ILLINOIS FINANCE AUTHORITY
BOARD MEETING
Tuesday, October 12, 2010
Chicago, Illinois

COMMITTEE OF THE WHOLE
8:30 a.m.
Two Prudential Plaza - IFA Chicago Office
180 N. Stetson Ave., 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.	Other Business
VIII.	Adjournment

BOARD MEETING
11:30 a.m.
One Prudential Plaza Conference Center
130 E. Randolph Ave., 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

IFA Board Meeting Agenda
October 12, 2010

AGRICULTURE

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
Beginning Farmer Bonds ***Final (One-Time Consideration)***						
1	A) Rodney Lynn Stahl	Brimfield (Stark County)	$ 122,500	0	0	ER
	B) Kendall Stahl	Brimfield (Stark County)	$ 137,500	0	0	ER
	C) Darin T. Rosenthal	Raymond (Montgomery County)	$ 250,000	0	0	ER
	D) Steven Truckenbrod	Unincorporated Ogle County	$ 104,000	0	0	ER
	E) Douglas D. & Cindy J. Stephens	Forrest (Livingston County)	$ 240,000	0	0	ER
	F) Derek D. & Brynn A. Stephens	Dwight (Livingston County)	$ 240,000	0	0	ER
	TOTAL AGRICULTURE PROJECTS		$ 1,094,000	0	0	

BUSINESS AND INDUSTRY

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
Industrial Revenue Bonds ***Final (One-Time Consideration)***						
2	PKY Properties, LLC and Fabrication Technologies, Inc.	Libertyville	$ 5,500,000	34	15	RF/KD
	TOTAL BUSINESS AND INDUSTRY PROJECTS		$ 5,500,000	**34**	**15**	

HIGHER EDUCATION, CULTURAL, AND OTHER NON-HEALTHCARE 501(c)(3)'s

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
501(c)(3) Higher Education Bonds ***Preliminary***						
3	DePaul University	Chicago	$ 165,600,000	130	40-110	RF
4	East-West University	Chicago	$ 30,000,000	10	150	RF
501(c)(3) Revenue Bonds ***Final***						
5	Old Town School of Folk Music, Inc.	Chicago	$ 10,000,000	97	75	RF
	TOTAL HIGHER ED/CULTURAL/NON-HEALTHCARE 501(c)(3) PROJECTS		$ 210,600,000	**237**	**225**	

IFA Board Meeting Agenda
October 12, 2010

HEALTHCARE

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
501(c)(3) Revenue Bonds *Final*						
6	Swedish Covenant Hospital	Chicago	$ 20,000,000	N/A	N/A	PL/SG
7	Beloit Health System	Roscoe	$ 42,000,000	N/A	N/A	PL/SG
8	The University of Chicago Medical Center	Chicago	$ 92,500,000	99	348	PL/SG
TOTAL HEALTHCARE PROJECTS			$ 154,500,000	**99**	**348**	
GRAND TOTAL			**$ 371,694,000**	**370**	**588**	

RESOLUTIONS

Tab	Projects	FM
Amendatory Resolution/Resolutions		
9	Extension of Participation Loan (Roy & Nathan Wiegand)	ER
10	Collateral Release for Agri-Debt Guarantee (Keith Beer)	ER
11	Resolution to Extend (IFA) IEFA Commercial Paper Rollovers for 5 Years	RF
12	Amendment to Participation Loan with Alpine Bank [request to release Guarantor] (Midwest Investment Solutions, Inc./Orbital Tool Technologies, Inc. Project)	RF
13	Amendments to Escrow Agreement and Certain Financial Covenants relating to IFA Series 2007 Revenue Bonds (Association House Project)	RF
14	Resolution to Extend Participation Loan to Pere Marquette Hotel Associates, L.P. for 120 Days	JS
15	Resolution to designate new Trustee for the Authority's 401(a) Program	CM
16	Resolution Establishing Criteria for Reallocating Unused or Undesignated Recovery Zone Facility Revenue Bond Allocations	CM
17	Resolution Requesting that Embry-Riddle Aeronautical University Locate its New Campus at the Chicago Rockford International Airport	CM

IFA
ILLINOIS FINANCE AUTHORITY

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October 12, 2010

TO: William A. Brandt, Jr., Chairman
Dr. William Barclay
Ronald E. DeNard
James J. Fuentes
Edward H. Leonard, Sr.
Terrence M. O'Brien
Norman M. Gold
Gila J. Bronner
Michael W. Goetz, Vice-Chairman
Heather D. Parish
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:

This month, we welcome two new Board Members, Norman M. Gold and Gila J. Bronner, to the Illinois Finance Authority ("IFA"). We thank Juan Rivera for his service to the IFA and wish him well in his future endeavors.

1. Recovery Zone Financing – an expiring federal tool:

a. Navistar - a federal-state-county-city partnership to retain and create jobs

Last month, the IFA approved the innovative tax-exempt conduit financing of the Navistar Lisle headquarters project and Joliet warehouse facility through the federal Recovery Zone Facilities Revenue Bond ("RZFB") program. Without the RZFB program, Navistar would not ordinarily qualify for tax-exempt borrowing. Because RZFB authority was allocated by the federal government to 110 local government entities -- each of the 102 Illinois counties and the 8 Illinois cities with populations of over 100,000 -- IFA worked closely with Navistar and its consultant, Jones Lang LaSalle, to combine RZFB volume cap to support the Navistar borrowing. The IFA thanks Coles, DeKalb, Douglas, DuPage, Edgar, Henry, Kankakee, Lake, Macoupin, and Winnebago counties as well as the cities of Aurora, Elgin, Joliet, Naperville and Rockford for providing RZFB volume cap to the IFA to support the Navistar project.

On October 5, 2010, Cook County also approved RZFB tax-exempt conduit bonds to finance capital improvements at Navistar's manufacturing facility in Melrose Park. The complementary IFA and Cook County Navistar RZFB transactions, $135 million and $90 million, respectively, are expected to close in the coming weeks.

Along with the Illinois Department of Commerce & Economic Opportunity ("DCEO"), the IFA is proud to play an important role in the Quinn administration's efforts to keep Navistar jobs and investment in Illinois through the combined federal-state-county-city Recovery Zone Facilities Bond partnership. The Navistar project is truly a unique job retention and creation project of state-wide importance.

b. Recovery Zones: "Use it or lose it" prior to the December 31, 2010 Sunset Date

IFA has worked to encourage counties and cities across Illinois to fully utilize the financing incentives provided to both private and public borrowers by the federal Recovery Zone program before the program expires on December 31, 2010. If counties and cities cannot use their Recovery Zone allocations, IFA has asked them to waive their Recovery Zone volume cap to IFA. Under Public Act 96-1020 (HB 2369), IFA can aggregate Recovery Zone volume cap and redirect this resource to projects where this benefit can be fully utilized. Counties and cities need to understand that they are in a "use it or lose it" situation with respect to the federal Recovery Zone program. The IFA stands ready to help borrowers, counties and cities fully utilize the Recovery Zone program to retain and create jobs before the program expires.

The IFA expects significant interest in the Recovery Zone program in the coming weeks in advance of the December 31, 2010 sunset date. Accordingly, staff is proposing criteria for consideration by the Board with respect to the use of any unused or undesignated Recovery Zone Bond allocations to help expedite RZFB allocations to qualifying projects that are "financing-ready" as evidenced by either: (i) the borrower's own underlying debt rating from Moody's, S&P, or Fitch; or (ii) a countersigned bank financing commitment letter, among other criteria. *See* Agenda Item 16. IFA's ability to provide allocations for these projects may, of course, be constrained by the extent that local allocations are waived back to the Authority well in advance of the Recovery Zone Program's sunset date on December 31, 2010.

2. The Working Capital Guarantee: a new tool for Illinois farmers and Agri-business

In May 2010, the Working Capital Program was added to the menu of IFA guarantee programs for Illinois farmers and agri-businesses (SB 3719, Frerichs/Bradley; P.A. 96-897). Like the combined Recovery Zone reallocation initiative, the IFA Working Capital Program was included in Governor Quinn's Illinois Jobs Action Plan, released in December 2009.

Under the Working Capital Guarantee program, an agricultural borrower may use loan proceeds for fertilizer, chemicals, feed, seed, fuel, parts, and repairs. The loan guarantee will generally be secured with a first lien on the proposed crop or commodity to be raised, and an assignment of federal crop insurance. The IFA now has the Working Capital Program fully in place well in advance of next year's planting season.

3. Elgin-O'Hare West Bypass Advisory Council – IFA ready to assist

On October 5, 2010, Governor Quinn, through Executive Order No. 10-13, created the Elgin-O'Hare Bypass Advisory Council co-chaired by Kristi Lafleur, Executive Director of the Illinois Toll Highway Authority, and Gary Hannig, Secretary of the Illinois Department of Transportation. The purpose of the council is to explore potential financing structures and sources for the infrastructure project estimated to cost $3.6 billion.

As IFA Executive Director, I am honored to be named to the Council. I look forward to working with other civic, labor, and governmental leaders on this important regional project.

4. Embry-Riddle Aeronautical University ("ERAU"):
Chicago Rockford International Airport is a finalist for ERAU's third campus

Based on our long and broad experience in financing 501(c)(3) higher educational institutions as well as our new multi-state financing authority (HB 5854 (Colvin/Clayborne); P.A. 96-1021), IFA is pleased to assist U.S. Senator Durbin, Governor Quinn, U.S. Representative Manzullo, Rockford Mayor Morrissey, Winnebago County Board Chairman Christiansen, and Greater Rockford Airport Authority Chairman Boyer in the combined effort to bring ERAU to Illinois. See Agenda Item 17. ERAU currently has campuses in Florida and Arizona and is seriously considering the Chicago Rockford International Airport as the site of a third campus.

5. Healthcare: a cornerstone of IFA operations

The Healthcare Sector remains a cornerstone of the Authority's operations and mission. This month, we are particularly pleased to see the return of the University of Chicago Medical Center ("UCMC"). UCMC is a longtime and valued IFA borrower. UCMC plans to use the proceeds of an IFA 501(c) (3) conduit revenue bond issue to construct a new Hospital Pavilion located at 5700 South Maryland in Chicago. Importantly, in these difficult economic times, the UCMC project will created an estimated 350 construction jobs.

We also welcome the opportunity to assist Swedish Covenant Hospital, a Chicago safety-net hospital, with financing the purchase of capital equipment and Beloit Health System, a Wisconsin-based healthcare provider with facilities in northern Illinois, with its refunding.

6. Energy Efficiency

Finally, and after great effort on the part of IFA Energy Committee Chair, Dr. Roger Herrin, the vendors for the IFA's energy efficiency program will be announced at today's meeting.

Conclusion

I look forward to working with all of you to retain and create jobs for our State.

Respectfully,

____
Christopher B. Meister

Attachments:

Attachment 1 – General Fund, Financial Results, Consolidated Balance Sheet and Audit Tracking Schedule

Attachment 2 – Schedule of Debt; FY'11 Closed Projects

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

	Actual September 2010	Budget September 2010	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2011	Budget YTD FY 2011	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2011	% of Budget Expended
REVENUE										
INTEREST ON LOANS	84,424	85,938	(1,514)	-1.76%	307,057	231,798	75,259	32.47%	1,146,121	26.79%
INVESTMENT INTEREST & GAIN(LOSS)	5,505	1,709	3,796	222.09%	16,860	5,127	11,733	228.86%	20,500	82.25%
ADMINISTRATIONS & APPLICATION FEES	336,285	316,999	19,286	6.08%	1,468,984	969,247	499,737	51.56%	3,569,338	41.16%
ANNUAL ISSUANCE & LOAN FEES	110,081	44,554	65,527	147.07%	189,415	141,098	48,317	34.24%	582,892	32.50%
OTHER INCOME	71,116	6,878	64,238	933.96%	85,249	20,634	64,615	313.15%	82,537	100.00%
TOTAL REVENUE	607,411	456,078	151,333	33.18%	2,067,565	1,367,904	699,661	51.15%	5,401,388	38.28%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	147,354	187,266	(39,912)	-21.31%	537,116	551,042	(13,926)	-2.53%	2,354,798	22.81%
BENEFITS	19,165	23,036	(3,871)	-16.80%	62,335	68,060	(5,725)	-8.41%	286,314	21.77%
TEMPORARY HELP	-	417	(417)	-100.00%	967	1,251	(284)	-22.69%	5,000	19.34%
EDUCATION & DEVELOPMENT	-	1,667	(1,667)	-100.00%	150	5,000	(4,850)	-97.00%	20,000	0.75%
TRAVEL & AUTO	1,019	6,250	(5,231)	-83.69%	7,656	18,750	(11,094)	-59.17%	75,000	10.21%
TOTAL EMPLOYEE RELATED EXPENSES	167,538	218,636	(51,097)	-23.37%	608,224	644,103	(35,879)	-5.57%	2,741,112	22.19%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	20,990	20,833	156	0.75%	62,872	62,500	372	0.60%	250,000	25.15%
LOAN EXPENSE & BANK FEE	9,483	10,875	(1,392)	-12.80%	28,883	32,625	(3,742)	-11.47%	130,500	22.13%
ACCOUNTING & AUDITING	29,918	26,326	3,592	13.64%	84,754	78,978	5,776	7.31%	315,904	26.83%
MARKETING GENERAL	682	2,083	(1,401)	-67.24%	12,097	6,249	5,848	93.58%	25,000	48.39%
FINANCIAL ADVISORY	23,750	31,250	(7,500)	-24.00%	71,250	93,750	(22,500)	-24.00%	375,000	19.00%
CONFERENCE/TRAINING	(1,206)	1,667	(2,873)	-172.37%	(772)	5,001	(5,773)	-115.45%	20,000	-3.86%
MISC. PROFESSIONAL SERVICES	17,142	15,375	1,767	11.49%	49,659	46,125	3,534	7.66%	184,500	26.92%
DATA PROCESSING	2,916	4,583	(1,667)	-36.38%	8,873	13,749	(4,876)	-35.47%	55,000	16.13%
TOTAL PROFESSIONAL SERVICES	103,674	112,992	(9,319)	-8.25%	317,615	338,977	(21,362)	-6.30%	1,355,904	23.42%

Illinois Finance Authority
General Fund - Actual to Budget
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OCCUPANCY COSTS										
OFFICE RENT	22,420	22,840	(420)	-1.84%	66,802	68,520	(1,718)	-2.51%	274,076	24.37%
EQUIPMENT RENTAL AND PURCHASES	1,656	1,700	(44)	-2.60%	5,956	5,100	856	16.79%	20,400	29.20%
TELECOMMUNICATIONS	3,912	5,050	(1,138)	-22.53%	11,265	15,150	(3,885)	-25.65%	60,600	18.59%
UTILITIES	1,500	917	583	63.59%	3,371	2,751	620	22.55%	11,000	30.65%
DEPRECIATION	2,448	4,109	(1,661)	-40.41%	7,645	12,327	(4,682)	-37.98%	49,305	15.51%
INSURANCE	1,929	1,900	29	1.54%	5,788	5,700	88	1.54%	22,800	25.38%
TOTAL OCCUPANCY COSTS	33,866	36,516	(2,650)	-7.26%	100,827	109,548	(8,721)	-7.96%	438,181	23.01%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	2,668	4,458	(1,790)	-40.15%	9,704	13,374	(3,670)	-27.44%	53,500	18.14%
BOARD MEETING - EXPENSES	2,278	3,000	(722)	-24.06%	8,138	9,000	(862)	-9.57%	36,000	22.61%
PRINTING	500	542	(42)	-7.69%	1,634	1,625	9	0.53%	6,500	25.13%
POSTAGE & FREIGHT	1,178	1,250	(72)	-5.77%	3,566	3,750	(184)	-4.90%	15,000	23.78%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,048	2,708	(1,660)	-61.31%	2,702	8,124	(5,422)	-66.74%	32,500	8.31%
PUBLICATIONS	155	250	(95)	-37.91%	314	750	(436)	-58.07%	3,000	10.48%
OFFICERS & DIRECTORS INSURANCE	15,619	15,833	(214)	-1.35%	53,365	47,499	5,866	12.35%	190,000	28.09%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	23,447	28,041	(4,594)	-16.38%	79,424	84,122	(4,698)	-5.58%	336,500	23.60%
LOAN LOSS PROVISION/BAD DEBT	350,568	25,000	325,568	1302.27%	400,568	75,000	325,568	434.09%	300,000	133.52%
OTHER										
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL EXPENSES	679,092	421,185	257,908	61.23%	1,506,659	1,251,750	254,909	20.36%	5,171,697	29.13%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	(71,682)	34,893	(106,575)	-305.43%	560,907	116,154	444,753	382.90%	229,691	244.20%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	-	-	-	0.00%	-	-	-	0.00%	-	-
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	(71,682)	34,893	(106,575)	-305.43%	560,907	116,154	444,753	382.90%	229,691	244.20%

Illinois Finance Authority
General Fund - Actual to Actual
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REVENUE								
INTEREST ON LOANS	84,424	98,683	(14,259)	-14.45%	307,057	303,483	3,574	1.18%
INVESTMENT INTEREST & GAIN(LOSS)	5,505	4,170	1,334	31.99%	16,860	14,159	2,702	19.08%
ADMINISTRATIONS & APPLICATION FEES	336,285	269,946	66,339	24.57%	1,468,984	1,368,667	100,317	7.33%
ANNUAL ISSUANCE & LOAN FEES	110,081	194,435	(84,354)	-43.38%	189,415	361,632	(172,217)	-47.62%
OTHER INCOME	71,116	7,701	63,415	823.47%	85,249	31,943	53,307	166.88%
TOTAL REVENUE	607,411	574,936	32,474	5.65%	2,067,565	2,079,883	(12,318)	-0.59%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	147,354	226,960	(79,605)	-35.07%	537,116	721,616	(184,499)	-25.57%
BENEFITS	19,165	22,975	(3,810)	-16.58%	62,335	67,819	(5,484)	-8.09%
TEMPORARY HELP	-	3,368	(3,368)	-100.00%	967	8,649	(7,682)	-88.82%
EDUCATION & DEVELOPMENT	-	-	-	0.00%	150	1,035	(885)	-85.51%
TRAVEL & AUTO	1,019	7,113	(6,094)	-85.67%	7,656	12,046	(4,390)	-36.45%
TOTAL EMPLOYEE RELATED EXPENSES	167,538	260,416	(92,877)	-35.67%	608,224	811,165	(202,940)	-25.02%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	20,990	15,833	5,157	32.57%	62,872	47,921	14,951	31.20%
LOAN EXPENSE & BANK FEE	9,483	11,143	(1,660)	-14.90%	28,883	28,213	670	2.37%
ACCOUNTING & AUDITING	29,918	25,010	4,908	19.62%	84,754	70,636	14,118	19.99%
MARKETING GENERAL	682	350	332	94.94%	12,097	366	11,731	3205.12%
FINANCIAL ADVISORY	23,750	18,333	5,417	29.55%	71,250	54,999	16,251	29.55%
CONFERENCE/TRAINING	(1,206)	1,053	(2,260)	-214.54%	(772)	2,823	(3,596)	-127.36%
MISC. PROFESSIONAL SERVICES	17,142	-	17,142	0.00%	49,659	-	49,659	0.00%
DATA PROCESSING	2,916	3,483	(567)	-16.29%	8,873	8,851	22	0.25%
TOTAL PROFESSIONAL SERVICES	103,674	75,205	28,468	37.85%	317,615	213,808	103,806	48.55%

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OCCUPANCY COSTS								
OFFICE RENT	22,420	22,470	(50)	-0.22%	66,802	67,143	(341)	-0.51%
EQUIPMENT RENTAL AND PURCHASES	1,656	3,340	(1,684)	-50.42%	5,956	10,937	(4,980)	-45.54%
TELECOMMUNICATIONS	3,912	4,358	(446)	-10.23%	11,265	15,223	(3,958)	-26.00%
UTILITIES	1,500	958	542	56.61%	3,371	2,968	404	13.60%
DEPRECIATION	2,448	5,227	(2,779)	-53.16%	7,645	15,682	(8,037)	-51.25%
INSURANCE	1,929	1,951	(22)	-1.13%	5,788	5,764	24	0.42%
TOTAL OCCUPANCY COSTS	33,866	38,304	(4,438)	-11.59%	100,827	117,716	(16,889)	-14.35%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	2,668	2,485	183	7.37%	9,704	9,097	607	6.67%
BOARD MEETING - EXPENSES	2,278	2,424	(146)	-6.03%	8,138	9,307	(1,168)	-12.55%
PRINTING	500	573	(73)	-12.70%	1,634	1,640	(7)	-0.40%
POSTAGE & FREIGHT	1,178	1,812	(634)	-35.01%	3,566	3,666	(99)	-2.71%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,048	2,402	(1,354)	-56.38%	2,702	4,801	(2,099)	-43.72%
PUBLICATIONS	155	91	64	70.20%	314	178	136	76.54%
OFFICERS & DIRECTORS INSURANCE	15,619	15,619	-	0.00%	53,365	46,219	7,146	15.46%
MISCELLANEOUS	-	-	-	-	-	-	-	-
TOTAL GENL & ADMIN EXPENSES	23,447	25,407	(1,961)	-7.72%	79,424	74,908	4,516	6.03%
LOAN LOSS PROVISION/BAD DEBT	350,568	25,000	325,568	1302.27%	400,568	75,000	325,568	434.09%
OTHER								
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%
TOTAL EXPENSES	679,092	424,332	254,760	60.04%	1,506,659	1,292,597	214,062	16.56%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	(71,682)	150,604	(222,286)	-147.60%	560,907	787,286	(226,379)	-28.75%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER	-	-	-	0.00%	-	31,938	(31,938)	-100.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	(71,682)	150,604	(222,286)	-147.60%	560,907	819,224	(258,317)	-31.53%

Illinois Finance Authority
General Fund
Unaudited
Balance Sheet
for the Three Months Ending September 30, 2010

	Actual September 2010
ASSETS	
CASH & INVESTMENTS, UNRESTRICTED	$ 22,634,331
RECEIVABLES, NET	300,570
LOAN RECEIVABLE, NET	18,441,794
OTHER RECEIVABLES	165,643
PREPAID EXPENSES	176,744
TOTAL CURRENT ASSETS	41,719,082
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	55,682
DEFERRED ISSUANCE COSTS	341,821
OTHER ASSETS	
CASH, INVESTMENTS & RESERVES	1,581,149
VENTURE CAPITAL INVESTMENTS	-
OTHER	(859)
TOTAL OTHER ASSETS	1,580,290
TOTAL ASSETS	$ 43,696,875
LIABILITIES	
CURRENT LIABILITIES	$ 1,713,766
LONG-TERM LIABILITIES	496,933
TOTAL LIABILITIES	2,210,699
EQUITY	
CONTRIBUTED CAPITAL	4,111,479
RETAINED EARNINGS	24,842,492
NET INCOME / (LOSS)	560,907
RESERVED/RESTRICTED FUND BALANCE	1,732,164
UNRESERVED FUND BALANCE	10,239,134
TOTAL EQUITY	41,486,176
TOTAL LIABILITIES & EQUITY	$ 43,696,875

Illinois Finance Authority
Consolidated
Unaudited
Balance Sheet
for the Three Months Ending September 30, 2010

	Actual September 2009	Actual September 2010
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	$ 29,170,558	$ 36,161,674
RECEIVABLES, NET	852,417	300,570
LOAN RECEIVABLE, NET	48,173,423	41,111,215
NOTES RECEIVABLE	46,641,075	45,134,874
OTHER RECEIVABLES	782,574	1,863,433
PREPAID EXPENSES	185,419	176,744
TOTAL CURRENT ASSETS	125,805,466	124,748,510
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	83,002	55,682
DEFERRED ISSUANCE COSTS	549,397	465,803
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES	36,894,004	41,275,828
VENTURE CAPITAL INVESTMENTS	5,377,739	2,512,917
OTHER	3,000,000	3,000,000
TOTAL OTHER ASSETS	45,271,743	46,788,745
TOTAL ASSETS	$ 171,709,608	$ 172,058,740
LIABILITIES		
CURRENT LIABILITIES	1,168,160	1,836,130
BONDS PABYABLE	55,010,000	54,385,000
OTHER LIABILITIES	1,585,897	2,874,089
TOTAL LIABILITIES	57,764,057	59,095,219
EQUITY		
CONTRIBUTED CAPITAL	35,608,692	35,608,692
RETAINED EARNINGS	27,173,957	26,227,036
NET INCOME / (LOSS)	1,043,538	728,298
RESERVED/RESTRICTED FUND BALANCE	37,471,193	37,751,324
UNRESERVED FUND BALANCE	12,648,171	12,648,171
TOTAL EQUITY	113,945,551	112,963,521
TOTAL LIABILITIES & EQUITY	$ 171,709,608	$ 172,058,740

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

Number of Material Findings - 1

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

Illinois Finance Authority
FY09 Audit Finding: Immaterial
Update as of September 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	

Bonds Issued and Outstanding
as of September 30, 2010

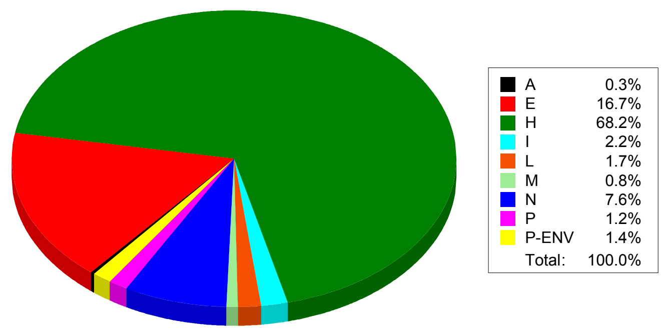
Bonds Issued Since Inception of Illinois Finance Authority

#	Market Sector	Principal Amount ($)
305	Agriculture **	58,533,163
97	Education	3,806,258,100
310	Healthcare *	15,530,793,508
73	Industrial	495,940,669
26	Local Government	376,160,000
19	Multifamily/Senior Housing	175,417,900
129	501(c)(3) Not-for Profits	1,709,398,195
8	Exempt Facilities Bonds	275,700,000
9	Environmental issued under 20 ILCS 3515/9	326,630,000
		$ 22,754,831,535

* Includes CCRC's

** Number of Agriculture bonds has been adjusted to reflect the actual number of Beginner Farmer Bonds issued.

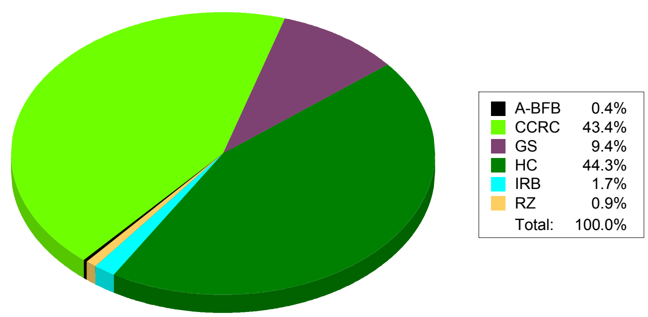
Bonds Issued Since Inception



Current Fiscal Year

#	Market Sector	Principal Issued
12	Agriculture - Beginner Farmer	1,948,951
1	Gas Supply	50,000,000
4	Healthcare	234,925,000
8	Healthcare - CCRC	230,105,000
1	Industrial Revenue	9,230,000
1	Recovery Zone	4,585,000
		$ 530,793,951

Bonds Issued - Current Fiscal Year

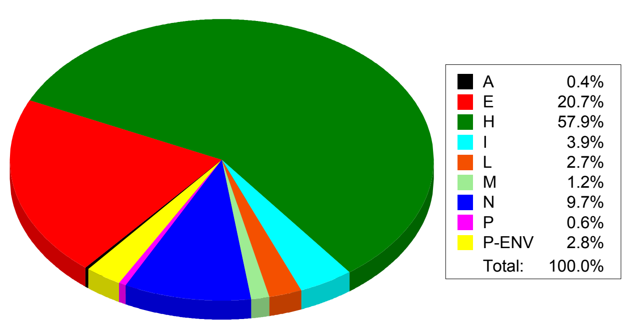


Schedule of Bonds Outstanding by Market Sector
Includes IFA and it's Predecessor Authorities

Market Sector	Amount of Original Issue	Principal Outstanding
Agriculture	297,002,869	90,364,395
Education	5,527,345,730	5,108,644,965
Healthcare	16,252,807,337	14,281,780,155
Industrial	1,161,570,669	965,113,481
Local Government	1,133,324,413	667,724,169
Multifamily/Senior Housing	742,915,396	304,263,834
501(c)(3) Not-for Profits	2,872,924,996	2,390,531,976
Exempt Facilities Bonds	155,360,000	155,360,000
Environmental issued under 20 ILCS 3515/9	770,475,000	688,369,432
	$ 28,913,726,410	$ 24,652,152,408

* Includes CCRC's

Principal Outstanding by Market Sector



Bonds Issued between July 01, 2010 and September 30, 2010

Bond Issue		Date Issued	Initial Interest Rate	Principal Issued	Bonds Refunded
A-BFB	Beginner Farmer Bonds, Series 2011	07/01/2010	Various-See Below	1,948,951	0
HC	NorthShore University HealthSystem, Series 2010	07/14/2010	2.00% to 5.25%	136,425,000	115,800,000
CCRC	The Clare at Water Tower, Series 2010A&B	07/15/2010	5.10% to 6.125%	87,505,000	87,505,000
CCRC	Christian Homes, Inc., Series 2010	07/29/2010	3.40% to 6.125%	25,000,000	8,090,000
IRB	Bison Gear & Engineering Corporation, Series 2010	07/29/2010	VRB 0.32%	9,230,000	0
HC	Institute for Transfusion Medicine, Series 2010	07/29/2010	VRB 3.60%	26,500,000	0
GS	Peoples Gas Light and Coke Company, Series 2010A	08/18/2010	VRB 2.125%	50,000,000	0
RZ	Annex II, LLC - Rock City Development, Series 2010	08/24/2010	6.00%	4,585,000	0
CCRC	Greenfields of Geneva, Series 2010A-C	08/31/2010	7.50% to 8.25%	117,600,000	9,185,000
HC	Provena Health, Series 2010C&D	09/22/2010	VRB 0.29%	72,000,000	0
		Total Bonds Issued in Fiscal Year 2011		**$ 530,793,951**	**$ 220,580,000**

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

Beginner Farmer Bonds

Borrower	Date Funded	Initial Interest Rate	Loan Proceeds	Acres	County
Stortzum, Brent A.	07/21/2010	4.25%	157,500	38.00	Effingham
Tolley, Daniel Steven	07/23/2010	4.50%	106,900	82.30	Knox
Smithenry, Eric J.	07/30/2010	4.25%	135,000	20.00	Jasper
Will, Richard & Linda	07/30/2010	4.00%	206,712	71.30	Cumberland
Justison, David M.	07/30/2010	4.25%	249,736	106.00	Montgomery
Justison, Keri L.	07/30/2010	4.25%	249,736	106.00	Montgomery
Stinnett, Sean & Cheryl	08/05/2010	4.75%	224,000	52.84	Macoupin
Alt, James & Jo Ellen	08/12/2010	4.00%	102,667	26.67	Vermilion
Alt, Lawrence & Loretta	08/12/2010	4.00%	100,000	26.67	Vermilion
Kopplin, Seth A.	08/16/2010	4.00%	184,000	73.62	Effingham
Gittleson, Brock	09/21/2010	4.46%	207,500	50.00	Lee
Mellendorf, Mark	09/21/2010	4.25%	25,200	20.00	Clay
	Total Beginner Farmer Bonds Issued		**$ 1,948,951**	**673.40**	

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 June 30, 2010	Principal Outstanding September 30, 2010	Program Limitations	Remaining Capacity
	Illinois Finance Authority "IFA"				
289	Agriculture	$ 46,455,000	$ 48,310,000		
88	Education	3,721,552,000	3,710,269,000		
220	Healthcare	10,851,968,000	11,256,366,000		
63	Industrial Development	345,870,000	405,459,000		
21	Local Government	264,060,000	259,590,000		
18	Multifamily/Senior Housing	157,979,000	157,704,000		
95	501(c)(3) Not-for Profits	1,313,239,000	1,301,091,000		
5	Exempt Facilities Bonds	130,500,000	130,500,000		
799	**Total IFA Principal Outstanding**	**$ 16,831,623,000**	**$ 17,269,289,000**		
	Illinois Development Finance Authority "IDFA" [b]				
4	Education	42,196,000	41,506,000		
6	Healthcare	404,660,000	288,860,000		
74	Industrial Development	562,917,000	559,654,000		
35	Local Government	386,034,000	380,029,000		
16	Multifamily/Senior Housing	147,219,000	146,560,000		
103	501(c)(3) Not-for Profits	1,025,002,000	1,014,896,000		
1	Exempt Facilities Bonds	24,860,000	24,860,000		
235	**Total IDFA Principal Outstanding**	**$ 2,592,888,000**	**$ 2,456,365,000**		
	Illinois Rural Bond Bank "IRBB" [b]				
18	Bond Bank Revenue Bonds	26,385,000	25,715,000		
1	Conduit Debt	2,390,000	2,390,000		
19	**Total IRBB Principal Outstanding**	**$ 28,775,000**	**$ 28,105,000**		
106	**Illinois Health Facilities Authority "IHFA"**	**$ 2,908,471,000**	**$ 2,736,554,000**		
49	**Illinois Educational Facilities Authority "IEFA"**	**$ 1,446,134,000**	**$ 1,431,417,000**		
561	**Illinois Farm Development Authority "IFDA" [f]**	**$ 42,055,000**	**$ 42,055,000**		
1,769	**Total Illinois Finance Authority Debt**	**$ 23,849,946,000**	**$ 23,963,785,000**	**$ 28,150,000,000**	**$ 4,186,215,000**

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

Section I (b)

		Principal Outstanding June 30, 2010	Principal Outstanding September 30, 2010	Program Limitations	Remaining Capacity
	General Purpose Moral Obligations				
	Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
18	Issued through IRBB	$ 26,385,000	$ 25,715,000		
9	Issued through IFA	68,000,000	67,640,000		
27	**Total General Moral Obligations**	**$ 94,385,000**	**$ 93,355,000**	**$ 150,000,000**	**$ 56,645,000**
	Financially Distressed Cities Moral Obligations				
	Illinois Finance Authority Act [20 ILCS 3501/825-60]				
1	Issued through IFA	$ 2,395,000	$ 2,395,000		
1	Issued through IDFA	4,660,000	4,660,000		
2	**Total Financially Distressed Cities**	**$ 7,055,000**	**$ 7,055,000**	**$ 50,000,000**	**$ 42,945,000**
	State Component Unit Bonds [c]				
18	Issued through IRBB	$ 26,385,000	$ 25,715,000		
1	Issued through IDFA	14,580,000	13,890,000		
1	Issued through IFA	4,863,000	4,233,000		
20	**Total State Component Unit Bonds**	**$ 45,828,000**	**$ 43,838,000**		

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

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

Section IV		**Principal Outstanding June 30, 2010**	**Principal Outstanding September 30, 2010**	**Program Limitations**	**Remaining Capacity**	**State Exposure**
	Agri Debt Guarantees [Restructuring Existing Debt]	**$ 20,300,000**	**$ 19,397,000**	**$ 160,000,000**	**$ 140,603,000**	**$ 16,448,000**
99	**Fund # 994 - Fund Balance $ 9,940,751**					
	AG Loan Guarantee Program	**$ 47,229,000**	**$ 45,925,000**	**$ 225,000,000** [e]	**$ 179,075,000**	**$ 33,231,000**
57	**Fund # 205 - Fund Balance $ 7,651,586**					
12	Agri Industry Loan Guarantee Program	$ 11,104,000	$ 10,853,000			9,225,000
1	Renewable Fuels	24,445,000	24,039,000			14,628,000
1	Farm Purchase Guarantee Program	491,000	491,000			417,000
31	Specialized Livestock Guarantee Program	8,625,000	7,980,000			6,783,000
12	Young Farmer Loan Guarantee Program	2,564,000	2,562,000			2,178,000
156	**Total State Guarantees**	**$ 67,529,000**	**$ 65,322,000**	**$ 385,000,000**	**$ 319,678,000**	**$ 49,679,000**

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

Section V			**Principal Outstanding June 30, 2010**	**Principal Outstanding September 30, 2010**	**Appropriation Fiscal Year 2011**	**Fund Balance**
116	Fire Truck Revolving Loan Program	**Fund # 572**	$ 18,730,135	$ 18,267,944	$ 6,003,342	$ 1,706,175
10	Ambulance Revolving Loan Program	**Fund # 334**	$ 993,200	$ 963,880	$ 7,006,800	$ 3,165,223

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

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

Section VI		**Principal Outstanding June 30, 2010**	**Principal Outstanding September 30, 2010**	**Program Limitations**	**Remaining Capacity**
	Environmental [Large Business]				
9	Issued through IFA	316,440,000	$ 316,319,000		
21	Issued through IDFA	372,065,000	372,050,000		
30	**Total Environmental [Large Business]**	**$ 688,505,000**	**$ 688,369,000**	**$ 2,425,000,000**	**$ 1,736,631,000**
	Environmental [Small Business]	-	$ -	**$ 75,000,000**	**$ 75,000,000**
30	**Total Environment Bonds Issued under Act**	**$ 688,505,000**	**$ 688,369,000**	**$ 2,500,000,000**	**$ 1,811,631,000**

Illinois Finance Authority Funds at Risk

Section VII #		**Original Amount**	**Principal Outstanding June 30, 2010**	**Principal Outstanding September 30, 2010**
	Participation Loans			
61	Business & Industry	23,020,157.95	17,018,322.85	19,122,423.63
25	Agriculture	6,079,859.01	4,969,295.79	1,841,021.38
86	**Total Participation Loans**	**$ 29,100,016.96**	**$ 21,987,618.64**	**$ 20,963,445.01**
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**	**$ 1,781,154.98**	**$ 309,303.50**
6	**FmHA Loans**	**$ 963,250.00**	**$ 580,213.44**	**$ 419,350.15**
2	**Renewable Energy [RED Fund]**	**$ 2,000,000.00**	**$ 1,819,903.95**	**$ 1,734,106.04**
99	**Total Loans Outstanding**	**$ 34,353,016.96**	**$ 27,168,891.01**	**$ 24,426,204.70**

[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.

MEMORANDUM

To: Illinois Finance Authority ("IFA") Board of Directors

Date: October 12, 2010

From: Jim Senica, Senior Funding Manager

Re: Participation Loan Update:

1. <u>Loan # B-LL-TX-6224</u>
Precision Laser Mfg, Inc. ("Borrower")/Morton Community Bank ("Bank")
Original Loan Amount: $300,000/Outstanding Amount: $242,600
East Peoria/Tazewell County

2. <u>Loan # B-LL-TX-573</u>
Fowler Properties, LLC (Borrower")/First Security Bank of Mackinaw ("Bank")
Original Loan Amount: $300,000/Outstanding Amount: $237,460
Eureka/Woodford County

3. <u>Loan # B-LL-TX-6060</u>
Transfer Company, Inc. ("Borrower")/US Bank, NA ("Bank")
Original Loan Amount: $81,530/Outstanding Amount: $57,979
Jacksonville/Morgan County

4. <u>Loan # 9782PL</u>
Michael L. Wilson, Sr. ("Borrower")/Associated Bank ("Bank")
Original Loan Amount: $300,000/Outstanding Amount: $206,699
Brimfield/Peoria County

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1. Precision Laser Manufacturing - *<u>Troubled Loan</u>*

The Borrower is a four-time user of the IFA/Illinois Development Finance Authority ("IDFA", a predecessor to IFA) Participation Loan Program. The three prior loans were paid on time, in-full when due. The current loan was closed on October 23, 2007, and all payments were made on time until April 2009, when a major customer of the Borrower, Caterpillar, Inc., substantially reduced orders causing a major decrease in the Borrower's cash flow. To assist the Borrower, IFA and the Bank approved a 7-month moratorium on principal payments for the period May, 2009 through December, 2009.

When the moratorium ended, IFA staff worked diligently with the Bank monitoring the Borrower's business operations and loan activity. As of September 24, the Bank advised IFA staff that loan payment would be made by the Borrower avoiding overdue status in excess of 90 days. When MABSCO's Participation Loan report was received on October 4, 2010, it revealed that Borrower had in fact not made payment and loan became over 90 days past due. Since that time, IFA staff has actively engaged with both the Bank and borrower to reach a favorable resolution for the IFA.

This project has consistently appeared on the IFA loan watch list.

2. Fowler Properties, LLC - *Troubled Loan*

The Borrower's loan closed on November 7, 2005.

All payments were made on time until May, 2010. The Borrower was the owner of the real estate in which Custom Wood Products operated as a manufacturer of high-end cabinetry. Custom Wood Products ceased operation in June, 2010, after the collapse of the Florida and southwestern states home building markets curtailed demand for its products.

IFA staff has worked diligently with the Bank to develop alternative uses for the Borrower's real estate while awaiting sale. The Bank has advised IFA staff that it is likely that a good portion of the Bank/IFA loan should be recovered when the real estate is sold.

This project has consistently appeared on the IFA loan watch list.

3. Transfer Company, Inc. - *Loan to be paid off*

The Borrower's loan was closed on October 26, 2005.

The Borrower used IFA loan proceeds to purchase an historic building in Jacksonville for use as a retail operation. All loan payments were made on time with the loan maturing on October 5, 2010. The Bank advised IFA staff that the building has been sold, and IFA's outstanding loan balance will be paid in full in mid-October.

4. Michael L. Wilson, Sr. - *Unanticipated Recovery*

The Borrower's loan was approved by the IDFA (a predecessor to IFA) Board on June 20, 2002.

The Borrower was the owner of Wilson Manufacturing, Inc., became ill, could no longer operate the business and ceased operation in June 2006. The Borrower maintained payment until default in August, 2006. The Loan was subsequently written-off by IFA as uncollectible.

IFA received $63,111 in October, 2010, representing IFA's portion of proceeds from sale of assets.

Illinois Finance Authority – Conduit Bond Issue Watch List

Bond Issue	Series	Authority	Initial Principal	Maturity Date	Continuing Disclosure
Regency Park at Lincolnwood CUSIP # 451913AB3	1990A	IDFA	2,000,000	04/15/2022	NA
Community Rehabilitation Providers CUSIP # 451908R41	1995A	IDFA	6,135,000	07/01/2020	Court reduced the interest rate on one participant; funds received are insufficient to pay principal and interest as due.
Villa St. Benedict Project CUSIP # 45200PZK6-PZS9	2003A-1	IHFA	37,975,000	11/15/2033	Principal Forbearance Agreement finalized; partial interest payment to bondholders on 09/ 29/ 2010; principal payment due 11/15/2010 unlikely.
International Ice Centre, LLC CUSIP # 45202UAA2; AB0; AC8; AD6 and AE4	2005A 2005B 2006	IFA	16,255,000 1,000,000 900,000	12/01/2035 12/01/2012 12/01/2026	Event of Default; Debt Service Reserve used to pay June/December 2008 Debt Service Payments; No payments in December 2009/June 2010. Trustee in consultation with majority Bondholder re: continued discussions with the Borrower regarding plan to cure Events of Default and shortfall in Debt Service Reserve Fund.
Sedgebrook, Inc. "Erickson Retirement Communities" CUSIP # 45200B7B8 and B7P7	2007A 2007B	IFA	98,145,000 39,000,000	11/15/2042 11/01/2042	Non-execution of forbearance filing July 2010 Notice of bankruptcy filing
Clare Oaks CUSIP # 45200BZK7 – BZN1	2006	IFA	94,725,000 38,090,000 2,000,000 4,000,000 18,000,000	11/15/2039	Consultants report dated August 31, 2009 07/31/2010 non-compliance of Occupancy and Cumulative Cash Operating Loss Covenants.
Monarch Landing CUSIP #45200FCQ0-FCV9	2007A	IFA	128,745,000	12/01/2042	February 2010 Amended Forbearance Agreement; June 2010 Chapter 11 Filing Notice of bankruptcy filing
MJH Education Assistance Illinois IV CUSIP #'s 45202QAA1; AM5; AQ6	2004A 2004B 2004C	IFA	57,425,000 14,805,000 13,800,000	06/01/2035 06/01/2035 06/01/2035	Lead Bondholder took over management of the property in Fall 2007. Non-payment Default; last principal or interest payment on 06/01/2008; partial interest payment made on 10/23/2009. September Bondholder Call discussed leasing status for upcoming semester and payment [on 09/16/2010] of unpaid interest originally due on 12/01/2009 plus default interest.
Leafs Hockey Club CUSIP # 45202UAF1-UAH7	2007A 2007B	IFA	18,880,000 1,120,000	03/01/2037 03/01/2014	March/September 2010 partial interest payments
United Sports Organization of Barrington 45202UAK0 – UAN4	2007A-1 2007A-2 2007B	IFA	23,430,000 2,070,000 3,000,000	10/01/2037 10/01/2017 10/01/2017	Unscheduled draw on the debt service reserve fund; Event of Default Mechanics' and materialmen's liens for non payment.
Midwest Regional Medical Center	2006		45,000,000	10/01/2046	June 2010 Financial Statements; non-compliance in Current Ratio [1.05 s/b 1.25]; Days Cash on Hand [37.36 s/b 90.00] and Debt Service Coverage [0.60 s/b 1.20].
First Friends Day Care Center	2002	IDFA	647,630	12/25/2017	Ceased Operation on July 30th due to inability to resolve IRS tax issue as well as funding shortfalls due to the State of Illinois' failure to reimburse Day Care Center for what was owed.

Illinois Finance Authority
Participation Loans and Agriculture Guaranteed Loan
Internal Loan Portfolio Watch List
September 30, 2010

Participation Loans Under Watch

IFA Loan Number	Bank/Lender	Orig Loan Amount	Outstanding Balance	Maturity Date	Days Delinquent
Delinquent Loan(s)					
Business					
B-LL-TX-6224	MORTON COMMUNITY BANK	300,000	242,600	10/23/2014	30+
B-LL-TX-668	SHOREBANK	1,000,000	959,629	04/01/2017	30+
B-LL-TX-573	FIRST SECURITY BANK OF MACKINAW	300,000	237,460	11/07/2025	30+
		1,600,000	1,439,689		
**** FmHA**					
		-	-		
Total Delinquent Loans		**1,600,000**	**1,439,689**		

Guaranteed Loans Under Watch

IFA Loan Number	Bank Name	Orig. Loan Amount	Outstanding Balance	Maturity Date	Guarantee Balance at 85%
2007-SL-0101	COMMUNITY STATE BANK OF ROCK FALLS	292,000	136,022	05/18/17	115,618
2005-DR-0601	CASTLE BANK - SANDWICH	400,000	329,717	07/25/20	280,259
2004-AI-0078	FLANAGAN STATE BANK - EL PASO	285,000	285,000	08/24/20	242,250
2008-DR-0801	LITCHFIELD NATIONAL BANK	500,000	484,767	09/15/23	412,052
Total Guaranteed Loans Under Watch		**1,477,000**	**1,235,506**		**1,050,179**

**Loan Noted in August 2010 report came current

MINUTES OF THE SEPTEMBER 14, 2010 MEETING OF THE COMMITTEE OF THE WHOLE OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held a Committee of the Whole Meeting at 8:30 a.m. on September 14, 2010, at the Chicago Office of the IFA at 180 N. Stetson, Suite 2555, Chicago, IL 60601.

Members Present: 1. William A. Brandt Jr., Chairman 2. Michael Goetz, Vice Chairman 3. Dr. William Barclay 4. John "Jack" Durburg 5. James J. Fuentes 6. Terrence M. O'Brien 7. Heather Parish 8. Roger Poole	**Members Absent**: 9. Ronald E. DeNard 10. Norm Gold 11. Dr. Roger Herrin 12. Edward Leonard 13. Juan B. Rivera 14. Joseph McInerney 15. Bradley A. Zeller **Members Participating by Telephone**: None **Vacancies**: None	**Staff Present**: Christopher Meister, Executive Director Brendan Cournane, General Counsel Kim Du'Prey, Sr. Funding Manager Brad Fletcher, Paralegal Rich Frampton, Vice President Arthur Friedson, Chief HR Officer Ximena Granda, Asst. CFO Shannon Govia, Funding Mgr Assoc. Pam Lenane, VP Healthcare Ahad Syed, Administrative Asst. **Staff Participating by Telephone**: Eric Reed, Regional Manager **Others Present**: Lois Scott, President, Scott Balice Courtney Shea, Sr. VP, Acacia Financial Shannon Williams, Assoc., Scott Balice

Call to Order

Chairman Brandt called the meeting to order at 8:43 a.m. with the above members present. He welcomed Members of the Board, IFA staff, and guests present to the meeting.

Chairman's Remarks

Chairman Brandt thanked the Members of the Board and IFA Staff for being present and introduced the IFA's newest appointee to the Board—Ms. Heather Parish. Chairman Brandt asked Director Meister to present his message.

Executive Director's Presentation

Director Meister thanked the Chairman and began his presentation. Director Meister noted that Chairman Brandt and Vice Chairman Goetz had been reappointed to the Board. Director Meister explained that Mr. Bashir had obtained a position at the State Board of Investment and thanked him for serving on the Board. Director Meister explained to the Board that an e-mail he received that morning notified him of a future appointment to the Board. The current number of Board Members will come to fifteen, a full board, with the successful appointment of Mr. Norm Gold.

Director Meister expanded upon the IFA's close cooperation with the Governor's Office on the Navistar project using a new statue passed by the Illinois General Assembly (HB 2369—P.A. 096-1020) that allows the pooling of Recovery Zone volume cap. Director Meister explained the importance of pooling this highly valuable but expiring resource thorough the IFA as a conduit financier. The Director explained that the IFA pools unused volume cap (waived on a voluntary basis) to finance and issue conduit debt. Furthermore, Director Meister explained to the Board how the IFA's staff is reporting, on a periodic timeline, the amount of volume cap waived to the IFA. He thanked Mr. Frampton and Ms. Du'Prey for their diligent work on the Navistar and Recovery Zone volume cap projects.

Director Meister then explained an important segment of the IFA financial picture—Continuing Care Retirement Communities ("CCRCs"). He noted that the IFA has been working with CCRCs, such as the Greenfields of Geneva, for a long time and hopes to maintain long-standing relationships with these borrowers. Director Meister explained that CCRCs, in addition to playing a large role in the IFA's financing, play a fundamental role in healthcare and the well-being of many elderly individuals and workers in Illinois. Director Meister expects CCRCs to grow with the aging of the general population. He thanked Ms. Lenane for her hard work on September's healthcare projects.

Director Meister explained the personnel changes. With the departure of Ms. Towers the IFA is looking for someone with a competent background to serve as Chief Credit Officer as well as Chief Financial Officer. There is some general discussion on whether the two roles should be vested in one individual or separated for two individuals.

Chairman Brandt thanked Director Meister for his presentation and asked for the senior staff reports.

Senior Staff Reports

Ms. Granda presented the financials. She explained that the gross revenue year-to-date for August was $1.4 Million or $548,000 over budget. Total operating expenses were $828,000 or $3,000 below budget. Year-to-date net income for the month of fiscal month of August was $633,000 or $551,000 higher then budget and $36,000 lower than the same period last fiscal year. Ms. Granda said that the ongoing audit of the IFA is scheduled to last into November.

Chairman Brandt thanked Ms. Granda for her presentation and asked Mr. Friedson for his report.

Mr. Friedson explained that he and Dr. Herrin have looked into the area of energy efficiency. He explained that there is currently greater demand for energy efficiency projects. Mr. Friedson noted, however, that there are different demands in various sectors of energy efficiency. Currently the greatest demand comes from retro-fitting old factories with newer components. He explained that in the current economic climate many companies see this as an attractive, more viable alternative that brings down the high cost of construction and brings work to job-hungry communities.

Committee Reports

Mr. Reed, calling in by telephone, presented the Agriculture Committee report. He explained that the three Beginning Farmer Bonds closing this month are utilizing a subordinate financing from the US Department of Agriculture.

Mr. Govia presented the Healthcare Committee Report. Mr. Govia explained that the Healthcare Committee did not reach quorum and will informally recommend its findings to the Board for approval.

Project Reports

Agriculture

Mr. Reed presented the following projects for approval:

No. 1A: Derek R. Fritschle - $125,000 – 78 acres

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not to exceed $125,000 for the purchase of approximately 78 acres of farmland with buildings and grain bins. This project is located in unincorporated Richland County, near Olney, IL.

No. 1B: Shawn P. & Amy S. Krass - $205,000 – 20 acres

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not to exceed $205,000 for the purchase of approximately 20 acres of farmland with buildings and used equipment. This project is located in unincorporated McHenry County, near Garden Prairie, IL.

No. 1C: Brett Allan Richter - $150,600 – 46 acres

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not to exceed $150,600 for the purchase of approximately 46 acres of farmland with buildings and used equipment. This project is located in unincorporated Clinton County, near Highland, IL.

Business and Industry

Ms. Du’Prey presented the following project for approval:

No. 2 KONE Centre Investment Fund, LLC – $21,000,000 – Final

KONE Centre Investment Fund, LLC is requesting approval of a Final Bond Resolution in an amount not-to-exceed $21,000,000. Bond proceeds of the proposed IFA Series 2010 Midwest Disaster Area Bonds will be combined with other sources of debt and equity, and will be loaned to KONE Centre Investment Fund LLC (as the "Borrower"), with such proceeds ultimately, through a series of transactions and loans attributable to the underlying New Market Tax Credit structure to Financial District Properties KP, LLC (the "Owner"), Illinois limited liability company, to finance costs associated with the acquisition, construction, and equipping of a new, approximately 115,000 sq. ft., 8-story, multi-use office and residential building to be located on an approximately 2.184 acre site at One KONE Court (at the SE intersection of Seventeenth (17th) Street and Second (2nd) Avenue in Moline (Rock Island County), Illinois, and to finance costs of issuance on the subject Bonds (and collectively, the "Project"). The Project will be owned by the Owner and leased by the Owner to KONE, Inc. KONE will be the anchor tenant of the Project. Other portions of the Project will be leased to and used by various retail, office, and other commercial tenants. The Eight (8th) Floor of the Project will be sold as multi-family condominiums and will be financed separately by the Owner.

Mr. Frampton presented the following projects for approval:

No. 3 Navistar International Corporation - $145,000,000 – Final

Navistar International Corporation is requesting the approval of a Final Bond Resolution in an amount not-to-exceed $145,000,000. Bond proceeds will finance (i) a portion of the cost of acquiring, constructing, equipping and installing certain qualified capital improvements at nine buildings comprising approximately 1.224 Million Square Feet of space located at 2601-2701 Lucent Lane in the City of Lisle, Illinois, (ii) constructing various building additions currently estimated to add 26,420 Square Feet of space to certain of the buildings, (iii) finance leasehold improvements and equipping related to an existing 522,520 SF warehouse facility that will be expanded to 860,000 SF located at 2700 Haven in the City of Joliet, Illinois 60435 prior to occupancy by Navistar (collectively, the "Project"), (iv) pay capitalized interest during construction of the Project, if deemed necessary or advisable, and (v) to pay certain costs of issuance of the Bonds.

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

The Peoples Gas Light and Coke Company is requesting approval of a Final Bond Resolution in an amount not-to-exceed $50,000,000. Bond proceeds will be combined with corporate funds of the Company, to current refund and prepay, in advance of their maturity, 100% of the outstanding principal of the Company's Illinois Development Finance Authority Series 2003B Gas Supply Refunding Revenue Bonds which were issued to refund prior City of Chicago, Adjustable Rate Gas Supply Revenue Bonds, Series 2000A, which, in turn refunded prior Series 1985B Bonds originally issued by the City of Chicago. Proceeds of the

Bonds were originally used to finance a portion of the costs of acquiring, constructing, and improving certain gas supply facilities located wholly within the corporate boundaries of the City of Chicago.

No. 5 **950 Sivert Street LLC, an Illinois limited liability company to be formed on behalf of Wiegel Tool Works, Inc. and its affiliates, successors, or assigns - $4,200,000 – Preliminary**

950 Sivert LLC, an Illinois limited liability company to be formed, on behalf of Wiegel Tool Works, Inc. and its affiliates, successors, or assigns is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed $4,200,000. IFA Bond Proceeds will be combined with other funds of the Borrower, Wiegel Tool Works, Inc., or one or more of its affiliates, to finance the acquisition of a vacant industrial building located at 950 Sivert Street, Wood Dale, Illinois. Additionally, bond proceeds will be used to pay bond issuance costs.

Local Government

Ms. Du'Prey presented the following projects for approval:

No. 6 **City of East St. Louis - $2,500,000 - Final**

The City of East St. Louis is requesting the approval of a Final Bond Resolution in an amount not-to-exceed $2,500,000 will current refund: i) IFA (IDFA) Revenue Refunding Bonds, Series 2003, $1,095,000 in outstanding principal, 5.00% due 11/15/2010 at par, plus accrued interest of $116,500, and ii) IFA Revenue Refunding Bonds, Series 2005, $555,000 in outstanding principal, 5.00% due 11/15/2010 at par, plus accrued interest of $59,875, iii) capitalize certain reserves (including debt service reserve), and iv) to pay costs of issuance.

Mr. Govia presented the following projects for approval:

Healthcare

No. 7 **Little Company of Mary Hospital – $75,000,000 – Final**

Little Company of Mary is requesting approval of a Final Bond Resolution in an amount not-to-exceed $75,000,000. Bond proceeds will be used to: i) pay or reimburse the Little Company of Mary Hospital (the "Corporation") or one or more of its affiliates for the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Corporation and its affiliates; ii) pay a portion of the interest on the bonds, if deemed necessary or advisable by the Corporation; iii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Corporation; iv) provide working capital, if deemed necessary or advisable by the Corporation; and v) pay certain expenses incurred in connection with the issuance of the bonds.

No. 8 Provena Hospital – $75,000,000 – Final

Provena Hospital is requesting a Final Bond Resolution in an amount not-to-exceed $75,000,000. Proceeds will be used to 1) to reimburse Provena for prior system-wide capital expenditures and 2) to pay costs of issuance.

No. 9 Beloit Health System – $42,000,000 – Preliminary

Beloit Health System is requesting a Preliminary Bond Resolution in an amount not-to-exceed $42,000,000. Proceeds will be used to 1) Refinance Series 2006A bonds and 2) pay costs of issuance.

Resolutions

Mr. Cournane presented the following resolutions for approval:

No. 10 Resolution to approve an Amended and Restated Trust Indenture and a First Amendment to the Loan Agreement, which provides for the addition of a new interest rate mode, and related matters in connection with the Outstanding 501(c)(3) Revenue Bonds (The Thresholds Project Series 2005)

No. 11 Resolution to approve an Amended and Restated Indenture of Trust and an Amended and Restated Loan Agreement related to the Revenue Refunding Bonds, Series 1999A (Beacon Hill), Revenue Refunding Bonds, Series 2005A (Beacon Hill), and Revenue Refunding Bonds, Series 2005B (Beacon Hill) extendable rate adjustable securities (EXTRAS) issued by the Illinois Finance Authority and predecessors

No. 12 Resolution authorizing the execution and delivery of a First Supplemental Bond Trust Indentures relating to the Variable Rate Demand Revenue Bonds, Series 2008E issued for the benefit of Elmhurst Memorial Healthcare to revise qualifications of the Remarketing Agent

No. 13 Resolution Authorizing an Amendment to the Series 1995 & Series 1996 Bond Trust Indenture and Loan Agreements to provide for the issuance of beneficial interests in the Series 1995 Bonds and the Series 1996 Bonds through a book entry only system (NorthShore University Health System)

No. 14 Resolution in Support of FutureGen 2.0

No. 15 Delegation of Signatory Authority to Certain Officers

Other Business

None.

Closing Remarks

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

Adjournment

Vice Chairman Goetz moved to adjourn the meeting. Dr. Barclay seconded the motion which was then unanimously approved by the Board.

The meeting adjourned at 11:20 a.m.

Respectfully submitted by
Ahad Syed
Administrative Assistant
Assistant Board Secretary

MINUTES OF THE SEPTEMBER 14th, 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, September 14, 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. Michael Goetz, Vice Chairman 3. Dr. William Barclay 4. John "Jack" Durburg 5. James J. Fuentes 6. Joseph McInerney 7. Terrence M. O'Brien 8. Heather Parish 9. Roger Poole	**Members Absent**: 10. Ronald E. DeNard 11. Norm Gold 12. Dr. Roger Herrin 13. Edward Leonard 14. Juan B. Rivera 15. Bradley A. Zeller **Members Participating by Telephone**: None. **Vacancies**: None	**Staff Present**: Christopher Meister, Executive Director Brendan Cournane, General Counsel Kim Du'Prey, Sr. Funding Manager Brad Fletcher, Paralegal Rich Frampton, Vice President Arthur Friedson, Chief HR Officer Shannon Govia, Funding Mgr Assoc. Pam Lenane, VP Healthcare Ahad Syed, Administrative Asst. **Staff Participating by Telephone**: Eric Reed, Regional Manager **Others Present**: Lois Scott, President, Scott Balice Courtney Shea, Sr. VP, Acacia Financial Shannon Williams, Assoc., Scott Balice

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 11:32 a.m. with the above Members present. Chairman Brandt welcomed Members of the Board and all guests. He then asked the Assistant Board Secretary Ahad Syed to call the roll. There being nine (9) members physically present Mr. Syed declared the quorum met. Chairman Brandt then called for the Financial Statements for the period ending August 31, 2010 and Minutes for both the August 10, 2010 Committee of the Whole and Board of Directors Meetings.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending August 31, 2010, and minutes for both the August 10, 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 on 8:30 a.m. that day. Chairman Brandt requested a motion to approve the August 31, 2010, financial statements and minutes from both the August 10, 2010, Committee of the Whole and Board of Directors meeting.

The motion was approved by Mr. O'Brien and seconded by Dr. Barclay. The August 30, 2010, Financial Statements and Minutes from both the August 10, 2010, Committee of the Whole and Board of Directors meetings were unanimously approved by the 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. The Vice Chairman explained that all projects are thoroughly vetted by a staff Credit Committee and all agriculture, energy and healthcare projects are also reviewed at their respective committee's public meeting 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 approval:

No. 1A: **-- Derek R. Fritschle**
Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed $125,000 for the purchase of approximately 78 acres of farmland with buildings and grain bins. This project is located in unincorporated Richland County, near Olney, IL.

No. 1B: **-- Shawn P. and Amy S. Krass**
Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed $205,000 for the purchase of approximately 20 acres of farmland with buildings and grain bins. This project is located in unincorporated McHenry County, near Garden Prairie, IL.

No. 1C: **-- Brett Alan**
Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed $150,600 for the purchase of approximately 46 acres of farmland. This project is located in unincorporated Clinton County, near Highland, IL.

No guests attended with respect to Project No. 1A, 1B, or 1C. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1A, 1B or 1C. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1A, 1B and 1C. Nos. 1A, 1B and 1C received approval with 9 ayes, 0 nays, and 0 abstentions.

No. 2 **KONE Centre Investment Fund, LLC**

KONE Centre Investment Fund, LLC is requesting approval of a Final Bond Resolution in an amount not-to-exceed $21,000,000. Bond proceeds of the proposed IFA Series 2010 Midwest Disaster Area Bonds will be combined with other sources of debt and equity, and will be loaned to KONE Centre Investment Fund LLC (as the "Borrower"), with such proceeds ultimately, through a series of transactions and loans attributable to the underlying New Market Tax Credit structure to Financial District Properties KP, LLC (the "Owner"), and Illinois limited liability company, to finance costs associated with the acquisition, construction, and equipping of a new, approximately 115,000 sq. ft., 8-story, multi-use office and residential building to be located on an approximately 2.184 acre site at One KONE Court (at the SE intersection of Seventeenth (17^{th}) Street and Second (2^{nd}) Avenue in Moline (Rock Island County), Illinois, and to finance costs of issuance on the subject Bonds (and collectively, the "Project"). The Project will be owned by the Owner and leased by the Owner to KONE, Inc. KONE will be the anchor tenant of the Project. Other portions of the Project will be leased to and used by various retail, office, and other commercial tenants. The Eight (8^{th}) Floor of the Project will be sold as multi-family condominiums and will be financed separately by the Owner.

No. 4 The Peoples Gas Light and Coke Company

The Peoples Gas Light and Coke Company is requesting approval of a Final Bond Resolution in an amount not-to-exceed $50,000,000. Bond proceeds will be combined with corporate funds of the Company, to current refund and prepay, in advance of their maturity, 100% of the outstanding principal of the Company's Illinois Development Finance Authority Series 2003B Gas Supply Refunding Revenue Bonds which were issued to refund prior City of Chicago, Adjustable Rate Gas Supply Revenue Bonds, Series 2000A, which, in turn refunded prior Series 1985B Bonds originally issued by the City of Chicago. Proceeds of the Bonds were originally used to finance a portion of the costs of acquiring, constructing, and improving certain gas supply facilities located wholly within the corporate boundaries of the City of Chicago.

No. 5 950 Sivert Street LLC, an Illinois limited liability company to be formed on behalf of Wiegel Tool Works, Inc. and its affiliates, successors, or assigns

950 Sivert LLC, an Illinois limited liability company to be formed, on behalf of Wiegel Tool Works, Inc. and its affiliates, successors, or assigns is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed $4,200,000. IFA Bond Proceeds will be combined with other funds of the Borrower, Wiegel Tool Works, Inc., or one or more of its affiliates, to finance the acquisition of a vacant industrial building located at 950 Sivert Street, Wood Dale, Illinois. Additionally, bond proceeds will be used to pay bond issuance costs.

No. 6 City of East St. Louis

The City of East St. Louis is requesting the approval of a Final Bond Resolution in an amount not-to-exceed $2,500,000 will current refund: i) IFA (IDFA) Revenue Refunding Bonds, Series 2003, $1,095,000 in outstanding principal, 5.00% due 11/15/2010 at par, plus accrued interest of $116,500, and ii) IFA Revenue Refunding Bonds, Series 2005, $555,000 in outstanding principal, 5.00% due 11/15/2010 at par, plus accrued interest of $59,875, iii) capitalize certain reserves (including debt service reserve), and iv) to pay costs of issuance.

No. 7 Little Company of Mary Hospital

Little Company of Mary is requesting approval of a Final Bond Resolution in an amount not-to-exceed $75,000,000. Bond proceeds will be used to: i) pay or reimburse the Little Company of Mary Hospital (the "Corporation") or one or more of its affiliates for the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Corporation and its affiliates; ii) pay a portion of the interest on the bonds, if deemed necessary or advisable by the Corporation; iii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Corporation; iv) provide working capital, if deemed necessary or advisable by the Corporation; and v) pay certain expenses incurred in connection with the issuance of the bonds.

No. 8 Provena Hospital

Provena Hospital is requesting a Final Bond Resolution in an amount not-to-exceed $75,000,000. Proceeds will be used to 1) to reimburse Provena for prior system-wide capital expenditures and 2) to pay costs of issuance.

No. 9 Beloit Health System

Beloit Health System is requesting a Preliminary Bond Resolution in an amount not-to-exceed $42,000,000. Proceeds will be used to 1) Refinance Series 2006A bonds and 2) pay costs of issuance.

No guests attended with respect to Project Nos. 2, 4, 5, 6, 7 or 8. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 2, 4, 5, 6, 7 or 8. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 2, 4, 5, 6, 7 and 8. Project Nos. 2, 4, 5, 6, 7 and 8 received approval with 9 ayes, 0 nays, and 0 abstentions.

No. 3 Navistar International Corporation

Navistar International Corporation is requesting the approval of a Final Bond Resolution in an amount not-to-exceed $145,000,000. Bond proceeds will finance (i) a portion of the cost of acquiring, constructing, equipping and installing certain qualified capital improvements at nine buildings comprising approximately 1.224 Million Square Feet of space located at 2601-2701 Lucent Lane in the City of Lisle, Illinois, (ii) constructing various building additions currently estimated to add 26,420 Square Feet of space to certain of the buildings, (iii) finance leasehold improvements and equipping related to an existing 522,520 SF warehouse facility that will be expanded to 860,000 SF located at 2700 Haven in the City of Joliet, Illinois 60435 prior to occupancy by Navistar (collectively, the “Project”), (iv) pay capitalized interest during construction of the Project, if deemed necessary or advisable, and (v) to pay certain costs of issuance of the Bonds.

Mr. Frampton introduced Mr. Luganville of Navistar. Mr. Luganville thanked the Members of the Board, Director Meister and Mr. Frampton for welcoming him to the meeting. Mr. Luganville displayed a schematic to the Board Members and the audience of the Lisle Campus. Mr. Luganville explained that Navistar is looking to move its world headquarters to Lisle, IL. Navistar is expecting the project to be a 860,000 square foot expansion. Chairman Brandt thanked Mr. Luganville for his presentation and for bringing jobs to the State and Chicagoland region.

Chairman Brandt asked if the Board had any questions with respect to Project No. 3. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 3. Project No. 3 received approval with 9 ayes, 0 nays, and 0 abstentions.

No. 10 **Resolution to approve an Amended and Restated Trust Indenture and a First Amendment to the Loan Agreement, which provides for the addition of a new interest rate mode, and related matters in connection with the Outstanding 501(c)(3) Revenue Bonds (The Thresholds Project Series 2005)**

No. 11 **Resolution approve an Amended and Restated Indenture of Trust and an Amended and Restated Loan Agreement related to the Revenue Refunding Bonds, Series 1999A (Beacon Hill), Revenue Refunding Bonds, Series 2005A (Beacon Hill), and Revenue Refunding Bonds, Series 2005B (Beacon Hill) extendable rate adjustable securities (EXTRAS) issued by the Illinois Finance Authority and predecessors**

No. 12 **Resolution authorizing the execution and delivery of a First Supplemental Bond Trust Indentures relating to the Variable Rate Demand Revenue Bonds, Series 2008E issued for the benefit of Elmhurst Memorial Healthcare to revise qualifications of the Remarketing Agent**

No. 13 **Resolution Authorizing an Amendment to the Series 1995 & Series 1996 Bond Trust Indenture and Loan Agreements to provide for the issuance of beneficial interests in the Series 1995 Bonds and the Series 1996 Bonds through a book entry only system (NorthShore University Health System)**

No. 14 **Resolution in Support of FutureGen 2.0**

No. 15 **Delegation of Signatory Authority to Certain Officers**

No guests attended with respect to Resolutions Nos. 10, 11, 12, 13, 14, or 15. Chairman Brandt asked if the Board had any questions with respect to Resolutions Nos. 10, 11, 12, 13, 14, or 15. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolutions Nos. 10, 11, 12, 13, 14, and 15. Resolutions Nos. 10, 11, 12, 13, 14, or 15 received approval with 9 ayes, 0 nays, and 0 abstentions.

Other Business

None.

Adjournment

The Chairman then asked if there was any other business to come before the Board. Hearing none, Chairman Brandt requested a motion to adjourn. Upon a motion by Mr. O'Brien and seconded by Vice Chairman Goetz, the Board unanimously voted to adjourn at 11:59 a.m.

Respectfully submitted by
Ahad Syed
Administrative Assistant
Assistant Board Secretary

ILLINOIS FINANCE AUTHORITY
Memorandum

To: IFA Board of Directors

From: Eric Reed

Date: October 12, 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: $1,094,000**
- **Calendar Year Summary:** (as of October 12, 2010)
  - Volume Cap: $25,000,000
  - Volume Cap Committed: $8,611,639
  - Volume Remaining: $16,388,365
  - Average Acreage Farm Size: 78
  - Number of Farms Financed: 48
- **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-8399**
Funding Manager:	Eric Reed
Borrower(s):	**Stahl, Rodney Lynn**
Borrower Benefit:	First Time Land Buyer
Town:	Brimfield, IL
IFA Bond Amount:	**$122,500**
Use of Funds:	Farmland – 50 acres
Purchase Price:	$275,000 / ($5,500 per ac)
%Borrower Equity	11%
% USDA Farm Service Agency	44.5% *(Subordinate Financing)*
%IFA	44.5%
County/Region:	Stark / North Central
Lender/Bond Purchaser	State Bank of Speer / Steve Leuthold
Legislative Districts:	Congressional: 18th, Aaron Schock
	State Senate: 37th, Dale Risinger
	State House: 73rd, David Leitch

Principal shall be paid annually in installments determined pursuant to a Twenty five year amortization schedule, with the first principal payment date to begin on February 1, 2012. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on February 1, 2012 with the twenty fifth and final payment of all outstanding balances due twenty five years from the date of closing.

B.

Project Number:	**A-FB-TE-CD-8400**
Funding Manager:	Eric Reed
Borrower(s):	**Stahl, Kendall**
Borrower Benefit:	First Time Land Buyer
Town:	Brimfield, IL
IFA Bond Amount:	**$137,500**
Use of Funds:	Farmland – 50 acres
Purchase Price:	$275,000 / ($5,500 per ac)
%Borrower Equity	5%
%USDA Farm Service Agency	45% *(Subordinate Financing)*
%IFA	50%
County/Region:	Stark / North Central
Lender/Bond Purchaser	State Bank of Speer / Steve Leuthold
Legislative Districts:	Congressional: 18th, Aaron Schock
	State Senate: 37th, Dale Risinger
	State House: 73rd, David Leitch

Principal shall be paid annually in installments determined pursuant to a Twenty five year amortization schedule, with the first principal payment date to begin on February 1, 2012. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on February 1, 2012 with the twenty fifth and final payment of all outstanding balances due twenty five years from the date of closing.

C.

Project Number:	**A-FB-TE-CD-8401**
Funding Manager:	Eric Reed
Borrower(s):	**Rosenthal, Darin T.**
Borrower Benefit:	First Time Land Buyer
Town:	Raymond, IL
IFA Bond Amount:	**$250,000**
Use of Funds:	Farmland – 80 acres
Purchase Price:	$593,900 / ($7,424 per ac)
%Borrower Equity	5%
%USDA Farm Service Agency	45% *(Subordinate Financing)*
%IFA	50%
County/Region:	Montgomery / Central
Lender/Bond Purchaser	First National Bank of Litchfield / Kevin Niemann
Legislative Districts:	Congressional: 19th, John Shimkus
	State Senate: 49th, Deanna Demuzio
	State House: 98th, Betsy Hannig

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-8402**
Funding Manager:	Eric Reed
Borrower(s):	**Truckenbrod, Steven**
Borrower Benefit:	First Time Land Buyer
Town:	Warrenville, IL*(Residence)* *Unincorporated Ogle Co.-(Project)*
IFA Bond Amount:	**$104,000**
Use of Funds:	Farmland – 40 acres
Purchase Price:	$208,000 / ($5,200 per ac)
%Borrower Equity	5%
%USDA Farm Service Agency	45% *(Subordinate Financing)*
%IFA	50%
County/Region:	Ogle / Northern Stateline
Lender/Bond Purchaser	First National Bank of Rochelle / Steven Pfiefer
Legislative Districts:	Congressional: 14th, Bill Foster
	State Senate: 48th, Randy Hultgren
	State House: 95th, Mike Fortner

Principal and interest shall be paid annually in fifteen installments, with the first fourteen principal and interest installments pursuant to a thirty year amortization schedule. The first payment date shall be one year from the date hereof and successive payment dates shall be at one year intervals thereafter, with the fifteenth and final balloon payment of all principal and interest then outstanding due fifteen years from the date hereof.

E.

Project Number:	**A-FB-TE-CD-8403**	
Funding Manager:	Eric Reed	
Borrower(s):	**Stephens, Douglas D. & Cindy J.**	
Borrower Benefit:	First Time Land Buyer	
Town:	Forrest, IL	
IFA Bond Amount:	**$240,000**	
Use of Funds:	Farmland – Undivided ½ interest of 120 acres (60)	
Purchase Price:	$240,000 / ($4,000 per ac)	
%Borrower Equity	0%	
%Other	0%	
%IFA	100%	
County/Region:	Livingston / North Central	
Lender/Bond Purchaser	Bluestem National Bank / Brad Brown	
Legislative Districts:	Congressional:	15th, Timothy Johnson
	State Senate:	53rd, Dan Rutherford
	State House:	105th, 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 on February 1, 2012. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on February 1, 2012 with the twenty five and final payment of all outstanding balances due twenty five years from the date of closing.

F.

Project Number:	**A-FB-TE-CD-8404**	
Funding Manager:	Eric Reed	
Borrower(s):	**Stephens, Derek D. & Brynn A.**	
Borrower Benefit:	First Time Land Buyer	
Town:	Dwight, IL	
IFA Bond Amount:	**$240,000**	
Use of Funds:	Farmland – Undivided ½ interest of 120 acres (60)	
Purchase Price:	$240,000 / ($4,000 per ac)	
%Borrower Equity	0%	
%Other	0%	
%IFA	100%	
County/Region:	Livingston / North Central	
Lender/Bond Purchaser	Bluestem National Bank / Brad Brown	
Legislative Districts:	Congressional:	15th, Timothy Johnson
	State Senate:	53rd, Dan Rutherford
	State House:	105th, 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 on February 1, 2012. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on February 1, 2012 with the twenty five and final payment of all outstanding balances due twenty five years from the date of closing.

CONDUIT

October 12, 2010

$5,500,000
PKY Properties, LLC and Fabrication Technologies, Inc.

REQUEST	**Purpose:** To enable Fabrication Technologies, Inc. to expand its existing Libertyville operations through the acquisition, renovation and equipping of an approximately 75,324 square foot ("SF") building located near the Company's existing 85,000 SF manufacturing facility in Libertyville. **Program:** Industrial Revenue Bonds **Volume Cap required:** This project is expected to require up to $5.50MM of IFA 2010 Volume Cap. The project is located in Libertyville, a Non Home Rule municipality. No IFA Funds at risk. No State Funds at risk.
BOARD ACTION	Final Bond Resolution This is the first time this project has been presented to the IFA Board.
MATERIAL CHANGES	Not applicable. This is the first time this project has been presented to the IFA Board.
JOB DATA	119 Current jobs; 34 New jobs projected N/A Retained jobs; 15 (3 months) Construction jobs projected
BORROWER DESCRIPTION	● Type of entity: Design and manufacturing of dies, custom tooling, assembly, and production jobs. ● Location: Libertyville/Lake/Northeast ● PKY Properties, LLC is a Special Purpose Entity (SPE) formed by the principals of Fabrication Technologies, Inc. to own this project as part of the proposed financing structure. ● The new facility will be leased to and used by Fabrication Technologies, Inc. in their manufacturing operation. Certain assets may be owned directly by Fabrication Technologies, Inc.
CREDIT INDICATORS	● Bonds will be purchased directly by Libertyville Bank & Trust Co. (Wintrust Bank) as an investment. Libertyville Bank & Trust Co. will be the Direct Purchaser/Lender.
STRUCTURE	Term: 25 years (it is anticipated that real estate will be amortized over up to 25 years and equipment over 7 years) Rate: The Bonds will be priced at a fixed rate estimated at a range of between 4.25% and 5.00% for an initial period of 5 years (and extendable thereafter in 5 years increments until maturity in 25 years).

SOURCES AND USES

IFA Bonds	$5,550,000	Project Cost:	$6,060,000
Equity	660,000	Costs of Issuance	100,000
Total	**$6,160,000**	**Total**	**$6,160,000**

RECOMMENDATION Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 12, 2010

Project: PKY Properties, LLC and Fabrication Technologies, Inc

STATISTICS

IFA Project:	I-ID-TE-CD-8406	Amount:	$5,500,000 (not-to-exceed amount)
Type:	Industrial Revenue Bonds	IFA Staff:	Rich Frampton
Location:	Libertyville	County/ Region:	Lake / Northeast

BOARD ACTION

Final Bond Resolution (One-Time Approval)
Conduit Industrial Revenue Bonds — No IFA funds at risk
Credit committee recommends approval — No extraordinary conditions

VOTING RECORD

None – this is the first time this matter has been presented to the IFA Board of Directors.

PURPOSE

To enable Fabrication Technologies, Inc. to expand its existing Libertyville operations through the acquisition, renovation and equipping of an approximately 75,324 SF building located near the Company's existing 85,000 SF manufacturing facility in Libertyville.

IFA PROGRAM AND CONTRIBUTION

The Authority's Industrial Revenue Program provides tax-exempt financing for qualifying manufacturing projects.

VOLUME CAP

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. It is anticipated that IFA will provide 100% of the Volume Cap allocation required to finance this project. The Village of Libertyville is a Non Home Rule Unit.

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds (IRB)	$ 5,500,000	**Uses:**	Project Costs	$ 6,060,000
	Equity	$ 660,000		Costs of Issuance	$ 100,000
	Total:	**$ 6,160,000**		**Total:**	**$ 6,160,000**

JOBS

Current employment:	119	Projected new jobs:	34
Jobs retained:	N/A	Construction jobs:	15 (3 months)

FINANCING SUMMARY

Structure/Credit Enhancement:	Conduit Industrial Revenue Bonds that will be purchased directly and held as a direct investment by Libertyville Bank & Trust Co., which serves as the secured lender to the Co-Borrowers.
Interest Rate:	The Bonds will be priced at a fixed rate estimated at a range of between 4.25% and 5.00% for an initial period of 5 years (and extendable thereafter in 5 years increments until maturity in 25 years).
Credit Rating:	Not applicable. The Bonds will be purchased directly by Libertyville Bank & Trust Co. (i.e., all Banks are considered Accredited Investors pursuant to IFA's Bond Program Handbook).
Bank Collateral:	Libertyville Bank & Trust Co. will be secured by a first mortgage on the subject property, a first lien on the financed equipment, and a collateral assignment of Rents and Leases. Both PKY Properties and Fabrication Technologies, Inc. will be signing the Bond and Loan Agreement as Co-Borrowers. Additionally, all loans by Libertyville Bank & Trust Co. to PKY Properties, LLC and Fabrication Technologies, Inc. will be cross-collateralized and cross-defaulted.
Maturity:	25 Years on real estate assets; 7 years on equipment assets
Closing:	October 2010 – November 2010

BUSINESS SUMMARY

Description: **PKY Properties, LLC** (the "**LLC**"), is an Illinois limited liability company established under Illinois law by the principal shareholder of **Fabrication Technologies, Inc.** (also, "**FabTech"** or the "**Operating Company**"), an Illinois Corporation, as a special purpose entity to purchase and own real estate related to a new facility to be leased to FabTech and located at 1900-1920 Enterprise Court in Libertyville (Lake County), directly across the street from FabTech's existing manufacturing facility and headquarters.

FabTech was originally established in 1967 and is 100% owned by Mr. Paul Kelly, President.

The LLC is 81%-owned (i.e., controlled) by Mr. Paul Kelly. The Economic Disclosure Statement section of this report (see page 4) provides specific ownership information.

Background: FabTech is a contract manufacturer that specializes in design engineering, sheet metal fabrication, finishing (powder coating), and assembly for component parts used in a variety of industries including: medical equipment, electronics, gaming, telecommunications, commercial cooking equipment, and other industries. FabTech is ISO9001:2000 certified.

Fabrication Technologies headquarters are in Libertyville with an additional facility (sales office/showroom) located in Las Vegas, NV.

FabTech's niche is to work collaboratively with its customers to design engineer solutions for its customers to minimize production costs and reduce production lead times. FabTech's shop floor features Computerized Numerical Control ("CNC") Punch Presses, Laser Cutting machines; CNC Spot Welding Machines; and automated forming/robotics equipment.

FabTech's IGM Solutions unit provides a variety of contract manufacturing and assembly services, including mechanical and electro-mechanical assembly.

FabTech sells directly through its own sales force to OEM's. FabTech's web site is: www.fabricationtechnologies.com .

Rationale: This project will enable FabTech to expand its current Libertyville operations through the acquisition, renovation, and equipping of the 1900-1920 Enterprise Court building, which is located across the street from FabTech's existing manufacturing/headquarters facility in

Libertyville. The proposed Industrial Revenue Bond financing will enhance the economic viability of this expansion of its Libertyville manufacturing operations.

The proposed project will enable FabTech to expand its Libertyville operations while eliminate the need to expand or relocate elsewhere to a larger facility (including out-of-state).

PROJECT SUMMARY (for Final Bond Resolution)

Bond proceeds will be used to finance a portion of the costs of acquisition, renovation, and equipping of an existing, approximately 75,324 square foot ("SF") building located on an approximately 3.45 acre site at 1900-1920 Enterprise Court in Libertyville (Lake County), Illinois 60048-9764. Additionally, bond proceeds may be used to pay costs of issuance. The project will be owned by PKY Properties, LLC and leased to Fabrication Technologies, Inc. (PKY Properties, LLC and Fabrication Technologies, Inc. are affiliated through common ownership.)

Estimated (New Money) project costs are as follows:

Land & Building Acquisition	$2,900,000
Building Renovation	400,000
Equipment (both new and existing facility)	2,760,000
Total New Money Project Costs	**$6,060,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	PKY Properties, LLC and Fabrication Technologies, Inc., c/o Ms. Jane Mohapp, Chief Financial Officer, 1925 Enterprise Court, Libertyville, IL 60048 (Lake County), IL 60048; Ph.: 847-362-9800 (x 122); E-mail: JaneM@Fabrication Technologies.com
Website:	www.FabricationTechnologies.com
Project name:	Fabrication Technologies, Inc.
Location:	1900-1920 Enterprise Court, Libertyville, IL 60048-9764
Ownership Information:	All management employees or individuals holding a 7.5% or greater ownership interest in the Applicant and the Borrower are listed below:

(i) **Applicant/Co-Borrower: PKY Properties LLC, an Illinois limited liability company, c/o Fabrication Technologies, Inc., 1925 Enterprise Court, Libertyville, IL**:
Members (membership interests to be determined upon formation of the LLC):
Paul Kelly, Manager: 81.0%
Gregory Coffel Trust (for the benefit of Matthew Coffel): 19.0%

(ii) Tenant/Operating Company/Co-Borrower:
Fabrication Technologies, Inc., an Illinois Corporation:
Paul Kelly, President: 100.0%

PROFESSIONAL & FINANCIAL

General Counsel:	Lerner & Wilhoite	Chicago, IL	Fred Lerner
Accountant:	Dam, Snell & Taveirne, LTD.	Fox Lake, IL	Lenny Dam
Bank/Bond Purchaser:	Libertyville Bank & Trust Co. (Wintrust Banks)	Libertyville, IL	Mike Murphy
Bond Counsel:	Peck Shaffer	Chicago, IL	Tom Smith
Bank Counsel:	Kevin Cahill	Chicago, IL	Kevin Cahill
Bond Trustee:	Not applicable		
Architect:	Partners in Design	Riverwoods, IL	Werner Brisske
General Contractor:	Carlton Construction	Grayslake, IL	Dave Carlton
Rating Agency:	Not applicable (Bank Direct Purchase)		
IFA Counsel:	Requested – Assignment Pending		
IFA Financial Advisor:	Acacia Financial	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional:	8	Melissa Bean
State Senate:	26	Dan Duffy
State House:	51	Ed Sullivan, Jr.

CONDUIT

$165,600,000

October 12, 2010 DePaul University

REQUEST	**Purpose**: The proposed project will enable **DePaul University** ("**DePaul**" or the "**Borrower**") to (i) current refund 100% of the outstanding balance of IFA Series 2005B and Series 2005C Bonds (DePaul University Project); (ii) finance construction, renovation, and equipping of new academic buildings located on DePaul's Lincoln Park campus, and finance various other capital improvements at DePaul's Lincoln Park campus in connection with the University's Vision 2012 Project and to finance the buildout of additional space at DePaul's Loop Campus Buildings located at 14 E. Jackson Blvd., 55 E. Jackson Blvd., and at its DePaul Center Building at 333 S. State; (iii) pay capitalized interest during construction, capitalize certain reserve funds, and to pay bond issuance costs, if deemed necessary and desirable by the Borrower. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Preliminary Bond Resolution
MATERIAL CHANGES	None – this is the first time this project has been presented to the IFA Board of Directors.

JOB DATA

2,434	Current jobs	130	New jobs projected (Preliminary; subject to change)
N/A	Retained jobs	40-110	Construction jobs projected (average over 24 months)

DESCRIPTION

- Location: Chicago (Cook County/Northeast Region)
- DePaul's original predecessor was founded in 1898 by the Congregation of the Mission and was known as St. Vincent's College.
- The New Money Series 2011A Bonds will enable DePaul to finance its Vision 2012 and other capital projects associated with both (i) its Lincoln Park master plan and (ii) various improvements at buildings comprising its Downtown/Loop Campus.
- Additionally, the proposed Series 2011B Refunding Bonds will enable DePaul to refinance its Series 2005B-C Bonds (currently priced in a 3 year adjustable rate period that will end as of 4/1/2011 with Refunding Bonds to be repaid over 17 years (i.e., until the scheduled 4/1/2028 final maturity date).

CREDIT INDICATORS

- DePaul is currently rated "A3"/ "A-"/"A-" long-term by Moody's/S&P/Fitch.

PROPOSED STRUCTURE

- The Bonds will be underwritten by Goldman Sachs (Senior Manager) based on the direct, underlying ratings of DePaul University.
- The IFA Series 2011A New Money Revenue Bonds may be sold in bullet maturities or in series to be determined based on market conditions at the time of pricing.
- The Series 2005B-C Bonds will be redeemed and reissued as of 4/1/2010 as IFA Series 2011B Revenue Refunding Bonds and rated by Moody's/S&P and be sold with the same final maturity date (i.e., 4/1/2028) as on the Series 2005B-C Bonds.
- Estimated interest rates range between 4.00% to 5.30% as of 9/20/2010.

SOURCES AND USES

IFA 501(c)(3) Bonds	$115,000,000	Capital Projects	$153,432,000
IFA Refunding Bonds	50,600,000	Refunding Escrow	50,600,000
Borrower Equity	39,260,000	Costs of Issuance	828,000
Total	**$204,860,000**	**Total**	**$204,860,000**

RECOMMENDATION Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 12, 2010

Project: DePaul University

STATISTICS

Project Number:	E-PC-TE-CD-8405	Amount:	Not to exceed $165,600,000 (includes $50.6MM Refunding of IFA Series 2005B and 2005C Bonds)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton
Location:	Chicago	County/ Region:	Cook County/Northeast

BOARD ACTION

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

No IFA funds at risk
No extraordinary conditions

PURPOSE

Bond proceeds will be used to:

1. Current refund 100% of the outstanding balance of IFA Series 2005B and Series 2005C Bonds (DePaul University Project), with a combined principal amount of $50.6 million.
2. Finance construction and equipping of a new academic building located on DePaul's Lincoln Park campus, finance various other capital improvements at DePaul's Lincoln Park campus in connection with the University's Vision 2012 Project, to finance the buildout of additional space at DePaul's Loop Campus Buildings located at 14 E. Jackson St. and at its DePaul Center Building.
3. Pay capitalized interest during construction, capitalize certain reserve funds, and to pay bond issuance costs, if deemed necessary and desirable by the Borrower.

IFA CONTRIBUTION AND PROGRAM

IFA will convey federal Tax-Exempt status on interest paid to investors on the Bonds, thereby resulting in a lower interest rate that will be passed through to the Borrower.

VOTING RECORD

None. This will be the first time this matter will be considered by the IFA Board of Directors.

SOURCES AND USES OF FUNDS

Sources:	IFA 501(c)(3) Bonds	$115,000,000	Uses:	Capital Projects	$153,432,000
	IFA Refunding Bonds	50,600,000		Refunding Escrow	50,600,000
	Equity	39,260,000		Costs of Issuance	828,000
	Total	**$204,860,000**		**Total**	**$204,860,000**

JOBS

Current employment: 2,434		Projected new jobs:	130
Jobs retained: Not applicable		Construction jobs:	40-110 on average (a total of 1,020 over 2 years)

BUSINESS SUMMARY

Background: DePaul University is a 501(c)(3) organization incorporated under Illinois law. DePaul's original predecessor was founded in 1898 by the Congregation of the Mission and was known as St. Vincent's College.

The University is governed by a two-tiered governance committee consisting of (1) The Members of the University, a self-perpetuating body of 14 individuals, representing the Congregation of the Mission (C.M.), the religious community that sponsors the University. The Members are empowered to elect the Board of Trustees, whose responsibility is to direct and manage the affairs of the University and other officers. Currently, there are 44 trustees elected to serve staggered 3-year terms (40 to 45 trustees are required under the University's By-Laws). A list of the University's current Board of Trustees is attached (see pages 6-7).

Description: The University's mission is to provide education in liberal and professional studies. DePaul has evolved into a major urban institution, serving metropolitan Chicago. The University is the largest Catholic university in the nation and the University's total enrollment of 25,072 students and 16,199 undergraduate students posted in Fall 2009 were the largest posted in DePaul's history. Since 1998, DePaul has ranked as the largest Catholic university in the United States and is the ninth largest private university in the United States.

The University is comprised of six campuses, including two core campuses in Chicago, and four satellite campuses in suburban Chicago. DePaul's Lincoln Park and Loop Campuses in Chicago form the core of the University's academic and administrative activities. The Lincoln Park campus is a residential campus located on approximately 34 acres and is located approximately 3 miles north of downtown Chicago. The Lincoln Park campus now consists of more than 45 buildings comprising approximately 2.3 million SF. The Loop Campus, located in the Chicago Central Business District at the corner of Wabash Avenue and Jackson Blvd, consists of 3 interconnected and 2 adjacent buildings of over 1.3 million SF and provides facilities for the College of Law, Graduate Programs, and undergraduate programs.

DePaul's four suburban campus locations were established and have expanded to satisfy a growing demand for higher education in suburban Chicago. DePaul's conducts classes at four suburban facilities including: (1) The DePaul O'Hare Campus in Des Plaines, Illinois, (2) South Suburban Community College in South Holland, Illinois, (3) Naperville, Illinois (located on a portion of the Amoco Research Center along I-88), and (4) Rolling Meadows, Illinois (near Schaumburg).

The University offers 125 undergraduate and over 200 graduate and professional graduate degree programs, including seven programs offered by the College of Law.

FINANCING SUMMARY

Security/
Ratings: The Bonds will be sold based on the direct, underlying rating of DePaul University. DePaul is currently rated "A3"/ "A-"/"A-" long-term by Moody's/S&P/Fitch.

Structure: (1) The IFA Series 2011A New Money Bonds will be underwritten by Goldman Sachs (as Senior Manager) and sold on the basis of DePaul's long-term ratings. (1) Similarly, the Series 2005B-C Bonds will be redeemed and reissued as of 4/1/2011 as IFA Series 2011B Revenue Refunding Bonds

	and rated by Moody's/S&P and be sold with the same 2028 final maturity date as on the Series 2005 Bonds.
Interest Rate:	The IFA Series 2011A New Money Revenue Bonds will be sold at a fixed rate -- amortization will be determined based on market conditions at the time of pricing. The IFA Series 2011B Revenue Refunding Bonds will be sold with substantially the same amortization schedule as the IFA Series 2005B-C Bonds and will be scheduled to mature in 2028 (i.e., approximately 17 years from the date of issuance). Estimated all-in interest rates on the two series range between 4.00% and 5.30% as of 9/22/2010.
Maturity:	(1) The IFA Series 2011A New Money Bonds are expected to have a final maturity date of 30 years and (2) the IFA Series 2011B Revenue Refunding Bonds are expected to have a final maturity date of 18 years with substantially the same amortization schedule as the IFA Series 2005B-C Bonds (preliminary - subject to change). Both Series are expected to include a 10-year call option (at Par) exercisable by DePaul.
Underlying Ratings:	The Rating Agencies will re-evaluate DePaul in advance of the proposed financing and the final report presented in connection with DePaul's request for a Final Bond Resolution will be updated as the rating agencies complete their respective reviews.
Anticipated Closing Date:	January 2011 – February 2011
Rationale:	The IFA Series 2011A New Money Bonds will finance both Lincoln Park campus capital projects and Loop Campus capital projects consistent with the University's Vision 2012 strategic plan. The IFA Series 2011B Revenue Bonds will enable DePaul to refinance $50.6 Million of IFA Series 2005B-C Bonds bearing a 3-year fixed interest rate (i.e., through 4/1/2011) with a fixed rate bond issue priced to maturity (2028).

PROJECT SUMMARY FROM PRELIMINAY BOND RESOLUTION

DePaul University will use the proceeds of the Bonds, together with certain other funds, to (i) finance, refinance, and reimburse the University for certain of the costs of the acquisition (including related land costs), improvement, construction and equipping (including, but not limited to, computer equipment, office equipment and general building equipment and fixtures) of certain educational facilities owned or to be owned by the University comprising "educational facilities" located at both at its Lincoln Park campus and its Loop Campus in Chicago, Illinois (as described in further detail below), (ii) to fund a debt service reserve fund for the benefit of the Bonds, if deemed desirable by the University, (iii) to current refund proceeds of the IFA Series 2005B and IFA Series 2005C Bonds, and (iv) to pay interest on the Bonds, if deemed necessary or desirable.

The educational facilities being financed, refinanced, or reimbursed with the proceeds of the Notes are located on land owned or to be owned, leased, or operated by DePaul University at the following locations:

(i) The University's Lincoln Park Campus in Chicago, Illinois, bordered generally by N. Halsted Street on the east, N. Racine Avenue on the west, W. Dickens Avenue on the south, and W. Montana Street on the north. Projects to be located at the Lincoln Park campus will include the construction of (a) a new Academic Building; (b) a new Theatre Building; (c) a new Art Museum Building at 935 W. Fullerton, (d) the O'Connell Building renovation, 2036 W. Belden, (e) the Wish Field Phase II and Corcoran Hall renovations at 920 W. Belden, and (f) other projects located on the Lincoln Park Campus.

(ii) The University's Loop Campus will be improved by (a) the purchases and renovation of the 5th floor of the DePaul Center (a.k.a., 333 S. State Street) and (b) various renovations at the 14 East Jackson Blvd. and the 55 East Jackson Blvd. buildings.

Summary of project costs (preliminary, subject to change):

Building Acquisition:	$11,200,000
Rehabilitation/Arch. & Eng:	34,715,072
New Construction:	88,480,103
Equipment, Furniture & Fixtures:	19,036,825
Total New Project Costs:	**$153,432,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant/ Contacts:	DePaul University, 55 East Jackson Boulevard, Chicago, Illinois 60604-4101; www.depaul.edu (1) Jeffrey J. Bethke, Treasurer, Ph.: 312/362-6715; jbethke@depaul.edu (2) Doug Stanford, Director of Treasury Operations, Ph.: 312/ 362-6714; dstanford@depaul.edu
Project name:	DePaul Commercial Paper Revenue Notes
Locations:	DePaul's Lincoln Park Campus, 2550 N. Sheffield Ave., Chicago, IL 60614-3298 and DePaul's Loop Campus, 55 East Jackson Blvd., Chicago, IL 60604
Organization:	Illinois 501(c)(3) organization
Board Membership:	*For list of Board of Trustees, see pages 6-7.*
Current Land Owners:	DePaul University owns the subject project sites contemplated for development.

PROFESSIONAL AND FINANCIAL

Borrower's Counsel:	O'Keefe Lyons & Hynes, LLC	Chicago, IL	Daniel Coyne
Auditor:	KPMG, LLP	Chicago, IL	
Note (Bond) Counsel:	Chapman and Cutler, LLP	Chicago, IL	Jim Luebchow, Nancy Burke
Senior Manager:	Goldman Sachs & Co.	New York, NY	Thornton Lurie
Co-Manager:	Engagement Forthcoming		
Co-Manager:	Engagement Forthcoming		
Underwriter's Counsel:	Drinker Biddle & Reath LLP	Floram Park, NJ	John Scally
Trustee and Issuing/Paying Agent:	Deutsche Bank	Chicago, IL	Kathy Cokic
Rating Agencies:	Moody's Investors Service	New York, NY	
	Standard & Poor's	Chicago, IL	
	Fitch Ratings	New York, NY	
Architects:	Vasilko Associates	Chicago, IL	
	Antunovich Associates	Chicago, IL	
	Pelli Clarke Pelli	New Haven, CT	
General Contractors:	JC Anderson, Inc.	Elmhurst, IL	
	Bulley & Andrews	Chicago, IL	
	W.E. O'Neill	Chicago, IL	
IFA Counsel:	Requested – Assignment Forthcoming		
IFA Financial Advisor:	Scott Balice Strategies	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

	Loop Campus		**Lincoln Park Campus**	
Congressional:	1	Bobby L. Rush	5	Mike Quigley
State Senate:	13	Kwame Raoul	6	John J. Cullerton
State House:	26	William D. "Will" Burns	11	John A. Fritchey

DePaul University Board of Trustees

CONDUIT

ILLINOIS FINANCE AUTHORITY

October 12, 2010

$30,000,000 (not-to-exceed)
East-West University

REQUEST	**Purpose**: Bonds will be used by **East-West University** ("**East-West**", the "**University**" or the "**Borrower**") to finance the construction and equipping of a new, 14-story multi-purpose building to be located in the 800 block of South Wabash Avenue (i.e., formerly the site of building located at 825 and 831 S. Wabash) in Chicago. The new multi-purpose building will include limited ground floor parking, a lobby with retail shops and a food court, a student athletic center/health club; a campus library; instructional labs, classrooms, and faculty offices, and 10 floors of student housing including studio, one-bedroom, and two-bedroom apartments with kitchen and bathroom that will house approximately 220 students. Additionally, Bond proceeds may also be used to finance renovation and equipping of East-West's existing buildings located at 816 S. Michigan Avenue and 819 S. Wabash Avenue in Chicago. Additionally, Bond proceeds may also be used to pay capitalized interest on certain portions of the project, pay costs associated with the Letter of Credit, if necessary or desirable, and to finance certain costs of issuance. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions:** None
BOARD ACTIONS	Preliminary Bond Resolution
MATERIAL CHANGES	This is the first time this matter has been presented to the IFA Board of Directors.

JOB DATA

86	Current jobs	10	New jobs projected (estimated; subject to change)
N/A	Retained jobs	150	Construction jobs projected (over two years)

DESCRIPTION

- ● Location (Chicago / Cook County / Northeast Region)
- ● East-West University was founded in 1980. Its campus spans two existing buildings in the South Loop neighborhood. Its mission is to provide higher education opportunities to adult students, students from the inner city, and those who are the first in their families to attend college.
- ● This project will permit the University to continue its growth, respond to student demands for on-campus housing.
- ● University enrollment and attendance have exceeded 1,000 in most years this decade.

CREDIT INDICATORS

● East-West University is unrated. The proposed Bonds will either be (1) bank purchased or (2) credit enhanced with a Direct Pay Letter of Credit from an investment grade rated bank.

PROPOSED STRUCTURE

- To be determined: Prospective structures include: (1) Bank qualified (BQ), variable or fixed rate bank direct-placement or (2) 7-Day Variable Rate Demand Bonds (VRDBs) secured by a bank Letter of Credit
- Final maturity of not later than 30 years, structured to produce level or declining annual debt service.

SOURCES AND USES (subject to change)

IFA New Money Bds.	$ 30,000,000	New Proj. Cost	$ 35,350,000
		Capitalized Interest	770,000
Equity	6,400,000	Cost of Issuance	280,000
Total	**$ 36,400,000**	**Total**	**$ 36,400,000**

RECOMMENDATION

The Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 12, 2010

Project: East-West University

STATISTICS

Project Number:	E-PC-TE-CD-8408	Amount:	$30,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton
Location:	Chicago	County/ Region:	Cook/Northeast

BOARD ACTION

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

PURPOSE

The proposed project includes development of land owned by the University at 825-831 South Wabash Avenue in Chicago. The University plans to construct a mixed use "multipurpose center" building that will include space for facilities expansion and generate revenues to cover the cost of this development. The project is expected to consist of 14 stories with the proposed floor uses designated as follows:

- **Basement** – 29 Parking spaces
- **1st Floor** – Lobby and Retail Shops mainly consisting of a food court serving both resident and non-resident students. The food court will be visible and easily accessible from the street allowing its use also by students from other institutions in the area and by the general public. It will include a collection of fast-food restaurants with shared eating space.
- **2nd Floor** – Student Activities Complex mainly consisting of an athletic center housing weight and exercise room, lockers, pool table and table tennis, etc. and a large auditorium with a seating capacity of 500.
- **3rd Floor** – Library and Learning Resource Center
- **4th Floor** – Instructional labs and offices for ancillary services.
- **5th through 14th Floors** – Student housing consisting of studios, one or two bedroom apartments with full kitchen and bathroom, for approximately 220 students.

The University will continue its history of developing and investing in property in the South Loop. In its 30 year history the University has acquired, and now owns outright, four properties located at 816 South Michigan Avenue, 819 South Wabash Avenue, 1000 S. Wabash Avenue and 825-831 South Wabash Avenue. This project furthers the development of the Chicago Loop as one of the largest college "campuses" in the country. The Loop Alliance estimates that more than 65,000 students attend classes in the Loop each year.

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

Not applicable. This is the first time this project has been presented to the IFA Board of Directors.

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA New Money	$ 30,000,000	Uses:	New Project Cost	$ 35,350,000
	Equity	6,400,000		Capitalized Interest	770,000
				Issuance Costs	280,000
	Total	**$ 36,400,000**		**Total**	**$ 36,400,000**

East-West University has already purchased and demolished buildings that formerly occupied the footprint of the proposed project.

JOBS

Current employment:	86	Projected new jobs:	10 (preliminary; subject to change)
Jobs retained:	N/A	Construction jobs:	150-170 (24 months)

BUSINESS SUMMARY

Background: **East-West University** (“**East-West**”, the **“University**”, or the **“Borrower”**) is incorporated under Wisconsin law and is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code.

- East-West is governed by a Board of Directors (see p. 6 for listing). Pursuant to its bylaws, the Corporation’s Board of Directors must consist of not less than five and not more than seven members. An absolute majority of the all incumbent directors is necessary to amend or alter the bylaws of the corporation. University Chancellor Dr. M. Wasiullah Khan serves as Executive Vice-President, at present the highest ranking officer of the Corporation. The Board of Directors appoints the University’s chancellor who serves as the Chief Executive Officer.
- The operation and development of the University is governed by a Board of Trustees. The by-laws of the University provide for up to 21 Trustees, including the Directors. Non-director members of the Board of Trustees are non-employees of the University. Chancellor Dr. M. Wasiullah Khan serves in an *ex officio* capacity as Secretary of the Board of Trustees.

Description: On December 10, 1978, a group of seven persons including four academicians, a businessman, a lawyer and a physician formed a planning group to establish a new, urban, non-denominational institution of higher learning in Chicago to be know as East-West University. The University was incorporated on February 22, 1979 as a corporation without stock and not-for-profit.

The University received approval and operating authority from the Illinois Board of Higher Education in May 1980 and degree-granting authority for various degrees in later years. The University awards associate and bachelor’s degrees in several academic areas. It is the only independent (private) minority institution of higher learning in the State of Illinois, the other two being state (public) universities (i.e., Chicago State University and Northeastern Illinois University). East-West’s niche has been to provide education to residents of the inner city and students who are the first in their families to attend college. Approximately 90% if the University’s student enrollment for the Fall 2009 quarter was comprised of residents of the greater Chicago Metropolitan area.

The University has been accredited by the Higher Learning Commission of the North Central Associate of Colleges and Schools since December, 1983. Consistent with the University's mission, its faculty is primarily focused on classroom instruction rather than research.

The Chicago campus facilities of East-West University consist of the East Building located at 816 South Michigan Avenue and the West Building at 819 South Wabash Avenue. The two buildings are connected by an enclosed walkway. Grant Park and Lake Michigan are located to the east of the campus and the skyline to the west and the north form a setting that is attractive and memorable. Chicago's Museum Campus, comprising of the Adler Planetarium, the Field Museum of Natural History, and the Shedd Aquarium, is a short walk to the southeast of the campus. The Chicago Public Library Cultural Center, Millennium Park, the Art Institute, Buckingham Fountain, Orchestra Hall, Soldier Field, theaters, the financial district, federal and state office buildings, and fine dining are all within easy walking distance.

Enrollment in East-West University first reached four figures—1,076—in Fall of 2001, immediately after the University bought the 96,500 sf. building located at 819 South Wabash Street. Fall 2002 enrollment was 1,132, Fall 2008 enrollment was 1,171, and Fall 2009 enrollment was 1,166.

The University's low tuition, small class sizes, liberal credit transfer policy, ethnic diversity, academic programs leading to professions currently in demand in the U.S. economy and job placement services are the primary draw for expanding enrollment.

After thoroughly analyzing the last eight years' enrollment patterns, the University's leadership has concluded that without doing something to address the unmet needs of the University's students—parking, housing, gymnasium, food court, student activities center, a larger library—substantial increases in enrollment would be unlikely to be achieved.

The University had no outstanding long-term debt as of 10/1/2010 and owns its campus buildings free and clear.

FINANCING SUMMARY (PRELIMINARY, SUBJECT TO CHANGE)

Structure: The University expects the Bonds to be sold either (i) via direct purchase to a bank (with the bank serving as secured lender and bond investor) or (ii) to the public as 7-day Variable Rate Demand Bonds, secured by a Direct Pay Letter of Credit by a rated bank. In either case, the purchasing bank or LOC Bank will be East-West University's secured lender (and relationship bank).

Ratings: East-West University does not have a credit rating (and, again, has no long-term debt outstanding). Both proposed structures will rely on a Bank to provide East-West with credit approval, make a credit decision, and determine appropriate collateral to secure the proposed obligation.

Security/ Collateral: Subject to negotiation prior to the project returning for a Final Bond Resolution, but likely to include a security interest in the University's revenues and a mortgage on some or all University-owned property. Additionally, to the extent the University's relies on a Line of Credit to provide working capital support, it is likely that the Bank will cross-collateralize and cross-default all debt obligations to East-West University.

Final Maturity Date: To be determined, but not later than December 31, 2040 (30 years)

Interest Rates: Based upon prevailing markets and expected credit charges, rates ranging from approximately 3.25% to 4.00% per annum and subject to reset or extension based on the term of the bank commitment (anticipated at 3 to 5 years).

Timing: 4th Calendar Quarter 2010

Rationale: The IFA Series 2010 Bonds will enable the University to (1) provide on-campus housing for approximately 20% of its students in response to student demand for such facilities, (2) provide a new library and learning resource center, a large lecture hall, classrooms, laboratories, and faculty offices, and (3) provide student services, including dining facilities, a fitness center, retail space also benefitting the surrounding community. The University's current growth is constrained by facility limitations and an inability to serve traditional, four-year students seeking an on-campus student experience.

PROJECT SUMMARY (for IFA Preliminary Bond Resolution)

The proposed financing will consist of Bonds to be issued in one or more Series.

The IFA Series 2010 Bond Proceeds will be used to finance, refinance, or reimburse East-West University for the following capital improvements: (i) to acquire land and finance the new construction/build-out of an approximately 14-story, multi-use academic center and student housing facility located at 825-831 S. Wabash Avenue, Chicago, IL 60605 (Cook County), and (iii) finance various capital improvements located at the University's Chicago campus locations at 816 S. Michigan Avenue and 819 S. Wabash Avenue. Additionally, Bond Proceeds may also be used to (iv) pay capitalized interest with respect to certain portions of the project, (v) pay the costs associated with a bank Letter of Credit, and (vi) finance certain costs of issuance.

A summary of the Project Costs to be financed through the IFA Series 2010 Bonds follows:

Land Acquisition/Site Prep	$ 6,400,000
Hard Costs/Construction	27,400,000
Furniture, Fixtures & Equipment	790,000
A&E/Construction Mgt/Fees	760,000
Subtotal—Development	**$ 35,350,000**
LESS: Equity Contrib.	(6,400,000)
Net Project Costs financed with IFA Bonds	*$28,950,000*

ECONOMIC DISCLOSURE STATEMENT

Applicant:	East-West University (c/o, Dr. Madhu Jain, Provost and Treasurer, 816 S. Michigan Ave., Chicago, IL 60605-7100; (T): 312-939-0111; E-mail: madhu@eastwest.edu)
Web Site:	www.eastwest.edu
Project name:	East-West University Series 2010 (Multipurpose Center)
Locations:	819 and 825-831 S. Wabash Avenue, and 816 S. Michigan Ave., Chicago (Cook County), IL, 60605-7100.
Organization:	Wisconsin 501(c)(3) not-for-profit corporation

Board of Directors:

<u>East-West University Corporate Board of Directors:</u>

Dr. M. Wasiullah Khan, Executive Vice-President
Dr. Khursheed A. Mallick, Secretary
Dr. Madhu Jain, Treasurer
Mr. Safi Kaskas, Director

<u>East-West University Board of Trustees:</u>
Dr. Abdullah O. Nasseef, President
Mr. James Thomas, Vice-President and Chairman of the Executive Committee
Dr. M. Wasiullah Khan, Secretary (Ex-Officio)
Mr. Shaikh Khalid A. Aliraza
Mr. Bill Aossey
Dr. Danny K. Davis
Mr. Shaikh Nasser Hamdan
Dr. M. M.Haque
Dr. Abdul Sultan Hassam
Dr. Sakhawat Hussain
Mr. Anwar Ibrahim
Dr. Abdullah O. Naseef, Director
Mr. Bill Aossey, Director
Rev. Herbert B. Martin
Dr. M. Arshad Mirza
Mr. Safi Quraishy
Dr. Daudur Rahman
Mr. Sher M. Rajput
Dr. Sukhdev C. Soni
Dr. Ashraf Toor
Mr. Riaz H. Waraich
Mr. Elias R. Zenkich

Current Property Owner of New Site: East-West already owns the new project sites at 825-831 South Wabash Avenue on which the new multipurpose facility will be constructed, as well as its existing facilities at 816 S. Michigan Avenue and 819 S. Wabash Avenue.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	To be engaged by East-West University		
Auditor:	Ostrow, Reisin, Berk & Abrams Ltd.	Chicago, IL	
Bond Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Janet Goelz Hoffman
Financial Advisor to Borrower:	Columbia Capital Management, LLC	Chicago, IL Overland Park, KS	Jeff White Kelsi Powell
Bank (LOC or Direct Purchaser):	To be determined		
Senior Manager:	To be determined		
Underwriter's Counsel:	TBD (not applicable if Bonds are direct purchased)		
Rating Agency:	To be determined (will only be necessary if Bonds are secured with a Bank Direct Pay Letter of Credit)		
Trustee:	TBD		
Trustee's Counsel:	To be selected by the Bond Trustee.		
Architect/ General Contractor:	TBD		
IFA Counsel:	Requested – Appointment Forthcoming		
IFA Financial Advisor:	Acacia Financial	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional:	7	Danny K. Davis
State Senate:	3	Mattie Hunter
State House:	5	Kenneth Dunkin

ILLINOIS FINANCE AUTHORITY

CONDUIT

October 12, 2010	**$10,000,000** **The OLD TOWN SCHOOL OF FOLK MUSIC, INC.**
REQUEST	**Purpose**: The proposed project will enable **The Old Town School of Folk Music, Inc.** (“**Old Town School**” or the “**Borrower**”) to (i) finance or refinance taxable debt of the School, (ii) to construct and equip new studio and classroom facilities to be located in a 3-story, 27,100 SF LEED Silver-certified building to be constructed at 4543 N. Lincoln Ave. in Chicago to be used to house dance studios, music classrooms, a 150-seat performance/dance/community gathering hall, and related uses, (iii) pay costs related to the demolition of existing buildings and other site preparation work at the new site, and (iv) prospectively pay costs of issuance, capitalized interest, and other professional costs associated with the bond issue. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution Voting Record: Voting Record from Preliminary Bond Resolution approved August 10, 2010: 9 Ayes, 0 Nays, 0 Abstentions, 6 Absent (DeNard, Gold, Herrin, Leonard, Rivera, Zeller), 0 Vacancies
MATERIAL CHANGES	None
JOB DATA	328 Current jobs — 97 New jobs projected (Preliminary; subject to change) N/A Retained jobs — 75 Construction jobs projected (14 months)
DESCRIPTION	● Location: Chicago (Cook County/Northeast Region) ● The Old Town School of Folk Music was originally founded in 1957. ● This project will enable The Old Town School of Folk Music to expand its operations to reduce overcrowding due to capacity limitations at its existing facilities. The new building (at 4543 N. Lincoln Ave.) will be located across the street from its primary facility at 4544 N. Lincoln Avenue and enable Old Town School to expand its dance and other music education programs and provide room for continued program growth.
CREDIT INDICATORS	● The Old Town School of Folk Music is a non-rated 501(c)(3) organization. First Midwest Bank (i.e., the Direct Lender/Investor) will purchase the subject Bonds directly as a portfolio investment.
PROPOSED STRUCTURE	• Bonds will be purchased directly by First Midwest Bank to be held as a direct investment. • Final Maturity of up to 26 years; (initial Bank term of 5 years, subject to extension with interest rate resets to maturity).

SOURCES AND USES

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

RECOMMENDATION Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 12, 2010

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

STATISTICS

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

BOARD ACTION

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

No IFA funds at risk
No extraordinary conditions

PURPOSE

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

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

IFA PROGRAM AND CONTRIBUTION

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

VOTING RECORD

Voting Record from Preliminary Bond Resolution approved August 10, 2010:

9 Ayes, 0 Nays, 0 Abstentions, 6 Absent (DeNard, Gold, Herrin, Leonard, Rivera, Zeller), 0 Vacancies.

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

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

JOBS

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

BUSINESS SUMMARY

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

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

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

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

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

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

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

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

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

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

FINANCING SUMMARY

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

PROJECT SUMMARY (for IFA Preliminary Bond Resolution)

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

Preliminary Estimated Project Costs include:

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

ECONOMIC DISCLOSURE STATEMENT

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

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

The Old Town School of Folk Music
Board of Directors
2009-2010

Robert M. Swanson, Chairman
Scott Hargadon, Vice Chairman
Meredith Mack, Vice Chairman
Gary Maurer, Vice Chairman
John Shea, Treasurer
James Rachlin, Secretary
Mary Beth Berkoff
Jane Baldwin
Jeff Carlsen
Pamela Crutchfield
Kenneth B. Drost
Karen Eng
Louise Frank
Monica Hariston
James Kastenholz
Kish Khemani
James W. Mabie
Susan Kessell
Don McLellan
John Meersman
Pat Moran
Bryan Oakley
Jeff Pearsall
Tim Porter
Mike Prussian
Douglas P. Regan
Juan Pablo Reyes
Alejandro Riera
Renee M. Ruffing
Brent Shakeshaft
O. John Skubiak
Joel Smith
Laura Stein
Pooja Vukosavich

CONDUIT

$20,000,000

October 12, 2010

SWEDISH COVENANT HOSPITAL

REQUEST	**Purpose**: Proceed will be used to finance or refinance the cost of equipment which will be used, together with other monies, (a) to pay or reimburse Hospital for the cost of capital equipment, construction and renovation improvements in connection with the Equipment, and (b) to pay certain expenses incurred in connection with the Equipment Financing and the issuance of the Bonds. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution This project is being presented to the Board for a one-time final.
MATERIAL CHANGES	None. This is the first time this project has been presented to the IFA Board of Directors.
JOB DATA	1,712 FTE's Current jobs; N/A New jobs projected 1,712 FTE's Retained jobs; N/A Construction jobs projected
DESCRIPTION	• Location (Chicago, Cook County) • Swedish Covenant Hospital (the "Hospital") is an Illinois not for profit corporation which operates an acute care, community and teaching hospital on the northwest side of Chicago. The Hospital was founded in 1886 by The Evangelical Covenant Church (the "Church") and was known as the Swedish Home of Mercy. The Hospital is licensed by the State of Illinois for 323 beds, of which 310 were in service as of August 31, 2010. The Hospital has received a determination letter from the Internal Revenue Service ("IRS") that it is exempt from federal income taxation pursuant to Section 501(a) of the Internal Revenue Code of 1986 (the "Code") as an organization described in Section 501(c)(3) of the Internal Revenue Code. • The Hospital offers a wide range of inpatient and outpatient diagnostic and therapeutic services and related ancillary services. The Hospital's inpatient services include all major categories of medicine and surgery. The outpatient programs and services provide a continuum of care for patients in the Hospital's service area. The Hospital operates several satellite primary care facilities in various sections of its service area.
CREDIT	• Fixed Rate Bonds to purchased by GE Capital
SECURITY	• Collateral is expected to include a parity interest in the mortgaged property and the pledge of the Hospital's unrestricted receivables that secure all Obligations the Hospital issues under its Master Trust Indenture.
INDICATORS	• BBB+ (S&P) and A- (Fitch)
MATURITY	• 2025

SOURCES AND USES

IFA Bonds	$20,000,000	Project Fund	$19,600,000
		Cost of Issuance	$400,000
Total	**$20,000,000**	Total	**$20,000,000**

RECOMMENDATION	Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 12, 2010

Project: Swedish Covenant Hospital

STATISTICS

Project Number-HO-TE-CD-8407
Type: 501(c)(3) Bonds
County/Region: Cook/Northeast

Amount: $20,000,000 (Not-to-Exceed)
IFA Staff: Pam Lenane and Shannon Govia
City: Chicago

BOARD ACTION

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

Staff recommends approval.
No extraordinary conditions

VOTING RECORD

This project is being presented to the Board for a one-time final.

PURPOSE

Proceed will be used to finance or refinance the cost of equipment which will be used, together with other monies, (a) to pay or reimburse Hospital for the cost of capital equipment, construction and renovation improvements in connection with the Equipment, and (b) to pay certain expenses incurred in connection with the Equipment Financing and the issuance of the 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:	1,712 FTE's	Projected new jobs:	N/A
Jobs retained:	1,712 FTE's	Construction jobs:	N/A

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA Bonds	$20,000,000	Uses:	Project Fund	$19,600,000
				Costs of Issuance	$400,000
	Total	**$20,000,000**		**Total**	**$20,000,000**

FINANCING SUMMARY/STRUCTURE

Security:	Collateral is expected to include a parity interest in the mortgaged property and the pledge of the Hospital's unrestricted receivables that secure all Obligations the Hospital issues under its Master Trust Indenture.
Interest Rate:	To be determined the day of pricing depending on market conditions. The fixed rate is estimated to be in the 5.2% to 5.4% range until 2025.
Interest Mode:	Fixed Rate Bonds
Credit Enhancement:	None
Credit Rating:	BBB+ (S&P) and A- (Fitch)
Maturity:	2025
Estimated Closing Date:	November 1, 2010

PROJECT SUMMARY

Project Rationale: To pay or reimburse Hospital for the cost of capital equipment, construction and renovation improvements in connection with the Equipment, and (b) to pay certain expenses incurred in connection with the Equipment Financing and the issuance of the Bonds.

BUSINESS SUMMARY

Description of Business: Swedish Covenant Hospital (the “Hospital”) is an Illinois not for profit corporation which operates an acute care, community and teaching hospital on the northwest side of Chicago. The Hospital was founded in 1886 by The Evangelical Covenant Church (the “Church”) and was known as the Swedish Home of Mercy. The Hospital is licensed by the State of Illinois for 323 beds, of which 310 were in service as of August 31, 2010. The Hospital has received a determination letter from the Internal Revenue Service (“IRS”) that it is exempt from federal income taxation pursuant to Section 501(a) of the Internal Revenue Code of 1986 (the “Code”) as an organization described in Section 501(c)(3) of the Internal Revenue Code.

The Hospital offers a wide range of inpatient and outpatient diagnostic and therapeutic services and related ancillary services. The Hospital’s inpatient services include all major categories of medicine and surgery. The outpatient programs and services provide a continuum of care for patients in the Hospital’s service area. The Hospital operates several satellite primary care facilities in various sections of its service area.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Swedish Covenant Hospital
Project Location: 5145 N. California Avenue, Chicago, Illinois 60625
Borrower: Swedish Covenant Hospital
Ownership/Board Members - 501(c)(3) Corporation:

BOARD OF DIRECTORS	**EX-OFFICIO**
ADAIR, Charles L.	ANDERSON, Lawrence P.
ANDERSON, Kurt D.	DWIGHT, David A.
BANKS, Lyle	NEWTON, Mark
BOFFA, James F., M.D.	SZANTO, Martin J., M.D.
BORKOWSKI, Renee	WALTER, Rev. Gary B.
DABERTIN, Judith E.	
HAWKINSON, Paul A., *Chair*	
KEE, W.J. Wesley	
KOO, David J.	
MERRYWEATHER, Patricia	
MEYER, Donald L.	
MILLER, Rev. Mary C.D. Min.	
PETERSON, James B	
PINS, Judith A.	
PUTMAN, David R. *Secretary*	
PYRA, Thomas M.	
SCARBOROUGH, Sydney P.	
SHAH, Bharat K., M.D	
VANCAUWELAERT, Tony R., M.D.	

PROFESSIONAL & FINANCIAL

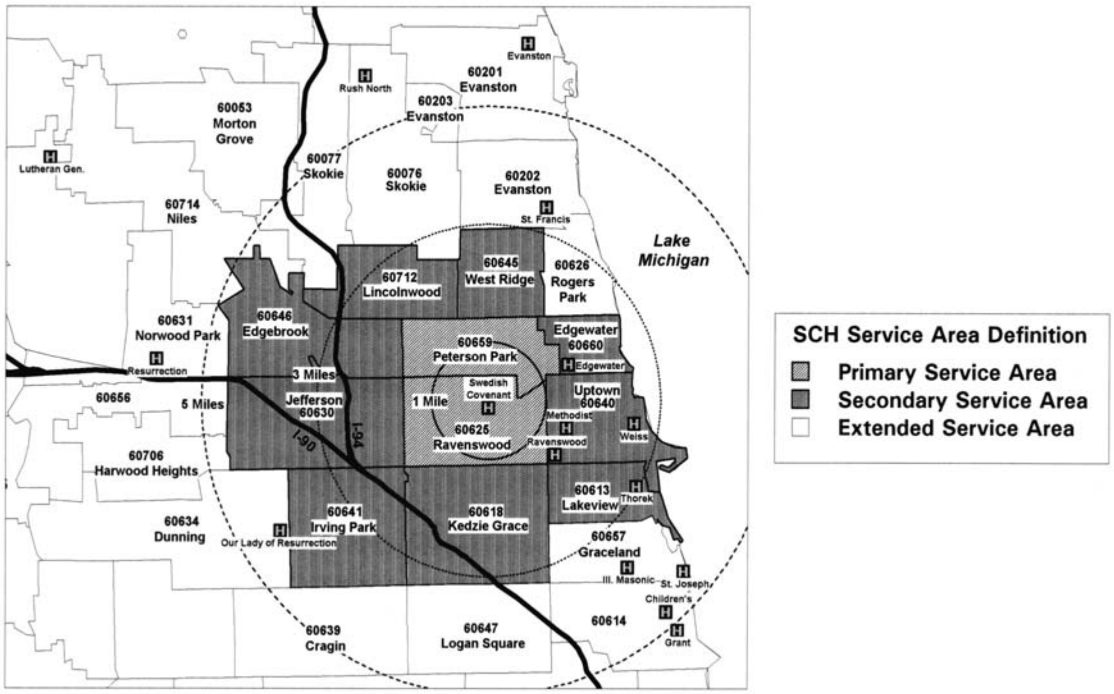
Borrower's Counsel:	Katten Muchin Rosenman, LLP	Chicago	Janet Hoffman
Accountant:	N/A		
Bond Counsel:	Jones Day	Chicago	Rich Tomei
Financial Advisor	Ponder & Co.	Chicago	Jennifer Dunn
Bond Purchaser:	GE Capital	Eden Prairie, MN	Bill Reveille
Lender's Counsel:	Kutak Rock, LLP	Omaha, NE	Brad Nielsen
Issuer's Counsel:	TBD		
IFA Financial Advisor:	Scott Balice	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	5th Mike Quigley
State Senate:	7th Heather Steans; 8th Ira I. Silverstein
State House:	13th Greg Harris; 15th John D'Amico

SERVICE AREA

Swedish Covenant Hospital Service Area



CONDUIT

ILLINOIS FINANCE AUTHORITY

October 12, 2010

$42,000,000

BELOIT HEALTH SYSTEM

REQUEST	**Purpose**: Proceeds will be used to 1) Refinance Series 2006A Bonds and 2) pay costs of issuance. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution Voting Record from Preliminary Bond Resolution approved September 14, 2010: 9 Ayes, 0 Nays, 0 Abstentions, 6 Absent (DeNard, Gold, Herrin, Leonard, Rivera, Zeller), 0 Vacancies
MATERIAL CHANGES	None
JOB DATA	1,190 FTE's Current jobs — N/A New jobs projected 1,190 FTE's Retained jobs — N/A Construction jobs projected
DESCRIPTION	● Location – Winnebago County/Northern Stateline ● Description – Beloit Health System is located approximately 75 miles northwest of Chicago and operates the acute care Beloit Memorial Hospital which has 256 licensed beds and provides inpatient, outpatient, emergency and home care services in Beloit, Wisconsin and surrounding communities, including those in nearby Winnebago and Boone Counties in Illinois. Approximately 8 miles south of the hospital's Beloit campus, the corporation owns and operates NorthPointe Health and Wellness Campus, a health and wellness center and a 24-unit assisted living facility in Roscoe, IL. Effective January 2010, the corporation purchased the Beloit Clinic, a multi-specialty physician group in Beloit, WI which has been integrated as an integrated delivery system.
CREDIT INDICATORS	● Direct Bank Purchase (JPMorgan Chase) ● Beloit Health System is currently rated "A-" by Fitch
SECURITY	● Revenue pledge, mortgage ● Bonds will Mature no later than 2045

SOURCES AND USES

IFA Bonds	$42,000,000	Refund 2006A Bonds	$41,175,000
		Cost of Issuance	$825,000
Total	**$42,000,000**	Total	**$42,000,000**

RECOMMENDATION Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 12, 2010

Project: Beloit Health System

STATISTICS

Project Number: H-HO-TE-CD-8397
Type: 501(c)(3) Bonds
Counties/Region: Winnebago/Northern Stateline

Amount: $42,000,000 (Not-to-Exceed)
IFA Staff: Pam Lenane & Shannon Govia

BOARD ACTION

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

No Extraordinary Conditions
Credit Committee recommends approval.

VOTING RECORD

Voting Record from Preliminary Bond Resolution approved September 14, 2010:
9 Ayes, 0 Nays, 0 Abstentions, 6 Absent (DeNard, Gold, Herrin, Leonard, Rivera, Zeller), 0 Vacancies

PURPOSE

Proceeds will be used to 1) Refinance Series 2006A Bonds and 2) pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	1,190 FTE's	Projected new jobs:	N/A
Jobs retained:	1,190 FTE's	Construction jobs:	N/A

ESTIMATED SOUCES AND USES OF FUNDS

IFA Bonds	$42,000,000	Refund 2006A Bonds	$41,175,000
		Cost of Issuance	$825,000
Total	**$42,000,000**	Total	**$42,000,000**

FINANCING SUMMARY/STRUCTURE

Security:	Revenue pledge, mortgage
Structure:	Direct Bank Purchase (JPMorgan Chase)
Interest Rate:	To be determined at pricing
Interest Mode:	Variable Rate Reset
Credit Enhancement:	None
Maturity:	2045

Borrower Rating:	NR/NR/A- (Fitch)
Estimated Closing Date:	October 21, 2010

PROJECT SUMMARY

Proceeds will be used to 1) Refinance Series 2006A Bonds and 2) pay costs of issuance.

BUSINESS SUMMARY

Description of Business: Description – Beloit Health System is located approximately 75 miles northwest of Chicago. The hospital operates an acute care hospital with 256 licensed beds and provides inpatient, outpatient, emergency and home care services in Beloit, Wisconsin and the surrounding communities, including adjacent Winnebago and Boone Counties in Illinois. Approximately 8 miles south of the hospital campus, the corporation owns and operates NorthPointe Health and Wellness Campus, a health and wellness center and a 24-unit assisted living facility in Roscoe, IL. Effective January 2010, the corporation purchased the Beloit Clinic, a multi-specialty physician group in Beloit, WI and now operates as an integrated delivery system.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Beloit Health System
Location:	Roscoe, IL 61073
Borrower:	Beloit Health System
State:	Illinois
Board Members:	

2010 Board of Trustees
G. Curtis Lansbery - Chair
Bonnie Wetter - Vice Chair
Steven Eldred - Treasurer
Russell Albert, M.D. - Secretary
Suzanne Anderson
Gregory Britton
Leo Egbujiobi, M.D.
James Fisher
Mark Gliebe
James Packard
Tejesh Patel, M.D.
Mario Rojas, M.D.
William Sullivan
William Bolgrien - Attorney

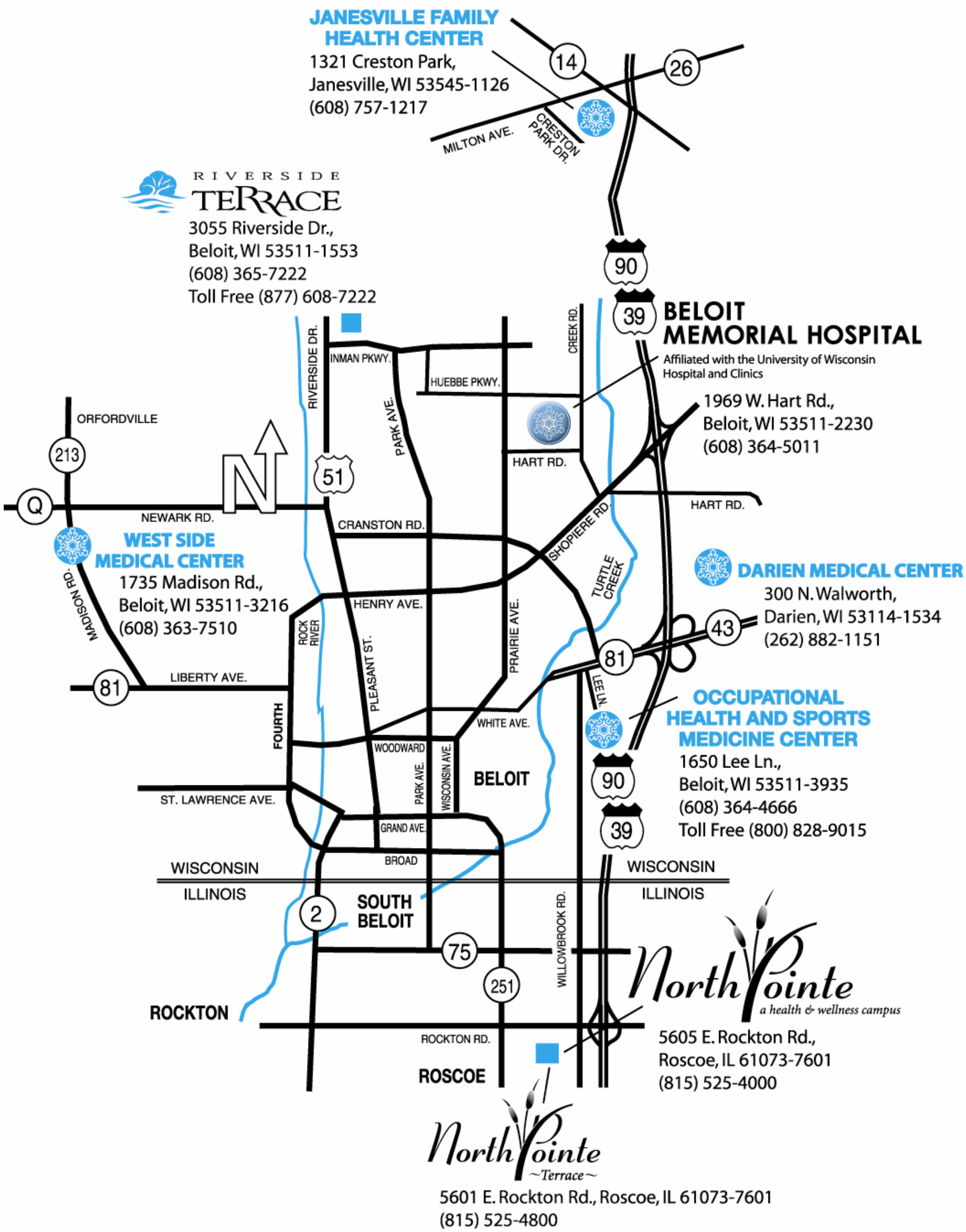
PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Hall Render	Chicago	Pat Walsh
Borrower's Financial Advisor:	Ponder & Co.	Valparaiso	Mike Tym
Bond Counsel:	Quarles & Brady	Milwaukee	Jennifer Powers
Bond Underwriter:	J.P. Morgan	Chicago	Tim Wons
Underwriter's Counsel:	Ungaretti & Harris	Chicago	Ray Fricke
Issuer's Counsel:	Quarles & Brady	Milwaukee	Jennifer Powers
IFA Advisors:	Scott Balice Strategies	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: Districts 16 – Donald A. Manzullo
State Senate: Districts 35 – J. Bradley Burzynski
State House: Districts 69 – Ronald A. Wait

SERVICE AREA



BACKGROUND INFORMATION

Hospital Overview

Description – Beloit Health System is located approximately 75 miles northwest of Chicago. Beloit Health System operates Beloit Memorial Hospital, an acute care hospital with 256 licensed beds and provides inpatient, outpatient, emergency and home care services in Beloit, Wisconsin and the surrounding communities, including north central Illinois. Located 8 miles south of the hospital campus, the corporation owns and operates NorthPointe Health and Wellness Campus, a health and wellness center and a 24-unit assisted living facility in Roscoe, IL. Effective January 2010, the corporation purchased the Beloit Clinic, a multi-specialty physician group in Beloit, WI and now operates as an integrated delivery system.

CONDUIT

$92,500,000

October 12, 2010 **THE UNIVERSITY OF CHICAGO MEDICAL CENTER**

+REQUEST	**Purpose**: The proceeds will be used to (i) establish a project fund to pay for acquisition costs, construction and equipping of the New Hospital Pavilion ("NHP") consisting of ten floors and a lower level, with a 2 level mechanical penthouse, and a helipad on the roof; (ii) reimburse UCMC for previously paid capital expenditures; (iii) capitalize interest costs; (iv) fund any original issue discount or premium, if applicable; and (v) pay costs of issuance. The New Pavilion will be located at 5700 S. Maryland Avenue Chicago, IL 60637 and began construction in May, 2009 and is anticipated to be completed by the end of 2012. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution This project is being presented to the IFA Board for a One-time Final Approval.
MATERIAL CHANGES	None

JOB DATA	5,802	Current jobs	99	New jobs projected
	5,802	Retained jobs	348	Construction jobs projected

DESCRIPTION	● Location (Cook /Northeast) ● UCMC operates three hospitals and an ambulatory care facility located on the main campus of the University of Chicago as well as certain outlying facilities and activities ● The three hospitals operated by UCMC consist of the main adult patient care facility, a maternity and women's hospital and the University of Chicago Comer Children's Hospital.
CREDIT INDICATORS	● The plan of finance contemplates the issuance of Variable Rate Bonds. The Variable Rate Demand Bonds will be backed by letters of credit from Bank of America and Wells Fargo Bank. ●Current rating of UCMC is AA-/Aa3/AA- (S&P/Moody's/Fitch). ● Bonds will mature no later than 2045

Sources and Uses	IFA Bonds	$92,500,000	Project Fund	$86,297,174
			Costs of Issuance	$914,750
			Capitalized Interest (approx.)	5,288,076
	Total	**$92,500,000**	Total	**$92,500,000**

Recommendation	Credit Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 12, 2010

Project: The University of Chicago Medical Center ("UCMC" or "Corporation")

STATISTICS

Project Number: H-HO-TE-CD-8398	Amount: $92,500,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and Shannon Govia
County/Region: Cook/Northeast	City: Chicago

BOARD ACTION

Final Bond Resolution	Credit Committee Recommends Approval
Conduit 501(c)(3) Bonds	No extraordinary conditions
No IFA funds at risk	

VOTING RECORD

This project is being presented to the IFA Board for a One-time Final Approval.

PURPOSE

The proceeds will be used to (i) establish a project fund to pay for acquisition costs, construction and equipping of the New Hospital Pavilion ("NHP") consisting of ten floors and a lower level, with a 2 level mechanical penthouse, and a helipad on the roof; (ii) reimburse UCMC for previously paid capital expenditures; (iii) capitalize interest costs; (iv) fund any original issue discount or premium, if applicable; and (v) pay costs of issuance.

The New Pavilion will be located at 5700 S. Maryland Avenue Chicago, IL 60637 and began construction in May, 2009 and is anticipated to be completed by the end of 2012.

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. The IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders and thereby reducing the borrower's interest expense.

VOLUME CAP

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

JOBS

Current employment:	5,802 FTE's	Projected new jobs: 99
Jobs retained:	5,802 FTE's	Construction jobs: 348

ESTIMATED SOURCES AND USES OF FUNDS

IFA Bonds	$92,500,000	Project Fund	$86,297,174
		Costs of Issuance	$914,750
		Capitalized Interest (approx.)	5,288,076
r	**$92,500,000**	Total	**$92,500,000**

FINANCING SUMMARY/STRUCTURE

Structure:	The plan of finance contemplates the issuance of Variable Rate Bonds. The Variable Rate Demand Bonds will be backed by letters of credit from Bank of America and Wells Fargo Bank.
Interest Rate:	To be determined the day of pricing.
Interest Mode:	The bonds will be issued as Variable Rate Bonds in one or more of the following modes: Daily Interest Rate, Weekly Interest Rate, a Long-Term Interest Rate, Bond Interest Term Rates, the LIBOR-Based Interest Rate or the Auction Period Rate.
Credit Enhancement:	The plan of finance contemplates the issuance of Variable Rate Bonds. The Variable Rate Demand Bonds will be backed by letters of credit from Bank of America and Wells Fargo Bank.
Maturity:	No later than 2045
Underlying Borrower Rating:	The University of Chicago Medical Center is currently rated Aa3/ AA-/AA- (Moody's/ S&P/Fitch)
Est. Closing Date:	November, 2010

PROJECT SUMMARY

The proceeds will be used to (i) establish a project fund to pay for acquisition costs, construction and equipping of the New Hospital Pavilion ("NHP") consisting of ten floors and a lower level, with a 2 level mechanical penthouse, and a helipad on the roof; (ii) reimburse UCMC for previously paid capital expenditures; (iii) capitalize interest costs; (iv) fund any original issue discount or premium, if applicable; and (v) pay costs of issuance.

The New Pavilion will be located at 5700 S. Maryland Avenue Chicago, IL 60637 and began construction in May, 2009 and is anticipated to be completed by the end of 2012.

BUSINESS SUMMARY

Description of Business: UCMC operates three hospitals and an ambulatory care facility located on the main campus of the University of Chicago as well as certain outlying facilities and activities. The three hospitals operated by UCMC consist of the main adult patient care facility, a maternity and women's hospital and the University of Chicago Comer Children's Hospital.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Lawrence Furnstahl, Chief Financial and Strategy Officer and Treasurer
Borrower: The University of Chicago Medical Center

Ownership/ 2010-11 Board Members 501(c)(3): Rodney L. Goldstein (Chair), Frank M. Clark (Vice Chair), Thomas A. Reynolds III (Vice Chair), Trisha Rooney Alden, Andrew M. Alper *(ex officio),*Jeffrey S. Aronin, Diane P. Atwood, Robert H. Bergman, Ellen Block, Kevin J. Brown, John Bucksbaum, Benjamin D. Chereskin, Stephanie Comer, James S. Crown, Craig J. Duchossois, James S. Frank, Stephanie Harris, William J. Hunckler III, Carol Levy, Cheryl Mayberry-McKissack, Dane A. Miller, Ralph G. Moore, Christopher J. Murphy III, Emily Nicklin, Brien M. O'Brien, Timothy K. Ozark, Kenneth S. Polonsky, MD, *(ex officio)* Nicholas K. Pontikes, James Reynolds, Jr., Thomas F. Rosenbaum *(ex officio),* Benjamin Shapiro, Kenneth J. Sharigian *(ex officio)* Jeffrey T. Sheffield, Melody Spann-Cooper, John A. Svoboda, Michael Tang, MarrGwen Townsend, James C. Tyree, Terry L. Van Der Aa, Scott Wald, Stephen G. Weber, MD *(ex officio),* Kelly R. Welsh, Paula Wolff, and Robert J. Zimmer *(ex officio).*

Life Trustees: Paul F. Anderson, Marshall Bennett, Lindy Bergman, Sidney Epstein, Robert Feitler, Stanford J. Goldblatt, Jules F. Knapp, Howard G. Krane, John D. Mabie, Barry L. MacLean, Marjorie I. Mitchell, Michael Rosenberg, Robert G. Schloerb, Gordon Segal and Robert G. Weiss.

PROFESSIONAL & FINANCIAL

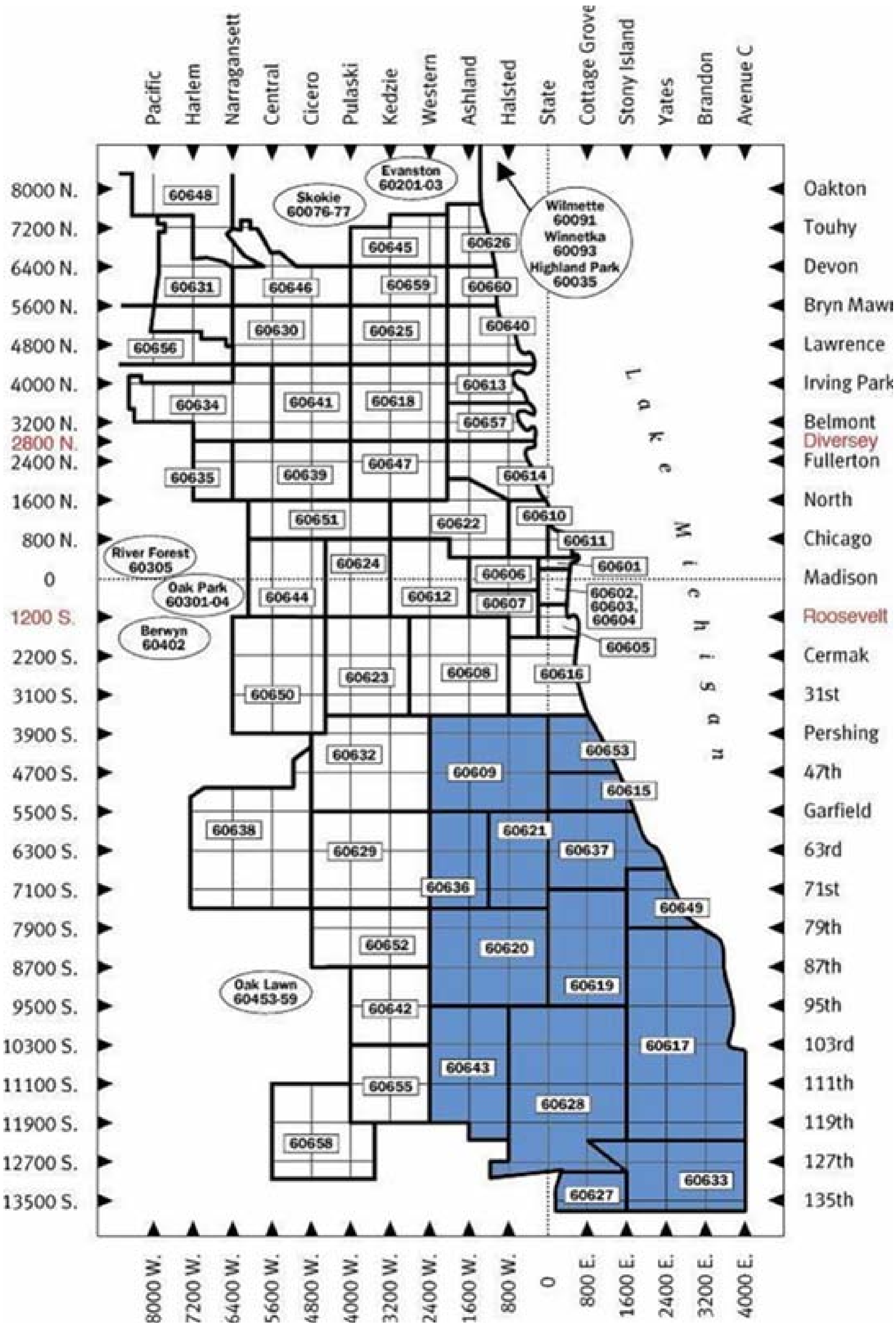
Bond Counsel:	Jones Day	Chicago	John Bibby
Borrower's Counsel:	Katten Muchin Rosenman	Chicago	Elizabeth Weber
Borrower's Financial Advisor:	Melio & Company	Northfield	Mark Melio
LOC Provider(s):	Bank of America	Chicago	Frances Dean
	Wells Fargo	Chicago	Stacy Wells
LOC Provider(s)' Counsel:	Chapman & Cutler	Chicago	David Field
	Ungaretti & Harris	Chicago	Julie Seymour
Underwriter(s):	Merrill Lynch	Chicago	Joe Hegner
	Wells Fargo Securities	New York	Patrick Sheehan
	Wells Fargo Securities	Minneapolis	Joe Glenn
	Loop Capital	Chicago	Lerry Knox
	Cabrera Capital	Chicago	Santino Bibbo
Underwriters' Counsel:	Polsinelli Shughart	Chicago	Janet Zeigler
Accountant:	PriceWaterhousecoopers	Chicago	Robert Valletta
Issuer's Counsel:	Burke, Burns, & Pinelli	Chicago	Mary Pat Burns
IFA Financial Advisor	Acacia Financial	Chicago	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional: 1- Bobby L. Rush
State Senate: 13- Kwame Raoul
State House: 25- Barbara Flynn Currie

SERVICE AREA

UCMC's primary service area covers much of the south side of the City of Chicago. The primary service area is bounded by 36th Street to the north, Lake Michigan and the Indiana border to the east, 130th Street to the south and Western Avenue to the west. The primary service area is eight miles long, four miles wide at the northern boundary and eight miles wide at the southern boundary. Travel time from UCMC's facilities to the most distant parts of the primary service area is 25 to 30 minutes.



ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

Date: October 12, 2010

From: Eric Reed, Regional Manager

Re: Request from IFA Board of Directors approval of:

1) Extension of an existing participation loan for 1 remaining 5-year term pursuant to the conditions of the IFA Participation loan program. The subject loan was originated 9/1/05 by the Goodfield State Bank and matured 9/1/10.

Loan # A-LL-TX-638 (*Agricultural Participation Loan*)
Original Amount: $175,000.00
Current Balance: $99,219.00
IFA Exposure: $99,219.00

Goodfield State Bank ("Bank") and **Roy and Nathan Wiegand ("Borrowers")** have requested that the IFA extend it's Participation Loan with the Bank in order to provide financing for the Borrowers for 1 additional 5 year term, thus maturing 9/1/15 and exhausting eligibility under the program.

The Bank originated a $350,000 loan in September of 2005 to provide permanent financing for the construction of a new 350 head sow barn for breeding hogs and a 1,500 head finishing barn for feeding hogs to market weight for sale.

Goodfield State Bank has proposed an interest rate of 6.0% fixed for 5 years, with IFA's interest rate being fixed at 1.0% under the Bank's rate at 5.0% for 5 years. The Bank has indicated that the principal and interest payment will remain the same as the current payment.

Despite the downturn in the hog market experienced by producers in recent years, the Wiegands appear to have weathered the storm, maintaining positive cash flow, and remained profitable, due to their diversity in grain farming as well as their operating their swine enterprise.

The subject loan has performed as agreed with no late payment issues during the first 5 years of the loan. Collateral, cash flow, and debt service coverage are very strong on this credit, thus staff concurs and recommends approval to extend the participation loan for an additional 5 years.

CONFIDENTIAL

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: Roy E. and Nathan T. Wiegand

STATISTICS

Project Number:	B-LL-TX-638	Amount:	Not to exceed $175,000
Type:	Participation Loan	IFA Staff:	Eric Reed
Location:	Roanoke, IL	Tax ID:	350-44-4649
SIC Code:	0213-Swine Production	Est. fee:	$7,000 (1st year's int.)

BOARD ACTION

Approval to purchase $175,000 loan participation from the Goodfield State Bank.
$175,000 of IFA funds at risk.
Staff recommends approval, subject to satisfying all conditions of the bank loan.

***** Satisfactory Appraisal to equal an overall LTV$\leq$ 70%.

PURPOSE

Provide permanent financing for the construction of a 350 head sow breeding facility and a 1,500 head finishing facility. Goodfield State Bank will finance the construction loan for this project.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Portion	$175,000	Uses:	Proposed Const.	$350,000
	Goodfield State Bank	$175,000			
	Total	**$350,000**	**Total**		**$350,000**

JOBS

Current employment:	2	Projected new jobs:	1.5
Jobs retained:	2	Construction jobs:	6

BUSINESS SUMMARY

Background: Roy and Nathan Wiegand, who are father and son respectively, operate a small farrow to finish swine operation, which consists of 300 sows that produce market hogs for sale. Roy is 57 years old, while Nathan is 29 years old. Roy started farming in 1972 and raising hogs in 1980 with a 100 head sow operation. The Wiegands sell their hogs in a cooperative effort with other local farmers in order to provide larger numbers of hogs for sale directly to the packer. Currently, the Wiegands and the other producers that collectively sell hogs together receive a premium of $3-$4 per cwt over the local cash price for hogs.

Their farming operations also include a 500 acre row crop operation, which is 100% owned by Roy Wiegand. Roy plants corn on all his acres, which he sells to the Wiegand partnership, in order to provide feed to the hogs. Any additional corn required for feed, is purchased from local farmers at the prevailing local cash price.

Two years ago, Roy and Nathan Wiegand formed a partnership to allow Nathan the opportunity to gain further ownership in the family farm. Roy owns all of the current buildings and facilities, while Nathan will own the proposed facilities. Since the real estate is owned by the principals individually, it is then leased back to the partnership. With the increased production, the farm will be able to add one full time and one part time employee. As partners, Roy and Nathan will each be jointly and severally liable for this obligation. According to the loan officer, Roy and Nathan each currently have $250K in life insurance, with each other listed as the beneficiary. They are in the process of increasing this amount to cover the new debt. The bank has not requested an assignment of these policies.

Project Rationale: The Wiegand's would like to expand their sow herd so that they can increase their annual sales of of market hogs. In today's industry, producers must be able to deliver substantial numbers of hogs to packers, in order to obtain favorable pricing. By doubling their sow herd, the Wiegand's will be able to position themselves to negotiate more favorable contracts with packers.

Transaction: Roy and Nathan Wiegand have requested financing in the amount of $350,000 to construct a new 350 head sow building and a 1,500 head finishing facility. The borrowers are currently undergoing construction of the new facilities. Goodfield State Bank has requested that IFA participate in the permanent financing in order to lower the cost of financing for the borrower. The bank has proposed 12 year amortization on the loan, with a 5 year fixed rate of 6.0%. Goodfield State Bank will pass on the full 2% savings from IFA to the borrowers.

Additional Covenants And Conditions: 1) Satisfactory Appraisal to equal an overall LTV $\leq$ 70%.

Financial Commentary: Financial statements and tax returns for Roy Wiegand are prepared by Pioneer Farm Business Farm Management. For Roy Wiegand, current assets have generally been declining over the last 3 years as he and his son entered into a partnership, where livestock inventories were transferred to the partnership.

Other than stored crop inventory and machinery, most of Roy Wiegand's assets consist of 300 acres of farmland and improvements, which are valued at $1.5M. At FYE, his balance sheet reflected $100K in debt against the properties.

Mr. Wiegand's statements reflect a general trend of thin liquidity over the periods reviewed, however he has maintained a very low debt load in his operation. Prior to 2004, most of his debt was associated with an annual operating loan, which had a $200K balance. With the inception of the partnership, the majority of the operating debt is now carried by the partnership. As an accounting function, cash is shown as negative because checks are written at year end for pre paid expenses, however sales are delayed until the next calendar year to pay for those expenses.

Mr. Wiegand's net worth has been steadily increasing over the past three years. This increase can be attributed to a mixture of realized profits, appreciation in real estate value, and reduction in total liabilities.

A current balance sheet was also submitted by Nathan Wiegand to Goodfield State Bank. This was the only financial statement available to the lender. Nathan's balance sheet reflects strong liquidity. His current assets are comprised of $25K in cash, $99K in crop and livestock inventories, and $45K in marketable securities.

With minimal current liabilities, his current ratio is excellent at 42:1.

Nathan's other major assets consist of his real estate, which includes his house and the hog facilities under construction. However, since the equity in the real estate is limited, his leverage position is higher than desired at 2:1.

FINANCIAL DATA FOR: **Roy Wiegand**

		Year	
	12/31/2002	**12/31/2003**	**12/31/2004**
Cash	(65,668)	(29,726)	(31,274)
Crops/Livestock	270195	108,460	144,322
Other Current Assets	32229	202,266	25,996
Total Current Assets	**236,756**	**281,000**	**139,044**
Farm Machinery/Equipment	240000	185,000	175,000
Real Estate/Improvements	1469000	1,494,000	1,537,000
Partial interest in other entity	0	0	263,857
Other LT Assets	89649	57,104	58,362
Total Non-Current Assets	**1,798,649**	**1,736,104**	**2,034,219**
Total Assets	**2,035,405**	**2,017,104**	**2,173,263**
Notes Payable	202000	213,000	58,000
Current Maturities LT debt	23100	25,800	44,800
Other Current Liabilities	23500	20,000	29,700
Total Current Liabilities	**248,600**	**258,800**	**132,500**
Equipment Debt	40150	27,230	154,697
Real Estate Debt	207207	189,356	100,182
Other LT Liabilities	0	0	0
Total Non-Current Liabilities	**247,357**	**216,586**	**254,879**
Total Liabilities	**454,564**	**405,942**	**387,379**
Net Worth	**1,580,841**	**1,611,162**	**1,785,884**
Working Capital	**(11,844)**	**22,200**	**6,544**
Current Ratio	**0.95**	**1.09**	**1.05**
Debt-to-asset ratio	**0.22**	**0.20**	**0.18**
Debt-to-worth Ratio	**0.29**	**0.25**	**0.22**

Financial Statements for the Wiegand Partnership are prepared by Pioneer Farm Business Farm Management. Since the partnership was formed at the beginning of 2003, only two years of balance sheets are available.

As expected, during the first year of operations, total assets and liabilities were minimal. However, the company was able to generate $455K in sales and a net income of $50K.

For the FYE 2004, the Wiegand Partnership significantly increased total assets and net worth, with no liabilities. They were also able to increase sales by $158K, which was a 34% increase over 2003. The increase in sales also generated an increased net income of $114K for 2004.

Income and Expense amounts listed below are combined for Roy, Nathan, and the Wiegand Partnership to reflect a global cash flow analysis. Total sales have been increasing over the 3 year period, most notably 2004, which was an excellent crop year for producers. The borrowers also increased their hog production in 2004.

With the doubling of their sow heard, the Wiegands will be able to significantly increase their annual hog sales. Forecasts project sales to increase to 10,200 head in 2006 and 11,000 head annually in 2007. Sales for 2006 are projected to be $1.1M, which is an increase of 55% over the 2004.

Debt Service Coverage for the years reviewed has been very strong, and in fact increasing each year with the increase in sales and net income. For FYE 2004, the borrowers collectively had a DSC ratio of 3.21x debt service. Projections for the 2006 indicate continued strong repayment ability, with a debt service coverage of 3.12x debts.

Collateral for the loan request appears to be adequate. Based on the bank's estimate of value, the adjusted LTV is 67%. An appraisal has been ordered on the property in order to verify the estimated values.

FINANCIAL SUMMARY

Borrower's Finances: Borrower prepared statements submitted by Goodfield State Bank.

FINANCIAL DATA FOR:	**Nathan Wiegand**
	Year
	12/31/2004
Cash	25,050
Crops/Livestock	99,135
Other Current Assets	45,000
Total Current Assets	**169,185**
Farm Machinery/Equipment	11,340
Real Estate/Improvements	410,000
Breeding stock	35,613
Other LT Assets	17,500
Total Non-Current Assets	**474,453**
Total Assets	**643,638**
Notes Payable	0
Current Maturities LT debt	4,000
Other Current Liabilities	0
Total Current Liabilities	**4,000**
Equipment Debt	0
Real Estate Debt	386,000
Other LT Liabilities	40,500
Total Non-Current Liabilities	**426,500**
Total Liabilities	**430,500**
Net Worth	**213,138**
Working Capital	**165,185**
Current Ratio	**42.30**
Debt-to-asset ratio	**0.67**
Debt-to-worth Ratio	**2.02**

FINANCIAL DATA FOR:	**Wiegand Partnership**	
	Year	**Year**
	12/31/2003	**12/31/2004**
Cash	25,127	(2,017)
Crops/Livestock	0	278,615
Other Current Assets	0	0
Total Current Assets	**25,127**	**276,598**
Farm Machinery/Equipment	0	33,700
Real Estate/Improvements	0	0
Other LT Assets	69,409	66,640
Total Non-Current Assets	**69,409**	**100,340**
Total Assets	**94,536**	**376,938**
Notes Payable	1,928	0
Total Current Liabilities	**1,928**	**0**
Equipment Debt	0	0
Real Estate Debt	0	0
Total Non-Current Liabilities	**0**	**0**
Total Liabilities	**1,928**	**0**
Net Worth	**92,608**	**376,938**
Working Capital	**23,199**	**276,598**
Current Ratio	**13.03**	**#DIV/0!**
Debt-to-asset ratio	**0.02**	**0.00**
Debt-to-worth Ratio	**0.02**	**0.00**
Sales	455622	612976
Depreciation	0	3668
Interest	0	0
General Expenses	405124	495168
Net Farm Income	**50498**	**114140**

Cash Basis Accounting	**Roy and Nathan Wiegand(Combined)**				**Year 1**
	2002	**2003**	**2004**	**Average**	**Projection**
Crop/Livestock Sales	424,993	535,078	735,480	565,184	1,140,360
Government payments	19,905	19,795	32,732	24,144	19,000
Other Farm Income	53,866	129,745	2,895	62,169	20,000
Total Farm Income	**498,764**	**684,618**	**771,107**	**651,496**	**1,179,360**
General Operating Expenses	362,991	553,125	639,009	518,375	811,993
Depreciation	73,689	22,041	20,947	38,892	73,892
Interest Expense	15,918	19,804	17,736	17,819	35,236
Total Farm Expenses	**452,598**	**594,970**	**677,692**	**575,087**	**921,121**
Net Cash Farm Income	**46,166**	**89,648**	**93,415**	**76,410**	**258,239**
Accrual Adjustments					
Stored Crops Adj.	**(14,135)**	**17,874**	**107,833**	37,191	**0**
Accounts Rec. Adj.	**0**	**0**	**0**	0	**0**
Prepaid Exp. Adj.	**(6,043)**	**(18,147)**	**13,708**	(3,494)	**0**
Accounts Payable Adj.	**0**	**0**	**0**	0	**0**
Accrual Adj. Income	**25,988**	**89,375**	**214,956**	**110,106**	**258,239**

Repayment Margin Analysis

	2002	**2003**	**2004**	**Average**	**Projection**
Net Farm Operating Income	25,988	89,375	214,956	110,106	258,239
Add: Non-farm Income	30,634	48,008	35,642	38,095	35,000
Add: Depreciation Expense	73,689	22,041	20,947	38,892	73,892
Add: Annual Term Debt Interest	15,918	19,804	17,736	17,819	35,236
Less: Income Taxes	(10,907)	(7,991)	(15,509)	(11,469)	(15,826)
Less: Family Living W/D	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)
Balance Available for Term Debt Rpymt	**75,322**	**111,237**	**213,772**	**133,444**	**326,541**
Principal on Term Debt	23,100	25,800	48,800	32,567	69,300
Interest on Term Debt	15,918	19,804	17,736	17,819	35,236
Total Principal and Interest Pymts	**39,018**	**45,604**	**66,536**	**50,386**	**104,536**
Equals Term Debt Coverage Ratio	**1.93**	**2.44**	**3.21**	**2.53**	**3.12**
Equals Term Debt Repayment Margin	**36,304**	**65,633**	**147,236**	**83,058**	**222,005**

COLLATERAL ANALYSIS:

Collateral Description	**Value**	**Advance**	**Adj. Value**
Stored Crops		0.85	$ -
Growing Crops		0.65	$ -
Breeding Stock	$ -	0.80	$ -
Proposed facilities	$ 350,000	0.70	$ 245,000
Existing 12 ac w/facilities	$ 400,000	0.70	$ 280,000
Total Collateral	$ 750,000		$ 525,000
Total Loans Outstanding:			$ 350,000
Adjusted LTV:			67%
Excess Collateral:			$ 175,000

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PROJECT SUMMARY

The Wiegand partnership has requested financing in the amount of $350,000 to construct a new 350 head sow building and a 1500 head finishing facility. The borrowers are currently undergoing construction of the new facilities. Goodfield State Bank has requested that IFA participate in the permanent financing in order to lower the cost of financing for the borrower.

FINANCING SUMMARY

Interest:	The borrower's note rate will be fixed at 6.0% for 5 years. Goodfield State Bank will pass on the 2% discount from IFA to the borrower, resulting in an IFA rate of 4%.
Security:	This loan facility will be secured by a first mortgage on 12 acres with all existing and proposed facilities. IFA will have an equal share in all collateral.
Sources of Repayment:	Primary: Sale of market livestock. Secondary: Other farm income/liquidation of collateral.
Maturity:	10 year Term, 12 year amortization, with monthly P&I of $3,500.

COLLATERAL

The proposed loan facility will be secured by a 1st mortgage and assignment of rents and leases on 12 acres, which includes all existing hog facilities, two large two story frame houses, and the proposed hog facilities, which are estimated to cost $350,000. The bank estimates the total value of the real estate at $750,000. A satisfactory appraisal, substantiating this estimate or an overall LTV of $\leq$ 70% is a requirement of this loan prior to IFA funding. **Based on the estimated value of the collateral, the adjusted LTV is 67%.**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Roy E. Wiegand Nathan T. Wiegand
Location:	2157 County Hwy 5, Roanoke, IL 61561 (Woodford Co.)
Organization:	Partnership
State:	Illinois
Ownership:	Roy E. Wiegand and Nathan T. Wiegand

PROFESSIONAL & FINANCIAL

Accountant:	Pioneer Farm Business Farm Management in Bloomington, IL	
Bank:	Goodfield State Bank	Dana Wiegand, VP

***** (It should be noted that Dana Wiegand, the bank loan officer is the son of Roy Wiegand as well. Goodfield State Bank is comfortable with Dana acting as the primary lender for this credit. Financial statements are prepared by FBFM and appear to be uninfluenced by the loan officer.)

LEGISLATIVE DISTRICTS

Congressional:	18th	State Senate:	37th	State House	73rd

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ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

Date: October 12, 2010

From: Eric Reed, Regional Manager

Re: Request to IFA Board of Directors for approval of:

1) Sale and release of 80 acres of farm land currently held as collateral on the subject loan below.
2) Reamortization of the subject loan after application of net proceeds from sale of collateral, which will reduce the Borrower's payment from the current principal and interest payment.

Loan # 2009-DR-0901 (*Agri-Debt Guarantee*)
Original Amount: $500,000.00
Current Balance: $500,000.00
IFA Exposure: $425,000.00

Peoples National Bank ("Bank") in Salem and **Keith G. Beer ("Borrower")** have requested IFA concurrence of approval to release 80 acres of farm land, which is currently held as collateral on a loan guaranteed by the IFA. Upon the sale of the subject farm, which is expected to close in November 2010, the net proceeds will be applied to repay the IFA guaranteed loan. After the net proceeds are applied and the outstanding balance is reduced, the Borrower would like the Bank to reamortize the balance and lower the annual loan payment.

The Bank originated a $500,000 loan in September of 2009 to refinance the borrower's debts under the Agri-Debt Restructuring Guarantee loan program with 280 acres of farm land as the primary collateral.

Since the inception of the loan, the Borrower has advised the Bank that he has concerns over the likelihood that he will be able to retain his current off-farm employment. As a result, he also has concerns regarding his ability to service the debt for this loan. The proposed sale price is $280,000 for 80 acres. Although the Borrower will incur some costs related to the sale, the net proceeds should provide substantial reduction in the principal balance.

The Bank has already approved the Borrower's request subject to necessary title work and surveys being completed. Because the IFA has an existing guarantee in place, the Bank is requesting IFA's concurrence on the above loan actions

Based on the adequate loan to value ratio, and the fact that all net proceeds will be applied to the principal balance, thus reducing the IFA's exposure, staff concurs and recommends approval.

ILLINOIS FINANCE AUTHORITY

NON-CONDUIT

September 9, 2009

$500,000
Keith G. Beer
AGRI-DEBT GUARANTEE

REQUEST	Purpose: Provide 85% loan guarantee in favor of the Peoples State Bank to refinance the Borrower's debts. Project Description: The proposed loan of $500,000 will be secured by a first mortgage on 280 acres of farmland. Product Type: Agri-Debt Guarantee State Treasurer's Funds at Risk: $425,000 Conditions: 1) Assignment of Crop Insurance to Peoples State Bank 2) Negative covenant requiring Bank and IFA approval on further debts
BOARD ACTIONS	Final Resolution 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: Iuka/Southeastern Region, Marion County ● When was it established: 1985 ● What does the entity do: Grain and cattle Farm ● Refinancing Borrower's debts and divorce settlement expenses
Proposed Structure	Originating Bank: Peoples State Bank ("PSB") Collateral: 280 Acres farmland Collateral Position: 1st Maturity Years: 30 Years Interest Rate: Fixed for 3 years initially.
Sources and Uses	New Bank Loan: $500,000 Refinancing $325,000 Settlement $175,000 **Total $500,000** **Total $ 500,000**
Recommendation	Credit Review Committee Recommends: Approval subject to above conditions

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ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 9, 2009

Project: Keith G. Beer

STATISTICS

Project Number:	A-AD-GT-8265	Amount:	$500,000
Type:	Agri-Debt Guarantee	IFA Staff:	Eric Reed
County/Region:	Marion/Southeastern	City:	Iuka

BOARD ACTION

Final Resolution
State Treasurer's Reserve Funds at risk: $425,000 | Extraordinary conditions: None
Credit Committee Recommends Approval | Additional covenants: None

VOTING RECORD

None. This is the first time this project has been presented to the board of directors.

PURPOSE

Use of proceeds: Refinance the Borrowers existing debts and divorce expenses.

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 funded for this program and 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:	$425,000	Uses:	Refinance Debt	$325,000
	Peoples State Bank	$75,000		Settlement	$175,000
	Total	**$500,000**			**$500,000**

FINANCING SUMMARY/STRUCTURE

Security:	1st real estate mortgage on 280 acres of farm land.
Structure:	30 year term with 30 year amortization and annual payments of principal and interest.
Interest Mode:	Adjustable

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Credit Enhancement: IFA 85% Guarantee
Maturity: 30 years
Estimated Closing Date: June 15, 2009

PROJECT SUMMARY

Summary: Keith Beer is seeking financing from Peoples State Bank ("PSB") to restructure his debts and finance a divorce settlement. Peoples State Bank will originate a $500,000 real estate loan to provide for the refinancing.

Project Rationale: Mr. Beer needs to refinance a portion of his current debts as well as borrow the necessary funds to settle a divorce with his ex-wife. By refinancing these debts and obtaining an IFA guarantee, financing for this purpose at an extended term of 30 years.

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

BUSINESS SUMMARY

Keith Beer operates a small grain and livestock farm, which currently consists of a 60 cow (beef) herd and 68 calves. He also farms 312 acres on which he raises hay, corn, soybeans and wheat.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Keith G. Beer
Project Location: 3500 Metcalf Road
Iuka, IL 62849
Borrower: Keith G. Beer
Ownership: Sole Proprietorship

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	N/A		
Accountant:	Leymone Hardcastle & Co.	Flora	
Originating Bank:	Peoples State Bank	Salem	Roger Frederichs
Bank Counsel:	N/A		
IFA Advisors:	Scott Balice Strategies, Inc.	Chicago	Lois Scott
IFA Counsel:	N/A		

LEGISLATIVE DISTRICTS

Congressional: 19th, John Shimkus
State Senate: 54th, John O. Jones
State House: 107th, John Cavaletto

BACKGROUND INFORMATION

Mr. Beer started farming on his own in 1985 on some of the land he currently owns. Initially he was involved in assisting his father in the family's dairy operation, which has since been liquidated. He established his own farming operation near his parents which allows him to share machinery and farm buildings with them. Mr. Beer has maintained a small livestock enterprise, which consists of a 60 cow (beef) herd and 68 calves, currently. He raises his own hay and produces some cash grain. Last year, Mr. Beer devoted 307 acres of owned and rented land to the production of corn, soybeans and wheat. Mr. Beer has expanded his operation since 2000 from 137 owned acres to 312 acres.

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Mr. Beer recently settled his costly divorce in 2009. The property settlement (which is primarily determined by the value of livestock, machinery, and land) is included in the proposed restructuring loan. Mr. Beer intends to continue building his cow herd, which will require him to rent more pasture land. Mr. Beer has a goal reaching 100 head of productive cows. When his father retires from farming Mr. Beer will likely assume hay and grazing land associated with his father's operation, include his cow herd.

Mr. Beer has kept off-farm employment as a source for living expenses and is currently employed with GSI Group of Assumption on a full time basis.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: October 12, 2010

Re: Resolution Authorizing Extension of (IFA) IEFA Commercial Paper Revenue Notes Program for 5 Years

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The attached Resolution authorizes the Illinois Finance Authority, at the request and direction of the Borrowers under the CP Revenue Notes Program, to continue ongoing "rollovers" of Commercial Paper Revenue Notes until December 1, 2015.

This cooperative program, established collectively by its Borrowers (i.e., the "Members") in 1995, permits its members to borrow through the issuance of Commercial Paper that is repriced at least once each 7 to 270 days, as determined by JPMorgan (the Broker-Dealer engaged by the Members). The Program has mostly provided short and intermediate term borrowings to its members.

This Resolution authorizes IFA to continue 7 to 270 day "repricings" for these conduit borrowers through December 1, 2015.

The member institutions are responsible for engaging all financial professionals, just as on any other IFA conduit financing. The Members have selected and engaged different financial professionals over the course of the program and there is no restriction on various financial professionals from soliciting the Members. The original CP Revenue Notes issue was closed in 1995 and originally issued by the Illinois Educational Facilities Authority.

Each Borrower must obtain (i) credit approval from the LOC Bank (The Northern Trust Company) and (ii) consent from the other Members to join this cooperative in order to issue credit enhanced Commercial Paper Revenue Notes.

<u>Participating Members include:</u> Children's Memorial Hospital, The Lincoln Park Zoological Society, Loyola University of Chicago, The University of Chicago, Northwestern University, The University of Chicago Medical Center, Rehabilitation Institute of Chicago, OSF Healthcare System, and NorthShore University Health System are Member of this cooperative program. Not all members currently have outstanding borrowings under the Program.

Current members of the financing team, as selected by the Members, include:

- Commercial Paper Broker-Dealer: JPMorgan Securities, New York and Chicago
- Bond Counsel: Chapman and Cutler LLP, Chicago
- Broker-Dealer's Counsel: Ungaretti & Harris, Chicago
- Direct Pay Letter of Credit Bank: The Northern Trust Company, Chicago
- Counsel to Letter of Credit Bank: Winston & Strawn
- Trustee: BNY Mellon, Columbus, OH

RESOLUTION authorizing an amendment to the Resolution of the Illinois Educational Facilities Authority (the "IEFA"), a predecessor of the Illinois Finance Authority (the "Authority"), adopted on November 21, 1995, as amended by the Resolution of the IEFA adopted on February 22, 1996, by the Resolution of the IEFA adopted on October 16, 1998, by the Resolution of the IEFA adopted on June 17, 1999, by the Resolution of the IEFA adopted on September 14, 1999, by the Resolution of the IEFA adopted on October 18, 2000, by the Resolution of the IEFA adopted on May 24, 2001, by the Resolution of the IEFA adopted on August 23, 2001, by the Resolution of the IEFA adopted on November 26, 2001, by the Resolution of the IEFA adopted on April 10, 2002, by the Resolution of the IEFA adopted on December 16, 2003, by the Resolution of the Authority adopted on September 13, 2005, by two separate Resolutions of the Authority adopted on November 8, 2005, by the Resolution of the Authority adopted on July 8, 2008 and by the Resolution of the Authority adopted on November 12, 2008 (collectively, the "Existing Program Resolution"), authorizing and approving, among other things, the issuance and delivery by the Authority from time to time of not in excess of $403,200,000 aggregate principal amount at any one time outstanding of Commercial Paper Revenue Notes (Pooled Financing Program) (the "Notes") pursuant to a pooled tax-exempt commercial paper program (the "Program"); authorizing the extension of the Authority's authorization under the Existing Program Resolution of the issuance and sale of the Notes pursuant to the Program until December 1, 2015; authorizing and approving the execution and delivery of any documentation necessary to effect the foregoing; and authorizing and approving certain related matters.

WHEREAS, the Illinois Finance Authority (the "Authority") has been created by the Illinois Finance Authority Act, effective January 1, 2004, as amended (the "Act"); and

WHEREAS, on November 21, 1995, the Illinois Educational Facilities Authority (the "IEFA") adopted a Resolution (the "November 1995 Resolution") authorizing and approving, among other things, the issuance and delivery by the IEFA of not in excess of $106,000,000 in aggregate principal amount at any one time outstanding of Commercial Paper Revenue Notes (Pooled Financing Program) (the "Notes") pursuant to a pooled tax-exempt commercial paper program (the "Program") established under the Trust Indenture dated as of November 1, 1995, as supplemented and amended (the "Indenture"), between the Authority, as successor to the IEFA pursuant to the Act, and The Bank of New York Mellon Trust Company, N.A., as successor trustee, the proceeds of the Notes to be used to purchase separate Promissory Notes of The Children's Memorial Hospital, The Lincoln Park Zoological Society (the "Zoo"), Loyola University of Chicago ("Loyola") and The University of Chicago, all Illinois not for profit corporations, and Northwestern University ("Northwestern"), an Illinois corporation; and

WHEREAS, on February 22, 1996, the IEFA adopted a Resolution (the "February 1996 Resolution") authorizing and approving an amendment to the November 1995 Resolution to, among other things, increase the aggregate principal amount of Notes that may be issued and at any one time outstanding under the Program from $106,000,000 to $124,200,000; and

WHEREAS, on October 16, 1998, the IEFA adopted a Resolution (the "October 1998 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, to, among other things, (a) permit The University of Chicago Medical Center, formerly known as The University of Chicago Hospitals (the "Medical Center"), to become a borrowing institution under the Indenture and the Program and (b) increase the aggregate principal amount of Notes that may be issued and at any one time outstanding under the Program from $124,200,000 to $158,200,000; and

WHEREAS, on June 17, 1999, the IEFA adopted a Resolution (the "June 1999 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution and the October 1998 Resolution, to, among other things, permit Loyola to reallocate all or a portion of the remaining $21,051,000 authorized to be borrowed by it for the purpose of financing, refinancing and reimbursing itself for all or a portion of the costs of the acquisition, construction, renovation and equipping of certain of its facilities constituting "educational facilities" as defined in the Illinois Educational Facilities Authority Act, as amended (the "IEFA Act"); and

WHEREAS, on September 14, 1999, the IEFA adopted a Resolution (the "September 1999 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution and the June 1999 Resolution, to, among other things, (a) permit Illinois Masonic Medical Center to become a borrowing institution under the Indenture and the Program and (b) increase the aggregate principal amount of Notes that may be issued and at any one time outstanding under the Program from $158,200,000 to $183,200,000; and

WHEREAS, on October 18, 2000, the IEFA adopted a Resolution (the "October 2000 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution and the September 1999 Resolution, to extend the authority of the IEFA to issue and sell Notes under the Program from December 1, 2000 to December 1, 2005; and

WHEREAS, on May 24, 2001, the IEFA adopted a Resolution (the "May 2001 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution and the October 2000 Resolution, to amend the list of "educational facilities," as defined in the IEFA Act, that could be financed for the benefit of the Medical Center pursuant to the Program; and

WHEREAS, on August 23, 2001, the IEFA adopted a Resolution (the "August 2001 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution and the May 2001 Resolution, to amend the list of "educational facilities," as defined in the IEFA Act, that could be financed for the benefit of Loyola pursuant to the Program; and

WHEREAS, on November 26, 2001, the IEFA adopted a Resolution (the "November 2001 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution and the August 2001 Resolution, to, among other things, increase the principal amount of Notes that may be issued and outstanding under the Program for the benefit of Northwestern from $35,500,000 to $49,500,000 and increase the aggregate principal amount of Notes that may be issued and at any one time outstanding under the Program from $183,200,000 to $197,200,000 ; and

WHEREAS, on April 10, 2002, the IEFA adopted a Resolution (the "April 2002 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution and the November 2001 Resolution, to, among other things, increase the principal amount of Notes that may be issued and outstanding under the Program for the benefit of the Zoo from $20,000,000 to $40,000,000 and increase the aggregate principal amount of Notes that may be issued and at any one time outstanding under the Program from $197,200,000 to $217,200,000 ; and

WHEREAS, on December 13, 2003, the IEFA adopted a Resolution (the "December 2003 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution, the November 2001 Resolution and the April 2002 Resolution, to amend the list of "educational facilities," as defined in the IEFA Act, that could be financed for the benefit of the Zoo pursuant to the Program; and

WHEREAS, on September 13, 2005, the Authority, as successor to the IEFA pursuant to the Act, adopted a Resolution (the "September 2005 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution, the November 2001 Resolution, the April 2002 Resolution and the December 2003 Resolution, to increase the principal amount of Notes that may be issued and outstanding under the Program for the benefit of the Medical Center from $30,000,000 to $105,000,000 and increase the aggregate principal amount of Notes that may be issued and at any one time outstanding under the Program from $217,200,000 to $292,200,000; and

WHEREAS, on November 8, 2005, the Authority, as successor to the IEFA pursuant to the Act, adopted a Resolution (the "November 2005 First Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution, the November 2001 Resolution, the April 2002 Resolution, the December 2003 Resolution and the September 2005 Resolution, to, among other things, (a) permit the Rehabilitation Institute of Chicago ("RIC") to become a borrowing institution under the Indenture and the Program and (b) increase the aggregate principal amount of Notes that may be issued and at any one time outstanding under the Program from $292,200,000 to $312,200,000; and

WHEREAS, on November 8, 2005, the Authority, as successor to the IEFA pursuant to the Act, adopted a Resolution (the "November 2005 Second Resolution" and, together with the November 2005 First Resolution, the "November 2005 Resolutions") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution, the November 2001 Resolution, the April 2002 Resolution, the December 2003 Resolution, the September 2005 Resolution and the November 2005 First Resolution, to extend the authority of the Authority, as successor to the IEFA pursuant to the Act, to issue and sell Notes under the Program from December 1, 2005 to December 1, 2010; and

WHEREAS, on July 8, 2008, the Authority, as successor to the IEFA pursuant to the Act, adopted a Resolution (the "July 2008 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution, the November 2001 Resolution, the April 2002 Resolution, the December 2003

Resolution, the September 2005 Resolution and the November 2005 Resolutions, to, among other things, (a) permit OSF Healthcare System ("OSF") to become a borrowing institution under the Indenture and the Program and (b) increase the aggregate principal amount of Notes that may be issued and at any one time outstanding under the Program from $312,200,000 to $328,200,000; and

WHEREAS, on November 12, 2008, the Authority, as successor to the IEFA pursuant to the Act, adopted a Resolution (the "November 2008 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution, the November 2001 Resolution, the April 2002 Resolution, the December 2003 Resolution, the September 2005 Resolution, the November 2005 Resolutions and the July 2008 Resolution, to, among other things, (a) permit NorthShore University Healthcare System ("NorthShore") to become a borrowing institution under the Indenture and the Program and (b) increase the aggregate principal amount of Notes that may be issued and at any one time outstanding under the Program from $328,200,000 to $403,200,000; and

WHEREAS, the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution, the November 2001 Resolution, the April 2002 Resolution, the December 2003 Resolution, the September 2005 Resolution, the November 2005 Resolutions, the July 2008 Resolution and the November 2008 Resolution, is hereinafter referred to as the "Existing Program Resolution;" and

WHEREAS, the Existing Program Resolution provides that the Authority's authorization of the issuance and sale of the Notes under the Program will expire on December 1, 2010, unless such authorization is extended by a subsequent resolution of the Authority; and

WHEREAS, the Authority has been requested by Chapman and Cutler LLP, Bond Counsel to the Authority ("Bond Counsel"), on behalf of the Zoo, the Medical Center, RIC, OSF and NorthShore, existing borrowing institutions, to extend the Authority's authorization of the issuance and sale of the Notes under the Program to December 1, 2015; and

WHEREAS, the Authority desires to so extend its authorization of the issuance and sale of Notes under the Program;

NOW, THEREFORE, Be It Resolved by the Authority that:

Section 1. *Extension.* The Authority, as successor to the IEFA pursuant to the Act, hereby authorizes and approves the extension of its authorization of the issuance and sale of Notes under the Program pursuant to the Existing Program Resolution from December 1, 2010 to December 1, 2015.

Section 2. *Amendment of Section 18 of the November 1995 Resolution.* In order to provide for the extension of the Authority's authorization of the issuance and sale of Notes under the Program, Section 18 of the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution, the November 2001 Resolution, the April 2002 Resolution, the December 2003 Resolution, the September 2005 Resolution, the November 2005 Resolutions, the July 2008 Resolution and the November 2008 Resolution, is hereby amended in its entirety to read as follows:

> "*Section 18. Term of Authorization*. The authorization of the issuance and sale of the Notes pursuant to this Resolution shall expire on December 1, 2015, unless such authorization is extended by subsequent resolution of the Authority."

Section 3. *Execution and Delivery of Documentation.* The Authority does hereby authorize and approve the execution by its Chairman or Vice Chairman and the delivery of such documentation as is deemed by Bond Counsel to be necessary or appropriate to accomplish the matters set forth above in this Resolution, such documentation to be in such forms as shall be approved by Bond Counsel and by the official or officials of the Authority executing the same, with such execution to constitute conclusive evidence of such approval.

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

Section 5. Repeal of Conflicting Resolutions. All resolutions and parts of resolutions in conflict herewith be and the same are hereby repealed, and this Resolution shall be in full force and effect forthwith upon its passage. The foregoing notwithstanding, the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution, the November 2001 Resolution, the April 2002 Resolution, the December 2003 Resolution, the September 2005 Resolution, the November 2005 Resolutions, the July 2008 Resolution and the November 2008 Resolution, is hereby confirmed and approved in all respects except insofar as certain provisions thereof are expressly amended or modified by, or are otherwise in conflict with, this Resolution.

Adopted this 12th day of October, 2010.

____
Chairman

ATTEST:

____
Executive Director

ILLINOIS FINANCE AUTHORITY
Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: October 12, 2010

Re: Request from Alpine Bank to release Guarantor pursuant to Separation Agreement for IFA (Midwest Investment Solutions, Inc./Orbital Tool Technologies, Inc. Project)

IFA File Number B-LL-TX-8193

Date Closed: 12/23/2009
Original Combined Principal Balance: $936,523.66
Original IFA Participation Loan Balance (50%): $468,261.83
O/S Principal (as of 9/30/2009): $461,745.38
Interest Rate: 4.75%

Payment Status: Current as of 10/1/2010

Request:

Alpine Bank has requested that IFA approve the release of one of the two personal Guarantors (Mr. Harry S. Beck) from the loan due to his upcoming separation from the Midwest Investment Solutions, Inc. (the "Borrower" and Orbital Tool Technologies, Inc. (the "Tenant" and "Corporate Guarantor"). Proceeds of this 2009 IFA Participation Loan were used to finance an 11,400 SF square foot addition to the Company's 23,920 SF manufacturing/fabrication facility in Belvidere (Boone County).

The Owners:

Mr. Harry S. Beck is a 50% owner of Midwest Investment Solutions, Inc. – the real estate holding company owned by the principals of Orbital Tool Technologies, Inc (and leased to Orbital). Mr. Beck is also a 50% owner of Orbital Tool Technologies, Inc. Mr. Beck manages Orbital's Georgia operation, which specializes in repairing turbines.

Mr. Terry Orcholski is the other 50%-owner of Midwest Investment Solutions, Inc. and is 50% owner and the President of Orbital Tool Technologies, Inc.

Due to the separation of Harry S. Beck from Orbital Tool, the co-owners have negotiated a Separation Agreement. (Mr. Terry Orcholski, President, also owns a 50% ownership interest in Midwest Investment Solutions, Inc.) Additional background information regarding the Separation Agreement follows below.

Given that (1) Mr. Orcholski is the "key man", (2) Alpine Bank is requiring Mr. Orcholski to increase his life insurance policy pledged to secure the IFA/Alpine Bank Participation Loan from $300,000 to $500,000, (3) that the loan-to-value ratio on the building financed by the IFA/Alpine Bank Participation Loan far exceeded minimum standards, (4) the underlying operating company/tenant continues to generate strong net income and debt service coverage, and (5) the value attributable to the personal guarantee from Mr. Orcholski each satisfy IFA lending requirements, the IFA Credit Review Committee recommends approving this request to release Mr. Harry A. Beck's personal guarantee as approved by Alpine Bank.

Background information:

Orbital Tool Technologies, Inc. has two locations, one in Belvidere (which is owned by Midwest Investment Solutions, Inc.), and a second leased facility in Georgia that is managed by Mr. Harry S. Beck.

At the time of application (December 2008), Orbital had planned to consolidate its Georgia operation into an expanded Belvidere facility financed with proceeds of (1) an IFA/Alpine Bank Loan and (2) a subordinate SBA 504 Loan.

Rationale for Separation:

In the meantime, sales growth at both locations led the Company and owners to re-evaluate their strategic plan. As a result, Mr. Beck will be trading his ownership interest in both Midwest Investment Solutions, Inc. and Orbital Tool Technologies, Inc. in exchange for the Georgia operation, which will be spun-off as a new entity instead of being consolidate with the Belvidere operation. Orbital and the Georgia facility will remain affiliated through a marketing agreement since each performs complimentary work.

According to Alpine Bank, Orbital Tool has been expanding its sales volume and anticipates fully utilizing the Belvidere facility with its own business during calendar 2011 (i.e., without the transplanted Georgia operation).

This Participation Loan was originally referred to the Authority by Growth Dimensions, Inc., the 501(c)(3) public-private economic development organization serving Belvidere and Boone County.

Additional Consideration in Exchange for a Release of Mr. Beck's Guarantee:

In return for releasing Mr. Harry S. Beck as a guarantor on the IFA/Alpine Bank Participation Loan, Alpine Bank is requiring that Mr. Terry Orcholski increase his life insurance policy securing the IFA/Alpine Bank Participation Loan to Midwest Investment Solutions, Inc. from $300,000 to $500,000.

NON-CONDUIT

December 8, 2009

$475,632.50
Midwest Investment Solutions, Inc.
(Orbital Tool Technologies Corp. Project)

REQUEST	**Purpose**: to (i) provide permanent financing for the construction of an 11,400 SF addition to its existing 23,920 SF manufacturing facility located at 6550 Revlon Drive, Belvidere (Boone County), Illinois that is leased to Orbital Tool Technologies Corp. (ii) finance installation expenses for existing equipment, and (iii) fund accrued interest on a construction loan for the subject property. Midwest Investment Solutions, Inc. and Orbital Tool Technologies Corp. are affiliates that have identical shareholders and management. **Program**: Participation Loan **Extraordinary Condition**: IFA's Participation Agreement will be amended to add an Intercreditor Agreement/Rider that will require that Alpine Bank repay the combined IFA/Alpine Bank $951,265 Participation Loan first prior to liquidating any other Alpine Bank Loans irrespective of security position of the loan (this would make an existing IFA Participation Loan provision more explicit).
BOARD ACTIONS	**Board Action:** Re-approval and extension of a Participation Loan Resolution. Amount of IFA/Alpine Bank Participation Loan reduced from $485,000 to $475,632.50 due to final construction costs that were below budget.
MATERIAL CHANGES	Instead of sharing *pari passu on the new loan combined with an existing $652,400 loan, the new IFA/Alpine Bank Participation Loan will instead be secured by a Second Mortgage that pursuant to an Intercreditor Agreement with Alpine Bank and will be paid first before the $652,400 first mortgage loan.*
JOB DATA	61 Current jobs — 39 New jobs projected N/A Retained jobs — 20 Construction jobs (7 Month Period; now completed)
DESCRIPTION	● Location (Belvidere / Boone County / Northern Region) ● Midwest Investment Solutions, Inc. (the "Applicant", the "Obligor", or "Midwest") is an Illinois S Corporation and serves as a special purpose real estate entity that owns (1) the subject property and (2) selected equipment that is leased to Orbital Tool Technologies Corp. (the "Tenant", "Operating Company", "Corporate Guarantor", or "Orbital"), Orbital is an Illinois C Corporation ● Orbital provides its customers with complete outage support services, specializing in on-site field machining, shaft restoration, reverse engineering services, machine tool manufacturing, on-site welding services, and in providing and fabricating term that serves power generation facilities (fossil, hydroelectric, nuclear), chemical and petrochemical production facilities; and commercial and military marine cargo ship turbines. ● Orbital was formed in 1996 with three employees and annual sales of $600,000 and now has 61 employees in Belvidere.
CREDIT INDICATORS	● Loan-to-discounted fair market appraised value of less than 50% based on structure ● Strong historical debt service coverage, acceptable projected debt service coverage.
PROPOSED STRUCTURE	• Although IFA and Alpine Bank would be secured by a *pari passu* security interest in a 2nd Mortgage Loan that will be financing the proposed addition, due to the Intercreditor Agreement to be executed with Alpine Bank, the new $951,625 IFA Participation/Alpine Banks loans will be paid first from any liquidation or disposition of proceeds connected with any other Alpine Bank loan, including their existing First Mortgage Loan of $652,409.
SOURCES AND USES	*See Sources and Uses Table on Page 3.*
RECOMMENDATION	Credit Committee recommends approval subject to satisfying all Bank conditions and execution of an Intercreditor Agreement/Rider satisfactory to IFA.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 8, 2009

Project: Midwest Investment Solutions, Inc. (Orbital Tool Technologies Corp. Project)

STATISTICS

Project Number:	B-LL-TX-8193	Amount:	$475,632.50 (not-to-exceed)
		Total Bank Loan:	$951,265
Project Type:	Participation Loan	IFA Staff:	Rich Frampton
Location:	Belvidere	County/Region:	Boone /Northern

BOARD ACTION

Approval of Commitment Reinstatement and Extension Request to an IFA Participation Loan Resolution to March 31, 2010.
Purchase of a Participation Loan from Alpine Bank & Trust Company (Belvidere, IL)
IFA Funds contributed and at risk: $475,632.50
Staff recommends approval subject to compliance with all of Alpine Bank & Trust Company's terms and conditions (including execution of Alpine Bank's required Environmental Questionnaire/Statement.) and the additional term/condition listed below.

Additional term/condition:

1. IFA's Participation Agreement will require that all present and future Alpine Bank loans secured by the subject project Real Estate will be subordinate to the IFA/Alpine Bank combined maximum $951,625 Participation Loan (in addition to the standard IFA Participation Loan Agreement condition – this will be evidenced by a separate acknowledgement/agreement satisfactory to IFA Counsel – pursuant to this Agreement this $951,265 combined IFA/Alpine Bank Loan would be repaid first, before any of Alpine Bank's other term loans).

VOTING RECORD

The Board approved the Borrower's initial loan request on January 13, 2009 by the following vote:

Ayes: 8 Nays: 0 Abstentions: 0 Absent: 3 (Herrin, Goetz, and Rivera) Vacancies: 4

PURPOSE

This project will provide permanent financing on a building addition that is currently under construction that will enable Orbital to consolidate all activity at its Belvidere, Illinois facility.

IFA Participation Loan proceeds will be loaned to Midwest Investment Solutions, Inc. to (i) provide permanent financing for the construction of an 11,400 SF addition to its existing 23,920 SF manufacturing facility located at 6550 Revlon Drive, Belvidere (Boone County), Illinois that is leased to Orbital Tool Technologies Corp. (ii) finance installation expenses for existing equipment, and (iii) fund accrued interest on a construction loan for the subject property. Midwest Investment Solutions, Inc. and Orbital Tool Technologies Corp. are affiliates that have identical shareholders and management.

The subject project site is located in the DCEO-designated Belvidere/Boone County Enterprise Zone.

IFA PROGRAM AND CONTRIBUTION

Under the IFA Participation Loan Program, the Authority purchases *pari passu* participations in bank loans financing capital projects for business, industry, farmers and agri-industry. The Authority will purchase participations in loans for up to 10 years at a rate of interest that may be fixed for up to 5 years and coterminous with the bank loan. IFA's loan may be extended to a maximum maturity of 10 years. The interest rate for IFA participation is set at closing based at 100 basis points below the Bank's interest rate. The Authority shares *pro rata* in the Bank's collateral and generally (in conjunction with the Bank's loan) advances funds at rates up to 80% of appraised fair market value for real estate, 65% of cost for new equipment and 65% of appraised orderly liquidated value for used equipment. IFA's participation produces a lower, blended interest rate for the Borrower.

VOLUME CAP

Not applicable.

JOBS

Current employment: 61	Projected new jobs: 39 (two years)
Jobs retained: N/A	Construction jobs: 20 (7 months – now completed)

ESTIMATED SOURCES AND USES OF FUNDS – Construction of Addition

Sources:	IFA Participation Loan:	$475,632.50	Uses:	Building – Addition	$ 1,050,025
	Alpine Bank – New	475,632.50			
	Equity Contribution	98,760			
	Total	**$1,050,025**		**Total**	**$1,050,025**

- There is also an existing Alpine Bank Loan is a First Mortgage Loan of approximately $652,409 which will remain outstanding (but will be subject to payment from any Alpine Bank foreclosure/disposition after the new combined $951,265 IFA Participation/Alpine Bank Second Mortgage Loan pursuant to an Intercreditor Agreement/Rider between IFA and Alpine Bank).

- Original Structure approved at January 2009 Board Meeting: This IFA/Alpine Bank Participation Loan was to be combined with an existing 1st Mortgage Loan in the amount of approximately $652,400 (the outstanding balance as of 10/31/2009), thereby resulting in IFA having a *pari passu* interest in a new combined 1st Mortgage Loan totaling approximately $1,592,209. Nevertheless due to the already approved subordination of an existing 2nd Mortgage Loan by the US Small Business Administration ("SBA" – Local SBA 504 Lender is the Rockford Local Development Corp.), Alpine Bank requested that the proposed structure (i.e., the new IFA Participation/Alpine Bank Loans of up to $970,000) be secured by a 2nd Mortgage on the subject property in order to avoid need for SBA to reapprove this subordination request).

- Revised Structure presented for approval: After discussing with IFA Special Counsel for the Participation Loan Program, IFA has revised the structure proposed executing a Intercreditor Agreement/Rider to the standard Participation Agreement (as satisfactory in the sole opinion of IFA Counsel) that will require Alpine Bank to pay down the combined 2nd Mortgage IFA Participation Loan/Alpine Bank Loans totaling approximately $951,625 *before* paying down Alpine Bank's existing 1st Mortgage Loan balance of approximately $652,409 in the event of foreclosure on this loan.

- As a result of this revised structure, IFA would be recovering its principal and interest on a *pari passu* basis on the first $951,265 of collateral liquidated, rather than the combined loan balances $1,592,209 as originally contemplated. This revised structure strengthens this loan by improving the Authority's prospective recovery on any disposition of assets.

FINANCING SUMMARY

Obligor: Midwest Investment Solutions, Inc.

Corporate Guarantor: Orbital Tool Technologies Corp.

Personal Guarantors:

- Terry A. Orcholski [President of Orbital Tool Technologies Corp. and Vice President of Midwest Investment Solutions, Inc.] and Anne Orcholski (Spouse)
- Harry A. Beck [President of Midwest Investment Solutions, Inc. and VP of Orbital Tool Technologies Corp. (Single)]

Security:

- IFA will purchase a $475,632.50 *pari passu* participation in a Second Mortgage Loan of $951,265 by Alpine Bank & Trust Company. Although secured by a Second Mortgage, there will be an Intercreditor Agreement between IFA and Alpine Bank that will require Alpine Bank to apply the proceeds of any asset disposition to repayment of the $951,265 IFA Participation/Alpine Bank loan first, before applying to any other assets. The IFA Participation/Alpine Bank Loan will be secured by the project real estate located at 6550 Revlon Drive, Belvidere, Boone County, Illinois 61008, having an estimated Fair Market Value upon Completion of the Project [i.e., construction of a proposed 11,400 SF addition to the existing 23,920 SF building] at $2,500,000 as of October 22, 2008. The appraiser confirmed on 11/18/2009 that the subject building was constructed in accordance with the plans and specifications.
- Corporate guaranty of Orbital Tool Technologies Corp. (Tenant and affiliate of Borrower)
- Collateral assignment of rents and leases on the subject property.
- Personal guarantees of the shareholders of Midwest Investment Solutions, Inc. (the Borrower and Obligor) and Orbital Tool Technologies Corp. (the Tenant, Operating Company, and Corporate Guarantor).

Maturity Date/ Term on IFA Participation: Approximately 4 year initial term (i.e., 11/12/2013 maturity) with balloon [and initial term of up to 5 years from closing date of IFA Participation loan would be acceptable]. Alpine Bank will evaluate performance and pricing at that time. (Assuming the loan is performing adequately, IFA could extend its commitment for additional terms until 11/12/2019, which is ten years after the original closing date.)

Amortization: 25 Years. (IFA Participation Loan will initially be subject to the 4 year balloon imposed by Alpine Bank and, prospectively, may be extended subject to bank and IFA approval for up to 10 years from the original closing date.) This extension is not mandatory.

IFA Interest Rate: Rate of 4.875% as of 11/12/2009, which is to be set at 1.0% less than the Alpine Bank's rate of 5.875% (fixed for an initial term of four years through 11/12/2013). As a result, the new blended rate of 5.375% will be approximately 0.295% higher than the original 5.08% estimated interest rate approved in January 2009.

[Nevertheless, due to the reduction of the combined principal amount on the IFA/Alpine Bank loans (i.e., from $970,000 to $951,265), Orbital/Midwest Investment's scheduled monthly payments will increase by only $57/month (i.e., from $5,716/mo. to $5,773/mo.]

Estimated
Closing Date: December 10, 2009 to December 31, 2010

Rationale: This Participation Loan will provide permanent financing to help Orbital Tool Technologies Corp. (through its Midwest Investment Solutions, Inc. real estate affiliate) expanding its manufacturing and job shop/assembly operations at its principal facility in Belvidere, Illinois. The new addition will also accommodate anticipated growth.

The new facility addition will be used to manufacture replacement parts including bushings, sleeves, stems, discs, and screens and nuts for the power generating industry. Ultimately, this consolidation is expected to improve operating efficiencies by enabling Orbital to more effectively utilize both its production capabilities and employees.

Additional local support is evidenced by the willingness of the US Small Business Administration /Rockford Local Development Corporation to subordinate its existing $337,000 SBA 504 Second Mortgage Loan to 3rd Mortgage position, behind the new IFA Participation/Alpine Bank Loan (of $939,800).

Savings attributable to the reduced IFA Participation Loan interest rate will generate approximately $4,756 of initial annual savings, thereby improving debt service coverage on the subordinate loan provided by Rockford Local Development Corporation/SBA 504 Loan.

This financing was referred to IFA by Growth Dimensions, Inc. of Belvidere/Boone County (a 501(c)(3) economic development organization for Boone County and its municipalities), and Alpine Bank of Belvidere.

Finally, as required as a standard condition in all IFA Participation Loan Agreements, the combined IFA/Alpine Bank First Mortgage Loans of approximately $951,265 will effectively be senior to all other term loans secured by real estate between Alpine Bank and Midwest Investment Solutions, Inc., and Orbital Tool Technologies Corp., as a result of the proposed Rider to the Participation Agreement to be executed between IFA and Alpine Bank.

PROJECT SUMMARY

IFA's Participation Loan will be combined with loan proceeds from (1) Alpine Bank & Trust Co. (Belvidere), and (2) $98,760 of Cash Equity (from Orbital), to provide permanent financing for Midwest Investment Solutions, Inc.'s new, approximately 11,400 SF building addition to its existing 23,920 SF manufacturing facility located on an approximately 2.424 acre site at 6550 Revlon Drive, Belvidere, IL (Boone County) 61008. The Facility will be leased to Orbital Tool Technologies Corp., an affiliated company with common ownership.

$98,760 of Cash Equity from the Borrowers has been injected to finance building construction, as initially required by Alpine Bank.

BUSINESS SUMMARY

Organization: Midwest Investment Solutions, Inc. (the "Applicant", the "Obligor", or "Midwest") is an Illinois S Corporation and serves as a special purpose real estate entity that owns (1) the subject property and (2) selected equipment that is leased to Orbital Tool Technologies Corp. (the "Tenant", "Operating Company", "Corporate Guarantor", or "Orbital"), Orbital is an Illinois C Corporation.

Midwest and Orbital are under common ownership. Orbital was established in 1996 by Mr. Harry A. Beck (President of Midwest; VP of Orbital) and Mr. Terry Orcholski (VP of Midwest and President of Orbital). Mr. Beck and Mr. Orcholski each own 50% of both Midwest and Orbital.

Midwest also owns an unrelated residential rental property (single family home) located in Belvidere (a legacy asset; Alpine Bank is also the lender).

Background: Orbital Tool Technologies Corp. is a full service repair and engineering service established in 1996 in Belvidere, Illinois (Boone County). Orbital specializes in the repair of large turbines and other machined components used in various steam and gas turbines and industrial valves used in the power generating, chemical, and petrochemical industries.

Orbital provides its customers with complete outage support services, specializing in on-site field machining, shaft restoration, reverse engineering services, machine tool manufacturing, on-site welding services, and in providing and fabricating term that serves power generation facilities (fossil, hydroelectric, nuclear), chemical and petrochemical production facilities; and commercial and military marine cargo ship turbines.

According to the Company, Orbital is the world's only company that specializes in stationary shaft and journal machining.

Orbital provides these services both on-site and in–house machining and assembly at its Belvidere production facility. Orbital has several in-house rapid response emergency service teams that are on call 365 days/year.

Orbital was formed in 1996 with three employees and annual sales of $600,000 and now has 61 employees in Belvidere.

Orbital has been located at its present facility since 1996. Orbital leased the subject facility from the Chrysler Corporation – the subject building was originally constructed in 1990 as a parts warehouse facility (9,595 SF) serving Chrysler's nearby Belvidere Assembly Plant. The subject building was later purchased and also expanded by Midwest/Orbital in 2003, with construction of a 14,325 SF addition, bringing the building up to 23,920 SF (its current size, prior to the subject project).

According to the Company's management, Orbital Tool Technologies Corp. is one of America's premier on-site repair companies serving the (1) power generating, (2) petrochemical and oil refining, and (3) chemical industries worldwide.

- Major power industry customers include Alliant Energy, Ameren UE (Missouri), Ameren CIPS and Ameren IP (Illinois), Florida Power and Light, and Wisconsin Electric Power.
- Major oil refining customers include: ConocoPhillips, Shell Oil Products, ExxonMobil, and BP.
- Major chemical customers include Dow Chemical and Eastern Chemical Corporation.

Owners' Backgrounds: Mr. Beck and Mr. Orcholski already had 23 years combined experience in working on field engineering jobs for heavy industrial service companies when they established Orbital in 1996.

Mr. Beck and Mr. Orcholski previously worked together at Continental Field Machining Company in Schaumburg, Illinois where they developed skills in heavy machinery specialty tool design and development. The principal previously worked together in similar capacities at In-Place Machining Company's Norfolk, VA facility.

Harry Beck currently has over than 25 years' experience in managing field machining jobs for heavy industry. At Orbital, Mr. Beck is responsible for all of the managerial and administrative areas of the company. He also schedules and manages field projects so they are completed in a timely fashion. Mr. Beck holds a BS in Mechanical Engineering and is a Journeyman Machinist.

Mr. Orcholski currently has over 22 years' of design, development and marketing of machine tools for heavy industry including the public power industry. Prior to founding Orbital, for Mr. Orcholski was a Lead Field Technician and General Manager in charge of all field equipment tracking and costing at Holiday Service International in Milwaukee, WI. He later joined In-Place Machining Company, Norfolk, VA, and Continental Field Machining Company, Schaumburg, IL, respectively, in various engineering, sales, and management positions. Mr. Orcholski has also designed and developed specialty machine tools used in heavy field industry applications.

At Orbital, Mr. Orcholski is in charge of overseeing manufacturing, prototype testing, and field use of the latest state of the art equipment to accomplish on-site manufacturing machining globally.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant/ Obligor: Midwest Investment Solutions, Inc.
Operating Co./ Corporate Guarantor: Orbital Tool Technologies Corp.
Contact: Mr. Terry A. Orcholski, President, Orbital Tool Technologies Corp., 6550 Revlon Drive, Belvidere, IL 61008; Ph.: 815-547-3725
Project Location: 6550 Revlon Drive, Belvidere (Boone County), Illinois 61008

Organization:	Midwest Investment Solutions, Inc.	Orbital Tool Technologies Corp.
Form/State:	S Corporation (Illinois)	C Corporation (Illinois)

Ownership: For Both Midwest Investment Solutions, Inc. and Orbital Tool Technologies Corp:

- Harry A. Beck, (President of Midwest Investment Solutions, Inc. and VP of Orbital Tool Technologies Corp.), 2111 NE 55th Street, Fort Lauderdale, FL 33308: 50%
- Terry A. Orcholski, (VP of Midwest Investment Solutions, Inc. and President of Orbital Tool Technologies Corp.), 1315 Iles Ave., Belvidere, IL 61008: 50%.

Current Land Owner: The subject land is already owned by the Applicant (Midwest Investment Solutions, Inc.)

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Law Offices of Nathan J. Noble	Belvidere, IL	Nathan J. Noble
Accountant:	Boeke and Associates, Ltd.	Rockford, IL	
Bank:	Alpine Bank & Trust Company	Belvidere, IL	Paul Fischer
Bank Counsel:	Law Offices of James Stevens	Rockford, IL	James Stevens
Appraiser:	W. Dale Scott & Associates	Loves Park, IL	Glenn Scott
IFA Counsel:	Dykema Gossett PLLC	Chicago, IL	Darrell Pierce
IFA Financial Advisor:	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	16	Donald Manzullo
State Senate:	34	Dave Syverson
State House:	69	Ronald A. Wait

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: October 12, 2010

Re: Resolution to Amend Escrow Agreement and Certain Financial Covenants
IFA Series 2007 Revenue Bonds (Association House Project)

Association House (the "**Borrower**") is requesting to amend certain financing documents relating to their IFA Series 2007 Bonds that were purchased directly by **AIG** (the "**Bondholder**") in a private placement.

Association House and AIG are requesting adoption of a Resolution (i) to amend a provision in the Escrow Agreement that requires bond proceeds not spend on the project by November 20, 2010 to be used to prepay bonds by extending the date for use of the bond proceeds and (ii) to amend a Debt Service Coverage Ratio test and a Liquidity Covenant contained in the Loan Agreement.

AIG, as the sole Bondholder has consented to these changes.

The amendment to the Escrow Agreement to extend the deadline for expending bond proceeds is due to unforeseen construction delays on the project will enable Association House to avoid prepaying bonds at this time. The requested extension of the deadline for expending unused bond proceeds to enable such proceeds to be applied to fund remaining construction costs will result in a technical reissuance for tax purposes.

Additionally, this Resolution also delegates to the Executive Director, the ability to approve future amendments to the Financial Covenants between AIG (the Bondholder) and Association House without the matter requiring approval by the IFA Board of Directors on this private placement.

PROFESSIONAL & FINANCIAL

- Bond Counsel: Chapman and Cutler LLP, Chicago
- Bond Investor/Purchaser: American International Group (AIG)

DRAFT

IFA RESOLUTION 2010-10-__-__

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENTS TO THE LOAN AGREEMENT AND THE ESCROW AGREEMENT RELATING TO THE ILLINOIS FINANCE AUTHORITY REVENUE BOND (ASSOCIATION HOUSE OF CHICAGO PROJECT), SERIES 2007; AUTHORIZING AND APPROVING THE DELEGATION OF CERTAIN FUTURE APPROVALS AND CONSENTS RELATING TO SUCH BOND; AND AUTHORIZING AND APPROVING CERTAIN RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "Authority"), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq*, as supplemented and amended (the "Act"), has heretofore issued $6,596,195.44 in original aggregate principal amount of Illinois Finance Authority Revenue Bond (Association House of Chicago Project), Series 2007 (the "Bond"), and loaned the proceeds from the sale of the Bond to Association House of Chicago, an Illinois not for profit corporation (the "Corporation"), pursuant to that certain Loan Agreement dated as of November 1, 2007 (the "Loan Agreement") among AIG Commercial Equipment Finance, Inc., as assignee of All Points Public Funding, LLC, as lender and as collateral agent (together, the "Purchaser"), the Authority and the Corporation; and

WHEREAS, the Bond has been purchased by the Purchaser on a private placement basis; and

WHEREAS, in the Loan Agreement, the Corporation has covenanted to comply with certain financial covenants, including a debt service coverage ratio covenant and a liquidity covenant (the “Financial Covenants”), that were required by the Purchaser in connection with its purchase of the Bond; and

WHEREAS, the Corporation and the Purchaser desire to amend certain of the Financial Covenants; and

WHEREAS, in connection with the issuance of the Bond, a portion of the Bond proceeds, together with certain other funds, was deposited in an Escrow Fund set up with Deutsche Bank National Trust Company, as escrow agent (the “Escrow Agent”), pursuant to an Escrow Agreement dated as of November 1, 2007 (the “Escrow Agreement”), among the Purchaser, the Authority, the Corporation and the Escrow Agent; and

WHEREAS, the Escrow Agreement provides that on November 20, 2010 (the “Mandatory Prepayment Date”), the entire remaining balance of the Escrow Fund on such date shall be used to prepay the Bond; and

WHEREAS, the Corporation desires to amend the Escrow Agreement to extend the Mandatory Prepayment Date to March 31, 2012; and

WHEREAS, such amendment to the Escrow Agreement will result in a tax reissuance of the Bonds; and

WHEREAS, the Corporation has requested that the Authority authorize and approve the execution and delivery of supplements to the Loan Agreement and the Escrow Agreement to effect such amendments; and

WHEREAS, the Corporation has also requested that the Authority delegate to its Chairperson, Vice Chairperson, Treasurer, any Assistant Treasurer, Executive Director, any Assistant Executive Director, Chief Financial Officer and any Assistant Chief Financial Officer (and for purposes of this Resolution, any person duly appointed to such office on an acting or interim basis) (each, an "Authorized Officer") the authority to approve the execution and delivery of any future supplements or amendments to the Loan Agreement to effect any future amendments or changes to any of the Financial Covenants; and

WHEREAS, it is generally desirable for the Authority to streamline its approval process with respect to financial covenants and related matters in certain circumstances where such provisions are required solely by credit providers, liquidity providers, bond insurers or purchasers of bonds and not by the Authority; and

WHEREAS, the Authority desires to authorize and approve the execution and delivery of supplements to the Loan Agreement and the Escrow Agreement to effect the amendments as described above, delegate to each Authorized Officer the authority to approve the execution and delivery of any future supplements or amendments to the Loan Agreement to effect any future amendments or changes to any of the Financial Covenants and authorize and approve the execution and delivery of any necessary or appropriate documentation to effect the foregoing;

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

Section 1. Amendments. That the execution and delivery of a supplement to the Loan Agreement to effect certain amendments to the Financial Covenants and a supplement to the Escrow Agreement to effect the extension of the Mandatory Prepayment Date is hereby authorized and approved.

Section 2. Delegation of Future Approvals. That each Authorized Officer of the Authority is hereby authorized to approve the execution and delivery of any future supplements or amendments to the Loan Agreement to effect any future amendments or changes to any of the Financial Covenants.

Section 3. First Amendment to Loan Agreement. That the Authority is hereby authorized to enter into a First Amendment to Loan Agreement (the "First Amendment to Loan Agreement") with the Corporation and the Purchaser, supplementing and amending the Loan Agreement, to accomplish the amendments to the Loan Agreement described in this Resolution; such First Amendment to Loan Agreement to be in substantially the same form now before the Authority; that the form, terms and provisions of the First Amendment to Loan Agreement be, and they hereby are, in all respects approved; that each Authorized Officer of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the First Amendment to Loan Agreement in the name, for and on behalf of the Authority, and thereupon to cause the First Amendment to Loan Agreement to be delivered to the Purchaser and the Corporation; the First Amendment to Loan Agreement to be in substantially the same form as is now before the Authority or with such changes therein as an Authorized Officer of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of any and all changes or revisions therein from the form of the First Amendment to Loan Agreement now before the Authority; that when the First Amendment to Loan Agreement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such First Amendment to Loan Agreement will be binding on the Authority; that from and after the execution and delivery of the First Amendment to Loan Agreement the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the First Amendment to Loan Agreement as executed.

Section 4. First Amendment to Escrow Agreement. That the Authority is hereby authorized to enter into a First Amendment to Escrow Agreement (the "First Amendment to Escrow Agreement") with the Purchaser, the Escrow Agent and the Corporation, supplementing and amending the Escrow Agreement, to accomplish the amendments to the Escrow Agreement described in this Resolution; such First Amendment to Escrow Agreement to be in substantially the same form now before the Authority; that the form, terms and provisions of the First Amendment to Escrow Agreement be, and they hereby are, in all respects approved; that each Authorized Officer of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the First Amendment to Escrow Agreement in the name, for and on behalf of the Authority, and thereupon to cause the First Amendment to Escrow

Agreement to be delivered to the Purchaser, the Escrow Agent and the Corporation; the First Amendment to Escrow Agreement to be in substantially the same form as is now before the Authority or with such changes therein as an Authorized Officer of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of any and all changes or revisions therein from the form of the First Amendment to Escrow Agreement now before the Authority; that when the First Amendment to Escrow Agreement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such First Amendment to Escrow Agreement will be binding on the Authority; that from and after the execution and delivery of the First Amendment to Escrow Agreement the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the First Amendment to Escrow Agreement as executed.

Section 5. Other Necessary Documents. That each Authorized Officer of the Authority and any other officer of the Authority (and for purposes of this Resolution, any person duly appointed to any such office on an interim basis) be, and each of them hereby is, authorized to execute and deliver such documents, certificates and undertakings of the Authority, including, without limitation, Internal Revenue Service Form 8038, and to take such actions as may be required in connection with the execution, delivery and performance of the First Amendment to Loan Agreement and the First Amendment to Escrow Agreement, all as authorized by this Resolution.

Section 6. *Future Consents or Approvals*. That each Authorized Officer of the Authority is hereby authorized to execute and deliver such documents, certificates and undertakings of the Authority, and to take such actions as may be required in connection with the approval of the execution and delivery of any future supplements or amendments to the Loan Agreement to effect any future amendments or changes to any of the Financial Covenants.

Section 7. *Ratification of Actions*. That all acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 8. *Separable Provisions.* That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 9. *Conflicting Resolutions*. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 10. *Effectiveness*. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

MEMORANDUM

TO:	Illinois Finance Authority (“IFA”) Board of Directors
FROM:	Jim Senica
DATE:	October 12, 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:	09/30/10
	Balance @ 9/30/10	$813,132.28

Request: **This is a third request by PNC Bank as successor to National City Bank** (the “Bank”) and **Pere` Marquette Hotel Associates, L.P.** (“**Borrower**”) to extend the final maturity date by 120 days to January 31, 2011. The purpose of this request is to allow additional time for Pere` Marquette Hotel Associates, L.P. to close on the sale of the Pere` Marquette Hotel to EM Properties of East Peoria. PNC Bank anticipates that this closing will occur within the next 60 to 120 days.

Background: This five-year loan, was originally closed August 2006 with an original final maturity date of March 31, 2010. The IFA Board previously approved requests to extend the final maturity date: (1) initially to June 30, 2010 (approved May 11, 2010) and (2) subsequently to September 30, 2010 (approved July 13, 2010).

Payment History: Subsequent to the extension through 9/30/2010, the Borrower has made their scheduled July and August, 2010 principal and interest payments of approximately $8,406 in accordance with the loan’s previous terms and conditions. Significantly, effective with the Borrower’s July 2010 payment, the scheduled monthly payments increased from $7,000 to $8,406 (reflecting an interest rate adjustment required in IFA’s Participation Loan Agreement that increased the interest rate to 6.25%) [Note: an update/status report on the latest discussions with PNC Bank is forthcoming.]

A review of the Borrower’s prior loan repayment history indicates that all prior payments have been paid as scheduled.

The Borrower’s scheduled monthly principal and interest payment will be approximately $8,400 from October 2010 through December 2010.

Background: This is a third 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` Marquette to EM Properties.

This request will provide an additional 120-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 November 30, 2010.

Under the IFA Participation Loan Program, PNC Bank is contractually obligated under the IFA Participation Agreement to administer and service the loan, including forwarding the *pro rata* portion of each payment to IFA, as well as undertaking regular servicing calls to monitor collateral, review financial statements, and manage loan workouts and asset dispositions, as necessary.

In contrast to any assertions by PNC Bank, this Participation Loan and any proposed amendments thereto, this loan is a separate, stand-alone transaction that is entirely distinct from a proposed application to IFA for energy retrofitting by EM Properties, the contract purchaser of the Pere' Marquette Hotel. There is no guarantee or representation by the Illinois Finance Authority that EM Properties will pursue their application to the IFA Board.

Recommendation: Despite concerns about the recent and future performance of the facility, staff recommends approval of this 120-day extension of the final maturity date of IFA Participation Loan No. B-LL-TX-582, for the benefit of Pere` Marquette Hotel Associates, L.P., as requested by PNC Bank and the Borrower.

IFA RESOLUTION 2010-1012-AD15

Resolution Appointing Successor Trustees of the Illinois Finance Authority 401(a) Contribution Plan

WHEREAS, the Illinois Finance Authority (the "Authority") has been created by the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. (the "Act"); and

WHEREAS, pursuant to this authority, the Authority has established and maintains the Illinois Finance Authority 401(a) Contribution Plan (the "401(a) Plan") for its employees; and

WHEREAS, Article XVI of the 401(a) Plan provides the process of appointing and replacing Trustees of the 401(a) Plan; and

WHEREAS, Yvonne Towers heretofore served as Trustee to the 401(a) Plan; and

WHEREAS, Yvonne Towers desires to resign as Trustee to the 401(a) Plan and the Authority desires to appoint Brendan M. Cournane as successor Trustee to the 401(a) Plan effective October 12, 2010; and

WHEREAS, the Members of the Authority have the power to adopt this Resolution pursuant to the provisions of Sections 801-25, 801-30 and 801-40 of the Act.

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

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

Section 2. Appointment of Successor Trustee. The Authority hereby accepts the resignation of Jose Garcia and Yvonne Towers as Trustees of the 401(a) Plan and waives the thirty (30) days' written notice requirement under the 401(a) Plan. The Authority hereby appoints Brendan M. Cournane as successor Trustee of the 401(a) Plan.

Section 3. Miscellaneous. The Authority does hereby authorize, empower and direct the Executive Director of the Authority, or his designee, to take or cause to be taken 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. Enactment. This Resolution shall take effect immediately. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

This Resolution 2010-1012-AD15 is adopted this 12th day of October 2010 by roll vote as follows:

Ayes:

Nays:

Abstain:

Absent:

____
Chairman

[SEAL]

ATTEST:

____

Secretary

IFA RESOLUTION 2010-1012-AD16

Resolution Establishing Criteria for Reallocating Unused or Undesignated Recovery Zone Facility Revenue Bond Allocations

WHEREAS, the Illinois Finance Authority (the "Authority") has been created by the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. (the "Act"); and

WHEREAS, pursuant to the American Recovery and Reinvestment Act of 2009 ("ARRA"), Recovery Zone Facility Revenue Bonds ("RZFBs") were established as an economic development financing tool to encourage capital investments by privately-owned companies in counties ("County") and large municipalities ("Large Municipality"; municipalities with populations over 100,000) designated across Illinois under ARRA;

WHEREAS, each County and Large Municipality was awarded a specified allocation under ARRA (the "RZFB Allocations") that reflected the relative increase in unemployment in each County or Large Municipality; and

WHEREAS, pursuant to ARRA, the sunset date for issuing Recovery Zone Facility Bonds under ARRA is December 31, 2010 (the "Sunset Date"); and

WHEREAS, in recognition of the desirability to optimize the use of Recovery Facility Revenue Bonds throughout Illinois for qualified projects specified under federal ARRA statutes to create and retain jobs statewide and to finance capital projects, Public Act 96-1020 was signed into law in July 2010, thereby enabling the Illinois Finance Authority, to aggregate and optimize the use of any unused allocations for capital projects across Illinois if waived by Counties and Large Municipalities by Resolution to the Authority; and

WHEREAS, it is in the best interest of the State and qualified Illinois businesses to encourage the maximum use and issuance of RZFB allocations consistent with legislative intent of Public Act 96-1020 on or before the December 31, 2010 Sunset Date specified for RZFBs under ARRA; and

WHEREAS, in order to facilitate allocations of any RZFB allocations that are unused or undesignated for any reason pursuant to a Waiver Resolution transferring any unused RZFB allocations to the Authority, as approved by Resolution of Illinois County or Municipality, it is desirable for the Authority to specify additional procedures to assure that (i) all such allocations are used on or prior to the December 31, 2010 Sunset Date and (ii) such allocations are awarded to projects that are "finance-ready" based on factual criteria, as further specified in Exhibit A to IFA Resolution 2010-1012-AD16 and used to determine allocations to individual projects; and

WHEREAS, it may be necessary and desirable for the staff of the Illinois Finance Authority to develop additional criteria to those specified in Exhibit A to correct any unintended errors or omissions to enable effective management of RZFB Allocations provided that any such additional criteria shall be presented and considered subsequently in an Amendment to this Resolution 2010-1012-AD16; and

WHEREAS, the Members of the Authority have the power to adopt this Resolution pursuant to the provisions of Sections 801-25, 801-30 and 801-40 of the Act.

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

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

Section 2. Approval and Implementation of this Resolution. The Authority hereby approves implementation of the allocation procedures specified in Exhibit A by the Executive Director pursuant to reasonable notice evidenced by posting this Resolution, Exhibit A, and any related items to IFA's web site and via written notice to each County and Large Municipality as he may deem necessary, appropriate, or advisable in order to carry out the purpose and intent of this Resolution.

Section 3. Delegation of Executive Director to make technical corrections and amendments to Exhibit A. The Authority does hereby authorize, empower and direct the Executive Director to authorize amending the allocation procedures specified to cure any omissions or to make technical corrections necessary to manage the RZFB allocation procedures specified herein and Exhibit A efficiently. Such changes shall be presented to the Authority as Amendments to this Resolution.

This Resolution 2010-1012-AD16 is adopted this 12th day of October 2010 by roll vote as follows:

Ayes: 12

Nays: 0

Abstain: 0

Absent: 3

ILLINOIS FINANCE AUTHORITY

____

Chairman

[SEAL]

ATTEST:

____

Secretary

Exhibit A to IFA Resolution No. 2010-1012-AD16

Draft Reallocation Criteria for Unused or Undesignated Recovery Zone Facility Revenue Bond ("RZFB") Allocations Waived to the Illinois Finance Authority (the "Authority" or "IFA")

Overview:

These allocation criteria have been developed and will be implemented, and amended, pursuant to IFA Resolution No. 2010-1012-AD16, in order to facilitate and optimize the allocation of any unused or undesignated RZFB Allocations waived to the Illinois Finance Authority pursuant to Illinois Public Act 96-1020.

Objective:

The objective of the criteria specified herein is to facilitate the reallocation and redistribution of any unused or undesignated RZFB Allocations waived to the Authority to help expedite and close (i) "finance-ready" projects (i.e., projects that have the highest probability of closing on or prior to the scheduled RZFB Sunset Date of December 31, 2010) and (ii) to finance projects identified as having a significant statewide impact as supported by the Illinois Department of Commerce and Economic Opportunity, due to either (a) employment impact or (b) as a result of aggregate capital expenditures associated with the proposed project or multi-site project.

"Unused" or "undesignated" RZFB Allocations are deemed to be those, where (i) IFA has closed bonds using a portion, but not all, of any allocation waived to IFA and designated for a specific project or a specified list of projects, or (ii) where no specific project has been identified as a recipient of such waived allocation. Such "unused" or "undesignated" RZFB allocations shall be deemed to be "unencumbered" RZFB allocations available for redistribution pursuant to the RZFB reallocation procedures specified below.

IFA Procedures for Reallocating Unused or Undesignated RZFB Allocations Waived to the Authority (i.e., Reallocation of Unencumbered RZFB Allocations)

Projects that have obtained 100% of the allocation necessary for their project as a designated recipient in a Waiver Resolution approved by one or more Counties or Large Municipalities and waived to the Authority shall not be required to request RZFB Allocations pursuant to the allocation procedure specified below.

IFA Resolution 2010-1012-AD16 identifies (i) "finance-ready" projects and (ii) projects with a statewide impact, as determined by the Illinois Department of Commerce and Economic Opportunity (and generally involving aggregate capital expenditures over $20 Million).

Furthermore, in order to help assure a portion of the reallocations are assigned to "Small Projects" (i.e., finance-ready projects requesting up to $20 Million of RZFB allocation), these projects will receive allocation awards beginning with the smallest RZFB allocation request receiving its allocation first and proceeding to allocate increasingly large RZFB allocation requests, up to $20 Million maximum (see RZFB Allocation Criterion 4(a) below).

"Large Projects" (i.e., finance-ready projects requesting over $20 Million of RZFB allocation) will receive allocation awards pursuant to the criteria designated below (i.e., any leftover allocations shall be allocated equally, up to the maximum amount of each request, subject to an exception for any project designated of statewide or significant regional statewide employment or investment impact -- see <u>RZFB Allocation Criterion 4(b)</u> below).

Required Documentation for an RZFB Allocation Request:

Documentary Evidence supporting each applicant's request will be due within two weeks of being posted to IFA's web site and formally announced via written notice to all 102 Counties and to the 8 Large Municipalities that received designated RZFB allocations under the American Recovery and Reinvestment Act of 2009 ("ARRA") as specified in RZFB Allocation Criterion 5 below.

1. **Applicant Documentation Requirement: The Borrower must provide evidence that their project is "Finance-Ready":**

   Accordingly, the Applicant or a Corporate Affiliate, or a Corporate Guarantor, serving as the Obligor on the proposed RZFB financing shall:

   a. Have its own underlying rating from Moody's , Standard & Poor's, Fitch, or,
   b. If a non-rated Applicant (including any affiliates or affiliated guarantors), shall provide the Authority with a countersigned and accepted bank commitment letter from a Bank to finance the specified transaction (i.e., both signed by an authorized lending officer at the Bank and both signed and accepted by the Borrower, or affiliate, as applicable) either:

      i. As a credit enhanced transaction, secured by an irrevocable Direct Pay Letter of Credit from the Bank.
      ii. As a bank direct purchase, that will be purchased directly and held by the Bank as an investment.
      iii. Furthermore, the Borrower will be unable to change the Bank identified in the Commitment Letter.

   c. The Borrower shall also provide the Authority with a copy of the Distribution List of Financing Professionals (including firm names, contact names with contact information, including address/phone/e-mail/fax) to be engaged to work on the proposed RZFB bond issue.

      At a minimum the Applicant shall identify the following participants on the Distribution List submitted to the Authority:

      (i) Bond Counsel and one of the following, as applicable to the underlying financing structure of their transaction:
      (ii-a) an Underwriter or Investment Banking firm for a rated transaction,
      (ii-b) a Bank, if structured as a Bank Direct Purchase Transaction, or
      (ii-c) a Bank (i.e., Letter of Credit Bank) and Underwriter or Investment Banking Firm should be identified in the Distribution List.

2. **Applicant Documentation Requirement: The Borrower must submit a Non-Refundable Deposit in an amount equal to 25% of the following product: 62 basis points (i.e., 0.0062, or 0.62%), multiplied by the contemplated Par Amount of Bonds evidenced in the countersigned bank commitment letter (and further supported in the Applicant's IFA RZFB Bond Application).**

   For projects that have a direct underlying rating from Moody's, S&P, or Fitch, IFA will require a non-refundable deposit of 25% of the proposed IFA closing fee (i.e., 62 basis points, subject to 25% of a $450,000 limitation).

   IFA will hold these deposits in escrow until such time as a RZFB allocation is awarded. Such deposits will only be refundable in the event that IFA is unable to provide RZFB allocation in a satisfactory amount necessary to attain a viable transaction size as determined solely by in IFA (i.e., generally amounts less than $3.0 million for "Small Projects" and $10.0 Million for "Large Projects".

IFA will return an Acknowledgement Letter to each Borrower confirming (i) receipt of a Non-Refundable Application Fee and to (ii) specifying that IFA's will attempt to provide allocations to applicants on a "best efforts" basis and reserves the right to return any deposits in the event there is insufficient allocation available to close an RZFB bond issue for the project.

If any Borrower seeks to waive any allocation as insufficient, IFA reserves the right to reallocate any such unused amounts to other transactions.

3. **Applicant Documentation Requirement:** **The Borrower must complete, sign (i.e., execute), and submit IFA's RZFB Application, including all required exhibits and the required $1,500 application fee, as soon as possible for consideration.**

   A hard copy of the entire application package must be delivered to IFA's Main Office at Illinois Finance Authority, 180 N. Stetson Ave., Suite 2555, Chicago, IL 60601 for consideration. IFA's General Phone number is 312-651-1300 for messenger and overnight service deliveries. ***Electronic and faxed copies will not be accepted as "being delivered" for purposes of these allocation requests.***

4. **Allocation Priorities for Applicants Based on RZFB Issuance Amounts of (a) up to $20.0 Million "Small Projects" and (b) over $20.0 Million "Large Projects":**

   In order to establish additional allocation priorities for Applicants, applications will be segregated as (1) "Small Projects" (i.e., prospective RZFB issuances of $20.0 million or under) and (2) "Large Projects" (i.e., prospective RZFB bond issues over $20.0 million).

   a. Allocations for Small RZFB Projects (under $20.0 Million):

   Consistent with Small Issue Industrial Revenue Bond criteria under federal law that designate "Small Projects" as those with $20.0 Million or less of capital expenditures and "Large Projects" as those with over $20.0 Million of capital expenditures, these RZFB Reallocation Procedures attempt to finance all Small Projects up to $20.0 million Par first, awarding allocations to projects in order from the smallest project requesting RZFB allocation to the largest project requesting a maximum of $20.0 million of RZFB allocations.

   Any remaining unused and undesignated RZFB Allocations shall be reserved for Large RZFB Projects (i.e., RZFB Financings over $20.0 Million).

   b. Allocation Procedures for Large RZFB Financings (i.e., over $20.0 million):

   Due to potential limitations of waived Recovery Zone Facility Revenue Bond Allocations to IFA, Large Projects over $20 Million will (i) share in all unused or undesignated RZFB allocations equally (on a Dollar basis), but further subject to a high impact set-aside that will enable (ii) any request for a RZFB allocation over $20.0 Million that is determined to have a significant statewide or regional employment impact or aggregate capital investment impact as certified in writing by the Illinois Department of Commerce and Economic Opportunity shall receive its RZFB allocation first, prior to allocations for other projects, subject to additional limitations identified in the following Allocation Criteria (a) - (c) immediately below:

   a. In order to assure that no Large Project receiving an allocation confirmation from the Authority receives a disproportionate share of any available unused or undesignated RZFB Allocations waived to IFA prior to December 1, 2010, no single project that closes on or prior to December 14, 2010 shall receive over (i) 20% of the statewide RZFB allocation or (ii) 50% of the RZFB Allocations available to Large Projects (i.e., after the small projects of $20.0 Million and under have received their allocations).

b. After December 14, 2010, IFA reserves the right to reallocate any unused allocations in excess of the limitations specified in (i) and (ii) specified in the paragraph immediately above (i.e., RZFB Allocation Procedure 4(b) – Paragraph II) up to the amounts requested in a Large Project application in order to utilize any unused or undesignated RZFB allocations.

c. New Small Project Applicants may also receive allocations, if becomes available after the Large Projects receive allocations.

5. RZFB Application Deadlines for Allocation Award Timing:

The Authority will establish an application deadline exactly two weeks from the date of posting (i.e., the "RZFB Application Deadline" :

(a) an executed copy IFA Resolution No. 2010-1012-AD16 and Exhibit A to IFA's web site and
(b) following a written announcement/notice to all RZFB allocatees (i.e., the 102 Counties and 8 Cities designated as recipients of RZFB allocations pursuant to ARRA) regarding these RZFB allocation procedures.

IFA will allocate unused RZFB allocations pursuant to these criteria specified herein (i.e., Exhibit A), subject to any amendments as permitted and authorized by the IFA Board of Directors.

Allocations will be awarded promptly in order to help Applicants close their transaction prior to the December 31, 2010 Sunset Date.

IFA RESOLUTION NUMBER 2010-1012-AD17

A RESOLUTION IN SUPPORT OF EMBRY-RIDDLE AERONAUTICAL UNIVERSITY SELECTING ROCKFORD AS THE LOCATION FOR ITS THIRD CAMPUS

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, Chicago Rockford International Airport ("Airport") is a premier cargo and passenger airport in the Midwest, enjoying a tremendous amount of enthusiasm and support from the City of Rockford's and Winnebago County's citizens, leaders, schools, and businesses; and

WHEREAS, Embry-Riddle Aeronautical University ("University") has chosen the Airport as one of two national finalists to house a third residential and commuter campus after previously opening a satellite campus in the City of Rockford two years ago; and

WHEREAS, the City of Rockford and Winnebago County have a highly-skilled workforce, with an abundance of transportation, manufacturing and engineering talent, that will perfectly complement the University's impressive educational programs; and

WHEREAS, Northern Illinois University and Rock Valley College as well as the Rockford region's expansive aerospace industry will directly support the University's educational and career programs; and

WHEREAS, the Airport, operated by the Greater Rockford Airport Authority ("Airport Authority"), has physical infrastructure in place that make it an ideal location for the University's third campus; and

WHEREAS, if the University decides to locate its third campus at the Airport, the third campus will offer educational programs for up to 1,000 students, provide jobs for up to 250 administration and faculty and will likely include aerospace-oriented research & development labs; professional flight training; flight maintenance training; and academies in area high schools involve; and

WHEREAS, the Illinois effort to convince the University to locate its third campus at the Airport has the support of U.S. Senator Dick Durbin, Governor Pat Quinn, U.S. Representative Don Manzullo, as well as the Illinois Department of Commerce & Economic Opportunity, the Illinois Department of Transportation, the City of Rockford, Winnebago County and the Airport Authority. Together, this Illinois team will exhaust every resource to bring the University's third campus to the Airport, thus making Rockford the new Midwestern home for training our nation's best and brightest pilots and aerospace professionals; and

WHEREAS, to date, no bonds have been issued in support of the University's third campus;

NOW, THEREFORE, BE IT RESOLVED by the Illinois Finance Authority on this

12th day of October that the Authority expresses its full support for the federal, State and local efforts to bring the University's third campus to the Airport;

BE IT FURTHER RESOLVED that the Illinois Finance Authority is ready and willing to use its Higher Education 501(c)(3) Bond Program and other appropriate programs, to issue bonds in support of financing the University's third campus;

BE IT FURTHER RESOLVED that the Illinois Finance Authority asks both the Airport Authority and the University to work with the Executive Director of the Authority, and its staff, to submit appropriate bond applications for financing the Project for the consideration of the Authority;

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized and directed to do any and all things necessary or desirable to carry out the intention of this Resolution.

Approved this 12th day of October, 2010 by roll call vote as follows:

AYES: 12
NAYS: 0
ABSTAIN: 0
ABSENT: 3

ILLINOIS FINANCE AUTHORITY

____
Chairman

[SEAL]

ATTEST:

____
Secretary

Disaster Bonds

Publication: *Lake County News-Sun*
Date: September 3, 2010

New bonds help businesses

The Illinois Finance Authority has announced a new tool to help Lake County businesses suffering from the twin hits of recession and the prolonged aftermath of damage from severe storms, tornadoes and flooding that came during the summer of 2008.

A total of $1.5 billion in tax-exempt bond authority is available for Federal Emergency Managment Agency-designated disaster areas covering 18 counties, including Lake. Midwestern Disaster Area Bonds have been authorized by the federal government as a money-saving incentive for eligible commercial, industrial, manufacturing, retail and public utility projects to help repair damage and restore jobs.

"This type of creative financing will help jump-start development in Illinois communities that need it most," said Illinois Finance Authority Executive Director Christopher Meister. "We're proud to partner with the federal government, Governor Pat Quinn and the Illinois Department of Commerce and Economic Opportunity to identify and support projects to repair disaster-related damage and create new jobs statewide."

In 2008, Lake County was particularly hard hit by floods with extensive flooding of the Fox River and Chain O' Lakes area where more than 400 structures were damaged.

At the same time, median earnings for Lake County workers dropped 2.5 percent between 2007 and 2008, while the statewide median wage rose by nearly 1 percent during the same period, which is estimated at a loss of nearly $42.3 million in household income.

The Finance Authority has authorized the program after the Internal Revenue Service gave the state a new, broader interpretation to expand the program. Any business qualifies if its project requiring financing adds to the tax base and/or creates new jobs.

More details on the Midwestern Disaster Area Bond program are available at www.il-fa.com.

Navistar/RZBs

Publication: *Naperville Sun*
Date: September 8, 2010

New bonds help businesses

In anticipation of a Wednesday morning announcement from Navistar, the Naperville City Council signed off on a deal Tuesday night that will secure low-interest financing for the manufacturer of heavy trucks and diesel engines. But not before a little fortune telling on what the company's relocation to Lisle might mean for the future of Naperville.

"This is the future of jobs," said Councilman Robert Fieseler, who placed Navistar on his map of Naperville as a center of clean energy employers. "The kids and grandkids of people in this room will be happy with the decision. Those kids are going to find good, productive, fulfilling jobs here at Navistar."

Navistar officials announced Wednesday morning that they will move into the Alcatel-Lucent site in Lisle. The Naperville City Council has already approved a deal that will secure low-interest financing for the manufacturer.

In a deal struck last week between city staff, the Naperville Development Partnership and Navistar representatives, the city agreed to allocate $11.9 million in Recovery Zone bonds to the Illinois Finance Authority for use by Navistar.

In return for the bond allocation, which does not give money directly to Navistar, but instead would allow it to borrow, tax-exempt, at a lower rate than through private loans, the city would receive about $14,000.

The city is hoping that Navistar's ability to secure low-interest financing will keep the employer's feet firmly planted near Naperville, and that this morning's press conference will bring a commitment to establishing its world headquarters at the Alcatel-Lucent site in Lisle.

It is without question going to be a big economic boom," said Councilman James Boyajian, who cited an influx of people moving to and shopping in Naperville. "It would be short-sighted on our part not to support them. While it would be wonderful for them to locate in Naperville, if they're not going to be in Naperville I'm glad we're going to have them in Lisle."

About a dozen other Illinois communities have been in talks with Navistar to return their Recovery Zone Bond allocations back to the state, but the company has not disclosed the names of those communities, other than Rockford. In any case, that bond allocation would likely be pooled with those from Naperville, in an attempt to keep the employer in state.

Lisle, the proposed site of the headquarters, has no Recovery Zone bonds to allocate.

Recovery Zone Facility Bonds are a type of private activity bond created by the Recovery Act that allow local governments to pass along tax-exempt financing to private borrowers to expand their businesses and accommodate job growth.

"It is not city debt," said City Manager Doug Krieger. "It is not debt that is repaid by the property tax payer. It is not debt that sits on the city's books. It is a mechanism that allows the state of Illinois to have an economic vehicle that allows communities to issue low-interest debt.

"There has been a lot of frustration around the Navistar issue, and this is what we can do to help to assist in keeping a great employer in this region," Krieger said.

The vote to reallocate the city's Recovery Zone Bond allocation to the Illinois Finance Authority for use by Navistar passed unanimously with Councilwoman Judith Brodhead absent.

Publication: *Fox Valley Village Sun*
Date: September 9, 2010

Navistar is born

Everyone agreed that teamwork, and workers, were the real winners.

Supporters and skeptics of the early plans for Navistar Inc. to relocate to Lisle were all smiles Wednesday morning when the official announcement came that a deal had been reached. The accord, unveiled at a dignitary-studded event at the truck manufacturer's future home on the vacant Alcatel-Lucent campus, appeared to please everybody. The clincher was the removal of engine testing plans from the truck manufacturing giant and an assurance that no manufacturing will be done on the Warrenville Road site.

"No one in this movement was against jobs, or against industry," said District 1 DuPage County Board member Rita Gonzalez, who had joined neighbors and others in the opposition group Citizens for Healthy Development. They questioned the potential environmental impact of the diesel engine research that was part of the proposal first pitched more than 13 months ago.

Gonzalez echoed many who turned out for the announcement in labeling it a big victory for the residents and business community.

"This is wonderful. It's really beautiful," said Dr. Coco Luedi, a frequent critic of earlier plans. "We were never against having Navistar here. We just wanted to protect our wonderful countryside."

Luedi's ally in the fight against potential pollution and noise, Mary Lynn Zajdel, seconded the emotion.

"The entire industrial component was removed from the project. That's what we were opposed to all along," Zajdel said. "It's gone. It'll never be here."

The manufacturing and engine-testing components will be located elsewhere, Navistar vice president Don Sharp said, potentially in Navistar's existing Melrose Park facility. Updating the Lisle site will mean 400 construction jobs, he said, in addition to the expected 3,000 positions the move is expected to create or maintain.

"Overall, I'd say not too bad in these challenging economic times," Sharp said.

Others, including Gov. Pat Quinn and Attorney General Lisa Madigan, put in their two cents from the dais before the standing-room-only crowd gathered in the sprawling corporate lobby.

Navistar president and CEO Dan Ustian evoked his mom's words from long ago when he commented on the negotiations.

"Anything that's this good is hard. You've got to work for it," he said.

Ustian was quick to praise local residents and businesspeople for the apparent win-win outcome.

"The community came to us and said, 'C'mon. We want you,'" he said.

Many communities, in fact. The Naperville City Council signed off on a deal Tuesday night that will secure low-interest financing for the manufacturer of heavy trucks and diesel engines. In a deal struck last week between city staff, the Naperville Development Partnership and Navistar representatives, the city agreed to allocate $11.9 million in Recovery Zone bonds to the Illinois Finance Authority for use by Navistar. Recovery Zone Facility Bonds are a type of private activity bond created by the Recovery Act that allow local governments to pass along tax-exempt financing to private borrowers to expand their businesses and accommodate job growth.

In return for the bond allocation, which does not give money directly to Navistar, but instead would allow it to borrow, tax-exempt, at a lower rate than through private loans, the city would receive about $14,000. About a dozen other Illinois communities have been in talks with Navistar to return their Recovery Zone Bond allocations back to the state, but the company has not disclosed the names of those communities, other than Rockford.

Lisle, the proposed site of the headquarters, has no Recovery Zone bonds to allocate.

Company officials acknowledged the input of many, among them Naperville Mayor A. George Pradel; Christine Jeffries, president of the Downtown Naperville Alliance; the board of the Forest Preserve District of DuPage County and board President D. "Dewey" Pierotti Jr.; and the DuPage County Board and its chairman, Bob Schillerstrom.

"There were a few days when we didn't think we'd be standing here," Schillerstrom said, commending the public-private partnership that helped the plan come together.

Gathered on the stage erected for the announcement were most of the area's office holders, including Pradel, Schillerstrom, Quinn, Madigan, Pierotti, state Rep. Darlene Senger, R-Naperville, state Rep. Mike Connelly, R-Lisle, Lisle Mayor Joe Broda, state Sen. Dan Cronin, R-Elmhurst, U.S. Rep. Judy Biggert, R-Hinsdale, and others. Connelly and Biggert quickly dispatched press releases lauding the agreement.

Madigan related that it was during a meeting with labor leaders last May in Lisle that she learned Navistar was poised to cease its effort to secure the necessary permits through Lisle, citing aggressive opposition.

"Navistar had kind of had it with the zoning process," she said, though the company wasn't washing its hands of DuPage County or its home base in Illinois. "We reached out to the residents, and we listened to what their concerns were ... They weren't against having Navistar here. They understood the importance to the economy and the workers, but we did need to bridge some gaps."

The mantra of job creation and preservation was repeated throughout the morning.

"To have 3,000 jobs here in District 5 is a great thing," said John Zediker, who represents Naperville on the County Board and worked for the Navistar move through the regional development organization Choose DuPage. "Everybody stepped up when we needed them to."

Jim Healy, who also serves District 5 on the County Board, was encouraged by the prediction of 1,000 new jobs over the coming 12 months.

"Instead of losing 1,000 jobs and having 1,000 houses on the market, we're going to have a thousand people coming in here and buying houses," Healy said.

Representatives of the business community were smiling about the news as well. John Schmitt, president and CEO of the Naperville Area Chamber of Commerce, said he had gone from hopeful to fearful, and back again, in recent months.

"As long as people were talking, then I was hopeful," he said.

Publication: *Naperville Sun*
Date: September 10, 2010

State finance authority to rule Tuesday on bonds for Navistar

The Illinois Finance Authority board of directors will vote Tuesday on a resolution in favor of a $145 million bond allocation deal for Navistar.

The deal, if agreed to by all sides, would grant inexpensive financing to the engine and large truck manufacturer for improvements to the site of its new world headquarters in Lisle.

"This is a unique job creation project of statewide importance," said Chris Meister, executive director of the Illinois Finance Authority, which attributes more than 500 new jobs and 400 temporary construction jobs created to the deal.

Navistar officials, Gov. Patrick Quinn, Attorney General Lisa Madigan and a host of local dignitaries announced Wednesday that a deal had been reached to move the company's headquarters to the former Alcatel-Lucent site in Lisle. Opponents of the Navistar's initial plan were happy as well with the company's promise to move the engine-testing portion to another Navistar site, possibly in Melrose Park.

Predictions call for a total of 3,000 jobs to be preserved or created with the move to Lisle, but short-term projections estimate 2,200 retained and 400 new jobs.

According to IFA documents, the funds raised by the Recovery Zone bonds will be used to "purchase, renovate, equip, and construct building additions to nine existing buildings" at the Alcatel-Lucent site, and for smaller projects in Joliet.

The bond deal is not an expenditure of city funds, but instead gives the company the opportunity to borrow the $145 million sum at a lower interest rate than is available through traditional loans.

The Naperville City Council signed off on its part of the deal, an allocation of $11.9 million, at its meeting Tuesday night.

So far Meister could confirm only that Naperville and Rockford had offered their allocations of Recovery Zone Facility Bonds to the Illinois Finance Authority for Navistar's use. But, he added, "As the deal goes forward, we're going to have a lot more (municipalities involved). We're going to have a Recovery Zone cap that adds up to $145 million."

Recovery Zone Facility Bonds are a type of private activity bond created by the Recovery Act that allow local governments to pass along tax-exempt financing to private borrowers to expand their businesses and accommodate job growth. Just more than $1 billion has been allocated to cities and counties in Illinois.

Following the board's approval, the next step would be bringing the deal to the banks and lawyers involved, a process Meister likened to the closing on a home purchase.

"This will be the resolution to move the ball forward," Meister said.

The board of directors of the Illinois Finance Authority will meet 11:30 a.m. Tuesday in the Prudential Plaza Conference Center, 130 E. Randolph St., Chicago.

Publication: *Fox Valley Village Sun*
Date: September 14, 2010

State agency approves Navistar financing

The Illinois Finance Authority signed off on a $145 million bond deal Tuesday afternoon to give Navistar the financing it requested to move into Lisle.

The deal grants inexpensive financing through federal Recovery Zone Facility Bonds to the engine and large truck manufacturer for improvements to the site of its new world headquarters.

The inexpensive financing arrangement was credited with closing the deal for the major employer to park itself in the western suburbs.

Several Illinois municipalities and counties contributed their allocations of the bonds, including Rockford, Aurora, Elgin and others. The city of Naperville contributed $11.9 million.

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The bond deal is not an expenditure of city funds, nor could they be used by local governments. Instead, the bonds were designed to be passed along to companies to encourage local development and hiring, allowing employers the opportunity to borrow at a lower interest rate than is available through traditional loans.

Predictions call for a total of 3,000 jobs to be preserved or created with Navistar's move to Lisle, but short-term projections estimate 2,200 retained and 400 new jobs.

Publication: *Reuters*
Date: September 14, 2010

Ill. agency OKs $314 mln bonds for Navistar, others

The Illinois Finance Authority approved up to $314 million of tax-exempt revenue bonds on Tuesday for truck maker Navistar International Corp and others.

Navistar (NAV.N) won final approval for $145 million of Recovery Zone Facility Revenue Bonds to help fund its new headquarters and research and development facility in Lisle, Illinois, and a warehouse in Joliet, Illinois.

To issue the bonds, Navistar must get allocations of the federal Recovery Zone Facility Bond volume cap from other Illinois counties and cities, according to the authority.

Mark Luginbill, Navistar's corporate real estate manager, said discussions to obtain the volume cap were ongoing and that he was optimistic the necessary cap will be on hand by the time the bonds are slated to price in the second half of October.

The volume cap, which expires on Dec. 31, allows for the issuance of tax-exempt bonds for certain private projects under the Recovery Zone Facility Bond program created by the 2009 federal stimulus act. Illinois counties and cities received enough volume cap to cover more than $1 billion of tax-exempt bonds.

The fixed-rate bonds for Navistar will be sold through Merrill Lynch.

Among health care deals, the finance authority gave final approval to $73 million of bonds for Little Company of Mary Hospital for capital improvements. The fixed-rate bonds will be priced through Barclays Capital.

Provena Health's $75 million of variable-rate bonds were also approved with the deal slated to price through J.P. Morgan Securities.

The authority gave final approval to $21 million of Midwestern Disaster Area Bonds for an office and residential building in Moline, Illinois. The bonds, which are part of a U.S. program allowing tax-exempt debt to be issued for certain private projects in areas hit by 2008 floods and storms, will be purchased by U.S. Bank, according to the authority.

Most of the building will be leased to Finland-based elevator and escalator manufacturer KONE OYJ (KNEBV.HE) for its North American corporate headquarters.

Publication: *Chicago Breaking Business*
Date: September 14, 2010

Agency OKs $314 million bonds for Navistar, others

Reprint of Reuters article above, but with different title.

Publication: *Wheaton Sun*
Date: September 17, 2010

Navistar move to Lisle means 3,000 jobs

Everyone agreed that teamwork, and workers, were the real winners.

Supporters and skeptics of the early plans for Navistar Inc. to relocate to Lisle were all smiles Wednesday morning when the official announcement came that a deal had been reached. The accord, unveiled at a dignitary-studded event at the truck manufacturer's future home on the fallow Alcatel-Lucent campus, appeared to please everybody. The clincher was the removal of engine testing plans from the truck manufacturing giant and an assurance that no manufacturing will be done on the Warrenville Road site.

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Luedi's ally in the fight against potential pollution and noise, Mary Lynn Zajdel, seconded the emotion.

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"Overall, I'd say not too bad in these challenging economic times," Sharp said.

Others, including Gov. Pat Quinn and Attorney General Lisa Madigan, put in their two cents from the dais before the standing-room-only crowd gathered in the sprawling corporate lobby.

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"There were a few days when we didn't think we'd be standing here," Schillerstrom said, commending the public-private partnership that helped the plan come together.

Gathered on the stage erected for the announcement were most of the area's office holders, including Pradel, Schillerstrom, Quinn, Madigan, Pierotti, state Rep. Darlene Senger, R-Naperville, state Rep. Mike Connelly, R-Lisle, Lisle Mayor Joe Broda, state Sen. Dan Cronin, R-Elmhurst, U.S. Rep. Judy Biggert, R-Hinsdale, and others. Connelly and Biggert quickly dispatched press releases lauding the agreement.

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"As long as people were talking, then I was hopeful," he said.

By the numbers

When Navistar Inc. sets up its world headquarters on the former Alcatel-Lucent campus on Warrenville Road in Lisle later this year, it is expected to boost the region in an assortment of ways.

$110 million

Estimated investment the Warrenville-based corporation will make in its new 1.2-million-square-foot business campus. Tentative plans call for spending an additional $95 million on related adaptations in other locations.

500

Engineering jobs that will be filled when the move is made over the next nine months.

400

Projected construction jobs to be generated by the campus overhaul.

3,000

Total estimate for long-term jobs that will be created or preserved by the relocation.

4

The number of Navistar-produced vehicles that were displayed out front during Wednesday morning's press conference: a yellow school bus, a semi truck cab, an armored military vehicle and a gleaming maroon 1937 International pickup truck.

Mayor Daley

Publication: *Chicago Tribune*
Date: September 7, 2010

Business laments end of close working relationship with Mayor Richard Daley

Chicago's business community, which repeatedly stood and delivered for Mayor Richard Daley as he reshaped a once-sagging industrial city, was shaken to learn Tuesday that he is stepping aside as the city once again faces dire financial challenges.

The mayor's announcement that he will not run for re-election in 2011 "is unfortunate at this point in time because we're still in a recession and a very difficult economic environment here," said Ronald Gidwitz, the former chief executive of Helene Curtis. "So having another level of uncertainty is not good for encouraging job growth."

This unsettled feeling is new to corporate and philanthropic Chicago. During Daley's 21 years in office, he built a tight relationship with business, and his agenda became their agenda in many ways.

"Business leaders have taken great comfort in his leadership and his willingness to build the city into its modern state, with his successes on the expansion of O'Hare Airport and McCormick Place and the creation of Millennium Park," said Laurence Msall, president of the Civic Federation.

And his ability to land the corporate headquarters of Boeing Co. and MillerCoors also "lent confidence to the business community," noted Gidwitz, who was a candidate in the 2006 Republican gubernatorial primary.

Time and again, corporate and philanthropic Chicago responded to Daley's calls to help finance projects aimed at urban revival, ranging from the creation of Millennium Park and inner-city charter schools to the city's unsuccessful bid for the 2016 Summer Olympics.

Some say business leaders were afraid to buck city hall and felt obliged to go along with Daley's pet projects, with many breathing a sigh of relief when the city lost its Olympics bid last fall. But others see a truer partnership over the years, with fruitful results.

"If I go out, all summer long, and walk along Michigan Avenue, the streets are full, (Millennium Park) is full of Chicagoans," said Marshall Bouton, president of the Chicago Council on Global Affairs. "For the first time in its history, Chicago has a real commons where Chicagoans of all backgrounds ... can come together and feel like part of the city."

Bill Brandt, a corporate turnaround expert who also is chairman of the Illinois Finance Authority, said Daley and New York Mayor Michael Bloomberg stand out for a rapport with business "that is far beyond the norm."

But Daley will be exiting at a time when the city faces a budget shortfall of more than $600 million this year and huge liabilities for underfunded employee pensions, Msall noted.

"There are very few natural revenue options," Msall said, noting city residents already pay one of the nation's highest sales tax rates, at 9.75 percent. "And there's not much help from Springfield as it deals with its own financial crisis."

All of which points to the need for a "strong, fiscally responsible mayor," said urban planner Kim Goluska, president of Chicago Consultants Studio. Daley's departure also provides an opportunity for business leaders to take a greater role in setting the agenda, rather than taking marching orders from city hall, he added.

In weighing mayoral candidates, business leaders also will be looking for someone with an understanding of the global economy, said Jerry Roper, president and chief executive of the Chicagoland Chamber of Commerce.

"We need someone who can hit the ground running," he said. "The economy is not going to sit back and wait for someone to catch up."

K-Nines

Publication: *Northwest Herald*
Date: September 13, 2010

Second county backs K-Nines

An unknown county's offer of $11.5 million in federal bonding authority breathed new life into the proposed McHenry County K-Nines baseball stadium.

But several things need to happen, and quickly, to get the bonding authority created under the economic stimulus bill to the stadium's developers in time.

Both McHenry County and the other county have to cede their total $15 million in bonding power to the Illinois Finance Authority, which must then give it to EquityOne Sports Development, said McHenry County Board Finance and Audit Committee Chairman Marc Munaretto, R-Algonquin.

The agreements would have to be in place by next month, because the bonding program is set to expire at the end of the year. EquityOne's bond underwriter estimated it would take 60 days to borrow the money.

The General Assembly this year approved legislation allowing counties to voluntarily donate their unused stimulus bonding authority to the IFA, in hopes that it would not go to waste.

"No one's ever done this before, and we're dealing with a lot of unknowns," Munaretto said.

EquityOne in August 2009 asked the County Board for $15 million of the $27.5 million in private-sector bonding authority granted to the county through the economic stimulus bill. The firm wants to build a minor-league baseball stadium at Route 14 and Lake Shore Drive in Woodstock.

The bonds are meant to attract investors by offering a 45 percent discount of the federal taxes payable on them, which saves the borrower money by lowering the interest. But although EquityOne put in their application first, two other groups had their proposals and financing lined up sooner and beat EquityOne to the bonds.

The County Board granted $18 million in bonding authority to McHenry County Sportsplex LLC, which wants to build a 165-acre sports complex in Lakewood west of Route 47, and $5.4 million to the Wonder Lake Master Property Owners Association to dredge the lake.

That left $3.57 million for EquityOne, far short of the $15 million President Mark Houser needed. But the Finance and Audit Committee announced Aug. 24 that another county was willing to cede the remaining $11.5 million.

EquityOne must apply to the IFA to receive the bonds, much like it applied to McHenry County last year. Houser said he anticipated the application would be ready this week.

Munaretto said he was unwilling to reveal which county is surrendering its stimulus bonding power until the IFA was in possession of it. That county asked EquityOne to pay a 1 percent fee. McHenry County decided early in the bonding program that it would not require a cut, so that as much money as possible went to job-creating projects, Munaretto said.

Deputy County Administrator John Labaj said that he anticipated that the state would move quickly so that EquityOne could proceed.

"The last thing that they want to have happen is the state having unused [bonds] when they want to get lending and jobs moving again," Labaj said.

Kone Centre

Publication: *Quad-City Times*
Date: September 14, 2010

Kone developer gets $20.2M from feds

Developers of Moline's new Kone Centre received $20.2 million in financing Tuesday through a federal bond program designed to assist Illinois counties that suffered flood damages in 2008.

The financing was approved by the Illinois Finance Authority, which oversees the Midwestern Disaster Area Bonds program.

According to the authority, the federal program uses tax-exempt bonds to finance privately owned projects that generate jobs and economic development activity in 18 Illinois counties that suffered damage in mid-2008 from floods and other storm damage.

The borrower will be the project developer Financial District Properties K.P. LLC, which includes Rodney Blackwell as managing principal, finance authority executive director Chris Meister said.

The center, which is to be the new home of Kone's North American headquarters, is described by the finance authority as an eight-story office and residential building with 123,360 net rentable square feet. Earlier plans called for the building to be at least 10 stories taller with more residential space, but the plans have continued to change.

Meister noted that Kone and Financial District Properties normally would not qualify for tax-exempt bonds and lower interest rates, but earlier this year the Internal Revenue Service broadened the definition for the disaster relief program to include more than just those directly affected by the 2008 flooding.

He said the idea is to encourage economic growth in those counties that suffered from flooding and a sudden jump in unemployment and lost business.

"Now it's a much broader standard that makes it a much more viable and potent economic tool," Meister said.

The Kone project is the first in Illinois to be approved for the bonds under the broader standard, Meister said, noting that the authority hopes to approve several more projects before the program expires in 2012.

Meister noted that additional financing will be needed for the $40 million project, but state Sen. Mike Jacobs, D-East Moline, said he has been told the remaining financing has been secured.

Jacobs said he and state Rep. Pat Verschoore, D-Milan, were involved in helping the developer gain Illinois Finance Authority approval for the $20.2 million.

"It's exciting," Jacobs said of the project. "I'm looking forward to this building getting done."

Jacobs said the Kone Centre along with plans for a new passenger rail station and the expansion of Western Illinois University's Riverfront Campus are all encouraging signs of growth for Moline and the surrounding area.

The new building will be located on the southeast corner of 17th Street and 2nd Avenue.

Also Tuesday, the Moline City Council approved an amended development agreement with Financial District Properties. The agreement includes new securities and collateral for the city in case the developers should default on the project and a $7.5 million loan from the city.

Annex II

Publication: *stltoday.com*
Date: September 25, 2010

Recovery Act is key to archives project in Valmeyer

The government is quietly tucking away records into the limestone caves along the Mississippi River.

A Columbia, Ill., developer has retrofitted a former limestone quarry here into a government-leased storage facility that looks part Indiana Jones and part X-Files. But the loot is nothing as adventurous as buried gold or long lost treasure maps. Rather, it's military veteran records.

The wine cellar-like environment enables the facility to keep humidity levels low and a constant temperature of about 58 degrees. That, officials say, makes the place perfect to house federal records from the National Archives.

The quarry walls remain exposed, offering a unique mix of tall filing cabinets and limestone globs. Government rations from the Cold War era are still visible in some of the cave's corners. At times, movable carts make it look as if government workers are mining the rock for paper records. The facility houses records for civilian federal personnel who retired after 1973.

The complex recently expanded with a new 75,000-square-foot storage facility with help from the federal stimulus program.

Government officials have leased the facility and plan to store military veteran records there soon.

The project added 50 construction jobs and will eventually bring 10 permanent staff jobs. Officials hope the facility will give the Valmeyer area an economic shot in the arm.

The St. Louis region is already a hot spot for government record storage. The National Personnel Records Center, one of the largest operations of the National Archives, has its main building in St. Louis County.

Financing for the cave deal came from a 2009 American Recovery Act program, which allows local governments to pass along tax-exempt, low-interest financing to private borrowers to expand their enterprises and create jobs.

Monroe and Randolph counties have pooled their resources to make the project happen. Neither county had enough bonding authority to help build the records storage facility on its own. A new Illinois law this year allowed the two counties to pool their share of federal money.

The partnership was facilitated by the Illinois Finance Authority, which offers hands-on support to help businesses get capital for growth.

Chris Meister, the executive director for the authority, said the project involves a $4.5 million loan with an initial interest rate of 6 percent. He hopes other counties also take advantage of the money before the program expires at the end of the year.

"It's a use-it-or-lose-it resource," Meister said.

The project is headed by Columbia, Ill., businessman Joe Koppeis, who has developed shopping centers in Chester, Columbia and Freeburg. The facility is a separate structure from his Rock City Business Complex, which is also in the limestone cave.

Municipal Bond Defaults

Publication: *Chicago Tribune*
Date: September 21, 2010

Municipal bankruptcy fears overblown, official says
Many cities do face fiscal restructuring— outside of court

The near default on bond payments by Harrisburg, Pa., has stoked fears of a wave of municipal bankruptcies. But the chairman of the Illinois Finance Authority says the speculation is overblown.

"Municipal bond defaults aren't the end of the world," said Bill Brandt, who heads the Illinois agency that oversees billions of dollars in loans and investments for businesses, local governments and nonprofit organizations. "Anybody looking for hundreds of cities falling into bankruptcy, that's just not in the cards."

Brandt spoke to me Monday before he was scheduled to appear on a panel about municipal insolvency presented by the American College of Bankruptcy, Jenner & Block and Mesirow Financial.

As chairman of the finance agency, Brandt's job is to be optimistic about the state's economic prospects. But he's also a consultant who specializes in financial restructuring in his day job and has years of experience evaluating balance sheets and zeroing in on problem areas.

He's not foolish enough to dismiss the fiscal challenges facing Chicago, other Illinois communities and cities across the country. Faced with falling tax revenues, rising pensions and health-care costs and powerful public-employee unions, cities are struggling to balance their budgets and maintain services.

Some will not be able to pay their bills. A municipal default can ripple across a state, boosting borrowing costs or making credit unavailable for other cities and school districts.

Brandt predicts that several cities across the country will embark on restructuring their debts over the next decade. The restructuring just won't happen in bankruptcy court, he said.

Sorry, bankruptcy attorneys.

"I think the bankruptcy guys are hearing a siren song because they're always looking for the next wave," Brandt said. "I would temper my enthusiasm if I were them."

Chapter 9 of the U.S. bankruptcy code provides for the reorganization for the municipalities under a broad definition, which includes counties, taxing districts, municipal utilities and school districts. But Chapter 9 cases are rare.

In the more than 70 years since Congress established a federal mechanism for resolving municipal debts, there have been about 600 municipal bankruptcy petitions filed, according to the administrative office of the U.S. courts.

In the year ended June 30, there were more than 1.6 million bankruptcy cases filed in U.S. Courts. Only 12 were Chapter 9, including one in Illinois by the village of Washington Park in the southwestern part of the state.

A big reason Chapter 9s are so rare is that states don't like them. A hastily filed bankruptcy petition could roil bond markets. About half the states prohibit government bodies from filing for bankruptcy without permission from a state legislature or other higher authority.

Several states, including Illinois, also have receivership laws that provide safety nets for cash-strapped cities. Illinois has only one "financially distressed" city: East St. Louis. But it has languished under such status since 1990, when the state established the East St. Louis Financial Advisory Authority to assist the city with its financial management.

Illinois at the time lent East St. Louis $34 million to help it restructure its debt. The arrival of a riverboat casino helped the city boost revenues. But now East St. Louis faces budget cuts again, including police layoffs, because casino revenues have decreased.

With states also financially strapped, lifelines to cities may dwindle and bankruptcy could become a more attractive option. But as the experience of one California city shows, bankruptcy may not offer much relief. Two years after filing for bankruptcy, Vallejo still isn't free of its crushing pension obligations.

"A lot of animosity has built up in the Vallejo bankruptcy," Brandt said. "The question becomes is there anything being accomplished through a bankruptcy that could have not been accomplished by a gubernatorial commission or some other state agency?"

Publication: *IllinoisIsBroke.com*
Date: September 21, 2010

Municipal bankruptcy fears overblown, official says

Reprint of Chicago Tribune article above.

OFFICE OF GOVERNOR PAT QUINN **NEWS**

FOR IMMEDIATE RELEASE:
Tuesday, October 5, 2010

CONTACT: Ashley Cross (o. 312-814-3158; c. 312-590-7811)
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Joelle McGinnis, Tollway (c. 630-675-9897)

Governor Quinn Creates Elgin-O'Hare West Bypass Advisory Council

Joins Forces With Community, Business and Labor Leaders to Advance Project that Will Create More Than 80,000 Jobs

CHICAGO – October 5, 2010. Governor Pat Quinn today was joined by a broad spectrum of public and private sector leaders to announce the formation of a council to assist in the planning and building of the Elgin-O'Hare West Bypass. The Elgin-O'Hare West Bypass Advisory Council will work to advance the major project to extend the Elgin-O'Hare Expressway east and build the long-sought west bypass route around O'Hare International Airport. The project will create more than 21,000 short-term and 60,000 long-term jobs, and fulfill one of the most important transportation needs in the state.

"Constructing the Elgin-O'Hare West Bypass will help O'Hare International Airport to reach its full potential as an economic engine for Northeast Illinois and support our continued economic recovery by creating 80,000 jobs," said Governor Quinn. "New access to O'Hare will be a magnet for businesses looking to connect with customers throughout the world."

Established by executive order, the Governor's advisory council will include 19 members representing local governments, the business community, regional planning groups, labor and public finance. The council reflects the regional consensus to move the project forward. Last year, impacted communities reached an agreement on the path the road will take, which will follow east along Thorndale Avenue before linking with the Jane Addams Memorial Tollway (I-90) and the Tri-State Tollway (I-294).

The advisory council will act as a sounding board for the Illinois Department of Transportation (IDOT) and the Illinois State Toll Highway Authority (Tollway) as the state explores potential financial structures and funding sources for the project estimated to cost $3.6 billion. Other topics the advisory council will focus on include: job growth, freight movement, transit features, workforce diversity, bike and pedestrian enhancements and green technologies. The council will present its first report to the Governor next spring.

"The Elgin-O'Hare West Bypass is going to be a 21st century project that keeps Illinois at the forefront of a global economy," said IDOT Secretary Gary Hannig. "Investing in our infrastructure is crucial to maintaining and creating jobs, and this advisory council will help us deliver on that promise."

"The Elgin-O'Hare West Bypass will bring tremendous growth and opportunity to Illinois and the entire Midwest region," said Illinois Tollway Executive Director Kristi Lafleur. "The Illinois Tollway is committed to supporting projects that create jobs and keep business in the Midwest. I look forward to serving on this advisory council and working to move the Elgin-O'Hare West Bypass forward."

-MORE-

OFFICE OF GOVERNOR PAT QUINN **NEWS**

The Elgin-O'Hare West Bypass is entering the second stage of environmental and engineering studies. This phase of the environmental impact statement will be completed in 2012 and sent to the federal government for approval. Construction could start as early as 2013.

Designated a "Project of National Significance" by the Federal Highway Administration, the Elgin-O'Hare West Bypass was awarded $140 million by the federal government in 2005. The state matched that contribution with $35 million. To date, $45 million has been spent on engineering and land acquisition.

A copy of the Governor's executive order and a list of the council's members are attached.

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OFFICE OF GOVERNOR PAT QUINN **NEWS**

Governor Quinn's Elgin-O'Hare West Bypass (EOWB) Advisory Council

Gary Hannig, Secretary, Illinois Department of Transportation (Co-Chair)

Kristi Lafleur, Executive Director, Illinois Toll Highway Authority (Co-Chair)

John Gates, Jr., Chairman, Regional Transportation Authority

Rosemarie S. Andolino, Commissioner, Chicago Department of Aviation

Christopher Meister, Executive Director, Illinois Finance Authority

Bob Schillerstrom, Chairman, DuPage County Board

Frank Soto, Village President of Bensenville, DuPage Mayors and Managers Conference

Hon. Martin J. Moylan, Mayor of Des Plaines, Northwest Municipal Conference

Barrett Pedersen, Village President of Franklin Park, West Central Municipal Conference

Randy Blankenhorn, Executive Director, Metropolitan Agency for Planning

MarySue Barrett, President, Metropolitan Planning Council

Jorge Ramirez, President, Chicago Federation of Labor

Tom Villanova, President, Chicago & Cook County Building & Construction Trades Council

Michael Derrico, President, DuPage County Building and Construction Trades Council

Jerry Roper, President & Chief Executive Officer, Chicagoland Chamber of Commerce

Jacky Grimshaw, Vice President of Policy, Center for Neighborhood Technology

Paul Cerpa, Executive Director, Hispanic American Construction Industry Association

Larry Ivory, President and Chief Executive Officer, Illinois State Black Chamber of Commerce

James Pandolfi, Retired, CPA

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STATE OF ILLINOIS

EXECUTIVE DEPARTMENT

SPRINGFIELD, ILLINOIS

EXECUTIVE ORDER **10-13**

EXECUTIVE ORDER CREATING
THE ELGIN-OHARE WEST BYPASS ADVISORY COUNCIL

WHEREAS, An efficient transportation system is critical for the effective movement of people, goods, and services; and

WHEREAS, The Elgin-O'Hare West Bypass (EOWB) was initially conceived in the 1970's and is a project of national, statewide and regional significance; and

WHEREAS, The EOWB will foster continued global economic competitiveness, promote business retention and attraction, and create new jobs in Illinois; and

WHEREAS, The EOWB and future western terminal are key components to create access that is compatible with a world class airport; and

WHEREAS, A financially viable, multi-modal transportation network can serve as an instrument to enhance livability and expand green collar jobs in Illinois; and

WHEREAS, A public transportation system that is compatible with the proposed roadway improvements is vital to ensure a sustainable transportation system that supports air, rail and roadway freight, commuters and international visitors; and

WHEREAS, This confluence of forces offers an opportunity to analyze and assess various creative methods to support such a system;

THEREFORE, I, Pat Quinn, Governor of the State of Illinois, pursuant to the supreme executive authority of the Governor as set forth in Article V of the Illinois Constitution, do hereby order as follows:

I. CREATION

There is hereby established the Elgin-O'Hare West Bypass Advisory Council (hereinafter "Council"), to be appointed by the Governor, having the duties and powers set forth herein, with respect to the Office of the Governor and agencies under the jurisdiction of the Office of the Governor.

II. PURPOSE

The Council shall advise the Governor and make recommendations in the development of an implementation, financing, and operating structure for the infrastructure improvements surrounding, and supporting, O'Hare International Airport; including the extension of Elgin-O'Hare, a Western Bypass, and a complimentary transit network.

III. DUTIES

The Council's duties include, but are not limited to, the following:

a. Monitoring the overall progress of the Illinois Department of Transportation's (IDOT) EOWB Tier Two Process through monthly status reports; and
b. Reviewing and evaluating the Financial and Construction Sequencing analysis prepared by IDOT for the project; and
c. Analyzing the regional economic impact of the project and providing input on how to maximize economic growth, job creation, and new opportunities for industry development; and
d. Assessing the incorporation of green practices and planning into the project, involving, but not limited to, transit design and integration, construction materials, and other sustainable best practices; and
e. Developing a strategy to ensure the project supports a diverse workforce and opportunities for small and medium-sized businesses and underrepresented groups; and
f. Facilitating a regional consensus position for financing and implementing the project; and
g. Providing a report to the Governor with recommendations for a financial and implementation strategy.

IV. MEMBERSHIP AND ADMINISTRATIVE SUPPORT

The Council shall include representation from both public and private organizations. Members of the Council will serve without compensation.

The Governor shall appoint all members of the Council who shall serve at his pleasure. Members of the Council may include:

a. Representatives from the following state and local government agencies: Illinois Department of Transportation, Illinois State Toll Highway Authority, Illinois Finance Authority, City of Chicago Department of Aviation, Regional Transportation Authority.

b. Representatives from the following organizations: DuPage County Board of Commissioners, DuPage Mayors and Managers Conference, West Central Municipal Conference, Northwest Municipal Conference.

c. Individuals who represent the following areas: Planning, Labor, Business, Public Finance.

The representative of the Illinois Department of Transportation and the representative of the Illinois State Toll Highway Authority shall each serve as a co-chairman of the Council. IDOT shall provide administrative and technical support and staffing for the Council, including providing a staff member to serve as the Council's ethics officer.

V. REPORT

Based upon the findings of the EOWB Tier Two financial analysis, and considerations of this Council, the Council shall prepare a preliminary report with recommendations provided to the Governor by February 28, 2011; and a final report provided to the Governor April 29, 2011. The Council and the terms of its members shall expire upon delivery of the final report.

VI. TRANSPARENCY

In addition to whatever policies or procedures it may adopt, all operations of the Council will be subject to the provisions of the Illinois Freedom of Information Act (5 ILCS 140/1 *et seq.*) and the Illinois Open Meetings Act (5 ILCS 120/1 *et seq.*). This section shall not be construed so as to preclude other statutes from applying to the Council and its activities.

VII. SEVERABILITY

If any provision of this Executive Order is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

VIII. EFFECTIVE DATE

This Executive Order shall be effective upon filing with the Secretary of State.

Pat Quinn

Pat Quinn, Governor

Issued by the Governor: October 5, 2010
Filed with the Secretary of State: October 5, 2010

THE BOND BUYER
THE DAILY NEWSPAPER OF PUBLIC FINANCE

Bankruptcy Judge Approves $40M Bid for Two Chicago-Area Retirement Communities

Friday, September 24, 2010

By Yvette Shields

CHICAGO — A federal bankruptcy court judge on Tuesday approved Senior Care Development LLC's $40 million bid to purchase two Chicago area bond-financed continuing care retirement communities although the size of a final payout for bondholders remains unclear.

The two facilities are Monarch Landing in Naperville and Sedgebrook in Lincolnshire. In 2007, the Illinois Finance Authority issued $137 million of bonds, including $98 million of fixed-rate and $39 million of variable-rate bonds, on behalf of Sedgebrook Inc. Most remains outstanding, according to market participants.

The authority that year also sold $178.7 million of debt — $128.7 million of fixed-rate bonds and $50 million of floating-rate bonds — on behalf of Monarch Landing Inc. About $133 million remains outstanding.

Both facilities defaulted on debt service payments more than a year ago.

While the two facilities were among 19 CCRs operated by Erickson Retirement Communities, the assets of the various subsidiaries and not-for-profit entities established as part of their development were not part of Erickson's bankruptcy filing last year. They also were not among the Erickson assets acquired by Redwood Capital Investments LLC for $365 million.

That meant the fate of their municipal debt became the focus of a new round of negotiations with potential buyers, including Redwood. The negotiations apparently failed although no details have been released due to confidentiality agreements signed by the various parties.

The facilities then filed their own bankruptcy petitions June 15, leading to a formal auction process. Bids were due in early September in anticipation of an auction late week. The two bidders that participated were Senior Care and Erickson Living Holdings LLC with Senior Care offering a final bid of $40 million compared to Erickson's final offer of $31.5 million. Senior Care's initial offer of $20 million had served as the stalking horse bid.

"The debtors believe, in their best business judgment, that the $40 million final bid accurately reflects the fair market value of the debtors' assets," read a court filing seeking approval for the sale agreement.

The final bid allocated $30 million to the Sedgebrook campus and $10 million to the Monarch campus.

The sale proceeds will go into a pool of funds along with money that remains in reserves and escrow accounts for distribution to bondholders after various legal fees, expenses, and other liabilities are paid. "The trustee cannot predict the amount which will be distributed with respect to the bonds, or when such a distribution will take place," a trustee notice posted last Friday read.

A June notice reported a balance of $32.6 million in the Monarch debt service reserve and $4.1 million in a supplemental account. Sedgebrook held at least $15 million in various reserves as of April 30, according to a financial filing.

"I was expecting a higher number based on the real estate, but this was a real live auction and that tells you how bad times are," said Edward Merrigan, director of research at B.C. Ziegler & Co.

Merrigan said the sale price could have been hurt by the buyer's assumption of liabilities tied to entrance fee refunds. In past sales, prices were not steeply discounted to take into account the future liability of entrance fee refunds paid out when residents leave continuing care facilities.

Senior Care Development will also acquire the entities established to fund land improvements at the sites of the two facilities, under the sale agreement approved orally by Judge Stacey G. Jernigan at a Tuesday hearing in the Northern District of Texas Bankruptcy Court in Dallas. A written order and other documents are expected to be filed by the end of the week.

Those entities are Naperville Campus LLC, which issued $14.5 million of special tax district bonds, and Lincolnshire Campus LLC, which issued $14.3 million of special tax district bonds, to fund land costs.

The Erickson financing structure is complex and unique in the continuing care retirement community sector. While Erickson is a for-profit developer and manager and it provides capital for initial development costs, it develops its CCRCs through its for-profit subsidiaries that own the land. A nonprofit organization then leases the site from the subsidiary.

The parent of most of the nonprofits is National Senior Campuses Inc. — also a not-for-profit organization. The nonprofits then contract with Erickson for management services. While Erickson is not the direct obligor of the debt, many of the borrowers rely on Erickson funds to help meet operating costs.

Wells Fargo Bank NA serves as trustee on the Monarch bonds and US Bank serves as trustee on the Sedgebrook bonds. Mintz Levin Cohn Ferris Glovsky & Popeo PC represents the bond trustees. The Monarch and Sedgebrook bonds were secured by their borrower's pledge of revenues, receipts, a leasehold mortgage, security agreement, assignment of leases and rents.
