it established: 1855 • What does the entity do: Private Natural Gas Company serving the general public • Who does the entity serve: all natural gas users in the City of Chicago irrespective of their contractual gas supplier • What will new project facilitate: Current Refund 100% of outstanding balance on prior IFA Bonds. 									
CREDIT INDICATORS	<ul style="list-style-type: none"> • Rated. Underlying Long-Term Rating: A2/A- (Moody's/S&P) 									
PROPOSED STRUCTURE	<p>Not Enhanced</p> <p>Fixed Rate Bonds: estimated interest rate range of 4.70% to 5.20% as of 6/21/2010</p> <p>Maturity Years: 3/1/2030 (no change in Final Maturity Date from Prior Bonds)</p>									
SOURCES AND USES	<table> <tr> <td>IFA Bonds: \$50,000,000</td> <td>Refunding Prior Bonds:</td> <td>\$50,000,000</td> </tr> <tr> <td>Equity: <u>1,200,000</u></td> <td>Costs of Issuance:</td> <td><u>1,200,000</u></td> </tr> <tr> <td>Total \$51,200,000</td> <td>Total</td> <td>\$51,200,000</td> </tr> </table>	IFA Bonds: \$50,000,000	Refunding Prior Bonds:	\$50,000,000	Equity: <u>1,200,000</u>	Costs of Issuance:	<u>1,200,000</u>	Total \$51,200,000	Total	\$51,200,000
IFA Bonds: \$50,000,000	Refunding Prior Bonds:	\$50,000,000								
Equity: <u>1,200,000</u>	Costs of Issuance:	<u>1,200,000</u>								
Total \$51,200,000	Total	\$51,200,000								
RECOMMENDATION	<p>Credit Review Committee Recommends approval.</p>									

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 13, 2010**

Project: The Peoples Gas Light and Coke Company

STATISTICS

Project Number:	PU-UR-TE-CD-8379	Amount:	\$50,000,000 (not-to-exceed amount)
Type:	Gas Supply Revenue Refunding Bonds (Exempt Facilities Bonds)	IFA Staff:	Rich Frampton
*Location:	Chicago	*Counties/ Regions:	Cook County/Northeast

BOARD ACTION

Final Bond Resolution (One-Time Consideration)
Conduit Tax-Exempt Gas Supply Revenue Refunding Bonds
No IFA funds at risk
Credit Review Committee recommends approval
No extraordinary conditions

VOTING RECORD

This is the first time this financing has been presented to the IFA Board for consideration.

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

The Bonds will be issued as Tax-Exempt Gas Supply Revenue Bonds, a category of Exempt Facilities Bonds under the Internal Revenue Code (Section 142(a)(8)). These Bonds provide Tax-Exempt financing for capital improvements for gas supply facilities owned by investor-owned gas utilities that operate in no more than two contiguous counties. (Note: this geographic limitation is specified under the Internal Revenue Code.) These Bonds will be issued under IFA's general statute, consistent with past practice.

Gas Supply Revenue Bonds finance essential purpose natural gas supply system improvements that improve the quality of life by (1) assuring adequate supply of natural gas delivery to prospective users to facilitate continued economic development, (2) financing access to an improved natural gas supply, and (3) financing ongoing improvements in natural gas delivery safety.

IFA (IDFA) has had a longstanding relationship with Peoples Gas Company and its North Shore Gas Company affiliate since 1992.

[Aside from the outstanding \$50.0 Million Peoples Gas Bond Issue that will be refunded with proceeds of the proposed IFA Series 2010 Refunding Bonds, IFA currently has approximately \$327.0 Million outstanding bond issues for Peoples Gas, comprising 6 bond issues, and a \$28.5 Million bond issue for North Shore Gas Company in 1992 (and refunded in 1998).]

VOLUME CAP

None required. Refunding Bonds do not require any Volume Cap.

ESTIMATED SOURCES AND USES OF FUNDS – PRELIMINARY, SUBJECT TO CHANGE

Sources:	IFA Refunding Bonds	\$50,000,000	Uses:	Project Costs	\$50,000,000
	Equity	<u>1,200,000</u>		Costs of Issuance	<u>1,200,000</u>
	Total	<u>\$51,200,000</u>		Total	<u>\$51,200,000</u>

Source of Equity: To the extent the Costs of Issuance exceed the amounts represented above, additional costs of issuance will be paid from available corporate cash resources. As proposed, all costs of issuance will be paid from equity.

JOBS

Current employment: 1,089	Projected new jobs: Not applicable (Refunding Bonds)
Jobs retained: Not Applicable	Construction jobs: Not applicable (Refunding Bonds)

FINANCING SUMMARY

Security: Bonds will be sold based on the underlying rating of **The Peoples Gas Light and Coke Company** (“PGL” or the “Borrower”), a wholly owned subsidiary of **Peoples Energy Corporation** (“PEC”), which is in turn a wholly owned subsidiary of **Integrus Energy Group, Inc.** (“Integrus”, or the “Parent Company”).

Substantially all of PGL’s utility plant is subject to a first mortgage lien:

As a technical matter, concurrent with delivery of the IFA Series 2010B Refunding Bonds, the Company will execute and deliver to the Bond Trustee, a series of its First Mortgage and Refunding Bonds, which shall be in an aggregate principal amount of \$50MM (i.e., in a principal amount equal to the aggregate principal amount) – these First Mortgage and Refunding bonds will secure the IFA Series 2010 Bonds (The Peoples Gas Light and Coke Company Project) and payments required to be made pursuant to the IFA Series 2010 Bonds Loan Agreement (including amounts on the associated First Mortgage Bonds) will be sufficient to repay the IFA Series 2010 Bonds.

Additional background information on Integrus and Peoples Energy Corporation is described further in this report (see pages 5-6).

Structure: Fixed Rate Bonds to be sold based on the underlying ratings of PGL (see “Ratings” below).
Estimated market rates ranging between 4.70% and 5.20% as of 6/21/2010.

Maturity: 3/1/2030 (no change in the existing Final Maturity Date on the Series 2000B Bonds)

Estimated

Closing Date: August 18, 2010

Ratings: PGL’s Senior Secured Debt (i.e., including debt secured by the Company’s First Mortgage Bonds, is rated A2/A- long-term by Moody’s/S&P).

Rationale: The purpose of this Refunding will be to refinance weekly variable rate bonds at a fixed rate, thereby reducing the Company’s exposure to variable rate risk in the future and to fix rates under historically favorable market conditions.

PROJECT SUMMARY FOR IFA BOND RESOLUTION

Bond proceeds will be used by The Peoples Gas Light and Coke Company to current refund and prepay, in advance of their maturity, 100% of the outstanding principal of the Company's City of Chicago Series 2000B Gas Supply Refunding Revenue Bonds (The Peoples Gas Light and Coke Company Project), which were issued to current refund the Company's outstanding City of Chicago Series 1985 Series C Gas Supply Revenue Bonds (The Peoples Gas Light and Coke Company Project) [and the "Original Series 1985 Bonds"]. The Original Series 1985 Bonds were issued for the purpose of financing the cost of certain gas supply facilities, designated as facilities for the local furnishing of natural gas (as provided under Section 142(a)(8) of the Internal Revenue Code of 1986).

BUSINESS SUMMARY

Background: The Peoples Gas Light and Coke Company ("PGL" or the "Borrower"), is a wholly owned subsidiary of Peoples Energy Corporation ("PEC"), which is in turn a wholly owned subsidiary of Integrys Energy Group, Inc. ("Integrys", or the "Parent Company").

PEC's core business is the distribution of natural gas through its two gas utilities, Peoples Gas (serving the City of Chicago) and North Shore Gas (serving 54 communities in Cook and Lake Counties). *Peoples Gas and North Shore Gas are legally and fiscally distinct operating subsidiaries of PEC – each Company has its own stand-alone credit ratings and each is regulated by the Illinois Commerce Commission. Accordingly, Peoples Gas and North Shore Gas undertake financings on a stand-alone basis – additionally, their debts are not cross-guaranteed, cross-collateralized, or cross-defaulted.*

PGL's core business is to serve as the natural gas distribution company within the City of Chicago and also as the legacy natural gas supplier. PGL uses its storage and pipeline system as a natural gas hub, providing wholesale transportation and storage services to its customers located in the City of Chicago. PGL's customer base includes residential users, commercial and industrial users, and transportation accounts (which represent accounts with natural gas users that purchase their natural gas requirements directly from a supplier other than PGL and use PGL's natural gas distribution system for delivery to their premises).

PGL has approximately 819,000 residential, commercial, and industrial customers located in the City of Chicago.

Peoples Gas operates under franchise and license agreements granted by the City of Chicago. Peoples Gas holds a perpetual, nonexclusive franchise from the City of Chicago. Additionally, Peoples Gas is subject to the jurisdiction of and regulation by the Illinois Commerce Commission (the "ICC"). The ICC has general supervisory and regulatory powers over practically all phases of Peoples Gas operations, including rates and charges based on cost structure (i.e., the cost of financing).

IFA (and IDFA) refinanced several series of City of Chicago Bonds in 2003 (5 series totaling \$277.0 Million) and 2005 (1 series totaling \$50.0 Million). These six series comprised \$327.0 Million of principal outstanding as of 6/1/2010.

Additionally, IFA (IDFA) issued \$30.035 Million of Gas Supply Revenue Bonds on behalf of sister company North Shore Gas in 1992 that were current refunded in 1998 (again, North Shore Gas is a stand-alone regulated utility and is a stand-alone legal and financial entity).

Payments on all seven series of outstanding IFA (IDFA) Bonds issued on behalf of Peoples Gas and North Shore Gas (with combined outstanding balances of \$355.5 Million as of 6/1/2010) have been current since the date of issuance.

Background on
Parent

Companies: Integrys was formed by the merger of WPS Resources Corp. (parent company of Wisconsin Public Service Corporation and several other gas electric power utilities in Michigan and Minnesota) and Peoples Energy Corp. (and its Peoples Gas and North Shore Gas operating subsidiaries) in February 2007. Effective with the closing of the merger, WPS Resources changed its name to Integrys Energy Systems, Inc.

Integrys is a publicly traded company (NYSE Ticker: "TEG") – see Economic Disclosure Statement for additional information (see pp. 5-6 below).

ICC Regulation: PGL operates under franchise and license agreements granted by the City of Chicago.

PGL is subject to the jurisdiction of and regulation by the **Illinois Commerce Commission** ("ICC"). The ICC has general supervisory and regulatory powers over practically all phases of the public utility business in Illinois.

The ICC has jurisdiction with respect to rates, service, accounting procedures, acquisitions, financial leverage, and other matters. Typically, refundings that reduce interest expense on existing debt do not require ICC approval (although savings will ultimately be reflected in Peoples Gas Company's rate base).

An ICC order is needed for the proposed IFA Series 2010 Gas Supply Revenue Refunding Bonds. Peoples Gas submitted an informational statement to the ICC on May 21, 2010 with a request for an order on June 23, 2010. As of 6/21/2010, ICC staff had filed a response recommending approval of the Order. The ICC approval will apply to the proposed Refunding Bonds, taking into account the interest of the ratepayers.

ECONOMIC DISCLOSURE STATEMENT

Applicant/Signatory: The Peoples Gas Light and Coke Company, Inc. (Contact: Mr. Bradley A. Johnson, Treasurer, The Peoples Gas Company, 130 East Randolph Drive, 18th Floor, Chicago, IL 60614; Direct: 920-433-1662; E-mail: bajohnson@integrysgroup.com)

Project Contact: Tchapo Napoe, CFA; Supervisor, Long-Term Financing & Analysis, The Peoples Gas Company, 130 East Randolph Drive, 18th Floor, Chicago, IL 60614; Direct: 312-240-3718; E-mail: tnapoe@integrysgroup.com

Web Sites: Peoples Gas: www.peoplesgasdelivery.com
Integrys Energy (Parent Company): www.integrysgroup.com

Project name: IFA Series 2010 Gas Supply Facilities Revenue Bonds (The Peoples Gas Light and Coke Company Project)

Location: City of Chicago

Land Owner: The principal plants and properties of The Peoples Gas Light and Coke Company, other than pipelines, meters, and regulators, are located on property owned in fee simple interest. Substantially all natural gas pipes and pipelines are located under public rights-of-way (i.e., public streets, alleys, and highways), or under property owned by others under leases, easements, or permits.

Organization:	<i>Peoples Gas Light and Coke Company (Borrower)</i>	<i>Peoples Energy Corp. (100% Owner of PGL)</i>	<i>Integrys Energy Systems, Inc. (Holding company)</i>
State:	Corporation Illinois	Corporation Delaware	Corporation Illinois

Ownership: The Peoples Gas Light and Coke Company is a wholly-owned subsidiary of Peoples Energy Corp., which is turn a wholly owned subsidiary of Integrys Energy Systems, Inc. (a Chicago-

based public company: NYSE ticker is "TEG"). There were no shareholders of more than 5.0% of Integrys' stock (i.e., SEC ownership disclosure threshold) according to public filings as of 3/31/2010. Accordingly, no further disclosure of underlying shareholders is required pursuant to IFA Board Policy.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Foley & Lardner LLP	Milwaukee, WI	Peter D. Fetzer
Auditor:	Deloitte & Touche LLP	Milwaukee, WI	
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Rick Cosgrove, Julia Singh
Underwriter:	KeyBanc Capital Markets, Inc.	Chicago, IL	Jason Fenwick
Underwriter's Counsel:	Squire Sanders & Dempsey	New York, NY	Ed Sinick
Bond Trustee:	The Bank of New York Mellon	Chicago, IL	Cynthia Duncan
First Mortgage Trustee:	US Bank National Association	Chicago, IL	Grace Gorka
Rating Agencies:	Moody's Investors Service	New York, NY	
	Standard & Poor's Rating Service	New York, NY	
Issuer's Counsel:	Kevin Cahill	Chicago, IL	Kevin Cahill
IFA Financial Advisor:	Scott Balice Strategies	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

	<u>City of Chicago - All</u>
Congressional:	1, 2, 3, 4, 5, 7, 9, 10
State Senate:	1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 39,
State House:	1, 2, 3, 4, 5, 6, 8, 9, 10, 12, 13, 14, 15, 18, 19, 20, 21, 22, 23, 25, 26, 27, 30, 31, 32, 33, 34, 35, 36, 39, 40, 78



CONDUIT

July 13, 2010

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

REQUEST	<p>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.</p> <p>Program: Recovery Zone Facility Bonds</p> <p>Extraordinary Conditions: Signing of HB 2369 by the Governor. It was sent from the House on or prior to June 26, 2010 Volume cap required: This project will not use any of IFA's 2010 Private Activity Bond Volume Cap. Instead, this project would be financed as a Recovery Zone Facility Bonds and will use \$5,500,000 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 HB 2369 in order to facilitate financing of this project with the proceeds of a Tax-Exempt bond issue.</p>												
BOARD ACTIONS	<p>Preliminary Bond Resolution requested</p> <p>Initial IFA Board Vote -- This project is being presented for the first time.</p>												
MATERIAL CHANGES	<p>Not applicable</p>												
JOB DATA	<table border="0"> <tr> <td>103</td> <td>Current jobs</td> <td>5-10</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>30-50</td> <td>Construction jobs projected (12 month period)</td> </tr> </table>	103	Current jobs	5-10	New jobs projected	N/A	Retained jobs	30-50	Construction jobs projected (12 month period)				
103	Current jobs	5-10	New jobs projected										
N/A	Retained jobs	30-50	Construction jobs projected (12 month period)										
BORROWER DESCRIPTION	<ul style="list-style-type: none"> • Annex II, LLC is a limited liability single purpose company with its only business to own and lease the above referenced space to the National Archives and Records Administration ("NARA") for the temporary records of the National Personnel Records Center. • The Project will be located in Valmeyer, Illinois in Monroe County – South Western Region • The Company's founder (Joe Koppeis) is involved in the construction, development and rental of commercial real estate including an abandoned limestone quarry which he is in the process of converting into a state of the ecology friendly business complex ("Rock City"). There is currently a lease with NARA for a separate facility located within Rock City. 												
CREDIT	<ul style="list-style-type: none"> • Direct Bond Purchaser/Investor: United Community Bank, Chatham IL 												
PROPOSED STRUCTURE	<ul style="list-style-type: none"> • Construction of new facility and acquisition of necessary storage shelves and related materials • 20 year initial term 												
SOURCES AND USES	<table border="0"> <tr> <td>Recovery Zone Facility Bond:</td> <td>\$5,250,000</td> <td>Project Cost & Contingencies</td> <td>\$5,400,000</td> </tr> <tr> <td>Borrower Equity</td> <td><u>250,000</u></td> <td>Issuance Cost</td> <td><u>100,000</u></td> </tr> <tr> <td>Total</td> <td>\$5,500,000</td> <td>Total</td> <td>\$5,500,000</td> </tr> </table>	Recovery Zone Facility Bond:	\$5,250,000	Project Cost & Contingencies	\$5,400,000	Borrower Equity	<u>250,000</u>	Issuance Cost	<u>100,000</u>	Total	\$5,500,000	Total	\$5,500,000
Recovery Zone Facility Bond:	\$5,250,000	Project Cost & Contingencies	\$5,400,000										
Borrower Equity	<u>250,000</u>	Issuance Cost	<u>100,000</u>										
Total	\$5,500,000	Total	\$5,500,000										
RECOMMENDATION	<p>Credit Review Committee Recommends Approval</p>												

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 13, 2010**

Project: Annex II, LLC

STATISTICS

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

BOARD ACTION

Preliminary Bond Resolution	No IFA funds at risk
Conduit Industrial Revenue Bonds	Extraordinary conditions include Governor signing of HB2369
Credit committee recommends approval	and allocation from Monroe and Randolph Counties

VOTING RECORD

Preliminary Bond Resolution, no prior vote

PURPOSE

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.

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.

Estimated 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)
- \$3,111,000 / \$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 Bond 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 under the American Reinvestment and Recovery Act of 2009.

SOURCES AND USES OF FUNDS

Sources:	IFA Recovery Zone		Uses:	Project Cost	\$5,400,000
	Facility Bonds	\$5,250,000		Issuance Costs	<u>100,000</u>
	*Equity	<u>250,000</u>		Total	<u>\$5,500,000</u>
	Total	<u>\$5,500,000</u>			

*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)

Proceeds of the subject Bonds would finance construction of a new storage facility for NARA and the acquisition of related storage facilities (with an estimated useful life of 20 years). It is important for Annex II LLC to expand its current contract 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 caves 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: 20 Years
 Term: 20 Years
 Interest Rate: Initial rate set at an estimated 6%
 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.

**Please note that the stated terms represent preliminary terms proposed by United Community Bank and are preliminary, and subject to change or negotiation by the Bank.*

BUSINESS SUMMARY

Description: **Annex II LLC** (the "LLC") is an Illinois limited liability single purpose company established in June 2010 with its only business to own and lease space comprising the Project to the **National Archives and Records Administration** ("NARA") in order to provide for records storage.

Background: The area and site known as "**Rock City**" 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 relocated and it's current Village 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.

Admiral Parkway, Inc. (an Illinois corporation created on June 19, 1995) was created as a commercial 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).

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.

Selection of
Site by the
National
Archives:

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.

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 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.

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. They are the managing members of the LLC that owns this facility. 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.
- **H.R.T., Inc.** (since 1996), President
 - Developed and sold industrial ground.
- **South Grand, L.L.C.** (since 1998), Managing Member
 - Owns and leases 36,000 square foot retail building in St. Louis, Missouri.
- **Southern Illinois Hardware, LLC** (since 2009), Managing Member
 - Owns and operates five Ace Hardware franchises, all located in southern Illinois.
- **Southern Illinois Pizza, LLC** (since 2009), Member
 - Owns and operates a Domino's pizza franchise in Sparta, Illinois.
- **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.

Rationale: The new construction and the equipment acquisition to finance these improvements at the most favorable terms available in the market. The project is being financed to maintain quality of service to and handle increased storage needs of the NARA. The project represents a growing relationship between NARA and the Village of Valmeyer to bring new skilled jobs to the community.

PROJECT SUMMARY

The IFA Bond and owner equity will (i) finance the construction and equipping of a new single-story, contiguous, turn-key textual records storage facility within the Rock City development located in the Village of Valmeyer (Monroe County). The 75,000 square foot facility will provide two (2) to three (3) records storage bays, each with a capacity of 245,000 to 250,000 cubic feet. Additionally, (ii) bond proceeds may also be used to finance bond issuance costs.

Estimated Project Costs:

Construction	\$4,887,000
Architect & Engineering	112,000
<u>General Contractor</u>	<u>425,000</u>
Total	\$5,424,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: Annex II LLC (Contact: Joe Koppeis, 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 Guarantor
Organization: Illinois Limited Liability Company
Ownership: Joe Koppeis 100% 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 Advisors:	Acacia Financial	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

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



July 13, 2010

\$25,000,000
CHRISTIAN HOMES, INC.

REQUEST

Purpose: 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.

Program: Conduit 501(c)(3) Revenue Bonds

Extraordinary Conditions: None.

BOARD ACTIONS

Final Bond Resolution

Voting Record for June 8, 2010: 10 ayes, 0 nays, 0 abstentions, 4 absent (Rivera, DeNard, Poole, McNerney,), 1 vacancy

MATERIAL CHANGES

None.

JOB DATA

2,500 FTE's	Current jobs	N/A	New jobs projected
2,500 FTE's	Retained jobs	50	Construction jobs projected

DESCRIPTION

- Locations: Lincoln, Decatur, Forsyth, Chrisman, Springfield, Carmi, Washington, and Bensenville
- Christian Homes, Inc. ("Christian Homes"), a 501(c)(3) Senior Living organization was established in 1962 in Lincoln, Illinois. Christian Homes Obligated Group is a multi-facility system that has a total of 12 communities which include approximately 1,465 skilled nursing beds, 180 assisted living apartments, and 646 independent living apartment and garden homes located in Illinois, Indiana, Iowa, and Missouri.
- Christian Homes currently has approximately \$74.155 million of outstanding Series 2007 Bonds. The Series 2007C Bonds will be refunded with the Series 2010 Bonds in order to eliminate the Letter of Credit renewal risk on those bonds. The Series 2007B Bonds will mature prior to the expiration of the existing Letter of Credit.
- Christian Homes has also financed a number of small projects, working capital, and capital expenses through the issuance of unsecured taxable general obligation debt. Currently, Christian Homes, Inc. has approximately \$37.3 million of General Obligation Bonds outstanding currently.

CREDIT

- Fixed Rate Bonds

SECURITY

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

INDICATORS

- The Borrower has received a Fitch rating of BBB-.

MATURITY

- 2031

SOURCES AND USES

IFA Bonds	\$25,000,000	Refunding Escrow	\$8,100,000
		Future Capital	
Trustee Held Funds	\$400,000	Expenditures	\$13,400,000
		Debt Service Reserve	
Equity	\$500,000	Fund	\$2,500,000
		Swap Termination	\$900,000
		Cost of Issuance -see p. 2	\$1,000,000
Total	\$25,900,000	Total	\$25,900,000

Recommendation

Credit Committee recommends approval.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 13, 2010**

Project: Christian Homes, Inc.

STATISTICS

Project Number: H-HO-TE-CD-8378	Amount: \$25,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and Shannon Govia
County/Region: Multiple	City: Multiple

BOARD ACTION

Final Bond Resolution	Staff recommends approval.
Conduit 501(c)(3) Bonds	Borrower is seeking a waiver of the IFA policy for minimum bond denominations for non-rated debt, which they qualify for (See page 3 – Waiver)
No IFA funds at risk	

VOTING RECORD

Voting Record for June 8, 2010: 10 ayes, 0 nays, 0 abstentions, 4 absent (Rivera, DeNard, Poole, McInerney,), 1 vacancy

PURPOSE

Bond proceeds will be used to: 1) Refund the Series 2007C (Tax-exempt) Variable Rate Demand Bonds, 2) pay for certain capital improvements at various Illinois campuses owned and operated by Christian Homes, Inc., 3) establish Debt Service Reserve Funds for the Series 2010 Bonds, and 4) pay costs of issuance associated with the IFA Series 2010 Bonds.

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: 2,500 FTE's (1,200 in IL)	Projected new jobs: N/A (Incremental additions)
Jobs retained: 2,500 FTE's (1,200 in IL)	Construction jobs: 50

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA Bonds	\$25,000,000	Uses:	Refunding Escrow	\$8,100,000
	Trustee Held Funds	400,000		Future Capital Expenditures	13,400,000
	Equity Contribution	<u>500,000</u>		Debt Service Reserve	2,500,000
				Swap Termination	\$900,000
				Cost of Issuance	* <u>1,000,000</u>
Total		<u>\$25,900,000</u>	Total		<u>\$25,900,000</u>

* The costs of issuance for this financing are relatively high because it is anticipated that the majority of the Series 2010 Bonds will be sold retail. In addition, the number of Christian Homes communities in the Obligated Group involves a substantial amount of due diligence.

FINANCING SUMMARY/STRUCTURE

Security:	Gross revenue pledge, mortgage and master notes under a master indenture. Covenants and other legal provisions are expected to be consistent with those in use for similar financings.
Interest Rate:	To be determined.
Interest Mode:	Fixed Rate Bonds
Credit Enhancement:	None
Credit Rating:	The Borrower has received a rating of BBB- from Fitch Ratings.
Waiver	<p>The Borrower qualifies for a waiver of IFA's unrated/non-rated bond denomination policy requirements normally applicable to BBB- rated debt since the Borrower complies with two key tests contained in this policy:</p> <ol style="list-style-type: none">1) The Borrower has issued, in the immediately preceding seven (7) years, at least two (2) series of Bonds that were unrated and non-credit enhanced by a rated entity, in an aggregate total of not less than \$40,000,000; and2) The Borrower is not currently in default on any bonds and has not missed a payment date relative to any Bonds in the immediately preceding three (3) years. <p>The Borrower satisfies specified criteria contained in the Policy and, accordingly, may sell Bonds in denominations of less than \$100,000.</p>
Maturity:	The current bond structure anticipates a final bond maturity in 2031.
Estimated Closing Date:	July 29, 2010.

PROJECT SUMMARY

Bond proceeds will be used to 1) Refund existing IFA Series 2007C Bonds, 2) Pay for certain capital improvements at the various Illinois campuses owned and operated by Christian Homes, Inc., 3) Establish Debt Service Reserve Funds for the Series 2010 Bonds, and 4) Pay certain costs of issuance of the Series 2010 Bonds.

Timing: July 29, 2010.

BUSINESS SUMMARY

Description of Business: Christian Homes, Inc. ("Christian Homes"), a 501(c)(3) Senior Living organization was established in 1962 in Lincoln, Illinois. Christian Homes Obligated Group is a multi-facility system comprised of 12 communities including approximately 1465 skilled nursing beds, 180 assisted living apartments, and 646 independent living apartment and garden homes located at senior communities in Illinois, Indiana, Iowa, and Missouri. The table below details the unit-mix for each community:

Obligated Group Communities	Location	Independent	Assisted	Skilled	Total
		Living	Living	Nursing	
Bridgeway Christian Village (LifeLink)	Bensenville, IL	173	0	190	363
Washington Christian Village	Washington, IL	30	0	122	152
The Christian Village	Lincoln, IL	65	0	112	177
Hickory Point Christian Village	Decatur, IL	50	48	0	98
Fair Havens Christian Home	Decatur, IL	10	0	154	164
Lewis Memorial Christian Village	Springfield, IL	38	0	155	193
Pleasant Meadows Christian Village	Chrisman, IL	14	0	109	123
Wabash Christian Retirement Center	Carmi, IL	11	0	158	169
Chicagoland Christian Village	Crown Point, IN	74	0	146	220
Hoosier Christian Village	Brownstown, IN	13	0	97	110
Risen Son Christian Village	Council Bluffs, IA	95	62	102	259
Spring River Christian Village	Joplin, MO	73	70	120	263
		646	180	1465	2291

Existing Tax-Exempt Bonds:

Christian Homes currently has approximately \$74.155 million of outstanding Series 2007 Bonds issued system-wide. Christian Homes' outstanding Bonds are listed in the table below.

Series 2007 Bonds:	State	Taxable / Tax-Exempt	Fixed / Variable Rate	Par Amount Issued	Current Amount Outstanding
Series 2007A	Illinois	Tax-Exempt	Fixed	\$37,365,000	\$37,365,000
Series 2007B	Illinois	Taxable	Variable	\$6,825,000	\$905,000
Series 2007C	Illinois	Tax-Exempt	Variable	\$8,090,000	\$8,090,000
Series 2007D	Indiana	Tax-Exempt	Fixed	\$7,155,000	\$7,155,000
Series 2007E	Iowa	Tax-Exempt	Fixed	\$8,300,000	\$8,300,000
Series 2007F	Missouri	Tax-Exempt	Fixed	\$12,340,000	\$12,340,000
				\$80,075,000	\$74,155,000

The Series 2007C Bonds will be refunded with the Series 2010 Bonds in order to eliminate the Letter of Credit renewal risk on those bonds. The Series 2007B Bonds will mature prior to the expiration of the existing Letter of Credit.

Existing General Obligation Taxable Bonds:

Christian Homes has financed several small projects, working capital, and capital expenditures through the issuance of unsecured taxable general obligation debt. Currently, there are approximately \$37.3 million of General Obligation Bonds outstanding today.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Christian Homes, Inc., Lincoln, Illinois

Project Location: Lincoln, Decatur, Forsyth, Chrisman, Springfield, Carmi, Washington, Bensenville

Borrower: Christian Homes Inc.

Board of Trustees:	Jim Blalock	Terry Goodner	Bob Crosby
	Amy Hanson	Gary Edwards	Dick Hart
	James Frasure	Larry Periman	Bill Lash
	Randy Clark	Patricia Lincoln	Rowe Marylyn
	Maurine Collett	Timothy Phillippe	Bill Carter

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Sonnenschein Nath & Rosenthal	St. Louis, MO	Tom Vandiver
Accountant:	Larson, Allen, Weishair & Co.	St. Louis, MO	Allan Larson John Richter
Bond Counsel:	Jones Day	Chicago, IL	John Bibby
Bond Underwriter:	Ziegler Capital Markets Group	Chicago, IL	Dan Herman Will Carney Mike Taylor
Underwriter's Counsel:	Thompson Coburn	St. Louis, MO	Sara Kotthoff
Issuer's Counsel:	Shefsky & Froehlich	Chicago	Barry Maram
IFA Advisors:	Acacia Financial	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional:	6 th	Peter J. Roskam,
	12 th	Jerry F. Costello
	15 th	Timothy V. Johnson
	17 th	Phil Hare
	18 th	Aaron Schock
	19 th	John M. Shimkus
State Senate:	39 th	Don Harmon
	44 th	Bill Brady
	50 th	Larry K. Bomke
	53 rd	Dan Rutherford
	54 th	John O. Jones
	55 th	Dale A. Righter
	59 th	Gary Forby
State House:	77 th	Angelo "Skip" Saviano
	87 th	Bill Mitchell
	99 th	Raymond Poe
	100 th	Rich Brauer
	106 th	Keith P. Sommer
	108 th	David B. Reis
	109 th	Roger L. Eddy
	117 th	John E. Bradley

SERVICE AREA

Obligated Group Communities	Location
Bridgeway Christian Village (LifeLink)	Bensenville, IL
Washington Christian Village	Washington, IL
The Christian Village	Lincoln, IL
Hickory Point Christian Village	Decatur, IL
Fair Havens Christian Home	Decatur, IL
Lewis Memorial Christian Village	Springfield, IL
Pleasant Meadows Christian Village	Chrisman, IL
Wabash Christian Retirement Center	Carmi, IL
Chicagoland Christian Village	Crown Point, IN
Hoosier Christian Village	Brownstown, IN Council Bluffs, IA
Risen Son Christian Village	IA
Spring River Christian Village	Joplin, MO



July 13, 2010

\$26,500,000
INSTITUTE FOR TRANSFUSION MEDICINE

REQUEST

Purpose: 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.

Program: Conduit 501(c)(3) Revenue Bonds

Extraordinary Conditions: None.

BOARD ACTIONS

Final Bond Resolution
 Voting Record for May 4, 2010: 10 ayes, 0nays, 0 abstentions, 4 absent (Rivera, Leonard, Sr., Durburg, Goetz), 1 vacancy

MATERIAL CHANGES

Selected JPMorgan Chase as bank (and bond purchaser). 150-200 construction jobs projected.

JOB DATA

607	Current jobs	N/A	New jobs projected
607	Retained jobs	150-200	Construction jobs projected

DESCRIPTION

- Rosemont (Cook County)
- The Institute for Transfusion Medicine ("ITxM") is a recognized leader in transfusion medicine and related services. ITxM was founded in 1950 and is comprised of LifeSource Blood Center of Chicago ("LifeSource"), Central Blood Bank of Pittsburgh, ITxM Clinical Services (ITxMCS), ITxM Diagnostics (ITxMD) and the Blood Science Foundation. ITxM acquired LifeSource in 1996. LifeSource is the number one supplier of blood products for transfusion procedures, providing more than 50% of red blood cell units to area hospitals. Central Blood Bank is a major supplier of transfusion medicine in western Pennsylvania.

CREDIT

- Bank Qualified, Bank Purchased Bonds

SECURITY

- Secured by revenue pledge and mortgage on par with outstanding debt

INDICATORS

- No rating (Bonds to be purchased directly by ITxM's bank)

MATURITY

- No later than 2040

SOURCES AND USES

IFA Bonds	<u>\$26,500,000</u>	Project Fund	\$26,100,000
		COI Total	<u>400,000</u>
Total	\$26,500,000	Total	\$26,500,000

RECOMMENDATION

Credit Committee recommends approval.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 13, 2010**

Project: INSTITUTE FOR TRANSFUSION MEDICINE

STATISTICS

Project Number: H-HF-TE-CD-8357	Amount: \$26,500,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and Shannon Govia
City: Rosemont	County/Region: Cook/Northeast

BOARD ACTION

Final Bond Resolution	Credit Review Committee Recommends approval
Conduit 501 (c)(3) bonds	No extraordinary conditions
No IFA funds at risk	

VOTING RECORD

Voting Record for May 4, 2010: 10 ayes, 0nays, 0 abstentions, 4 absent (Rivera, Leonard, Sr., Durburg, Goetz), 1 vacancy

PURPOSE

Purpose: To (i) fund the acquisition of a new building; (ii) fund the renovations and refurbishment of the newly acquired facility and; (iii) pay expenses related to the cost 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) Bonds do not require Volume Cap.

JOBS

Current employment: 607	Projected new jobs: N/A
Jobs retained: 607	Construction jobs: 150-200

ESTIMATED SOUCES AND USES OF FUNDS

Sources: IFA Bonds	<u>\$26,500,000</u>	Uses: Project Fund	\$26,100,000
		Issuance Costs	\$400,000
Total	<u>\$26,500,000</u>	Total	<u>\$26,500,000</u>

FINANCING SUMMARY/STRUCTURE

Security:	Secured by revenue pledge and mortgage on parity with outstanding debt
Structure:	The Series 2010 Bonds will be purchased directly by JPMorgan Chase Bank. The Institute for Transfusion Medicine will elect bank qualified status for these Bonds.
Interest Rate:	Fixed rate bank qualified (Term: 10 years – Rate: 3.60%)
Interest Mode:	Bank Qualified

Rating: None
Maturity: 2040 (30 Years)
Estimated Closing Date: 7/1/2010

PROJECT SUMMARY

The proceeds from the Series 2010 Bonds will be used to purchase, construct, and equip a new 140,000 square foot blood operations facility located in Rosemont, Illinois near the O'Hare International Airport. The new facility will consolidate all of the administrative functions and operations for LifeSource which are currently spread over two buildings, approximately 22 miles apart. Additionally, it will increase the capacity of ITxM's donor testing lab and provide space to implement transfusion services.

BUSINESS SUMMARY

The Institute for Transfusion Medicine ("ITxM") is a recognized leader in transfusion medicine and related services. ITxM was founded in 1950 and is composed of LifeSource Blood Center of Chicago ("LifeSource"), Central Blood Bank of Pittsburgh, ITxM Clinical Services (ITxMCS), ITxM Diagnostics (ITxMD) and the Blood Science Foundation. ITxM acquired LifeSource in 1996. LifeSource is the number one supplier of blood products for transfusion procedures, providing more than 50% of red blood cell units to area hospitals. Central Blood Bank is a major supplier of transfusion medicine in western Pennsylvania.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Project name: Rosemont Building Acquisition and Refurbishment
9800 Bryn Mawr Ave, Rosemont, IL 60018

Applicant: Institute for Transfusion Medicine/LifeSource

Ownership (501(c)(3)): 501(c)(3) Not-for-Profit Corporation

State: Illinois

Member	Term Expiration	Title
Charles Bracken	2011	Chair-ITxM Board
Michael Jones	2011	Vice Chair, Chair-Governance & Nominating Committee
James Covert	2012	President & CEO
Twyla Johnson	2010	
Kathy Mayle	2010	
Chris Murtaugh	2010	
Peter Myhre	2010	Chair-Compensation & Human Resource Committee
Matt Suhey	2010	
Sunny Chico	2011	
Alan Dean	2011	
Donald McGraw, M.D.	2011	
Kay Braymer Peterson	2011	
Laura Karet	2012	
Pat Laughlin	2012	
Richard McHugh, M.D.	2012	Chair-Quality & Regulatory Committee
Pat Pulido Sanchez	2012	
Richard Stover	2012	Chair-Audit & Finance Committee
Terrance Bilkey	2012	Chair-Blood Science Board

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Cohen & Grigsby P.C.	Pittsburgh, PA	Charles Brodbeck
Bond Counsel:	Ungaretti & Harris LLP	Chicago, IL	James Broeking
Bank:	JPMorgan Chase	Chicago, IL	Nick Watts
Bank's Counsel:	Ungaretti & Harris LLP	Chicago, IL	Julie Seymour
Structuring Agent	Cain Brothers	New York, NY	Carsten Beith
Issuer's Counsel:	Aronberg Goldgehn	Chicago, IL	Robert Sodikoff
Issuer's Advisor:	Acacia Financial	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS – Glenview facility

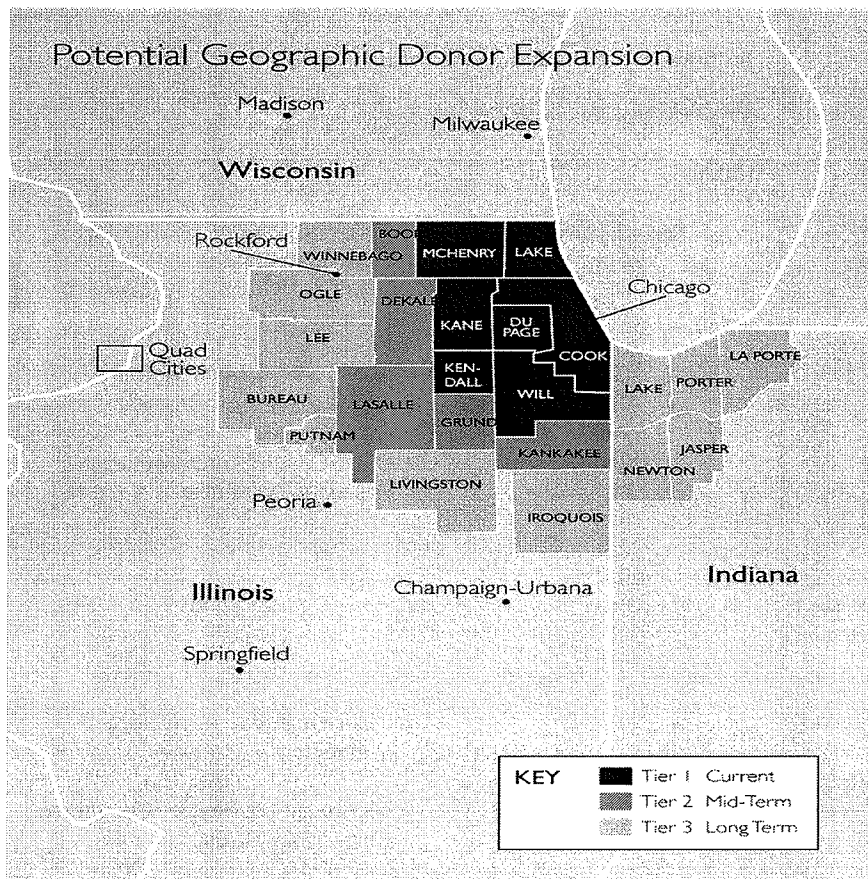
Glenview Facility

Congressional:	District #10 – Mark Steven Kirk (R)
State Senate:	District #29 – Susan Garrett (D)
State House:	District #57 – Elaine Nekritz (D)

Rosemont Building

Congressional:	District #9 – Janice D. Schakowsky(D)
State Senate:	District #39 – Don Harmon (D)
State House:	District #77 – Angelo "Skip" Saviano (D)

SERVICE AREA



MEMORANDUM

TO: Illinois Finance Authority ("IFA") Board of Directors
FROM: Jim Senica, Senior Funding Manager
DATE: July 13, 2010
RE: Pere` Marquette Hotel Associates, L.P. Participation Loan Term Extension Request

Loan No. B-LL-TX-582	Original Note Date:	08/08/06
	Original Balance:	\$990,950.73
	Original Interest Rate:	1.014%
	Maturity Date:	06/30/10
	Balance @ 6/30/10	\$826,477.95

Request: PNC Bank as successor to National City Bank (the "Bank") and Pere` Marquette Hotel Associates, L.P. ("Borrower") requested on April 23, 2010, that IFA join with PNC and the other four participants in this loan to approve a 60-day extension of its loan term to August 31, 2010. This five-year loan, was closed by the IFA in August 2006 and had been approved and amended by the IFA Board in April 2005, October 2005, and April 2006. The loan had an original maturity date of March 31, 2010 that was retroactively extended by 90 days to June 30, 2010 by the IFA Board at the May 11, 2010 Board Meeting.

Subsequent to the extension through 6/30/2010, the Borrower has made their April, May, and June 2010 principal and interest payments in accordance with the loan's previous terms and conditions.

A review of the Borrower's prior loan repayment history indicates that all prior payments were paid when due.

The Borrower's scheduled monthly principal and interest payment will be approximately \$6,700 in July 2010 and August 2010.

The Hotel's current owners, Pere` Marquette Hotel Associates, L.P., are in the process of selling the facility and are awaiting closing of the sale to a new purchaser, EM Properties of East Peoria. Both the Bank and Pere` Marquette Hotel Associates, L.P. are anticipating the closing to take place within the requested 60-day term extension period.

If the Bank's request is approved, a 60-day extension, until August 31, 2010 would be granted. IFA would reserve the right to charge interest consistent with current IFA policy and practice as well as an additional fee, if appropriate.

Background: This is a new request by PNC Bank and the Borrower to extend the final maturity date beyond the originally scheduled March 31, 2010 maturity date in anticipation of the sale of the Hotel Pere` Marquettee to EM Properties, as noted above.

This request will provide an additional 60-day window for Pere` Marquette Hotel Associates, L.P. to close on the sale of the hotel property to EM Properties, LLC. Again, PNC and the other lenders expect this purchase to close by August 31, 2010.

Under the IFA Participation Loan Program, it is the contractual obligation of the bank, not the IFA, to administer the loan and service the loan, including remitting and forwarding payments to IFA, as well as regular servicing calls to monitor collateral, collecting and reviewing financial statements and managing loan work-outs and asset disposition as necessary.

Despite the assertions by the Bank, this Participation Loan and any proposed amendments thereto, this loan is an entirely separate transaction from the proposed retrofit/expansion by EM Properties. There is no guarantee or representation by the Illinois Finance Authority that the EM Properties project will ever be placed on a future IFA Board Meeting Agenda or approved by the Illinois Finance Authority Board.

Recommendation: Despite concerns about the future performance of the facility, staff recommends approval of this 60-day extension of the previous 90-day commitment terms approved by the IFA Board of Directors at the May 4th Board Meeting.

RESOLUTION NUMBER 2010-07-10

**APPOINTMENT OF SECRETARY AND 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 a Secretary and one or more Assistant Secretaries; and

WHEREAS, Ms. Beverly Womack-Holloway, the Secretary, and Ms. Kara Nystrom-Boulahanis, an Assistant Secretary, have resigned from the employment of the Authority and Mr. Mauricio Nares 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. Brendan Cournane, General Counsel to the Authority, as Secretary to the Authority and to appoint Mr. Ahad Syed as a second 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 Secretary. Mr. Brendan Cournane is appointed to the Office of 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 Secretary of the Authority, Mr. Cournane shall take and subscribe to the constitutional office of office. As Secretary, Mr. Cournane shall have the same powers prescribed for the Office as authorized by the Act, other statute, the By-Laws, any resolution of the Authority, and any other rule, regulation, policy or practice of the Authority. The Secretary shall exercise these powers as directed by the Members of the Authority and the Executive Director.

Section 3. Appointment of a second Assistant Secretary. In order to facilitate the effective execution of duties by the Secretary and the current Assistant Secretary, Mr. Mauricio Nares (the current Assistant Secretary), the Members of the Authority deem it appropriate to appoint a second Assistant Secretary. Mr. Ahad Syed 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, Mr. Syed shall take and subscribe to the constitutional oath of office. The

second Assistant Secretary 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 second Assistant Secretary shall exercise these powers as directed by the Members of the Authority, the Executive Director, and the Secretary. The second Assistant Secretary shall be a co-equal with the current Assistant Secretary, Mr. Mauricio Nares.

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. 2010-07-10 is adopted this 13th day of July, 2010 by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacancy:

Chairman

[SEAL]

Assistant Secretary

Illinois Finance Authority
 IFA General Fund - Budget
 FY 2011

Exhibit A to Resolution No. 2010-07-09

	Unaudited Actual FY 2010	Budget FY 2011	\$ Variance	% Variance
REVENUE				
INTEREST ON LOANS	1,018,399	1,146,121	127,722	11.14%
INVESTMENT INTEREST & GAIN(LOSS)	45,720	20,500	(25,220)	-123.02%
ADMINISTRATIONS & APPLICATION FEES	5,132,676	3,569,338	(1,563,338)	-43.80%
ANNUAL ISSUANCE & LOAN FEES	841,881	582,892	(258,989)	-44.43%
OTHER INCOME	237,157	82,537	(154,620)	-187.33%
TOTAL REVENUE	7,275,833	5,401,388	(1,874,445)	-34.70%
EXPENSES				
EMPLOYEE RELATED EXPENSES				
COMPENSATION & TAXES	2,678,798	2,354,798	(324,000)	-13.76%
BENEFITS	276,832	286,314	9,482	3.31%
TEMPORARY HELP	33,281	5,000	(28,281)	-565.62%
EDUCATION & DEVELOPMENT	15,410	20,000	4,590	22.95%
TRAVEL & AUTO	74,144	75,000	856	1.14%
TOTAL EMPLOYEE RELATED EXPENSES	3,078,465	2,741,112	(337,353)	-12.31%
PROFESSIONAL SERVICES				
CONSULTING, LEGAL & ADMIN	287,914	250,000	(37,914)	-15.17%
LOAN EXPENSE & BANK FEE	122,337	130,500	8,163	6.26%
ACCOUNTING & AUDITING	364,101	315,904	(48,197)	-15.26%
MARKETING GENERAL	5,990	25,000	19,010	76.04%
FINANCIAL ADVISORY	219,996	375,000	155,004	41.33%
CONFERENCE/TRAINING	17,977	20,000	2,023	10.11%
PROFESSIONAL SERVICES	141,616	184,500	42,884	23.24%
DATA PROCESSING	53,478	55,000	1,522	2.77%
TOTAL PROFESSIONAL SERVICES	1,213,409	1,355,904	142,495	10.51%
OCCUPANCY COSTS				
OFFICE RENT	261,461	274,076	12,615	4.60%
EQUIPMENT RENTAL AND PURCHASES	26,598	20,400	(6,198)	-30.38%
TELECOMMUNICATIONS	48,558	60,600	12,042	19.87%
UTILITIES	11,717	11,000	(717)	-6.52%
DEPRECIATION	50,568	49,305	(1,263)	-2.56%
INSURANCE	22,682	22,800	118	0.52%
TOTAL OCCUPANCY COSTS	421,585	438,181	16,596	3.79%
GENERAL & ADMINISTRATION				
OFFICE SUPPLIES	39,099	53,500	14,401	26.92%
BOARD MEETING - EXPENSES	29,635	36,000	6,365	17.68%
PRINTING/COPYING	6,543	6,500	(43)	-0.66%
POSTAGE & FREIGHT	17,763	15,000	(2,763)	-18.42%
MEMBERSHIP, DUES & CONTRIBUTIONS	30,882	32,500	1,618	4.98%
PUBLICATIONS/SUBSCRIPTIONS	2,267	3,000	733	24.43%
OFFICERS & DIRECTORS INSURANCE	187,336	190,000	2,664	1.40%
MISCELLANEOUS	(245)	-	245	-
TOTAL GENERAL & ADMINISTRATION EXPENSES	313,279	336,500	23,221	6.90%
LOAN LOSS PROVISION/BAD DEBT	485,293	300,000	(185,293)	-61.76%
OTHER				
INTEREST EXPENSE	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%
TOTAL EXPENSES	5,512,030	5,171,697	(340,333)	-6.58%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	1,763,803	229,691	(1,534,112)	-667.90%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%
TRANSFERS	80,608	-	(80,608)	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%
NET INCOME/(LOSS)	1,844,411	229,691	(1,614,720)	-703.00%

RESOLUTION NUMBER 2010-07-09

**RESOLUTION ADOPTING THE BUDGET OF THE ILLINOIS FINANCE
AUTHORITY FOR FISCAL YEAR 2011**

WHEREAS, pursuant to Section 801-30(e) of the Illinois Finance Authority Act, 20 Illinois Compiled Statutes 3501/801-1 et seq. (the "Act") and Article VI, Section 3 of Resolution No. 2007-07-21, Resolution Adopting the Amended and Restated By-Laws of the Illinois Finance Authority, the Authority is authorized to adopt a budget and appropriate the funds to defray the expenses of the Authority for Fiscal Year 2011; and

WHEREAS, the Executive Director along with the Staff of the Authority, have, based upon review and analysis, prepared the attached Budget for Fiscal Year 2011 ("Budget" attached as Exhibit A) to support the operations of the Authority during Fiscal Year 2011 pursuant to the various purposes set forth in the Act; and

WHEREAS, the Budget is based upon the following revenue assumptions for Fiscal Year 2010:

- A. Federally tax-exempt conduit financing represents both the core revenue activity and reputational foundation of the Authority. The reduced cost of capital provided through federally tax-exempt conduit financing is the main value-added product that the Authority provides to its non-profit (healthcare; higher education; cultural, and other 501(c)(3)'s) and private for-profit (industrial; water utilities; gas utility; solid waste; beginning farmer) borrowers. The Authority plans to focus on cultivating its existing relationships among its current portfolio of borrowers, commercial lenders, and other bond finance professionals;
- B. In addition, the Authority plans to aggressively pursue new conduit opportunities through the tools provided by Midwestern Disaster Area Bonds, Recovery Zone (private borrowers; public borrowers) and Qualified Energy Conservation Bonds (HB 2369), and multistate bond authorization (HB 5854). These tools have additional anticipated potential for job creation and retention as well as revenue generation for the IFA, but their impact remains difficult to assess at present;
- C. The Authority will remain a steadfast and committed financing partner to the community of 501(c)(3) non-profit Healthcare providers. However, given the uncertainties associated with the implementation of Healthcare reform and an anticipated slowdown in refinancings, the Authority recognizes that Healthcare financings may be less than in recent years;
- D. During Fiscal Year 2009 and Fiscal Year 2010, many large Healthcare systems and other large 501(c)(3) Higher Education and Cultural Institutions took advantage of historically low fixed rates to reduce variable interest rate risk, thereby boosting the Authority's financing activity during this time period. These circumstances are not likely to be repeated in the near-term;

- E. Countercyclical private activity financings and exempt facilities bond financings, in particular (e.g., water utility and gas utility) could gain momentum in the current economic climate;
- F. Agriculture's proportion of the revenue picture is anticipated to remain consistent. The Authority remains committed to the Agricultural sector through its Loan Guarantee, Beginning Farmer and Agricultural Participation Loan programs. The Agriculture sector begins Fiscal Year 2011 with the new working capital loan guarantee program made available through SB 3719; and
- G. Over the longer-term, the Authority will remain available as a resource and potential partner to renewable energy and clean coal borrowers as well as to the U.S. Department of Energy ("USDOE"). However, in the near term, the Authority sees benefit to developing and implementing a usable energy efficiency program that will seek to reduce capital costs to borrowers across sectors.

WHEREAS, by maintaining the above priorities, the Authority plans to continue to fulfill its statutory mission to retain and create jobs and improve the quality of life for Illinois citizens by expanding access to capital for qualified borrowers across economic sectors -- and to remain a self-funding entity, not supported by State appropriations.

WHEREAS, through the Budget, the Authority seeks to optimize operational performance, an efficient and functional administrative support infrastructure is integral to fulfilling the Authority's mission and serving the public effectively. In addition, the Authority, through the Budget, seeks to expand resources to strengthen transparency and accountability;

WHEREAS, the Authority has determined that the adoption of the Budget is in the best interest of the Authority;

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

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

Section 2. Adoption of Fiscal Year 2011 Budget. The revenues and other available funds set forth in the Budget for Fiscal Year 2011, commencing July 1, 2010 and ending June 30, 2011, are hereby appropriated to meet the purposes set forth therein. The Executive Director, in conjunction with the other officers of the Authority, is authorized to expend funds during Fiscal Year 2011 in accordance with the Budget. Nothing in this Resolution prohibits the Members of the Authority or the Executive Director from revising this Budget during Fiscal Year 2011 if necessary and in accordance with the Act and Resolution No. 2007-07-21 ("By-Laws").

Section 3. 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 4. 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.

Section 5. Enactment. This Resolution shall take effect immediately. This Resolution shall be retroactive to July 1, 2010.

This Resolution No. 2010-07-09 is adopted this 13th day of July 2010, by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

Chairman

[SEAL]

Assistant Secretary